



# 4 Strategies to Delivering Personalization at Scale

A Blueprint for  
Intelligent Experiences

**Cognizant**



**RETAIL DIVE**

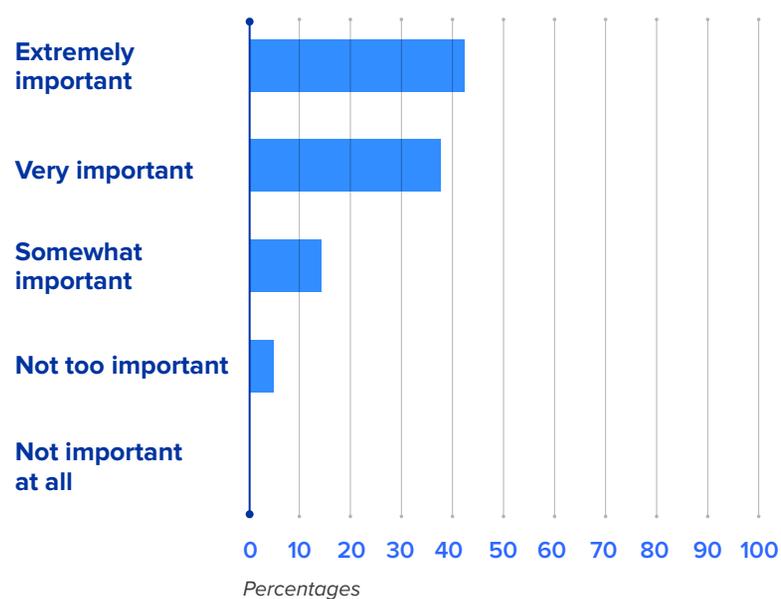
Custom content for Cognizant by studioID

**C**urrently, customer experiences are often siloed. They are based on past action, not on current intent. Yet, customers increasingly want (and expect) a level of personalization that goes beyond knowing their name or that they like luxury handbags. Customers want one-to-one personalized experiences that show brands know them on an individual level and — even more challenging — know exactly what they want at a specific moment in time.

Retailers know that scaling to this level of personalization for all customers is not just a nice to have but an imperative. In a recent survey of 328 retail technology and marketing leaders conducted by Cognizant and Retail Dive, more than four out of five retail executives (82%) said they believed that it was extremely or very important that their organizations use information known about customers to create and deliver personalized experiences at scale. In fact, not one single leader surveyed said that personalization at scale wasn't important.

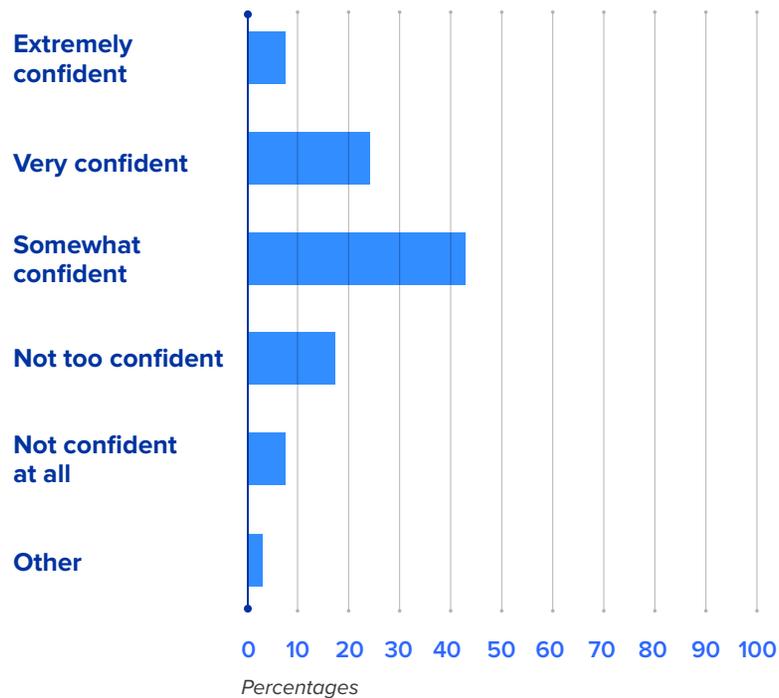


**How important is it to your organization to be able to use information known about customers to create and deliver personalized experiences at scale?**



Yet, despite acknowledging the importance of delivering personalization at scale, many retailers are getting stuck in their personalization agenda. Fewer than a third of retail executives (31%) said they felt extremely or very confident that their organizations had the tools and technology to deliver personalized experiences at scale. And only 8% said they were extremely confident in their personalization tools and technology.

### How confident do you feel with the tools and technology you have at your disposal to deliver personalized experiences at scale?



No one has ever said that achieving true personalization that is actionable in real time and based on a deep bench of customer data was easy. But it is critical to retailers' success. From the results of our survey and our expertise in working with retail brands, we've grown to understand not only why retail organizations lack confidence in their tools and technology but also how retailers can boost their confidence and achieve greater personalization at scale.

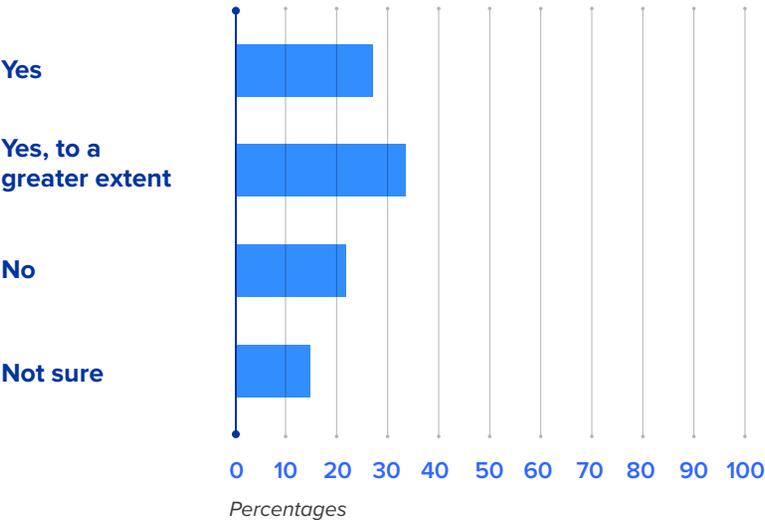
**Here's a look at the challenges around achieving personalization at scale and how to overcome them.**

# Gaps Remain Between Skills and Success

Because personalization technology and datasets are complex, a certain expertise is required to use and manage them. As a result, many retail organizations have been investing heavily to ensure they have the right expertise to further their personalization goals.

According to our survey, retail executives generally agreed that they had the right skill sets internally to leverage their organizations' intelligence to create and deliver personalized experiences. Almost two out of three retail executives (63%) indicated they had the right skill sets internally.

**Does your organization have the right skill sets internally to leverage its intelligence for creating and delivering personalized experiences?**



Retail executives who reported they had the right skill sets internally were far more likely to say they were extremely or very confident that their organizations also had the tools and technology to deliver personalized experiences at scale (28%) than those executives who did not have the skills internally (1%). Still, less than a third of retail executives said they had the right skill sets and the confidence with their tools and technology. This indicates that significant industrywide challenges remain in aligning internal skill sets with successfully delivering personalization at scale.

# Closing the Skills Gap

Based on our own experience and what we've seen working with customers, there are several reasons that a gap remains between the internal skill sets companies have and their ability to use personalization tools to their maximum potential.

**Here are the four most common reasons that investing in the right skill sets still isn't enough:**



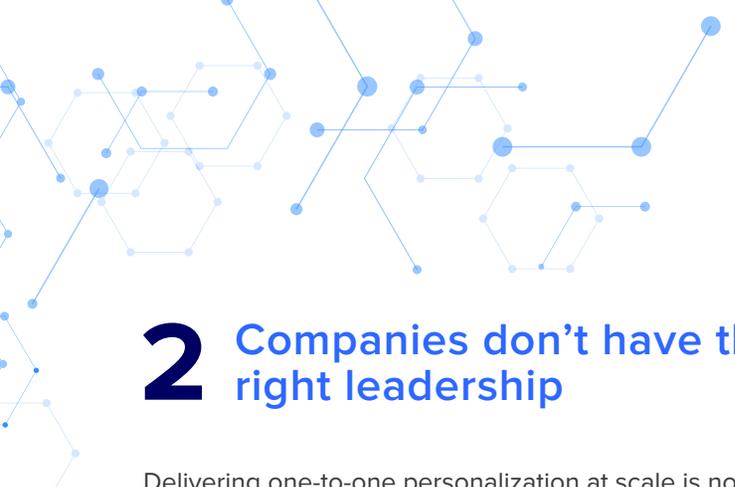
Cognizant

## 1 Companies don't have all the right skill sets

The personalization skills gap is a two fold problem. It requires a technical skill set to wrangle and analyze the data and deploy the technology, but it also requires creating content that is engaging and relevant to the individual customer. Most companies tend to focus on either the technical side or the content side.

“Companies may have really sharp marketers who have done a lot of engaging content, but ultimately they don't have the expertise on how to stitch all the pieces and parts and technologies together,” said Scott TumSuden, vice president, and global managing partner for retail and health care industries at Cognizant. “Or vice versa, you have data scientists and analysts who can pull the data together, but then you don't have the right processes and tools and technology and expertise in place to stitch that together such that you can use it in an effective manner.”

Companies need to invest in both the right people and skills for personalization's technical and creative sides to ensure end-to-end personalization. Without both sides of the equation, there's no way to completely solve the personalization problem.



## 2 Companies don't have the right leadership

Delivering one-to-one personalization at scale is not an insignificant endeavor. Achieving personalization at scale requires touching every aspect of the business. Consequently, moving to a personalization-at-scale model is as much about a cultural shift as it is about having the right skills and technology.

“It requires reaching into all different parts and aspects and business processes within those companies,” TumSuden noted. “Just having leaders — even people who have been largely successful, maybe even star performers in a particular area — doesn't necessarily mean they can do this. What you need is people that have been successful transformation and change agents.”

To lead a personalization initiative, leadership must understand the culture throughout the entire company, including across multiple channels and functions. “To create these personalized experiences, you've got to reach into multiple different sectors or departments or teams to get data,” TumSuden said.

## 3 Companies aren't prepared to make a long-term investment

When it comes to personalization investments, many companies want to see results in three to six months. Understandably, they want to see that they're getting a return on investment through more revenue, customer retention or wallet share. But this is often an unrealistic expectation.

As TumSuden pointed out, “Personalization is probably a three- to five-year journey, especially at the level of investment that most retail companies are willing to make on these types of tools and technology and these types of transformations.”

Companies should start small and figure out how to chart a course headed in the right direction. “You're making an investment and you may not get a good ROI right away, but you're building foundational blocks that are making you stronger and more capable every three to six months, such that one or two years down the road, you've created a much better customer experience,” TumSuden said.

*You're building foundational blocks that are making you stronger and more capable every three to six months, such that one or two years down the road, you've created a much better customer experience.”*

*Scott TumSuden, Vice President, and Global Managing Partner for Retail and Healthcare Industries at Cognizant*

## 4 Companies lack strong data-management capabilities

Data remains a key obstacle to personalization. In particular, bringing together customer data and the product data to get a true 360-degree view is still a challenge for most organizations. To resolve this challenge, companies need to connect data distributed not just inside the company but also outside the company across an ecosystem of partners — which is no easy task.

“The other dimension is the data now needs to flow seamlessly across the company’s internal systems, as well as the partner systems. Companies need the platforms they use to pull in this data from these multiple systems. They need cloud infrastructure for scalability as well — and these things are often a work in progress,” said Rajeev Saraf, senior vice president, global head of retail, consumer goods, travel and hospitality business at Cognizant.

Even once companies have the data, it needs to be used to develop meaningful insights. This requires developing and running artificial intelligence and machine learning models. Finally, the models need to consume the data in real time and provide insights in real time; only then does data drive true personalization. Each of these steps is technical and can be hard to navigate.

“Companies are in different stages of their data journey,” Saraf said. “That’s why it’s not a surprise that only a small percentage of companies believe that they have the right skill sets and the confidence with their technology. They understand what personalization means and what is required to drive personalization, but they are not able to deliver that at scale.”

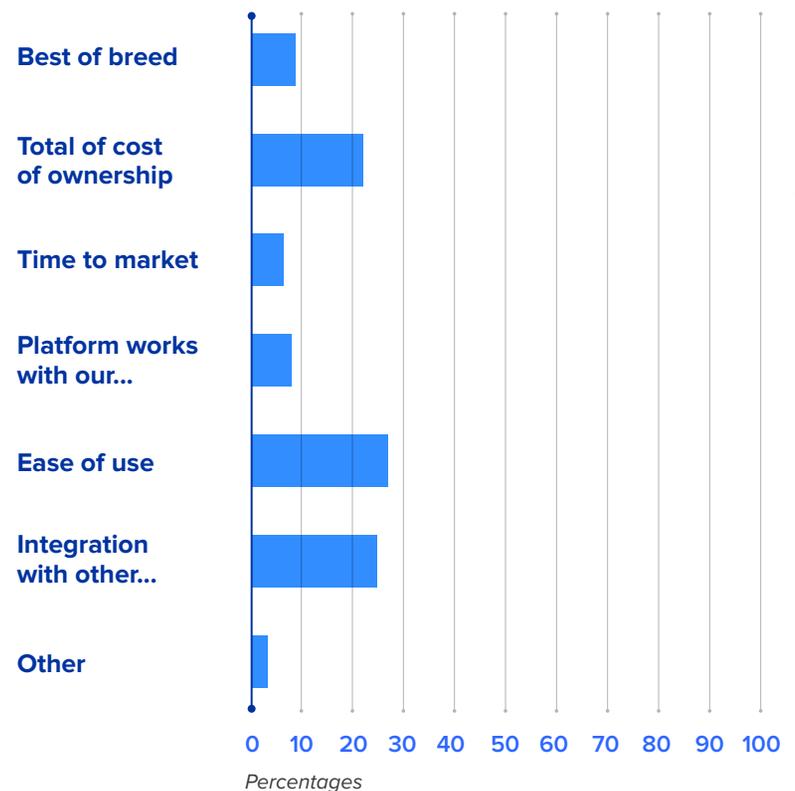


# Evaluating Personalization Technology for the Greatest ROI

Even if retail organizations can overcome the pain points discussed above, the question of what tools and technology to invest in to achieve personalization remains. When asked what were the most important criteria for a digital experience platform for personalization at scale, survey respondents said that the top three were:

- **Ease of use (26%)**
- **Integration with other technology (25%)**
- **Total cost of ownership (22%)**

When considering the purchase of a digital experience platform for personalization at a scale, what is the most important criterion?



In this next section, we'll look at how retail organizations should think about and evaluate these criteria (and others) when considering a digital experience platform or personalization technology.





## Ease of use

When organizations think of ease of use, they are most likely thinking of the interface — and whether it's intuitive. This is an important aspect of shortening the learning curve and building confidence with the tools. What's more important, though, is making sure retailers build a strong framework so that all the core elements of driving personalization work together consistently.

For instance, Cognizant worked with one customer that had multiple brands. It wanted to give each brand the freedom to develop its own experiences. However, it became very inefficient and expensive to manage. It was also causing poor adoption and conversion rates on its website. Ultimately, it needed a solution that wouldn't compromise the freedom it wanted to give to brands, but at the same time, it needed to drive a consistent experience for the customer.

Cognizant worked with the customer to develop a framework that made sure certain core parts of the solution were standardized, such as how the data would be used and how the analytics or insights would be used to drive the customer experience. This approach allowed the individual brands to still build the look and feel they wanted on top of the framework, while ensuring a better customer experience. As a result, conversion on the respective websites also went up as much as 33% with this solution.



## Integration with other technology

When considering how a platform will integrate with a tech stack, retailers should consider what kind of cloud platform they've invested in. Is it a multicloud? Is it a hybrid cloud? Are they committed to one cloud? What kinds of data platforms have they invested in, and what kinds of enterprise applications do they have? These are all important questions to ask when determining whether one platform or vendor will be a better fit for an organization and its current tech stack.

Additionally, it's critical to realize that having a customer data platform to help with data management and using integration technology are the most critical aspects of ensuring that integration is easy. These tools make it possible to collect and analyze disparate data from multiple sources and help make that data accessible to everyone — a key factor in driving personalization at scale.

*The real question is, which tool fits better with your culture, which fits better with your existing technology stack, and frankly, what is the vendor's pace of innovation and adoption of the tools."*

*Scott TumSuden, Vice President, and Global Managing Partner for Retail and Healthcare Industries at Cognizant*



## Total cost of ownership

"People tend to look at TCO as what does it cost to operate the platform," TumSuden said, "but the question is whether this technology is viewed as a cost or as an investment? If you start to look at it as an investment, instead of the cost profile, your TCO picture becomes very different because you begin to look at the return on investment as inclusive of other things that you wouldn't have considered before, and you may increase your costs in doing that, but that's OK because what you're going to end up doing is you're going to create a more holistic program."

Organizations should also consider what skill sets their resources have and what skill sets the technology requires. "If the skill set required is in line with the skill set of your employees, then suddenly that helps cut down the learning curve, and effectively all of these things help bring down the total cost of ownership," Saraf noted.

Finally, beyond the top criteria for purchasing personalization technology, TumSuden noted other equally important considerations that many organizations overlook. "There's an emphasis placed on the tools being the critical item, but there's not a material difference between one tool versus another if you're talking about the top two to three tools in this space," TumSuden said. "The real question is, which fits better with your culture, which fits better with your existing technology stack, and frankly, what is the vendor's pace of innovation and adoption of the tools."

# Achieving Personalization at Scale

Personalization at scale is necessary to survive in today's highly digital and competitive retail landscape. Yet, outside of the handful of companies that have chosen to make personalization at scale a conscious centerpiece to their strategy and are willing to invest in the people and the disruption in their business, it's really hard to achieve personalization at scale internally.

To succeed at personalization at scale, retail organizations should look for a partner ecosystem that enables end-to-end experience orchestration. These partners must be able to create a front-end user interface that is interactive and delivers an engaging experience but also understand how to collect and gather the data, how to supplement that information with other rich data such as third-party data, and how to mine the data for insights. For it's only when both the technology and the creative side come together that organizations can fully achieve personalization at scale.





# Cognizant®

Cognizant (Nasdaq-100:CTSH) is one of the world's leading professional services companies, transforming clients' business, operating and technology models for the digital era. Our unique industry-based, consultative approach helps clients envision, build and run more innovative and efficient businesses. Headquartered in the U.S., Cognizant is ranked 194 on the Fortune 500 and is consistently listed among the most admired companies in the world. Learn how Cognizant helps clients lead with digital at [www.cognizant.com](http://www.cognizant.com) or follow us [@Cognizant](https://twitter.com/Cognizant).

**LEARN MORE**



# studio / **ID**

## **BY INDUSTRY DIVE**

studioID is Industry Dive's global content studio offering brands an ROI rich tool kit: Deep industry expertise, first-party audience insights, an editorial approach to brand storytelling, and targeted distribution capabilities. Our trusted in-house content marketers help brands power insights-fueled content programs that nurture prospects and customers from discovery through to purchase, connecting brand to demand.

[\*\*LEARN MORE\*\*](#)