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The Realities of Online Personalisation

in association with Monetate

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Contents

1. Executive Summary and Highlights

This **Realities of Online Personalisation Report** has been published by Econsultancy in association with **Monetate**. The research is based on a survey of more than 1,100 digital and ecommerce professionals working for brands and agencies, carried out in February 2013.

The report looks in detail at what is driving online personalisation, the tactics and types of data being used to tailor the online customer experience and the barriers to success.

This research identifies the following key trends:

1. Personalisation is seen as vital for business performance

While there is nothing new about the concept of personalisation in the offline world of business, companies are only now beginning to embrace the opportunities for enhancing the customer experience afforded by digital technology and data.

As businesses have become more digitally mature, marketers are conscious of the need to deliver experiences which are more personalised and nuanced not only for existing customers but also for first-time site visitors, using real-time behavioural data.

The growing importance of personalisation has been underlined by our survey, with the vast majority of responding companies agreeing that **'personalisation of the web experience is critical to current and future success'**, and more than half (61%) saying this is 'definitely' true.

The research has also found that for two-thirds (66%) of client-side respondents, **both improved business performance _and_ customer experience are the main drivers** for personalising the website experience.

Those responding companies who are personalising web experiences and who are also able to quantify the improvement (in the context of online sales or their key website performance metric) are seeing, on average, a **19% uplift in sales**. This translates into hundreds of millions of pounds and dollars of additional sales for online businesses across a range of business sectors.

94% of companies agree that personalisation 'is critical to current and future success.'

■ Yes, definitely ■ Yes, somewhat ■ No
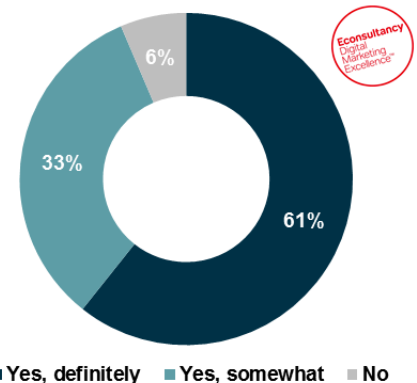
2. But it is early days for personalisation – the reality is harder than the dream

While personalisation is very much on the agenda for many marketers (with many already reaping the dividends), most are stuck in the slow lane when it comes to implementation. **More than half (56%) of companies are not personalising the web experience** for visitors, while only 4% say that customer experiences are 'very' personalised.

While the practice itself is as old as the concept of retail, using technology in ways that can mimic real-life interactions in a digital environment is perceived as a very challenging and resource-intensive process.

Only 15% of all companies surveyed agree they are 'definitely' getting good return on investment (ROI) from personalisation, with a further 41% saying that personalisation hasn't yielded dividends for their organisations. For those companies personalising the web experience, the percentage of companies _definitely_ getting good ROI increases to 19%.

72% agree they 'understand importance of personalisation, but don't know how to do it'.

- Yes, definitely ■ Yes, somewhat ■ No
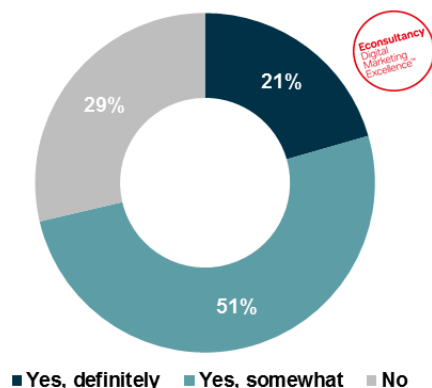
Just under **three-quarters** (72%) of marketers say they understand the importance of personalisation, but **don't know where to start and how to approach it**.

Even though the majority of companies are committed to offering the most relevant and memorable experiences for their visitors and customers, few have implemented a well thought out and tested approach.

This explains why so many organisations state they are not getting good ROI. To measure returns effectively, personalisation needs to be viewed in the context of the whole business with well defined metrics in place to measure success.

3. Most companies are still held back by technology

The two most significant barriers to adopting or improving website personalisation are technology-related, with just under half of companies surveyed saying that **IT roadblocks (47%) and legacy technology (46%) are 'major barriers'**.

Scarce resources also hold back a large proportion of companies, with the same proportion of client-side respondents (44%) indicating that **lack of budget** and **lack of staff** prevent them from investing in, or improving, their personalisation efforts.

According to a third (32%) of responding organisations, **lack of technology** is also the main obstacle preventing them from using, more specifically, 'real-time onsite behaviour to create personalised experiences'.

More than half of supply-side respondents say that lack of knowledge is a major barrier for their clients.

According to supply-side respondents (i.e. i.e. those working for agencies and vendors), **lack of knowledge** (54%) and **inability to translate data into action** (51%) are the two most apparent barriers to personalisation, whereas legacy technology and IT roadblocks are not seen as being as problematic as their client-side counterparts suggest.

In terms of organisational ownership, **marketing** is the department most commonly **responsible for turning customer data into personalised website experiences**, according to two in five companies (41%) surveyed. A third (36%) of respondents state that marketing typically holds the budget for website personalisation and optimisation. For many companies, budgets and responsibilities for personalisation are split between different departments, making it difficult to make this a priority for investment.

4. Disparate data sources – another major problem

There are dozens of signals used by personalisation technologies to tailor and personalise your digital experiences, everything from the device and browser you're using to where you're located and the social profiles of you and your friends. When customer data are thrown into the mix, sometimes held in different business departments, it is no surprise that **disparate data sources** represent one of the most significant barriers to implementing personalisation.

57% of companies don't use CRM data for personalisation.

(30%), followed by 'not knowing where to start' (24%).

Despite the obvious advantages of doing so, more than half (57%) of organisations surveyed **don't use data from CRM systems or data warehouses** to create personalised website experiences. The main barrier to using customer data is again disparate data sources

5. Most organisations have a desktop-centric online customer experience focus ... but phones and tablets should not be ignored

The research has also found that there is a desktop bias when it comes to online personalisation, with 43% of companies saying they deliver personalised experiences to the desktop and a further 40% planning to do so in the next 12 months.

Only 14% of in-house marketers indicate they **are using tablets to deliver personalised experiences**, with a similar proportion (13%) personalising on mobile phones. Around a third don't plan any personalisation on mobile devices, while just over half (54%) of companies plan to do so within the next 12 months.

A third of companies have *no plans* to deliver personalised experiences via mobile phones or tablets.

In addition to this, around **two-thirds** (63%) of responding organisations **don't create personalised website experiences based on technical factors** such as browser type, screen resolution, screen width and operating system. Only a fifth of in-house marketers say they personalise experiences based on browser types (21%), screen resolution (20%) and screen width (18%).

6. Companies see personalisation as a high priority, but extent of tactics and testing is limited

Respondents were asked which attributes or factors they take into considerations when creating personalised web experiences. **On-site behaviour** (30%) and **inbound marketing channels** or **traffic sources** (29%) are the most commonly cited factors, followed by **geography** (23%).

As far as tactics are concerned, the most widely used are **product recommendations** (42%), **on-site search results** (40%) and **images or text** (40%).

57% of organisations don't run any A/B or multivariate tests.

Testing is another area in which companies are lagging behind, with more than half (57%) of companies surveyed **not running any A/B or multivariate tests**.

2.   Foreword by Monetate

The digital experiences that companies present to their customers have become, in most cases, the face of the brand. Consumers often make choices and regularly share their opinions based on the quality of the digital experience, specifically the website. This is how they choose what to buy, where to bank and where to go on vacation. Today's online experience *is* the product.

Personalising the consumer experience has been brought to the forefront by an increasing amount of accessible customer data. It's important for any marketer who wants to leverage this data and create more engaging online customer experiences to read this research report. We're thrilled to work in partnership with Econsultancy and are equally excited to share the results.

This report overwhelmingly reveals that both marketers and agencies don't expect personalisation initiatives to improve just the customer experience, but they also recognise the value of personalisation to improve overall business performance. It further validates the need to anticipate and react to consumer behaviour to generate stronger, more profitable customer relationships.

It's clear from the responses of more than 1,100 marketers and agencies that the two biggest hurdles to delivering personalised online experiences are technology and data. Unfortunately, many big data initiatives quickly became unfulfilled promises that focused on what to do with the data and how to manage it, rather than taking a customer-centric view that puts the customer first.

To ultimately win customers' loyalty, marketers must focus on long-term relationships and engage website visitors in new ways that add value throughout the entire customer lifecycle, and across devices, channels and touch points.

Marketers will also be successful using data in ways that allow them to predict future behaviour. And when they shift to putting the customer – perhaps more importantly, their best customers – at the centre of the business, discovery becomes a critical part of optimising marketing effectiveness through more personalised online experiences.

Monetate helps digital marketers move faster and smarter. Our solutions empower marketers with the big data insights, personalisation, merchandising, testing, analytics, and expertise needed to anticipate and react to customer behaviour. The result: deliver relevant online experiences that your customers demand, build brand loyalty and drive new revenue.

I'm truly grateful to everyone who participated in this survey and believe the results herein will help shape your business, moving you closer to knowing your customer and taking action. Please contact me today to discuss your challenges, or visit monetate.com and learn how our products and services are helping to drive substantial increases in revenue for some of the best-known brands in the world.

John Healy
COO, Monetate
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2.1.   About Econsultancy

Econsultancy is a global independent community-based publisher, focused on best practice digital marketing and ecommerce, and used by over 400,000 internet professionals every month.

Our hub has 190,000+ subscribers worldwide from clients, agencies and suppliers alike with over 90% subscriber retention rate. We help our subscribers build their internal capabilities via a combination of research reports and how-to guides, training and development, consultancy, face-to-face conferences, forums and professional networking.

For the last 10 years, our resources have helped subscribers learn, make better decisions, build business cases, find the best suppliers, accelerate their careers and lead the way in best practice and innovation.

Econsultancy has offices in London, New York, Sydney and Singapore and we are a leading provider of digital marketing training and consultancy. We are providing consultancy and custom training extensively across Europe, Asia and the US. We trained over 5,000 marketers each year.

Join Econsultancy today to learn what's happening in digital marketing – and what works.

Call us to find out more on +44 (0)20 7269 1450 (London) or +1 212 971 0630 (New York). You can also contact us online.

Other related Econsultancy reports

Quarterly Digital Intelligence Briefing: Personalisation, Trust and Return on Investment
http://econsultancy.com/reports/quarterly-digital-intelligence-briefing-personalisation-trust-and-roi

Marketing Budgets 2013
http://econsultancy.com/reports/marketing-budgets

User Experience Survey Report
http://econsultancy.com/reports/user-experience-survey-report

Conversion Rate Optimization Report
http://econsultancy.com/reports/conversion-rate-optimization-report

Customer Relationship Management in the Social Age: A Best Practice Guide
http://econsultancy.com/reports/customer-relationship-management-in-the-social-age-a-best-practice-guide

Internet Statistics Compendium
http://econsultancy.com/reports/internet-statistics-compendium

2.2.   About Monetate

[Monetate](#) empowers marketers to leverage big data to create more personalised and engaging online customer experiences. By providing more relevant web interactions, leading brands are able to anticipate and react to consumer preferences to generate stronger customer relationships and significantly increase profits.

Monetate drives billions in revenue every year for some of the best-known brands in the world, including Best Buy, Frontier Airlines, Aeropostale, The Sports Authority and PETCO. The company's solutions and conversion expertise enable marketers to deliver a more relevant customer experience with unprecedented agility.

Leading marketers rely on Monetate's cloud-based solutions to achieve a new level of speed and control. Monetate solutions include advanced products for testing, merchandising, targeting and cross-channel consistency, providing an opportunity to react in real time to customer demands. Monetate also helps marketers implement best practices and drive online revenue through its strategic services and content publishing teams.

3.   Methodology and Sample

3.1.   Methodology

The **Econsultancy / Monetate Realities of Online Personalisation** report is based on a survey of more than 1,100 client-side marketers and agency respondents. Information about the online survey was emailed to Econsultancy's user base of internet professionals and marketers, and promoted online via Twitter and other channels during February 2013.

The incentive for taking part in the survey was access to a complimentary copy of this report just before its publication on the Econsultancy website.

Econsultancy and Monetate, the research sponsor, would like to thank those who took the time to complete the questionnaire. If you have any questions about the research and methodology, please email Econsultancy's Research Director, Linus Gregoriadis (Linus@econsultancy.com).

3.2.   Respondent profiles

A total of 1,107 respondents took part in the survey, including 628 *client-side marketing or ecommerce professionals* and 479 *supply-side* respondents (including agency marketers and those working for technology vendors or other service providers).

For the purposes of this report, we have carried out separate analysis for both these groups and the distinction is abbreviated to "companies" (including not-for-profit organisations) and "agencies" (including vendors).

For more detailed profiling of respondents, see .

Figure 1: Which of the following most accurately describes your job role?

43%

57%

- In-house marketer / ecommerce professional (client-side)
- Agency, vendor or consultant (supply-side)
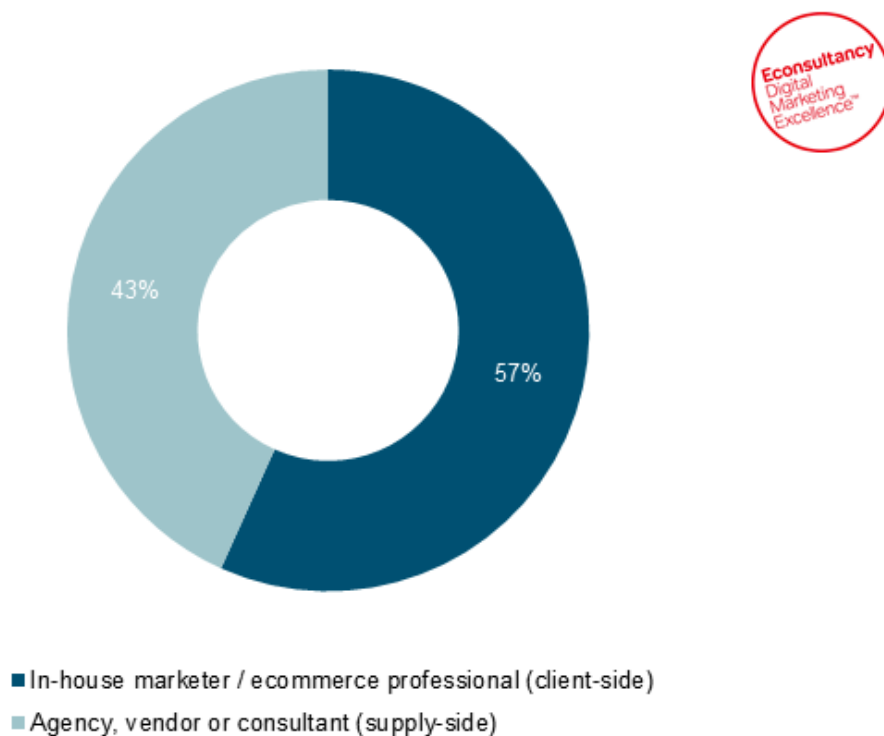
Respondents: 1,107

4.   Findings

4.1.   Extent of personalisation, drivers and barriers

4.1.1.   Extent of personalisation

Around two in five companies surveyed describe their website experiences as 'very' (4%) or 'somewhat' (40%) personalised.

Agencies are more likely to say that their clients personalise the website experience for visitors, with under half of those surveyed saying that they're not doing this (compared to 56% of client-side respondents).

Figure 2: Thinking about your own organisation/clients, how would you describe the extent to which the website experience is personalised for visitors?
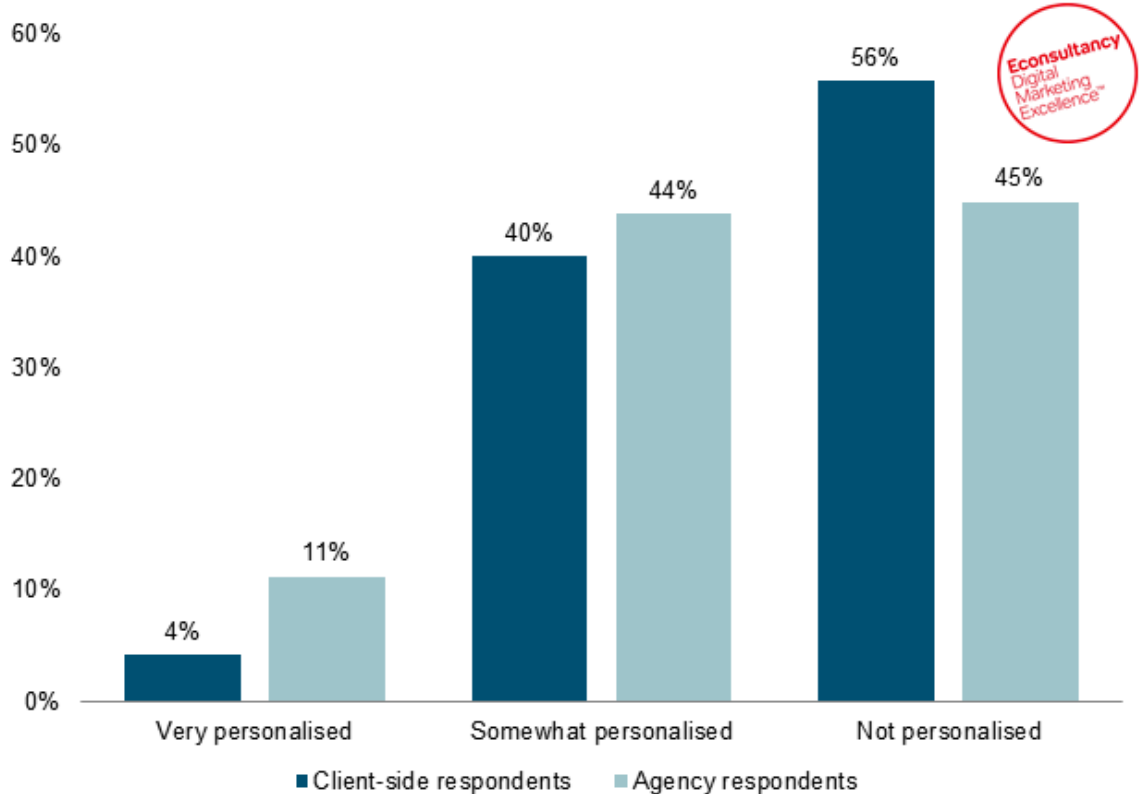
Client-side respondents: 605
Agency respondents: 460

Survey respondents were also asked to define personalisation and analysis of verbatim answers revealed that the following words are most commonly used to describe personalisation (as shown in the word cloud below, where the size of the word correlates to the frequency of mentions):

● Content

● Experience

● User / customer

● Relevant

● Data / information

● Tailored

Figure 3: How do you define online personalisation?

Powered by Wordle

Some of the most interesting definitions are featured below:

How do you define personalisation?

"An experience for the user, dictated by the user."

"Using what you know about customer needs and interactions to deliver meaningful content which creates value on both sides – for the user and for the business."

"Creating an experience based on user requirements, not business marketing techniques and values."

"Creating memorable and optimal user experiences by presenting a tailored – in part or whole – mix of content and interface layouts to different users (individuals or groups) based on a mix of implicit and explicit preferences, their device and the context (time, place, environment) in which they're experiencing our site."

"The provision of the most likely relevant content to the right prospect/customer segment based on (all – ideal scenario) available info such as CRM, IP, behavioural and historical behavioural."

"Knowing who a person is and what they want from us (and what we need from them) and tailoring web content to suit. It also means giving customers the ability to choose what they want to see from us online."

Survey respondents

How do you define personalisation?

"An agile and tailored customer experience that reacts to customer profile, data, location, needs and behaviour to deliver messages, offers, convenience and engagement at the right point and at the right time. Personalisation not only shortcuts transactions by recognising what the consumer wants but it also provides relevant inspiration, rewards action and delivers an emotional gratification. It should feel like a one-on-one or 'made for me' experience that resonates with my lifestyle and fits within my networks."

"The ability to intelligently inform and enhance the customer experience through data – held internally, gathered during the journey, and provided by third parties."

"Treating me as a person with a name, with emotions and making me feel like you're talking to me. All this in a relevant and contextual manner. Every time. All the time."

"The best analogy I've heard is the way that an expensive car remembers all your preferred presets when you put the key in the ignition. Everything adjusts to how you expect to use the car – mirrors, seat, radio station, climate – all move to the place where you left them. But you can always adjust again and change them."
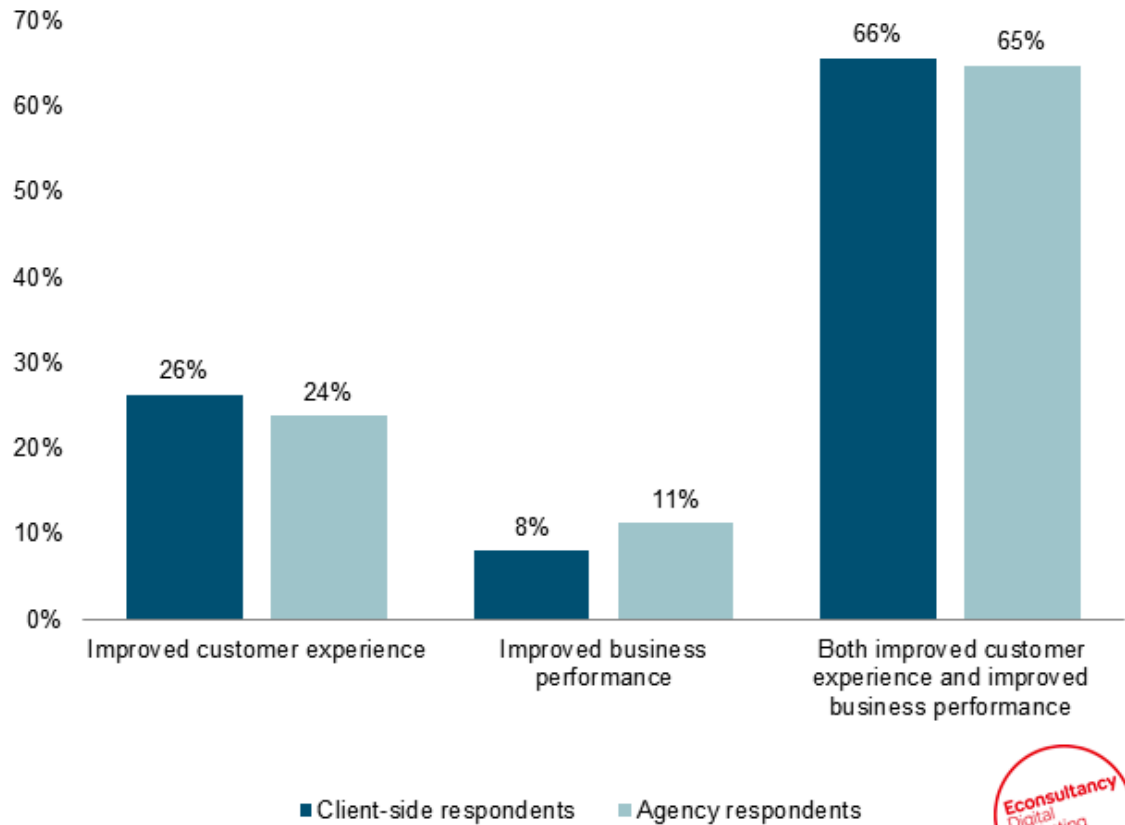
Survey respondents

4.1.2. Main driver for personalising the website experience

The chart below shows that *improved customer experience* is the main driver for personalising web experiences for a quarter (26%) of in-house marketers.

For two-thirds of survey respondents, the main driver for personalising the website experience is a mix *of improved customer experience and improved business performance.*

Figure 4: What is the main driver for personalising the website experience?

Client-side respondents: 262
Agency respondents: 247

4.1.3. Opinions on personalisation

To understand in more detail how companies approach personalisation, survey respondents were asked to specify the extent to which various statements are true for their organisation or clients. Overall, more agencies than in-house marketers say these statements are true for their clients. On both the client (94%) and agency (90%) side, the vast majority of those surveyed say that *"personalisation of the web experience is critical to current and future success"*.

As shown in *Section 4.1.4, lack of knowledge* is a major barrier to adopting or improving website personalisation, as identified by around a third (31%) of companies and more than half (54%) of agencies surveyed. This is also evident from the chart below: just under three-quarters of client-side respondents say that they *"understand the importance of online personalisation, but don't know how to do it"*.

The differences between client-side and agency perceptions around internal factors surface once again, with a higher proportion of agencies (35%, compared to 21% of in-house marketers) saying that this is *definitely* true for their clients [*Figure 6*].

Another point of note is that nearly three-quarters of in-house marketers (71%) and a similar proportion of agencies (70%) say that they or their clients don't update "customer segments in real-time based on every interaction".

Companies

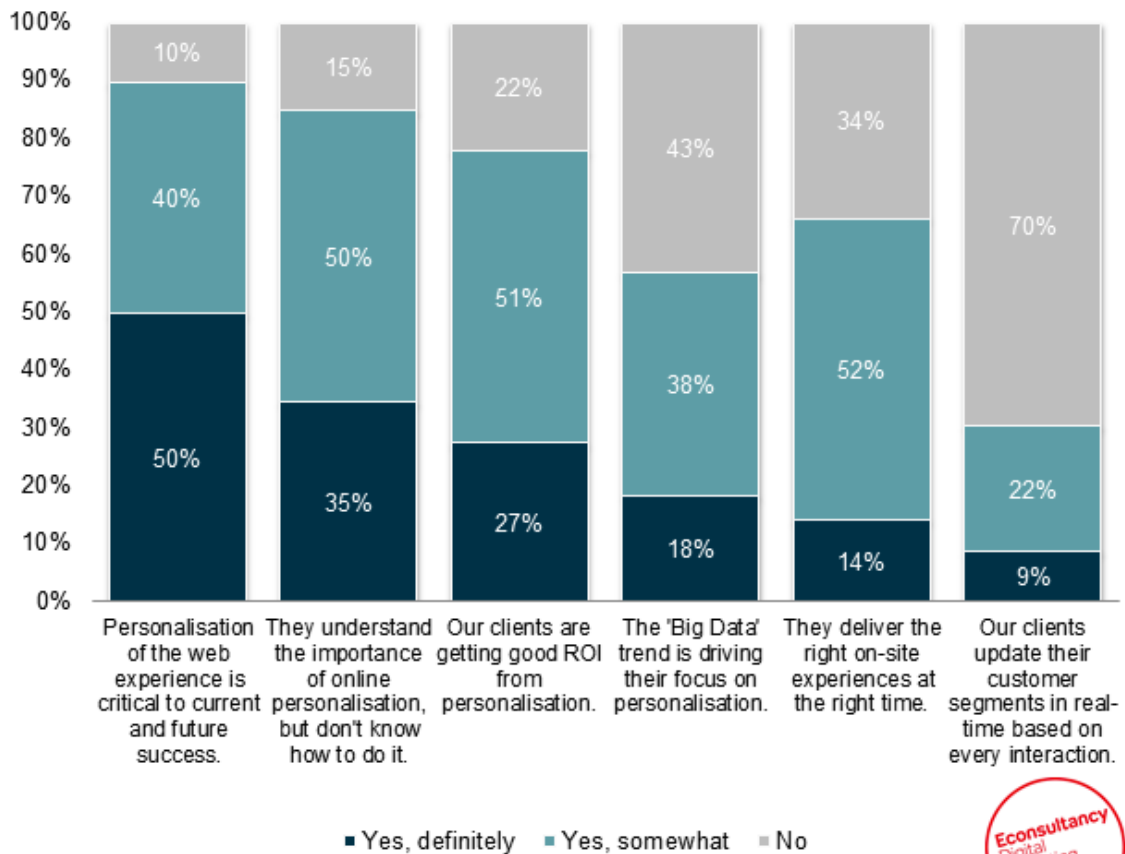Figure 5: To what extent are the following statements true for your organisation?
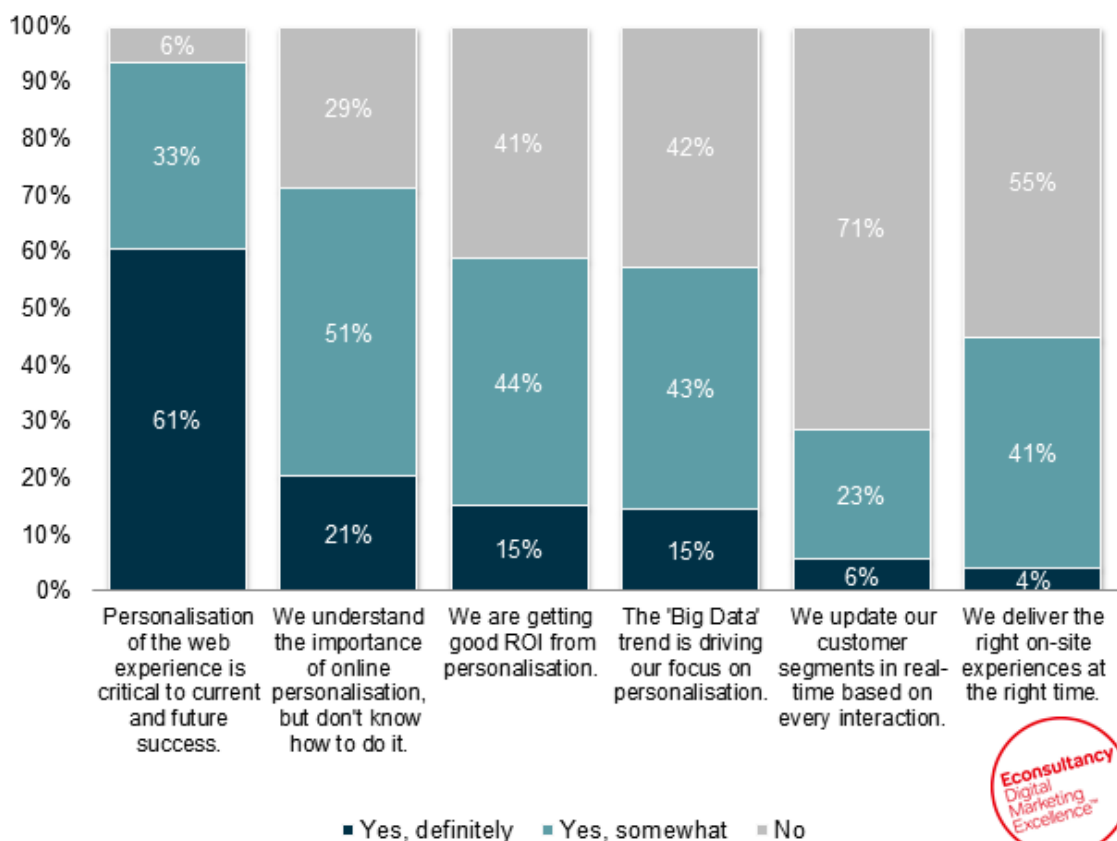
Respondents: 484

Agencies

Figure 6: To what extent are the following statements true for your clients?

Respondents: 359

4.1.4.   Barriers to adopting or improving personalisation

Figure 7 illustrates what both in-house marketers and agencies believe to be the main barriers to adopting or improving website personalisation and reveals some differences between the two groups of respondents.

The most commonly cited barriers for client-side respondents were technology-related, with just under half of those surveyed saying that *IT roadblocks* (47%) and *legacy technology* (46%) are *major barriers*.

On the supply side (*Figure 8*), *lack of knowledge* (54%) and *inability to translate data into action* (51%) take the first two spots, whereas *legacy technology* and *IT roadblocks* are not seen as important as their clients suggest.

Lack of budget and *lack of staff* are the third and fourth most cited barriers for both companies and agencies surveyed, highlighting the importance of prioritisation of resources which are often scarce.

At the opposite side of the spectrum, just under half of both client-side and agency respondents say that *not enough data* (44% and 36% respectively), *too much data* (45% and 43%) and *privacy laws* (39% and 41%) *don't* represent barriers to adopting or improving personalisation.
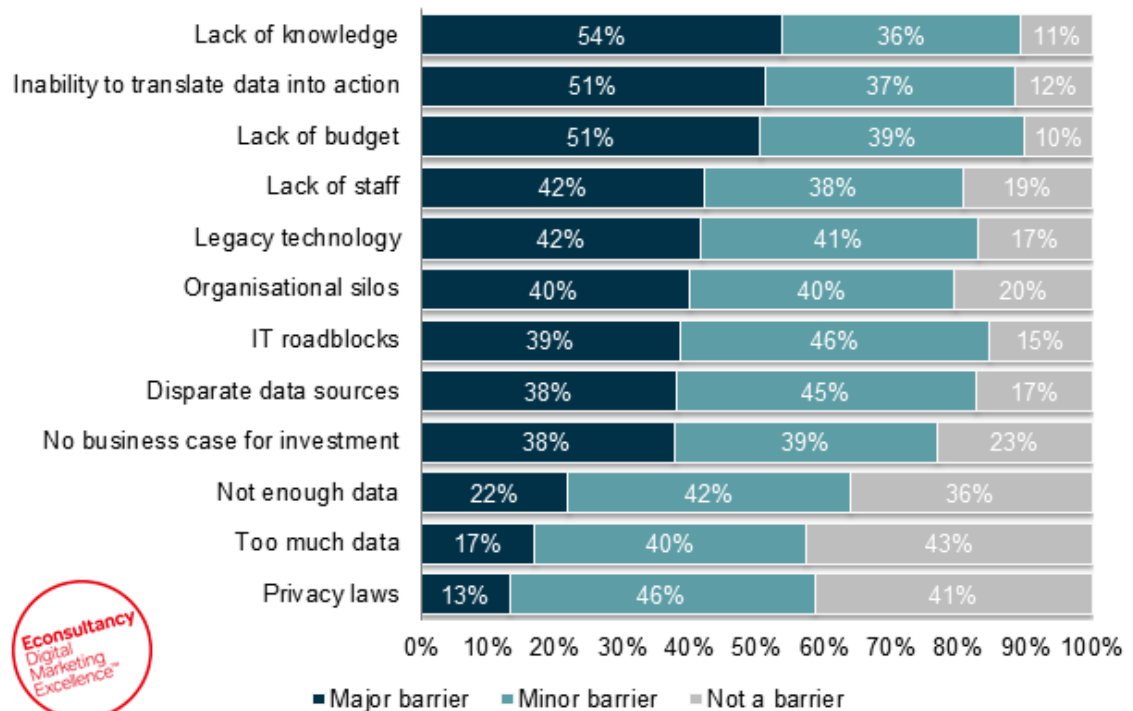
Companies
Figure 7: To what extent do you regard the following as barriers to adopting or improving website personalisation?
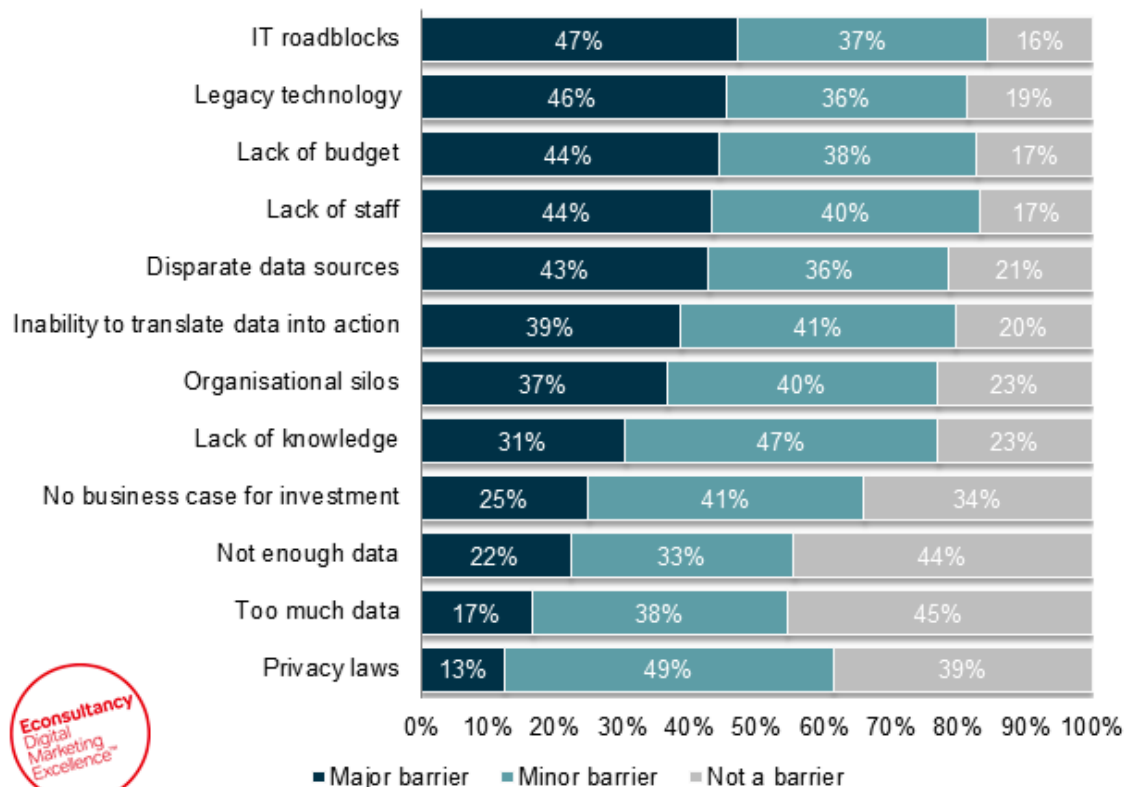
Respondents: 513

Agencies

Figure 8: To what extent do your clients typically regard the following as barriers to adopting or improving website personalisation?

Respondents: 385

Survey respondents were asked to explain in more detail why any of the barriers they selected in the previous question constituted a particular problem for their business or clients, with responses illustrated in the word cloud below.

Legacy technology, **disparate data** and **lack of budget or resources** surfaced as the most significant issues for the majority of respondents, also evident from the quantitative analysis above (*Figure 7* and *Figure 8*).

Figure 9: If appropriate, please explain in more detail why any of these barriers constitutes a particular problem for your business / clients.

Powered by Wordle

Technology and data-related factors appear to constitute the main problems for in-house marketers, while agencies believe that a lack of understanding and skills are major limiting factors.

Why do these barriers constitutes a particular problem for your business or clients?

"An ageing CMS designed to publish static pages combined with differing taxonomies, languages, content formats and publishing processes make it difficult to present a truly effective personalised experience."

"Data is spread over multiple, legacy systems. Not enough resources. No communication between divisions. Not seen as a priority or as a way to increase revenue."

"One-to-one communication is expensive but effective; however lack of application and data management experience would make the investment a near flux."

"Personalisation is costly to set up, so proving it works can be a challenge, especially when tests give mixed results. The catch-22 – proper personalisation requires investment, but proving it works to get the investment requires a proper personalisation…"

"The database used to house our customer details is outdated, but our proprietary tracking system is built around it and as such progress can be slow. Developing a new way to store and use the new data points we are capturing and acting on is taking place but this process is time-consuming and is also unchartered ground for most of us."

"We have a clear business case for personalisation, but we don't have a budget model that makes it easy. This is clearly something that would support the whole organisation, but there is no central pot of money for this kind of work – it's all devolved to programme teams."

"Whilst data is thrown around all the time, few clients truly appreciate it or have given much thought as to how they should use it."

"While there are a lot of people talking about omni-channel and more starting to frame this in the context of the wider needs of personalisation, very few people I talk to really understand what's needed to tie everything together. The business case is simple once the message is presented in the right way, challenges then become more operational and IT."

Survey respondents

4.2. Use of data and real-time onsite behaviour

4.2.1. Use of data from CRM systems or data warehouses

Only 12% of companies surveyed (and a similar proportion of agencies, 13%) say they *definitely* use data from CRM systems or data warehouses to create personalised website experiences.

However, agencies are more likely to say their clients are using CRM data (either *definitely* or *somewhat*), with two-thirds of supply-side respondents (66%) indicating their clients do so (compared to 43% of in-house marketers).

Figure 10: Do you / your clients typically use data from a CRM / data warehouse to create personalised website experiences?
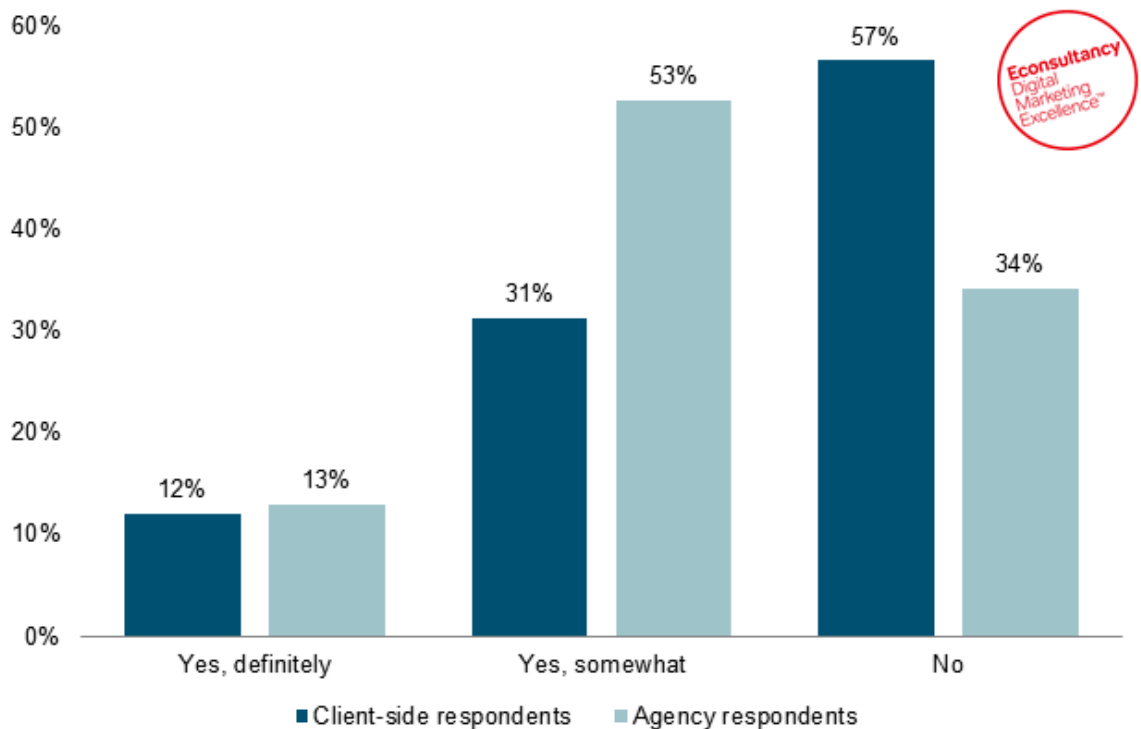
Client-side respondents: 463
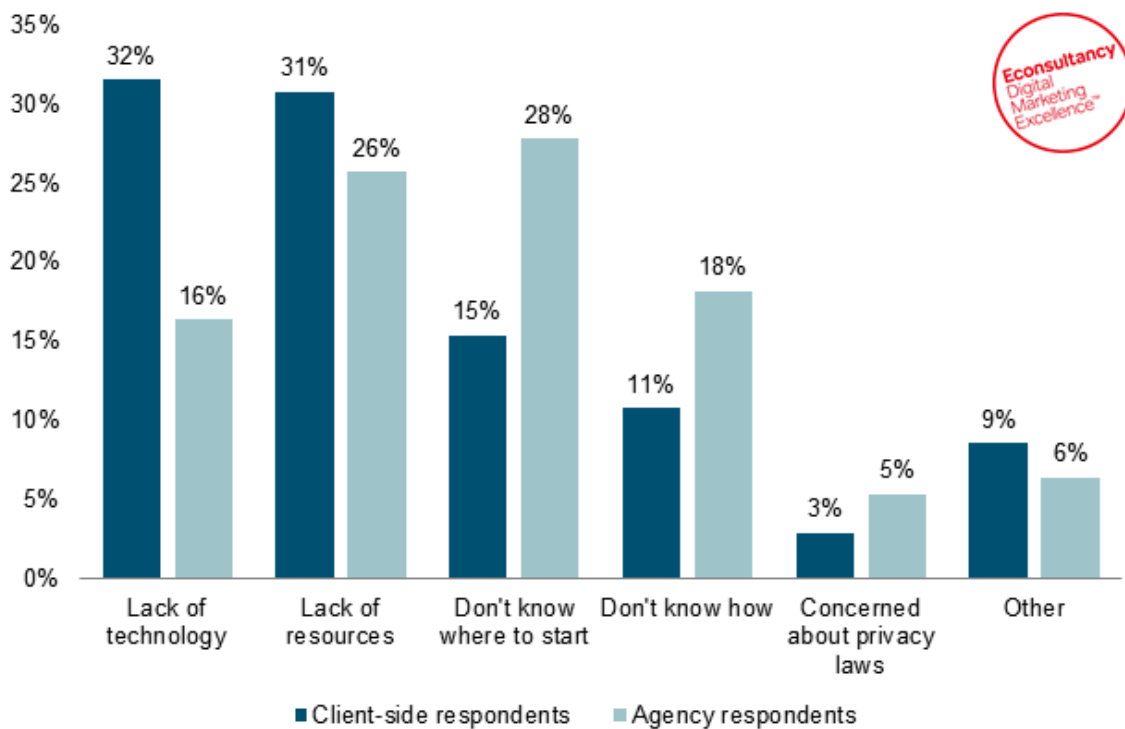*Agency respondents: 330*

4.2.2. Barriers to using data from CRM systems or data warehouses

When asked to elaborate on the barriers preventing them from using data from CRM systems or data warehouses, *disparate data sources* emerged as the most significant obstacle (according to 30% of in-house marketers and 24% of agencies).

According to agencies surveyed, *not knowing where to start* poses more of a challenge for their clients than companies actually indicate – 40% compared to around a quarter of client-side respondents.

Figure 11: What is the biggest obstacle to / preventing your clients from using data from a CRM / data warehouse to create more personalised website experiences?
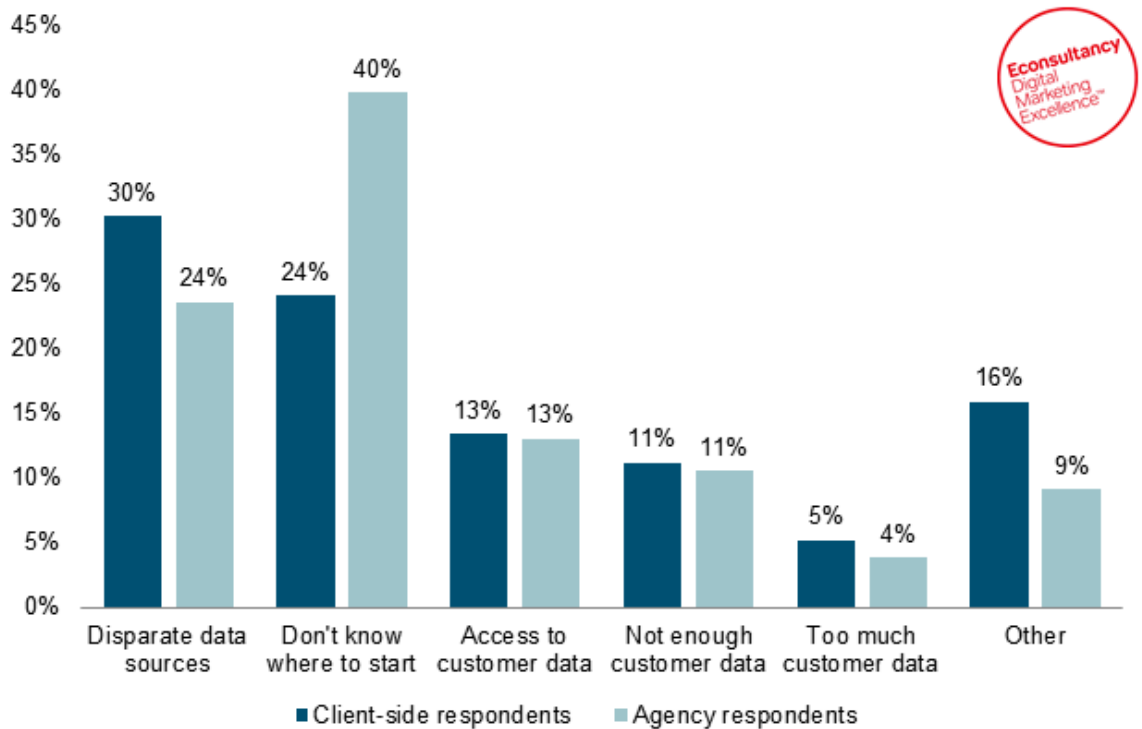
Client-side respondents: 403
Agency respondents: 284

4.2.3. Use of real-time onsite behaviour

As the chart below shows, a significantly higher proportion of agencies than companies suggest that real-time onsite behaviour is used to create personalised website experiences. Nearly half (48%) of supply-side respondents indicate their clients do so (either *definitely* or *somewhat*), compared to less than a third (29%) of in-house marketers.

Figure 12: Do you use real-time onsite behaviour to create personalised website experiences?
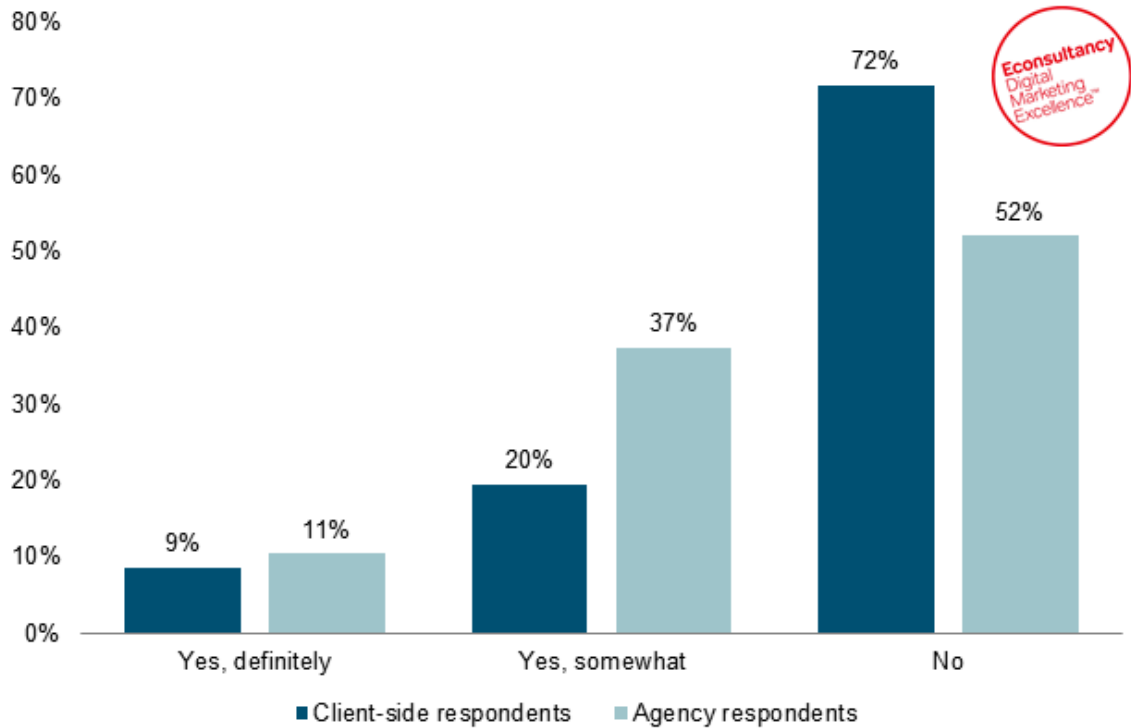
Client-side respondents: 450
Agency respondents: 323

## 4.2.4. Barriers to using real-time onsite behaviour

The gap between client-side and agency perceptions around the challenges faced when creating personalised experiences is evident once again in the chart below.

In-house marketers are twice as likely to suggest that *lack of technology* is a major obstacle to using real-time onsite behaviour (32% compared to 16% of supply-side respondents). Similarly, compared to their agency counterparts, companies surveyed suggest that *lack of resources* is a more significant barrier.

Agencies single out issues around skills and knowledge as some of the biggest obstacles preventing their clients from using real-time onsite behaviour to create personalised experiences.

Supply-side respondents are nearly twice as likely to say that their clients *don't know where to start* (28% compared to 15% of in-house marketers).

Figure 13: What is the biggest obstacle to / preventing your clients from using real-time onsite behaviour to create personalised website experiences?

Client-side respondents: 409
Agency respondents: 287

4.3. Measurement and segment discovery

4.3.1. Quantifying improvement in conversion rates

Although more than half (59%) of companies surveyed said they are "getting good ROI from personalisation" (*Section 4.1.3*), three-quarters are not able to quantify the improvement in conversion rates from onsite personalisation.

The proportion of agencies saying that their clients are able to quantify this is significantly higher, with two in five supply-side respondents saying they can do this.

Figure 14: Are you / your clients able to quantify the improvement in conversion rates resulting from onsite personalisation?
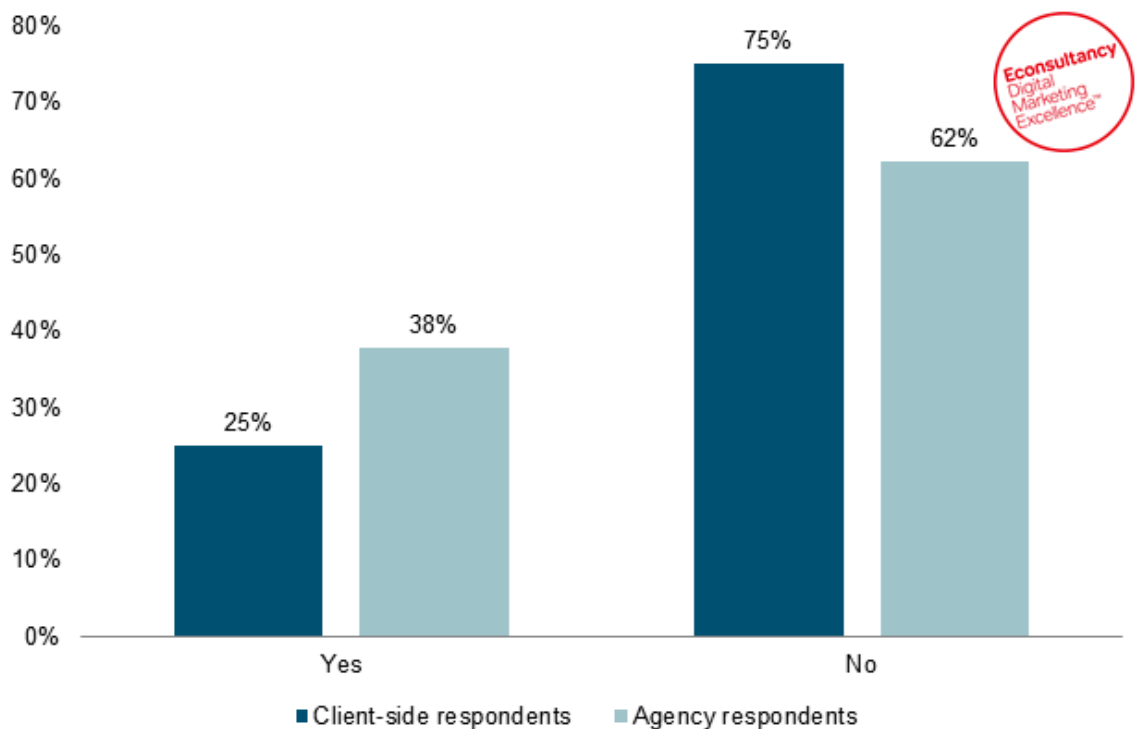
Client-side respondents: 428
Agency respondents: 310

Survey respondents that are able to quantify the improvement in conversion rates were asked to say what percentage uplift personalisation has resulted in over the past 12 months, in the context of online sales or their key website performance metric. Analysis of client-side results revealed that the average percentage is 19%, slightly lower than is indicated by agencies (21%).

Table 1: Average percentage uplift from personalisation over the past 12 months (in the context of online sales or key website performance metric)

Client-side respondents	Agency respondents
19%	21%

Over the last five years, the average retail conversion rate has more than halved from 8.4% to 3.8% (while online sales have more than doubled).[1] Putting these average uplifts into context, personalisation can have a significant impact on the bottom line, by helping increase conversion rates by around one percentage point (or more).

[1] *Econsultancy / RedEye Conversion Rate Optimization Report 2012,*
http://econsultancy.com/reports/conversion-rate-optimization-report

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4.3.2. Use of automated segment discovery

The chart below shows that the vast majority (85%) of in-house marketers don't currently use any automated segment discovery methods or tools to uncover new high-value customer segments.

The proportion of supply-side respondents indicating their clients use these methods or tools is slightly higher (24% compared to 15% of companies).

Figure 15: Do you / your clients currently use any automated segment discovery methods or tools to uncover new high-value customer segments?
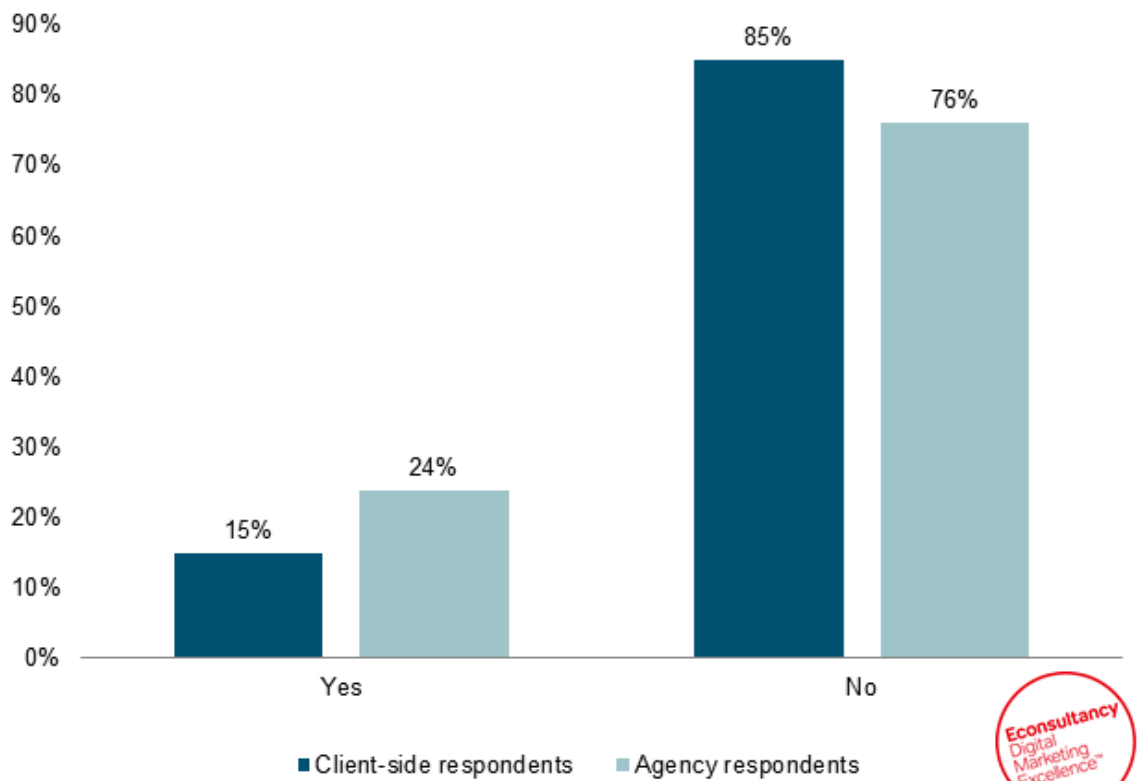
Client-side respondents: 426
Agency respondents: 308

4.3.3.   Number of segments used to target personalised experiences

Two in five companies surveyed don't target any customer or visitor segments to create personalised website experiences. Just over half of client-side respondents target between one and 10 segments, whereas only 8% target more than 10 segments.

The agency perspective is quite different, with just under a quarter (23%) of supply-side respondents saying their clients don't target any customer segments. According to around two-thirds (67%) of agencies, their clients target between one and 10 segments.

Figure 16: How many different customer/visitor segments do you / your clients currently target to create personalised website experiences?
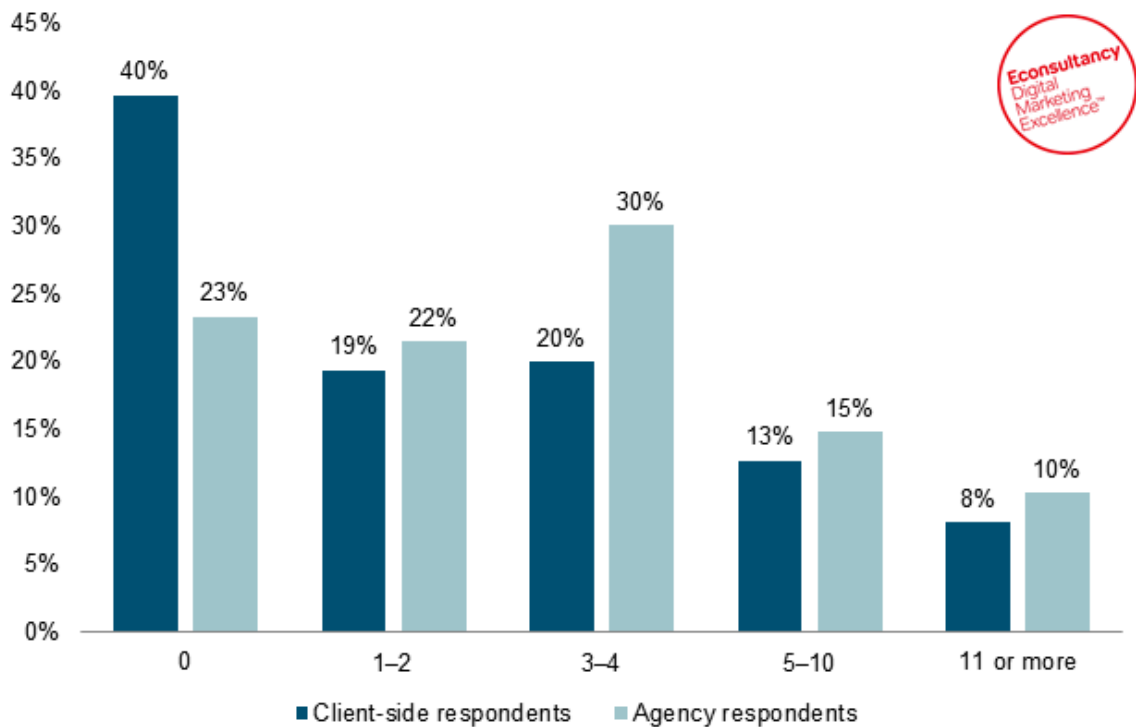
Client-side respondents: 426
Agency respondents: 308

4.4.   Channels, targets and data

4.4.1.   Channels used to deliver personalised experiences

Figure 17 and *Figure 18* show the channels which both in-house marketers and agency clients use to deliver personalised experiences. Around two in five (43%) companies surveyed deliver personalised experiences via desktops, with a further 40% planning to do so within the next 12 months.

Only 14% of client-side respondents indicate they are delivering personalised experiences on tablets, with a similar proportion (13%) doing so via mobile phones. Around a third don't plan to use any mobile devices for personalisation, while just over half (54%) of companies plan to do within the next 12 months.

Companies
Figure 17: Which of the following channels are you using to deliver personalised experiences?
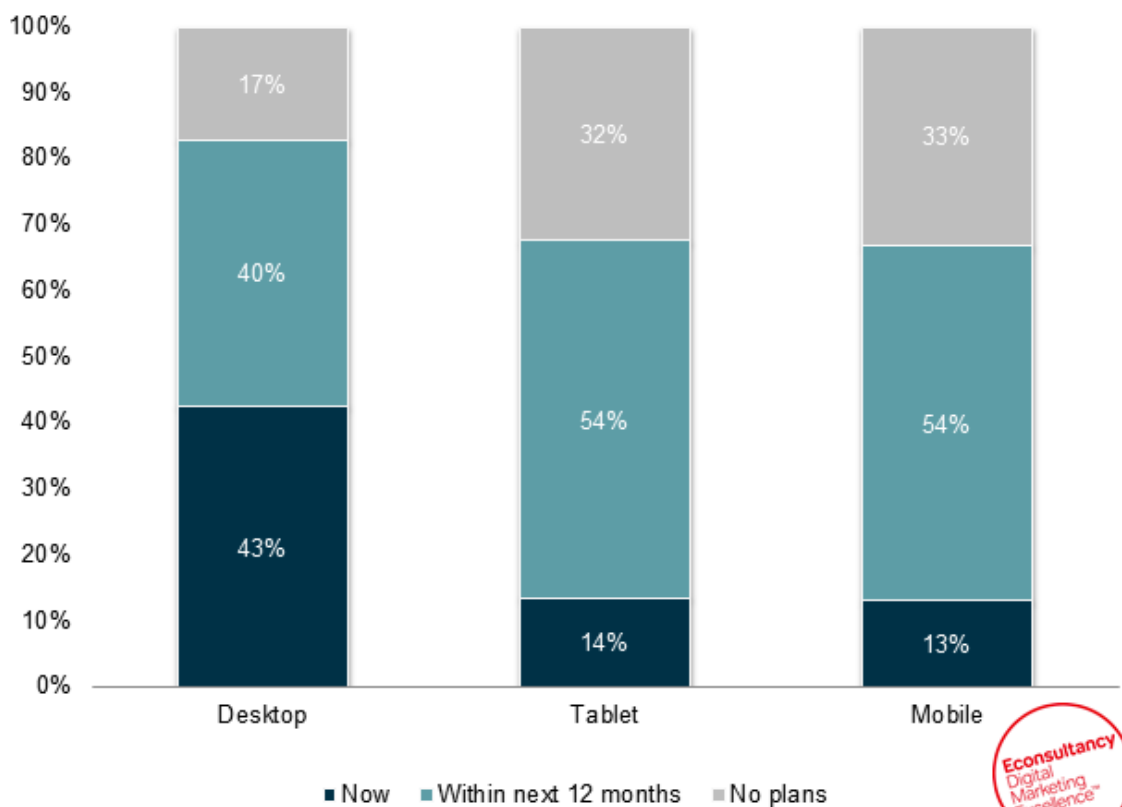
Respondents: 404

Three in five (63%) agencies say their clients are typically delivering personalised experiences via desktops. As with the client-side data, mobile devices are lower down the priority list, with around a quarter of agencies mentioning mobile phones (26%) and tablets (22%).

Agencies
Figure 18: Which of the following channels are your clients typically using to deliver personalised experiences?
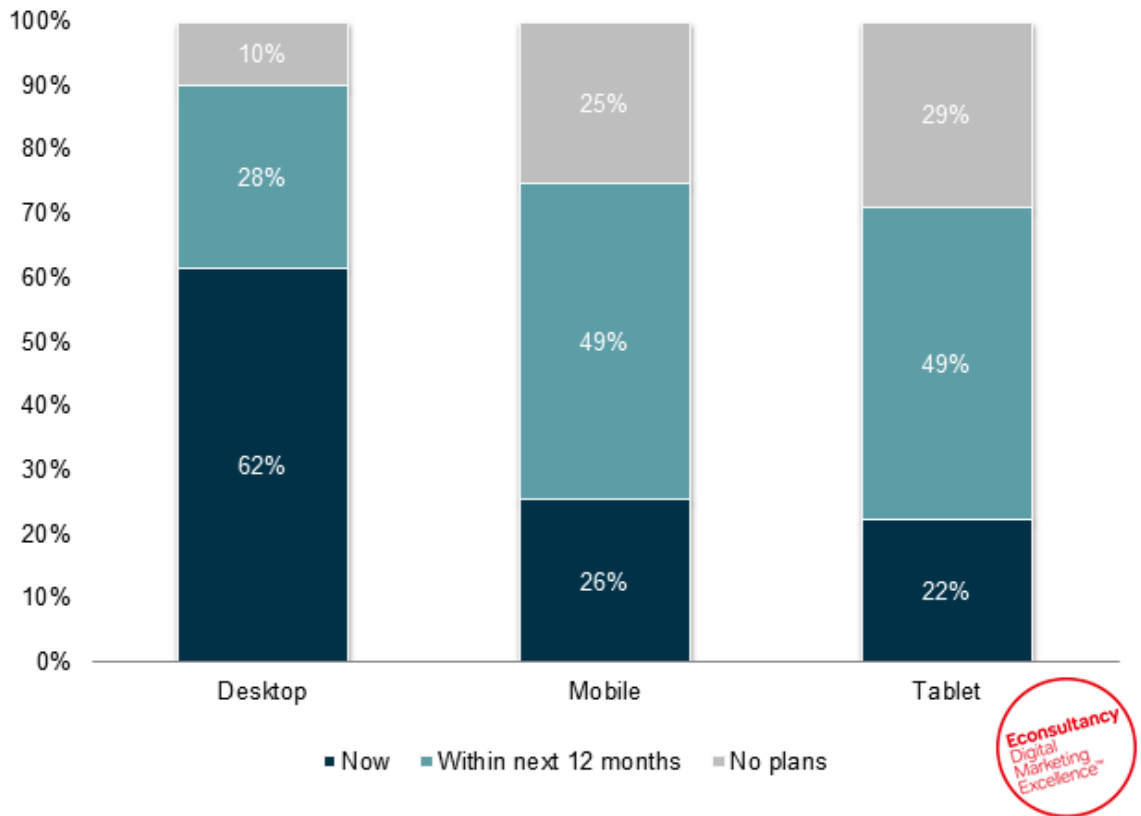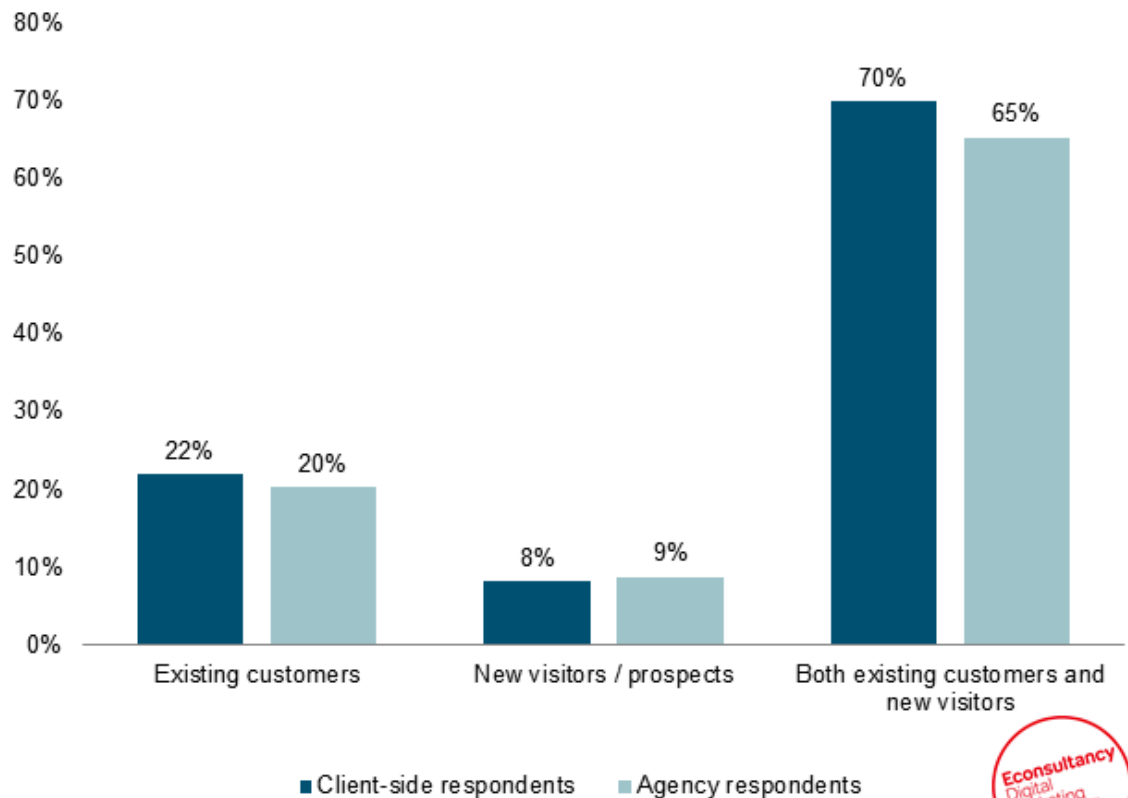

Respondents: 289

4.4.2.   Primary targets – existing customers or new visitors?

For 70% of companies and 65% of agency clients, both existing customers and new visitors are their primary targets when using or planning to use digital channels to create personalised website experiences.

Around a fifth of companies focus on existing customers exclusively, whereas only 8% of in-house marketers say they direct their personalisation efforts only at new visitors or prospects.

Figure 19: Who are your / your clients' primary targets when using or planning to use digital channels to create personalised website experiences?

Client-side respondents: 411
Agency respondents: 296

4.4.3. Data used to personalise the online customer experience

As *Figure 20* shows, the most commonly used type of data when personalising the online customer experience is *first-party historical customer data or segments* (56%), followed by *first-party real-time browsing data* (30%).

Agencies are nearly twice as likely to say their clients use *third-party profiling data*, with 37% of supply-side respondents mentioning this (compared to a fifth of in-house marketers).

Figure 20: What types of data do you / your clients use to personalise the online customer experience?
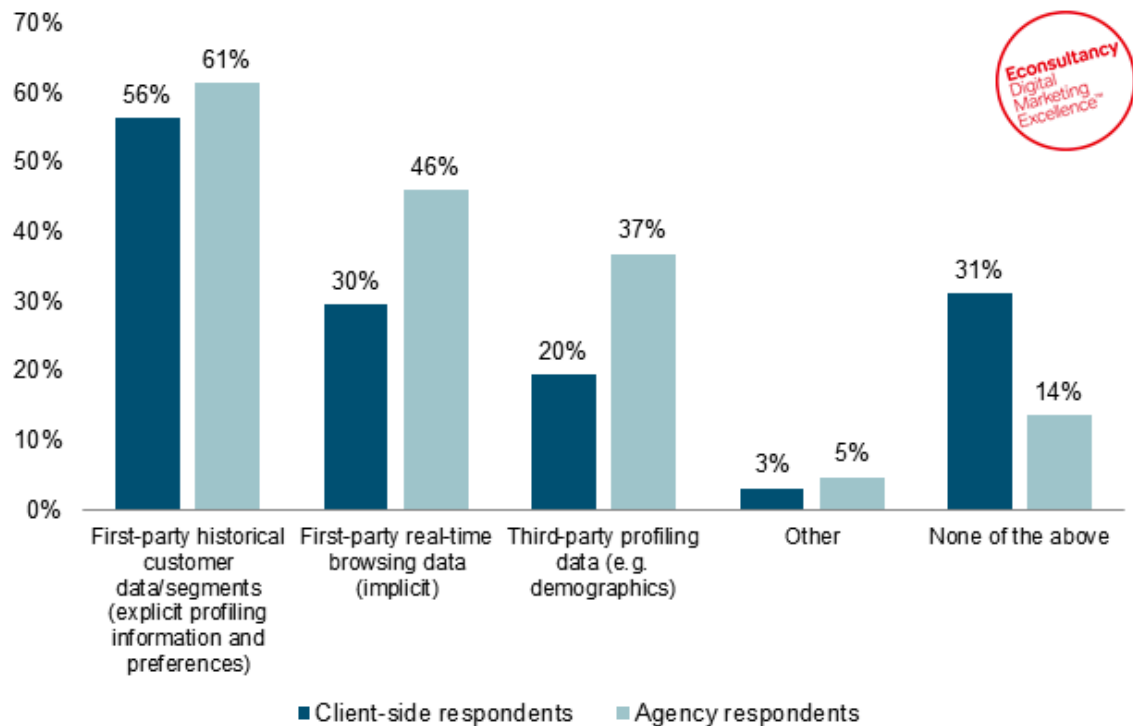
Client-side respondents: 405
Agency respondents: 293

4.4.4.   Types of personalisation

As *Figure 21* shows, *on-site behaviour* (30%) and *inbound marketing channels or traffic sources* (29%) are used most often when creating personalised website experiences.

A higher proportion of supply-side respondents (46% and 44%, respectively) say their clients use these factors than indicated by the companies themselves (*Figure 22*). Similarly, just under half of agencies (44%) say their clients personalise experiences based on *geography*, compared to 23% of companies.

In-house marketers are also twice as likely to say they don't personalise website experiences based on any of these factors: 42% compared to 21% of agencies.

Companies

Figure 21: Do you create personalised website experiences based on any of the following factors?
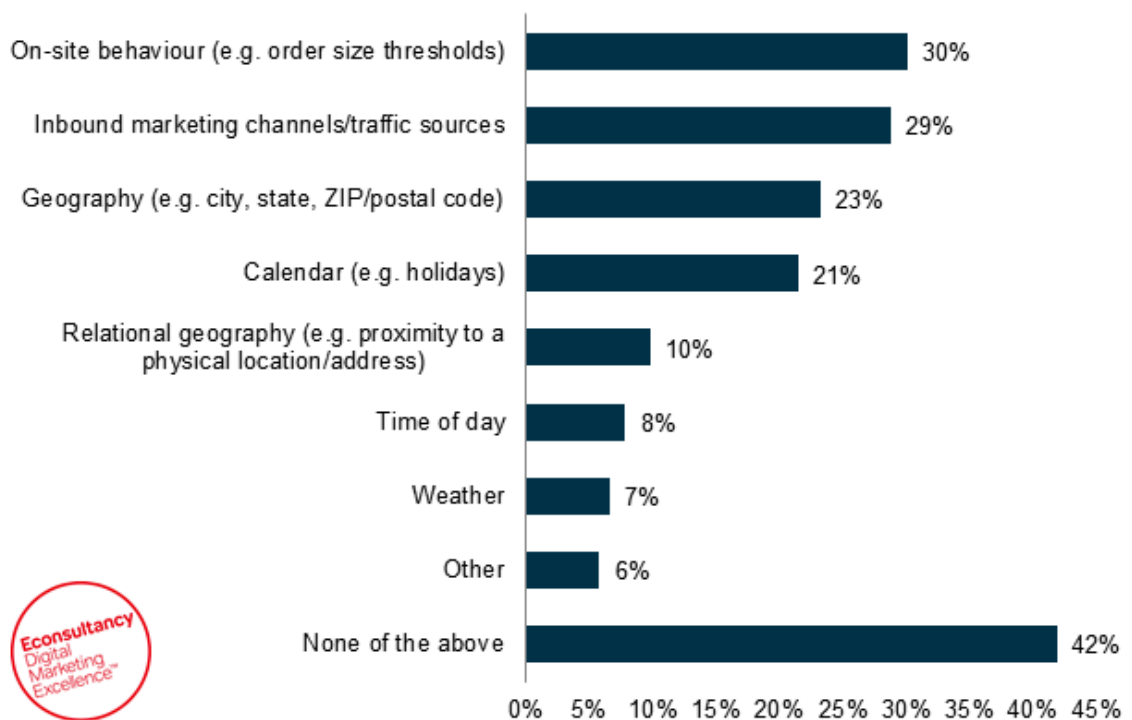
Respondents: 396

Agencies

Figure 22: Do your clients typically create personalised website experiences based on any of the following factors?
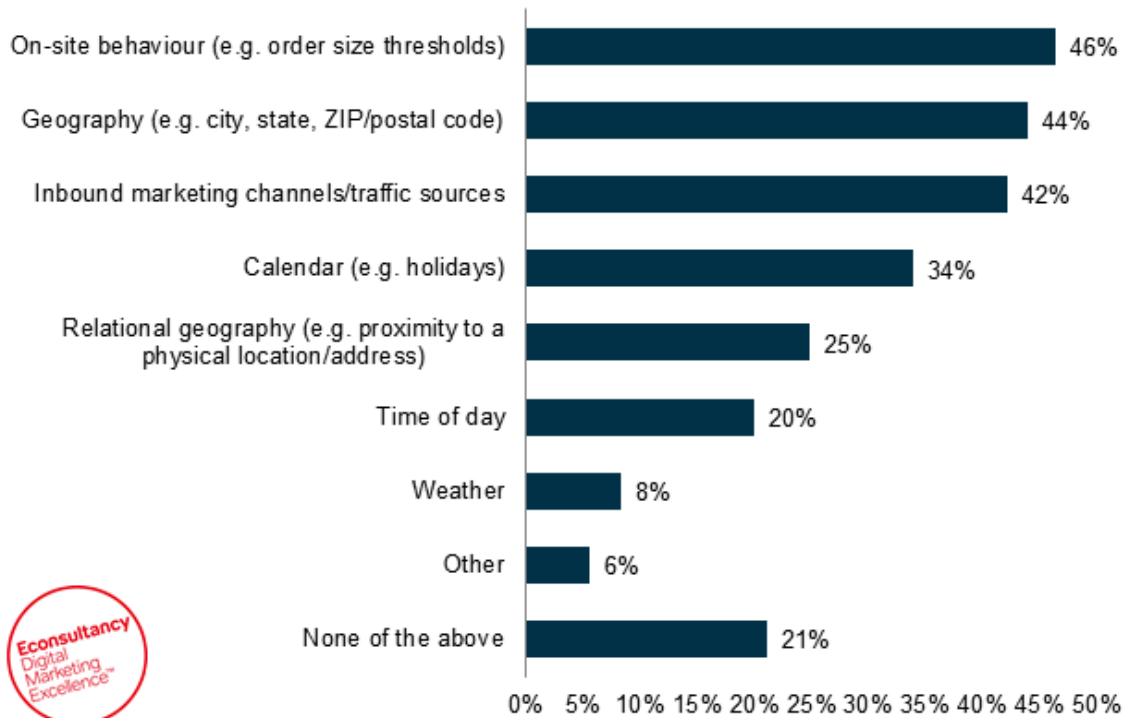
Respondents: 290

## 4.5.   Tactics and testing strategies

4.5.1.   Personalisation tactics currently used

Figure 23 shows the types of personalisation tactics that companies surveyed deploy on their websites. Those used most widely are *product recommendations* (42%), *on-site search results* (40%) and *images or text* (40%).

At the other end of the scale, 14% of in-house marketers indicated they use *badging*, compared to only 11% of agency respondents who stated that their clients use this.

Companies
Figure 23: What personalisation tactics do you currently deploy on your website?
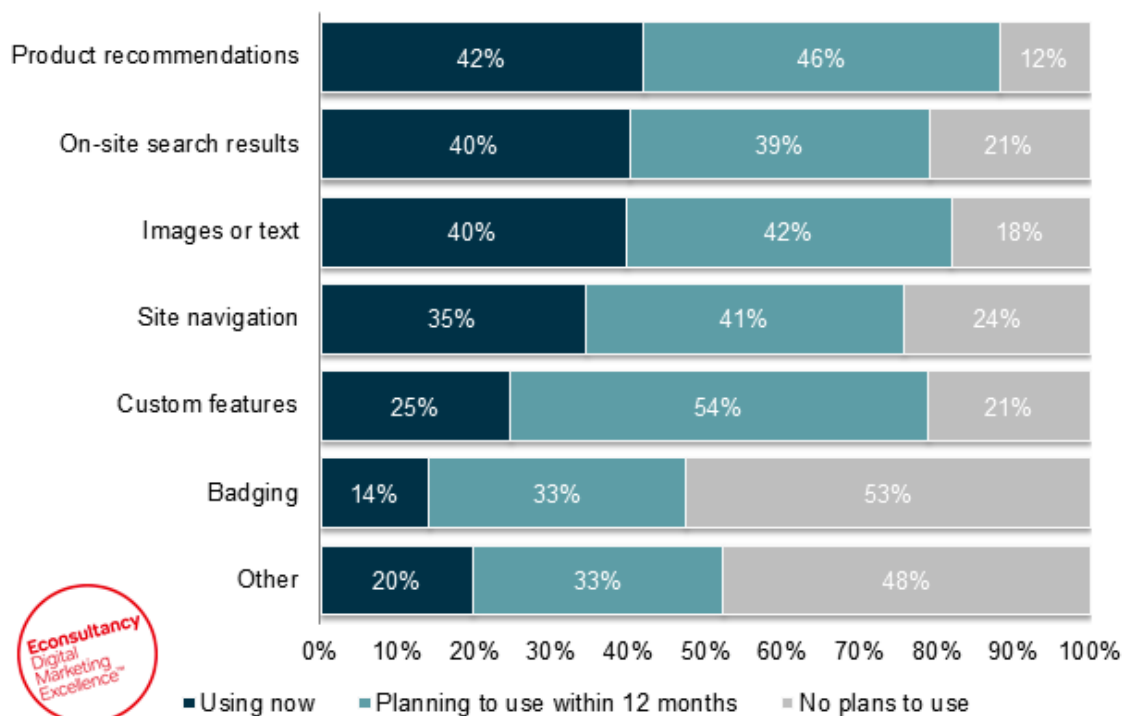
Respondents: 284

Agencies

Figure 24: What personalisation tactics do your clients currently deploy on their websites?

	Using now	Planning to use within 12 months	No plans to use
Product recommendations	55%	33%	11%
Images or text	53%	28%	19%
On-site search results	45%	33%	22%
Site navigation	43%	34%	24%
Custom features	36%	38%	27%
Badging	11%	30%	59%
Other	27%	32%	41%
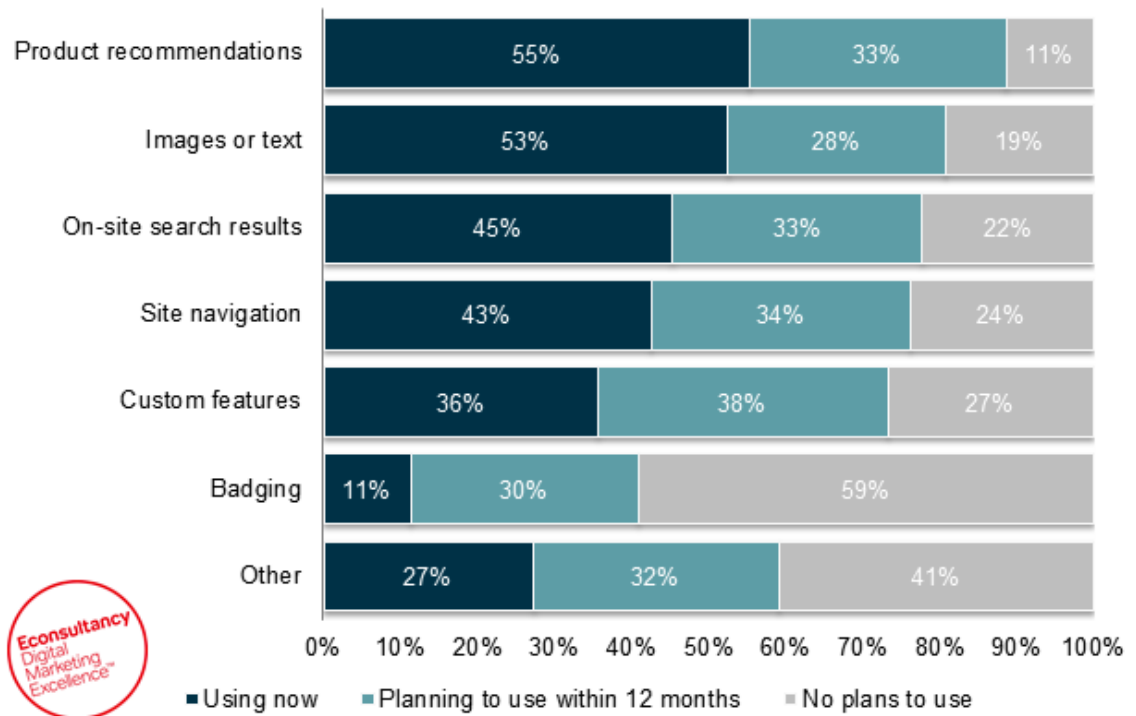
Respondents: 269

4.5.2. Personalisation based on technographic factors

Creating personalised website experiences based on technographic factors is another area in which there is a disparity between agency perceptions and what organisations themselves indicate.

As the chart below shows, just under two-thirds (63%) of companies surveyed don't create personalised website experiences based on any device factors, compared to 41% of supply-side respondents.

Around a fifth of in-house marketers said they personalise experiences based on *browser types* (21%), *screen resolution* (20%) and *screen width* (18%). On the agency side, around a third of respondents state their clients use these factors.

Figure 25: Do you / your clients create personalised website experiences based on any of the following technographic (device) factors?
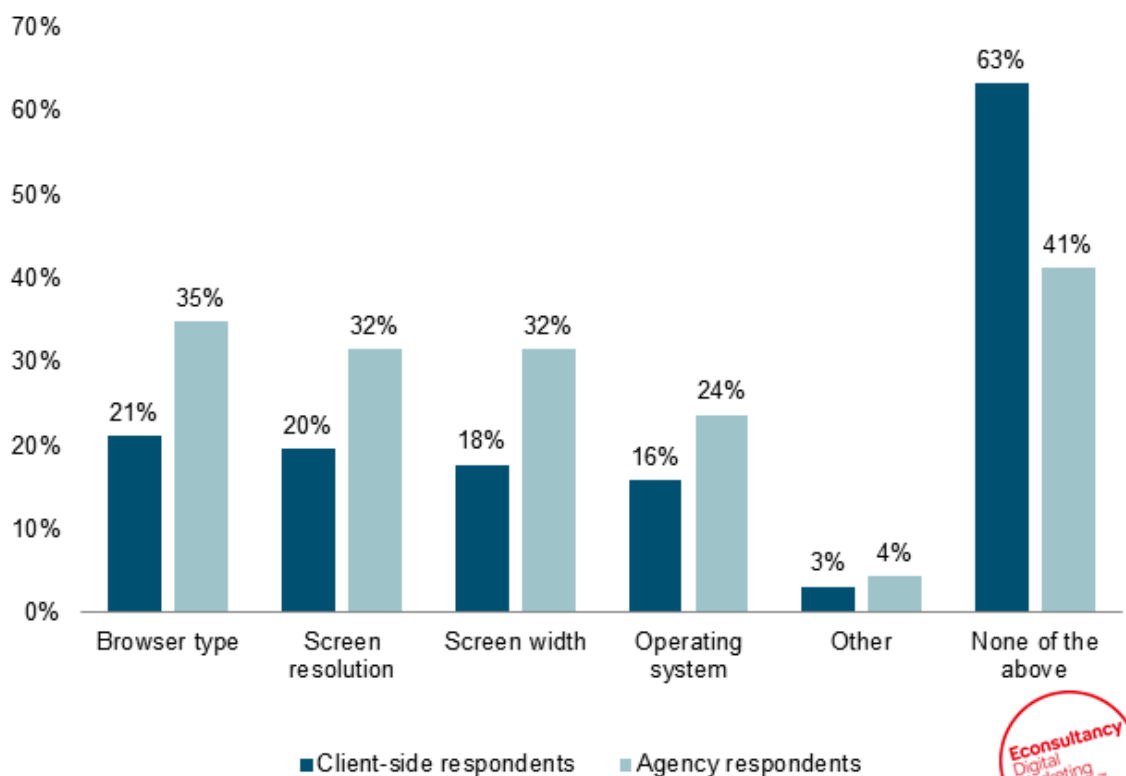
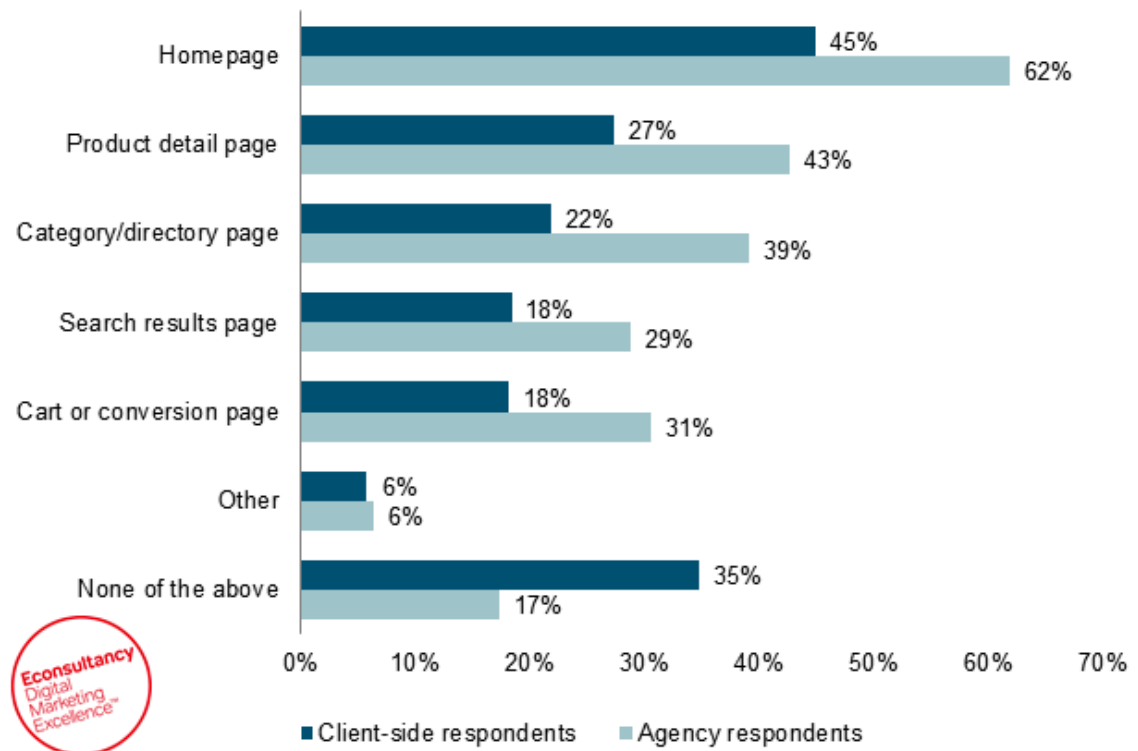*Client-side respondents: 378*
Agency respondents: 279

4.5.3. Website locations used to create personalised experiences

Figure 26 shows a number of website locations which can be used to create personalised experiences, and whether responding organisations use them. Overall, agencies are more likely to say their clients personalise experiences on these web pages than is indicated by companies themselves.

The most popular website location used by companies for personalisation is the *homepage*, with 45% of in-house marketers and 62% of agencies indicating this. The next most commonly cited locations are *product detail pages* (27%) and *category or directory pages* (22%), followed by *search results pages* and *cart or conversion pages* (both used by 18% of companies).

Figure 26: What current website locations are used / do your clients use to create personalised website experiences?
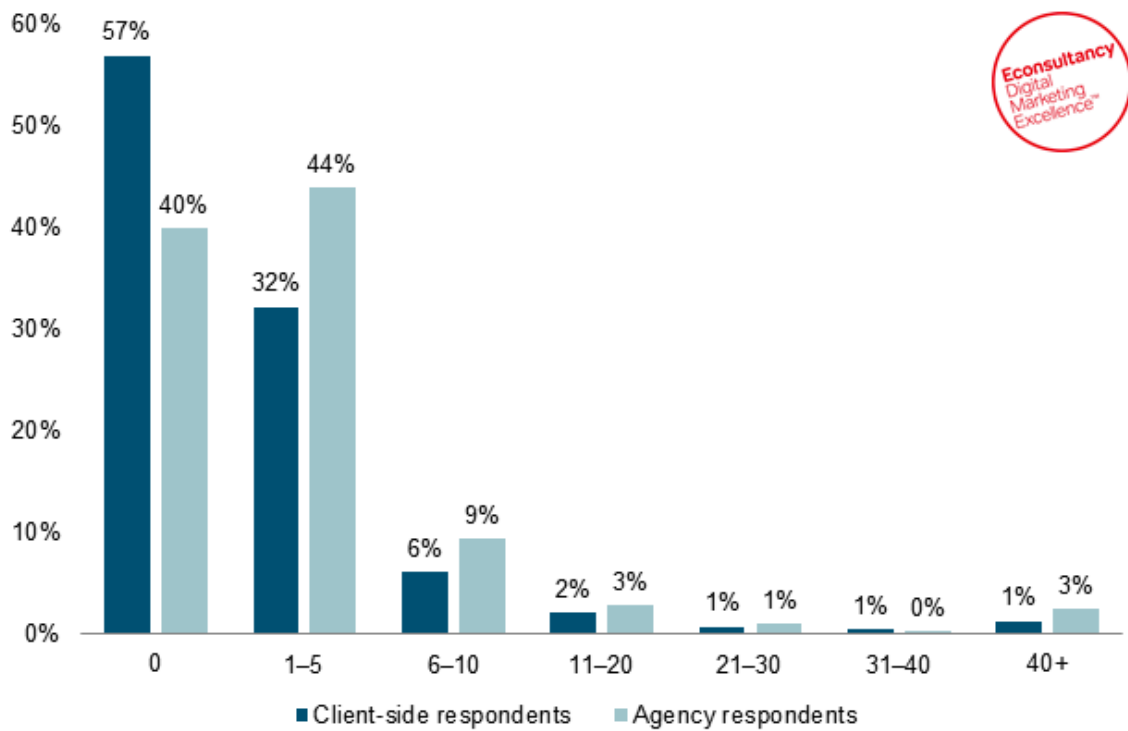

Client-side respondents: 380
Agency respondents: 281

4.5.4. Use of A/B and multivariate testing

Around three in five (57%) companies surveyed don't run any A/B or multivariate tests, whereas 32% perform between one and five tests per month. The proportion of agency respondents who say that their clients don't run any A/B or multivariate tests is much lower (40%).

Supply-side respondents report higher number of tests carried out by their clients each month, with over half (53%) saying that their clients run between one and 10 tests. Agencies are also almost twice as likely to say that their clients perform over 10 tests per month (7% compared to 4% of companies).

Figure 27: On average how many A/B or multivariate tests do you / your clients run per month?

Client-side respondents: 376
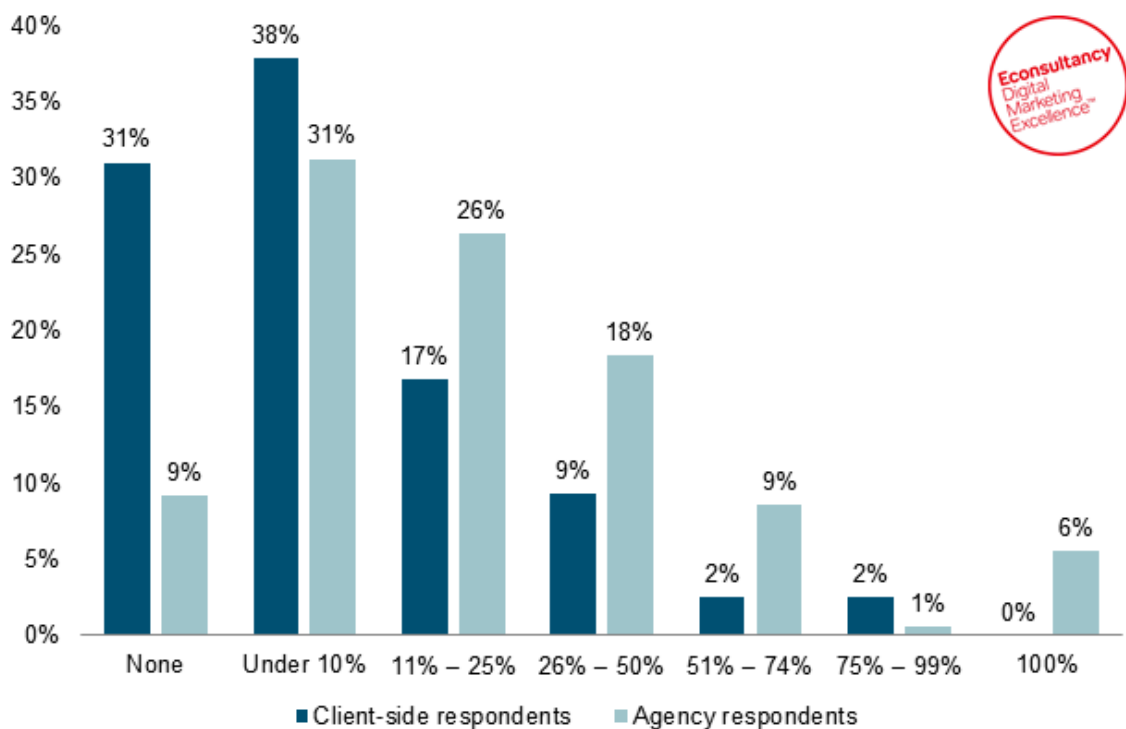*Agency respondents: 278*

4.5.5.   Use of defined customer segments

The chart below shows that just under a third (31%) of companies are not personalising any of their testing campaigns to a defined customer or visitor segment. A further 38% are doing so for less than 10% of campaigns.

Agency responses paint a similar picture, with 57% of agencies saying that between 1% and 25% of their clients' testing campaigns are personalised to defined segments. However, the proportion of supply-side respondents stating that between 11% and 25% of the campaigns are personalised is higher (26% compared to 17% of in-house marketers).

Based on the data, companies are personalising, on average, 18% of their website testing campaigns to defined customer segments. According to supply-side respondents, their clients personalise on average 27% of their testing campaigns, higher than is suggested by companies themselves.

Figure 28: What percentage of your / your clients' website testing campaigns are personalised to a defined customer/visitor segment?

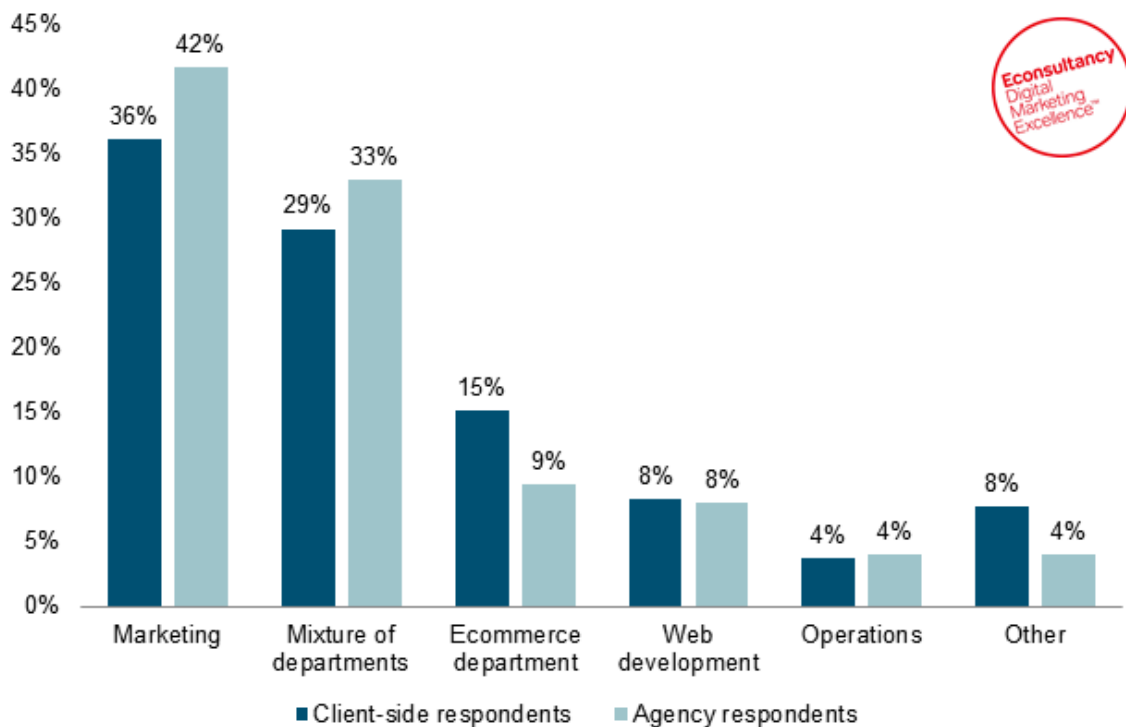*Client-side respondents: 161*
Agency respondents: 163

4.6. Ownership and budgets

4.6.1. Personalisation and optimisation budgets

The department which most commonly holds the budget for website personalisation and optimisation is *marketing*, with around two in five survey respondents (36% of in-house marketers and 42% of agencies) stating that this was the case, as shown in *Figure 29*.

A cross-departmental approach was the next most popular answer, with 29% of client-side respondents and 33% of agencies saying that a mixture of departments holds the personalisation and optimisation budgets.

Figure 29: Who holds the budget for website personalisation and optimisation?

Client-side respondents: 377
Agency respondents: 276

4.6.2.   Organisational ownership

As the chart below shows, *marketing* is also the department which is most commonly responsible for turning customer data into personalised website experiences, according to 41% of in-house marketers and 34% of agencies.

This is followed by a *mixture of departments*, with 24% of both in-house marketers and agency clients using this approach. According to just under a fifth (17%) of companies surveyed, this responsibility sits in the ecommerce team.

Figure 30: Who is primarily responsible for turning customer data into personalised website experiences?
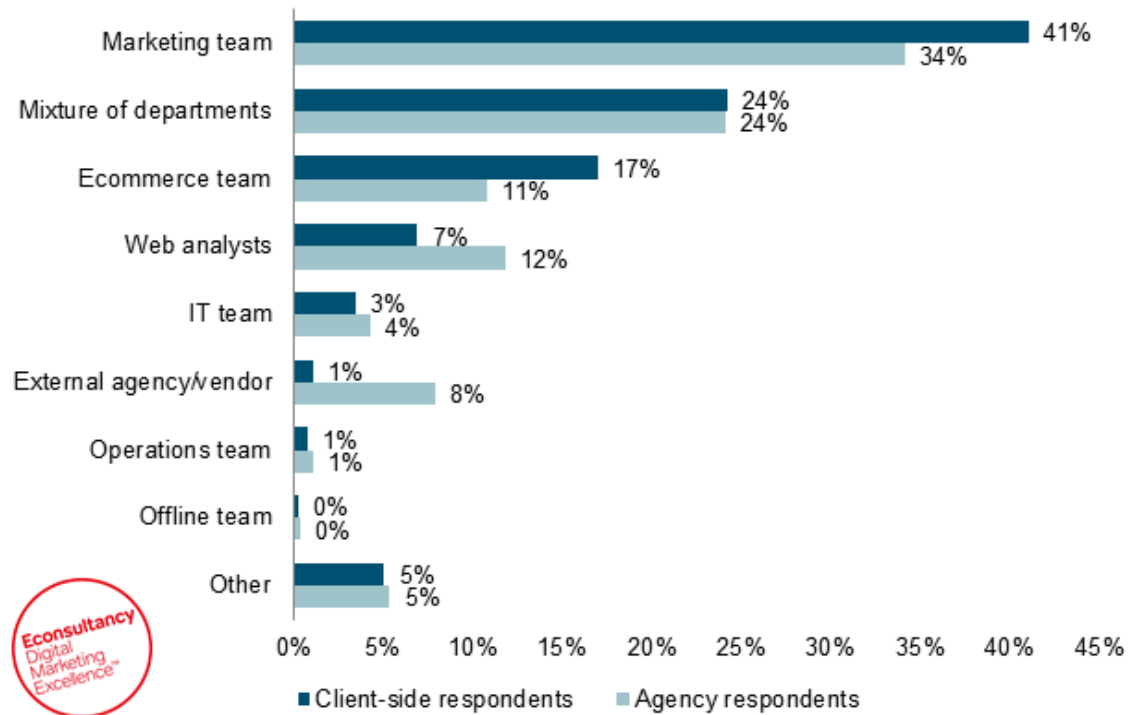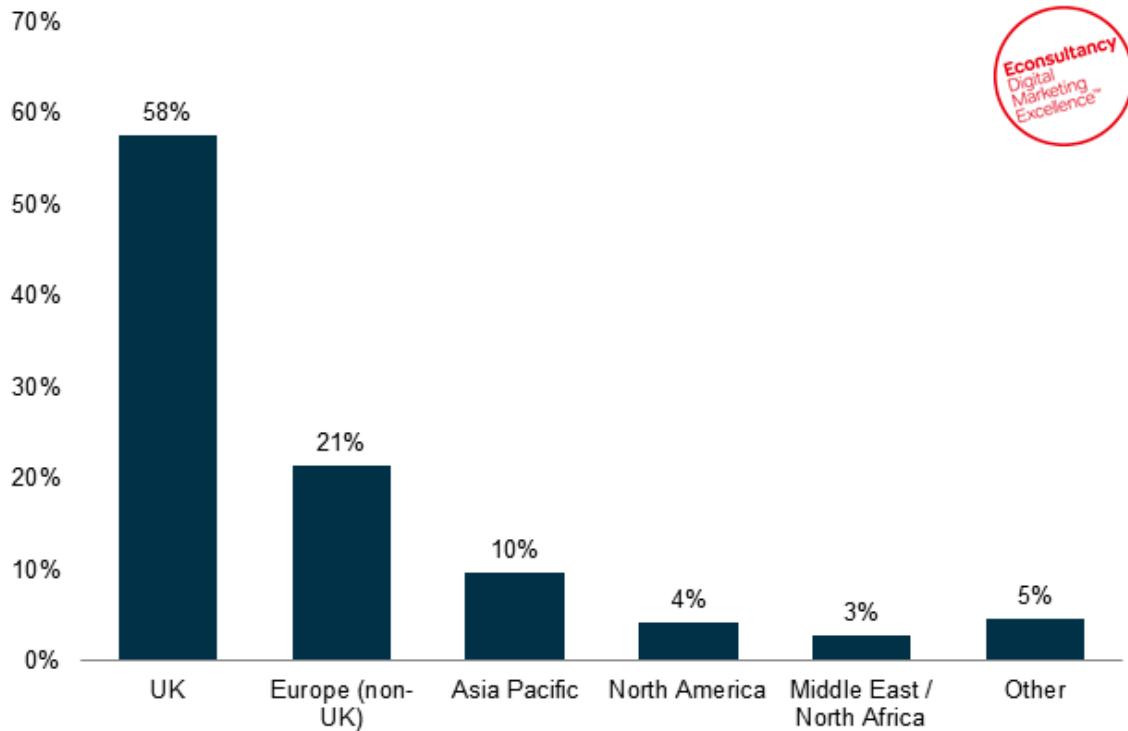
5.   Appendix: Respondents Profiles

5.1.   Geographic location

Over half (58%) of survey respondents are UK-based. Around a fifth (21%) are located in Europe (excluding the UK) and some 10% are based in Asia Pacific. North America accounts for 4% of the sample.

Figure 31: In which country / region are you (personally) based?
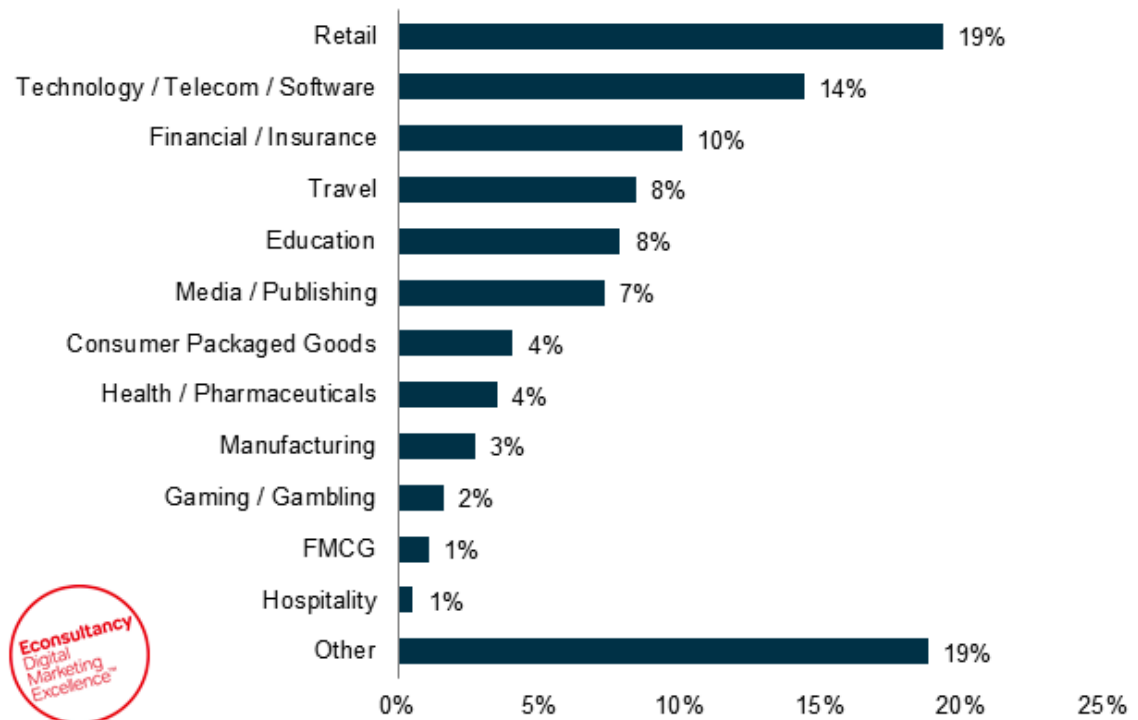

Respondents: 665

5.2. Industry sector

The respondents in this survey work across a wide variety of different sectors, including *retail* (19%), *technology/telecom/software* (14%), *financial / insurance* (10%), *travel* (8%) and *education* (8%). Some 19% of respondents said they work in '*other*' sectors which in this context includes software, market research, property and distribution.

Companies
Figure 32: In which country / region are you (personally) based?
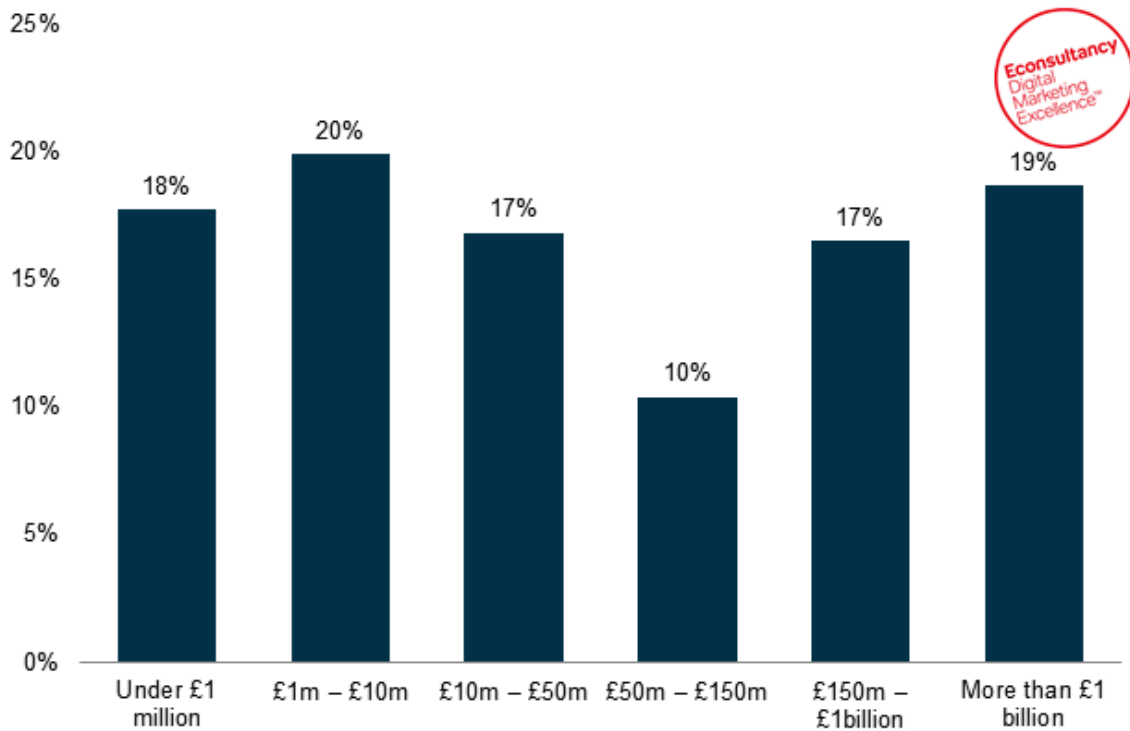

Respondents: 379

5.3.   Annual company revenue

The chart below shows the range in size of the companies represented in this survey.

Just over a third (38%) of companies surveyed have annual revenues of under £10m, while around a fifth (17%) turn over between £10m and £150m. Some 36% of companies have a turnover of more than £150m.
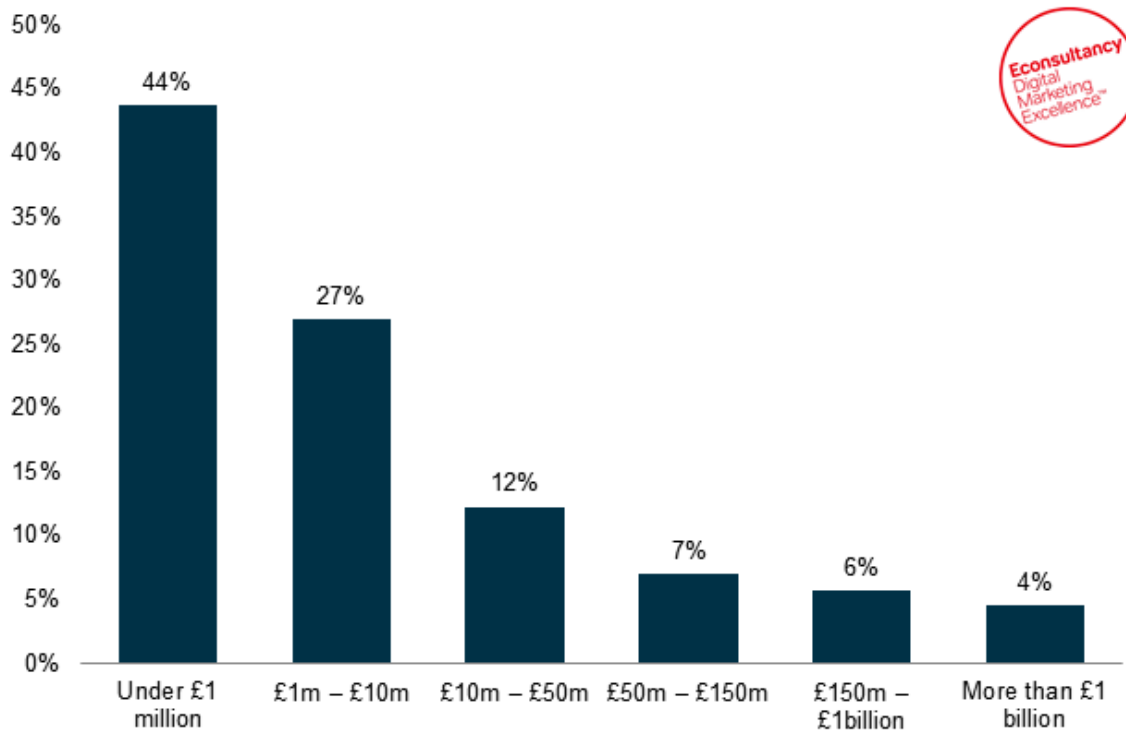
Companies
Figure 33: What is your annual company revenue?

Respondents: 378

Agencies

Figure 34: What is your annual company revenue?

Respondents: 279