



# 2020 Trends in Personalization

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## EXECUTIVE SUMMARY

To help organizations better understand the prevailing attitudes, key benefits, current usage and future plans related to personalization, Evergage and Researchscape International collaborated again this year – surveying 326 marketing professionals across industries and countries, although predominantly in the U.S. The online survey was fielded from February 20 to March 27, 2020. Additional details about the survey respondents can be found in the firmographics section of this report.

This 7th annual study found that marketers overwhelmingly agree (99%) that personalization helps advance customer relationships, with 78% claiming it has a “strong” or “extremely strong” impact. And 92% state that their customers and prospects expect a personalized experience (up from 85% last year). When asked what drives personalization within their own organizations, marketers cite delivering better customer experiences (89%), increasing loyalty (61%) and generating measurable lift/ROI (59%) as top motivating factors.

The majority of marketers (94%) surveyed are using personalization in their marketing strategies. Email remains the most personalized channel (78%) this year, followed by website (56%), in-person (43%), online advertising (33%), social media (32%), mobile app (31%), call center (27%) and web app (20%).

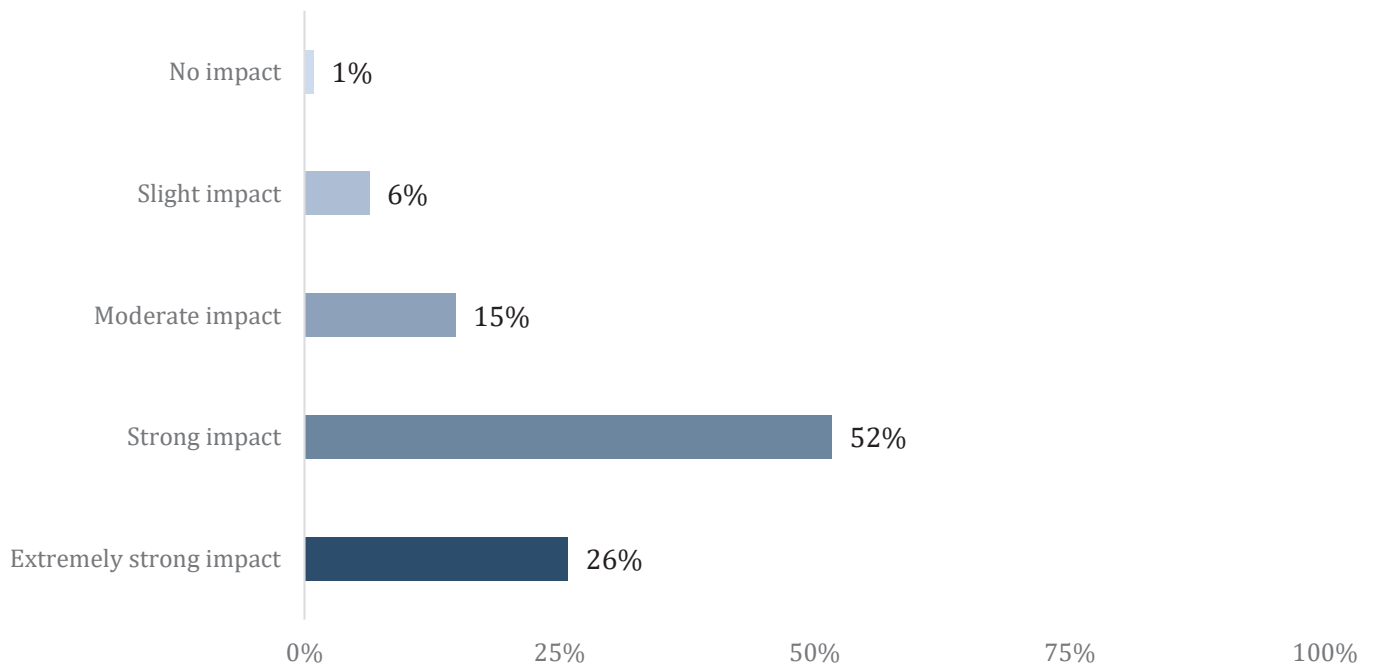
While marketers are certainly dealing with some challenges pertaining to personalization (only 13% are “very” or “extremely” satisfied with the level of personalization in their marketing efforts), they are becoming more sophisticated in their approach. Organizations’ usage of machine-learning/algorithmic personalization has increased steadily over the past 3 years, from 26% in 2018 to 40% in 2019 to nearly half (46%) in 2020.

Marketers continue to see positive business results from personalization too. In 2020, the overwhelming majority (97%) report a measurable lift from their personalization efforts, up 7 percentage points from last year. More than half (58%) experience a lift of more than 10%, while 14% report a lift of over 30%. This success is translating to continued support and investment. The vast majority of organizations (97%) plan to maintain or increase their personalization budgets this year. In addition, 85% believe personalization should be a bigger priority in their organization than it is currently – up from 74% last year.

## ATTITUDES TOWARD PERSONALIZATION

An overwhelming majority of respondents (99%) believe that personalization has at least some impact on advancing customer relationships, while almost 8 in 10 (78%) believe it has a “strong” or “extremely strong” impact.

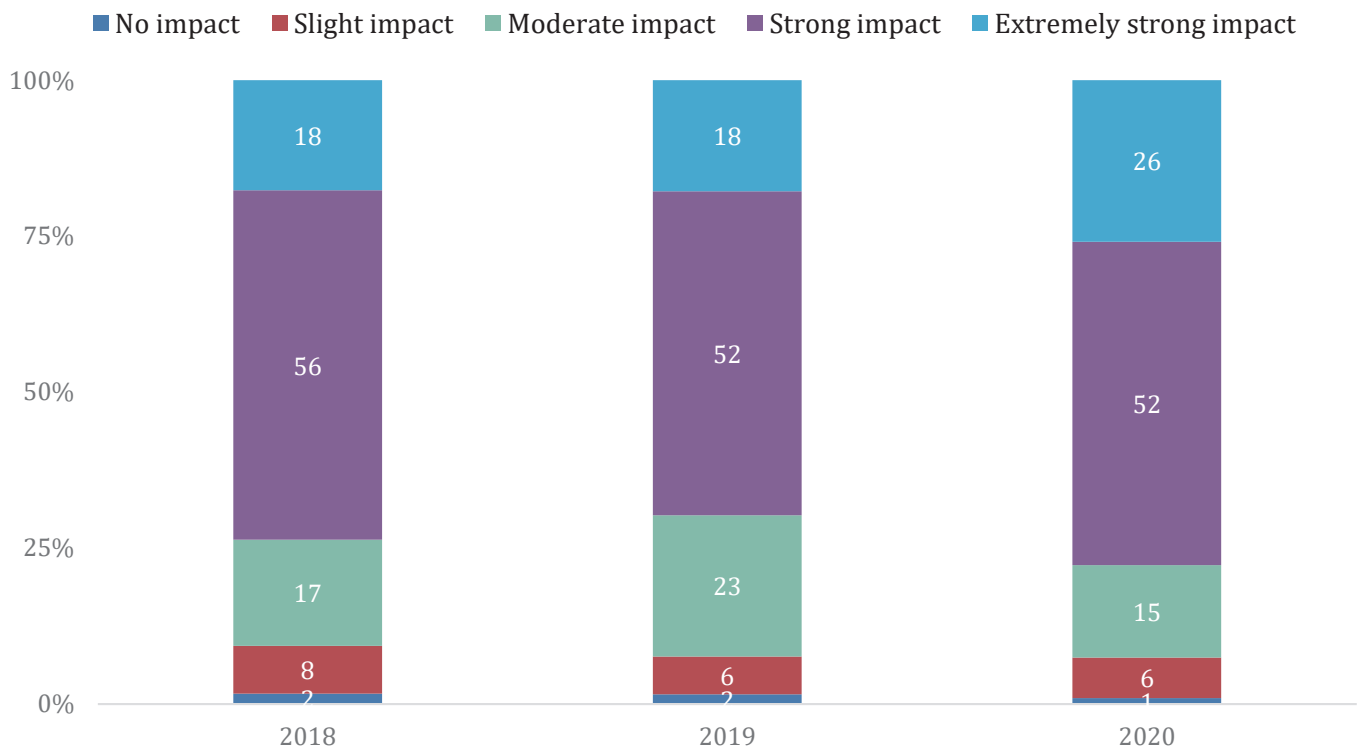
What is the impact, if any, of personalization on advancing customer relationships?



*Sample Size: 317 (97% of Respondents)*

Marketers this year believe more firmly than ever that personalization advances customer relationships, with 26% saying it has an extremely strong impact (versus 18% in both 2018 and 2019).

What is the impact, if any, of personalization on advancing customer relationships? (2018-2020)

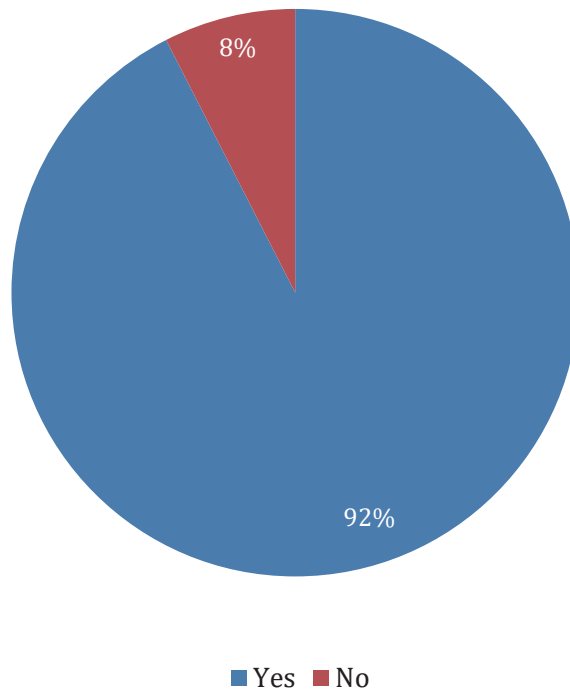


2018-2020 Sample Size: 931 (99% of Respondents)

Totals do not add to 100% due to rounding

The majority of marketers (92%) also say that their prospects or customers expect a personalized experience – an increase of 7 points over last year.

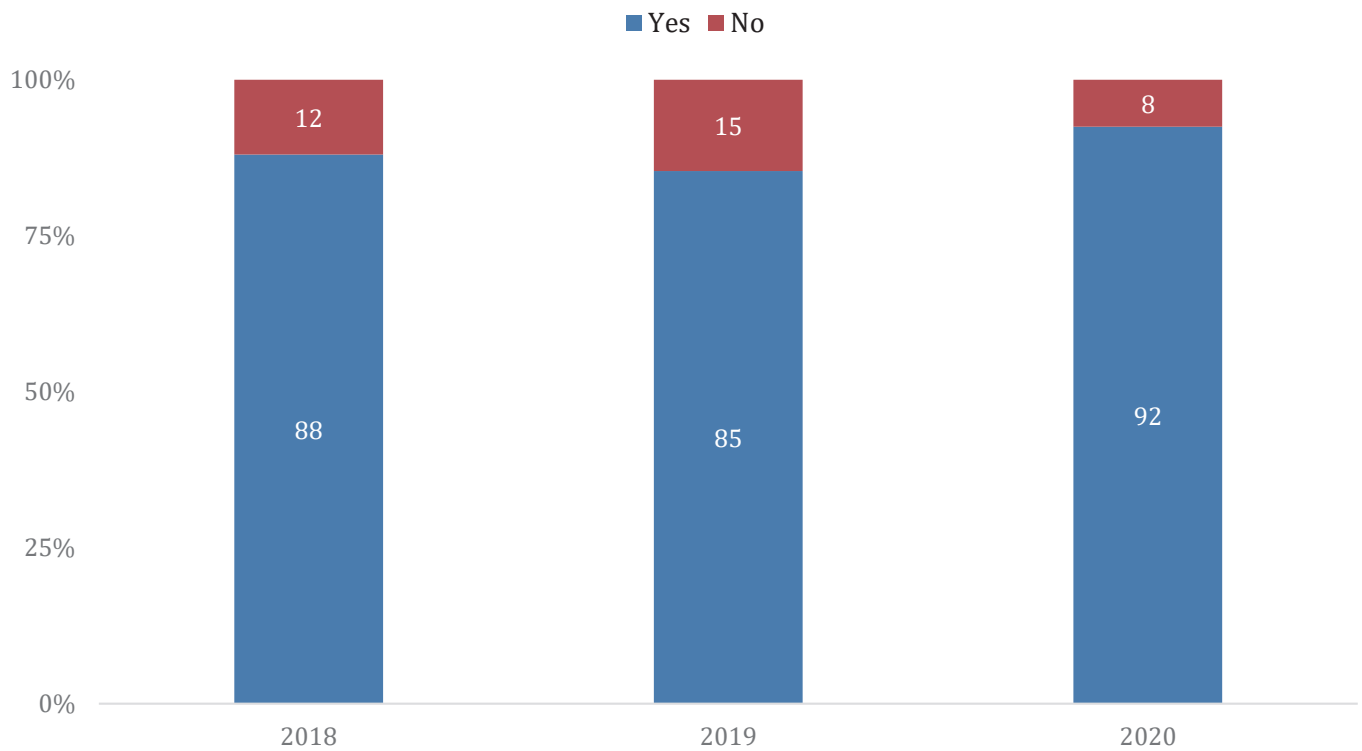
Do you think your prospects/customers expect a personalized experience?



*Sample Size: 319 (98% of Respondents)*

Marketers feel more strongly than ever that their customers and prospects want and expect personalized experiences (85% agreed with the statement in 2019, and 88% did so in 2018 – compared to 92% this year).

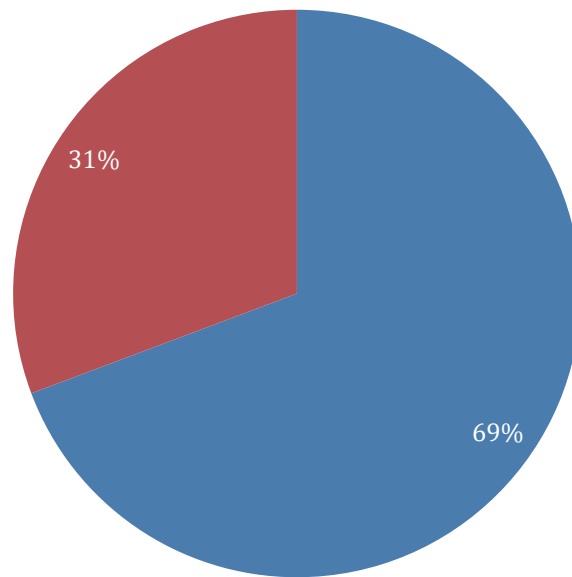
### Do you think your prospects/customers expect a personalized experience?



*2018-2020 Sample Size: 933 (99% of Respondents)*

Yet, most respondents feel that the industry, as a whole, can improve the delivery of personalization. Only 31% believe that marketers are getting personalization right.

Would you agree or disagree with the following statement: Marketers are getting personalization right.



■ Disagree ■ Agree

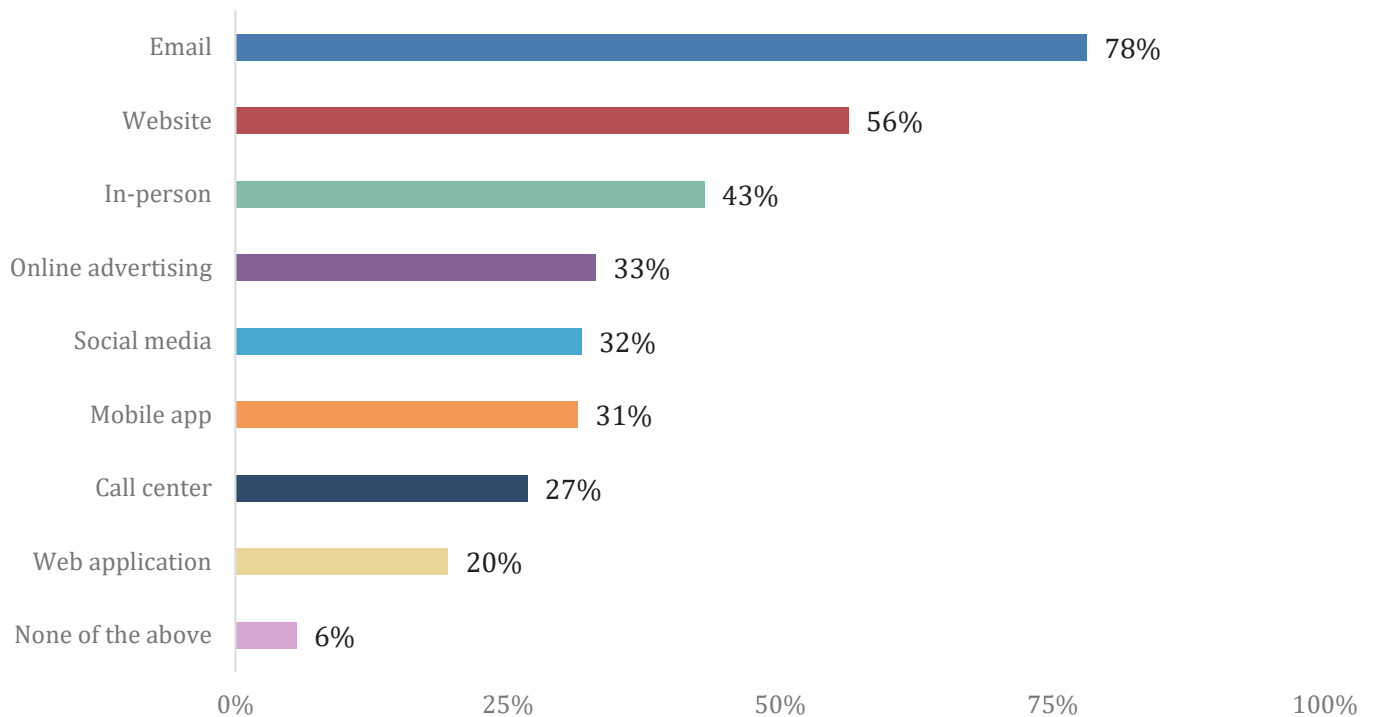
*Sample Size: 319 (98% of Respondents)*

## PERSONALIZATION USAGE & SATISFACTION

Almost 8 in 10 (78%) respondents report using personalization as part of their email campaigns. Over half of marketers (56%) deploy personalization on their websites, and more than 4 in 10 (43%) apply it to in-person experiences. (These were the top 3 channels cited in 2019 as well.)

Personalization in online advertising (33%), social media (32%), mobile apps (31%), call centers (27%) and web apps (20%) is less common.

In which of the following channels are you using personalization?



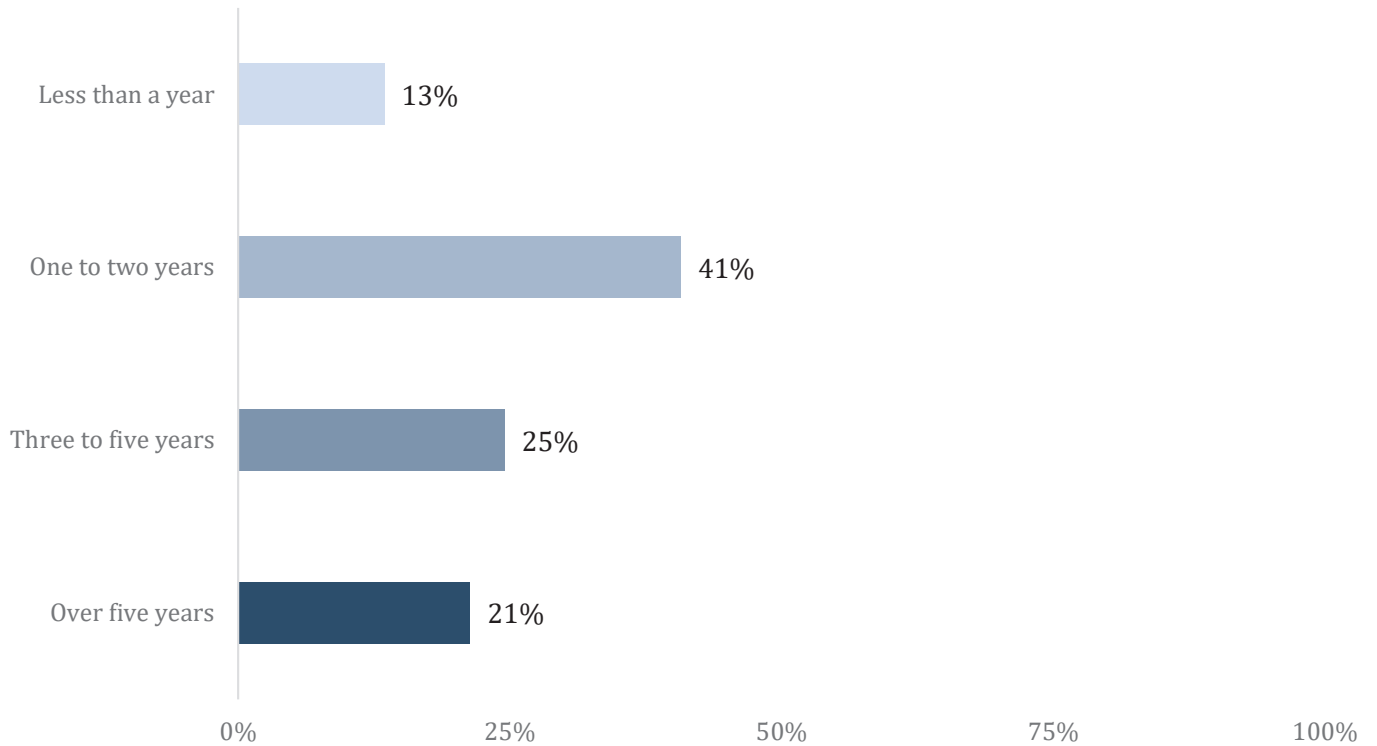
*Sample Size: 302 (93% of Respondents)*

*Respondents could select multiple options*



Most marketers surveyed are relatively new to personalization. 54% have been using personalization for 2 years or less.

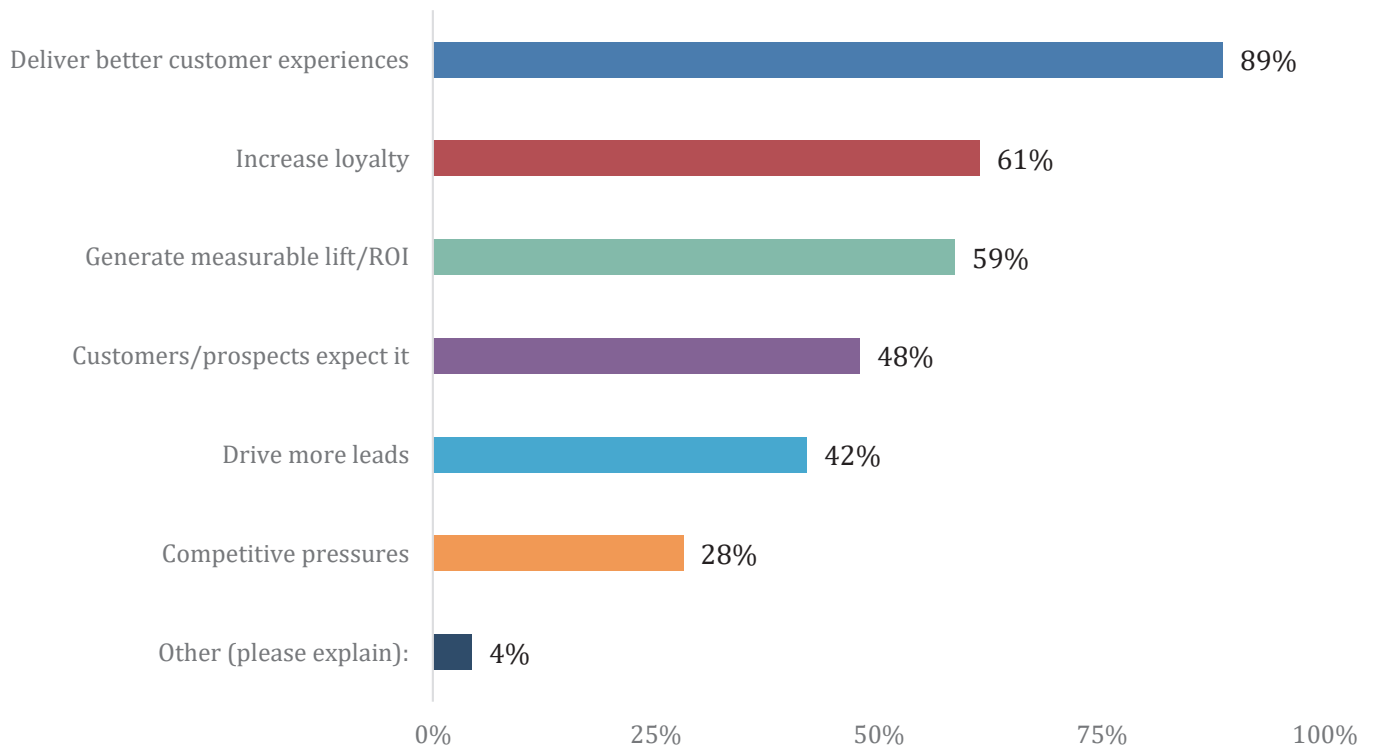
### How long have you been using personalization?



*Sample Size: 253 (78% of Respondents)*

The top drivers for employing personalization are to deliver better customer experiences (89%), to increase loyalty (61%) and to generate lift/ROI (59%). These were the top motivators last year too.

### What are the drivers of personalization in your organization?

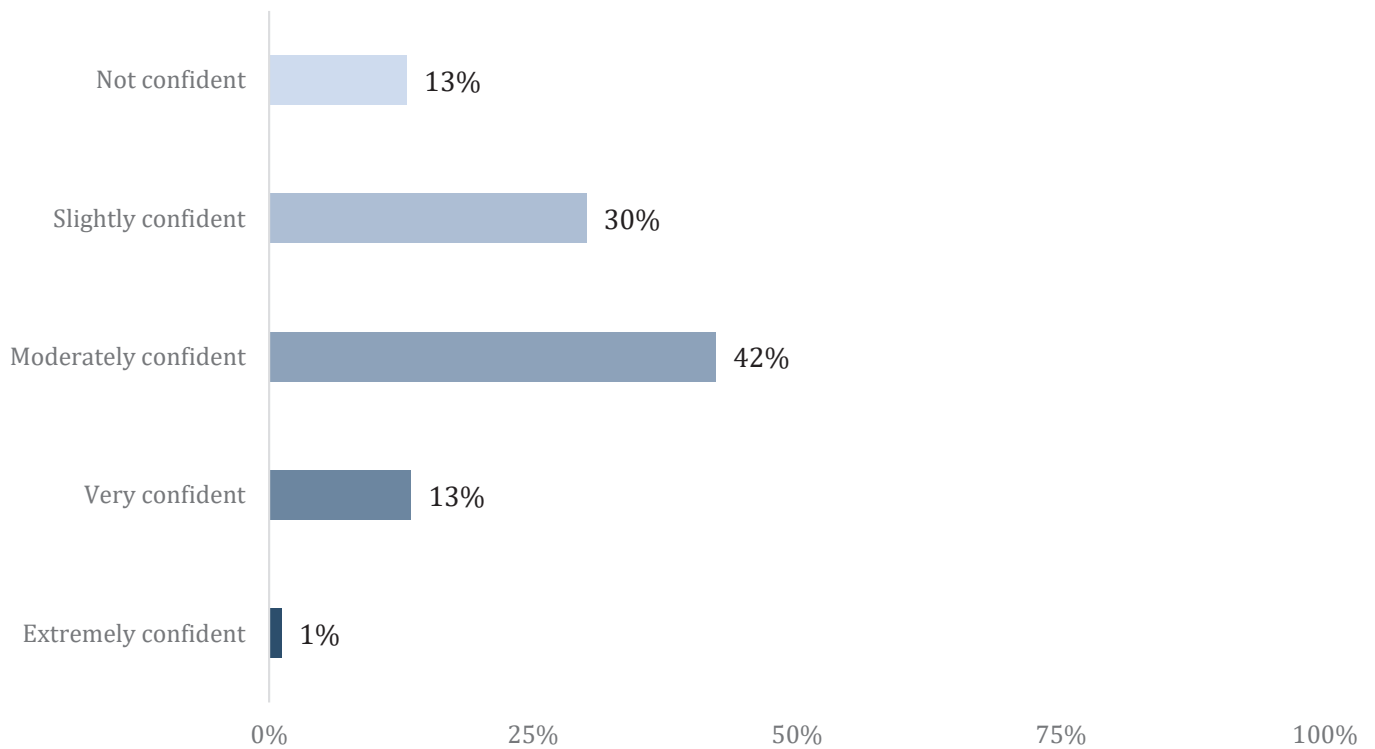


*Sample Size: 253 (78% of Respondents)*

*Respondents could select multiple options*

Marketing professionals seem to lack confidence in their personalization strategies. Only 14% of respondents are very or extremely confident that they have a successful strategy for personalization. Four in 10 (42%) are moderately confident, while just as many (43%) are only slightly or not at all confident.

### How confident are you that you have a successful strategy for personalization?



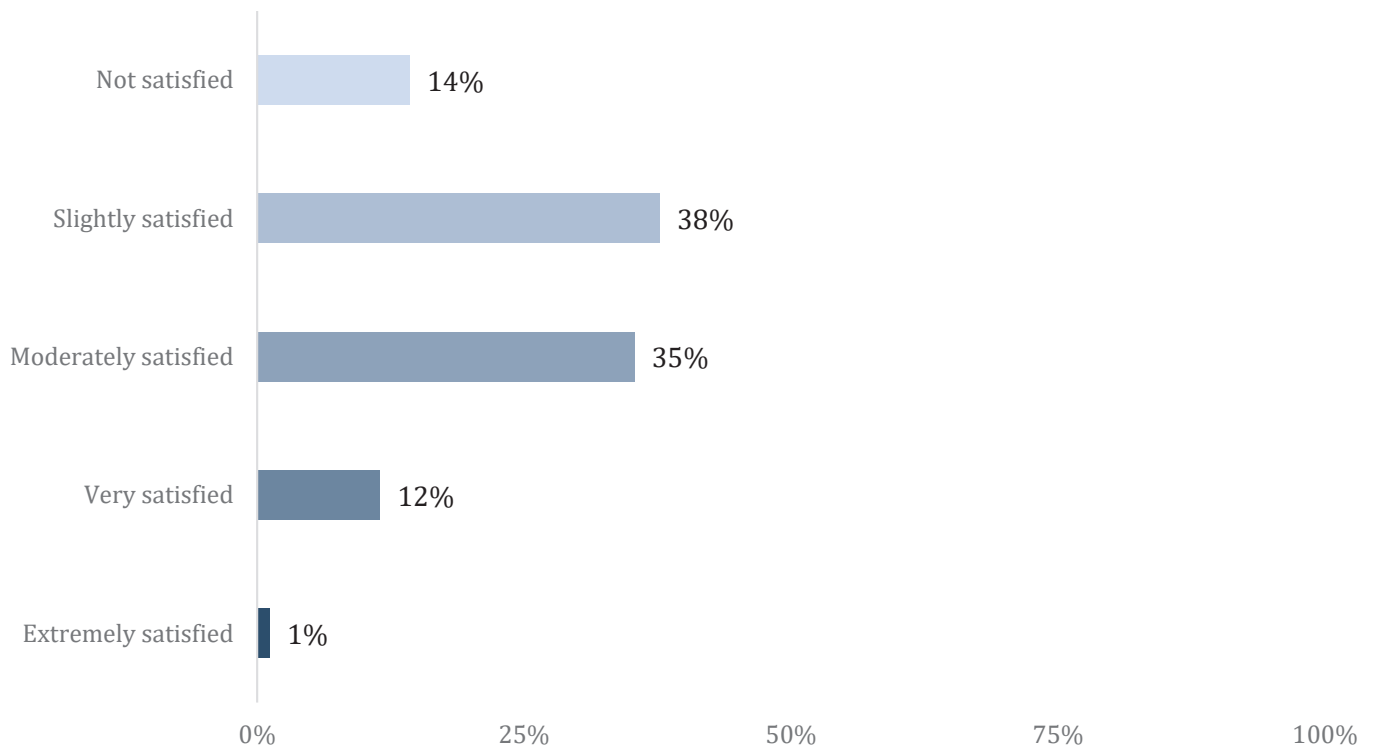
*Sample Size: 253 (78% of Respondents)*

*Totals do not add to 100 due to rounding*

When it comes to the level of personalization in their marketing efforts, only 13% of marketers say they are very or extremely satisfied. Just over half (52%) say they are not satisfied or only slightly satisfied, while a third (35%) are moderately satisfied.

On the positive side, dissatisfaction is declining. In 2020, 14% of marketers say they're not satisfied with the level of personalization they employ – compared to 21% who felt that way in 2019.

Overall, how satisfied are you with the level of personalization in your marketing efforts?



Sample Size: 252 (77% of Respondents)

Marketers who are highly satisfied with their personalization efforts are often the ones who've been using personalization the longest. For example, among marketers who are *not* satisfied with the level of personalization in their marketing efforts, 22% have been using personalization for less than a year, and 47% have been using it for 1-2 years. Among those who report themselves very satisfied, 31% have 3-5 years experience and 41% have 5+ years.

	Overall, how satisfied are you with the level of personalization in your marketing efforts?				
	Not satisfied	Slightly satisfied	Moderately satisfied	Very satisfied	Extremely satisfied
	(%)	(%)	(%)	(%)	(%)
Less than a year	22	17	10	3	0
One to two years	47	49	35	24	0
Three to five years	17	19	31	31	33
Over five years	14	15	24	41	67
Base	n=36	n=95	n=89	n=29	n=3

*Sample Size: 252 (18% of Respondents)*

*Some column totals do not add up to 100% due to rounding*

### Why are you not satisfied with the level of personalization in your marketing efforts?

A number of marketers who are not satisfied with their personalization strategies feel they could improve performance if they could better unify their data, implement personalization across channels and upgrade their marketing stack. Here are some of their comments:

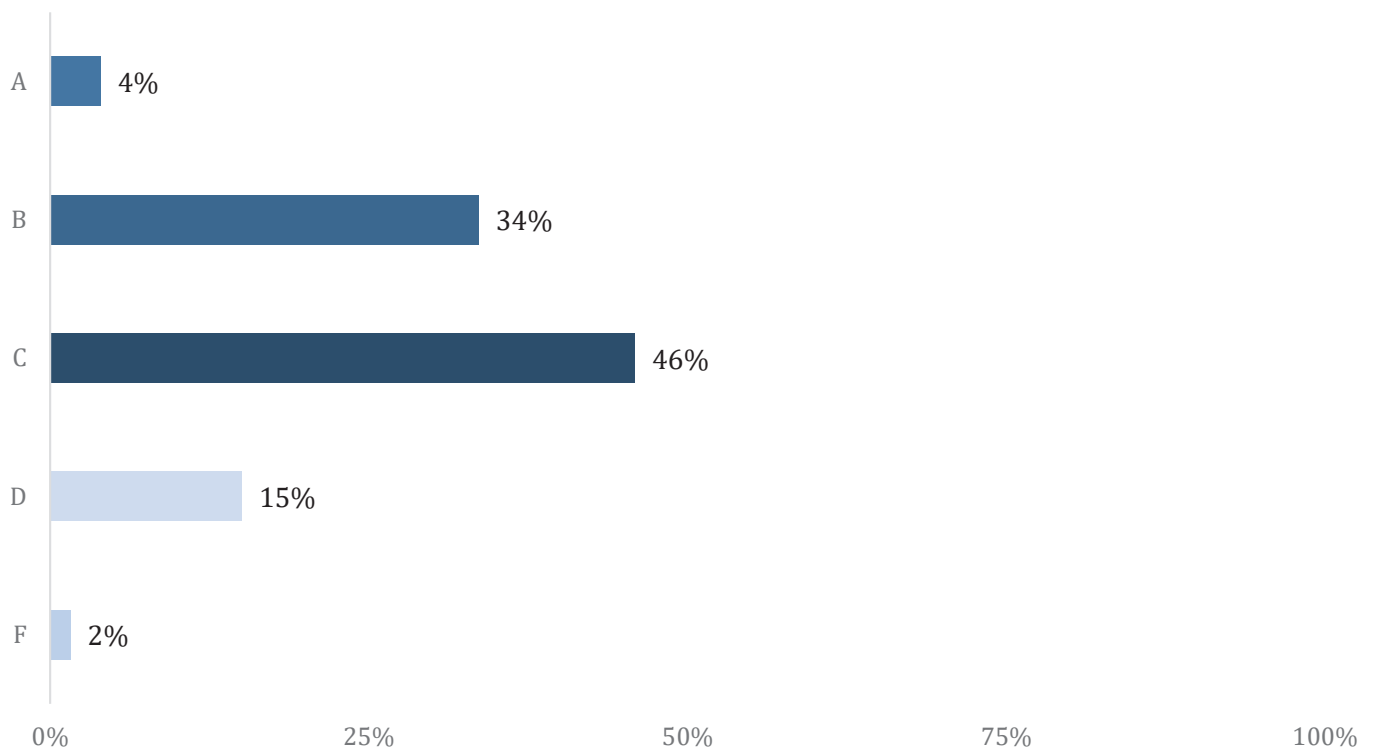
- “We can always do better. The struggle is the backend pipelines in terms of leveraging data efficiently to segment and customize messaging. Right now it's a manual process; it needs to be automated to scale.”
- “We need to do a better job of personalizing the experience, content, timing , etc., and not just the basic elements like the person’s name.”
- “Too many data silos, too many technical dependencies.
- “Not streamlined across multiple channels.”
- “We are limited by technology and old infrastructure so that getting us to where we need to be is a slow process.”
- “Data integrity and lack of systems create challenges for deeper levels of personalization.”

Further reflecting the sentiment that there's more (and better) work to be done, marketers' grades for their personalization efforts show there's room for improvement.

When asked to grade their current personalization efforts, 63% of respondents gave themselves a C or lower (46% C and 17% a D or F). Only 4% awarded their efforts an A.

There are bright spots, though. The amount of As and Bs climbed 9% over last year's results, and the amount of Ds and Fs dropped by 23%.

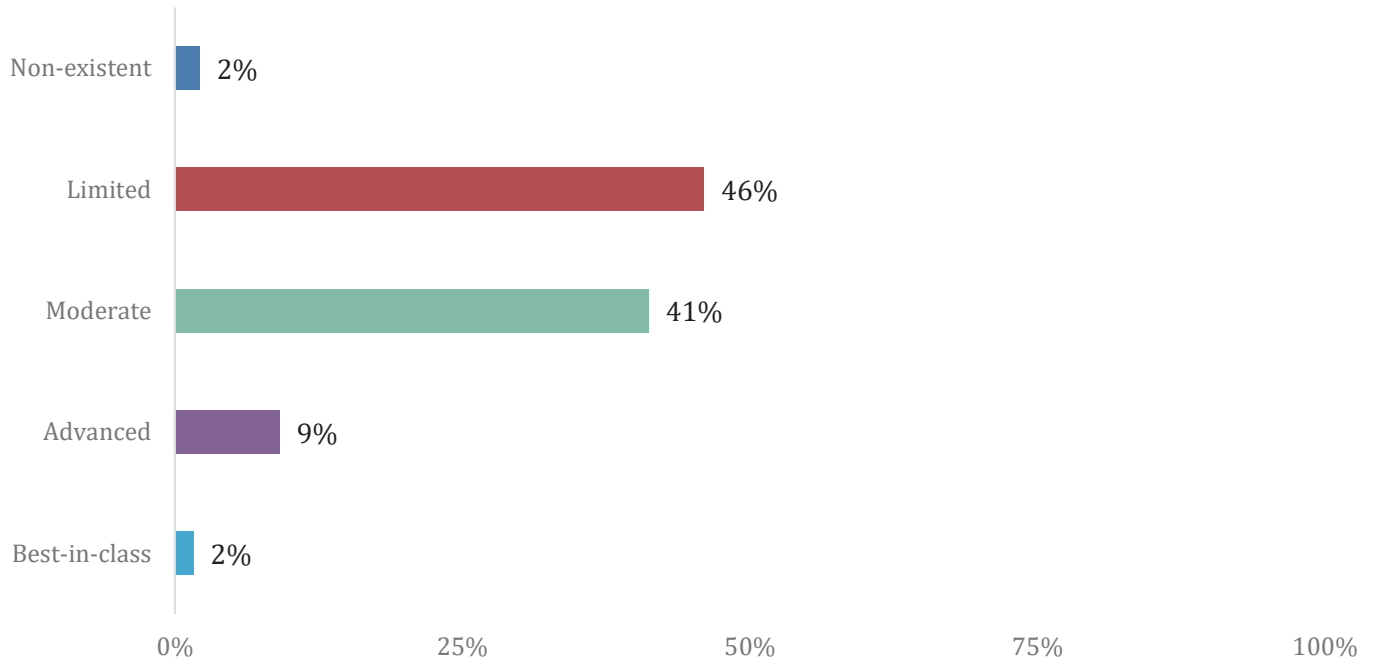
### What grade would you give your current personalization efforts?



Sample Size: 253 (78% of Respondents)

Most marketers believe that their organization can improve its personalization maturity – with almost half rating the current stage of personalization at their organization as limited (46%) and 41% as moderate. Just over 1 in 10 (11%) say their organization’s personalization maturity level is advanced or best-in-class.

### How would you rate your organization's personalization maturity?

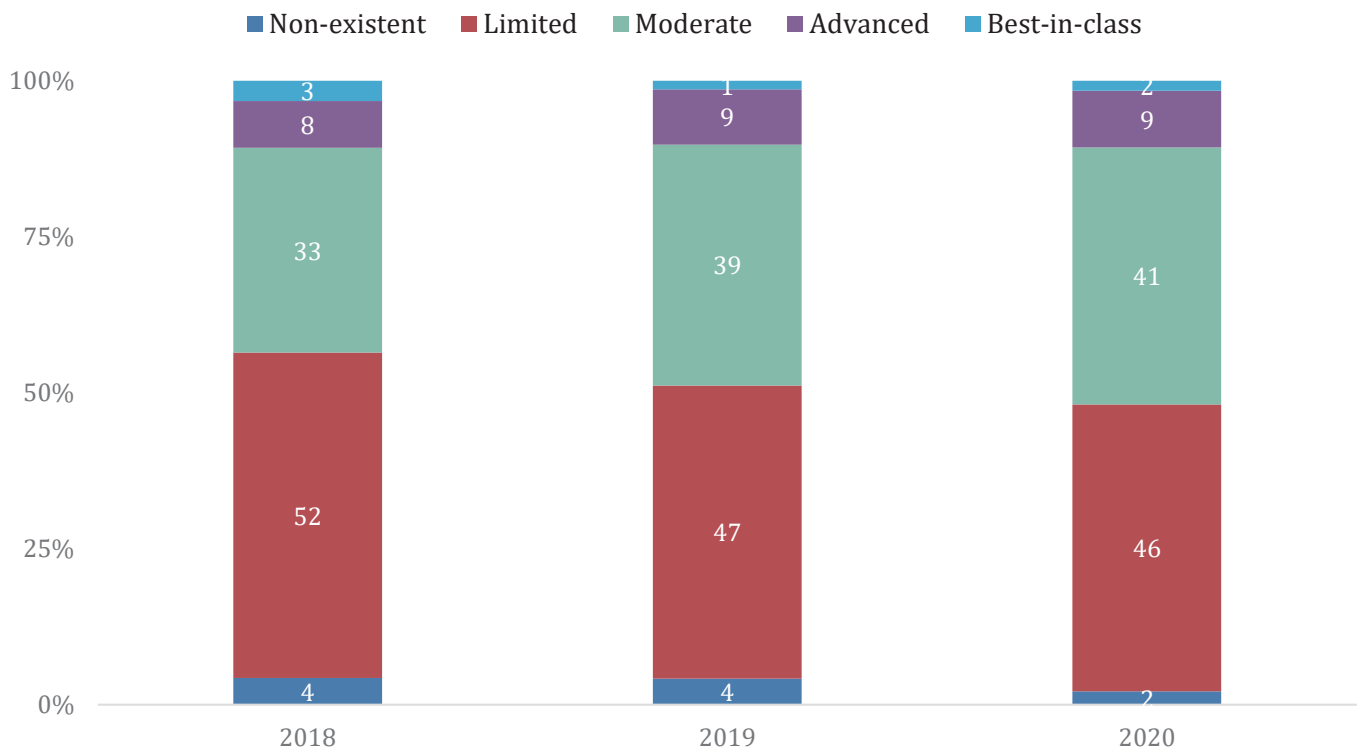


*Sample Size: 187 (57% of Respondents)*



On the bright side, the personalization maturity level at organizations has been slowly trending up for the last 2 years – with more marketers in 2020 saying their organization’s maturity level with personalization is moderate (41% versus 39% in 2019 and 33% in 2018), rather than limited or non-existent (48% in 2020 compared to 51% in 2019 and 56% in 2018).

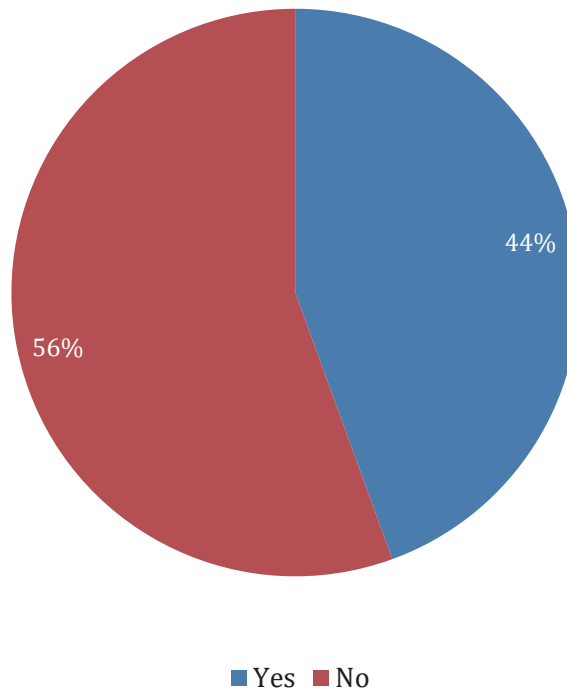
How would you rate your organization's personalization maturity?



2018-2020 Sample Size: 588 (63% of Respondents)

One reason impeding organizations' personalization maturity may be a lack of "clean" and synthesized data. In fact, more than half of marketers (56%) say they do not have sufficient data and insights to drive effective personalization.

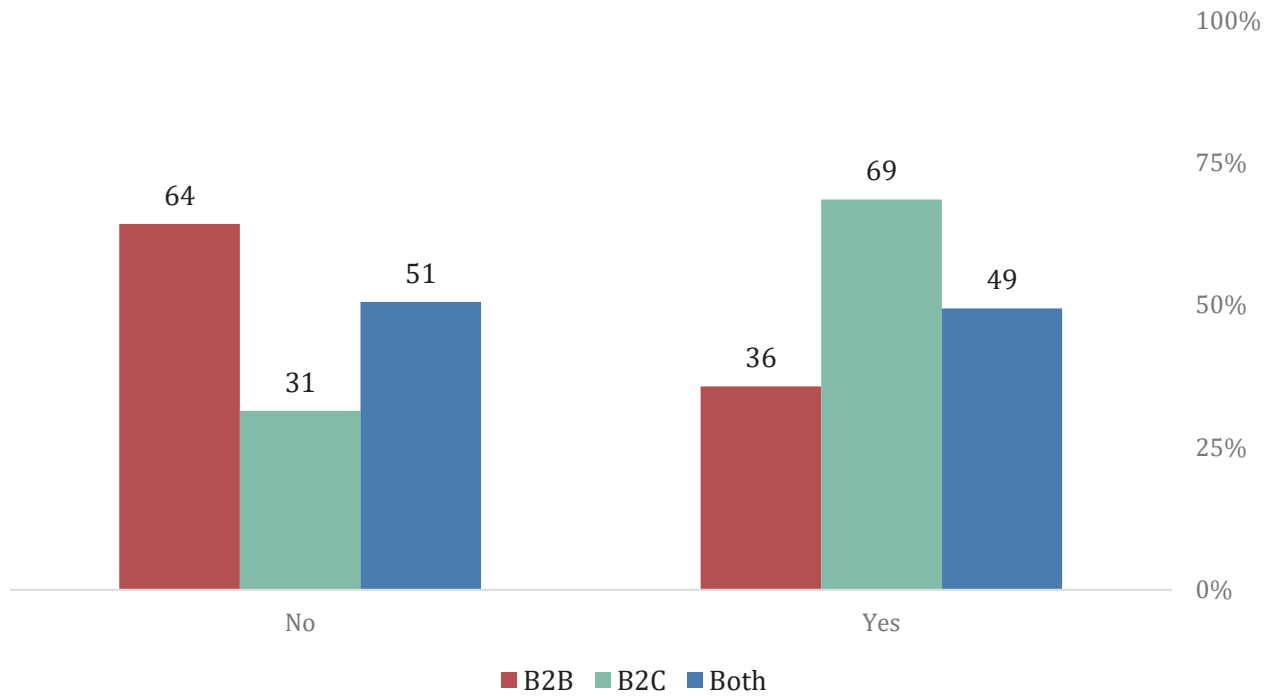
Do you feel you have sufficient data and insights for effective personalization?



Sample Size: 252 (77% of Respondents)

Challenges with data are not experienced equally across different types of organizations. That is, 69% of B2C companies *do* say they have sufficient data to fuel effective personalization efforts, while 49% of hybrids and just 36% of B2B firms shared that sentiment.

**Crosstab: Do you feel you have sufficient data and insights for effective personalization?**

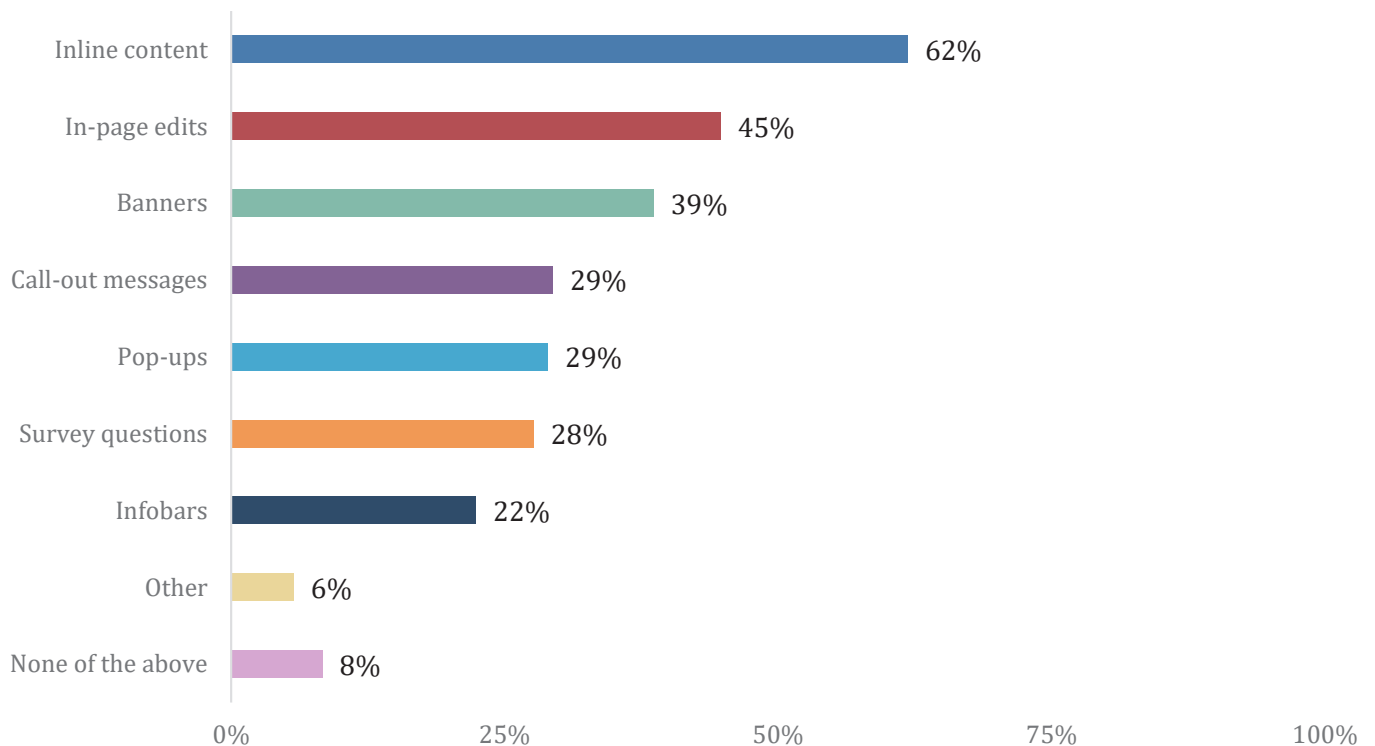


Sample Size: 252 (77% of Respondents)

## PERSONALIZATION FORMATS & TYPES

The most common personalization formats are inline content (62%), in-page edits (45%) and banners (39%). Inline and in-page personalization\* are the least obtrusive forms of personalization and showed a marked increase in their use year over year (50% for inline content and 30% for in-page edits in 2019).

### What personalization formats do you use?



Sample Size: 228 (70% of Respondents)

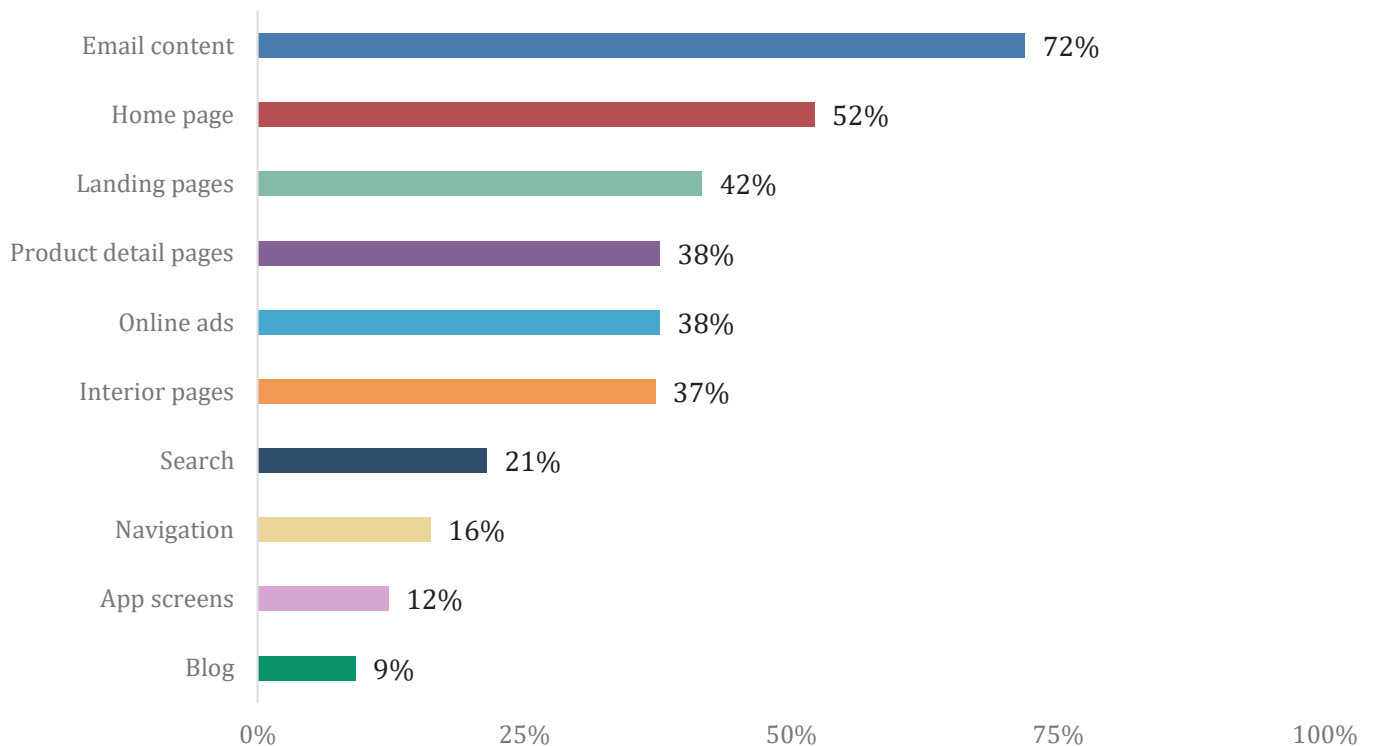
Respondents could select multiple options

\* To clarify 2 of these terms, respondents were presented with the following footnotes:

- *In-line content allows you to dynamically add or insert sections of content on a page/screen/email*
- *In-page edits allow you to modify or remove existing text or images on a page/screen/email*

Email content (72%) is the top area where marketers deliver personalized experiences. The next most popular locations for personalized experiences are webpages – specifically home pages (52%), landing pages (42%) and product detail pages (38%).

### Where do you utilize personalized experiences? - Top 10



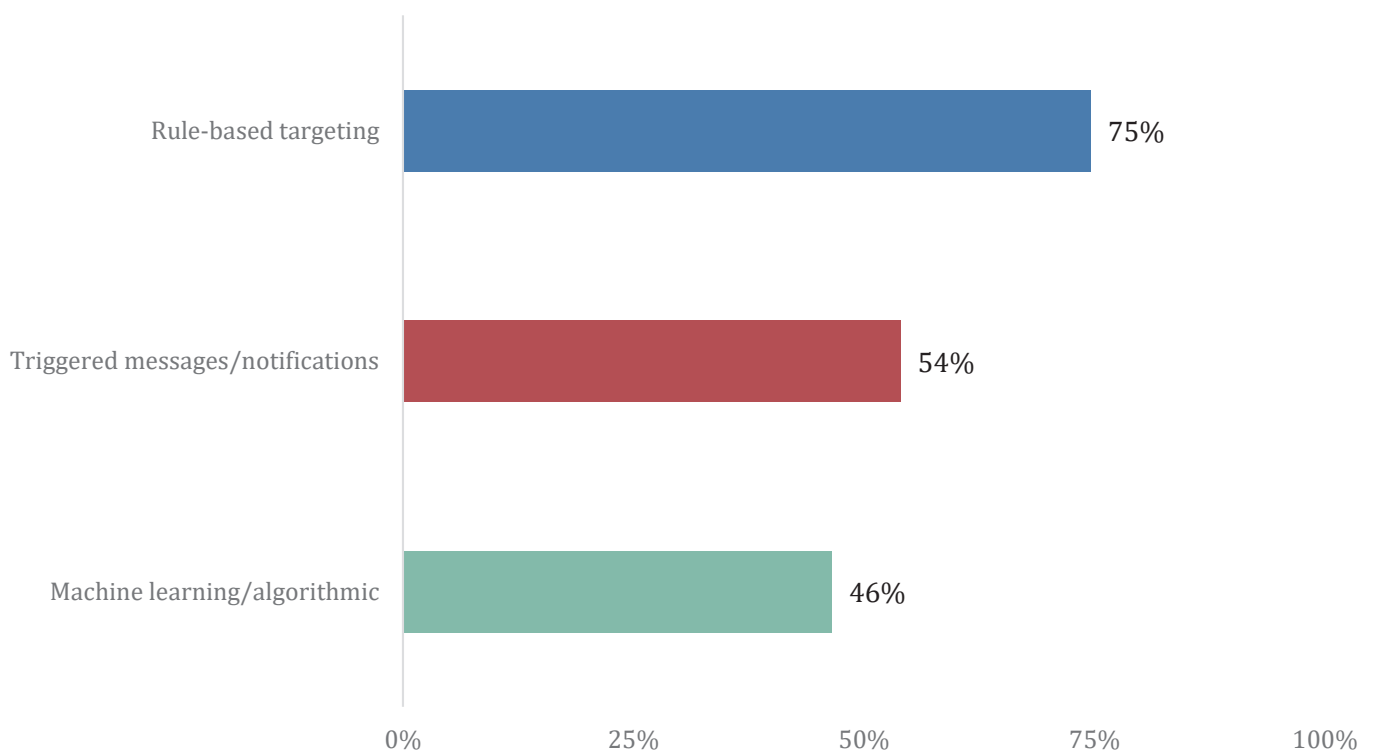
Note: Showing only the top 10 most selected options.

Sample Size: 228 (70% of Respondents)

Respondents could select multiple options

Three-quarters of marketers (75%) are using a rule-based approach to personalization (that is, delivering experiences to specific groups or segments of people, based on the manual creation and manipulation of business rules). Just over half are triggering personalized messages/notifications (54%) – e.g., based on user actions or behavior. And just less than half (46%) employ machine-learning/algorithmic approaches (using algorithms and predictive analytics to dynamically present the most relevant content).

### Which approach to personalization do you utilize?

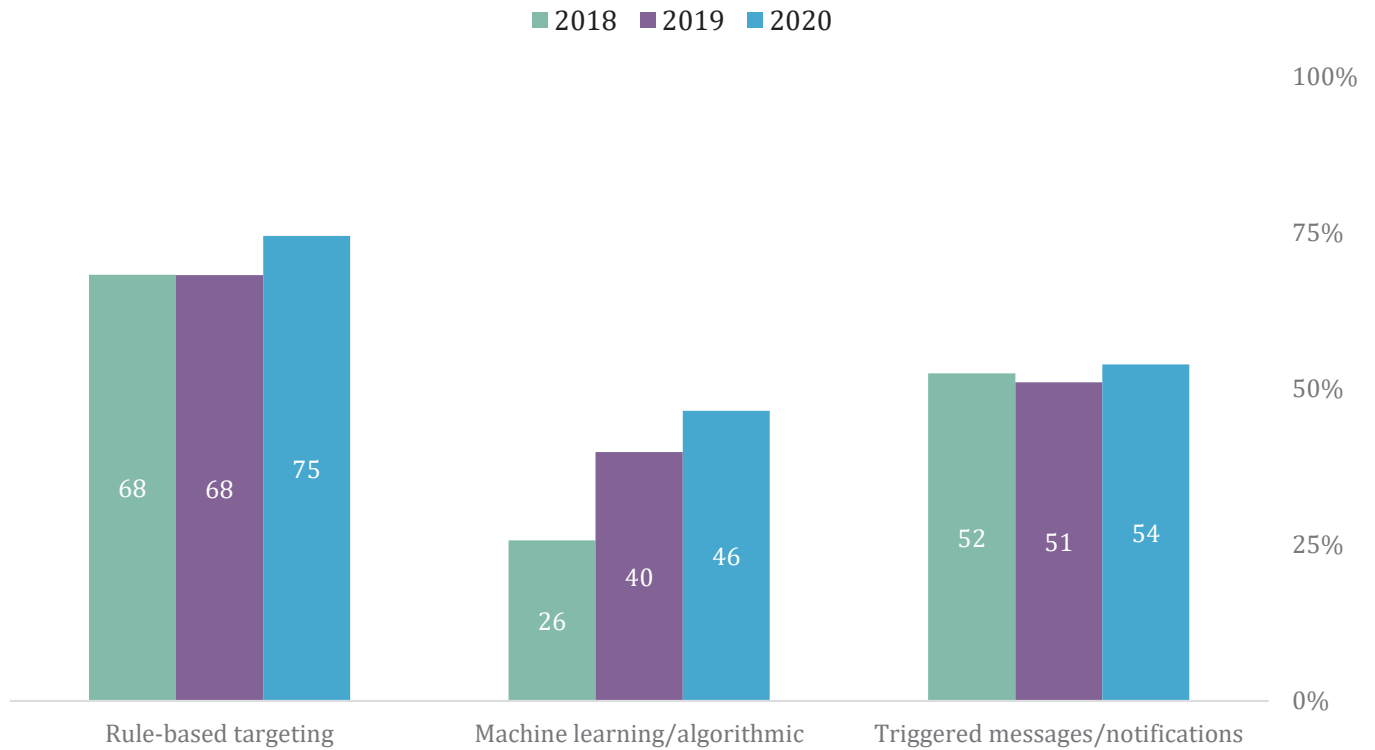


*Sample Size: 228 (70% of Respondents)*

*Respondents could select multiple options*

The percentage of companies using machine learning for personalization at scale continues to climb – from only 26% using this approach in 2018, to 40% in 2019 and 46% in 2020. At the same time, rule-based targeting is not being abandoned and is still used by a majority of marketers (68% in 2018 and 2019; 75% in 2020).

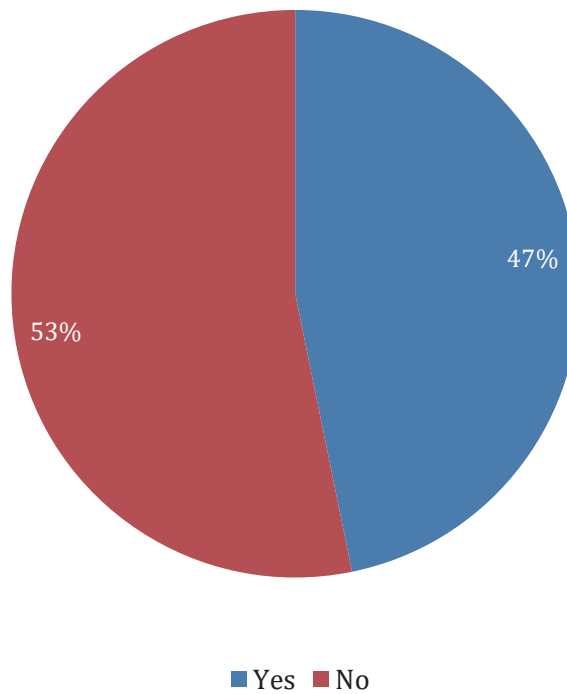
Which approach to personalization do you utilize?



2018-2020 Sample Size: 663 (71% of Respondents)

Of those respondents who are not currently employing machine-learning personalization, 47% have plans to do so in the next year.

Do you have any plans to begin using machine-learning/algorithmic personalization in the next year?

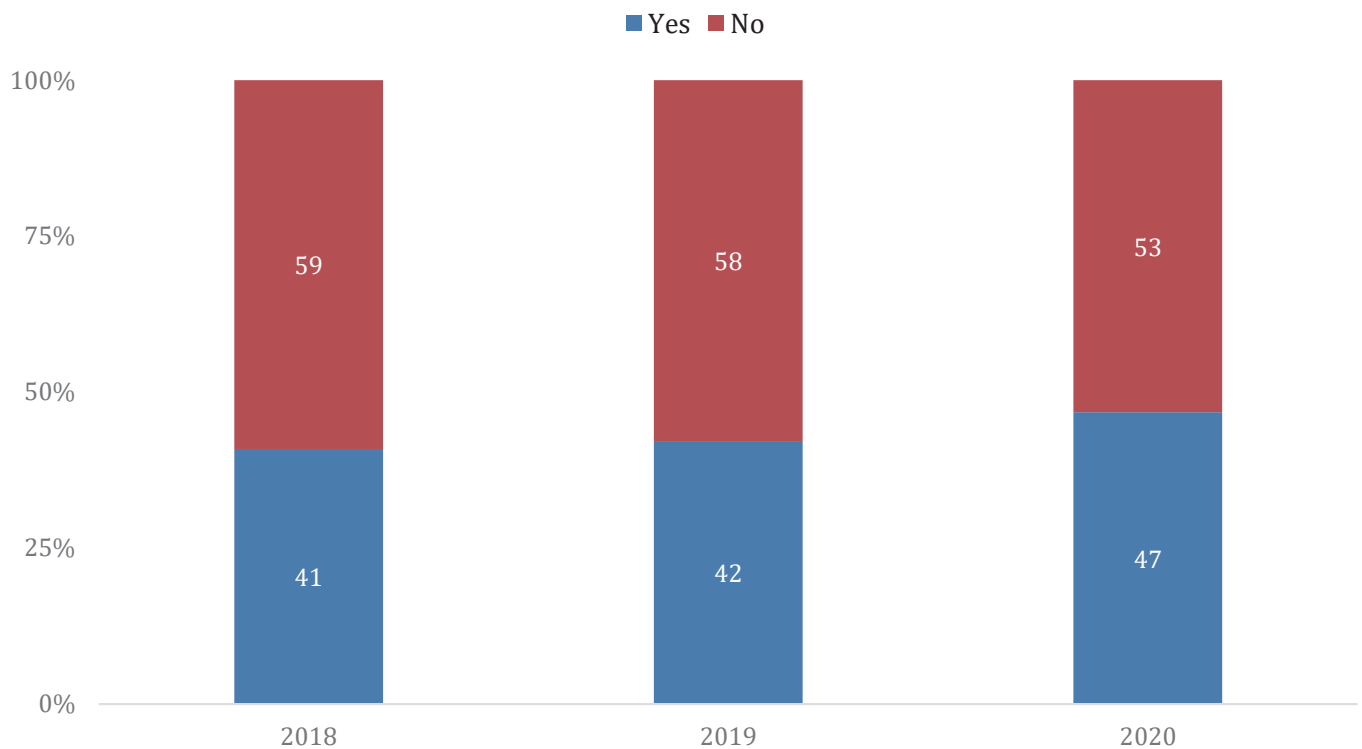


*Sample Size: 109 (33% of Respondents)*



In addition, plans to begin using machine-learning personalization have trended higher over the past 3 years – with 41% stating plans to do so in 2018, 42% in 2019 and 47% in 2020.

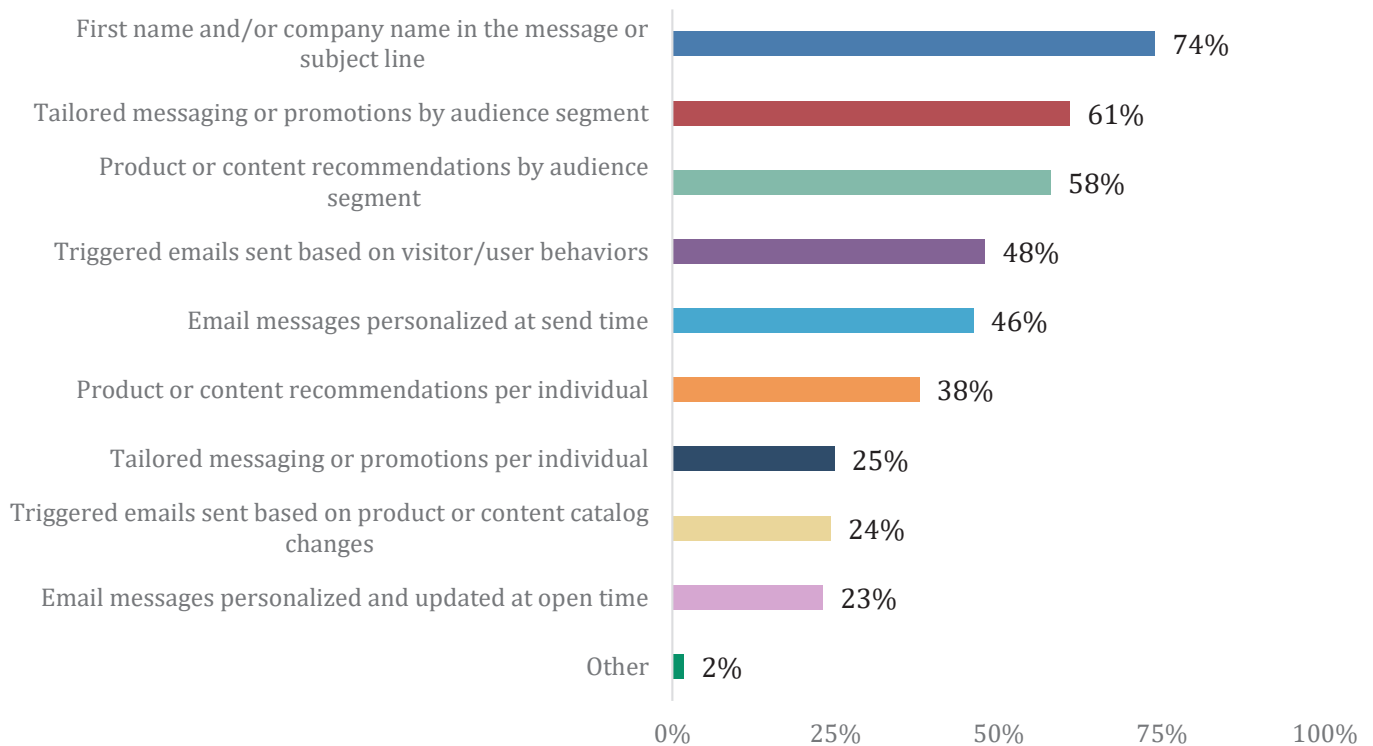
Do you have any plans to begin using machine-learning/algorithmic personalization in the next year?



2018-2020 Sample Size: 321 (34% of Respondents)

Approximately three-quarters of companies (74%) personalize email campaigns by including a person's first name and/or company name in the message or subject line. The majority also personalize emails based on audience segment: either by tailoring messaging or promotions (61%) or by offering product or content recommendations (58%) to specific groups.

### How are you personalizing your email campaigns?



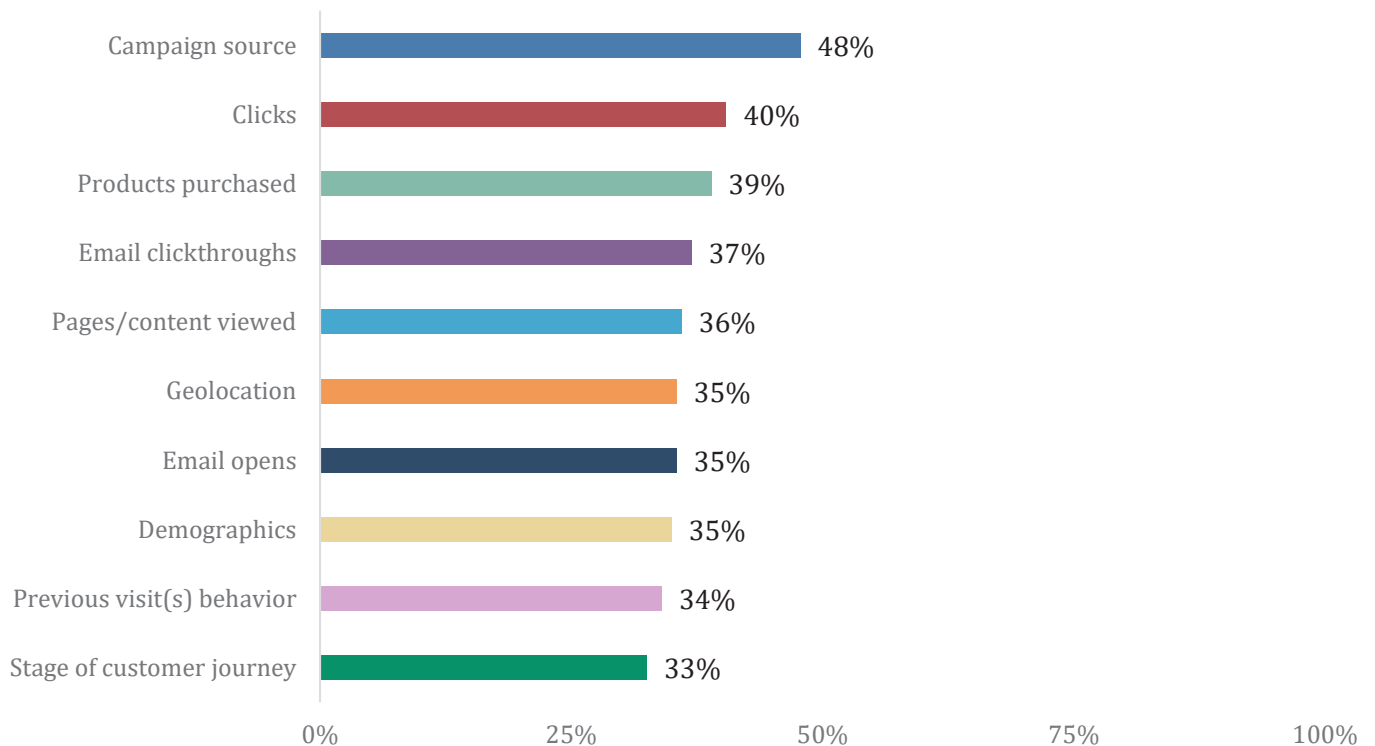
*Sample Size: 169 (52% of Respondents)*

*Respondents could select multiple options*

Marketers use a variety of criteria to target their personalized experiences. By far, the data point used most is a visitor's campaign source (48%). The next most popular criteria is clicks (40%).

Companies also look at products purchased (39%), email clickthroughs (37%), pages/content viewed (36%), geolocation (35%), email opens (35%), demographics (35%), previous visit(s) behavior (34%) and stage of customer journey (33%) when creating personalized experiences.

### Which of the following criteria about your visitors do you use to personalize the experience? - Top 10



Note: Showing only the top 10 most selected options.

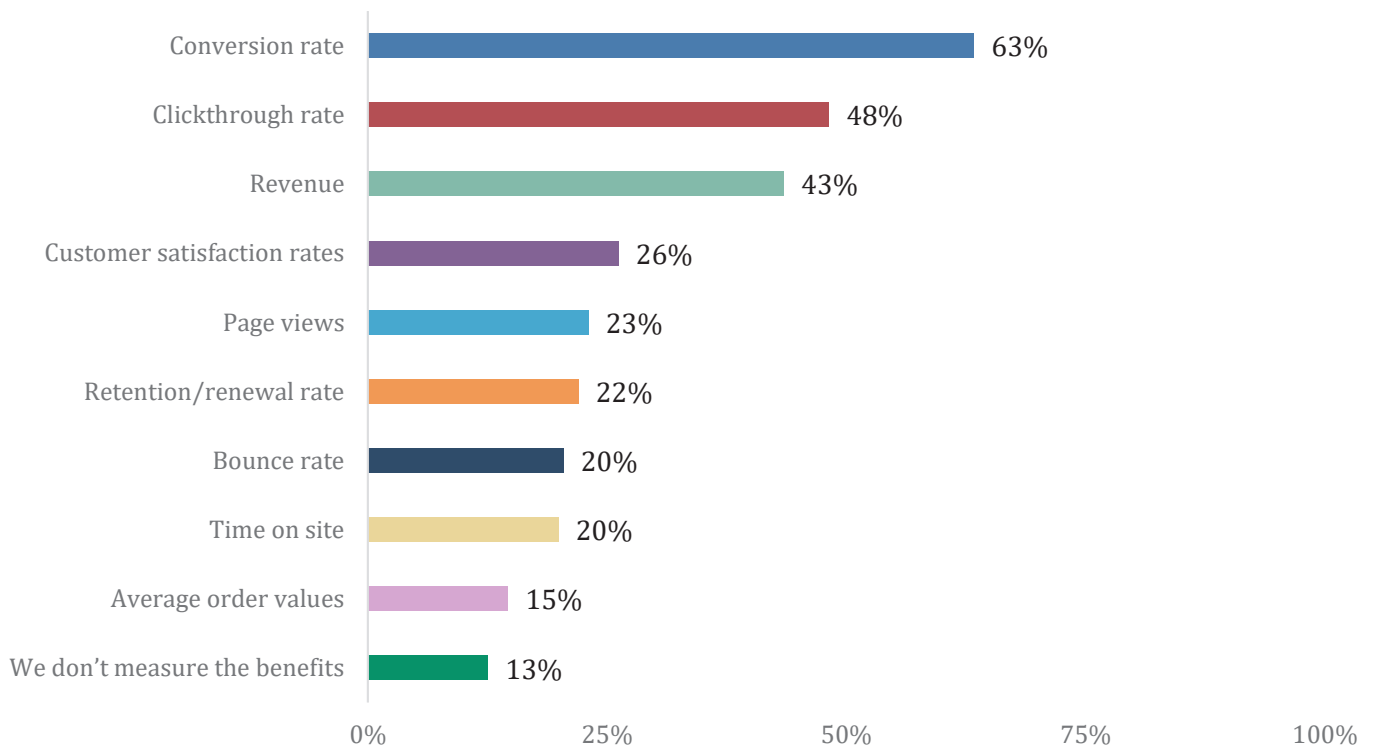
Sample Size: 203 (62% of Respondents)

Respondents could select multiple options

## MEASUREMENT AND BUDGETS

Marketers' most popular metric for measuring the value of personalization is improvement in conversion rate (63%). Other common key performance indicators (KPIs) are improvements in clickthrough rates (48%) and revenue (43%). These were the same top 3 metrics as last year.

### Do you measure the value of personalization by improvements in...? - Top 10



Note: Showing only the top 10 most selected options.

Sample Size: 191 (59% of Respondents)

Respondents could select multiple options

The most common benefits from personalization that organizations experience are an improved customer experience (64%), increased conversion rates (63%) and increased visitor engagement (55%).

### What are the main benefits you see from personalization for your organization? - Top 10

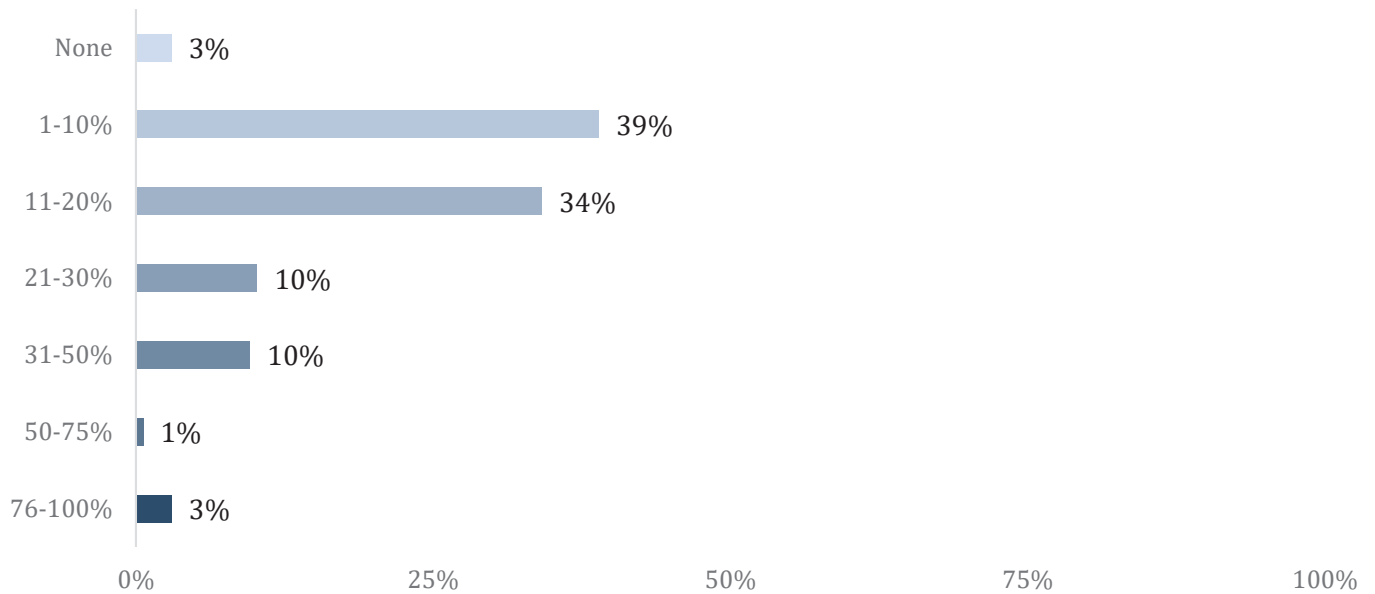


*Sample Size: 191 (59% of Respondents)*

*Respondents could select multiple options*

The vast majority of marketers (97%) report improvement in business results due to personalization. Almost a quarter of marketers this year (24%) achieve a lift higher than 20%.

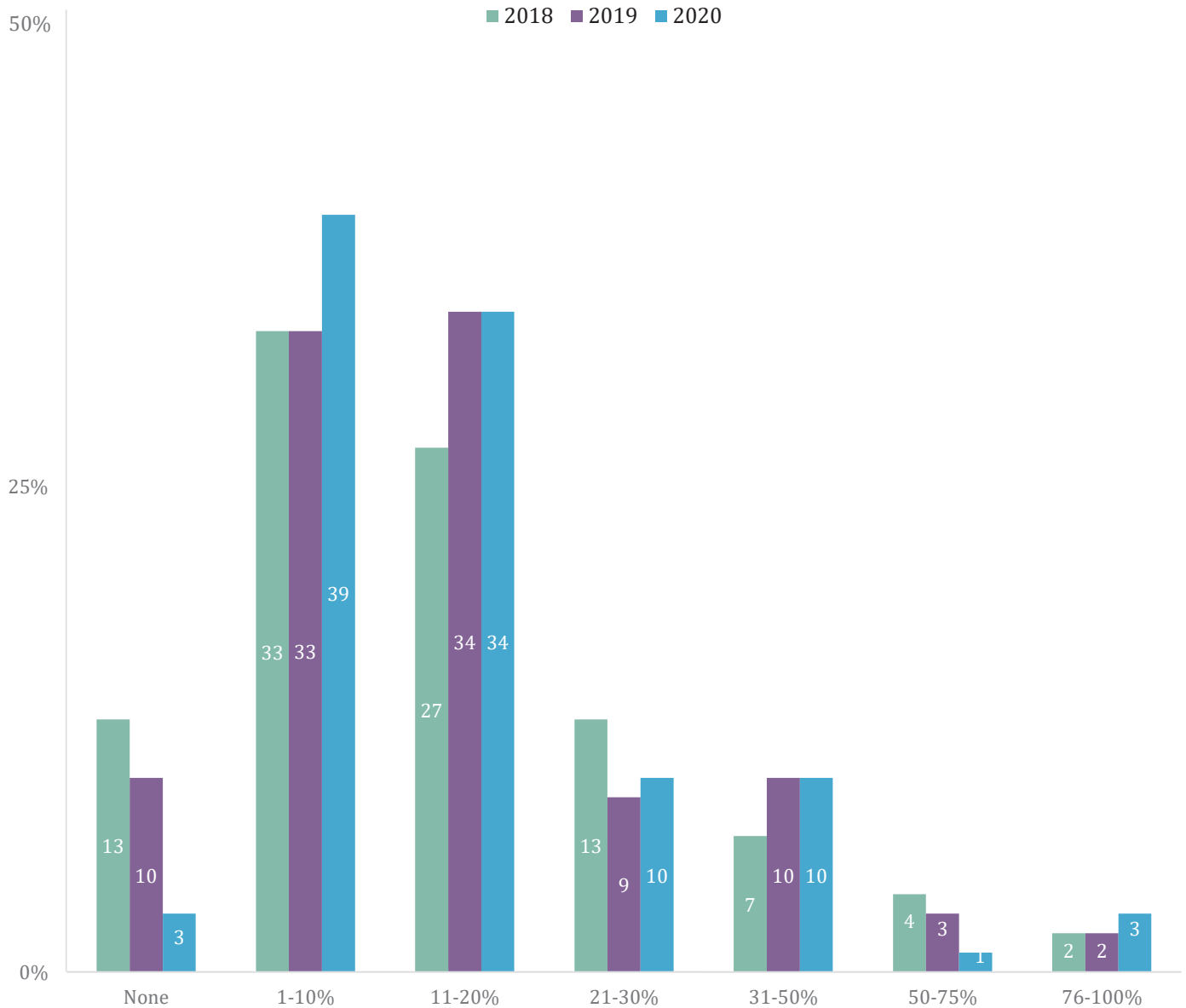
What percentage improvement or “lift” are you generally seeing from personalization efforts?



*Sample Size: 167 (51% of Respondents)*

This year, more marketers (97%) than ever say that personalization efforts deliver improvements. In 2018, 87% saw lift and in 2019, 90% reported improvement.

What percentage improvement or “lift” are you generally seeing from personalization efforts?

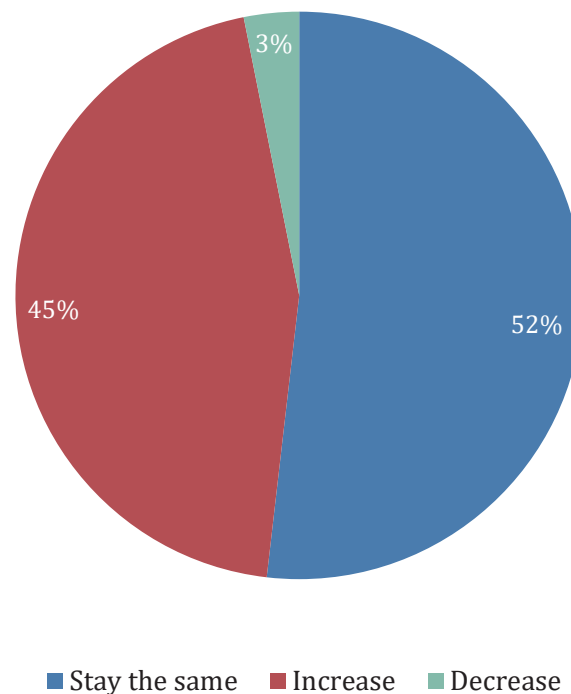


2018-2020 Sample Size: 580 (62% of Respondents)

Totals exceed 100% due to rounding

Likely given the results and ROI associated with personalization, 97% of marketers say their organization will increase or maintain spending on personalization in the year ahead (with 52% of budgets staying the same and 45% increasing).

Compared to last year, how will your personalization budget/spending change this year?



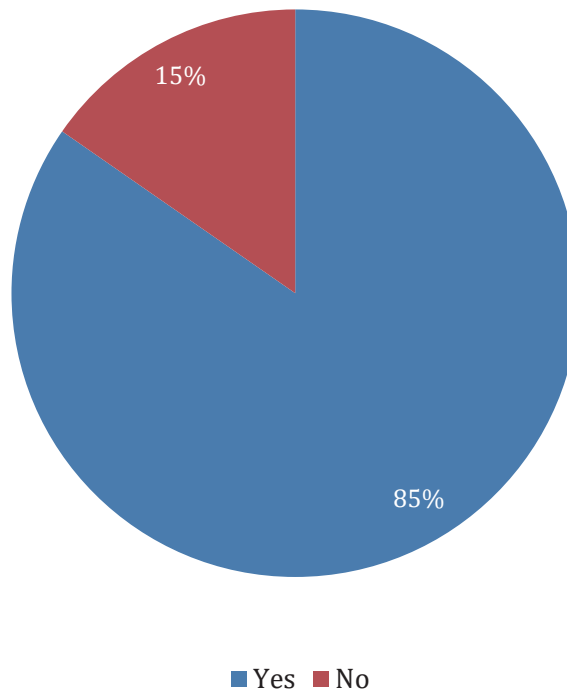
Sample Size: 191 (59% of Respondents)



## LEVEL OF CORPORATE ADOPTION

Again, likely due in part to the impressive results, most marketers (85%) think personalization should be a bigger priority in their organizations.

Do you believe personalization should be a bigger priority in your organization than it is currently?

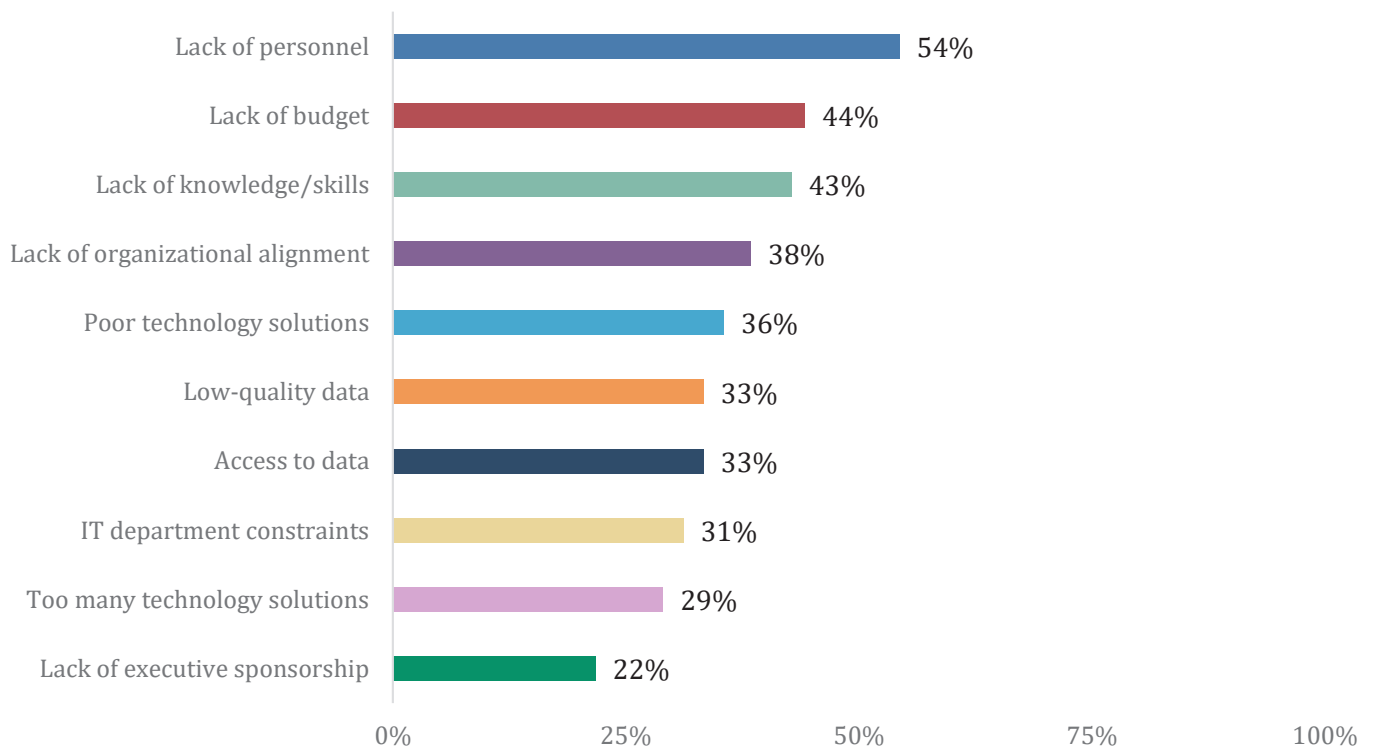


*Sample Size: 163 (50% of Respondents)*

The top 3 obstacles to making personalization a bigger priority in organizations are the same ones as last year: a lack of personnel (54%), a lack of budget (44%) and a lack of knowledge/skills (43%). Lack of organizational alignment was also a common issue (38%).

About a third of marketers reported that poor tech solutions (36%); data-related concerns, including low-quality data (33%) and poor access to data (33%); IT department constraints (31%); and too many technology solutions (29%) are impeding the ability to make personalization a bigger priority in their organizations.

### What are the greatest obstacles to making personalization a bigger priority in your organization? - Top 10



Note: Showing only the top 10 most selected options.

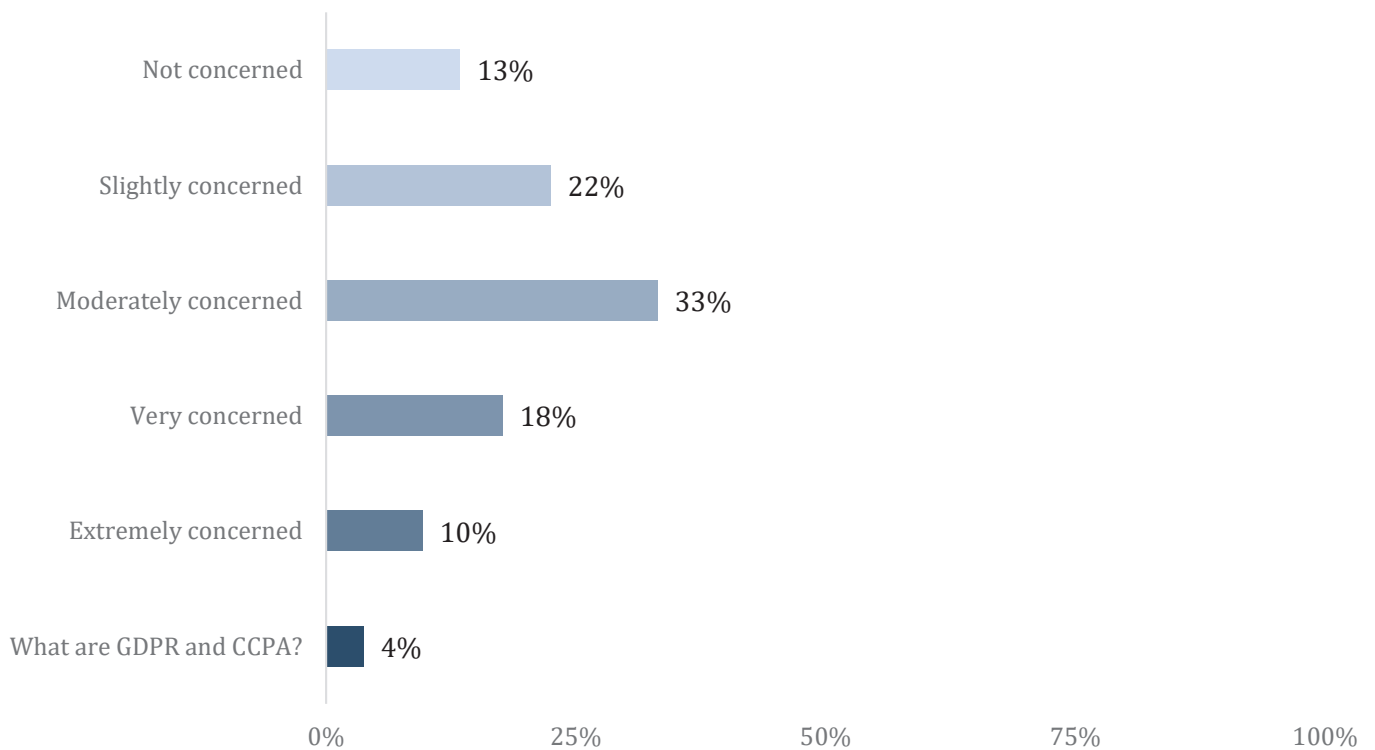
Sample Size: 138 (42% of Respondents)

Respondents could select multiple options

Marketers voiced increasing concern about the impact privacy regulations have on their personalization efforts. Only roughly one-third of marketing professionals (35%) are *not* concerned or only slightly concerned about the impact of regulations such as GDPR and the California Consumer Privacy Act (CCPA) on their personalization efforts.

In addition, 33% say they are moderately concerned, and 28% are very or extremely concerned. (Last year, 18% noted they were very or extremely concerned about GDPR and its effect on personalization.)

### What do you think of data privacy regulations such as GDPR and CCPA as they relate to your personalization efforts in 2020 and beyond?

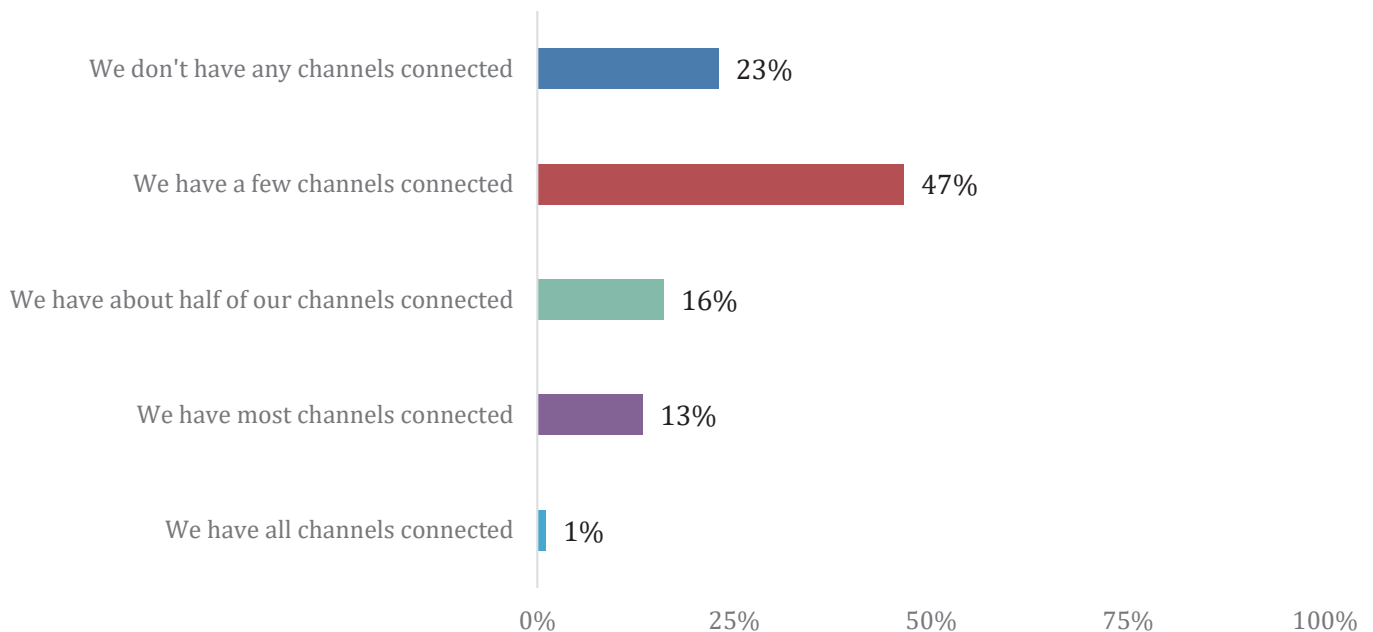


Sample Size: 187 (57% of Respondents)

Being able to connect customers' activities on multiple channels (e.g., web, mobile, call center, in-store/in-branch, social media, etc.) is critical to providing cohesive personalized experiences across the customer journey. About half of organizations (47%) have a few channels connected (down from 53% last year). Almost a third (29%) have half or most of their channels connected (compared to 23% last year).

Only 1% are excelling at omnichannel personalization, with all channels connected to deliver a unified, personalized experience from one touchpoint to the next.

### Which of the following describes your company's approach to omnichannel personalization?

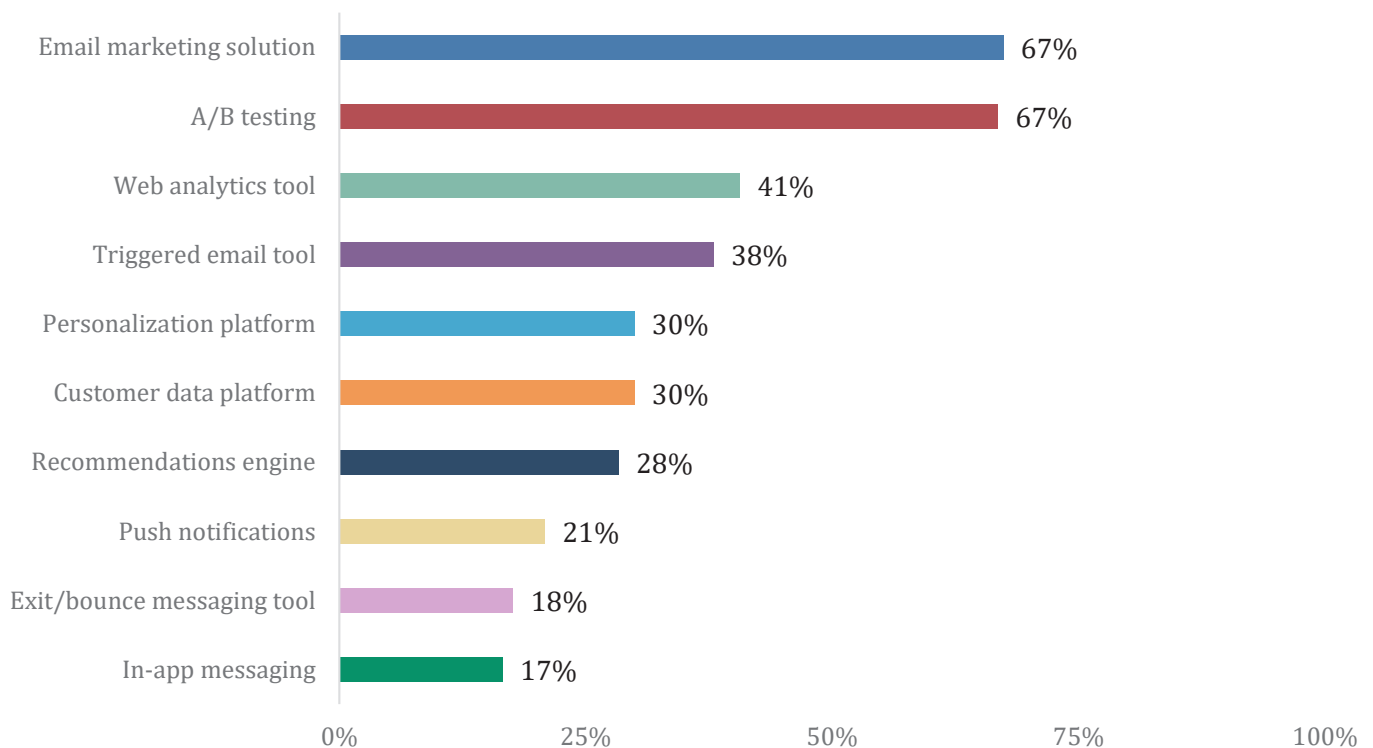


Sample Size: 187 (57% of Respondents)

The top tools marketers use to execute personalization across digital channels are email marketing solutions (67%), A/B testing tools (67%) and web analytics tools (41%).

Marketers also commonly employ triggered email tools (38%), personalization platforms (30%) and customer data platforms/CDPs (30%). Tools like recommendations engines (28%), push notifications (21%) and exit/bounce messaging (18%) were less common.

### What tools are you using to execute personalization across your own digital channels? - Top 10



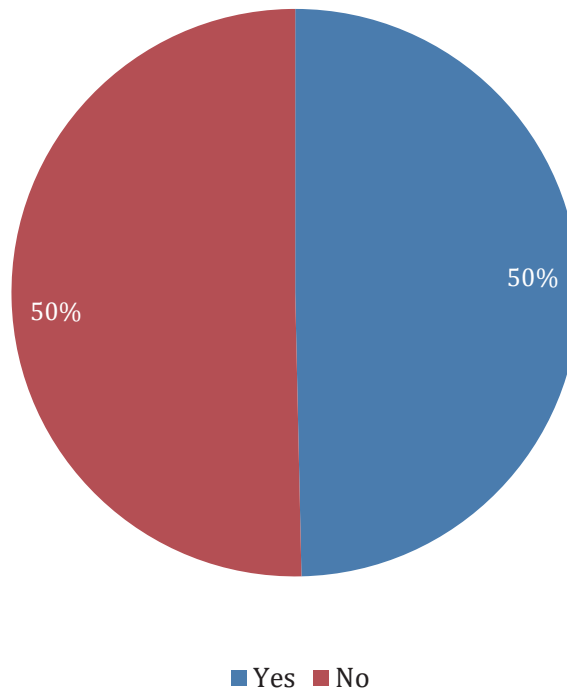
Note: Showing only the top 10 most selected options.

Sample Size: 187 (57% of Respondents)

Respondents could select multiple options

Respondents were evenly split between those who use a customer data platform (50%) and those who do not (50%). (Last year, 47% reported using a CDP.)

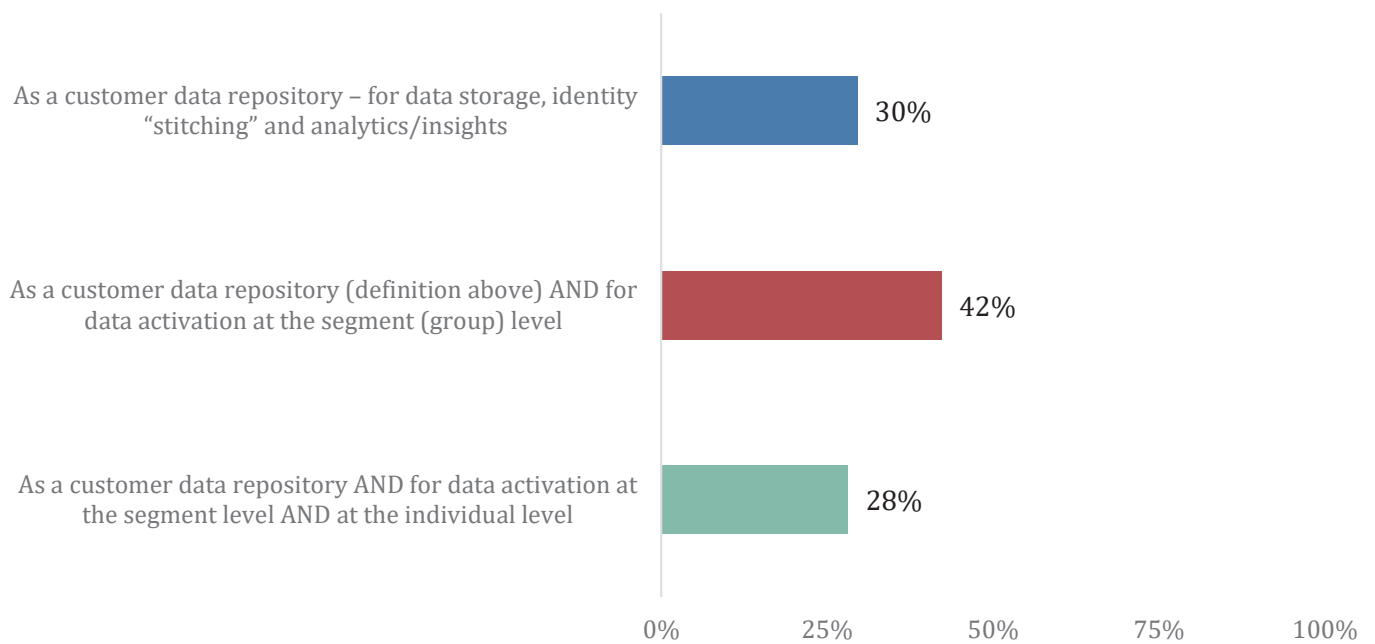
Do you use a customer data platform (CDP)?



Sample Size: 143 (44% of Respondents)

Respondents vary in how they use or plan to use their CDP, and the mileage they get from it. 30% report basic CDP usage (employing it just as a customer data repository – for data storage, identity “stitching” and analytics/insights), while 42% employ their CDP in that way AND also use it for data activation (such as personalization) at the segment/group level. Nearly 3 in 10 (28%) report advanced usage – employing their CDP for the use cases above, plus data activation at the individual level.

### How do you use or plan to use your CDP?

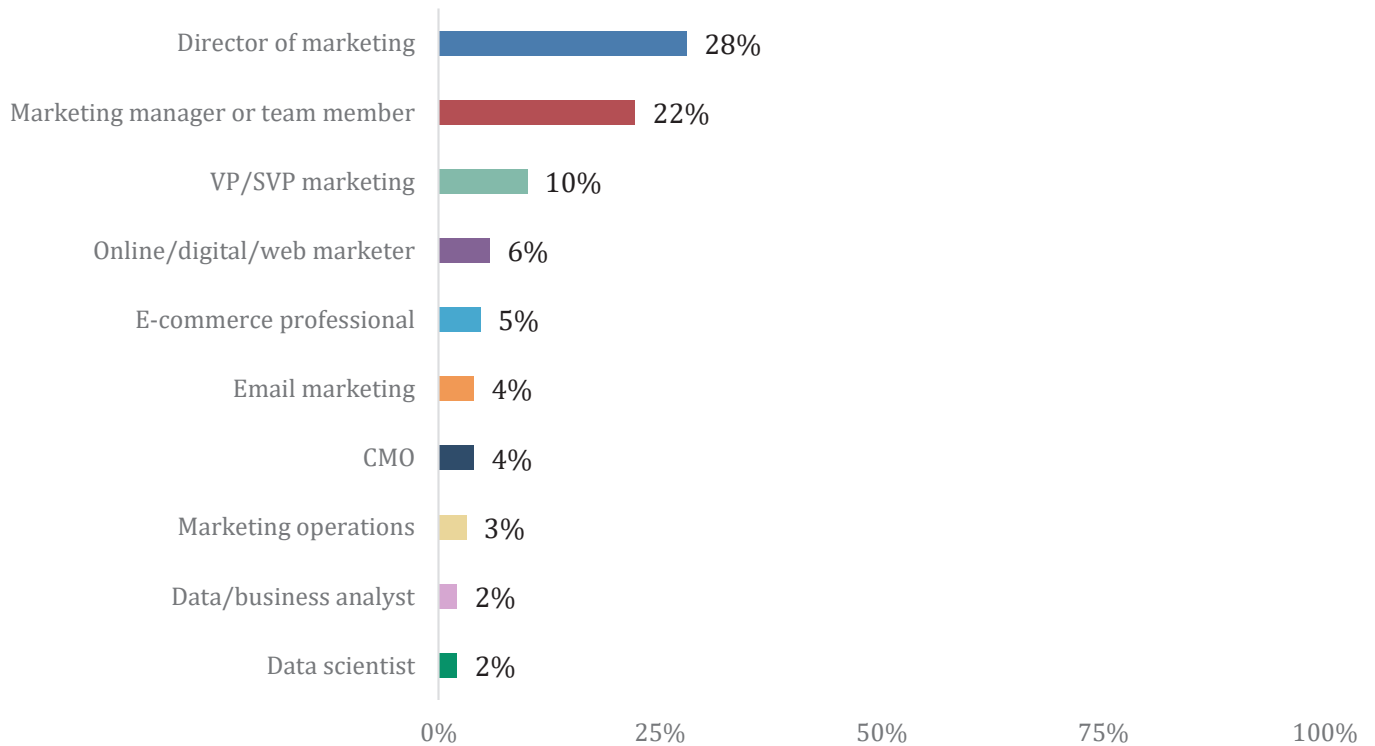


*Sample Size: 71 (22% of Respondents)*

## FIRMOGRAPHICS

The most common positions among respondents are “director of marketing” (28%), “marketing manager or team member” (22%) and “VP/SVP marketing” (10%).

### Which of the following titles best reflects your role? - Top 10



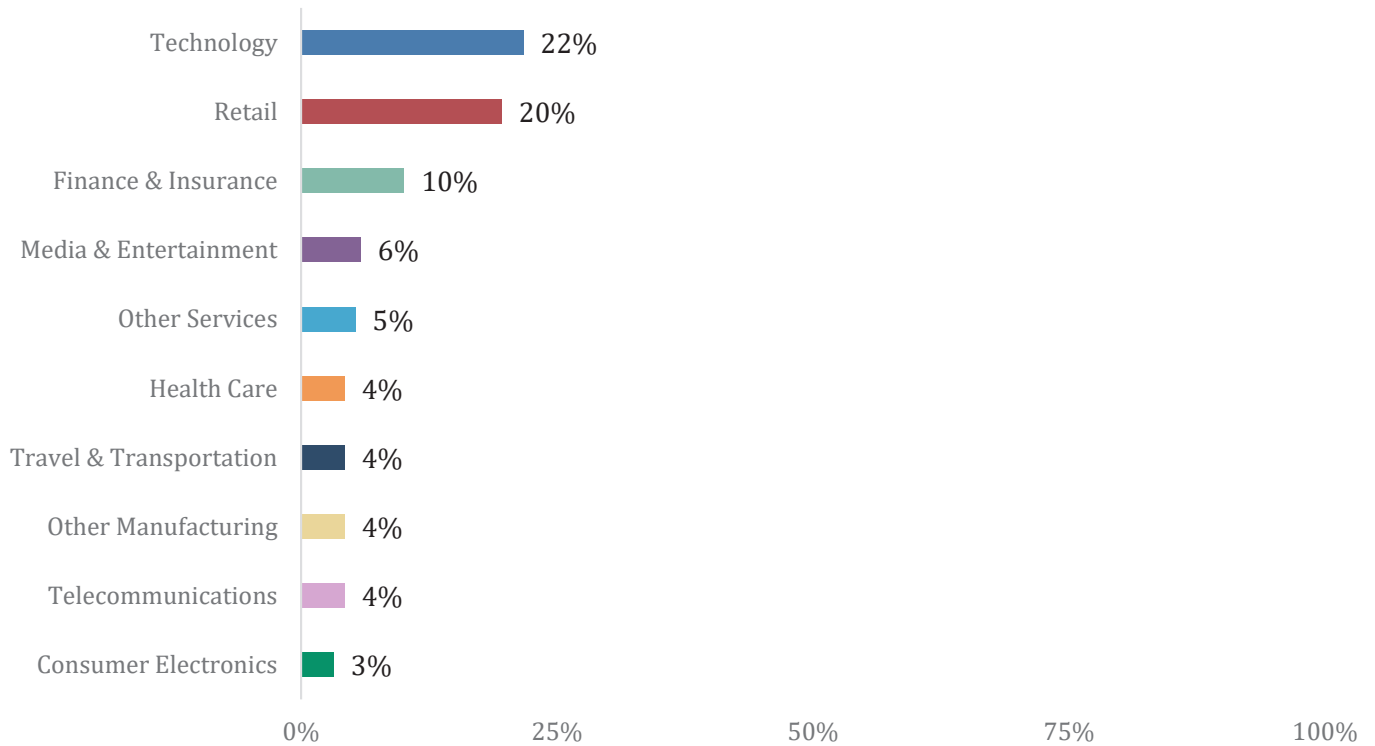
Note: Showing only the top 10 most selected options.

Sample Size: 189 (58% of Respondents)



The 3 most common industries among respondents were technology (22%), retail (20%) and finance & insurance (10%).

### What is your organization's industry? - Top 10

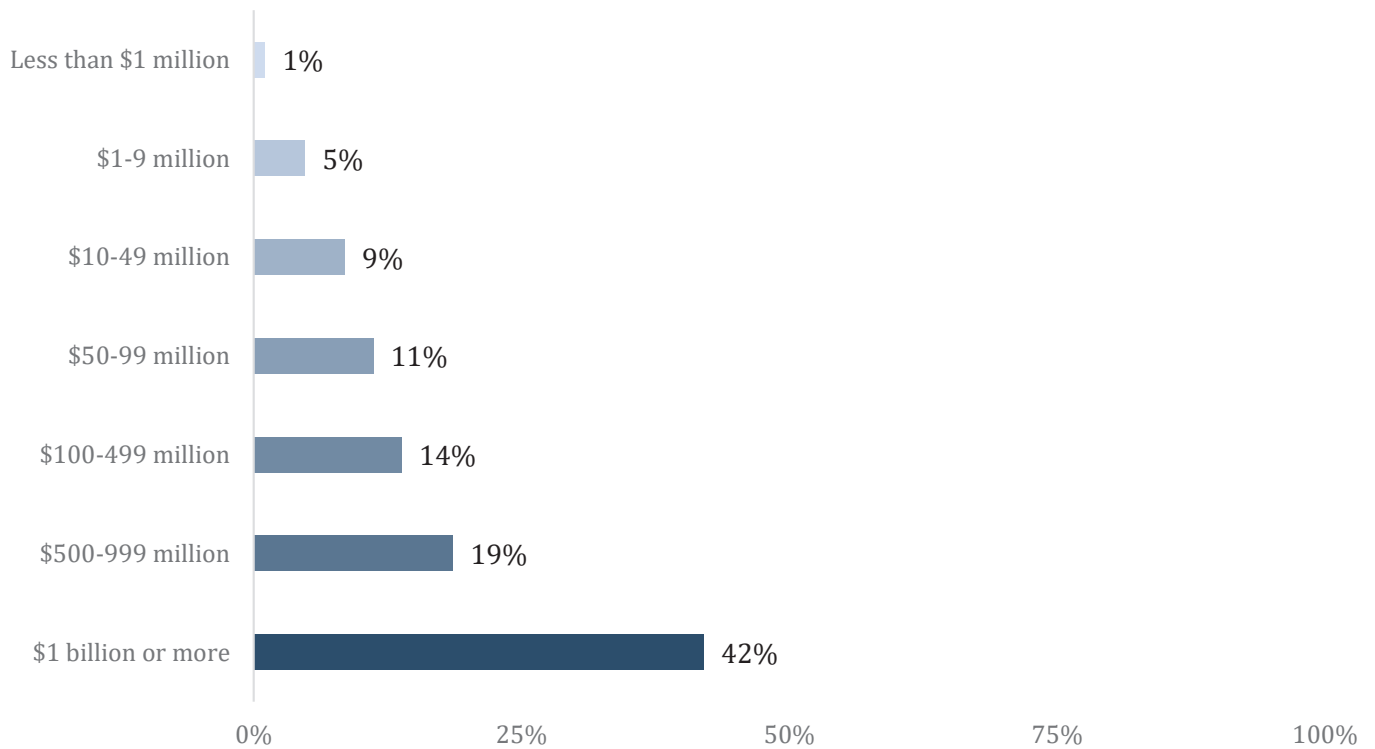


Note: Showing only the top 10 most selected options.

Sample Size: 189 (58% of Respondents)

Many respondents came from high-grossing organizations: \$1 billion or more in annual sales (42%), \$500-999 million (19%) and \$100-499 million (14%). Almost no one (1%) was from an organization with less than \$1 million in annual sales.

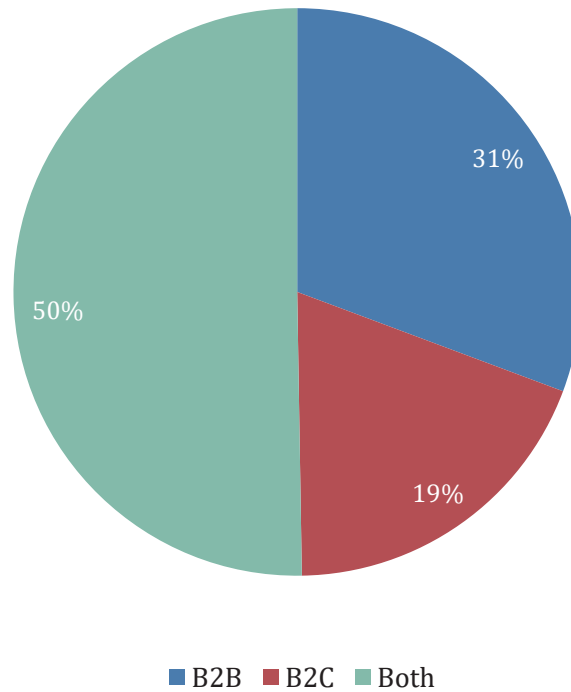
### What are your organization's annual sales?



Sample Size: 188 (58% of Respondents)

Half of respondents (50%) worked at companies that market to both consumers and other businesses (hybrids). Nearly a third (31%) worked at B2B companies, followed by 19% at B2Cs.

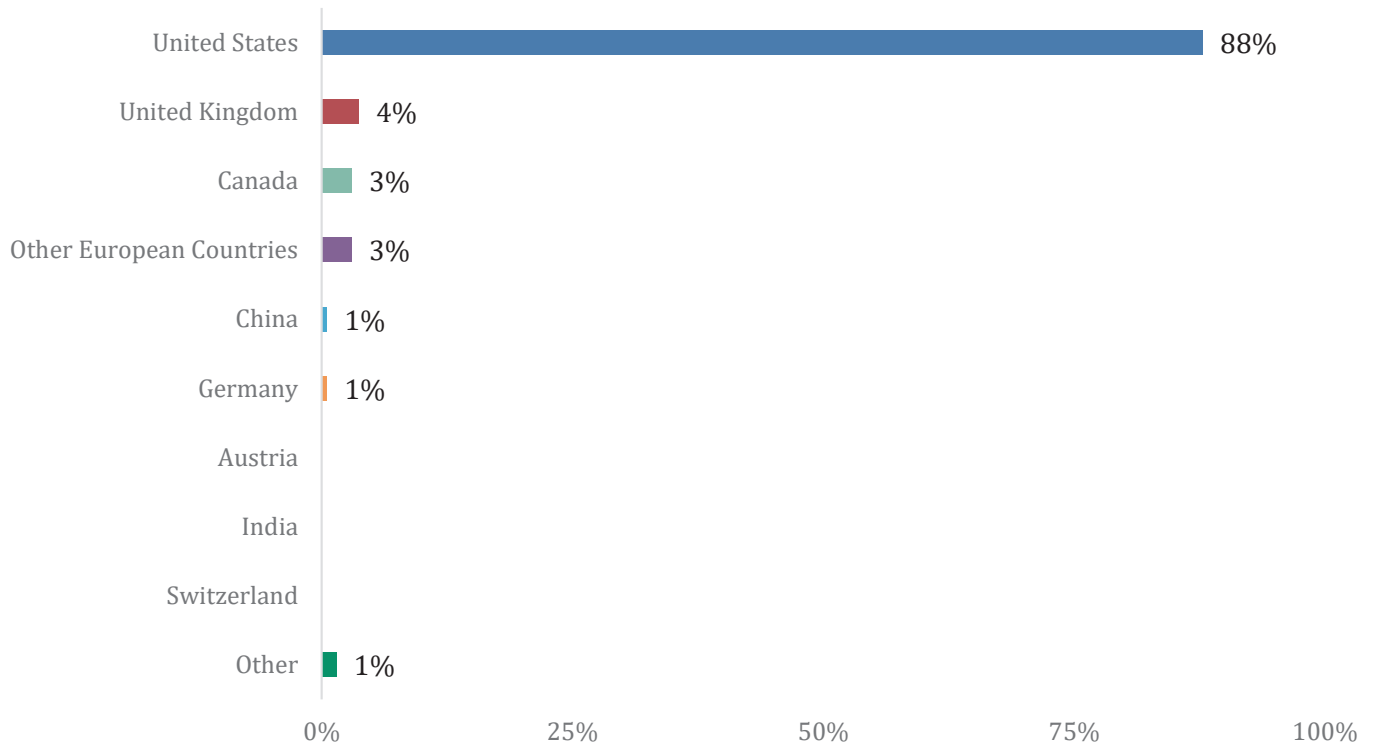
### Is your company B2B, B2C or both?



*Sample Size: 189 (58% of Respondents)*

The majority of respondents (88%) were based in the United States. Marketers also hailed from the United Kingdom (4%), Canada (3%) and other locations.

### What country are you located in?



*Sample Size: 189 (58% of Respondents)*

*Totals exceed 100% due to rounding*

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## APPENDIX - RESEARCHSCAPE METHODOLOGY

On behalf of Evergage, Researchscape conducted a survey of 326 respondents in order to better understand the behavior, usage and attitudes of marketing professionals toward personalization. The online survey was fielded from February 20 to March 27, 2020. The survey results were not weighted. Throughout the research process, Researchscape followed a Total Survey Quality approach designed to minimize error at each stage. Total Survey Quality, also known as Total Survey Error, recognizes that multiple sources of error can reduce the validity of survey research.