

EBOOK

The Personalization Playbook

How to develop a highly effective personalization strategy.

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Personalization: The state of play

Personalized experiences are no longer optional, they're essential. Brands that excel at personalization generate 40% higher revenues than their competitors who don't (McKinsey).

Personalization drives higher revenue growth, faster.

Your customers *want* personalized experiences. They *expect* personalized experiences. And if you don't provide them, chances are they'll simply head over to a competitor who will. Just look at these insights from McKinsey:

- **76%** of consumers say personalized communications make them more likely to consider purchasing from brands.
- **78%** say personalization makes them more likely to repurchase.

BUT...

(And there's always a 'but', right?)

...at the same time, the statistics show a disconnect between the potential of personalization—and putting it into practice.

- **62%** of executives have increased their personalization budget this year.
- Only **26%** have a unified definition of personalization within their organization.

So while personalization is a top priority for executives, many organizations are struggling to effectively define and implement their strategies.



Why the disconnect?

Despite increased investment, this means that many brands are now behind the curve—and this is usually down to one of three main reasons.

Key challenges



The opportunity is now

Customers are ready. Budgets are in place. But to capitalize on this momentum, brands need to address these challenges head-on.

By developing a clear, actionable strategy, you can unlock the full power of personalization and secure long-term success. The opportunity is here. The opportunity is now. Don't let it go to waste.

This guide is designed to help make sure you get in front of the curve — and ahead of the game — by taking you through three key areas.

1

TYPES OF PERSONALIZATION

What types of personalization campaigns can you create?

2

CREATING A PERSONALIZED EXPERIENCE

Identifying opportunities, defining an audience, creating an experience, measuring success.

3

DELIVERING THE EXPERIENCE

How does Optimizely make this possible?

What we'll cover

- 1 The types of personalization that are right for you.

- 2 Key moments in the user journey where personalization can make the most impact.

- 3 How to segment users and build tailored audiences for more precise personalization.

- 4 Best practices for crafting engaging relevant experiences that resonate with users.

- 5 How to measure and communicate the impact of personalization.

- 6 How Optimizely Personalization is purpose-built to make the entire process as efficient and effective as possible.

So, what exactly do we mean by personalization?

Personalization isn't a trend. It's a strategic imperative that has existed for decades.

It's also a term that often sparks diverse interpretations.

Ask two professionals in the same industry and you'll likely receive different explanations. Even within a single team, definitions can vary.

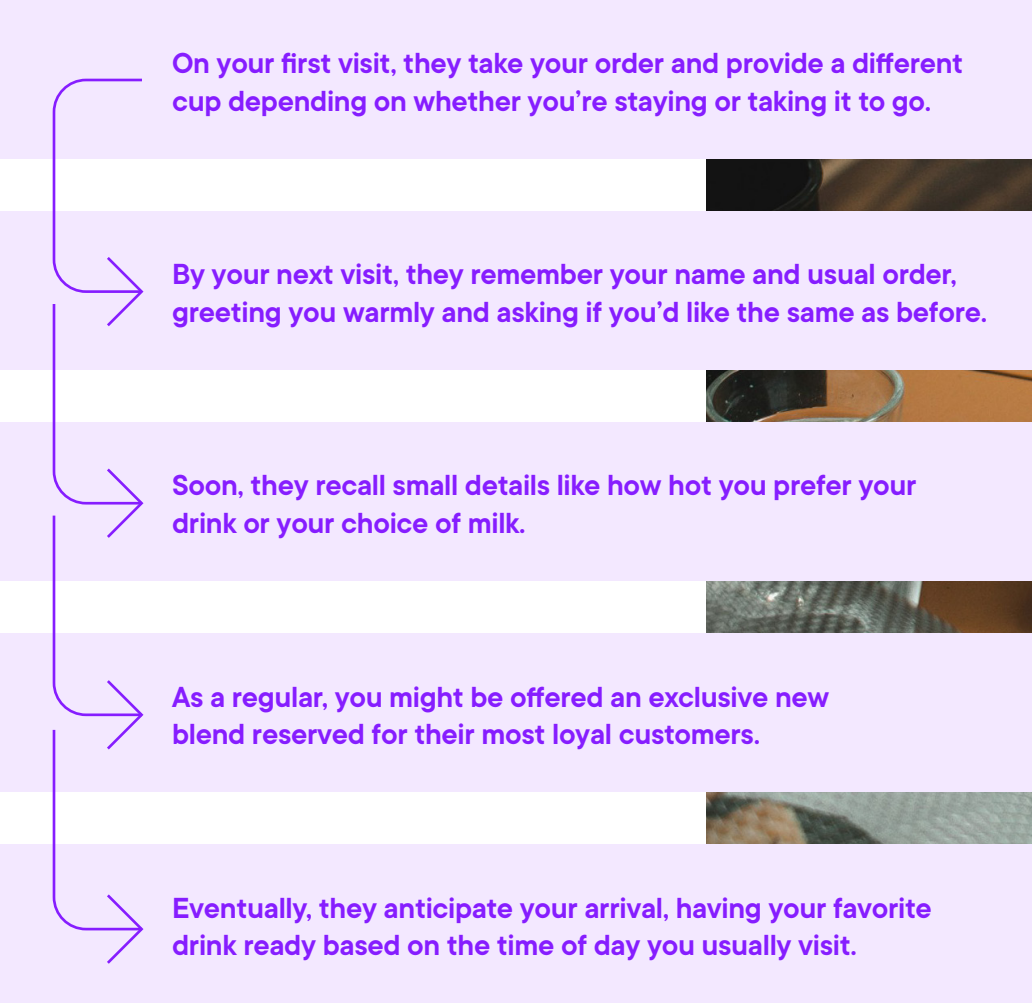
Yet there is a common thread: the desire to craft tailored experiences that resonate with customers based on what we know about them.

“

Personalization is a process that creates a relevant, individualized interaction between two parties designed to enhance the experience of the recipient.

Gartner®

Consider a simple scenario: Ordering a coffee at your local café.



On your first visit, they take your order and provide a different cup depending on whether you're staying or taking it to go.

By your next visit, they remember your name and usual order, greeting you warmly and asking if you'd like the same as before.

Soon, they recall small details like how hot you prefer your drink or your choice of milk.

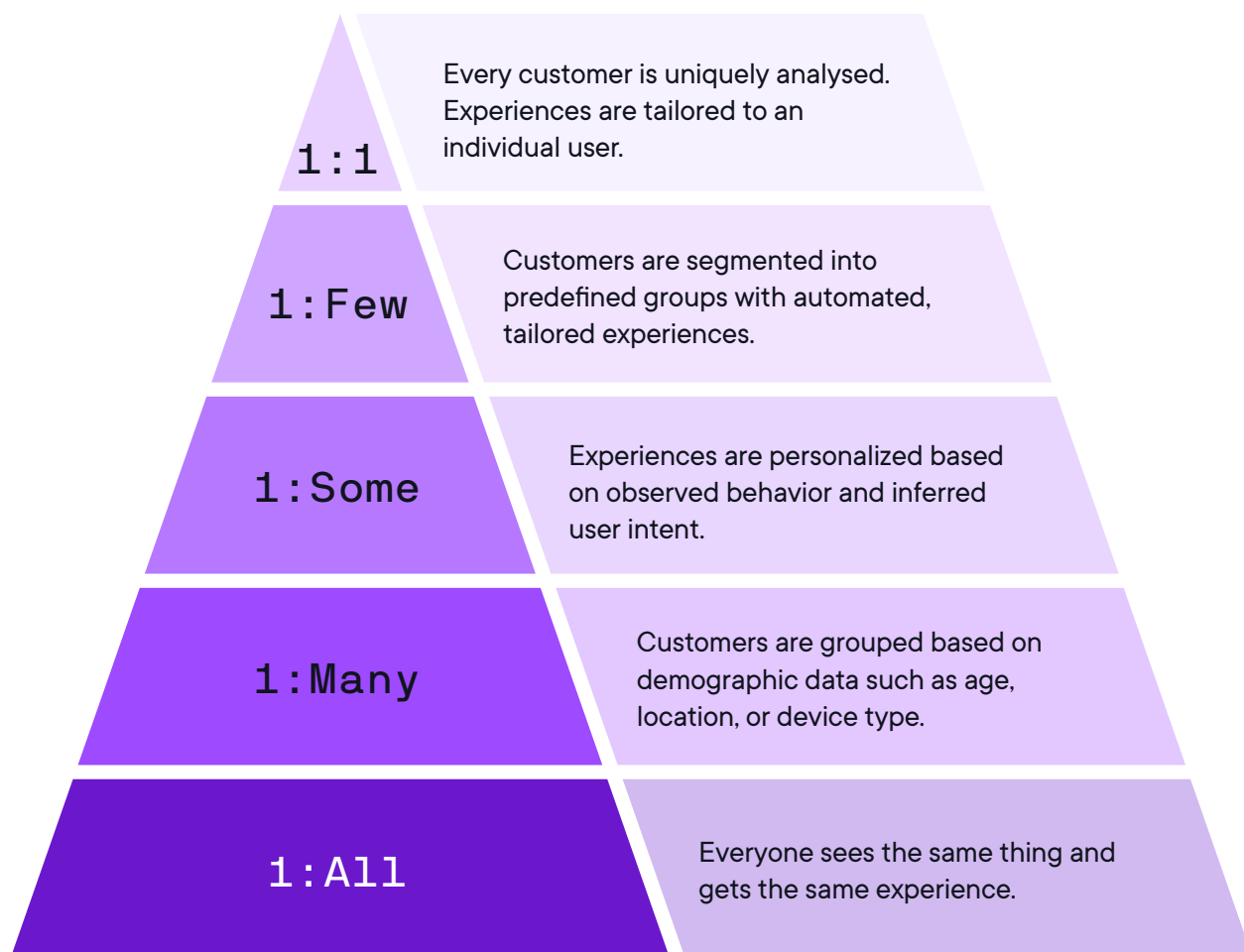
As a regular, you might be offered an exclusive new blend reserved for their most loyal customers.

Eventually, they anticipate your arrival, having your favorite drink ready based on the time of day you usually visit.

Each experience becomes more tailored as the café learns about you, predicting your preferences and behavior.

It's pretty much the same principle in the digital world, only these principles operate on a much larger scale. Instead of serving 100 customers a day, businesses engage with thousands or even millions. Every click, search, and interaction leave a digital footprint that can be tracked, analyzed, and leveraged to deliver personalized experiences.

The personalization pyramid:
The journey to the ultimate personalized experience.



Here at Optimizely, we describe personalization as delivering relevant experiences to the right person, at the right place, and at the right time.

The essential first step to creating effective digital personalization is defining the type of experience you want to deliver. That obviously needs to be balanced with what's realistic in terms of your resources and technology.

Personalization can be divided into five stages: from a broad and universal approach all the way up to hyper-personalized individual experiences.

1. No personalization = 1: All

Not every experience requires personalization. Some elements, such as checkout flows, product pages, and core UI components, benefit more from universal optimization. By continuously refining these aspects, you ensure that all users receive the best possible experience, regardless of individual differences. This foundational approach lays the groundwork for more advanced personalization strategies.

2. Basic personalization = 1: Many

This involves using fundamental data points like location, device type, or time of day. For example, a user in London might see different promotions or shipping options to someone in Manchester. Mobile users might access a more streamlined interface compared to the desktop version. This level of personalization requires minimal data but can significantly enhance relevance.

3. Behavioral personalization = 1: Some

At this stage, you tailor experiences based on user behavior and intent signals. The key thing here is to identify:

- What is the user trying to accomplish?
- How can you best support them in achieving their goal?

For example, can you offer a personalized discount for cart abandoners? Or tailored content articles relevant to the pages they have already visited? The goal is to understand the user's journey and align the experience with their immediate needs, creating a more seamless and satisfying interaction.

4. Segment-based personalization = 1: Few

This approach involves segmenting users based on specific attributes or characteristics. For instance, you might create experiences for distinct personas such as fashion-conscious vs. price-conscious shoppers. This allows you to deliver relevant experiences to key customer groups, building a sense of connection and understanding.

5. Individualized personalization = 1:1

Often considered the ultimate online experience, individualized personalization delivers unique experiences for each user. For example, by recognizing a customer's buying frequency and preferred budget, you can recommend relevant products or send personalized notifications about restocks or special offers tailored to their interests.





The opportunity is now

Avoid overcomplication

Many organizations aspire to 1:1 personalization. Sure, this can deliver powerful results. But achieving this kind of individualized user experience requires advanced data integration and predictive analytics capabilities. You need to balance ambition with practicality, ensuring your infrastructure and expertise can support such efforts.

Assess current capabilities

Evaluate your existing data infrastructure, technology stack, and team expertise. Set realistic goals based on these factors.

Progress iteratively

Build a roadmap with incremental milestones. Each step should enhance personalization depth and effectiveness, learning from real user feedback.

Measure impact

Establish clear KPIs to track the effectiveness of personalization efforts. Metrics might include engagement rates, conversion improvements, or customer satisfaction scores.

Types of personalization

01

Now that we've gone through the basics,
let's look at the two main types of personalization.



1 Rule-based personalization

Rule-based personalization involves applying predefined 'if-this-then-that' rules to deliver tailored content or features based on user data such as location, age, or behavior.

This approach allows for dynamic, segmented experiences by leveraging simple conditional logic.

For example:

- **Dynamic content:** Updating the homepage hero text based on a user's browsing behavior.
- **Dynamic alerts:** Triggering personalized offers or pop-ups based on intent signals.
- **Dynamic layout:** Adjusting page layouts to display content relevant to specific user interests (e.g., showing Spain-related articles to someone researching travel to Spain).

The pros and cons of rules-based personalization



EXECUTION

You can create any experience you want to create.



CONTROLLABLE

Maintain full control over what experiences are shown and to whom.



SIMPLE

Easy to implement, making it an effective way to build the business case for broader personalization.



COMPLEX

Handling multiple rules can become complicated as the system scales.



INTENSIVE

Setting up and managing rules requires a clear understanding of customer behavior.



MANUAL

Each rule is manually defined, potentially introducing bias that must be tested and mitigated.



Considerations to bear in mind

No pre-existing data needed

You can create personalized experiences using real-time session data.

Logged-in users not required

First-party cookies track session data without login information.

Cookie limitations:

Users declining cookies limits your options for personalization.
Consider creative consent strategies or alternative identifiers.

Short-term and long-term memory: How to think about data

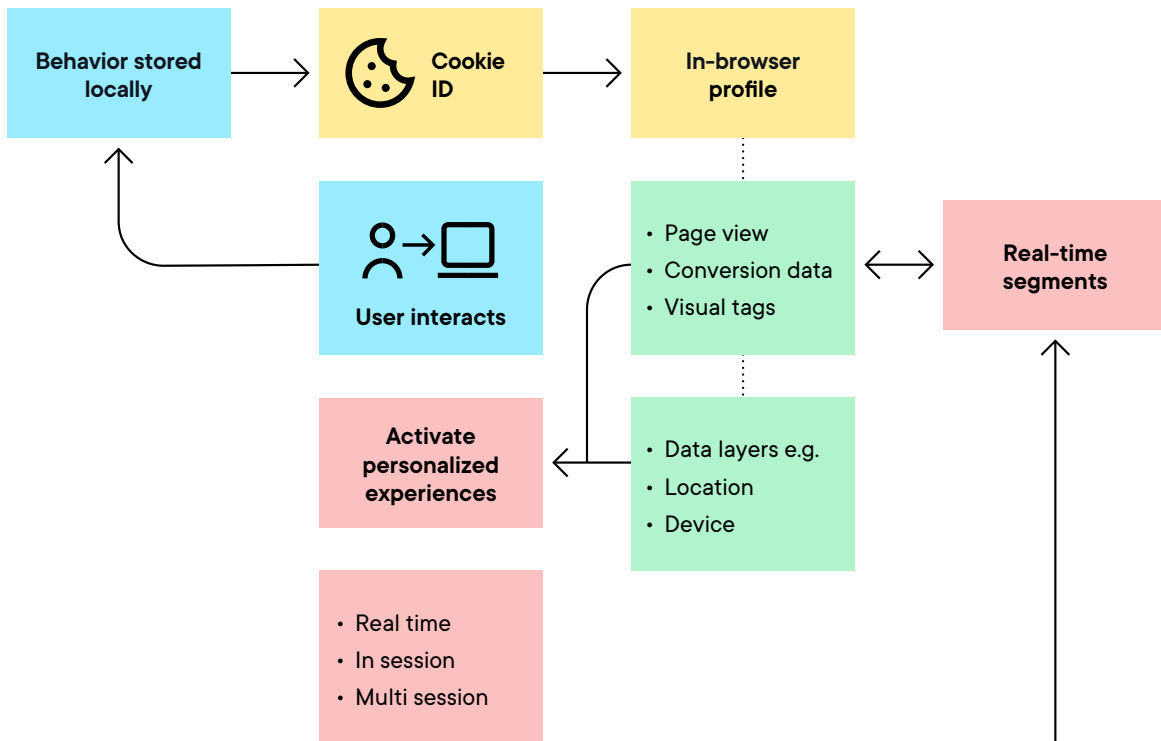
Personalized online experiences are driven by both short-term and long-term data, or what we call short-term and long-term memory.

- **Short-term memory** captures real-time session data, such as pages viewed, intent signals, and location or device type. This data is stored in cookies or user IDs and updates with each interaction. As long as these identifiers remain active, you can deliver highly relevant, personalized experiences within the current session or across multiple visits.
- **Long-term memory** aggregates broader data collected over time from various sources and is typically stored in a customer data platform (CDP). This includes the deeper insights like order history, user preferences, and customer status that enable you to create well-defined segments and individual customer profiles. These insights support more advanced personalization, such as one-to-few or one-to-one experiences.

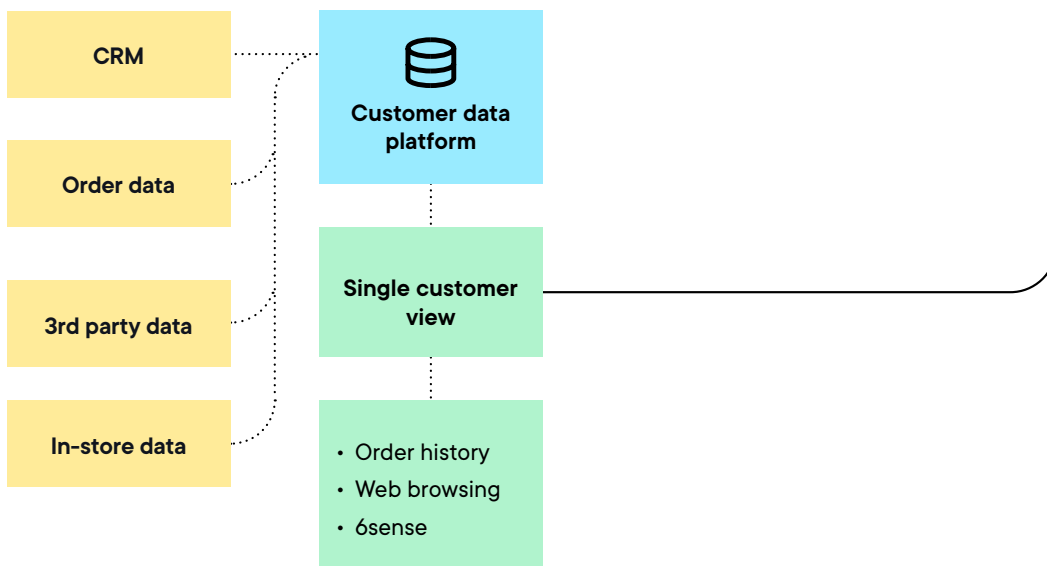
By combining short-term and long-term data, you can deliver dynamic, real-time personalization that evolves with each interaction. In doing so, you'll create a richer, more engaging customer journey.

Short term and long-term data: How to think about data

Short-term memory



Long term memory



2

Algorithmic personalization

Algorithmic personalization leverages machine learning to analyze user behavior and past interactions, predict preferences, and then automatically serve tailored content or relevant product recommendations.

For example:

- **Content recommendations:** Algorithms automatically suggest content based on a user's previous actions on your site, such as articles already viewed.
- **Product recommendations:** Highlight complementary items or popular products among similar users.
- **Email recommendations:** Tailored emails feature content, products, or offers that match a user's interests.

The pros and cons of algorithmic personalization



SCALABLE

Automatically generates personalized experiences with minimal manual effort.



RELEVANT

Adapts in real time to deliver highly relevant content or product suggestions.



EFFICIENT

Works with any piece of content or product in your inventory.



SCOPE

Primarily useful for content or product recommendations.



SECURITY

Extensive data collection requires transparency and compliance with privacy regulations.



DEMANDING

Requires a large volume of data and content to be effective.



Considerations to bear in mind

Product recommendations

Are you aiming to increase revenue by boosting average order value (AOV) and encouraging additional purchases?

Content recommendations

Are you aiming to increase user engagement, encourage deeper exploration, and support content consumption?

Creating a personalized experience

02



Now that we understand the two types of personalization, let's see how you go about building a personalized experience that truly resonates with your visitors.

Enter the AOEI personalization framework

Audience

- Define the specific audience segments you want to target.
- Establish the criteria for identifying when a user belongs to a segment.
- Build reusable audience profiles to apply across various campaigns.

Opportunity

- Assess your digital portfolio and map your website.
- Identify the areas or user journeys that need the most attention.
- Determine the moments in your user journey that truly matter.
- Prioritize the opportunities that will deliver the highest value.

Experience

- Design tailored experiences that address the needs of your audiences.
- Explore potential personalized experiences.
- Determine which ones will have the most impact.
- Plan the steps required to build them effectively.

Impact

- Set clear objectives and success metrics.
- Identify the goals you aim to influence.
- Select the right KPIs to track progress.
- Develop a method for measuring the overall impact of your personalized experiences.

A is for Audience

Effective personalization starts with a clear understanding of your audiences. Every user interaction provides an opportunity to gather the insights that allow you to create relevant experiences for each of the four main audience types.

AUDIENCE TYPE 00

Unidentified

These users are anonymous and data will be limited. Insights arise from passive sources like IP addresses or device details, which only offer superficial information. Even so, you can still create contextualized experiences.

Data sources

- IP address
- Device type (e.g., mobile, tablet, desktop)
- Browser type and version
- Geographic location (country, region, city)
- Referring source (e.g., search engines, campaigns)

Personalization example

Localized content or adapt layouts for mobile versus desktop users.

AUDIENCE TYPE 01

Intent-driven

At this stage, real-time signals such as clicks, search queries, or navigation patterns start to identify a user's immediate needs or goals. This enables a more dynamic level of personalization.

Data sources

- Pages viewed and navigation paths
- Search terms entered into site search
- Interaction with content (downloads, video views)
- Time spent on pages or sections of the site
- Cart additions or form abandonment

Personalization example

Product recommendations based on recently viewed items, or highlighting FAQs to users who look like they're researching a purchase.



AUDIENCE TYPE 02

Segment-driven

Users are grouped by shared characteristics like demographic data, behavioral insights, and psychographic information, creating broader audience segments or personas.

Data sources

- Demographics: age, gender, location, job title, industry
- Behavioral patterns: frequent purchases, content consumption trends
- Psychographics: values, lifestyle, interests, and attitudes

Personalization example

Tailored messaging that resonates with distinct personas, such as a Marketing Buyer focused on campaign ROI or a Technical Buyer evaluating platform features.

AUDIENCE TYPE 03

Individual audience

This is the highest level of personalization, with experiences tailored specifically to a single user. By consolidating data into a unified customer profile—often within a Customer Data Platform (CDP)—you can deliver hyper-relevant, unique experiences across channels.

Data sources

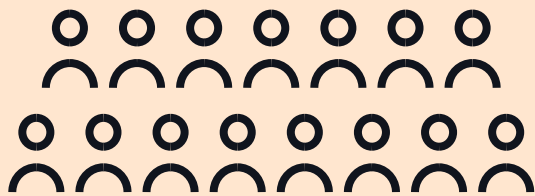
- User account information (e.g., login details, preferences)
- Purchase and browsing history
- Wishlist or saved items
- Behavioral trends across multiple sessions
- Multi-channel interactions (email clicks, app usage, in-store visits)

Personalization example

Personalized user journeys based on purchase history e.g., highlighting trainers from a brand a user at the purchase journey stage buys every 3 months.

Four types of audience segments

Unknown



Users are anonymous, and the only available data comes from passive sources like IP addresses, device types, browser data, and location.

Intent-driven



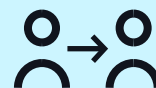
Users' behavior and real-time actions. As they interact with your site, their intent becomes clearer based on clicks, search queries, and page views.

Segment-driven



Users are grouped into defined segments or personas based on a combination of behavioral data, demographic information, and explicit preferences.

Individual



Experiences are tailored for an individual based on their unique history, preferences, and behaviors.

Key takeaways

Your ability to create audiences depends on the data you have available. Even without advanced data, you can deliver value by using passive signals to build Unidentified Audiences. As your understanding grows by monitoring behavior and collecting insights, you can progress to Intent-Driven, Segment-Driven, and ultimately Individual Audiences.

Start small

Use the data you currently have rather than waiting for perfection.

Scale up

Continuously develop your internal data capabilities to create ever more advanced personalization strategies.

Focus on impact

Begin with the audiences most likely to benefit from tailored experiences based on your business goals.

Next up: Identify personalization opportunities.

AUDIENCE TYPE 01

Intent-driven audiences

Intent-driven personalization uses real-time data and user actions to pinpoint a user's position in the buying journey. It's a flexible, low-barrier approach that customizes experiences based on signals such as content views or interaction patterns.

For example, an early-stage user might engage with industry reports, while someone showing purchase intent may focus on pricing pages. This method doesn't require extensive user data. But on the flip side, it only delivers one-to-many experiences that may lack deeper personalization.

The pros and cons of intent-driven audiences

✓ **Accessible**

Work without existing customer data.

✓ **Flexible**

Easy to create and adapt based on user behavior.

✗ **Generic**

Don't incorporate detailed behavioral insights.

✗ **Limited**

Provide a one-to-many experience.

How to build an intent-driven audience

Building intent-driven audiences starts by identifying key interaction signals and mapping user actions that reflect their intent.

These dynamic audience groups are shaped by the typical reasons users engage with your site. By analyzing their behaviors, you can develop tailored experiences that address their specific needs at each stage of their journey. You can create as many intent driven audiences as you need.

The questions you want to ask

- What journey stages do users progress through?
- What goals are users trying to achieve at each stage?
- What actions or signals indicate their intent at these stages?

Examples of intent-driven audiences

Early-stage interest

01

These users are in the discovery phase, exploring options and gathering general information.

Key intent signals

- Browsing blog posts or educational content
- Downloading whitepapers, guides, or industry reports
- Visiting “About Us” or company overview pages
- Arriving from organic search on broad, informational queries

Personalization examples

Thought leadership content, such as reports and how-to guides, help to build trust and nurture interest.

Product evaluation

02

These users are actively considering your solution and comparing it to alternatives.

Key intent signals

- Spending extended time on product or solution-specific pages
- Downloading technical documents or FAQs
- Watching demo or tutorial videos
- Viewing detailed feature lists or integration options

Personalization opportunity

Highlighting product differentiators, customer testimonials, and case studies to assist decision-making.

Purchase intent

03

Users in this stage are nearing a decision and may just need a gentle little nudge to convert.

Key intent signals

- Repeated visits to pricing or comparison pages
- Interaction with conversion points like demo request forms or contact buttons
- Revisiting previously viewed pages or products
- Engaging with retargeting ads or email campaigns

Personalization opportunity

Tailored incentives such as a free trial or pricing calculator as well as easy access to sales support.



AUDIENCE TYPE 02

Segment-driven audiences

Segment-driven audiences go beyond intent by tailoring experiences to well-defined groups based on behavioral, demographic, and psychographic data. These segments might represent different customer roles, such as marketing buyers or technical decision-makers.

The pros and cons of segment-driven audiences



Relevant

Tailored messaging addresses individual interests.



Scalable

Provide a one-to-few approach.



Data-intensive

Involve comprehensive user data and alignment across departments.



Complex

Require the understanding of detailed customer journeys and potentially integrating advanced technology.

How to build a segment-driven audience

Developing segment-driven audiences requires a high level of cross-departmental collaboration, not to mention the integration of diverse data sources. But it's worth it, because this helps to create detailed, actionable profiles that shape personalized experiences.

Step 1: Define key user groups

Start by identifying the main types of users engaging with your website, categorized by their roles, goals, or challenges.

Examples of user groups

Integrations and technical competency Focused on platform compatibility, scalability, and technology fit.	Improve Campaign Performance Marketing teams seeking higher ROI and better campaign outcomes.	Evaluate ROI and market position Business leaders analyzing your solution's value and competitive positioning.	Optimize purchase funnel and increase AOV Teams focused on improving conversions and upselling.
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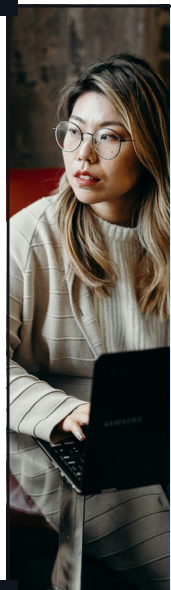
Step 2: Evaluate available data

To define these groups, assess your available data points. A combination of demographics, behavioral insights, and psychographics offers the most comprehensive understanding of your audience.

1. Demographics Provide foundational information to group users into broad categories.	2. Behavioral data Behavioral insights reveal what users are interested in and how they interact with your brand.	3. Psychographics Psychographic data uncovers what motivates your audience and influences their decisions.
<ul style="list-style-type: none">• Role: Marketing Managers, IT Architects, C-Suite Executives• Industry: SaaS, Healthcare, Retail, Finance• Tenure: Early-career professionals, mid-level managers, senior executives• Location: Regional markets, compliance needs, or localized preferences	<ul style="list-style-type: none">• Purchase history: Renewals, past contracts, or licenses purchased• Browsing patterns: Time spent on pricing, product, or resource pages• Content engagement: Downloads of whitepapers, registration for webinars, or video views• Product usage: Interaction with demos, sandbox environments, or feature-specific pages	<ul style="list-style-type: none">• Values: Focus on sustainability, innovation, or cost-efficiency• Interests: Staying ahead of competitors, leveraging AI, or digital transformation• Lifestyles: Remote workers, frequent travelers, or collaborative teams• Attitudes: Risk tolerance, openness to new technologies, or budget-consciousness

Step 3: Create actionable segments

Combine identified user groups with available data to build well-defined, actionable segments. Here are a few examples that we might use here at Optimizely.



Example #1: Marketing buyer

Focused on leveraging industry insights and strategic resources to enhance marketing performance, these buyers seek solutions that improve campaign outcomes and ROI.

Goals

Improving marketing output and increasing campaign ROI.

Key data points

- **Psychographics:** Values innovation and customer engagement.
- **Behavioral:** Downloads campaign best practices, attends webinars, and explores case studies.

Personalization opportunity

How-to-guides based on industry or goals.



Example #2: Technical buyer

Focused on evaluating the product's technical capabilities, integration potential, and scalability. These users delve deep into technical resources to assess compatibility with their existing tech stack.

Goals

Assessing technical fit and integrations, selecting technology solutions.

Key data points

- **Behavioral:** Engages with API documentation, technical blogs, and product specs.
- **Demographics:** IT managers or architects in SaaS or enterprise industries.

Personalization opportunity

Interactive product tours and sandbox environments for real-world testing.

Example #3: Executive buyer

These decision-makers evaluate strategic alignment, ROI, and long-term partnership potential. They focus on high-level insights like market positioning and business value.

Goal

Establishing ROI and business value, evaluating company reputation and market position.

Key data points

- **Intent:** Visits analyst report pages, explores competitive comparisons, and reviews testimonials.
- **Demographics:** C-suite roles in enterprise or Fortune 500 organizations.

Personalization opportunity

Videos and executive-level briefings that showcase company vision and long-term strategies.



The hybrid advantage

Combining intent-driven insights with persona-based segmentation allows you to balance precision with scalability. And by aligning real-time behaviors with long-term personas, you can deliver dynamic, relevant experiences tailored to user needs at every stage of their journey. Build and refine these segments over time and you'll make the most of evolving data sources to continuously enhance your personalization strategies.

Creating a segment

<div> <div> </div> <div> User groups </div> </div> <div>Determine key user groups.</div>	<div> <div> </div> <div> Evaluate available data </div> </div> <div>Assess what data points you can use to identify these groups.</div>	<div> <div> </div> <div> Segments </div> </div> <div>User groups + available data = Segment</div>
<div> <div> </div> <div> Group 1 </div> </div> <div>Integrations and technical competency</div>	<div> <div> </div> <div> Demographics </div> </div> <div> <ul style="list-style-type: none"> Age Role Industry Location </div>	<div> <div> </div> <div> Technical buyer </div> </div> <div>Evaluating and selecting technology solutions</div>
<div> <div> </div> <div> Group 2 </div> </div> <div>Improve campaign performance</div>	<div> <div> </div> <div> Behavioral </div> </div> <div> <ul style="list-style-type: none"> Purchase history Browsing patterns Content engagement Product usage Recent searches Specific actions </div>	<div> <div> </div> <div> Marketing buyer </div> </div> <div>Improving marketing output and campaign ROI</div>
<div> <div> </div> <div> Group 3 </div> </div> <div>Evaluate ROI, analyst reports, and market position</div>	<div> <div> </div> <div> Psychographics </div> </div> <div> <ul style="list-style-type: none"> Values Interests Lifestyles Personalities Attitudes </div>	<div> <div> </div> <div> Executive buyer </div> </div> <div>Evaluating company reputation, ROI, and market position</div>
<div> <div> </div> <div> Group 4 </div> </div> <div>Optimize purchase funnel and increase AOV</div>		

Sample segment



Technical buyer

- Responsible for evaluating and selecting technology solutions
- Values in-depth technical content and case studies that demonstrate success
- How does this integrate with the rest of my technology stack

Data profile

- Whitepaper downloads
- Browsing behavior
- Job title
- Integration signals
- Event participation
- Industry

Intent behavioral triggers

▼ Early-stage interest

Whitepaper downloads

Event pages

Blog post visits

Case studies

▼ Product evaluation

Product overview

Technical documents

Reference videos

Product demonstrations

▼ Purchase intent

Repeat page visits

Feature comparison page

Pricing information

Demo information

Dynamic audiences

Okay, so we've explored how you build audiences by combining predefined segments and intent signals.

But what if your audiences are constantly changing? What if they don't fit into a structured audience-led approach?

That's where dynamic audiences come in.

Dynamic audiences use AI to analyze real-time data and automatically match the right experience to each user.

Dynamic audiences are particularly valuable in scenarios where predefined segmentation is either impractical or insufficient. Here are a few scenarios:

- **Evolving audiences:** Audience conditions frequently change, making predefined segmentation difficult to maintain e.g., a flash sale or live event.
- **Audience overlap:** User groups share characteristics or behaviors across overlapping segments e.g., a media organization recommending articles to users who belong to overlapping interest groups.
- **Exploring variations:** Testing multiple variations and it's unclear which audience will respond best e.g., testing different designs of a B2B produce page to see which performs best without relying on predefined assumptions.

FLASH SALE

An e-commerce site with rapidly changing trends or preferences.

Evolving audiences

Audience conditions change frequently, making predefined segmentation difficult to maintain.

MEDIA SITE

Recommending articles where user interests (e.g., sports, technology) often overlap or shift based on time of day or recent activity.

Audience overlap

When user groups share characteristics or behaviors across overlapping segments.

PRODUCT LAUNCH

A marketing campaign with numerous creative assets targeting a diverse audience.

Exploration

When testing multiple variations and it's unclear which audience will respond best.

How dynamic audiences work in practice

Let's take an example of dynamic audiences on a product page, where a few different personalized experiences are running simultaneously.

Typically, these experiences are manually assigned to specific audiences based on pre-defined data conditions. With dynamic audiences, however, a real-time decision engine automates the entire process.

EXAMPLE 01

An experience that highlights your industry expertise is dynamically delivered to users who are:

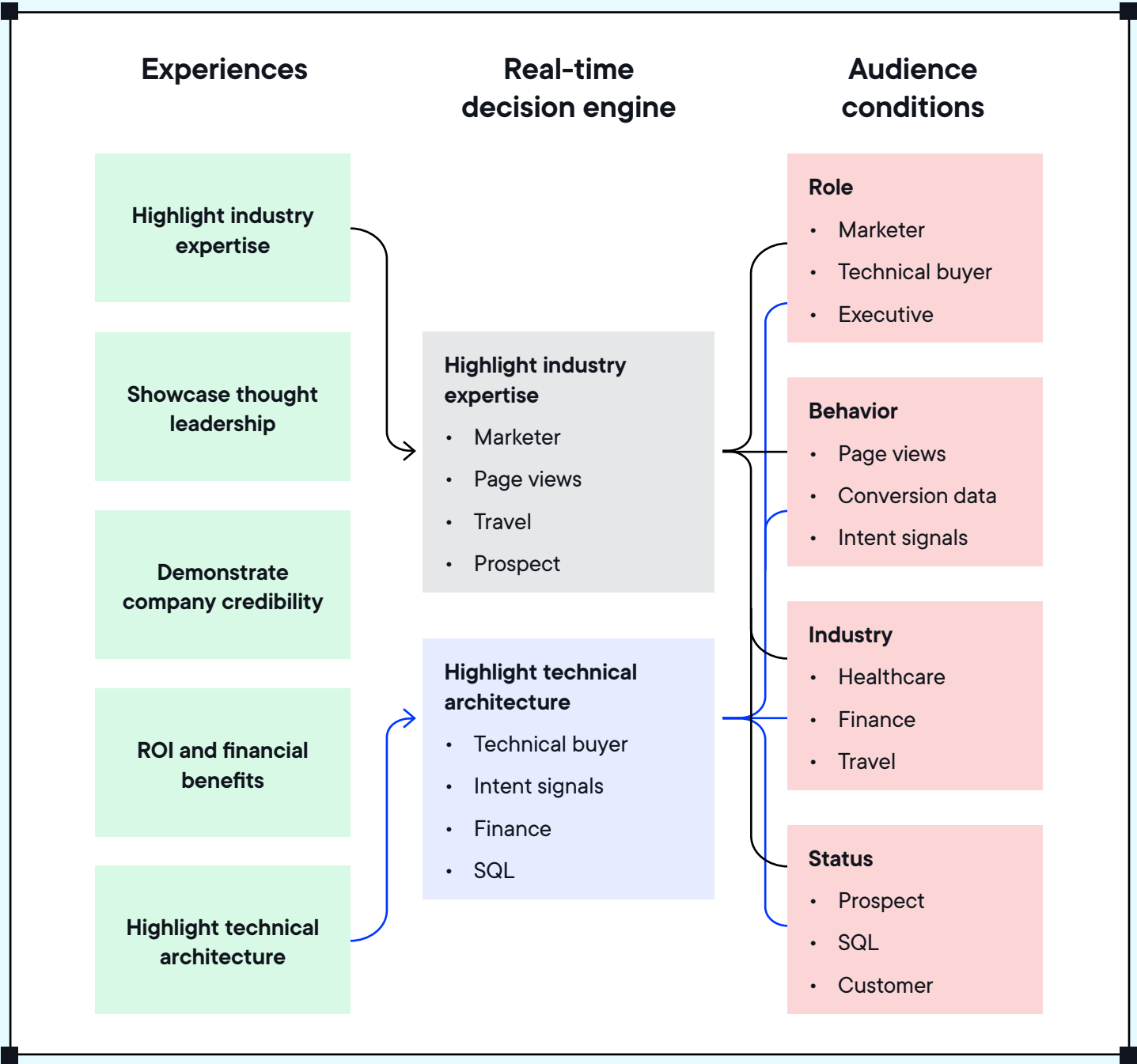
- Marketers
- Have recently viewed relevant pages
- Work in the travel industry
- Have been identified as prospects

EXAMPLE 02

An experience showcasing technical architecture will be matched to users who:

- Are technical buyers with strong intent signals
- Work in the finance industry
- Are SQLs

AI makes the magic happen by analyzing which experiences have the biggest impact on similar cohorts under matching audience conditions, then continuously refining the approach to keep delivering the most relevant content.



The pros and cons of dynamic audiences



DYNAMIC OPTIMIZATION

Automatically generates personalized experiences with minimal manual effort.



SCALABLE AUTOMATION

Minimizes the need for manual audience segmentation.



UNKNOWN AUDIENCES

No pre-defined audience conditions required.



COMPLEX RULES

Multiple variations are needed for each rule.



LIMITED CONTROL

Less granular control over specific experiences compared to rules-based personalization.



STATISTICAL UNCERTAINTY

As decisions are made very quickly, statistical certainty is not guaranteed.

O is for Opportunity

Identify your jumping off point.

Which opportunities will most enhance the user experience?

Where should you focus your efforts?

That's where a website journey map comes into play. This will help you understand how users typically interact with your site. The stages they go through as they explore your offerings. And the key pages they visit at each stage.

How to create a website journey map

Step 1: Identify user journey stages

Define the stages and the pages that a user typically goes through on your website. The common stages include:

AWARENESS

Users are discovering your brand.

Key pages: Home page, blog posts, educational resources

CONSIDERATION

Users are evaluating their options.

Key pages: Product pages, research articles, customer stories

DECISION

Users are ready to take action.

Key pages: Pricing, demo request, contact us, checkout

Step 2: Analyze each stage

Next consider the following elements for each stage and its corresponding pages:

USER GOALS

What is the user trying to achieve?

USER ACTIONS

What actions do users typically take? (e.g., read content, compare features, fill out forms)

OPPORTUNITIES

How can you enhance this experience? What personalization tactics might work best here?

IMPACT

What key performance indicators (KPIs) will be influenced? (e.g., engagement rate, conversion rate, lead quality)

 **Suggestion**

Once you've developed your initial journey map, consider developing additional maps for different audience segments (see previous section on creating audiences). Follow the same approach, but tailor each map to focus on each specific segment.

Website journey map

Journey stage	Awareness		Consideration		Decision	
Website page	Home page	Resources page	Product page	Customer stories	Pricing page	Demo and contact page
User goals What is the user trying to achieve?	Understand brand and core offerings	Access industry reports, webinars, or ebooks	Evaluate product capabilities and benefits	Assess credibility and relevance for their industry	Compare costs and assess value	Request a demo or contact sales
User interactions What actions does the user take?	Scan banners, navigate menus, explore sections	Browse or filter resource types, download content	Review features, watch demos, read case studies	Browse case studies by industry or use case	Review pricing tiers, compare features, contact sales	Fill out forms, request a call-back
Opportunities How can we enhance this experience?	Personalize banners based on industry, highlight case studies	Recommend resources based on previous visits or user behavior	Tailor feature highlights or case studies based on industry	Showcase success stories relevant to sector or company size	Highlight the most relevant plan, provide ROI calculators	Pre-fill forms with known data, location-based pop-ups
Impact Which KPI's will this influence?	Increased engagement, reduced bounce rate	Improved content engagement, higher lead generation	Higher conversion to demo requests or trials	Increased trust, faster decision-making	Increased demo/ trial conversions, reduced drop-off	Higher form completion rates, reduced friction

Step 3: Identify the moments that matter

Not all touchpoints are created equal. Some interactions have a more significant impact on user decisions than others. Your goal is to identify these high-value moments and prioritize them for personalization.

THE QUESTIONS TO ASK

- Where are users most engaged or likely to convert?
- Which stages show the highest drop-off rates?
- Where can small personalization changes lead to significant improvements?

Step 4: Prioritize opportunities

Once you've identified personalization opportunities, you now want to evaluate them against the two following criteria:

1. VALUE

What level of business impact do you expect from this opportunity?

Rate on a scale of 1-10.

2. EFFORT

How quickly and easily can you implement the opportunity?

Assign an effort score based on technical complexity and resource requirements.

Then plot the results to identify:

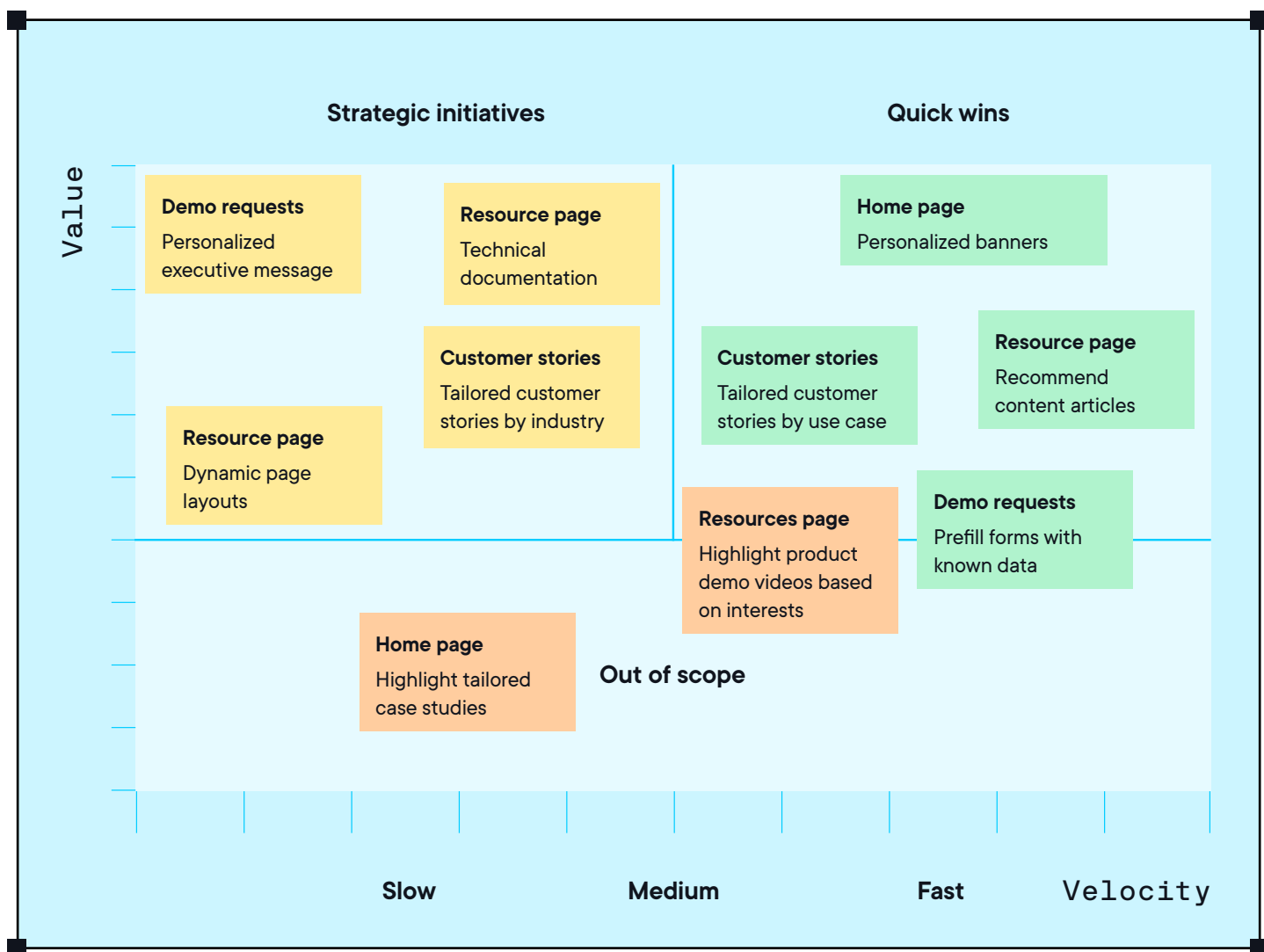
- **Quick wins:** Achievable within 3-6 months. Provide immediate impact with relatively low effort.
- **Strategic initiatives achievable within 6-12 months:** May require deeper technical development but offer substantial long-term benefits.
- **Out of scope:** Initiatives that do not provide enough value to justify development.

By structuring your website personalization efforts around a journey map and prioritizing opportunities, you make sure every action is aligned with both user needs and business objectives.

The benefits of this approach

- Focuses on high-impact areas for maximum ROI.
- Balances quick wins with long-term strategic initiatives.
- Clearly communicates the value of personalization to stakeholders.

Prioritize opportunities



E is for Experience

To design effective personalized experiences, it's essential to consider the data you have available AND the level of personalization you aim to achieve.

Each time you receive a data signal from a user, you can use it to develop a clearer picture of their goal. That in turn serves to shape increasingly tailored experiences.

Let's think about this in terms of data signal levels, where each level gets progressively more granular. Again, we'll use our approach here at Optimizely to put this into context.

LEVEL 01

Craft a straightforward experience triggered by a single trigger signal.

`Example: I'm interested in learning more about personalization.`

LEVEL 02

Elevate the experience by blending multiple data triggers to offer a more relevant journey.

`Example: I want to learn about rules-based vs algorithmic personalization, and I'm based in London.`

LEVEL 03

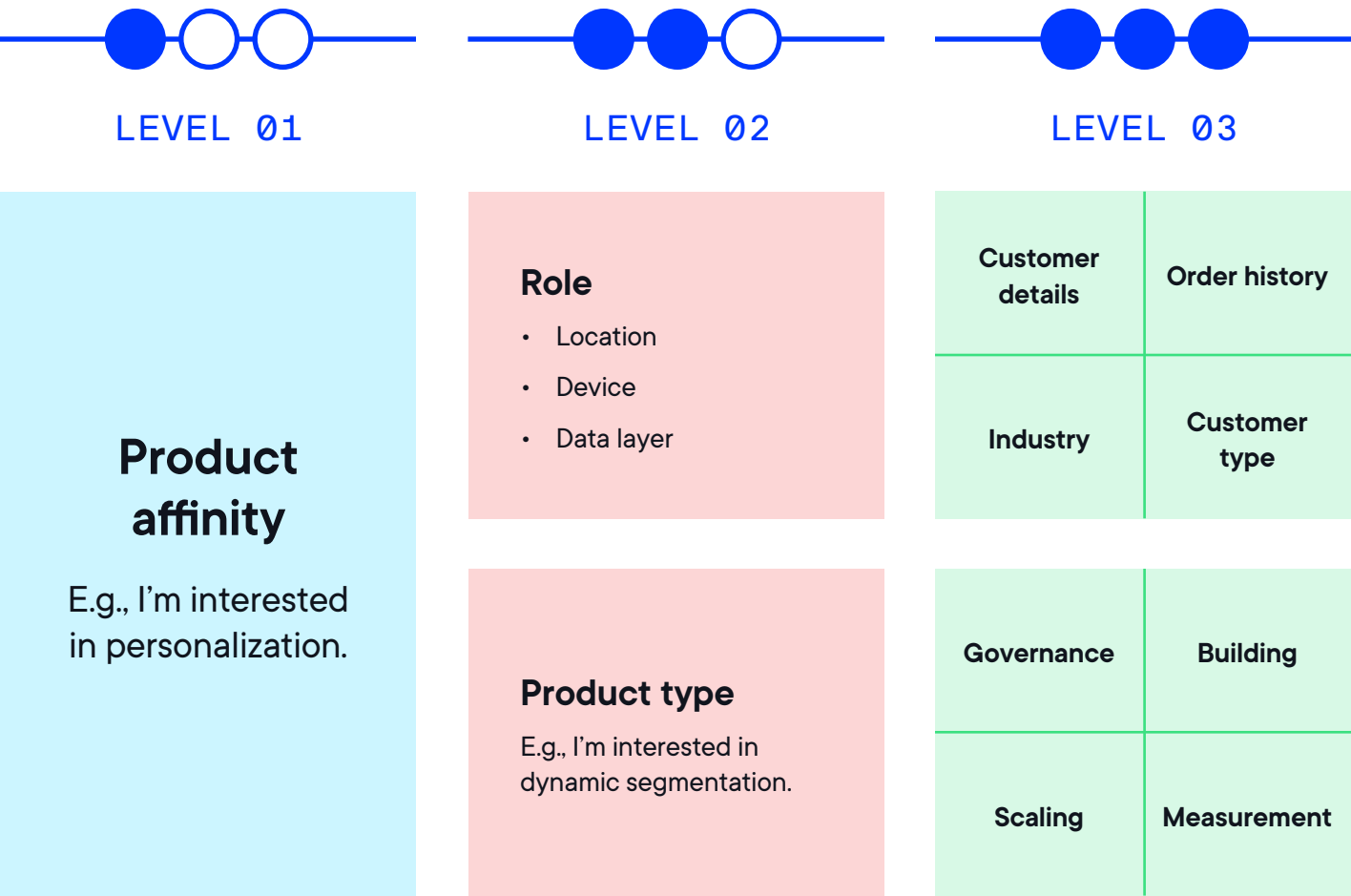
Blending multiple data triggers together to create a complete, comprehensive experience.

`Example: I want to learn more about building a personalization program and I'm an existing customer in the travel industry.`

You can take this even further and map out level 4 and level 5 trigger signals. Each new level builds on the previous one to enable even more detailed and targeted experiences.

Defining these stages based on your available data and content allows you to develop a roadmap for evolving personalization—and make each interaction more relevant and impactful than the last.

Creating a personalized experience



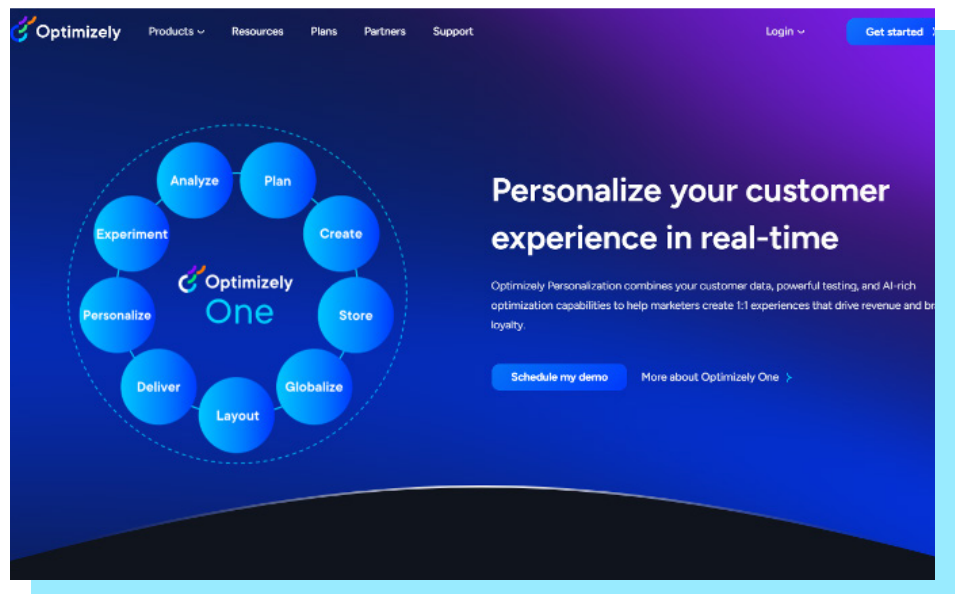
Let's bring these concepts to life by first applying short-term memory data, which relies solely on real-time session information stored in a cookie ID.



Level 1: A tailored homepage is displayed for users interested in personalization, featuring introductory content or key resources on personalization strategies.

Product affinity

E.g., I'm interested in personalization.





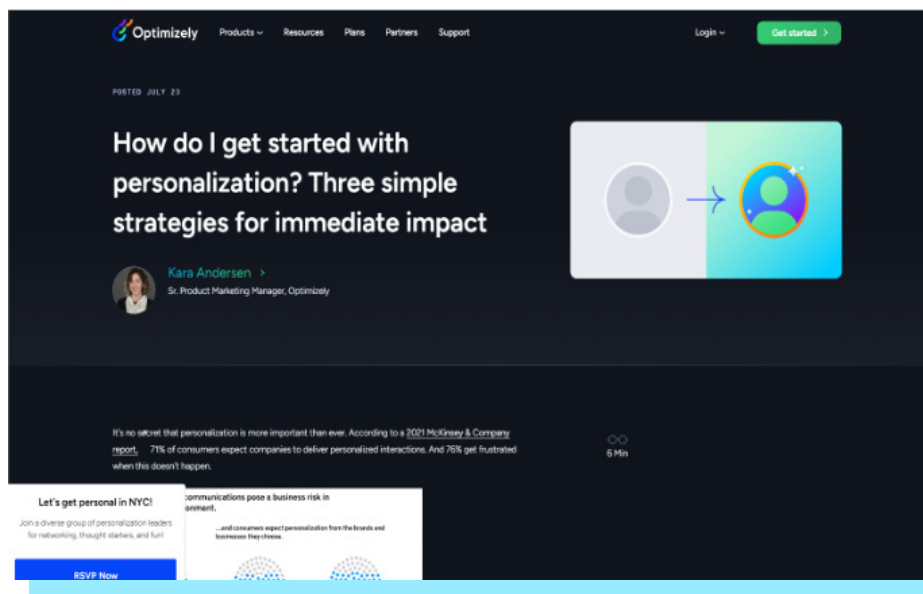
Level 2: A personalized pop-up highlights an event in the user's city, showcasing how other companies are successfully implementing personalization.

Role

- Location
- Device
- Data layer

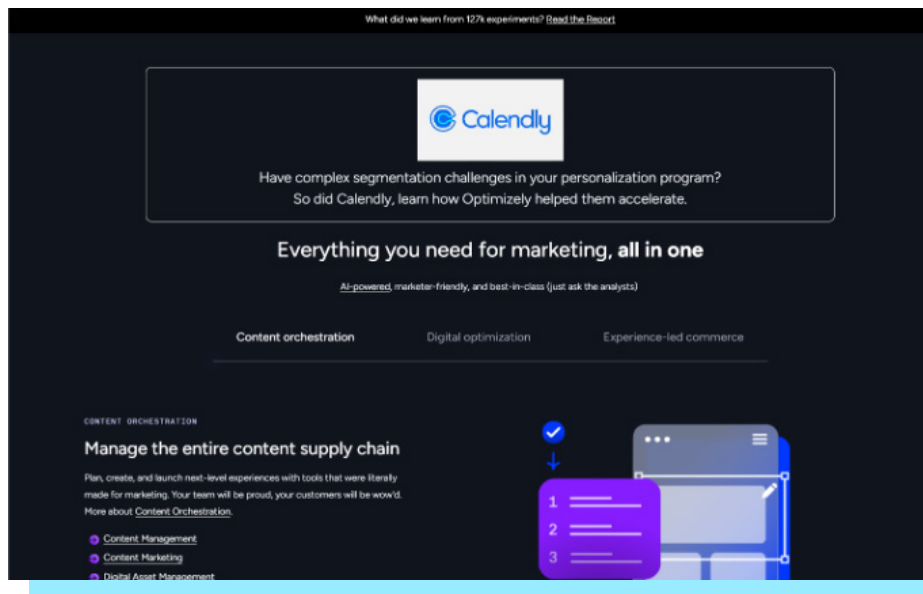
Product type

E.g., I'm interested in dynamic segmentation.



Level 3: The website layout dynamically adapts to feature a case study on a company with a similar profile, demonstrating the practical benefits of building a personalization program.

Customer details	Order history
Industry	Customer type
Governance	Building
Scaling	Measurement



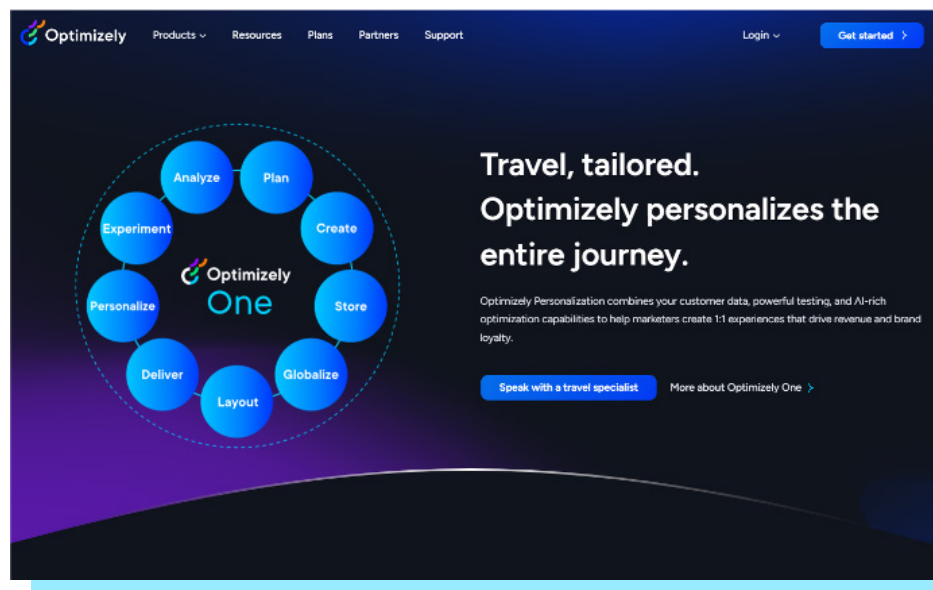
Okay, so let's now take things up a notch.
See how we enhance the experiences above
by incorporating long-term memory data,
drawing from user history and deeper insights.



Enhanced level 1: Knowing the user works in the travel industry, we customize the homepage messaging to focus on travel-specific personalization, including an option to connect with a travel industry specialist.

Product affinity

E.g., I'm interested in personalization.





Role

- Location
- Device
- Data layer

Product type

E.g., I'm interested in dynamic segmentation.

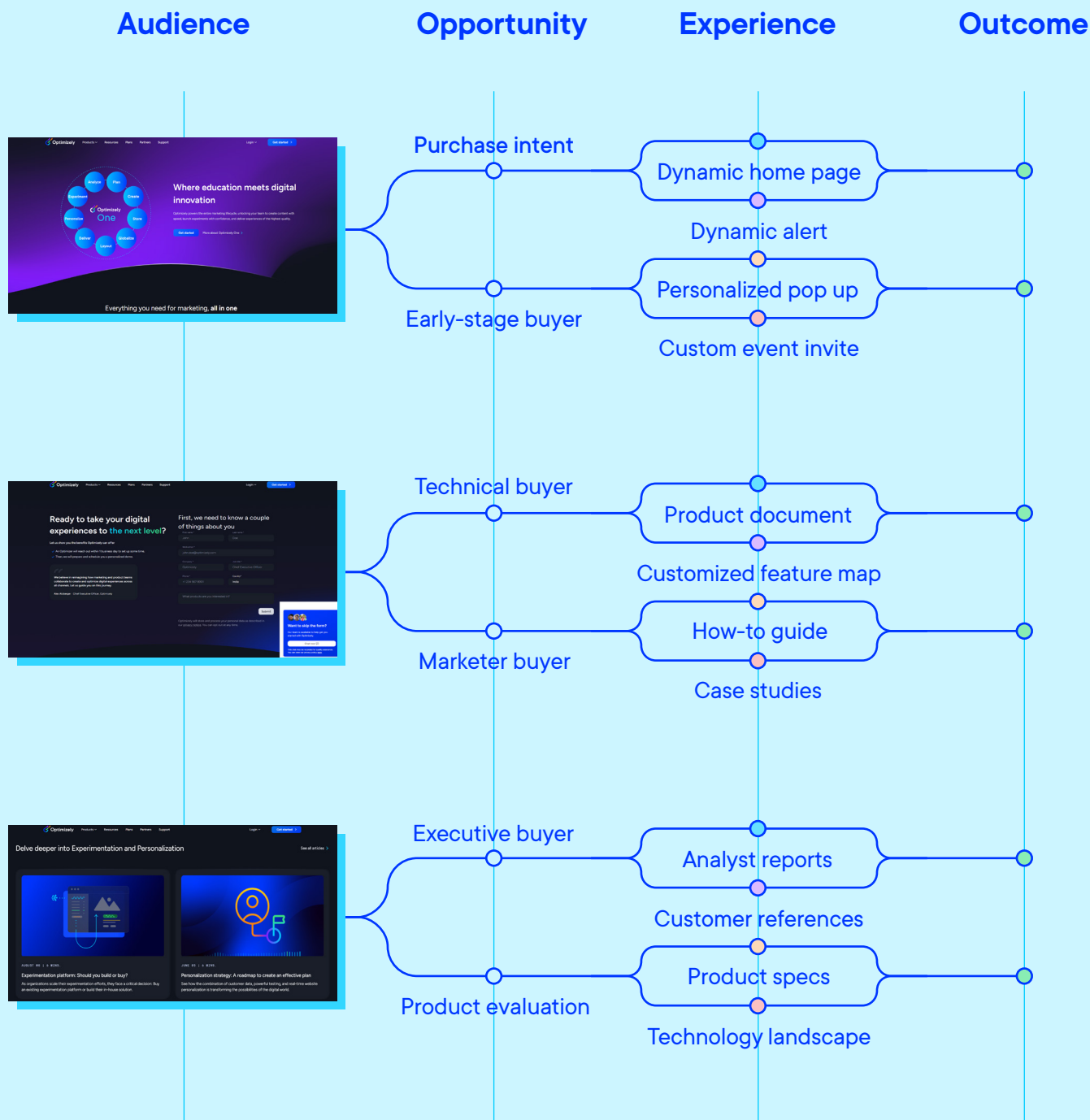
Enhanced level 2: The personalized pop-up highlights not only the event, but also speakers from the travel sector. This makes the content more relevant and engaging.



Enhanced level 3: Recognizing that the user is an existing customer in the travel industry, we showcase a case study from another travel company. This provides highly relevant insights and reinforces the value of advanced personalization solutions.

Customer details	Order history
Industry	Customer type
Governance	Building
Scaling	Measurement

I is for Impact



Finally, you need to effectively measure the success of your personalized experiences. That starts by defining clear metrics, then developing a communication plan to showcase the outcome of your personalization program to the people who matter.

In general, these outcomes fall into one of two categories.

CATEGORY 1: STRATEGIC METRICS

High-level, business-oriented measurements upon which executives typically keep an unblinking eye. Focusing on monetary and organizational goals, they align closely with overarching business objectives and demonstrate the broader impact of personalization.

Think:

- Revenue
- Conversion rate
- Average order value (AOV)
- Marketing-qualified leads (MQLs)

Not every personalized experience directly ties into a strategic metric, but in an ideal world all initiatives will support these overarching goals. Strategic metrics are essential for communicating the program's value internally, providing a concise elevator pitch to support the impact of your personalization efforts.

CATEGORY 2: TACTICAL METRICS

The kind of results that make your eyes widen and your heart skip a beat. These metrics assess the performance of specific personalization initiatives, offering insights that help you refine your strategies.

These metrics should be the focus of practical personalization efforts—and the more specific they are, the better.

Think:

- Click-through rate (CTR)
- Engagement rate
- Page views per session
- Time on page

The metric hierarchy: Connecting strategic and tactical metrics

So how do you connect strategic and tactical objectives? How do you go about selecting metrics that will drive value and demonstrate returns for both sets of stakeholders?

We recommend using a metric hierarchy, ideally in the form of a revenue (or cost) tree. This will help organize your measurement approach by aligning personalized experiences with broader business goals.

A metric hierarchy connects tactical improvements with desired, strategic outcomes to provide a clear view of performance at every level.

1. BUILDING A REVENUE TREE

Layer #1: Think about how your organization makes or saves money. After all, isn't that how all strategic outcomes start and end? So we label the top of the hierarchy either 'Digital Revenue' or 'Digital Costs'.

Layer #2: The next layer usually reflects strategic metrics. If your company relies on MQLs to drive sales, then these strategic objectives are likely to focus on driving the volume and quality of digital MQLs—both of which roll up to total digital revenue. Alternatively, if you're an ecommerce company then your strategic objectives are likely to cover orders and AOV that drive digital revenue.

Layer #3+: Now we come to your tactical metrics—the individual, micro-metrics that your personalization efforts should target and which necessarily aggregate into your strategic metrics.

Continuing with the example above, the volume of MQLs is the result of form views and completions. Form views are in turn the product of traffic and click-through rate from various pages. These would all be suitable tactical metrics.

Orders for an ecommerce business, on the other hand, are made up of add-to-cart rate and product views. These are, in turn, the product of page views, click-through rate, and search rate. Again, these are all relevant tactical metrics.

2. BUILDING A COST TREE

You can use the same approach to create a cost tree. For example, let's take an airline trying to defray customer support costs. The airline might create a tree where digital costs are made up of support requests and cost per request.

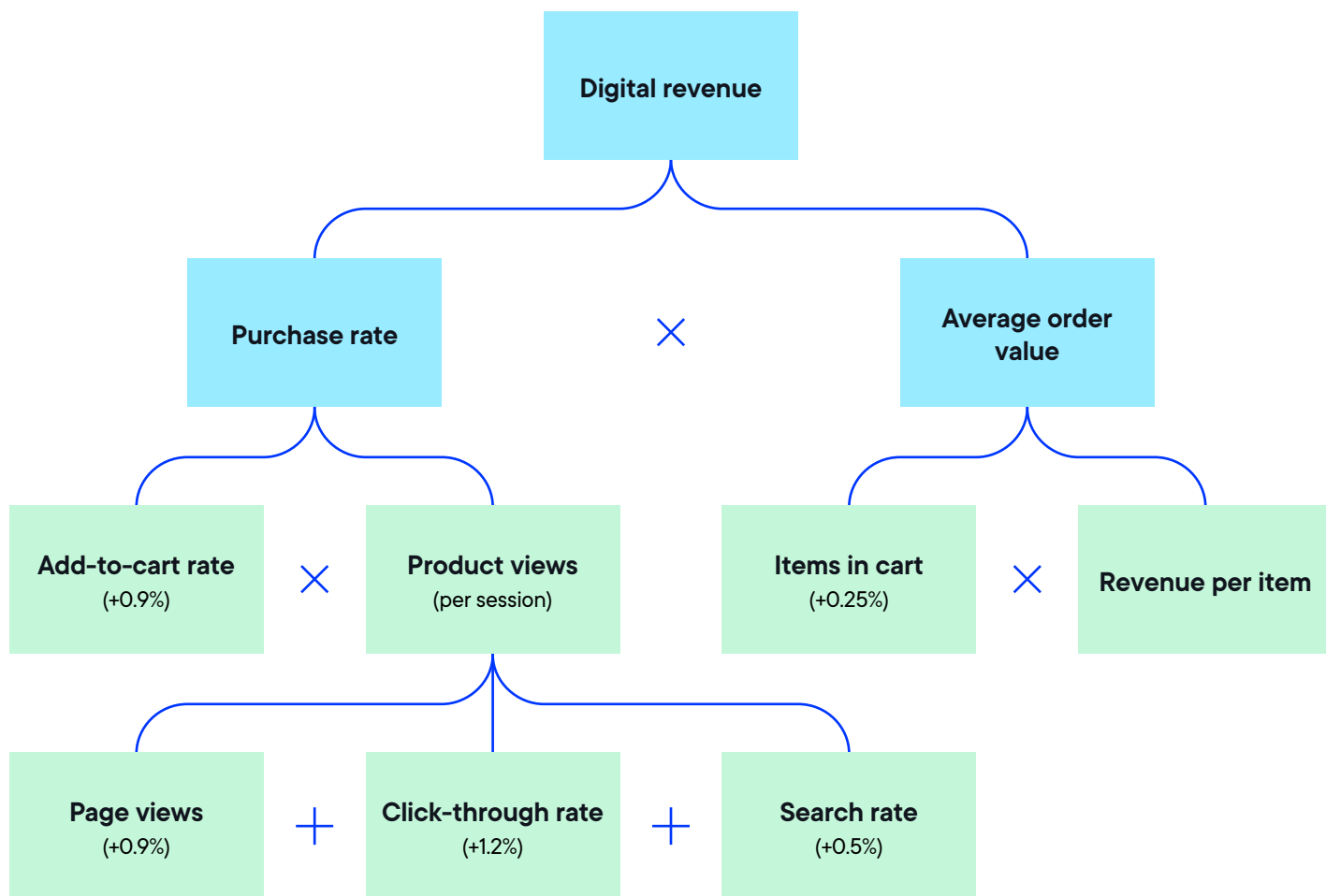
The volume of support requests is a result both of traffic to site AND customers unable to find the information they need. These will then make up the tactical metrics to be targeted by personalization.

Building a hierarchy in this way helps you to focus on the metrics that drive value—by increasing revenues or reducing costs. At the same time, it allows you to define the connection between the tactical metrics that are more relevant to you—and the higher-level strategic metrics preferred by executives.



How tactical metrics flow upwards into basic business metrics

#1: A revenue tree metric hierarchy for an order-based, ecommerce business.



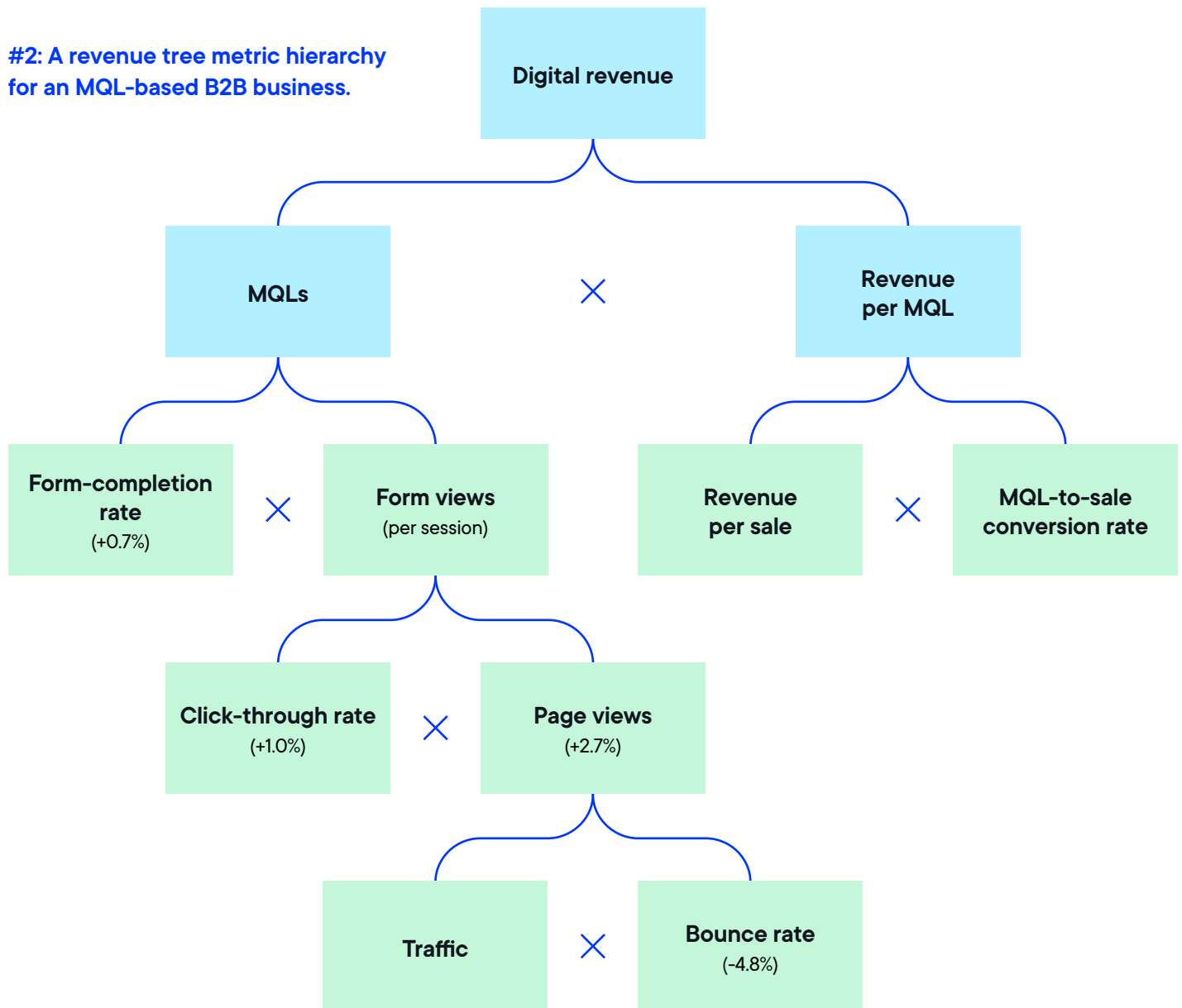
We increased digital revenue by \$2.5M by:

- ✓ Increasing purchase rate by **5.7%**
- ✓ Increasing average order value by **0.25%**

The individual personalization metrics that led to these business outcomes are:

- ✓ Increasing add-to-cart rate by **0.9%**
- ✓ Increasing click-through rate by **1.2%**
- ✓ Increasing search rate by **0.5%**
- ✓ Increasing page views by **3.1%**

#2: A revenue tree metric hierarchy for an MQL-based B2B business.



We increased digital revenue by \$3.2M by:

- ✓ Increasing MQLs by **1.2%**
- ✓ Increasing MQL to sale conversion rate by **0.25%**

The individual personalization metrics that led to these business outcomes are:

- ✓ Increasing form completion rate by **0.7%**
- ✓ Increasing click-through rate by **1.0%**
- ✓ Increasing page views by **2.7%**
- ✓ Decreasing bounce rate by **4.8%**

Using the metric hierarchy for program reporting

Another benefit of the revenue / cost tree system is the way it aggregates the measurement of tactical metrics into a measurement of strategic metrics.

As an illustration, let's assume the sole strategic objective in our ecommerce example above is increasing purchases.

From the revenue tree, we see that purchases are the result of product views and the add-to-cart rate. And that product views are, in turn, driven by page views, click-through rate, and search rate.

To understand the total impact on purchases, we can use simple arithmetic:

$\Delta \text{ Purchases} =$

$\Delta \text{ Add-to-cart} \times \Delta \text{ Product views}$

$\Delta \text{ Product Views} =$

$\Delta \text{ Click-through rate} \times \Delta \text{ Page views}$
 $+ \Delta \text{ Search rate}$

Reporting on aggregate metrics is the natural culmination of revenue tree logic. You'll see in this example we include the logical operators (e.g., multiplication, addition, division, subtraction) between the revenue tree metrics to make the relationship even more apparent.

But how do you measure the impact of a personalization on a specific tactical metric?

Easy. You just need to compare the metric before and after the personalization:

$$[\text{Incremental impact}] = [\text{Actual AFTER personalization initiative}] - [\text{Baseline BEFORE personalization initiative}]$$

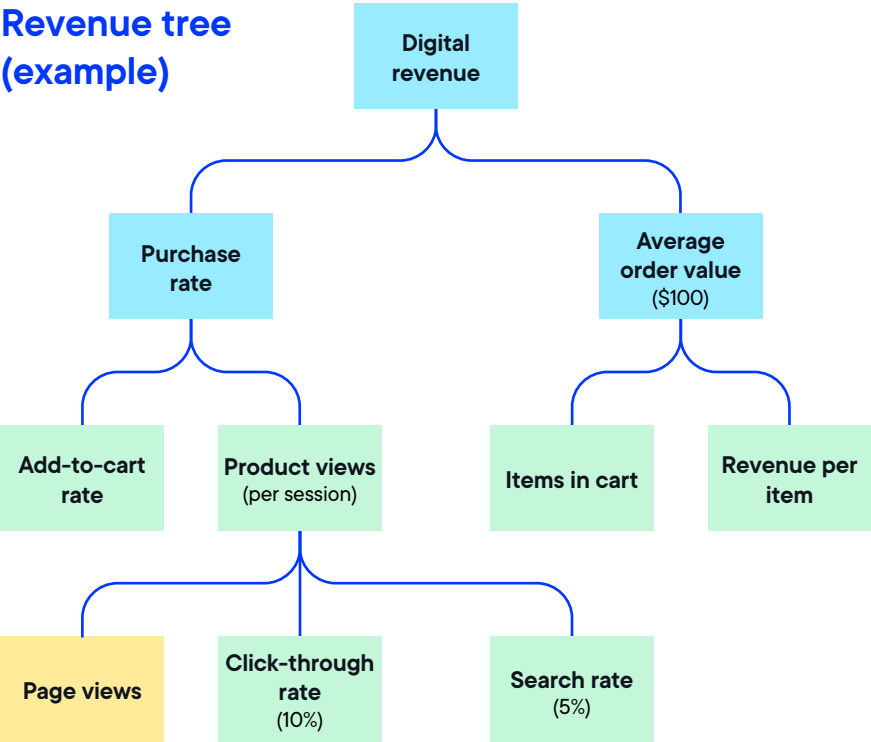
This 'incremental impact' will be represented as a percentage or unit e.g., add-to-cart rate or orders. To report on the impact of the change in monetary terms, you need only follow the change up the hierarchy to revenue or cost.

Say we increase page views in our Ecommerce example by 3.0%. Assuming all things are equal, product views will also increase by 3.0%. We can multiply this by the add-to-cart rate to calculate purchases. We then multiply this figure by average order value to see the overall impact on revenue.

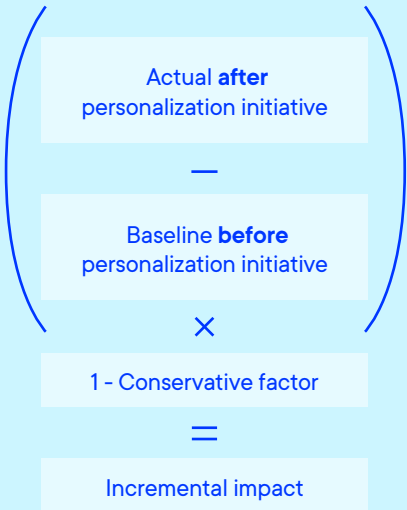
To report on a single specific metric, you simply need to hold all other metrics in the revenue tree constant (e.g., average order value). Or if you intend to show the aggregate affect of multiple metrics, then all changes should be made in the revenue tree and they'll naturally aggregate up to the higher-level metrics in the tree, all the way to digital revenue if necessary.

Essential: The metric must be baselined before you deploy any personalization initiative. No baseline = no comparison = no way to measure the impact of your personalization.

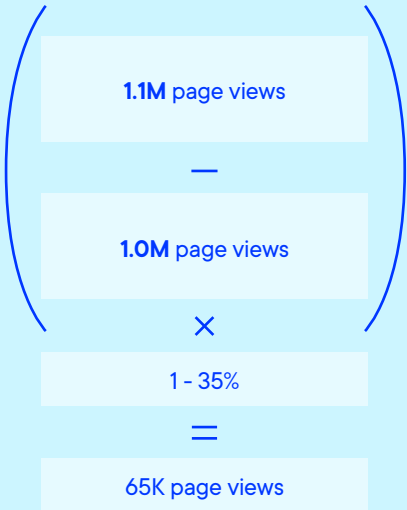
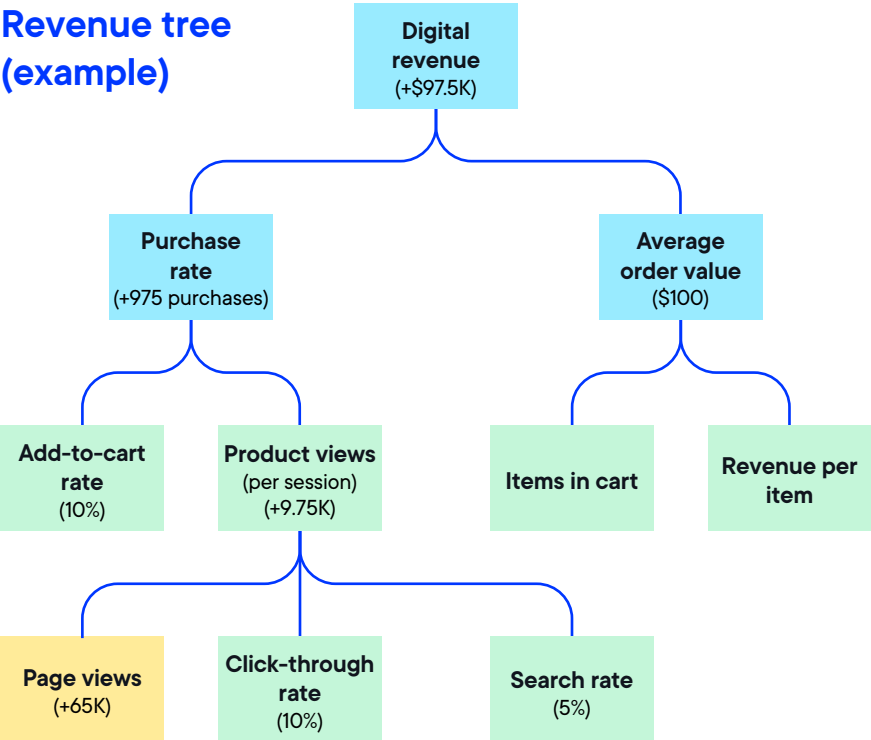
Revenue tree
(example)



Each time a personalization strategy is implemented, evaluate the specific impact on the **specific metric** as follows:



Revenue tree
(example)



The role of conservative factors

You need to bear in mind that a new experience will often significantly change behavior until users get used to the new functionality—which may impact your reporting. Or say you deploy multiple independent personalization tactics concurrently. The overall benefit might not equal the sum of the parts if the measures interact with each other in unforeseen ways. That's why we'd always suggest applying a conservative factor to your calculations when reporting the impact of personalization on a metric. This serves to de-risk the likelihood of over-reporting.

Here's how it looks:

$$\begin{aligned} \text{[Incremental impact]} &= \text{[Actual} \\ &\text{AFTER personalization initiative]} \\ &- \text{[Baseline BEFORE personalization} \\ &\text{initiative]} \times (1 - \text{[Conservative} \\ &\text{factor]}) \end{aligned}$$

Based on the experience of our customers, we recommend using a 20-50% conservative factor (median 35%).

Finally, when tracking the impact of a specific tactical metric over time, or across multiple personalization initiatives, you simply aggregate the improvements. For example, if personalized product recommendations increase page views by 10% and experimentation by 5%, then you have achieved a net improvement of, yep—you've guessed it—15%. Alternatively, you could simply compare page views after both product recommendations and experimentation initiatives to the original baseline.



Bringing it all together

First thing to remember is the fact that personalization begins the moment a user lands on your site.

By analyzing real-time data like page and category views, you can apply rule-based and algorithmic personalization to start tailoring their experience from the get-go.

The virtuous circle of personalization

- Users continue to interact or return to your site
- Collect more data
- Refine and deepen personalization
- Each touchpoint adds to your understanding
- More sophisticated, highly relevant content and product recommendations.

Once a user is identified and their data is linked to your Customer Data Platform (CDP), long-term insights come into play. This allows you to craft 1:1 or segment-based experiences, leveraging historical data such as past purchases, preferences, and behaviors.

Predictive personalization anticipates their interests / goals and offers tailored suggestions, creating experiences that evolve with each interaction.

This seamless blend of short-term signals and long-term memory ensures your personalization strategy grows smarter, more accurate, and more impactful over time.


Delivering a personalized experience

- Category view

Purchase
- Product view

Order next


Session 1



Jackets
MENS

Within session based on the interests and intent user shows on site



Rules based:
Behavioral targeting



autumn

Based on frequently viewed articles

Algorithmic:
Content recommendations

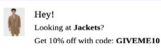


Jackets
MENS

Based on frequently viewed products

Algorithmic:
Product recommendations

Session 2




Hey!
Looking at Jackets?
Get 10% off with code: GIVEME10

Behavioral

Based on frequency, propensity score



Rules based:
Behavioral targeting



exercise outdoors
autumn cotton
jogger pants

Based on the topics the user is showing an interest in

Algorithmic:
Content recommendations



Sneakers

People like you bought this

Algorithmic:
Product recommendations

Session 3


Phil, last order date x Order x product. Price.

Contextual

Customers > Insights
Days until next order
Engagement rank
Order likelihood

Predictive


Rules based:
Real-time segments



latest trends
autumn sneakers
copyright

Improved accuracy

Algorithmic:
Content recommendations



Sneakers

Based on your purchases

Algorithmic:
Product recommendations

The power of personalization

03

Real-world success stories

We've explained the basics of creating personalized experiences. We've been through the basic steps of building a notional campaign. Now let's finish by seeing the kind of impact personalized experiences can have when you get them right.



SUCCESS STORY 1: ROAD SCHOLAR

Meet Road Scholar

Road Scholar is a non-profit educational travel organization for adults. The company offers thousands of programs across the US and in nearly 100 other countries, serving almost 100,000 participants annually—primarily those aged 55 and older.

What were the challenges?

- How to cure low conversion rates, especially among new visitors.
- How to replace inefficient manual content management.
- How to gain more data insights and increase analytics capabilities.
- How to modernize an outdated content management system (CMS).
- How to transform a complex, developer-dependent website update process, cumbersome project management and content approval workflows, and an inadequate web experimentation platform. Ouch.

How did Road Scholar solve them?

Road Scholar showed they meant business with a comprehensive package of Optimizely products significantly enhancing the team's personalization and marketing.



The strategy

- **Streamlined content:** streamlining content creation and management and turbocharging teamwork for 75 users.
- **Speedy platform:** a secure, customizable platform accelerates website speed and flexibility, while simplifying content updates.
- **Sophisticated testing:** A/B and multivariate testing and complex experiments like multi-armed bandit checkout flow tests.
- **Statistical insight:** integrate data from multiple sources for a complete customer view that enhances personalization and marketing.
- **Smart recommendations:** personalized, relevant recommendations.
- **Slick processes:** efficient workflow from testing to execution and reporting, with improved communications across geographically dispersed teams.

Big results

+30%

increase in conversion rates
(March 2023 to March 2024).

-38%

reduction in page
load speed.

- Dramatically reduced content creation and deployment time.
- Improved internal visibility, collaboration, and workflow management.
- Enhanced personalization capabilities.

A positive impact on processes

✓ **CMS. De-stressed.**

Faster load times, easier content updates, and more options to deliver content.

✓ **Single. Seamless.**

Plan, collaborate, and execute campaigns and content within a single integrated platform.

✓ **Knowledge. And power.**

Measure the impact of their changes on key metrics and deliver personalized experiences to their diverse and growing audience.

✓ **Together-ness**

Colleagues in different locations can work together as closely as if they were just in the same room.



The key takeaway

Road Scholar has seamlessly interconnected every aspect of its digital presence. In doing so, the company has streamlined operations, gained real-world insights, and achieved the capability to deliver powerful, personalized experiences that have changed the game.

What's next?

Road Scholar plans to:

- Take experimentation capabilities even further.
- Focus on feature testing.
- Migrate more order calls to the website.
- Expand their service portal to reduce call center volume.

“

Knowing that the systems will advance together is a big advantage. For example, if something is developed for CMS, I know it will be integrated into CMP and Web Experimentation, ensuring everything moves forward in the same direction without one piece being left behind.

Mark Fagiano

Senior e-Commerce Director,
Road Scholar

SUCCESS STORY 2: CALENDLY

Meet Calendly

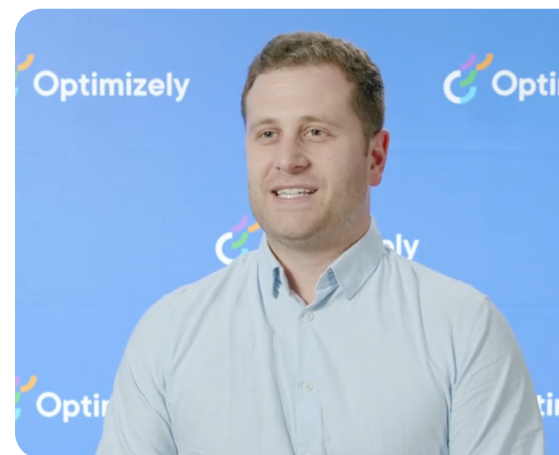
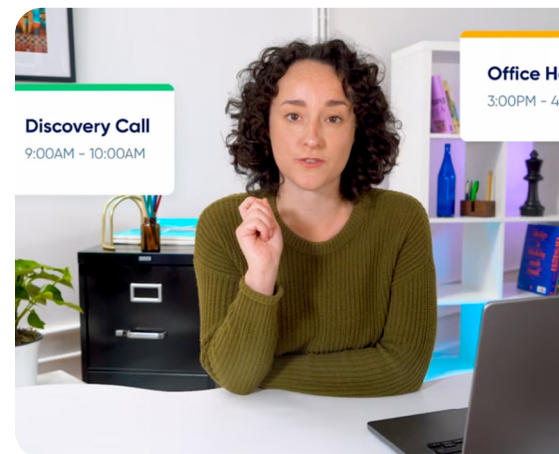
Calendly is a popular scheduling automation platform relied on by 20 million people worldwide. They partnered with Optimizely to add some pep to their user experiences through data-driven experimentation and personalization.

What were the challenges?

- How to create better user experiences across the entire platform.
- How to personalize messaging for different user segments.
- How to make better decisions and make them fast.
- How to smile whenever you mention conversion rates, revenue, and engagement.

How did Calendly solve them?

Calendly uses Optimizely's full suite for experimentation, including web and feature experimentation, feature flagging, and personalization, enabling them to optimize user experiences seamlessly across marketing and product channels.



The strategy

- **Optimize everything:** seamless experimentation across marketing and product channels.
- **Personalization for everyone:** communications tailored to different user segments.
- **Experiment at speed:** faster testing and implementation of user experience improvements.
- **Experimentation for all:** democratizes experimentation across the various teams.

Big results

Conversion rates. Revenue conversion.
User engagement metrics. Up across the board.

A positive impact on business culture

✓ Teamwork works

Cross-team collaboration is essential for better customer experiences.

✓ Decisive decisions

Good decisions are made superfast because they're based on experimental results.

✓ Experimentation mindset

A company-wide culture of continuous improvement through experimentation.

🔑 The key takeaway

Calendly has gone way beyond improving key business metrics. By transforming its approach to product development and user engagement, they are setting the stage for continued growth and innovation.

What's next?

Calendly plans to:

- Continue to fine tune user experiences.
- Expand personalization wherever possible.
- Rely on ongoing experimentation to power innovation.
- Expand their service portal to reduce call center volume.

“

Every personalization campaign we run through Optimizely has resulted in significant improvements in conversion rate. And we have much higher levels of engagement, because we have an experience that's relevant to what you're doing and the stage you're at as a customer.

Darren Chait

Head of Growth Marketing,
Calendly

The end. And the beginning.

Personalized user experiences are way more than just an expectation. They are an absolute non-negotiable for strong and successful online brands. But get them wrong and the outcome could be just as damaging as our café warmly greeting Jim as Peter and serving him a caramel latte instead of his usual espresso. In other words, it ain't a good look.

Make sure that you've done your homework. That you know who your customers are, what they want, and how to deliver what they want. And that you have the tools to make all that happen without it taking over your whole life.

Optimizely can help. We provide the powerful and intuitive tech you need to build, scale, and refine unique experiences that your customers will love. Want to talk? We're ready to get started just as soon as you are.

Visit: optimizely.com/get-started



Optimizely is on a mission to make the lives of marketers better with Optimizely One, the world's first operating system for marketing teams. Optimizely One combines industry-leading solutions across content management, content marketing, experimentation, commerce, personalization, and analytics, powering every stage of the marketing lifecycle through a single, AI-accelerated workflow. With the flexibility of a fully composable platform, Optimizely is proudly helping global brands like Salesforce, Zoom, and Toyota create content with speed, launch experiments with confidence, and deliver experiences of the highest quality. **Learn more at optimizely.com.**

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