Cool Vendors in Personalization

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Personalization is a vital marketing technology, enabling stronger customer relationships and a competitive edge through customized content. Marketing leaders seeking to engage audiences with relevant, tailored messaging can use this research to find innovative personalization vendors.

Key Findings

- Early stage personalization vendors are largely focused on serving retailers and supporting digital marketing and digital commerce use cases. As consumer and market demand for personalized experiences grows, vendors are broadening their offerings across industries.

- Marketing leaders are aware of the data and analytics requirements of personalization but unprepared for the content demands. As content marketing teams struggle to keep pace, vendors are addressing the challenge of creating and scaling tailored content, focusing specifically on personalized videos and real-time mobile interactions.

- Customer experience (CX) is core to competitive relevance. Vendors such as Decibel offer marketing leaders diagnostic data and deeper insight into customer motivation to inform CX and optimize UX design.

Recommendations

Marketing leaders responsible for technology and emerging trends in personalization:

- Define a personalization strategy to determine which type of personalization technology best meets your needs and to avoid the risk of investing in the wrong solution.

- Evaluate martech, such as point solutions and multichannel marketing hubs, using modeling, testing and optimization, and a range of rule-based to AI-driven recommendations' capabilities.

- Ensure organizational readiness for personalization by evaluating internal team skills in analytics, insight and technology adoption to fully capitalize on the business value of personalization tools.

- Redefine marketing workflows, from segmentation and media planning to content creation and approval. Hire and train for expertise in media targeting, campaign testing and analysis.

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Strategic Planning Assumption(s)

By 2018, 80% of brands will use some form of personalization or site-side optimization, outselling peers that do not by more than 30%.

By 2020, the personalization landscape will consolidate to less than 20 stand-alone vendors because personalization functionality is built into many enterprise web content management, digital commerce, marketing technology and ad technology platforms.

Analysis

This research does not constitute an exhaustive list of vendors in any given technology area, but rather is designed to highlight interesting, new and innovative vendors, products and services. Gartner disclaims all warranties, express or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purpose.
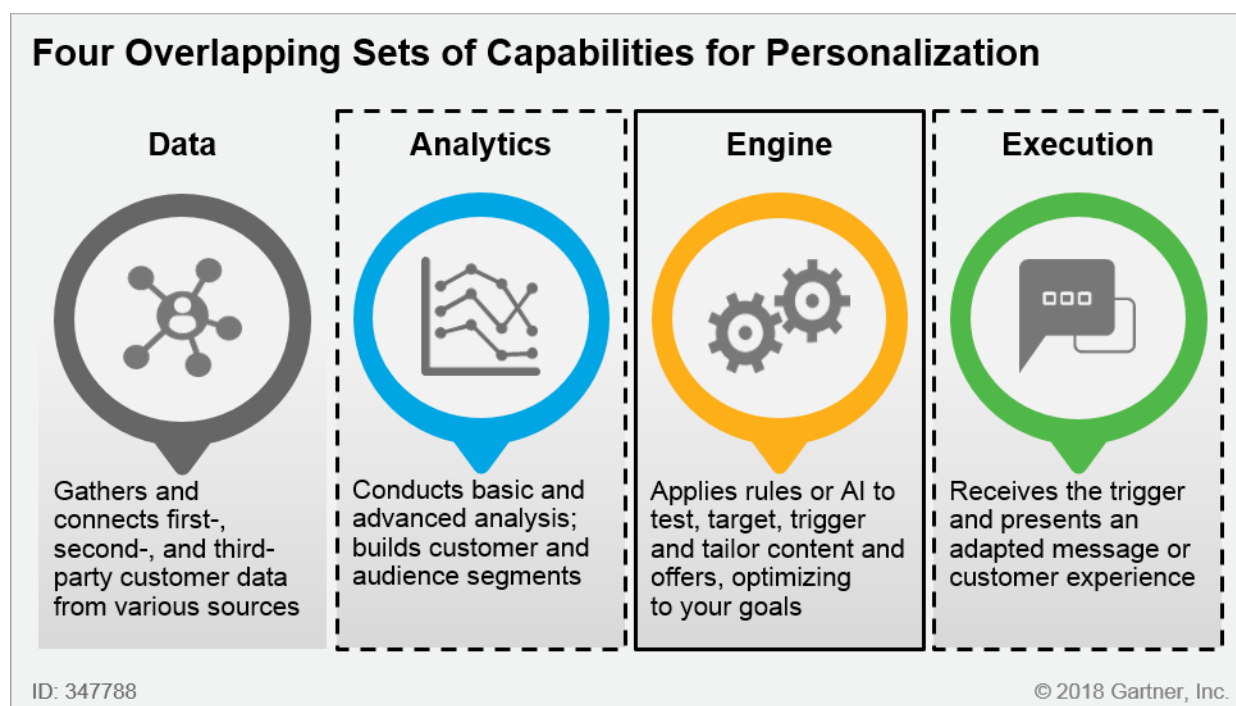
What You Need to Know

The market for personalization has grown rapidly. In 2013, personalization didn't exist on Gartner's "Hype Cycle for Digital Marketing and Advertising." Three years later, 68% of brands surveyed personalize digital marketing communications and are spending an average of 14% of the marketing budget to do so, according to CEB's Marketing Personalization Study (see "Making Personalization Pay"). The magnitude of this budget allocation underscores the fact that personalization cuts across disciplines from customer analytics to content marketing. As a result there is proportionately higher funding than most individual marketing functions.[1] By 2017,

personalization not only appeared on Gartner's Hype Cycle, but sat squarely on the Slope of Enlightenment as the vendor landscape continued its expansion

Today, a proliferation of personalization solutions drives market confusion. Some tools operate as stand-alone technologies, while others serve as critical capabilities built into larger platforms, from email marketing point solutions to enterprise-level multichannel management hubs. Despite the multitude of offerings, organizational maturity relative to personalization remains stagnant. According to CEB, only 8% of respondents rated their level of digital marketing personalization as mature. A plurality, 40%, rated themselves at the most basic level of maturity — not yet delivering personalized marketing, but laying the groundwork.[1]

Personalization tools, now embedded in nearly every piece of marketing software, are obstacles as much as enablers of tailored communications. Marketers struggle to determine if and when to deploy a personalization engine; many face marginal results even after making that investment. A key challenge is that marketers need four distinct capabilities to achieve personalization (see Figure 1). However, those capabilities overlap across and within multiple tools in the martech stack. This convoluted ecosystem — mirrored by the vendor landscape serving it — makes it difficult for marketers to identify and distinguish providers, compare solutions or fill specific gaps in their own tech stack. Market confusion leads to overinvestment in point solutions and underuse of capabilities within incumbent technologies.

Figure 1. Four Pillars of Personalization Capabilities

Four Overlapping Sets of Capabilities for Personalization

Data	Analytics	Engine	Execution
Gathers and connects first-, second-, and third-party customer data from various sources	Conducts basic and advanced analysis; builds customer and audience segments	Applies rules or AI to test, target, trigger and tailor content and offers, optimizing to your goals	Receives the trigger and presents an adapted message or customer experience

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Source: Gartner (May 2018)

As marketers try to make sense of the vendor landscape, enterprise platform providers are busy acquiring or partnering with personalization point solutions. One minute the market seems to stabilize, coalescing around a defined set of critical capabilities such as data ingestion, testing and optimization. The next minute, new capabilities such as AI-powered testing emerge, redefining market criteria even as practitioners are yet learning how to evaluate, acquire and use the latest feature set. All the while, customer demand for personalization across every vertical — from banking to fast food — continues to grow and spread into new channels — from voice powered assistants to chatbots.

Like all markets, personalization engines will normalize. Market dynamics such as acquisition and consolidation will help stabilize the landscape, as will buy-side experience and maturity. But with market maturity comes the risk of homogeneity, challenging personalization vendors' ability to competitively differentiate. This is where Cool Vendors enter, offering solutions and functionalities that are more emerging than established. These vendors meet personalization challenges with a cutting-edge approach, an innovative go-to-market strategy, a greater breadth of industries served or more use cases supported.

AB Tasty

London, England, United Kingdom (https://www.abtasty.com)

Analysis by Jennifer Polk

Why Cool: AB Tasty's cool factor is largely tied to the all-inclusive nature of its platform, addressing one of the key inhibitors to personalization — the perception of steep technology requirements.[2] AB Tasty comes close to providing end-to-end personalization capabilities for three of the four pillars in Figure 1, from user insights (analytics) to testing and personalization (the engine) to web publishing (execution). It offers added intelligence about audience behavior, going beyond basics such as session recordings, including features such as heat maps that provide a deeper understanding of session behavior and data visualization to support decision making.

AB Tasty also gives marketing teams the ability bridge from marketing and behavioral analytics to CX analytics. It promotes an understanding of user behavior *and* motivation through an ability to survey customers on-site and capture qualitative inputs that drive CX metrics such as Net Promoter Score.

Marketers use AB Tasty to continuously experiment with personalization and rapidly connect testing initiatives to marketing execution. The vendor provides the testing, targeting and triggering capabilities expected of a lightweight personalization engine, and extends those features into execution by offering a visual editor for landing pages and messages, and a library of widgets and content templates.

Challenges: AB Tasty enters the over-crowded market of personalization vendors at a time when many marketing organizations are already invested in multiple solutions. Although AB Tasty promises to streamline the process and technology of personalization, it won't replace a data management platform on the back-end or marketing execution software on the front-end to support a variety of channels.

Who Should Care: Lean marketing teams looking to jump-start or accelerate in-house personalization and testing without investing in a full stack of technology solutions, specifically B2B and those in the retail, media and financial services verticals, should consider AB Tasty.

Decibel

London, England and Boston, Massachusetts (https://www.decibelinsight.com)

Analysis by Augie Ray

Why Cool: The strength of Decibel's platform is customer experience data and analytics (see Figure 1). It goes beyond typical web analytics metrics, such as duration and bounce rates, and evaluates customer interactions such as the speed, acceleration and distance of mouse movements or the hesitation of customer clicks. Marketers deploy it to do more than simply monitor customer interactions; its tool can surface and alert marketers to moments of customer friction, and it can calculate the resulting lost revenue.

All of this would just be more data for marketers to consume if Decibel didn't also apply tools to identify key user experience insights. The platform offers a Digital Experience Score (DXS) that considers engagement, frustration, technical performance, navigation and how forms function. Reporting tools permit those responsible for brand websites and apps to investigate and diagnose issues, such as heatmaps with benchmarks for performance and advanced session replay.

Marketers seeking to understand the content that drives engagement can use Decibel's Hybrid Heatmaps to evaluate elements on their page, regardless of screen resolution or layout, based on mouse interactions that may occur outside of "clickable" elements. Those responsible for personalized websites can use the platform's Live Mode toggle to view the live website with heatmaps based on visitor segmentation, verifying how different groups respond to updates in content and design. And integrations with split testing, voice of the customer and personalization platforms provide marketers with the ability to put real-time interaction data to use on their sites and apps.

Challenges: Decibel must compete and differentiate itself against some better known and longstanding competitors in the customer experience analytics and session replay space (see "Understanding Customer Experience Analytics for Marketing"). The company is less than five years old; its focus is on scaling up to meet the demand for the 150% growth it experienced in 2017.

Who Should Care: Marketing leaders evaluating martech investments for digital commerce or CX can benefit from Decibel's tools, data and analysis. Also, marketers seeking to assess their content needs or personalization efforts will get value from Decibel's tools to analyze behaviors by segment at both a page and site level.

Storybulbs

Portland, Oregon (www.storybulbs.com)

Analysis by Bryan Yeager

Why Cool: Storybulbs provides a software-as-a-service (SaaS) platform for creating personalized videos that can be integrated into broader personalized marketing campaigns. It excels at the engine and execution pillars of personalization, leveraging AI cloud services to automatically generate personalized voiceovers, enabling efficient personalized video delivery at scale.

Other video personalization platforms heavily rely on paid voice actors to record audio fragments that are stitched together during video generation, which increases costs and slows down production. Having text-to-voice capabilities enables Storybulbs to provide a truly self-service video personalization platform to marketers.

Storybulbs also provides an API that other systems such as CRM, marketing automation and social marketing management solutions can use to generate personalized videos as part of event-triggered campaigns. For example, users can respond to new social media followers with a personalized, animated GIF based on individual profile information. Different templates for the cadence of a personalized video story are defined in Storybulbs and dynamically generated on-the-fly based on customer or prospect attributes. Select hotel brands use Storybulbs to add personalized videos to reservation confirmation emails and retargeting past guests. The company is using customization to support customer engagement and retention use cases.

Challenges: Storybulbs provides a self-service platform for creating personalized videos, presenting a learning curve for marketers that want to quickly get started generating videos. That learning curve will be steeper among companies that don't have marketers with video experience. Even though the company's use of AI-driven voiceover generation is novel, it can be easily replicated by competitors and its use will likely grow as quality continues to improve.

Who Should Care: Marketing leaders seeking to experiment with integrating personalized videos into their digital campaigns should consider Storybulbs. Marketing teams with existing video content or in-house creative talent with video editing software skills should also consider Storybulbs Data engineering and software development resources may be required to accomplish more advanced, API-driven deployments of the solution.

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fly based on customer or prospect attributes. Select hotel brands use Storybulbs to add personalized videos to reservation confirmation emails and retarget past guests. The company is also looking to enable more customization for distributed or affiliate marketing use cases.

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SYNTASA

Herndon, Virginia (www.syntasa.com)

Analysis by Jennifer Polk

Why Cool: Like most personalization engines, SYNTASA captures live clickstream data. Unlike many of its competitors, SYNTASA also combines clickstream data with enterprise data to deliver a more holistic view of customer behavior, acting as a lightweight customer data platform. That level of insight can support multiple use cases, from event-triggered marketing to tailored messaging to optimized customer experiences based on knowledge of interactions across touchpoints.

SYNTASA also offers advanced analytical capabilities using AI-assisted predictive behavioral analysis, providing advanced data analytics and modeling capabilities that rival the functionality of customer analytics software. It enables teams to query clickstream data in preparation for advanced analysis and enterprise reporting, and provides the ability to apply advanced models and machine learning for data cleansing. SYNTASA also helps data science teams scale by packaging models for faster learning, scoring and data utilization, thereby reducing the time needed to generate insight and inform decisions.

Although SYNTASA equips marketers with the first two personalization capability pillars, it does so by delivering insight to marketing execution software (see Figure 1). SYNTASA doesn't offer native segmentation or campaign testing capabilities, making it more like a customer analytics tool than a personalization engine. However, it provides prebuilt integrations with an ecosystem of marketing applications that manage campaigns and deliver personalized messaging.

Challenges: SYNTASA claims to support a range of users, but is designed for data integration, cleansing and modeling. This surpasses the needs and skills of marketers focused on personalization, requiring a marketing analytics team, and possibly a team of data scientists, to fully utilize SYNTASA. Marketers will still need a separate multichannel campaign management hub to orchestrate personalized interactions across marketing channels or a martech stack with personalization functionality built into multiple solutions.

Who Should Care: Marketing teams with mature data-driven capabilities and analytics functions, as well as access to enterprise data, should consider SYNTASA. It can help scale their teams' ability to leverage big data for advanced modeling that informs, but doesn't execute, personalization.

Gartner Recommended Reading

Some documents may not be available as part of your current Gartner subscription.

"The Future of Marketing Is Personal"

"Use Data-Driven Personalization to Grow Digital Commerce"

"Crawl, Walk, Run: Define Your Vision and Roadmap for Personalization"

"A Marketer's Guide to What Is — and Isn't — a Customer Data Platform"

"Predicts 2018: Brand Relevance Under Fire, Automation on the Rise"

"Innovation Insight: Artificial Intelligence Will Transform Marketing"

Evidence

Vendor profiles are based in part on Gartner secondary research.

[1] "Making Personalization Pay" CEB, now Gartner (paid subscription required)

[2] "L2 Intelligence Report: Data & Targeting 2016" L2, now Gartner

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