

Chief! Marketer

2011 PERSONALIZATION SURVEY

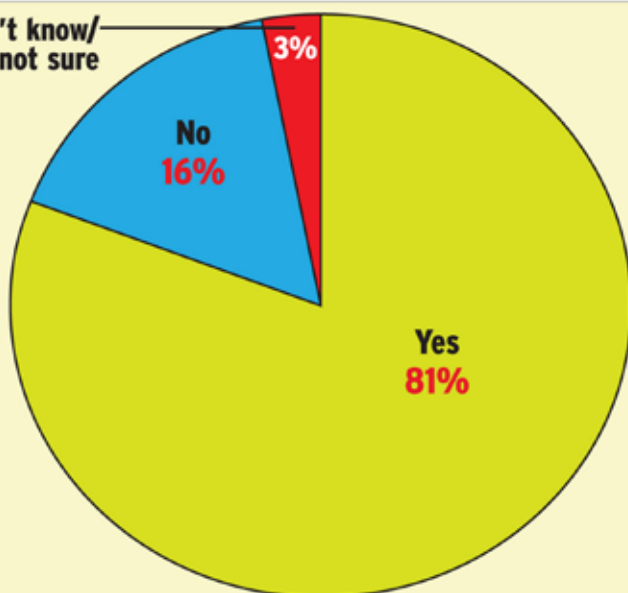


Made-to-Order Marketing

Everyone is in search of “one-to-one marketing,” the capacity to talk more directly and with greater relevance to their best customers or most likely prospects. But targeting and relevance cost time and resources, whether they’re done by hand or automated. You might agree that running retargeting ads would help create incremental sales; but does that make those ads worth the cost multiple to run them? Chief marketer wanted to get an overall picture of how many marketers are now doing something to personalize their messages and make them stand out from the pack.

DO YOU PERSONALIZE MARKETING MESSAGES FOR SOME PORTION OF YOUR AUDIENCE?

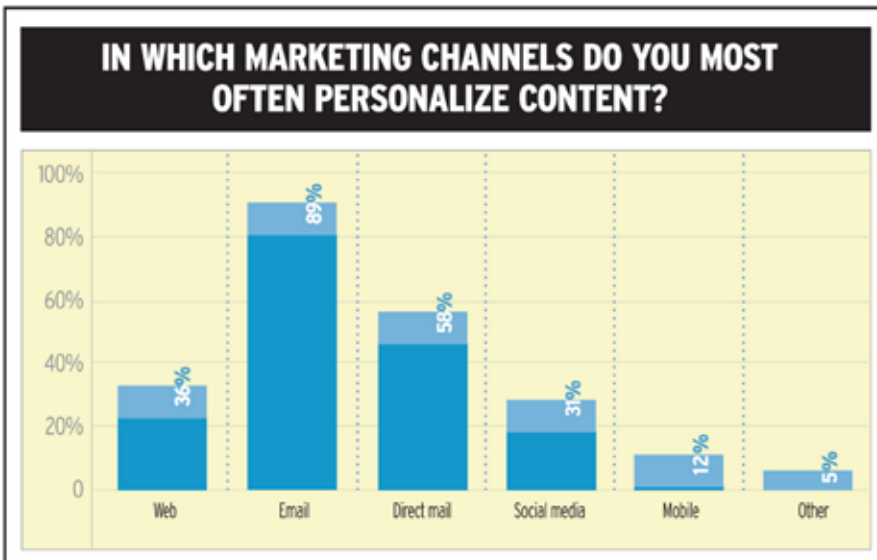
Don't know/
not sure



GETTING PERSONAL

A very large majority of marketers claim that they are indeed doing something to move their messaging away from mass-blasts and toward more personalized communication. Eighty-one percent, or more than four in five, said they now customize their marketing to some extent, against 16% who don't. Those basic proportions hold true for both B-to-C and B-to-B respondents to the survey. Large companies, those that earned more than \$100 million in revenue last year, indexed much higher than the average on personalized marketing (86%). By comparison, small companies with annual revenue of \$10 million or under came in below the average at 76%. That's still a hefty commitment to custom messaging, it should be noted.

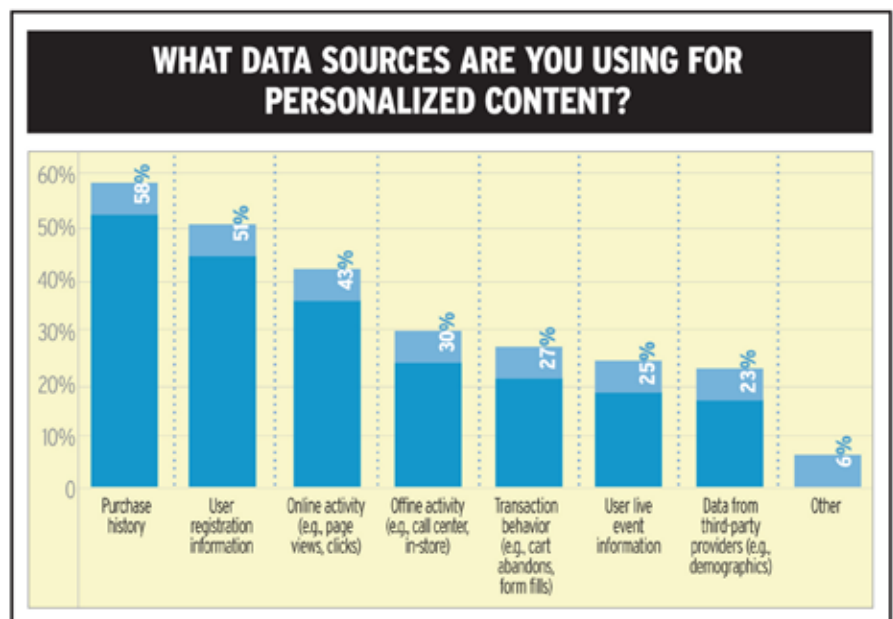
CHANNEL CHOICES As to the channels used for that targeted messaging, by far the most common choice was email, where 89% of respondents who customize their marketing said they were applying personalization. Direct mail was the next most likely channel for a custom approach (58%), followed by the Web (36%), social media (30%) and mobile (12%). As above, large companies were more likely to target their messaging in these channels than small ones—with the notable exception of social media. There 39% of responding companies with \$10 million or less in revenue said they offer some kind of personalized content, while only 15% of companies of sales more than \$100 million made the same claim.



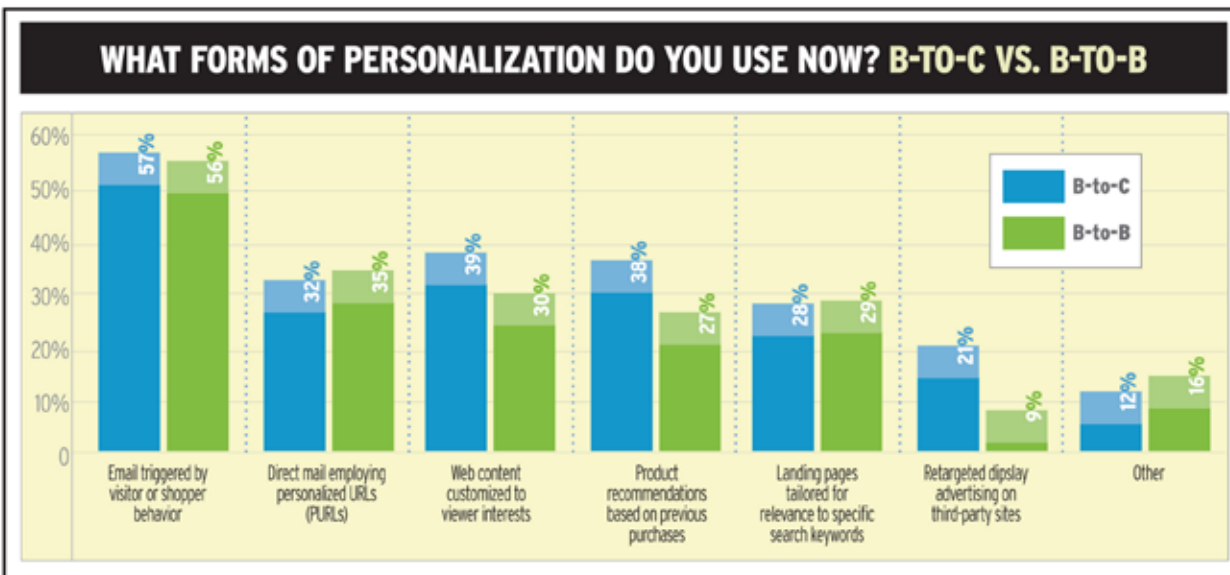
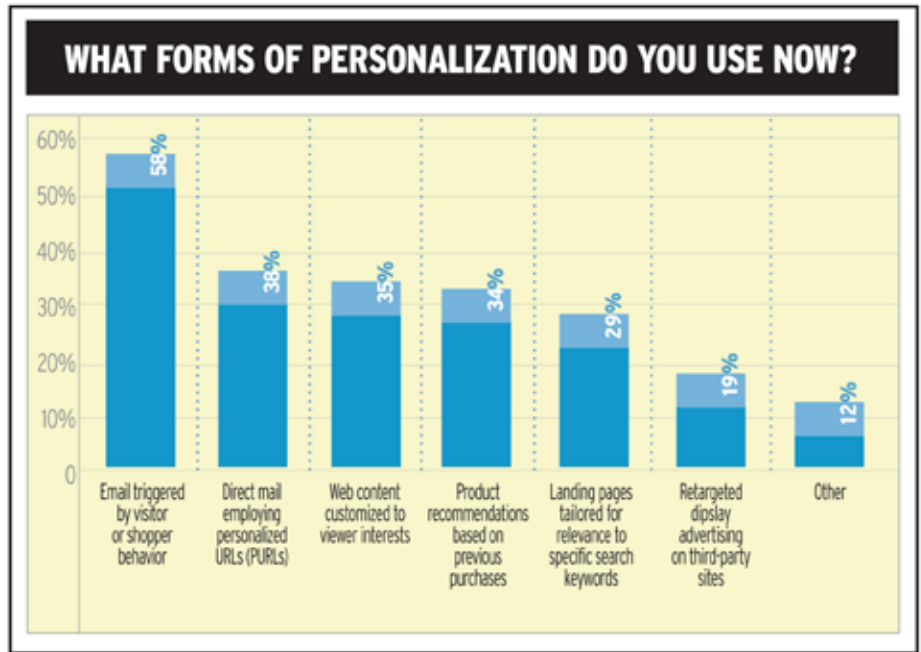
LARGE COMPANIES ARE MORE LIKELY TO PERSONALIZE AND TARGET MESSAGING THAN SMALL ONES—EXCEPT IN SOCIAL MEDIA, WHERE SMALL COMPANIES ARE MORE THAN TWICE AS LIKELY TO PERSONALIZE AS LARGE ONES.

WHAT DO YOU KNOW?

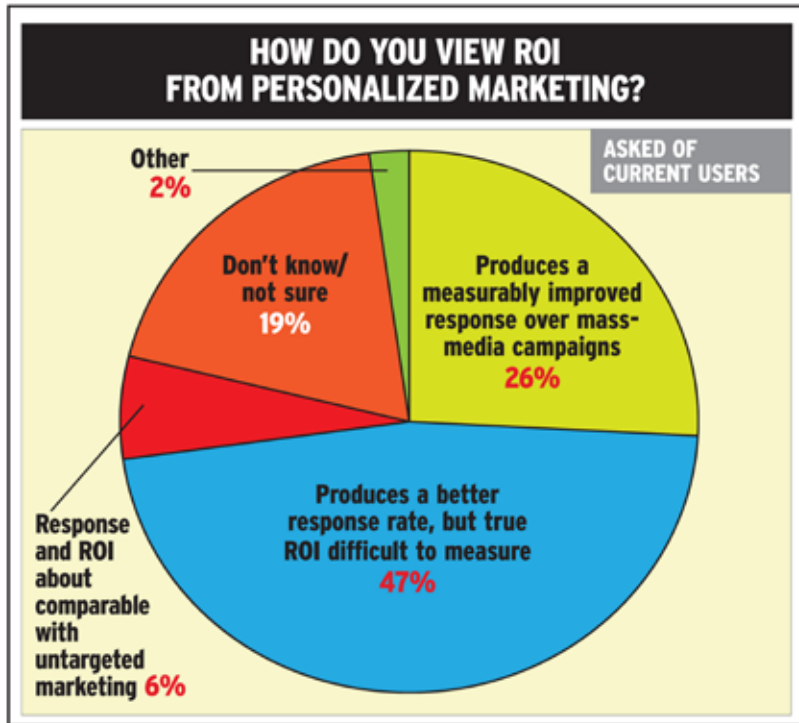
Targeting messaging starts with amassing data about customers. The two most data sources most often cited by respondents now using personalized marketing are consumers' purchase histories (58%) and site registration information volunteered voluntarily submitted (51%). About two marketers in five say they also use interactive tracking (clicks and page views) to hone their marketing for some customer segments. Only 30% use data from offline encounters in stores or via call centers. And even fewer integrate transaction behavior from Web sites such as forms filled out, from live events, or from third-party data providers.



TARGETING TOOLS Among those respondents using personalized messaging of any type, the leading tactic used (58%) is deploying email triggered by specific online behavior. Other tactics have a much narrower following. PURLs are used by 38% of the response group, and slightly fewer customize the Web content they show to some visitors based on expressed interests (35%) or tailor product recommendations to past purchases (34%). About 29% of those polled customize landing pages specific to some of their search keywords. Only about 19% say they employ retargeting, which collects data about products, services and topics of interest to some site visitors and then shows them reminder ads for those items when they're on other Web sites or social networks.



DOWN TO BUSINESS While many of broad questions in the Chief Marketer survey got very similar answers from B-to-C and B-to-B marketers, there was some notable differentiation when it came to which tools those two groups used to add a more targeted quality to their customer messaging. For example, while more than half the responses from both groups spoke of used triggered emails, B-to-B marketers were much less likely to show customers product recommendation based on their past purchases (27% compared to 38%) or to serve up Web content tailored to visitors' preferences or demonstrated interests (30% vs. 39% for B-to-C.) And only a small handful of B-to-B marketers have found retargeted advertising worth the expense (9%), compared to about one-fifth of B-to-C respondents.



ROI ELUSIVE For something that more than four fifths of respondents say they're doing, the exact return from targeting marketing seems to be elusive for many practitioners. About a quarter of the respondents now conducting some kind of personalized campaign (26%) said that they have measured the ROI from targeted marketing and see an improved return. Another 46% of those currently doing it said that while they can say personalization "produces a better response rate than mass media", the ROI from that improved response is nevertheless "difficult to measure." Almost one fifth of those polled (19%) could not say how the targeted and untargeted marketing approaches compared, while 6% of this group said the response rate and ROI were pretty much the same—surprising, given that this response came from those actually fielding such targeted campaigns. It remains for future surveys to ask what reasons other than improved ROI marketers may find for personalization.

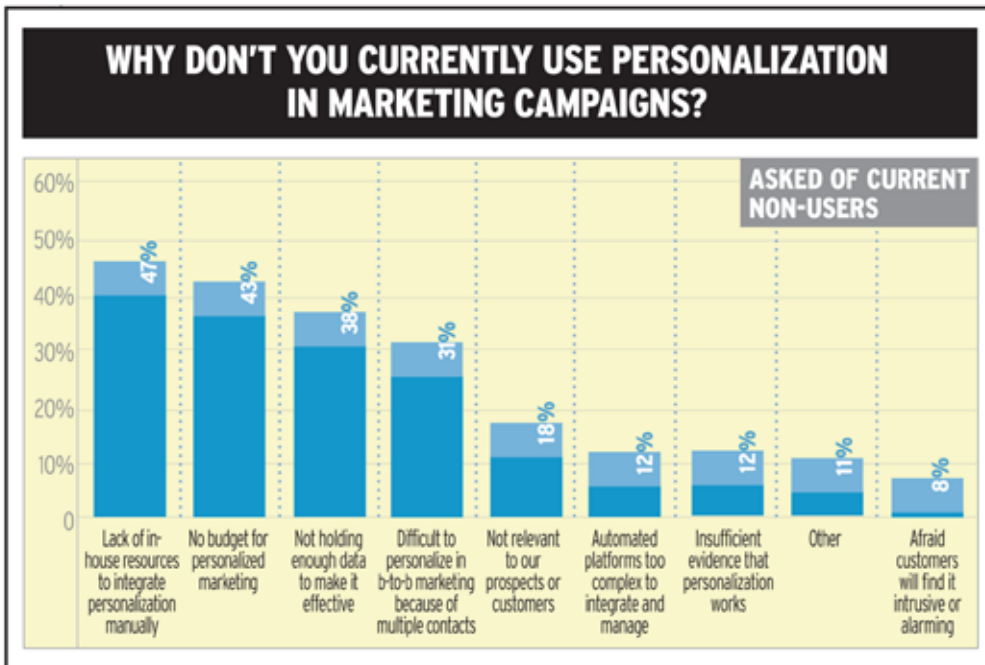
GROWING TREND It remains for future surveys to ask what reasons other than improved ROI marketers may find for personalization. But whatever that benefit may be, look for marketers to seek more of it in the coming year. Among those who say they are currently acting to customize their marketing, two-thirds of respondents say they will increase that initiative in the next 12 months. Another one-fourth expect to maintain their current level of personalization. Only about 1 percent expect to do less in the next 12 months to tailor messages to customers.



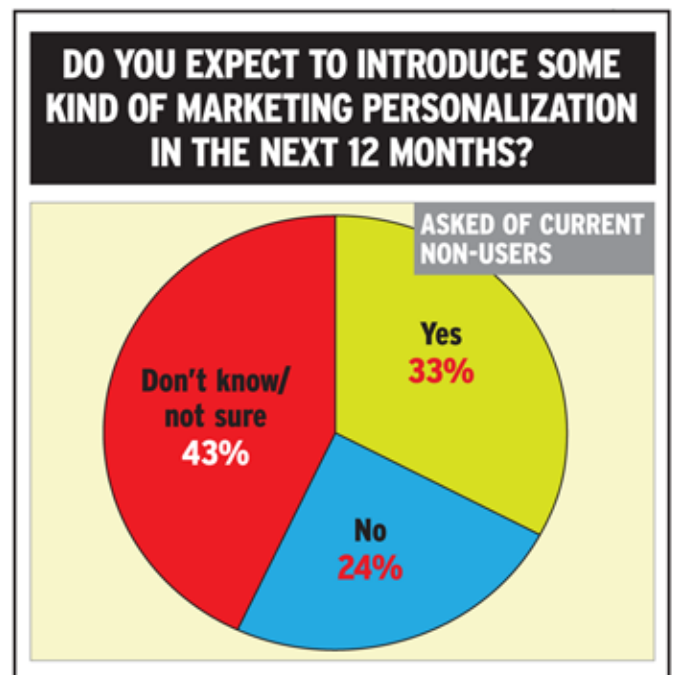
LACK OF TALENT AND FUNDS ARE THE BIGGEST BARRIERS TO TARGETING, ALONG WITH A LACK OF USEFUL DATA.

WHAT'S STOPPING YOU? As we saw, 81% of respondent to the Chief Marketer personalization Survey say they are now taking steps to target their marketing to specific customers or segments. But what's holding back the 16% who say they aren't? What's stopping them? Lack of in-house expertise (47%) and lack of funds (43%), for

the most part, although 38% also cited a shortage of the kind of data needed to make marketing customization work. Thirty-one percent of B-to-B respondents also pointed to the difficulty of personalizing marketing in their field, where buying decisions are often run past multiple stakeholders. The "creepiness" factor doesn't figure: only 8% of non-users say customers could find targeting to be intrusive, or alarmingly like stalking.



MAYBE TOMORROW Despite the difficulty of finding budget and expertise, of amassing the right data or locating a defensible ROI, one-third of those respondents who are not currently targeting any of their marketing efforts say they expect to begin doing so in the next year. Almost as tellingly, a plurality (43%) say they don't know. If even a portion of those give in and start customizing messages, we could see more than 90% of marketers embracing the personalization trend in some form in 2012.



Methodology:

The CHIEF MARKETER Personalization Survey was conducted online between June 26 and July 20, 2011, and polled 675 active marketing professionals distributed across business-to-consumer and business-to-business models, from brands and agencies in the manufacturing, retail, financial, healthcare, travel, entertainment, advertising, publishing, database and nonprofit sectors.