

## **PERSONALIZATION**

# How to build authentic customer relationships that increase lifetime value

January 2025

Personalization is more crucial than ever, according to Deloitte Digital's recent research.\* Since our foundational study in 2022,<sup>1</sup> consumer interest in personalization has increased 20%, and 50% more brands consider it a core component of their customer strategy.

Yet despite heightened attention, only a quarter of brands are delivering the kind of personalization consumers recognize and want. **How do these standouts do it?** They recognize personalization as a mutual exchange in which customers share information about themselves—and brands reciprocate by delivering spot-on experiences that bring value to customers' lives.

In a new series of articles, Deloitte Digital is delving into ways that brands can unlock the potential of personalization. Relationship activation is one of these ways—it instills end-to-end strategies and processes that help brands build deeper and more sustained connections with their customers and drive business outcomes.

### **A PLAYBOOK FOR ENDURING RELATIONSHIPS**

Many brands are going all-in on personalization. Our research revealed that surveyed brands are pouring 51% of their total marketing budgets into personalization, and 62% are deploying customer relationship management (CRM) platforms aimed at strengthening their understanding of and outreach to customers.

Yet despite investments in valuable platforms, most surveyed brands acknowledge that execution and coordination of personalization initiatives has been challenging. They cite shortcomings across a range of capabilities—from analytics, testing and measurement, to customer and market insights, to creative and design execution. Notably, only half of brands say their teams collaborate

closely to achieve a cohesive personalization strategy—while the other half of brands describe siloed teams and limited cross-functional collaboration.

The result? Personalization that doesn't feel relevant to the people who matter most. Surveyed consumers said that only 43% of their customer experiences feel personalized—despite brands claiming to personalize 61% of experiences.

To bridge this divide, brands will need more than platforms and point solutions—they should develop a unified, coordinated playbook for relationship activation. When customer insights, creative strategy and campaign execution are in sync, brands can deliver personalized experiences that drive lasting value for customers and the business alike.

### **COMPLETE THE CONNECTION**



2 out of 3 of consumers gravitate toward brands that demonstrate an understanding and anticipation of their needs ...

**36%**

of brands said they have the “complete ability” to personalize and connect customer experiences across multiple channels.

\* This report highlights results from a January–February 2024 survey of 500 business executives who are responsible for personalizing the customer experience at US business-to-consumer companies, plus 1,000 adult consumers who had interacted with a brand online or through an app in recent months. Unless otherwise noted, the statistics and insights highlighted in this article are based on that research survey.

## INSTALL AN END-TO-END FRAMEWORK

So how can brands make the most of their personalization investments to activate deeper relationships? Through Deloitte's ongoing work with clients across industries and sectors, consumer-brand relationships are formed the same way that every human relationship is formed: through memories, moments and messages. Our framework for relationship activation is based on these three, end-to-end pillars:

- **Honor your shared memories:**

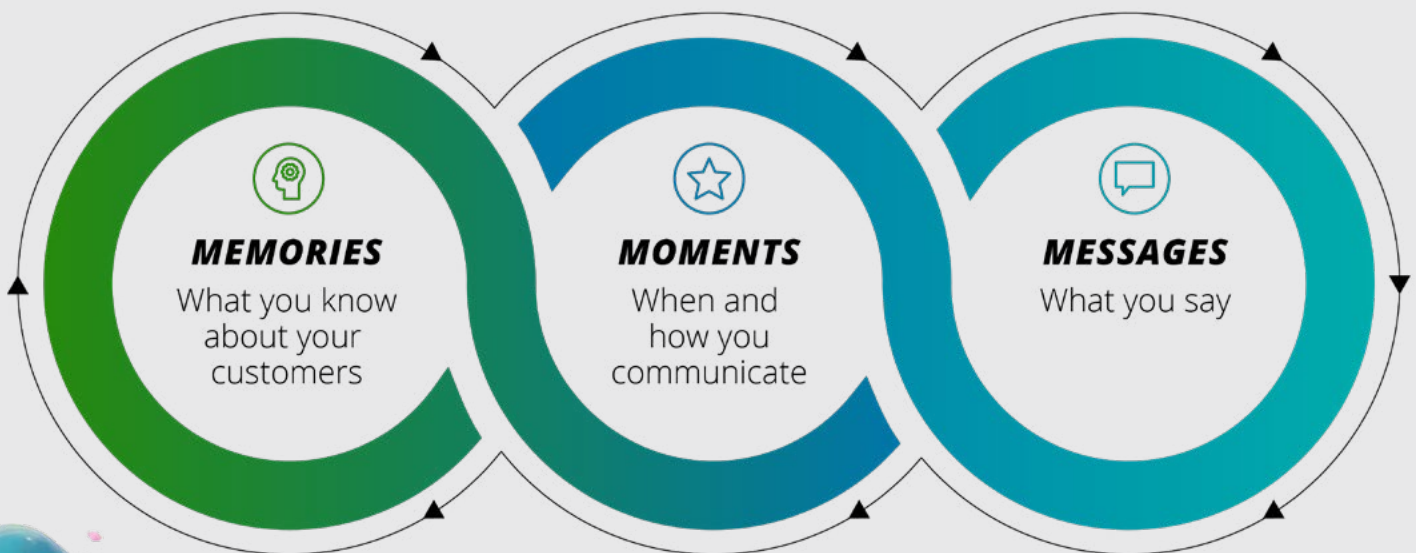
In our everyday human experience, each interaction can shape a memory. The people you're with carry these memories too: Your nana remembers your preference for birthday pie over cake. Your friend remembers the indie band you discovered together and buys concert tickets when it's in town. Similarly, brands accumulate the memories of their customers—in the vast amounts of data gleaned in interactions. However, many brands fail to utilize this data effectively—sending offers, for example, on products already purchased. The key to overcoming this memory fog is establishing cohesive processes for collecting, organizing and augmenting customer data. Personalization standouts excel in this regard—in our

research, 85% of top performers said they collect and use extensive data to achieve a 360-degree view of customers.

- **Find your moments:** Which is more appealing: a marriage proposal on a mountain peak, on a busy street corner or at a Michelin-star restaurant? A job offer delivered via social media, phone or face to face? There's no right answer: When it comes to life's most resonant moments, the right *when*, *where* and *how* depend on the individual person. That's why brands must identify the critical moments in the customer life cycle and determine the most impactful channels for different customer personas and segments. This requires clear, cross-functional processes for mapping customer data to moments. By breaking down organizational silos, brands can better recognize and act on the moments that strengthen relationships.
- **Make your messages matter:** As humans, *what* we say to one another matters. And while that's challenging enough in one-to-one situations, brands now face the unprecedented challenge of crafting consistent, resonant messaging

at scale and across numerous channels. While many possess the tools and technologies for creating and distributing content, they lack processes for adjusting and optimizing it in real time while remaining aligned with the overall campaign objectives. Brands must master a "test and learn" mindset, rapidly iterating messages based on performance insights to ensure their communications resonate and reinforce the relationship.

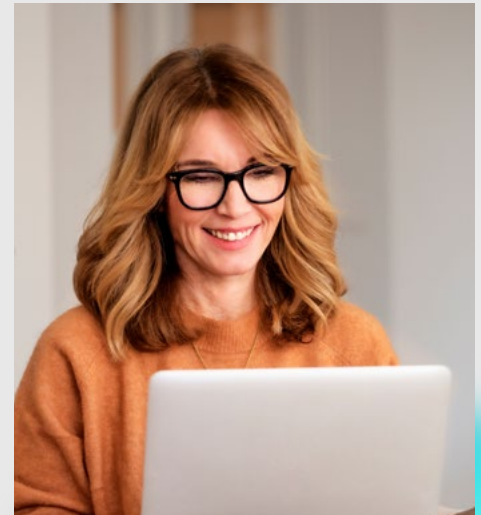
Of course, memories, moments and messages don't exist in isolation. In our framework for relationship activation, every customer interaction feeds back into the system, informing richer customer memories, smarter awareness of key moments and more impactful messages. This continuous loop drives ever-improving, ever-more-personalized brand experiences.



## **STRONG RELATIONSHIP, STRONG RESULTS**

Consumers crave deeper, more individualized relationships with the brands they engage with—and reward those that deliver. Consumers told us they spend, on average, 37% more with brands that offer meaningful, personalized interactions. The impact is clear: brands with robust personalization capabilities exceeded their 2023 revenue goals by 10%, compared to just 1.7% for brands with less mature capabilities.

To achieve these kinds of results, brands must move beyond isolated tactics. Successful personalization stems from a unified activation approach that is anchored in the principles of *human* relationships while leveraging technology, data and operational systems. To learn more about Deloitte Digital's relationship activation services spanning strategy, creative, data, operations and technology, reach out to us or explore [deloitte.digital.com](https://deloitte.digital.com).



---


## **GET IN TOUCH**

### **Tim Greulich**

Managing Director  
Deloitte Consulting LLP  
[tgreulich@deloitte.com](mailto:tgreulich@deloitte.com)

### **Kathleen Erickson**

Managing Director  
Deloitte Consulting LLP  
[kerickson@deloitte.com](mailto:kerickson@deloitte.com)



Download our full report on personalization [here](#).

## **ENDNOTES**

1. Leala Shah Crawford, Embrace meaningful personalization to maximize growth, Deloitte Digital, July 2022, p. 2, <https://www.deloittdigital.com/content/dam/digital/global/legacy/documents/offerings/offering-20220713-personalization-pov.pdf>, accessed August 6, 2024.

---

### **About Deloitte**

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (DTTL), its global network of member firms, and their related entities (collectively, the "Deloitte organization"). DTTL (also referred to as "Deloitte Global") and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see [www.deloitte.com/about](http://www.deloitte.com/about) to learn more.

Deloitte provides industry-leading audit and assurance, tax and related services, consulting, financial advisory, and risk advisory services to nearly 90% of the Fortune Global 500® and thousands of private companies. Our people deliver measurable and lasting results that help reinforce public trust in capital markets, enable clients to transform and thrive, and lead the way toward a stronger economy, a more equitable society, and a sustainable world. Building on its 175-plus year history, Deloitte spans more than 150 countries and territories. Learn how Deloitte's approximately 457,000 people worldwide make an impact that matters at [www.deloitte.com](http://www.deloitte.com).

This publication contains general information only and Deloitte is not, by means of this publication, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This publication is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decision or taking any action that may affect your business, you should consult a qualified professional advisor. Deloitte shall not be responsible for any loss sustained by any person who relies on this publication.