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MASTERING PERSONALIZATION:

A Guide to Transforming Retail Experiences with Relevant Content

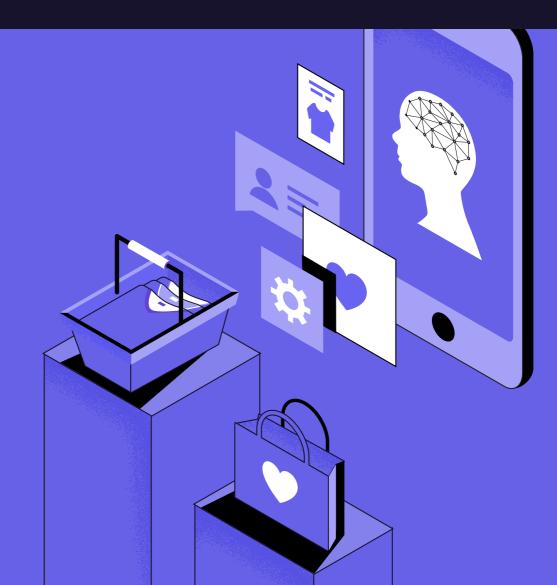


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Introduction

There are several factors that influence a consumer's decision to purchase a product from a specific brand — and the quality of personalization in their customer experience is one of the most critical. **66% of consumers**¹ will not purchase from a brand whose content is not tailored to their interests, which means a brand loses the potential to convert almost two-thirds of the consumer pool if they aren't personalizing the content in their shopping experience.

In this guide, we explore the three key ingredients of a successful content personalization strategy, and how you can action these concepts to increase conversion, reduce purchase barriers and deliver hyper-personalized shopping experiences at every stage of the buying journey.







» 66% of consumers will not purchase from a brand whose content is not tailored to their interests.

The power of combining segmentation with additional shopping context

Every shopper's experience is unique, and the content you show each of them should reflect that. To fuel these experiences, it's important to gain a deep understanding of your customers' traits and behaviors such as:

- Which brands and products are most interesting/relevant to them
- Where they are located (both physically and in the conversion cycle)
- Which channels they use to interact with your brand

With this information, you can then create unique segments that target customers with content that is specific to the segment's parameters. For example:

- A segment for new site visitors with an interest in winter clothing, who live in a specific city
- A segment for customers who've already made a purchase that may require a supporting accessory
- A segment for prospective shoppers who have been led to your online store via a Google or Facebook Ad, but have yet to make a purchase

Once you've determined the segments you want to create, there are a number of ways you factor in additional shopping context to strengthen the value of those segments. Some examples of what you can do with your segments include:

Use UTM tagging to create unique + engaging landing page content

With ecommerce conversion rates averaging at or below 3%² and paid media CPCs on the rise globally³, squeezing the maximum amount out of each visit is paramount for online retailers.

Many retailers are diligent about utilizing UTM tags (e.g. the parameters like "utm_source" found after the question mark in a URL) for tracking both paid and organic campaigns for analysis later in web analytics programs like Google Analytics.

But what most retailers don't realize is that that UTM tags are *also* a powerful tool for creating better and more sophisticated personalization.

Incorporate UTM tags to segment by source channel

Let's start with the basics. Let's say you're a sportswear retailer running two different online advertising campaigns to promote their new line of Adidas jackets—one on Facebook and another through Google Ads. A month after running ads on both platforms, you've noticed a massive spike in traffic and sales of Adidas jackets. To take full advantage of this success, you must understand which of the two campaigns drove the higher amount of traffic in order to focus more resources on that channel.

Here's an example of how our Adidas Jacket campaign can be tagged with UTMs:

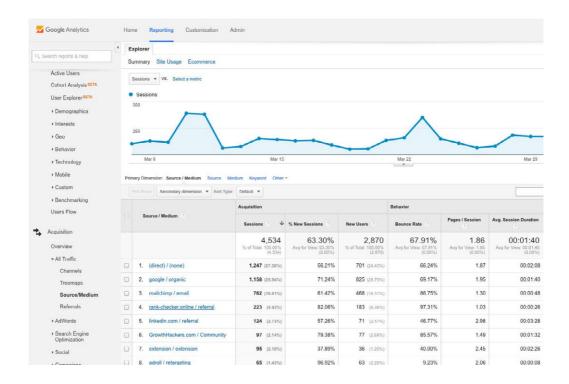
UTM Source (referrer eg. Google, Facebook etc.) = google
UTM Medium (medium eg. email, cpc, social) = cpc
UTM Campaign (name of the specific campaign) = discount_adidas_
jackets

The result: https://www.example.com/?utm_source=google&utm_medium=cpc&utm_campaign=discount_adidas_jackets

⁽²⁾ https://econsultancy.com/what-good-ecommerce-conversion-rate-average/

 $^{(3) \} https://blog.adstage.io/adstages-paid-media-benchmark-report-q1-2019-archive$

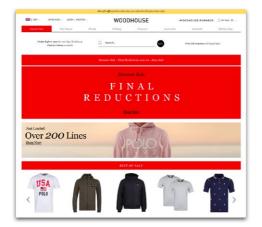
With this tagging in place, the performance of different campaigns, channels or creative is then tracked using analytics tools such as Google Analytics, providing you with an overview of how each tactic contributes to the overall commercial success of your marketing efforts.



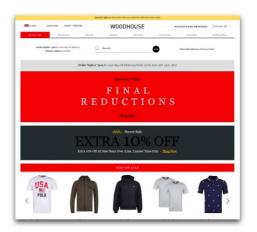
Once you understand where your traffic is coming from, you can personalize your store's homepage to reflect content that your shoppers are most interested in seeing based on where they came from. This can be done by creating a segment of users that visit your site via a specific UTM campaign.

For example, fashion retailer **Woodhouse** showcases custom homepage banners for the segment of shoppers who land on their site via an email newsletter promoting discounted products:

Homepage without email UTM tag



Customized homepage based on email UTM tag



Small personalized touches like this one can mean the difference between a customer feeling like your emails are a promotional annoyance and like your email is doing them a favor.

Merge segmentation and geo-location to streamline shipping options

While technology has made it easier for shoppers to discover and purchase products from many corners of the world, shipping these products long distances can be a discouraging step in the buying process—especially when a shopper is unclear of how much it will cost them. If your business currently ships internationally or offers discounts to visitors (93% of shoppers⁴ are encouraged to purchase if offered free shipping!), then it's necessary to promote this information as prominently as possible. This starts with understanding where your shoppers are located—both on the map and in their journey to conversion.

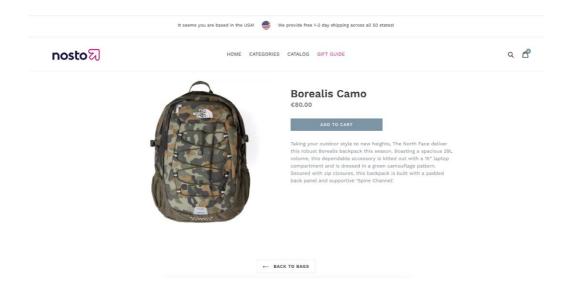
Create shopper segments based on geo-location

To make it easier for first-time visitors and prospective shoppers to understand their shipping options and drive them closer to purchase, you can create segments of shoppers based on specific geo-locations (ex: creating a segment for new visitors from North America who've never purchased from you).

» If your business currently ships internationally or offers discounts to visitors, then it's necessary to promote this information as prominently as possible.

⁽⁴⁾ https://blog.hubspot.com/marketing/improve-conversion-rates-changing-shipping-options-infographic

Once you've created these segments, you'll want this information to be front and center for the shopper. One way to do this is to display the shipping information as a banner on the product pages of your site. Depending on the location you're geo-targeting, it often helps to make the banner as localized as possible, like in the example below:



Once a shopper has successfully converted, you can focus your efforts on nurturing the customer's experience rather than promoting shipping options (such as displaying a timer that informs each customer when you'll be shipping to their location next).



By both being upfront about shipping information and personalizing the delivery wait time experience, you show customers that their time is valuable to you, which in return creates unprecedented value for them.

Lower funnel personalization: it's not just about discovery

When delivering a completely personalized shopping experience, cohesion is key. If your insights show that a shopper is interested in a particular product, recommending similar options is a fundamental step--but to really engage and convert that shopper, transform their experience beyond just similar product recommendations on product pages. This includes recommending products related or complementary to a product on its page (and not just other versions of the same product) as well as personalizing multiple pages of your online store.

Personalizing features on multiple pages tells a more consistent story which helps customers along their shopping journey, and moves them toward the next-best action. Combining consistency with personalization that goes deeper than what customers are typically used to is a powerful strategy that leads to greater value over the lifetime of the customer's relationship with your brand.

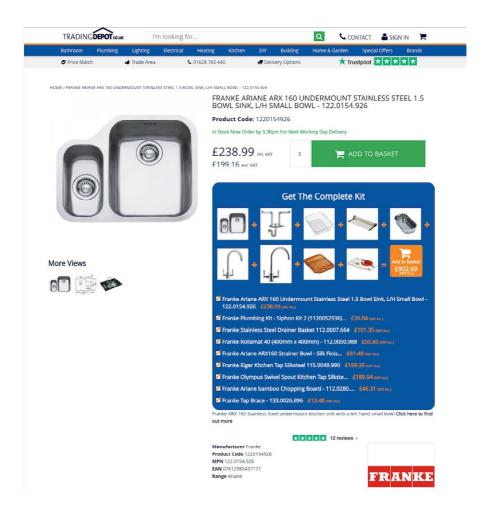
Examples of how you can use this strategy in practice include:

Going beyond similar product recommendations on product pages

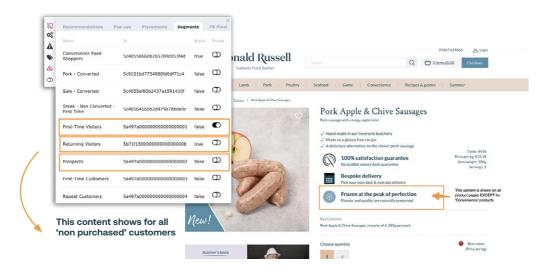
Featuring product recommendations on individual product pages is a common strategy; it helps shoppers see more desirable options and make additional purchases in less steps than a conventional website flow. One of the most common strategies for retailers is to showcase additional product options related to the item a shopper is already viewing. While this makes sense because the shopper has already shown an intent to purchase said product, it doesn't explore the wide range of other product recommendation options that may be available—which means you may be losing out on increasing your average order value.

Optimize product recommendations based on customer behavior

Product page recommendations should be selected based on more than just the product page the customer is currently on, such as where the customer is in the buying journey and how likely they are to purchase additional products. For example, online home improvement retailer **Trading Depot** sells many products that are pieces of larger systems. If someone is buying a new sink bowl for their kitchen, they would likely also be looking for items like kitchen taps and drainers. Instead of simply promoting other sink bowl options when a customer is on the product page, they focus on upselling their shoppers with a group of products that they'd likely also purchase anyway.



Similarly, food provider **Donald Russell** understands that their customer base is discerning when it comes to the quality of the food they want to purchase. In order to showcase the quality of their products, they deploy personalized product page content based on customer segments that individually target first-time visitors or returning visitors. When targeting **first-time visitors**, Donald Russell makes sure to note that their products are frozen at the absolute perfect time to alleviate any potential concerns around freshness:



The food provider chooses this messaging for first-time buyers because they may be unfamiliar with the brand's freezing protocol. Meanwhile, returning visitors most likely already know the brand's freezing practices, so Donald Russell displays different content to them.

» Building product recommendation and onsite content logic that understands where a customer is in their buying journey, as well as other characteristics they have, creates a more intuitive, personalized experience than typical "similar" product recommendations.

Reducing purchase friction by personalizing the payment experience

56% of online shoppers⁵ expect a variety of payment options once they reach checkout. With most retailers now offering services such as "Buy now, pay later" and split payments, it's become significantly easier for shoppers to reach checkout. To remove any remaining barriers to purchase, tailor the payment experience by targeting shoppers who are in different stages of their buying journey and showing the payment options most relevant to them.

Display relevant payment methods based on a shopper's onsite behavior

While supporting various payment methods can serve as a hygiene factor for most online stores, there are also real implications to dynamically showing or hiding certain payment methods based on the specific actions your prospective shoppers take on your site.

An example: Two shoppers at an electronics store are looking for two items that are polar opposites in terms of price point.

- The first shopper is looking for a new 50-inch television priced at \$1,000
- The second shopper is interested in a pack of batteries priced at \$2.50

While the second shopper's transaction can be done rather quickly, the first shopper will likely need more convincing before they are ready to purchase. Offering different payment options can actually ease the barrier to purchase for both of these customers.

 $^{(5) \} https://www.columnfivemedia.com/work-items/infographic-no-cart-left-behind-why-shoppers-arent-following-through-on-online-purchases$



Pay directly at the checkout. No credit card numbers, no passwords, no worries.

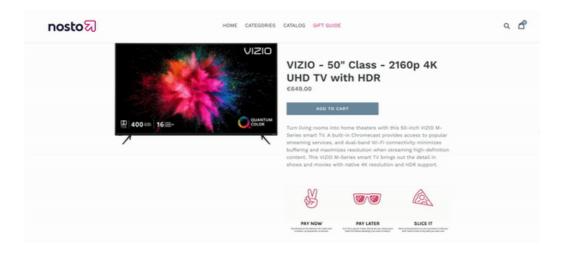
Try it first, pay for it later. Klarna lets you receive your order first before deciding if you want to keep it.

Slice up the payments on your purchase so that you don't have to wait to buy what you want now.

Klarna's diverse payment options offer a number of opportunities for a shopper to convert.

For example, for high-ticket televisions, "buy now, pay later" financing options can be prominently displayed with additional content to help consumers spread out the payments on a big purchase. Likewise, for the batteries, highlighting a simple "add to cart with one click" option and content about how fast checkout is can help shoppers make a quick impulse addition.

To start personalizing your payment options experience, you can narrow down your audience based on factors such as purchase affinity, brand affinity or viewing history (ex: focusing on unconverted shoppers with an affinity for 50-inch televisions). You can then refine this audience and fine-tune the messaging around payment to remove the holdouts to purchase.



Personalization that impacts repeat visitors and retention

When delivering personalized content to your shoppers, where you choose to showcase that content is equally critical to success as the content itself. Whether you're trying to drive more traffic to a specific category page or simply trying to increase conversion rates, it's important to determine exactly where your content will be most effective in reaching your goals.

Examples of how you can use this strategy in practice include:

Creating a fully dynamic home page experience for returning visitors

It's estimated that about **half of all site traffic**⁶ bounces after viewing only a single page. If you're an online retailer, this essentially means that half of all potential customers are leaving your store before even understanding what you're selling! To avoid this, it's important to offer a unique experience to each returning visitor as early as possible—and that starts on your home page.

Showcase specific brand and product affinities based on visit history

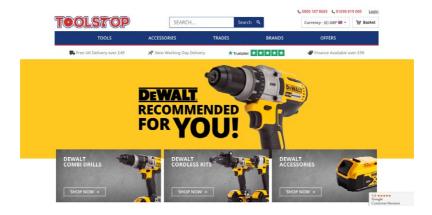
When it comes to home page personalization, it's important not to overthink your strategy. The end-goal should be to entice returning visitors to click-through to another page and eventually make a purchase. An effective way to target repeat shoppers is to create personalized banner campaigns that speak to the categories they shop for most.

⁽⁶⁾ https://www.bigcommerce.co.uk/blog/bounce-rates/#what-is-a-bounce-rate-on-an-ecommerce-website

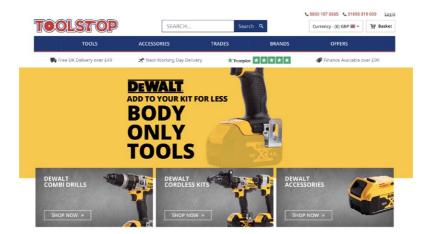
International electronics retailer **Euronics** creates personalized banner campaigns that heavily feature the categories their site visitors are most interested in. They achieve this by creating segments that target shoppers with specific brand and product affinities based on their visit history. Here are three examples of homepage banners a returning visitor might find, based on their known interests in home appliances, laptops and Beko appliances:



Professional power and hand tool brand **Toolstop** uses their homepage to tailor what each site visitor sees. In order to do this, they focused on recurring and high intent shoppers by creating segments based on a customer's specific brand affinity. For example, a potential customer may visit their site with the intent of researching a new power drill to purchase at a later date. In the process, they end up looking at four different DeWalt drills but exit the site without completing a purchase. To keep these products top-of-mind with the shopper and increase the potential of conversion, Toolstop will display a personalized banner to them when they return to the site based on their inferred affinity for DeWalt products:



Once this shopper has converted, their onsite experience is modified slightly to emphasize accessories that match their previous purchase. In this case, they'll now receive content promoting battery packs for their drill:



Bringing relevant content to the forefront of a customer's experience eliminates the whole first navigation step that often scares them away.

Expanding product discovery to customers on multiple channels

If you're an online retailer that offers a range of different products, then it's likely that you've deployed multiple marketing campaigns to promote these product ranges. However, many retailers still struggle to connect the onsite and offsite experiences when putting these campaigns into motion. This leads to the retailer missing out on promoting the range of their products—and ultimately, on increasing revenue.

Use onsite behavior to market on offsite channels with relevant content

The first step to effectively creating omnichannel marketing experiences is to segment your audience based on their brand or product affinity on your site. For retargeting campaigns, a powerful place to start is creating campaigns based on the individual products or brands a visitor has viewed (for example, a winter jacket).

With this information, you can create more highly personalized advertising experiences offsite for previous site visitors: in this case, show off your new winter jacket releases, feature a discount on all jackets, or simply show imagery of models wearing jackets to help showcase how they look to your target segment. You can essentially do this for any number of products you sell.

By using onsite behavior to segment shoppers and reach out to them via their email inbox, Facebook feed, or even through Google's ad network, retailers can ensure the content they're using for campaigns across multiple channels is relevant as well as easily available. The truth is that customers don't spend the majority of their time online on your site, so extending your personalized experiences into third-party environments can help ensure they think about you even when they aren't doing so all on their own.

Next Steps

Now that you've walked through the fundamental tactics of content personalization, it's time to put your plan into action! When approaching content personalization, always remember to:



Use the insights you've gathered from shoppers based on their behavior and traffic source, then create segments that target them with content that is relevant to their interests and overall shopping journey.



Be strategic about where you display this content as it will influence if and how a shopper engages with that content.



Expand personalization beyond your online store and create a cohesive flow that allows the shopper to receive relevant content on any channel.

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Nosto enables retailers to deliver personalized digital shopping experiences at every touch point, across every device. An Al-Powered Personalization Platform designed for ease of use, Nosto empowers retailers to build, launch and optimize 1:1 omnichannel marketing campaigns and digital experiences without the need for dedicated IT resources or a lengthy implementation process. Leading commerce brands in over 100 countries use Nosto to grow their business and delight their customers. Nosto supports its clients from its offices in Helsinki, Berlin, Stockholm, London, New York, Los Angeles and Paris.

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