

**Leveraging  
Predictive Analytics  
and Hyper-  
Personalization to  
Drive Engagement  
and Marketing ROI**

# The value of hyper-personalization: **Driving engagement and action in an increasingly complex world**

Consumers are exposed to 34 gigabytes of data and information each day (New York Times). That's about 100,000 words across different platforms, or the length of a short novel. It's no wonder marketers continue to look for compelling ways to cut through the clutter.

This information overload shows no sign of waning, which is why hyper-personalization will be critical to successful direct marketing campaigns in our data-saturated future.

**What is hyper-personalization?** Hyper-personalization is a form of direct marketing that uses real-time data to create products, services, or content that is customer-specific at a granular level.

At its core, hyper-personalization leverages analytics to find and reach high-value audiences, delivering customized content designed to increase their engagement and support organizational marketing goals.

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There are several considerations for a successful hyper-personalization approach:

- How do you identify accurate targets?
- What is the role of AI and emerging technology?
- What are the best channels for your audiences?
- What results can you expect?



**ONLY 35%**  
of companies feel  
they are successfully  
achieving omni-channel  
personalization.

STATISTA

**90% of consumers say they find personalized marketing appealing, according to a Deloitte report**

DELOITTE

## ► Identifying Accurate Targets

Not all audiences are created equal. Selecting, sizing, and ranking customers and prospects to define the most desirable targets is essential to achieving effective campaign results – it impacts everything from channel selection to messaging and offers. Starting with the end in mind, it is important to consider the most important qualities of a desired audience, as well as the desired action or outcome.

Marketers are awash in data – customer transaction data, compiled data, online data and more. Understanding which sources are reliable, and which should be avoided or independently verified is critical. For example, using demographic data or credit level data may be an excellent starting point, and layering in psychographic and behavioral research can create even more accuracy and better results.

IWCO subscribes to all major data sources. Our expert team of data scientists use multiple data assets and sophisticated analytics to create customized segmentation systems and predictive models that result in 40% more accurate targeting.

**IWCO takes a multi-supplier approach to data, giving us access to over more than 23 Credit and Demographic Files with 20,000+ Attributions**

TYPE OF DATA	BEHAVIORAL DATA	CREDIT AND FINANCIAL DATA	PSYCHOGRAPHIC DATA	DEMOGRAPHIC DATA	GEOGRAPHIC DATA
	Based on customer behaviors, such as transaction, online behavior, direct mail, and email response	Based on customer credit and financial data	Lifestyle attributes, such as hobbies, interests, and attitudes	Segmentation based on demographic attributes, such as age, gender, income, and presence of children	Segmentation based on geographic attributes, such as country, state, climate, urban, and rural cities
DATA SOURCE	<ul style="list-style-type: none"> <li>Direct mail and email response behavior</li> <li>Web analytics</li> <li>Customer transaction files</li> </ul>	<ul style="list-style-type: none"> <li>Broad market bureau data, trigger (hard inquiries) data – mortgage, credit card, personal loans, auto financing, and ITA data</li> </ul>	<ul style="list-style-type: none"> <li>Self-reported, survey, preference center</li> <li>Data overlays</li> <li>Account opening process</li> </ul>	<ul style="list-style-type: none"> <li>Self-reported, survey, preference center</li> <li>Data overlays</li> <li>Account opening process</li> </ul>	<ul style="list-style-type: none"> <li>Preference center</li> <li>Data overlays</li> <li>Account opening process</li> <li>Web analytics (IP address)</li> </ul>

## ► The Emerging Role of AI

The rapid evolution of AI technology is influencing all aspects of business, and perhaps none more so than marketing. While AI has been used in the past – and arguably will be used even more extensively in the future – it is important to understand where it can be effective, and what the limitations are today.

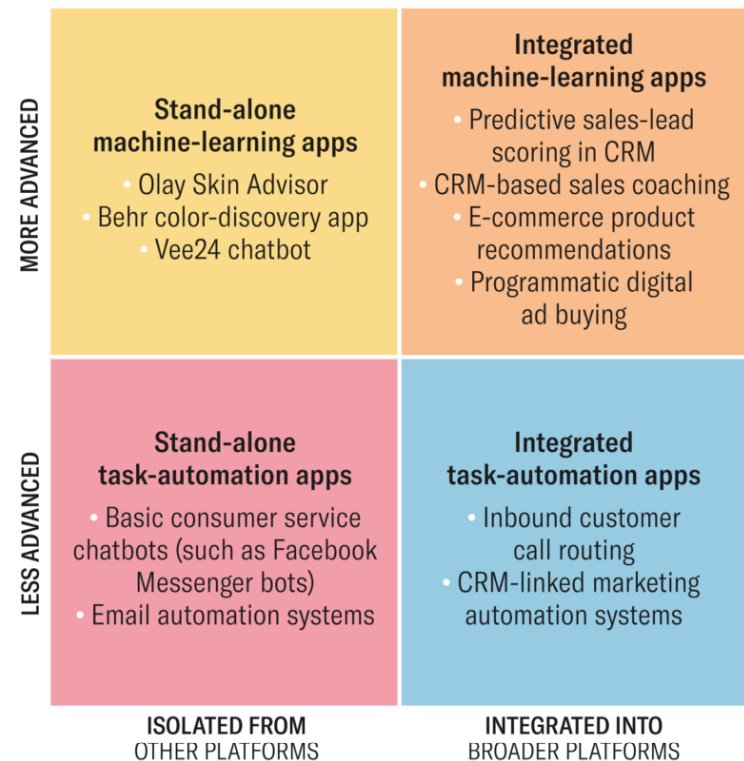
Recent insight from Harvard Business Review indicates marketers will ultimately see the greatest value in AI by pursuing integrated machine-learning applications, though simple rule-based and task automation systems can enhance highly structured processes and offer reasonable potential for commercial returns. In time, task automation may be increasingly combined with machine learning to extract key data from messages, make more complex decisions, and personalize communications.

Even today, however, the combination of AI and human expertise can offer significant value, as organizations continue to evaluate and experiment with the role of AI.

► Leveraging Predictive Data and Hyper-Personalization to Identify and Reach Your Optimal Audience

## The Four Kinds of Marketing AI

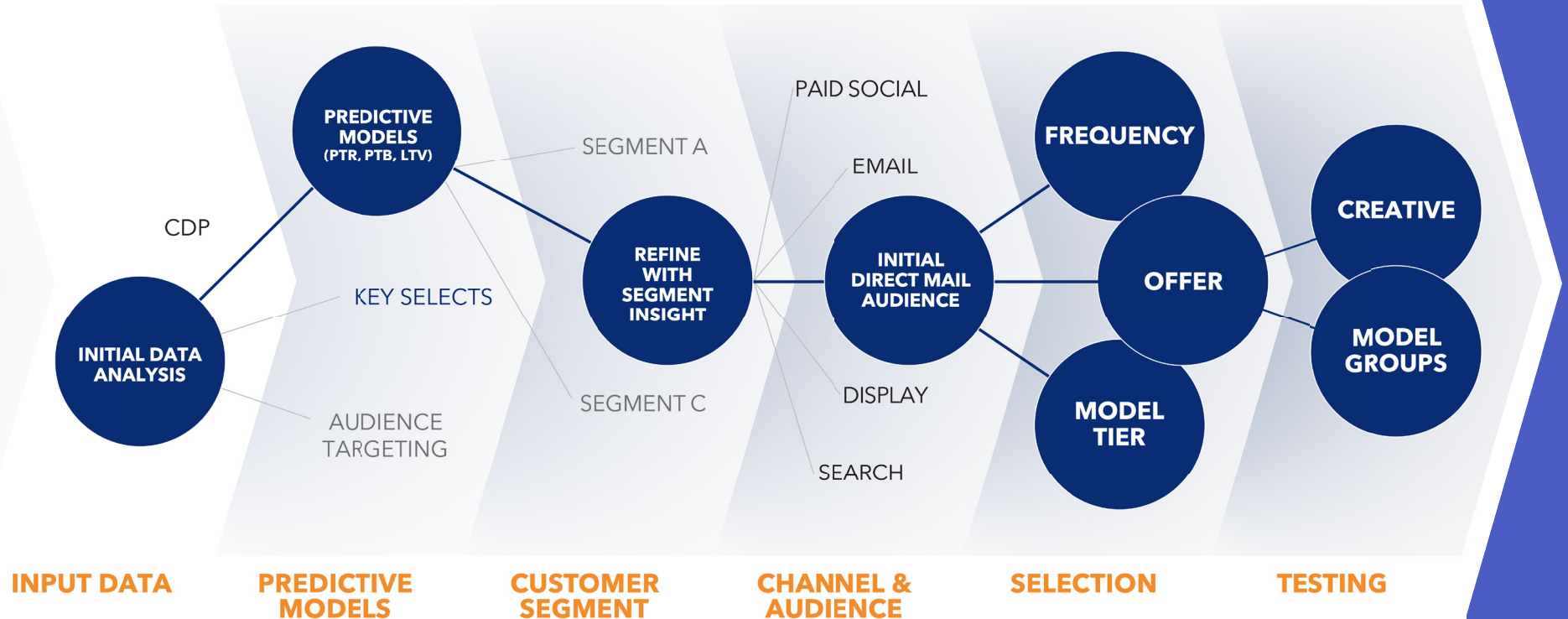
Categorizing potential applications according to their intelligence level and structure can help companies plan the rollout of their marketing AI. Simple stand-alone apps are a good place to begin because they're easier to set up, but their benefits are limited. Once companies acquire AI skills and amass data, they can add apps that are more advanced and are part of other platforms, working their way up to integrated machine learning, which has the potential to create the most value.



## ► Reaching Premium Audiences

After analyzing your customer journey, key targets, and your audience, it's time to put it all together to identify the right message and how to target through the right channel/media mix.

IWCO uses advanced predictive analytics and custom segmentation systems to reach your target customer with the right message at the right time.



## ► Reaching Premium Audiences with Customized Packages and Messages

When it comes to driving results, abiding by a few simple best practices for hyper-personalization will help your business to drive results fast, and make a lasting impact.

Marketers must start first with their customers. By building analytic segmentation and isolating your ideal customer, this will allow you to begin the hyper-personalization process and refine from there.

The hyper-targeted nature of direct marketing also allows for optimization, extensive analytically sound testing, and can empower other media. At IWCO, we have a unique ability to take your businesses segmented populations and execute differentiated marketing in one print stream, all within a cost-effective platform.

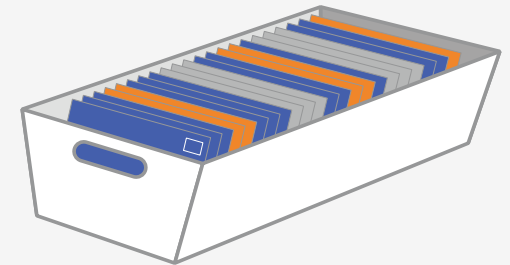
**86% of companies** report seeing a measurable uptick in business results from hyper-personalization, according to Evergage, a Salesforce company

[PIMCORE](#)

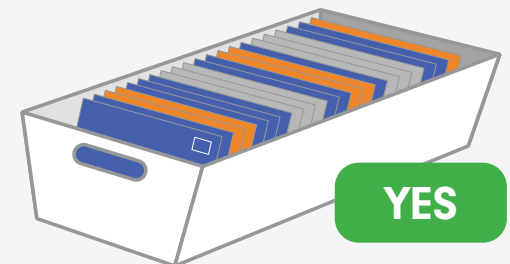
## Dynamic Digital Production

+ Tray Optimization  
= Reduced Postal Costs

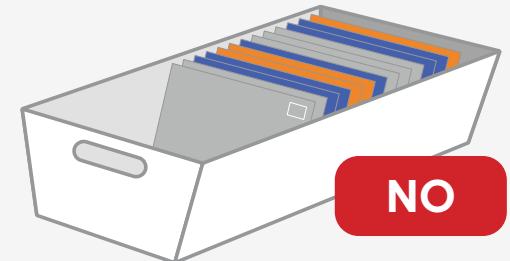
**1 FULL TRAY**  
MISSING PACKAGES: 0  
LOW PRIORITY TARGET ADDS: 0



**2 98% FULL TRAY**  
MISSING PACKAGES: 3  
LOW PRIORITY TARGET ADDS: 3



**3 60% FULL TRAY**  
MISSING PACKAGES: 48  
LOW PRIORITY TARGET ADDS: 48



**IWCO helped one client reduce overall postage expense by 2.1% (\$500k) through postal optimization\***

\*Significant savings vary by industry

## ▶ Hyper-personalization Results: **Seeing the benefits of hyper-personalization in real-time**

Using conversion modeling can be highly effective for businesses of all sizes. By identifying your target audience, gathering data, creating customized targeting models, and incorporating your data insights into your campaigns, you can generate a campaign that is highly likely to achieve improved ROI. Testing and refining your approach creates marketing campaigns that are tailored to the preferences and behavior of your target market.

At IWCO, we're here for marketers who demand better results. Combining data with smart strategy and compelling creative, we help you to gain access to better leads and improved efficiency all for a lower cost. Our clients' success stories speak for themselves.

To learn more about predictive data and hyper-personalization in your marketing initiatives, contact us today at:

[marketing@iwco.com](mailto:marketing@iwco.com)

### LEADING FOOD BOX DELIVERY COMPANY EXAMPLE:

- Customer acquisition through direct mail.
- Used analytics to target customers with specific offers.
- Result: **40% decrease in cost per acquisition.**
- Continuous improvement in models and creative over time to reach CPA goals.

