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Marketing Cloud

Go Further With

Customer Experience Optimization

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An Ignite Guide
24 MIN READ

To the marketer who's always on

We know. There's a lot to keep up with. And get to the bottom of. As the universe of marketing evolves, shape-shifting from one minute to the next, the importance of building muscle memory around new topics is undeniable.

At Oracle, we get it. Which is why we created a series of guides about what's trending in modern marketing. They'll get you up to speed on pivotal trends in less time – with less effort – so you can get back out there. Because sitting on the sidelines isn't really your thing.

The Rundown

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Understanding The Core

Customer experience optimization (CXO).

You've heard it a time or two, but what is it exactly, and how can it be a powerful tool for your team?

It's a process that leverages user attributes and compares the performance of design and copy variants within marketing tactics to personalize the customer experience, convert prospects, and grow revenue.

NOTE:
A CXO platform can help me deliver personalized content based on customers' needs, beliefs, behaviors, and demographics.

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Why It's Needed

Testing and optimization are essential to push you through your campaign – all the while boosting the effectiveness of your marketing.

For starters, they improve:

SHOPPER CONVERSION
Customers served optimized messages buy more frequently.

SHARE OF WALLET
Highly engaged customers spend more per transaction.

RETURN ON INVESTMENT
The vast majority of marketers say optimization improves ROI.

Common Hurdles

What stands in the way of you earning your CXO gains?

A lot.

To develop fully optimized marketing, you must first untangle:

INFLEXIBLE TECHNOLOGY

SHALLOW ANALYTICS

CONFUSING RESULTS

NOTE:
A robust testing and optimization platform can mend these.

The Strategy

Now that you know the basics, we think it's time you picked up the pace. Optimized marketing requires the right CXO platform – and the right plan.

01   **Plot a campaign roadmap**

02   **Decide who you want to target (and what you want to personalize)**

03   **Refine iterations with A/B as well as multivariate testing**

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Campaign Road Mapping

To make the most of your testing, conserve resources, and avoid any potholes, gather your team and chart out a campaign roadmap.

MILE MARKER 1: SET GOALS

The first step to creating a roadmap begins with identifying your business goals. Start with your company's annual goals. What portion of these can be reached with optimization? From there you can determine KPIs and set niche goals for individual channels, owned sites, and device experiences. (Just make sure you get executive buy-in to avoid any rerouting.)

MILE MARKER 2: PICK PEOPLE

The second phase is to select the audience segments you'll focus on. If your target market isn't yet divvied up into sections, take a look at the "Audience Segmentation" section of this guide – and put your testing platform to work.

MILE MARKER 3: START THE CLOCK

Time to get down to the nitty-gritty: When, where, and how long will your tests run? Start by analyzing current traffic and conversion rates as your site's primary metric. From there, you can use the resolution calculator in your testing and optimization platform to estimate how long your campaign will need to run in order to reach statistical significance.

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Campaign Road Mapping (Continued)

MILE MARKER 4: SCOPE FOR SUCCESS

The fourth leg is to solidify your scope. Rock-solid scoping expedites development, simplifies analysis, and clarifies findings. (Which are all good things in our book.) Take a look at what's been proposed and pare down test ideas to a select few. Any secondary ideas can be relegated to later campaigns.

MILE MARKER 5: PUT IT IN PLACE

Now you can finally put your test ideas into place. Before you execute though, align with broader organizational timelines to ensure your campaign produces data that isn't influenced by outlying events, promotions, or website releases. (Syncing with others will likely empower your colleagues, too.)

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Audience Segmentation

In modern business, efficiency is vital. Thus, it makes sense that the next stop on your testing and website optimization mission is to bucket your audience into similar segments.

Segments represent your target market and are made of combinations of physical, behavioral, and transactional attributes, including:

01 **Gender, age, and category most purchased (rarely changing)**

02 **Device type, time of day, and day of the week (remaining the same within a session)**

03 **Actions, behaviors, and clicks (varying from moment to moment)**

NOTE:
Choose a testing and optimization platform that comes with a customizable range of attributes.

If you know what segments to zero in on and they're in a CXO-friendly format, you're a step ahead. Simply import the appropriate attributes into your CXO platform, create segments, and let your platform take it from there.

If you still need to explore who your primary segments should be, leverage the segment discovery tool in your platform. (The lowest-performing segments often represent the most scorching-hot opportunities.)

Personalization 101

Now that you've made it through the obstacle course of audience segmentation, it's time to cross into personalization. When done right, personalization can swell conversion, purchase frequency, and average order value.

To kick off your efforts, choose the campaign items you want to personalize, including:

01   **Offers (brand-level and category-level)**

02   **User experience components (layout and flow)**

03   **Product elements (merchandising, assortment, and recommendations)**

Once you've selected the elements you'd like to alter per segment, form a hypothesis for each. This will give you a baseline against which to compare results.

Finally, you must decide how to determine what content is served to each segment when campaigns are live. You can choose between a rules-based approach or an automated, self-learning model. While automated, self-learning models are seen as optimal for personalizing offers to and product elements (and rules-based approaches are thought to work best for layout and flow), testing will help you establish the peak condition for each situation.

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A/B Testing

The foundation of CXO comprises A/B, as well as multivariate testing, which are used to test branding, site design, pricing, and messaging effectiveness. (And help you grab hold of personalized experiences that propel conversion.)

A/B testing is a form of optimization testing in which two versions of an experience are compared against each other: Version A, the control, and Version B, the challenger.

You can use it to compare both:

01 **Highly similar customer experiences in which Versions A/B are almost identical except for one element**

02 **Essentially different experiences that have nothing in common**

NOTE:
A/B testing is also called split testing because it splits visitor traffic between the two versions. (Traffic can be split by any percentage and doesn't have to be 50-50.)

PROS
- Easy and fast to run
- Uses fewer resources
- Requires less traffic to generate statistically valid results

CONS
- Creates less nuanced results
- Can be more difficult to act on
- Doesn't always provide context for changes in conversion rate

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Multivariate Testing

You've reached the multivariate testing (MVT) page, which means the finish line of personalization is mere steps away.

Multivariate testing is a more complex form of testing that compares a minimum of four versions of an experience against each other. (However, there's no limit to how many versions a test can compare or how many variants each version can have.) Like A/B testing, you can use it to compare similar or dissimilar customer experiences, target multiple segment groups at once, compare different experiences in real time, test for multiple success metrics at the same time, and split traffic between versions.

PROS
- Creates extremely nuanced results
- Easier to act on
- Provides context for changes in conversion rate

CONS
- Complicated to run
- Requires more expertise
- Needs more traffic to generate statistically valid results

NOTE:
A CXO platform should be able to perform simple A/B tests and complex MVT tests, too.

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The Power of Oracle Marketing Cloud

Oracle Eloqua
(B2B Marketing Automation)

Oracle Bluekai
(Data Management)

Oracle Maxymiser
(Testing & Optimization)

Oracle Responsys
(B2C Cross-Channel Orchestration)

Oracle Social Marketing

Oracle Content Marketing

Oracle Maxymizer is a CXO platform that fluidly integrates with your DMP, CRM, and web analytics so you can pinpoint meaningful user behaviors and optimize your campaigns' low points. From tracking customer behavior across channels and devices to A/B as well as multivariate testing, Maxymiser will bring your user data into view. (So you can get a top-level look at your campaign and amp up for your next run.) Look for it inside Oracle Marketing Cloud.

About Oracle Marketing Cloud

B2B and B2C marketers use Oracle Marketing Cloud, an integrated portfolio of best-in-class applications, to drive sales, brand and customer loyalty. Oracle Marketing Cloud offers the industry's richest datasets and most adaptive intelligence so marketers can deliver irresistible, consistent and connected experiences to customers wherever they are and however they choose to engage.

Want to know more? (Of course, you do.)
Visit **oracle.com/marketingcloud** to get it.

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