

Magic Quadrant for Personalization Engines

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Audiences demand brand interactions tailored to their unique needs. This is driving the rapid growth of personalization engines — and creating confusion about how to compare them. Marketing leaders can use this research to identify and evaluate personalization solutions suited to their goals.

Market Definition/Description

Personalization is a process that creates a relevant, individualized interaction between two parties designed to enhance the experience of the recipient. It uses insight based on the recipient's personal data, as well as behavioral data about the actions of similar individuals, to deliver an experience to meet specific needs and preferences. — Gartner

Personalization engines apply context about individual users and their circumstances to select, tailor and deliver messaging such as content, offers and other interactions through digital channels in support of three use cases — marketing, digital commerce and customer experience. These personalized interactions can increase conversion, marketing effectiveness and customer satisfaction, thereby improving business results.

Personalization engines leverage data from user profiles or tracking of anonymous user behavior — usually on the web. Those profiles are enhanced with additional first- and third-party data, such as real-time behavior, transactions, geography and, even, affinity. It is then used by a personalization engine to segment and target audiences, and trigger messaging and content in one or multiple marketing channels (marketing use case).

Most engines not only help orchestrate multichannel marketing, but also customize digital commerce experiences through personalized product and offer recommendations, search engine optimization (SEO), site search, and navigation (digital commerce use case). A number of personalization engine vendors are expanding their capabilities to trigger interactions across touchpoints like chatbots, kiosks, Internet of Things (IoT), call centers or customer service centers. A small number also offer the ability to execute surveys, and gather and incorporate user feedback (customer experience use case).

Personalization engines are sold as stand-alone software or can be embedded in web content management, content marketing, multichannel marketing hubs and digital commerce platforms. This Magic Quadrant focuses only on vendors who offer personalization engines as stand-alone solutions.

Magic Quadrant

Figure 1. Magic Quadrant for Personalization Engines



Source: Gartner (July 2018)

Vendor Strengths and Cautions

Acquia

Acquia is a Niche Player. Part of Acquia Experience platform, Acquia began as a cloud platform for Drupal-based web content management (WCM) and expanded into personalization with a web-only testing platform. It now offers a stand-alone personalization engine that can be integrated with Drupal

and non-Drupal-based WCM platforms. Marketing leaders at midmarket brands should consider Acquia for marketing personalization on the web.

Strengths

- Acquia enables personalization through two products — Acquia Lift and Acquia Journey. Lift delivers personalized web content based on machine learning content recommendations. It enables native content creation and syndication, offering a drag-and-drop UI and a real-time preview of personalized experiences. Acquia Journey orchestrates the next-best action on any channel or touchpoint, and offers journey mapping and visualization. Both products share a common profile manager for identity management that natively captures first-party data, but they rely on partner integrations for data ingestion from most other sources. Lift features a user interface to facilitate site-based content personalization.
- With the addition of Acquia Journey in 2017, Acquia has the ability to leverage data already resident in Acquia Lift Profile Manager to trigger execution across a wide range of API-connected channels such as email, mobile messaging and digital advertising.
- In 2018, Acquia plans to increase efficacy by investing in machine learning for automated segmentation and decisioning. The company also plans to add connectors and simplify the user experience to make campaign setup easier.
- Client references chose Acquia for its functionality and performance, particularly in testing, optimization and targeting. They give the vendor high marks for responsiveness to client needs.

Cautions

- Much of Acquia's personalization functionality requires API integrations with partners or custom implementations with other vendors, including critical capabilities like third-party data onboarding and predictive modeling. These integrations can increase the time, cost and complexity of deployment.
- Acquia lacks awareness among marketers and appears in only 3% of client references' consideration sets, with half of its own client references citing pre-existing relationships as the leading reason they chose the vendor.
- Client references cite issues with Acquia's out-of-the-box functionality including limitations to multidimensional segmentation. They note a hard-to-understand UI that can lead to difficulty setting up rules or interpreting analytics and reporting.

Adobe

Adobe is a Leader. Many of Adobe's products include personalization features. However, Adobe Target offers a stand-alone personalization engine for segmentation, testing, optimization and recommendations, and can be integrated with third-party platforms for marketing or digital commerce personalization. Part of Adobe Marketing Cloud, Target ingests online and offline data from Adobe Experience Cloud or third-party platforms, and applies artificial intelligence (Sensei) and machine learning to scale testing and identification of key user attributes for segmentation and personalization. Marketing teams across industries seeking robust testing capabilities and an ability to extend into digital commerce personalization through product recommendations should consider Adobe Target.

Strengths

- Adobe Target builds a unified customer profile based on data from Adobe Experience Cloud and third-party integrations, enabling marketers to identify and score key profile attributes. It applies its artificial intelligence engine, Sensei, to segment, target and trigger tailored messaging across multiple channels based on context and behavior. Adobe Target also uses geolocation data to test and optimize web and mobile experiences, and offers algorithms that recommend products, content or next-best actions to personalize digital commerce.
- In 2017, Adobe expanded Target beyond rule-based, A/B/n and multivariate testing, including multiarmed bandit testing, which automatically targets content to the winning test. It enhanced user control through bring your own algorithm (BYOA), allowing clients to use their own propensity scores and customize algorithms within Adobe Target. This feature enables users to refine recommendations based on performance criteria.
- Adobe's 2018 roadmap focuses on experience optimization using Sensei. It plans to enhance BYOA, enabling users to define attributes for data modeling, compare propensity scores for building audiences, and build and publish models using the Adobe platform machine learning framework for real-time scoring. Plans also include the ability to insert personalized offers across channels, including those managed outside of Adobe, though native offer management sits in Adobe Campaign. It also plans to integrate Search&Promote, currently sold separately, into Adobe Target to offer personalized on-site search.
- Client references primarily choose Adobe Target for its product functionality, especially A/B/n and multivariate testing, optimization, and segmentation capabilities. References specifically cite the ease of use of testing. They also value the breadth of Adobe's personalization offering and its consumer focus.

Cautions

- While a third of Adobe Target's personalization deployments support customer experience (CX) personalization, its capabilities focus on user experience (UX) optimization and lack the ability to execute surveys, and gather and incorporate user feedback.
- The majority of client references use Adobe Target to optimize web experiences, despite the product's broader channel support. References report relying on partners and other products in the Adobe Marketing Cloud to personalize email, mobile and other channels.
- Some client references cite a longer-than-average deployment time frame and below-average ease of deployment, including challenges integrating with Adobe Analytics and non-Adobe content management systems.

BloomReach

BloomReach is a Niche Player. With an open API platform and retail heritage, its personalization tools garner broad adoption among enterprise brands in North America, especially in digital commerce use cases. BloomReach integrates algorithms into a content management system, delivering a digital experience platform (DXP) that connects to third-party systems. Retailers seeking digital commerce personalization should consider BloomReach.

Strengths

- BloomReach offers three personalization products — BloomReach Personalization, BloomReach DXP and BloomReach Organic. BloomReach Personalization customizes digital commerce, specifically on-site search and merchandising. BloomReach DXP targets, triggers and personalizes marketing across channels. The platform specifically enables personalization across web, mobile messaging, digital commerce sites, mobile applications and Internet of Things. Native customer analytics and predictive analytics tools process individual user session behavior, using algorithms to rank products and customize digital commerce site search and merchandising on web and mobile. BloomReach Organic optimizes digital commerce for SEO.
- BloomReach launched BloomReach DXP in 2017. It allows users to import first- and third-party customer data and segments, enabling A/B/n and multivariate testing, and message targeting across channels. An open API platform connects BloomReach DXP to third-party marketing technology.
- BloomReach plans to enhance digital commerce personalization, adding site preview and enabling marketers to tailor the commerce site based on multiple user attributes. It intends to offer greater user controls, including the ability to customize weightings via a dashboard. It is also adding an algorithm to detect which attributes should carry the most weight in personalization.
- Client references choose BloomReach for its product functionality and performance, particularly targeting and triggering capabilities, as well as for its roadmap and vision. Clients praise BloomReach for its account management and value the platform's overall affordability.

Cautions

- BloomReach Personalization lacks native profile or preference management capabilities, which is notable, given the rising importance of consent-driven interactions.
- BloomReach Personalization's segmentation capabilities limit categorization to session behavior and explicit third-party segmentation. Client references rate BloomReach below average in this area.
- BloomReach has limited consideration as a personalization engine, appearing in only 10% of the consideration sets for all vendor client references included in this research.

Boxever

Boxever is a Niche Player. Based in Dublin, Ireland, Boxever primarily delivers testing, optimization, engagement and personalization capabilities to major travel brands such as airlines and online travel agencies. The company's customer data platform (CDP) collects, unifies and analyzes data from multiple sources, connecting to a decisioning engine that enables personalization across an array of systems and channels. B2C brands in the travel sector, as well as companies that want to enable personalization within a heterogeneous marketing technology ecosystem, should consider Boxever.

Strengths

- The Boxever Customer Intelligence Cloud comprises several components. Engage is Boxever's decisioning engine. It provides a configurable rule engine for marketers, as well as programmable logic for more technical users, allowing users to upload their own predictive models. Engage features Flows, Boxever's library of preconfigured integrations, as well as out-of-the-box machine learning to

determine next-best action. These features enable marketers to quickly connect decisions to execution channels, including websites, mobile push notifications, digital ads and email. Engage is supported by OneView, Boxever's CDP that enables marketers to aggregate data from digital and physical touchpoints. Through OneView, marketers can view key customer attributes, such as channel preference and active segments, in a comprehensive interface. Explore, the company's analytics platform, enables connectivity to existing enterprise data stores.

- Integrations with digital ad platforms and call center applications are key capabilities that Boxever launched in 2017. The company added new capabilities to help it expand beyond its roots in travel to serve financial services firms, such as specific workflows for in-branch experiences. In early 2018, Boxever launched a new user experience for Engage focused on availing more personalization capabilities to nontechnical users. The update to Engage also included an enhancement to the core decisioning engine to integrate third-party data, such as pricing and inventory information, in real time.
- New features planned for Boxever's overall platform are improved user management and permissioning, including integration with enterprise identity management solutions. Plans for Boxever Engage include new approval workflows with audit trails, visual multichannel journey maps, new testing management and custom personalization triggers. OneView will also get updated scoring capabilities.
- Client references cite Boxever's capabilities around data gathering, segmentation and targeting as key strengths. Several clients note that Boxever is easy to work with and responsive to their needs, including partnering to drive overall product development.

Cautions

- Boxever only recently expanded beyond its initial focus on the travel industry. Organizations in other verticals may require customization to tailor Boxever to their specific needs.
- Boxever's CDP-centric approach to personalization is best-suited for companies seeking to integrate and orchestrate disparate, best-of-breed marketing technologies.
- References report below-average satisfaction with the availability of quality third-party resources to implement Boxever, as well as the quality and availability of end-user training.

Certona

Certona is a Leader. The company is a longtime personalization technology provider to large retailers and other consumer brands with a digital commerce presence. Certona's Personalized Experience Management Platform is a cloud-based offering that supports more than 600 brands across more than 70 countries. Global B2C marketers seeking digital commerce personalization should consider Certona.

Strengths

- The Certona Personalized Experience Management Platform offers an engine that continuously profiles real-time user behavior, customer data and other contextual signals to generate affinity and propensity scores. By combining engagement objectives with assets like product and offer content, Certona supports personalized marketing and digital commerce experiences, including search, web

and mobile content, product recommendations, and email marketing. The product features transparent machine learning and the ability to ingest existing data models and scores.

- In 2017, Certona introduced personalized site search with in-line visual recommendations, as well as personalized product and category pages, that all leverage its behavior models to deliver individualized results and surface more relevant products. For its AI-powered guided discovery solution, Certona added more styling options and the ability for clients to configure experience flows that previously had to follow a standard cadence.
- Priorities on Certona's 2018 roadmap include adding support for new modes of interaction, such as image and voice search; enhancements to its visual content editor; autonomous optimization; and journey mapping to support more effective orchestration across channels.
- References cite Certona's product recommendations for digital commerce as its most effective capability, with above-average scores given for testing and optimization. In addition to web-based recommendations, clients typically use Certona to personalize their email and mobile marketing programs. References value Certona's customer support services and commitment to client relationships.

Cautions

- Certona's heavy focus on digital commerce, particularly product recommendations, and limited number of marketing deployments, warrants marketers to evaluate Certona's capabilities against their needs beyond digital commerce.
- Client references rate Certona below average for preference/profile management and segmentation/data mining, citing challenges incorporating first-party and offline data.

Dynamic Yield

Dynamic Yield is a Leader. It uses predictive analytics to suggest segments and personalization opportunities, and deliver content and product recommendations. Dynamic Yield emphasizes and enables testing of multiple content variations and using machine learning to discover what works, rather than starting with human hypothesis. Marketing leaders seeking a scalable personalization solution suitable for a variety of use cases should consider Dynamic Yield.

Strengths

- Dynamic Yield's personalization suite uses its real-time event sync to support customer data management, enabling native data onboarding, real-time analytics and predictive segmentation across channels. It delivers personalized product and content recommendations, and it supports CX optimization through testing and experimentation, integrating feedback from user interactions into a machine learning engine. It features an open architecture and prebuilt connections with numerous commerce platforms.
- In 2017, Dynamic Yield enhanced its personalization for email marketing by enabling dynamically rendered content and adding the ability to deliver product recommendations via email. It also improved marketing personalization by enabling behavioral data, such as cart abandonment and browse abandonment, to trigger emails.

- In 2018, Dynamic Yield plans to improve customer data management by enriching individual profiles with behavioral data from mobile applications, using that data to expand user insights and improve predictive segmentation. It plans to add connections to integrate business intelligence for richer analysis. Dynamic Yield plans to add a journey manager, CX design templates and deployment capabilities in call centers, point-of-sale venues and in-store. Dynamic Yield also plans to enhance privacy and security features to fully comply with the EU's General Data Protection Regulation (GDPR) in 2018.
- Clients value Dynamic Yield for its ease of implementation, training and onboarding, and responsiveness to client needs. They rate Dynamic Yield highly for platform functionality, particularly segmentation, targeting, triggering and recommendations.

Cautions

- Client references say Dynamic Yield's personalization suite is "heavy," particularly on older machines or with slower connections, and mention the need to monitor the impact to load time.
- Clients also cite the need for Dynamic Yield to increase support beyond onboarding. This is especially true among clients who have not invested in Dynamic Yield's support package.
- Dynamic Yield lacks native capabilities for gathering geolocation data. Instead, a prebuilt integration with a partner, MaxMind, provides geolocation data out of the box at no additional cost.

Emarsys

Emarsys is a Challenger. Founded 15 years ago in Europe as an email marketing company for retailers, Emarsys was an early adopter of algorithm-based personalization that leverages machine learning and artificial intelligence. The company expanded into the U.S. two years ago, but maintains a strong foothold in EMEA and a higher-than-average penetration in Asia/Pacific compared with the other players in this Magic Quadrant. B2C marketers in retail, travel and hospitality, financial services, and media and entertainment find Emarsys a capable partner for personalizing marketing with extensions into product recommendations.

Strengths

- Emarsys Artificial Intelligence Marketing (AIM) offers easy-to-use purpose-built capabilities, such as specialized recommendations for next-best action and content templates. Its approach to personalization strategies includes rule- and algorithm-based options, which leverage machine learning and predictive analytics to continuously optimize the delivery of product and offer content based on key marketing goals. The product supports virtually all channels natively or via third-party integrations. Dynamic content blocks support Emarsys' personalization templates, enabling the automation of trigger definitions and best actions, along with variable content crafting on the fly, supporting productivity.
- In 2017, Emarsys implemented an API service that abstracts context, content and channel considerations. This feature enables marketers to select the level of automation or control for each major aspect of their personalization efforts.
- In 2018, Emarsys plans to make APIs more readily available and streamline efforts to create industry-specific applications that support time to value. Additionally, a planned capability called Impact

Visualizer aims to quantify the possible business outcomes of various personalization hypotheses, helping marketing leaders prioritize content and resource allocations.

- Client references value Emarsys for its product functionality and performance, specifically in customer data analysis, predictive modeling and segmentation. They credit Emarsys' application of AI with driving revenue growth. Clients also rate Emarsys above average for ease of deployment and integration.

Cautions

- Despite the importance of mobile as a connector across online and offline interactions, client references cite limits to Emarsys' mobile capabilities, specifically mobile messaging integration.
- Emarsys ranks in the bottom half of vendors in terms of overall consideration by all clients surveyed, suggesting limited awareness, particularly outside of retail.
- Client references rate Emarsys slightly below average for its technical support and note an opportunity to improve support through better communication and faster problem solving.

Episerver

Episerver is a Visionary. It offers Episerver Personalization, a suite of six stand-alone personalization modules that come bundled with its WCM system, multichannel marketing hub and digital commerce platform. Its recent acquisitions and organic development support the company's vision as a DXP, and partners support onboarding and delivery for clients across industries. Marketing leaders at midmarket B2B companies, and retail and manufacturing brands should consider Episerver for its ability to personalize digital commerce with functionality that extends into marketing personalization.

Strengths

- Multiple modules comprise Episerver Personalization, enabling brands to mix and match capabilities depending on their business goals. The company's solution supports most channels natively or via integrations to complementary marketing technology. Profile Store creates individualized (not segment-based) recommendations using first-, second- and third-party customer data sources. This data is gathered natively and analyzed by Episerver's self-learning personalization logic.
- In 2017, Episerver launched Episerver Advance for exclusive use with Episerver's WCM and DXP solutions to provide personalized content recommendations for any audience. The company also launched Profile Store and Personalized Find, the latter to enhance existing search capabilities and support algorithm-based individual search rankings.
- In 2018, Episerver plans to add neural networks to predict audiences' visual preference patterns and use those predictions to optimize content placement. It plans to extend existing preference and profile management capabilities to B2B account-based marketing by enabling marketers to serve content based on a user's role. Additionally, the company will support GDPR compliance by adding self-service tools to retrieve, amend and remove personally identifiable information (PII), as well as by enabling users to opt out of messaging based on context.
- Client references report choosing Episerver for its capabilities in data analysis, modeling, testing and optimization, rating it above average for targeting and triggering. They also applaud its product

recommendation capabilities. References value Episerver's level of customer support, which includes quarterly reviews and weekly check-ins to optimize performance.

Cautions

- Client references cite challenges with the workflow, UI and setting up new tests and campaigns, which can limit scale and experimentation going forward. Companies considering Episerver should know how to properly configure the tool from the beginning.
- With six modules to choose from, marketers seeking a clear, combined solution to cover multiple use cases will need to carefully assemble their desired Episerver bundle.
- Episerver's reporting capabilities are limited. However, clients can – and often do – use Episerver's extensible framework to pull data into any business intelligence (BI) or data visualization tool. Additionally, its client success team will support marketers in building custom dashboards.

Evergage

Evergage is a Leader. It delivers personalized content across marketing, digital commerce and customer experience use cases for B2C and B2B clients. At the center of Evergage's solution is a customer data platform that compiles unified profiles using personal, situational, life cycle, affinity and intent signals. Evergage primarily serves retail, technology and financial services brands. Marketing leaders with a mandate to drive innovation and deliver customer experience personalization should consider Evergage.

Strengths

- Evergage 1 creates unified visitor, customer and account profiles. Its CDP manages these profiles, enriching them by collecting and analyzing first- and third-party data, including granular engagement and behavioral metrics. Its decision engine enables a mix of rule-based and algorithmic options for testing and targeting, as well as product and content recommendations. Evergage provides its visual website editor as a Chrome browser extension, simplifying the user experience for personalizing websites. Its product also natively supports on-site search, email and mobile app personalization, with triggers to external systems for digital advertising and other channels.
- In 2017, Evergage introduced personalized navigation experiences for sites, as well as one-to-one recommendations for content assets and categories. The company also built deeper integrations with data management platforms, email marketing providers and marketing automation platforms to increase support for multichannel marketing personalization. In early 2018, Evergage closed its acquisition of MyBuys, a merchandising and product recommendation solution, which added to its digital commerce personalization capabilities, especially for retailers.
- In 2018, Evergage intends to add custom, contextual metadata capture to increase personalization and recommendation relevancy. It will also enable customers with data science teams to import custom models into the platform. Amazon Alexa Skills personalization, integration with physical channels like kiosks and clienteling systems, and AI-driven segment discovery are also on Evergage's 2018 roadmap.
- Evergage earns high marks for overall product and service satisfaction. Data gathering, segmentation and data mining, testing and optimization, and targeting and triggering all earned above-average

scores. Several references cite Evergage's user-friendliness to nontechnical teams as a benefit. Fast deployment cycles, high-quality training, and responsive, reliable support were also noteworthy.

Cautions

- Evergage's recommendation system supports the customization of machine learning algorithms, but a data science workbench is still on the roadmap. Until it is released, the lack of a workbench could be a limitation to advanced data science teams.
- Evergage 1 has a CDP at its core. It may not be a good fit for marketers that already have a CDP in place, unless they're seeking a personalization engine that can also replace their CDP.
- Evergage is one of few vendors in this Magic Quadrant to offer survey tools to support CX personalization. However, references note limitations to design capabilities within these tools.

IBM

IBM is a Visionary. IBM delivers personalization capabilities across multiple modules within its Watson Marketing suite. IBM's personalization product supports marketing, digital commerce and customer experience use cases across online and offline channels, and can be augmented through strategic services. Marketers seeking personalization as part of a broader multichannel marketing hub should consider IBM.

Strengths

- IBM's Watson Real-Time Personalization is a lightweight personalization engine that supports commonly used digital marketing channels. It uses an AI-powered rules advisor to recommend personalization rules and predict their effectiveness. It also comes bundled with Watson Content Hub for managing content assets, but it can be integrated with existing content management systems. IBM offers a host of other products, including IBM Interact, IBM Campaign, Predictive Customer Intelligence and Universal Behavior Exchange (UBX), a data marketplace with third-party partners, which further extend IBM's personalization capabilities.
- In 2017, IBM used behavioral inputs and controls — such as triggers and resets based on defined activities, timescales and events — to improve the management of personalized experiences. It also launched Watson Marketing Assistant, a virtual agent that supports analytical tasks and actions using voice- and text-based queries.
- In 2018, IBM plans to introduce an array of new personalization capabilities. Personalized search, a more complex rules builder, expanded product recommendations and data models tuned to specific industries are all on its roadmap. Tools for GDPR compliance, which were released ahead of the regulation's launch in May 2018, will be expanded.
- IBM earns high satisfaction scores for its ability to meet client needs and deliver value through its personalization capabilities. Preference and profile management, segmentation and data mining, and targeting and triggering all received above-average scores. Flexibility to add new interaction points and deliver performance at scale are cited as strengths.

Cautions

- Some of the capabilities within IBM's Watson Real-Time Personalization offering are lacking relative to competitors, with personalized search and complex rules still on the roadmap. These capabilities are available in other parts of IBM's portfolio.
- Marketers will need to leverage multiple modules beyond IBM Watson Real-Time Personalization to support a holistic vision of multichannel personalization. Mixed SaaS and on-premises deployment models across its solution suite complicate those efforts.
- References often use IBM for complex deployments, resulting in longer-than-average implementation cycles. Several described implementation and upgrade challenges, as well as dissatisfaction with the quality and availability of end-user training resources. Factor in how integration complexity, deployment timelines and upfront licensing costs will affect long-term total cost of ownership.

IgnitionOne

IgnitionOne is a Visionary. With a focus on interconnectivity, analytics and artificial intelligence, its personalization solution is delivered through managed services. IgnitionOne clients span industries, but automotive, travel and hospitality, and retail brands are a particular focus. IgnitionOne also offers agency services; its sister company, Netmining, provides audience targeting to media buying agencies. Marketers looking for personalization capabilities alongside targeted marketing and advertising should consider IgnitionOne.

Strengths

- IgnitionOne personalization connects to its customer intelligence platform to ingest data from CRM, point of sale (POS) and user engagement. It triggers personalization through its data activation layer, which enables customized content across web, paid search, chat, social marketing, addressable media and travel metasearch through partners. It places equal emphasis on owned and paid channels, and offers native execution capabilities for personalized web, display ads and email.
- In 2017, IgnitionOne launched Audience Console, which creates an enhanced customer profile and enables data modeling. It also released IgnitionOne Score, the company's proprietary propensity algorithm that analyzes thousands of customer attributes to predict the likelihood customers will take desired actions like clicking on an ad or converting on a commerce site.
- IgnitionOne's 2018 roadmap includes an upgrade to its Audience Console, adding identity resolution, improved scoring and optimization strategy recommendations based on historical media buying data. It plans to improve its decisioning engine to orchestrate and trigger personalized messaging and dynamic creative. Finally, the company plans to enhance measurement and reporting capabilities with cross-channel attribution, and expanded dashboard and reporting features.
- Client references note IgnitionOne's product capabilities and functionality, rating it above average for testing and optimization, and targeting and triggering, particularly on the web and in digital advertising. They noted high platform performance and credit IgnitionOne with improving leads and sales revenue. They also appreciate the vendor's consultative nature and support, giving it high marks for value, integration and deployment.

Cautions

- While IgnitionOne can trigger web and email campaigns, and tailor multiple types of advertising, it lacks a sophisticated decisioning engine to deliver product recommendations, as well as automated sequencing of personalized messages across all channels. Its roadmap plans may address some of these gaps.
- IgnitionOne's managed services model may benefit teams with limited internal resources but adds less value to organizations that prefer self-service management of personalization. Clients cite challenges with the user dashboard, requiring them to request audience queries and limiting usability.
- Client references cite limited flexibility in adapting to new requirements based on changing customer needs. They suggest that opportunities exist for IgnitionOne to provide more user guides and training.

Monetate

Monetate is a Leader. Monetate's personalization solution offers marketers the ability to create, edit or reconfigure webpages without a developer using an in-line visual editor. The company serves a range of clients, from midmarket to enterprise, in retail, automotive, travel and publishing industries. Marketing leaders seeking to combine testing, recommendations and a robust personalization engine with light content marketing capabilities and connections to their broader martech stack should consider Monetate.

Strengths

- The Monetate Intelligent Personalization Engine emphasizes its AI capabilities, including automated segment discovery, topic modeling to identify context and dynamic creative compositing, as key differentiators of its decisioning engine. Monetate Test & Segment offers a multitude of testing and optimization features, such as A/B/n, multivariate, rule-based and individual user-defined parameters. Monetate Intelligent Recommendations can natively personalize web and digital commerce experiences, and trigger product recommendations and other custom marketing content across channels for real-time updates. Tailored in-store and call center experiences add to Monetate's CX personalization capabilities.
- In addition to adding intelligent decisioning in 2017, Monetate added personalization capabilities within email and mobile applications. It also added connectors to trigger digital advertising and interactions in clienteling applications, call centers and customer service centers.
- In 2018, Monetate plans to add improved search engine targeting, as well as native email marketing, along with content metadata and enhanced content filtering. It plans to strengthen support for multichannel engagement through a new UI and workflow, enabling marketers to manage multichannel content throughout campaign life cycles. Other investments include enhanced measurement and reporting, and functionality to address GDPR and privacy legislation.
- Clients report choosing Monetate for its breadth of product functionality and performance, particularly in testing, optimization, targeting and triggering personalized interactions. They note the value of Monetate's data layer and customer view, and the ability to power online and offline experiences with first-party data. Clients rate Monetate above average in identity, and preference and profile management.

Cautions

- Monetate only recently launched the Monetate Intelligent Personalization Engine. While testing, segmentation and product recommendations are more established solutions, the engine is relatively new and should be carefully evaluated to ensure it can deliver the expected results.
- Client references cite limitations to Monetate's measurement and reporting capabilities, specifically delivery of performance insights that help marketers demonstrate impact, and rate it below average in this area; however, data can be exported to third-party reporting tools.
- Clients cite minor gaps in the user experience, such as the lack of a UI for personalizing experiences beyond the web and email, which may be addressed through planned improvements. They also cite limitations to on-site search optimization.

Oracle

Oracle did not respond to requests for supplemental information. Therefore, Gartner analysis is based on other credible and accepted public sources.

Oracle is a Visionary. Its Oracle Maxymiser personalization engine offers testing, targeting and predictive insights as part of Oracle Marketing Cloud. Maxymiser is sold as a stand-alone solution that can be integrated with third-party systems to connect first-, second- and third-party data for testing, personalization and optimization. Marketing leaders at B2B and B2C organizations seeking personalized marketing capabilities across industries and marketing channels should consider Oracle.

Strengths

- Oracle Maxymiser enables marketing personalization, with a focus on web and mobile, by ingesting data from Oracle Marketing Cloud, Oracle DMP, and third-party CRM, DMP, web analytics tools and other data feeds. It enables data mining, and a range of testing and optimization capabilities, such as A/B/n and complex multivariate, as well as segment discovery.
- Oracle Maxymiser supports digital commerce personalization through triggered offers aimed at reducing cart abandonment. It enables marketers to create layered content for the web, including pop-up content and visitor notifications. Oracle offers a reporting hub within Maxymiser that reports campaign performance and visitor conversion.
- Oracle Maxymiser recently added segment discovery, the ability to identify segments based on profile attributes and customer behavior, as well as visualize those segments and their characteristics. It also enhanced Audience Insights to enable marketers to identify attributes linked to customer performance.

Cautions

- Personalization capabilities are spread across products including Oracle Commerce Cloud, Marketing Cloud and CX platform, with limited native capabilities residing in Oracle Maxymiser, which requires clients to buy and integrate multiple solutions.
- Oracle Maxymiser enables some predictive modeling, but advanced modeling requires integration with Oracle Responsys and Oracle Eloqua or a third-party data management platform or partner.

Qubit

Qubit is a Leader. Its solution provides real-time personalization capabilities across multiple customer touchpoints, at scale. Qubit's platform is designed for enterprises and high-growth startups in retail, travel and gaming verticals. Companies with technically sophisticated teams should consider Qubit for its ability to support personalization through collaboration among marketing, digital commerce and technology functions.

Strengths

- Qubit has two personalization offerings. Qubit Pro is a comprehensive decisioning engine that enables personalization across web, mobile and email channels. In addition to collecting and analyzing behavioral data, Qubit Pro can capture psychographic and intent data through surveying tools. It can also ingest transactional, demographic, CRM, loyalty, and other business and marketing data. Qubit Aura is a turnkey solution designed to support product discovery and optimize conversion in retail mobile experiences. Both products sit atop Qubit's data store built on Google Cloud Platform. Qubit asserts that both are fully compliant with the GDPR.
- In 2017, Qubit updated its reporting and measurement interface. It also introduced configurable content, enabling nontechnical users to edit and deploy template-based assets created by developers. For analysts and data scientists, Qubit introduced an automated segment discovery tool called Opportunities. The feature uses machine learning to analyze all Qubit-collected data to identify underperforming or overperforming segments to improve revenue generation.
- In 2018, Qubit plans to launch an authenticated lookup service, enabling clients to securely use live or sensitive data to trigger personalized experiences. It also intends to execute personalized marketing triggers across more channels for Qubit Pro. The company plans to expand Qubit Aura's variety of recommendation algorithms and roll out a meta-recommender to automatically determine the best algorithm to employ. It has plans to launch Qubit Light for less mature organizations. The offering will bundle Qubit Aura with multichannel recommendations and social proof capabilities.
- Qubit garners high satisfaction marks for its products. References describe Qubit as a strategic partner that delivers quick deployments with responsive, highly capable technical support. The company earns high scores for its testing and optimization, and targeting and triggering capabilities.

Cautions

- Although Qubit has plans to launch more entry-level solutions, several references noted that they required collaboration with internal technical resources to realize value from the company's offering. Organizations that lack access to such resources should proceed with caution, particularly when considering Qubit Pro.
- Despite references being satisfied with most of Qubit's capabilities, measurement and reporting was one area that lagged behind other providers.
- References cited challenges engaging with Qubit's professional services team, noting that support resources can be stretched thin and project timelines delayed.

Reflektion

Reflektion is a Challenger. Originally a personalization engine for digital commerce, Reflektion has expanded its capabilities into clienteling recommendations, as well as marketing personalization, such

as dynamic email. The company's greatest concentration of clients is in North American retail. Marketers in retail or branded manufacturing may benefit from Reflektion's focus and specialized knowledge.

Strengths

- Reflektion's personalization suite leverages a single unified profile to power each of five modules that can be purchased separately, including Product Recommendations, Site Search, Email Content, Category/Landing Pages and Clienteling/In Store. Planning, insights and decisions are made in the Merchandising Control Center. Significant control is afforded to the user to combine rules and logic with algorithm-driven personalization, enabling user transparency.
- In 2017, Reflektion added A/B/n and multivariate testing to its platform, along with personalization support for category and landing pages, the integration of natural-language processing (NLP) in site search, and several enhancements to the merchandising UI. Partnerships with Oracle, Magento and SAP Hybris all resulted in integrations in the last year.
- In 2018, Reflektion plans enhancements to its analytics insights and content personalization capabilities. Advanced reporting and decision support for merchandisers will be pursued. The company recently released SEO customization capabilities, and will add banners and style (HTML and CSS) personalization to enable more use cases. This year, Reflektion also plans to launch its product offering in other vertical industries like insurance, finance and travel.
- Client references speak highly of Reflektion's responsiveness to customer feedback, and the company's willingness to incorporate feedback into its roadmap. They also value the ease of implementation, ease of use and clean UI. They rate Reflektion above average for price, value and contract flexibility.

Cautions

- Reflektion is focused on serving the retail industry and has limited awareness among marketing organizations outside of that industry. It appears in only 9% of client references' consideration sets.
- Client references complain about the need for Reflektion to better communicate its strategic roadmap and the time required to implement new features.
- Reflektion offers limited partnerships with email marketing platforms; however, it does provide an open API to enable email integration.

RichRelevance

RichRelevance is a Visionary. The company's digital commerce heritage provides the foundation for its personalization capabilities. Strategic investments from Accenture Interactive are fueling further expansion, including product enhancements and a concerted push into verticals such as travel and hospitality, as well as a variety of B2B sectors. Marketers across industries seeking a personalization engine with strong commerce roots should consider RichRelevance.

Strengths

- RichRelevance offers a personalization suite composed of four products: Search, Browse & Navigation, Content and Recommendations. The platform includes a variety of layered algorithmic

approaches. It enables personalization using first-, second- and third-party data, and provides baseline segmentation at early stages of engagement, as well as individualization, as it learns. Channel integrations enable nondigital use cases, such as call centers, kiosks and digital out of home.

- In 2017, RichRelevance launched Find, a personalized search offering, along with deeper insights, enabling predictive behavior detection of anonymous users. B2B personalization features include guided selling tools and personalized replenishment emails, as well as account-based catalogues, promotions, dynamic pricing and product bundling.
- RichRelevance's 2018 roadmap includes Xen AI, an open and extensible AI platform to enhance its deep learning engine. The platform enables increased AI transparency and ease of use, as well as a data science workbench for business users to improve planning and personalization strategies based on their behavioral and external insights. It also includes additional algorithms like NLP to recommend new and lesser-known products based solely on text descriptions and metadata. The company plans to invest in visual analytics to recognize similar product images, supporting content tagging and cross-sell recommendations.
- Clients value RichRelevance for account management and ease of initial implementation. They praise the vendor for overall product capabilities in digital commerce personalization.

Cautions

- Client references mention issues with usability, including a challenging testing environment that specifically impacts regression testing, as well as difficulty setting up complex product recommendations.
- Client references note a lack of ongoing training, and limited and outdated product documentation.
- Client references say success is dependent on account management teams and consultants. They rate RichRelevance below average on responsiveness to product questions, and cite a lack of clarity around how consulting hours are being used.

SAS

SAS is a Visionary. With its 360 Engage offering, a stand-alone product that is also part of the company's Customer Intelligence 360 marketing hub, SAS provides personalization engine capabilities. While SAS focuses mainly on financial services, communications and retail industries, the company serves a multitude of industries, globally and across B2C and B2B2C business models. Marketing leaders seeking a personalization engine that provides an optimization layer atop a data and analytics platform should consider SAS.

Strengths

- SAS's offering integrates first- and third-party data from online and offline touchpoints – including capturing live IoT and event stream data – to enable experimentation, decisioning and personalized engagement across all channels. As part of its Customer Intelligence 360 marketing hub, SAS 360 Engage delivers marketing personalization capabilities including behavioral targeting, testing and recommendations. SAS 360 Engage has purpose-built integration with SAS Real-Time Decision

Manager, which also supports digital commerce personalization and tailored customer experiences by triggering call center, POS, kiosk and ATM interactions.

- In 2017, SAS expanded its data onboarding capabilities, and added collaborative user and product filtering powered by machine learning to deliver recommendations even when user attributes or content volume are sparse. SAS also automated profile creation and segmentation, integrating this functionality with its testing and targeting capabilities. It has also improved its guided analytics capabilities by adding attribution and journey analytics.
- In 2018, SAS plans to expand personalization across channels into social marketing and modernize support for SMS personalization. It intends to expand testing for email and improve optimization through recommendations such as next-best action and offer. SAS also plans to expand attribution and journey analytics.
- Clients value SAS for support and thorough implementation. They praise SAS for platform capabilities and functionality, as well as for customization to legacy systems where needed.

Cautions

- Client references complain about the time and cost of upgrades. Some references note that implementation requires more time and technology involvement than expected.
- Client references rate SAS well below average on pricing, contract flexibility and negotiations, as well as on the time needed for deployment, which averages significantly longer than its peers.

Strands

Strands is a Niche Player. Pivoting from its origins as a music recommendation software provider, Strands now supports personalization for hundreds of banks globally through its Personal Financial Management (PFM) product, which drives transaction-based marketing offers and has customer engagement capabilities. Strands also provides a lightweight product recommendation tool targeted at a digital commerce use case. B2C and B2B financial services brands seeking to deliver more contextually relevant online and mobile banking experiences should consider Strands.

Strengths

- Strands' provides personalization capabilities across multiple products. It primarily interfaces with audiences through its PFM and Business Financial Management (BFM) products, which integrate directly with banks' online and digital banking applications. Strands also provides a white-label Customer Linked Offers (CLO) platform to banks, allowing marketing programs to be developed in partnership with businesses that target audiences based on transactional and behavioral data. Strands' retail-focused product recommendations solution supports customer segmentation and execution across web and email channels.
- In early 2018, Strands launched Engager, a solution that analyzes transactional data to deliver targeted push notifications to mobile banking customers based on more than 200 predefined insight categories. Engager also provides next-best-action recommendations geared toward financial decisions.

- For 2018, Strands has plans to increase Engager's predefined insights, adding offers to its BFM product and automated selection of marketing strategies for those offers.
- Strands is viewed as a collaborative partner that supports clients' initiatives related to innovation and new product launches.

Cautions

- Strands' solution primarily focuses on personalizing mobile and online banking experiences. Marketers should ensure their personalization use case aligns with Strands' offering.
- The company's deployments are heavy on services. Strands reports professional services engagements that take four to six months for financial firms, with further customization of the technology requiring additional services. Although Strands' implementation time frame is higher than average, it aligns with expectations among financial services companies.
- Client references cite initial challenges, including quality control and responsiveness related to bug fixes. These challenges were remedied through the course of implementations.

Vendors Added and Dropped

We review and adjust our inclusion criteria for Magic Quadrants as markets change. As a result of these adjustments, the mix of vendors in any Magic Quadrant may change over time. A vendor's appearance in a Magic Quadrant one year and not the next does not necessarily indicate that we have changed our opinion of that vendor. It may be a reflection of a change in the market and, therefore, changed evaluation criteria, or of a change of focus by that vendor.

Inclusion and Exclusion Criteria

For inclusion in the 2018 Magic Quadrant for Personalization Engines, Gartner focused on vendors that offer personalization software, as described in the aforementioned Market Definition/Description section, available and sold as stand-alone solutions.

To qualify for inclusion, vendors must support all of the following:

- Annual product revenue of \$7 million or greater based on 2017 or most recent fiscal year end, not including services – or – a minimum of 20 enterprise deployments in 2017, not including pilots
- A rule engine to enable personalized content, offers, messaging and/or experiences:
 - To both anonymous and known users
 - Via the web, email marketing and at least two of (but not limited to) the following channels: call centers, chat, digital advertising, IoT, mobile, retargeting and search
- Ability to gather and use multiple data sources with a native data engine and data modeling
- Ability to design and conduct A/B and multivariate testing and optimization
- Segmentation and application of rule- and algorithm-based personalization

- Recommendations and notifications to users of next-best offer or action, and/or product recommendations
- Templated and custom reporting, dashboard and/or data visualization

Evaluation Criteria

Ability to Execute

Vendors are judged on Gartner's view of their ability and their success in making their vision a market reality that customers believe is differentiated and are prepared to buy into. Delivering a positive customer experience – including sales experience, support, product quality, user enablement, availability of skills and ease of upgrade/migration – also determines a vendor's Ability to Execute.

In addition to the opinions of Gartner's analysts, the ratings and commentary in this report are based on a number of sources:

- Customers' perceptions of each vendor's strengths and challenges, as gleaned from their analytics and personalization-related inquiries with Gartner
- An online survey of vendors' customer references
- A questionnaire completed by the vendors
- Vendor briefings, including product demonstrations, strategy and operations
- Secondary research into market trends and vendors

Ability to Execute Criteria

** Note: These criteria are scored partly or wholly on the basis of input from the Magic Quadrant customer reference survey.*

- **Product/Service:*** Personalization software that competes in the market for personalization engines and serves marketing leaders. Here we are looking for product capabilities, quality and feature sets, including:
 - **Identity:** User authentication, profile matching, preference management, segmentation and personalization to anonymous and known users based on deterministic and statistical methods.
 - **Data and Analytics:** Data types and sources; bidirectional data flow; data modeling and flexibility to import data models; and sophistication and transparency of data engine and modeling.
 - **Execution:** Rule engine enabling native or third-party personalization via the web, email marketing and at least two other channels, including call centers, chat, digital advertising, IoT, mobile, retargeting and search.
 - **Use Cases:** Functionality including custom content, offers, messaging, product recommendations, search and site navigation, webpage optimization, targeting, and campaign optimization to support marketing, digital commerce and CX use cases.

- **Testing and Optimization:** Availability of basic testing and optimization, such as A/B and multivariate; and advanced testing and optimization, like real-time decision management and goal-based optimization.
- **Notifications and Reporting:** User notifications and recommendations of next-best action or offer; standard and customizable reporting templates; measurement, analysis and reporting of conversion, attribution, and/or ROI analysis; and access to a reporting dashboard and/or data visualization capabilities.
- **Overall Viability:** An assessment of the organization's overall financial health as well as the financial and practical success of the business unit. We evaluate the likelihood of the organization to continue to offer and invest in personalization as well as the product position in its current portfolio.
- **Sales Execution:*** The organization's capabilities in all presales activities and the structure that supports them. This includes deal management, pricing and contract negotiation, and presales support for personalization.
- **Market Responsiveness and Track Record:*** Ability to respond, change direction, be flexible and achieve competitive success as opportunities develop, competitors act and customer needs evolve, and market dynamics change.
- **Marketing Execution:** This is an evaluation of the personalization offering based on the clarity, quality, creativity and efficacy of programs designed to deliver the organization's message. It evaluates the offering's ability to influence the market, promote the brand, increase awareness of products and establish a positive identification in the minds of customers. This "mind share" can be driven by a combination of publicity, promotions, thought leadership, social media, referrals and sales activities. Here we are looking for market momentum measured by trends in the number of enterprise deployment and recent new client wins.
- **Customer Experience:*** Products and services and/or programs that enable customers to achieve anticipated results with the products evaluated. Specifically, this includes quality supplier/buyer interactions, technical support and account support. This may also include ancillary tools, customer support programs, availability of user groups and service-level agreements. Here we are looking at the duration of client engagements/deployments and a track record of client retention versus turnover.
- **Operations:*** The ability of the organization to meet goals and commitments. Factors include quality of the organizational structure, skills, experiences, programs, systems and other vehicles that enable the organization to operate effectively and efficiently.

Table 1: Ability to Execute Evaluation Criteria

Evaluation Criteria ↓	Weighting ↓
Product or Service	High
Overall Viability	Medium

Evaluation Criteria ↓	Weighting ↓
Sales Execution/Pricing	Medium
Market Responsiveness/Record	Medium
Marketing Execution	Medium
Customer Experience	Medium
Operations	Medium

Source: Gartner (July 2018)

Completeness of Vision

Vendors are rated on Gartner's view of their understanding of how market forces can be exploited to create value for customers and opportunity for themselves. The Completeness of Vision assessments and commentary in this report are based on the same sources described in the Ability to Execute section.

When determining Completeness of Vision for the Offering (Product) Strategy criterion, Gartner evaluated vendors' ability to support the key use cases that will drive business value in 2018 and beyond. Existing and planned products and functions that contribute to these use cases were factored into each vendor's score for the Offering (Product) Strategy criterion (listed below for Completeness of Vision). These key themes (by category) are:

- **Marketing:** Personalization of marketing involves segmentation, testing, targeting and optimization of marketing and advertising campaigns, content, offers, messaging and/or engagement across channels. These channels include web, email, digital advertising, IoT, mobile, retargeting and search engine marketing to anonymous or known users aimed at improving marketing efficiency, effectiveness and impact.
- **Digital Commerce:** Personalization of digital commerce includes experiences across the web, mobile, social, chat, IoT and other digital sales channels involving product recommendations. It also includes tailored content, offers, messaging and/or engagement on home pages, landing pages, product pages, on-site search and navigation, and other elements of digital commerce aimed at improving digital commerce results.
- **Customer Experience:** Personalization of customer experience involves delivery of tailored interactions across the customer journey. It involves business functions such as marketing, sales and customer service, and channels that include web, email, call centers, chat, digital advertising, IoT, mobile, retargeting and search aimed at improving customer satisfaction, loyalty and advocacy.

Completeness of Vision Criteria

** Note: These criteria are scored partly or wholly on the basis of input from the Magic Quadrant customer reference survey.*

- **Market Understanding:*** Ability to understand marketers' needs across multiple use cases and translate them into personalization products and services. Vendors that show a clear vision of their market – listen, understand customer demands, and can shape or enhance market changes with their added vision.
- **Marketing Strategy:** Clear messaging consistently communicated internally and externalized through social media, advertising, customer programs and positioning statements to convey differentiation from other personalization software and adjacent solutions.
- **Sales Strategy:*** A sound strategy for selling that uses the appropriate networks including direct and indirect sales, marketing, service, and communication; partners that extend the scope and depth of market reach, expertise, technologies, services and their customer base.
- **Offering (Product) Strategy:** An approach to product development and delivery that emphasizes market differentiation, functionality, methodology and features as they map to current and future requirements. Here we are looking for a vision for and understanding of multiple client use cases, including marketing, digital commerce and/or customer experience.
- **Business Model:** The design, logic and execution of the organization's business proposition to achieve continued success.
- **Vertical/Industry Strategy:** The strategy to direct resources (e.g., sales, product, development), skills and products to meet the specific needs of individual market segments, including verticals. Here we are looking for a strategy that extends beyond retail and product recommendations into other verticals and personalization capabilities as described in the Market Definition/Description section.
- **Innovation:** Direct, related, complementary and synergistic layouts of resources, expertise or capital for investment, consolidation, defensive or pre-emptive purposes. Here we are looking for an innovation supported by R&D and shown through sophistication of algorithms, incorporation of AI and enablement of personalization in emerging channels and devices.
- **Geographic Strategy:** The vendor's strategy to direct resources, skills and offerings to meet the specific needs of geographies outside the "home" or native geography, either directly or through partners, channels and subsidiaries, as appropriate for that geography and market.

Table 2: Completeness of Vision Evaluation Criteria

Evaluation Criteria ↓	Weighting ↓
Market Understanding	High
Marketing Strategy	Medium
Sales Strategy	Medium
Offering (Product) Strategy	High

Evaluation Criteria ↓	Weighting ↓
Business Model	Medium
Vertical/Industry Strategy	Medium
Innovation	Medium
Geographic Strategy	Medium

Source: Gartner (July 2018)

Quadrant Descriptions

Leaders

Leaders are vendors that demonstrate a solid understanding of the product capabilities and commitment to customer success that buyers demand in the current market. This is coupled with an easily understandable and attractive pricing model that supports proof of value, incremental purchases and enterprise scale. In the modern personalization engine market, purchase decision makers demand easy-to-use and easy-to-buy products. They require that these products deliver clear business value and deliver results with limited technical expertise and without the requirement for upfront involvement from IT. In a rapidly evolving market with constant innovation, a Leader must also demonstrate that it is not focused only on current execution. It must have a robust roadmap for solidifying its position as a future market leader, thus protecting the investment of today's buyers.

Challengers

Challengers are well-positioned to succeed in the market. However, they may be limited to specific use cases, technical environments or application domains. Their vision may be hampered by the lack of a coordinated strategy across the various products in their platform portfolios. Alternatively, they may lack the marketing efforts, sales channel, geographic presence, industry-specific content or awareness of the vendors in the Leaders quadrant.

Visionaries

Visionaries have a strong and unique vision for delivering marketing personalization capabilities. They offer depth of functionality in the areas they address; however, they may have gaps relating to broader functionality requirements or lower scores on customer experiences, operations and sales execution. Visionaries are thought leaders and innovators, but they may be lacking in scale or there may be concerns about their ability to grow and still provide consistent execution.

Niche Players

Niche Players do well in a specific segment of the personalization engine market – such as breadth of channels served, measurement and reporting, or user profile management – or have a limited capability to out-innovate or outperform other vendors. They may focus on a specific domain or aspect of personalization, but are likely to lack depth of functionality elsewhere. They may also have gaps relating to broader platform functionality, or have less-than-stellar customer feedback. Alternatively, Niche Players may have a reasonably broad personalization engine offering, but limited implementation and

support capabilities or relatively limited customer bases (such as in a specific geography or industry). In addition, they may not yet have achieved the necessary scale to solidify their market positions.

Context

This research is Gartner's inaugural Magic Quadrant for Personalization Engines. It reflects the significant growth of this product category — on average, vendors profiled in this Magic Quadrant project a 35% increase in personalization engine revenue from 2017 to 2018. And it highlights marketing leaders' increasing reliance on personalization technology for business advantage.

This Magic Quadrant is an assessment of vendor capabilities based on past execution in 2017 and future development plans; however, it may only be valid at a particular point in time as vendors and the market evolve. To that end, readers should not use this Magic Quadrant in isolation as a tool for vendor selection. When making specific tool selection decisions, use it with our companion Critical Capabilities research, Market Guide for Digital Personalization Engines, Cool Vendors in Personalization, analysis publications related to personalization best practices as well as our analyst inquiry service. Moreover, readers should be careful not to ascribe their own definitions of Completeness of Vision or Ability to Execute to this Magic Quadrant, which they often incorrectly map narrowly to product vision and market share, respectively. The Magic Quadrant methodology factors in a range of criteria in determining position, as shown by the extensive Evaluation Criteria section.

Market Overview

Martech solutions that enable personalization allow marketing leaders to test, target, trigger and optimize brand interactions across three scenarios — marketing, digital commerce and, an emerging use case, customer experience. While personalization involves four sets of capabilities — data, analytics, decisioning and execution — decisioning engines sit at the core of personalization engines. They segment audiences, recommend and automate personalized marketing content and campaigns, as well as tailor digital commerce based on data-driven insight into customers and prospective buyers (see "How to Build Segments and Personas for Digital Marketing").

Personalization engines import individual user profiles, along with first-, second- and third-party data about user behavior, context, geolocation and affinity. They apply data modeling, machine learning and artificial intelligence to power brand experiences matched to unique user needs and preferences. Personalization engines alter marketing messaging, timing and channel selection. They also personalize digital commerce experiences, such as custom offers, product recommendations, site search and navigation, landing pages, and product detail pages on web, mobile sites and applications (see "Choose a Personalization Engine to Meet Your Needs").

As marketing leaders recognize the increasing importance of CX (measured by satisfaction, not just sales), a new use case has emerged (see "Cool Vendors in Personalization"). While personalization engine vendors often have a legacy rooted in digital commerce — particularly product recommendations — underlying decision engines applied to digital marketing hold the potential to tailor offline experiences. Personalization engines can integrate with third-party software to optimize offline interactions in physical locations like retail stores and hotels, as well as call centers and customer support centers.

The landscape of personalization engine vendors — not to mention their current capabilities and innovation roadmaps — is shaped by five trends:

- Enabling a unified view of the customer
- Testing and experimentation at scale
- Balancing automation with user control
- Focusing on decisioning and enabling execution
- Preparing for increased privacy regulation

Enabling a Unified View of the Customer

Sophisticated personalization engines include a customer data hub with customer and persona profiles for the purposes of segmentation and personalization of customer interactions. As a result, marketers can import user profiles into personalization engines, usually from customer databases or customer data platforms. They can also use the personalization engine to track customer behavior for both known and anonymous users. They use that behavioral data, as well as additional imported first data, such as POS data, to build and enhance profiles and segment users.

Most of the vendors in this Magic Quadrant also enable third-party data matching, though only 62% offer native capabilities in this area. Vendors like Acquia and Dynamic Yield offer connectors to an ever-expanding data ecosystem, enhancing identity management, and increasing their ability to build, import and export segments. Others, such as Certona, Evergage and Monetate, natively enable bidirectional data flow to enrich profiles, taking on some of the characteristics of CDPs (see "A Marketer's Guide to What Is – and Isn't – a Customer Data Platform"). As other vendors follow this path, marketing leaders will need to evaluate the role of a personalization engine alongside that of a CDP.

Testing and Experimentation at Scale

Personalization engines enable marketing teams to scale testing and optimization of content, offers and experiences (see "Use A/B and Multivariate Testing to Improve Marketing Programs"). Capabilities range from basic A/B/n and multivariate testing to more complex, multiarmed bandit testing. Vendors are also placing greater emphasis on directed testing, recommending tests users should conduct. As marketing leaders face increased pressure to deliver growth, personalization engine vendors are responding by enabling users to structure goal-oriented tests or automating optimization based on user-defined key performance indicators (KPIs).

Technology is only one part of successful testing and optimization. A lack of in-house talent is often an inhibitor to brands' personalization efforts. Leading teams also focus on staffing – which can range from a few analysts to a fully dedicated team – to support enterprisewide personalization efforts by setting strategy, managing data access, running experiments and communicating results. Successful teams also invest in user training, but vendors vary by the quality and availability of training offered. Seventy-four percent of client references are satisfied with vendor training, but many point out the need for greater support beyond onboarding and implementation.

Balancing Automation With User Control

Personalization engine vendors continue to adopt more AI techniques like machine learning, deep learning, natural-language processing, machine vision and generative content creation. These technologies promise to increase automation by:

- Analyzing and applying insights from explicit and inferred customer attributes
- Enabling continuous optimization based on factors like channel, send time and objective
- Dynamically generating personalized content at scale with minimal touches from a designer

Yet, marketing teams struggle to trust black-box solutions, and rightfully so. For marketers to delegate personalization decisioning and execution to these AI-related features, controls are of paramount importance.

Vendors who recognize user demand for control are delivering functionality to ensure messages generated by the engine stay within brand, frequency and channel parameters to deliver experiences that delight instead of annoy or offend customers. They're empowering users to customize algorithms and models or upload proprietary assets, define KPIs and goals for segmentation, and drill down into segments and recommendations to understand the underlying logic. However, setting and using those parameters requires marketers to advance alongside machines, which continues to be a challenge, underscoring the importance of staffing and training to achieve personalization goals.

Focusing on Decisioning and Enabling Execution

Personalization engines exist as stand-alone software offerings and as embedded features within other martech solutions, from multichannel marketing hubs (see "Magic Quadrant for Multichannel Marketing Hubs") to email marketing platforms. Nevertheless, Gartner client inquiries show marketing leaders still demand a stand-alone personalization engine to achieve the following objectives:

- Delivery of personalized digital commerce content and offers, beyond product recommendations and across more channels than just the e-commerce site
- Consolidation of marketing personalization efforts into a single tool, particularly when marketing teams are taking a best-of-breed approach and use multiple solutions for multichannel marketing
- Access to more robust segmentation, testing and optimization capabilities than those embedded within marketing clouds and without significant involvement from technology teams

When marketers acquire technology to enable personalization, they seek tools that can be layered atop their martech stack to personalize interactions across platforms. These are preferred over solutions that require them to replace an enterprise system or platform.

This Magic Quadrant focuses on stand-alone personalization software to enable segmentation, testing, analytics and modeling. These solutions ingest multiple sources of customer and audience data, and apply rule-based, algorithm-based and/or AI-driven optimization. They connect with third-party platforms and applications to enable customized content, offers and experiences, thereby elevating decisioning to cut across organizational silos and enabling personalized campaign executions across channels. However, these connections vary in terms of the channels they support. Web and email are the most common channels, though many vendors integrate with partners to personalize mobile, social, paid media and call centers. A limited number of providers offer capabilities and connections to personalize interactions in chat and with IoT devices.

Preparing for Increased Privacy Regulation

Even as personalization engine vendors expand data capture and ingestion capabilities, brands face new regulatory requirements around data management, storage and consent-driven marketing. Past methods of managing user privacy include hashing to enable segmentation and analysis without revealing personally identifiable information. New regulations require marketers to do more than mask user identity, yet only a handful of personalization vendors claim to offer GDPR compliance with detailed documentation as to what it entails (see "What Marketers Need to Know About GDPR: Frequently Asked Questions Answered"). Marketers should inquire about capabilities like data governance, including the ability to enable user access to data and the right to be forgotten, as well as native or third-party management of opt-in/opt-out.

Evaluation Criteria Definitions

Ability to Execute

Product/Service: Core goods and services offered by the vendor for the defined market. This includes current product/service capabilities, quality, feature sets, skills and so on, whether offered natively or through OEM agreements/partnerships as defined in the market definition and detailed in the subcriteria.

Overall Viability: Viability includes an assessment of the overall organization's financial health, the financial and practical success of the business unit, and the likelihood that the individual business unit will continue investing in the product, will continue offering the product and will advance the state of the art within the organization's portfolio of products.

Sales Execution/Pricing: The vendor's capabilities in all presales activities and the structure that supports them. This includes deal management, pricing and negotiation, presales support, and the overall effectiveness of the sales channel.

Market Responsiveness/Record: Ability to respond, change direction, be flexible and achieve competitive success as opportunities develop, competitors act, customer needs evolve and market dynamics change. This criterion also considers the vendor's history of responsiveness.

Marketing Execution: The clarity, quality, creativity and efficacy of programs designed to deliver the organization's message to influence the market, promote the brand and business, increase awareness of the products, and establish a positive identification with the product/brand and organization in the minds of buyers. This "mind share" can be driven by a combination of publicity, promotional initiatives, thought leadership, word of mouth and sales activities.

Customer Experience: Relationships, products and services/programs that enable clients to be successful with the products evaluated. Specifically, this includes the ways customers receive technical support or account support. This can also include ancillary tools, customer support programs (and the quality thereof), availability of user groups, service-level agreements and so on.

Operations: The ability of the organization to meet its goals and commitments. Factors include the quality of the organizational structure, including skills, experiences, programs, systems and other vehicles that enable the organization to operate effectively and efficiently on an ongoing basis.

Completeness of Vision

Market Understanding: Ability of the vendor to understand buyers' wants and needs and to translate those into products and services. Vendors that show the highest degree of vision listen to and

understand buyers' wants and needs, and can shape or enhance those with their added vision.

Marketing Strategy: A clear, differentiated set of messages consistently communicated throughout the organization and externalized through the website, advertising, customer programs and positioning statements.

Sales Strategy: The strategy for selling products that uses the appropriate network of direct and indirect sales, marketing, service, and communication affiliates that extend the scope and depth of market reach, skills, expertise, technologies, services and the customer base.

Offering (Product) Strategy: The vendor's approach to product development and delivery that emphasizes differentiation, functionality, methodology and feature sets as they map to current and future requirements.

Business Model: The soundness and logic of the vendor's underlying business proposition.

Vertical/Industry Strategy: The vendor's strategy to direct resources, skills and offerings to meet the specific needs of individual market segments, including vertical markets.

Innovation: Direct, related, complementary and synergistic layouts of resources, expertise or capital for investment, consolidation, defensive or pre-emptive purposes.

Geographic Strategy: The vendor's strategy to direct resources, skills and offerings to meet the specific needs of geographies outside the "home" or native geography, either directly or through partners, channels and subsidiaries as appropriate for that geography and market.

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