




bazaarvoice™


Personalization or contextualization: *which is better?*



High sellout risk

At current sales levels, this item in your bag will sell out within the next 3 days.

[CHECKOUT](#)



★★★★★ Great choice!
This item is top rated.



What's inside

- 3** Introduction
- 7** What is e-commerce personalization?
- 10** How is e-commerce contextualization different?
- 15** Raising the contextualization bar in 2024
- 19** Contextualization in action
- 22** In conclusion
- 23** Why choose Bazaarvoice Contextual Commerce™?

A person is holding a smartphone, and the entire image is overlaid with a semi-transparent blue filter. The person's hand and part of their face are visible, but they are mostly obscured by the blue overlay.

97-98%

of a website's traffic consists of new, unknown, or anonymous visitors.¹

71%

of online shoppers expect tailored shopping experiences.

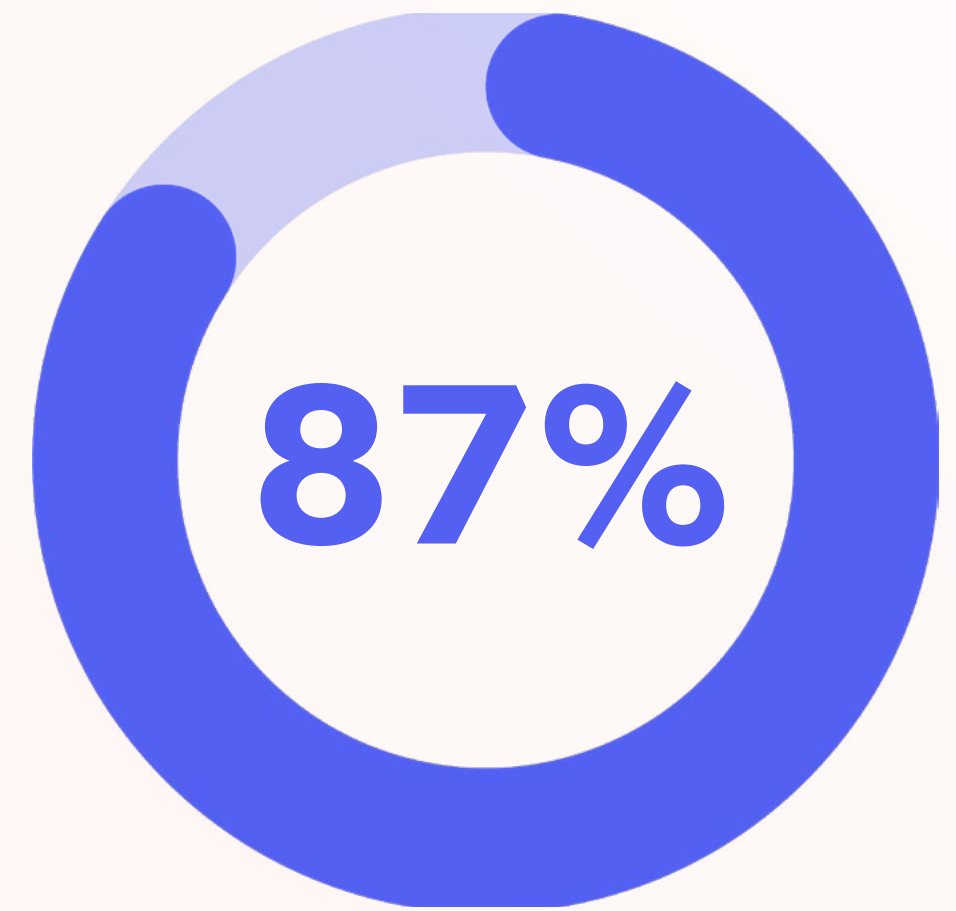
76%

of them express frustration when these expectations aren't met.²

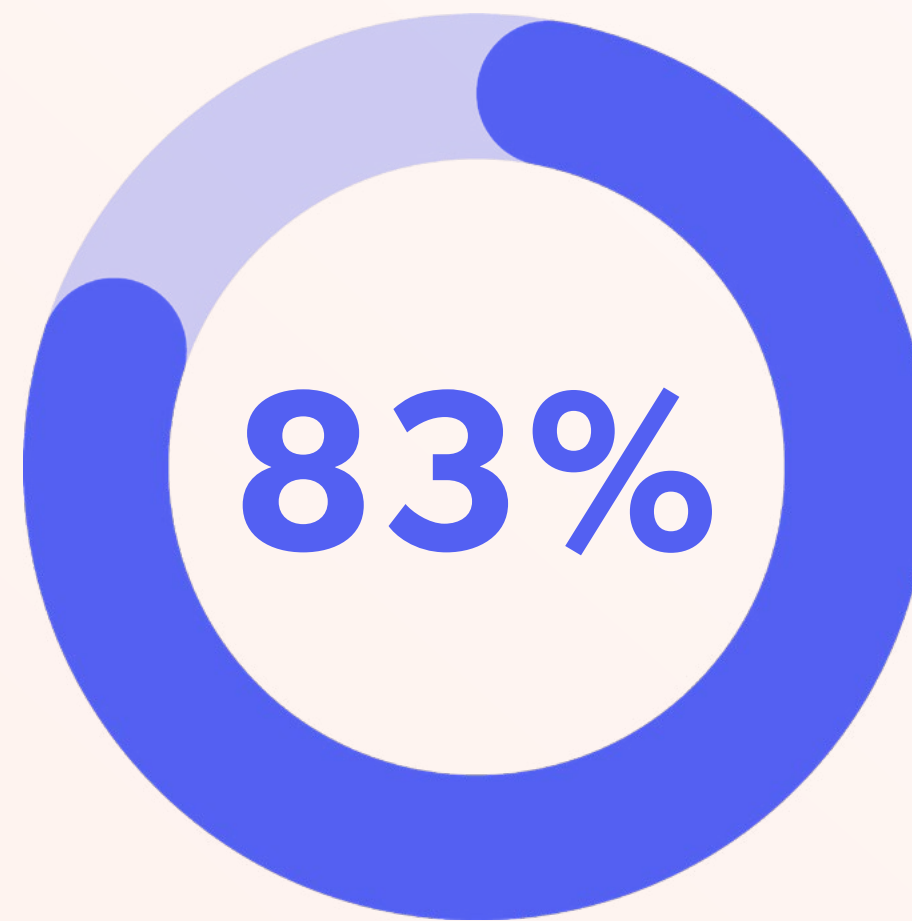
With Google phasing out third-party cookies, achieving this goal is more challenging than ever.



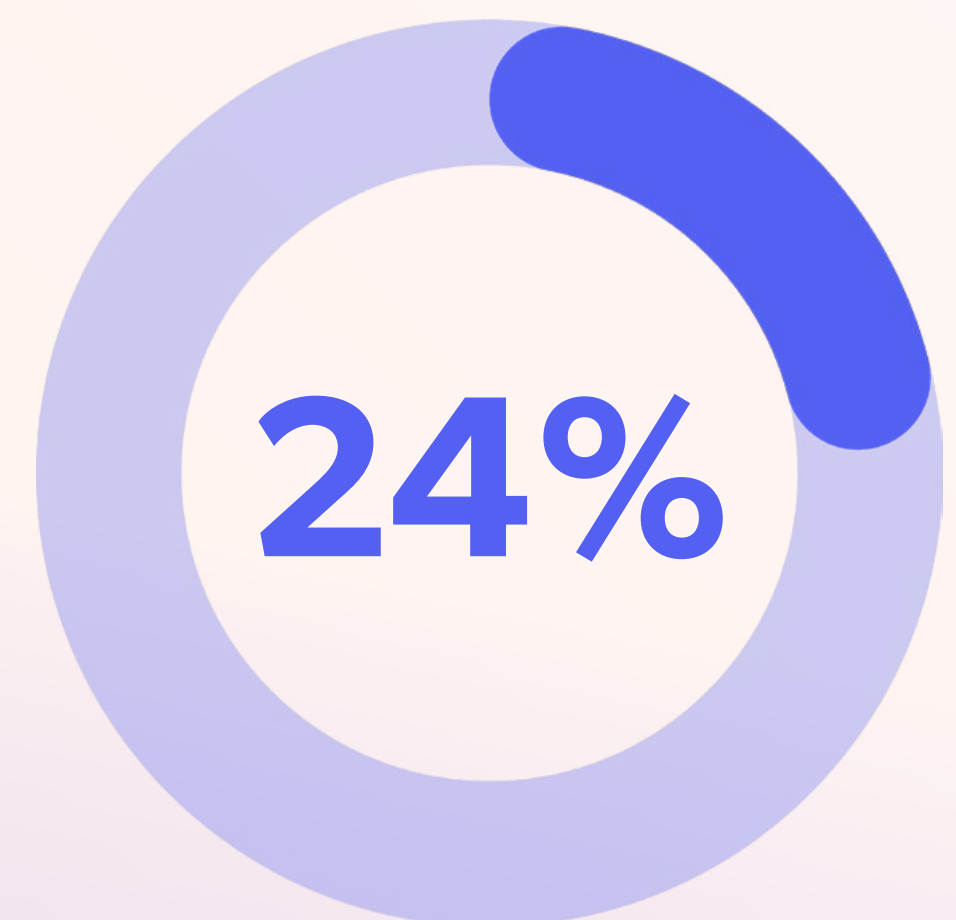
If you're among the many e-commerce retailers feeling the pressure to deliver the experiences your customers want, you're not alone:



87%
of online sellers say their current personalization system can't accumulate intelligence over time to provide personalized experiences

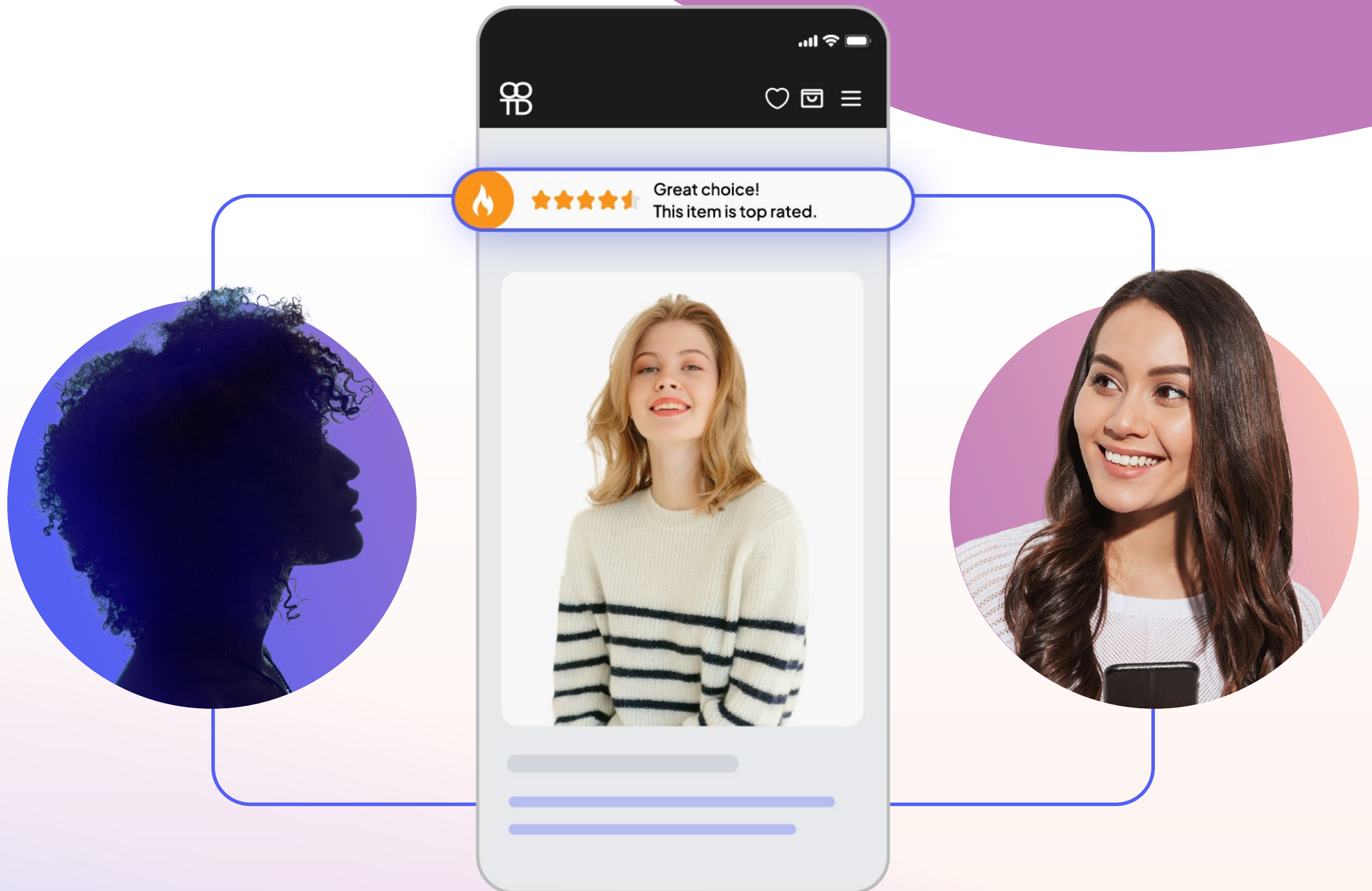


83%
of digital retailers consider AI implementation for contextualized experiences a major hurdle



24%
of e-commerce brands currently employ AI-driven contextualization technology

Fortunately, we've got your back! This guide offers valuable insights from Bazaarvoice Contextual Commerce™ experts to help you understand the difference between personalization and contextualization, explore implementation methods, and discover how these two strategies can work together to supercharge your commerce engine.





What is e-commerce personalization?

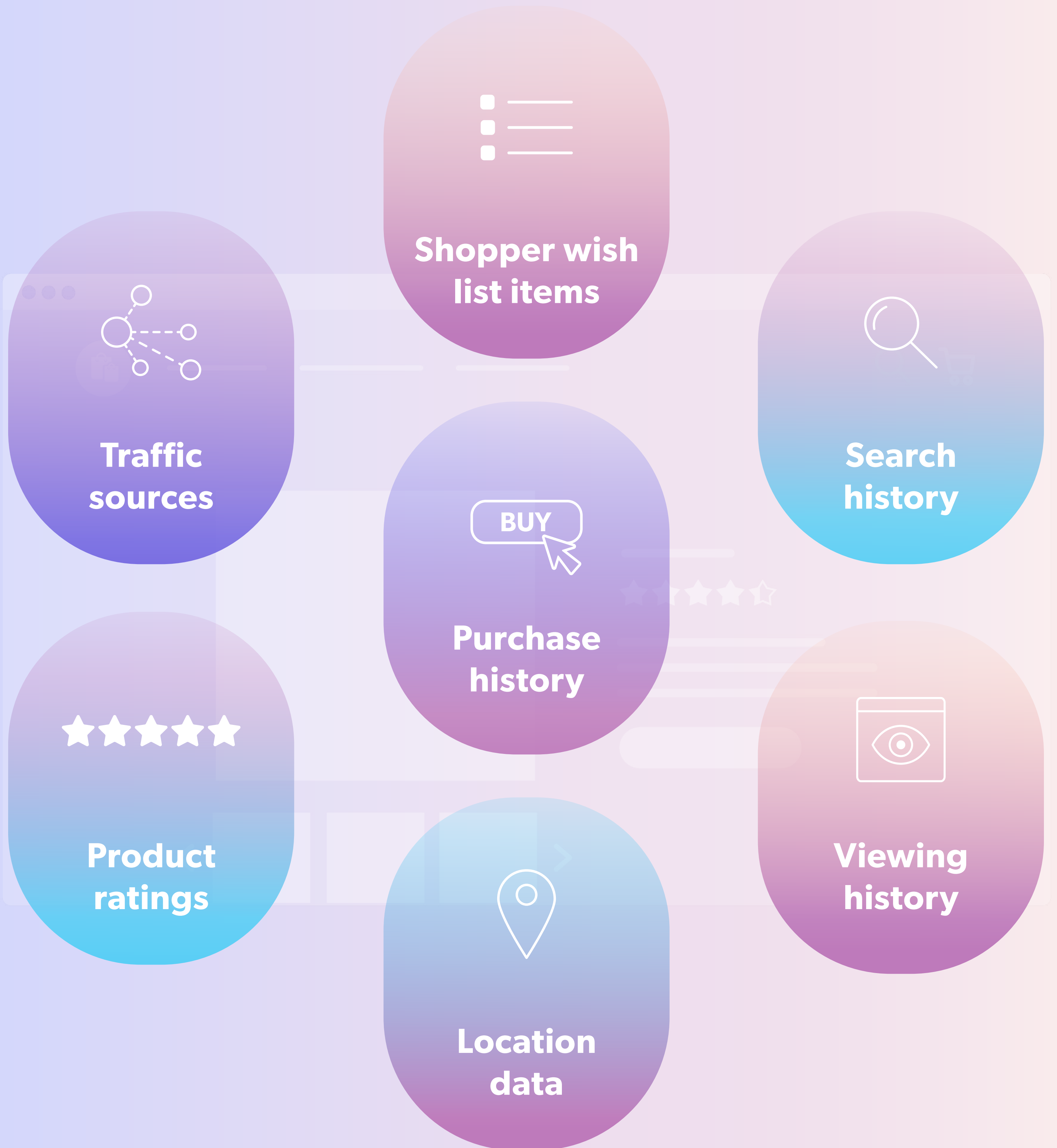
At its core, personalization tailors a visitor's online experience based on their interests, preferences, and shopping history. This rules-based or prescriptive approach relies on historical user data, like purchase history, to recommend products a customer may find appealing.

Most personalization solution providers capture and utilize shopper information in one of two ways:

- **Through personally identifiable information (PII) that identifies and then curates the experience for a shopper across sessions.**
- **By implementing manual setups of tags, triggers, and shopper segmentation that are either set up through customer journey management tools, or integrated through your Customer Data Platform (CDP).**

TYPES OF DATA USED IN PERSONALIZATION

Depending on the personalization platform, the kind of data used can vary. Most personalization providers tap into previously collected shopper data, such as:



PERSONALIZATION

PROS

Enhances the omni-channel experience

Tailors the experience across touchpoints and channels

Promotes engagement via personalized emails and retargeting

Provides recommendations based on previous interactions

Can trigger messages and actions based on manually set tags and segments

Improves in-store interactions for known or loyal shoppers

CONS

Relies heavily on historical user data and personally identifiable information

Data hygiene and security concerns when collecting and storing personal shopper information

Time consuming set up, review, maintenance, and updates

Identifies and connects data with known shoppers only

Delayed deployment of insights from collected data

Requires significant manpower for managing rules



How is e-commerce contextualization different?

Unlike personalization, which relies on historical data, contextualization focuses on a shopper's real-time actions and behaviors during their current session. In other words, it throws pre-set rules out the window for dynamic, AI-powered individualized experiences.

Haven't heard of contextualization before? Chances are, you've probably seen it presented in other terms, such as:

- **Hyper-personalization**
- **Dynamic personalization**
- **Adaptive personalization**
- **AI-driven personalization**
- **One-to-one personalization at scale**

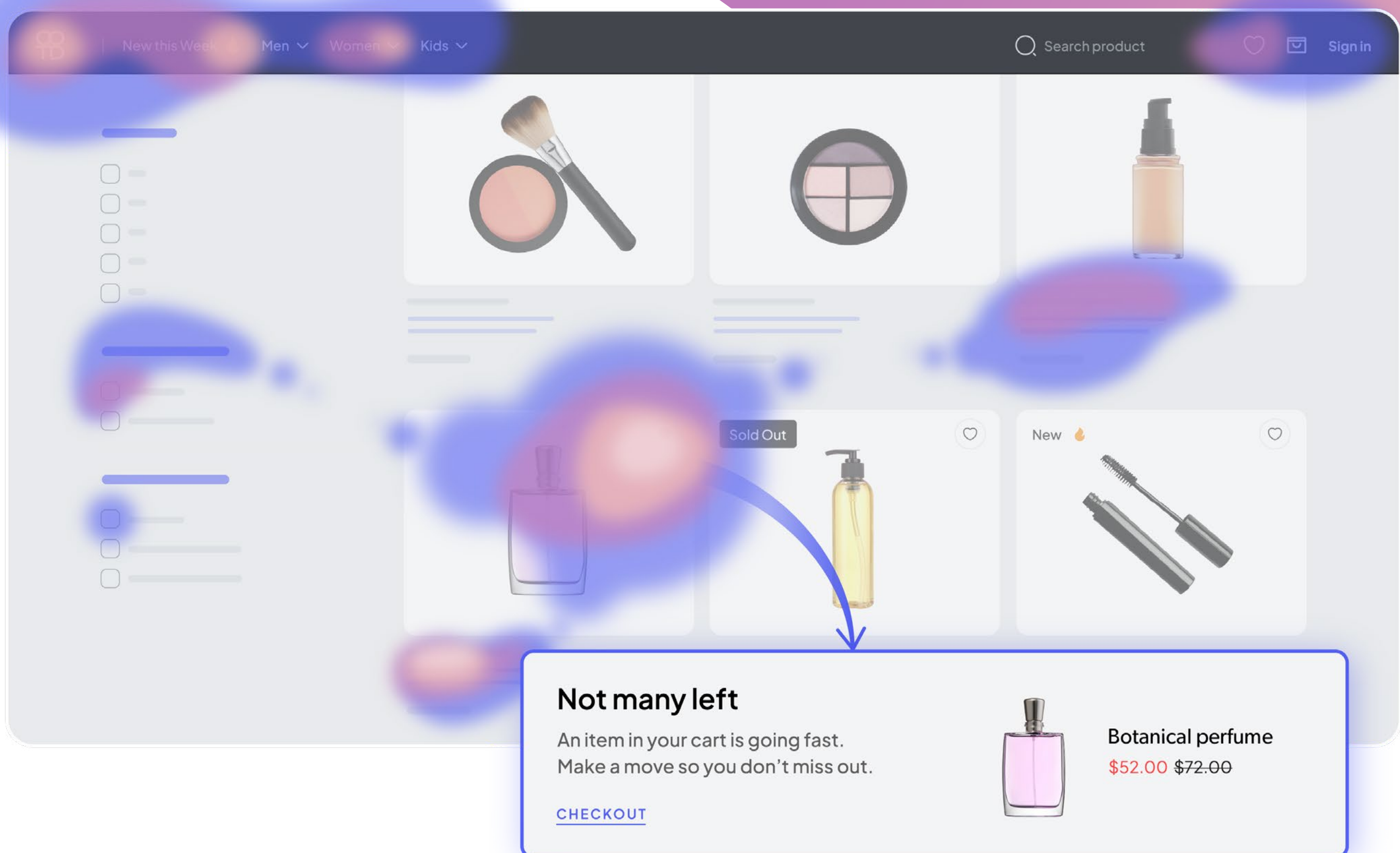
While personalization and contextualization are closely connected, they couldn't be more different. Unlike personalization, contextualization is an automated approach that interprets each shopper's digital body language to anticipate their needs. This can include everything from the shopper's current location and device to their individual actions.

Because contextualization continually adapts and tailors the customer experience in real-time, it's more dynamic and responsive than personalization. The result is relevant information and recommendations that align with each shopper's immediate needs.

UNDERSTANDING DIGITAL BODY LANGUAGE

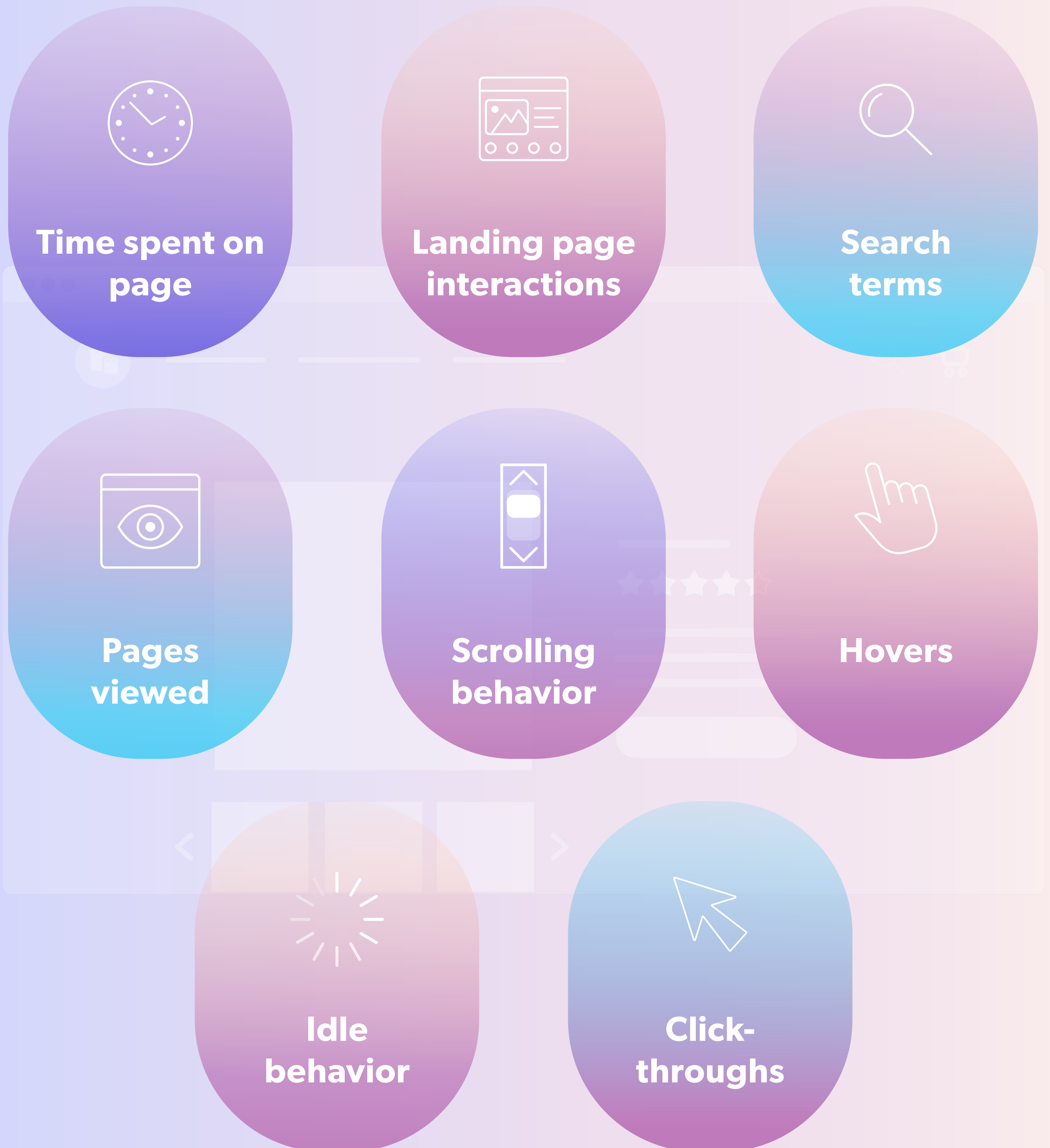
Similar to physical cues an in-person shopper makes in a brick-and-mortar, such as searching for a specific item or giving a sales associate the evil side-eye, online shoppers display digital body language through their actions on an e-commerce website. These actions, such as clicks, scrolls, and search queries, convey valuable insights into the shopper's intent, preferences, and level of engagement. For example, a quick series of clicks might indicate urgency, while prolonged inactivity could suggest disinterest in your site.

By interpreting digital body language, contextualization technology can both understand and anticipate each shopper's needs and preferences, resulting in a more intuitive and personalized experience.



TYPES OF DATA USED IN CONTEXTUALIZATION

Contextualization primarily relies on in-session actions and behaviors to personalize the shopping experience, including:



CONTEXTUALIZATION

PROS

Provides hyper-personalized experiences for new, unknown, and anonymous shoppers

Does not require personally identifiable information or shopper historical data

AI-powered software adapts experiences based on digital body language, enhancing user engagement

Machine learning technology trained across shopper sessions to intervene ONLY when it would increase the likelihood of the sale

Automated setup, management, and adjustments

Technology is continuously learning and improves with every session

CONS

Limited effectiveness for multi-session or cross-channel personalization

May not integrate with customer data platforms, loyalty programs, or multi-channel marketing tools

Narrow focus on on-site or in-app experiences

PERSONALIZATION

Through pre-set and manually managed segments, tags, and triggers

Who it benefits

Known shoppers

Where it works best

Across an omni-channel shopper journey

Search history

Viewing history

Product ratings

Location data

Wishlist items

Traffic sources

CONTEXTUALIZATION

Through real-time responsive artificial intelligence and machine learning technology

Who it benefits

All shoppers

Where it works best

Dynamically updating the on-site or in-app experience

Landing page

Pages viewed

Search terms

Time on page

Scrolling behavior

Clicks and hovers

Idle behavior

Raising the bar in 2024

Currently, 88% of online shoppers are more likely to continue using an e-commerce site that offers a more personalized experience.³ But how are companies delivering the personalization customers desire? While most retail CEOs believe AI personalization can help meet these increasingly demanding customer expectations⁴, implementing real-time personalization remains a major challenge.

How significant are the following challenges in delivering real-time personalized offers to customers?



Implementing and leveraging AI for personalization



Supporting real-time delivery of personalization with the right system(s)



Offering seamless cross-channel experiences (e.g., recognizing customers across channels)



Implementing a hybrid strategy that includes physical and digital customer engagement



Collecting, managing, and leveraging customer data engagement



Audience segmentation and customer intelligence management



Percent of shoppers

Despite acknowledging the importance of AI to personalize the online shopping experience,

83% of retailers stated that the use of AI for real-time personalization is still a significant hurdle.

Still, many re-commerce brands are still adopting personalization and contextualization techniques to help them exceed customer expectations.

How are you leveraging different personalization and optimization tactics today?



Email Personalization



Product Recommendations



Content Personalization



Product Curation



Re-engagement Messaging



Cross-selling and Upselling



Exit-Intent Messaging



Urgency and Scarcity Messaging

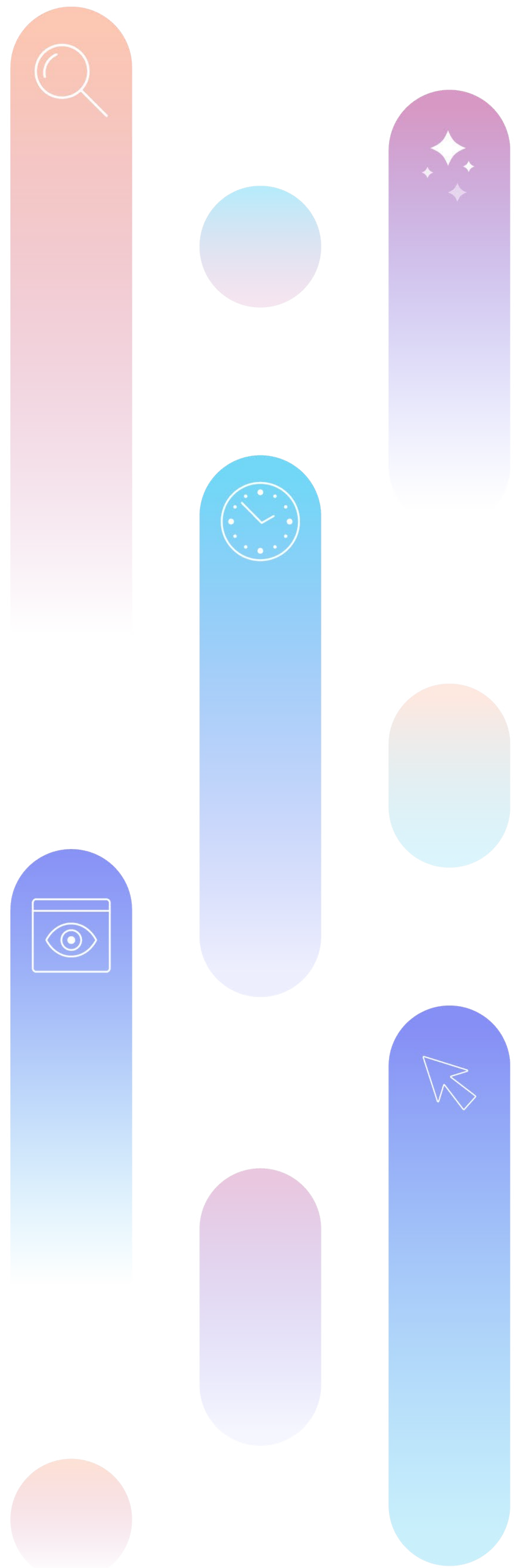


Social Proof



Of the tactics surveyed, traditional personalization strategies, such as email personalization, product curation, and personalized search results are the most widely adopted. Contextualization techniques, like exit-intent messages, urgency and scarcity messaging, and social proof were among the least effectively employed.

This paints a pretty clear picture: Early adopters of contextualization technologies stand to gain a competitive advantage by delivering tailored, relevant experiences to their customers.



Contextualization in action

Contextualization can take a variety of forms on any page of your e-commerce site, catering to the unique needs and preferences of each individual shopper.

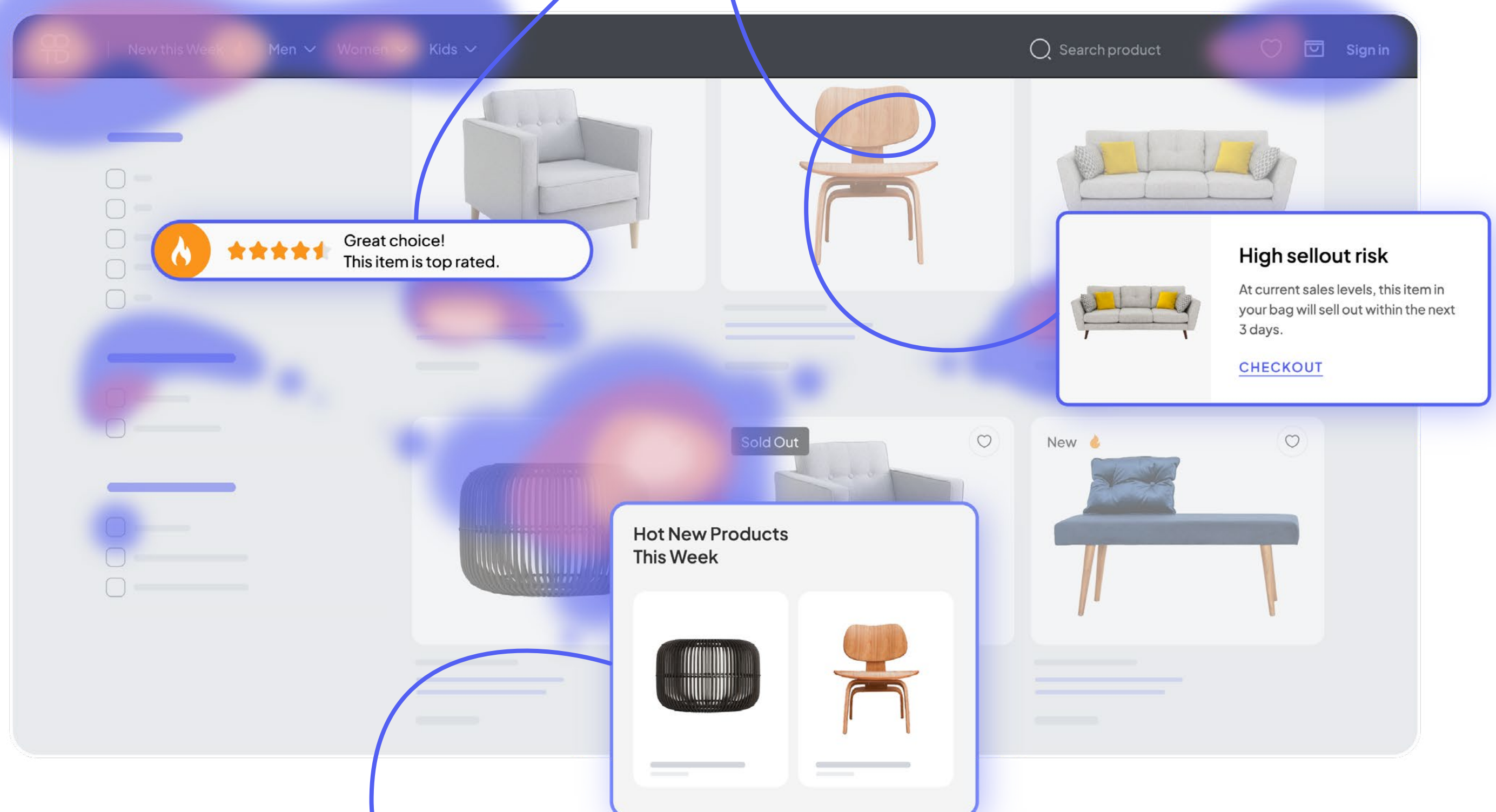
Generally, these messages fall into three categories:

MAKING THE MOST OF SOCIAL PROOF

Leveraging user-generated content (UGC), ratings and reviews, and real-time product data, provides additional insights that enhance product credibility and greatly influence purchase decisions.

CREATING URGENCY

Time-sensitive messages or limited inventory alerts that are anchored in accurate, real-time data encourage immediate action for shoppers on the fence about making a purchase.

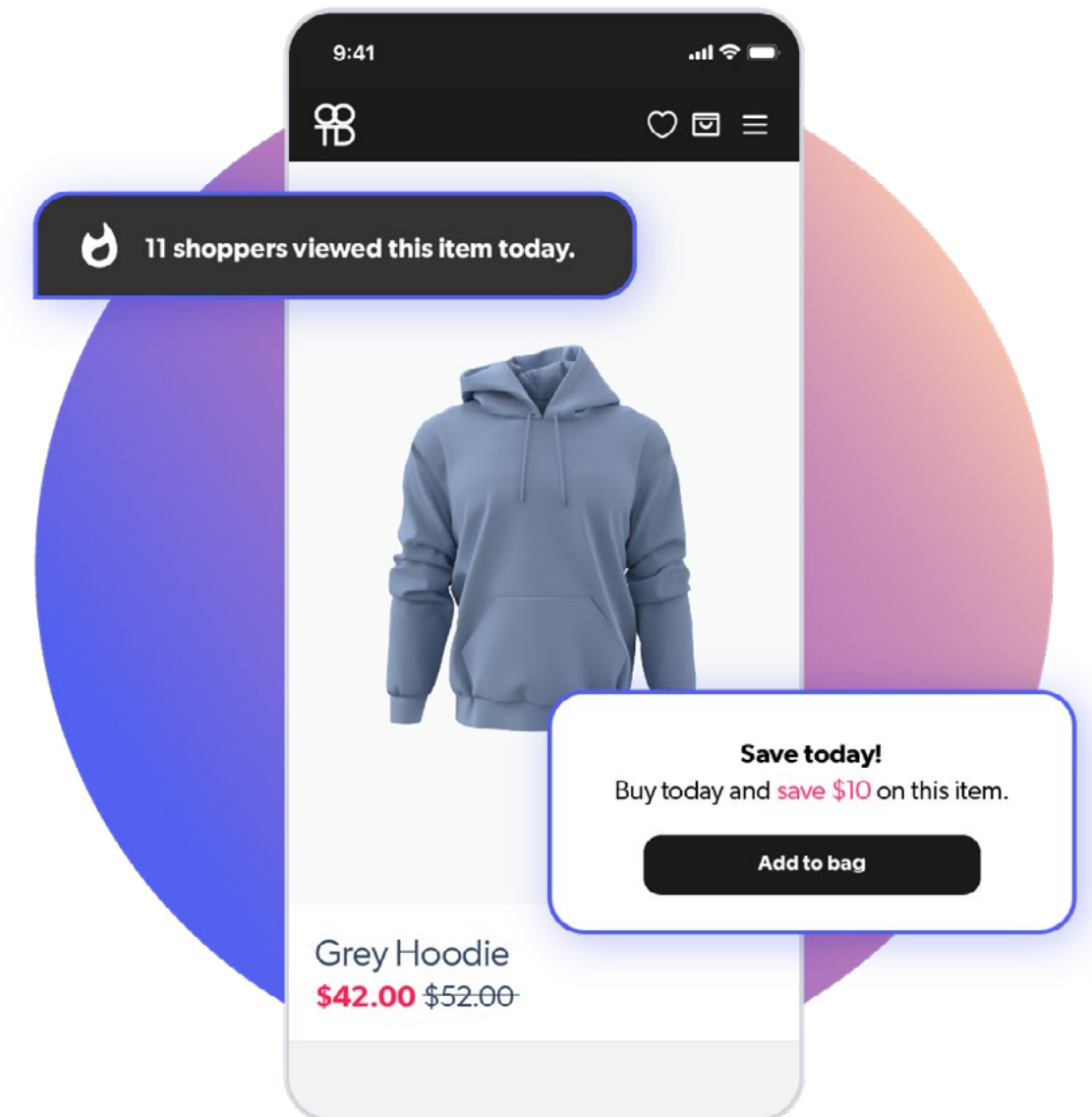


SURPRISING AND DELIGHTING SHOPPERS

Creating a special moment with each shopper evokes moments of whimsy that will encourage them to hit the "Buy Now" button.

SUCCESS STORY

Top retailer hits \$18.9 million revenue in style in only 60 days



North America's largest specialty retailer integrated multiple sites using Bazaarvoice Contextual Commerce™, resulting in significant revenue boosts and improved performance metrics.

Working collaboratively across all four brands, we developed a customized platform that could:

- Display product spotlights designed for each brand's standards
- Provide real-time performance reporting across all brands
- Share cart and check-out data across all sites while still being able to see individual performance

The results were immediate. Not only did the revenue-per-visit and conversion rate increase by over 2% in the first 2 weeks alone, but by an average of 3.6% over 60 days across all four brands.

6.4%

Revenue-per-session lift

7.7%

Conversion rate lift

\$477M

Incremental revenue generated as of 2024

SUCCESS STORY

App-solutely amazing: \$4.5 million boost in iOS revenue in just 4 months

Having seen success with Bazaarvoice Contextual Commerce™ on their e-commerce site, this billion dollar retailer wanted to harness the power of contextualization on their existing iOS application, without creating barriers to the shoppers' existing app experience.

Our teams worked together to develop and integrate product spotlights already on the site into a seamless experience within the iOS application. These spotlights also needed to work in unison with their app development team to ensure a smooth build and launch process across all iOS devices.

In just 4 months, an additional \$4.5M in revenue was generated from the iOS app integration alone.

6.86%

Revenue-per-session lift

6.14%

Conversion rate lift

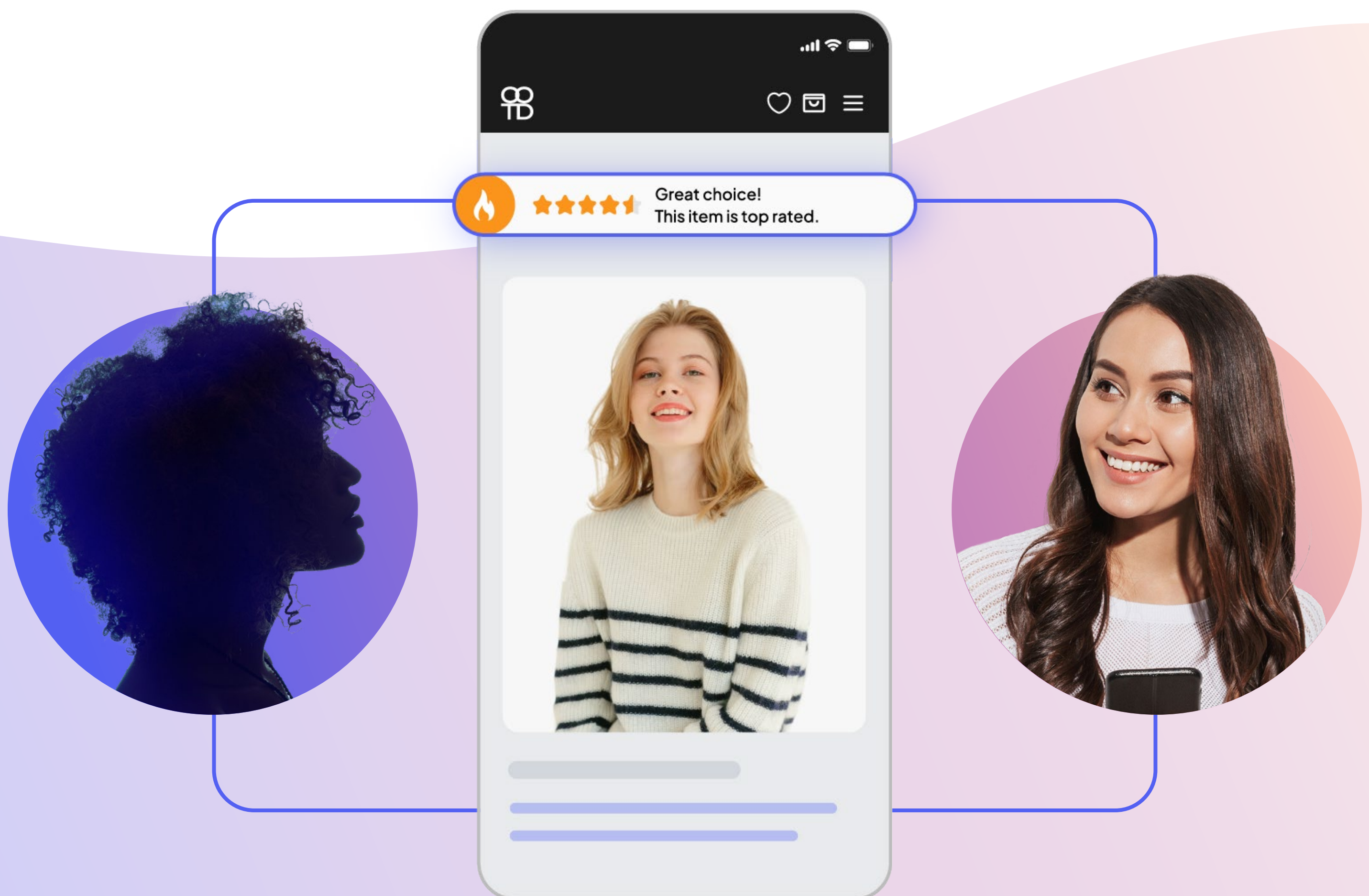
\$0.25

Increase in revenue-per-session

So, what's better for your bottom line, contextualization or personalization? The answer is both.

Personalization uses historical data to trigger rules-based messages and offers, and delivers a seamless user experience across all channels. Contextualization takes a dynamic, real-time approach to target new, unknown, and anonymous shoppers, offering the flexibility needed to cater to the diverse preferences and behaviors of each user. For retailers, striking the right balance between these two strategies is essential, and depends on your business' specific goals and resources.

Already taking advantage of personalization technology? Contextualization can take your personalization to the next level by targeting not only known shoppers, but anyone who visits your e-commerce site—helping you elevate the digital shopping experiences for all of your site's visitors. And the more shoppers you delight, the greater the return on investment in both revenue and loyalty.



Why choose Bazaarvoice Contextual Commerce?

ENHANCE EVERY MOMENT

With advanced machine learning, you can deliver the intelligently-tailored experiences today's shoppers crave, at exactly the right moment. It's tech that also performs better and better over time so you'll see more incremental revenue outside of the conversion you're already seeing today.

A TRUE PARTNERSHIP

White-glove service means we're bringing our chops to this partnership. You'll get proactive strategic guidance from dedicated experts to drive to the right outcomes, faster implementation, a program that works without requiring you to dedicate resources to it, and ongoing support that molds to your needs (not the other way around).

MORE REACH, LESS RISK

We use shoppers' real-time behavioral data (not PII) to create dynamic, contextualized shopping experiences. That means that everyone who visits gets the best experience (whether new to the site or not). And, you can reduce the added privacy concerns that would come with using shoppers' personal information.

SHARED RESULTS

With us, you'll only ever pay for proven impact. We start with a data validation so you can be confident of the incremental revenue we'll generate. We only charge for the incremental revenue you wouldn't otherwise have without us. And, we make sure you always see results. It's a no-risk, surefire path to revenue uplift.



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Thousands of the world's leading brands and retailers trust Bazaarvoice technology, services, and expertise to drive revenue, extend reach, gain actionable insights, and create loyal advocates. Bazaarvoice's extensive global retail, social, and search syndication network, product-passionate community, and enterprise-level technology provide the tools brands and retailers need to create smarter shopper experiences across the entire customer journey.

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Supercharge your commerce engine