

TRACK Study reveals personalisation remains a challenge, despite growth potential.

Auckland, July 2022 – A new international study commissioned by TRACK has found that while companies with a high level of personalisation expertise are twice as likely to achieve double-digit sales rates, many are falling short by failing to deliver consistent, personalised brand experiences across all channels.

The study, conducted by Forrester Consulting, surveyed 459 executives from 11 countries, including Canada, Australia, France, Germany, New Zealand, the UK and the United States within industries such as finance, FMCG, retail, IT, healthcare, travel, and telecommunications.

The findings suggest that while a crucial aspect that contributes to success is ensuring personalisation is consistent across all channels, most companies instead stick to mass communication via well-known channels which can be used to address customers on an individual basis.

The result is communication that is irrelevant to the customer and this has the opposite effect to what was intended. In fact, 78 percent of respondents say their companies have already lost customers due to a lack of personalisation while in New Zealand, 82 percent of those surveyed revealed they had lost customers due to irrelevant messaging.

Robert Limb, CEO of TRACK Aotearoa, says the results show that personalisation can deliver significantly improved customer loyalty and drive revenue growth, but implementing personalisation on one platform is just not enough.

"Personalisation is more than just greeting the person by name and making the next best offer – that may be individualised, but it's not customer-centric. And it's a far cry from what customers say they expect of personalisation. Effective personalisation must address the consumer's need in different moments. These skills will become essential for all companies with a direct customer relationship in the future, and it appears many New Zealand companies will be disadvantaged by failing to see personalisation as a critical priority," says Limb.

Globally, the results suggest that 97 percent of respondents see personalisation as a high or critical priority in achieving their company's business goals. In New Zealand however, the majority of those surveyed don't see personalisation as a critical priority and in fact, nearly a fifth don't believe that improving personalisation will deliver improved customer loyalty, increased revenue/profitability, efficiencies or improved brand reputation.

Ironically, New Zealand respondents were almost twice as likely to consider themselves extremely effective at delivering personalised experiences across the customer journey than their global counterparts.

Limb attributes this to a lack of understanding of the requirements and potential for genuine, customer-centric personalisation.

“If you equate marketing automation and optimisation with personalisation then you have not understood consumer expectations correctly and potentially will miss a golden opportunity. A good salesperson knows what they can sell to a customer, of course, but above all, they will listen, watch and adapt to their customers’ needs. That’s the standard that personalisation must meet.”

The global results in detail:

Everyone knows ...

When sales shift to digital channels, the direct and personal contact that the customer normally gets from the salesperson is missing - and marketing has to take over this role. The best companies are the ones that are able to fill this gap in the most effective way and this becomes an integral part of their customers’ expectations. The companies surveyed in the study conducted by Forrester Consulting are aware of this, for example, 97 percent see personalisation as critical to achieving their commercial goals and 55 percent see it as essential to improving their customer experience.

... but they find it difficult to implement

For 85 percent of respondents, addressing customers across all channels in a consistent way is the biggest challenge. 41 percent of companies only implement personalisation on a channel-specific basis and remain siloed with their efforts. Over 80 percent have either too much or too little data, lack the analytical resources to evaluate their marketing efforts, and/or lack the creativity to implement personalisation in a way that is relevant for their customers.

The customer perspective separates the wheat from the chaff.

However, data and technology are only one issue. When it comes to personalisation, it becomes clear which companies have established a customer focus and who continue to manage their measures with classic marketing and campaign metrics. For companies with a high level of personalisation expertise, customer lifetime value is the key success criterion. Most importantly, these companies have understood that effective personalisation depends on consumer needs and the context in which it takes place.

ENDS

Notes to editor:

In March 2022, 459 executives from major international corporations (with more than \$500 million in annual revenue) were surveyed from 11 countries, including Canada, Australia, France, Germany, New Zealand, the UK and the United States. Respondents came from a variety of industries including finance, FMCG, retail, IT, healthcare, travel, and telecommunications.