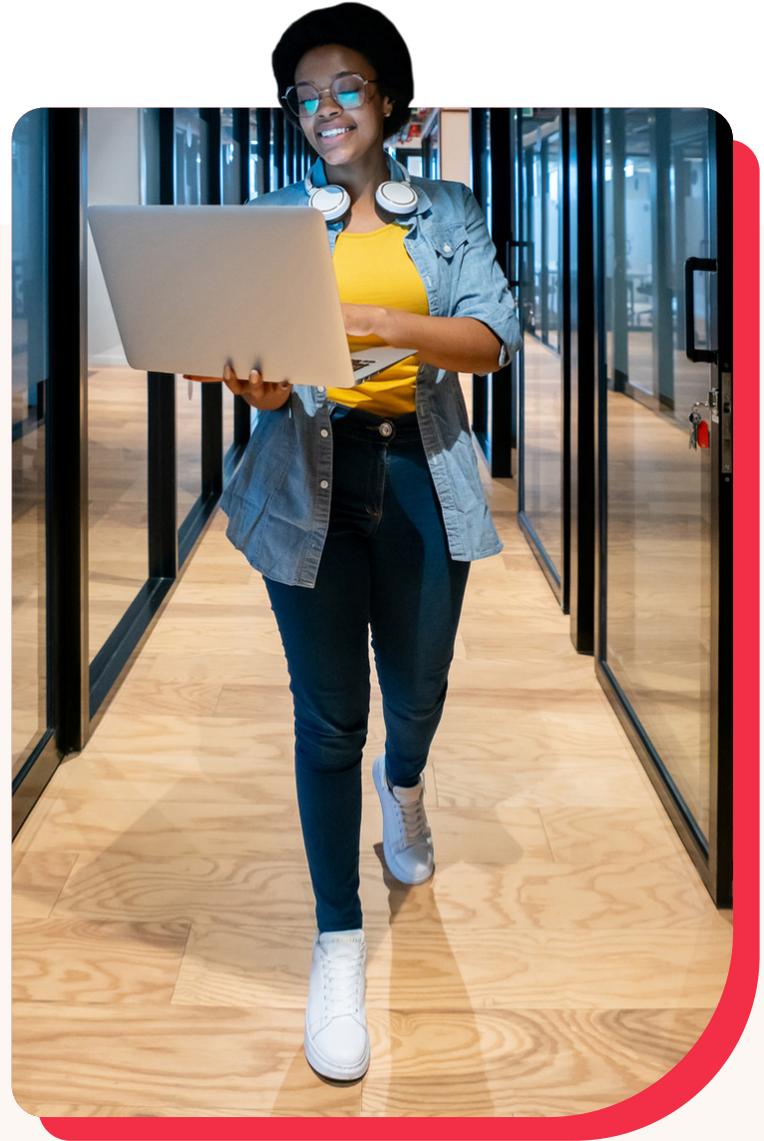


Achieving Data Readiness
for AI-Driven Personalization:

Don't Throw Good Money After Bad Data



As businesses continue to make major leaps into artificial intelligence (AI) to personalize customer experiences, they must prioritize data quality in order to deliver on the promises – and the costs – of AI.



Leveraging AI requires a large investment, but it promises an equally large payout when it comes to customer engagement. [Twilio's 2023 State of Customer Engagement Report](#) found that investment in digital customer engagement increased revenue by 90% on average.

The return on your investment in AI can only be as good as the data you feed it. Before you make a headlong advance into the next frontier of personalization, now is the time to get your business's data in shape to ensure your AI investment won't drown in a pool of disorganized data.

90% ↑

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Now Is the Time to Get Your Data **in Shape**

With [92% of businesses now using AI-driven personalization](#) to propel business growth, this is far from a futurist's dream or sci-fi curiosity. AI is here. Whether you've begun investing in AI or preparing to, now is the time to ensure your data foundation is strong enough to support AI.

But while nearly every business is using AI, not all are seeing the same results. Businesses without AI-ready data will not attain the precise and intelligent insights needed to meet customer demand for highly personalized, omnichannel experiences and trusted, secure data practices.

66%

An overwhelming two-thirds of consumers also said they would **leave a brand** if they didn't receive a personalized experience.



Your customers want (and are willing to pay for) personalization done well.

Consumers are not only ready for personalization from brands – they are asking for it. Twilio's research also found that consumers spend more when brands personalize their experiences, and an overwhelming two-thirds (66%) of consumers also said they would leave a brand if they didn't receive a personalized experience.

You can't afford to ignore the capabilities of AI to tailor experiences to each unique visitor, but customers won't settle for just any attempt. We have reached a point where poor personalization can be a bigger turnoff for consumers than a lack of personalization. The current generation of consumers can tell the difference between a quality, tailored experience and a halfhearted attempt at it.

You need your data in good shape to leverage AI successfully for the individualized attention your customers crave – otherwise, it's all too easy to end up with disjointed experiences that can hurt customer loyalty, damage your brand's reputation and upset your bottom line.

Customers are hungry for personalization, but they also want to sleep at night knowing their **data is safe.**

As much as consumers are on board with the use of their data to personalize their experiences, they have high standards for how they expect brands to secure their personal information.

Trust is a nonnegotiable part of getting personalization right, and that trust relies heavily on safe, secure data. [Only 51% of consumers](#) said they trusted brands to keep their personal data secure and use it responsibly – a number that’s far too low when you consider that [98% of consumers said they wanted brands to do more](#) to guarantee the privacy of their data and that 95% said they wanted more control over their own data, particularly “identity data.”

One of the core focus areas here should be your company’s strategy for [the move away from cookies](#) and other third-party data in favor of first-party data.

Alex Millet, senior director of product, Twilio Segment, explains, “Often, you don’t know how to trust the provenance of third-party data. You don’t know if it’s consented, so you take a lot of risks when you start playing with third-party data. First-party data tends to be much higher quality and leads to much higher results when it comes to personalization.”



The success or failure of your investment in AI personalization is going to hinge on your first-party data pool. The good news is, your business likely has plenty of first-party data at your disposal; the question is whether that data is AI-ready.

Twilio Segment’s CDP has several capabilities that support companies in uncovering and making their first-party data usable for AI. These include Zero-Copy Architecture, which allows customers to directly query an underlying dataset without copying it; and Linked Profiles, which allows businesses to model not just consumer profiles but the entire ecosystem around a customer.

As Millet says, “We find that a fair amount of companies have the infrastructure set up, but they’re not doing anything with that data yet. If you’re not translating that into campaigns and improved customer experiences, you’re leaving a lot of potential ROI on the table.”

Assessing Your Data Maturity: Is Your Data Ready for AI?

With third-party data out of the question for a viable long-term strategy, your present and historical first-party data will be the lifeblood of your AI investment. For your data to be healthy enough to offer significant value when using AI at scale, you need to do three things effectively: collect it, connect it and use it to paint a cohesive picture of your customer.

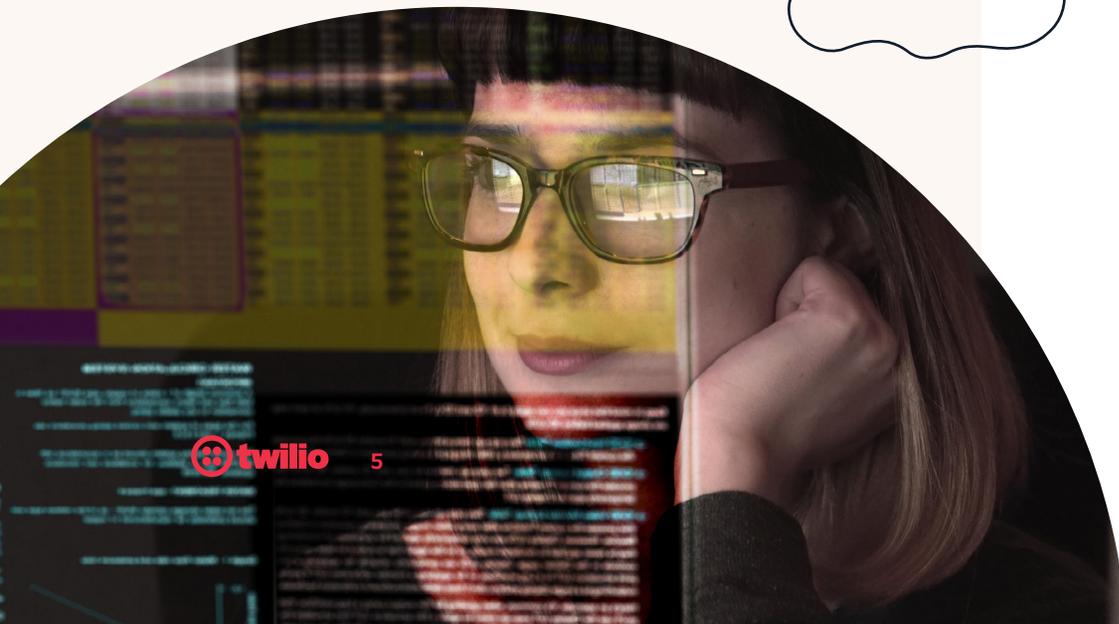
It can help to simplify the concept of data maturity into three basic levels.

Level 1: Collecting data

Your organization collects data about its customers but lacks a consolidated data infrastructure. Marketing, sales, product and engineering teams all have different levels of access to data across business systems, and as such, they each see a siloed piece of the full customer view. These teams may not trust their view of the end customer and may feel reluctant to use the data they have, knowing that it's not giving them the full picture and could lead to disconnected customer experiences.

Level 2: Connecting data

Your organization begins to achieve a more unified view of who your customers are. You start to track not just static traits about your audience (such as age or location) but also dynamic behaviors across all channels where they interact with your business. That includes your website, mobile apps, customer support channels, sales conversations and more. Your marketing teams have accessible data that captures all these customer touchpoints and can create reliable audiences based on that data.





Level 3: Using data and AI to paint a cohesive portrait

Your organization actively uses AI to automate a good portion of your customer journeys using data that you collect across all channels. You have evolved from having hypotheses about your data to having AI solutions that can give you insights about that data to help you elevate the possibilities to personalize each customer's experience to their demographics, interests, needs and behaviors.

By identifying your organization's current level of data maturity, you can take the right steps to move forward effectively and responsibly.

It's easy for marketing and sales teams to see the promise of what AI can do. If you don't take the time to look beyond the tip of your data iceberg, to assess what's sitting beneath the water, you risk pouring financial resources into AI without having the data ready to create results.

As Millet says, "If you want to get to level 3, but you haven't solved level 1 or 2 yet, it's going to be difficult to get started with AI use cases."



Achieving Data-Readiness for AI

Getting your organization's data in the shape it needs to be in for large-scale AI investment requires the right tools, solutions and partners. Shoring up your core healthy data fundamentals comes down to three primary areas: **gathering data, organizing it** and achieving **identity resolution at scale**.



Gathering **first-party** data

Establishing your first-party data sources is the first priority to ensure you're AI-ready. The good news is, plenty of usable channels for first-party data are already at your disposal. Many sources of first-party data come from channels your business is most likely operating in, such as:

- Sales records
- Web traffic analytics
- Customer service/support interactions
- Mobile app usage data
- Customer feedback, surveys, etc
- Email engagement

The more of these channels you can connect to, the more robust your data set will be. Building your AI strategy on first-party data allows you to achieve more cohesive customer profiles with compatible information sets. Having this first-party data is essential for the end goal of achieving personalization in a way that builds trust, loyalty and brand advocacy.

Organizing your data

Once you gather the right types of data for AI initiatives, the next step is to organize and store it appropriately so that it can be accessed and used. No matter how much data you collect or much money you invest in AI to process it, it will be of no use if it is not organized in a way that facilitates finding patterns and understanding customers.

This stage includes employing data warehouses that best suit your needs and ensuring secure storage within them. Getting this step right is well worth a discussion with your company's engineering leadership about the current and ideal states of data organization.

Transparency is also critical here. It's vital to maintain consumer trust, and being transparent about the models and data used in generative AI goes a long way in building trust. Twilio has launched [AI Nutrition Facts](#), which are labels that give consumers and businesses a more transparent view into their "AI diet" – in other words, how their data is being used for AI. These labels provide key information about an AI model's privacy level and design, and they deliver that information in a simple, easily readable format, mimicking the food nutrition labels we're all familiar with.



| AI Nutrition Facts | |
|--|---|
| Twilio Voice Intelligence | |
| Description | Voice Intelligence uses AI to get valuable data insights from customer call recordings. |
| Privacy Ladder Level ⓘ | 3 ▾ |
| Feature is Optional | Yes ▾ |
| Model Type | Generative & Predictive |
| Base Model | Generative: OpenAI - GPT 3.5 |
| Trust Ingredients | |
| Base Model Trained with Customer Data | Yes ▾ Yes, when a customer opts-in. Only used for Twilio's proprietary algorithms. |
| Customer Data is Shared with Model Vendor | No ▾ |
| Training Data Anonymized | Yes ▾ |
| Data Deletion | Yes ▾ |
| Human in the Loop | Yes ▾ Customers can use the Voice Intelligence viewer or API to evaluate call recordings |
| Data Retention | N/A ▾ |
| Compliance | |
| Logging & Auditing | Yes ▾ |
| Guardrails ⓘ | Yes ▾ |
| Input/Output Consistency ⓘ | Yes ▾ |
| Other Resources | |
| Learn more at: https://www.twilio.com/en-us/voice/intelligence | |

Learn more about this label at [nutrition-facts.ai](#)



It's vital to **maintain consumer trust**, and being transparent about the models and data used in generative AI goes a long way in building trust.



Identity resolution

The final piece of the puzzle to ensuring your data is AI-ready is tying together the many discrete data points you have on customers and their journey with your brand – and using that information to build a cohesive understanding of each customer persona. This is called identity resolution, and a customer data platform, or CDP, does exactly that.

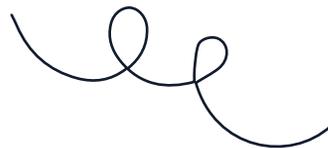
Using data from multiple tools and sources, a CDP builds a unified database to tie all that information into a collective whole.

While CDPs have some similarities with database management systems (DBMS) and customer relationship management (CRM) tools, the key difference is that the latter two each offer a single view of a specific business function (whatever business application the DBMS is used for, or in the case of a CRM, the sales function). Neither offers the end-to-end user insights of a CDP.

With modern technologies, it's easier to get up and running with a CDP even without a full-fledged data science team at your disposal. In many cases, all it requires is someone with SQL fluency or similar skills to pull data from a data warehouse into a CDP, where it can be accessed by end users in marketing and advertising roles to build customer profiles.

Identity resolution through a CDP checks all the boxes for AI-readiness. It empowers your business to build strong customer insights using first-party data and protecting your customers' privacy, all while leveraging those insights to reap massive returns from your AI investment.

The early stage of advancing into AI is the best time to broach the conversation with your engineering team leadership about CDPs. Do you have one? Do you have plans to invest in this critical area of data management? What is your identity resolution strategy?



Look Before You Leap: Getting Ready To Embrace AI

Across the market, businesses are hurtling toward AI-driven personalization. Consumers are asking for it, and growth in this new era demands it. Those who have not begun to adopt it are well on the way to doing so.

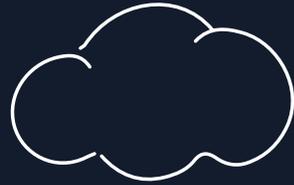
AI relies on real data to build streamlined, optimized models. The stronger that data is, the more successful AI-driven personalization will be.

Before your organization marches any further down this path to progress, the time is now to ensure a strong foundation. Set up a discussion with engineering and data leadership to ask them how ready the organization is to support AI solutions based on real-time data flows from a variety of applications in different domains, what the key barriers are and what is needed to get there.



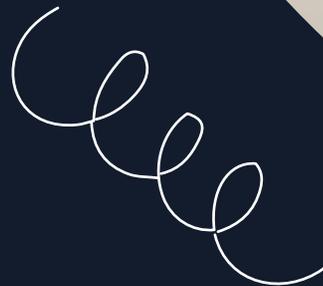
[Learn more about how to get your organization AI-ready and deliver truly personalized customer experiences here.](#)





Today's leading companies trust Twilio's Customer Engagement Platform (CEP) to build direct, personalized relationships with their customers everywhere in the world. Twilio enables companies to use communications and data to add intelligence and security to every step of the customer journey, from sales to marketing to growth, customer service and many more engagement use cases in a flexible, programmatic way. Across 180 countries, millions of developers and hundreds of thousands of businesses use Twilio to create magical experiences for their customers.

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