Executive summary

Ad personalization is marketers' top growth lever today. Our research reveals that marketers who invest in personalization maximize their marketing-spend efficiency, meet or exceed revenue targets, and earn a high return on investment. Findings also indicate that 1:1 personalization drives brand loyalty, which likely contributes to a higher customer lifetime value. Taken together, it's clear that personalization has the power to positively alter the trajectory of your business. It should thus be one of the top marketing investments your business makes if you are focused on growth.

Leveraging psychographic data is a key to unlocking the value of personalization. This information on customers' values, attitudes, and interests is seldom used by marketers, yet pays dividends for those who understand the importance of using it to establish an emotional connection. Marketers' motivations also have an impact on outcomes. For example, those who are motivated to improve customer relationships tend to be more successful than those who solely want to win more sales.
A massive area of opportunity is in the post-click stage. Many marketers personalize the pre-click stage only to direct their paid traffic to a catch-all landing page, or worse, their homepage. To achieve optimal results—improved marketing-spend efficiency, increased sales, and stronger ROI—it’s essential to personalize the entire ad journey, from brand discovery to conversion.

Surveyed marketers are concerned about the effort required to successfully implement personalization, and for good reason: Manually creating personalized ads and landing pages for every unique audience requires a significant investment of time and money. The takeaway? Leveraging emerging technologies, like post-click automation and customer data platforms, is the only way to scale 1:1 personalization and reap the corresponding rewards.

Personalization in advertising isn’t a new concept. For years, research and advisory firms have claimed that personalization delivers profits, and marketers agree that personalization is key to meeting their business objectives. Nonetheless, marketers have been slow to adopt it with more than half of marketers surveyed not yet investing in personalization and many more pursuing only basic personalization. Competitive advantage awaits for marketers ready to journey into the opportunity space of ad personalization.
Methodology

In January 2021, we surveyed over 1,700 marketers on the topic of advertising personalization. From this large group, we qualified 194 digital marketers who are actively making investments in advertising personalization to better understand the state of ad personalization and the outcome of their investments in this area.

Which of the following best describes your current job level?

- Specialist: 17%
- Manager: 32%
- Director: 27%
- Vice president: 10%
- C-level executive: 14%

What type of business do you work for?

- B2B: 23%
- B2C: 27%
- Both B2B and B2C: 42%
- Direct to consumer (DTC): 8%
Key finding #1:

Personalization is key to achieving business objectives.
Over the last 15 years, social media platforms have trained customer audiences to expect highly personalized online experiences. As a result, digital advertisers must now deliver equally relevant experiences. They’re up against not only direct and indirect competitors but also reams of free, often user-generated, content. With online channels saturated, digital advertisements must cut through the noise and make a connection to be effective.

Ad personalization is the strongest opportunity to make this a reality. The more relevant your advertising campaign, the more conversions you win. Recognizing this fact, a whopping 98% of digital advertisers acknowledge that personalization is important to meeting their business objectives.
Key finding #2:

Ad personalization is still uncharted territory
Despite knowing that personalization is key to achieving business objectives, half of marketers (50%) do not currently invest in ad personalization.

Mass marketing is an outdated approach that’s known to cost more and pay less—an inefficient way to grow your business. So, why are people still doing it? Without the aid of automation and emerging technologies, marketers may feel it’s impossible to achieve personalization at scale. After all, crafting personalized ads and landing pages for every unique audience takes a lot of time and money. Some may question whether it’s worth the effort.

Of the businesses that do personalize their ad campaigns, 42% are pursuing an entry-level form of segmentation using geographic, demographic, or firmographic data. These marketers have graduated from theory to action, but may not have the data or tools required for more advanced personalization.

What degree of personalization are you pursuing?

<table>
<thead>
<tr>
<th>Advanced</th>
<th>Intermediate</th>
<th>Basic</th>
</tr>
</thead>
<tbody>
<tr>
<td>15% 1:1 Personalization</td>
<td>41% Micro-segmentation using transactional, psychographic, and/or behavioral data</td>
<td>42% Mass marketing using geographic, demographic, and/or firmographic data</td>
</tr>
</tbody>
</table>

—Eric Eden, CMO
Key finding #3:

The more marketers focus on personalization, the more they profit.
Marketers who’ve implemented ad personalization report increases in marketing-spend efficiency, purchase intent, and sales/revenue. More specifically, six in 10 marketers achieved a 10% or greater lift in sales, while just over half increased their marketing-spend efficiency by 20% or greater. As a result, 95% of marketers met or exceeded their revenue targets after implementing personalization.

Marketers’ investments in personalization are fairly evenly spread: While 37% of marketers reserve up to 5% of their budget for personalization initiatives, 30% reserve between 5% and 10% of their budget, and 33% reserve greater than 10% of their budget. However, results varied by the size of marketers’ personalization budgets.

Since implementing personalization, how has your marketing department performed?

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It's quickly becoming apparent that our business benefits greatly from ad personalization

—Jordan Leary, Senior Media Buyer
The Wisdom Companies

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The greater a company's focus on personalization, the more likely they were to report benefiting from their efforts. For example, companies pursuing 1:1 personalization alongside those with at least 10% of their marketing budget dedicated to personalization initiatives were most likely to exceed their revenue targets and claimed the highest marketing-spend efficiency.

Trailblazers pursuing 1:1 personalization saw the highest returns. In addition to increased sales/revenue, they won brand loyalty as a result of their personalization efforts, which could translate into a higher customer lifetime value. Only 15% of marketers fall into this category, yet they secured the highest average return on investment at 47%.

Since implementing personalization, how has your business performed?

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“Trailblazers pursuing 1:1 personalization earn an average ROI of 47%”

—Eric Eden, CMO

Postclick
What business impact have you seen since implementing personalization?

Degree of personalization

TOTAL (n=194)

- Increased marketing-spend efficiency: 44%
- Increased purchase intent: 41%
- Increased sales or revenue: 34%
- Better customer relationships: 31%
- Reduced customer acquisition costs: 25%
- Increased brand loyalty: 22%
- Reduced sales cycle length: 10%
- Other: 2%

Basic (n=82)

- Increased marketing-spend efficiency: 39%
- Increased purchase intent: 40%
- Increased sales or revenue: 21%
- Better customer relationships: 23%
- Reduced customer acquisition costs: 27%
- Increased brand loyalty: 18%
- Reduced sales cycle length: 10%
- Other: 1%

Intermediate (n=79)

- Increased marketing-spend efficiency: 48%
- Increased purchase intent: 41%
- Increased sales or revenue: 42%
- Better customer relationships: 37%
- Reduced customer acquisition costs: 28%
- Increased brand loyalty: 20%
- Reduced sales cycle length: 11%
- Other: 3%

Advanced (n=30)

- Increased marketing-spend efficiency: 47%
- Increased purchase intent: 43%
- Increased sales or revenue: 47%
- Better customer relationships: 33%
- Reduced customer acquisition costs: 17%
- Increased brand loyalty: 37%
- Reduced sales cycle length: 7%
- Other: 0%

*= significantly higher at 95% confidence
Key finding #4:

Personalizing the post-click stage pays off
Does your personalization carry over from your ads to your landing pages?

Yes: 70%
No: 30%
Today, seven in 10 marketers carry personalization over from their ads to their landing pages. These marketers understand the importance of telling a cohesive and relevant story from start to finish. Not only are they rewarded with increased marketing-spend efficiency, they are also more likely to exceed their revenue targets—earning at least a 10% lift in sales, and experiencing at least a 20% return on investment.

**Does your personalization carry over from your ads to your landing page?**

<table>
<thead>
<tr>
<th></th>
<th>Marketing performance since implementing personalization</th>
<th>Marketing-spend efficiency since implementing personalization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Met targets</td>
<td>70%</td>
<td>54%</td>
</tr>
<tr>
<td>Exceeded targets</td>
<td>76%</td>
<td>68%</td>
</tr>
<tr>
<td>No change</td>
<td>41%</td>
<td>86%</td>
</tr>
<tr>
<td>Slight change</td>
<td>68%</td>
<td></td>
</tr>
<tr>
<td>Significant change</td>
<td>86%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Lift in sales since implementing personalization</th>
<th>Return on investment since implementing personalization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>70%</td>
<td>86%</td>
</tr>
<tr>
<td>Less than 10%</td>
<td>54%</td>
<td>49%</td>
</tr>
<tr>
<td>10-15%</td>
<td>76%</td>
<td>76%</td>
</tr>
<tr>
<td>20% or more</td>
<td>90%</td>
<td>79%</td>
</tr>
<tr>
<td>Less than 20%</td>
<td>49%</td>
<td></td>
</tr>
<tr>
<td>20-40%</td>
<td>76%</td>
<td></td>
</tr>
<tr>
<td>40%+</td>
<td>79%</td>
<td></td>
</tr>
</tbody>
</table>

= significantly higher at 95% confidence

Nonetheless, three in 10 marketers still send their paid traffic to generic landing pages or websites, failing to continue the narrative from the ad. Marketers who follow this practice end up losing prospective customers at the finish line, where the conversion actually happens. This is a lose-lose situation, where the marketer wastes money on personalization efforts that end up being fruitless.
Key finding #5:

Marketers’ motivations influence their outcomes
In an era when marketers’ budgets remain largely the same despite rising customer expectations, efficiency is the name of the game. Spending less to achieve more is seen as the only way to meet rising expectations without blowing your budget today. Accordingly, most marketers are motivated to pursue personalization because they believe it will help them increase their marketing-spend efficiency.

Importantly, marketers’ motivations vary by the size of their personalization budgets. Those with smaller personalization budgets most commonly pursue personalization to build better customer relationships, while those with higher personalization budgets do so to reduce the length of their sales cycle. While both are admirable goals, the data shows that one may have stronger results/outcomes than the other.
What motivates you to pursue personalization?

**Personalization budget**

**TOTAL (n=194)**
- Increased marketing-spend efficiency: 50%
- Better customer relationships: 44%
- Increased purchase intent: 44%
- Increased sales or revenue: 43%
- Reduced customer acquisition costs: 28%
- Increased brand loyalty: 21%
- Reduced sales cycle length: 13%

**1-5% (n=72)**
- Increased marketing-spend efficiency: 47%
- Better customer relationships: 54%
- Increased purchase intent: 49%
- Increased sales or revenue: 47%
- Reduced customer acquisition costs: 25%
- Increased brand loyalty: 24%
- Reduced sales cycle length: 4%

**5-10% (n=58)**
- Increased marketing-spend efficiency: 55%
- Better customer relationships: 43%
- Increased purchase intent: 41%
- Increased sales or revenue: 43%
- Reduced customer acquisition costs: 24%
- Increased brand loyalty: 19%
- Reduced sales cycle length: 16%

**10%+ (n=64)**
- Increased marketing-spend efficiency: 48%
- Better customer relationships: 34%
- Increased purchase intent: 41%
- Increased sales or revenue: 39%
- Reduced customer acquisition costs: 36%
- Increased brand loyalty: 19%
- Reduced sales cycle length: 22%

= significantly higher at 95% confidence
In other words, marketers’ motivations influence the outcomes of their personalization efforts. Those motivated by stronger customer relationships saw a significant increase in marketing-spend efficiency, while those motivated by increased purchase intent and sales/revenue did not. This suggests that pursuing intrinsic rewards, like happier customers, is more beneficial than pursuing extrinsic rewards, like revenue growth.

What motivates you to pursue personalization?

Marketing-spend efficiency since implementing personalization

<table>
<thead>
<tr>
<th>Category</th>
<th>TOTAL (n=194)</th>
<th>No change (n=29)</th>
<th>Slight change (n=108)</th>
<th>Significant change (n=50)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased marketing-spend efficiency</td>
<td>50%</td>
<td>48%</td>
<td>49%</td>
<td>54%</td>
</tr>
<tr>
<td>Better customer relationships</td>
<td>44%</td>
<td>31%</td>
<td>44%</td>
<td>58%</td>
</tr>
<tr>
<td>Increased purchase intent</td>
<td>44%</td>
<td>48%</td>
<td>44%</td>
<td>38%</td>
</tr>
<tr>
<td>Increased sales or revenue</td>
<td>43%</td>
<td>48%</td>
<td>47%</td>
<td>30%</td>
</tr>
<tr>
<td>Reduced customer acquisition costs</td>
<td>28%</td>
<td>28%</td>
<td>29%</td>
<td>26%</td>
</tr>
<tr>
<td>Increased brand loyalty</td>
<td>21%</td>
<td>28%</td>
<td>19%</td>
<td>24%</td>
</tr>
<tr>
<td>Reduced sales cycle length</td>
<td>13%</td>
<td>14%</td>
<td>12%</td>
<td>14%</td>
</tr>
</tbody>
</table>

= significantly higher at 95% confidence

Postclick | The 2021 State of Ad Personalization Report
Key finding #6:

Use of psychographic data distinguishes high-performers from their peers
Right now personalization is about narrowing down purchase intent, past transactional behaviors, combined with geographic factors to create highly targeted dynamic ads across platforms

—Quay Morris, Director of Paid Media
Round Barn Labs

What customer data do you collect, store, and use for personalization?

<table>
<thead>
<tr>
<th>Customer data collected and stored</th>
<th>Customer data used for personalization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Geographic (e.g., city, state, country)</td>
<td>79%</td>
</tr>
<tr>
<td>Demographic (e.g., age, gender, income)</td>
<td>71%</td>
</tr>
<tr>
<td>Behavioral (e.g., page views, downloads, signups)</td>
<td>64%</td>
</tr>
<tr>
<td>Transactional (e.g., purchase history)</td>
<td>52%</td>
</tr>
<tr>
<td>Psychographic (e.g., values, attitudes, interests)</td>
<td>32%</td>
</tr>
<tr>
<td>Firmographic (e.g., company, industry, title)</td>
<td>29%</td>
</tr>
</tbody>
</table>

As it stands today, most digital advertisers use geographic, demographic, and behavioral data to personalize their campaigns. In contrast, only 32% of marketers surveyed collect data on people’s values, attitudes, and interests. These pioneers recognize the importance of making an emotional connection with their target audiences.

The most impactful element of your ad campaigns isn’t the design of your landing page; It’s the story you tell. And, without psychographic data, you can’t tell a story that’s truly personal. To resonate with your target audience, ads and landing pages must highlight how your offer will transform their lives.
Psychographic data may be the key to unlocking the value of personalization. Those who use psychographic data to personalize their ad campaigns report stronger customer relationships, increased purchase intent, and elevated brand loyalty. They benefit from over 20% lift in sales, 40% or higher ROI, and 30% or higher marketing-spend efficiency.
Key finding #7:

The future is personal (but private)
Most marketers share a common vision for the future: They believe 1:1 personalization will soon become a standard practice. Empowered by emerging technologies, like automation and machine learning, marketers believe messages and creative will change dynamically based on a person’s attributes to help brands form a deeper connection with their target audiences.

Some marketers feel uneasy about the future, citing concerns about privacy regulations. They fear personalization will become more difficult and less granular as a result. However, others point out that marketers, while challenged by opt-in requirements, are certainly capable of enticing consumers to share their data. Personalized offers are just one way they can provide value to prospective customers who share their data.

—Connor Yap, Senior Account Manager
Metric Theory
Key finding #8:

Marketers are concerned about the effort required to successfully implement personalization.
84% of marketers are concerned about the challenge of implementing ad personalization

—Eric Eden, CMO
Postclick

When asked, 84% of marketers agreed they are concerned about the challenge of implementing ad personalization. It’s no wonder why: Personalizing your ads and landing pages to every unique audience is not only difficult but also resource-intensive.

Marketers with the strongest focus on personalization exhibited the most fear. Specifically, those pursuing 1:1 personalization were significantly more likely to say they’re very concerned about the challenge of implementing personalization across their ad campaigns.

How concerned are you about the challenge of implementing personalization?

<table>
<thead>
<tr>
<th>Personalization budget</th>
<th>Degree of personalization</th>
<th>Business type</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL</td>
<td>55%</td>
<td>60%</td>
</tr>
<tr>
<td>1-5%</td>
<td>58%</td>
<td>60%</td>
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<tr>
<td>5-10%</td>
<td>58%</td>
<td>57%</td>
</tr>
<tr>
<td>10%+</td>
<td>58%</td>
<td>50%</td>
</tr>
<tr>
<td>(n=194)</td>
<td>(n=194)</td>
<td>(n=194)</td>
</tr>
<tr>
<td>1-5%</td>
<td>29%</td>
<td>24%</td>
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<tr>
<td>5-10%</td>
<td>34%</td>
<td>28%</td>
</tr>
<tr>
<td>10%+</td>
<td>33%</td>
<td>33%</td>
</tr>
<tr>
<td>(n=72)</td>
<td>(n=72)</td>
<td>(n=72)</td>
</tr>
<tr>
<td>1-5%</td>
<td>58%</td>
<td>60%</td>
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<tr>
<td>5-10%</td>
<td>47%</td>
<td>57%</td>
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<tr>
<td>10%+</td>
<td>47%</td>
<td>50%</td>
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<tr>
<td>(n=56)</td>
<td>(n=56)</td>
<td>(n=56)</td>
</tr>
<tr>
<td>1-5%</td>
<td>32%</td>
<td>23%</td>
</tr>
<tr>
<td>5-10%</td>
<td>22%</td>
<td>33%</td>
</tr>
<tr>
<td>10%+</td>
<td>28%</td>
<td>33%</td>
</tr>
<tr>
<td>(n=64)</td>
<td>(n=64)</td>
<td>(n=64)</td>
</tr>
</tbody>
</table>

Very concerned  Somewhat concerned  = significantly higher at 95% confidence
A majority of marketers feel the key obstacle preventing them from personalizing their ad campaigns is a lack of technology integration. Indeed, many tools exist today, each with their own set of customer data. It’s tying these tools together to create a single source of truth that’s the challenge for most.

What’s the key obstacle preventing you from personalizing your ad campaigns?

Degree of personalization

Marketers’ top obstacle differed by the degree of personalization they pursued. Those pursuing basic personalization identified difficulty securing internal resources as their top obstacle. In contrast, those pursuing advanced personalization identified a lack of technology or tools as their biggest barrier to success.

When asked how companies can overcome such obstacles, marketers identified better-organized data as one key to success. To be useful for personalization, data from disparate sources must be integrated into complete profiles. Emerging technologies may help achieve this aim.
Key finding #9:

Emerging technologies soon to be standard personalization tools
We mostly utilise our CRM, but Post-Click Automation technology has proved to be fairly useful as well. We use a lot of data, as it makes the customer feel far more appreciated and welcome. This, in turn, improves the retention rate and loyalty.

—Jan Suski, Content Strategist
CFW Consulting

When asked, marketers identified CRM (69%) as the most-used personalization tool in their stack, followed by landing page builders (61%) and marketing automation platforms (56%). While CRMs contain countless customer data points, personalization is deployed via landing page builders and marketing automation platforms.
What technologies do you use for personalization?

Two emerging technologies made the list: Customer data platforms (15%) and post-click automation platforms (15%). Customer data platforms (CDPs) consolidate customer data into a single database, providing a 360-degree view into the customer. Post-click automation (PCA) platforms leverage machine learning to automate the post-click stage of advertising campaigns. Automated creation, personalization, and optimization are key features of this software.

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Monthly digital advertising budget

<table>
<thead>
<tr>
<th>Technology</th>
<th>TOTAL (n=194)</th>
<th>Under $100K (n=75)</th>
<th>$100-500K (n=79)</th>
<th>$500K+ (n=40)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CRM</td>
<td>69%</td>
<td>68%</td>
<td>67%</td>
<td>73%</td>
</tr>
<tr>
<td>Landing page</td>
<td>61%</td>
<td>71%</td>
<td>56%</td>
<td>53%</td>
</tr>
<tr>
<td>Marketing automation</td>
<td>56%</td>
<td>63%</td>
<td>52%</td>
<td>53%</td>
</tr>
<tr>
<td>CDP</td>
<td>15%</td>
<td>7%</td>
<td>20%</td>
<td>23%</td>
</tr>
<tr>
<td>Post-click automation</td>
<td>15%</td>
<td>17%</td>
<td>14%</td>
<td>13%</td>
</tr>
</tbody>
</table>
Conclusion

The data paint a clear picture: The greater your focus on personalization, the more you stand to benefit. Increased sales, marketing-spend efficiency, and brand loyalty are just a few of the rewards on the table. To claim them, you must carry personalization through to the post-click stage, where the conversion actually happens.

It’s no longer enough to segment your audience by variables like geographic location. To be relevant today, you must go beyond surface-level context and speak to people’s values, attitudes, and interests. Now more than ever before, it’s about forming deep human connections through conversion storytelling.

At this moment in history, digital advertisers have a rare opportunity to get ahead of the competition. Those who strive for 1:1 personalization today will outperform those practicing traditional segmentation. As the future unfolds, emerging technologies will empower digital advertisers to achieve personalization at a scale previously thought impossible.
What's your Post-click Score?

Postclick has developed an easy way to evaluate your digital advertising performance. Your Post-click Score is a metric that summarizes your success across six key factors that influence your return on ad spend, from page speed to message fit. In under five minutes, you receive a detailed report that identifies opportunities to reduce wasted ad spend.

Get my score