Yieldify

The State of CJO 2018

A report into customer journey optimization, as told by 200+ e-commerce marketers

Contents

1. Executive summary

The State of CJO 2018 is Yieldify's inaugural survey into the current state of customer journey optimization in e-commerce, as told by marketers themselves.

The report is one of the first to take a comprehensive look at Customer Journey Optimization (CJO): where marketers are focusing their efforts, the challenges they're facing and the investments they plan to make.

Our goal is to provide the benchmarks and insights you need to create better customer journeys, and this report is your go-to resource for strategic data. The methodology for the survey can be found at the end of this report.

The results show that:

Despite rising costs, marketers are still prioritizing new customer acquisition over retention.
More than half of the respondents are focusing more than 60% of their effort on acquiring new customers rather than retaining existing ones.

Marketers are beginning to pass the hurdle of understanding the customer journey, but the ability to act on this knowledge still presents a challenge.
More than 70% of marketers believe they have a good understanding of the customer journey but they are less confident when it comes to optimizing this journey, particularly across channels.

CJO is gaining rapid traction as a distinct, definable practice in the marketer's skillset.
Marketers are growing in confidence when it comes to defining CJO versus Personalization and Conversion Rate Optimization (CRO).

Current CJO strategies are focused on tackling low-hanging fruit.
Marketers currently favor 'easy' to implement tools and tactics, such as customer feedback and customer journey mapping. More traditional CRO tactics, such as A/B testing and MVT did not attract as much attention. AI and Personalization were seen as among the most difficult to implement and execute.

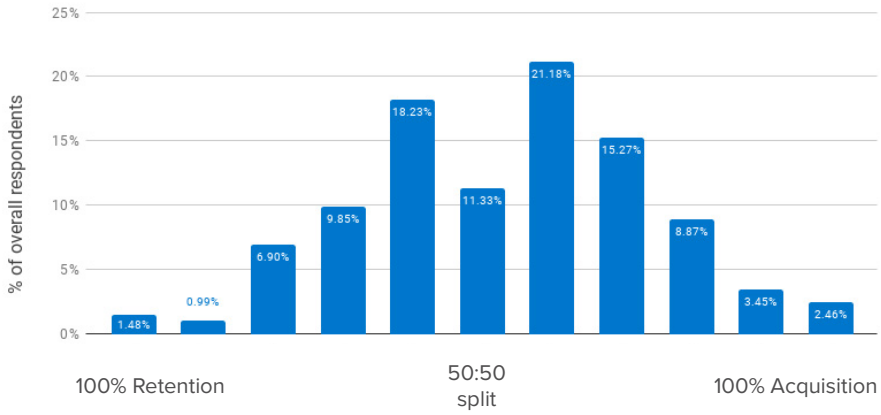
In 2019, marketers plan to tackle some of the more challenging tactics.
Despite the perceived difficulty, Personalization is firmly on the agenda for 2019.

A third of marketers will increase budgets dedicated to CJO in 2019.
Marketers plan to spend this budget on more training and working with external agencies and consultants.

2. The state of play

2.1. The goal: acquisition or retention?

Are you focused more on acquisition or retention?



Despite the cost, marketers are more focused on acquisition than retention.

Despite the oft-cited statistics that acquiring a new customer can cost up to 5x more than retaining an existing one, more than half of marketers spend 60% or more of their efforts on acquisition.

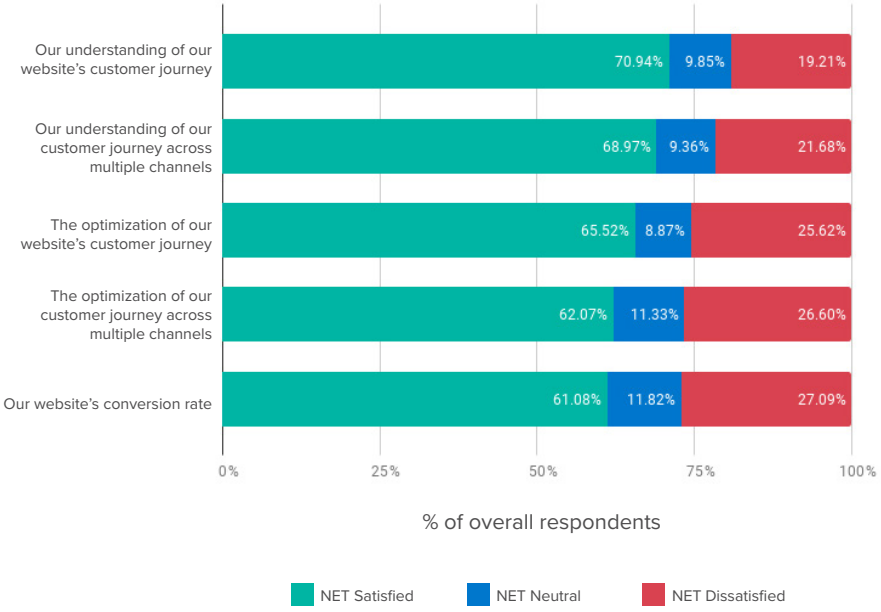
Around 11% split their efforts equally and 37% focus more on retention - even though the success of converting an existing customer is 60-70% versus 5-20% for a new customer (and we know it's probably even lower in the world of e-commerce, where average conversion rates sit around 1-2%).

Marketers in the US are focused slightly more on acquisition than their UK counterparts, and less focused on retention:

Where do you focus your efforts?	Overall	UK	US
Retention ≥ 60%	37.4%	40%	35%
50:50 split	11.3%	11%	12%
Acquisition ≥ 60%	51.2%	49%	53%

2.2. Current CJO strategy: what's working?

How satisfied are you with the following?



Marketers are beginning to pass the hurdle of understanding the customer journey, but being able to act on that knowledge lies far behind.

Overall, more than **70%** of marketers believe they have a good understanding of the **website customer journey** - it's the **optimization of this journey** that presents more of a challenge, particularly when it comes to executing this across multiple channels.

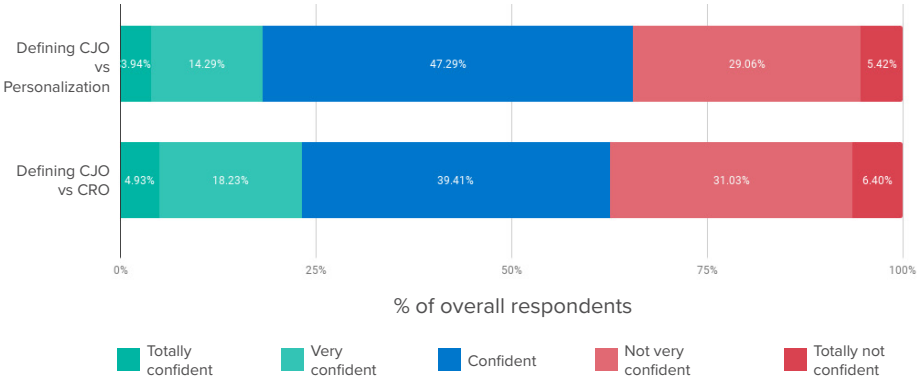
Marketers in the US are less satisfied than their UK counterparts. This is particularly evident in relation to the **optimization of the customer journey**, where more than one-third of US marketers are dissatisfied with the customer journey both on the website (34.5%) and across multiple channels (36.6%), versus in the UK where dissatisfaction was just 16.6%.

Conversion rate is the area where marketers are least satisfied, with over a quarter of respondents stating their dissatisfaction here. US marketers are less satisfied with their conversion rate then their UK counterparts. **32.6%** of US respondents are dissatisfied, versus 21.5% of UK marketers.

3. CJO Challenges

3.1. Defining CJO

How confident are you defining the following?



Marketers are generally more confident explaining CJO versus Personalization, than CJO versus CRO.

Personalization and Conversion Rate Optimization have both been around for a while, so we wanted to understand where marketers see these in relation to Customer Journey Optimization (CJO). With multiple definitions in the market of 'personalization' in particular, we were interested to understand whether marketers understand whether CJO is viewed as a distinct practice.

The answers present a mixed but promising picture.

On the one hand, looking at the broad trends, marketers are majority confident in making the distinction between CJO and CRO or Personalization, with over 60% responding confidently.

The greater confidence was in in the distinction between **CJO and Personalization**, with over **65%** confident, very confident, or totally confident in explaining the differences between these two terms.

The perception appears to differ globally: UK marketers were more confident in explaining the difference between CJO and Personalization (75.5% confident or above) compared to 55.45% US marketers who said the same.

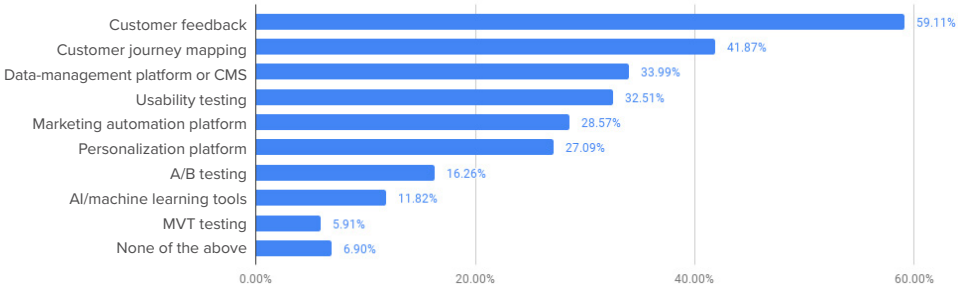
For CJO vs. CRO UK marketers were also more confident than explaining the difference - 73.5% were confident or above versus 51.5% of US respondents selecting confident or above.

Conclusion? CJO is gaining rapid traction as a distinct, definable practice in the marketer's skillset - but if in doubt when it comes to defining CJO, keep these things in mind:

- CRO focuses on the conversion, CJO focuses on a data-driven understanding of the visitor.
- CRO boosts conversions, but this is a short-term win, and could potentially compromise the customer experience.
- CJO offers the best of both worlds: you get the conversion, and the visitor gets a better experience, laying the groundwork for increasing customer lifetime value.

3.2. Tools and strategies deep-dive

Which tools and strategies are marketers using to optimize the online customer journey?



% of marketers using

The customer is always right? When it comes to CJO, marketers focus on customer feedback.

Customer feedback is the most popular strategy for optimizing the online customer journey. That this kind of qualitative feedback is so highly-rated is interesting given the continued focus in marketing on big data and analytics.

Customers remain in focus for the next most popular strategy: **customer journey mapping**, which more than 40% of marketers are already using to optimize the online journey.

More traditional CRO tactics, such as **A/B** and **MVT** testing, did not attract as much interest as might be expected. For example, just 16% of marketers use A/B testing to optimize the customer journey, suggesting perhaps the limitations of techniques such as this which can be slower to yield meaningful results

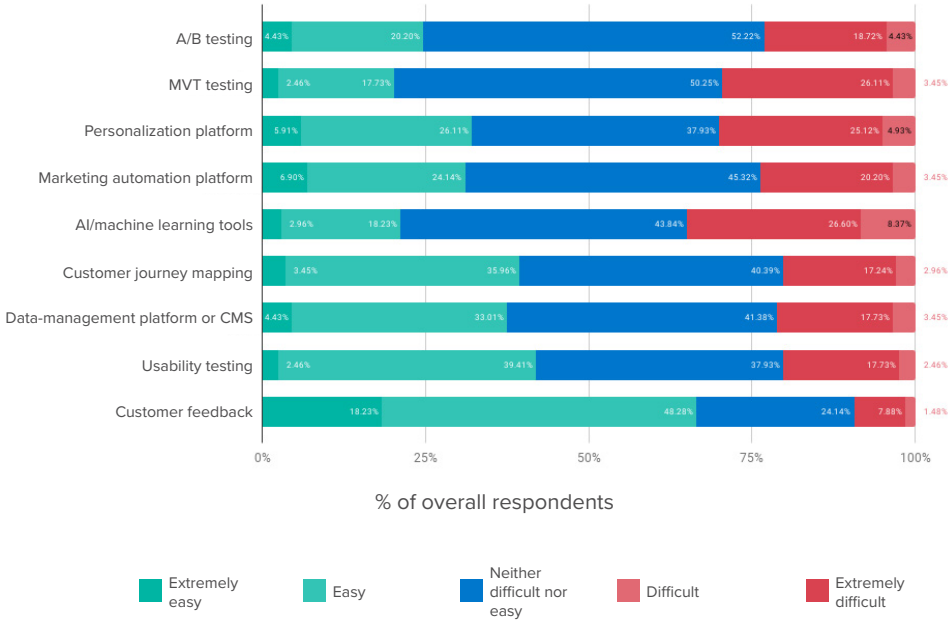
AI and machine learning were also fairly low on the agenda, as was **personalization**, with just 11.8% and 27% respectively.

UK marketers were overall more likely to be using the tools and strategies outlined particularly **customer journey mapping,** which UK marketers were 64% more likely to be doing this then their US counterparts. UK marketers were also a third more likely to be using a **personalization** platform.

Despite the differences in uptake, the order of ranking was the same demonstrating that marketers priorities lie in the same place.

To understand more, we then asked marketers to rate the ease of implementing and executing these tools and strategies.

How easy are these tools and strategies to implement and execute?



Marketers go after low-hanging fruit when it comes to customer journey optimization.

Now we can see part of the reason why **customer feedback** came out top as the tool marketers are currently using the most: it's also seen as the easiest to implement and execute on.

This also sheds some light on why A/B and MVT testing did not feature highly - both are seen as relatively difficult. See below for the top three 'easiest' and 'most difficult':

The top 3 tools and strategies rated 'easy' or 'extremely easy'

Customer feedback:	Usability testing:	Customer journey mapping:
66.5%	41.8%	39.4%

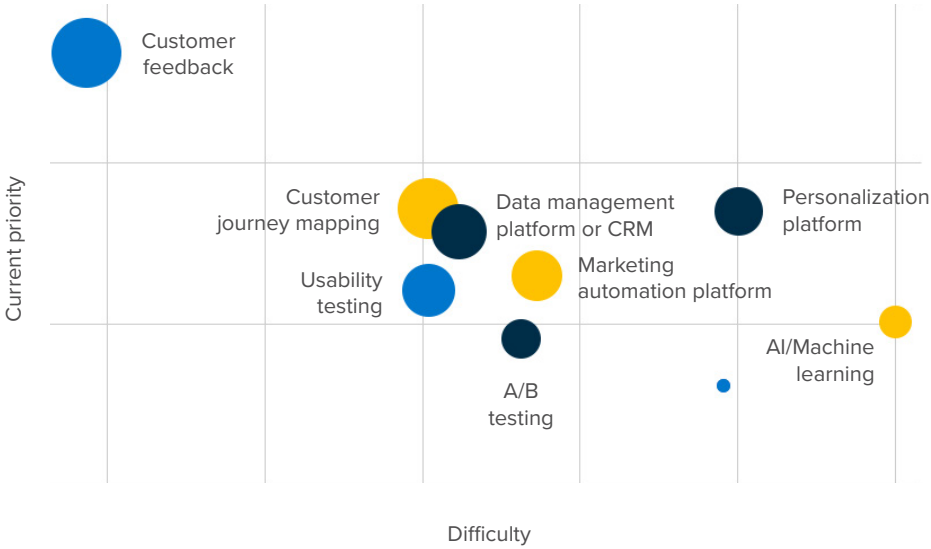
The top 3 tools and strategies rated 'difficult' or 'extremely difficult'

AI/Machine learning:	Personalization platform:	MVT testing:
34.9%	30%	29.5%

The main point of difference between the US and UK is **data management or CMS platforms**. 48% of UK marketers rate this as 'easy' or 'extremely easy' versus just 27% in the US.

UK marketers are more confident when it comes to **AI and machine learning** - 27.45% of UK marketers said this was 'easy' or 'extremely easy' versus just 14.85% in the US.

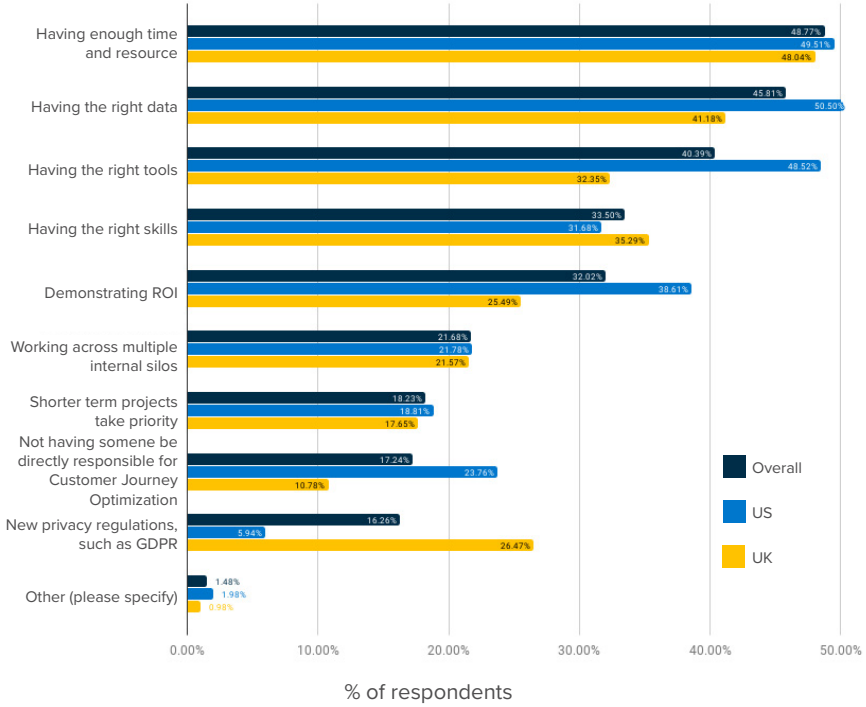
Here is how marketers are currently prioritising CJO tools and strategies, alongside the perceived difficulty to implement and execute:



**Size of bubbles is directly proportional to the number of respondents currently using each tool or strategy to optimize the customer journey*

3.3. Ranking the top challenges

Please select your biggest challenges when it comes to optimizing the customer journey



Time, tools, and data top the challenges in delivering an optimized customer journey.

The top challenges vary very slightly across regions, but include **having enough time and resource, having the right data, having the right tools** and **having the right skills**.

US marketers feel they **lack the right tools** more than UK marketers, with almost half (48.5%) selecting this challenge compared to just under a third of UK marketers (32.4%)

Demonstrating ROI is viewed as a challenge by more than a third (38.6%) of US marketers, versus just one quarter (25.5%) in the UK.

Unsurprisingly given this year's introduction of GDPR, UK marketers are finding **new privacy regulations** challenging (26.47%), while this was on the radar for just 5.94% of US marketers.

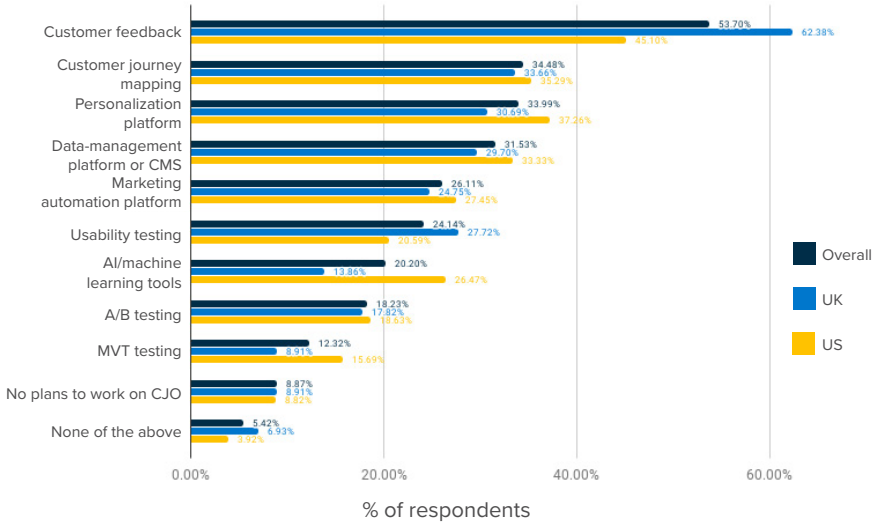
US marketers are feeling the resources pinch more than UK counterparts - 23.76% said **not having someone directly responsible** for CJO was a challenge, vs. just 10.78% of UK marketers.

Other challenges mentioned by respondents included competitive platforms, suggesting that some vendors are trying to own more of the customer journey, potentially creating competition for budget where there was none previously.

4. Looking ahead to 2019

4.1. Tools and strategies investment

Which of the following will you be using to optimize your customer journey in 2019



More customer feedback is in store for 2019, but marketers aren't shying away from the more challenging tools and strategies.

As we've already seen, marketers love **customer feedback,** and this is still high on the agenda for 2019,.

Another 'easy' tool, **customer journey mapping,** edges out **personalization** very slightly overall, with over a third of marketers planning to use this in 2019.

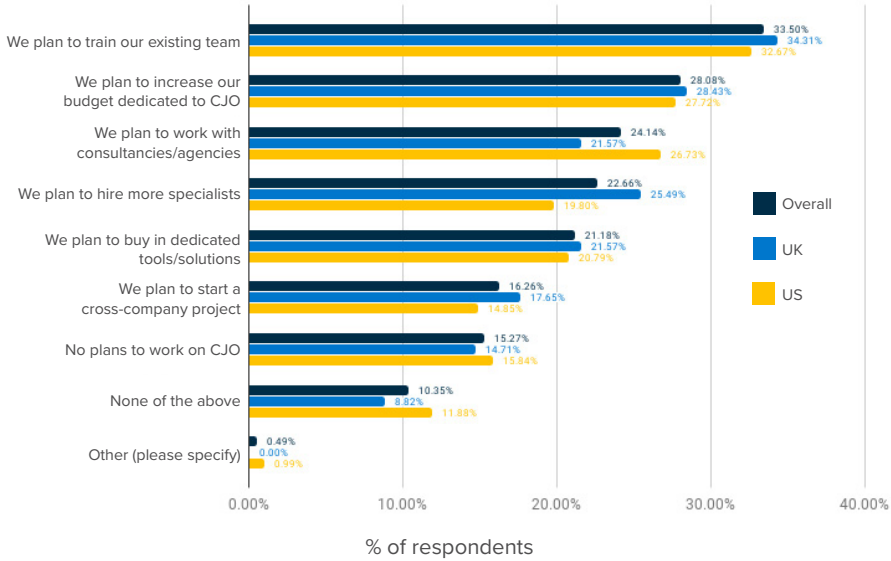
Despite being listed as a 'difficult' strategy, **personalization** rounds out the top three, and is more of a priority in the US than UK. 37% of US marketers plan to implement it in 2019.

AI and machine learning also get a look-in, despite the fact this option was also ranked among the most difficult tools and strategies.

Despite this plan to tackle some of the more difficult strategies in the coming year, almost 9% of marketers say they **won't be doing anything** to optimize the customer journey in 2019!

4.2. Supporting CJO in 2019

Which of the following will you be doing in 2019 to support your CJO efforts?



Training is the number one investment for marketers seeking to support customer journey optimization efforts in 2019.

The big focus is **training the existing team,** which is interesting considering that 'having enough time and resource' was the #1 challenge. Are marketers trying to take on more than they can handle? Time will tell!

Training costs money, so it's no surprise that **more budget** appears in the second spot, with just under 30% planning to increase the dedicated CJO budget in 2019. But where will this be spent?

- Around one quarter of marketers see **external partners** as the solution, slightly more so in the US, where 26.7% plan to work with consultancies or agencies, versus 21.6% in the UK

- The UK has a slight preference to **hire in-house,** with 25.5% planning to hire specialists, versus just 19.8% in the US

- A fifth of marketers are planning to **buy in dedicated tools or solutions**

- And 16% are planning to **start a cross-company project**

4.3. In summary

This report has covered a lot of ground, but to wrap up, here are a few things to think about as you put together your CJO strategy:

- Like most of the marketers in this survey, you likely have a good understanding of your customer journey, but how do you compare when it comes to optimizing this?

- Customer feedback and customer journey mapping are key strategies both currently and for the future - are these on your agenda for 2019?

- Marketers are getting more adventurous in 2019, tackling those 'difficult' challenges like personalization and AI, with the help of training or external experts. Where are your gaps and how can you fill them?

5. About the survey

5.1. Methodology

The ‘2018 State of CJO survey’ was conducted in September 2018 by Yieldify and Research Now Survey Sampling International (SSI), a global leader in digital research data for more than 40 years.

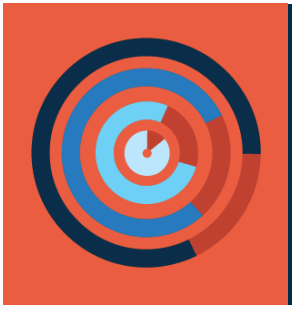
The survey polled 203 e-commerce marketers across the UK (50.25%) and North America (49.75%). All respondents are either involved with, or wholly responsible for the running of their company’s e-commerce website.

5.2. About Yieldify

Yieldify makes it easy for e-commerce businesses to deliver customer journeys that convert, through a combination of smart and simple technology and expert strategy. Leveraging its innovative platform and team of consultants, Yieldify enables companies to reduce customer acquisition costs, increase conversions, and create customer loyalty.

Yieldify has delivered over 155,000 campaigns for over 500 brands on more than 1,000 websites globally, serving both growing businesses and the world’s most recognizable brands, including Domino’s Pizza, Megabus, L’Oréal and Marks & Spencer. Yieldify has offices in London, New York, Sydney and Singapore. To learn more, visit www.yieldify.com.

6. Other resources



The truth about customer journeys

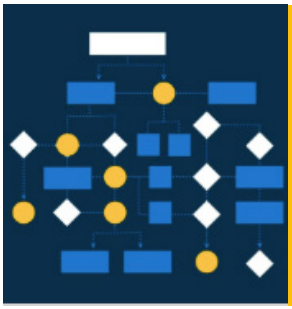
See what 1000+ consumers say about customer journeys

View Infographic

Free CJO Consultation

Speak to our consultants and learn how to optimize your customer journey

Book Consultation



The ultimate guide to CJO

Read more about customer journey optimization in our guide

Read Guide