



RecoSense



A Definitive Guide To Hyper-Personalization

recosenselabs.com

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01 / Executive summary

As the digital ecosystem has simplified the process of offering products and services with web and mobile applications, going digital is no more a differentiating factor. Today – in the world of machine learning – hyper-personalization has become one of the prime reasons why some companies witness exponential growth, while others do not. Without building superior recommendation systems, organizations are prone to extensive competition from artificial intelligence-based enterprises.

Over the years, personalization has assisted e-commerce companies in the retail sector, but it is now proliferating in other sectors like media and entertainment, pharma, and more. Eventually, every organization is understanding the importance of hyper-personalization to provide superior customer service and gain business growth. According to a report, **58 percent** of users are more likely to make a purchase in-store or online when a retailer recommends options for them based on their past purchases or preferences.

02 / What does this report cover

Organizations across various sectors are adopting hyper-personalization to offer personalized newsletters, push notifications, trending news, and more to increase user engagement. However, companies hit numerous roadblocks while collecting data, cleaning information, creating a machine learning pipeline, and building models with high accuracy. This report sheds light on the aforementioned problems and solutions for organizations to gain a competitive edge in the market with better recommendation systems.

The report walks you right from the very basics of hyper-personalization to the technology used, and use cases of hyper-personalization to gain better returns on investments.

01
**What is
Hyper-Personalization
important**

02
**Challenges associated
with implementation**

03
**Technology behind
personalization**

03 / **Who should read this report?**

The report is focused on both technical and non-technical decision-makers of organizations, founders, and CEOs of various companies who want to boost their business with machine learning to offer personalized content to users.

Key Takeaways

1. Why personalization is key for increasing business revenue
2. How does it work to automate business operations?
3. Use cases of hyper-personalization for the media and entertainment industry
4. How to streamline the integration of machine learning for personalization and increasing user engagement



Personalization happens when a marketer or salesperson can take a piece of content and make it more useful for a specific prospect or customer

John Jantsch

Instead of one-way interruption, personalized marketing is about delivering value at just the right moment that a user needs it

David Meerman Scott



04 / Market Dynamics

86% of marketing professionals consider the effectiveness of an AI-powered hyper-personalization strategy to be changing for the better.

33 percent of marketers in the United States and the United Kingdom (UK) spent more than half of their online marketing funds on personalization efforts. [Source: Statista]

We know that customers are generally comfortable (**70%**) with collecting personal data as long as the business is transparent on how they use it. [Source: Accenture]

70% of millennials are frustrated with brands sending irrelevant emails. [Source: SmarterHQ]

65 percent of users are more likely to make a purchase in-store or online from a retailer that sends them relevant and personalized promotions. [Source: Accenture]

05 / What is personalization and why it is crucial for businesses?

Personalization is a way to increase the overall user experience on digital platforms. This is achieved by offering solutions or services to every customer based on their unique requirements. When an organization assists a wide range of customers in obtaining what they want, users engage more with the services and offerings a company has to offer, thereby increasing business growth.

According to a report by Accenture, nearly 40% of consumers have left a website because they were overwhelmed by too many options. Consequently, personalization plays a key role by cutting through the noise and delivering what is expected to reduce the bounce rate for companies. Instead of providing a one-size-fits-all solution, organizations must try to understand users' requirements and offer bespoke solutions to increase user retention. But, providing customized solutions manually can be tedious for companies that handle thousands and millions of users.

For instance, media and entertainment organizations cannot manually select customized content for their users, as it could increase operating costs and error rates. By leveraging machine learning techniques for segmentation, organizations can automate the entire process to offer personalized content to watch, read, and more for increasing user engagement. For this, companies need to associate rich metadata with content while hosting and collecting in-depth information when content is consumed. Gathering data about user engagement can allow content providers to feed several variables like time spent on different types of content, interesting categories, and more to recommendation systems that can predict the next articles or videos to watch/read with better accuracy.

With exceptional recommendations, organizations can not only reduce bounce rates but also increase revenue by upselling and cross-selling different types of products and services through personalized newsletters.



06 / Challenges

As [Google is phasing out third-party cookies by 2022](#), recommending with exceptional accuracy will further become strenuous for organizations. The only way forward is to adopt the latest technologies to make the most out of the information that companies collect from first-party data. Without third-party cookies, organizations need to focus more on optimizing models for increased accuracy of prediction of content based on user interest. Earlier the only challenge was to build production-ready recommendation systems but without third-party cookies, the newer problem is to develop models with fewer data.

As competition is rising, mere personalization on media platforms is not enough to gain a competitive advantage. Companies have to go a step further and do hyper-personalization by offering bespoke newsletters, providing hyper-targeting advertisements, and having access to individual analytics through profiling. Hyper-personalization, in other words, is automating the entire process, not just the core or direct interaction of users. It is about determining and providing omnichannel personalized experiences.

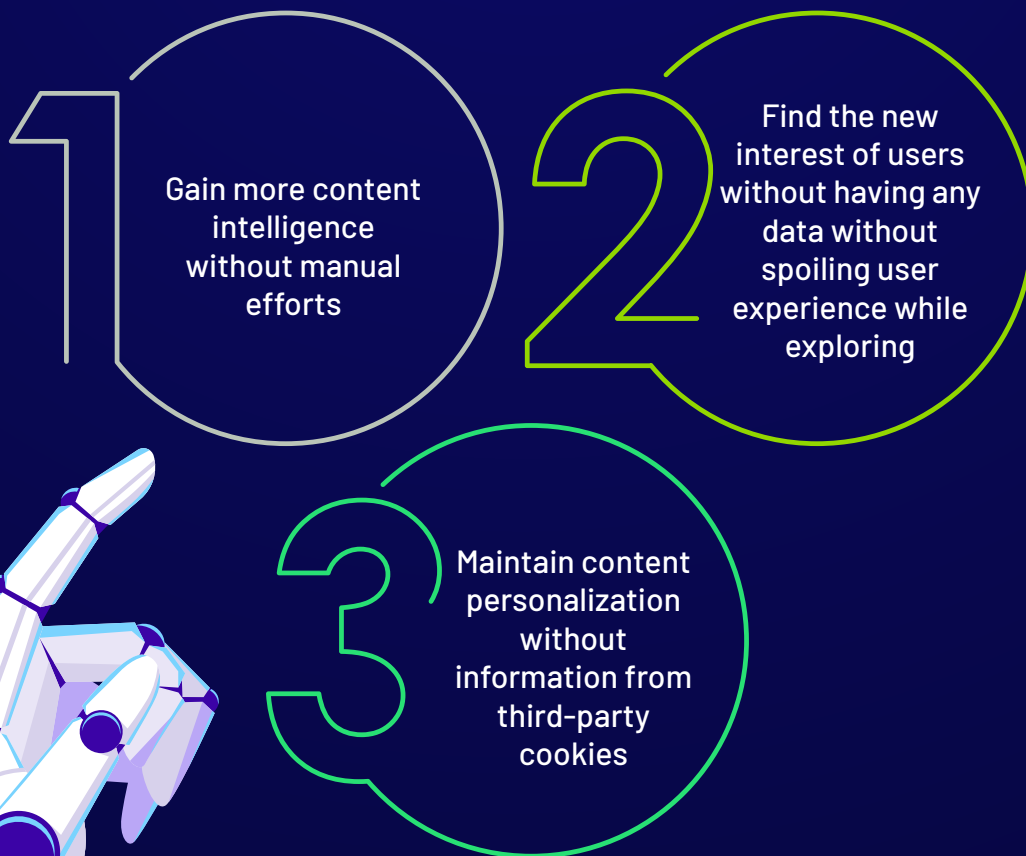


07 / Hyper-personalization use cases

Use Case I: Providing personalized content beyond the know

Media and entertainment organizations have been personalizing content based on users' historical engagement on platforms. But, often companies limit themselves to simple recommendations; instead of direct prediction of content, organizations should also devise recommendation systems that can explore and find the unknown interests of users.

Business Challenge



What RecoSense Does?

1. **Use their knowledge graph to help companies generate rich metadata for labeling content while hosting**
2. **Leverage rich metadata for content intelligence and check the likelihood of other topics of interest through serendipity**
3. **Build the best possible user profile for enhancing decision-making**

RecoSense has created a supervisor natural language processing-based model that automatically labels content with rich metadata to enable content intelligence. Once a user interacts with content, organizations can identify user interest that goes beyond general information like genre, actor, actress, and director. With rich information through rich metadata, companies can not only build state-of-the-art recommendation systems but also explore new user interests. For this, they recommend content that might be interesting for users but have shown no interest in it yet. This allows companies to know more about their users through serendipity. Obtaining new interest can open up doors for companies to further increase revenue while offering customers what they want.

To check the unexplored interest of the user, RecoSense finds the right balance by setting up a frequency to recommend content for exploration, ensuring that a superior customer experience is retained. Such exploration makes the profiling of users more effective for future decision-making to boost revenue and improve recommendations engines with more variables.

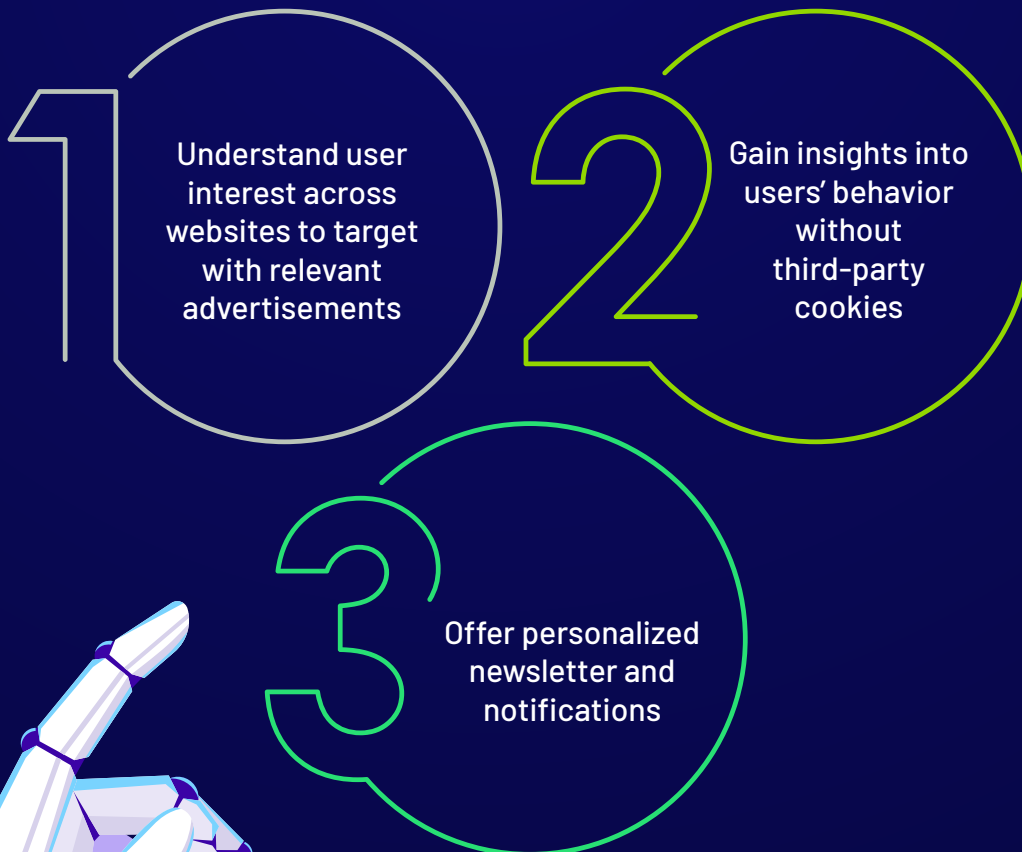
Impact

1. Increase user engagement with the help of rich metadata labeling
2. Know about users through serendipity, going beyond just having insights from historical data
3. Generate user profiles that give a complete picture of customers (both identified and unidentified users)

Use Case II: Hyper-Targeting Advertisements

Advertising or targeting the post-third-party cookie world requires deep expertise in predictive analytics for classifying users to understand interest and target with relevant ads. Unlike in the past, an organization cannot identify users without relevant cookies in browsers like Safari and Firefox; and soon this will be the case with Google Chrome too.

Business Challenge



What RecoSense Does?

1. **Implement identity resolution techniques – deterministic and probabilistic – to provide the most accurate user profiling.**
2. **Build ads based on trigger content to increase subscription and user engagement.**
3. **Enhances user experience by only notifying users of their interest.**

RecoSense creates designated advertisements without user identification even on shared devices to provide customized advertisements to different users. Since it also understands what users interact on different devices, RecoSense simplifies advertising across websites to boost user engagement. To further bring users back to the platform, RecoSense automatically devises customized newsletters and notifications based on variables like most popular content in different segments.

Over the years, companies have been leveraging the same newsletters and notifications for every user. This, however, spoils the user experience with unnecessary emails and notifications. With RecoSense's recommendations engines, organizations can personalize not only on their websites and mobile applications but across browsers, emails, and devices.

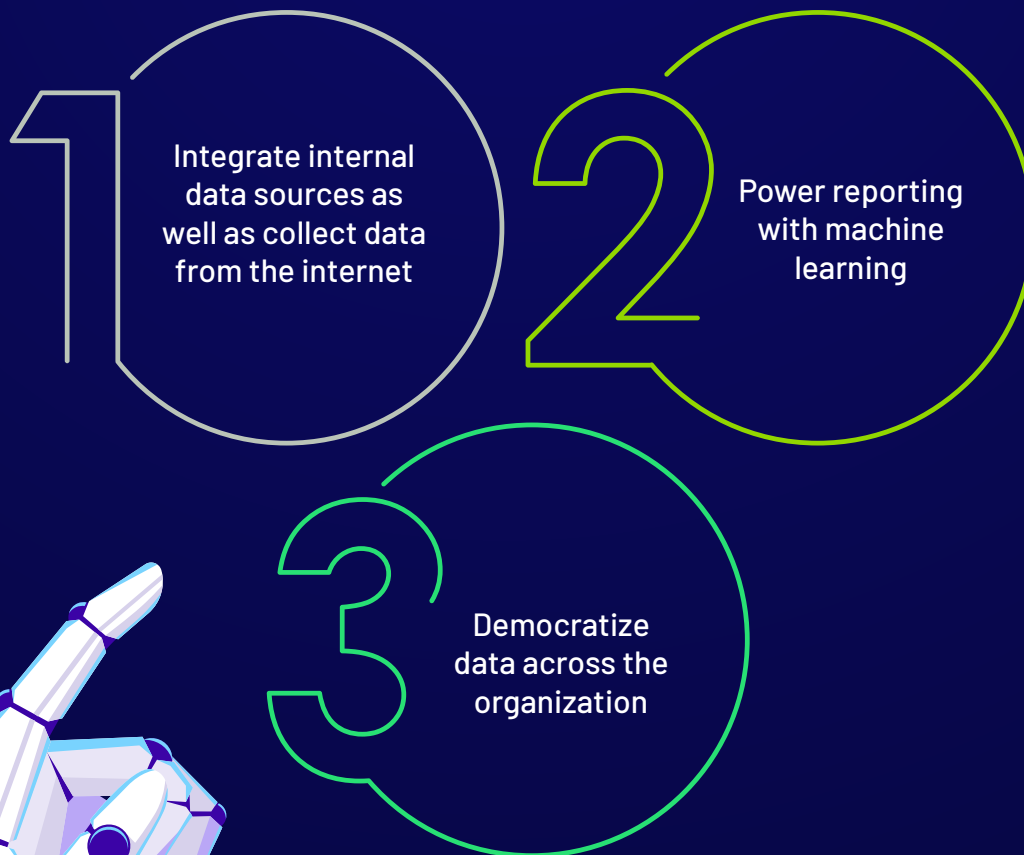
Impact

1. Enhance content performance with advertising and recommendations
2. Understand customer better with minimal data
3. Bring users back with advertisements and ensure the bounce rate is reduced with proper recommendations like most-watched movies, trending news, and latest articles

Use Case III: Personalized Analytics And Segmentation

For the last few decades, reporting provides an overview of the entire user base. However, to make informed-decisions, pulling out reports of customized groups or individuals is essential to find new ways of generating revenue while offering what customers need. With the advent of artificial intelligence, companies can not only tap into individual user interest but also correlate the interest in different topics. For instance, it can find users interested in the Indian Premier League may like a particular genre of movies, simplifying decision-making for CXOs.

Business Challenge



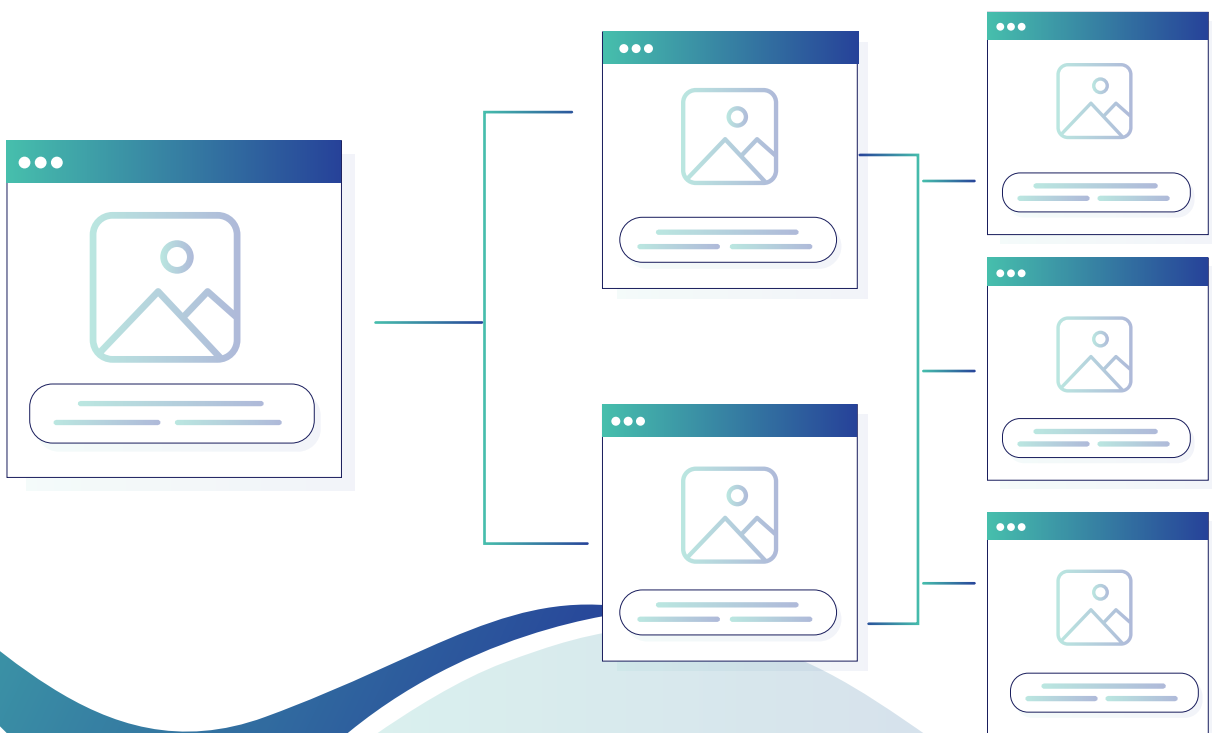
What RecoSense Does?

1. **Make clusters of users with similar interests, which includes both identified and unidentified**
2. **Assist in finding organizations' cornerstone content that brings more revenue**
3. **Attribute revenue to marketing campaigns**

RecoSense, with its natural language processing-based dynamic reports, gives access to end-users for quick decision-making. However, it does not only rely on users' expertise or intuition to ask the right questions and provide interesting insights that can assist in amplifying customer participation on content platforms. It also creates a feedback loop to measure the effectiveness of insights like cornerstone content and marketing campaigns.

Impact

1. Democratize data across the organization to expedite the decision-making process
2. Organizations gain a competitive advantage with unique and automated insights
3. Apply data insights to decisions and measure the return on investment



08 / RecoSense POV

RecoSense is transforming organizations to make them future leaders by using its machine learning capabilities built on top of information from across the internet. It leverages several techniques such as content-based filtering, collaborative filtering, hybrid filtering, and more for recommendations while precisely adjusting the weights of other variables to boost accuracy. RecoSense understands the requirements of content providers for enhancing the accuracy of recommendations and offers them the core – machine learning model – for their platform that keeps on improving over time. With deep expertise in natural language processing, recommendation, and business intelligence, RecoSense offers end-to-end service to its customers so that they can continue their focus on content quality.

09 / Conclusion

Hyper-personalization with minimal data is the way forward for organizations that aspire to become market leaders in the changing world. With the rising concern of data privacy, organizations not only have to develop superior machine learning algorithms but also ensure the privacy of data for compliance with GDPR and other data protection rules. As recommendation systems leverage sensitive data of users, RecoSense uses encryption and fortifies data leaks from models. Such capability avoids heavy penalties for content providers while offering a personalized experience. Collaborating with RecoSense eliminates the need for worrying during business growth with personalized content.



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With an AI-first approach, RecoSense provides Data Engineering Solutions for Unified Data Repository, 360-degree Customer view, Content Intelligence, AI Personalization, Text Analytics, Business Process Automation, and Analytics and Visualization.



879 S Orange Ave, Short Hills, NJ 07078,
United States



9, Feldspar Crescent, Ottawa, ON, K2S 1Y2
Canada



#1, 9th Main Road, Banashankari 2nd Stage,
Bangalore 560070, **India**



+1 408 634 6075



info@recosenselabs.com



recosenselabs.com

