



# Using AI to Personalize the Customer Experience

Doesn't it feel amazing when you walk into a local restaurant, the host greets you by name, and then shows you to your "usual" table? It gets even better when the wait staff personally suggests a bottle of wine that you've never tried before, and it turns out to be perfect. What makes these experiences special is that they have been tailored to your preferences.

Marketers have the opportunity to create equally intimate experiences online to better reach their target audience and drive sales. The only difference is that this has to be done digitally, and without the benefit of looking customers in the eye. Artificial intelligence is the key ingredient to creating these seamless, personalized experiences.

## Individual Experiences at Scale

Personalized digital experiences feel magical because they are designed specifically for individual consumers. As marketers, this can be a high bar to meet and can feel overwhelming. Of course marketers want to deliver individual attention, but how do we do it for thousands - or even millions - of visitors? Artificial intelligence is the answer. AI observes what is happening, integrates past actions, then predicts what will happen next, all in an instant.

Creating amazing experiences doesn't always mean knowing everything about an individual person. Sometimes, it's simply the act of understanding the context of a conversation.

For example, [Facebook recently released an experimental virtual assistant named "M"](#) to all users of the Messenger application. "M" listens to conversations and offers assistance based on the overall context of those conversations - not just the person having it. For example, if someone types "You owe me \$15 for lunch the other day," "M" will suggest a link to transfer payment.

In other cases, interpreting shared experiences across a wide range of people is required. This is exactly what happened recently at Wimbledon, where [IBM put Watson to work building highlight videos](#). Watson would consume video of an entire match and watch for clues as to special moments, such as fan noise and gestures by the players, to build an excitement index. The most appealing clips that rated high on the excitement index were then be selected for highlight reels.

## Artificial intelligence is creating a seismic shift in the business landscape by personalizing consumer experiences.

For marketers, AI can help meet demand for highly individualized experiences, enabling brands to better reach and target their consumers, and ultimately driving sales.

## \$800 Billion at Stake

The ability to create individual experiences is not optional. In fact, billions of dollars will cascade away from brands who fail to deliver personalization, toward those that get it right.

According to [BCG research](#), brands that create personalized experiences by integrating advanced digital technologies and proprietary data for customers are seeing revenue increase by 6% to 10%. Not only that, but "over the next five years in three sectors alone - retail, healthcare, and financial services - personalization will push a revenue shift of some \$800 billion to the 15% of companies that get it right."

## Create a Learning Framework

**Artificial intelligence is incredibly powerful, but sometimes takes time to get things right. It will be especially important to build frameworks that improve over time by continually learning.**



**1. Build in Feedback Mechanisms:** Have you ever let someone use your Amazon Prime or Netflix account and regretted it later? One afternoon of cartoon watching might throw off your usual action recommendations for months to follow. Your AI engine must be set up to learn over time when behavior should be ignored or predictions were wrong.



**2. Collect & Use All Touch Points:** Unlike the human brain which struggles when overloaded with information, AI engines thrive when fed a surplus of information.



**3. Train Systems on Unbiased Data:** [AI algorithms learn by consuming content](#), and when the content they consume is biased, they pick up those biases. For example, if women are associated with children or household chores more than men in books or articles, AI engines learning from those texts take on those gender biases.