Commerce Personalization
Using AI, Promotions, and more…

Josh Schoonmaker
VP of Product, Commerce
In commerce, personalization isn’t just the current trend or a growth strategy; it’s the tool we use to

- Create connections with every customer
- Turn transactions into relationships
- Foster first-time buyers into loyal advocates
71% Customers expect companies to deliver personalization.

Companies identified as fast growing, drive 40% more of their revenue from personalization
Personalization With the Highest Impact on Consumers

Percentage of customers who consider help type important

- 62% Help me get a better deal
- 49% Save me some time
- 46% Provide information I didn’t have before
- 45% Make the purchase process easier
- 44% Make the purchase process less confusing
Groups based on a **common set of characteristics** such as contractor type, location or size of account.

**Macro Segmentation**

- Content
- Categories/catalog
- Promotions

Sub-groups based on **additional attributes** like ordering behaviors, engagement rank or digital adoption.

**Micro Segmentation**

- Content
- Workflows
- On-site messaging
- Promotions

Groups of **one individual**. Achieved most often by AI/ML methods to process data in real-time. In B2B, ABM is a more manual form.

**Individualization**

- Recommendations
- On-site messaging
- Search results
Compare Customer to Segment

Use average of segment, minus outliers
Compare Customer to Segment

Use average of segment, minus outliers
Personalization Motivates Loyalty

78% said they want to be individually recognized and rewarded for their loyalty.

65% said they were motivated by receiving personalized offers.

“Loyalty Up Close and Personal.” Loyalty Lion
“The purpose of a business is to create a customer who creates customers.”

Shiv Singh
Chief Marketing & Customer Experience Officer
LendingTree
Continued Purchasing

83% plan to spend more

Retained Customer

88% plan to stay with the brand

Active Advocacy

87% will advocate for the brand
Customer Lifetime Value

\[ \text{CLV} = \text{Customer Average Spend} \times \text{# Years as a Customer} - \text{Customer Acquisition Costs} \]
Customer Loyalty

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Customer Loyalty

CLV = Loyalty increases both frequency of purchasing and the AOV X Loyalty creates stickiness and keeps interest in the brand high — Loyalty fosters word of mouth and advocacy, decreasing CAC
Promotions Engine
Commerce Composable Service
New Promotions Engine
Interested in Commerce Promotions Engine Usability Study?

Scan to sign up!
Unlock Limitless Innovation

with

Optimizely + Google
Unlock Limitless Innovation

with

Optimizely + Google

Search

AI Product Recs

Translations

[TBA on Thu]
AI Personalization
Coming to Commerce

Opticon 2023
AI adoption has grown by 270% in the past 4 years.
Introducing Opal

Ask Opal

Target Audience: The campaign will specifically target urban commuters residing in major cities across North America. These individuals value convenience, sustainability, and innovative solutions to improve their daily commute.

Marketing Channels:
- Digital Advertising
- Content Marketing (Blog posts & social posts)
- Email Campaigns

Success Metrics:
- Increase in website traffic and time spent on the product page.
- Growth in the number of member signups and conversions.
- Engagement metrics on social media platforms and content marketing channels.
B2B Commerce Use Case

Auto-Generate Lists

can instantly create a shared personalized playlist
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Auto-Generate Lists

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Instantly create a personalized order list for buyers
B2B Commerce Use Case

Auto-Generate Lists

in partnership with Microsoft

- Product Catalog
- Product Attributes
- Product Categories
- Cart History
- Order History (Offline and Online)
- User Clicks
- Customer Data
- Lists
- Product Relationships
B2B Commerce Use Case

Auto-Generate Lists

in partnership with Microsoft

Association Rules
Finds association between products often bought together. Uses order and cart history.

Collaborative Filtering
Finds similar items based on other users' behaviors. Uses customer and click data.

Content-Based Filtering
Finds similar products based on their content. Uses product information data.
Opticon 2023

Promotions AI & Innovations
AI Promotion Recommendations

Recommend Best Products within the Promotion

- Recommend the best products for each customer participating in the promotion
- Limit recommended products to what’s included in the promotion and those that are most advantageous for the business (e.g. high margin, overstock, etc.)
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AI Promotion Recommendations

Recommend Best Promotion from Among All Promotions

- Recommend the best promotion for a customer to participate in
- User behavior and previous experience combine to indicate likelihood of engaging with a promotion
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A/B Test Promotions Before Rolling to Full Audience

- Select variations on a promotion and target a limited number of your customers
- Allow experimentation to help guide you for which will work best
- Automatically rollout to the full audience once you’re satisfied with the experiment
Automations & Workflow Management

Manage Multitudes of Promotions in a Snap

- Automate launches, pauses, endings
- Integrated to activation solutions (email, txt, etc.)
- Auto-responses based on participation or non-participation over time
- Make a true campaign with multi-steps/phases activated either by time or user actions
Segmentation & Discount Sensitivity

Target the Right Customers

- Promotions can be targeted to select customers via segments
- Optimizely Real-Time Segments (RTS) can make sure the right customers are added to the promotion as it runs
- AI models for discount sensitivity save you margin by only sending out the discount needed for each customer to act
Generative Promotions

Generate Optimal Promotion Pages, Content, and Rules

- Target a specific customer segment and define a goal (engagement, AOV, margin, first order, etc.)
- Use the AI to help marketing create promotions
- Generate content, images, pages, emails
- Generate optimal criteria, rules, product selection for the targeted customers
Optimizely Commerce

60 Second Summary
Opticon Commerce Events

Mobile

Today
12:00 – 12:45 PM, Pacific 15-16
Importance of mobile in both B2B and B2C. Mobile announcement.

Kris McKee
Director PM, Commerce

Meet Google

Today
2:00-2:30 PM @ Commerce Booth

Commerce Team

Promotions Engine Demo
Today 1:00-1:30 PM @ Commerce Booth

Ask Me Anything w/ Josh Schoonmaker
Today 1:30-2:00 PM @ Commerce Booth
Thank You!!!
Optimizely Commerce
Opticon 2023

Josh Schoonmaker
VP of Product, Commerce