Optimizely

How to Run Your First Personalization Campaign
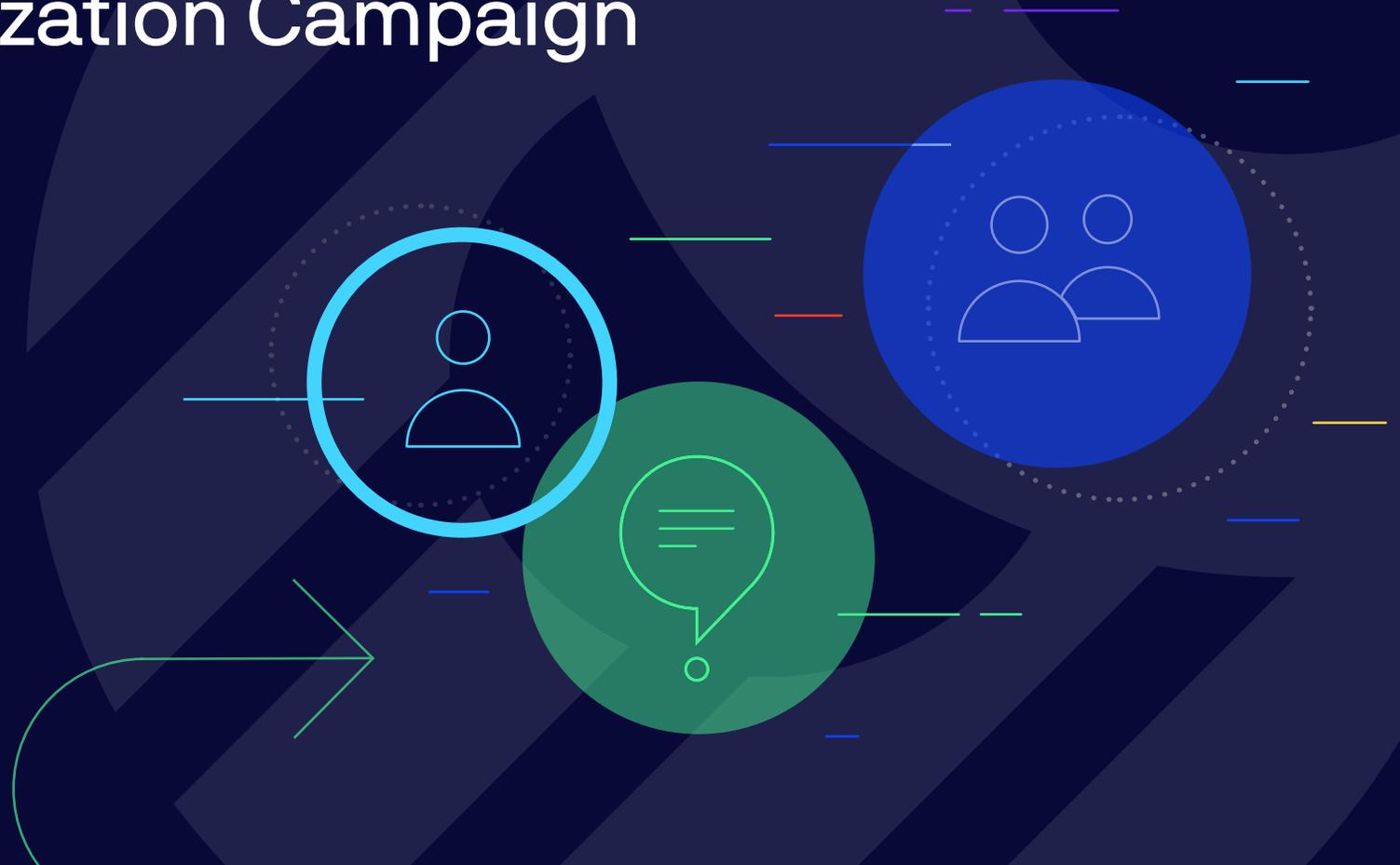
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Overview

At some point not too long ago, experimentation and A/B testing were new technologies. Now, it is clear that A/B testing is integral to increasing conversions, connecting with customers and growing your company. Back then, it was hard to start experimenting, but it was worth it.

You may be in a similar position with personalization now. Personalized experiences allow organizations to engage better with their customers, build brand loyalty and ultimately increase revenue. Recognizing that the right experience is not the same for everyone and taking steps to personalize your customers' experience is integral to business.

So how do personalization and experimentation work together? Over the last 10 years, we at Optimizely have witnessed customers succeed in creating personalized experiences, especially when experimentation is core to their mentality. They are focused on iterating and learning from what works and continuously testing to see what resonates with their customers. Additionally, they derive their personalization campaign ideas based on learnings from their A/B Tests. Successful customers take to heart that the winning experience is not the same for everyone. They understand that experimentation is core to determining the winning experience for any individual.

Does this sound promising to you? If so, keep reading. This eBook will cover the basics to get you up and running with personalization today. With a little practice, personalization will become as second nature as experimentation. Let's get started!
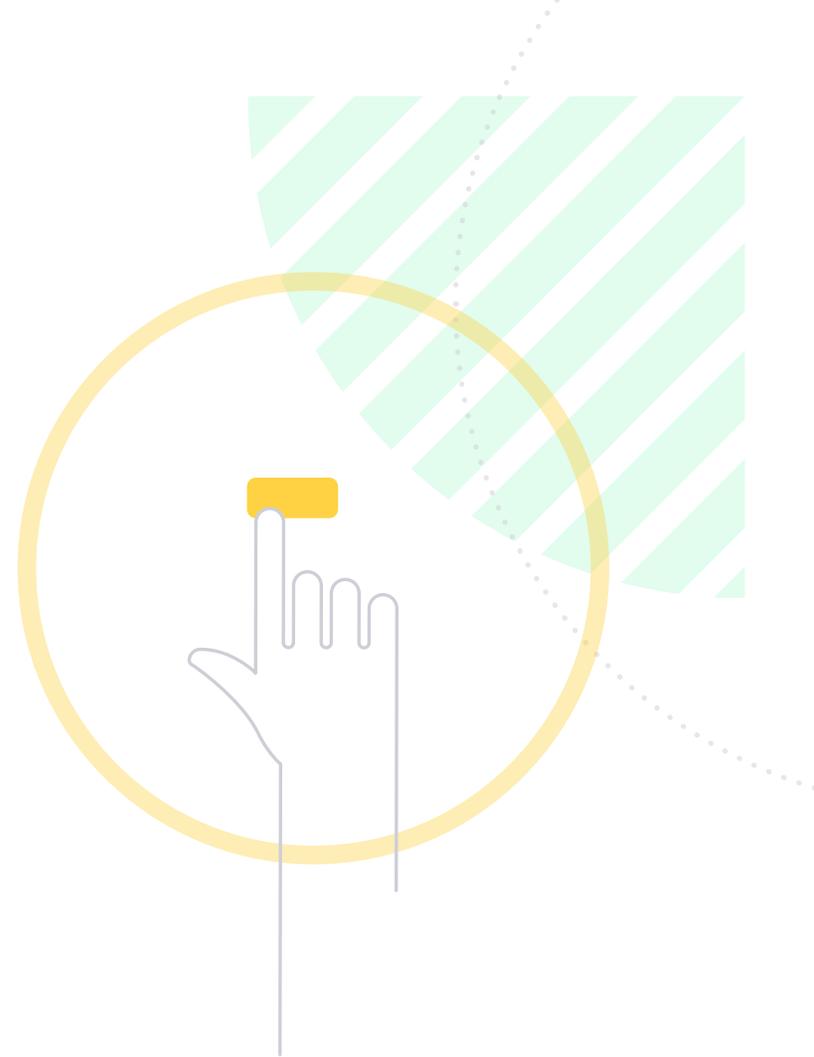
How to Run Your First Personalization Campaign

This eBook covers the step-by-step strategy to start a personalization campaign. Our goal is to give you a foundational tool set for thinking about creating personalized experiences. It is software agnostic, so it can help guide your personalization strategy regardless of the software you are using to personalize.

Now let's start strategizing...

What is Personalization?

Let's start at the beginning: **personalization is showing targeted content to specific audiences.** Typically, personalization comes in two flavors: algorithm-based, and rules-based.

Algorithm-based personalization uses a machine learning algorithm to automatically decide what content to show each visitor. It makes this decision based on a person's demographic information and past behavior, among other signals. Netflix's recommended movies are an example of this type of personalization.

With **rules-based personalization**, you create targeting rules to segment visitors, and decide what content to show each segment. For example, you can show return visitors a message welcoming them back. The experience can also be dynamic, changing based on each person's behavior. We'll focus on this type of personalization in this eBook. This is the type of personalization that Optimizely makes really easy.

Before executing a personalization campaign, it's important to invest time in discovery and setup. Use the worksheet, **Key Questions to Establish a Foundation for Personalization** to help set your personalization strategy up for continued success.
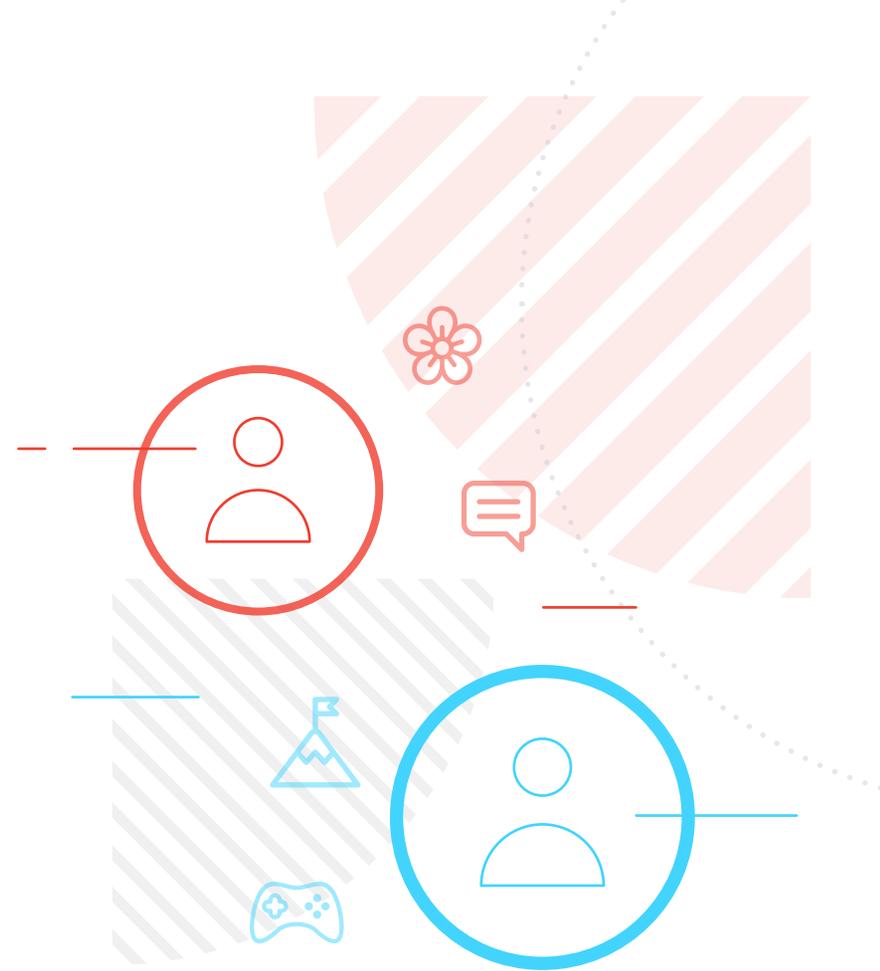
The Building Blocks of Personalization

To personalize your site, you run campaigns to show targeted content to your visitors. There are 3 pieces of information that every campaign needs:

> **Who: which visitor segments (also known as audiences) are you targeting?**

> **What: what experience are you showing each audience?**

> **Where: which page(s) will you show personalized experience on?**

To decide the who, what, and where of your campaign, you should create a hypothesis for why a personalized experience will increase conversions. Just like with A/B testing, a good hypothesis is the key to creating successful campaigns that are good for both your customers and your business.

In order to form a good hypothesis, and to measure the success of your campaign, you need a primary metric to optimize. You can (and should) measure multiple metrics to gauge the health of your campaign, but you should have a single metric that is the ultimate measure of the campaign's success.
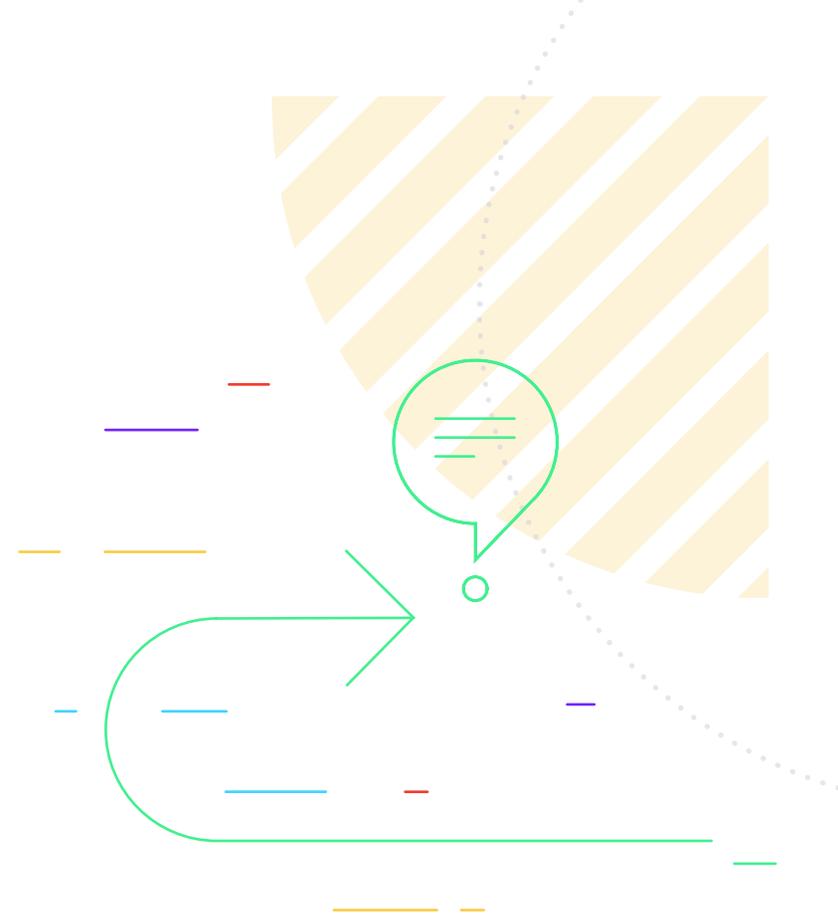
Optimizely Personalization uses a holdback to measure the success of a campaign. A holdback is a small percentage of visitors (5% by default) that see your site's default experience instead of the personalized one. We then calculate the improvement by comparing the conversion rate of the personalized experience to the default experience. By doing so, you always know the impact of your campaign, and can modify or stop any campaigns that are under performing.

Once you've got your hypothesis and primary metric, you can bring everything together with this hypothesis template:

By showing [what]

on [where]

to [who],

[primary metric] will increase

because [rational].

Tips on crafting the rationale: Show that you've done your homework. Numerical or intuition-driven insights help formulate the "why" behind the personalization and why it will be effective. Maybe you have input from customer interviews that helped formulate the hypothesis. Maybe you've seen an application of the experience work well in other places.

With a good hypothesis to guide you, it's time to translate your ideas into an actual campaign.

Who: Audiences

Audiences are groups of customers you'd like to deliver a targeted experience to. Conceptually, an audience is simply a group of visitors to your site who have something in common. The first step in developing an effective personalization strategy is discovering and defining actionable audiences.

What is an "actionable" audience?

Audiences are only "good" if they're actionable. A few characteristics determine how actionable an audience is:

Reach: Your audience should have a high reach to maximize its impact. Reach can be defined either by volume or value.

> **Volume:** The audience should reach a large percentage of your site's visitors. A campaign with a 10% lift sounds great until you realize it only reaches 5% of your traffic, which translates to a 0.5% overall increase in your site's conversion rate.

> **Value:** Your audience might reach a small audience but each visitor in that audience may be extremely valuable and deserve a unique message.

Feasibility: You must be able to identify members of this audience. Can you target this audience using the data available in existing audience conditions? Do you need to set up new tags or events on your site to capture behavior? Will you need to use an integration with a different part of the technology stack to access the attributes?

How many audiences should you have?

There is no magic number of audiences. It is better to have more, rather than fewer, audiences generating lift for a greater percentage of your traffic. Keep in mind that as the number of unique audiences increases, so does the amount of unique content you are producing for each one. The economics of how many audiences to build is determined by 3 factors: how complex the audience is, the reach, and how actionable it is. You can always start with 2-3 audiences and expand your reach from there.

Creating Audiences

Audiences are the building blocks of personalization. Each campaign starts with a few unique groups of visitors who each receive a targeted experience. To develop audiences that are both high-reach and feasible, think about basing your audiences around user personas or different types of visitor attribute. Use the **Audience Definition Worksheet** to organize and define actionable audiences.

To help you get the ball rolling, these are some surefire starter audiences that just about every business can use:

> **New vs. returning visitors (typically sizable segments with materially different behavior patterns that are ripe for unique content and experiences)**

> **Demographic information, like gender and location**

> **Referral sources**

> **Logged-in vs. logged-out users**

> **Past purchaser vs. never purchased**

> **Email campaigns. You likely already send personalized content via email newsletters. Use those same groups as a starting point for personalization.**
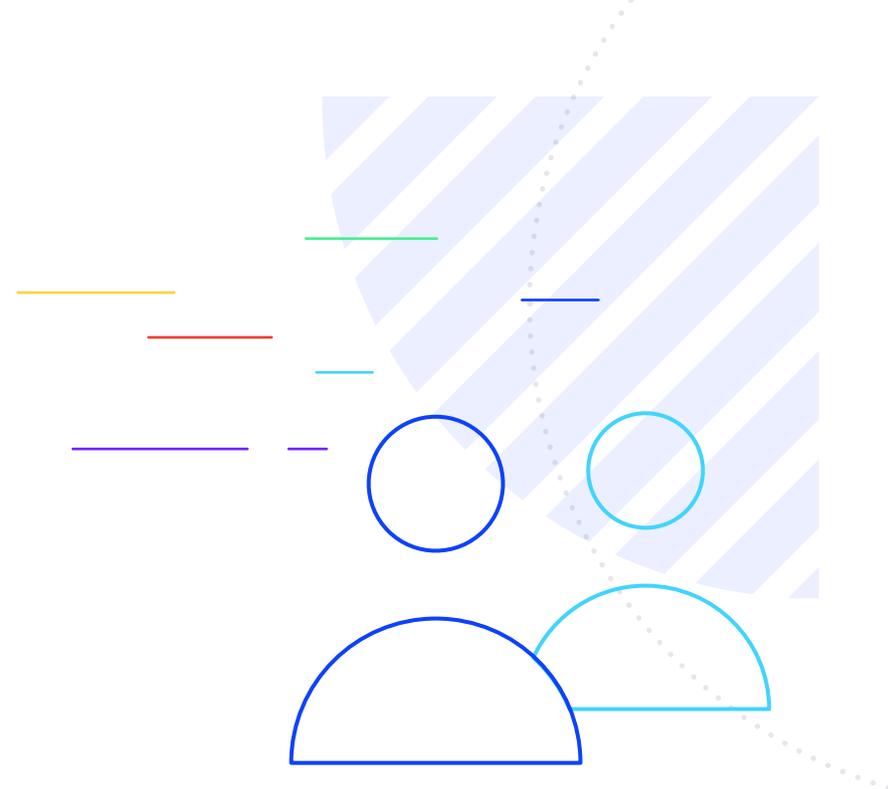
A user persona is a qualitative description of a visitor to your website. It is a model that describes the needs, concerns, and context of that representative customer. This model directly informs the personalized messages that you'll deliver in your Campaigns.

Do you already have some personas built? If so, you already have a strong foundation for actionable audiences. Your next step is to decide how you will technically identify these audiences in your personalization software.

Behavioral targeting is a powerful technique which enables you to define audiences based on behavior. A person's behavior is often an indication of their intent, which unlocks a lot of potential to reach interesting and lucrative audiences.

If you don't have personas we'll think about building audiences based on visitor attributes.

There are three main ways to define visitor attributes:

Context

What is unique about the visitor right now?

> Marketing campaign

> Referral Source

> Device

> New/Return visitor

Look at your website analytics to get a sense of your high-impact contextual audiences.

Behavior

What is the visitor's intent?

> Abandoned cart

> Downloaded specific content

> Browsed product twice

> Viewed specific page

Behavior is a high indicator of intent. Behavioral audiences are defined entirely by you. You will use Optimizely to target key behaviors.

Demographic

Who is the visitor?

> Geolocation

> Gender

> Industry

> Income bracket

Demographic attributes identify the visitors themselves, rather than how they are behaving or their context. These attributes are usually sourced from an integration or inferred based on behavior.

Organize Your Audiences

Audiences for Personalization

Audience Name	Estimated Reach	Technical Definition

Technically Defining Audiences in Optimizely

Once you've identified your audience, you need to define targeting criteria so that the software can determine if a visitor belongs in that audience or not (this is known as bucketing). Here's a summary of how to technically define audiences in Optimizely.

View the full list of Optimizely's built-in targeting conditions in the knowledge base >
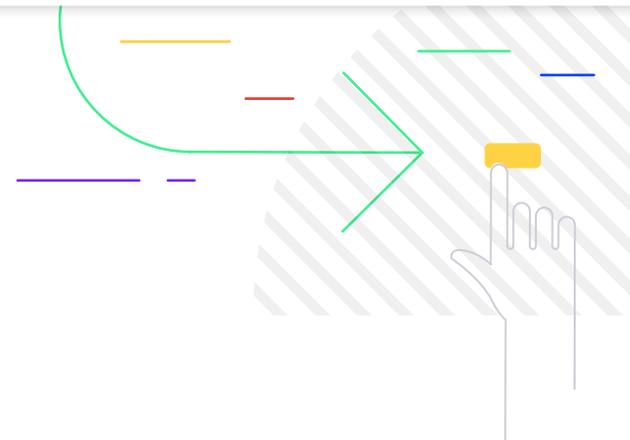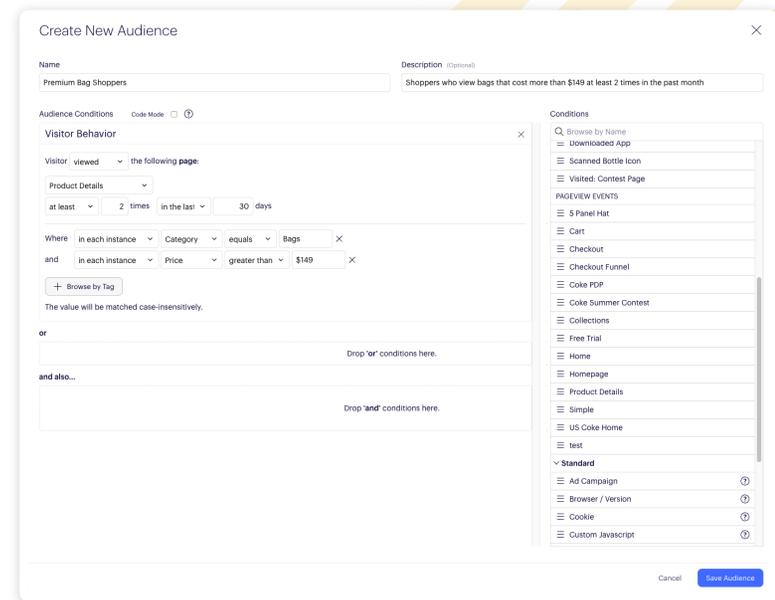
Behavior

To define a behavioral audience, first identify the behavior(s) you want to track (e.g. clicked add to cart > 3 times, viewed URL, watched video) then set up visual tags and events in Optimizely to track the behavior.

Context

In Optimizely, use Audience Builder to set up contextual audiences (e.g. Visitors coming from AdWords groups where campaign="mobile", return visitors, referral=social). Identifying contextual audiences usually rely on cookies.

Demographic

Connect your data from third-party tools with Optimizely to create demographic audiences. Most demographic data is either integrated from your analytics platforms or inferred from your customers' behaviors on your site.

What & Where: The Experience

The next ingredient in a personalization campaign is the experience — the personalized content you'll show each audience. You know **who** you want to personalize experiences for, now it's time to think about **what you want to say and where you want to say it**.

To determine your messaging strategy, use the insights you developed in your audience discovery process to decide how you'd like to communicate to each subset of visitors. Your personas and visitor attributes should closely inform your messaging ideation.

How is each audience different? What is an audience's needs, and when are those needs not being met in a "one size fits all" model? Think through the different offers, value propositions, CTAs, and images that resonate with your Audience definitions.

Use this Google Spreadsheet template to organize the audiences and the personalized experiences in your campaign.

You'll also need to map out the Experiences, or the individual pages and elements on those pages, where personalized messages will be delivered. Common places to personalize include hero images, headlines, promotional banners, lightboxes, butter bars, and more.

If you aren't sure which pages to personalize, your homepage, landing pages, and checkout pages are always great choices. You should also consult your analytics tool to see which pages are your most popular.

With audiences and content ready to go, all that's left is to set up your campaign's pages. The best pages are ones with **high traffic** and a **clear call-to-action**. High traffic is important so that your campaign will have a measurable impact, just like with A/B testing. Additionally, a call-to-action is important because it makes that impact easy to measure.
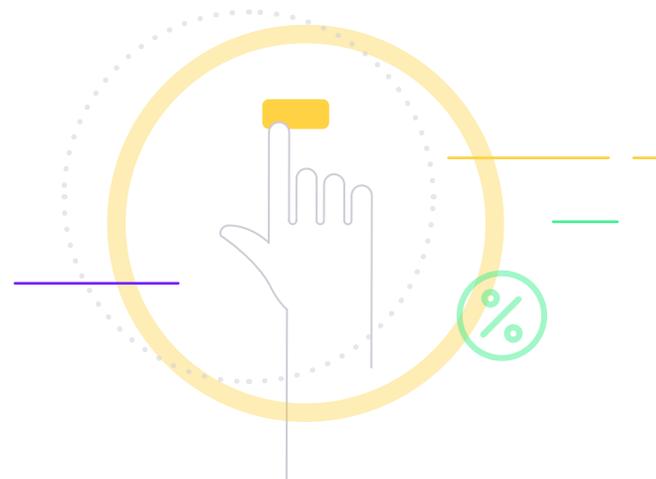
Map It All Out

Use this Google Spreadsheet template to organize the audiences and the personalized experiences in your campaign.

> **Each unique audience you are targeting**

> **The experience you'll deliver to each Audience**

> **The Pages where your experiences will run**

Once you've defined the who, what, and where of your campaign, it's time to publish and measure results. Does the personalized experience increase performance on your primary metrics for your targeted audiences?

Your Targeted
Audience

Stay Data Driven

Data-driven decision-making that you are accustomed to with A/B testing is still an important part of your personalization strategy. A/B testing helps you validate that the personalized experiences you deliver are impactful, so you can learn from and iterate on the campaigns you launch. There are multiple ways to execute any given idea; testing validates that the proposed method is relatively optimal. Consider each experience you create to be a hypothesis: a testable statement that you use to measure impact of your personalization strategy.

Even if you don't explicitly A/B test your experiences before launch, Optimizely Personalization still makes it easy to measure results with statistical rigor by using the holdback. You can measure the difference between the original experience and your personalized experience.

Additionally, we see many customers being successful with personalization when they iterate and experiment. An experimental mindset is integral to creating a personal experience. Read more about how Personalization and Experimentation are intertwined in our white paper, "Bringing an Experimentation Mindset to Personalization," also included in this toolkit.

Results

More Resources on Personalization

Personalization & Experimentation: Better Together on the Optimizely blog

Personalization strategy essentials in Optimizely's Knowledge Base
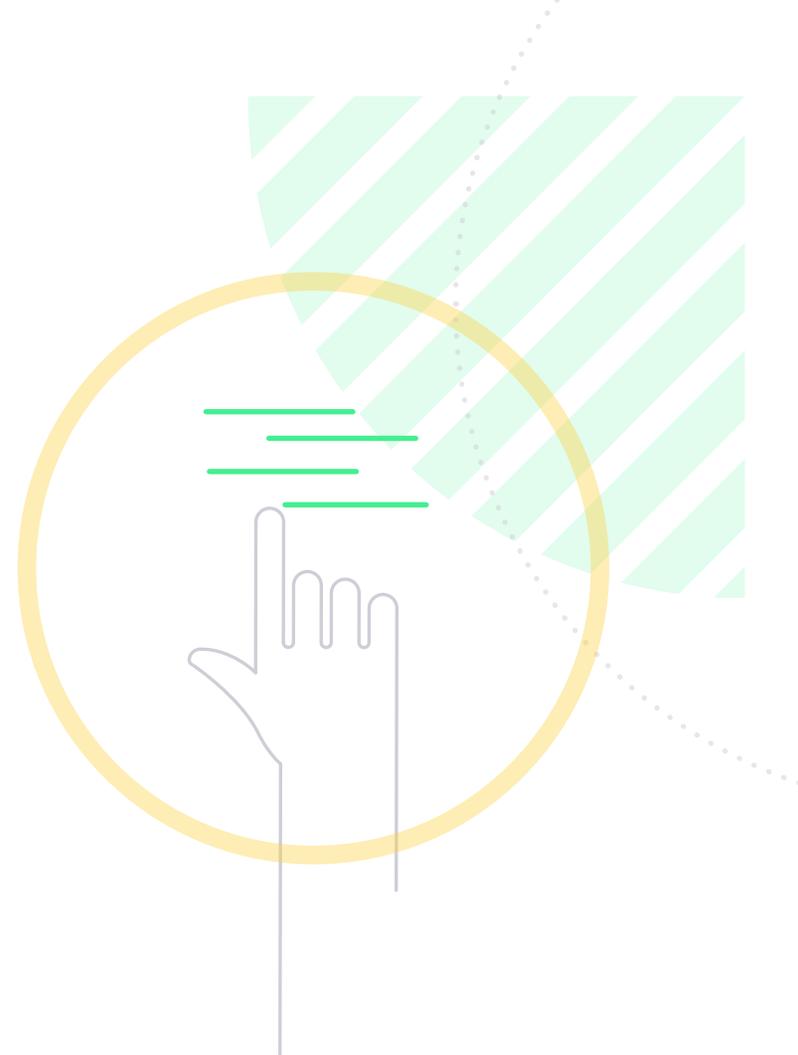
Personalization articles on the Optimizely blog

Approaching Content Strategy for Personalized Websites on A List Apart

Personalization: explaining the word no one can stop saying on Clearhead's blog

4 things you should know about personalization on Clearhead's blog

6 Core Concepts of Optimizely Personalization in Optimizely's Knowledge Base

Now that you've read about the basics of personalization, you've overcome the initial barrier of not knowing how to begin. Now, go create personalized experiences to drive user engagement, focusing on creating customer experiences that matter.

Get In Touch With Us

We're excited to hear from you! Whether you're a potential customer, Optimizely veteran, industry pro, curious tester, or guest blogger, we'd love to be in touch with you. Please don't hesitate to reach out with questions, comments, feedback, or just a quick hello.

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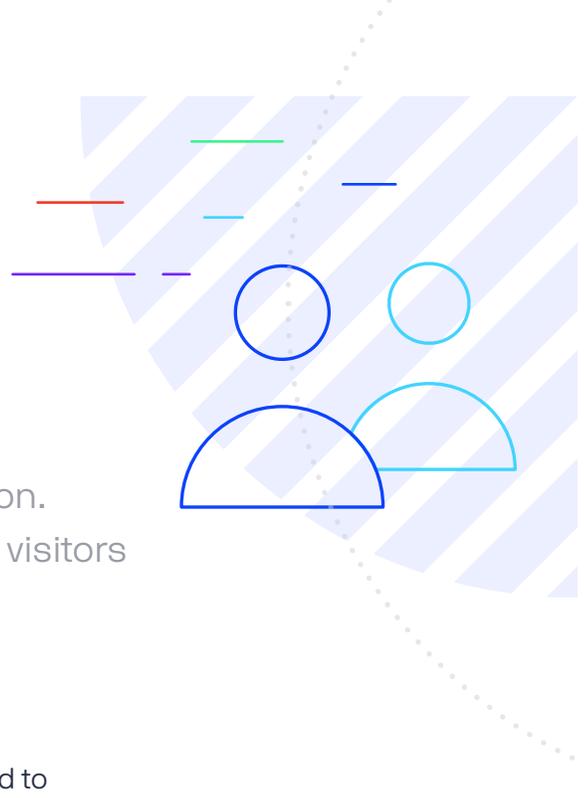
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Optimizely

Audience Definition Worksheet

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Remember, in order to be able to personalize effectively, you need to experiment and iterate.

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Qualities of Actionable Audiences

High reach: Your audience should have high reach to maximize its impact. Reach can be defined either by volume or value.
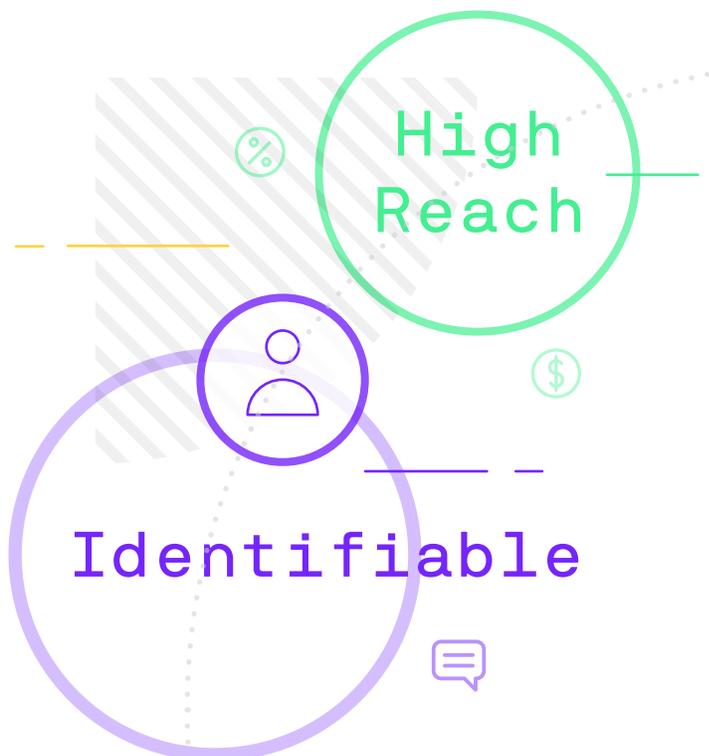
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High Reach

Identifiable

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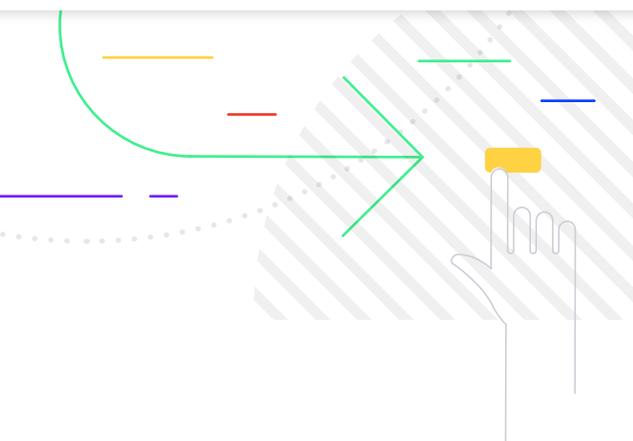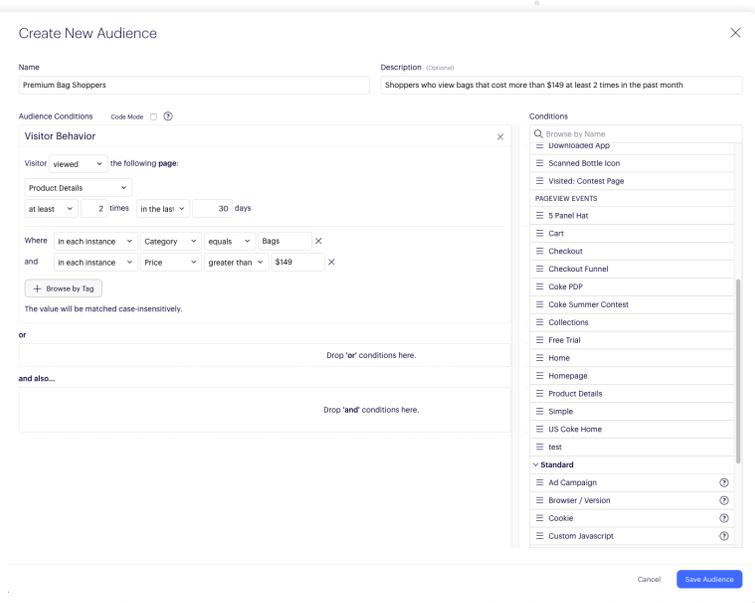

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For more information on technically defining audiences in Optimizely, refer to the eBook, How to Run Your First Personalization Campaign, also included in the Personalization Toolkit.

Organizing Your Audiences

Use this space to write down the unique audiences for your website.

Audiences for Personalization

Audience Name	Estimated Reach	Technical Definition

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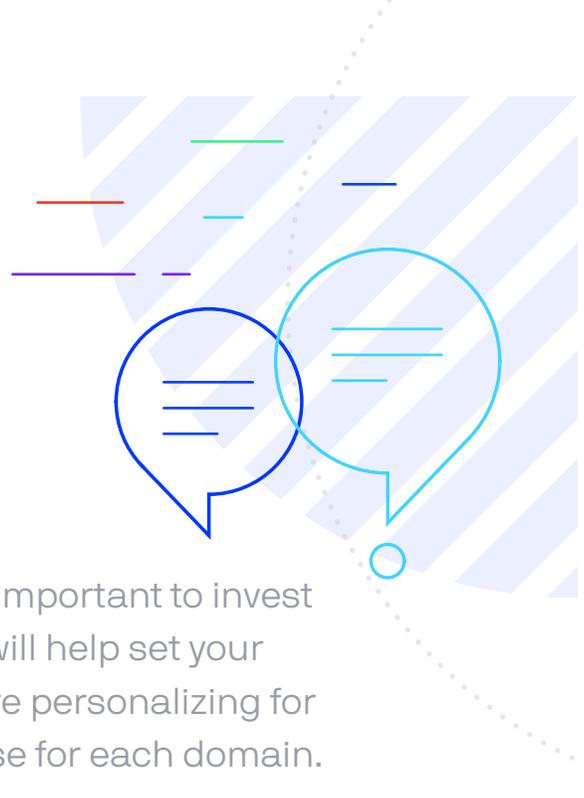
Key Questions to Establish a Foundation for Personalization

Before executing a personalization campaign, it's important to invest time in discovery and setup. These five questions will help set your personalization up for continued success. If you are personalizing for multiple domains you should complete this exercise for each domain.

1. What are your optimization goals?

Every personalization campaign should focus on furthering a primary business goal such as conversion rate, leads generated, revenue per visitor. List the primary business metrics you are optimizing for and how you measure performance.

Goal	Metric

2. Who do you want to target? In other words, which audiences (visitor segments) do you want to personalize for?

Audiences are the building blocks of personalization. Write down all the potential audiences you will target and any notes. Download the Audiences worksheet for a lesson on how to define and discover your target audiences.

Audience Name	Description

3. What are the systems you'll use to discover audiences and connect into the personalization platform for targeting?

After you've defined who you want to target, you need to understand how you will identify these visitors technically. While many of your audiences may be contextual or behavioral and identified by your personalization tool, others will come from third-party data. Identify the tools (i.e. website analytics, your CRM or a DMP) you will use to identify audiences. This step may not apply to all businesses.

System	Purpose/Data Type	Owner

4. Where are the most critical experiences on your website you want to personalize for?

You can deliver personalized experiences on many different pages on your site. Identify a few of these important pages and the section of the page you would personalize. This is intended to get you thinking about the personalized experiences you'll deliver.

Audience Name	Pages Included

5. What are some key messages or experiences you want to show each audience?

Describe the unique experience you want to deliver to this audience. Is there a special message, image, offer or promotion for them? This is a thought exercise to help you prioritize which audiences you personalize for. If you have a lot to say to certain audiences, you may find that you can break the audience down into smaller groups.

Audience Name	Experience

Next, learn how to run your first personalization campaign and then define audiences.