



High Performance Marketing

DEMAND METRIC

CONTENT PERSONALIZATION

Content Marketing's
Evolution: The Age of
Hyper-Personalization
and Automation

A Demand Metric Benchmark Report
March 2016

IN PARTNERSHIP WITH  **SEISMIC**

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INTRODUCTION

Does the use of content personalization increase content effectiveness, and if so, to what degree? This study's goal was to find out.

Content personalization is not a new approach. Consider the joy the average person experiences over receiving a hand-written letter or note via snail mail. Compare that to the enthusiasm for correspondence addressed to the "box holder" or "To Whom it May Concern". We all like to receive letters, mail – content – that was prepared specifically for us. The knowledge that someone took the time to create something intended just for our consumption, based on a relationship or what is known about us, is compelling.

The assumption is that content in the digital realm likewise benefits from personalization or customization. A marketer's intuition leads to the conclusion that no matter how great the content quality, it is more likely to see consumption and have a greater impact when it too is personalized. There really isn't an argument against content personalization, but there are barriers, real and imagined. How possible is it to personalize content effectively? How much content needs personalization to have an impact? To what extent should content be personalized? And the most important question is simply, how much more effective is personalized content?

In pursuit of answers to these questions, Demand Metric and Seismic partnered on research to get a set of benchmark data to guide content personalization efforts. This report presents the findings of this research, giving modern marketing leaders data and guidelines to eliminate the guesswork about making content more effective through personalization.

EXECUTIVE SUMMARY

Almost all of this study's participants were from B2B organizations that have experienced revenue growth during the past fiscal year. Approximately half of the respondents have marketing job titles. The respondents come from a diverse set of industries, technology hardware or software being the largest. Just over one-third come from companies with less than \$10 million in annual revenue, while 20 percent are with firms reporting revenues of \$1 billion or more.

The analysis of this study's data provides these key findings:

- ✓ Half of this study's participants listed seven separate objectives for their content marketing efforts.
- ✓ Content created for marketing meets objectives well or very well for only half the study's participants.
- ✓ Personalizing content is the norm, with 61 percent of participants personalizing their content at some level.
- ✓ Personalized content is more effective than "unpersonalized" content, according to 80 percent of the study participants.
- ✓ Participants who personalize between 21 and 40 percent of their content report the highest rate of content meeting the objectives set for it.
- ✓ The average length of time personalization has been in use by study participants is just over two and a half years.
- ✓ Personalization contributes significantly to overall content marketing effectiveness, with 56 percent of those using personalization rating their process as effective or very effective. Only 29 percent of those who do not personalize content give their content marketing process this same effectiveness rating.

EXECUTIVE SUMMARY

The analysis of this study's data provides these key findings (contd.):

- ✓ The mindshare that content automation solutions has is strong, with over half of those polled currently considering, implementing or using these solutions to personalize content.

This report details the results and insights from the analysis of the study data. **For more detail on the survey participants, please refer to the Appendix.**

CONTENT MARKETING IMPORTANCE

Personalization is of little importance if content marketing itself is not of strategic importance. For this reason, the study survey asked participants to rate the importance of content marketing as part of their overall marketing effort. Figure 1 shows this rating.

Importance of Content Marketing

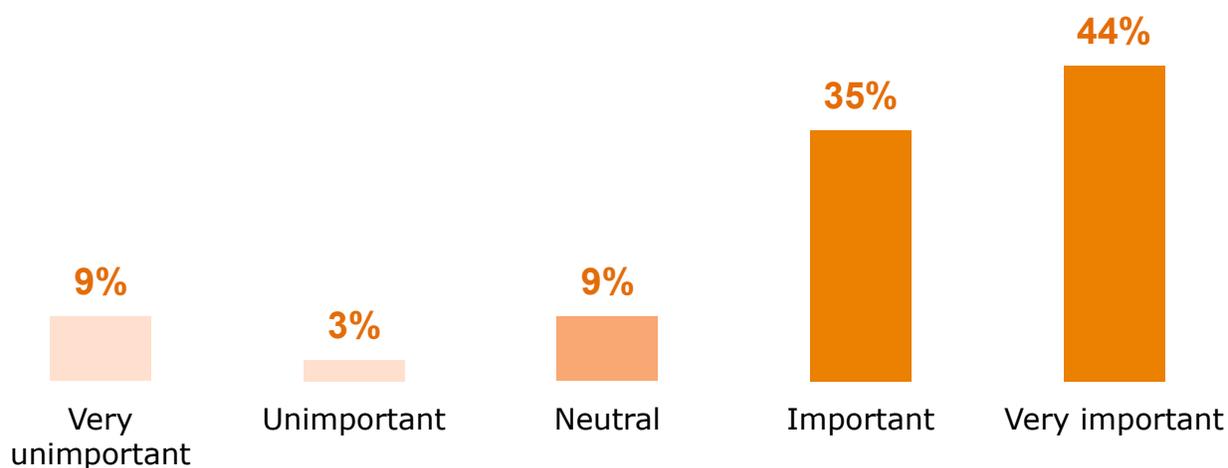


Figure 1: Content marketing remains a high priority.

Over three-fourths of study participants rate content marketing high in importance, so there is strong motivation to invest in maximizing its effectiveness.

Content marketing was originally conceived as a strategy for pulling traffic to a website. The content formats, approaches and objectives for content marketing have grown more refined as organizations have discovered how to use content to accomplish a broader range of objectives. This study measured what objectives exist for content marketing initiatives today, and Figure 2 shares them.

CONTENT MARKETING IMPORTANCE

Objectives for Content Marketing

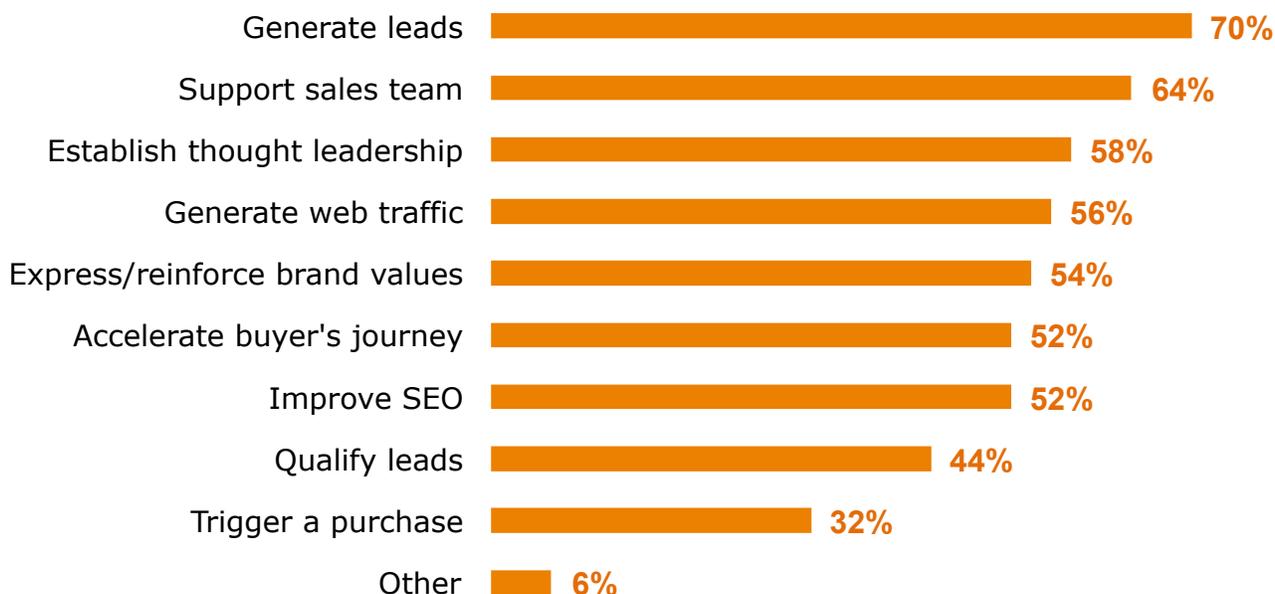


Figure 2: Stated objectives for content marketing.

As a strategy, much is asked of content marketing. Of the 10 objectives presented, seven of them were objectives for over half the study's participants. On average, study participants reported having almost five simultaneous objectives for content marketing efforts. Less than seven percent reported having just a single objective, and over one-third reported six or more objectives. Of the objectives listed here, most of them are candidates for improved effectiveness with personalization.

Some of the comments for those selecting the "Other" response option include:

- ✓ "Express/reinforce strategic (differentiated) point of view."
- ✓ "Remain relevant."
- ✓ "Retention and loyalty."

CONTENT MARKETING IMPORTANCE

Along with polling for content marketing objectives, this study also asked participants to share how well the content they create meets the objectives set for it, and Figure 3 shares this data.

How Well Content Meets Objectives

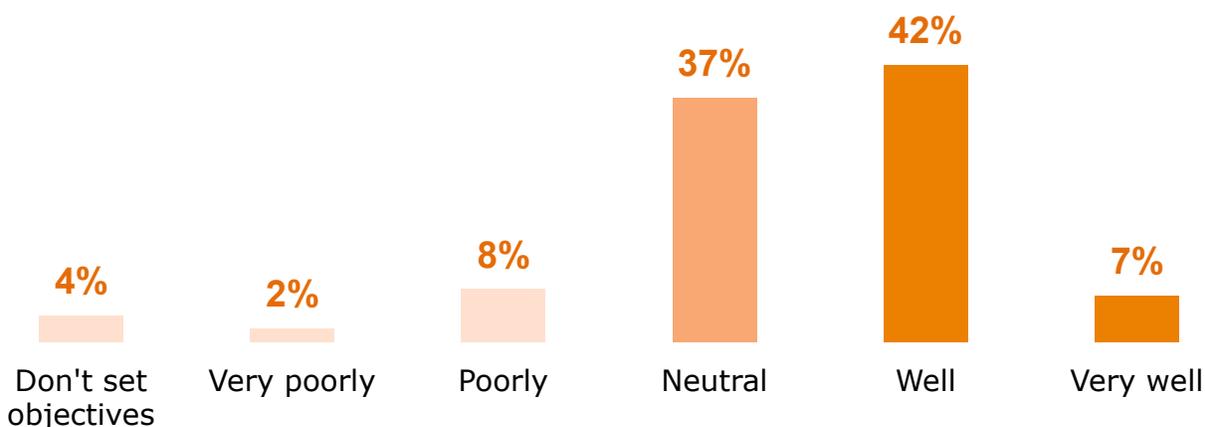


Figure 2: Stated objectives for content marketing.

The content marketing landscape that this study paints **shows it's a very important part of marketing, it's utility is broad in terms of objectives, but it meets those objectives well in only half of the cases this study examined.**

The balance of this report will look at content personalization to determine if it is a strategy that helps leverage content to greater effectiveness.

CONTENT PERSONALIZATION OVERVIEW

As this report's focus turns to content personalization, a definition is in order. According to the Content Marketing Institute, content personalization is a strategy that exploits visitor or prospect data to deliver relevant content based the interests and preferences of the target audience. Organizations that are customizing or personalizing content are in the majority, as Figure 4 shows.

Do you personalize any of your content?

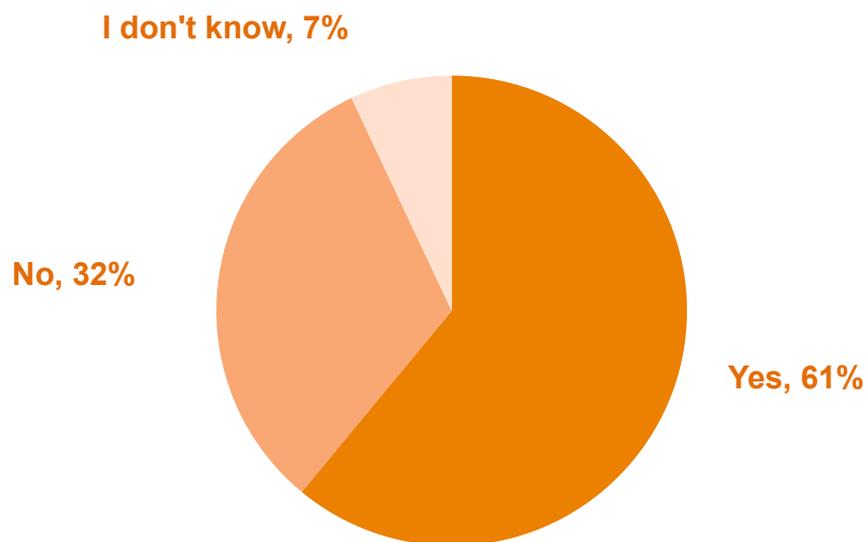


Figure 4: Content personalization is the norm for firms in this study.

Most study participants answered "Yes" when asked if they personalize any content. Later, this report examines just how much content is personalized, but a clear majority of marketers have at least a toe in the personalization pool.

Those who are personalizing content are positioned to compare the effectiveness of personalized versus static or "unpersonalized" generic content. Determining this effectiveness delta was a central focus of this study. Figure 5 provides the answer.

CONTENT PERSONALIZATION OVERVIEW

Effectiveness of Personalized vs. "Unpersonalized" Content

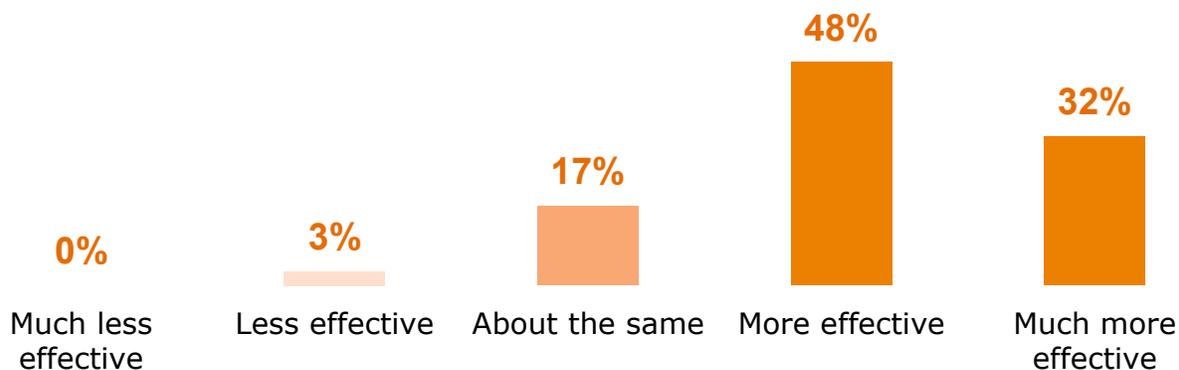


Figure 5: By a wide margin, personalized content is more effective.

There's no gray area where the effectiveness of personalized content is concerned. Of those who use it, **80 percent say it's more effective than content that hasn't been personalized.** This convincing affirmation of effectiveness begs the question: why isn't everyone who employs content marketing using personalization? **Virtually none who are using it report that it's less effective, yet about one-third in this study (Figure 4) are not personalizing content.**

Those who are not personalizing content were asked to share why, and the reasons they gave are presented in Figure 6.

CONTENT PERSONALIZATION OVERVIEW

Reasons for Not Personalizing Content

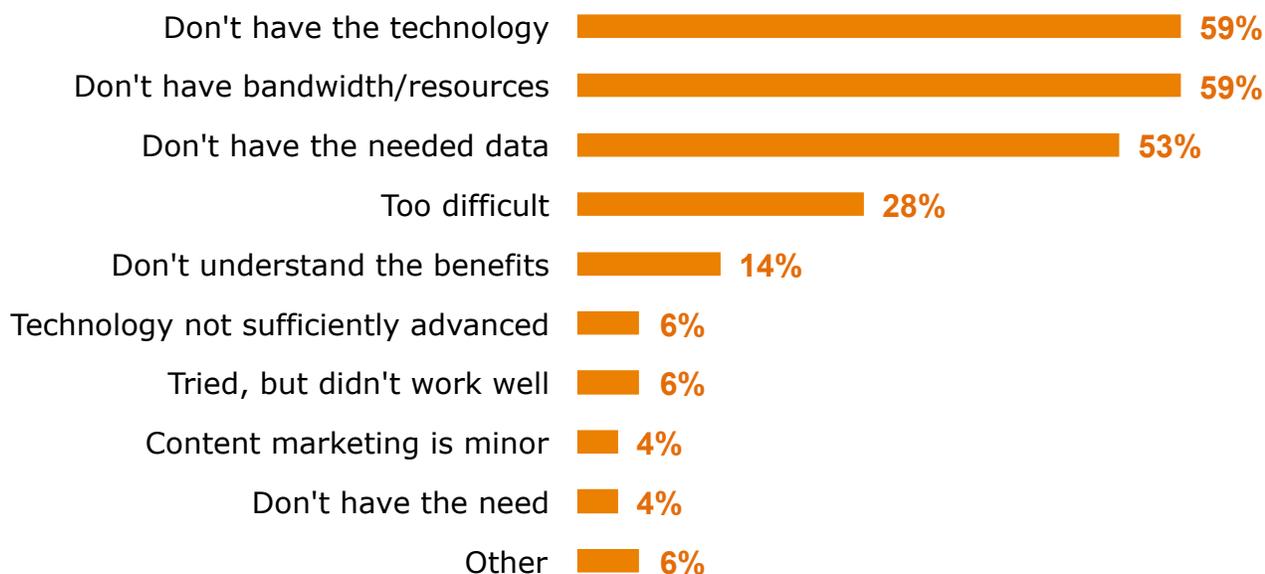


Figure 6: The three top reasons are cited by more than half of the survey respondents.

The top reasons organizations cite for not personalizing content are summarized as technology, time and data. There's no question that these reasons are real; they are also a fairly standard set of reasons cited for many things marketing is unable to do. Just as insightful are the reasons that rank low, indicating they are not major barriers to personalization: level of difficulty, understanding, immature technology and past failed attempts.

There is no single, dominant, insurmountable reason that is keeping marketers from implementing a personalization strategy. Yet, not having the right technology to streamline personalization efforts and a lack of in-house resources rank at the top.

CONTENT PERSONALIZATION OVERVIEW

An investment is required, and this study will provide data to help justify the business case for the necessary staff or technology and resources.

Most of the study participants who are not personalizing content expressed a desire to start. Less than one-fourth reported having no plans, but 68 percent plan to, and of this group, 20 percent have already started or plan to begin by the end of this year.

CURRENT STATE OF PERSONALIZATION

This section of the report looks at characteristics of personalization usage: how long organizations have been personalizing content, and how much content they are personalizing. Looking first at the data about how long the approach has been in use will reveal where personalization is on the maturity continuum, as Figure 7 shows.

How long have you been personalizing content?

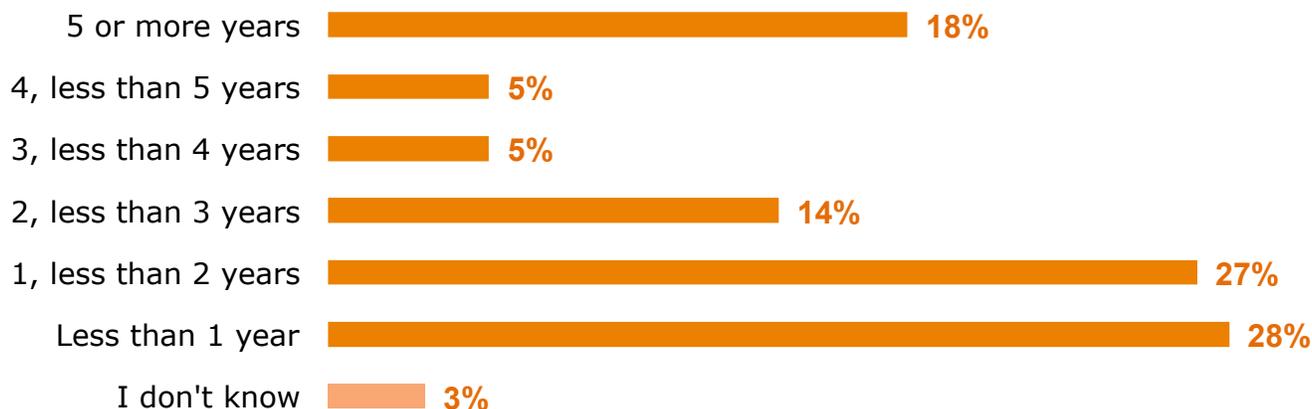


Figure 7: More than half of this study's participants have been personalizing content for less than 2 years.

Interest in this strategy is growing, as it has seen a strong wave of adoption in the past two years. The data in Figure 7 appears to tell a story of early adoption five years ago, then little adoption during a two-year "quiet period", followed by robust adoption in the past two years. **Personalization appears to have arrived on "Main Street" in terms of usage and acceptance.** The average length of time this study's participants have been personalizing content is just over two and a half years.

Another aspect the survey examined is how much content gets personalized before the target audience sees it. Figure 8 shares this detail.

CURRENT STATE OF PERSONALIZATION

How much content is personalized before the target audience sees it?

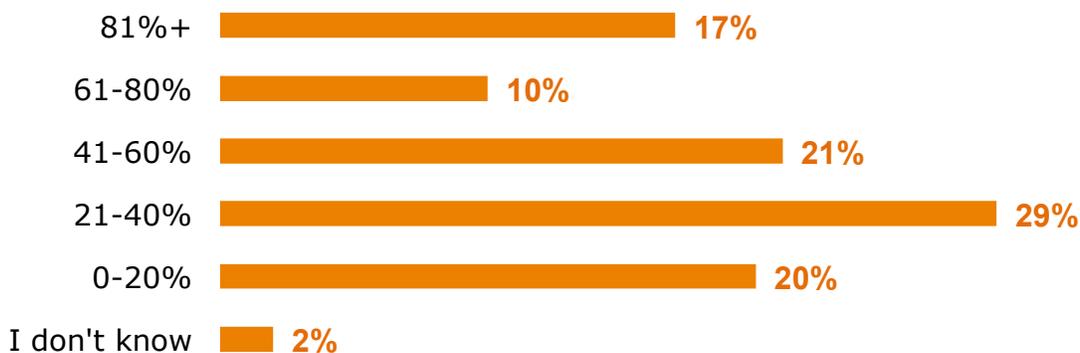


Figure 8: There is wide variation in how much content gets personalized.

Of those who personalize content, the average amount that gets personalized before delivery is just over 50 percent. This study found a relationship between the data in Figure 8 and how well content meets the objectives set for it (Figure 3), **suggesting that a “sweet spot” exists in terms of the amount of content to personalize to best meet objectives. From Figure 8, the 21 to 40 percent band correlates to a level of content personalization that has the highest correlation to meeting objectives:** 86 percent of study participants in this band reported their content met the objectives set for it well or very well.

There is an important assumption that must go with the conclusion about how much content to personalize. While it may come as a relief to marketers to know that selective personalization is the most effective approach, there is still the task of determining which 21 to 40 percent of content needs customization. To determine this, marketers must understand the informational needs of their prospects and relentlessly test their content.

PERSONALIZATION METHODS

Having looked at how much and how long personalization has been occurring, the study now examines the methods for doing so. Figure 9 shares how automation plays a key role in the personalization process.

The Content Personalization Process

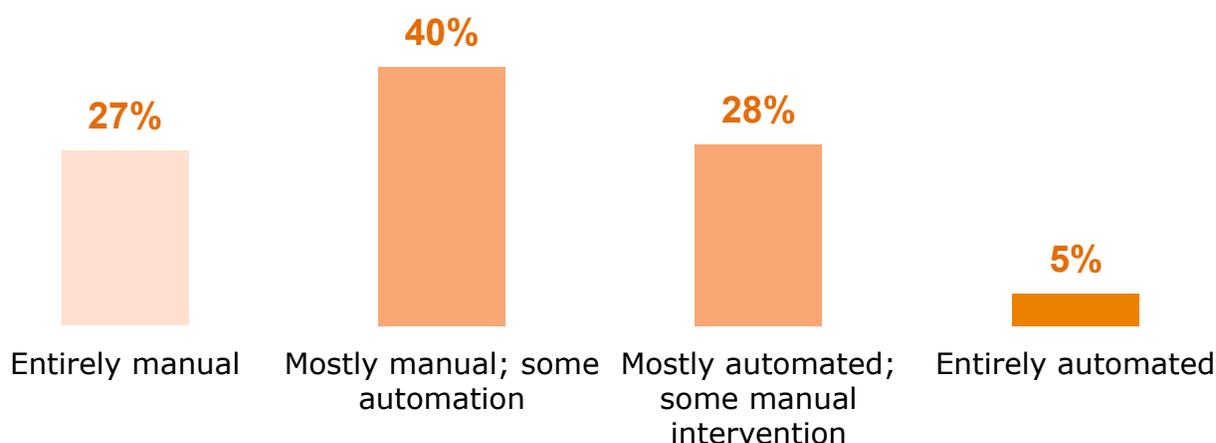


Figure 9: The process is still largely a manual one.

For two-thirds of the companies in the study, the personalization process is still mostly a manual one. **A fully automated process is a rarity, but not because the technology doesn't exist to do so.**

Figure 6 shows technology as one of the top reasons organizations cite for not personalizing content, but this finding doesn't imply that the technology is absent from organizations or unattainable. In some cases personalization technology isn't being used for understandable reasons: personalization done well can increase content effectiveness significantly, but when automated processes aren't tuned and managed well, personalization efforts can miss the mark. The benefits of personalization are worth the time and effort to learn how to use existing tools, or acquire new ones to automate the process.

PERSONALIZATION METHODS

The type of content personalization that organizations employ was a subject of the study. These types are defined as:

- ✓ **Segment specific:** personalized by industry vertical or segment criteria.
- ✓ **Persona specific:** personalized for specific buyer types.
- ✓ **Stage specific:** personalized for a stage of the buying process.
- ✓ **Account specific:** personalized for a specific prospect organization.
- ✓ **Lead specific:** personalized for an individual lead.

The study's personalization types and their usage is summarized in Figure 10.

Types of Content Personalization in Use

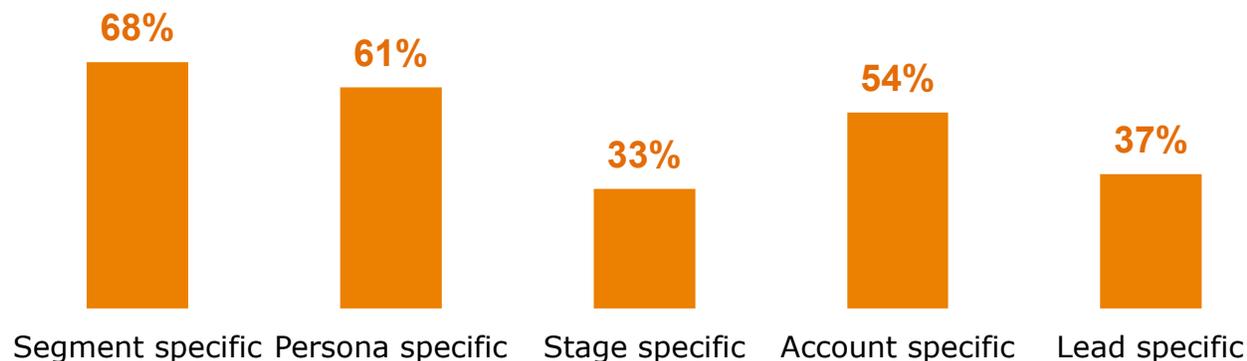


Figure 10: The diversity of content personalization types and their usage.

Analyzing the usage data for each personalization type usage data from Figure 10 sheds light on this diversity: almost one-fourth of study participants utilize just a single type. Half, however, are using three or more types of personalization, and the three that see the most simultaneous use are: Segment, Persona and Account.

PERSONALIZATION METHODS

The study analysis found a relationship between the degree of process automation (Figure 9) and the type of personalization in use (Figure 10). **Organizations with a mostly or entirely automated process are more likely to use persona-specific personalization.**

The study analysis also found a relationship between the types shown in Figure 10 and how well content meets objectives (Figure 3). Table 1 shows this comparison.

SEGMENT	Very poorly, Poorly & Neutral	Well & Very well	Delta
Segment specific	74%	66%	-8%
Persona specific	50%	70%	20%
Stage specific	34%	34%	0%
Account specific	53%	53%	0%
Lead specific	32%	41%	9%

Table 1: Breakdown of personalization type by how well content meets objectives.

Two types of personalization are in greater use by organizations that report their content better meets objectives: Persona specific and Lead specific. The data in Table 1 suggests that **greater usage of these personalization types contributes to content that is more likely to meet the objectives set for it.** Segment specific personalization, the least granular type, is conversely used less by the better performing content group.

PERSONALIZATION METHODS

Several tactics facilitate personalization, and the study inventoried which ones are in use by participants. Figure 11 summarizes the tactics employed in the personalization process.

Tactics Employed in Personalization



Figure 11: Only one tactic sees use by a majority of participants.

The tactics listed in Figure 11 also relate to how well content meets objectives (Figure 3). **The assembly of content from existing materials is the most employed personalization strategy by those surveyed.** The analysis of which of these tactics contribute the most to better meeting objectives pointed to two: Geo-targeting and targeting content to leads based on lead demographic data.

Content personalization is greatly facilitated by content automation solutions. These solutions typically provide a bridge between marketing automation solutions and the way content is deployed for nurturing. The study measured the adoption of content automation, and the results are shown in Figure 12.

PERSONALIZATION METHODS

Usage Status of a Content Automation Solution

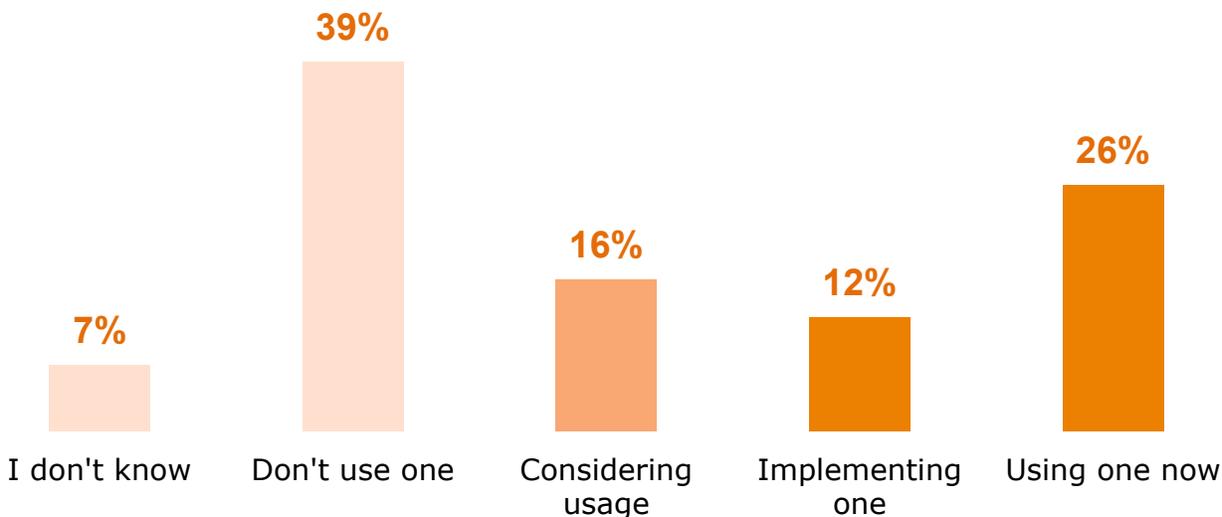


Figure 12: Over 1/4 of study participants are using a content automation solution.

The mindshare of content automation solutions is strong, with over half of those polled currently considering, implementing or using these solutions.

METRICS, FUTURE USAGE & EFFECTIVENESS

Modern marketers understand the importance of measuring success, so they can improve their performance and prove their results to the rest of the organization. Content marketing provides ample opportunity to track effectiveness via several different types of metrics. The study catalogued the types of metrics in use by study participants, using the following groups and definitions:

- ✓ **Consumption:** metrics related to content downloads, views or similar measurements.
- ✓ **Engagement:** metrics related to session duration, sharing, conversions or similar measurements.
- ✓ **Financial:** metrics related to the value of opportunities generated, ROI or similar measurements.

Figure 13 shows what categories of metrics are currently in use by study participants.

Measures of Content Effectiveness in Use

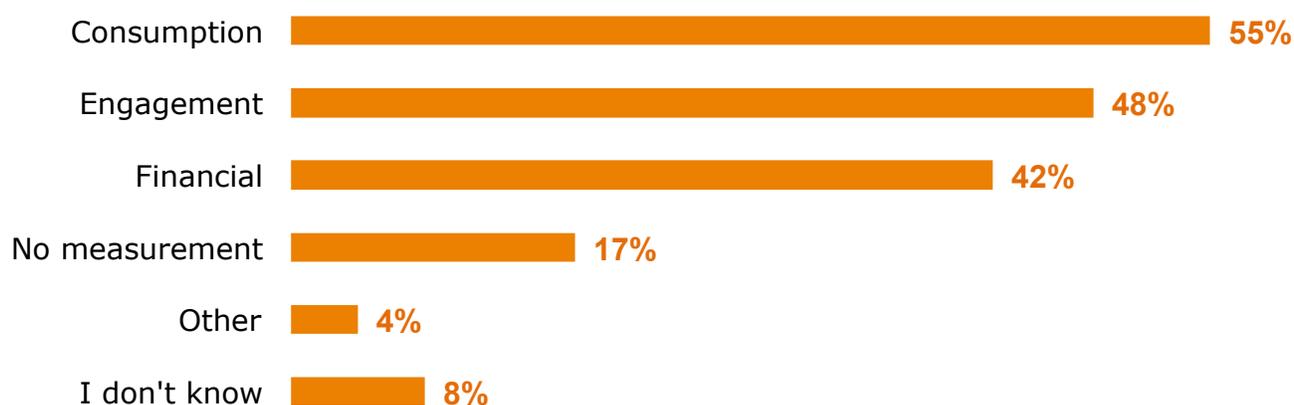


Figure 13: Consumption, the most widely used class of metric, is the worst indicator of content's financial impact.

METRICS, FUTURE USAGE & EFFECTIVENESS

Measuring content effectiveness is a pre-requisite to managing how content performs. What the data in Figure 13 reveals under analysis is that when personalization is in use, the use of measurements increases as well. In fact, almost one-third of the study's participants that do not personalize content, but only eight percent who do are not measuring content effectiveness. **Personalization leads to a greater desire to know how content is actually working.**

The goal of this study was to determine if the use of personalization increases content effectiveness, and to what degree. At the conclusion of the study survey, participants were asked to rate the effectiveness of their content marketing efforts and Figure 14 shows the results in two groups: those who personalize content, and those who do not.

Overall Content Marketing Effectiveness

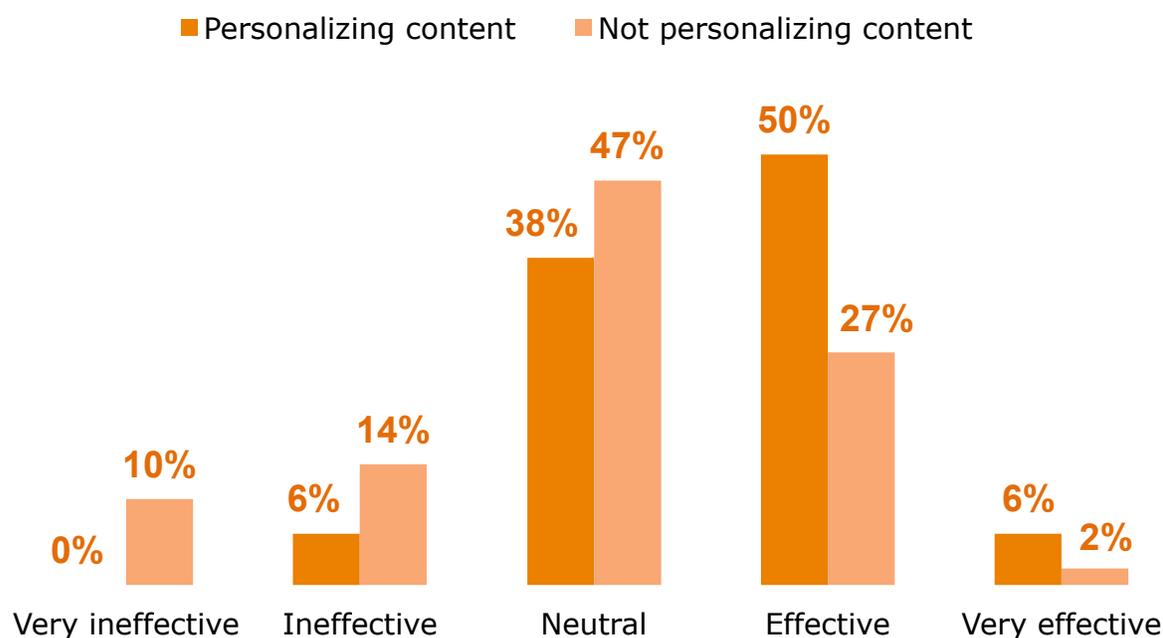


Figure 14: Personalization has a significant impact on effectiveness.

METRICS, FUTURE USAGE & EFFECTIVENESS

The study data this report has so far presented has probably removed all doubt about the impact of personalization on content marketing effectiveness. If any doubt remains, however, Figure 14 puts it to rest: **personalization has a major impact on the effectiveness of content marketing efforts.**

A final validation comes in the form of future plans for personalizing content, by those who are already doing it and as displayed in Figure 15.

Use of Personalization in the next 12 Months

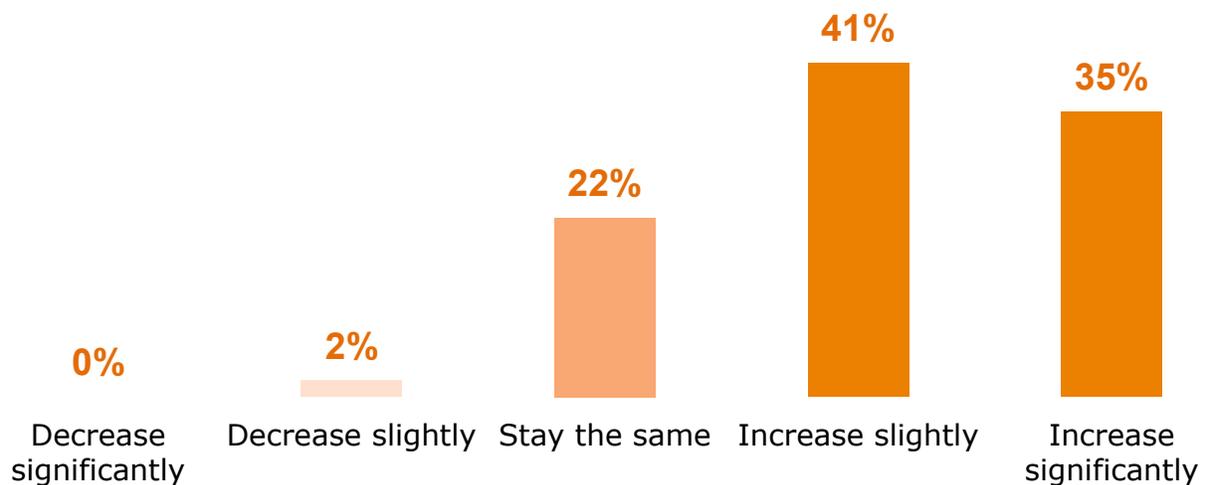


Figure 15: Future plans call for the increased use of personalization.

When over three-fourths of those firms that currently personalize content plan to increase their usage of it, it's a strong validation of the efficacy of the approach.

ANALYST BOTTOM LINE

Personalization is a way to take something that works well – content marketing – and make it work even better, as a majority of people in this study have discovered. **The power of personalization is to take content that was created to speak to an audience and have it perceived by that audience’s members as if it were talking directly to an individual recipient.** To use a metaphor, personalization makes content seem like a conversation instead of a speech.

This study points out two major opportunities. The first is for those not yet using personalization, and the opportunity for this group is simple: start personalizing content. The results of this study make personalization compelling. The second opportunity is for those already personalizing content: evolve to more granular types of personalization, the ultimate type being lead specific.

Realizing either of these opportunities is aided significantly by content automation. The personalization process must scale and it must also perform consistently. **Content automation is the key to these performance characteristics associated with the greatest content effectiveness.** Manual personalization processes may be effective, but they are unsustainable.

ACKNOWLEDGEMENTS

Demand Metric is grateful to Seismic for sponsoring this research, and for those who took the time to complete the study survey.

About Seismic

Seismic is the leading sales enablement solution that increases marketing effectiveness and sales productivity with automated sales content that finds reps and personalizes itself. Marketers control the creative while supporting the sales. By creating, personalizing and analyzing sales materials using Seismic, our customers dramatically increase time spent selling and improve win rates. With offices in San Diego, Boston, Chicago, New York and Melbourne, Seismic is privately held by its three-time serial entrepreneur executive team and leading venture capital firms JMI Equity and Jackson Square Ventures. To learn more, please visit: www.seismic.com.

About Demand Metric

Demand Metric is a marketing research and advisory firm serving a membership community of over 80,000 marketing professionals and consultants in 75 countries.

Offering consulting methodologies, advisory services, and 500+ premium marketing tools and templates, Demand Metric resources and expertise help the marketing community plan more efficiently and effectively, answer the difficult questions about their work with authority and conviction and complete marketing projects more quickly and with greater confidence, boosting the respect of the marketing team and making it easier to justify resources the team needs to succeed.

To learn more about Demand Metric, please visit: www.demandmetric.com.

APPENDIX: SURVEY BACKGROUND

This 2016 Content Personalization Benchmark Study survey was administered online during the period of February 4 through February 26, 2016. During this period, 190 responses were collected, 186 of which were qualified and complete enough for inclusion in the analysis. Only valid or correlated findings are shared in this report.

The representativeness of this study's results depends on the similarity of the sample to environments in which this survey data is used for comparison or guidance.

Summarized below is the basic categorization data collected about respondents to enable filtering and analysis of the data:

Type of organization:

- | | |
|-----------------|------------|
| ▪ Primarily B2B | 68 percent |
| ▪ Primarily B2C | 9 percent |
| ▪ Mixed B2B/B2C | 23 percent |

Primary role of respondent

- | | |
|---------------------------|------------|
| ▪ President, CEO or owner | 18 percent |
| ▪ Marketing | 49 percent |
| ▪ Sales | 22 percent |
| ▪ Other | 11 percent |

Annual sales:

- | | |
|--------------------------|------------|
| ▪ Less than \$10 million | 36 percent |
| ▪ \$10 to \$24 million | 15 percent |
| ▪ \$25 to \$99 million | 15 percent |
| ▪ \$100 to \$499 million | 11 percent |
| ▪ \$500 to \$999 million | 4 percent |
| ▪ \$1 billion or more | 19 percent |

APPENDIX: SURVEY BACKGROUND

Revenue growth environment in most recent fiscal year:

- | | |
|------------------------|------------|
| ▪ Significant increase | 26 percent |
| ▪ Slight increase | 49 percent |
| ▪ Flat | 14 percent |
| ▪ Slight decline | 7 percent |
| ▪ Significant decline | 4 percent |