PERSONALIZED MARKETING COMMUNICATION OF RUSSIAN RETAILERS: LINKING THEORY WITH PRACTICE

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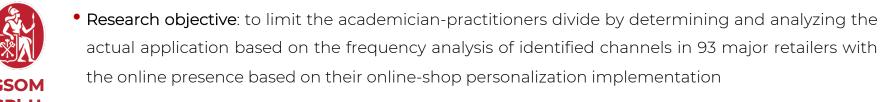
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Agenda

Introduction

- Business benefits by using **personalized marketing communication (PMC)** (Strycharz et al., 2019), however, the bridge between the slower and more theoretical path of academic research and the rapid pragmatic development of practice and business needs to be built to obtain relevant results and enhance marketing field

- With the increase of new people integration into e-commerce due to the self-isolation during the COVID-19 pandemic, the topics addressing the enhancement of personalization through more information absorption are becoming of high importance (Huang & Rust, 2021)

- **Research focus**: PMC as an interactive process that partly includes all aforementioned aspects

- **Research objective**: to limit the academician-practitioners divide by determining and analyzing the actual application based on the frequency analysis of identified channels in 93 major retailers with the online presence based on their online-shop personalization implementation

Theoretical overview

Personalized marketing communication = "key to success" in the digital world (eMarketer, 2018), however, need for research due to the **high controversy** in the consumer research on the consequences and implications of personalization.

Academic perspective:

Aspects of marketing output aspects to be personalized:

- banners (Bang, Wojdynski, 2016),
- address lines (Maslowska et al., 2011),
- website content (Tam and Ho, 2005).

Practitioners' perspective:

No differentiation between the channels but reference to seven techniques (Strycharz et al., 2019):

- online behavioral targeting,
- email marketing,
- social media advertising,
- apps and notifications,
- on-site personalization;
- customization,
- price differentiation

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Such approach of abandoning separate marketing channels in favor of more integrated digital marketing communication leads to the acceptance of **consumers' inclination to think in terms of convenience rather that the channels use** (Manser Payne et al., 2017).
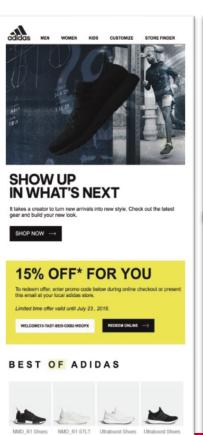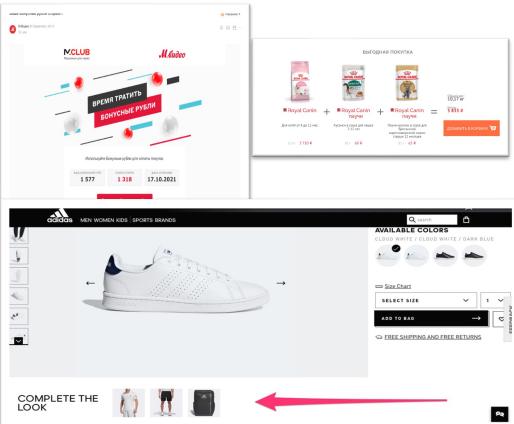
Theoretical overview: PMC techniques

- **Online behavioral targeting** is defined as "adjusting advertisements to previous online surfing behavior" *[Smit et al., 2014, p. 15]*.

- The **mobile application** availability helps customers to increase their loyalty to the particular retailer, additionally, applications increase customers' trust *[Ozturk et al., 2017]*.

- **On-site personalization** is also known as "web-morphing" and is defined as "inferring latent customer segments from clickstreams and then changing websites' look and feel to maximize revenue" [Hauser et al., 2014].

- **Price differentiation** is less discussed topic as it refers not to the product or service but its price *[Strycharz et al., 2019]*. Such approach relates to particular aspects on the online retailer interfaces in the form of recommendations framed as "good bargain" or "good sell".

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Theoretical overview: Examples of PMC

Empirical research: Methodology

- In order to untangle the personalized marketing communication channels, 100 largest online-retailers were taken as the object of analysis.

- This list is based on the 2021 rating of the recognized market analytics company DataInsight.ru that lists the online retailers' ratings based on their average check, online visitors and change percentage in Russian market.

- Out of 100 retailers with the online presence (including marketplaces), 93 retailers remained in the list of analysis as they are fully country-based, their web-site contains at least 1 personalization channel and they provide the catalogue with the products and services they offer.

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Empirical research: Results (# of companies using the channel)

Personalization technique	Personalized marketing communication channel		# of companies
Online behavioral targeting	automatic personalization rooted in the prior customer online behavior, is not explicitly tested through channels as it is considered to be taken for granted ("Cookies" notification - 20)		
Email marketing	Newsletters; Personal discounts / offerings / birthday gifts; Third-party followed emails with gifts for the limited time		93
Social Media Advertising	Social networks integration in general		83
	Facebook		77
	vk		80
	Instagram		74
	twitter		29
	YouTube		53
	Odnoklassniki		44
	telegram		12
	TikTok		5
	Yandex Dzen		10
Apps and Notifications	Mobile app availability in general		73
	(push) Notifications in browser		27
	UX (feedback)		8
	Virtual try-on		1
On-site personalization	Personalized recommendations	item-based	55
		user-based	28
		customer-specific	55
		packages	28
	Real-time scarcity of products		15
	Product popularity		3
	Location-based personalization		75
Customization	Shopping cart		88
	Chatbot online bowser		18
	Chatbot in messenger		22
Price Differentiation			19

Key Findings

- **Email targeting** is one of the most reoccurring personalization techniques

- **Emails** include personalized title; also, the content may be of different levels of personalization – personalized offerings and business newsletters are more general in comparison with the special offers and reminders of the products viewed but not purchased

- Almost all companies are presented in at least one **social network** (83 out of 93), and the most used **social network is country specific** (vk.com).

- The absence of the **mobile app** is likely to cause customer confusion due to them getting used to such tools, however, several top-retailers did not invest in such tools.

- **On-site personalization** one of the central techniques for online retailer web-site as it allows the customer face the morphed interface based on the customer needs.

- **Shopping cart** – what products the customer puts there, what they delete, what they purchase and not – these actions become the foundations for further scripting of the offerings provided to the customers.

- **Price differentiation** is frequently presented based on either the packages of the products or the personal discounts.

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Conclusions

- Personalization has many faces (Vesanen, 2007), and the research in this paper confirms this statement.

- Rooted in the purely theoretical analysis of the nature, benefits and costs of personalization and framed by the practice-rooted personalization techniques developed by (Strycharz et al., 2019), this addressed the practice-rooted personalization techniques developed.

- Based on the frequency analysis of personalized marketing communication channels, the numerical and detailed analysis of the outcomes was presented to enrich the interview-based outcomes of the mentioned article.

- The analysis of 93 top retailers with online presence and marketplaces provided with the clear understanding of the practical implementation of the techniques, therefore this article contributed into bridging the academic-practice bridge.

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