

Personalised marketing preferred; execution lagging

In 2006, the Chief Marketing Officer Council found over 26% of executives pointed to a lack of data and systems integration that prevented their organisation from achieving the optimal level of customer insight and intimacy. The current CMO Council's 2008 Marketing Outlook study still finds that only two of the top five solution investments for the year are CRM tools and customer analytics.

In introducing the study, *The Power of Personalisation*, Donovan Neale-May, Executive Director, CMO Council writes, "...marketers are still missing the mark on how to leverage and utilise data, and because of this they are unable to realise the full potential of personalisation tools, services and solutions."

The new emphasis and importance of individualised lifecycle marketing techniques is escalating, says the report, as companies see the impact, differentiation, loyalty and word-of-mouth results of customised communication.

Quoting from current research, the following statistics are said to support the move to the impact of personal communications:

- The Winterberry Group said that spending on direct-mail advertising (an integral part of personalised communication applications) shows no sign of abating; investments by marketers totalled \$58.4 billion in 2007, and that figure is expected to increase to more than \$70 billion by 2011.
- The EmailInsider reports that more than \$3 billion was spent in the U.S. alone on e-mail marketing.
- The *Power of Personalisation* finds that 56% of marketers believe personal communications out-performs traditional mass-market delivery. Digital, database-driven channels (email, web, contact centres) reportedly offer the most upside potential for engaging in customised communications.

The study concludes that personalised marketing techniques are still in the early stages of being integrated into most companies' marketing campaigns and budgets. While the need for quantifiable tools for gauging effectiveness and ROI exists, marketers are also lagging on adoption due to the lack of accurate and reliable customer data sources. Quantitative results include:

- Improving customer retention and loyalty is the primary driver of personalisation strategies; while there is high-perceived value of customised communications, usage is still very low despite many years of experience.
- Over 56% of marketers believe personalised communications out-perform traditional mass-market delivery; digital, database-driven channels (e-mail, Web, contact centres) reportedly offer the most upside potential for engaging in customised communications.
- 38% of marketers don't know whether their personalised communications have outperformed their traditional marketing communication techniques.
- Nearly 50% of marketers report having fair to poor or little knowledge of customers, and almost 47% rate their company's data integration capabilities as being deficient or needing improvement.

- In professional services, 56.2% rated their customer data as "extremely good" or "reasonably reliable."
- Only 10% of respondents rate the accuracy and reliability of their customer data as extremely good.
- Chief marketing executives are the primary champions of personalised marketing initiatives, but sales and customer relationship management groups most frequently maintain control of the data that provides the foundational input for these campaigns.
- Many marketers currently spend less than 10% of their budgets on personalised communications. Looking ahead, 55% say they will spend more than 10%.
- Almost 40% of respondents say they are generating either "extremely effective and measurable ROI" or "better response rates than other programs."
- Individualised letters and e-mail are by far the most common form of personalised communication. Personalised print on-demand and variable data printing are not showing as much traction.
- Currently, conversion and close rates are the primary measure of success, followed closely by e-mail actioning.

Please visit here to [obtain the complete PDF file](#) of the study.

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