

Personalization and Precision in the Age of AI

Learn how established companies and innovative startups are winning customer attention and loyalty as the patchwork of marketing technologies continues to grow

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INTRODUCTION

In 2023, marketing chiefs are walking a strategic tightrope. As they balance a raft of competing factors, the cry to reach customers at the individual level is growing louder and more urgent.

“There’s always change out there in the marketplace, whether it’s the economy or technology or anything else,” says eBay’s Global Chief Marketing Officer, Adrian Fung. “That problem is the same, it’s just that how you solve it is continually changing because what consumers pay attention to and where ... is constantly evolving.”

Against an ever-shifting backdrop of rising interest rates and costs, growing competition, channel proliferation and astonishing advancements in technology, marketers must find ways to meaningfully connect with customers. But amid the multitude of challenges there are also opportunities.

The hype around ChatGPT, for one, is beginning to settle, and numerous possibilities are emerging for generative AI (gen AI), a market valued at \$8.2 billion in 2021 and projected to reach \$126.5 billion by 2031, according to Allied Market Research¹. On the sales and marketing front it is likely that customer journey, lead identification, marketing optimization and personalized outreach will be early gen AI use cases.

While regulators race to lay down rules and obligations around gen AI, forward-thinking brands are tentatively testing the water. They are clear too that the models will only be as good as the inputs from human experts, and data protection, privacy and security remain paramount.

In short, a thoughtful approach to any technology investment is essential – and that also means a review of where money is being left on the table. Today only 42% of decision makers, according to Gartner’s Marketing Technology & Emerging Trends² report, are maximizing the potential of their existing technology capabilities, versus 58% in 2022. Particularly concerning are the gaps arising as a result of low-levels of utilization of martech – not least the ability to demonstrate business growth, drive insight from data and support profitable customer acquisition.

At this time of squeezed budgets, it is therefore critical for marketers to invest wisely and get the science of marketing right. With that, better segmentation, targeting and deep customer understanding will follow – all of which will help deliver the customer personalization that is vital to building brand loyalty.



SECTION 1: MAKING SENSE OF THE FRAGMENTED MARTECH JUNGLE

Marketing today is a fast-changing environment, and in the martech jungle what to focus on and where to invest is nothing short of bewildering.

“With the changes in technology and privacy, new vendors are emerging all the time, as well as different approaches of the big publishers. Navigating the martech stack has always been confusing, and it continues to be,” says eBay’s Fung.

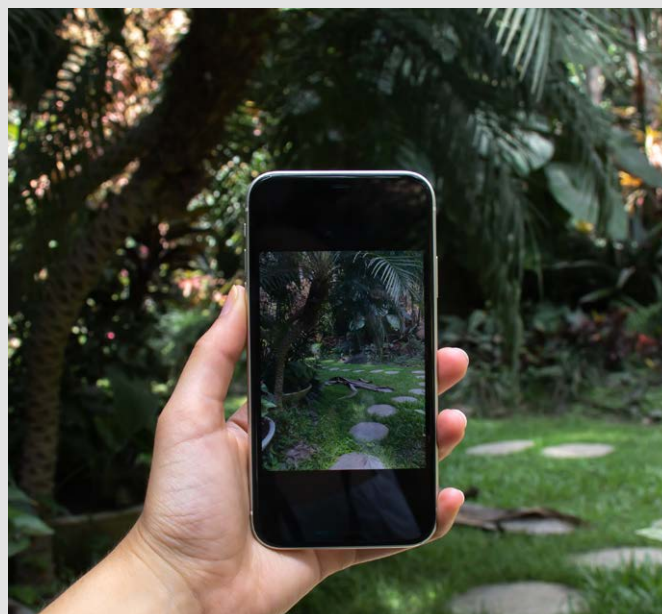
In the past year, various studies report the announcement of 376 products³, and a vast array of marketing solutions to choose from, with estimates ranging from anywhere between 9,932⁴ and just over 11,000⁵. At the same time, consumer behavior is erratic, and choosing the right channel to reach them is a puzzle.

Steve Kopelic, Associate Vice President and Global Sales Leader, Unica Marketing Automation, a division of next-generation technology pioneer HCLTech, empathizes. “The technical feasibility of being able to integrate multiple martech solutions is beyond challenging,” he says.

Yet, according to Gartner, in the current macro-economic turbulence “a staggering 60% of brands” still prefer an integrated suite approach to procuring technology, even though “a best-of-breed approach drives journey orchestration success”.

On this score, younger companies such as seven-year-old Super, the savings app for lower- to median-income Americans, have the advantage of building their tech stack from the ground up. However, Super CMO Radhika Duggal believes that a “mission-aligned” team will be core to its success. “This team is not only responsible for sending email, SMS and push notifications ... it also runs our customer communications end-to-end,” she explains.

Overseen by a marketing leader, all the writers, designers and product people, data and analytics experts, and



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engineers are aligned to Super’s core mission. Duggal believes that with the core mission at the center, and the right tech stack, individual personalization is within reach.

At eBay, which has the advantage of first-party data, personalization is a critical objective and that means starting with the customer experience. “Today it’s not just about traditional communications through individual marketing channels but how a brand shows up through the entire journey of a customer experience,” Fung says.


However, rather than taking a narrow view of martech for channel optimization, the issues are how to leverage the data to meet customers where they are, and which set of technologies will be needed. As Kopelic sees it, channel proliferation is not new. “But if you’ve got 30 different species of palm trees in the jungle, you have to ask: is this really necessary? Can we consolidate to make it a little bit more manageable?”

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SECTION 2: PERSONALIZING WITH PRECISION, AND USE CASES FOR GEN AI

Creating personalized, real-time products, services or experiences that are targeted at the individual level may sound simple, but it isn't. The reality is that personalization means different things to different brands, and few are achieving little more than segmentation in a world where consumers are already drowning in marketing messages.

At Super, the stated goal is to achieve right person, right message, right time personalization by Q4. Duggal knows that precise targeting requires "real data science", however, when driving revenue and creating brand loyalty from owned channels, she believes the art of marketing remains important. "If you're going to send an email, make it compelling or interesting, funny or sarcastic, just something that a customer might remember."

Engaging content has typically been considered an art, but with the advent of generative AI it is fast becoming a science.

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Gartner

By 2025, Gartner predicts 30% of outbound marketing messages from large organizations will be synthetically generated, up from 2% in 2022. But that is just the start. When it comes to what gen AI can deliver for marketing, global consultants McKinsey⁶ point to everything from advanced algorithms that leverage various data sources to segment and target relevant audiences, to hyper-personalized email follow-ups at scale, chatbots that understand context and dynamic journey mapping.

Though these early efforts are, says the consultancy, "only scratching the surface", its research shows that over the next two years, 90% of commercial leaders expect to use gen AI solutions "often".

Super, which recently ran a generative AI "hackathon" to encourage employees from every discipline to share ideas, is already using gen AI for blog posts. The aim is to deliver 100 articles a quarter but "the content must be



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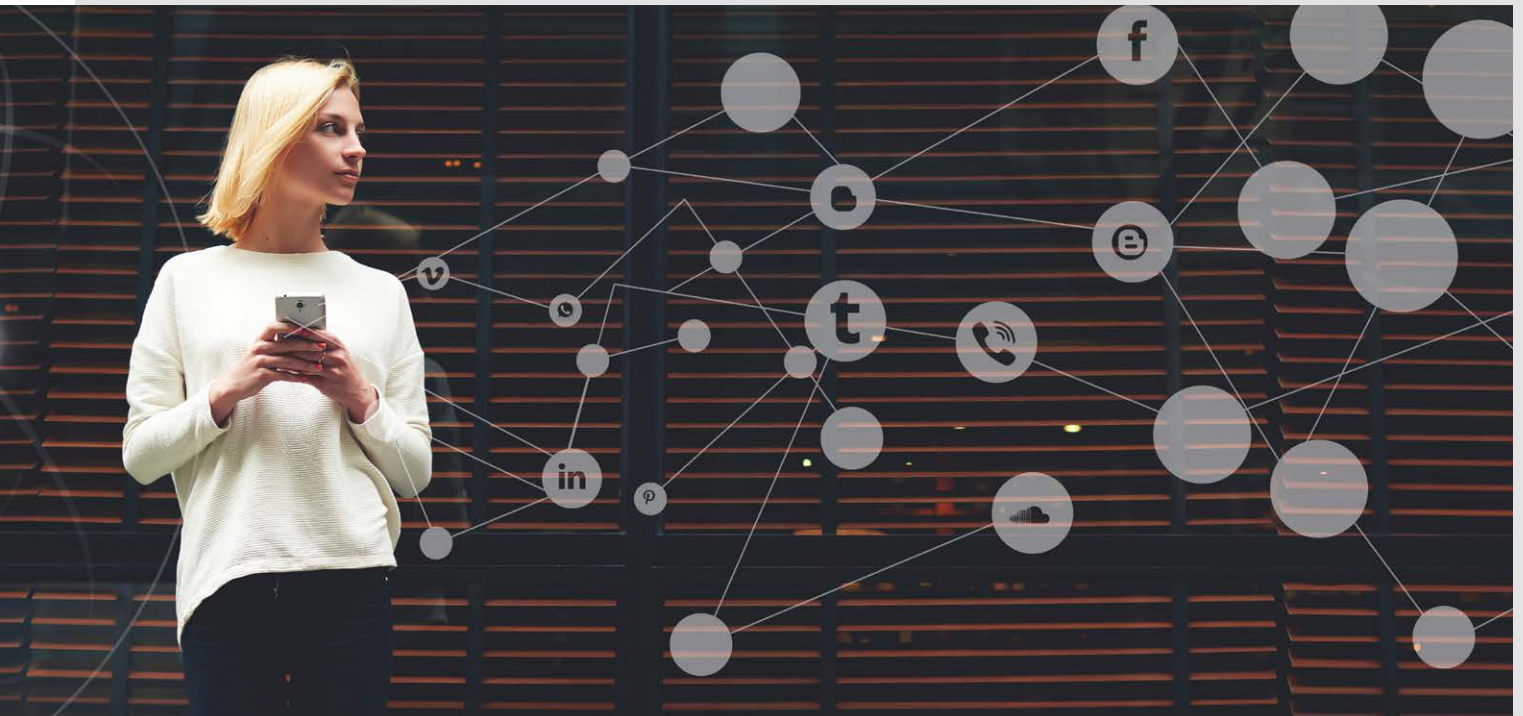
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meaningful”, Duggal stresses. To this end, new multimedia content is being produced to give consumers more choice. Having recently raised \$85 million in a C-series funding round, Super’s aim is to move fast, by building prototypes to establish what works and what doesn’t.

eBay is another on the cusp of experimentation with content, and is testing gen AI in a number of ways including on more personalized banner adverts. “It’s just the beginning,” says Fung. Using the company’s rich structured anonymous data, gathered over a decade, he says, “eBay can enrich our

“WE CAN ENRICH OUR GENERATIVE AI TECH TO CREATE MORE PERSONALIZED CONTENT AND MANY MORE VARIATIONS OF THOSE ADS THAN WE EVER HAD BEFORE”

- Adrian Fung, CMO, eBay

generative AI tech to create more personalized content and many more variations of those ads than we ever had before”.

Customer care is one obvious area where the conversational and contextual content of generative AI could deliver significant cost savings and efficiencies. As Michelle Miller, SVP of Global Marketing at fast-growing startup K18 Hair explains: “We are investing in an autonomous AI platform to give our customer care teams superpowers to consolidate things like tickets, which can take a lot of time and energy”.

Where K18 is being more cautious, however, is in its 300,000-strong social media community because, “real human listening and interaction is where we’re comfortable”. For Miller, this human involvement and its social media and influencer strategy, has helped K18 to “tap into morality, and the current cultural zeitgeist”.

The strategy seems to be working. Launched at the beginning of 2021, K18 is now distributed via a professional network in 120 countries, is exclusive to Sephora in North America, and available on Amazon and its digital flagship.



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At Miss Universe, a legacy brand with a startup culture and no official marketing budget, intuition helps. “There’s a bit of trusting your gut on where the trends and zeitgeist are headed and testing those hypotheses against the data that you have,” says CEO Amy Emmerich, who joined the brand in 2022. One of her first “cultural” decisions was to flip the tagline from “beautifully confident” to “confidently beautiful”.

In the highly regulated insurance industry, the possibilities for gen AI and large language models (LLMs) such as ChatGPT to deliver process improvements have been on the roadmap of forward-thinking companies for some time. But at Reuters Events: Strategic Marketing West in

May, Gaia Bellone, Chief Data Scientist, Prudential, warned that models are only as good as the input, and there must always be human oversight and accountability to ensure that the results are “good enough to be shared”. Looking to the future, this may require the creation of new roles and capabilities to fully capitalize on the opportunities ahead.

Of course, generative AI is only one small corner of the personalization puzzle, which requires precision, scale, super-advanced segmentation and flexibility. In other words, says Tom Hannigan, Unica Global Practice Leader, HCL Software, “what’s needed is the Swiss army knife of martech”.

SIX WAYS DISCOVER PUERTO RICO DOES PERSONALIZATION

If there is an industry most humans don’t mind hearing from, or sharing data with, it’s travel. At Discover Puerto Rico, where marketing efforts drove tourism revenues of \$8.9 billion in 2022, CMO Leah Chandler says: “We currently have a robust personalization strategy that targets users in different ways.”

- 1 Acquisition:** Using strategic media tracking, personalized content is delivered to a user based on what drove them to the site. If an ad featuring food or beverage was the catalyst, targeting could deliver fabulous foodie itineraries or new restaurants in, say, the capital city San Juan.
- 2 Behavior:** Once on the website, close attention is paid to what content is being viewed. If it’s beaches or watersports content, serving beachside accommodation comes next.
- 3 First-party data/leads:** Email marketing is segmented by interest. If a prospect is showing interest that aligns with an email topic, a form will pop up to sign up for more information tied to that niche interest, whether it’s food, golf or beaches.
- 4 Abandonment/re-engagement:** A number of forms are used to capture customer interest on the site. This is particularly true for the travel trade customers, who may be searching for MICE (meetings, incentives, conferencing and exhibitions). If a user abandons a form, they’ll receive a pop-up asking if they’d like to continue or speak to the sales team.

- 5 Geography:** Although this is becoming trickier with privacy and cookie deprecation, the destination marketer is still able to target content based on origin. For example, serving direct flight notifications if there is a new air service in a potential visitor’s area. Or, if a potential visitor lives in a colder climate, content on weather or beaches is a good way to attract them to the site.
- 6 Social media:** TikTok, in particular, has incredibly powerful algorithms to seamlessly drive and inform what content is consumed. Now, many of the major social media players are leaning into short-form and vertical video, which, says Chandler, offers “an exciting storytelling medium”.



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SECTION 3: OPTIMIZE THE JOURNEY, PREPARE FOR CONTINUOUS CHANGE

Personalization is rooted data, and there is no shortage of it. Forecast to reach 175.8 zettabytes (ZB) by 2025, up from 18.2ZB in 2015, according to IDC's Global DataSphere⁷ analysis, new data is being extracted from almost everywhere – from social media to smart devices, telematics, credit histories and more.

In the past few years, enterprises have taken significant steps to collect, organize and store their data, and by 2022 60% of that data was stored in the cloud, according to data insights company Statista⁸. There is a growing recognition, however,

“DATA IS ALWAYS GOING TO CHANGE, CHANNELS ARE ALWAYS GOING TO CHANGE, AND THERE ARE ALWAYS GOING TO BE NEW TOOLS”

- Tom Hannigan, Unica Global Practice Leader, HCL Software

that there is no end game. “Data is always going to change, channels are always going to change, and there are always going to be new tools,” says HCL Software's Hannigan, who sees a growing recognition that hybrid environments are here to stay.

His view is one backed up by 2022 Gartner research⁹, which found that “CMOs have made the shift from digital-first to hybrid multichannel strategies”. They have recognized too the need for customer journey orchestration as a core strategy. Driven by the speed of change and growing complexity of multichannel journeys, this will mean “meeting the customer where they are, not where brands wish them to be”, whether that is online or offline. As eBay's Fung acknowledges, today “everything from physical locations to the website or customer support have become brand touch points, and something that marketing teams need to pay attention to”.

Having access to complete and accurate real-time and historic datasets will help brands respond to signals that drive



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customer engagement, ensuring in turn that models become more personalized over time. But there is still a way to go, according to Gartner's survey, which finds that just 20% of respondents have fully implemented journey orchestration (JO) across the customer life cycle.

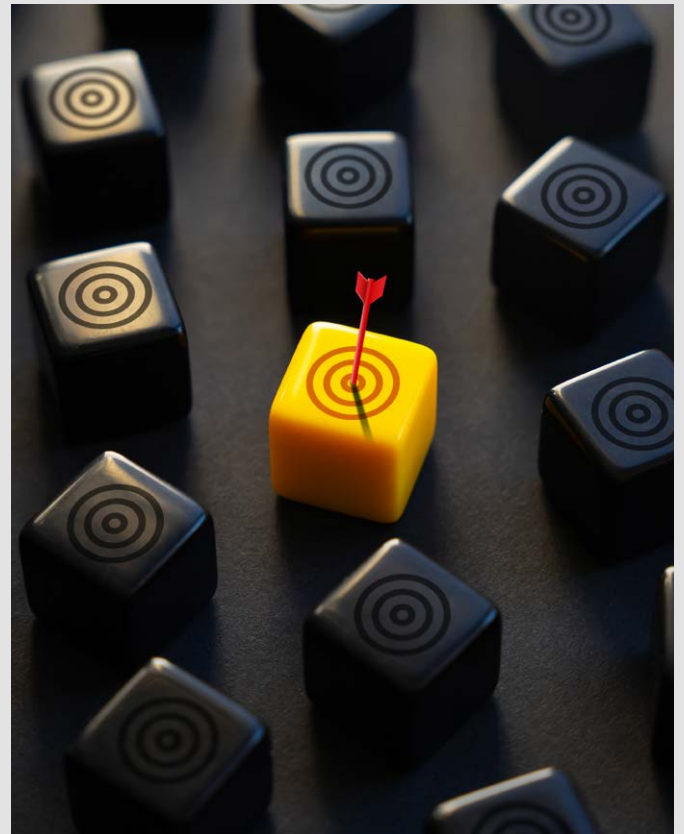
Although many have overhauled legacy systems and shifted to agile approaches, in some cases accessing the right data remains a work in progress, as Volkswagen has discovered.

At Reuters Events: Customer Service & Experience in May, Kara Carton, Director Customer Journey, Volkswagen, explained how drawing data from multiple different systems and warehouses across the organization into one central data lake had delivered a framework for accessing information. However, when it came to extracting relevant data, Carton said, "pulling it out is a lot harder than the putting in". In addition, although there is increasing reliance on APIs, "we're still trying to get the information we need into the data lake".

"PULLING IT [RELEVANT DATA] OUT IS A LOT HARDER THAN PUTTING IT IN"

- Kara Carton, Director Customer Journey, Volkswagen

On the same panel, Sam Anaokar, Head of IIG Strategy, Partnerships & Operations at U.S. investment advisory firm Vanguard, said having too much information could be a problem too. To avoid being "creepy", Vanguard applies two rules. In any outbound push notification to either a customer or employee, "we make it very clear that we're not cross-selling things". Secondly, a big brother approach is a no-no. "The last thing we are going to do is say, 'Hey, we just saw you were on the website, is that why you're calling in?'"



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At Super, where cross-selling everything from travel to retail, is a strategic priority, Duggal is using propensity modeling, a statistical technique, to understand specific customer attributes and likely actions. As Duggal explains, on the travel front, Super customers tend to book travel last minute, around zero to three days in advance. Using a propensity model a week-out can help to understand, for example, who booked, who reacted and who unsubscribed.

"So, when the next communication is sent, we then know it should only go to certain customers because it'll be more impactful, and it won't lead to people unsubscribing," Duggal says, "and this can be applied to everything Super cross-sells".

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EUROPEAN CRICKET NETWORK: GAME PLAN FOR FAN ENGAGEMENT

Engaging fans beyond the live game is a challenge for all sports networks, and the fast-growing European Cricket Network (ECN) is no exception. Founded in 2019, the league now has 31 countries participating in 1,600 matches each year, which generate 140 million broadcast views a month. As Daniel Weston, ECN's founder, soon recognized: "We were capturing a lot of data via digital platforms but had limitations creating an end-to-end user experience for our fans."

As a small team, what ECN was missing was the ability to manage its data as well as drive segmentation, deliver real-time experiences and measure impact. "Today, marketers need to build rich, contextualized engagements across channels. That means segmentation at a level that is meaningful but without overkill. It means precision as well as scalability," says Steve Kopelic, who is HCL Software's Associate Vice President, Financial Services (BFSI) and Unica Marketing Sales.

Working in partnership with HCL Software, the ECN team took a long, hard look at extending engagement way beyond the live game, and in doing so identified three interlinked marketing opportunities. In the



first instance, there was a clear need to improve communication and outreach in the time between tossing the coin to the start of the match, but also across all channels before, during and after the game. Secondly, as more effective communication led to stronger engagement and more subscriptions, there would be a need for better management of fan profiles. Finally, because sports fans are often vocal, when engagement improved, eliciting preferences, predictions and opinions from them through surveys was a no-brainer.

Within 30 days, HCL Marketing Cloud was installed and integrated with ECN's existing ecosystem, and today there are measurable benefits:

- 90% of all communications are automated and delivered with greater speed, accuracy and efficiency.
- Conversion rates have tripled thanks to data that is uniform, accurate and easy to access.
- Customer satisfaction has doubled in six months and there is less churn.

Click [here](#) to find out more about the partnership.

SINGLE-TENANT VS MULTI-TENANT ARCHITECTURE

When choosing any software-as-a-service (SaaS), there is a choice of architecture: single-tenant or multi-tenant. Deciding on which depends on specific use cases and requirements, and there are pros and cons to both.

The difference between the two lies in the name. Single-tenant, as the name implies, involves a single instance of software, a single server and a single customer. A multi-tenancy, on the other hand, serves more than one customer and most of its benefits stem from this. More tenants means cost efficiencies, shared resources, lower maintenance costs and larger computing capacity.

At HCL Marketing Cloud, it's a single-tenant environment. Hannigan explains the reason why: "We believe your data should live where it lands and be mapped to where it lives. Whether your data lives in the cloud, on-premise or a combination should not matter."

Marketing company TechTarget¹⁰ says multi-tenant has become the industry standard and is good for organizations that want an "easier startup experience and fewer hardware requirements". But there is a clear upside in single-tenant environments including reliability, security and backup ability, and higher levels of user engagement and control.



CONCLUSION

Looking to the future, uncertainty prevails and there are many challenges for marketers – from war to supply chain bottlenecks, inflationary pressures, cookie deprecation, consumer anxiety and increasing competition. However, in spite of these pressures, or perhaps because of them, today's savvy marketers recognize that, no matter the size of their organization or the sophistication of their requirements, they must deliver customer value. They know too that this starts with the customer experience and depends on a range of tools, technologies and competencies to deliver value. However, many marketers today are finding themselves in a fragmented landscape of overlapping technologies and with gaps in their martech strategy.

“MARKETING TODAY MUST BE MERCILESSLY FOCUSED ON MATHEMATICALLY DRIVEN PREDICTIONS”

- Hannigan, HCL Software

As marketers from across industries become increasingly focused on results, there are different approaches. Even though there is a growing reliance on the science of marketing, many marketers see art and creativity as playing an integral role, and manual scoring of leads, based on certain assumptions, is still a strategy. From the vantage point of next-generation technology companies, however, it is all about the science.



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As HCL's Hannigan sees it, “marketing today must be mercilessly focused on mathematically driven predictions”.

The science is, after all, showing that the marketing technology landscape, a market worth \$344.8 billion in 2021, according to Statista¹¹, is a fragmented one and the technology it has delivered is underutilized.

So, before any investment in shiny new tech, marketers must take stock. One crucial step is to evaluate their existing tech stack and understand where there is overlap and what the gaps are. But, perhaps even before that, they must be sure that all stakeholders, from senior management to customer support and suppliers, understand what the brand stands for, and how each element and function must act to create the right brand experience. “Because if you don't have that,” says eBay's Fung, “then you're going to have gaps, and risks, and things that create inconsistency.”

¹ Generative AI Market Research: <https://www.alliedmarketresearch.com/generative-ai-market-A4739>

² Gartner Emerging Technology & Trends: <https://www.gartner.com/en/marketing/insights/technology-emerging-trends>

³ The State of Martech in 2023: <https://martech.org/the-state-of-martech-in-2023/>

⁴ Number of marketing technology solutions available worldwide from 2011 to 2022: <https://www.statista.com/statistics/1131436/number-martech-solutions/>

⁵ Chief Martec <https://chiefmartec.com/2023/05/2023-marketing-technology-landscape-supergraphic-11038-solutions-searchable-on-martechmap-com/>

⁶ Generative AI <https://www.mckinsey.com/capabilities/mckinsey-digital/our-insights/the-economic-potential-of-generative-ai-the-next-productivity-frontier>

⁷ IDC Global DataSphere: https://www.idc.com/getdoc.jsp?containerId=IDC_P38353

⁸ Cloud storage of corporate data in organizations worldwide 2015-2022: <https://www.statista.com/statistics/1062879/worldwide-cloud-storage-of-corporate-data/>

⁹ The State of Marketing Budget and Strategy 2022: <https://www.gartner.co.uk/en/marketing/research/annual-cmo-spend-survey-research>

¹⁰ TechTarget: <https://www.techtarget.com/searchcloudcomputing/definition/single-tenancy>

¹¹ Statista: Marketing technology industry size in the U.S. UK, and worldwide 2021: <https://www.statista.com/statistics/661020/marketing-technology-revenue/>

