

## Executive sponsorship drives the program

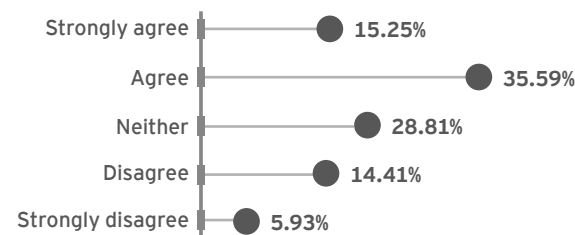
Organizations risk their investment in analytics, testing and personalization programs if there is no executive sponsorship driving adoption and setting strategy.

How can organizations move up the maturity ladder in using analytics – from observing trends, to gaining insights and finally taking action? We see best in class organizations investing in formal training and education as table stake. But it is those organizations that take the time to develop Centers of Excellence, standards that can be adopted and customized and foster the sharing of lessons learned across business units and regions that truly excel.

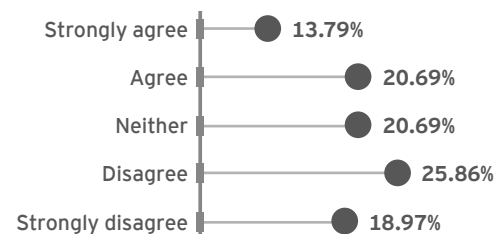
“With siloed teams, everyone is working in isolation instead of towards common goals. This is particularly problematic if you’re trying to improve the customer experience. It tends to foster competition rather than collaboration – and collaboration is what you really want because then you can understand the inherent trade-offs in any business decision, and work together towards a common vision,” says one digital analytics manager.

Developing clear digital strategy and institutionalizing strategy through governance and process is squarely in the remit of leadership. With 65% of survey respondents indicating that their organizations did not have clear plans from senior leadership to operationalize digital strategy, there is significant opportunity to improve.

### Our organization has a digital strategy that guides how we do business.



### Our organization has a digital governance council that works with senior leadership to operationalize digital strategy throughout the organization.



## Getting to the personalization marketing strategy

Developing and implementing a personalization marketing strategy does not occur overnight, in a week or even a month; it takes time and requires planning, resourcing and execution as does any major initiative. It is important to keep in mind that technology does not drive the overall success, but is only a part of the entire personalization ecosystem that your organization will build.

If you already have a strong digital analytics program in place, you will be on your way to standing up a personalization program that is supported by reliable data and an organizational understanding on how to use data to guide the marketing tactics and tests that will drive the personalization engine.

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### How EY can help

EY's Digital Analytics Target Operating Model Assessment can provide your organization with a comprehensive evaluation and roadmap based on the EY Digital Analytics Benchmarking Survey and our nearly 20 years of experience in helping leading brands optimize their digital strategy, tactics and customer experience.

# On the road to online personalization

## The EY Digital Analytics Benchmarking Survey analysis

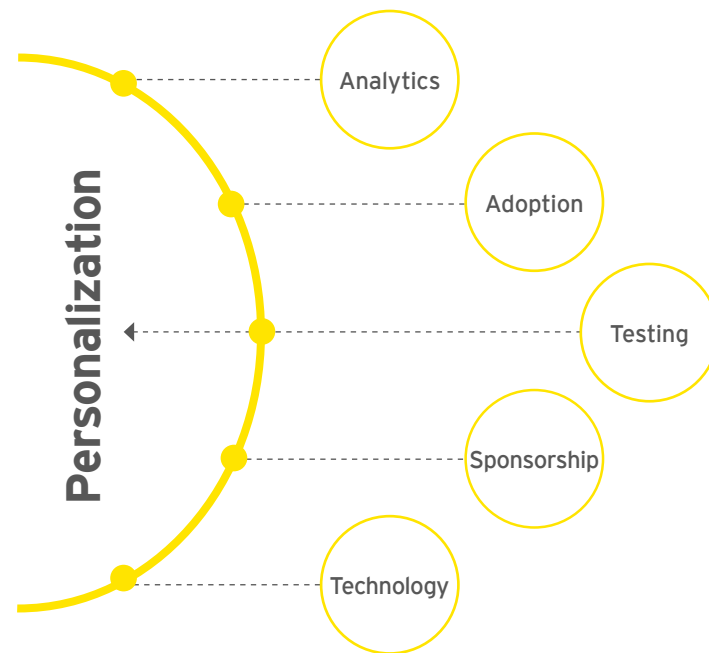
## Getting personalization right

Personalizing customer experience in the digital environment is not a question in most organizations – it is an imperative. It is the driving force behind the evolution of web, mobile and social media content, marketing and product development.

Operationalize personalization well, and the implicit benefit is more valuable and stronger customer relationships – real bottom-line improvement. Do personalization poorly and your customers leave you or, worse use social media to disparage your brand. In a Pew Internet & American Life survey on the use of search engines, 73% of the respondents said that keeping track of searches and using that information to personalize future search results would feel like an invasion of privacy. Clearly, digital marketers need to tread carefully.

Personalization software only goes part of the way to creating great experiences for digital audiences. It is one thing to set the platform to run on a set of rules based on visitor viewing preferences and customer data, and perhaps realize positive short-term results. It is quite another to develop and execute a cost-effective personalization marketing strategy that provides higher revenue while controlling costs.

Creating a personalization program requires much more than simply putting tools and rules into place. As we've learned through our nearly 20 years of experience in helping leading brands navigate their digital maturity, building out a personalization program must integrate technology, analytics, testing, executive sponsorship and organizational adoption on the use of data to inform strategy and tactics.



## Data analysis makes better personalization possible

EY conducted a survey of over 100 leading US and global brand organizations to understand their approach to personalization strategies and execution through the use of digital and multi-channel analytics.

We found from the survey that understanding how digital customer segments respond to content directed to them leads to continuous cycles of targeting and content refinements. This leads to development of better rules that enable serving of content to increasingly more granular and discrete customer groups.

Digital analytics executives are committed to this course, with 82% ranking personalization as one of their biggest current opportunities. At the same time, organizational roadblocks, such as scarcity of qualified resources and lack of organizational interest, often prevent digital analytics programs from providing their full value to personalization projects.

Lack of organizational interest in using digital analytics is both a top down and bottom's up issue. Top down because there are no governance put in place to operationalize the use of digital analytics. Bottoms up because digital analytics teams are not effectively communicating insights that can drive the business forward.

Biggest challenges for digital analytics teams	Percentage of respondents
Scarcity of qualified resources	73%
Lack of organizational interest	60%
Silos between digital analytics and business units	57%
Lack of executive sponsorship	56%
Incorporation of digital data with multi-channel data	34%
Lack of budget for analytics platforms	24%



## Under-investment in expertise could put personalization strategies at risk

Lack of investment in technology is not hampering analytics programs' ability to support personalization. In fact, organizations appear to have an abundance of tools to conduct analytics and testing with nearly 80% claiming to use at least six analytics platforms.

Organizations may be coming up short in fielding teams with qualified personnel to obtain maximum value from the tools they own. Digital analytics program leaders cite the lack of qualified analysts who can execute segmentation analyses and develop online tests as roadblocks.

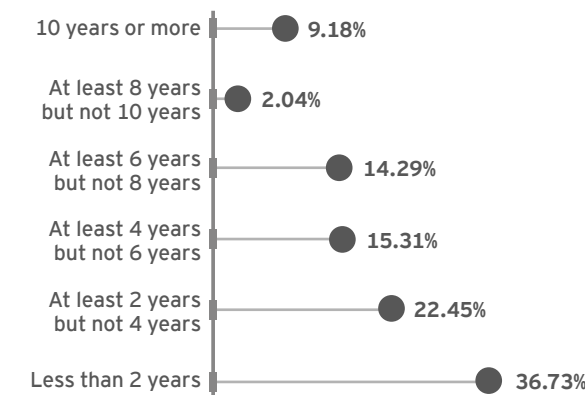
Given that team sizes average one to four people for 50% of those surveyed and 59% of the digital analytics programs have been in existence for less than four years, the idea of using data to drive decisions in the online channel is still relatively new for many organizations.

Number of analytics tools and platforms owned	Percentage of respondents
1 to 5 platforms	21%
6 to 10	38%
11 to 15	28%
16+	13%

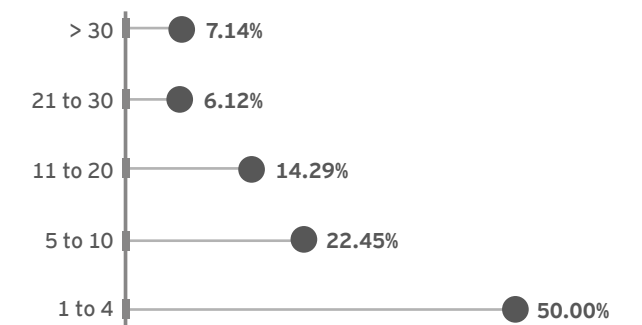
**"Management is willing to pay for the tool but don't want to hire the resources."**

Senior analytics strategist for a global technology company

### Number of years for which the digital analytics program office has been in operation



### Number of people in our digital analytics team



## Training and testing build the personalization culture

Committing to data-powered personalization requires a vision and commitment that starts with building a rock solid analytics foundation that will grow into a robust and flexible personalization program.

While many organizations focus on the technology platforms, the opportunity for enterprise-wide alignment is through adoption strategies of digital insights. Adoption strategies range from training, data democratization, greater engagement between analysts and business units, and informal knowledge sharing. Eighty six percent of surveyed digital analytics program managers ranked this as the biggest opportunity to address – an even higher percentage than personalization.

For example, 33% of the digital analytics teams met with their stakeholders weekly to discuss analytics findings and recommendations to educate and enable stakeholders to learn how to use data to develop their own insights. Fifty seven percent of the teams are increasing their use of visualization tools to display and communicate complex data correlations, segmentation models and predictive analysis. This is second only to the use of digital analytics platforms (61%) in the daily use of tools by digital analytics teams.

Development of online testing programs that incorporate split testing, multi-variate testing or both are viewed as stepping stones to personalization or are used to complement personalization. Sixty one percent of survey respondents indicated that they are currently conducting online testing and 92% believe that they will be conducting testing as often or more often in three years.

Biggest opportunities for digital analytics	Percentage of respondents
Adoption of digital analytics insights	86%
Personalization of content and marketing based on analytics	82%
Tighter integration with online testing	59%
Multi-channel attribution	52%
Media mix modeling	23%

**"Personalization implies a form of testing, since you're showing different content to different visitors and measuring any uplift."**

Digital analytics team lead, Global transportation corporation

Starting up the ladder of personalization can start with A/B testing and geo-targeting. An international consumer magazine followed this approach by testing different versions of order pages and paid search campaigns to determine best results based on behavioral segmentation, and used geo-targeting to offer specific content and promotions to web site visitors.