

# Customer Intimacy

The most meaningful  
bond with the customer,  
built with zero-party data

**Ebook**



# Introduction

## Today's eCommerce is on the verge of the great change.

We got used to see the customers through the prism of behavioral and other implicit data. The sheer number of visitors as well as technological limitations made the customers anonymous.

But this is not what the customers want anymore. According to Epsilon, 80% of consumers are more likely to make a purchase from a brand that provides personalized experiences. **Current approach based on the combination of first and third-party data is not able to deliver anymore.**



## The roots of commerce

The commerce began as a communication process among the individuals, concentrated in small groups. In really distant past, everything was scarce and thus valuable, so no real personalization was needed. But even in the ancient and then classical times merchants knew exactly their customers needs and tastes as competition thrived. In such conditions, all the participants of the process were able to fully express their needs.

Fast forward to the 20th century - and not so much has changed. Shop owners, in most cases, operated in relatively small area, knew their customers often by name, their relationship lasted for quite some time; again, the merchants knew their customers needs and and desires.



## The roots of commerce

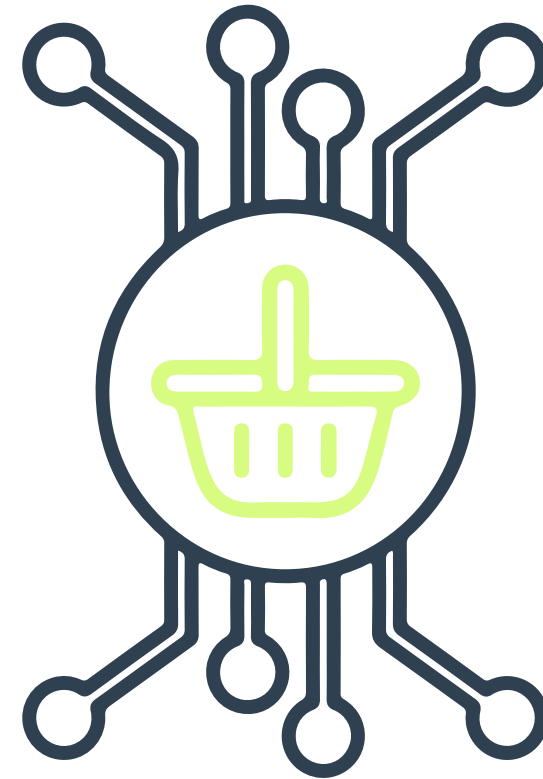
This is Jeff Johnson. He was Nike's first full-time employee. In 1965, he opened the first Nike Store in California. He took a personal approach with every customer. He kept their records, knew their shoe size and favorite colors. He also used this data by sending Christmas cards, congratulatory letters after winning races and even provided them with books they might like to read. Nike's success was built on such an approach.



## The roots of commerce

The rise of the great retail networks forced more statistical approach to the customer. Tools like loyalty programs, monitoring the content of average shopping cart, were employed to determine and maintain the network offer in depth and width.

But new tools found their use not because the customer's anonymity was better than personal approach. **It was necessity, ensuing from the lack of better options - namely better technology.**



# Evolution of eCommerce

You are anonymous in the web - today we can laugh at such a statement. Yet the very fact, that such idea was quite sane not so long ago should make us thinking.

Do we really know our customers? Has really so much changed since the beginning of eCommerce?

At first, eCommerce knew next to nothing about the people that visited the websites. Of course such situation could not last, so eCommerce began to employ a wide array of tools to deepen their intel.



# Evolution of eCommerce

Besides analyzing traffic data, tools like:

- CRM (Customer Relations Management) in 1990s
- MDM (Master Data Management), also in 1990s
- DMP (Data Management Platform) in early 2000
- CDP (Customer Data Platform) in 2013

were employed to gather structured and unstructured data on known and anonymous customers. What was the goal of all these efforts?



# Evolution of eCommerce

**It was to decipher a human behind the traffic.**

If you look at the CDP, it is built around the idea of 360, a unified customer profile, single source of truth for all of company's divisions. Only the 2nd generation of CDPs succeeded in this task.

**eCommerce tried to overcome technological limitations to reestablish the personal bond with the customers of early commerce.**

**Why?**





# Evolution of eCommerce

**The most prevalent marketing strategies in eCommerce were, and are to this day:**

- last touch ROAS to assess the success of the campaigns
- Spray and Pray approach to marketing communication and advertising.

**eCommerce was walking blind, and customers finally had enough of it.**

Regulators followed the trends, creating new, much tighter privacy regulations.

Big Tech followed the regulators, eliminating tracking cookies.  
Soon even all third-party cookies will be gone.



# Evolution of eCommerce

But even latest, 2nd generation CDPs, base on mix of first and third-party data. This constraint was due to the lack of technology.

Such CDPs allow the construction of unified customer profiles as well as personalization of communication, understood as creating enough segments to conveniently accommodate all the company's customers.

In 2022 technology allows us to go a huge step beyond this. **Finally possible, extensive use of zero-party data enables us to hyper personalize our communication and build true Customer Intimacy.**



## Zero-party data

It is information explicitly given by the customer, which is proactively and voluntarily shared. Unlike the first- and third-party data, zero-party data refers to all kinds of information requested by brands and provided directly by customers.

### Example

Zero-party data can be explained using an analogy to a brick-and-mortar store. When a person enters an aisle with a specific type of product, all they know is that they want an item from this aisle. It is often that the amount of available options is more a curse than a blessing. A store associate approaches them to help and starts asking questions. They ask about the customer's preferences, conditions, how they will use this item. According to this information, they help a customer pick the item that will suit them best. In this example, zero-party data are things the customer tells a salesperson which will help them find the right product.

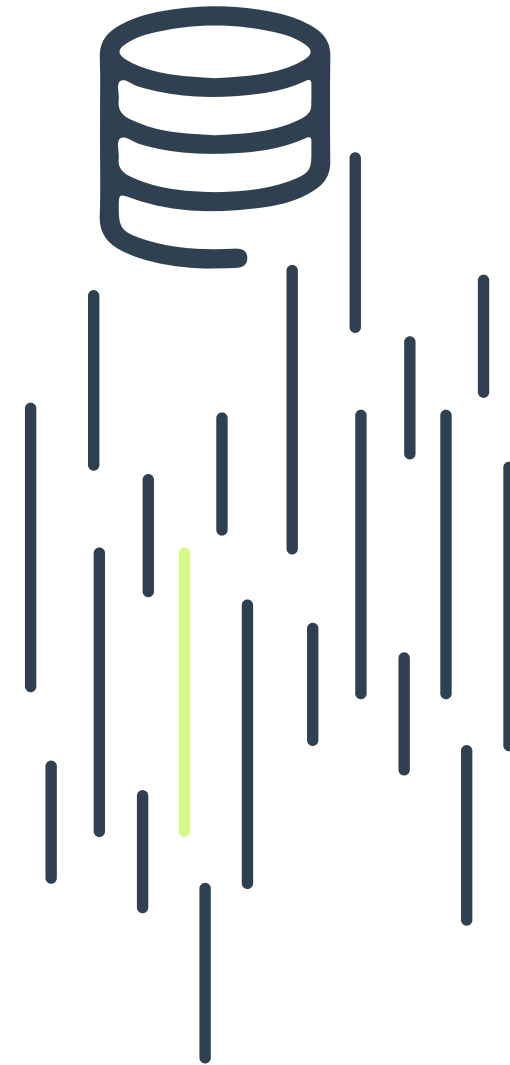
*The exact difference between third, first and zero-party data we explained in our **ebook**.*

# eCommerce Today

Today's technology combines first and zero-party data to hyper personalize the communication. It is based on **hyper-segmentation**.

Traditionally, eCommerce segmented customers according to demographic, psychographic, behavioral, and geographic characteristics.

**Hyper-segmentation is something more.**



## eCommerce Today

According to *Capgemini* hyper-segmentation is “advanced and real-time customization of offerings, content, and customer experiences on an individual level”.

It is not about creating just a few segments, capacious enough to contain relatively large groups of people, so everyone can fit somewhere.

**Hyper-segmentation means creating as many segments as possible, sometimes only for a moment, even for a single customer, to deliver an extremely personalized experience.**

There is only **one condition** for such action to make sense – such segments must be actionable. **Today’s technology fulfills this condition.**



# eCommerce Today

Zero-party data based hyper-segmentation leads to hyper-personalization of communication. This, in turn, leads to creation of a close bond between brand and each and every customer.

**In other words, this is exactly the same process Jeff Johnson was undertaking with his customers, but online, supported by cutting edge technology, with thousands of customers around the world at the same time. This is what we call Customer Intimacy.**



# eCommerce Today

**As every meaningful relationship, Customer Intimacy is built over time.**

Throughout their lifecycle, a customer's relationship with a brand changes. Initially, they may be reluctant to share their story, so the first data requests should be low-key and reasonable, preferentially accompanied by a tangible incentive. In other words: don't force it! Adapting to the client's pace is crucial here.

As the relationship develops, people begin to trust brands and decide how intimate the interactions should be. When the relationship elicits more engagement, the greater the chance of gaining valuable personal information to better tailor the communication. But eventually they will. 79% of customers are willing to share relevant information about themselves in exchange for contextualized interactions in which they're immediately known and understood. **(Salesforce)**



# eCommerce Today

## Taking Customer Intimacy approach we:

- eliminate hated spray and pray tactics, and we increase AOV at the same time, because upselling is easier, when you know your customer better,
- eliminate last touch ROAS campaign strategy and shift towards CLV ROI approach, much more profitable in the long run,
- optimize marketing cost by reducing increasingly expensive acquisition costs. Maintaining loyal customers is not so costly
- effectively step into Jeff Johnson shoes, which is a strategy everybody in eCommerce wanted to go with, but didn't have technology, until today.





We coined the term **Customer Intimacy**, when we were thinking about our approach to the future of eCommerce, the vision of CDPs in this future and the tools we create to help this future happen.

# eCommerce Today

## Thanks to the feature like:

- Customer Preference Center
- Wishlist zero-party data from Personal Shopping Inbox
- Website Personalization

as well as all our Marketing Automation features, that make zero-party data easily actionable, we started to think about SALESmanago as of

## Customer Engagement Platform.

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[www.salesmanago.com](http://www.salesmanago.com)

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