

Customers expect organizations to be aware of their distinct preferences and to interact with them on an individual basis rather than as part of customer segments or groups. Providing each person with individualized messaging, offers, and products ensures a personalized customer experience.

# Toward Superior Customer Experience: Building Blocks for Personalization

November 2022

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## Introduction

Customers have always wanted a hassle-free experience in their interactions with brands. In the meantime, customer expectations for smooth and enjoyable experiences are constantly changing and evolving due to the ever-accelerating pace of digital technology and advances in the market. In parallel with its growing importance among customers, customer experience (CX) has become a strategic concern for businesses. According to IDC's Future Enterprise Resiliency and Spending Survey, enhancing customer experience was enterprises' top business goal globally for a five-month period (September 2021–January 2022, inclusive).

Customer experience now has significantly less friction thanks to developments in customer experience technologies across advertising, marketing, commerce, sales, customer service, and more. However, focusing purely on technological advancement without considering the human connection in CX projects hinders organizations in creating and sustaining emotional connections with customers.

Differentiating by efficiency or product is doomed to failure. The return on investment for efficiency improvements will eventually be close to zero at some time in the near future. The capacity to differentiate at the product level has been hampered by technology because every new product feature or function can easily be copied by rivals and introduced to the market. Customers now consider brand experience their key criterion for choosing which items to buy and use, since they perceive less differentiation at the product level, with products essentially identical in terms of desired features.

## AT A GLANCE

### KEY STATS

According to IDC research:

- » Improving customer experience is a top business priority for most enterprises.
- » Personalization improves engagement rates by 35–40% versus non-personalized communication.

### KEY TAKEAWAYS

- » Customers now view personalization as the default engagement standard.
- » Organizations can differentiate themselves and achieve a long-term competitive edge by offering highly personalized customer experiences.

As a result, brands must seek new ways to differentiate themselves based on the experiences customers have. Competitive imitation is challenging when highly individualized customer experiences are provided to millions of unique customers utilizing proprietary data. Such experiences give companies the chance to stand out from the competition and develop a long-term competitive advantage.

### *The Changing Nature of Customer Journeys*

Organizations can visualize the entire customer experience thanks to customer journey management, which also compels businesses to shift their focus from internal profit maximization to delivering value to external customers. According to the IDC survey referenced above, achieving end-to-end CX, including journey management, is a top priority for 61% of enterprises. Other criteria for journey management — such as ubiquitous commerce, services design, real-time voice of the customer (VOC), IoT/bots, and omnichannel goals — are driven by the democratization of connectivity, content, and communications. Even though these are considerably lesser priorities, the whole of these will ultimately be essential to achieving end-to-end CX.

### *Journey to Superior Customer Experience - Personalization*

The majority of recent developments in customer experience throughout all phases of the customer journey have mainly focused on personalization, or the ability to adjust a contact or engagement to the particulars of a single client, a group of customers, or a market. However, the success of these efforts is heavily dependent on the following factors:

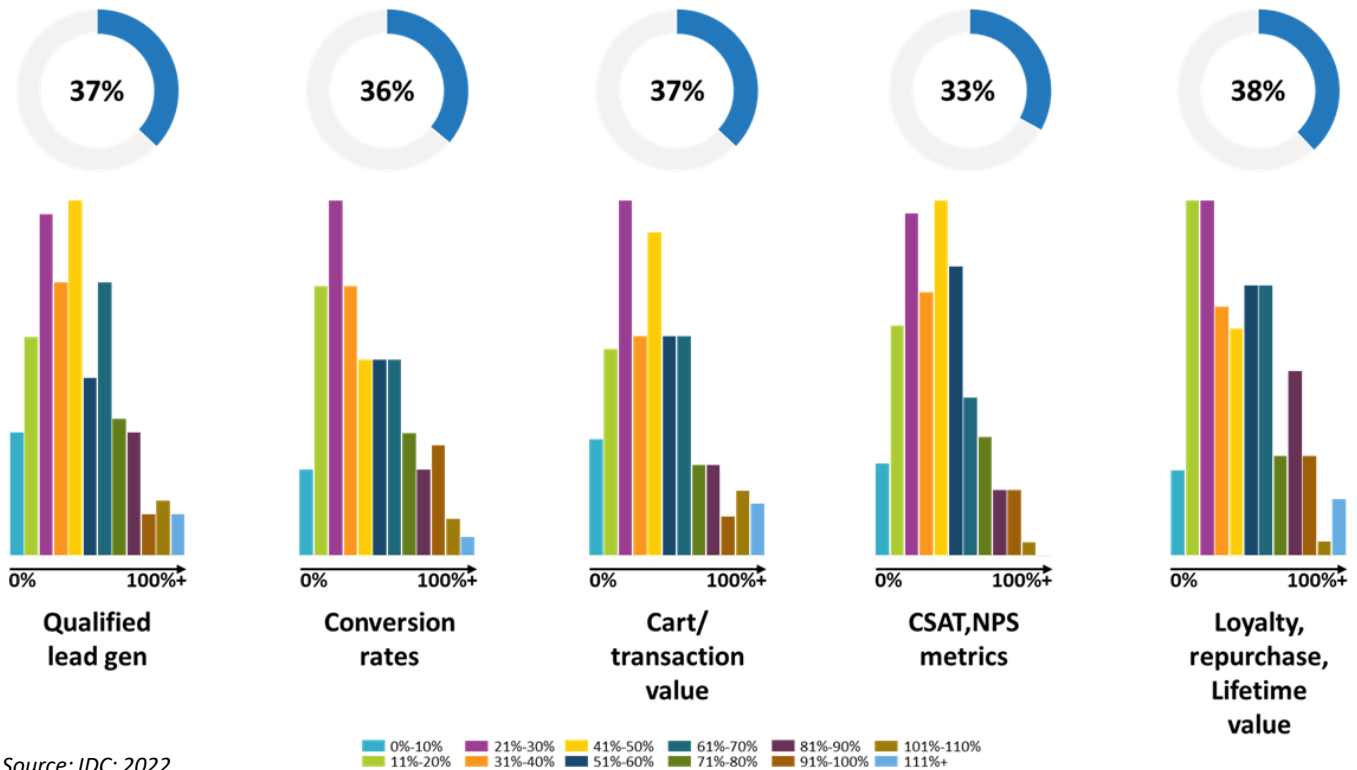
- » **A Comprehensive Picture of the Client:** To properly deliver a tailored experience, organizations need a fairly uniform view of the customer through the customer data they already have. At most, marketing may have a single customer view, but this often disintegrates when sales, customer service, and support are included.
- » **Dynamic Content:** A personalized experience is built on the capacity to dynamically develop and deliver content like headlines, photos, and messages. Creating dynamic content today requires collaboration between people and technology and is challenging, which explains why so few businesses are successfully implementing it across the entire enterprise. Any level of personalization above the most basic level requires dynamic content.
- » **Contextual Comprehension:** Every customer engagement with a business has a context, the business's understanding of which is essential for effective personalization, yet brands frequently do not comprehend that context. Even the best attempts at customization run the risk of being unacceptable or even offensive without that context.

### *Impact of Personalized Interactions*

Personalization has a proven track record of success. Personalization improves engagement rates by 35–40% versus non-personalized communication, as evidenced by the data circled in Figure 1. As can be seen in the colored columns below the averages, which vary from 0% to more than 100%, in 10% increments, some marketers have much greater potential.

FIGURE 1: *Level of Performance Improvements with Personalized Interactions*  
**Q. How would you compare the performance of your highly personalized digital customer interactions versus those with no/low personalization?**

30-40% performance improvements with highly personalized interactions



Source: IDC; 2022

### Technology Roadmap for Personalization

In addition to vision, processes, and people, technology is a critical pillar — one that determines the overall maturity of an organization's CX personalization capabilities. CX personalization technology consists of three main dimensions — IT infrastructure, analytics, and data management. While cutting-edge IT infrastructure is used to support innovative contextual CX personalization uses cases in real time across the organization's operations, data analytics and data management capabilities support structured and comprehensive CX personalization initiatives and foster expansion into innovative CX personalization applications. The following technologies help organizations to move beyond personalization and drive hyper-personalization:

- **Artificial Intelligence:** Thanks to AI, organizations can tailor interactions throughout that customer journey — "in the moment" — to provide customers with exactly what they are most likely to want through the large number of data points from consumer encounters.
- **Advanced, Predictive Analytics:** By analyzing current and past data patterns, advanced analytics enables organizations to predict what customers will desire in the future, enabling businesses to respond effectively.
- **Customer Journey Management:** With multiple channels, both online and offline, and evolving buyer needs, customer journey management helps organizations to identify pain points and optimize efforts for better CX.

## Considering Etiya

Etiya provides AI-driven customer experience-focused products and solutions to enable companies to provide frictionless journeys to their customers. Its customer engagement product portfolio enables organizations to address engagement pain points, offer a smooth and personalized contextual customer experience across all channels, and achieve engagement targets quickly.

**Etiya's Customer Engagement portfolio** covers every angle of customer relationships and interactions throughout the customer lifetime, from the discovery of needs through personalized offer creation to customer acquisition and retention.

### *Providing Personalization for each Customer*

Etiya helps companies increase sales and revenue by providing personalization at every stage of the customer journey. Etiya Customer Engagement products play a critical role in this process.

Etiya's **AI platform Cognitus**, which utilizes advanced machine learning (ML) and natural language processing (NLP), enables companies to offer personalized services and propositions through emotional, contextual predictions and recommendation mechanisms.

Using technologies such as predictive analytics, speech analytics, and text analytics, Cognitus helps companies understand customer behavior more deeply. Predictive analytics enables real-time automated event detection, decision support, risk modeling, and customer profiling, helping companies drive revenue growth. Cognitus's journey analytics, virtual assistants, and chatbots also help companies improve and personalize their customers' experiences.

Within the digital twin concept, Cognitus makes recommendations for each individual customer possible. These recommendations can be made for similar items, trending or promoted items, cross-sell and upsell opportunities, and discount packages, or they can be based on similar users, basket content, or relevant sales points. Knowing your customers' behaviors and needs — with the help of **AI, predictive analytics, and data analytics** — makes offering products that best fit your existing and potential customers' current and future requirements possible.

**Etiya Campaign Management** provides seamless personalized experiences. This end-to-end campaign tool works at every step of the customer journey, from design and execution to tracking, measuring, and reporting, enabling high-return and cost-effective marketing campaigns targeted at select segments.

It helps companies manage every stage of this lifecycle effectively — gaining new customers, enhancing customer experience, and enabling revenue growth. It provides customer-driven communication across all marketing channels and delivers the right offer to the right audience through the proper channel at an appropriate time.

Etiya's Campaign Management and AI platform process customers' purchase, search, and interaction data and provide customers with product views and personalized recommendations on an individual level. They help companies find products that are more suitable for their customers. Personalized recommendations can be used in upselling, down-selling, cross-selling, and next-best-action scenarios.

It is almost impossible to create a seamless and personalized customer experience without connecting with your customers via digital channels. Today, customers not only use call centers, but they are also in contact with companies through websites, mobile applications, chat support, and social media channels. **Etiya Digital Interaction Management** enables companies to engage with customers through their preferred digital communication channels, using a single AI-supported platform for effective social listening and proactive channel management. Etiya Digital Interaction Management listens to and analyzes digital channels using keyword identification. It offers easy complaint tracking and provides insights for CX teams.

Etiya's Customer Engagement products, although modular and flexible, behave like one single system. Everything is connected, giving both clients and their customers a smooth experience, while also providing efficiency, accuracy, and better financial results.

## Challenges

IDC believes that customer-experience transformation is a long but imperative journey. During their engagement with Etiya, organizations may encounter several challenges:

- » Technologies used to enable customer experience are still in their infancy.
- » No one-size-fits-all solution exists for each industry, as each industry has different customer-journey characteristics.
- » The success of personalization-focused initiatives partly depends on the maturity of the company in terms of data accuracy, organizational vision, and execution capabilities.

## Conclusion

Previously restricted to targeted offerings, personalization is now available throughout the consumer experience. The combination of emerging and established technologies has created an opportunity for organizations to leverage data for truly individual dialogue and personalization. Organizations must respond to customers' expectations and offer personalized experiences to differentiate themselves. The alternative is to risk their very survival.

When considering the many aspects of the customer journey, personalization made sense as a first step for organizations looking to engage and interact with customers more effectively.

## About the Analyst



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Associate Research Director Eren Eser of IDC Türkiye directs all syndicated and custom ICT consulting engagements in Turkey. His areas of responsibility and expertise cover IT services, including cloud services, and telecommunications.

### MESSAGE FROM THE SPONSOR

#### About Etiya

Leading software company Etiya enables AI-driven customer-experience-focused digital transformation through its award-winning product portfolio. Its microservices-based architecture, DevOps methodology, and AI-centric portfolio provide a competitive advantage to customers, infusing their businesses with agility and flexibility. Etiya's omnichannel customer management platforms enable companies to offer channel-agnostic unified personalized experiences and to manage all customer interactions throughout the customer life cycle.

To learn more about Etiya, visit:

<https://www.etiya.com/en>



The content in this paper was adapted from existing IDC research published on [www.idc.com](http://www.idc.com).

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