7 Common Personalization Challenges and How to Overcome Them
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Digital marketers have an incredible OPPORTUNITY in front of them:

**Mining the massive amounts of data created by online activity to personalize the customer experience across multiple touchpoints and channels.**

Marketers are using personalization to build brand, increase demand, and improve customer acquisition as well as to drive revenue through upsell, retention, and of course, turning customers into lifelong fans. According to McKinsey, brands that get real-time personalization right can deliver five to eight times the ROI of its marketing spend and lift sales by 10% or more. But that’s often easier said than done. A study by research firm Boostify states that 90% of consumers report feeling positively towards brands that treat them like an individual, but only 20% feel there are any brands that understand and care about them. Marketers clearly have more work to do on this front.

The truth is, there are some challenges along the journey to targeted, relevant personalization that yields results. A recent McKinsey survey of senior marketing leaders found that only 15% of CMOs believe their company is on the right track when it comes to personalization. So if you’re experiencing difficulty, you’re in good company.

In this eBook, we’ll explore ways you can turn common personalization problems into opportunities.
1. Data Challenges – Lacking a Single Source of Customer Truth

Every time a customer engages with your brand, whether from their mobile phone or a laptop or other touchpoint, the data from each interaction is leveraged for the next interaction to create more informed and more relevant experiences with content, offers, and product information that align with your consumer’s needs. Having high quality data is critical to getting personalization right. Any flaws in your data will kill the experience you intend and will ultimately repel your customer.

The first problem we almost always see with effective personalization deals with data. We love data, but also understand that it can be overwhelming – there’s a lot of it coming from disparate sources that might be incomplete or just plain wrong. Perhaps over the years you’ve imported lists, run opt-in campaigns, and added in web analytics, but what if your sales folks have amended those records with additional information? There’s a good chance some of that information is now outdated.

“Personalization depends on a very deep understanding of the customer: their needs, preferences, behaviors, choices, demographics, and socio-economic information, just to name a few. Disconnected channels, disparate systems and applications must come together to create a single source of truth of reliable customer data to deliver relevancy and personalization.”

— AJAY KHANNA, VP OF MARKETING, RELTIO
Too Much Data

“Mastering the art of engagement means knowing what is relevant to each customer on an individual level. But with the increasing amounts of data being produced, how is it possible to tailor communications to every single customer in your database? Imagine having 700,000 customers, 878 products on offer, 130 promotions running, and 50 different content communications. You would already be looking at 35 billion+ unique possible conversations you could have with your customers. The answer to that is, of course, with the help of technology.”
— REGAN YAN, CEO OF DIGITAL ALCHEMY.

If you’re swimming in a sea of information, having difficulty gaining insights or finding it hard to make data actionable, you might be working with too much data. This often makes it challenging to derive the insights needed to drive engagement and revenue. This may sound counterintuitive, but the goal of personalization is not to leverage all of your data. Your goal should be to use the minimum amount of data necessary to personalize your content for each prospect. Knowing what data is most valuable to you is critical, and sifting through volumes of information to find the golden nuggets is hard.

### Biggest Challenge To Gaining Insights From Data

- Data is siloed and is difficult to access: 47%
- We don’t have the internal know-how/ capacity to extract insights from our data: 20%
- Not enough data: 15%
- Too much data: 12%
- We don’t know how much data we have: 5%
- GDPR means we no longer have access to the right data: 1%

Published on MarketingCharts.com in July 2019 | Data Source: Ann Treasure Data
Based on an online survey of 158 marketers conducted February 11 through April 2, 2019
Q. ‘What is your biggest challenge when it comes to gaining insights from your data?’
Missing/Incomplete Data

Another problem with data comes about when it is incomplete. Effective personalization requires good data. You might have a name and an email, but no data on a contact’s intent or preferences. Sound familiar? Of course, this missing data is only a problem if you need it to achieve your goals. But chances are, you’ll need very specific data in order to segment your audiences, and micro-segment them for better effectiveness, because when you personalize for everyone, you personalize for no one. Add to that the fact that data is getting increasingly complex and marketers have a very real challenge on their hands.

Progressive web forms can help you fill in those gaps in data. But it’s also important to be sure that the data doesn’t already exist somewhere else in your organization. Data silos are a real phenomenon, and we advise researching additional data sources within and outside of your organization before purchasing, or purchase a personalization tool that unifies data sources for you for a holistic view of the customer.

“Since customer preferences and purchase behavior is constantly changing, what brands consider their “customer bases” are in continuous flux. This means the profiles brands create of their customers must be flexible by nature. The way personas influence the strategy of companies will need to change, especially for marketers. Your decade old cardboard cut-out of ‘Millennials’ will not help you resonate with the 20 and 30-somethings of today. It is time to put in place personas that are inherently subject to change.”

— ALEX JONES, RESEARCH ANALYST, BRANDWATCH
But AI doesn’t operate in isolation; far from it. Instead, it requires clean inputs to achieve clean outputs. To deliver consumers the right products at the right time, businesses need to curate millions of data points. Data that might be considered ‘good enough’ requires human interjection to make corrections, which thereby introduces the chance of more problems and inefficiencies.”

— MYKOLAS RAMBUS, GENERAL MANAGER OF EQUIFAX DATA-DRIVEN MARKETING

Marketing Sherpa asserts that 2.1% of contact data goes bad every month. Bad data can affect your ability to engage customers and even impact the livelihood of your business if not careful. Bad data means you can target the right person with the wrong content leading to poor experiences that turn customers off. Have you ever gotten an email that says “Hi Sam”, only your name isn’t Sam? How likely were you to respond to that email?

Conversely, good data is key to making segmentation and personalization possible. Good data means you can effectively target the right person with relevant content at the right time leading to engaging digital experiences that compel customers to action and turn them into lifelong fans. Here again, an AI-first strategy is a best practice for marketers. AI-powered Data Enrichment Platforms look at the accuracy, completeness, conformity and integrity of your data and fill in the gaps iteratively ensuring your data is always clean.

If you have issues with data, ask yourself what most urgently needs correcting and what the risks are if you don’t correct them (think GDPR). Marketers cannot work this problem in a vacuum. It takes technology and a multi-disciplinary team made up of marketers, IT and privacy evangelists to get it right—and it takes discipline.

“Few businesses realize the high costs of ignoring adequate data or take proactive measures to treat the problem by improving the data quality. Worse still, correcting data after it has been created can be 10 times more costly than implementing upstream controls at the point of data entry. A failure to invest in the right data on the front end inevitably leads to unexpected costs on the back end,” Rambus added.
Ever-Growing, but Disparate, Data Sources

Organizations today likely already have all the data they need to reach the right person with the right content. The problem is that more often than not the data resides in a variety of siloed data sources, including website, email, marketing automation and CRM systems, mobile apps, IoT and other channels and third-party systems. The number of sources is expanding quickly as the number of touchpoints grow. And it’s expected to increase to a median of 15 this year, a 50% increase in just two years, according to the State of Marketing Report issued by Salesforce. But even though marketers have access to tons of data, less than half report they have a single unified view of the customer. Without that view, marketers have a tough time delivering the right messages to the right person. What’s necessary is a system to unify and pool that data in one central location - a hybrid content management system (CMS) - where it can be easily accessed and harnessed to deliver hyper personalized content to the right customer at the right channel, anytime and anywhere, and build more compelling digital experiences with customers in the process.

Median Number of Data Sources Used by Marketing Organizations

<table>
<thead>
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<th>Year</th>
<th>Median Number</th>
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<tr>
<td>2018</td>
<td>12</td>
</tr>
<tr>
<td>2019</td>
<td>15</td>
</tr>
</tbody>
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Source: “State of Marketing”, Salesforce Research, December 2018
You need a holistic view of the customer to get personalization right—a single source of truth if you will. AI-powered personalization engines and Customer Data Platforms can do the heavy lifting for you, eliminating the data crunching and time involved in this herculean task.

They can onboard data from any source, whether internal or external (Progressive Web App, social media, marketing automation system, loyalty programs, etc) and unify it so you can harness your data to build the advanced profiles needed to deliver the personalized experiences your customers expect.

What’s necessary is a system to unify and pool that data in one central location – a hybrid headless content management system (CMS) where it can be easily accessed and harnessed to deliver hyper personalized content to the right customer at the right channel, anytime and anywhere, and build more compelling digital experiences with customers in the process.

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2. Personalizing Content Across Channels and Touchpoints

While omnichannel marketing is not new, the number of channels that customers are using beyond a company’s front door - the website - has grown to an average of 10. It’s no wonder then that only a select few marketing organizations say they can confidently deliver personalized content to channels.

Problems Creating and Managing Personalized Channel Content

True personalization requires creating content unique to each individual channel. The long-form content that works on your website, however, won’t work on a digital sign or Twitter where real estate is limited. Marketers need to atomize the content they create into a variety of more snackable, bite-sized pieces made specifically for each unique channel.

One way to accomplish this is to go to each individual channel and create content using its unique UI. But, if like most marketers you use 10 or more channels, this is highly inefficient.

More modern content management systems have come up with a better solution: the Fragment Creator. Critical to omnichannel personalization, Fragment Creator UIs give marketers the ability to create content “fragments” designed for each individual channel that can then be pulled to any channel or web page and reassembled for the perfect digital experience—with ease and without IT involvement. It’s an elegant solution that saves enormous time.

According to Gartner, “While personalization comprises 14% of the marketing budget, more than one in four marketing leaders cite technology as a major hurdle to personalization.” There are a slew of hurdles marketers have faced. The good news: technology has caught up and is paving the way for marketers to deliver the experiences customers demand across any touchpoint. Let’s unpack the problems:
Getting Personalized Content to Channels

All marketers want to deliver personalized content across all channels, but until recently there have been gaps in the technology and best practices needed to do so. That all changed with the introduction of the hybrid (headless+) CMS. Hybrid CMSs are the next generation of the headless CMS and more traditional content management systems and represent the future for omnichannel marketers everywhere.

According to Gartner, “The concept of headless content management is fundamental to digital experiences. However, to address the growing customer demands for better experiences, hybrid headless content as a service (CaaS) is a more-effective approach. Traditional web content management and digital experience platform (WCM and DXP) vendors with coupled architectures are failing to meet the needs of modern multiexperience mandates spanning beyond traditional web and mobile app channels into emerging channels. A headless-only approach requires a high level of digital maturity and comes with certain risks. It is limited primarily to organizations wanting to focus on using deep API skills to deliver digital experiences and integrations.”

What is a hybrid CMS? Hybrid content management systems use a headless architecture with REST-ful Content API to provide content-as-a-service to any channel or touchpoint. They offer fast, powerful interconnections with any channel—mobile (PWA), website, digital sign, IoT devices, social network, etc—ensuring frictionless content delivery, effectively eliminating the challenges of getting content to whatever channel it is intended for. Delivering personalized content experiences for customers has never been easier than it is now.

Hybrid CMSs also offer additional features that today's pure play headless CMSs are lacking, such as the ability to preview AND edit channel content, support workflows and collaboration across teams, scale content management across multiple brands, countries and languages, ease of use for non-technical users, and interoperability with key components of your technology stack in order to enable a next generation digital experience (DX) ecosystem tailored to your exact business needs. It’s a game changer for marketers everywhere and can give early adopters an experience edge over their competition.
Problems Managing Channel Experiences

Getting personalized content to your channels is a priority for marketers. But in true fashion, nothing is ever as easy as it seems. There still remains the problem of managing how your content is experienced on every channel. Traditionally, this has been managed by IT departments who hard code the customer experience for each individual channel. But this meant that the experience was fixed and inflexible, ensuring one-note experiences and preventing marketers from creating a unique experience for each unique piece of content. Marketers ultimately want complete control of the experiences for the content they create, without the need to write code and involve IT. Fortunately, they can with the introduction of Touchpoint Editing.

Found in modern hybrid CMSs, touchpoint editing enables marketers to preview AND edit content in the context of any channel easily and intuitively—without the need for a complex CMS integration by IT—giving marketers complete control for delivery of highly personalized customer experiences at every touchpoint. This ensures marketers have full control over the look and feel of their content and related experiences, making new channels manageable for business users.
Cross Channel Continuity

As stated previously, more touchpoints are being added to the customer journey every year. Getting content to those touchpoints can be managed using a hybrid CMS with Content-as-a-Service (CaaS) capabilities. But then two new challenges arise: (1) how do you surface customer data and insights from each previous touchpoint and leverage it in real time to determine the next best action? (2) How do you improve, refine and deliver increasingly more relevant content at each next step along the customer journey for one cohesive experience? Touchpoint experiences when executed in isolation simply don’t engage or lead to customer action. If you do get cross channel multiexperiences right you will find your customers responding with increased activity based on the powerful experience you’ve created. Get it wrong and you risk alienating customers, or worse, all of your hard personalization work will be for naught.

Continuity is the principle of propagating the user’s state across all channels of the ecosystem.

While it sounds complicated, cross channel marketing has historically never been easier for developers to do than it is today thanks to Personalization APIs which can be found in modern hybrid CMSes and personalization engines. Personalization APIs connect these systems with all digital channels—web, mobile, social, digital signs, kiosks, etc.—to help you deliver increasingly tailored content to customers at every sequential touchpoint in real time. It’s the holy grail of personalized customer experiences, and those companies already dialed into this fact are winning the personalization game and gaining a significant competitive advantage.
Demand for content is increasing faster than marketers can possibly produce it thanks to the ever accelerating need for more personalized content. The amount of content needed to drive personalized experiences has increased exponentially. The reason? The payoff is big. Highly targeted content leads to improved digital experiences, which in turn leads to deeper customer engagement and increased revenues.

Creating custom content across tens of thousands of products and channels simply isn’t practical for most companies. So how can you keep up with this insatiable demand for content? Many digital leaders are turning to the use of natural language generation (NLG)—an AI-powered marketing tool—to scale content creation and ease some of the pressure on marketing by taking over routine content creation tasks.

One of the easiest ways to incorporate NLG into your content creation is through a CMS with built-in or integrated NLG tools. The ability to automatically generate high-quality text (e-commerce product descriptions, promotional text, SEO-relevant descriptions, job descriptions, etc.)—at scale and with no additional human resources—greatly increases productivity and reduces time-to-market.

“Natural Language Generation allows marketers to be able to more authentically and effectively engage with their customers wherever they engage: Their website, email marketing, content marketing, or social media.” Neal Schaffer, Founder Social Media Center of Excellence.

“Content marketing revenues are projected to grow at a 14.4% CAGR from 2017 to 2021”
— DAWN PAPANDREA, NEWSCRED INSIGHTS

“Effective...personalized marketing to the masses requires fast content creation, and natural language generation helps meet this demand. [Web content management] systems that process natural language from the audience and other sources to generate natural language responses have a huge advantage: scale.”
— ANDY CRESTODINA, CHIEF MARKETING OFFICER AND CO-FOUNDER, ORBIT MEDIA STUDIOS, INC.
4. Translation Challenges – Translation Cost, Volume and Accuracy

Now think about all of the content variations that need to be created for each persona, then add multiple translation variations for each into the picture. This is where content chaos happens for marketers that don’t have the right tools in place. Think back to Regan Yan’s hypothetical example of a company with 700,000 customers, 878 products on offer, 130 promotions running, and 50 different content communications adding up to 35 billion+ unique possible customer conversations. Now imagine that the company operates in 30 different countries and in 30 different languages. In order to personalize content to its customers in their local language, you are looking at 1 trillion+ content variations. The scale of content creation mentioned here can only be managed with the help of AI.

AI-powered translation understands and translates text with unprecedented accuracy, speed and cost savings, at scale. It captures even the tiniest language nuances and reproduces them much faster and with higher quality, helping organizations overcome language barriers with an easy solution that keeps costs low even when translation volume is high. But AI translation still requires humans to make it work as intended.

“AI tools for translation and localization will have to be combined—for a time, maybe forever—with human resources, including human translators and linguists.”

— BRUNO HERRMANN, FORMER DIGITAL GLOBALIZATION LEADER AT NIELSEN,
5. Internal Challenges – Not Enough Staff, Budget, or Technology

Given the highly technical nature of real-time personalization and the need to manage large data sets, some marketing organizations simply don’t have the right skill set (or enough of it) or the right data architecture and technology to manage it.

“Personalization requires a deep well of customer data, along with the skills and integrations to leverage that data wisely.” Chris Pemberton, 8 Top Findings in Gartner CMO Spend Survey 2018-19

**Not Enough Staff With the Right Skillset**

According to Gartner’s 2018 State of Personalization Report, “Staffing challenges are a major impediment to personalization efforts. In fact, 74 percent of marketing leaders report they struggle to scale their personalization efforts. To personalize effectively, marketing leaders must hire, train and develop key competencies for personalization including: the ability to understand consumers’ micro-behaviors; know individual consumer preferences for trigger-based messages; produce content that can be versioned to meet a wide variety of consumer profiles and triggers; learn to mine nontraditional data and apply creativity to analytics; and share decision making with other disciplines.”

Without the right people/skills, you’ll have difficulty laying out the right governance and procedures to manage data in order to offer the optimal personalized experience. You’ll have problems understanding customer behavior, integrating third-party data (and breaking down silos in general) and attaining that singular view of your customers. Technology will help, but technology on its own is not enough. Staffing a team with the right core competencies is what’s necessary to get a return on your investments.

“For the vast majority of marketers, returns on personalization hold many unknowns. Whether they relate to strategy, data, technology, people, content production or distribution, most teams are learning as they go.”

— MARTHA MATHERS, MANAGING VICE PRESIDENT, GARTNER FOR MARKETERS
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More than half of companies worldwide said they plan to increase their spending on personalization, according to May 2019 data from SoDA. Roughly a third (32%) said they plan to significantly increase their budget according to eMarketer. And 79% of digital marketers in retail are investing in personalization tools, more than any other industry (source). The reality is that there is no one tool that is a panacea for delivering personalized multiexperiences. To deliver the type of personalized experiences that lead customers to take action you need a Digital Experience Platform (DXP) to help you create the experiences that turn your customers into lifelong fans.

What is a digital experience platform and why should you care? A DXP is a core set of software technologies—powered by a web content management system—that orchestrates the creation, delivery and optimization of personalized, content-rich digital experiences anytime, anywhere to delight customers, compel them to action, and enable a company to outperform its competition. Learn to mine nontraditional data and apply creativity to analytics; and share decision making with other disciplines."
“AI lets firms use the information they collect about the buying habits of a given client to create a more personalized experience and predict future actions.”

— JOHN BUCHER

7. Inability to Scale: Artificial Intelligence can Help

Scaling personalization is no easy feat, especially for global, multibrand companies; however, the good news is that this is an ideal opportunity to leverage artificial intelligence. AI is useful in managing, combining, and cleaning huge data sets from multiple sources, including website(s), email, CRM and marketing automation, advertising platforms, apps and devices, social media channels, beacons, and of course first, second and third-party data.

With clean data, you are better able to segment audiences according to their preferences and behaviors, and deliver automated, personalized experiences at scale. AI can help you find more valuable segments and illuminate which variables matter, far easier than anyone looking at an enormous spreadsheet.

But it doesn’t stop there – AI can help test these experiences to find out which ones your customers prefer, deliver accurate, compelling, and relevant recommendations based on past behavior, and deliver messages based on current behavior. AI can also automate and synchronize these personalized experiences across channels and devices to ensure brand consistency and relevancy. Each channel has its own format and context, and combining them as part of a holistic campaign is vastly improved through AI. That’s something that marketers by themselves simply cannot do.

AI-powered personalization helps you deliver next gen digital experiences—at scale. In fact, AI can address all of the data-driven personalization problems OPPORTUNITIES discussed above, and helps you turn your customers into lifelong fans.

“A smart [digital experience platform] can connect to any data source as well as to any execution channel. It is ‘smart’ in that it can unleash both AI as well as marketers’ deep knowledge. Instead of disconnected decisions based on fragmented data, or never-ending manual intervention, such a personalization brain centralizes and automates the entire personalization process. It can gather all relevant customer signals. It can centralize AI-based decisioning on all that data. Finally, it can execute on those centralized decisions across any channels—including the ability to personalize messages at scale by: 1) automatically selecting optimal channels, and 2) drawing on past behaviors to tailor content on the fly.”

— TASSO ARGYROS, FOUNDER AND CEO, ACTIONIQ
If you’re struggling with personalization, here are **20 questions to ask yourself** to help identify where the problems are so you can determine the right solution for your long-term success, and best focus your resources.

**Let e-Spirit Help**

Our FirstSpirit hybrid (headless+) CMS with an AI-powered personalization tool - the Intelligent Content Engine - will help you finally tap into the power of data to create and deliver hyper-personalized content-driven experiences to your users in real-time, synchronized across any touchpoint to outperform your competition.

Want to learn more about AI-powered, personalized digital experiences?

Get a demo

**About e-Spirit**

e-Spirit’s FirstSpirit Digital Experience Platform, offered through a SaaS or on-premises model, helps businesses engage customers and increase revenue with personalized, content-rich digital experiences anytime, anywhere. Savvy digital marketers across all industry sectors rely on the FirstSpirit platform—which includes a hybrid (headless+) CMS, AI-driven personalization and omnichannel marketing capabilities—for individualized and synchronized content delivery across all channels to differentiate their companies and compel their users to action. We call this the Digital Experience Edge.

e-Spirit, founded in 1999, is part of the adesso Group and has offices in 16 locations in the US, Germany, Great Britain, the Netherlands, Switzerland, Austria and Asia Pacific. Customers include international brands and corporations such as Commerzbank, BASF, Bosch, Belk, Carter’s, Galeria Karstadt Kaufhof, GNC, Grohe, Reitmans, Olympus, Santander Bank, Sterling Jewelers, Walbusch and many others. For more information, go to www.e-Spirit.com or call us at 781.862.5511.