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RAPP (O)€

INDIVIDUALISATION:
HOW TO BECOME AN UNBEATABLE,
ADAPTIVE BRAND IN 2021



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THE FIERCE SERIES BROUGHT TO YOU BY RAPP CODE

## Individualisation verb

- 1.TO TREAT or notice individually
- 2. TO ADAPT and predict the values, needs, behaviours or circumstances of an individual

3. TO MAKE one individual different from others, to give them a recognisable identity and to approach that individual with 1:1 communication

THE FIERCE SERIES

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#### FOREWORD

### A WINDOW FOR NEW AND BETTER



## NEW& BETTER

As we close the curtain on a tumultuous and unprecedented year, many questions about the future of government policies, business activities and consumer behaviours are left unanswered.

WHILE WE PAUSE TO REFLECT, ONE TRUTH REMAINS CLEAR:

2020 tested brands like never before. With nationwide lockdown mandates, social distancing requirements and remote working policies, organisations have been stretched, tested and forced to adapt.

As we close the curtain on a tumultuous and unprecedented year, many questions about the future of government policies, business activities and consumer behaviours are left unanswered.

While we pause to reflect, one truth remains clear: 2020 tested brands like never before. With nationwide lockdown mandates, social distancing requirements and remote working policies, organisations have been stretched, tested and forced to adapt.

As Lee Noon, Digital Director at Bupa, says,

"Organisational adaptability has been a key takeaway in 2020 – how a company can respond to extreme change but do so in a way that keeps the customer at the forefront."

For hard hit industries like travel, retail and automotive, the COVID-19 pandemic forced businesses to rethink the fundamental principles that underlie each of these sectors. But as we'll see, not all sectors are created equal. While some have faced hardships due to a prolonged disruption in trading, others have capitalised on this new macro environment.

At RAPP and Code, we refer to this phenomenon as a "K-shaped" pandemic recovery – some brands and sectors will capitalise on changes to head in an upwards trajectory, while others will stumble in the face of new challenges and behavioural change and begin a downwards decline.

To help guide brands along the right path, RAPP and Code have spent the past twelve months analysing consumer behaviour, speaking with senior brand-side marketers and leveraging the power of individualisation to drive change.

Individualisation is a marketing strategy that combines data, cultural anthropology and behavioural science to deliver omni-channel, dynamic marketing programmes that get to the heart of who a person really is. It addresses their wants, needs and behaviours. It targets characteristics and personality types unique to that individual and can even predict future actions based on past behaviour.

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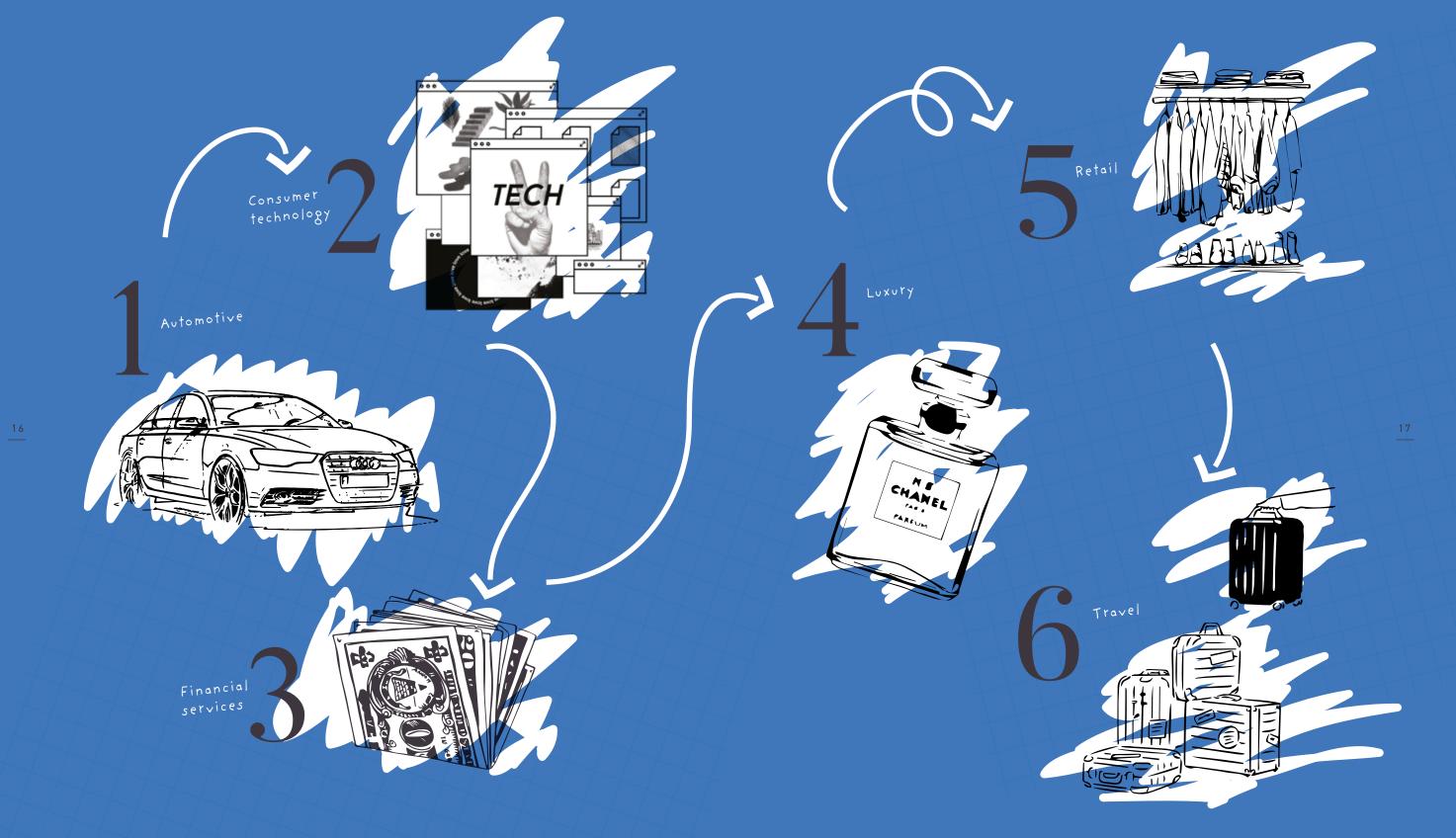
These insights, coupled with new and relevant research, have allowed us to gather clear learnings about the role of individualisation in customer acquisition, retention and loyalty – each of which will be a key challenge for brands in 2021 and beyond.

With the right partner, brands can emerge from these challenges as clear winners and open a window for new and better.

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At RAPP and Code, we follow a robust and comprehensive research gather ing process to ensure our find ings are both) far-reaching and precise. In this report, we investigated six key sectors:



To better understand the impact of COVID-19 on consumer spending habits in these sectors, RAPP and Code commissioned a nationally representative research survey for the UK market. Polling 1,000 consumers, we asked the public what they really think about individualisation, customer experience and the influence of COVID-19 on their current and future shopping habits.

### FROM OUR PROPRIETARY RESEARCH, CLEAR LESSONS EMERGE.

Believe it or not, one-third of consumers say they plan to shop less in these six categories in 2021. This seismic realignment in spending means that brands will have to work smarter if they wish to capture new audiences, retain existing customers and drive continued loyalty.

#### THANKFULLY, WE BELIEVE THERE IS AN ANSWER.

When questioned the value of individualisation, 57% of consumers said they would spend more money with a brand that treats them as an individual. Younger generations are even more bullish, with 89% of 16-24-year-olds and 77% of 25-34-year-olds saying they would spend more money with a brand that treats them as an individual. But precisely how much more would consumers be willing to spend with these brands?

From our research, consumers said they would spend, on average, 58% more with a brand that treats them as an individual.

Collectively, these insights point to a compelling truth: at a time when consumers plan to reduce spending in 2021, we now have clear evidence to show that individualisation can not only encourage consumers to spend more with your brand – but that this increase could lead to an average expenditure of 58% or more.

To balance these consumer findings, we sought out and interviewed senior marketers from across our six sectors in review. From CEOs to CMOs to Digital Directors, these professionals offer an additional layer of insight that provides an actionable, real-world assessment of how brands are tackling individualisation in 2021 and beyond.

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Reveal the secrets
to help your brand
come out on top
in a K-shaped
recovery











Provide
key lessons
and learnings
from 2020

Demonstrate the value of individualisation in driving customer acquisition, retention and loyalty

In a challenging and unprecedented macro

environment, it's clear there has never been a more compelling moment to use data, cultural anthropology and behavioural science to target customers as individuals.

Whether your business has been hard-hit or seen record growth during the past twelve months, this report will ensure you create value from every individual's experience of your brand.

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Taken as

hope this

report will:

a whole, we

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#### SECTION 1

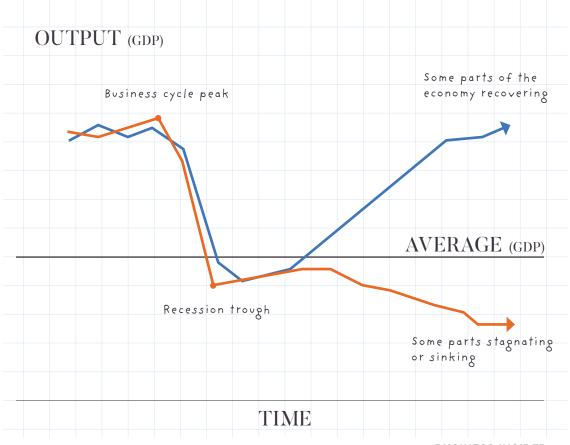
## THE WINNERS AND LOSERS OF 2020

For a year that has seen record unemployment, skyrocketing government fiscal intervention and fundamental changes to the way we buy goods and services, it's no surprise that brands and sectors have fared differently.

As experts speculate on the shape of our pandemic recovery, it's become evident that the traditional models – namely U, V and W-shaped recoveries – fail to capture the uniqueness of this singular, global event. In this instance, a new idea has emerged: we call this the 'K-shaped' recovery.

The K-shaped recovery poses a troubling, divergent economic future, one where the economy rebounds unevenly, where certain industries and companies pull out of a recession while others stagnate or sink.

#### K-SHAPED RECOVERY

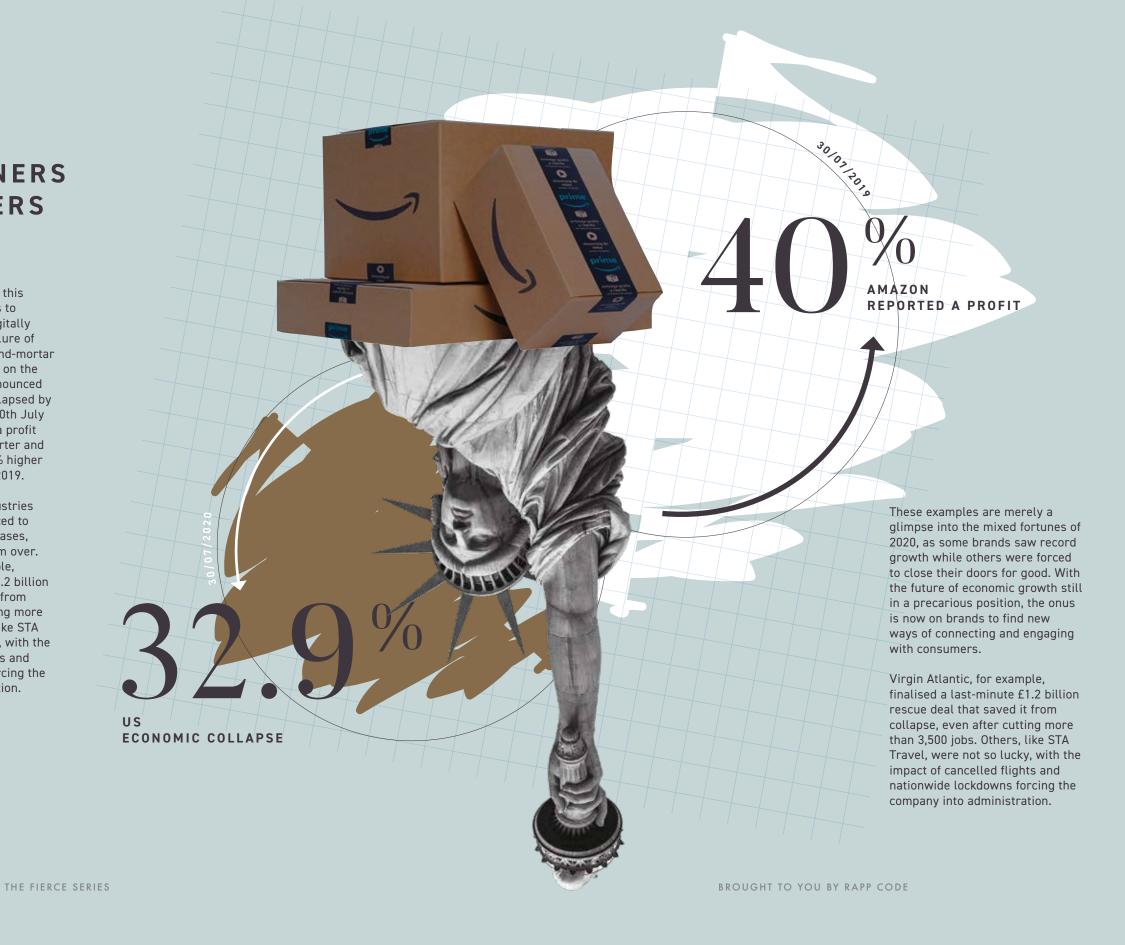


**BUSINESS INSIDER** 

## THE WINNERS AND LOSERS OF 2020

As we take stock of 2020, this K-shaped recovery works to explain the success of digitally native brands and the failure of more traditional bricks-and-mortar businesses. For example, on the same day that the US announced economic growth had collapsed by a record-setting 32.9% (30th July 2020), Amazon reported a profit of \$5.2 billion for the quarter and sales of \$88.9 billion, 40% higher than the same period in 2019.

By contrast, hard-hit industries like travel have been forced to the brink – and in some cases, this crisis has tipped them over. Virgin Atlantic, for example, finalised a last-minute £1.2 billion rescue deal that saved it from collapse, even after cutting more than 3,500 jobs. Others, like STA Travel, were not so lucky, with the impact of cancelled flights and nationwide lockdowns forcing the company into administration.



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#### W

## A SECTOR COMPARISON

While certain trends can be gleaned from even a cursory view of the marketplace, we sought to understand more about how exactly consumers ranked sector performance in 2020. In this instance, our focus was less on overall economic performance and more on how these industries pivoted and adapted their marketing strategies to individual consumer needs.

Since more than half of all consumers said they would spend more money with a brand that treats them as an individual, we have used individualisation as a barometer for marketing performance in 2020. The answers below provide a unique snapshot into the mindset of consumers, revealing clear winners and losers in a year of turbulence and unpredictability.

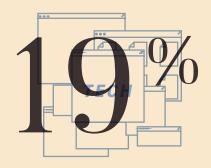
In order to provide the most relevant and contextual insights, we asked consumers a simple yet compelling question, with respondents selecting from our six core sectors in focus – automotive, consumer technology, financial services, luxury, retail and travel.

**Q1.** 2020

"WHAT SECTORS
HAVE DONE A GOOD
JOB OF DELIVERING
INDIVIDUALISED
MARKETING
COMMUNICATIONS
IN 2020?"



1 RETAIL



2 CONSUMER TECHNOLOGY

% Of consumers plan to spend less



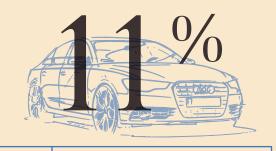
3 | FINANCIAL SERVICES

12%

6 I DON'T KNOW



4 NO SECTOR



7 AUTOMOTIVE



5 TRAVEL



8 LUXURY

## A SECTOR COMPARISON

. . .

From these findings, retail emerged as a clear winner for delivering on individual consumer wants and needs in 2020. Since many of these brands have advanced data capture and CRM functionality, it makes sense that some retailers have done an exceptional job of delivering marketing communications that are tailored to the individual's wants, needs and behaviours.

ASOS, for example, uses email marketing as an awareness channel, but its preference centre gives customers control over what type of content that will land in their inbox. This flexibility and user control is an important aspect of individualisation, and has contributed to the brand's strong GDPR re-consent campaign performance.

From a wider perspective, it's clear that, in the wake of the COVID-19 crisis, the transition to digital platforms presented more nimble brands with a unique opportunity to deliver on heightened customer values of speed, efficiency and ease of use.



Scott Thomson, CEO at Astley Clarke, comments,

"During lockdown,
we were shut
down for three
or four months,
but our website
has skyrocketed.
When people say
that the pandemic
has accelerated the
entire digital journey
by three or four years,
they are not wrong."

Digital adaptability is a key theme from the past year, and it's clear that brands with a strong digital footprint have outpaced more traditional bricks-and-mortar players. Our research reflects this, with consumers ranking digitally-strong sectors like consumer technology and financial services in the top three for individualised marketing communications.

As Lee Noon, Digital Director at Bupa, notes,

"The companies that were very strong in terms of digital were the winners, while the brands that didn't have digital at the heart of their organisation have really suffered throughout this period."







## ROOM FOR IMPROVEMENT

While some brands have fared well in the wake of the pandemic, our research shows there is still considerable room for improvement across the board.

Believe it or not, nearly 1 in 2 consumers (49%) say the six sectors under review have done a bad job of delivering individualised marketing communications in 2020. Widespread restrictions on global movement may explain the travel sector's poor ranking, but even in the midst of a crisis, there's still opportunity to deliver value to your customers.

As Wendy Atkin-Smith, Managing Director at Viking Cruises, says,

"The travel experience is not about bricks and mortar — it is all about the people we meet and interact with. It's the human connection. In April 2020, we launched a new digital platform, Viking.TV, to build and maintain our community and keep everyone connected. We combine a high level of customer insight with one-toone communication and face-toface contact."

While external events can explain the drop in trading, brands that have found ways to innovate and leverage customer data have responded to the crisis exceptionally well. Leasys, for example, a peer-to-peer car sharing and rental company, has faced these challenges head on.

Sebastiano Fedrigo, Managing Director UK at Leasys, comments,

"You need to have firm convictions in turbulent times like these. The data on which you build your strategy needs to be well digested to maintain the same direction going forward."

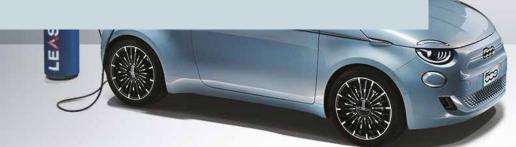
Despite operating in an automotive industry that has been hit particularly hard by the events of 2020, Leasys has leveraged its digital capabilities to structure data and respond to evolving customer needs.

Sebastiano concludes,

"We might not be a winner here, but given the crisis, we were able to create products that satisfied our customer demand. Individualisation is a big theme for us, and there are some great examples from a product perspective of providing solutions that are really tailored to our customer's needs"

This idea speaks to both the challenges and opportunities that arise during a time of considerable change. While some industries may have been hit harder than others, it's clear that individualisation can play a key role in winning new customers, retaining existing audiences and driving loyalty into the future.





#### SECTION 2

# LESSONS AND LEARNINGS FROM AN UNFORGETTABLE YEAR





# LESSONS AND LEARNINGS FROM AN UNFORGETTABLE YEAR

Our conversations with senior brand marketers revealed a number of compelling trends and ideas that organisations should learn from and apply through 2021 and beyond.

This summation allows us to understand – from both a wider market view and a tactical perspective – how brands sought to pivot and adapt to the changes at play. These lessons, when combined with in-depth consumer insights, can help the savvy brand bring certainty into an uncertain world.

As we'll see, individualisation has a key role to play in how brands reach, engage and connect with consumers. The brands that can structure, analyse and harness data to address individual consumer wants and needs will likely be the ones that come out on top.

## 1. THE IMPORTANCE OF ADAPTABILITY

If there's one word that best encapsulates the totality of 2020, it's adaptability. As a consequence of drastic lockdown mandates and social distancing requirements, the normal world we had grown accustomed to was flipped upside down.

For many industries, these harsh measures forced a rethinking of the fundamental principles that define purchasing itself – namely, the physical transaction of goods between a consumer and a producer.

Patricia Gardiner, Director of Marketing at Animal Friends, comments,

"The big lesson
this year has been
about ensuring your
processes, people and
systems remain agile
when faced with
critical situations."

In the face of these challenges, it became clear that some sectors like Retail and Travel may experience a prolonged disruption in trading. This, coupled with the uncertainty of altered purchasing behaviours from even the most loyal of customers, created a climate of doubt and unpredictability.



As Reinier Seinstra, Marketing Director at Timberland, says,

"One of the key learnings is to remain adaptable to a new environment or situation. At Timberland, with more than 700+ retail stores, we had to adapt and reinvent ourselves in order to set the foundations for future growth."

This lesson rings true across all six sectors we surveyed, with Sebastiano Fedrigo, Managing Director UK at Leasys, poignantly stating,

"The brands that come out on top will be those that anticipate and adapt to consumer needs."





As part of this need for adaptability, a clear divergence emerged between innovative digital players and more traditional brands that rely on bricks-and-mortar trading.

In marketing terms, the concept of a shift towards digital platforms is nothing new; we've seen it play out all around us for the better part of two decades. But in 2020, COVID-19 accelerated this transformation at an unprecedented and remarkable pace.

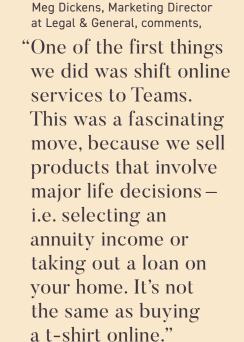
Scott Thomson, CEO at Astley Clarke, states,

"We've accelerated

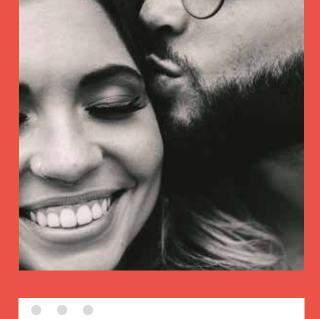
more in a year than we could have hoped to do in the next three or four."

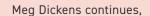
This acceleration towards digital platforms has a key role to play in which brands can be considered winners and losers in 2020. While digital was already an important focus for most organisations, the pandemic forced brands' hands. Simply put, digital was no longer just a 'nice to have'. It became an absolute necessity.





As Meg notes, customer behaviour saw a drastic shift in 2020, with digital now seen as an acceptable way to make major life decisions that would have previously taken place in person.





"There is now a growing expectation that customers will be able to research and transact online. which for large financial businesses. is definitely challenging. You're dealing not only with the ability to have a great customer interface, but you have to store large swathes of customer data safely and in a compliant way."

Clearly, the transition to digital is a crucial step for brands that wish to emerge from the pandemic stronger, but the real winners will be those who can harness this data and turn it into actionable insights.



• •



At a time when consumer needs are changing, having the ability to predict customer behaviour and target people based on a unique set of attitudes, behaviours and beliefs will be key.

Paul Fletcher, Head of Marketing, Wealth, at Coutts, comments,

"We have changed the ways in which we use customer data, looking at the overall experience, being able to anticipate the needs that they may have, and thus helping them to make smarter choices." He continues,

"It is about having a strong data structure, analysing that data, and having propensity modelling to predict the behaviour that a customer might have, and having a process to communicate to them in an integrated way."

This is the ultimate goal for brands that have adopted a more digital-centric mindset in the wake of the pandemic. Being able to make sense of data and pull out the insights that matter most will prove a difference-maker when it comes to customer acquisition, retention and loyalty.

But achieving this is no mean feat.

Lee Noon, Digital Director at Bupa, comments,

"We've definitely had challenges in terms of data quality standards, how we manage the variety and velocity of data within the organisation, and how customers use channels and touchpoints to interact with us. We are heavily investing in these areas, as connecting data across systems, channels and platforms is critical to our growth in 2021 and beyond."

When all of these elements align – adaptability, the adoption of digital solutions and the power to turn big data into actionable insights – brands can then harness the power of individualisation to transform their marketing function.





**BIG DATA** 

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## 4. THE VALUE OF INDIVIDUALISATION

In the social context of our postpandemic world, individualisation has never been more important. By making smart, data-driven decisions, brands can employ the best aspects of automation and marketing science to reduce costs while maintaining margins.

Lee Noon, Digital Director at Bupa, highlights the importance of individualisation, saying,

#### "Individualisation

is critical to our business. We serve millions of customers, meaning we have to recognise that every customer has different health and lifestyle needs, different goals, different makeups in terms of their family and their work environment. We have two million unique customers from an insurance perspective, so we need to deliver personalised services and experiences that matter to them."

At a time when every business decision is critical to the success or failure of an organisation, being able to leverage the power of individualisation is a key difference-maker that can help brands navigate uncharted waters and deliver results over and above the competition.

As Wendy Atkin-Smith, Managing Director at Viking Cruises, eloquently puts,

"Individualisation is particularly important at every stage of the customer journey.

#### SECTION 3

THE VITAL LINK

BETWEEN

INDIVIDUALISATION

AND CONSUMER

SPENDING IN 2021

#### , ,

# THE VITAL LINK BETWEEN INDIVIDUALISATION AND CONSUMER SPENDING IN 2021

With 2020 in the rearview mirror, it's clear that such a transformative year will likely have a long-term impact on consumer behaviour, attitudes and decision-making. This is especially true when placed in the context of consumer spending, with many shoppers feeling a sense of financial anxiety about the future.

To unmask these fears, we asked consumers to reveal how their spending behaviours will change in 2021. Looking across our six core sectors, we asked the public, "Next year (2021), how do you anticipate your shopping behaviours will change, if at all, in these sectors?"

THE RESULTS PAINT A PROFOUND PICTURE.

Q2.

2021

CONSUMER SPENDING BEHAVIOURS

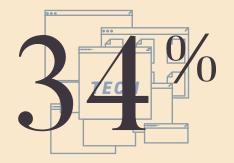
Taken as a whole, a staggering one-third of consumers plan to shop less across these six sectors in 2021. These results align with wider consumer trends putting an emphasis on wellness and sustainability.

For brands, this underlying financial anxiety is a serious concern when it comes to customer acquisition, retention and loyalty. Assaying these fears will require a measured approach that takes into account the unique circumstances of each individual consumer.

% Of consumers plan to spend less



1 AUTOMOTIVE



2 CONSUMER TECHNOLOGY



3 FINANCIAL SERVICES



4 LUXURY



5 RETAIL



6 TRAVEL

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# THE IMPACT OF INDIVIDUALISATION ON CONSUMER SPENDING IN 2021

With the evidence now clear that a large swathe of consumers plan to dial back spending in 2021, organisations must find a new way of driving performance over and above the competition.

Enter individualisation.

#### "Individualisation

is about moving one step ahead of personalisation,"

says Alessandro Onano, Chief Marketing Officer at MoneyFarm.

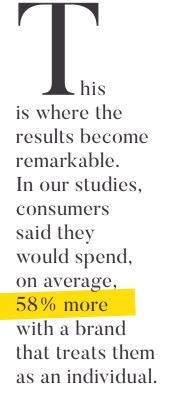
"Thanks to AI and data, it's now possible to cater to a plethora of people's wishes and predict their behaviour at scale."

We asked consumers,

"How much more, if anything, would you spend with a brand that treats you as an individual?"

A resounding 57% of consumers said they would spend more money with a brand that treats them as an individual. This figure increases markedly for younger generations, with 89% of 16-24-year-olds and 77% of 25-34-year-olds saying they would spend more money with a brand that treats them as an individual.

The results are stark, but to really understand the seismic movements at play, we need to ascertain precisely how much more consumers would be willing to spend with these brands. After all, a 1% increase in expenditure would not be enough to justify a wide-scale focus on individualisation.



We must take a moment to appreciate the significance of these findings.

At a time when consumers plan – en masse – to reduce spending across sectors by up to a third, we now have clear evidence to show that individualisation can not only encourage consumers to spend more with your brand – but that this increase could be 58% or more.

Whether brands have been hard-hit by COVID-19 or seen considerable growth, it's abundantly clear that individualisation now holds the key to future success.

# MAKING SENSE OF NEW CONSUMER VALUES AND BEHAVIOURS

A planned reduction in consumer spending is a clear and powerful indicator for the overall economic mindset of shoppers in 2021. But there are other intangibles at play, too.

Gone are the days when marketing communications and advertising campaigns focused on transactional exchanges of goods and services for money. Today, people want and crave individualised experiences that will make their lives easier, offer them relevant choices and align with their own intrinsic values about how the world should operate.

In our survey, we found a clear link between the delivery of key values and the willingness to buy from certain brands.





### INTRODUCING

O<sup>TM</sup>:

HOW TO ANALYSE AND INTERPRET CULTURAL INTELLIGENCE THROUGH SOCIAL AND DATA

As we analyse the evolution of consumer values in a post-pandemic world, brands must understand the social and cultural context of consumer decision-making in order to truly target customers as individuals



As we analyse the evolution of consumer values in a post-pandemic world, brands must understand the social and cultural context of consumer decision-making in order to truly target customers as individuals.

According to our research, 83% of the British public believe individualisation will be important following COVID-19. For brands, the challenge lies in taking this collective truth and applying the right messages and tone of voice to each customer's specific wants and needs.

Achieving this requires a more nuanced and delicate approach. At RAPP and Code, we use an AI driven platform called 'QTM' to save time and money by quantifying culture so companies can build a clear path forward. Our goal is to help brands stop reacting to culture and start influencing it.

In short, Q<sup>TM</sup> is an AI driven platform that collects signals of culture change from thousands of sources, then automatically measures and organises these through a searchable database. By accessing multiple sources of semantic and symbiotic data (social posts to academic reports), Q<sup>TM</sup> can map out over 100 elements of culture and how those are being affected by things like COVID-19.

These elements of culture give us the capacity to break down, quantify and analyse culture from the ground up. By overlaying these elements with the consumer values that matter most, namely convenience and clarity, choice, community and control, it's possible to uncover cultural clusters that have a disproportionate impact on individual decision-making.

By collecting and tagging millions of global signals each day, Q™ is able to measure the energy, reach and prediction of each element of culture. From this data, Q™ can create algorithms to predict how trends will change over time, allowing brands to anticipate consumer behaviour before it happens.

REACH IS THE
ESTIMATED SIZE OR
VOLUME OF A TREND
IN THE NEXT ONE OR
TWO YEARS

ENERGY IS THE
COMPOUND REACH AND
VOLATILITY WHICH
MEASURES HOW MUCH
ATTENTION A TREND IS
GETTING IN CULTURE

PREDICTION IS A
MEASURE OF WHERE
THE TREND WILL BE
IN THE FUTURE

Collectively, these insights and algorithms allow brands to make smarter decisions with the data at hand. It's also a key component in one's ability to deliver omnichannel marketing campaigns that address the individual consumer's wants and needs.

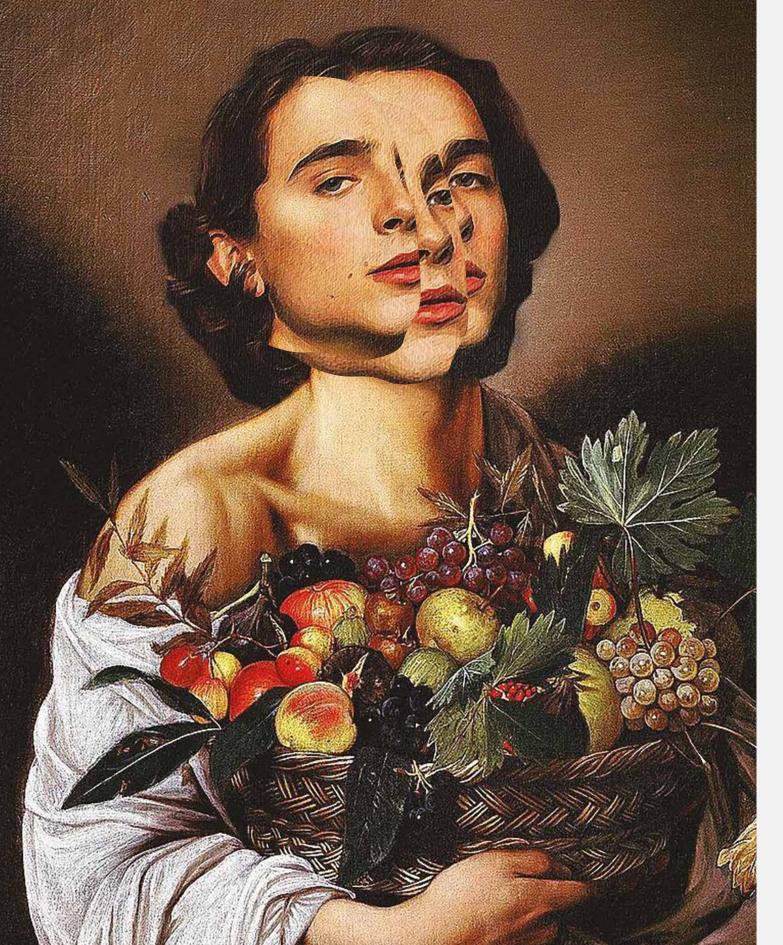
In other words, individualisation is now a real and achievable goal for brands that are willing to invest in a data-driven strategy.



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#### SECTION 4

# HOW TO CREATE VALUE FROM EVERY INDIVIDUAL'S EXPERIENCE OF A BRAND



## HOW TO CREATE VALUE FROM EVERY INDIVIDUAL

## For brands that want to thrive – not just survive -

success will be predicated on one's ability to adapt to new consumer behaviours and demands, while re-thinking the long-term ramifications of a crisis that has fundamentally changed how we interact and operate as a society. Central to this is a brand's ability to offer more individualised marketing communications that are tailored to a customer's unique preferences, values and beliefs.

As Patricia Gardiner, Director of Marketing at Animal Friends, says,

"Treating people as individuals is incredibly important. We are continually exploring how to improve our services to customers through individualisation."

Given this context, we arrive at two fundamental questions.

- 1. How can brands from hard-hit industries (i.e. travel, luxury, etc.) take action now to prepare for change tomorrow?
- 2. How can brands that have seen surging growth in the past 6-12 months carry this performance forward and retain these newly acquired customers?

By interpreting cultural intelligence through social and data sciences, brands can look at the entire end-to-end customer experience and pinpoint where value can be created. This is the ultimate goal of individualisation at scale – being able to create value from every individual interaction with your brand.

## DELIVERING INDIVIDUAL CUSTOMER EXPERIENCES AT SCALE

From our conversations with some of the industry's leading marketers, we found that individualisation is a key focus for brands in 2021.

Individualisation creates value by attracting, naming and nurturing prospects through the customeracquisition model. In each instance across this live and evolving journey, customers can be served customised experiences based on their own unique preferences and behaviours.

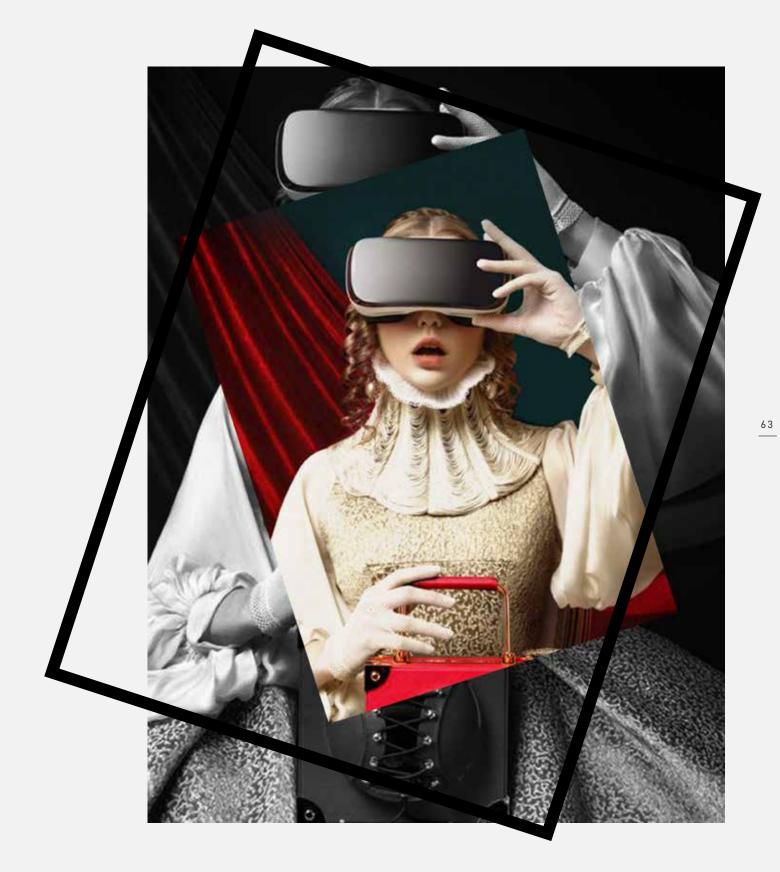
With consumer spending behaviours set to change in 2021, there's never been a more poignant moment for brands to invest in a seamless omni-channel experience that transitions effortlessly from online to mobile to in-store. But achieving this means overcoming the challenges of analysing, structuring and interpreting big data.

Alessandro Onano, Chief Marketing Officer at MoneyFarm, agrees, commenting, "Individualisation has been hard to achieve at scale, but thanks to

AI and data, it's now possible to cater to a wide range of people and predict their behaviour. This means providing what your customers need in the moment you want it."

At RAPP and Code, we use Adaptive Persuasion™ to achieve one-to-one communications with individual customers. This proprietary method profiles individual-level preferences in real time and delivers tailored messaging to different personality types to maximise action taken.

To create value in 2021 and beyond, brands must seek out new opportunities to deliver agile and actionable insights at scale.



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#### **WHAT IS**

# Adaptive

# Persuasion



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### ADAPTIVE PERSUASION™

Adaptive Persuasion™ requires a multidimensional view of customers across lifecycle, value, engagement and personality attributes. When achieved, it's possible to target the right people, with the right message, at the right time, in the right place.

This means you have the ability to adapt your marketing approach on the fly according to the context of your customer. This goes far beyond simple demographics and data collection. Adaptive Persuasion™ seeks to understand a customer's personality profile and personal heuristics at any given moment.

Advancements in AI and machine learning now make this possible.

Using a combination of psychology and big data, we can predict consumer personality profiles from language use, transactional spend – even social network interactions or links clicked. Employing a range of techniques to interpret personality profiles helps brands better understand their consumers. In fact, a recent paper showed that aligning ads to people's personalities led to a 54% uptick in sales.

These persuasion techniques, with the help of AI and machine learning, work nearly flawlessly, analysing and predicting behaviour change for specific individuals.

However, this level of psychographic targeting and data collection requires a delicate touch. At RAPP and Code, we strongly believe in privacy-conscious marketing, which goes beyond compliance to embrace the moral ethics required in today's marketplace.



einier
Seinstra, Marketing
Director at Timberland,
echoes the importance
of morality in data
collecting, commenting,

#### "The challenge

is to do the right thing with data. This is not only a Timberland challenge — brands need to be careful in terms of how they use data by finding ways that benefit the customer and add value."

In an unscrupulously data-driven world, navigating the increasingly complex data privacy landscape and collecting consumer data mindfully and with consent is crucial. In turn, this will help you unlock more data and lock consumers into your brand.

## ACHIEVING TRUE INDIVIDUALISATION IN RETAIL

Individualisation requires Consumer Data Platforms (CDPs). These contextual hubs gather consumer signals (transactional, behavioural, preference centre, social handles, feedback, etc.) and the context in which these signals occur. This information is then collated into a central 'ecosystem' for data scientists to analyse as it continuously accumulates.

CDPs would clarify, for example, that it wasn't your new subject line and email creative about chilled drinks that drove purchases. It would indicate that the inflection point between hot and cold weather was the real motivator. Once data collection is established, you need to create an engine that allows you to view the consumer through multiple lenses.

For brands across each of our six sectors, these players must be able to adapt their dialogue with consumers in real-time and in context. This requires a multi-dimensional, adaptive, real-time view based on the latest signals that customers leave.

This can be viewed through the following lenses:



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THIS CAN BE VIEWED THROUGH THE FOLLOWING LENSES:

LIFECYCLE – Is your customer new? Established? Returning?

VALUE – Once you

know this, you can target/invest accordingly.

ENGAGEMENT – Which channels do they want you to communicate through and what makes them tick?

What actions do you need to drive and by what point in time?

UTILITY – What customer need do you satisfy or could satisfy?

PERSONALITY – Is your customer an extrovert or introvert?

What creative and calls to action resonate with them?

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True individualisation means building a complete customer journey from development and activation to optimisation. These modern marketing programmes should be dynamic and ever-evolving, delivering omni-channel personalisation at scale.

## HYPER-TARGETED FOCUS

will reveal new experiences your customers need



Combining these vignettes with next-best action modelling will make it possible to adapt your message in real-time, based on in-the-moment interactions.

73

broad-brush marketing

of the past

responded to.

THE FIERCE SERIES BROUGHT TO YOU BY RAPP CODE

#### SECTION 5

### CONCLUSION

## CONCLUSION

In the aftermath of one of the most transformative years in modern history, the battle for customer acquisition and retention is only set to escalate.

In a K-shaped economy, clear winners and losers will emerge-for brands, the challenge lies in coming out on the right side of that divergence. Within this macro environment, customer behaviours are changing, too. Widespread financial anxiety is a real and troublesome issue, with consumers predicting a more cautious approach to spending in 2021.

As we've seen, of UK consumers plan to spend less with brands in the six sectors we surveyed. This means that brands will have to work smarter in order to retain existing customers and win new audiences.

Thankfully, there is a solution.

At a time when fear and uncertainty are rampant, people want to know that your brand understands their wants, needs and preferences. This is true across all sectors – with 74% of consumers saying values such as convenience and clarity, choice, community and control are important when choosing a brand to buy from.

But to really understand the value of individualisation, we need to ascertain the psychological and financial implications of a customer-centric approach. In this case, the results are profound: 57% of consumers say they will spend more money with a brand that treats them as an individual. For younger audiences, this need to be spoken to as an individual is compounded, with 89% of 16-24-year-olds and 77% of 25-34-year-olds saying they would spend more money with a brand that treats them as an individual.

These statistics alone are convincing, but the real value lies in knowing how much more a customer would spend with a brand that treats them as an individual.

### Here, the evidence is clear:

consumers would spend an average of 58% more with a brand that treats them as an individual.

In a macro environment in which consumers are planning to reduce spending, we now have stark evidence to show that individualisation can not only spur on greater spending with your brand, but that this increase in expenditure could net an average return of 58% or more.

As Reinier Seinstra, Marketing Director at Timberland, eloquently puts,"It really is about knowing and understanding your consumer at the heart. This does not mean telling them about the fantastic products you sell, but knowing where there is appetite and identifying where value can be added. In the end, you want consumers not just buying your products, but your brand – what it stands for and represents."

"There is a lot of work to be done," Reinier continues, "but if you miss this train, you may be left behind."

To ensure your organisation is not left behind, brands need to find smarter ways of combining customer research with social and data sciences. When all of these elements align, it then becomes possible to use AI and machine learning to predict your customers' unique personality, behaviours and values.

With individualisation at the heart of your strategy, brands then have the power to drive hyper-targeted experiences that deliver value at every stage of the customer journey.

In a world of constant change, this is how you become an unbeatable, adaptive brand.

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RAPP is a customer engagement agency with over 50 years' experience of using creativity, data and technology to form direct, meaningful and highly valuable 1 to 1 relationships with individuals.

RAPP works with customer obsessed brands that want to put individuals at the heart of everything they say and do, equipping them to win in a hyper-connected world by creating better and more relevant experiences.

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Code is a transformation business that exists to help clients invent a new future for their marketing, through data and technology. Code is the driver of data-led, technology-powered consultancy across the RAPP network, OPMG and the wider Omnicom Group.

Its intelligent marketing operating system, adZU, is used globally by brands that want to create hyper-personalised experiences at massive scale.

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