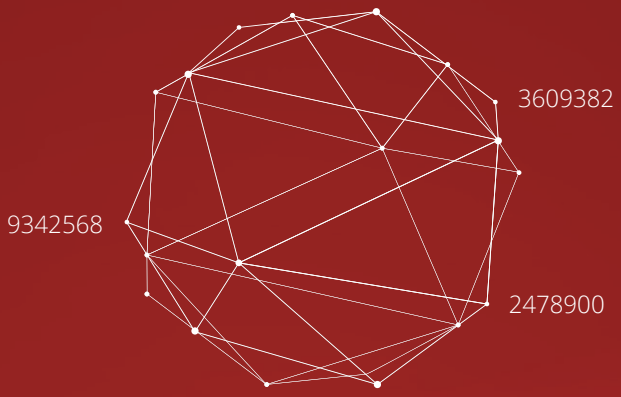
TREND STUDY 2018

DIGITAL ANALYTICS | CONVERSION OPTIMIZATION



Trakken
{web services}

TREND STUDY 2018

RESULTS

1 – FOREWORD

In 2015, we published the first Digital Analytics Trend Study, where we analyzed the usage of tools in the analytics environment and identified current trends, challenges, strengths and weaknesses. Just as today, the topic of customer journeys was given high priority, while video and TV tracking were given less priority. This example alone shows that the world of digital analysis is constantly evolving and new tools and possibilities are offering further opportunities to businesses. Video and TV tracking has become indispensable in many companies. **With the Trend Study we would like to recognize and make visible changes like these.** By formulating questions that remain the same over the years, we can ensure that changes can be mapped out. However, we would also like to go into the relevant year's buzzwords in more detail with special questions: **in 2017 we focused on data visualization** and **in 2018 on attribution**.

It is evident that many areas of online marketing work together and not only in the increasingly growing and interlinked tool landscape - every single one of us notices this in our daily work. We would like to take this fact into account in the Trend Study. This year, for the first time, we also took a closer look at the situation and development in the area of **Conversion Optimization** instead of just looking at trends in terms of **Digital Analysis**.

Finally, we are very pleased with the continuous positive feedback on our Trend Study. This will certainly be another reason for the further increase in the number of participants in our online survey. Without your valuable answers, the following exciting industry insights would not exist. **Thank you very much for your support!** With this in mind, we hope you enjoy reading our Trend Study 2018.

Your Trakken Team

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2 – RESULTS AT A GLANCE

DIGITAL ANALYTICS

The Trend Study for the **Digital Analytics** (DA) division is being published for the fourth time. In 2018, 311 companies took part in the online survey - a year-on-year increase of 82%. Businesses from a **wide range of industries** once again took part, with companies of all sizes represented. This year's survey results will be the focus of the presented insights. However, where possible, these were also compared with the previous year's figures in order to highlight certain trends. From an organizational point of view, the topic of digital analysis is usually handled by the (online) **marketing department** or by an independent **digital analytics** department. As in the previous year, the majority of companies spend **less than 10% of their total marketing budget** on digital analysis. Still, the aggregated budget allocated to the industry has **increased** by two thirds compared to 2017.

One of the topics intensively discussed in 2018 is attribution and the associated question of optimal budget allocation. This shows that companies are increasingly using **alternative attribution models** to the last-cookie-wins principle. Two thirds of all companies attribute their conversions **across channels**. Attribution is much less frequent at the Online/Offline, Intra-Channel or Cross-Device levels.

Furthermore, customers are offered a variety of touchpoints and channels via which they can contact the respective company. **Online touchpoints and channels** (e.g. website, SEO/SEA, newsletter, display, video & social paid and social organic) prevail. In the online sector, **tracking coverage** can be rated as **very good** at 89%. The offline touchpoints are measured digitally by a maximum of one out of five companies. The only exception is TV - 44% in this case.

In the field of digital analysis, multiple tools are often used simultaneously, with **web analytics tools** and **spreadsheet programs** still being used most frequently for both general work and in-depth analysis. There has been a steady increase in the use of **data visualization tools**, which are now used by almost two thirds of companies. The development of the use of Big Data and statistics tools is equally positive. More than one out of five companies relies on this for more in-depth analyses.

In 2018, **customer journeys, campaign tracking** and **data visualization** will have the highest priority. Overall, a wide variety of projects in the areas of Big Data, Tracking & Data Quality and Attribution are on the agenda of most companies. Approximately one third of those surveyed see **data quality**, the **implementation** of existing data and the **finding of suitable employees** as the greatest challenge.

Companies see their own **strengths** in digital analysis above all in the **quantity and quality of the available data**, in the **analysis** of the data and in the resulting **data-driven decisions**. The strengths mentioned in many companies represent **weaknesses** in some other companies: On the one hand, there are more and more complaints about a lack of **data quality and validity**. On the other hand, the respondents see weaknesses due to the **lack of data-driven decisions** and the **lack of expertise** with regard to digital analysis.

Digital analysis provides a wide range of **opportunities** for companies. Among all, the most important are **greater customer orientation**, improved **budget efficiency** as well as more and **more in-depth analysis possibilities**. As in previous years, **data protection** is considered one of the most significant **threats**. In addition, respondents also assess the **lack of expertise** in dealing with data and internal **corporate structures and processes** that slow down the promotion of digital analysis and data-driven decisions as a high risk.

CONVERSION OPTIMIZATION

For the first time this year, the Trend Study also includes an examination of the discipline of **Conversion Optimization** (CO). Thanks to the participation of 110 companies and the **high diversity of industries and companies of all sizes**, the underlying database provides exciting insights into current methods and challenges. From an organizational point of view, the **(online) marketing department** or an in-house CO department usually handles conversion optimization. The majority of companies on the customer side carry out the projects independently; a good **40% of companies**, on the other hand, rely on the **expertise of an external agency**. In two-thirds of companies, the budget allocated for conversion optimization is **less than 10% of the total marketing budget**. However, the trend has been rising recently as more than half of the companies report having already increased their conversion optimization **budget** compared to the previous year.

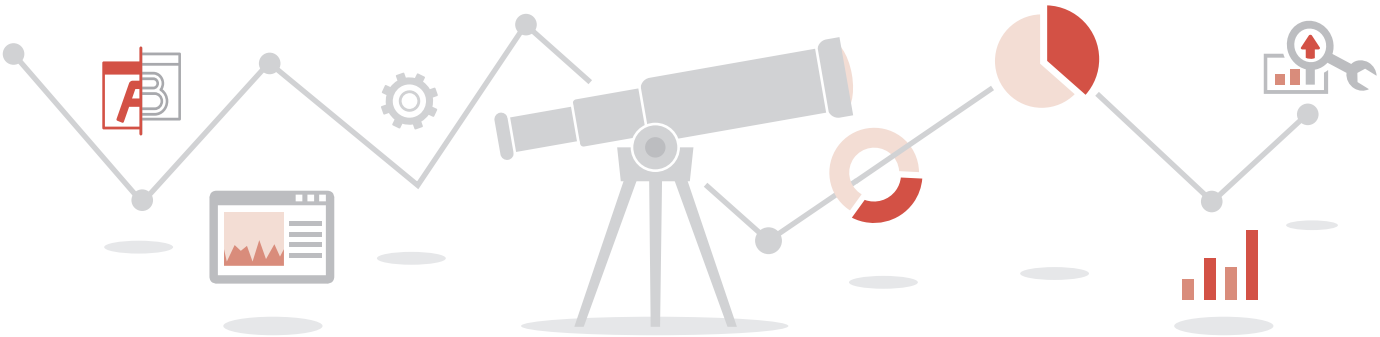
The correlation between the number of tests carried out and the size of the company is remarkable: **small and medium-sized companies** (up to 100 employees) only conduct **1-2 tests each month**. With 5 tests per month, **large-scale companies** carry out significantly more experiments in order to positively influence the behavior of their customers.

Almost every one out of two companies relies on **Optimizely as a testing tool**. Every one out of three companies currently uses Optimize the optimization tool developed by Google.

In most cases, the **digital analytics data** provide input for the **conception of the tests**. However, these are being supplemented by additional data sources, such as best practices or online surveys. However, despite its growing importance for mobile devices in general, almost 90% of the **tests** are always or often mainly performed on **desktops devices**. After all, mobile testing is always or often carried out by 65% of companies. The focus is on testing the **product and landing pages**; however, tests are also regularly carried out at the checkout or on the home page.

Simple A/B testing is the dominant **test method**. More complex procedures such as multivariate testing or personalization are used much less frequently. The most common Conversion Optimization goals are the **sales-relevant KPIs** Transactions and revenue. In addition, so-called **micro-conversions**, such as clicks on specific elements, are frequently the metrics of the test.

A look at the most **relevant projects and questions** for 2018 shows that companies are increasingly focusing (28%) on the topic of **personalization**, for example to present individualized content to selected segments or individual users. For more than 20%, a **professionalization** of internal structures and processes is also to be promoted. The basic **user experience** on the companies' websites is the third most relevant topic for 2018. Respondents consider **data quality**, **traffic volume** and internal processes to be the **most important challenges** in conversion optimization.



3 – ANALYTICAL APPROACH

Aim of the Trend Study

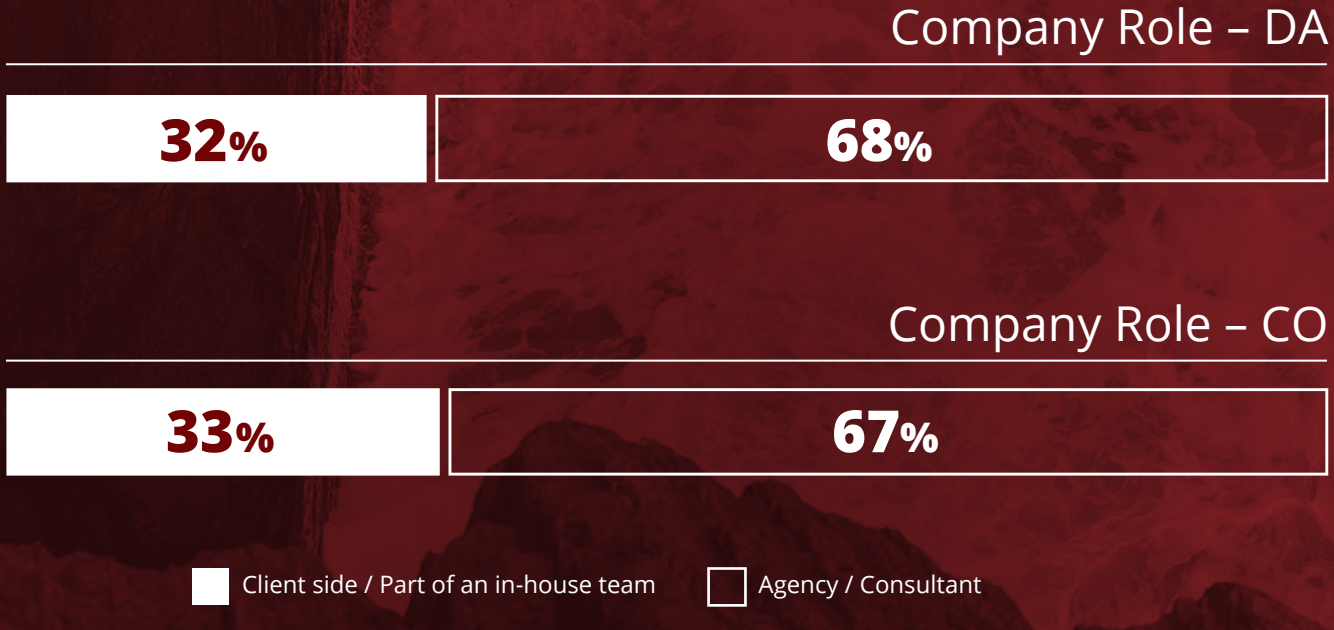
Within the scope of the 2018 Trend Study, both this year's trends with regard to **Digital Analysis** (DA) in German-speaking countries and **Conversion Optimization** (CO) were surveyed. Of particular interest was how companies work in the relevant area and which **questions** were of special relevance. In addition, the **strengths, weaknesses, opportunities and risks** in the area of digital analysis were collected and evaluated. Finally, the recurring implementation of the Trend Study for digital analysis provides insights into **changes in results** over time.

Survey Methodology

From mid to late January 2018, an **online survey** was conducted for each of the Digital Analytics and Conversion Optimization divisions. For the most part, **closed questions** were asked about the touchpoints, tools and goals of daily work. **Open questions** were formulated with a view to the strengths, weaknesses, opportunities and risks of digital analysis. The following results are based on these two surveys, in which 311 respondents with regard to digital analysis and 110 respondents with regard to conversion optimization participated.

Interviewed Companies

421 companies took part in this year's Trend Study. The industries to which the companies belong are diverse. Companies in particular from the **ecommerce, media/content, IT services**, **retail** and **tourism** sectors took part in the survey for both digital analysis and conversion optimization. The results of both surveys are also similar with regard to the corporate role: Approximately **two thirds** of those surveyed work for **companies or customers**. The remaining one-third work as consultants or in an agency. Finally, the companies surveyed are also broadly positioned in terms of **company size**: Micro and small enterprises as well as medium and large enterprises took part in the surveys. At a good 60%, the proportion of companies with at least 100 employees is significantly higher than that of companies with fewer than 100 employees.

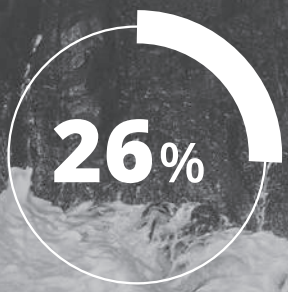


Company size – DA

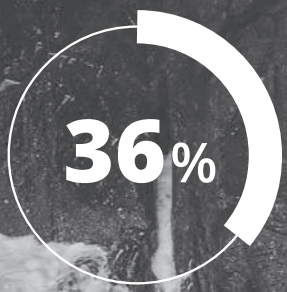
up to 9 employees

10 – 49 employees

50 – 99 employees



100 – 499 employees



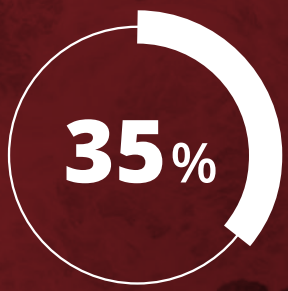
500 employees or more

Company size – CO

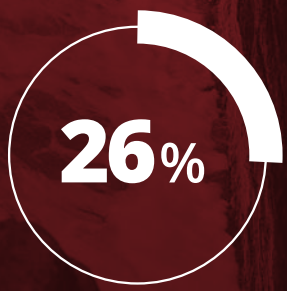
up to 9 employees

10 – 49 employees

50 – 99 employees



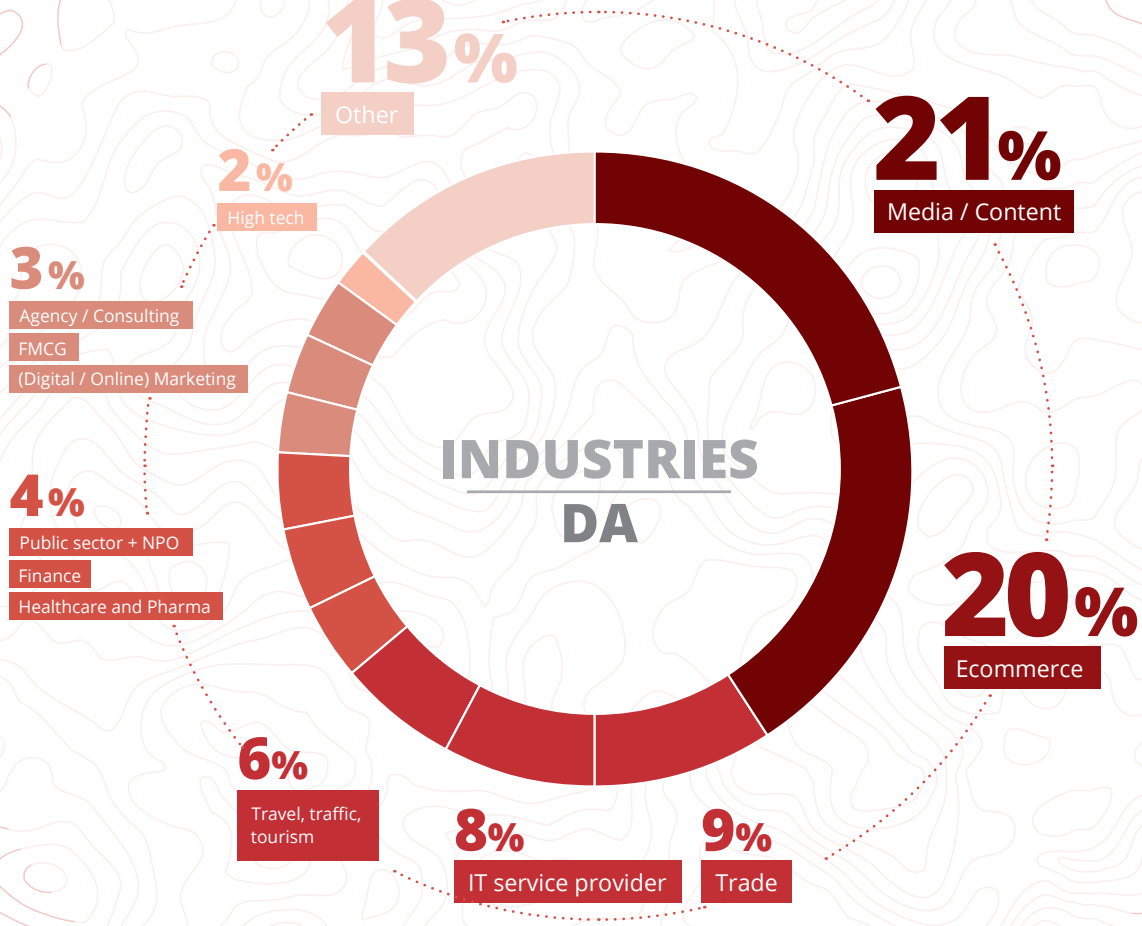
100 – 499 employees

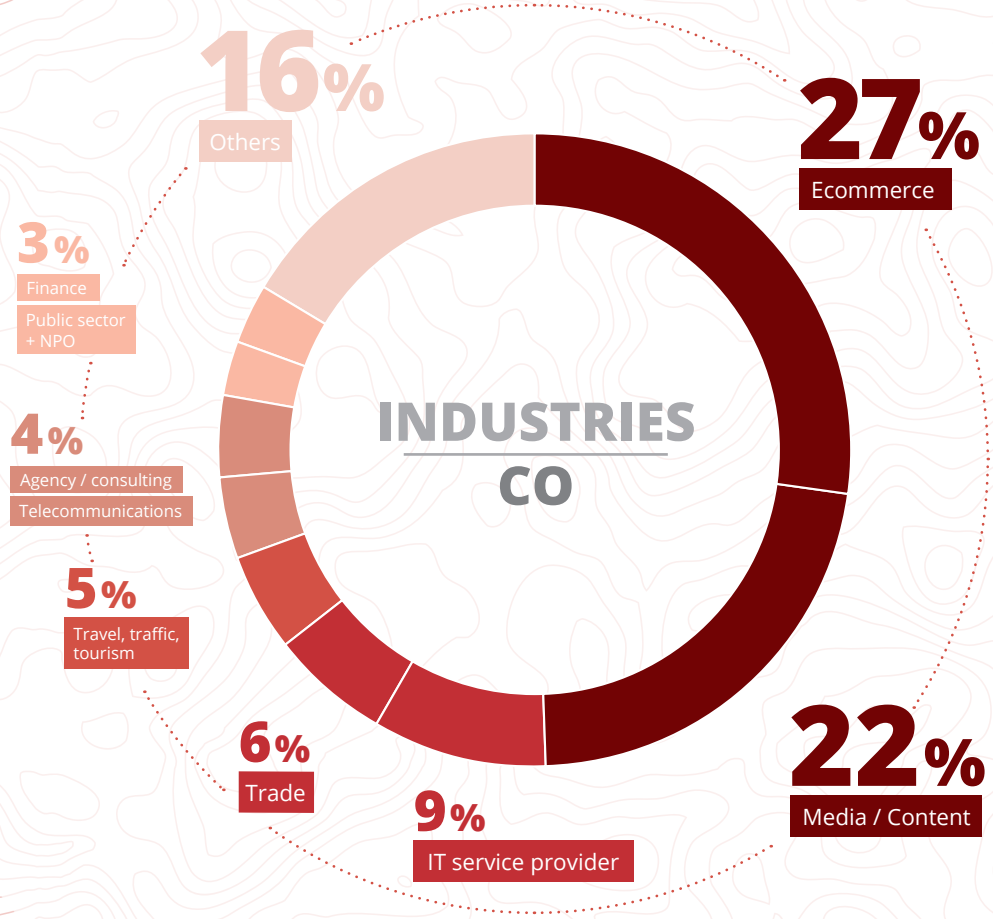


500 employees or more

Industry Affiliation

My company can be assigned to the following industry.




16%
Others
27%
Ecommerce
3%
Finance
Public sector + NPO
4%
Agency / consulting
Telecommunications
5%
Travel, traffic, tourism
6%
Trade
9%
IT service provider
22%
Media / Content
INDUSTRIES
CO

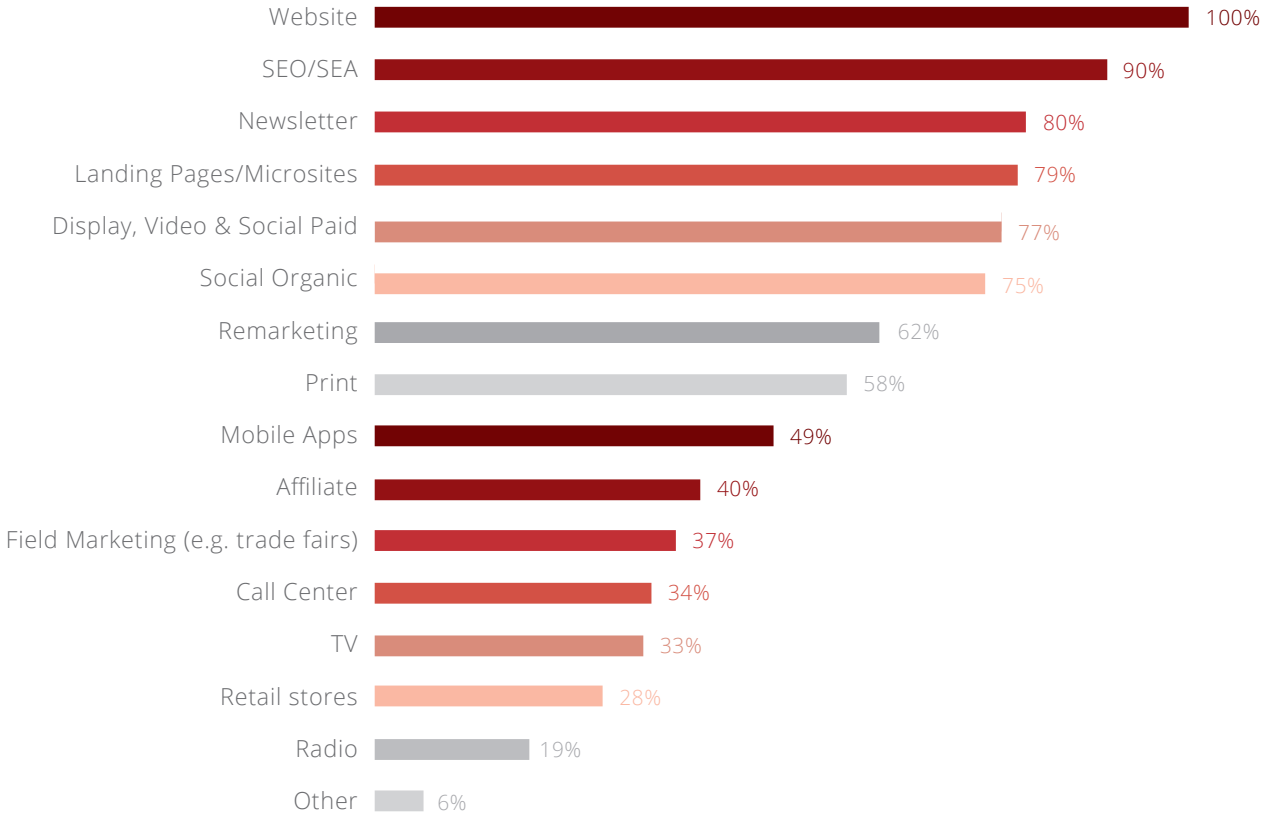
4 – RESULTS IN DETAIL

DIGITAL ANALYTICS

4.1 – TOUCHPOINTS, TOOLS & GOALS

Possible and tracked touchpoints

Which touchpoints or marketing channels do you use to reach your customers?

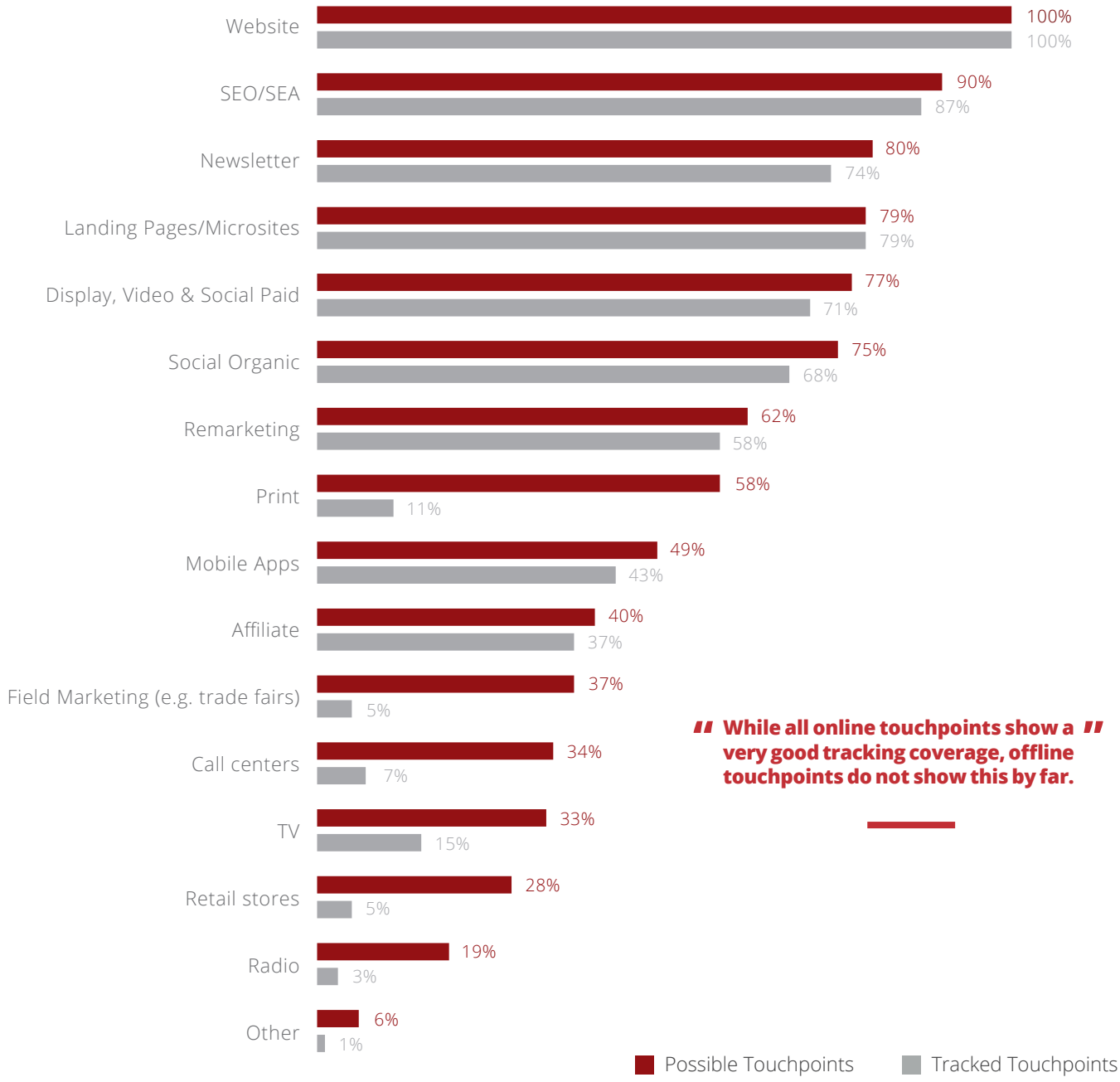


The analysis of **possible touchpoints and marketing channels** demonstrates that customers can always reach the respective here surveyed company via a **website**. In addition, at least three quarters of these companies can be contacted via **SEO/SEA** (90%), **Newsletter** (80%), **Display, Video & Social Paid** (77%) and Social Organic (75%). The majority of respondents stated that they were also accessible via landing pages (79%) and mobile apps (49%). The **offline touchpoints and channels** turn out to be **less frequent contact options**. This applies in particular to radio (19%), retail stores (28%), TV (33%), call centers (34%) and field marketing (37%). The offline channel print is an exception: a comparatively large number of the companies surveyed (58%) are present here.

A look at the number of touchpoints per company shows that **77% of companies are accessible via 6 to 13 touchpoints**. This number has increased in comparison to the previous year: in 2017 there were only 70% with this spectrum of touchpoints. Many managers also claim to take into consideration this diversity in digital analysis. When **comparing possible and tracked touchpoints**, it quickly becomes clear that not all touchpoints

Possible and tracked touchpoints

Which of the currently selected touchpoints or marketing channels are digitally tracked?



"While all online touchpoints show a very good tracking coverage, offline touchpoints do not show this by far."

and marketing channels used are tracked digitally. While **all online touchpoints show a very good tracking coverage**, offline-touchpoints do not have this coverage at all. At least 89% of companies measure their digital touchpoints, with particularly good website and landing page coverage, as well as their search and remarketing. In contrast, **only a very small proportion of the companies surveyed measure their offline touchpoints**. However, TV tracking with 44% of coverage still takes place on a relatively frequent basis. With a maximum tracking coverage of 20%, the other offline channels (e.g. shops, radio, print, call centers) were measured on a much rarer basis.

If one compares the results of the tracking coverage with those from the trend studies of the two previous years, **positive trends** can be seen at some touchpoints. For example, in **mobile apps** and **retail stores**. Since 2016, there has been a steadily increase in tracking coverage. This development is driven by technical progress. However, the same applies to touchpoints TV and radio, where tracking coverage has recently declined, after having increased during the previous year. This may be due to the fact that the simultaneous attribution of offline and online channels remains problematic.

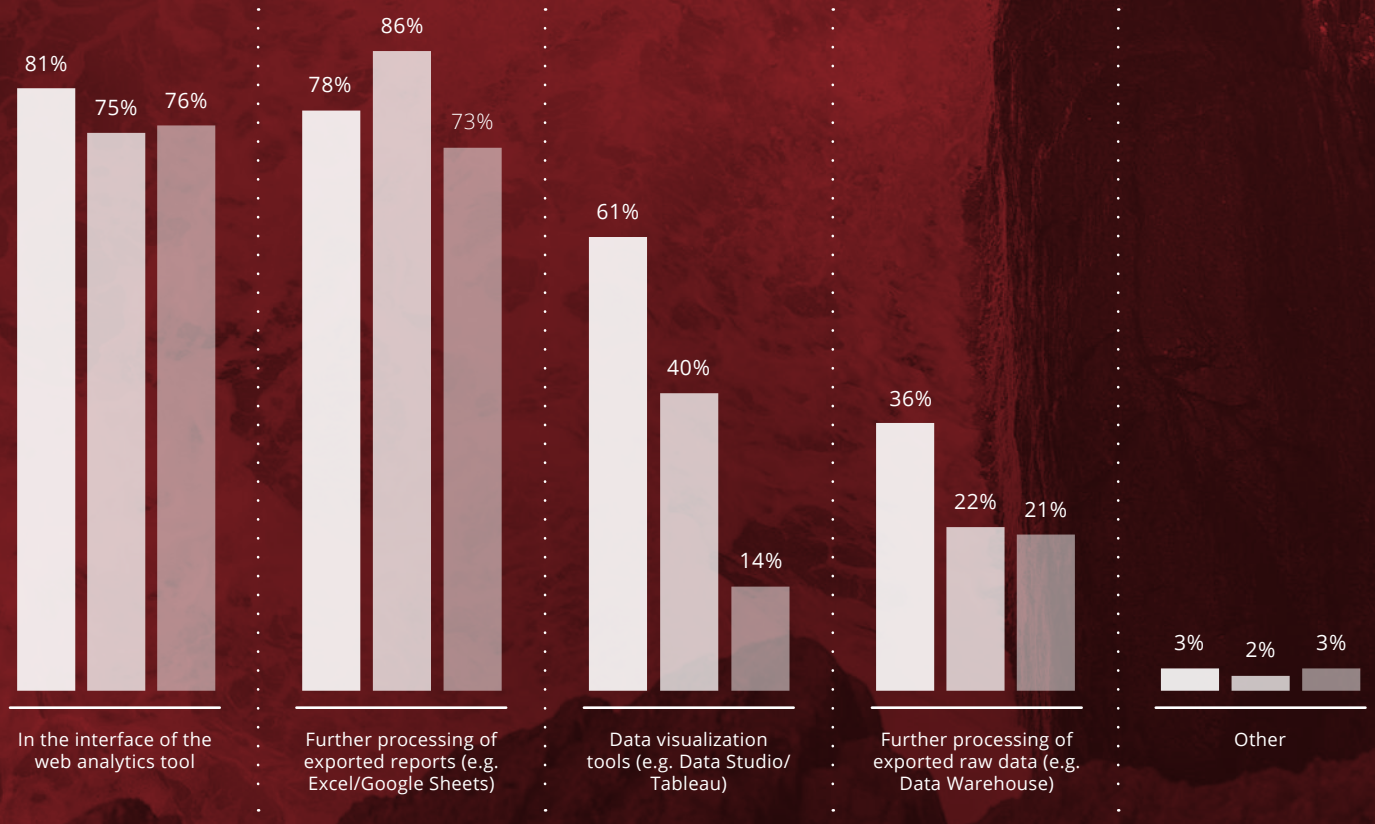
Tracking coverage

There are numerous tools available for digital analysis. In accordance with the results of the survey, many people make use of this wide variety. **The percentage of companies using only one or two tools to work with digital analytics data was 85% in 2016 and 65% in 2017.** In 2018, this percentage fell to 46%. Depending on the users and recipients, varieties of tools are favored for day-to-day activities. **Four out of five companies work directly in the interface of the respective digital analytics tool** - this proportion has risen slightly compared to previous years. In addition, very often (78%) the **reports exported are further processed in tools such as Excel or Google Sheets**. This figure has declined in comparison with the previous year. This is possibly a consequence of the sharp increase in the share of further processing of exported raw data. More and more companies base their work on exported raw data, which they integrate into their Data Warehouse, for example: In 2018 this represented 36% of respondents, compared to 22% in 2017. The use of data visualization tools is experiencing a tremendous increase. **Today, 61% of the companies surveyed use tools such as Data Studio or Tableau** to make digital analytics data easily accessible. The use of these facilities has increased considerably over the last two years (2016: 14%, 2017: 40%).

“ The use of data visualization tools ” is showing an enormous increase.

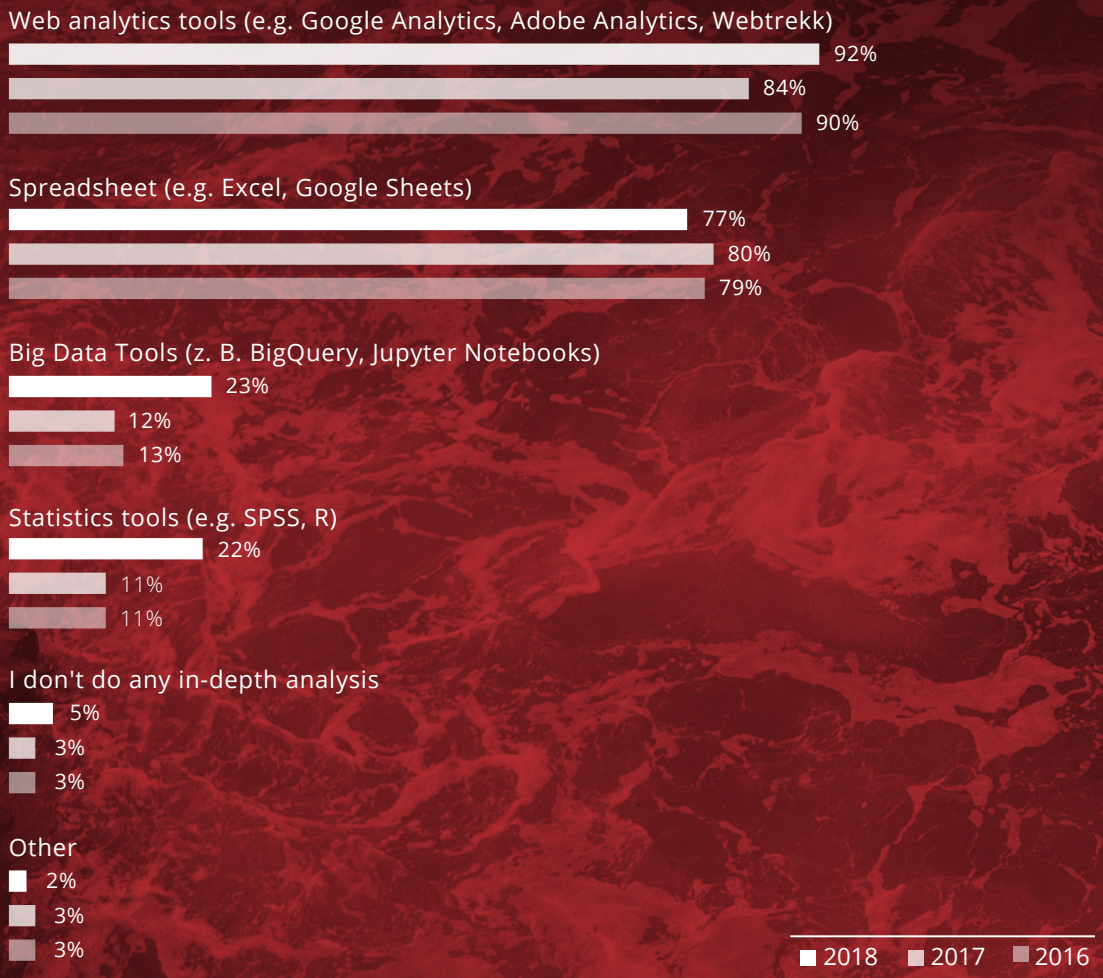
Tools for data analysis and communication

Where are your digital analytics data from? (Multiple answers are possible)



Tools for in-depth analysis

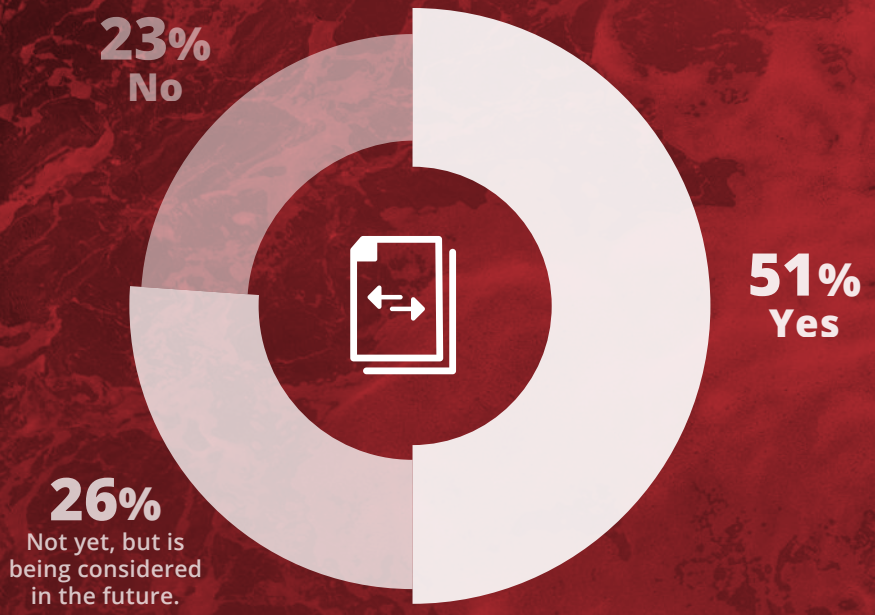
Which programs do you use for the in-depth analysis of the collected data? (Multiple answers are possible)



A more in-depth analysis of digital analytics data is carried out by three quarters of companies using two to three different tools. The predominant factor here - even for more **in-depth questions** - is still the use of the web analytics tool used in each case (92%). Spreadsheet tools such as Excel and Google Sheets have become increasingly popular for more in-depth data analysis. The use of both tools is very much comparable to that of previous years. A **considerable increase in usage can be observed with the BigData and Statistics tools**. In recent years, only 11% to 13% of all companies surveyed had used tools such as BigQuery, Jupyter Notebooks, R, Python or SPSS; in 2018, 23% and 22% respectively.

Joint analysis of digital analytics data with other internal and external data

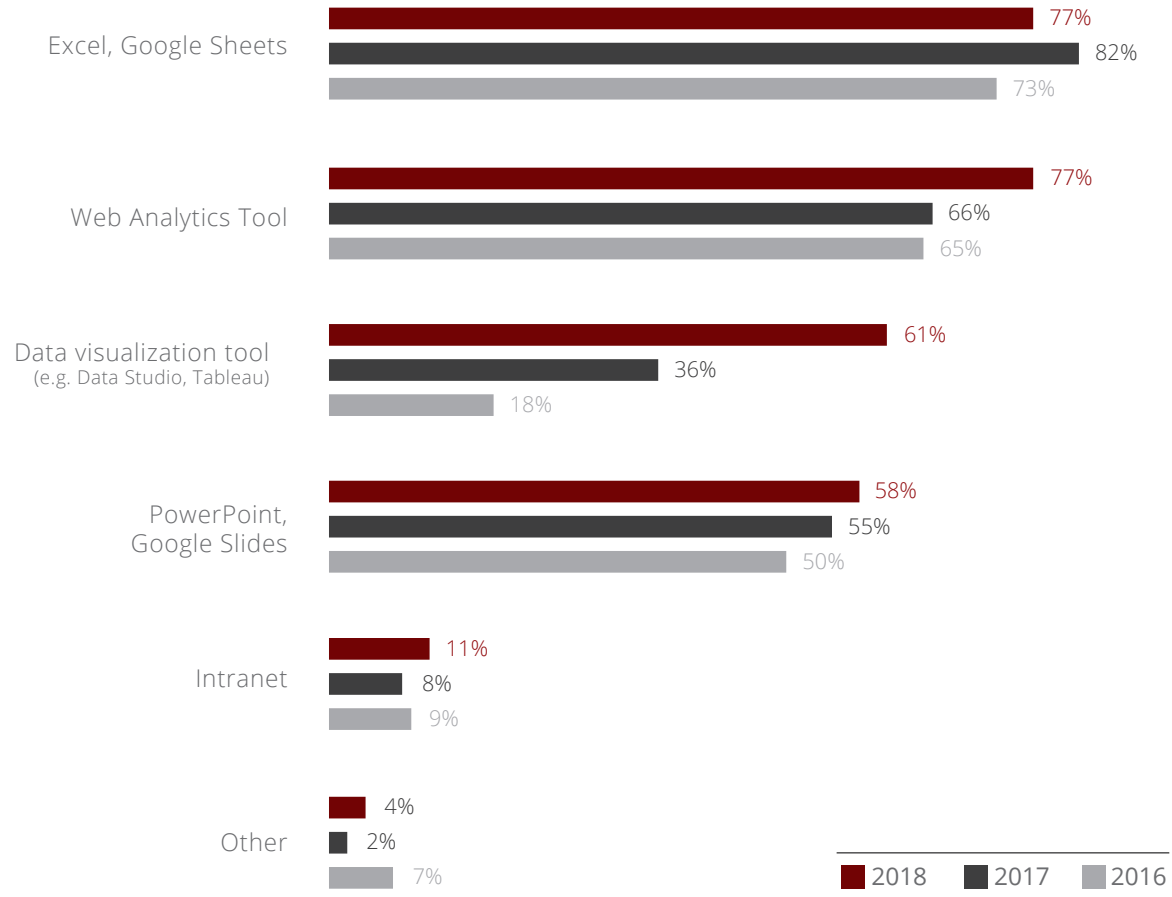
Do you analyze the data of digital analysis along with other internal or external data (e.g. offline sales data, competitor data)?



A growing number of companies are also considering other internal and external data for digital analysis. In the meantime, more than half of all companies are already enriching their digital analytics data - last year this figure was just 41%. Another 26% of respondents recognized that data analysis lives from the data and those additional insights could be generated with additional data. Although they do not currently use any other data for the analysis, you have planned to do so in the future. Approximately one quarter of the companies reported not to use additional external and internal data in the analysis; neither had they considered doing so in the near future. In 2017, this percentage stood at 30%. Overall, this result confirms that **more and more companies assess the relevance of contextualizing existing analytics data as high** and act or plan accordingly.

Distribution of KPIs

How do you distribute/communicate KPIs? (Multiple answers are possible)



Excel or Google Sheets and the web analytics tool remain the most common tools for the distribution and communication of KPIs (77% each). These tools are also those with which analyses are often carried out. It can be observed that the strongly dominant use of Excel for communication has decreased year-on-year (2017: 83% vs. 2018: 77%). At the same time, it turns out that those companies that use Excel for their analyses also distribute their KPIs over it. The **proportion of companies that communicate KPIs directly via the web analytics tool** has **increased** compared to 2017 (77% vs. 66%). However, there has been an even stronger increase in the communication of KPIs via data visualization tools. Meanwhile, 61% of the companies surveyed - instead of 36% in 2017 - use tools such as Data Studio, Tableau or even specially programmed solutions. Visualization tools will thus be used more **frequently than PowerPoint or Google Slides** (58%) for the presentation and distribution of KPIs within the company in 2018. Moreover, communication takes place on a comparatively rare basis via the intrnet (11%) or other tools (4%). Whereas last year 80% of companies used more than one communication tool, in 2018 this figure will rise to 90%. Usually a combination of two to four of the above tools are used.

Topics to be prioritized in 2018

How will you prioritize the following topics in 2018?

The prioritization of the relevant subject areas in 2018 divers from company to company. However, in aggregate terms, we can identify those topics that will occupy the majority of the companies surveyed in the current year. In addition, by comparing the recent years ranking, it is possible to identify trends in prioritization. **As in the previous year, customer journey and campaign tracking will be the most important topics in 2018. Overall, data visualization is ranked third**. Compared to the previous year, the importance of this topic has thus increased significantly. This result is in line with the now very frequent use of data visualization tools in the analysis and communication of digital analytics data. In addition, the **automation and distribution report** (rank 4) and data consolidation (rank 6) will be given high priority in 2018. In the past few years, these two topics were considered not to be of great importance. The **tag management** remains among the top 5 prioritized topics. By contrast, the relevance of **Multi Device Tracking** and **attribution** has slightly decreased compared to the previous year; they are now in seventh and eighth position in the priority list. One reason for this may be that companies have already found and implemented solutions in these areas. Finally, the topic of **Mobile & App Analytics** is among the top 10 priorities. As in previous years, the focus on raw data export and use as well as video and TV tracking will be given less priority.

A little more details on the planned projects, topics and big questions in 2018 can be found in the answers to the open question on the right. Overall, the most important issues have not changed in recent years. The top topic is and remains Big Data: for 23% of respondents, this topic will also be on the agenda in 2018. The companies are planning projects to link digital analytics data with data from CRM and other sources and to link online and offline data. In addition, Big Data very often includes the establishment of your own data warehouse. In addition, 19% of respondents are pressing ahead with the topic of tracking & data quality over the current year. Here the thematic range is very wide: it is about switching to a new tracking tool, cleaning up or further developing existing implementations or also about app, event and impression tracking. In general, efforts are being made to improve data quality.

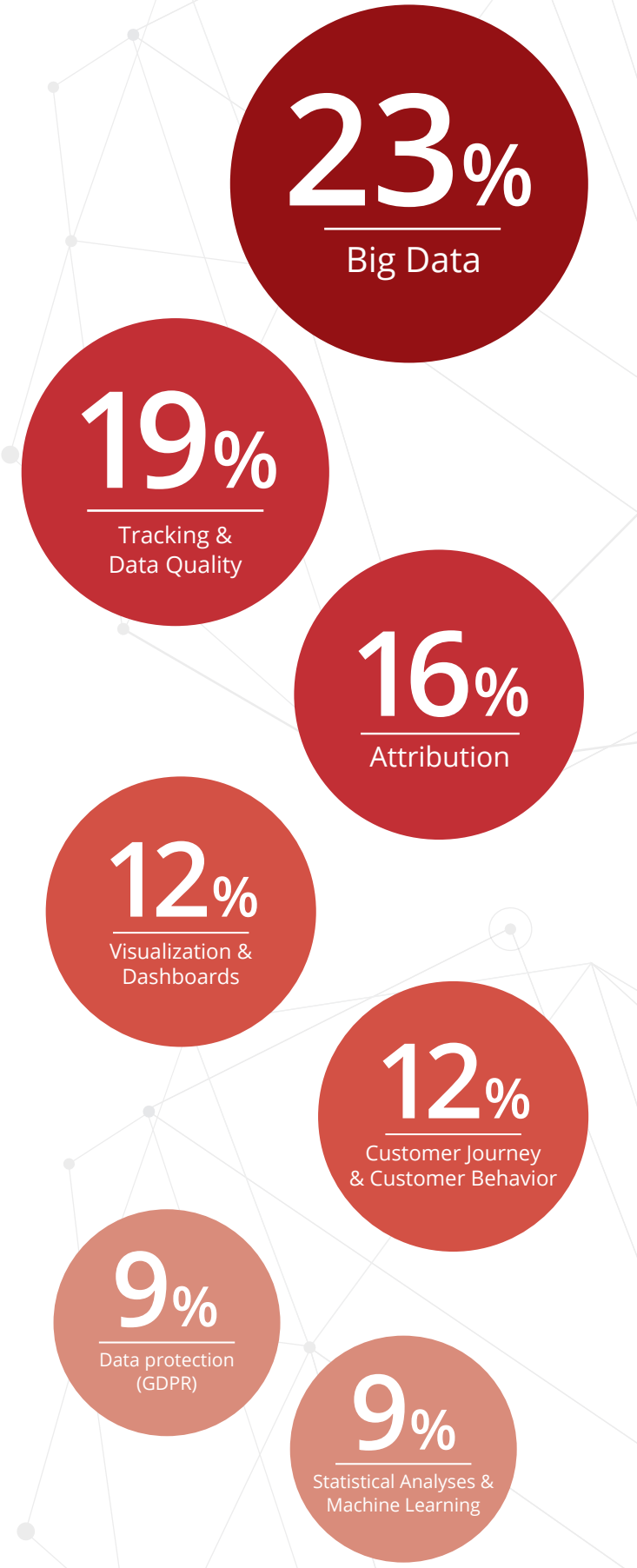
Another topic that was also a high priority in previous years is Attribution - this will be addressed by 16% of companies in 2018. This involves the fair allocation of conversions or revenue to the marketing channels involved in the customer journey. The budget allocation is then to be optimized on this basis. For 12% of those surveyed, the topic of customer journey & customer behavior continues to be a persistent issue. There is great interest in better understanding user behavior, the various touchpoints and the funnel leading to conversion in order to optimize and individualize the customer experience with the help of this information.

According to current results, it can be seen that the topic of visualization & dashboards occupies more and more companies (12%). This involves setting up or automating reports and dashboards, whereby more and more stakeholders, including those at the management level, are the recipients of visualizations. This is a necessary prerequisite for advancing data-driven decisions within companies. Finally, for 9% of those surveyed, data protection with the GDPR as well as statistical analyses and machine learning are among the topics that will be particularly relevant in 2018. In addition to in-depth statistical analyses, the second point also mentions prediction models, automated analyses and optimization algorithms.

“ The top topic is and ” remains Big Data.

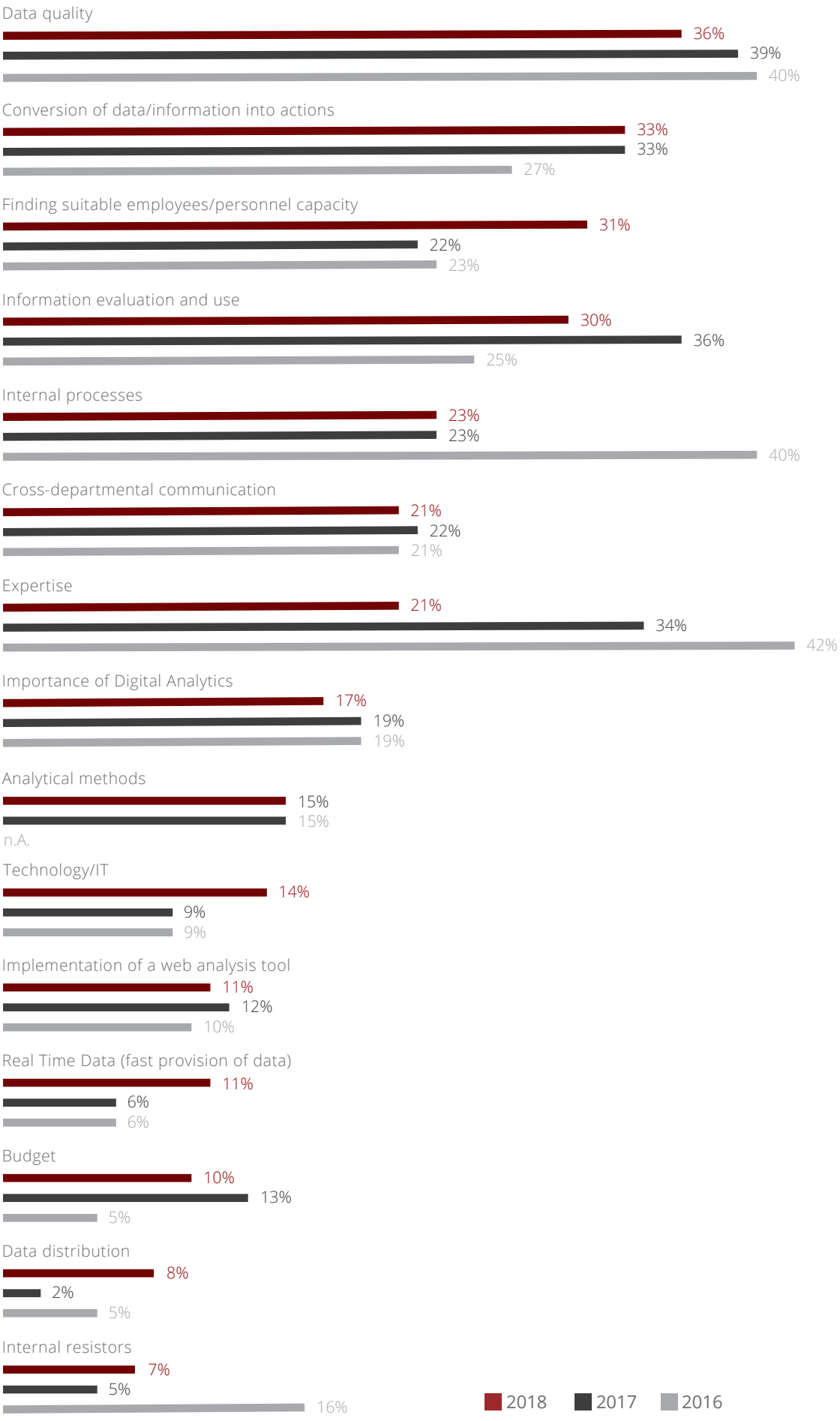
Projects, topics and questions

What projects, topics and questions are you working in regard to Digital Analytics in 2018? (Open question)



Major challenges (2018 vs. previous years)

What are the three biggest digital analytics challenges in your company in 2018?



Among the three **biggest challenges**, approximately one third of the companies surveyed see data quality (36%), the **implementation of data and actionability** (33%) and **finding suitable employees** (31%) as the main challenges. Furthermore, for at least one out of five companies, information evaluation and use (30%), internal processes (23%), cross-departmental communication (21%) and expertise (21%) represent the biggest problems. **A comparison with the previous year shows some movement**: Finding suitable employees is now more often one of the biggest challenges than in 2017 (31% vs. 22%). There was also an increase in technology/IT (14% vs. 9%), real time data (11% vs. 6%) and data distribution (8% vs. 2%), although this increase remained at a low level. Improvements have been achieved in terms of information evaluation and use (30% vs. 36%), expertise (21% vs. 34%) and budget (10% vs. 13%). Nevertheless, companies still have a particular need in regard to the first two points mentioned above.

" Finding suitable employees is now more often than last year one of the biggest challenges: A third of the companies are facing a challenge at this point. "

4.2 – STRENGTHS, WEAKNESSES, OPPORTUNITIES & RISKS

When you think about your company, what are the strengths of Digital Analytics?

Companies see their **strengths** in many areas. The answers can be categorized, whereby - as in the past two years - they can be assigned to three categories in particular: Data **quantity and quality**, data analysis and data-driven decisions. The most frequently mentioned strength this year is the quantity and quality of available data. One out of four companies emphasizes the benefits of the diversity of data collected, which enables them to answer almost all questions. For example, reference is made here to the advantages of the data warehouse or a very comprehensive data basis. Finally yet importantly, the existing data quality often represents a decisive advantage. In addition, 21% of respondents described the **analysis of the data** as a strength. The spectrum of analysis methods used ranges from cross-topic and cross-channel analyses to target group analyses, attribution, data science and the application of machine learning algorithms. Another important advantage for one out of five companies is the ability to make **data-driven decisions**. The companies surveyed benefit from the transparency created by digital analysis. Thus, decisions can be substantiated with data and facts, which makes gut decisions superfluous. The most frequently mentioned strengths have not changed compared to previous years.

STRENGTHS

QUANTITY AND QUALITY OF AVAILABLE DATA

- "Excellent data consolidation."
- "Data treasure with potential."
- "Bundling the data from all analysis tools at one place in the company."
- "Unaltered data, as there are few or no media discontinuities."
- "Data quality and data warehouse."
- "Consolidate data from different systems and gain new insights."

DATA ANALYSIS

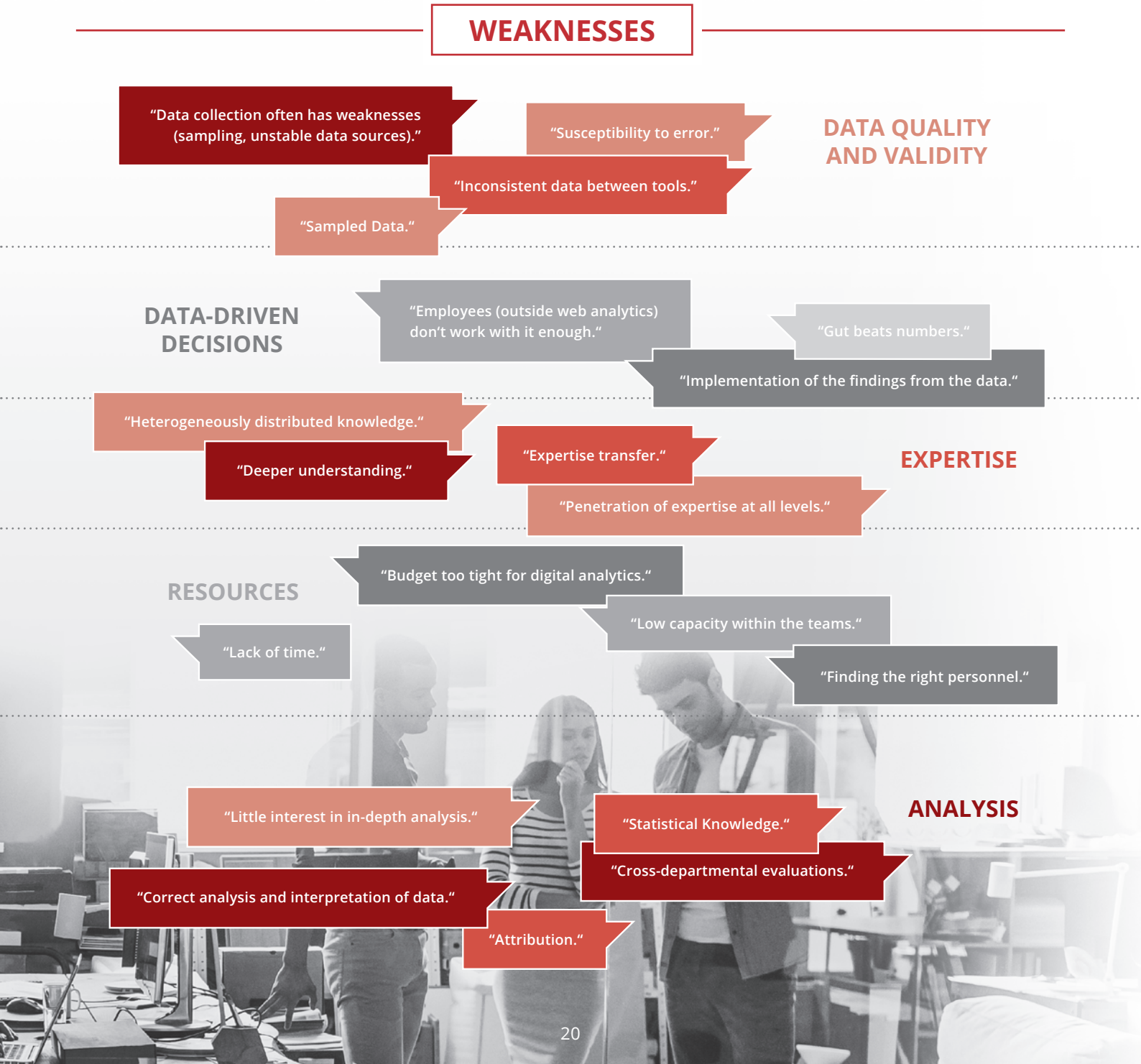
- "Using appropriate analysis to create customized products and UX."
- "Cross-theme and cross-channel analysis."
- "Attribution."
- "Target group analysis."
- "First Machine Learning Cases."
- "Evaluate customer needs."
- "Real-time analysis of content."

DATA-DRIVEN DECISIONS

- "Data-driven online marketing generates insights and facilitates decision-making."
- "Consistent action based on analytical evaluations."
- "Customer advice based on facts and figures."
- "Actions based on valid data"
- "Quick application of insights gained."
- "Create transparency."

And where do you see weaknesses of digital analytics within your company?

The answers from companies that identify their **weaknesses** in digital analysis are more diverse than their strengths. Nevertheless, clusters in certain categories can also be identified here. This year, the list is headed by a lack of **data quality and validity**; 16% of all companies have weaknesses in this area. Another 14% complain that too little is done with the collected data and consequently no **data-driven decisions** are made. Almost the same number of companies (14%) see a lack of or unevenly distributed **expertise** as an obstacle. It is more often described that this lack is also a reason for the lack of use of the data. For another 12% of the companies the **lack of resources** turns out to have an adverse effect. Companies lack personnel in particular, but also budget and time. Finally, the absence of analysis is another common weakness (11%). It is critically seen, for example, that **analyses** are not carried out correctly, that statistical knowledge is missing or that the flow of data cannot be handled. More than 10% of respondents also list the incomplete integration of existing data, the corporate culture that is not always analytics-friendly and the lack of acceptance of the topic as weaknesses. Comparing the weaknesses with those mentioned in previous years, there is a large degree of overlap in the responses.



OPPORTUNITIES

STRONGER CUSTOMER ORIENTATION

"Better customer understanding to achieve higher loyalty."

"Increase of the user experience - individual content optimized for the users."

"Personalization."

BUDGET EFFICIENCY AND SALES INCREASE

"Optimizing the marketing investment."

"Cost-benefit awareness."

"CIR boost."

MORE ANALYSIS OPTIONS

"Analysis for long-term profitability."

"Analysis of raw data."

"Forecasting."

"Cross-device analyses."

"Machine Learning and Predictive Analytics."

DERIVATION OF RECOMMENDATIONS FOR ACTION

"DA is increasingly taken into account in strategic decisions."

"To make the data" as usable as „crude oil.""

"To use data correctly and interpret it correctly."

RISKS

LEGISLATION AND DATA PROTECTION

"GDPR and other initiatives to stop online tracking."

"Overvaluation of GDPR by agency customers."

"Digital Analytics must get rid of its reputation as a bogeyman by communicating transparency."

EXPERTISE

"Employees can't use the new tools."

"People without background who make digital analytics decisions & projects."

"Lack of expertise in data handling."

CORPORATE CULTURE

"Thinking offline."

"A lot of strategy and a slow implementation."

"Missing business processes."

"Preventing development by non-visionary agency clients."

What opportunities will Digital Analytics have inside and outside your company in the future?

Similar keywords are also mentioned for the **opportunities** of digital analysis, which will arise within and outside the company, as in previous years. Almost one out of three companies sees the greatest opportunity in **increased customer orientation**: With a better customer understanding, target groups can be personalized and targeted, which should result in greater satisfaction and loyalty. An **efficient budget allocation** and the **increase in sales** were seen as an opportunity by 20% of the companies in 2018. These should result, for example, in an increase in the cost income ratio (CIR), an optimization of the marketing investment or an increase in revenue through higher customer satisfaction. About 17% of companies see more and, above all, **deeper analyses** as a further opportunity. In this context, predictive analytics, attribution, cross-device analyses, but also machine learning algorithms are mentioned. The analyses form the basis for deriving recommendations for action. This point is an additional opportunity for 14% of those surveyed: „The time of pure collection is over; the data is now also used intensively and can bring about real change.

What risks do you see for Digital Analytics in the future? Which topics can hinder further development? Please consider both the internal and external risks.

Altogether, the cited **risks** that could hinder the positive development of digital analytics correspond to those of the previous two years, although there have been slight shifts in the ranking. The most frequently mentioned risk continues to be **data protection**. About 56% of companies describe that the GDPR and the e-privacy guidelines represent new challenges in dealing with data. A lack of expertise, especially analytical expertise and general **knowledge** about digital analysis in the company, is additionally listed as a risk by 18% of the companies. This year, the risk of a lack of **corporate culture** and undefined processes has gained importance in order to promote the issue in a goal-oriented manner. Unfortunately, the willingness to change is often low. Eventually, for 12% of those surveyed, poor data quality and a lack of necessary resources represent risks. With respect to the second point, staff and time resources are listed specifically. Other risks include the misinterpretation of data and analyses, the increase in Ad Blockers and the market power that may result from the monopoly position of tool providers.

Summary of the SWOT analysis

STRENGTHS
Quantity and quality of data
Analysis of data
Data-driven decisions

WEEKNESSES
Data Quality
Data-driven decisions
Expertise

OPPORTUNITIES
Greater customer orientation
Budget efficiency and sales increase
More analysis options

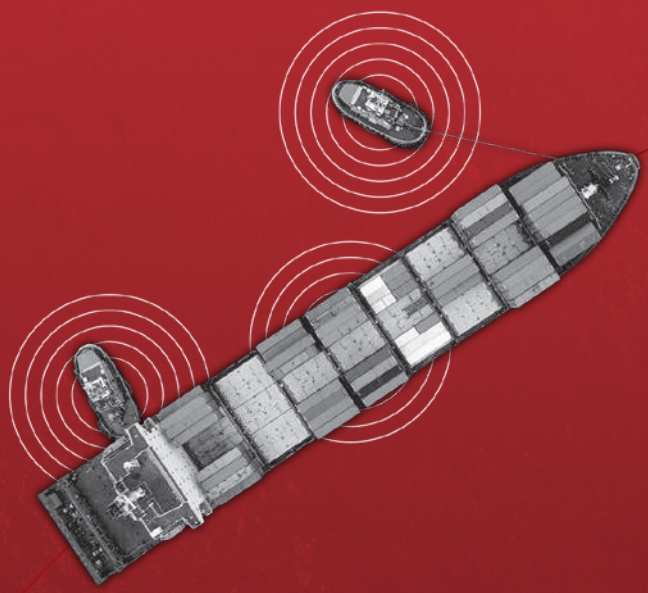
THREATS
Legislation and data protection
Expertise
Organizational culture

4.3 – RESPONSIBILITIES & BUDGET

Responsible for Digital Analytics

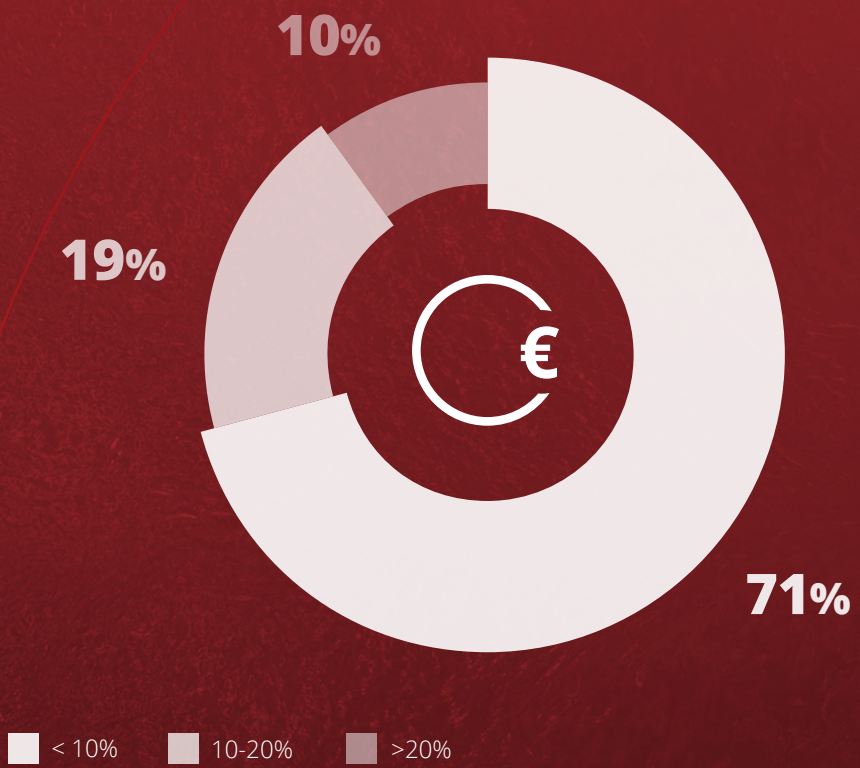
Who is responsible for Digital Analytics in your company?

The **(online) marketing department** (43%) is most often responsible for digital analytics. In addition, almost a quarter of the companies surveyed have their **own Digital Analytics department** in charge of this topic. In fewer cases (7% of companies), **ecommerce** and C-level or management are responsible. The others (7%) very regularly include the Product Management or Business Intelligence Team. In addition, 5% of those surveyed stated that **several departments are jointly** responsible for the topic of digital analytics. IT departments (4%) or external agencies (1%) are less responsible. A comparison with that of the previous year reveals that there have been no major changes in the distribution.

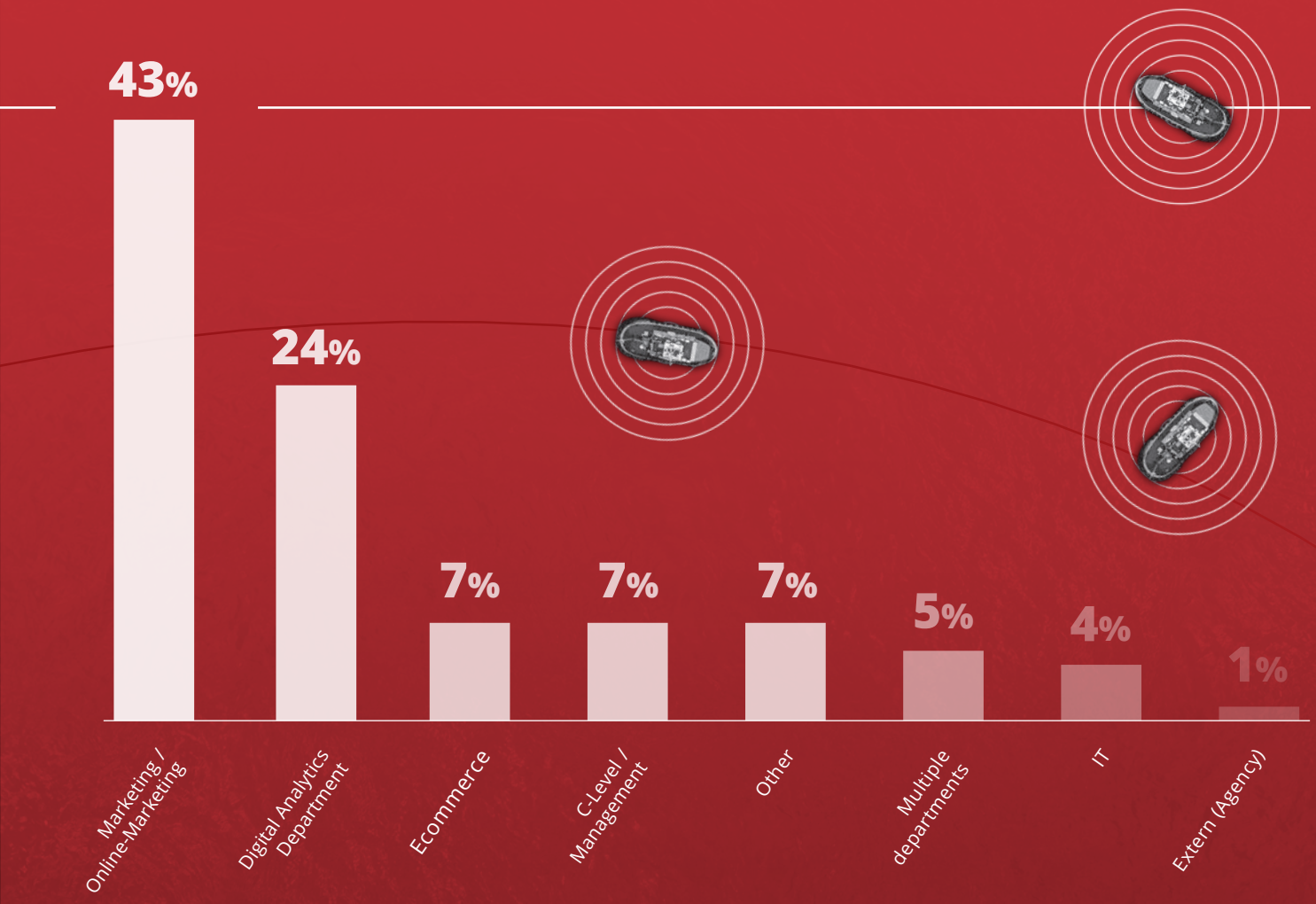


Digital Analytics share of marketing budget

What percentage of the marketing budget will digital analytics account for in 2018?



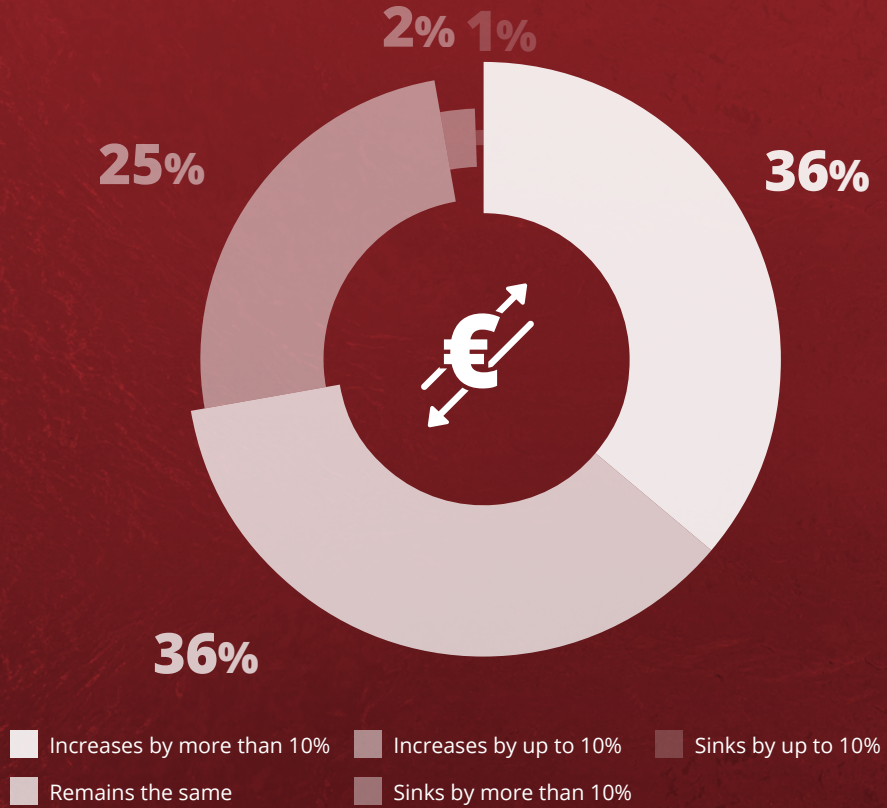
With regard to the budget share for digital analytics in the overall marketing budget, a clear picture emerges; in 71% of companies, digital analysis accounts for less than 10% of the marketing budget. For 19% of respondents, 10%-20% of the budget is allocated to digital analysis and for an additional 10% it is more than 20% of the total marketing budget. A comparison of the percentage distribution with the two previous years 2017 and 2016 shows that the proportionate budget for digital analysis in most cases continued to decrease. While in 2016, for example, only 57% of respondents stated that the Analytics budget was less than 10%; in 2017 it was already 65%. Only for the category „more than 20% of the marketing budget", a small increase of 4% points can be observed compared to the results of the previous year.



Budget change 2018 vs. 2017

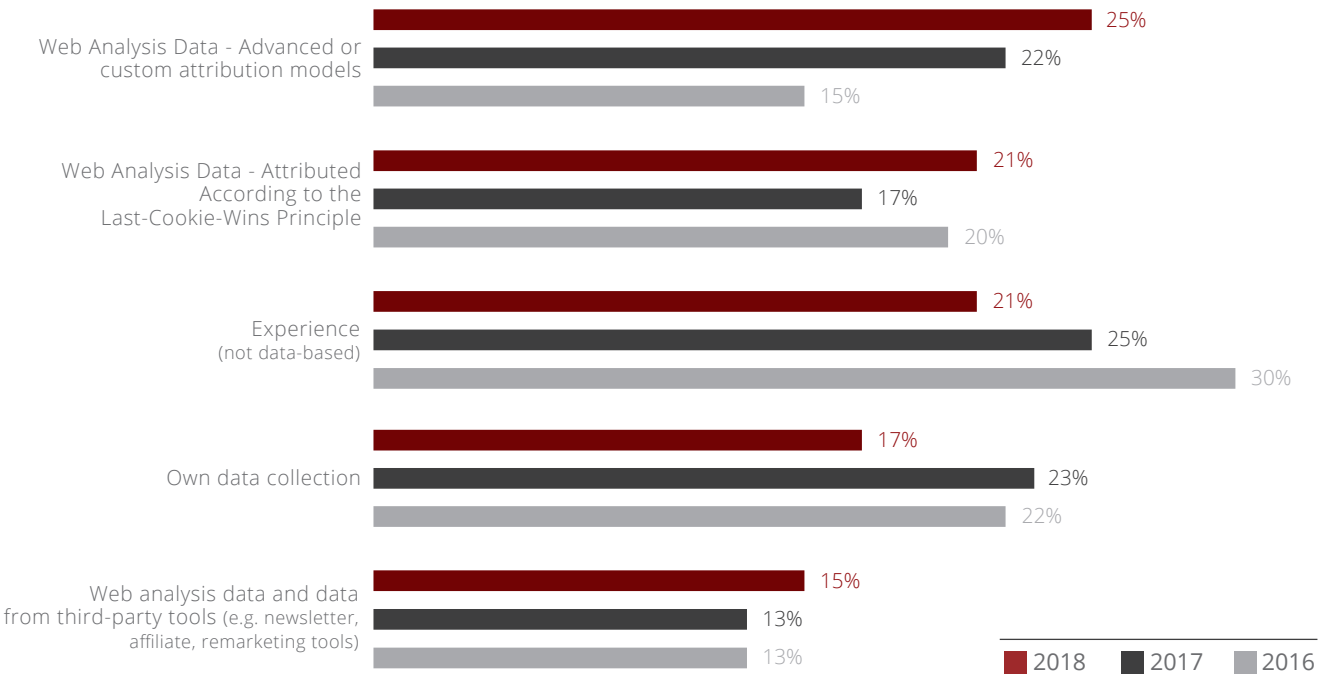
How will the 2018 Digital Analytics budget change in your company compared to 2017?

Although the share of digital analytics in the overall marketing budget is often not too high, less than 10%. Nevertheless, it can be observed that the Analytics budgets have continued to increase in absolute terms compared to 2017. Almost two thirds of the companies have a higher analytics budget available in 2018 than in the previous year. For 36% of respondents, the budget increases by more than 10% and for 25% by up to 10%. For another 36%, the budget remains unchanged at the previous year's level. Only a very small proportion of companies have to do with a lower analytics budget than in 2017 and the proportionality has changed compared to last year's results: In 2017, only 54% of respondents were able to look forward to a budget increase. In 2018, however, this share will be 62%.



Method for allocating the marketing budget

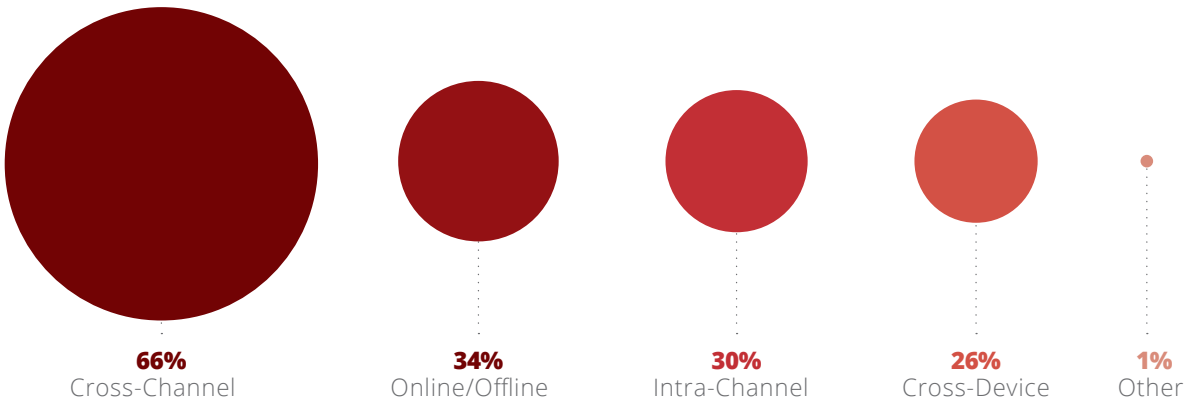
On which method do you currently allocate your digital marketing budget? (Multiple answers are possible)



In the meantime, companies use more **alternatives to the „classic" attribution model**, which is based on the last-cookie-wins principle. Only about one out of five companies uses this previous standard of attribution, which often represents the default setting in the analytics tools. **A quarter of all companies use an extended or proprietary heuristic attribution model to allocate attributes.** This share has risen continuously in recent years (2016: 15%, 2017: 22%, 2018: 25%). Nevertheless, 21% of the companies surveyed still make budget decisions based on empirical values - i.e. not based on data. **However, a comparison of the previous year's figures reveals a significant decline in the use of empirical values for budget allocation (30% vs. 25% vs. 21%).** In addition, 17% of respondents use their own data collection as a basis for decision-making and another 15% use web analysis data and data from third-party tools.

Levels of attribution

At what levels do you attribute? (Multiple answers are possible)



Attribution can take place at different levels. **The majority of companies (66%) carry out cross-channel attribution in order to use the insights gained to optimize the media mix.** About one out of three companies already use the online/offline attribution. In addition, 30% of respondents use Intra-Channel Attribution to make data-driven budget decisions, for example with regard to different providers or at campaign level. Finally, 26% of all companies attribute at the cross-device level.

“ The majority of companies (66%) perform ” cross-channel attribution to use the insights gained to optimize their media mix.

5 – RESULTS IN DETAIL

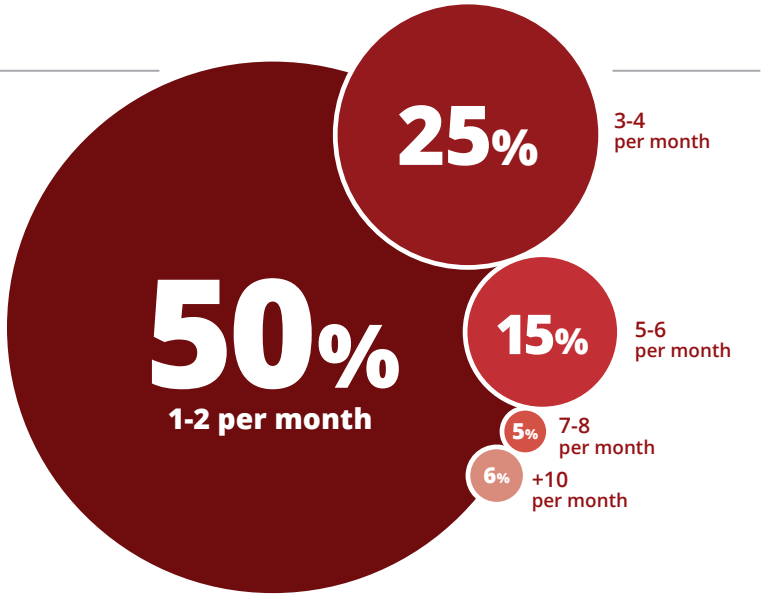
CONVERSION OPTIMIZATION

5.1 – SETUP

Testing Frequency

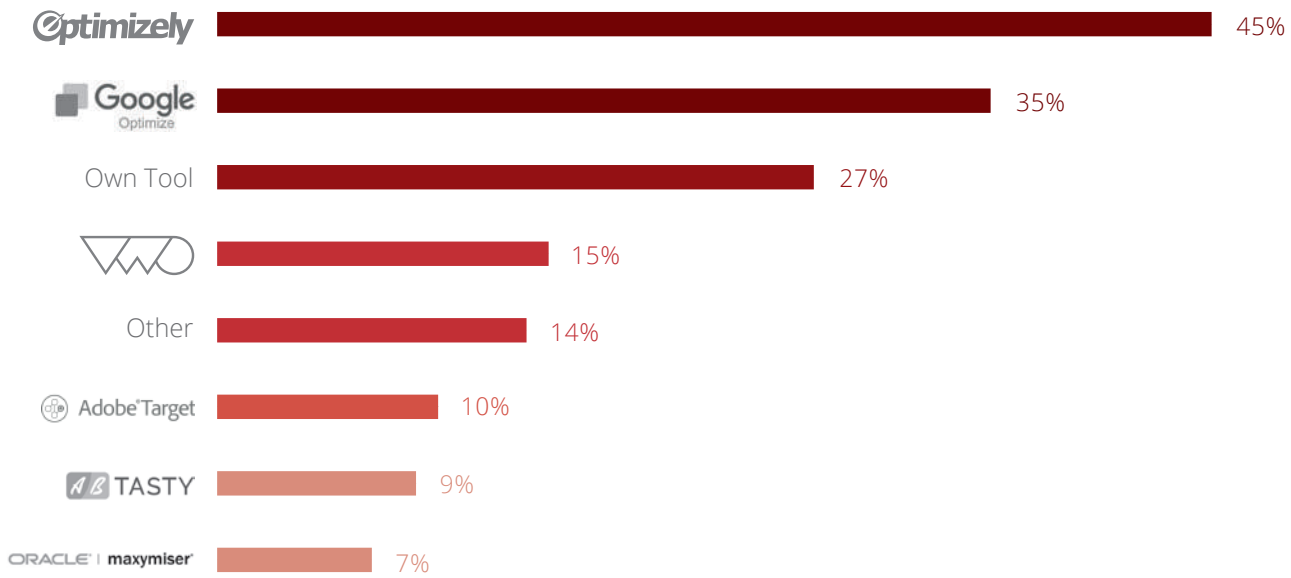
How many tests do you usually conduct each month?

Half of all companies usually conduct 1-2 tests per month. Another quarter test 3-4 times a month. Fewer respondents perform more than 5 or even more than 10 tests per month. A separate analysis of the results per company size reveals that **companies with more than 100 employees perform tests more frequently** (at least 5 tests per month) than smaller companies.



Testing-Tools

What tools do you use to perform your tests? (Multiple answers are possible)



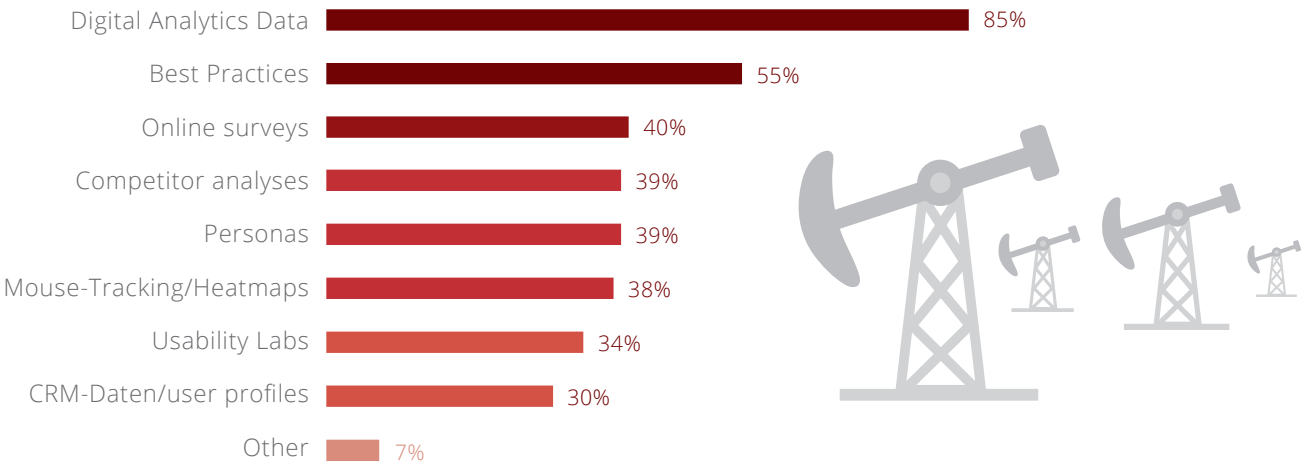
Varieties of tools from different vendors are available for conversion optimization. In addition, it is also possible to carry out tests with your own tools. Despite this diversity, the survey results show that almost **half of the companies (45%) use Optimizely for their tests**. Google Optimize ranks second among the tools used: **a good one-third of those surveyed use Google solution for testing and optimizing their pages**. In addition, 27% of companies use their own tool for conversion optimization. Visual Website Optimizer (15%), Adobe Target (10%), AB Tasty (9%), Oracle Maxymiser (7%) and other tools (14%) are used less frequently. The results also show that the majority of companies (60%) use only one tool for conversion optimization. For another 27%, two tools are used simultaneously for conversion optimization.

A differentiated view depending on the test frequency in the companies reveals that **29% of heavy users, i.e. companies with at least 5 tests per month, use 3 or 4 tools for conversion optimization**. For the light users (max. 4 tests per month) that proportion is only 8%. The most frequently used tools do not vary: Among the top 3 are Optimizely, Google Optimize and own tools for both heavy and light users.

5.2 – TEST CONCEPTS

Data Sources

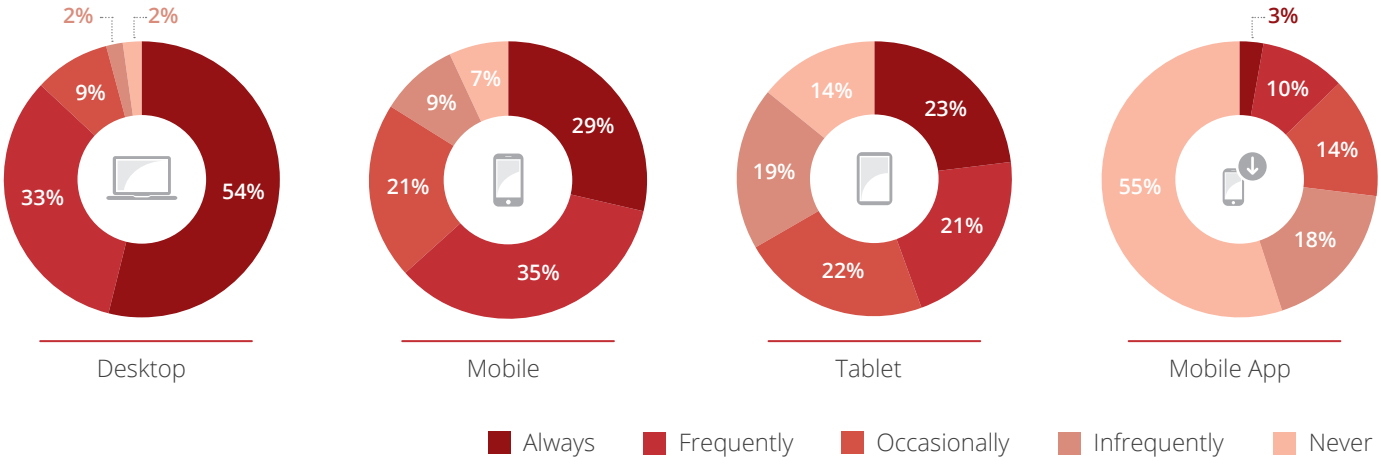
Which data sources do you use for your test design? (Multiple answers are possible)



As a rule, the companies surveyed use several data sources for their test design: approximately two thirds of the companies use 2 to 4 different data sources. The dominant source is digital analytics data, which provides 85% of companies with input for the design of the tests. In addition, another 55% of those surveyed base their tests on best practices. Online surveys (40%), competitor analyses (39%), personas (39%), mouse tracking tools or heat maps (38%), usability labs (34%) and CRM data or user profiles (30%) provide information on the conception of conversion optimization tests.

Devices

How often do you perform tests for the following devices?



Desktop remains the focus of testing, with 54% of companies always testing desktop devices and 33% often testing desktop devices. A similarly **strong focus of testing is mobile**: 64% of respondents stated that they always or often test mobile sites. Testing is less regular for tablets and mobile apps.

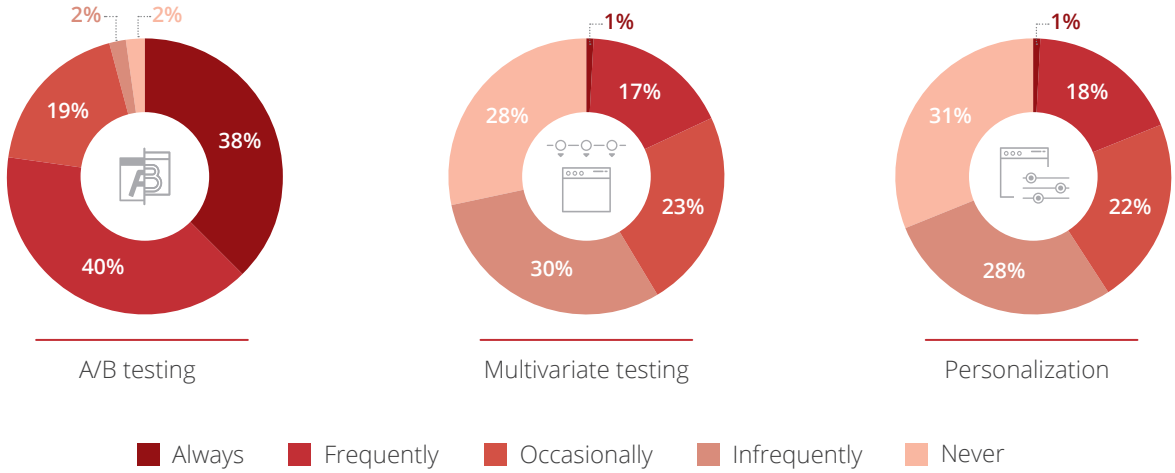
Test Pages

How often do you run tests on the following pages?

Companies **most frequently perform tests on product and landing pages.** Nearly two thirds of the companies state that they always or often carry out conversion optimization on thoses pages. Furthermore, **comparatively regular tests** are carried out in the **back areas of the conversion funnel**, such as checkout or registration, **as well as on start and overview pages**. Rarely or never do the respondents in the Conversion optimization projects consider the areas of newsletters and content pages.

Testing Procedures

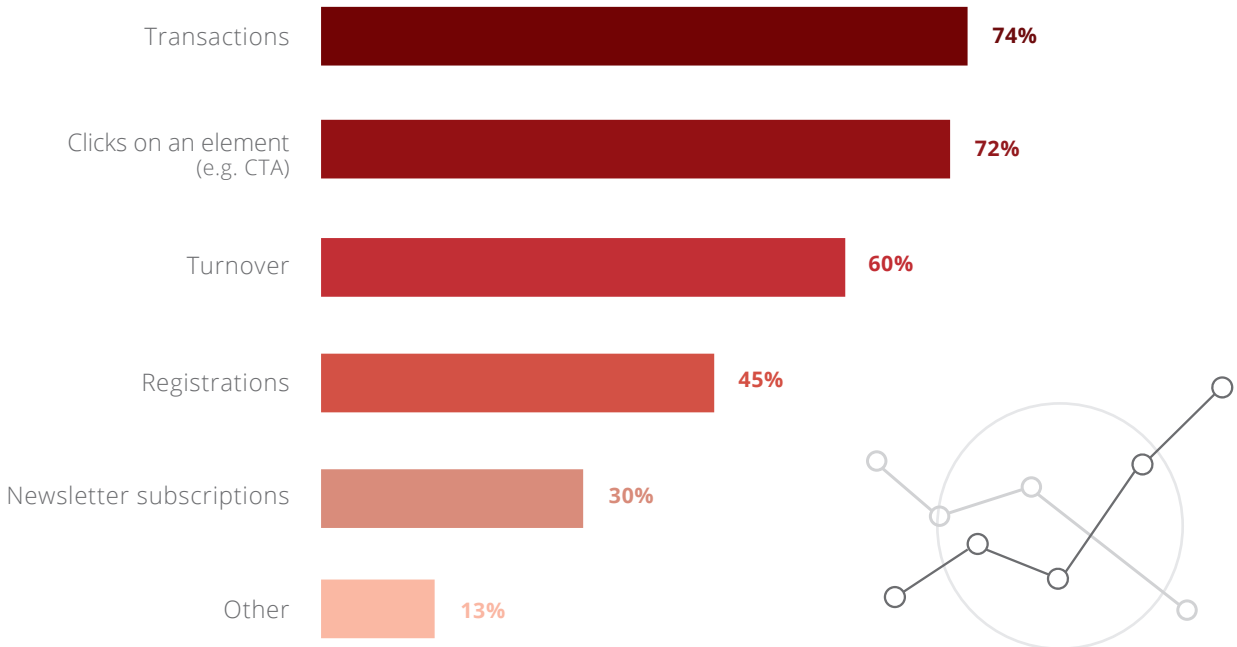
How often do you use the following tests?



The companies surveyed carry out the supposedly "simple" A/B testing most frequently: **78% stated that they regularly use A/B testing. The more complex procedures of multivariate testing and personalization are used less regularly.** The respective proportion of companies that always or often use these procedures is only 18% and 17% respectively. On the other hand, around 30% of those questioned stated that they rarely or never use these complex procedures.

KPIs

Which KPIs are the basis of your tests? (Multiple answers are possible)

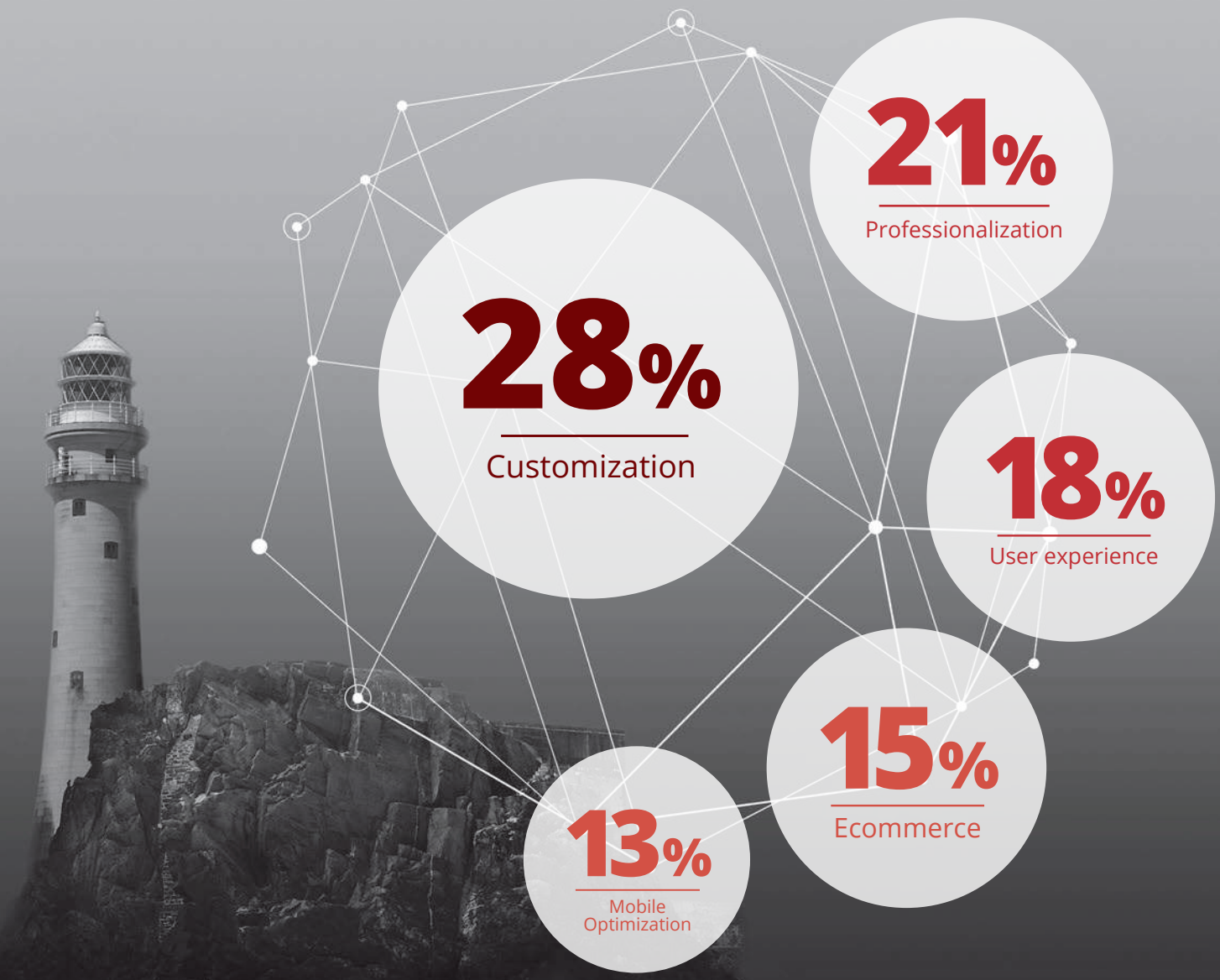


As 74% of companies want to increase transactions and 60% want to increase sales, sales-related KPIs dominate as output targets for conversion optimization. The improvement of **clicks on certain elements** also attracts a high level of attention among respondents (72%). Registrations (45%) and newsletter subscriptions (30%), on the other hand, are issued much less frequently than KPIs for conversion optimization. The choice of KPIs depends particularly on the respective business model.

5.3 – PROJECTS & CHALLENGES

Projects, Topics and Questions

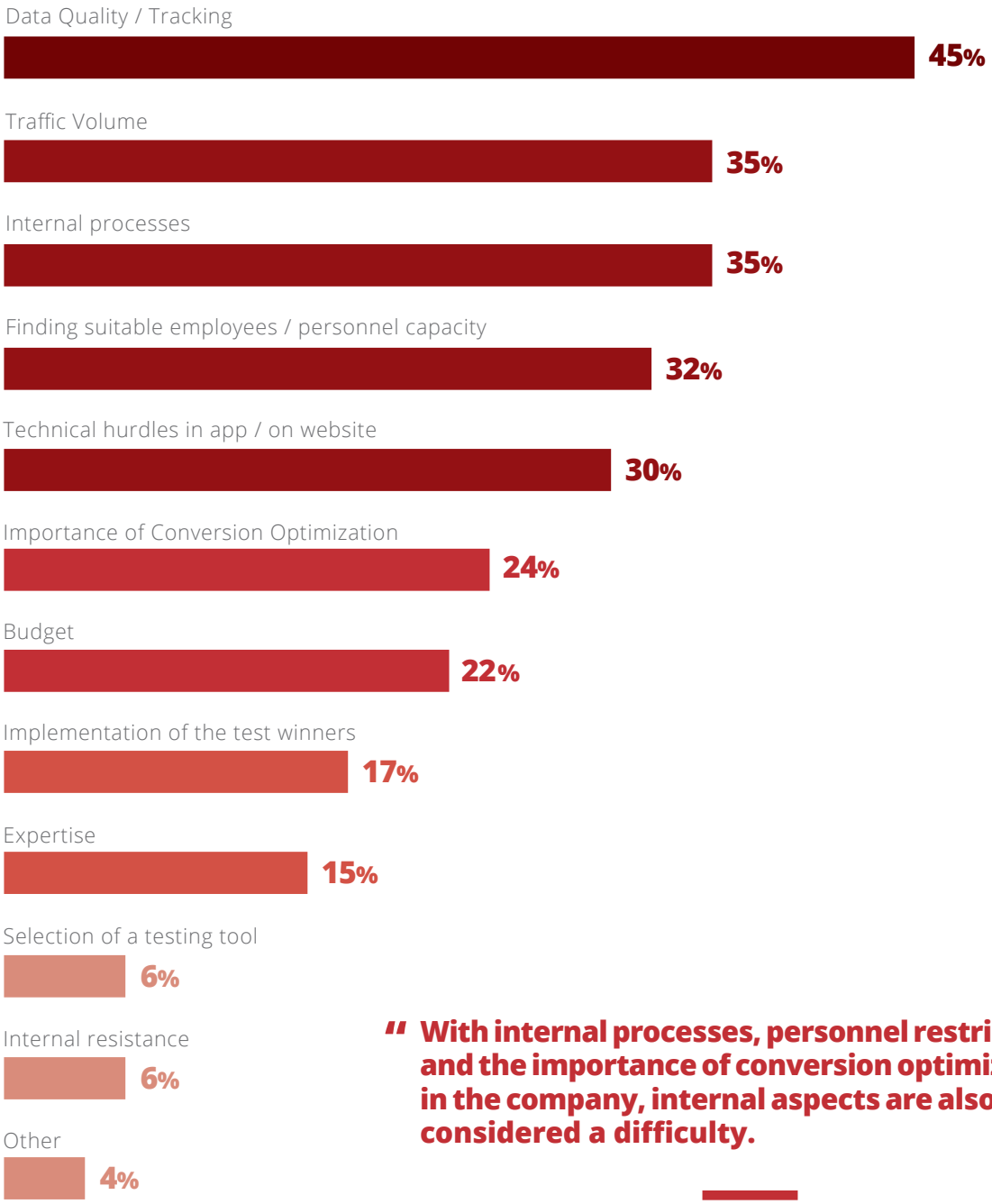
What projects, topics and questions are you working on with regard to Conversion Optimization in 2018?



On addition to the results of the test concept described above, the answers to the open question about the planned projects, topics and questions in 2018 provide deeper insights. The key topic is **personalization**: Individualized content for selected segments and the resulting stronger target group orientation will be the topic of 28% of all respondents in 2018. More than one out of five companies would like to further **professionalize themselves** in terms of conversion optimization. This also includes the implementation of the topic in the company, the creation of roadmaps and cross-functional CO processes. In addition, 18% of companies will push the **User Experience** (UX) in 2018. Emphasis will be placed on a rather general new website layout and intuitive usability on the one hand, and on optimizing landing and checkout pages, configurators, forms and internal searches on the other. The topic of **ecommerce** enjoys high priority among 15% of all respondents. Finally, for another 13%, **optimization on mobile devices** is a relevant issue to be addressed this year.

Challenges

What are the three biggest conversion optimization challenges in your company in 2018?



" With internal processes, personnel restrictions and the importance of conversion optimization in the company, internal aspects are also often considered a difficulty. "

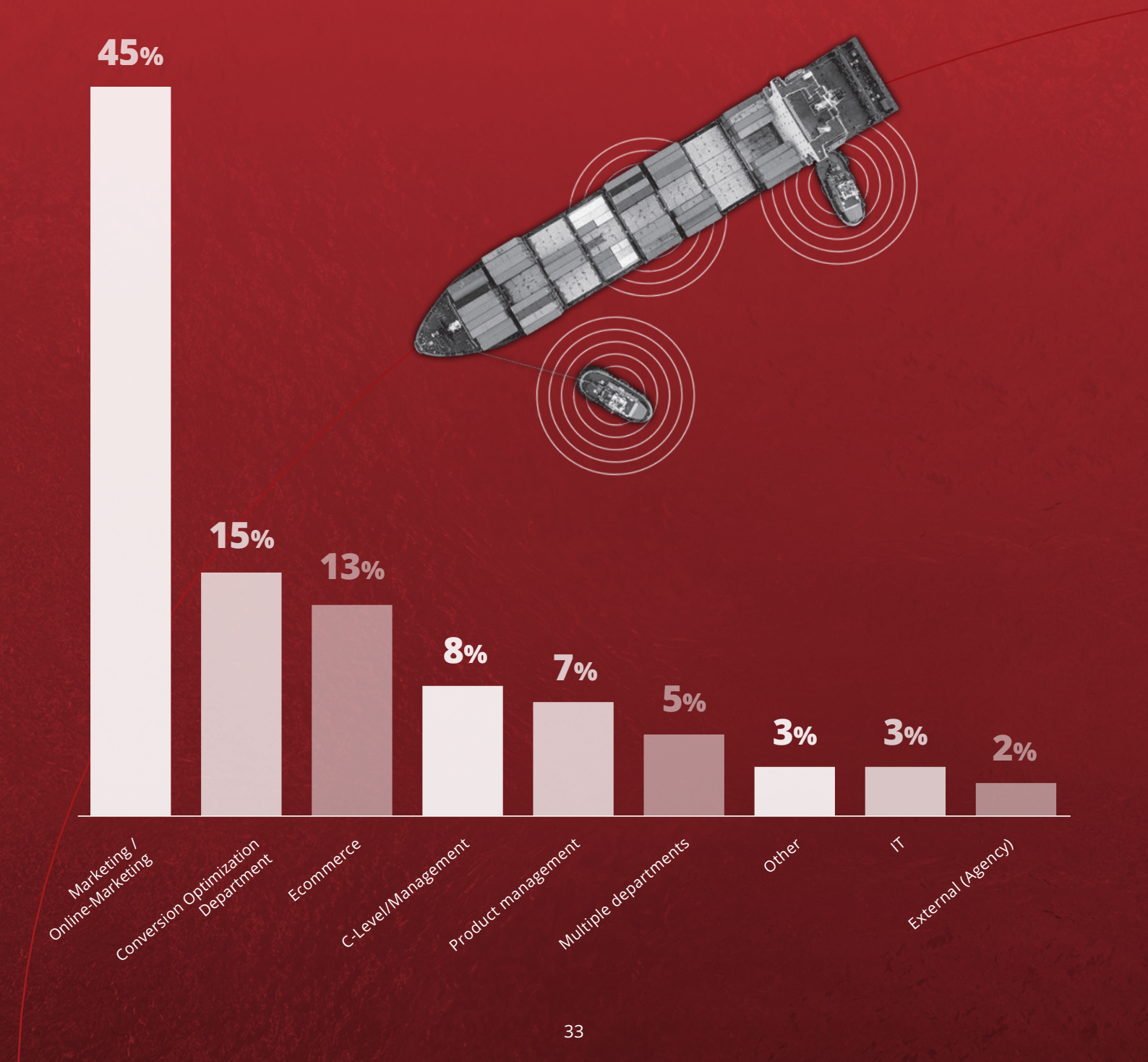
Ensuring the validity of test results is an important concern in Conversion Optimization, as 45% of respondents cite **data quality and tracking as the biggest challenges**. For a little less, but still for a large part of the respondents (35%), the **traffic volume required for testing is the biggest challenge**. With internal processes (35%), personnel restrictions (32%) and the importance of conversion optimization in the company (24%), **internal aspects are often rated as difficult**. Technical obstacles such as technical hurdles (30%) and the implementation of the test winners (17%) also pose major challenges for companies in the current year. At most, every fourth company names the importance of conversion optimization (24%), the budget (22%) and the expertise (15%) as problems still to be solved.

5.4 – RESPONSIBILITIES & BUDGET

Responsible for Conversion Optimization

Who is in charge of Conversion Optimization in your company?

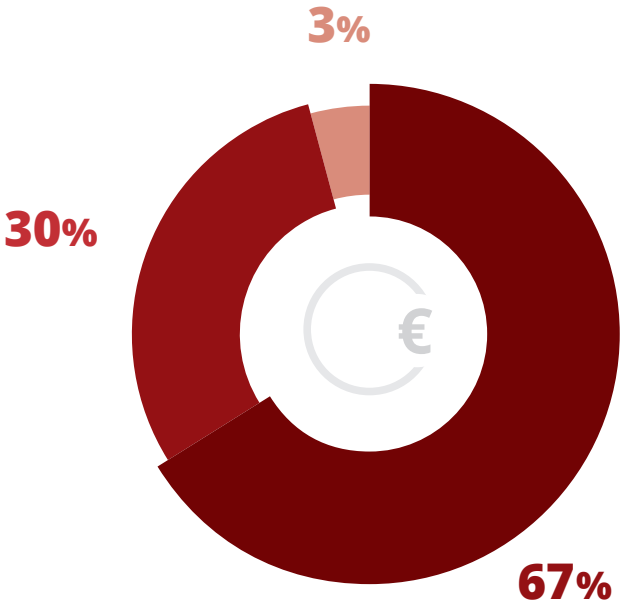
In organizational terms, the area of conversion optimization is anchored primarily in **marketing/online marketing** (45%). No less than 15% of the companies surveyed now afford their **own conversion optimization department**. In addition, **ecommerce** (13%), **C-level or management** (8%) or product management (7%) also regularly deal with this issue. Less often, several departments together (5%) and IT (3%) or exclusively external departments (2%) are responsible for conversion optimization.



Cooperation with external agencies

Do you work with an external agency on your conversion optimization projects?

The majority of those surveyed (59%) who work on the customer side carry out the conversion optimization projects independently, i.e. exclusively internally. The remaining **41% of the companies surveyed work together with an external agency**. However, the evaluation of the previous question shows that responsibility for the topic of conversion optimization usually remains within the company.



Proportion of conversion optimization in the marketing budget

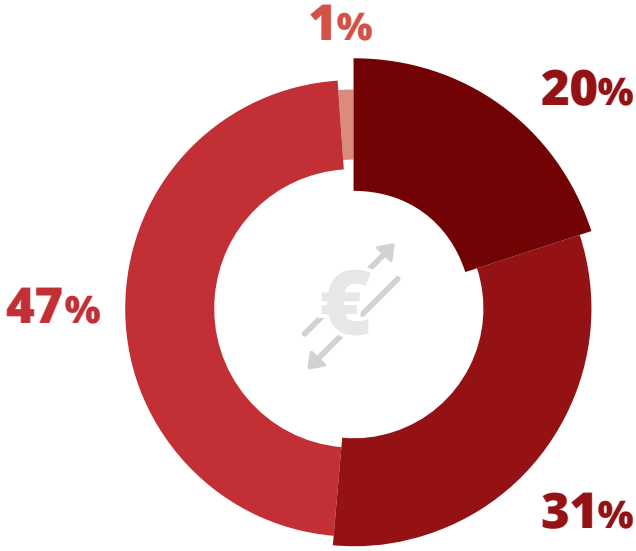
What percentage of the marketing budget will conversion optimization account for in 2018?

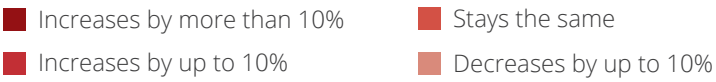
Conversion optimization is only granted a higher share of the marketing budget for a few companies. **Two-thirds of companies use less than 10% of their total marketing budget for conversion optimization.** In another 30% of companies, the budget for conversion optimization accounts for 10-20% of the marketing budget. Only 3% of the respondents had more than 20%.

Budget change 2018 vs. 2017

How will the Conversion Optimization Budget 2018 change in your company compared to 2017?

Compared to the previous year, more than **half of the companies can expect increasing budgets for conversion optimization in 2018**. For another 47%, the budget remains at the 2017 level. 1% of those surveyed will have to manage with a budget that is up to 10% lower than in the previous year.





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