



# GETTING PERSONAL: HOW CIOs CAN LEVERAGE PERSONALIZED CX TO DRIVE REVENUE

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## 5 WAYS TO GENERATE PERSONALIZATION-DRIVEN REVENUE



With enterprise IT sitting at the intersection of company and customer, today's CIOs are fast adding revenue generation to their job description.

Whether accelerating digital initiatives due to the pandemic or picking up the pace to remain competitive as customer expectations increase, businesses are leaning more heavily on IT to create new revenue-generating initiatives. That means CIOs are taking on a starring, not a supporting role in revenue generation.

Indeed, according to a [Forbes Insight survey](#) of 650 CIOs, over half of CIOs are already responsible for at least some revenue-generating initiatives, with over half of those surveyed expecting to head a profit center by 2025.

An overwhelming majority of CIOs (96%) report their role is expanding beyond traditional IT responsibilities, according to IDG's "[2021 State of the CIO](#)" report. In fact, 68% of heads of IT report that the creation of new revenue-generating initiatives is among their job responsibilities. Actions that have increased in importance in becoming more revenue-driven or to support the creation of new products and services include automating business and/or IT processes, interacting directly with customers, and developing customer journeys.

Over the past year, these initiatives have seen a positive shift in priority with 81% saying that automating business and/or IT processes has increased in importance, followed by interacting directly with customers (78%), developing a customer journey (75%), and creating more diverse and inclusive tech teams (71%).





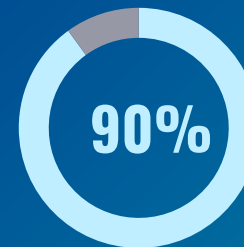
## The CX-Revenue connection

Once considered only the purview of CMOs, CIOs are now playing an important role in driving customer experience. And for good reason: Organizations that excel in customer experience tend to outperform in revenue growth. A Forrester study found that companies with a customer-centric charter enjoyed a 17% compound average revenue growth rate (CAGR), compared to only 3% for those that were slower to drive a CX focus.

Moreover, Salesforce's [fifth annual "State of Marketing" report](#) revealed that 68% of marketing leaders say their company increasingly competes on the basis of customer experience. Companies considered best-in-class, voice-of-the-customer (VOC) enterprises enjoy an almost 10x greater year-over-year increase in annual company revenue than companies that are not as far along the curve in pursuit of CX best practices.

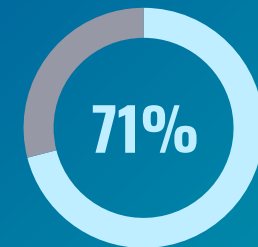
## Bottom-line benefits of personalization

Increasingly, one way that organizations are enhancing customer experience is through [personalization](#). Today's consumers are seeking products and services targeted specifically to their needs and interests. In fact, [79% of consumers](#) say the more personalization tactics a brand uses, the more loyal they are. But for a whopping 77% of consumers, businesses simply aren't doing enough to earn that loyalty.



Consumers willing to share behavioral data in exchange for cheaper/easier shopping

[Source](#)



Consumers frustrated with impersonal shopping experiences

[Source](#)

Personalization is so valued that 57% of consumers are willing to share personal data in exchange for personalized offers or discounts, according to a [Salesforce survey](#). More than half (52%) would share personal data in exchange for product recommendations while 53% would do the same for personalized shopping experiences.

As a result, many organizations today are ramping up their efforts to reap the rewards of personalization. From building key customer relationships to driving long-term revenue, personalization delivers many benefits for brands. Consider that personalization can [reduce acquisition costs](#) by as much as 50%, lift revenues by 5-15%, and increase marketing spend efficiency by 10-30%. Additionally, [brand loyalty](#) among millennials increases by 28% on average if they receive personalized marketing communications.

### Top 5 personalization benefits



55%

Improved customer experience



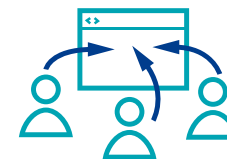
55%

Increased visitor engagement



51%

Increased conversion rates



46%

Increased lead gen & customer acquisition



39%

Improved brand perception

Source: [Salesforce](#)

Effectively delivering personalization at scale requires companies to take on the challenge of both technology and business in tandem, with the CIO playing a critical role. Personalization at scale has the potential to create \$1.7 trillion to \$3 trillion in new value, according to [McKinsey](#). Implementing and integrating the right technologies creates complexity and requires cross-functional coordination.

## HGS Digital Personalization Framework

Planning > Orchestration > Content & Creative > Operationalization

### CUSTOMER 360-DEGREE VIEW IS A CRITICAL STARTING POINT



#### Web behavior

- » Pages Viewed
- » Location / Time Zone
- » Source URL
- » Browser
- » Operating System
- » CTAs/Buttons/Links clicked
- » Time-spent on page
- » Number of visits
- » First / Last Time Seen
- » eCommerce data
- » Cross-domain cookie data
- » Content affinity

#### Mobile apps & IoT

- » App Usage Statistics
- » Screens Visited
- » Actions Performed
- » Purchases Made
- » Location Data
- » Custom Metrics

#### Campaign activity

- » Emails Opened
- » Email Links Clicked
- » Ads Clicked
- » Ads Shared
- » Landing Pages
- » Visited
- » CTA Buttons
- » Pressed
- » Links Shared
- » Campaign Related
- » Social Actions

#### Call center CRM

- » Name
- » Contact Info
- » Products Purchased
- » Previous Interactions
- » Brand Sentiment
- » Complaints
- » Suggestions
- » Inquiries
- » Praises
- » Return / Replacement

#### Other info

- » Social interactions
- » Form fills
- » Location data
- » Demographic data
- » Coupon usage
- » Voice interactions
- » Bot interactions
- » Other data



Understanding customers, transparently collecting customer data, and then using that data to power personalized experiences that customers value is central to effective personalization initiatives. Increasingly, organizations are turning to technologies such as AI, machine learning and advanced analytics to drive personalization at scale. In fact, among [marketers deploying personalization](#) today, nearly half (46%) use machine learning, compared to just 26% three years ago.

**AI-driven personalization helps improve the customer experience by:**

- » Collecting and analyzing data (e.g., internal, external and behavioral data) to identify segments and microsegments amongst prospects, as well as identifying individual customers' characteristics and needs
- » Improving how marketing teams create and deliver personalized content to react to customers' interests
- » Reacting to customers in real-time with personalized content when they are shopping on your website, in your store or on any other channel or device for a more immersive experience
- » Using predictive targeting to identify which content matches customers' interests based on purchasing history

As organizations continue to focus on personalization, the scope and volume of customer data will increase encompassing multiple touchpoints across the customer journey. With technologies such as AI and machine learning, organizations can leverage a 360-degree view of every customer in its brand interactions, tailoring each to the customer journey in real time.

## 5 ways CIOs can drive revenue with personalization

As CIOs move from the back seat to the front in order to help the organization drive revenue with personalization to enhance customer experience, they must proactively work across the enterprise to implement end-to-end personalized CX at scale. Following are five key ways CIOs can help ensure personalization efforts drive revenue.



1

### Cultivate cross-team collaboration

CIOs need to nurture close working relationships with their marketing and support peers to understand customers' needs and opportunities for revenue growth via personalization. This requires the CIO to focus on the customer and learn about the customer journey in order to deliver products and services in a personalized way. While traditionally, the CIO and C-suite peers have worked in silos, it is critical for the CIO to be in constant collaboration with the CMO and the Head of CX to avoid creating disjointed customer experiences. From tools to processes to KPIs, today's customer journeys involve a series of digital touchpoints, which need the input of CIOs to run smoothly.

Collaboration between the IT and CX teams is essential for providing a 360-degree view of the customer. CIOs can support the CX team by deploying real-time personalization and customized analytics. They are in the perfect position to integrate disparate systems and put themselves in the customers' shoes.



**HGS Digital Advice:** Invest in building soft skills in the IT team to better understand and collaborate with the business. Lean on marketing and CX peers to learn more about the customer in order to deliver better revenue-generating initiatives.



## 2

### Define a dynamic data foundation

Effective personalization starts with truly understanding individual customers on a one-to-one level and using that knowledge to deliver personalized experiences every time they engage with your brand. Success is dependent on the ability to collect data from all interactions a customer has with your organization and designing the [right data foundation](#) to support personalization across all channels.

While marketers are eager to improve their personalization strategies, consumers believe they're still missing the mark and the reason can be tied, in large part, to data. According to 63% of marketers, [data-driven personalization](#) is the most difficult online tactic to execute. And while the vast majority (92%) of marketers report using personalization techniques in their marketing, slightly more than a half (55%) of marketers believe they have insufficient customer data to implement effective personalization.

Today's CIO plays an active role as thoughtful steward of customer data. "Personalization requires thinking through the end-to-end customer journey," explained [Venu Gooty](#), HGS Digital's Vice President of Digital Strategy and Transformation. "CIOs need to think through what kind of data needs to be made available through every phase of the customer journey in order to personalize the CX."



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**Venu Gooty**

VP, Digital Strategy & Transformation,  
HGS Digital

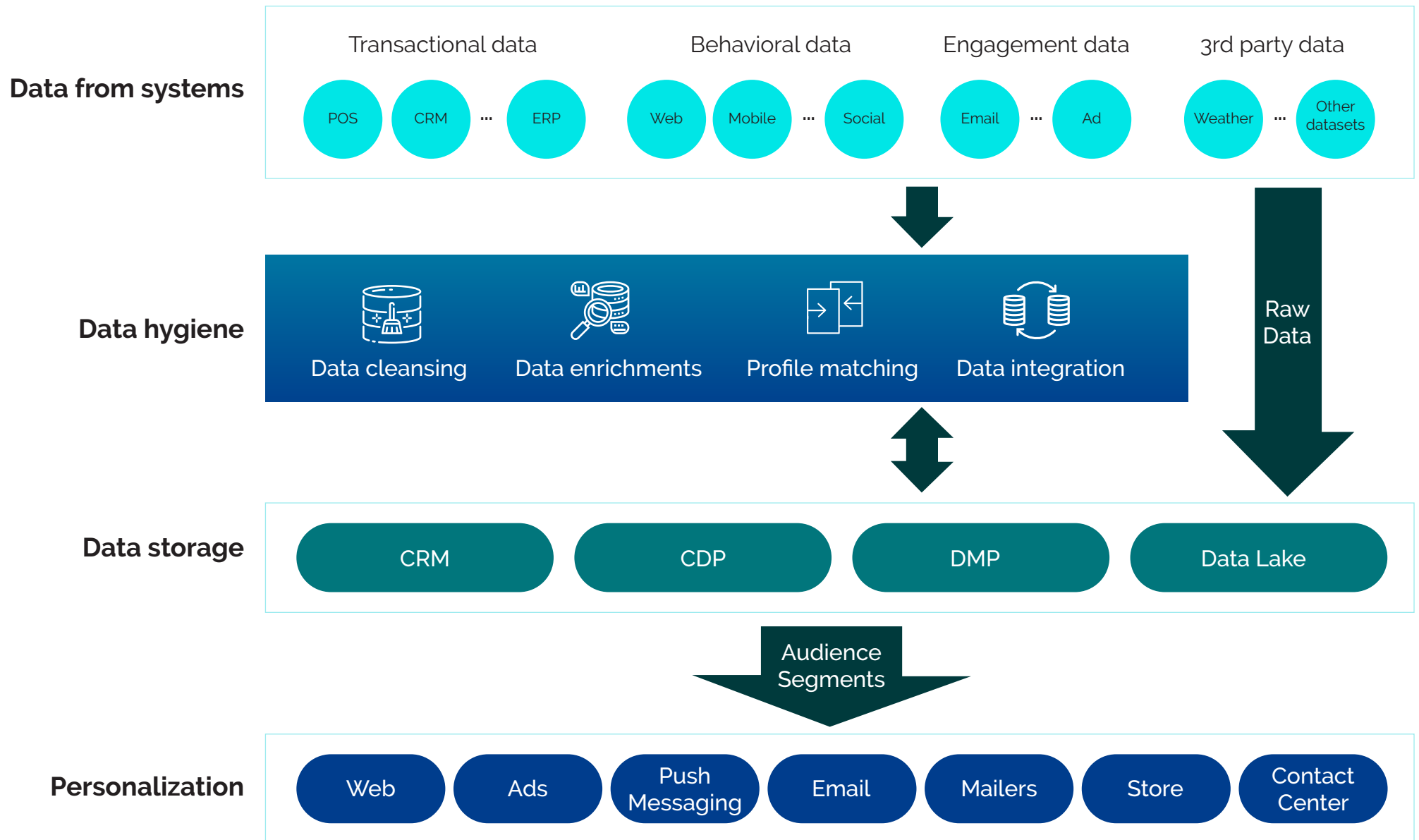




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### DEFINE DATA STRATEGY TO SUPPORT PERSONALIZATION



Designing the customer journey with specific decision points and relevant interaction data can make it easier to track the omnichannel purchasing habits or needs of each customer while protecting privacy and security. The CIO can ensure that each digital touchpoint is designed to collect and use data in exchange for value. Identifying which data from a single touchpoint can enable personalization in other touchpoints is critical. Additionally, the CIO can ensure that data is monitored regularly for compliance with data privacy regulations and safeguards for data protection. Other ways CIOs can ensure the right data foundation is in place to drive successful personalization includes:

- » **Ensuring data is used ethically to avoid “creepy” personalization.**  
Today’s consumers are increasingly skeptical and hesitant to share information about buying habits, personal information and other data required for effective personalization. Demonstrated [ethical use of AI and data](#), along with strong protection against data breaches and leaks, can help build brand trust and mitigate potential risks associated with using customer data for personalization.
- » **Prohibiting AI biases such as algorithmic-based discrimination.**  
This includes identifying and minimizing excessive influence of AI on human behavior and decisions and being transparent about how data can be used (giving customers options to opt in or out.).
- » **Making sure data is being leveraged to implement process and product improvements.**  
As noted in the “[The Big Book of Customer Data and Analytics](#)” by CX Network, a survey of CX experts revealed that nearly half of them are not using data for process and product improvements. This is concerning given that the use of automation for CX personalization has leapfrogged from 24 to 34 percent in the last year.
- » **Selecting and managing an integrated CX platform to create more personalized experiences.**  
The CIO must collaborate across the business to determine how to best leverage and secure customer data across a CX platform aimed at providing better visibility, accessibility and transparency into customer and operational data. This includes the ability to link each data transaction to a unique customer identifier which can be leveraged in a customer data platform for use in decisioning and delivery.



**HGS Digital Advice:** Be sure to measure together. As revenue-driven business strategists, CIOs need to play a key role in designing and deploying innovative ways to measure and enhance CX at all points in the customer journey. That means no longer building dashboards in a silo before handing them over to marketing or sales. Determining core CX measurements that move beyond just customer satisfaction scores is critical. It does mean, however, that CIOs must measure their own teams against key metrics to help ensure the entire organization is enhancing CX.



### 3 Design omni-channel customer journey map

In order to implement a successful personalization strategy, CIOs must clearly understand the customer journey. Working collaboratively with marketing and support teams will allow CIOs to identify how best to implement personalization across all customer interactions. This overview of the customer journey is critical to resolving all potential bottlenecks and other issues.

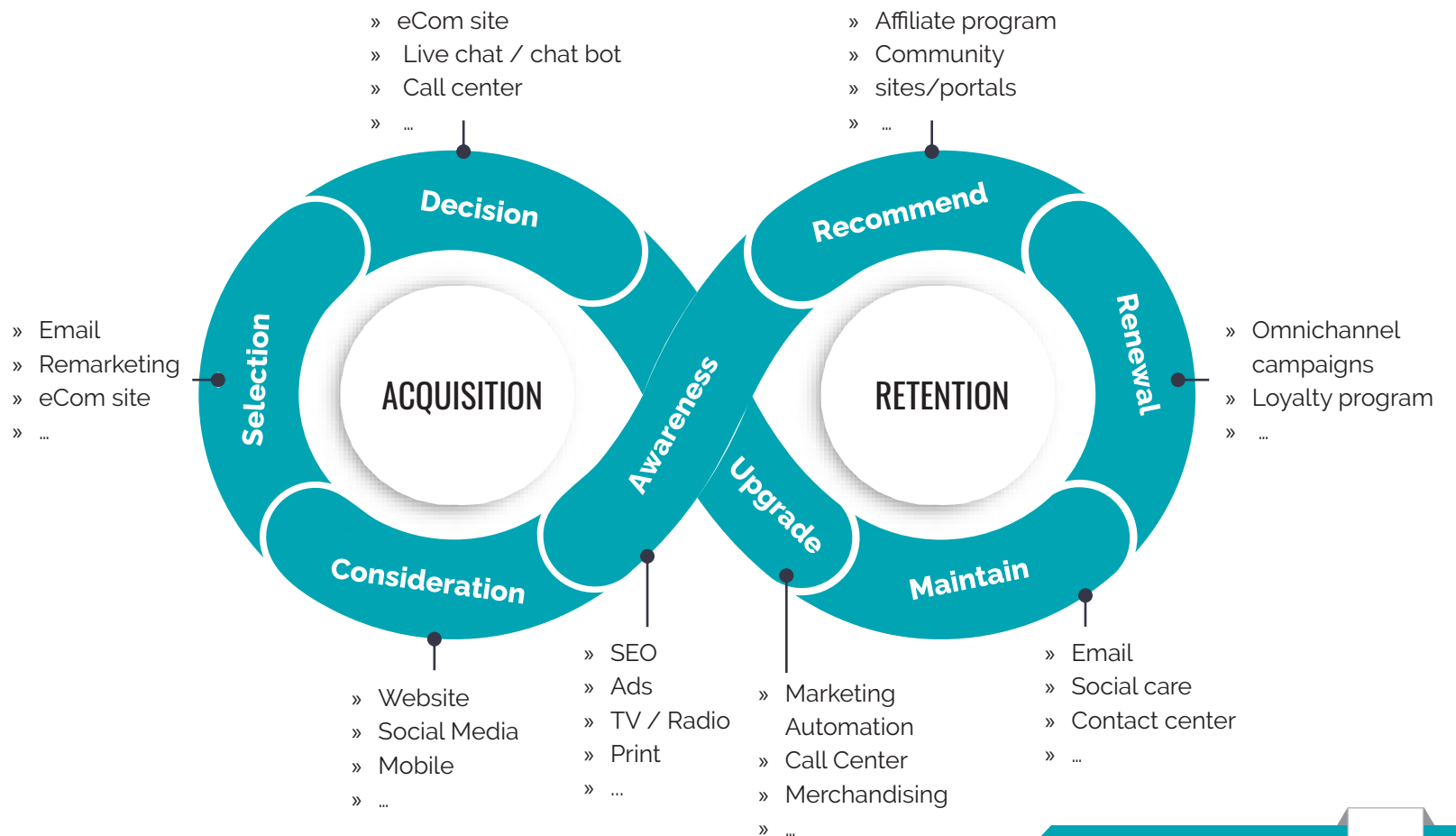
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### IDENTIFY CUSTOMER JOURNEY STAGES TO PERSONALIZE

#### Questions to consider while identifying stages to personalize:

- » At which stage is customer attrition highest (or conversion lowest)?
- » Personalizing which channels can bring in maximum impact?
- » Is personalization needed for prospects (acquisition) or existing customers (retention)?





CIOs, like their marketing and sales counterparts, must continually obsess about individual customer needs and preferences. It requires the willingness to adopt a proactive, rather than reactive, mindset when it comes to serving customers. Determining when and how to provide a personalized experience involves more than just creative content and messages. The CIO must understand pricing, promotion and available services and offerings in order to ensure technology solutions will support the customer journey. For example, integrating machine learning into the decisioning process can help further refine the company's understanding of the customer and measure the effectiveness of experiences being presented.



**HGS Digital Advice:** Focus on establishing a 360-degree view of each customer that maps to an end-to-end customer journey, enabling customer experiences – every time. Educate internal teams on how to access customer data to dynamically calculate intent and cater to it in real time.



## 4 Power personalization with content engine

Following data transformation and decisioning, it's critical that the CIO understands the specific marketing assets needed to bring personalization to life at every stage of the customer journey. Content management and campaign experience management tools can help with the execution of CX content in a dynamic and consistent manner across channels including email, text and customer portals. They also can integrate with interaction channels like call centers and mobile apps.

Personalization can require a large volume of content to keep each persona engaged at each step in their customer journey across the relevant touch points. As you advance your personalization journey, your content needs to be scalable. Marketing teams must have direct control over their assets, workflow process, personalization rules, channel-specific publishing tools and enterprise-grade collaboration. CIOs can help ease the workload of internal teams through integrated technology and well-aligned teams. AI-powered personalization can help facilitate automation of key tasks, such as identifying visitor trends, creating customer segments and modifying page elements with relevant content.

To power your organization's personalization engine, CIOs should ask the following questions:

- » Who are you targeting? (personas)
- » What are you saying? (key messages for each persona)
- » When are you saying it? (customer journey)
- » Why are you saying it? (desired outcome)



**HGS Digital Advice:** Don't forget to integrate testing in your personalization plan. CIOs can play a key role in optimizing personalization efforts by creating mechanisms to test different experiences and algorithms such as maximizing engagement, conversions, revenue or other goals. The personalization solution should provide a simple way to conduct A/B testing, measure lift over control, evaluate the impact against any single goal and filter results by segment. Assisting marketing teams in thinking through these options for optimization can help drive increased revenue for personalization programs.





**HGS Digital Advice:** Cultivate a culture of CX within your IT team. Start by proactively learning to speak the common language of CX. IT owns the responsibility (along with its marketing and support counterparts) of bridging the communication gap. Customer experience is the common language everyone in an organization should be using. Encourage your entire IT team to focus every conversation around shared business goals and priorities that serve the customer experience, rather than “tech speak”. Ultimately, the language everyone should be focused on is bottom-line revenue.



## 5

### Set up right teams, processes and culture

In order to produce powerful personalization, it is essential that CIOs and their teams be open to change. “As you facilitate personalization, some roles and responsibilities will likely change,” said HGS Digital’s Gooty. “Adopting a ‘fail fast’ mentality supported by ongoing training and increased experimentation and testing is critical.”

Below are three steps the CIO can take to assemble the right team and processes to drive revenue-boosting personalization.

» **Prepare the team.**

Technology solutions and systems will be in a constant state of flux. It’s essential to educate internal teams on how to leverage emerging technologies like machine learning and AI to better drive CX. Assemble your IT team in a structured way to address key elements of a personalization program: goal setting, strategy development, campaign planning, technology solutions, KPI and measurement, testing and optimization. Involve all necessary stakeholders including designers, data analysts, developers, data scientists and others.

» **Identify use cases to gain momentum with quick wins.**

Working with marketing and support teams, define how the organization wants the customer to experience your brand and identify the gaps that need to be addressed. Doing so will be the first step in following through on short-term goals you can clearly measure to determine the value created. Leveraging this value creation and lessons learned can help CIOs to build momentum and support revenue-generating personalization initiatives.

» **Define what success looks like.**

Help the organization understand when goals have been achieved. Work collaboratively with the marketing team to establish success metrics and make your internal IT team accountable for achieving performance goals.



## Look ahead to foster technology purpose

The time is now for CIOs to look around and ahead to help drive the next wave of personalization within their organizations to drive revenue and improved customer experiences. Revisiting your tech stack, identify personalization challenges, innovating solutions and fueling them with new tools should be on the to-do list of today's CIOs.

### Courting Customers: CIO To-Do List

- ✓ **Leverage the right technology platform** that unifies customer touchpoints and breaks down data silos to create a 360-degree customer view.
- ✓ **Educate the business** on how to leverage advanced analytics to drive enhanced personalized experiences.
- ✓ **Cultivate cross-team collaboration** by building strong business alignment with marketing and support teams.
- ✓ **Emphasize customer-centric mindset** when recruiting and hiring for key positions.
- ✓ **Embrace advanced analytics** and technologies such as AI and machine learning to build a customer-centric roadmap.
- ✓ **Create a culture of innovation**, experimentation and testing to better facilitate quick wins.

As AI and machine learning improve exponentially day by day, there's much the CIO can do to drive improved predictive analytics, hyper-targeted marketing, and extreme personalization. A good place to start is by leveraging existing systems and consider leveraging a cloud-based customer data platform and first-party data. Advanced AI and machine learning can then be layered into the existing infrastructure.

As revenue-focused strategists for the business, it is the CIO's job to enhance the customer's experience by enabling virtualized, end-to-end digital interactions that more closely simulate in-person interactions and help differentiate the brand. Facilitating the organization's ability to better predict customer behavior and tailor products and recommendations for a more personal experience will create quick wins and result in increased revenue.

**Ready to cultivate a culture of CX to drive customer personalization? HGS Digital experts can help.**

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