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Drive business growth with machine learning personalization

Meet customer expectations and improve business outcomes with Amazon Personalize

Powerful personalization, now for every business

The rapid development of technology and the growing amount of time people spend online have increased the number of consumer touch points and interactions with brands they engage with. The concept of personalization (although not new) offers organizations the ability to improve brand loyalty, grow sales and revenue, and increase efficiency by using data to create more sophisticated and unique customer experiences. According to a 2019 McKinsey study, organizations that have implemented personalized recommendations and triggered communications have realized a **5–15 percent** increase increases in revenue and a **10–30 percent** increase in marketing spend efficiency.[1]

5%-15%
increase in revenue

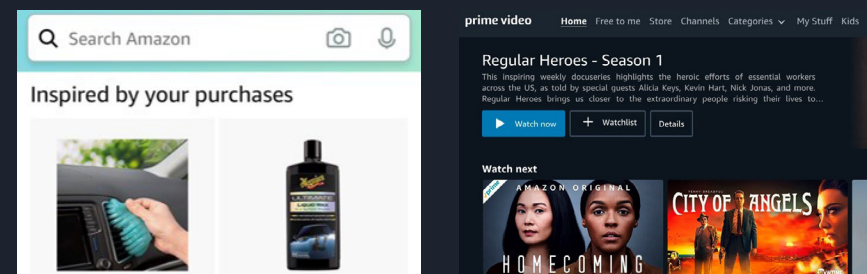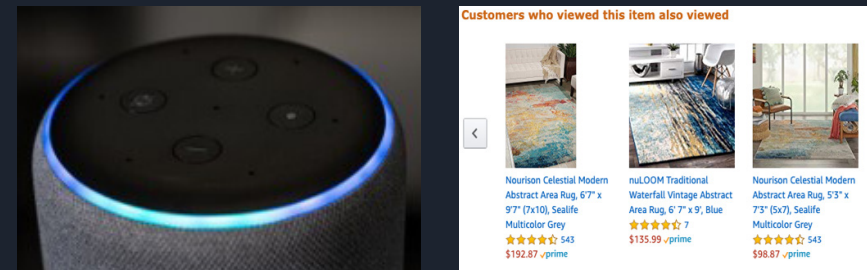### 10%-30%
increase in marketing spend efficiency

Personalization at Amazon.com

Amazon.com pioneered personalization starting in 1998 when the store introduced an array of features to better serve book buyers, including instant recommendations from its large catalog. Since 1998, Amazon has leveraged decades of research in personalization to enhance the customer experience across Amazon.com, Prime Video, Amazon Music, Kindle, and Alexa through recommended item and content widgets. AWS customers can take advantage of these decades of experience to enable developers to build applications with machine learning techniques used by Amazon.com for real-time personalized recommendations–no ML expertise required.

Then

Now

As the ability to deliver more sophisticated experiences has evolved over time, consumers today expect real-time, curated experiences across digital channels as they consider, purchase, and use products and services.

63% of consumers see this as the standard level of service

However, many organizations struggle to deliver personalized experiences due to scale limitations of static, rule-based systems; complexities and costs implementing a machine learning (ML)-based solution; and friction with platform integration.[2]

Amazon Personalize enables developers to build applications with the same ML technology used by Amazon.com for real-time personalized recommendations—with no ML expertise required. Amazon Personalize makes it easy to develop

applications for a wide array of personalization use cases, including specific product or content recommendations, relevant product rankings, and customized marketing communications. In this eBook, we'll take a deeper look at Amazon Personalize and what it can mean for your business.

LOTTE Mart

Revenue and product discovery

Retailer Lotte Mart reported a **5X increase** in response to recommendations and **40 percent higher** first-time sales after implementing Amazon Personalize

VL

Customer acquisition, engagement, and retention

Viewlift, a media leader in end-to-end platform services for web, mobile, and over-the-top (OTT), achieved a **24 percent increase** in clicks on the recommended videos tray with Amazon Personalize compared to the curated or auto-generated trays of content

KEEN

Conversion rates

In a marketing email test, footwear brand KEEN saw a **67 percent higher CTR** (click-through rate) in emails that used Amazon Personalize vs. control messaging

Why Amazon Personalize?

Amazon Personalize is helping customers overcome challenges by creating high-quality personalized recommendations using ML. For example, Pulselive, a digital sports technology company, was able to add Amazon Personalized-powered recommendations to their platform and **increase content (video) consumption by 20 percent**. Let's dive deeper into four primary benefits of Amazon Personalize.

Deliver high quality recommendations, in real-time

The ML algorithms used by Amazon Personalize create higher-quality recommendations that respond to the specific needs, preferences, and changing behavior of your users, improving engagement and conversion. They are also designed to address complex problems such as creating recommendations for new users, products, and content with no historical data.

ML powered personalization in days, not months

With Amazon Personalize, you can implement a customized personalization recommendation system, powered by ML, in just a few clicks without the burden of building, training, and deploying a "do it yourself" ML solution.

Data privacy and security

All of your data is encrypted to be private and secure and is only used to create recommendations for your customers. Data is not shared between customers or with Amazon.com. You can also use one of your own AWS Key Management Service (AWS KMS) keys to gain more control over access to data you encrypt. AWS KMS enables you to maintain control over who can use your customer master keys and gain access to your encrypted data.

Personalize every touch point in the customer journey

Amazon Personalize easily integrates into your existing websites, apps, SMS, and email marketing systems to provide a unique customer experience across all channels and devices, eliminating high infrastructure or resource costs. Amazon Personalize provides flexibility for you to use real-time or batch recommendations based on what is most appropriate for your use case, enabling you to deliver a wide variety of personalized experiences to customers at scale.

Amazon Personalize for Retail

State of the industry

The retail industry has changed, and it has been challenging for many organizations to adapt to pricing pressures, market disruption from emerging online players, and the ever-evolving expectations of customers to have access to hundreds of millions of current and existing offerings across multiple brands. Those challenges combined with the prevalence of legacy technology stacks are preventing the retail industry from having a holistic understanding of their customers' behavior.

In order to compete, retail organizations cannot rely on traditional differentiation tactics like unique selection or mass pricing and promotions strategies. Instead, organizations will need to maximize their data to provide custom, unique experiences across digital channels to surprise and delight their customers along every touch point of the customer journey. This strategy offers unparalleled differentiation, which will set retail organizations apart in the minds of consumers.
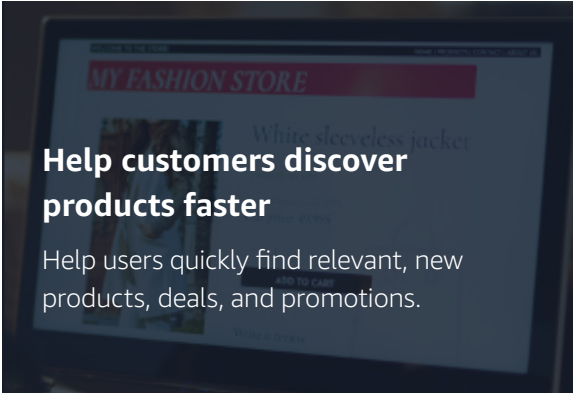
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Six use cases for retail

Amazon Personalize combines interaction data with customer and item data from multiple systems to make more accurate predictions about customer purchase intent and behavior. With these insights, retail businesses can start engaging customers with relevant experiences across channels to drive awareness, consideration, and purchase. Let's take a closer look at common personalization use cases for the retail industry that Amazon Personalize can be leveraged for.
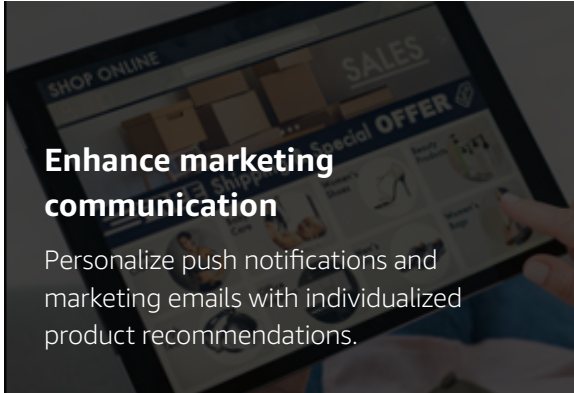
Deliver a unique homepage experience

Personalize users' homepage with product recommendations based on their shopping history.
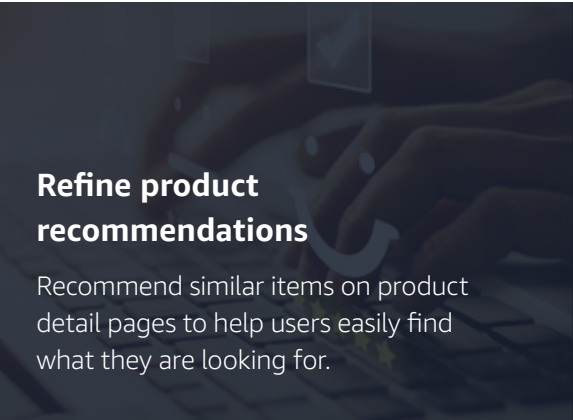
Help customers discover products faster

Help users quickly find relevant, new products, deals, and promotions.

Enhance marketing communication

Personalize push notifications and marketing emails with individualized product recommendations.
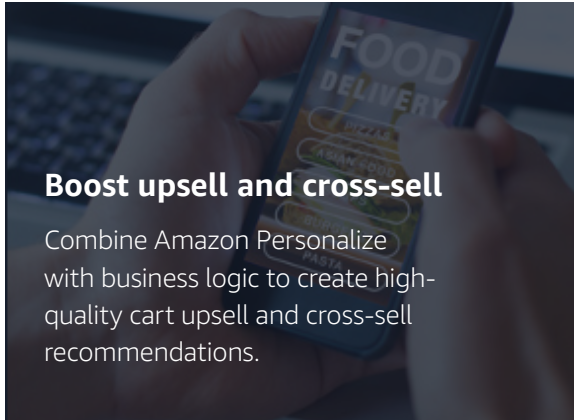
Refine product recommendations

Recommend similar items on product detail pages to help users easily find what they are looking for.

Relevant product rankings

Easily re-rank relevant product recommendations to drive tangible business outcomes.

Boost upsell and cross-sell

Combine Amazon Personalize with business logic to create high-quality cart upsell and cross-sell recommendations.

MECCA

Delivering the same personalized experience online as in-store

MECCA, a beauty and cosmetics retailer based in Australia and New Zealand, prides itself on its highly personalized in-store services. Over time, shopping at MECCA becomes akin to having a personal stylist, as the store collects information about customers' skin tone, style, and preferences to create an ongoing beauty profile that allows sales associates to recommend products based on prior visits and engagements.

MECCA sought to translate its in-store service to its digital outlets, enabling customers to get the same level of personalization and care online as they would in the store. A fast and effective proof of concept with Amazon Personalize, led by the MECCA technology and CRM teams in collaboration with their partner Servian, Mecca has been able to pursue this goal without developing its own recommendation engine for email marketing communications.

"Since integrating (Amazon) Personalize, we are seeing our customers respond positively to the new recommendations with a 65% increase in email click-through rates and a corresponding increase in email revenue relating to the products recommended by (Amazon) Personalize," said Sam Bain, eCommerce and CRM Director at MECCA.

Using the success of the email program as a proof of concept, MECCA is now extending use of Amazon Personalize to its website—demonstrating the benefits of starting small with Amazon Personalize and then expanding use if, when, and where it makes the most sense for your organization.

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Amazon Personalize for Media and Entertainment

State of the industry

The business model of the media industry has changed. The distinctions between print and digital, video games and sports, pay TV and over-the-top (OTT), and social and traditional media are blurring. Consumer expectations for nearly endless content choices anytime, anywhere, and on any screen are driving business and operational changes for media and entertainment companies. Media and entertainment (M&E) companies need to be able to deliver premium content to an audience that is engaged with the brand and do so in a cost-effective manner.
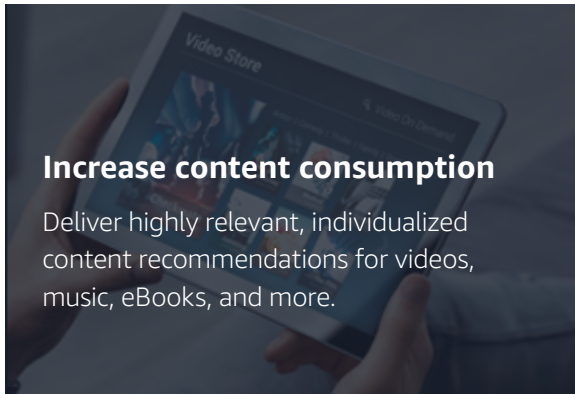
To compete, M&E organizations must prepare for a business environment defined by constant change. This requires a media and information infrastructure that flexes with audience expectations, accelerates roadmaps, facilitates innovation, and evolves with the business. Media and entertainment organizations must transition from a one-to-many relationship with their customers to a direct, one-to-one relationship. As organizations realize they need to build closer relationships with consumers, they must build more personalized direct-to-consumer models.
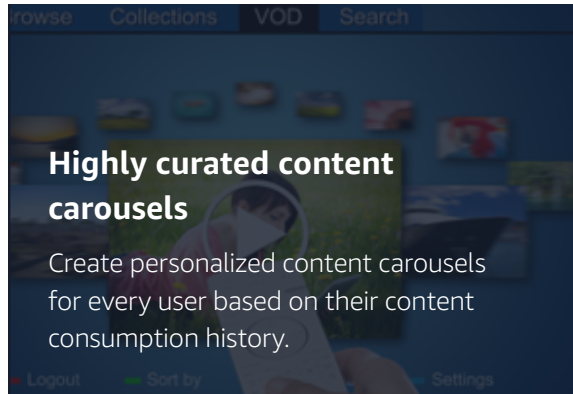
Six use cases for Media and Entertainment

AWS gives media and entertainment organizations a tool to build strong, direct connections with consumers and deliver innovative viewing experiences with Amazon Personalize. Let's take a closer look at common personalization use cases for the media and entertainment industry that Amazon Personalize can be leveraged for.
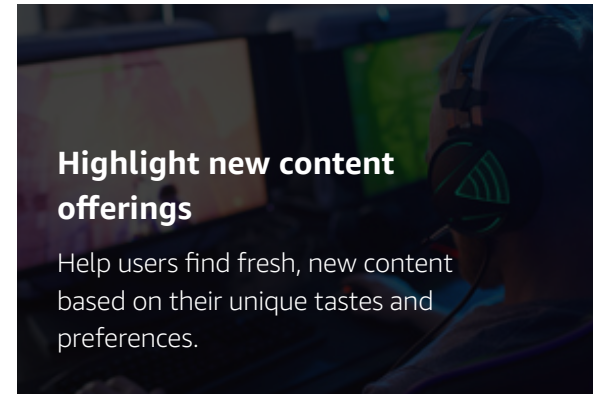
Increase content consumption

Deliver highly relevant, individualized content recommendations for videos, music, eBooks, and more.
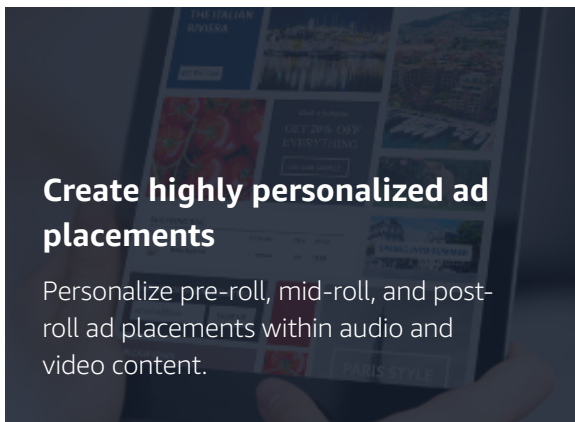
Highly curated content carousels

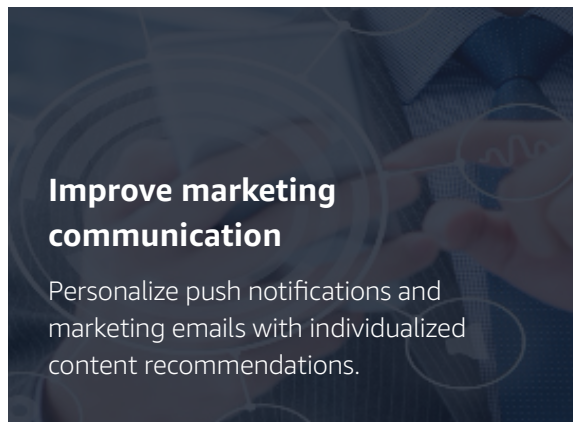Create personalized content carousels for every user based on their content consumption history.

Highlight new content offerings

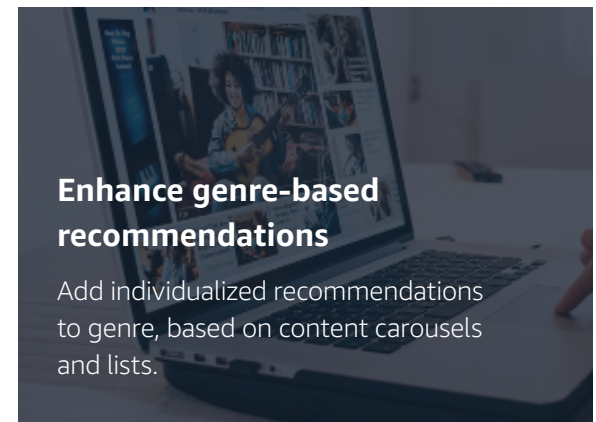Help users find fresh, new content based on their unique tastes and preferences.

Create highly personalized ad placements

Personalize pre-roll, mid-roll, and post-roll ad placements within audio and video content.

Improve marketing communication

Personalize push notifications and marketing emails with individualized content recommendations.

Enhance genre-based recommendations

Add individualized recommendations to genre, based on content carousels and lists.

Pulselive

Taking sports (even more) personally

Pulselive, a digital media sports technology company, strives to create experiences sports fans can't live without—whether that's the official Cricket World Cup website or the English Premier League's iOS and Android apps.

In an effort to improve customer experiences even further, Pulselive began incorporating Amazon Personalize into its offerings. The company quickly found that the machine learning-powered recommendations provided by Amazon Personalize yielded big results—without big investments in machine learning talent or training.

"We don't consider ourselves machine learning experts, but found (Amazon) Personalize to be straightforward and the integration was complete in a few days," said Wyndham Richardson, Managing Director and Co-Founder of Pulselive.

Almost immediately, the benefits began to roll in. Pulselive was able to use its more sophisticated recommendation engine to enable one client—a premier European football club with millions of global fans—**to increase video consumption by 20 percent** across its website and mobile app.

Moving forward, Pulselive plans to use Amazon Personalize to take the sports fan experience to even greater heights.

"Leveraging Amazon Personalize, we will be able to further push the limits in building data-driven, one-to-one, personalized experiences for sports fans everywhere," Richardson said.

Taking the next step

Across retail, media and entertainment, and virtually every other industry that engages directly with consumers, Amazon Personalize is making advanced, real-time personalization recommendations a reality for businesses of every shape and size.

Amazon Personalize enables organizations to generate sophisticated, highly accurate, and dynamic personalized recommendations to create differentiated, seamless customer experiences—all with:

Speed and efficiency

Zero disruption to your existing operations

No prior machine learning experience required

Organizations that most effectively create personalized experiences that increase engagement and revenue are likely to thrive. With minimal investment required and fast ramp-up time, Amazon Personalize can make personalized recommendations and incredible customer experiences a reality—not in six months, not in a year—but in just a few days.

Get started »

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