

# The state of personalization maturity in e-commerce

Companies double down on processes — but greater resourcing becomes true lever to scale





# Executive summary

With breakthroughs in AI technology and machine learning models, 2024 was a landmark year for personalization — and this year is shaping up to be another one. Advanced AI-driven experiences have become widespread, making customers more sophisticated in their use of AI as well. This continues to feed greater expectations from brands with every interaction, presenting a major opportunity for them to deliver personalization that can adapt and meet customer needs both in the moment and in new ways.

As such, e-commerce brands are making personalization a top priority, with many investing in the right processes to efficiently bring contextually relevant digital interactions to life. However, a stronger focus on allocating the right business, technical and creatives resources is required to scale personalization execution and impact across teams and channels. With a \$2 trillion opportunity up for grabs over the next five years according to BCG research, the stakes are high. Those that can prove the value of personalization and foster greater buy-in for growth stand to seize a piece of the pie.

To better understand the current challenges and opportunities of personalization, Dynamic Yield by Mastercard conducted its annual maturity survey for e-commerce in the Americas (AMER), Asia-Pacific (APAC), and Europe and Middle East (EMEA) regions. This marks the sixth consecutive year publishing our research, which includes 92 responses from C-suite executives and individuals in marketing, merchandising, user experience (UX)/customer experience (CX), product management, analytics and development.



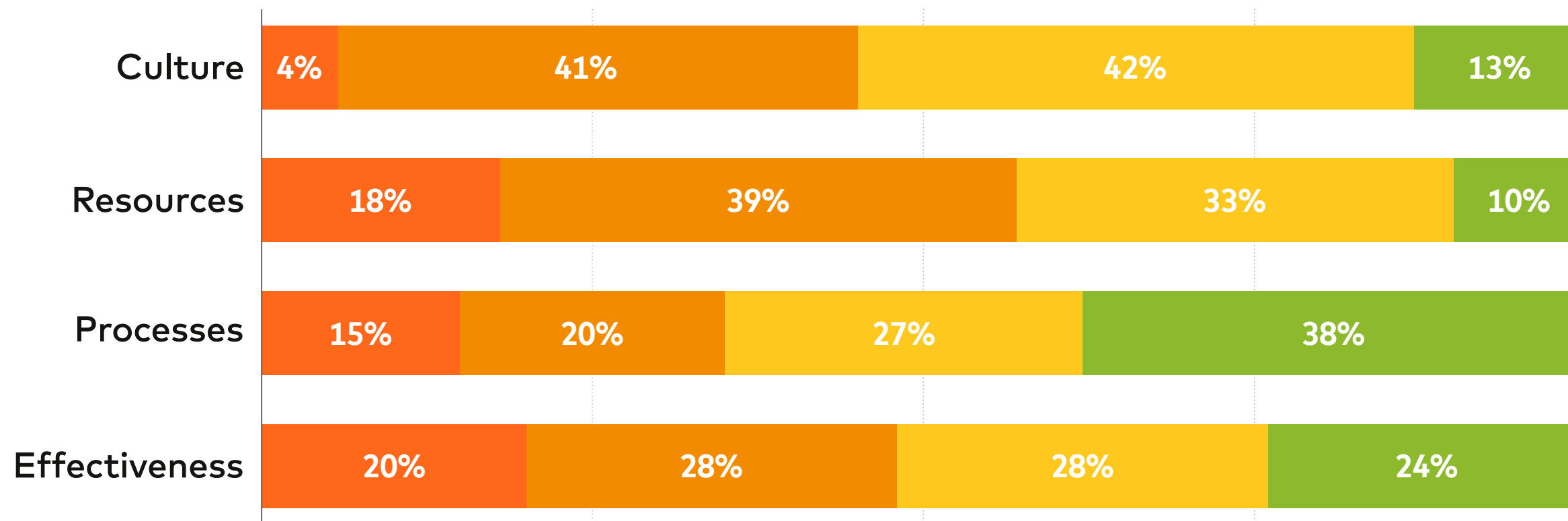
# Key Findings



- As in prior years, most companies consider personalization a top priority and plan to invest more in it. However, only 50% have established dedicated personalization support, with others relying on ad hoc resources or going without it completely. These constraints make it difficult to drive personalization efforts across teams and functions. Brands may see initial lifts in ROI, but their progress will stall, leading to a cycle of disinvestment.
- Companies have doubled down on processes this year, with 65% reporting they derive insights and learnings from test data. Brands are likely motivated by the decrease in overhead that comes with integrating personalization into their marketing and conversion rate optimization (CRO) strategies. But without adequate resourcing to reinforce these strong processes, brands risk missing out on the impact of a fully cohesive program.
- 67% of brands report they lack a singular audience strategy for approaching ideation, execution and analysis. Those brands may optimize processes only within one function or team (email marketing, for example). This leads to siloed, channel-specific efforts that have limited effectiveness when compared to cross-functional, multi-channel personalization based on an aligned, fixed audience strategy.
- To maximize impact through scale, brands should start small, allocating support as needed and communicating the value of personalization. All of this hinges on the ability to measure value — yet four in 10 brands lack clear key performance indicators (KPIs) to assess their personalization efforts. With proper KPIs, personalization teams can then link their campaign metrics to larger business goals.

# Global snapshot

● Absent ● Basic ● Advanced ● Pioneer





# The four signals of personalization maturity

Based on criteria such as internal commitment to personalization, allocation of resources, process implementation, utilization of data, testing methodology, audience strategy, and more, we identified four signals to help measure a company's personalization maturity. Companies are then bucketed into four levels of maturity: **Absent**, **Basic**, **Advanced**, and **Pioneer**.



## ● SIGNAL ONE: CULTURE

### **The organization understands the value and business impact of personalization**

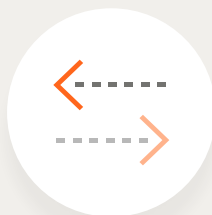
A strong culture of personalization is evidenced by it being made a top priority, with clear, quantitative business goals and KPIs that are used to inform a testing program and strategy. Those that will benefit most put personalization at the core of their customer journey efforts and have full organizational alignment.



## ● SIGNAL TWO: RESOURCES

### **The right resources and talent are made available to execute personalization**

Leadership appoints the right business, technical, and creative talent to drive personalization orchestration among other departmental programs or activities, which can be achieved in a timely, coordinated, and cohesive fashion across key digital channels. Organizations pioneering this signal have a central team with a dedicated program owner and devoted technical resources.



## ● SIGNAL THREE: PROCESSES

### **Processes streamline key program activities and facilitate proper campaign execution**

The benefits of personalization cannot be realized by simply acquiring the right technology or set of capabilities. Mature brands have processes around data identification and activation, know how to derive insights from and distribute test results, and have greater freedom to conduct cross-site testing — paving the way to their success.



## ● SIGNAL FOUR: EFFECTIVENESS

### **The organization is aligned on the who, how and why of its personalization program**

A strong personalization strategy requires alignment on the business' key audiences. Not even the right resources will be enough to generate results without a data-driven approach and KPIs that measure efforts for shaping the future roadmap. That means following the data rather than anecdotal instinct or executive mandates for program prioritization.

# Signal one: culture

Brands continue to invest in personalization — but tying metrics back to value remains elusive for some

To implement personalization successfully, organizations must educate about the program's potential at every level, cultivate a deep, cross-functional culture of experimentation and evolve previous practices and mindsets.

When it comes to the **Culture** signal, the market has maintained an **Advanced** level, reflective of a consistent trend since our research began in 2018.



# Our take on the findings:

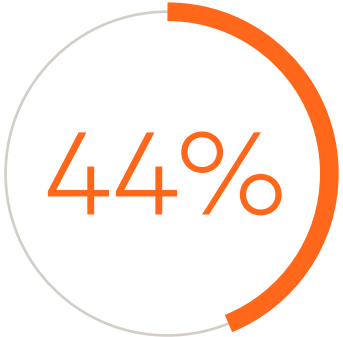
Consistent with previous years, the vast majority of organizations believe in the value of personalization. And as more businesses have come to learn that individualized experiences are now a consumer expectation and norm, 67% have made it a top priority with plans to invest further in their personalization programs.

However, the organizations that will benefit most from personalization are those that shift away from holding nebulous, conceptual goals in favor of concrete, quantifiable KPIs that they can connect to generated value. This is a natural first step in program development, allowing teams to make a case for greater resourcing and long-term adoption.

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*Establishing clear ownership, mandates and accountability, from the C-suite down to analysts, is key to creating a culture of personalization across an organization. Once those are in place, cross-department collaboration and alignment naturally follows, driving quantitative impact and value to the wider brand mission.*

**Ben Malki**  
Vice President of Customer Success, Americas, Dynamic Yield by Mastercard



of respondents consider their organization as on track towards establishing a true culture of personalization, while more than half admit they still need to orchestrate a proper program or quantify the impact.

**57% stated that they have clear, quantitative business goals and KPIs around their testing and personalization efforts.**



- 40% still rely on conceptual KPIs (i.e. increased revenue, improved add-to-cart rate).
- 33% have goals, but don't tie them back to generated value.
- 24% have goals and tie them back.
- 3% have unclear or uncommunicated goals.

**45% have established clear KPIs to measure personalization efforts explicitly.**



- 30% make in-the-moment decisions without clear KPIs.
- 25% set campaign-specific KPIs without informing the long-term strategy.
- 25% align these with the broader business strategy.
- 20% fail to align with the overall business strategy.

# Signal two: resources

Opportunity to invest in dedicated staffing and resources to effectively scale personalization remains

Organizations need critical functions (channel owners, creative gurus, business operators and technical executors) to start and scale a personalization team across business units. Ideally, these functions would roll up under one central team or work cross-functionally to activate in a unified capacity.

This year, the global market has come back **Basic** for the **Resources** signal, which is largely consistent with results from our 2023 report.



# Our take on the findings:

Resources and talent are vital to building a personalization program. However, organizations may view personalization as a discipline that can be handled through other initiatives, rather than a standalone function that requires significant investment. Those brands would be better served by commensurate, dedicated staffing, so they can direct their personalization efforts toward a vision that supports their larger brand objectives.

For other companies, establishing a cross-functional working group comprised of dedicated business and technical owners collaborating alongside creative talent — an important step early on in a company's program — may be taking more time and operational change than originally anticipated. Such obstacles have led to some stagnation in the market's advancement when it comes to resource maturity.

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*Online retailers have made large strides in pulling sharp insights from data and executing successful personalization campaigns. To channel those successes into business growth, however, requires reconciling different goals across teams. Dedicated resources can help unite their priorities under a single banner.*

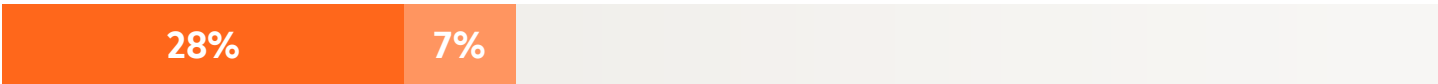
Doron Taub  
Director of Customer Success, Dynamic Yield by Mastercard

50% of organizations combine business, technical and creative expertise for personalization efforts.

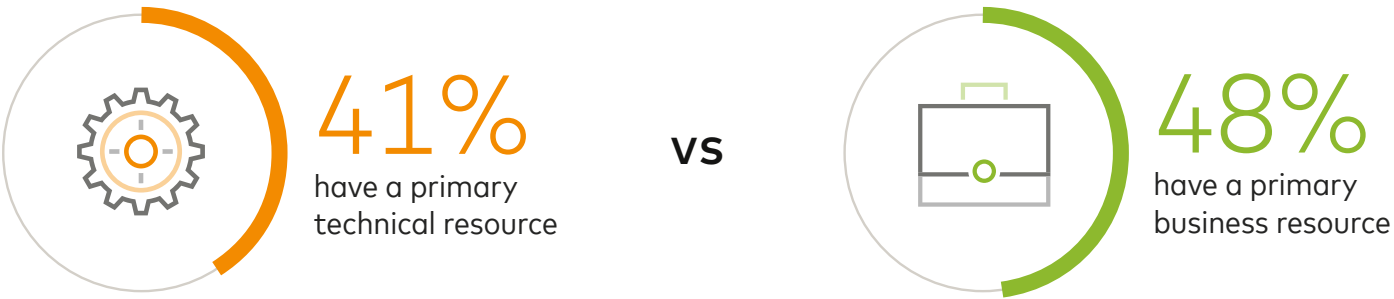


- 38% rely on a small, cross-functional team.
- 36% receive ad-hoc support.
- 14% have no dedicated personnel.
- 12% have a centralized team.

35% say multiple teams collaborate to execute a singular personalization strategy across digital channels.



- 38% have a singular team that works alongside others to deploy web personalization.
- 28% have multiple teams that execute together but lack a cohesive approach.
- 27% have a singular team that works alone on web personalization.
- 7% have multiple teams collaborating together consistently



# Signal three: processes

Processes see a big year-over-year lift as organizations seek to maximize efficiencies

All organizations need to complete several critical steps to grow sustainably long-term: Analyze existing data; Brainstorm concepts; Define a hypothesis and goal; Plan testing priorities, parameters and conditions; Build the experience; Optimize experiences and tests based on new insights; and Circulate outcomes to all cross-departmental stakeholders.

For the **Processes** signal, the global market has reached **Pioneer** status, growing by 5% year-over-year.



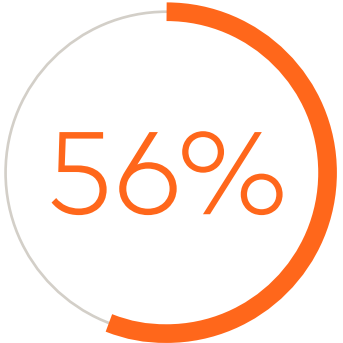
# Our take on the findings:

Globally, companies have knowingly stepped up their approach to processes within their personalization programs from the prior year. The reasons for doing so are clear: Brands that neglect processes struggle to connect the dots from their experiments, come up short when forming new hypotheses, and fail to optimize their campaigns to meet crucial KPIs. But this year, most brands have recognized the power of deriving insights from past tests, circulating impactful results to the right teams and executives, and leveraging their autonomy to conduct experiments across their organization's entire website. 68% of respondents said that executive mandates take precedence over existing testing roadmaps fewer than once per quarter. These are crucial steps toward achieving a truly Pioneer-level personalization program.

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*Data analysis, ideation, testing, reporting — e-commerce brands have risen to the occasion on all fronts, recognizing that to unlock personalization's full potential requires a strong set of processes. This will empower them to adapt and evolve campaigns as customer expectations rise in response to AI technology.*

**Siva Gabbi**  
Program Strategy and Insights Director, Dynamic Yield by Mastercard



of respondents report having freedom to engage in cross-site testing. Only 18% of organizations report having core site elements off-limits for testing.

## 65% derive insights and learnings from test data.



- 36% successfully use insights and learnings to adjust and run additional tests to learn more about their audience.
- 29% don't yet use information to inform subsequent tests.
- 18% do not regularly extract takeaways from test data.
- 17% look out for major learnings or insights but don't do anything with the information.

## 49% consistently circulate testing results internally.



- 36% adhere to a process for circulating results, including executives.
- 26% occasionally share high level results.
- 25% hardly, if ever, circulate results.
- 13% share with at least one other team, but not always executives.

# Signal four: effectiveness

Mature brands advance toward strategic audience alignment, customer data integration — others trail behind

Personalization isn't just a tactic; it's a comprehensive discipline. Brands must align their personalization efforts to reach key audiences, accurately measure results and use that data to inform executive decision-making. Our research shows that organizations that develop a robust ecosystem around their personalization efforts consistently achieve superior results.

In terms of **Effectiveness**, there is a split majority between global e-commerce brands that have earned a **Basic** level of maturity and those with an **Advanced** level of maturity — although results are close to an even distribution across the board.



# Our take on the findings:

This year, respondents report a sharp divergence of maturity for the Effectiveness signal: The number of brands that score either Absent or Pioneer has grown year-over-year, while the number of those at the Basic and Advanced level has decreased. Early adopters that have invested in personalization continue to evolve in the execution of their efforts, with most able to identify meaningful troves of customer data, and some even capable of centralizing data from a wide array of sources, including CRMs and offline records.

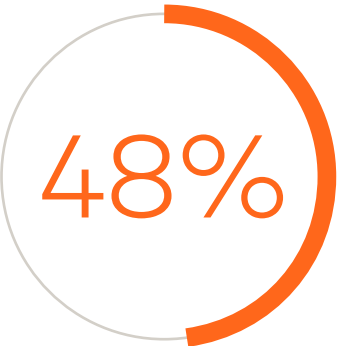
However, latecomers that were behind last year are falling even further off track. Different philosophies may also be at play here — respondents that report a higher level of autonomy may only have that independence due to a lack of organizational alignment and integration. Brands with an approach that centers around a shared set of strategies — regardless of team structure — will see the most impact from investing in their personalization programs.

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*Looking around corners and adapting to online customers' expectations on-the-fly calls for a well-crafted personalization roadmap. By crafting a single source of truth for customer data and fostering strategic alignment, brands can clinch a multi-trillion-dollar opportunity in personalization.*

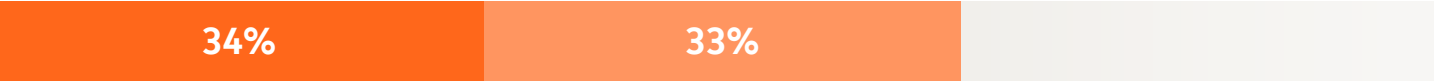
**Donovan Yong**

Principal, Advisors Business Development, Dynamic Yield by Mastercard



consider audience strategy essential to an organization’s ideation, execution and analytical process. But 36% report that it is only occasionally applied to hypothesis setting and test analysis.

**67% have not aligned on a singular audience strategy.**



- 34% have not established or deployed an audience strategy.
- 33% are gravitating toward a single audience principle.
- 18% have all teams executing against a singular audience strategy.
- 15% have a personalization team executing against a singular audience strategy.

**66% use different data sources to fuel their personalization strategy.**



- 41% have identified sources but have yet to action them fully.
- 25% ingest data from various sources (including CRM and offline data).
- 18% have not prioritized data sources thus far.
- 16% do not have clean, accurate data.

# Personalization is personal

Beyond looking at the top level, we cut the data across geography for a deeper look at how personalization implementation varies across each signal. Use this data to benchmark yourself against similar companies in your region.

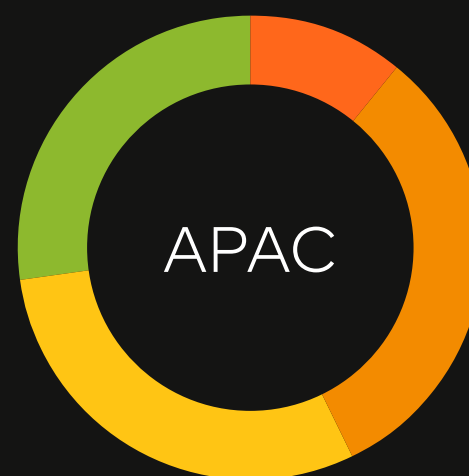




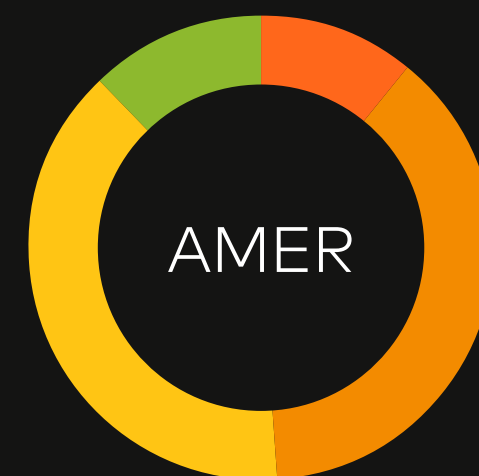
# Personalization maturity by geography

- EMEA and AMER-based companies have taken a different tack when it comes to team structure and processes, leaning on cross-functional collaboration and multiple teams as part of an integrated approach. In contrast, companies in APAC are investing in personalization as its own discipline and centralized function of their organization. As a result, APAC consistently outranks EMEA and AMER across every marker for the Resources signal.
- When it comes to the Processes signal, AMER generally outperforms other regions. Further, almost half of AMER companies state they can use insights and learnings to run tests, learn more about audiences and inform their strategy — a figure higher than the global average. APAC, on the other hand, has led the pack as far as using a data-driven approach for ideation and advocating for existing quarterly plans that take precedence over executive mandates.
- The majority of APAC respondents report there being little to no organizational alignment around an audience strategy, or that it varies in application from team to team. This will likely result in siloed personalization across channels, with digital experiences that lack consistency and cohesion as the brand interacts with its customers at various stages throughout the customer journey.

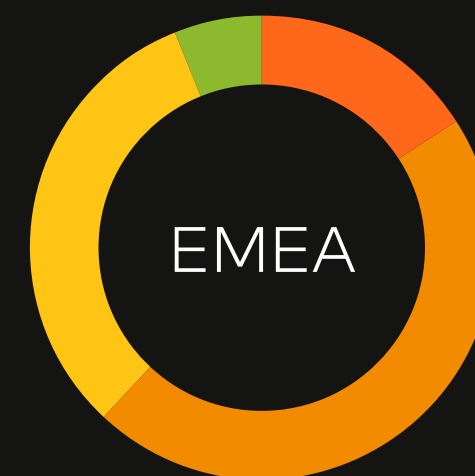
## OVERALL MATURITY BY REGION



- 11% Absent
- 32% Basic
- 30% Advanced
- 27% Pioneers



- 11% Absent
- 38% Basic
- 39% Advanced
- 12% Pioneers

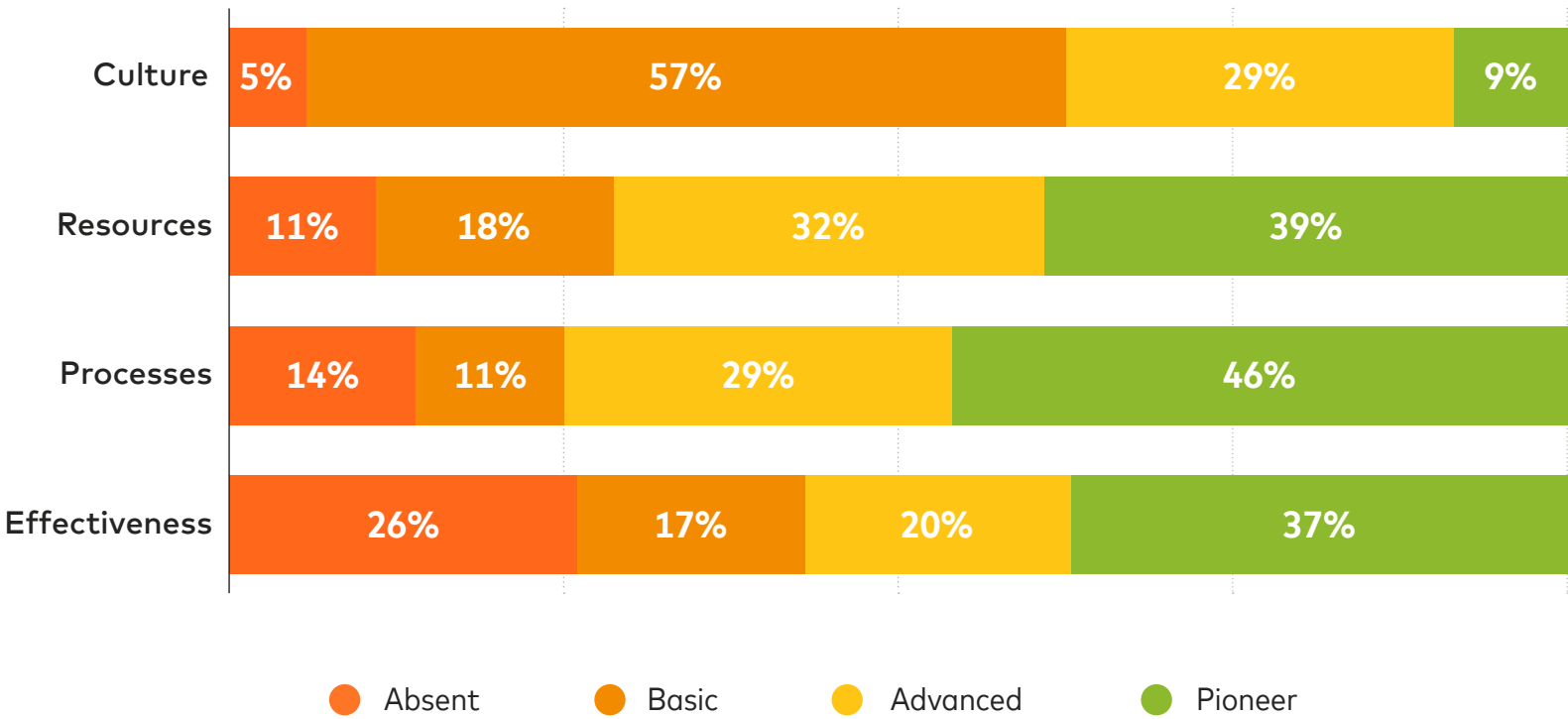


- 16% Absent
- 46% Basic
- 32% Advanced
- 6% Pioneers

# Our take on the findings: APAC

APAC companies have made significant investments in personnel, demonstrating a willingness to build the teams and personalization infrastructure necessary for success. However, their focus on centralization means that they'll have to find a better way to foster communication between other teams, which may act independently of their personalization goals. To overcome these obstacles, APAC brands should consider integrating all new data across their processes and aligning on a shared audience strategy across business functions.

Personalization Maturity in APAC

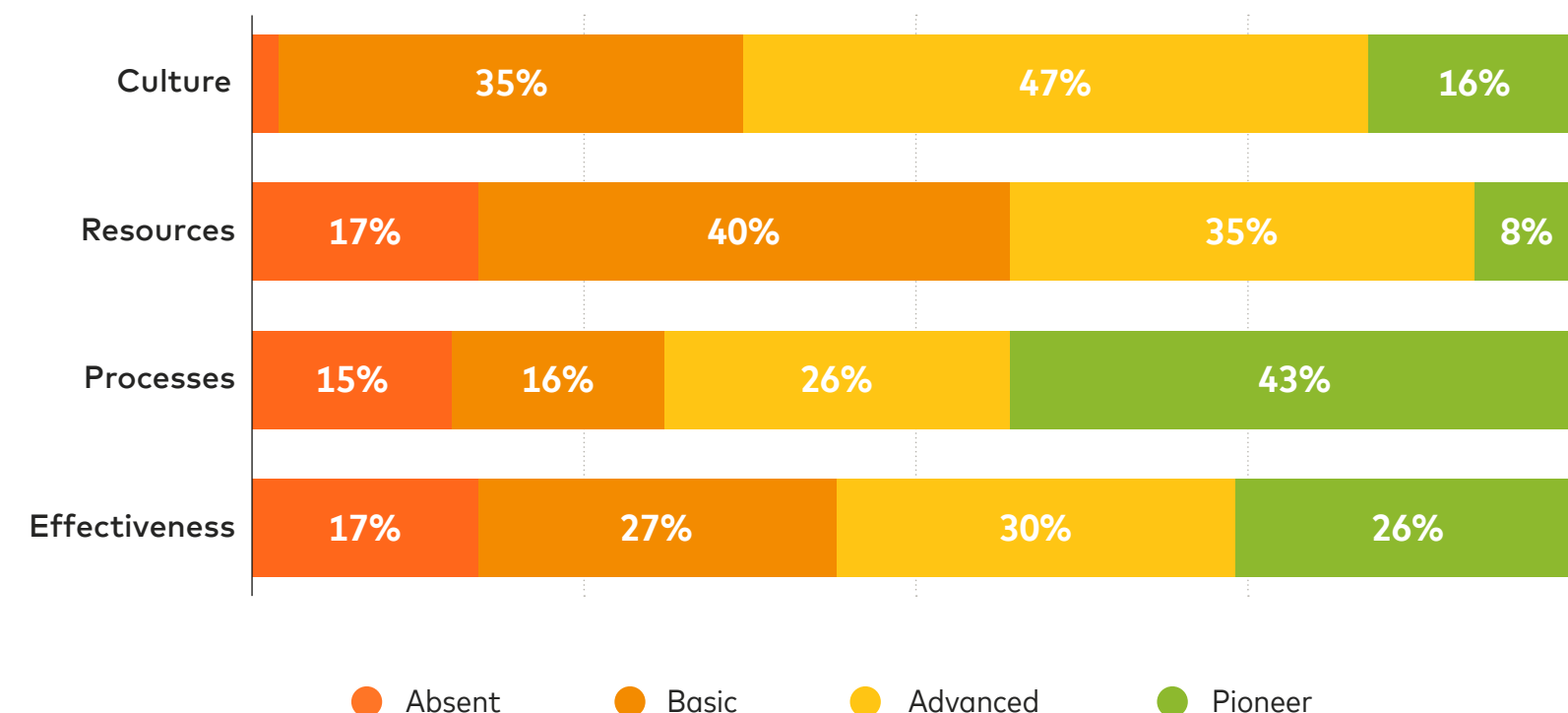




## Our take on the findings: AMER

AMER companies have fewer resources to draw from, which has shifted their focus to collaboration between teams within the larger marketing function. This has created an environment in which uniformly collecting and sharing data is much easier, accelerating their maturity on the processes front. However, they lack the agility that comes from the autonomy of a centralized, independent personalization team. They may be able to accomplish personalization-related tasks — even garnering greater nuance and insight as a result — but their level of skill in the discipline is not as refined as it could be. Without a centralized team, brands are forced to split time supporting personalization within separate functions of the organization, such as product management, merchandising, or IT, making it harder for them to be truly dedicated and effective in their work.

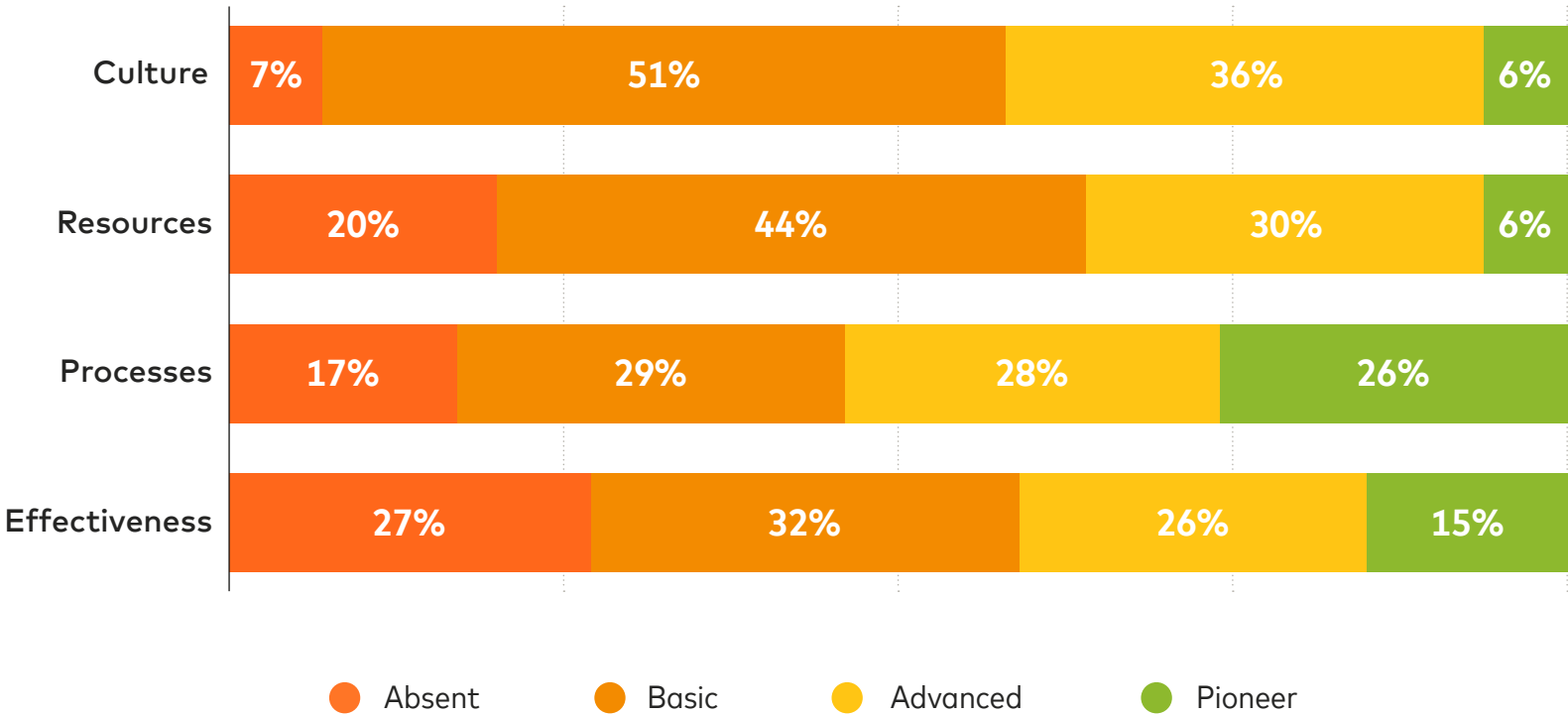
### Personalization Maturity in AMER



# Our take on the findings: EMEA

Despite having more established campaign-specific, conceptual KPIs than other regions, 44% of EMEA companies make in-the-moment decisions around winning variations — 14% higher than the global average. Such decisions can be short-sighted, as more advanced companies consider how their personalization campaigns impact business outcomes, rather than working on a test-by-test basis. Additionally, they are twice as likely to lack champions of personalization at their organization and rely on ad hoc support for spur-of-the-moment needs than other regions, which hampers the ability to work cross-functionally, and against a shared vision. Without ample investment in personnel and resources dedicated to personalization, it tracks that EMEA companies have been making decisions on the fly without a strategic “North Star.”

Personalization Maturity in EMEA



# Process without resource investment is progress without momentum

Given new expectations for businesses to deliver advanced, AI-driven experiences across industries, our report shows that personalization maturity has remained at an Advanced level. For the second year in a row, we saw the most significant developments for the Processes signal, which companies have realized success is dependent upon. Advanced processes will prove crucial for brands not only looking to launch more effective basic campaigns but also in leveraging powerful AI technology that can adapt to customer needs in new and even empathic ways.

For 2025, most companies need to work on evolving their culture and resources. They can start by using their strong processes to unlock results that make a greater case for continued personalization investment. Measuring and communicating the value of these results is vital — organizations need clear, quantitative business goals that tie back to generated value, and a process for circulating test results across the company. With greater executive buy-in, brands can then begin building out a personalization team of business, technical, and creative representatives, as well as primary business and technical resources. Brands that take the time to allocate these resources will lay a foundation for true scale — and gain the opportunity to unlock the trillions of dollars in rewards available over the coming years.



## Discover Your Personalization Maturity