

A/B Testing to Personalization – Migrating with Efficiency

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A/B testing has been around since Google first started using it almost 18 years ago. However, according to [this 1975 HBR paper](#) that describes test marketing, the notion of experimenting with multiple variations of a product on a pilot segment has been around for much longer. The paper notes the primary drawbacks involved in test marketing – reduction of speed to market and increased chances of your end product being replicated by competitors

The cost of producing each version of the product was also a limiting factor. Only companies such as Cadbury, which had access to foreign manufacturing facilities, could afford to create different versions of a product and successfully execute a test marketing program. Industries that had higher manufacturing costs, such as aircraft manufacturing, could not afford it.

Fast forward to the digital era, where the speed and cost of creating different versions of online content is lower than that of test marketing. Companies like Google, Amazon, and eBay have evolved through continuous A/B testing. [Wired estimates](#) that around 4 million e-mail addresses and USD75 million worth of donations were collected by the Obama campaign in 2008 as a result of a carefully executed A/B testing campaign on its website.

In recent years, with the advent of marketing automation software and customer experience platforms, many other companies (including those in the capital markets industry) have joined software companies in using A/B testing. With automation tools like Salesforce Pardot and Oracle Eloqua, asset managers can test e-mail newsletters to identify which pieces of research they need to include above the fold. Investment banks can find out which homepage banner is most preferred using experience platforms such as Sitecore. Experimentation platforms like Optimizely also enable marketers to test every aspect of a website

All this testing can end up producing a ‘pure gene pool’ of digital material – content that intuitively resonates with a greater proportion of viewers. While this may be satisfying, the rest of the users – those who don’t find the popular set of preferences engaging – are left with material that does not appeal to them. What about investors who are not a part of the majority that liked the paper on ESG research and webinar on carbon-conscious investing? What about users that prefer the bright red homepage banner instead of the blue one on the winner of the A/B test? Can we give everyone exactly what they want?

The key to this is to move from testing to personalization. This switch requires rethinking the digital marketing platform from a big data perspective. With integrated Customer Relationship

Management software and ubiquitous data collection features in modern digital marketing tools, you don't have to be a software giant to achieve this. Digital marketers can set up tools and platforms to track prospects across e-mail, web, advertising, and other platforms; storing information describing key interactions executed across all digital touchpoints. This repository helps to sketch a jigsaw of preferences and affinities that collectively characterize a potential investor, financial intermediary, or other target audience.

With access to such data, marketing automation or web experience software can be configured to create highly personalized pieces of communications and web experiences. The recipients of the research newsletter receive material on topics they have previously shown interest in. Prospects who have previously read articles catered to non-profit organizations would see solutions relevant to that industry showcased prominently on the website. The nuances of each piece of communication such as color and font size could be personalized based on previous interactions of the user. Each instance of communication strongly reflects the conscious and subconscious preferences of each prospect and connects with both their heart and mind. This results in increased levels of engagement and conversion rates, and according to Adobe, [50% higher leads](#).

The other side of personalization is the operational effort involved. Unlike in A/B testing, many more versions of the same content need to be created for varied audience preferences. This is in addition to language versions and regional localizations that many companies already use. In an environment in which every management decision is constrained by shrinking budgets and in which there is high operational burnout resulting from ever-changing regulatory requirements, executing personalization is increasingly becoming an elusive goal.

However, there is an avenue in which operationally intensive marketing automation campaigns can be run without adversely impacting budgets. CMOs in financial service organizations are leveraging the digital marketing expertise provided by Acuity Knowledge Partners to extend their operational capabilities in a cost-effective manner. Acuity Knowledge Partners, with its experience in popular marketing automation, analytics, web content management, and e-mail marketing tools, augmented with a heritage of serving organizations in the global capital markets space, offers to partner you in your digital marketing journey. Contact us to find out how you can take the next step toward digital marketing excellence.

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We empower our clients to drive revenues higher. We innovate using our proprietary technology and automation solutions. We enable our clients to transform their operating model and cost base.