Marks & Spencer leverages AI to drive hundreds of millions in revenue with personalisation program

A partnership between the iconic British retailer and Persado introduced personalised language to motivate customers and deepen engagement in digital campaigns. Now the two are looking to unearth new strategic insights across channels.

From penny bazaars to AI-enabled personalisation

Michael Marks was still new to England when he opened a tiny stall in Leeds' public market in 1884. Inside, the Belarusian immigrant sold every-thing from household goods to sheet music, and above it he hung a sign that read: "Don't ask the price — it's a penny." Business boomed and Marks soon partnered with bookkeeper Thomas Spencer. The rest was history. Over the next 130 years, Marks & Spencer (M&S) would become one of the most iconic British retailers.

One of the reasons for that success has been M&S's in-store teams. They've built a reputation for connecting with customers on deeply personal levels and speaking to customers in the ways they want to be spoken to.

Now M&S is looking to translate that in-store reputation to its digital chan-nels, which the company has invested in heavily over the past few years.

M&S

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"We're one of Britain's — and the world's — best-loved retailers, with amazing products across Food, Clothing, and Homeware. But we're really known for our incredible service and we have an amazing opportunity to bring our customers a similar individualized experience in digital touch-points, whether that's at home, on the move, or in our stores," said Alex Williams, Head of Growth and Personalisation at M&S. "That's not easy, but creating meaningful and engaging relationships that motivate our customers is the driving force for M&S' future success."

It's so important, in fact, that M&S set ambitious personalisation targets for the next three years: 5 billion personalised customer interactions through its digital channels and several hundred millions worth of growth from those interactions.

The challenge: Shifting strategies, deepening engagement

Those personalisation targets are so ambitious that they are motivating M&S to explore innovative new ideas to hit them. The good news is that the company has a hugely successful loyalty scheme, Sparks, which gives M&S lots of rich customer data. There is also a willingness across the company to use data to bring personalisation to multiple channels, including web, app and CRM.

"We've been leveraging customer data to create products and experiences that are more rewarding, exciting, personalised, and digital," says M&S Chief Digital and Data Officer Jeremy Pee. "Data science and AI is a part of that, but we hadn't yet applied those innovations to the challenge of how to best communicate with customers in the context of deep, personal, digital experiences. Language clearly has to be a core component of that."

M&S had taken steps to optimize its language in a few areas, but it needed more. It needed a partner that could understand what motivates customers and how to translate that into messages that speak to individual customers on an emotional level. It needed a true collaborator that was committed to helping M&S succeed and scale.

The solution: A measured and collaborative approach

In 2019, M&S found that partner in Persado.

"There was clearly a thirst for the insights we could bring to the table, but there was some understandable caution, too," said Ben Thirlwall, Vice President General Manager UK. "M&S had never seen anything like this, where we're using the power of AI to zero in on the motivators that resonate with the customer at the moment of truth and leveraging those learnings. So, we decided to begin on high value channels to build confidence within the organization that Motivation AI not only works, but wins."

In particular, Persado worked on both hero campaign copy and more static website copy to drive greater customer engagement, increase loyalty customers, and grow incremental orders. Persado also looked at the wording of subject lines for email campaigns, which resulted in a 20% order rate increase.

In each case, Persado's Motivation AI platform uncovered better performing content through language experimentation. From there, Persado's machine learning capabilities built a bank of insights that revealed the messages that most effectively motivated specific customer segments.

Persado easily integrated with a number of M&S's internal technical systems as well as its Marketing team and Digital and Data function. It was a seamless collaboration, according to Rumman Meer, Head of Portfolio - Personalisation at M&S. "This was all quite new to us, but Persado really took the time to talk through what the vision was and where we were going. It felt like we were creating a partnership rather than Persado just selling us a product and moving on to the next customer. It was clear that we were trying to build something together."

That willingness to be a true collaborator showed M&S that there was potential for a long-term relationship. So, they agreed on a two-year contract that would have Persado working with M&S to deliver personalised language across channels.

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Any hesitation faded when we really began working with Persado and not only saw lift and good performance but that there was potential to scale personalised language across all our interactions with customers," said Williams. "This technology wasn't replacing the expertise of our copywriters. It was arming us with rich data and insights that allowed us to scale the efforts of our teams, make better decisions, and engage with our customers on a much more individual level.

The results: 20% conversion rate lift and personalisation across channels

Through Persado language personalisation, M&S saw an average conversion rate lift of 20% through email between June 2021 and December 2021. That number went as high as 34% in December 2021 as Persado built up its bank of customer insights.

M&S isn't just seeing conversion results, said Meer. "If you want short-term performance uplift, Persado is helping us check that off. If you want support to work through how to integrate Motivation AI with human expertise, we get that with Persado too. And then if you're trying to figure out technically what you need to do to take this full scale across your company, Persado has been very open to that conversation as well."

Persado also generates insights that M&S can use to understand its customers on a more granular level, helping the company make better tactical on-the-ground decisions as well as set strategic direction for customer communication. For example, Persado found that in some cases M&S customers didn't respond to regretful language, such as "Only two left" or "Buy it now, quickly." That runs counterintuitive to what many retailers believe, but M&S will use that insight in other campaigns to create even more finely-tuned, personalised content.

Now M&S and Persado are working on bringing insights like these and further personalisation to other channels, including email, web, the mobile app, and push notification. Persado sees an opportunity of tens of millions of pounds of incremental revenue once M&S is executing at scale.

> It's incredible to see how far we've come with Persado AI on this personalisation journey and it feels like we're just getting started. As we undergo a massive digital transformation as a business, we believe that partnering with companies like Persado will lead to a truly sustainable transformation—one that allows us to thrive for at least another 130 years.

Alex Williams
Head of Growth and Personalisation at M&S

Persado + Retail

The world's largest and most innovative retailers rely on the Persado Motivation AI platform throughout the entire customer journey. From increasing brand awareness and loyalty, to boosting conversions and digital adoption, Persado's AI-generated language deepens customer engagement with hyper-personalization and drives more profitable relationships.

About Persado

Persado is the Motivation AI language platform that unlocks billions in incremental revenue for data-driven enterprises. Leading brands including JP Morgan Chase, Humana, American Express, Dropbox, Comcast, and Royal Caribbean rely on Persado to realize the untapped potential in every message. Words matter. And when they are mapped to human emotion, generated by the Persado Motivation AI platform and powered by machine learning, organizations reach a tipping point in their ability to understand the customer and personalize language experiences across touchpoints and channels — creating a continuous ability to learn, gain further customer insights and drive ever higher performance.

Visit Persado.com to learn more.