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10 Mistakes in Personalization – The Pitfalls to avoid

Convert more users without spending more on marketing

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Let's first look at the facts

Personalization has moved on leaps and bounds since the development of CRMs and data intelligence tools. Artificial Intelligence is breaking new ground, as we've seen with personalized shopping recommendations on Amazon and programme lists on Netflix.

Yet, while retail and entertainment have been able to capitalize on data for personalized marketing, the travel sector trails behind – missing huge opportunities to engage customers with a more authentic and relevant booking experience. Much can be achieved by avoiding some of the common pitfalls in personalized digital marketing projects.

Consumers expect shopping websites to listen and understand their specific requirements and intent. **Econsultancy** found 93 % of companies see an uplift in conversion rates when using personalization. **Internet Retailer** found 80 % of consumers like it when emails recommend relevant products based on their previous purchases. Think of the power of personalization if these recommendations were made in real-time as a consumer explores your travel products.

As a travel company, you are able to contextualize the selling experience, tapping into the very nature of their visit with offers and experiences unique to each visitor. Behavioural user data is enabling marketing and ecommerce teams to focus on the interventions that bolster engagement and drive the right type of conversion. Following a devastating period for the sector, now is the time to focus on the customer journey and capture those much needed bookings for survival.

According to **Accenture** (2018), poorly curated product presentations and recommendations force 48 % of consumers to abandon a company's website and make a purchase elsewhere.

For travel – the booking window of opportunity is small. While retail benefits from regular returning visitors for frequent purchases, travel is a big ticket buy. Therefore, travel businesses have to work harder in real-time to react instantaneously to each visitor.

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48 %
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01 / **Misty personalization targets**

When embarking on new personalization projects, we find common pitfalls in strategies that threaten the success and longevity of the investment.

The first pitfall companies fall into is not defining their personalization targets and failing to fully evaluate their specific requirements.

Taking an ad-hoc opportunistic approach may tick a box — but it probably won't support your commercial goals. Personalization requires a strategic plan of attack to ensure you have the right infrastructure, processes and mindset within your organization.

Involve your product, marketing and commercial teams for a cross-functional approach, starting with data at the core. Develop a site-wide strategy to identify how to bring personalized options to customer touchpoints — while still building personalization on a use-case by use-case approach.

But only relying on one or two personalized aspects to deliver your commercial goals is wasting the full potential of the underlying platform.

Personalization works best when AI can help you crunch the data. This does not mean AI-driven personalization needs to be a huge project. We have seen companies over-invest without reaping the tangible commercial results to justify the investment.

Avoid such failures by knowing what you want to achieve — even if it's a small first step taking an agile approach. Test what works for your business, and it becomes much easier to find the best fitting solution and partner to help you to succeed.

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02 / **Segmentation isn't enough**

This reflects the theory of 'averages'. While segmentation provides more relevance to predefined audience groups and demographics, the approach remains static. It is still a valid approach for strategic planning, but it does not provide the relevance required to significantly address the individual interest of a user.

Applying simple rules to groups of users enables you to identify categories and generic behaviours, but buyers within these groups will behave differently. The family segment, as an example, is wide and diverse, detailed knowledge of each user from their search signals will determine the variants relevant to their holiday search. Personalization considers a deeper level of data like room type, spend level, season of travel or the relevance of beach versus pool.

Segmentation has its limits. Personalization instead reveals what each user is looking for: their intent and demand is more important than their generic marketing profile. By looking at individuals and their concrete user experiences, algorithms respond accordingly, improving the shopping experience for each and every user in real-time.

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03 / **It's beyond their name**

Collecting user data has been the essence of direct marketing, however only making use of consumers' names in marketing and sales messages is not enough to cut through to the essence of their intentions.

Think of the last email promotion you received: Just because it had your name in the header, did it feel like the content had been crafted for you? Or was it just another generic attempt to promote standardized products?

Marketing engagement should reflect personal interest, like a selection of destinations, hotels or ancillaries you liked during your last website visit. That is likely to have engaged you more.

It's important to begin exploring how to understand the profile of every user. Compiling unique user profiles lets you more precisely target products, offers, promotions and personal messages.

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04 / **Steering manually selected offers to larger audiences**

Curated recommender lists are static and quickly outdated. Therefore, the products listed are often completely irrelevant for a specific user. Yet they remain an omnipresent instrument of sales promotions, pushing products which offer greater profitability, or driving products lacking demand.

Of course all businesses need to steer specific products to meet commercial targets. But every travel product means a different thing to different people, based on their profiles and their immediate intent and demand. By mapping their specific characteristics to a consumer's profile and personalizing the products displayed, you increase your chances of making a sale.

A very relevant aspect of this is, that the whole process needs to take place in real-time while the user is actively engaged. Compared to most retail solutions for personalization, in travel an unsatisfied user may never come back — we need to get it right and relevant during their first visit.

Travel companies using AI-driven personalization like this found that by steering personally relevant products they have achieved a significant uplift in conversion as well as booking value.

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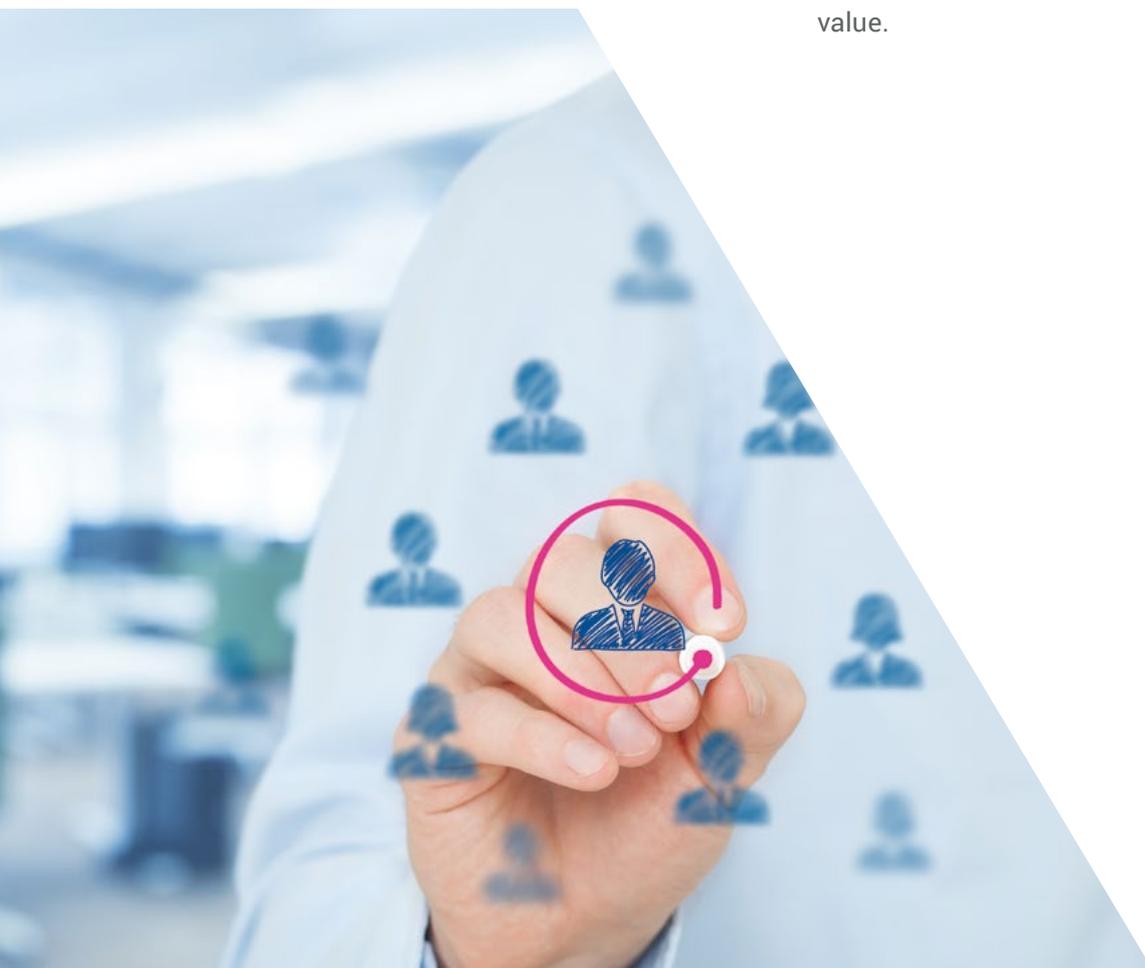
05 /
Generic product information does not provide what your customers want to know

Once you have a profile of your user with their current needs and intentions, what next? You need to find the best matching offers and services – but also relevant content – to appeal to your customer.

This matching can only be achieved if product attributes, images, ratings and further product related content are available. Your users need proof and reassurance that a specific product is right for them. AI has the capability to automatically surface and display the most relevant information which is indicated as the USP for this exact user.

Start by expanding the product details to build an in-depth profile of each product. Gather information from your own product database,

third party attribute databases, user generated content and real-time interaction data which surfaces the relevant aspects of a specific travel product.

This product profiling should be an integral part of your personalization solution. Without product profiling, you may just have a plane without wings. Creating a detailed or even unique product information database will enable you to further personalize the shopping experience to a new level.

06 / **Obsessing over conversion – neglecting key performance indicators**

One of the most common pitfalls for travel companies is an overbearing focus on conversion. Personalized interventions positively contribute to the sales funnel and wider buying journey – don't let them be invisible. Expand the engagement metrics you monitor.

Personalization drives improvements in the user journey, visible in engagement KPI and contributing to the overall visitor experience – and ultimately their conversion.

Don't fly blind – look at how personalization feeds your conversion results, not just its ultimate result. This enables you to incrementally improve your personalization. A quality data management platform will give you these metrics and insights.

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07 / **Ignoring intent signals**

Knowing the intent of a user unlocks the most powerful customer insight, allowing you to better serve them – and secure that customer with a booking.

By understanding the stage your visitors are at in the booking journey, you are able to point them in the right direction and present the most relevant messages and promotions. There's a huge difference between a user seeking destination inspiration versus someone who wants to know the availability of a specific hotel.

At BD4, we identify and differentiate visitor intent in categories Looker, Planner, Booker and Customer, to allow an intent-specific conversational approach – based on your users' behavioural data.

08 / **Failing to capture the right data**

Data is said to be the new oil, but it's essential to be 'data ready' and record relevant data points. There's no point in collecting data for the sake of it – or you will end up with a messy data lake that is costly to maintain and does not deliver any ROI.

Data-driven real-time personalization requires the assessment of implicit engagement signals that visitors leave while visiting your site, not just explicit information they may directly provide by i.e. entering search criteria or change filter settings.

Decent volumes are also necessary to let the AI learn, build and train the necessary models. Also, the right set of data points needs to be defined either within the company or with relevant data partners. Not running an initial assessment to be "data-ready" can lead to dissatisfaction on personalization.

At BD4, we collect and analyze an extensive set of visitor data, including anonymous visitors, to get an in-depth and accurate picture of your users. Be open and transparent while asking your users for their consent to track and use their data – most of them will acknowledge your ambition to provide them a relevant and personalized experience.

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09 / Overlooking recent bookers in favour of new bookings

Many travel businesses fail to recognize that customers continue to visit their website right up until the time of departure. Often it's too easy to overlook that "booked customer" while seeking to confirm the next.

Customers are always looking for more information: be it travel updates, supplementary activities, or perusing additional products and services for their trip. Recognizing these returning users and providing them with helpful and relevant options enables you to set your offering apart from other travel portals.

Value your existing customers with processes in place to respond to their needs. Nurture your relationship with them: email marketing helps but in isolation won't satisfy them. Presenting products when they return to your website which are relevant to their booking will impact both short-term additional holiday spend and longer-term loyalty.

10 / Being Impatient

Introducing or improving a personalization strategy is a marathon and not a sprint.

Don't be tempted to check conversion uplifts or engagement KPIs on a daily basis, and also do not panic if you see a decline of KPI over a few days. The concept of randomness plays a role when observing customer behaviour, and it takes larger samples of data to detect the impact of the enhancements you implement.

This is especially prevalent in the travel space, where consumers are browsing some 30+ websites, taking weeks to make a booking decision. This means it will take time to record the users that actually converted in order to establish the right patterns.

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Final words

Avoiding these pitfalls and focusing on some simple actions will help personalization work for you.
Get your team onboard with the benefits of personalization, be transparent in your use of data (it's not only a legal requirement but is best practice) and be clear in your business objectives: these three actions will help you take full advantage of today's personalization technologies.

BD4 helps travel companies optimize visitor engagement to drive conversion. Ask us for a personal demo and assessment of your individual needs. Find out how personalization can work for you.

Book your personal demo!

Discover how an anonymous user can be treated as an individual with personalized offers, in **your own demo** of BD4's artificial intelligence software.
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To find more resources about AI-based personalization in airlines, travel and retail, visit 🔗 **www.bd4.ai/resources** and dive into our other white paper, case studies and infographics.

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