

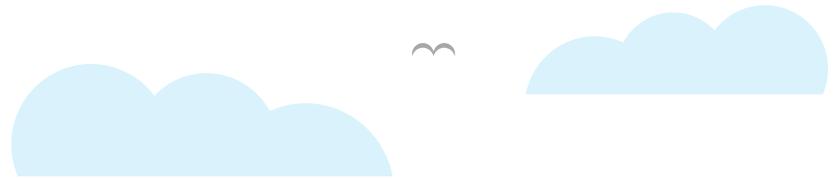


PREDICTIVE INTELLIGENCE BENCHMARK REPORT

Metrics and Insights from
140+ Million Interactions

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Predictive Intelligence: Web

The key to building a cohesive, highly personalized customer journey starts with predictive intelligence.

Marketers have long known that every customer journey is unique, but they haven't always been able to refine messages based on their customers' unique characteristics. With advancements in predictive intelligence—the web-based technology that allows marketers to target consumers based on searches, clicks, views, shares, comments, downloads, and more—marketers can now more accurately predict future outcomes and tailor messages to each individual.

In the *Predictive Intelligence Benchmark Report*, we gathered and analyzed data that describes predictive intelligence strategies and results. Specifically, we looked at how different web product recommendations and email campaigns influence revenue and performance over time. First, we discuss web product recommendations. The data revealed several key findings.

On average, predictive intelligence recommendations influenced 26.34% of total orders. When analyzed over a 36-month period, we see that the total orders influenced increased from 11.47% at the beginning of predictive intelligence use to 34.71% after 36 months. As marketers gain greater behavioral insight into individual customer journeys and their resulting purchases, they can continue to better tailor recommendations.

The average lift in conversion rate for sessions influenced by predictive intelligence is 22.66%. A nearly 23% lift can significantly impact a business. Thanks to the ever-increasing volume of data being collected, companies continue to see an increase in conversion rates over time.

Predictive intelligence shows a 40.38% influence in revenue after 36 months of implementation. Over the first 12 months, our tracking data discovered that influenced revenue remained steady around 20%. After compiling and analyzing a year's worth of current and historical data, however, predictive intelligence technology becomes more intuitive and is better able to detect trends and accurately predict consumers' future behaviors, leading to increased revenue influence. Review "About the Data" (p. 12) for more detail on charts in this report.



Key Terms

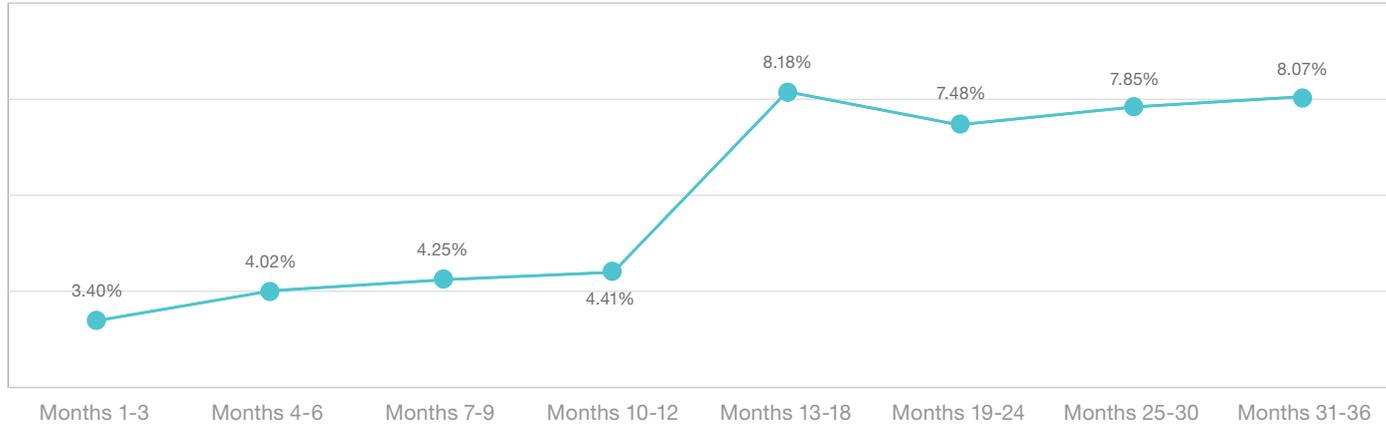
We use these terms to describe data in this section.

Influence: Measured when a customer interacts with any predictive intelligence element and makes a purchase.

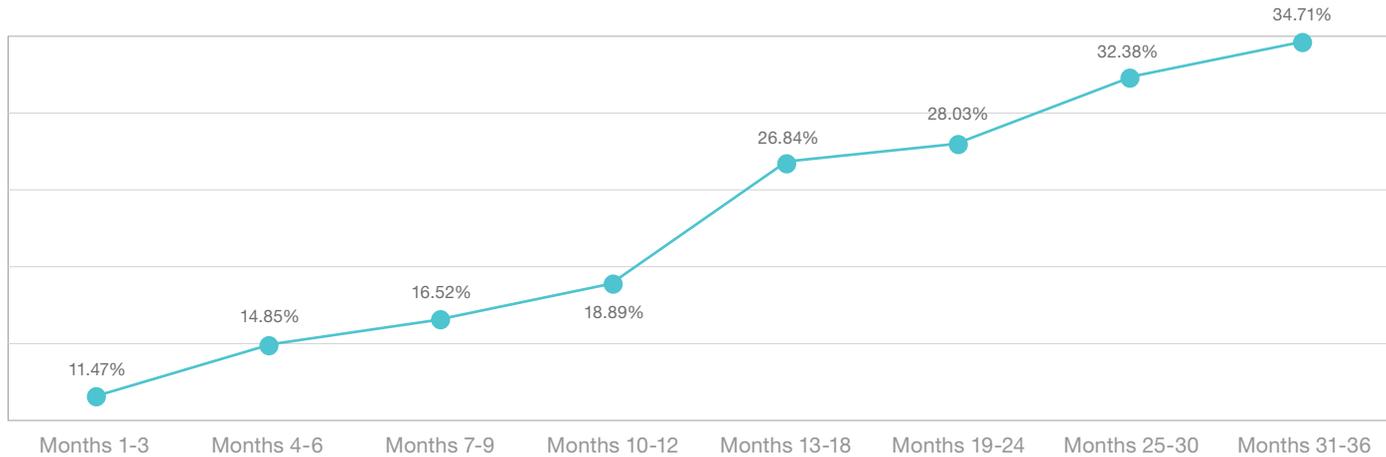
Lift in conversion: The increase in purchases when a customer clicks on a predictive element.

Session: A group of actions and page views in a single visit to a website.

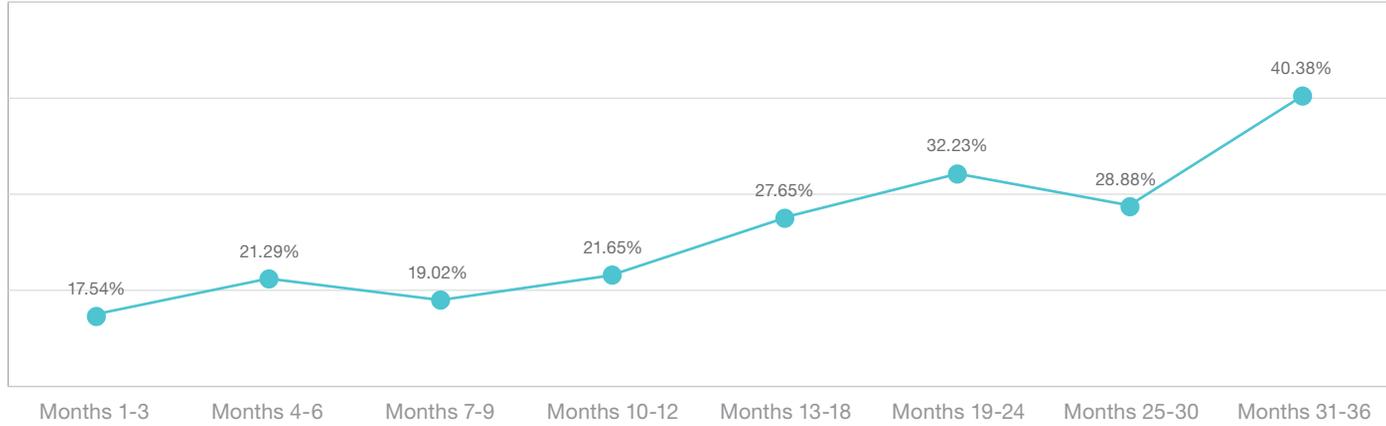
Web Visits Influenced over Time



Total Orders Influenced over Time

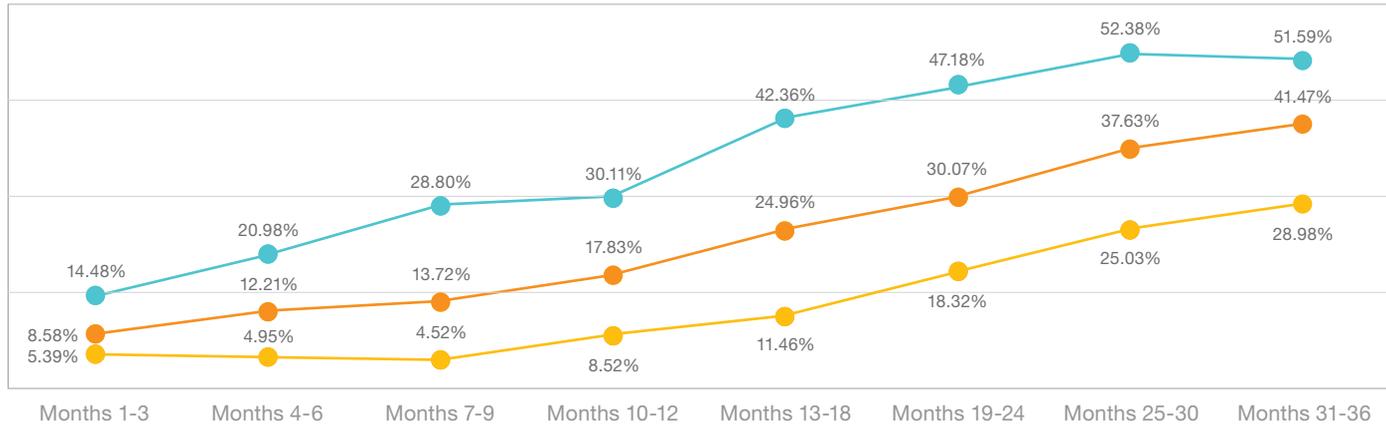


Revenue Influenced over Time



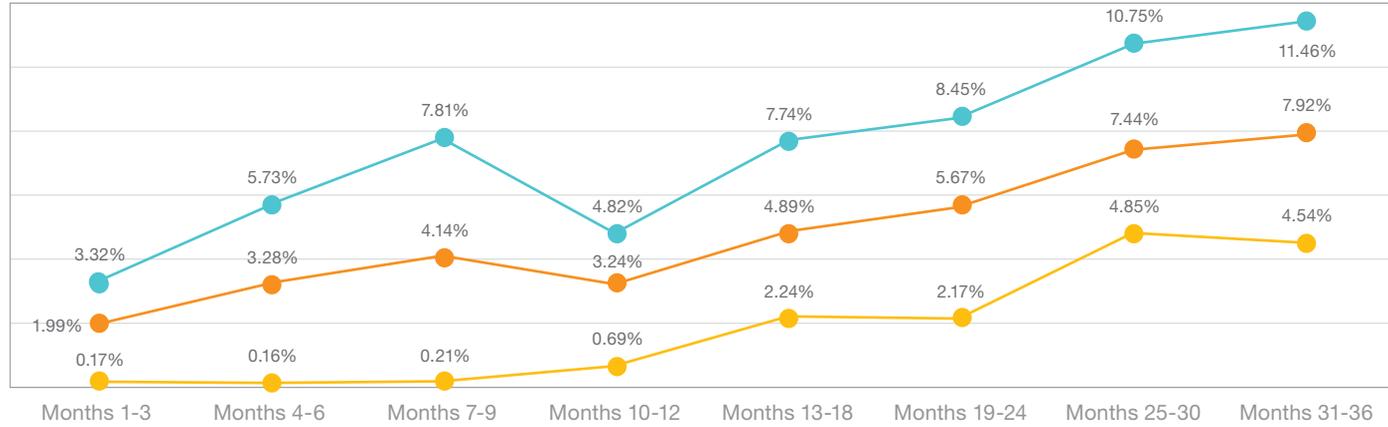
Lift in Conversion Rate over Time

● Average ● 25th Percentile ● 75th Percentile



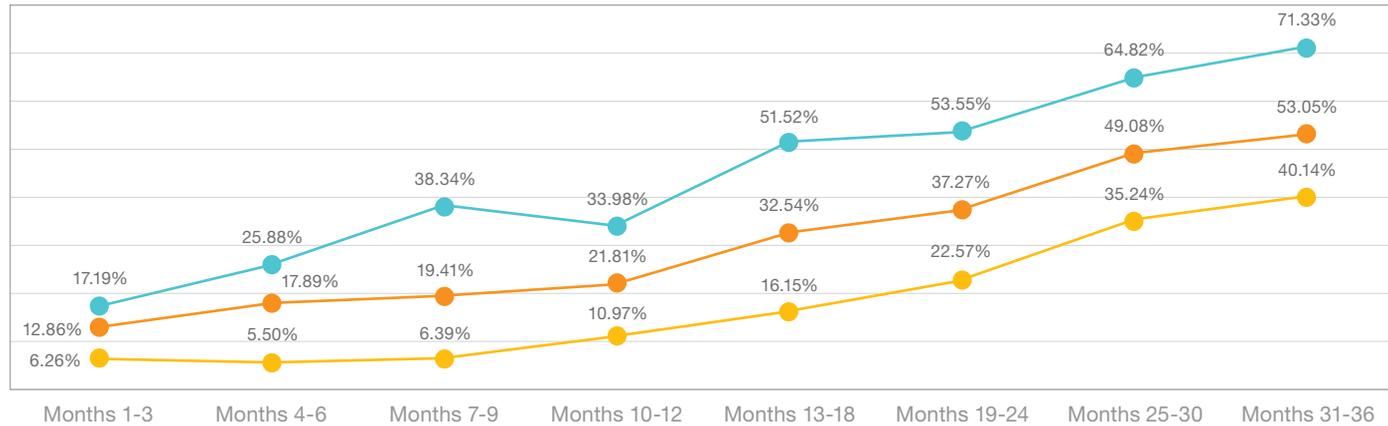
Lift in Average Order Value (AOV) over Time

● Average ● 25th Percentile ● 75th Percentile



Lift in Revenue per Session over Time

● Average ● 25th Percentile ● 75th Percentile



Predictive Intelligence: Email

Behavioral targeting has taken the place of batch-and-blast email campaigns.

Email is now a 40-year-old technology, but it's still the backbone of most marketing communications. In fact, 68% of marketers say email is core to their business.¹

Email is also core to a solid predictive intelligence strategy, as email campaigns evolve to include more personalized customer journeys and 1:1 messaging unique to each subscriber. In this section, we evaluate performance of predictive intelligence-inclusive emails to

see how the combined forces of email and predictive intelligence are performing for marketers.

Predictive intelligence creates personalized journeys by using behavior-based precision to speak to individuals instead of broad segments. Our predictive intelligence tracking identified several primary findings.



Key Terms

We use these terms to describe email campaigns in this section.

Abandoned cart: Sent when a customer leaves an unpurchased item in a virtual shopping cart. A triggered abandoned cart email uses predictive data to provide further product recommendations.

Abandoned product: Sent when a customer visits a product page repeatedly, but does not add the item to a cart.

Back-in-stock: Alerts a customer who has been looking at out-of-stock products that the items are now available.

Drip campaign: Email program that includes a series of emails.

Marketing: Promotional email sent to a customer that includes predictive recommendations.

New arrivals: Sent to a customer based on past viewing behavior.

Post-purchase: Sent to a customer after a recent order and includes recommendations for complementary products.

Transactional: Sent to a customer based on data for a specific transaction (shipping, receipts, etc.) and includes recommended products.

Marketing email campaigns using predictive intelligence yield the highest influenced revenue (\$5.1 million). Back-in-stock emails yield the highest revenue per open (\$2.43). Marketing email campaigns, or general promotions with predictive recommendations, are sent at much higher volumes than most emails, giving them a high total influenced revenue. Back-in-stock emails alerting customers of a favorite item now ready to purchase yield the most revenue per open. The charts on pp. 8-10 show the influenced revenue for all predictive email campaigns.

Back-in-stock and abandoned product email campaigns had the highest click-to-open rates (CTORs): 19% and 14%, respectively. Transactional, marketing, abandoned cart, and post-purchase drip emails had lower CTORs ranging from 1% to 5%. Personalized, relevant content drives higher engagement with subscribers.

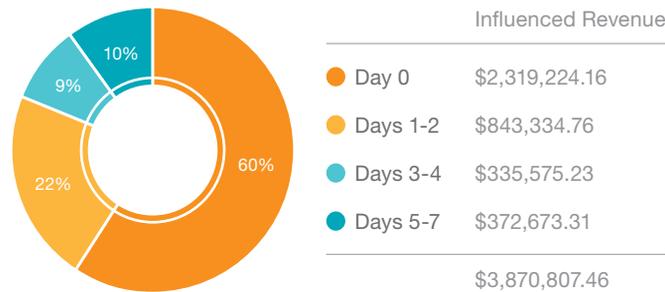
Abandoned cart emails generate the highest average revenue per click at \$36.02. They also generate the second-highest revenue

per open at \$1.77. Abandoned cart drip campaigns and back-in-stock emails had the second- and third-best revenue per click at \$16.09 and \$13.03, respectively.

Marketing, abandoned cart, and abandoned product emails generate the highest overall revenue within the first 24 hours of send. Transactional emails generate 80% of their revenue on the day of send, and abandoned cart emails generate 60% of their revenue on the day of send, making timeliness extremely important when sending these types of emails. Back-in-stock emails have the longest effect, with almost a quarter of their revenue generated five to seven days after the initial send.

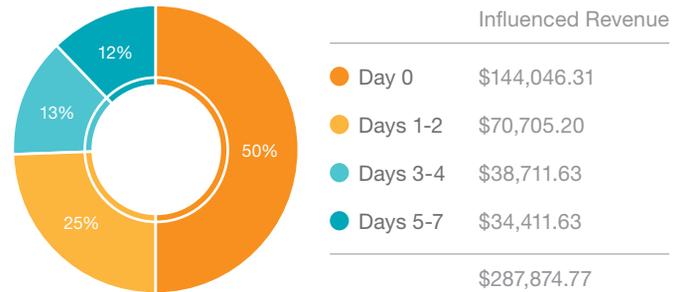
The charts in this section show predictive intelligence engagement rates and influenced revenue for various email campaigns. Our recommendations (p. 11) can help you activate this benchmark data within your own campaigns. Consult “About the Data” (p. 12) for more information about these charts.

Email Campaign Results: Abandoned Cart



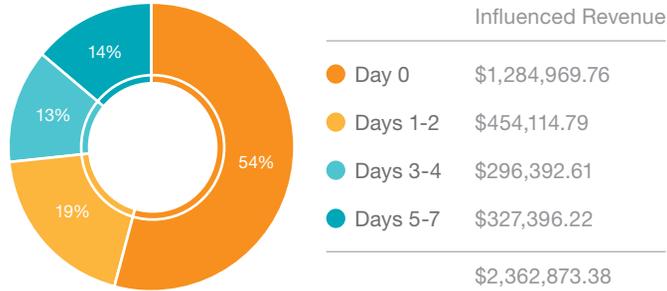
Click-to-open rate: 5% Revenue per open: \$1.77 Revenue per click: \$36.02

Email Campaign Results: Abandoned Cart Drip



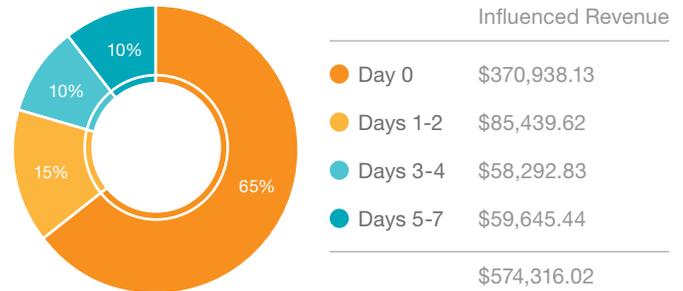
Click-to-open rate: 9% Revenue per open: \$1.50 Revenue per click: \$16.09

Email Campaign Results: Abandoned Product



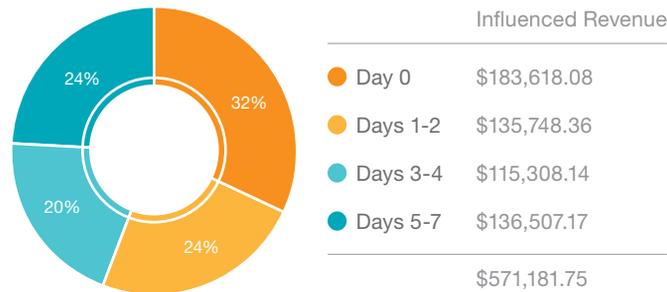
Click-to-open rate: 14% Revenue per open: \$1.00 Revenue per click: \$7.39

Email Campaign Results: Abandoned Product Drip



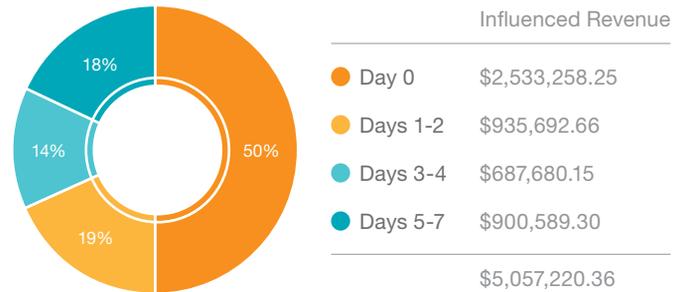
Click-to-open rate: 10% Revenue per open: \$0.61 Revenue per click: \$6.28

Email Campaign Results: Back-in-Stock



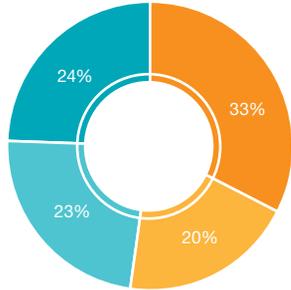
Click-to-open rate: 19% Revenue per open: \$2.43 Revenue per click: \$13.03

Email Campaign Results: Marketing



Click-to-open rate: 2% Revenue per open: \$0.13 Revenue per click: \$7.39

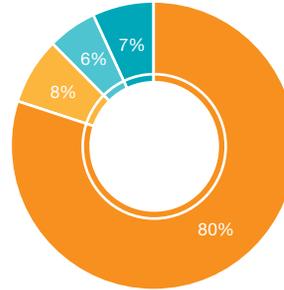
Email Campaign Results: New Arrivals



	Influenced Revenue
Day 0	\$7,484.85
Days 1-2	\$4,491.70
Days 3-4	\$5,314.03
Days 5-7	\$5,592.33
Total	\$22,882.91

Click-to-open rate: 8% Revenue per open: \$0.25 Revenue per click: \$2.96

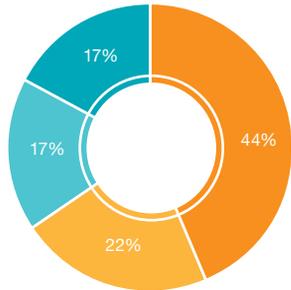
Email Campaign Results: Transactional



	Influenced Revenue
Day 0	\$530,293.67
Days 1-2	\$49,851.70
Days 3-4	\$37,886.81
Days 5-7	\$44,168.80
Total	\$662,200.98

Click-to-open rate: 1% Revenue per open: \$0.10 Revenue per click: \$8.32

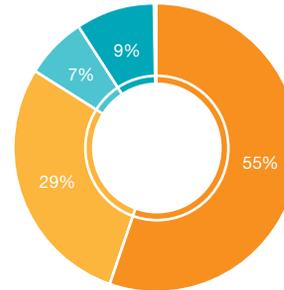
Email Campaign Results: Post-Purchase



	Influenced Revenue
Day 0	\$121,556.17
Days 1-2	\$61,119.27
Days 3-4	\$47,592.80
Days 5-7	\$47,246.98
Total	\$277,515.22

Click-to-open rate: 13% Revenue per open: \$0.76 Revenue per click: \$5.93

Email Campaign Results: Post-Purchase Drip



	Influenced Revenue
Day 0	\$16,645.24
Days 1-2	\$8,596.60
Days 3-4	\$2,049.51
Days 5-7	\$2,743.60
Total	\$30,034.95

Click-to-open rate: 5% Revenue per open: \$0.30 Revenue per click: \$5.89

Predictive Intelligence Recommendations

Implement and improve your own predictive intelligence strategy with these tactics and goals.

Based on our benchmark findings, consider these recommendations to improve your predictive intelligence performance and personalize each customer journey.

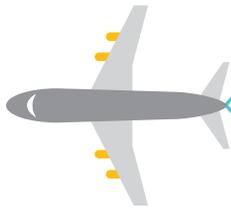
Adopt abandoned cart email campaigns. According to the *2014 State of Marketing* report, abandoned cart emails are well worth the investment, yet largely underused. They provide some of the largest influenced revenue and ROI, yet only 15% of marketers are currently using them.² With the second-highest overall influenced revenue (\$3.87 million in the first week) and the highest revenue per click (\$36.02), abandoned cart emails deliver proven ROI with minimal effort. Triggered abandoned cart emails perform even better, with an average revenue per click of \$49.72.

Build a holistic customer journey that incorporates a healthy mix of email campaigns and customer behaviors. Strive to incorporate behavioral marketing techniques into your strategy. More than 50% of customer interactions happen during a multi-event, multi-channel journey.³ A successful predictive intelligence email strategy will employ a mix of campaign types to build a cohesive customer journey and collect relevant, actionable data.

Create goals for your predictive email strategy and refer to them often. Choose appropriate campaign types based on your goals and objectives. Different emails perform differently and serve distinct purposes in a marketing strategy.

Remember that predictive intelligence technology learns over time and grows with you. Influence in revenue and orders increase at a steeper rate after the first year, so give your predictive intelligence system time to learn your customers and their habits. For example, direct sales from predictive intelligence increase dramatically from 6.32% in months 10 to 12 to 9.60% in months 13 to 18.

As the predictive intelligence system progressively aggregates and understands your audience's behavior, it can more accurately recommend products and content to each person—all leading to significant increases in visits, total orders, influenced revenue, conversion rate, and revenue per session. Data acquisition and improved testing and optimization are CMOs' top two internal priorities in 2014.⁴ Predictive intelligence is fundamental to making that data actionable and optimizing its effectiveness over time.



As predictive intelligence helps marketers move from large segments to behavior-based precision, it creates a personalized journey for each individual.

About the Data

We collected the data in this report from the Salesforce Marketing Cloud platform according to the following specifications.

We extracted predictive intelligence email data from 52.7 million messages influenced by the Predictive Intelligence Engine sent by Marketing Cloud customers in 2013. The web data was extracted

from 95.4 million influenced sessions during customers' first 36 months of engagement.



Appendix

- (1) *2014 State of Marketing*, Salesforce Marketing Cloud
- (2) *2014 State of Marketing*, Salesforce Marketing Cloud
- (3) *Transforming Customer Experience: From Moments to Journeys*, McKinsey & Company
- (4) *Bridging the Digital Divide*, Salesforce Marketing Cloud



— Manage the — *Customer Journey*

Journey Builder empowers marketers to deliver exceptional, personalized customer experiences at scale. CMOs, digital marketers and customer experience teams use it to plan, personalize and optimize real-time 1:1 customer journeys across any channel or device. See how far you can go with the world's most powerful 1:1 digital marketing platform.

Salesforce Marketing Cloud empowers your business to:

- Build a single view of your customer
- Automate real-time customer journeys
- Connect to your customers with personalized content on any channel or device
- Make the most of your data
- Build on the most trusted platforms



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