

2023

Global Survey Report

The Business Value of Real-Time Personalization

Executive Summary

A new era of personalization is upon us. Receiving a targeted message or an offer from companies is no longer sufficient. Consumers want products, services, and experiences that constantly adapt to their changing needs. They highly value companies that know them well, anticipate their future needs, and deliver the right product to the right place at the right time.

Welcome to real-time personalization!

Comviva describes real-time personalization as "capturing customer data across all touchpoints as it changes and harnessing the power of AI/ML and real-time analytics to deliver personalized products, services, and experiences to customers in their moments of need."

Personalization is not a newfound truth but providing it in **real-time makes all the difference**. In the past, personalization meant 'one-to-many' by grouping people. Today, it means 'one-to-one' powered by AI and automation and delivered at scale.

This report examines the future of real-time personalization, its economic impact on companies' topline growth, and the challenges ahead. We present survey findings and recommendations regarding how the subsequent waves of personalization will manifest over the coming years.

Key Takeaways

Impact of Personalization

Remodeling Personalization – MARCH Framework

The Future of Personalization

The Future of Marketing



Key Takeaways



The economics of real-time personalization is an unstoppable force

Companies aim for a dual agenda with personalization: to **increase revenue by** as much as **30% in 2024** (up from 16% today), registering a growth of 88%, while reducing customer acquisition and retention costs.



Marketers are not shying away from making upfront investments

On average, 22% of **digital marketing budgets** are spent on personalization today. Fast forward to **2024**, and this **will jump to 40%**. Marketers must turn their loyalty programs into an essential customer engagement medium to make the most of their investments.



Expect bumps in the road

Delivering real-time personalization (56%), inability to scale personalization (42%), and striking a balance between personalization and privacy (38%) are the **top three challenges** companies face in delivering effective personalization to customers.



Data will make or break the future of personalization

Inconsistent data (57%), unifying data sources (48%), and siloed data (47%) are the **top three data-related challenges** companies face in providing a personalized experience.



AI-infused automation and analytics will be core to personalization at scale

Companies are piloting or using analytics (94%), **AI (62%)**, and automation (59%). The key to unlocking personalization is infusing AI into automation and analytics **to deliver real-time results**.



Impact of Personalization

Economic Impact Of Real-Time Personalization

One overriding theme from our survey is that companies “get” that real-time personalization is a big deal. There seems little doubt in the minds of our leaders that personalization is strategically important to their corporate, and personal, fortunes in the immediate future (see Exhibit 1). At the marketing level, it means tuning – and fine-tuning – your touchpoints for the digital consumer. **This demands building highly contextualized experiences** that are engaging, long-term, frictionless, invisible and, with luck, noteworthy, and which need to be executed on a massive scale.

Through AI-driven interventions, personalized “nudges”, and micro-level targeting, traditional banks can ensure customers take the steps needed to embrace their financial destiny. For example, [Bank of America](#) uses an AI-powered virtual assistant to provide predictive insights that help customers manage their finances. The [Boston Consulting Group](#) has estimated that by personalizing customer interactions, a bank can garner up to \$300 million in revenue growth for every \$100 billion it has in assets.

A [McKinsey](#) research has found that across industries, companies that excel at personalization generate 40% more revenue than average players. **CSPs can increase revenues up to 10%**, and customer satisfaction and engagement between 20% and 30%, by harnessing the full potential of analytics-driven customer value management (CVM).

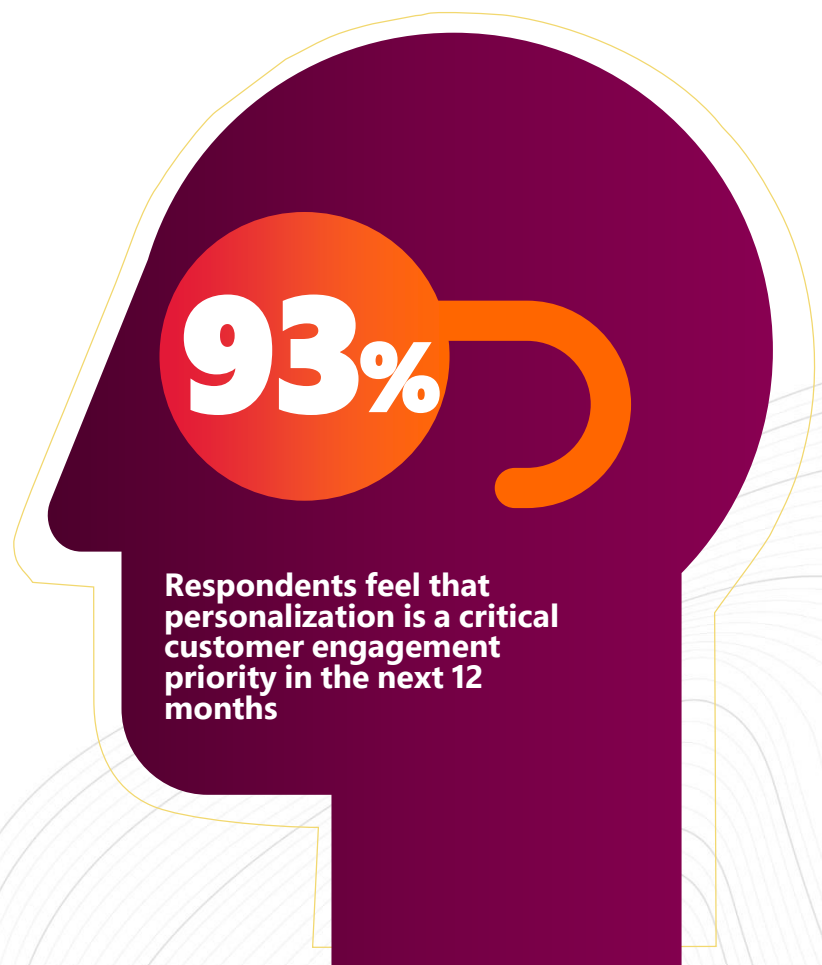


Exhibit 1: Message received, loud and clear

Source: [Comviva Research Centre](#) | Base: [300 Senior Marketing Executives](#)

Revenue Impact Of Real-Time Personalization

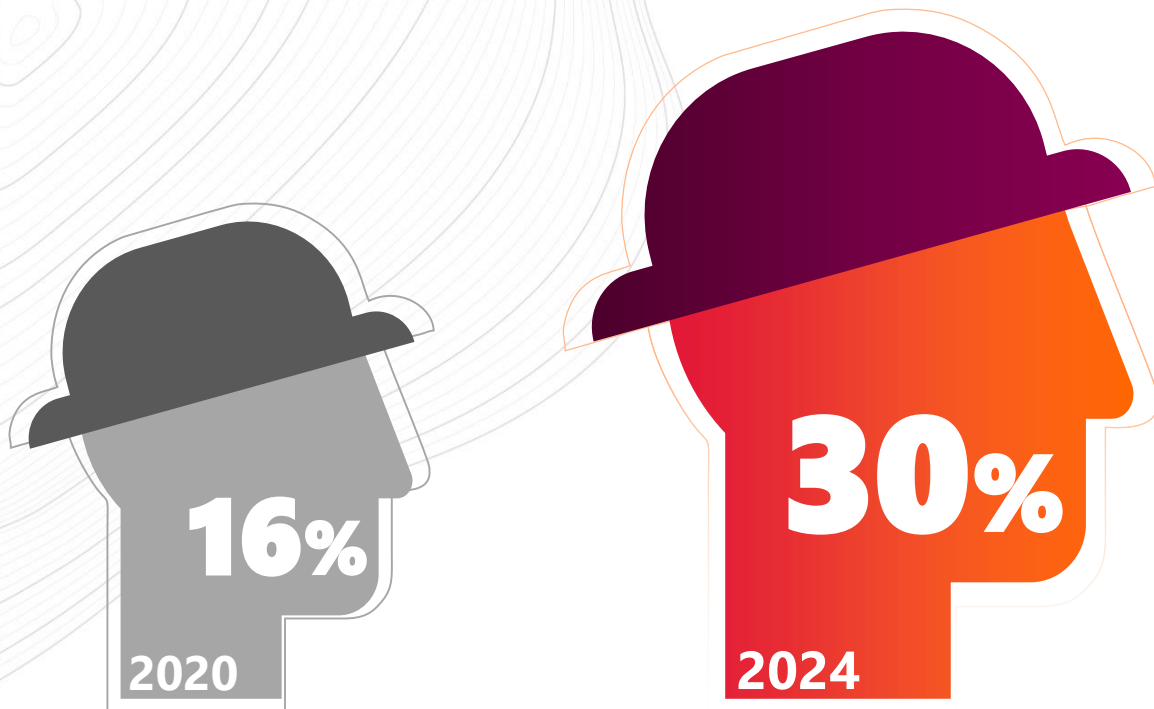


Exhibit 2: Real-time personalization means money (Revenue %)

Source: [Comviva Research Centre](#) | Base: [300 Senior Marketing Executives](#)

With real-time personalization, companies will have more opportunities to make money from their customers by giving them what they want at the right time — and in tailored ways. By 2024 personalization will — on average across all industries studied — influence more than 30% of all revenue, up from 16% today, registering a significant growth of 88% (see Exhibit 2).

Among all the industries surveyed, **fintech companies and digital banks are the most bullish on real-time personalization**, as they aim to use it to increase their revenue by 43% in 2024, followed by digital banks (38%), retail and eCommerce companies (30%), communication service providers (19%), and traditional banks (18%). This change-fueled growth will mainly be **driven by the explosion of customer data flowing into and around marketing processes**, resulting in the hyper-personalized products and services customer's demand.

Golden Opportunity

To reduce customer acquisition and retention costs

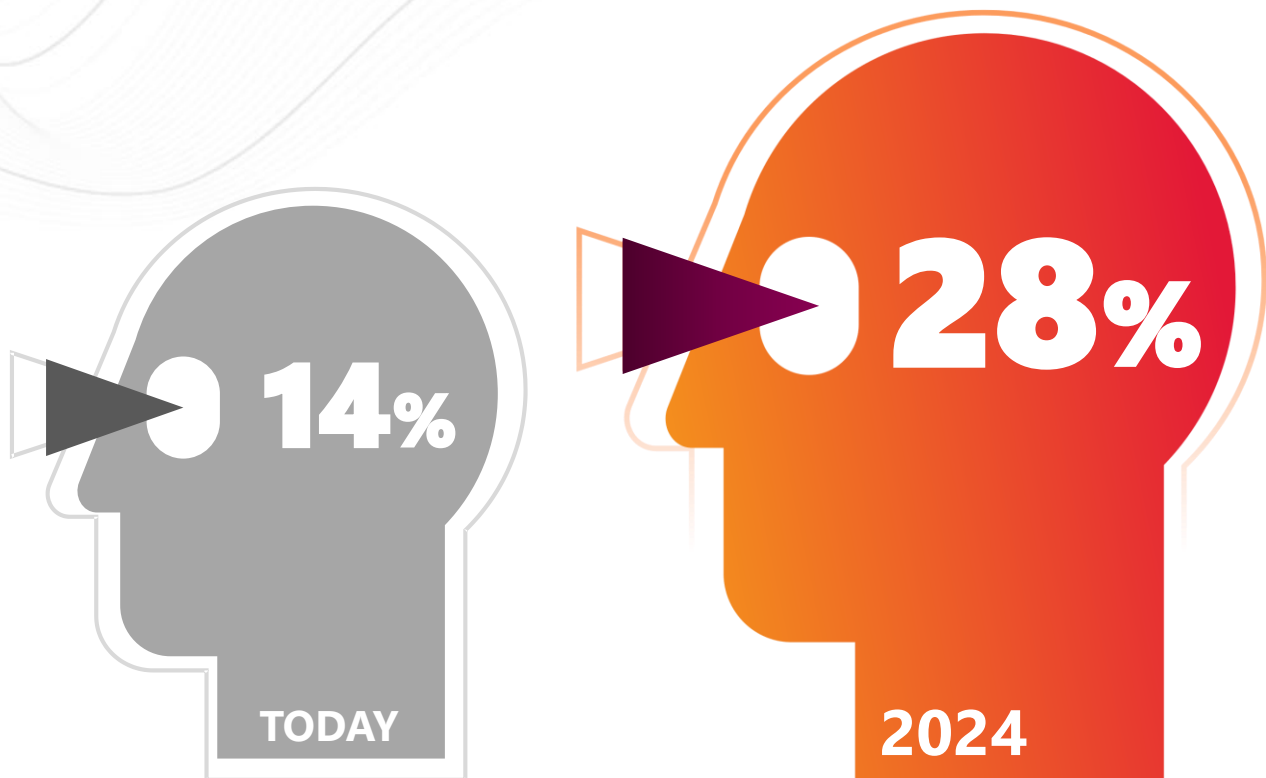


Exhibit 3: Decrease in customer acquisition / retention costs as a result of personalization

Source: [Comviva Research Centre](#) | Base: [300 Senior Marketing Executives](#)

Our research shows that companies seek to halve customer acquisition and retention costs in 2024 compared to today (see Exhibit 3). Personalization is expected to be a powerful tool for customer loyalty, reducing customer acquisition and retention costs and increasing customer lifetime value.

AI and marketing automation can help turn your marketing processes into a metaphorical Pac-Man game, with software eating up your marketing inefficiencies to save costs. Marketers can use the savings to fuel digital innovation for personalization. Leaders who don't use technology to lower costs will never be able to fund the investments needed to win in the personalization economy.

Go BIG

Go Real-Time, or Go...

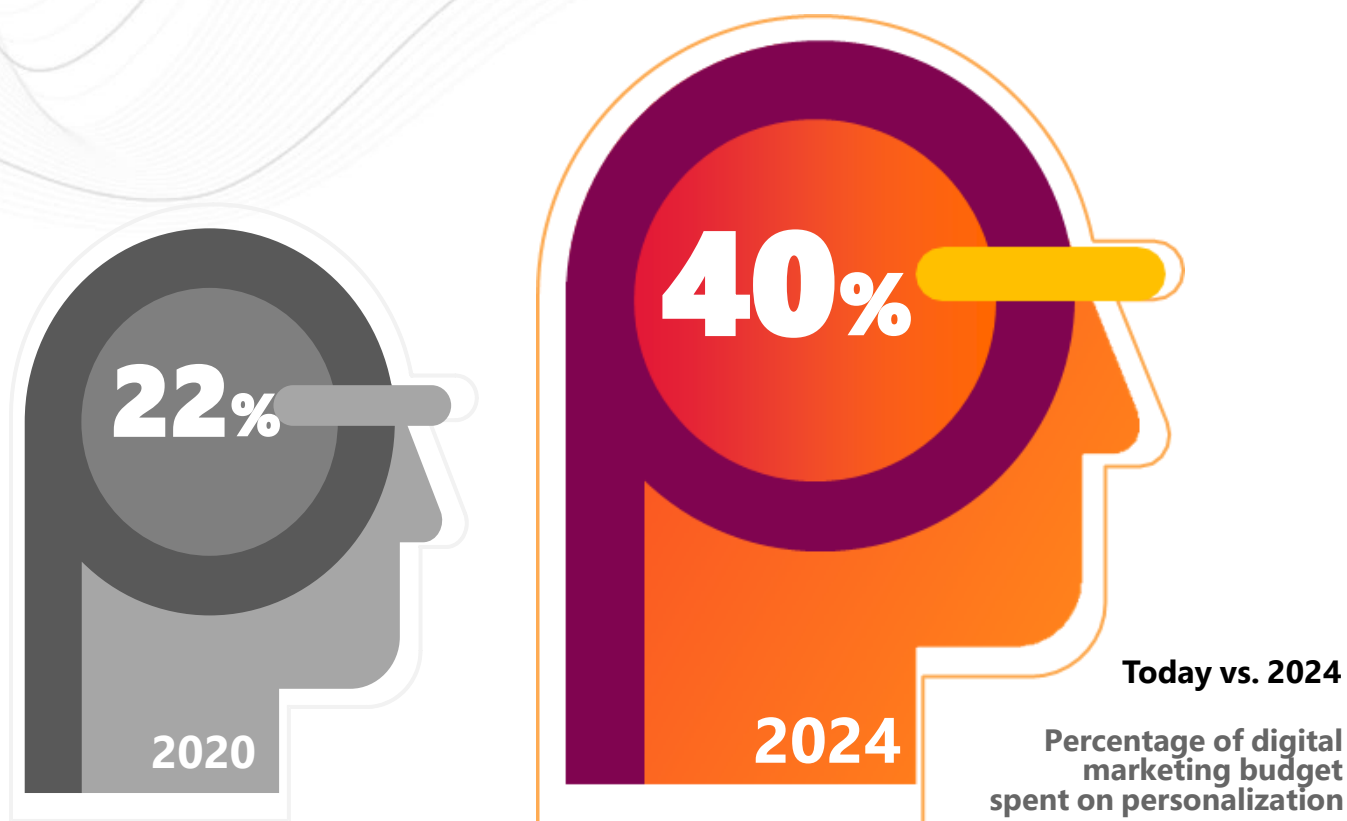


Exhibit 4: Money begets money

Source: [Comviva Research Centre](#) | Base: [300 Senior Marketing Executives](#)

Marketers understand that a dollar spent on personalization is more valuable than a dollar spent on pretty much anything else at the moment. On average, companies say they are investing 22% of their marketing budgets in personalization. In the next two years, this figure will increase by about 85%. They expect returns on investment to average out at 90% during the same period (see Exhibit 4). This trend is consistent across industries. Personalization works in a virtuous circle and creates a positive feedback loop: The more you invest, the more you make and can reinvest.

If your company's personalization investment profile is not in line with these trends, you're playing by yesterday's business rules.

Remodelling Personalization

Meet Monica

The Customer Of The Future

Meet Monica, a marketing professional. Her virtual dietician app helps her with her food choices. She orders groceries with at least a 4.5 out of 5 rating on her mobile app with good reviews. Her newsfeed reveals curated travel offers for her holiday this summer. Her finance app manages her investments and expenditures. A nearby restaurant knows Monica orders sushi every Thursday night and sends her the special offer for next week. Her telecom operator knows she's considering buying the latest iPhone for herself and sends her an option to upgrade her phone. An e-commerce site notifies her that the price of the jeans she put in her cart has dropped 50%, and there won't be a better time to buy them. From jeans to sushi, everything runs smoothly; she has time to relax on the sofa with her favorite drink in the evening and watch the latest episode of her favorite show.

Monica feels confident because she's in control of her health, finance and life. **She is symbolic of the new consumer, who is empowered by technology and the wealth of information at their fingertips.** Companies must assess the role they want to play in consumers' lives and pursue personalization accordingly.



Gearing Up For The Challenges Ahead

Figuring out how to achieve real-time personalization can seem incredibly daunting. Delivering real-time personalization (56%), an inability to scale personalization (42%), striking a balance between personalization and privacy (38%), integrating and synthesizing the customer data (36%), and ineffective loyalty programs (35%) are the top five challenges companies face in delivering effective personalization to customers (see Exhibit 5). Some companies claim that their marketing technology processes signal in "real-time," but in reality, they deliver passive personalization (providing offerings/delivering content based on batch decisioning). **It is the maturity of personalization that matters.** Achieving personalization at scale (the ability to orchestrate and deliver tailored, contextual customer experience) will be one of the biggest challenges for traditional institutions in the race to differentiate in the coming years.

What could possibly go wrong? **A lot.**

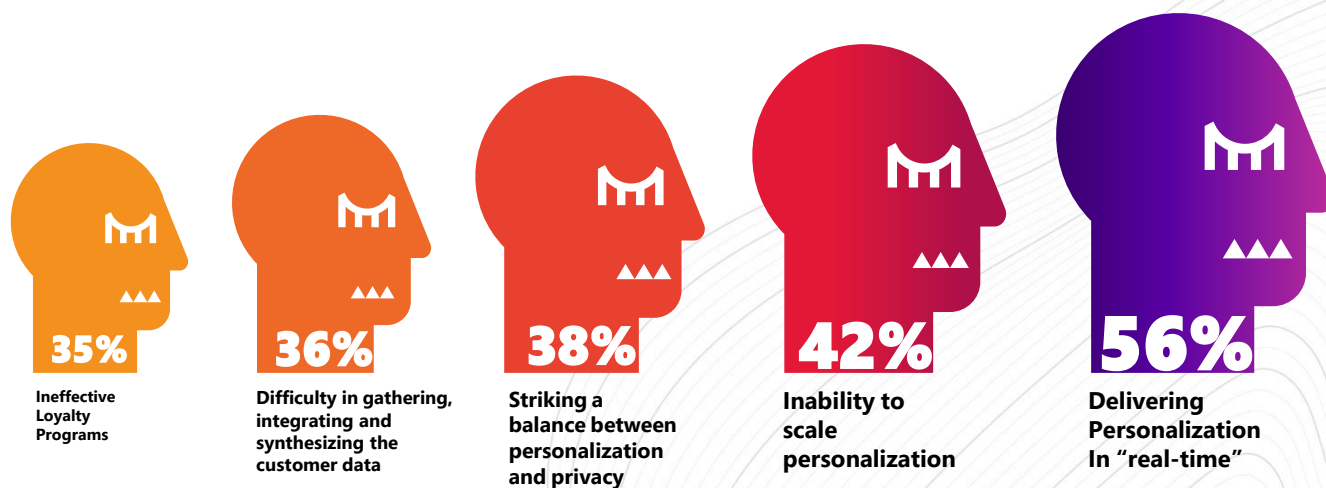


Exhibit 5: Top five challenges companies face in delivering effective personalization to customers

Source: [Comviva Research Centre](#) | Base: [300 Senior Marketing Executives](#)

In keeping customers hooked, privacy around customer data becomes a big challenge. As companies move into deeper levels of personalization, there is a thin line between delivering an aha moment and being 'creepy', or insensitive. **Empower consumers to know how, where, and why their data is used. Transparency is the key.** Being very clear about what data you are collecting, why you are collecting it, and what you'll do with it are the first steps to gaining customer trust.

Building the Personalization Machine

Real-Time, Contextual, Data First and Machine-Driven

In our study, we looked at how companies approach personalization, the challenges they face with data, and the current state of adoption of digital technologies. Based on our findings, we have created a four-step framework to help businesses win the real-time personalization game (see Exhibit 6). **Each step will help companies increase consumer trust, which in turn will increase business value.** The four stages of the framework are:

Changing the approach to personalization

1

Redefining customer profiling

2

Turning data into an asset

3

Making AI & automation core to real-time personalization

4

Real-Time Personalization 'ACUTE' Framework

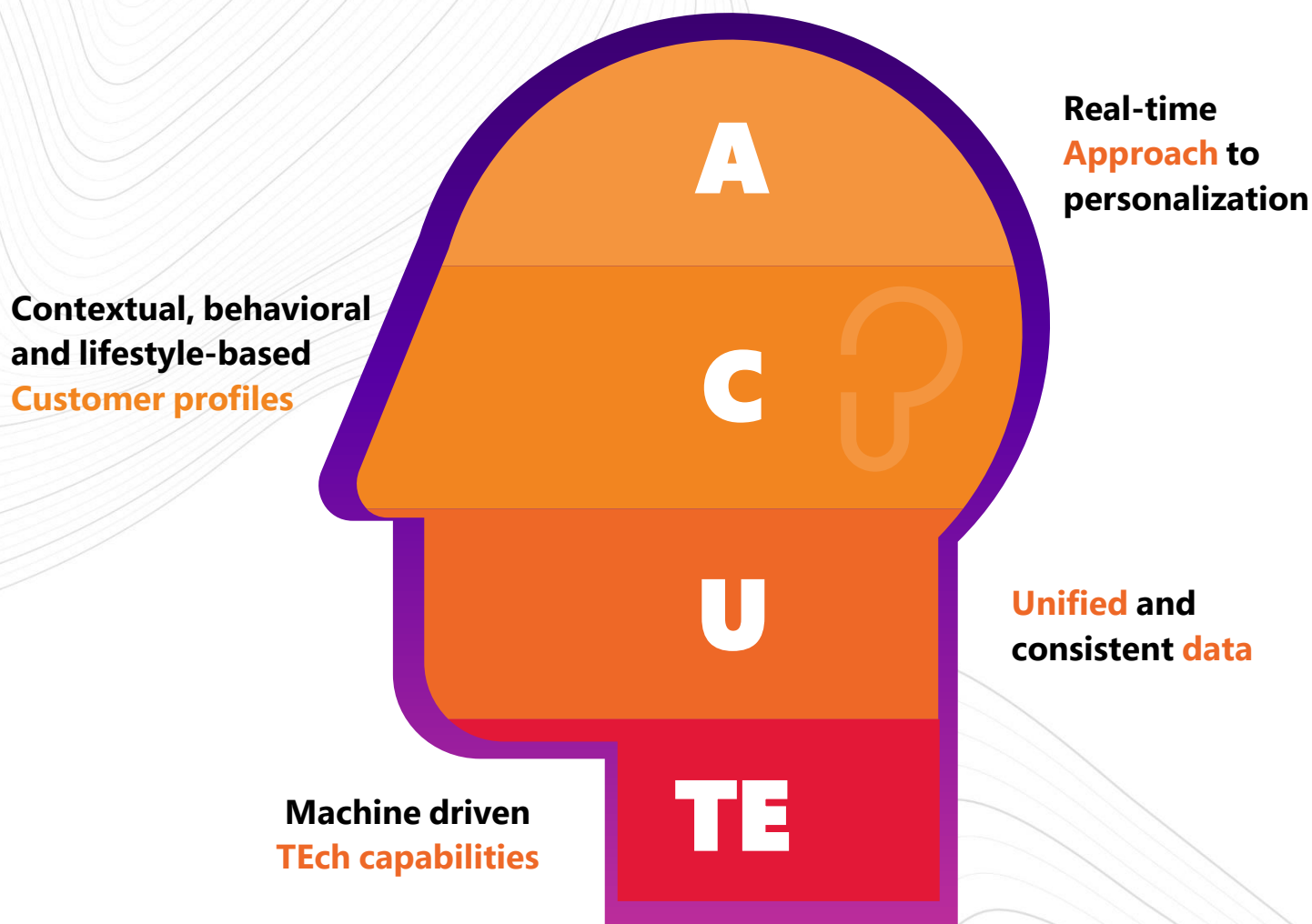


Exhibit 6: Real-time personalization framework

Source: [Comviva Research Centre](#) | Base: [300 Senior Marketing Executives](#)

Building, leveraging, supporting, and managing the personalization capabilities is imperative for companies. It's both a significant opportunity and challenge for marketers. The actions they take today will decide the fate of themselves and their companies.

The Future of Personalization

From 'Basic' to 'Advanced' Get Real About Personalization

For most companies, the traditional approach to personalization is basic (see Exhibit 7). Advanced personalization goes beyond data analytics to deliver targeted marketing and sales messaging to different customer segments. It harnesses the power of AI and automation to drill down to the individual customer, creating a stickier user experience that drives customer loyalty, engagement, and enhanced customer lifetime value. **Marketers expect almost 200% increase in adopting advanced personalization by 2024.** For instance, [Bank of Ireland](#) is implementing data science, artificial intelligence, machine learning and analytics to accurately predict and recommend the right products and offerings depending on what's happening in customers lives. An [Eastern European operator](#) took a sophisticated approach by developing a next-best-action churn model to triple their CVM revenue from around 2% to around 6% within two years.

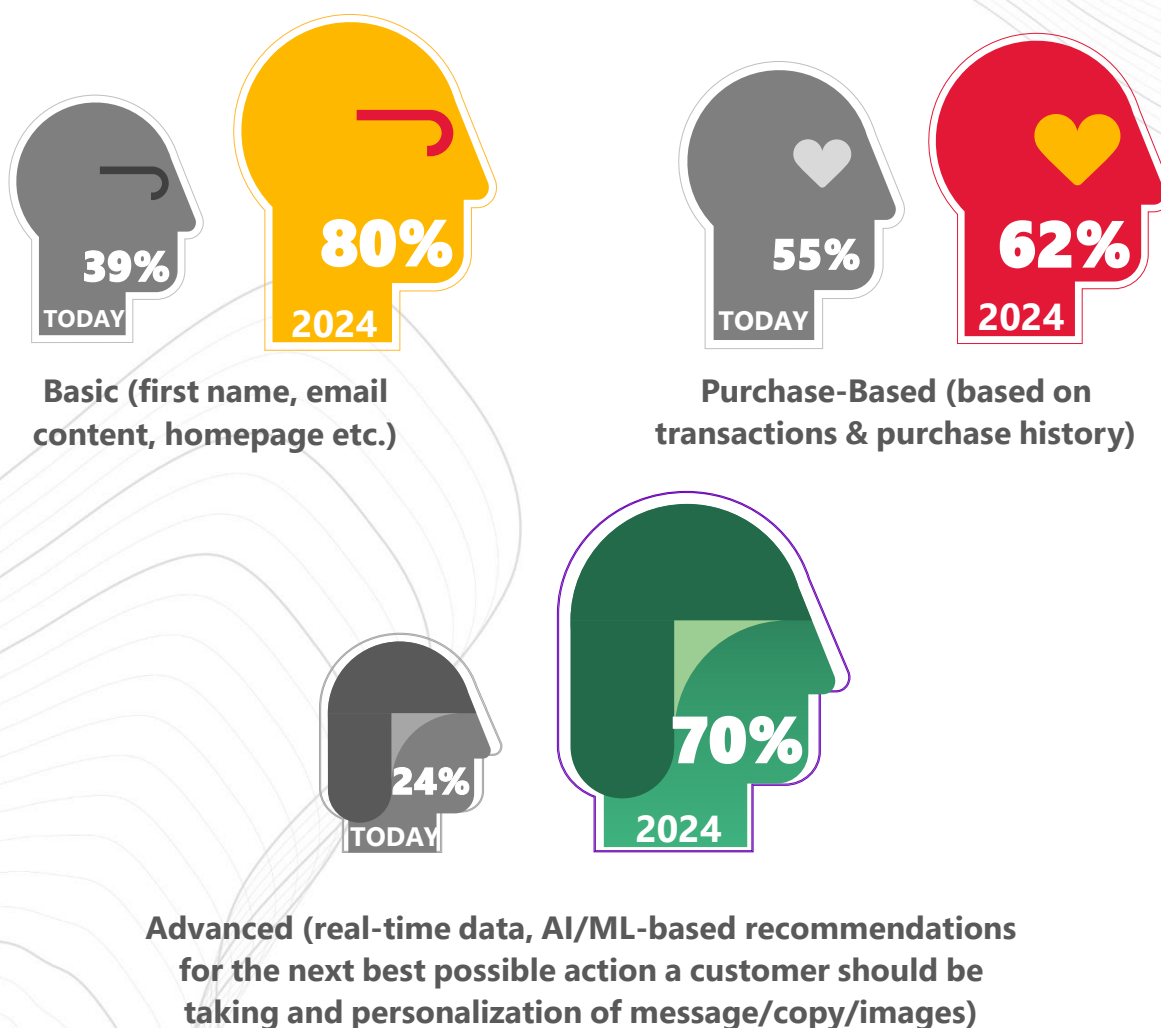


Exhibit 7: Change in personalization approach: Today vs 2024

Source: [Comviva Research Centre](#) | Base: [300 Senior Marketing Executives](#)

From 'One-to-Many' to 'One-to-One' The Future of Personalization

Companies have primarily profiled customers based on demographics (age, gender, household income, etc.) and profiled their target audience into groups with similar traits (see Exhibit 8). Consumers now expect in-moment interactions to be based on the knowledge a company has about them and the information captured while they are interacting with the company's assisted and digital touch points. This is where the majority of companies miss the mark. **Moving from demographics to context and lifestyle-based profiling will form the basis of personalization at scale.** For a bank, this could mean the financial wellbeing of customers. For a grocery store, this could mean educating consumers on purchasing healthy products.

The secret to [Starbucks](#) Loyalty Program's Success is its ability to deliver 1:1 customer personalization at scale. By applying machine learning to its loyalty programs, Starbucks can personalize offers to customers' unique needs and preferences. Brands that seize the initiative by applying personalization at scale, will find a window of opportunity to differentiate themselves and be the ones setting the standards for years to come.

Change in personalization approach demands change in customer profiling

DEMOGRAPHICS

86%

Age, income, profession, education, gender

BEHAVIORAL

49%

Previously captured data on visitor's online actions while using your products or services and website or app, such as pages visited, links clicked, average time on site, and number of visits

FIRMOGRAPHICS

44%

Size, location, industry, title, stage in the sales cycle

LIFESTYLE

41%

Attitude, choices, habits, beliefs, needs, interests, emotions, motivations, dislikes, daily habits

CONTEXTUAL

32%

In-the moment information captured while a customer is interacting with your company whether it be in-person or on website or app

Exhibit 8: The way companies profile their customers - Today

Source: [Comviva Research Centre](#) | Base: [300 Senior Marketing Executives](#)

From 'Data Overload' to 'Data Champion'

Turn Data From a Liability to an Asset

Data is the lifeblood of personalization. While companies all possess customer data, it's typically captured and stored in different repositories, with varying degrees of usability, historical depth, and accessibility. Inconsistent data (57%), unifying data sources (48%), and siloed data (47%) are the top three data-related challenges companies face today (see Exhibit 9).

Collecting and deriving insights from data that resides across disparate applications, legacy databases, and other sources can be a daunting task. One example is the customer onboarding process, which can be lengthy and cumbersome for banking organizations when client documentation is spread across multiple systems, and data is siloed by.

While data can grow quickly in scale and value, it can also be worthless, even a burden, if not viewed and managed correctly. **Only 42% of companies cited getting a single view of the customer**, while **only 40% referenced getting real-time insights** from their personalization efforts.

For personalization to work, marketers need an integrated tech stack that can unify customer data, establish a data supply chain, and communicate in real-time. It's not just essential to have data, but equally important to collect, tag, and manage it systematically to extract actionable consumer insights. The value of data lies in what you do with it.

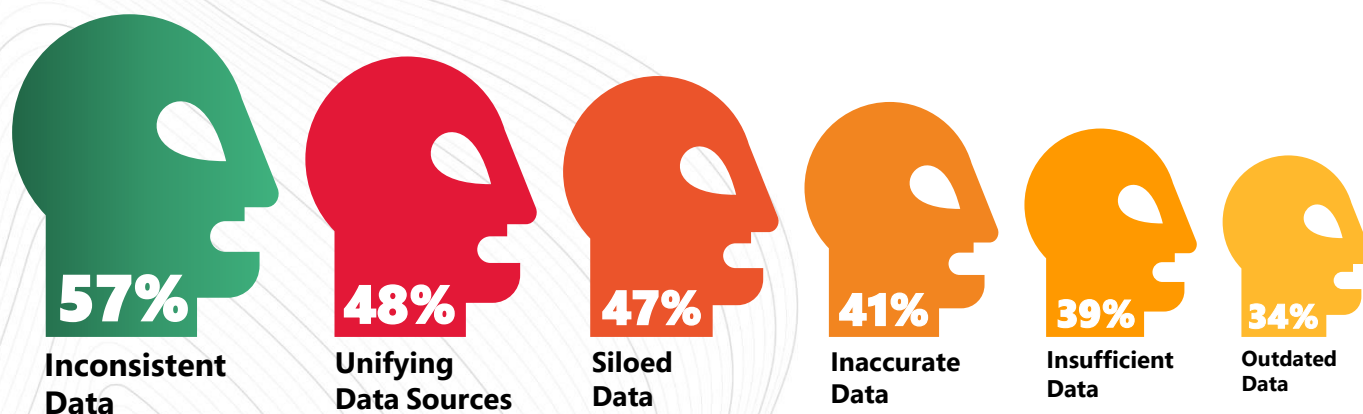


Exhibit 9: Top six data-related challenges companies face in providing a personalized experience

Source: [Comviva Research Centre](#) | Base: [300 Senior Marketing Executives](#)

One [European multicounty operator](#) successfully implemented a robust personalization engine that could quickly deploy multiple use cases across several countries. The operator used reusable data, analytics, and marketing technology components to create a centralized asset. The telco could justify the significant investment required by applying this personalization engine across geographies.

From 'Marketing Tech Stack' to 'Intelligent Marketing Stack'

Assemble the Personalization Machine with AI and Automation at the Core

AI is seeing widespread uptake, with 62% of companies already implementing AI projects, or experimenting with pilots to deliver a personalized customer experience (see Figure 10). The shift from a system based on historical data and "business intuition" to AI-driven predictions is already underway. Driving the next best actions (products/services/offers) in real-time (56%), improving real-time online customer interactions (51%), and recommending or suggesting products to purchase (43%) are the top three ways companies are using/planning to use AI for personalization.

Marketing automation is also not optional, with 59% of companies implementing it to some degree. **Automation opens new opportunities for companies to provide personalized experiences across all the touchpoints at scale.** An automated, seamless, personalized communication not only enhances customer experience but also increases customer lifetime value.

Data analytics is used on a wide scale across companies. The key is to make it intelligent. **The rise of AI is intertwined with the growing adoption of automation and analytics as businesses work to imbue these technologies with intelligence.**

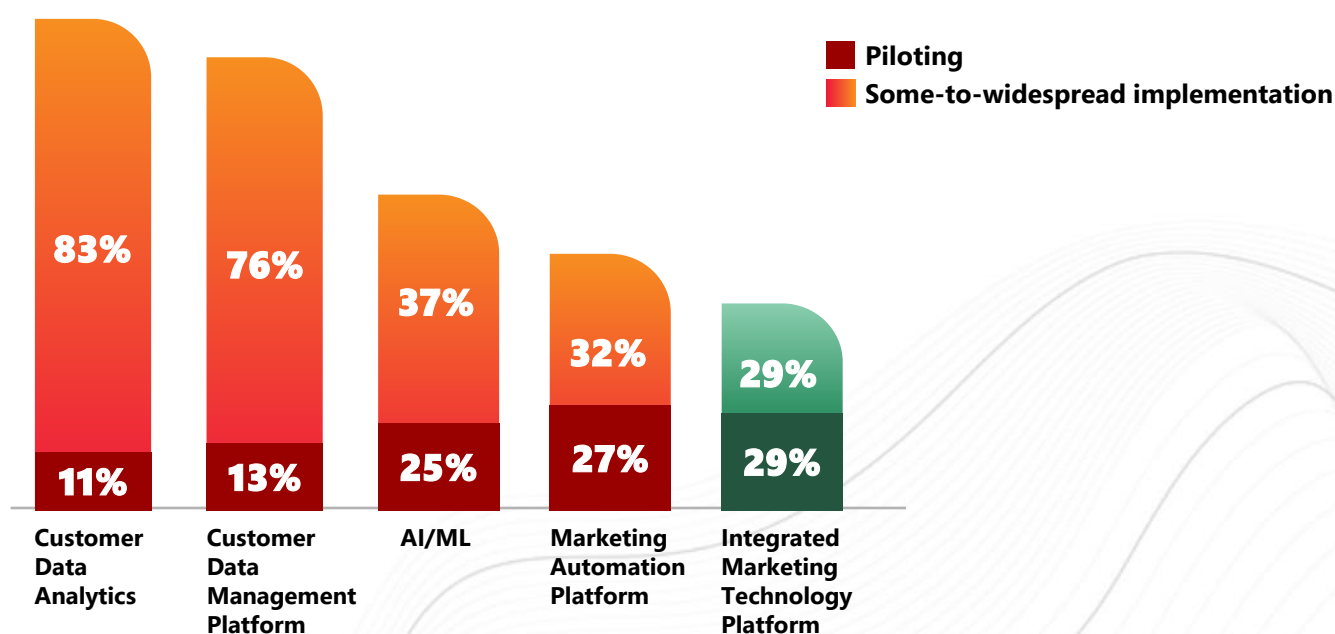


Exhibit 10: Progress marketing department made in implementing the following digital technologies to deliver a personalized experience

The image features a stylized blue profile of a human head facing left. On top of the head is a dark blue crown with three points. The eye is represented by a large, multi-colored circle with a yellow center, a magenta ring, and a blue outer ring. The background is white with faint, wavy grey lines. The title text is positioned in the lower part of the blue head profile.

The Future of Marketing

The Future of Marketing is in real-time and it is here



Embrace personalization as an incremental journey and not a one-off project

Many companies approach personalization as a series of complex projects and it takes them months to see results. Real-time-personalization is not something that can be implemented once, and it will work forever. It's a continuous and never-ending journey that demands constant improvements to create those "aha" moments for customers.



Keep humans in the loop

A predictive model can crunch the data and provide customer-specific recommendations, but marketers still play a vital role. For example, an algorithm won't explain why an offer or promotion is the right choice for a particular customer. Increasingly, the human role will become more focused on what gets done with machine-driven data insights.'



Design and build for scale with an integrated technology marketing stack

Reaching customers 1-1 is a large-scale effort and requires a tech infrastructure that is flexible, agile, and easily scalable but the marketing technology ecosystem is not yet ready - 60% of companies surveyed said that the lack of/limited integration of various marketing technology systems makes it harder to provide seamless personalization. Companies need an integrated platform that supports APIs and is based on microservices architecture to deliver the agility that personalization demands.



Up your personalization game by localizing it

Meaningful personalization is only possible with the right localization capabilities in place. Localization is not just translation. It means adapting your messaging not only to local language use, but also to cultural norms and values in specific regions or markets to resonate with your audience in the language they understand in order to drive actions.



Don't jump the AI gun unless you have addressed your data woes

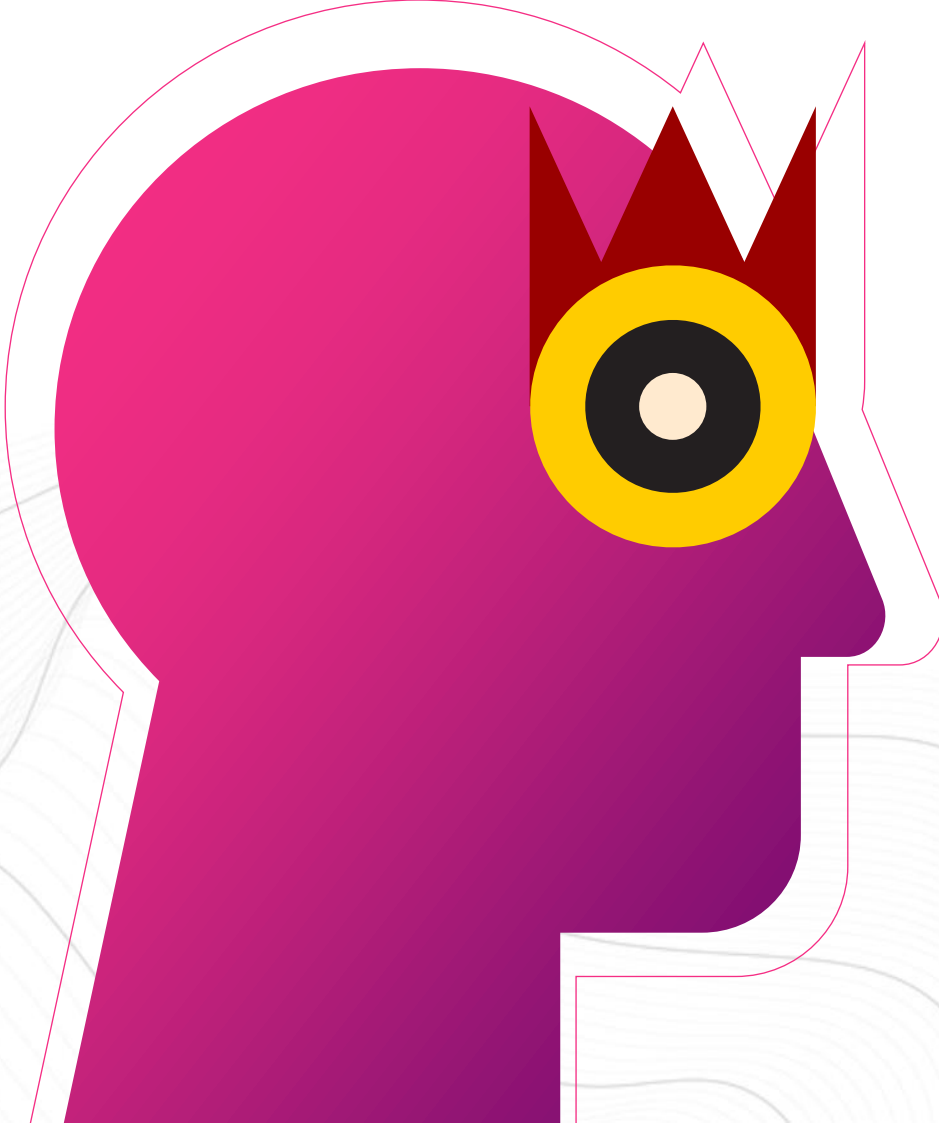
At the heart of real-time personalization are AI and machine learning algorithms. These learning algorithms, however, need to be fed with an uninterrupted supply of data for the magic to happen. The more and better data you have, the better it learns. Companies must address the data silos issues to improve how much data they collect and its quality.

Starting Tomorrow

Double Down Your Focus on “Person” in “Personalization”

Personalization is not new, but it is kicking into high gear now. Companies have a renewed opportunity to align with the changing needs of the customers they serve – shifting focus from “passive personalization” to “real-time personalization.” Using AI, automation, and analytics, companies are well positioned today to predict what customers will be looking for tomorrow and deliver value they haven't yet realized they needed.

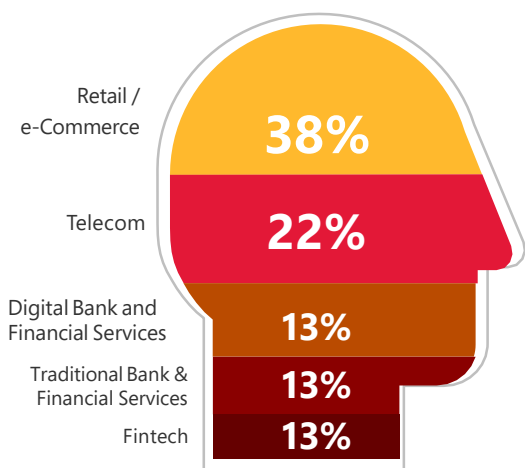
Companies' products and services experiences are juxtaposed against FAANG (Facebook, Amazon, Apple, Netflix and Google) expectations. This gap in expectation and experience will close in the coming years. Companies that reimagine their personalization strategy, rebuild their technology infrastructure, and rethink their relevance to form deeper relationships with consumers and resonate with consumer behavior are most likely to emerge as category leaders tomorrow.



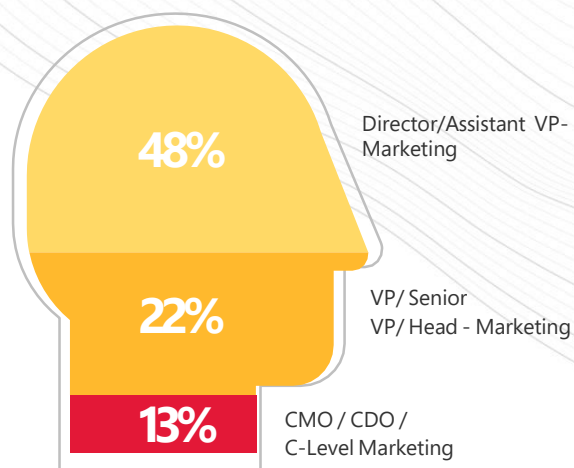
By serving customers in their moment of need, while building an emotional connection with them, your brand will become more human, and customers will respond with loyalty.

Methodology and Demographics

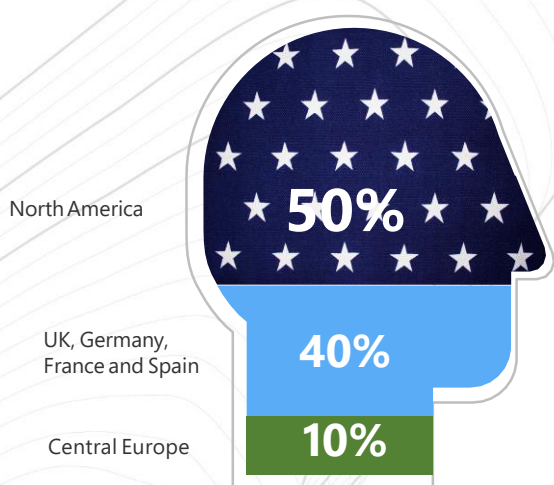
Comviva commissioned [Curious Insights](#), an independent global market research firm, to conduct an **online panel survey with 300 senior marketing executives** at companies around the globe. The sample was distributed across the US, UK, Germany, France, Spain, and Central Europe. In addition to the quantitative survey, Curious Insights conducted five in-depth interviews with executives.



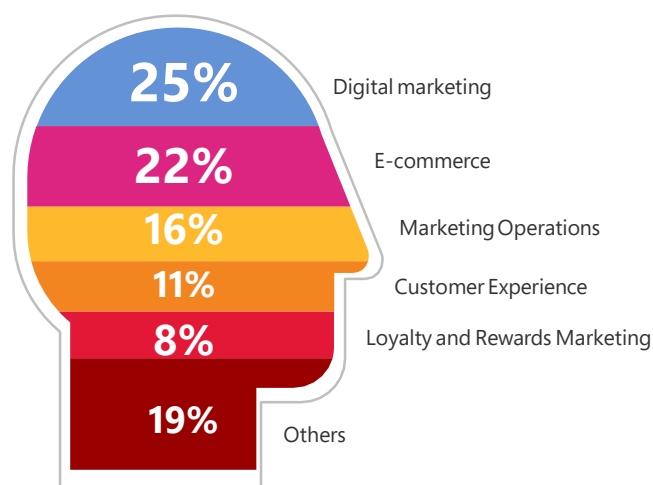
By Industry



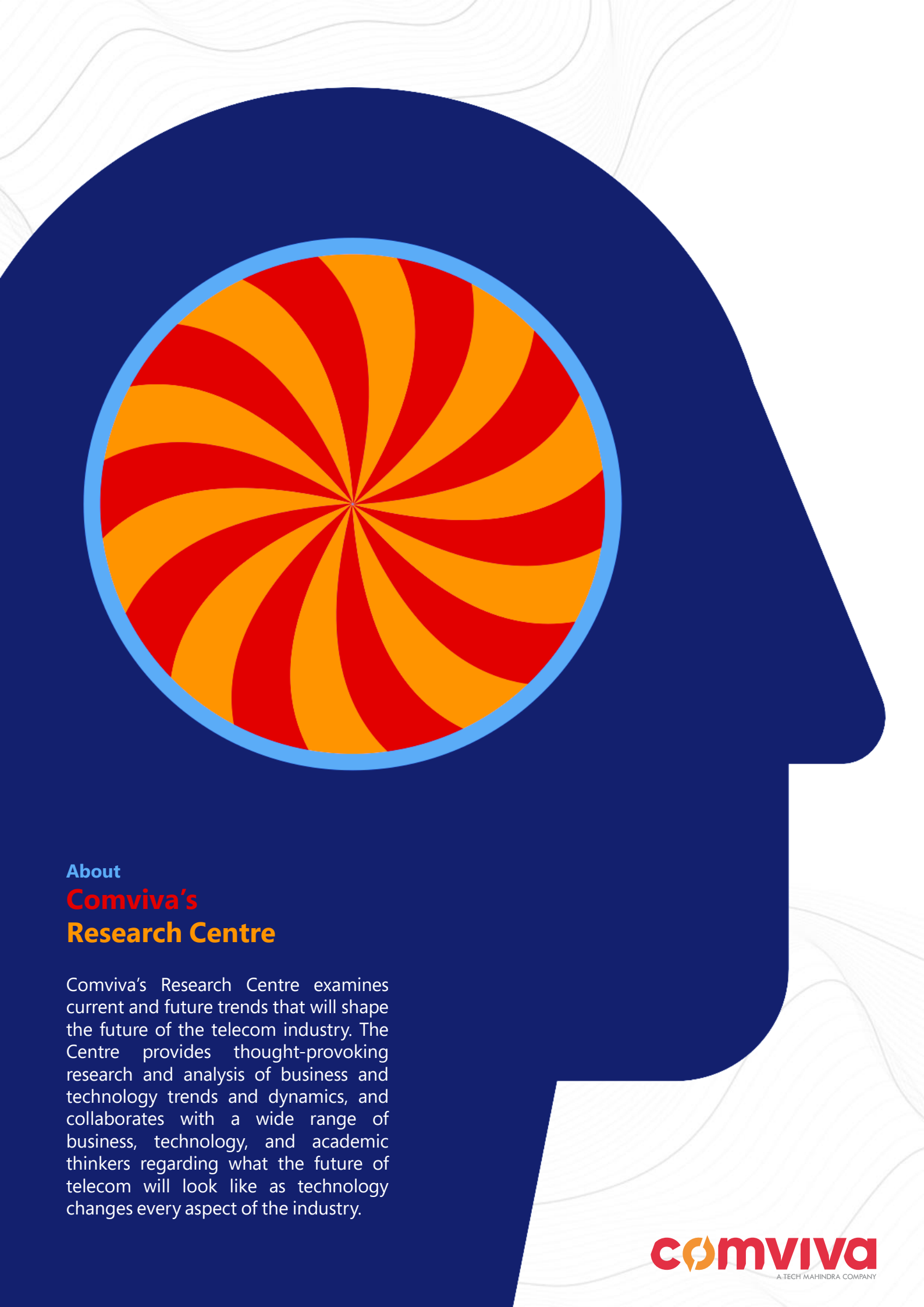
By Job-Level



By Region



By Function



About

Comviva's Research Centre

Comviva's Research Centre examines current and future trends that will shape the future of the telecom industry. The Centre provides thought-provoking research and analysis of business and technology trends and dynamics, and collaborates with a wide range of business, technology, and academic thinkers regarding what the future of telecom will look like as technology changes every aspect of the industry.



About Comviva

Comviva is changing the world through digital experiences. Our innovative portfolio of digital solutions and platforms brings greater choice, faster time to market, and flexibility to meet our customers' evolving needs better as they drive growth, transform, and bring efficiency. From maximizing customer lifetime value to enabling large-scale digital transformation, we partner globally with communications and financial industry organizations to solve problems fast and transform for tomorrow. Comviva solutions have been deployed by over 130 Communication Services Providers and Financial Institutions in more than 90 countries. They have delivered the benefits of digital and mobility to billions of people around the world. For more information, visit us at www.comviva.com