

the e-tailing group



# Personalization Comes of Age: 2014 Retail and Consumer Insights



In an effort to understand evolving consumer behaviors and retailer initiatives, MyBuys and the e-tailing group partnered to analyze both sides of the personalization paradigm in two 2014 studies.



# HISTORY OF PERSONALIZATION 101

- In 1999 Peppers & Rogers coin “1:1 marketing”
- Retail behemoth Amazon delivers site & email personalization
- Retailers adopt algorithm-based personalization for onsite presentation
- Triggered emails are norm amongst forward-thinking retailers
- Mobile growth sees early stage cross-device personalization

# PERSONALIZATION: THE RETAIL LENS E-TAILING GROUP 2014



## RETAILER FINDINGS





## PROFILE OF 108 RETAILER RESPONDENTS

### MERCHANTS OF ALL SIZES (ANNUAL SALES)

28%	\$<\$1M to \$20M
23%	\$20M to \$100M
27%	\$100M to \$1B
22%	\$1B to \$5B>

### SELLING THROUGH A MIX OF CHANNELS

100%	Internet
86%	Email
82%	Mobile
55%	Store
47%	Catalog
27%	Social
12%	TV

### Categories Sold

Apparel	33%
Accessories/Shoes/Jewelry/Luggage	31%
Home & Garden/Home Improvement/Tools/Appliances/ Furniture/Organization	26%
Consumer Electronics	13%
Health & Beauty/Vitamins/Senior-Centric	12%
Sporting Goods/Outdoor Gear/Collegiate	12%
Gifting/Greeting Cards/Gourmet & Wine/Party/Wedding	11%
Toys & Games	11%
Books/Music/Video	9%
Food & Beverages	9%
Pets	7%
Technology (Computer Hardware/Software/Peripherals)	7%
Art/Arts & Crafts/Hobbies/Party	6%
B2B	6%
Collectibles	6%
Digital/Virtual Merchandise	6%
Office Supplies/Office Furniture	6%
Travel	5%
Entertainment, Financial Services, Membership Services	3%
Business Services, Promotional Specialty	2%
Autos/Auto Parts, Drugstores, Educational, Health Service, Marketing Services, Museums/Galleries	1%



## 2014 RETAIL TO DO LIST

1. Mobile (including tablet)
2. Marketing
3. Personalization
4. Omni-channel
5. Platform
6. Conversion Optimization
7. Analytics, Reporting, Big Data
8. Merchandising
9. Redesign including Key Page enhancements
10. Product issues (imagery, PIM architecture, information)

Personalization ranks in the top 3 issues retailers will devote time to in 2014, behind mobile and marketing.



## WHAT WE LEARNED

- Over half of retailers surveyed utilized personalized product recommendations, retargeting and email alerts for selling and site abandonment
- Emails are the most successful personalization tactics for over 80% of participating retailers, while product page and cart success is major for over 76%



## RETAIL PERSONALIZATION PERFORMANCE ON THE RISE

- 86% See Success with Triggered Shopping Cart Abandonment Emails
- 83% See Success with Personalized Products in Email. Up From 73% in 2013
- Longer-term customer lifecycle personalization has seen great improvements in success, up 15% YoY

23% of retailers see  
11%+ cumulative lift  
when using personalization



Up from 19% of retailers in 2013





# IN PURSUIT OF PERSONALIZATION

1-in-3  
Retailers is Pursuing a  
1:1 Vision



56%

Are seeking to  
deliver cross-channel  
personalization

31%

Are pursuing a 1-to-1  
personalization  
strategy

24%

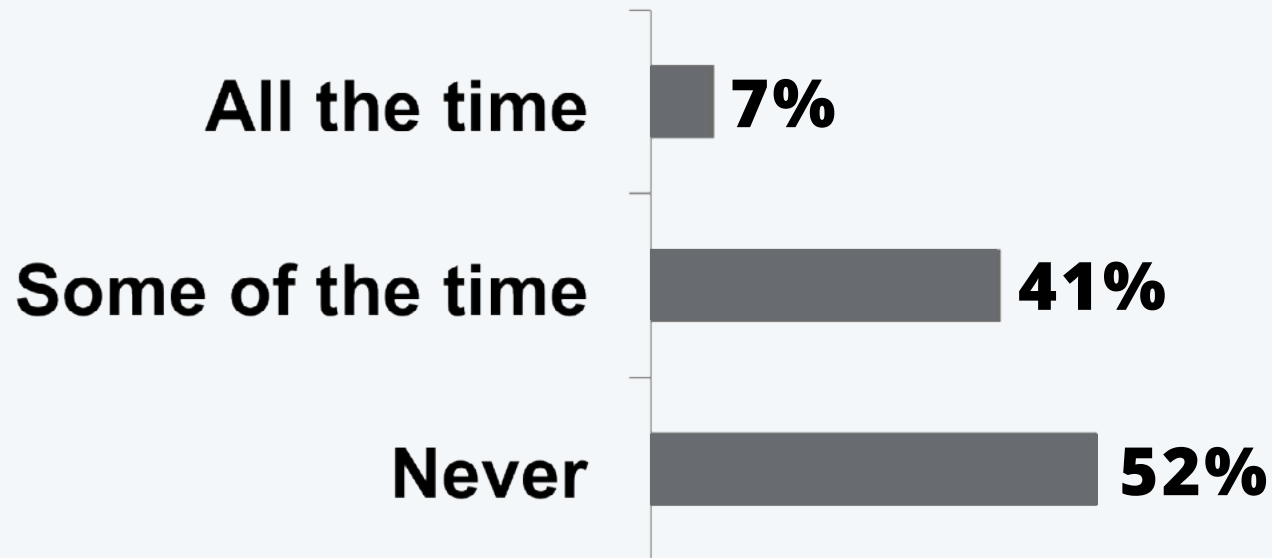
Believe they have  
sufficient data to truly  
personalize



## WHAT DO RETAILERS THINK OF PERSONALIZATION?

Only 7% of Retailers recognize their customers across different channels all of the time...

Can you recognize consumers across different devices?



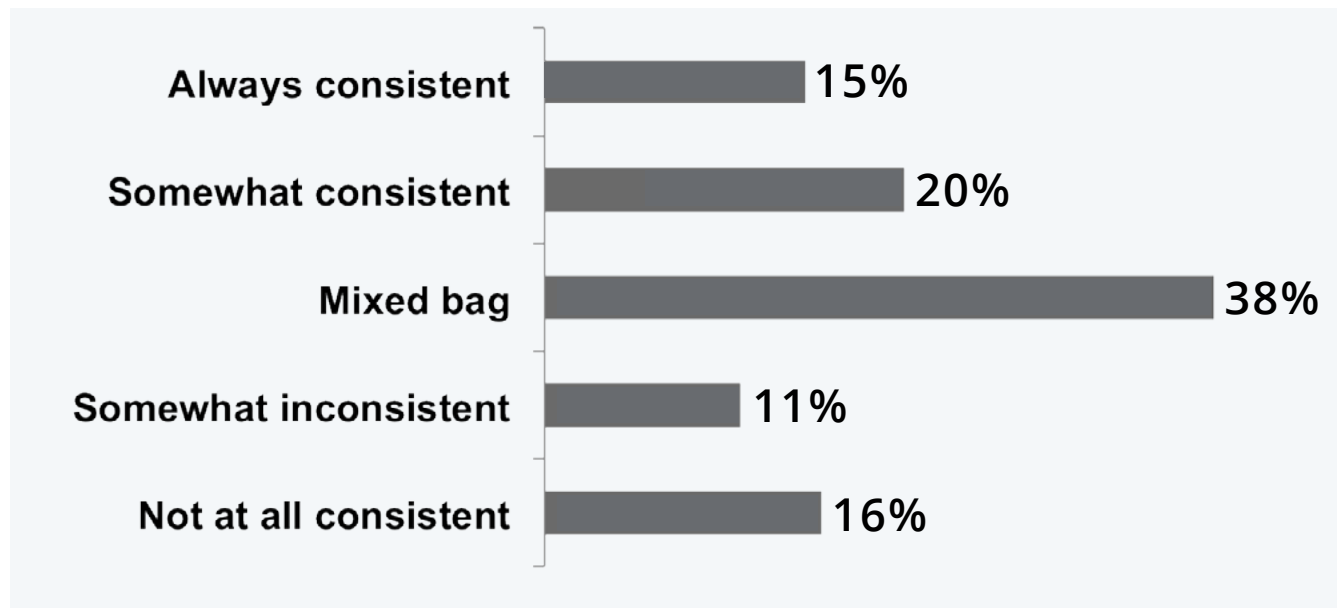
Over Half Never Can



# CONSISTENCY. CONSISTENCY. CONSISTENCY.

Only **15%** of Retailers are always consistent with their messaging and marketing across channels and devices...

How consistent is your messaging across channels and devices?



**65% are inconsistent**



Know your consumers. Consistently deliver personalized, individual experiences across all channels, via all devices.



# 2014 MyBuys/e-tailing group 6th Annual Consumer Survey: cross-channel, cross-device personalization & shopper behavior



## CONSUMER FINDINGS





## WHY WE CONDUCTED THE RESEARCH



MyBuys has commissioned this study with the e-tailing group for the past 6 years, in an effort to trend personalization and marketing techniques that impact shopper attitudes and buying behavior across channels and devices.

## HIGH LEVEL FINDINGS

- Mobile is impacting every demographic
- Consumers are aware of the personalization efforts retailers are making
- Attitudes towards personalization continue to trend towards overwhelmingly positive

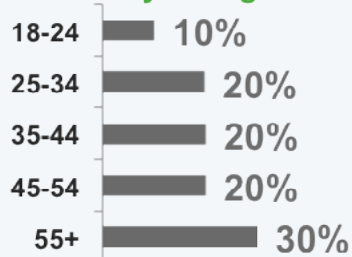


# METHODOLOGY AND SAMPLE SUMMARY

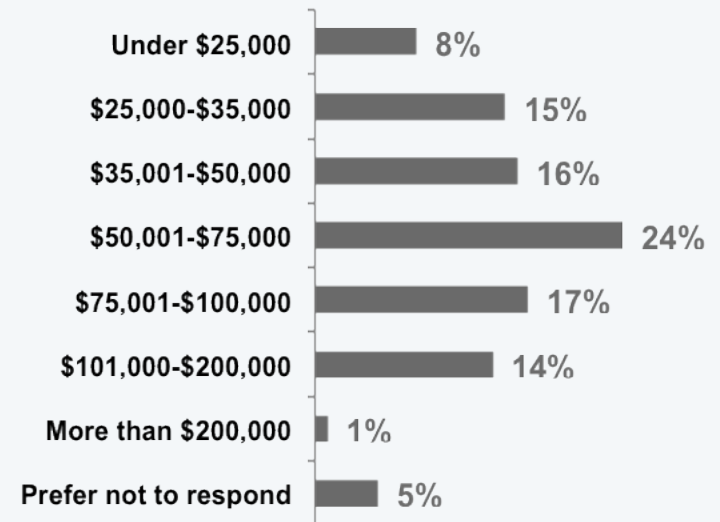
1,004 consumers completed an online questionnaire January, 2014

- 50% female/50% male
- Shopped online 4 or more times in the past year
- Spent \$250 or more online annually
- 100% owned a smartphone
- 61% owned a tablet

## What is your age?



## Which of the following best represents your combined annual household income before taxes?





# WHAT MAKES CONSUMERS “READY TO BUY”?



1. Discounts   2. Free Shipping   3. Found the Right Product





Price your products sharply, and make sure you're getting the right product in front of the right consumer.





# THE ABCs OF DECIDING WHO TO DO BUSINESS WITH

Price, Promotion and Website Quality are the Top-3 factors when deciding what brands to-do shop with.

28% of shoppers strongly value a quality mobile experience





Ensure your eCommerce and mobile experiences are up to snuff, and you're clearly demonstrating your value proposition.



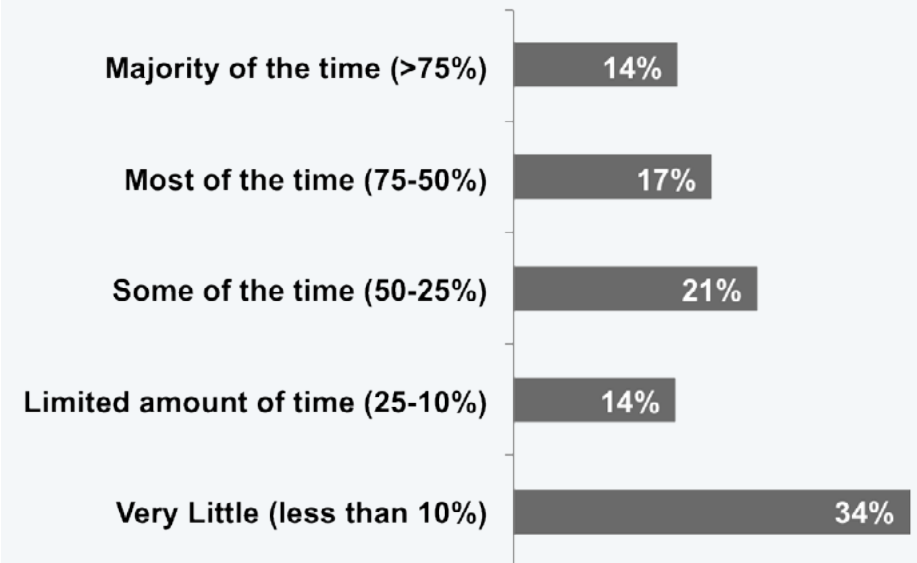


# MOBILE-MANIA



66% of Consumers Use Multiple Devices During Buying Cycle

## Consumers Using Multiple Devices During Buying Cycle





## IT'S A MULTI-DEVICE WORLD

# Devices	18-24	25-34	35-44	45-54	55+
1	4%	5%	4%	8%	12%
2	21%	18%	35%	37%	34%
3+	75%	77%	61%	55%	54%



3-out-of-4 18-34 year-olds use 3+ devices to access the Internet vs. 1-out-of-2 for their 45+ counterparts



Remember and act on shopper behaviors across devices in order to personalize and provide a consistent and compelling experience.





## PROPS FOR PERSONALIZATION

31% of Women value the speediness personalization provides, which is important because women do the majority of shopping.

72% of Shoppers Agree Personalization Makes it Easier to Find Products They Want to Buy.

Consumers Want More Personalization. **Everywhere.**

Desire for Personalization  
is on the rise. Demand for  
Email, Ads and Website  
Personalization  
Most Popular





Improve shopping experience by leveraging past behaviors. Engage shoppers with personalization to improve KPIS.







# AGE IS JUST A NUMBER, MOSTLY

How valuable is it when retailers where you shop online recognize you as the same person, regardless of the device you are using, so that you receive personalized and consistent shopping experiences?



90% of  
18-34 year olds  
strongly value  
personalization



vs. 82%  
of those  
45 and up



# HOW DO RETAILERS STACK UP?



Only 1-in-4 Shoppers Believe Retailers Know  
Them Across Devices



## THE PEOPLE HAVE SPOKEN...

83% of Consumers see value in being recognized with personalized experiences across devices





## THE PEOPLE HAVE SPOKEN...



**52%**

of shoppers realize they buy more with cross-channel personalization.

**Up from 40% in 2012**



Test personalization in all available channels to see what resonates with your shoppers.





## WHAT'S A RETAILER TO DO...

- Review existing cross-channel personalization strategies and embrace delivering a tailored shopping experience
- Personalize on site, via email and through advertising
- Know your consumers across devices, providing a seamless experience
- Deliver personalized shopping experience across all channels and devices where consumers shop
- Recognize consumers across all their devices and make their data actionable across channels to deliver on consumer expectations
- Utilize a holistic suite of personalization tools, as without that capability, delivering effective cross-channel or cross-device marketing will be challenging

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MYBUYS

MyBuys provides coordinated personalization solutions for display ads, email and websites to retailers, brands and agencies. We automate and deliver billions of targeted offers each day using our Active Shopper Database comprised of the behaviors and purchase intent of 250 million consumers. MyBuys has been named the top provider of personalization solutions to the IR500 every year since 2009, and is headquartered in Silicon Valley, with offices in Ann Arbor, New York and London. Visit [www.mybuys.com](http://www.mybuys.com) for more information.

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