

*Future of*

virtual conference

# MARKETING 2:

*The Personalization Revolution*

***60 Speakers***  
***60 Minutes***  
***60 Ways***  
***“Personalization”***  
***is revolutionizing marketing***

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# Conference Transcript

**Future of**  
**MARKETING 2:**  
*Technology-driven Personalization*

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## Conference Transcript

Hello, welcome to The Future of Marketing, the personalization revolution. I'm Steve Haase, a founding partner of ThoughtLead and I'll be your host for today. In the next 60 minutes, you'll hear from 60 experts, each sharing powerful insights into how personalization is transforming marketing and even culture itself. First, we'll explore what personalization is. We'll then cover some innovative ideas, tactics and strategies for effective personalization. We'll examine important privacy implications for business. We'll navigate the fine line of technology and humanity. And finally, we'll peer into where personalization is heading and hear how companies at the leading edge are already applying it to their marketing.

First, though, I want to give a special thanks to our sponsors. Baynote, a leader in online personalization, helps global companies create personalized web environments for their visitors resulting in increased conversions, revenue and loyalty. Janrain helps connect corporate sites with the social web. Over 300,000 corporations use Janrain to manage their users in new and innovative ways with social log-in and sharing, storing social profiles and single sign-on. And Unica, an IBM company, offers an advanced set of marketing solutions that empower organizations to create valuable customer relationships and more profitable, timely and measurable business outcomes. Our media partners have also been incredibly helpful. They include Econsultancy, the CMO Club, CMO.com, and the CMO Council.

Let's get into the content. In our first chapter, we explore what personalization actually is. What are the leading edge technologies companies are using to personalize their marketing? How is personalization integrating with major channels and platforms—search, mobile, social, offline? And what is the ultimate goal of personalization? To lead off, here's David Armano, Senior Vice President at Edelman Digital.

### **David Armano**

First, you have to understand the difference between customization and personalization. Customization is explicit, meaning you tell a system what you want from it. Think my.yahoo or a more recent example would be applications such as Flipboard. Personalization is implicit, meaning that a system serves up data and information based on what it thinks it knows about you. Think Facebook, Google—even Twitter does this. Websites such as TurboTax, which serves up a dynamic menu based upon links that are popular and also Amazon and Netflix, which do this based on what you purchased or people like you have purchased. Where this will get really interesting is where personalization combines with your social graph. So, for example, Trip Advisor displays reviews from your friends before anyone else. The future will be very interesting here given privacy concerns. This is David Armano, Senior Vice President from Edelman Digital, also author of [The Logic + Emotion Blog](#).

### **Charlene Li**

So my take on personalization is that it's not only inevitable in the fact that more and more of our information is out there and readily available for people to use, but it's also something

that's highly desirable because it can improve the everyday kind of things that we do and just make them more relevant to each person. The concern around privacy, I think in particular, is that it's not so much whether my information is available but who actually has access to that information. So I'll give you an example. Every time I walk into my local grocery store, I want them to know that it's me. So I give them permission, for example, potentially in the future, to detect that it's me walking in the door just simply by having my cell phone recognized so that I get specials and a map, even, of the store as I walk through based on my past purchases instead of today, what happens, I check out and I get tons of coupons which I then lose. I want to be known by the store I frequent the most often every time I walk in because it benefits me and I'm willing to trade my privacy and my personal information in order to get that personalized experience. This is Charlene Li with Altimeter Group and I hope that was helpful.

### **Chris Boorman**

When I think of personalization within marketing, I believe that we are undergoing a profound change. Over the next six, nine, twelve months, I believe that you will see a radical change in how information is delivered through the web. Gone will be the days when an organization presents all of its wares on a website expecting a potential customer to wander through the web and find the information that is relevant to them. Using new technologies such as IP recognition software, we will be able to provide an experience that is dynamically constructed for the individual visitor, whether that be understanding the vertical industry that they're coming from or through integration with our own marketing automation systems, the specific account that somebody's coming from. And through that process, personalization will deliver a far more sensitive approach to delivering information. This is Chris Boorman. I'm the chief marketing officer of Informatica Corporation.

### **Carlos Carvajal**

Marketers are led to believe that you can't do personalization without building comprehensive customer profiles. That's wrong. It was proven wrong many years ago in the first generation of personalization by the long list of project failures that tried. And the problem was, number one, building targeting rules based on these profiles is incredibly complex, it's hard to get started and it's nearly impossible to keep the rules up to date over time. And number two, even if you do have the rules in place, they're normally not right. They normally don't deliver the great experience that customers are looking for because they're based on past history. Past history is a very poor indicator for what I'm interested in right now. And that's really the key to effective personalization. It's called intent-driven personalization, personalized based on my intent, what I'm looking for here and now. And the way to achieve intent-driven personalization is by understanding engagement and being able to determine what someone is engaging with on your site. This is Carlos Carvajal, VP of Marketing for Baynote.

### **Patrick Jordan**

There's no doubt that marketing is becoming increasingly personalized. New media give us the chance to channel messages to very specific audiences, whether that be through Facebook, Twitter or any of the other channels available. But we shouldn't forget the value of traditional media as well. A well-targeted print advert can be extremely valuable. TV is becoming again

more and more targeted. We're having the opportunity now to personalize the advertisements we see so two people could be watching the same show but they could be watching different adverts in the adverts break. What we must never forget is the key to great marketing is having an in-depth understanding of users. That doesn't change no matter how much the technology changes. This is Patrick Jordan, Founder and Principal Consultant of Patrick W. Jordan, Ltd.

### **Miles Kemp**

Personalization is the next wave of communal public user experience. I think what's interesting right now is that our phones are so powerful and we already are customizing them. I think in the future, using ubiquitous technologies and open source softwares, we'll be able to create all of these new types of public moments where you'll be able to see lots of different people be able to come up and literally touch retail facades or digital signage in the street and be able to kind of connect with that content in a very personal way. I think in the future our phones will be able to kind of filter this content for us and we will be able to reap the rewards of that. The content we see will have a close connection with our personality traits and the things that we're interested in. I'm Miles Kemp, the president of Variate Labs and the author of the book Interactive Architecture.

### **Darren Herman**

So it used to be way back when, we used to put out one message in a market and serve it to everybody and for a small target market it made sense but for everybody else it didn't. In a world that's becoming increasingly digital, it means we get increasingly personalized. So why should an agency or a brand put out a message to talk to everybody when it only is supposed to be talking to a small group of people? So for a brand like Armani Exchange, if they're talking to a specific market, they should be talking about their t-shirts or their jeans and targeting those specific messages from a personal perspective. For an automotive manufacturer, there are some folks that may want to buy a high-end car and some folks that may want to buy a low-end car. So why message a high-end car to someone who can't afford it? It's all about waste. So we're moving into a world which is delivering personalized messages to specific audience segments and when you can do that, you can put the right message at the right place at the right time in front of the right person, which is what has always been known to be the holy grail of marketing. My name is Darren Herman. I'm the Chief Digital Media Officer at The Media Kitchen, which is part of Kirschenbaum, Bond, Senecal and Partners.

### **Cam Balzer**

Relevance is so shallow. For marketers, personalization too often means simply targeting marketing messages at people who are most likely to respond to the message. That might get the conversion rate up or a higher ROI, but really what benefit does it give to the user? Personalization could mean so much more. It could mean making a website or product or other experience personally meaningful. At Threadless, we provide a venue for designers to put their work out into the world via a community. And if you've scored a design that gets printed by Threadless, you've actually personalized our product offering. You get a product relevant to you, something you like, but you've actually made it meaningful to yourself. You've invested in the design and its designer and the process by which it gets made into a tee that could be worn

by thousands of people around the world. So really the future of marketing should be about making meaning and making things personal in a deeply meaningful way. I'm Cam Balzer and I'm CMO at threadless.com.

### **Vanessa Fox**

One thing that's really been ramping up lately is personalization of search results. And so what this means is a couple of things. One is that everyone has a different set of search results and you can't really rely on rankings anymore. But some interesting things are really happening with the integration of search and social media. And one thing that's happened within the last couple of weeks at Google is that any time someone that's part of your social network has shared content, that might show up in your search results. And so the more that you can engage with social media and the farther that your reach is and people are sharing content, anyone that they know will see your page show up in their search results. This is really a great opportunity to increase your visibility for really, really relevant searches. My name is Vanessa Fox, and I'm author of Marketing in the Age of Google.

### **Nanda Kishore**

Personalization is a key element of driving online advertising. There are three important aspects to consider. First is the social aspect. If I share something about the latest model sports car with friends, that is an implicit recommendation. Second is gestures. If I read several reviews of a camera, that indicates where I am in the purchase funnel. Third is location. For example, if I'm in downtown San Francisco, then local offers based on my past preferences would be the most relevant. To address the inevitable user privacy concerns, companies must engage in good practices that center around delivering value to the user and establish trust in exchange for that user information. This is Nanda Kishore, Chief Technology Officer of Share This.

### **Brett King**

So as the mobile device becomes a payment vehicle, then the changes in respect to contextuality or how we use this payment device in our life opens up a whole range of new opportunities. First of all, it's no longer about just the phone becoming a credit card or a debit card or replacing cash or checks. It's now about how and when and what triggers a payment opportunity. So geolocation, the ability to send marketing messages to the phone that stimulate a contextual buy or a contextual purchase are quite critical to this. But retailers and those operating in this space are going to have to understand that this is more than just a payment system. This is the start of a customer journey. The potential is to engage customers contextually based on a need and serve that in real time through both a payment device and a marketing message. I'm Brett King. I'm the author of the bestselling book Bank 2.0.

### **James Latham**

What we've seen with the advent of newer technologies, social networking and other massive database profiling is the ability to help people find what they need, in other words, serving them what they desire to do. And it's interesting because serving that need is sometimes as equally challenging as the profiling or the targeting because if you have millions of customers, you need to have millions of pieces of content to serve them. So as an example, Fox News takes

in 32 million videos every month. And they split those up into the best pitch, the fastest pitch, the most exciting goal. And so then when you have a targeted profile for an individual, that makes their interaction personal. It makes it compelling. It makes it engaging. I'm James Latham, Chief Marketing Officer for Open Text.

### **Mark Simpson**

The most basic level of personalization really is segmentation, which is available now and easily deployable, looking at putting different content in front of different segments of your audience. A step up from this looks at recommendations and affinity models so looking at people who looked at certain content will also be recommended other content, or maybe it's people who have looked at certain products will also be recommended other products. Very widely available on the web and additional channels nowadays. Where personalized content is really getting to now is looking at algorithmically-driven content. So looking at how someone has interacted and behaved with your brand across call centers, email marketing, banner advertising and any other methods they've interacted with you and having that drive what content you should be showing them through all of those channels, so adjusting the offers, maybe the navigation of the website, maybe it's the whole experience you're giving someone based upon all the information you know about that individual. This is Mark Simpson, the founder and president of Maxymiser.

You're listening to The Future of Marketing. In the next chapter, we explore the ideas, tactics and strategies driving personalization today. How are marketers using personalization to get better results from their current efforts? How can you create a highly personal experience for your customer? And later, we'll explore the privacy implications of personalization for marketers. Now let's hear from Senior Vice President at Ogilvy, Rohit Bhargava.

### **Rohit Bhargava**

Have you ever stood in line at a bar waiting to get in, only to see the VIP list of folks just walk right in? Who managed to make that list? How did they get on that list? And imagine if your business was that bar. How would you choose the people to go on that list? How would you let them identify themselves? One of the most important and fundamental advantages of using personalization is that you can find those VIPs and you can get them to interact with your business. You can get them to nominate themselves. Say you're launching a site in beta release and you want to know who the bloggers are because they have the biggest following. Asking the right questions and personalizing the experience so that you can help them jump to the top of the queue can be a perfect way of doing that because people want to share what they do and they want to share more about themselves if you just give them the chance to do it. This is Rohit Bhargava, Senior Vice President at Ogilvy and author of [Personality Not Included](#).

### **Elana Anderson**

Let's talk personalization. What are you doing to personalize your interactions when customers and prospects come to your inbound customer touchpoint? By inbound customer touchpoint, I'm talking about anything from your website to your contact center to your offline point of sale to your ATM machine. Whatever inbound touchpoint the customers are coming to, what are

you doing to personalize your interaction? You can start in a single channel. I like to recommend that companies start in channels that don't have that human element. What can you leverage about an individual when they come to that touchpoint to customize the message? We also see lots of success from companies that are doing this in the human channels as well, like their call center, like their point of sale. The challenge with the human channel that you do need to be aware of is that it is human and that people that are extending these messages require some training and sometimes it's a cultural change. This is Elana Anderson. I am the Vice President of Product for Unica, an IBM company. Thank you.

### **Jeffrey Hayzlett**

Now everybody knows we moved from a broadcast to a narrowcast society so it's really about segments of one. So rather than thinking about different groups that you want to market to, think about the power of one and how you reach that person in the most creative way, customization, versioning, every which way that you can put the message so that they can understand it. So go through your own database. Look at your own CRM system. How are you gathering information on your prospects and how can you reach them in segments of one. This is Jeff Hayzlett, former Chief Marketing Officer for Eastman Kodak and known as a Celebrity CMO or by the German bloggers as the Chuck Norris of Marketing.

### **Ty Ahmad-Taylor**

When I think about the future of personalization as it relates to both marketing and to media, we think that there are opportunities around three vectors. The first vector is real time and by that we mean offering people the opportunity to bind to entities that they're passionate about. In our case, it would be a team like the 49ers and giving them a real time feed of the most important news about that team. The second sort of consumption vector is what we call hot and that's based on the zeitgeist of the time and we assess that using something called social sensing where we assess the value and frequency of the number of mentions on social networks in real time. The third is a local vector where you're showing all the news and relevant information with regards to a particular locale. And from a marketing standpoint, what I'm really getting at is that delivering value against these vectors as opposed to trying to extract how you direct the consumer is how you get consumers to bind to brands directly because they're getting personalized value in the channels that they're used to consuming them. This is Ty Ahmad Taylor, CEO and founder of Fanfeedr, the best place to get your sports fix.

### **Mike Volpe**

So my tip is that you should use personalization and customization of landing pages to drive better conversion rates. By using highly targeted offers next to all of your content, you can get much better performance from your landing pages. So if you have a blog article that's about a specific topic, the content that you're putting next to there to drive conversion, so the offer that links to a landing page, should be about that specific topic that's in that blog article. On hubspot.com, we have over 600 unique landing pages and having so many of these different offers allows us to target them to the different content that people are consuming on our website and really increase our conversion rates. What we've seen is overall an average with these 600 landing pages, we get over a 30% conversion rate for those landing pages, which is

about three to four times higher than most industry averages. So use personalization and customization of landing pages to drive higher conversion rates. This is Mike Volpe, the VP of Marketing at Hubspot.

### **Ambal Balakrishnan**

We marketers are busy in the trenches. We often find ourselves short of time to stop, think and plan, to harness the fantastic power of tools that today's technology provides us. I have found the following three-step approach is a simple way to leverage technology to do personalized marketing. Step one: Listen. Use professional listening tools like Radian6 or perhaps just a simple keyword search across relevant blogs and forums to listen to what are the burning issues in your target market. Step two: Educate. Create compelling content and use distribution channels like newsletters, YouTube or Slideshare to distribute that content to your target audience. Step three: Engage. Social media tools like blogs and Twitter have leveled the customer engagement playing field and made it absolutely easy for us marketers to hold meaningful conversations with our customers and prospects. This is Ambal Balakrishnan, co-founder of Click Documents at [clickdocuments.com](http://clickdocuments.com).

### **Pete Krainik**

In hosting CMO Club dinners with CMOs from both B2C and B2B companies, there are a number of really interesting innovations in this whole area of customer and consumer personalization. One that I really think is valuable is taking the the Amazon concept of recommendation engines for products and making them really recommendation engines for content, where instead of a company thinking about how do I put things in front of a customer to make them buy stuff—either buy more stuff or buy stuff quicker—is to actually provide content to them based on their request, based on their capabilities and interests that is going to make their experience on the site, on the app, etc. more valuable to them. So it's really thinking in terms of truly customer-centric recommendation engines not company-centric selling engines. This is Pete Krainik, CEO and founder of the CMO Club.

### **Chris Treadaway**

One of the things that we see out there in the marketplace talking to brands is that the social media managers are starting to be put under a lot of pressure to start to rationalize what they're doing. I mean, there are a lot of time, energy and resources devoted to maintaining properties and all that and that's just a cost for businesses. How can the social media manager drive intelligence from the personalization that's out there where people are putting in information about themselves in their profiles and how can they drive revenue? And so a few of the things that we think people will be able to answer—you know, who are your top fans? What are they doing? Are they commenting, liking, interacting, saying good things about your company? And most importantly, how can you market to them and how can you sell products to them in a way that doesn't annoy not just them but their friends as well? I'm Chris Treadaway, author of [Facebook Marketing: An Hour a Day](#) and founder of Notice Technologies.

### **Edward Montes**

As I see the future of personalization with respect to advertising anyway is that there's this need to reward publishers that provide better content and to punish those that actually don't provide quality content or quality advertising environments. This is especially true in real time bidding and exchange environments where you can see ads on sites that simply don't do justice to the brands that are advertising them. Why? Well, a lot of this technology provides a sense of false optimization and false optimization is when someone steals credit or takes credit for an action attributed to an ad regardless of the content on the page or the quality of the advertising environment. Now I believe that there's going to be a macroeconomic effect here, which is that the better publishers will receive greater financial reward and those that are gaming the system will be weeded out. So in the end, the consumers will hopefully have less page spam and the advertisers will have a better advertising environment. This is Ed Montes, CEO of Adnetik.

### **Bob Barker**

Okay, so we see personalization as something that needs to be a natural conversational type of thing and we call that the engagement cycle that we need to have with customers, the way we listen, learn, understand and then speak back to them. And we build that approach into all our technology. So first of all you've got to listen, take in all that social media data, take all your web data, take all your database marketing data and be able to sort of listen to what the customer's saying. And then the next stage is learning about that data, so having it all in one place, being able to apply analytics to it so you can understand the individual and groups of similar others. And then the next stage is understanding what all that is about and what we should be saying to them in terms of content and campaigns. And then finally we speak it back to them through the right channel with the right message at the right time so there's a natural process of conversation with them. My name's Bob Barker and I'm the VP of Corporate Marketing and Digital Engagement at Alterian.

### **Porter Gale**

In the airline industry, a lot of fliers used to feel like a captive audience where they had no control. It was a conversation where people would always talk about the negative things that happened with flying. What we tried to do with Virgin America was to use personalization to actually give fliers a great experience again. When we designed our cabin, we actually put in an entertainment system in the seat back that was designed with the intent to give guests complete control over their experience. They're able to order food. They don't have to wait for a food cart. They can watch movies. They can text other seats with a seat-to-seat chat. They can play video games. All of these things are really putting the guest first. They're saying, "Let's give them control over their flying experience and make sure that it's everything that they want." As a marketer, that's been an amazing asset, to have a product that is that flexible. This is Porter Gale, Vice President of Marketing at Virgin America.

You're listening to The Future of Marketing presented by ThoughtLead and sponsored by Baynote, Janrain and Unica. In the next chapter, we ask the question what are the privacy implications of personalization? How worried are consumers about their personal information and online behavior being tracked by marketers? And what are some important policy

considerations and possible ramifications? Later we'll delve into the human side of personalization and explore the intersection of technological advancement and the core of what makes us human. Now let's hear from Antony Mayfield, founder of Brilliant Noise.

### **Antony Mayfield**

So one of the mistakes I think that we make as marketers when we're approaching personalization and especially personalization in the digital realm of marketing is that we think of it purely as an opportunity and not part of a set of broad, very profound societal changes. We're operating in an environment where users, where ordinary people are having their ideas about privacy challenged and redefined. So privacy is a very complex issue. It's kind of a proxy issue for a lot of other fears that people have about the web. It can be used as a scare story. But too many marketers, I think, and social network entrepreneurs perhaps, employ wishful thinking, hoping that they understand how this is all going to turn out for users. The key for brands really is to balance short- and long-term benefits and to really engage with users in a process of asking them how they feel about the trade-off between privacy and personalization. I'm Antony Mayfield and I'm the founder of Brilliant Noise.

### **Chris Babel**

Marketing personalization, it's powerful. It increases ad relevance to the consumer, drives ROI for advertisers and improves CPM for the publisher. It's a win all around. But when does personalization get too personal and when does it violate a consumer's privacy? It's a tough question. Privacy is a personal issue and you never know as a marketer whether you're talking to Sandra Bullock, who hid her son's adoption, or Aston Kutcher, who tweets about his marital issues. The three keys that TRUSTe finds, is one, provide the consumer transparency. Let them know you're targeting. Two, give the consumer choice, provide opt-outs. And three, be accountable to those choices. That's our definition of good privacy. Consumer privacy concerns have exploded through Wall Street Journal reporting, bills in Congress, FTC, DOC, self-regulation initiatives, browser do not track features. Now TRUSTe's customers find that informing consumers and providing choice helps build consumer confidence, drives increased purchases with very, very few opt-outs. Let truth and privacy help drive your business. This is Chris Babel, CEO of TRUSTe. Thanks.

### **Mat Harris**

So how can ads be personalized without being creepy? I started to propose a personalization standard which should go a long way to help people feel better about personalized ads. The goal here is optimal personalization. What's the highest point of relevance for the lowest sense of intrusion? And that comes by permission. Marketers have to be invited into spheres of individual access and know what their valence is. How close are you allowed to get? The strictest litmus test for this is essentially can the viewer easily see how the marketer got the information they're using to create the ad? It's not okay for a company you have no relationship with to use your name, for example. But if your own bank suddenly tried to become more personal with you, that might be okay, maybe even appreciated. Social networks are essentially a two-way filter and we have to all become comfortable thinking about them this way. So instead of feeling abused by marketers creeping around knowing stuff about us, I

think we'll soon appreciate this filter that removes irrelevant messages from our web experience while delivering quality messages that we actually want. I'm Mat Harris from BizGreet.

### **Gianfranco Cuzzio**

To me, personalization is a key plank of any organization's CRM strategy. But actually, to me, CRM stands more for this idea of contextual relevance marketing than anything else. This new CRM only works when the context and relevance that you are engaging me with has my permission. But it also stops working if you abuse my privacy by ignoring that permission that I've given you. That permission is about engaging me on particular topics at certain times using my preferred media. As my old Greek friend Aristotle says when he talks about the art of persuasion, "Ethos, or ethics, is very important and before you can convince an audience, they have to accept you as being credible." And credibility has trust as a cornerstone. If I sign up for your email messages, don't abuse that trust by hunting down my cell phone number and sending me a message via a channel I didn't sign up for. As a consumer, I want the recommendations and relevancy that personalization brings but don't want you to abuse that trust. And if you do abuse it, as a connected consumer in today's world using connected networks, your lack of ethics or ethos will be quickly shared. This is Gianfranco Cuzzio, head of ECRM at EHS 4D.

### **Rob Shavell**

Everyone involved in online marketing should know what the FCRA is. Give up? It's short for the Fair Credit Reporting Act and it forms the basis of consumer credit rights here in the U.S. When was it made into law? Give up? Congress passed it in 1970. Today, 41 years later, some of the same congress members are looking at the same issues of consumer protection once again but this time it's about your business, web tracking and personalization. What can I tell you about do not track and how online personalization might change in the future? I'll leave you with a couple thoughts. The conventional wisdom that interest in privacy is statistically low you might be underestimating. People that don't want to be tracked are not anti-advertising and it will pay off for you to find ways to engage your customers and prospects without secrecy. My name is Rob Shavell, co-founder of Abine, the online privacy company.

### **Theresa Clifford**

Technology can play a really big role in helping us to right touch. It can make sure we're touching our customers in the right way at the right time with the right information which is really what personalization is all about. So where these technologies can really be useful is to understand how to touch people in the right way. Where do people want to be touched and how do they want to be touched? And in what context is it appropriate to do that? So if people are businesspeople you want to target something at them that's going to help their business, you do that within either work hours or in a context where you know they'll be thinking about work. If they're on their sort of break time or in their own personal space, it's best not to target people. So it's always bearing in mind what do you know about your audience? What do you know about what they might be doing at this particular time and taking that into account and

doing the right touching at the right time. I'm Theresa Clifford, Marketing Director at cScape and Editor of the Customer Engagement Survey.

### **Alan Chappell**

So I think one of the more exciting developments in online privacy is this idea of a do not track list. And do not track was an idea that's been floated mostly over the last six to nine months by the head of the Federal Trade Commission and partly in response to what I think the head of the Federal Trade Commission believes was a slow industry adoption to self-reg when it came to online behavioral advertising. It's interesting from a consumer standpoint because it's really unclear what benefit that consumers are going to be realizing from this and it's also unclear how many consumers are going to be ultimately utilizing this do not track option. If you look at historically opt-out rates for advertising, one could certainly speculate that the number of consumers who take advantage of the type of do not track option might be fairly low. My name is Alan Chappell. I'm the president of Chappell and Associates. We provide legal advice to companies in the buying and selling of online media.

### **David Polinchock**

I think many times people are asking about the privacy issue for personalization and this has become a big topic of discussion in the industry. Honestly, I think it's a red herring. I don't think it's about privacy and invasion of privacy. I think it's about the value proposition that we give to the consumers. Too often, we're saying, "You give me all of your personal data, I can give you targeted ads." Well, the consumer doesn't really see that as a value proposition to them. I always ask people, "Do you have a restaurant where everybody knows your name? Did you ever think they're invading your privacy?" Of course not and it's because you get the value proposition. I get faster service. I get better service. I get personalized service. It's all about looking at what you do, looking at what you bring to the consumer and making sure that you're giving them the right value. If that's done, you'll be successful with it and privacy will be less of an issue. This is David Polinchock, the Chief Experience Officer at Location Based Branding.

You're listening to The Future of Marketing presented by ThoughtLead and sponsored by Baynote, Janrain and Unica. Let's take a moment to look at the more human and cultural side of personalization. How far can technology really take us? Is personalization improving our online experience unequivocally or might it be limiting our horizons and reducing our exposure to diverse opinions and perspectives? Later we'll look at the emerging business implications of personalization and how companies at the leading edge are already putting it into practice. Let's hear from Guy Kawasaki, co-founder of Alltop and the author of [Enchantment](#).

### **Guy Kawasaki**

The key to personalization, contrary to what you may be hearing from other people, is not the quality of your algorithm, the sophistication of your software, the sophistication of your searches and all this good stuff. I think that the key to personalization is you work your butt off. And this means that you answer your emails, you answer your directs, your @'s and all that. You're looking up people's background as you do this. I come from the school of grinding it out and this means that you have to really work hard. You have to keep a lot of people in mind. You

have to look at what they're doing. You have to go back through your threads and see what they said before. I don't think there's any computer algorithm—certainly there are algorithms that can make you seem better, but truly, truly to personalize, you just need to grind it out and put in the effort. This is Guy Kawasaki, the author of [Enchantment](#).

### **Drayton Bird**

When personalization came in it increased response by as much as 50%. I've seen simply saying something like, "As an accountant...," at the beginning of a letter, double, triple or even quadruple response. But the plain fact of the matter is that the personalization you should be interested in is being able to talk to people as persons. For instance, years ago, I suggested to people that if they began a letter with the words, "I was thinking about you today," this would work. If you just focus on human emotions, what turns people on, what turns them off, what worries them, what frightens them, you won't go far wrong. Worry less about technology than people. I'm Drayton Bird, [www.draytonbirdcommonsense.com](http://www.draytonbirdcommonsense.com).

### **Shama Kabani**

If you can connect with your consumer's identity, you win. It isn't your brand that matters. It's how your brand is a reflection of them that matters. Studies, including my own graduate work, have proven that the number one reason people use social mediums is to showcase their own identity. The second reason is to connect with their family and friends. This is why the local animal shelter down the street has an easier time attracting fans than your B2B conglomerate. Supporting animals in the local community says something about people who like the page. It says they're good people who like animals and supporting the local neighborhood. What does liking your company online say about them? The future belongs to those marketers who can find a way to become a part of their consumer's identity. You have to go beyond what your product can do for them and focus on what your product says about them. This is Shama Kabani, author of [The Zen of Social Media Marketing](#).

### **Greg Stuart**

What does it really take to add personalization to marketing? First it takes a marketing channel that can deliver that personalization and I'd suggest that mobile's basic USP, it probably does that best. However, major research I had an opportunity to be a part of, brands like Proctor, Ford, Colgate and others, suggest that this is going to be complicated. In that research, we found that every campaign needs to be successful in each of the three Ms, which are motivation, message and media. While media or targeting and customized messaging are solvable problems, modifying motivations or the art of devising a positioning strategy that really matters to each consumer is tough. Proof in point, one-third of the campaigns we studied failed completely in getting the motivation right for any consumer. The challenge I would put out is this, now that we have a channel within mobile to deliver personalization, how do we solve for personalizing marketing communications at the basic strategy or consumer motivation level? This is Greg Stuart, Global CEO of the Mobile Marketing Association and co-author of [What Sticks](#).

### **Alan Webber**

The shift today to personalization in marketing is actually a technological shift. It begins with a shift from television, which was the old medium, to the medium of today and the future, which is the web. All marketing today that matters begins on the web. It starts on the web because the web itself is a medium for conversation, for a two-way dialogue, not for a one-way monologue. And when you're able to create a conversation, when you're able to structure a dialogue, all of a sudden, you're competing for the customer's imagination. If you can capture their imagination by getting them into a dialogue, then you've got a shot at their pocketbook. First get them by their mind, by their creativity, by their interest, by what they care about, by what they respond to emotionally and what they want to talk to you about, then you'll get a shot at their business. This is Alan Webber, founding editor of Fast Company and author of Rules of Thumb.

### **Julien Smith**

I think personalization is all fine and good except for the negatives that it brings along with it. Number one, we're being advertised to in very subtle ways that we actually enjoy and so the coercion that we experience is sometimes not even very detectable. We're thinking thoughts and we're buying things thinking that it's our idea when, in fact, no, it isn't. It's things that we were influenced to do. That's what personalization does. The second aspect of it is that we're getting stuff that we enjoy and that we like, but not stuff that challenges us and tells us when we're wrong. A personalized web, which is made by our friends, the people that we respect, is not a web where we're getting challenged and finding new stuff that we find ugly or weird but need to know. This is Julien Smith from [inoveyourhead.net](http://inoveyourhead.net) and co-author of the New York Times bestseller Trust Agents.

### **Nikki Baird**

So I find that one of the things that marketers tend to focus on a little too much is personalization and that seems ironic to say that given the context of this. But what I find is that there's so much focus on the information that marketers can gather about consumers and trying to use that information to understand every little nitty-gritty detail about them that they forget to focus on relevancy, which is really the most important aspect. And in order to get from personalization to relevancy, what you have to look at is not necessarily all of that past purchase history or that past activity of what a consumer has done with you but really looking at what they're trying to accomplish with you on this particular shopping trip for this particular objective. As soon as you're able to kind of move that context forward into what they're trying to get from you today, then you really are able to position all of that past information to make yourself much more relevant. This is Nikki Baird with RSR Research, Managing Partner. Thanks.

### **Aaron Perlut**

As marketers, we tend to get so obsessed with the latest technology, whether it be mobile or an iPad or something like that, but in the end, isn't personalization from a marketing perspective really about that interpersonal relationship between the brand and the respective current consumer or loyalists? I mean, understand that it's more than technology. There's a human element that sometimes gets lost. We used to see this with one of our clients, a leading

cable and internet provider. We had a young man who would sometimes manage that social media platform for them and the engagement levels just weren't very high because he didn't have his finger on the pulse of the consumer. Alternatively, we had a mature woman in her 30s who was managing it for a while and we found far greater levels of engagement, greater feedback because she really understood the kinds of content that the target demographic was looking for. And if you can continue to fill your channel with content, you're really going to personalize that relationship between the brand and the consumer. My name is Aaron Pearlut. I'm a partner for Elasticity and a marketing blogger for Forbes MarketShare.

### **Suresh Vittal**

Marketers have a real data problem. They have data coming at them from a whole host of new and unusual data sources, structured, semi-structured and fully unstructured. And this problem's not about to go away. But we find too often marketers are focused on data when, in fact, they should be focused on the problems that their business must answer to survive and thrive. Focusing on the problem then allows them to extract the insights out of the data and by extracting these insights and applying these insights, they can make information come to life. And information comes to life through this act of personalization, through this act of delivering relevant and compelling experiences to their end users. This is Suresh Vittal, Vice President and Practice Leader at Forrester Research.

### **Toby Bloomberg**

I'm betting movie buffs will recognize this famous quote from *The Godfather*. It's not personal, Sonny. It's strictly business." Well, from my point of view, *The Godfather* was wrong. Dead wrong. Business is personal. The funny thing is, the oxymoron of the worldwide web is, while it's considered cold and unfeeling—it's technology—but it's helping to create trusted personal relationships. We're actually building virtual bridges that help our customers meet the people behind the logos of our brand. I call it creating corner grocery store relationships where the shopkeepers not only know the needs of customers but are actually a part of a community integrated into daily life. People at the end of the day like to do business with people they like. It takes time to build trust but less so to establish likeability which is really the first step towards a long-term partnership. I'm Toby Bloomberg from [divamarketingblog.com](http://divamarketingblog.com).

### **Bill Taylor**

To me, the reason for companies, brands, products or services to get more personal is because it helps you meet what is the key challenge for every business today which is to make yourself more memorable in the eyes of your customers. The challenge for everyone today is to create an emotional and psychological contract with your customers that separates you from everybody else. And what better way to do that than to allow your product or service to become a platform by which your customers express their own interests, needs, desires. I love it, for example, when you can walk into a Converse retail shop today, like the one on Newbury Street in Boston, and design your own Converse sneakers right on the spot. So the reason to get more personal is to make your organization or your brand more memorable in the eyes of your customer. This is Bill Taylor, co-founder and founding editor of Fast Company magazine and author of the new book [Practically Radical](#).

### **Tony Hsieh**

At Zappos we have an acronym called PEC, which stands for Personal Emotional Connection. There's lots of different ways of delivering great customer service. Some companies like to focus on technology and efficiency and take the high tech approach. For us, rather than take the high tech approach, we'd rather take the high touch approach. And that's why in our call center we don't have scripts and instead we encourage our employees to just be themselves and connect with whoever's calling in a personal way. So, for example, if the customer happens to be from the same hometown, they might be able to talk about that. Or if they hear a dog barking in the background and the rep also has a dog, then they can bond over whatever dog owners bond about. And so we really just leave it up to each rep to do something that fits their personality and the customer's personality and together they can create the Personal Emotional Connection. This is Tony Hsieh, author of [Delivering Happiness](#) and CEO of zappos.com.

You're listening to The Future of Marketing presented by ThoughtLead and sponsored by Baynote, Janrain and Unica. In the next chapter, we explore both the large scale implications for business as well as leading edge examples of how companies are applying personalization to their own marketing efforts. To start us off, here's Marc Parrish, Vice President of Retention and Loyalty Marketing at Barnes & Noble.

### **Marc Parrish**

About a year and a half ago, Barnes & Noble started an effort to totally integrate one view of the customer into the DNA of the company. With so many touchpoints of the customers at retail POS, the customer service counter, online, email, direct marketing and now the new format of mobile shot out of the gate with our Nook e-reader. And we had to have a way of anchoring back into the retail experience with what we knew was important to them and that was their local visit to the bookstore and the browse and shop experience and treating them like a VIP at every touchpoint. So we started this concerted CRM program that included high speed analytics and the forward placement of all that data so that the touchpoints could consume them. Now we know exactly what sections of the bookstore are important for each one of our members and how to recommend the books and authors that they most enjoy at all of our touchpoints. This is a huge innovation for our millions of members because it gives them the experience they were searching for with a very personal and important part of their lives and that's the printed word and the world of ideas that it unlocks. This is Marc Parrish, VP of Customer Loyalty and CRM at Barnes & Noble.

### **Bob Gilbreath**

It's easy to understand why technology is being used for marketing personalization. Greater relevance leads to more responses which leads to better revenue. What you may not know is that consumers are increasingly expecting your business to use this information to serve them. For example, because they're used to Amazon remembering your purchase history and making recommendations, people come to expect the same when they walk into Macy's or Nordstrom. Because Federal Express allows you to track your packages online, people expect Domino's to

let them to track their pizza and Dole to let them track their bananas. People expect customer support to know their names and addresses when they call because they know caller ID works that way in their homes and they even liked your brand on Facebook. People know your company has their data. If you are not using it to offer better service, then you will lose their business. This is Bob Gilbreath, Chief Strategy Officer of Possible Worldwide and author of [The Next Evolution of Marketing](#).

### **Rio Longacre**

Hi, I'm going to give you two quick marketing tips today. Tip number one, get personal with your prospects and customers. There are some great tools out there that marketers can use to personalize and track cross-media or cross-channel marketing campaigns. These tools include personalized URLs or PURLs, QR codes, dynamic landing pages and so on. A personalized URL, for example, can be put in a mail piece which can then drive a customer across channels to the web to a dynamic landing page that can include very highly personalized content so that you can improve tracking and get better results. Now tip number two is personalize but don't get creepy. Just because you know something about a user does not mean you need to share it with the world. People can react very negatively to what they perceive as their private information being displayed to the public. Let's say you have a customer with four kids. That doesn't mean you list out their kids' names. Instead, use that knowledge to create personalized offers that really are friendly to those with families and you'll get better results. My name is Rio Longacre and I'm Vice President of Sales and Marketing at [easypurl.com](#). Thank you.

### **Chaitra Vedallupalli**

Today a lot of people are speaking personalized marketing related to consumers. Today I'd love to speak about personalized marketing related to affecting change within an organization. Our goal was to transform the knowledge management for our 45,000 employees. This required more than 2,000 publishers to migrate and publish content in a new way. This change would achieve increased efficiency and simplification for each organization in the magnitude of 40 to 70%. When we introduced it, no one wanted to do it. We realized that each organization had a unique culture, unique needs and business goals. We segmented our audience, developed personalized marketing to help them guide through the transition. Today, everybody is on track and they are ready to realize the change. I'm Chaitra Vedallupalli and I'm a senior director at Microsoft.

### **Mark Taylor**

Intent-based personalization is a fine way of personalizing. It's a fine way of getting to the first level of relevance. It's not enough. The results prove that intent-based will deliver something in the region of 3 to 4% in terms of conversion. That means in 95 to 96% of the cases, we're not establishing a relationship of relevance with our potential consumers. Why is that? Because we're not personalizing to the why of the intent. Personalizing to the why of the intent will significantly increase relevance, will significantly increase the value of the customer experience for the customer themselves and therefore will significantly increase the results. This is Mark Taylor, Chief Marketing Operations Officer for Rosetta.

### **Christa Carone**

Well let me kick off with a quote from Ted Levitt and he was a famous Harvard Business School professor that many marketers are familiar with. And he was once asked what he thought the future of marketing would be like and he replied that, “The future of marketing will be more like the past than you could ever imagine.” And he went on to explain that in the future, technology would enable us to have customer relationships like people used to have with their corner grocers. And I think certainly what he meant by that is the whole notion of personalized service and we all remember those local retail outlets where the people knew your name, understood what services or goods that you were seeking much different from the mass appeal that tends to be part of our marketplace now. So at Xerox we really take that to heart in the way that we look at one-to-one marketing, that it’s all about personalization, less mass communication and more mass customization. This is Christa Carone, Chief Marketing Officer of Xerox Corporation.

### **Brian Kardon**

In a face-to-face meeting, we know that body language can be key to what a person is thinking. Each facial expression gives a clue to interest and opinions. For example, smiles, nodding or leaning forward can indicate interest. Frowns and checking email indicate disinterest. But today we interact with people almost exclusively online. Each webpage, each search phrase, each visit to a social media discussion reveals an area of interest. Collectively, this is digital body language. Let me give you an example. The Boston Garden sells lots of season tickets to sporting events and Ed has been a Boston Bruins season ticket holder for years, steady, predictable. Then the Boston Garden started to watch Ed’s digital body language and they saw that he was checking out online offers for the Harlem Globetrotters and Disney on Ice for his daughter. They pushed out special personalized offers to Ed for tickets to both events at a special price that included a backstage pass to meet the stars of Disney on Ice. Well, Ed couldn’t get his credit card out fast enough. That’s digital body language at work. I’m Brian Kardon, CMO of Eloqua.

### **Wrich Printz**

In the past 10 years, we’ve seen the development of mass personalization and where the market is heading is mass personal relevance. I know that sounds fairly similar but let me elaborate. When you are sending out targeted marketing campaigns focused on talking to the person with their name with a picture of a car they just test drove and you are sending out a thousand or a hundred thousand times, you are delivering mass personalization. That adds some lift to a campaign. But it’s still going to greatly depend on the quality of the offer and of the interest of the different buyers across the campaign that you are targeting. Mass personal relevance allows you to have data on every campaign that targets specific buying patterns and the needs of that customer. For example, your barber will know that you don’t need your hair cut every day and a plumbing supply warehouse won’t market the same equipment they sold you the day before. Mass personal relevance allows you to target individual offers tailored by data and driven by customer input. This is Wrich Printz. I’m the President and CEO of L2.

**Steve Rowen**

As we come out of what we're calling the great recession of 2008-2009 and I guess for all intents and purposes, 2010, the one thing that we've been guaranteed of is that whether or not customer behavior has changed forever, it certainly has been affected by the recent economic downturn. What they've really done is sort of self-select the retailers to whom they're—and the brands to whom they're going to have loyalty. A lot of that is dependent upon how relevant a retailer or a brand can communicate or can convey their relevancy to the customer. So personalization, the value of it increases almost exponentially. This is Steve Rowen and I'm a managing partner at RSR Research.

**Eric Groves**

In my mind, personalization is all about how we engage and communicate with our customers using technology in ways that mimic how we would do it if we were standing face to face. Ideally, we would call them by name, talk to them about things of great interest, speak to them through media that they're already using, listen to their feedback and invite them to share their thoughts with others. Personalization includes all of these elements and through the combination of email marketing and social media marketing best practices, you can deliver on all of the above. Email marketing campaigns can be personalized and sent only to individuals that have expressed an interest in a topic you're communicating about, while technology has made it possible for these messages to be delivered to the desktop, laptop and even mobile device. And social media provides us with a way for our audience to jump in to the conversation and share it with others. The more engaged your customers feel you are with them, the more likely they will be committed to you and your business. This is Eric Groves with Constant Contact.

**Chuck Martin**

In terms of personalization, mobile and personalization go hand in hand. If you look at what we're going to be able to do because of the mobile device, companies will be able to reach a customer where they are, when they are, whether they're in motion or stationary in front of, say, a retailer. This is why location-based marketing and location-based services, these platforms that we're all aware of, are going to be very, very large. This is why companies like Foursquare, what they can do is when people check in, basically identify where they are, this allows companies to provide relevant and useful information, products and services to them, or even opportunities and deals. And this idea of geolocation or placement of technology around stores so that you can provide value to someone when they're on location, that's an enormous opportunity for a marketer. And from a personalization standpoint, it's of extreme high value to the individual because they get a value based on where they are and when they are. This is Chuck Martin from [mobilefutureinstitute.com](http://mobilefutureinstitute.com).

**Diane Kegley**

Ten years into e-commerce, retailers continue to face the conundrum of stagnant conversion rates whereby 90% of the consumers on their website still aren't converting. Compared to the bricks-and-mortar environment where shelves are stocked for consumers to browse, online it's a very different paradigm where the shelf space is entirely dynamic and what's viewed by the

consumer is completely at their discretion. So what can retailers do to increase conversion rates while giving shoppers an engaging experience? The key is to utilize the value of the data you have about shoppers on your site, whether they've purchased before or not. And this is introduced by personalization and analytics through product recommendations that cross-sell and upsell products to consumers based on their own shopping behavior and the behavior of others. If you think about it, Amazon has trained us all very well. In fact, after using the search box and site navigation, product recommendations are the third key method that consumers use to navigate a retail site. My name is Diane Kegley. I'm the Vice President of Marketing for RichRelevance.

### **Lori Trahan**

So it's especially important to get relevance right in advertising because the days are over where the consumer's going to just click on an irrelevant ad. Advertisers are using various techniques to market to consumers. They're exploring with great creative, rich media, brand-safe contextual placements and increasingly targeting the right consumers, the people who are actually in market for their brand or for their product or service. And so personalization platforms are actually helping to drive this trend, identifying the right audience based on their preferences, targeting that audience with the right ad, with the right offer. And this basically just creates a more relevant online experience and one that consumers are much more willing to engage in. I'm Lori Trahan, Chief Revenue Officer at ChoiceStream.

### **Lisa Arthur**

The personalization revolution is part of a broader marketing revolution where we're redefining marketing and how we engage with our consumers and our buyers. Marketers must integrate the customer experience across the entire marketing landscape to drive momentum and customer interest and in interaction. Marketing programs must be tailored to meet these new requirements which means content must be dynamic and changeable based on the last interaction point. So we've moved from an opt-in, permission-based and customized address fields in personalization to what we see today which is online relevant conversations that engage and excite. This is allowing our consumers to control the experience and us be able, as marketers, to engage in that conversation. This is Lisa Arthur, the Chief Marketing Officer of Aprimo and a blogger at [forbes.com/lisaarthur](http://forbes.com/lisaarthur).

### **Giovanni Rodriguez**

The long-term effect of personalization where everyone becomes their own brand is that personal expertise will become a fungible asset and by that, I mean something that can be openly traded for cash or an alternative form of currency. Now, what's an alternative form? It could be something as simple as visibility and recognition in an open network. This is already beginning to happen in a number of industries but today it's having a massive effect on the media industry. There, the emerging business model is a strong brand, a small group of paid writers and a limitless group of unpaid experts all motivated to grow the network. It's the model that's made the *Huffington Post* such a huge success and it's the model that's putting so much pressure on more established brands like *The New York Times*. But this is just the beginning. The expert effect can happen to almost any industry where information is the key

asset. Businesses are going to have to find better ways to tap expertise both inside and outside their companies. Those that don't might fail. This is Giovanni Rodriguez, Chief Marketing Officer for BroadVision.

### **Stefan Tornquist**

One of our topics today is the company of the future and it's funny that when we talk about the new kind of social customer relationship, in a way we're really talking about a supercharged version of good old database marketing. What sets forward looking companies apart, you know, companies like Zappos, is that they have bulletproof databases and information architectures because that's what it takes to have all of those personalized emails, custom catalogs, webpages. So the company of the future unifies its information because that's what everything is based on. They take in information from disparate sources, mobile, social, offline, you name it, and they use that to power personalization. It also powers automation so busy work goes away and teams have more time to spend with creative and strategic goals. Now this is going to be very difficult for older companies, companies that grow through acquisition and those companies that don't want to invest. But there's no path to the future of marketing that doesn't take that step of bringing all the data together. I'm Stefan Tornquist, Econsultancy's Research Director for North America.

Hi everyone. I want to thank you for taking these past 60 minutes to explore the past, present and future of personalization in marketing. I also want to invite you to continue the conversation. If you haven't already, please take a moment to join us on Facebook by clicking the like button on this page or by visiting us at [facebook.com/thefutureofmarketing](https://facebook.com/thefutureofmarketing). And, of course, I want to thank all of our 60 speakers for their important contributions to this interesting and rich conversation. Thank you again to our sponsors, Baynote, Janrain and Unica, and to our media partners, Econsultancy, the CMO Club, [cmo.com](http://cmo.com) and the CMO Council. And with that, The Future of Marketing microconference is officially over. I'll talk to you soon and thanks again for tuning in.