

# Hyper Personalization using AI in Marketing

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**Abstract:** The use of hyper personalization in marketing is increasingly adopted by organizations as consumer behavior is dynamic towards the existing products and techniques. It also changed the way people compare and buy products. This can lead to a huge competition among the companies as the world and technologies are under dynamic changes. Hence the companies had to constantly create innovation in their businesses by upgrading to better use of advanced technologies. The best strategy in the upcoming era is to understand the behavioral pattern of every single customer and provide the best user experience, so that they can retain their market share. The personalized experiences created by the organizations for each and every customer may enable the companies to stand out as well as wealth maximization of shareholders. Since the marketers gives more focus on achieving high level of personalization to meet the consumer demand and expectation for more relevant customer engagement, companies are adopting emerging technologies and automation tools. This paper is a detailed analysis of how personalized experiences and products influence the customers. This paper also gives insight about how technology has changed over the past few years and consequently the face of marketing in this new age.

**Keywords:** Hyper personalization, Artificial Intelligence, Marketing, Analytics.

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## I. INTRODUCTION

In today's world, the point of contact with the customers have been increased in such a unique way that organizations are creating an individualized experience for each and every customer so that they can meet their existing objectives. This is how hyper personalization comes into play. It can be simply stated as modifying the strategic decisions of an organisation keeping in mind the wants and expectations of the customers. Hyper personalization uses real time data like artificial intelligence to provide information to the customers. Hyper personalization is an efficient technique that can help companies gain profits along with giving tough competition to their rivals. "Segmenting the market in a bulk manner has become an old technique as everyone has their own individualized experiences. Adapting this modern technique of personalization according to the data of every individual leads to profit maximization. For example, 74 percent online consumers get frustrated with websites when shown promotional or advertising content that has nothing to do with their interests" sodhi (2018). The main important thing that a company need to keep in mind is that what the consumer need and the experience they are actually providing them thus, it creates a line between competitors so there should be a new way of understanding about the situation and the hyper personalization to solve it. This kind of personalisation is based on AI technologies. Being able to react quickly at critical conditions and detect the problem within a short time analytically is an important requirement because the consumer behaviour is not stable; it changes accordingly as the time flows. According to research by Ascend2, only about 9 percent of marketers say they have developed an approach to hyper personalization. Garcia (2020), says "The majority of marketers, totalling 62 percent, are either just discussing it or haven't acted on hyper personalization yet". Offering a tailor-made service to a consumer can be done by any company but providing them a personalized experience by fulfilling the consumers demand and making them experience something unique is what defines themselves from the rival company. To implement hyper sensualisation companies generally modify their targeting strategies in order to enhance their investments in marketing. The products which are known by their brand name are no longer in competition with rivals as the customers want their brands to be considered as their equal that is specially made and personalized only for them. For example, in London a shopping complex has cameras attached to billboards around the mall where they scan the people according to their gender, age and mood while they are passing by and customize the advertisements according to the mood so that they can lure them towards their products. You should make them feel as if you are reading their minds.

## II. LITERATURE REVIEW

Over the past decade personalized marketing strategy has gained more prevalence in both domestic and international business. From product designing, value creation through marketing to customer communication, personalized marketing aided businesses to meet the expectations of the consumers. As the competitiveness across all the industry increases worldwide, the global business realized the necessity drive away from the conventional method of generalized marketing and hard selling techniques. Rather than using the same old mainstream marketing method, companies are keen to be more specific in marketing to reach out the target customers more effectively and efficiently.

The technology has changed tremendously in past few years. The inception of the concept of artificial intelligence has propelled digitalization into next level. So is the case of digital marketing, where traditional ideology of marketing through digital channels is experiencing new phase of upheaval. Customer interest, service and user experience are placed above everything to beat the rivalry in this stage for creating a lasting impression among the consumer minds. As per NewYork Times (2014), personalized emails bragged six times the transactions of emails which aren't personalized, and personalized websites for the segmented customers saw an increase of 18% in sales.

White, Zahay et al (2007) says that "The term personalization refers to the customized flow of communication that sends different recipients marketing tailored to their individual preferences. In order to tailor these messages organizations have to evaluate what consumer information, such as demographics, psychographics or purchase history, to use in order to be personal in their communication".

### A. *Hyper Personalization*

Hyper personalization in marketing integrates behavioural and real time data withdrawn from multiple channels and touch points using advanced technologies, for brands to create an extremely customized marketing strategy. This enables them to fabricate products, service and advertising content to each consumer for maximum relevance and conversion potential. In simple words, if you recognize "what has happened" and identify the behaviour patterns, you can forecast "what will happen" and then determine "what should be done" to obtain the aspired outcomes. Thus the hyper personalized customer experiences are delivered through Artificial Intelligence marketing.

The departed days are of the personalization which was just meant to add the first name of the targeted consumer in the emails, which is not enough anymore. Since the consumer behaviour of today has changed a lot and the competition in the market has surged, customers expect a higher level of personalization. Hence the products, services, communication and marketing strategies are perfectly acclimatized to their individual preference.

The major disparity between traditional personalization and hyper personalization is that, traditional method advertises using a customer's name, their location or just with the purchase history. Whereas the hyper personalization considers the purchasing history along with the browsing data's and other real time data to figure out what the customer exactly wants and needs on situational basis. It's furthermore complex and highly advanced than the conventional as it goes beyond the customer data. Thus the hyper personalization takes the whole traditional marketing to a next level by leveraging higher level of leading technologies such as Artificial Intelligence(AI), Internet of Things (IoT), Machine Learning and much more in order to deliver greater customer experience and offers on time and thereby to attract more customer base.

### B. *Hyper personalization in Marketing*

The fuel for AI powered marketing is customer data. Similar to a kid who learn and understand from the instructions and observations, and starts differentiating between right and wrong by abstracting inferences from the past, the AI powered systems feeds on the previous customer data and trains itself to analyze, understand and forecast the behaviour of customer. As per the profile, social media involvement and behavioural data of the customer, the AI powered system retrieves patterns such as "why the customer responded to an offer", why or when the customer clicked an email or SMS, their preferences, interest, likes and dislikes. Based on this data, pulled from all sort of channels, devices and other data sources, the marketing efforts and strategies are formulated in order to deliver the best customer experience through AI driven personalization.

The big players in the market product based as well service based, such as Netflix, Amazon, Google etc are constantly working on these AI systems so as to sustain the competitive edge in the market. Irrespective of the size of the company, from enterprise level to the MSME level businesses has started to take advantage of these technologies for showcasing higher user experiences.

In the bygone years, the pay per click ad campaigns was managed by human involvement either through in house teams or any PPC agencies. But now, this has been replaced by the AI systems which pitch in to new advertising channels which are unique and different from that of the competitors. These AI powered systems helps the marketers to highly personalize the marketing by testing out more ad platforms and optimizing the targeting. What the social media giant, Facebook is following is this sort of optimized ad delivery to the target customers.

With the digitalization of the almost all business sector, website experience has become one of the important grounds for any business progress. From building up a new website, the capacity of the AI has much more advanced to a level in which it can help to boost up the website traffic with intelligent personalization in the web page. This is done through extensive data analytics by analysing hundreds of data points such as the demographics, browsing history, location etc about a single user and thereby offers the best suitable offers and contents. The personalized push notifications are also a part of this tactics which delivers the right message to the right person at the right time.

The customers who visits the company websites in search of products and details before they arrive in purchase decision. The technology has changed the face of customer services in such a way that, using the AI technology, the buying journeys of these customers and prospects can be automatically followed up individually. Through this anonymous individual follow ups, the company can identify the moments when they need support and proffer sudden offers and customer care services. The companies are thus able to provide AI powered chat bots which can effectively handle the customers. Hence instead of trying to handle all the online visitors through a proactive chat, the customized help is given to those who need support to complete their purchasing journey. The company websites uses AI tools for the customized situational pop up ads at the perfect timing. Amazon is very well known for generating one third of its sales through recommending engines. On showing a relevant product or service to a customer, at the right time, the businesses increase the possibility of conversion or by increasing the total basket size. There the possibilities of large sale are making use of upsell or cross sell strategy.

The consumer brands as well as publishers such as The WSJ, La Redoute, TopFan etc use the Artificial intelligence to improvise their conversion rates and tussle in the extensively competitive market. The music applications have also stepped into this revolutionary marketing strategy. Music giants such as Pandora, Spotify etc use this AI technology and deep machine learning algorithms to suggest the new songs to listeners might like. The music listening services are acing to attain the competitive advantage through creating best user experience. Working on the datas and contents, these algorithms can help to bring up the most relevant ones particularly for each individual users. Netflix is another giant which make use of serendipity which is a feeling of happiness when we find something you may like by chance, in attracting customer attention. The Artificial intelligence also help to concede when the data flow stops or unexpected traffic to your site. The AI mechanized Slackbot analyzes the Google Analytics data collected from these sites and sends intuitive reports on general performance and large scale changes in data. This information enables to keep websites up and running perfectly, as well as address peculiarity as they arise. As per the 2017 Real-Time Personalization Survey by Evergage highlights that 33% of marketers surveyed use AI to deliver personalized web experiences. On account about the benefits of AI powered personalization, 63% of respondents broached increased conversion rates and 61% noted improved customer experiences.

The hyper personalization also bridge the gap between online and offline shopping experience. Starbucks was one of the pioneers to take advantage of AI through hyper personalization. Starbucks gained the biggest success of its mobile apps through its remarkable customer engagement. The customers are able to order before arriving at the store and pay once they arrive using any online payment apps. In shot the customers can simply pick up their order eliminating the waiting time. Apart from the convenience Starbucks could create a real time personalization system that generates special offers for each customers based on their order preferences, historical datas, and a reward system which gifts the customers with a free drink on spending a definite amount.

The hyper personalization can not only benift the B2C business but also is expanded to the B2B businesses as well. Expedia is one such company where data about hotels, flights etc are utilized to provide to its B2B partners and along with some products and services where user journey is highly personalized. In short, Expedia delivers not only a solution, but also a solution with more value, more thanks to data. This is the same basis for Facebook ads or the LinkedIn ads.

Retention of customers cost less than that of acquiring them. Every business is aware about this fact and how this retention can increase the profit of the company by manifolds. As per the Bain and Co., an increase of 5 percent of customer retention can increase 75 percent of company's profitability scale. This retention is made possible through

understanding what the customers need and when they need it. According to a report by Trendspotter, 82 percent of the people would like to shop where personalized offers are provided. The study of McKinsey also reports that the value creation using AI in sales and marketing will reach to up to 13 trillion dollars in the upcoming 20 years.

Hence the AI powered hyper personalization trend in marketing enables predictive marketing, creating tailor made contextual content, personalized and real time customer support and precise attribution. Thus the marketing automation system is also powerful enough to figure out most valuable customers, forecast even the next purchase of the customers, times which customers are more likely to buy the products and the right discounts that can be offered to different segments of customers. The advertising industry is much benefited from this technology merged marketing tactics making up the marketing activities more efficient by 50 percent. Hence the marketers who endeavour to place their brand as the best in the market as well in the customer mindset should be keen about the dynamic changes happening in these technologies as well.

### **III. CONCLUSION**

The behaviour of customer towards the product and services is extremely dynamic in this world where technologies are ever changing. Hence in order to cope up with the fast paced changes and advancements happening in the global market, companies embrace strategies in such a way by which they can figure out and understand what actually the customer needs and what he might want in the future for a longer course of time. The companies are competing in global market focusing on the best customer experience they can possibly deliver. This companies are heavily investing on the new technologies to provide extremely customized products and services which will in return benefit to increase the customer base as well customer retention to an extend of the company. The hyper personalization reflects in all aspects of the marketing mix with best the use of content, time, price and marketing channels. This will position level brands in consumer in best possible way by creating value and user experiences. Thus hyper personalization and best use of emerging advanced technologies will change the face of marketing and business for the upcoming few years.

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