Magic Quadrant for Personalization Engines

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By Penny Gillespie, Alex De Fursac Gash, **and 4 more**

Personalization is a top strategy for differentiating customer experiences. It can improve CX, increase revenue, boost customer satisfaction and reduce cost through operational efficiencies. The personalization engine market revenue grew 21% in 2023 and has a projected CAGR of 23.8% through 2027.

Market Definition/Description

Gartner defines personalization engines as technology that enables marketing professionals to identify, set up, conduct and measure the optimum experience for an individual based on knowledge about them, their intent and context.

Personalization engines apply context about individual users and their circumstances to select, tailor and deliver messaging such as content, offers and other interactions through various digital channels in support of three use cases:

- **Marketing:** Delivering the right message to the right audience and in the right context (i.e., tone, timing and channel) to maximize marketing and advertising performance. It involves behavioral inference, segmentation, testing, targeting and optimization of marketing campaign content, messaging and engagements across marketing and communication channels.

- **Digital commerce:** Tailoring content, offers, recommendations and experiences across digital sales channels. It includes personalized site search and navigation and customized content across homepages, category landing pages and product detail pages, with the goal of increasing conversion and delivering online revenue growth.

- **Service and support:** Using customer insight, journey context and user feedback (i.e., surveys and stated intent) to customize online and offline experiences across business functions to reduce customer effort or increase customer satisfaction and advocacy.

Standard Capabilities

The standard capabilities of personalization engines include:

- In-session behavior tracking, data collection and ingestion

- Triggering interactions in real time based on individuals' actions, context, data or a combination of the three

- Flexible user segmentation across known and inferred values to support personalization rules, including responding to contextual data and user feedback

- Extensive testing capabilities, including the ability to test a wide variety of personalization elements and tactics

- Predictive analytic capabilities that minimally support content and product recommendations; these include predicted affinities or other values that can be used in audience targeting and triggering

- Personalization performance tracking, measurement and reporting
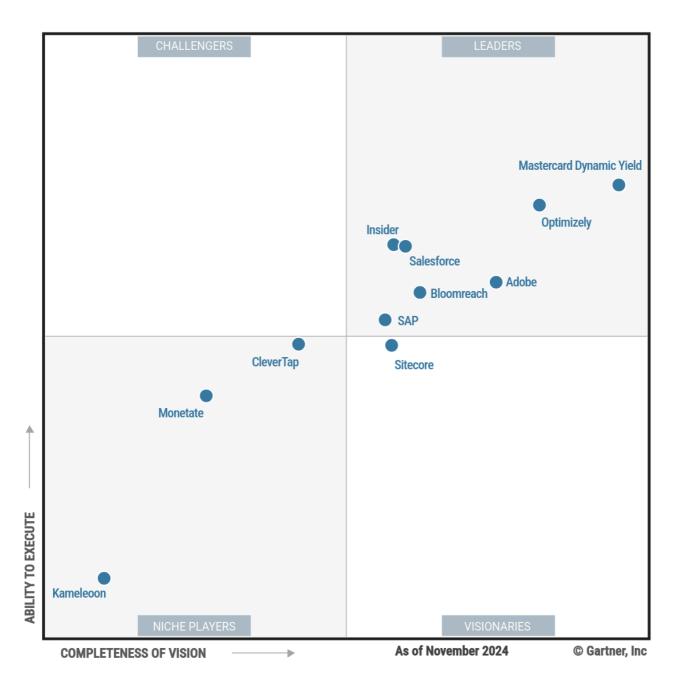
Optional Capabilities

Optional capabilities of personalization engines include:

- Support for account-based data structures to support more complex B2B relationships and account-based marketing (ABM) strategies

- Automated machine learning capabilities that improve personalization outcomes, such as identifying underperforming audiences and recommending specific actions to improve outcomes

- Customer feedback survey design and execution

- Customer and prospect data unification and profile management from marketing and other data sources

Magic Quadrant

Figure 1: Magic Quadrant for Personalization Engines

Figure 1: Magic Quadrant for Personalization Engines

Vendor Strengths and Cautions

Adobe

Adobe is a Leader in this Magic Quadrant. Its Adobe Target is in the Adobe Experience Cloud portfolio for customer journey management. For an additional charge, other Adobe products can complement (e.g., Adobe Real-Time Customer Data Platform, Adobe Customer Journey Analytics and Adobe Journey Optimizer). Adobe is geographically diversified, serving midsize to large, global organizations in many verticals with the top ones being financial services/insurance, retail, and travel and hospitality. The solution is particularly well-suited

for large, global enterprises. Existing Adobe customers will find additional benefits from Target's native integration with the Experience Cloud portfolio. Adobe's roadmap focuses on AI and GenAI features, such as Adobe Experience Platform AI Assistant for in-product guidance and automation, especially experimentation workflows, next-best experience insights for each customer, measurement and decisioning.

Strengths

- **Market reach:** Target demonstrates exceptional breadth and balance in its business model, effectively catering to B2B, B2C and hybrid organizations. It stands out as one of the most balanced vendors in the market, offering tailored solutions that meet the diverse needs of various industries.

- **Flexible and customizable interface:** Target offers a comprehensive and modular interface, supporting dynamic features that can be automated and customized to fit diverse user needs. Its modular architecture enhances user adaptability, and users can highly customize different capabilities (e.g., algorithm templates, promotion and product templates, target rules and sequencing).

- **Testing capabilities:** Target provides a robust portfolio of testing solutions across various digital channels, such as web, email and mobile applications. It supports advanced A/B and multivariate testing (MVT) as well as AI-enabled targeting for both email and digital commerce experiences. Gartner Peer Insights reviews consistently highlight the product's ease of setup for testing.

Cautions

- **Adobe product utility:** Prospective buyers seeking comprehensive functionality in a single product should evaluate Target on a use-case basis. Investments in other Adobe products, like Real-Time CDP, Customer Journey Analytics and Journey Optimizer, may be required to fully meet large-scale personalization objectives. Buyers should carefully assess these potential additional costs when considering Target.

- **Learning curve:** The breadth of features and integrations within the Adobe ecosystem can take time to learn for new users. Setup, configuration and further integration to the personalization engine may require significant time and technical skills to leverage all its capabilities.

- **Bundling sales tactic:** Adobe often packages Target with other products from the Experience Cloud portfolio as part of its sales strategy. Prospects looking for commercial

flexibility who are uniquely focused on specific personalization use cases should closely evaluate the additional value associated with these bundles.

Bloomreach

Bloomreach is a Leader in this Magic Quadrant. Its Engagement personalization offering sits within its Bloomreach Composable Personalization Cloud solution. For an additional charge, Engagement can be complemented with Discovery (its search and product discovery solution). Bloomreach's operations are fully global, primarily serving clients in retail, tourism and transportation. The solution is particularly well-suited to enterprises requiring a combination of effective targeting and digital commerce functionalities. Bloomreach's roadmap focuses on scaling its analytical AI capability to further automate customer journey orchestration and more effectively engage with customers at key journey moments.

Strengths

- **AI functionality (Loomi):** Bloomreach leverages its powerful Loomi AI to deliver real-time, context-aware product recommendations across channels. Loomi AI is an integral component of the Composable Personalization Cloud, and Bloomreach is planning further enhancements in 2025, including AI-powered automation capabilities to plan and create customer journeys.

- **Product and service:** Bloomreach offers impressive targeting capabilities based on real-time integration across all channels. It combines these features with very strong digital commerce capabilities, providing omnichannel personalization engagement during customers' exploration and purchase phases.

- **Operations:** Bloomreach is one of the strongest vendors in this Magic Quadrant, in terms of its operations, and is well-positioned to continue efficiency gains and overall user experience improvements. This analysis is evidenced by its high proportion of full-time equivalents dedicated to operations, its global services and its global network of system integration partners.

Cautions

- **Vertical/industry strategy:** Bloomreach currently serves one of the smallest ranges of industries of all vendors in this Magic Quadrant. Currently, four industries make up the majority of its client base, with the retail sector accounting for the largest share. Prospects will want to closely examine support for their specific vertical.

- **Sales strategy:** One of Bloomreach's most notable gaps, in terms of its overall sales approach, is its lack of an industry-specific sales strategy. This gap is also partly reflected in below-average Peer Insights scores for evaluation and contract negotiation.

- **Training and support:** Bloomreach scores below the aggregated average of vendors in this Magic Quadrant in Peer Insights assessments for both support and servicing capabilities. Some customers observed the need to accelerate platform use more quickly.

CleverTap

CleverTap is a Niche Player in this Magic Quadrant. CleverTap Personalization includes personalization and a customer data platform (CDP), customer/product analytics, and experimentation and orchestration across digital touchpoints. Its operations are global, with most clients in APAC and the largest share in financial services, retail, and entertainment and media. It is suited for midsize organizations seeking a comprehensive B2C personalization approach. Its roadmap includes integrating generative AI (GenAI) to prescribe app and web journey flows, as well as visualizing AI algorithms and self-learning models for transparency and insight into decision making. Its 2024 acquisition of Rehook.ai has expanded its capabilities in loyalty, promotions and offer management.

Strengths

- **Customer appeal:** Compared to other vendors in this research, CleverTap's personalization solution has one of the highest 2023 growth rates and customer base. This growth and customer footprint can be attributed to CleverTap's all-in-one solution that includes a CDP and its ability to set up and trigger automated personalized customer journeys at multiple touchpoints (e.g., web, mobile apps, email, social, paid channels).

- **Embedded AI:** CleverTap continues to add new AI functionality. Recent examples include AI-based automation for customer journey routing (i.e., next best action across multiple channels) and its GenAI digital content creation assist (i.e., Scribe, which with a few text prompts, can automatically generate emotionally relevant messages, expanding multiple channels).

- **Sales viability:** CleverTap's sales effectiveness stands out due to its high percentage of certified resellers, its established global referral program and its customer advocacy recruitment program. These programs efficiently increase its reach in trusted environments and power its growth.

Cautions

- **Customer service integration:** CleverTap offers a limited number of prebuilt integrations with customer service platforms, compared to other vendors in this Magic Quadrant. Organizations seeking specific integrations with customer service platforms may need to explore other vendors.

- **Site search functionality:** CleverTap does not offer native on-site search functionality, relying instead on partner integrations through published APIs. It also cannot trigger or render personalized content within site search elements. Organizations seeking sophisticated on-site search personalization capabilities should consider other vendors.

- **Limited B2B focus:** CleverTap Personalization is designed for B2C organizations, and only a small percentage of B2C clients are using it in a B2B2C use case. Organizations seeking B2B personalization will need to evaluate CleverTap's ability to support their use case(s).

Insider

Insider is a Leader in this Magic Quadrant. Its Growth Management Platform includes a native CDP, which leverages session and first-party data to improve the relevance and performance of digital content with robust testing, automated segmentation and detailed product promotions. Its operations are geographically diversified. Its clients are mostly B2C marketers in EMEA and APAC in retail, telecom and banking. It is best-suited for experienced midsize to large enterprises seeking to improve personalization with robust AI and comprehensive channel support. Its roadmap includes improvements to its data transformation and ingestion engine, GenAI-built insights for customer experience, and enhancements to its native search features.

Strengths

- **Comprehensive omnichannel personalization:** Insider provides a consistent and personalized experience across multiple channels, including web, mobile, email, SMS and social media. It leverages sophisticated customer journey orchestration algorithms to personalize interactions at each stage of the customer life cycle.

- **Advanced segmentation and targeting:** Insider supports advanced behavioral segmentation, allowing marketers to create dynamic segments based on user actions, preferences and engagement patterns that are synced in real time with its CDP.

- **AI-driven personalization:** Insider uses AI and machine learning (ML) to deliver personalized experiences based on predictive analytics and user behavior patterns, starting as early as the first visit based on redirect and URL data. It supports dynamic content personalization, enabling real-time adjustments to the website and interactive channel experiences based on contextual data.

Cautions

- **Complexity and learning curve:** Insider's extensive features and capabilities can result in a steep learning curve for new users, particularly those not already familiar with features typical of a personalization platform. Setting up and configuring the personalization engine to leverage all its capabilities may require significant time and expertise.

- **Cost and pricing structure:** Insider's personalization engine can be expensive, particularly for small to midsize businesses. The cost can escalate quickly when additional features and modules are required. The pricing structure is complex, making it difficult for organizations to predict and manage costs with various add-ons and modules they may need to achieve the desired level of personalization.

- **Dependency on Insider ecosystem:** Marketers may hit a performance ceiling unless they integrate with Insider's multichannel marketing hub. Several built-in integrations for additional functions make it challenging for organizations to switch to other personalization solutions or integrate with outside tools, requiring additional development effort for a less seamless solution compared to native Insider integrations.

Kameleoon

Kameleoon, a Niche Player in this Magic Quadrant, offers a unified platform grounded by its personalization engine, Web Experimentation. Clients can pay to add more complex testing, search, product recommendations and AI-enabled offerings (e.g., predictive targeting, opportunity detection, experimentation and assistance). Kameleoon operates primarily in Europe, with a North American and APAC presence, supporting business or consumer services, financial services, high tech and IT. It's suited to midsize organizations serving Europe that seek a broad B2C personalization approach. Its roadmap includes a personal consultant chatbot, now in beta, to serve as a customer advisor during complex product purchases that require extensive knowledge.

Strengths

- **Product portfolio breadth:** Kameleoon has a broad product portfolio for a vendor of its size. It supports commerce and marketing use cases and offers more than 50 partner integrations. For buyers who have adopted a cloud-based data warehouse, it offers native integrations with BigQuery, Snowflake and Redshift for an additional fee.

- **Modernized technology:** In 2024, Kameleoon rolled out hybrid experimentation to support cross-device, cross-channel experimentation for identified users and introduced streaming architecture to manage the capture, processing and analysis of data in real time.

- **Pricing and POC:** Kameleoon pricing is based on the number of monthly unique users (i.e., average traffic), regardless of channel, with no additional cost associated with campaign activities, events or other triggers. It offers a 30-day free trial for feature experimentation and other proofs of concept are available upon request.

Cautions

- **Global reach:** Kameleoon does business primarily with organizations in Europe and North America. While both regions are supported by its localized help desk support, global organizations will want to closely evaluate Kameleoon's ability to support any targeted areas beyond Europe and North America.

- **Limited B2B focus:** Kameleoon primarily serves B2C organizations, with only a few B2B clients. Organizations seeking a B2B solution will want to evaluate its ability to support their specific use case(s).

- **Lack of strategic partners:** Kameleoon lacks strategic partners in the areas of implementation, consultancy and agency. Organizations that require these services will need to evaluate alternatives to this solution.

Mastercard Dynamic Yield

Mastercard Dynamic Yield is a Leader in this Magic Quadrant. Its Experience OS solution enables marketers to execute personalization across the full customer life cycle. Dynamic Yield supports clients across a variety of industry verticals globally but concentrates on retail and financial services. Its product is particularly suited to B2C and hybrid enterprise clients with ambitious personalization goals. It focuses on personalization using AdaptML, its AI/ML system designed to automate next best actions across segmentation, testing and triggering.

Dynamic Yield's roadmap focuses on delivering AI-driven empathy to customers, with AI capabilities that can anticipate individual personalization needs and emotions in real time.

Strengths

- **Strategic vision and innovation:** Historically, Dynamic Yield has been a leader in this Magic Quadrant. It leads the charge of advancing personalization from being a reactive capability toward a more holistic and customer-centric empathic era. This vision of empathic personalization is consequently driving new, AI-based innovations designed to predict individual needs and emotions in real time.

- **Solution experience and sophistication:** Dynamic Yield's Experience OS solution provides a composable design and has evolved into a sophisticated operating system. It enables marketers to compose the optimal suite of modules and integrations required within the solution, using an intuitive dashboard to set up and execute a scalable personalization strategy.

- **Geo-based predictive targeting and spend insights:** Dynamic Yield developed Element, incorporating Mastercard data into personalization. Retailers can target audiences using geographic spend insights based on aggregated and anonymized transactions. Financial institutions can leverage Mastercard's propensity modeling to tailor offers, products and content for bank cardholders.

Cautions

- **Suitability for novices:** Dynamic Yield's strategic focus remains enterprise clients, for which its sophisticated solution features and overall offering are better suited. However, nonenterprise customers or those with low personalization maturity should consider whether they have the interaction volumes and expertise with ML to maximize value from a platform of this cost.

- **B2B presence:** The majority of its clients are B2C-focused. Prospects should explore the solution's capabilities to support their complex B2B use cases, such as multilevel account personalization.

- **Limited industry coverage:** The vast majority of Dynamic Yield's client base is concentrated in two industries: retail and financial services. Prospective buyers should consider whether this vertical coverage focus is relevant in their purchasing criteria.

Monetate

Monetate is a Niche Player in this Magic Quadrant. Its Personalization Platform combines core capabilities like testing, experimentation and journey analytics. For additional cost, other Monetate products can complement (e.g., Search, Recommendations, Dynamic Bundles). It operates mainly in North America and EMEA, with midsize and enterprise clients largely in retail, tourism, financial services and select services (i.e., quick service restaurants). It is suited for organizations new to personalization or those with low to medium personalization maturity. Recent investments include brand marketing, demand generation and account-based experience. Its roadmap includes APIs for triggering experience actions, a new API/code knowledge base and creating/leveraging relationships with multiple digital entities (e.g., products, brands, categories) in one-on-one campaigns.

Strengths

- **Ease of implementation:** Monetate features a user-friendly, sentence-based interface with sections for why, who, what and when that allows users to easily navigate different personalization capabilities. Its no-code action builders allow nontechnical users to customize digital experiences based on visitor profiles, with reusable actions that accelerate the creation of new personalized elements.

- **Testing capabilities:** Monetate provides quick setup of A/B tests with real-time analysis. It automatically creates customer segments based on shopping behaviors. It uses AI to predict the best variant in real time. It also algorithmically allocates traffic to the most effective variant at the current time, based on a goal metric.

- **Personalization focus:** Monetate is fully committed to personalization, without the distraction of upselling other products to dilute its resources. Its innovation approach is focused on enhancing personalization capabilities and advancing personalized digital experiences, not only for customers but also employees.

Cautions

- **Growth:** Compared to other vendors in this Magic Quadrant, Monetate had one of the lowest revenue and new customer growth rates in 2023, which could limit its product roadmap and future innovation.

- **AI capabilities:** While Monetate provides AI-driven solutions, like dynamic testing and product recommendations, its range of AI functionalities lags other vendors in this research. The core product lacks advanced AI features, such as GenAI.

- **Limited product language support:** Monetate provides a user interface and administration support exclusively in English, although training is available in English and Spanish. Organizations seeking a multilingual solution may need to look for other products that offer broader language usage options.

Optimizely

Optimizely is a Leader in this Magic Quadrant. Its Digital Optimization is among three offerings in its Optimizely One solution and can be combined with the other solutions, Content Orchestration and Experience-led Commerce. Its operations are geographically diversified; clients are mostly large enterprises in consumer goods, retail and financial services. It's best-suited for retail companies with tech-savvy marketing teams. Its roadmap includes a collaboration module, contextual bandits and edge delivery. In October 2024, Optimizely acquired warehouse analytics company, Netspring. With this acquisition, Optimizely will enable customers to tie their experimentation activities directly to business metrics that reside in a data warehouse.

Strengths

- **Testing and optimization:** Optimizely offers robust A/B, multivariate and advanced testing methodologies, including contextual multiarmed bandits in beta. These strategies enable nuanced testing and adaptation to complex user behaviors. Prospective buyers seeking state-of-the-art testing capabilities with a wide array of features will benefit.

- **Targeting:** Optimizely offers advanced behavioral targeting, including AI-driven segmentation and real-time personalization, an AI-based summary generator for processing customer events, and deeper customer understanding for B2B applications. Prospective buyers seeking robust yet flexible targeting capabilities will benefit from this targeting.

- **Innovation:** Optimizely is known for its innovations, as seen in several patents in recent years. Developments, such as Edge Agent in beta, offer enhancements by eliminating flicker and preserving site speed without having to choose between the two. Optimizely's real-time segmentation with edge delivery offers brands the potential to effectively sense and respond during critical moments.

Cautions

- **Steep learning curve:** The extensive features and capabilities of Optimizely's personalization engine can result in a steep learning curve. For instance, effective integration necessitates the use of low-code solutions rather than no-code alternatives, alongside a comprehensive technical understanding of personalization engines to fully exploit the complete range of testing features.

- **Service and support:** Some Optimizely customers have reported challenges with its service and support, citing issues and lengthy turnaround times for resolving technical problems. Additionally, some customers feel that the technical documentation lacks detailed examples.

- **Cost and pricing:** Optimizely charges a fee for setup and onboarding that some customers criticize in reviews. These additional fees and the occasional need for added modules to extend personalization can increase cost. Prospective customers should closely assess whether their use case(s) can be met and include the onboarding fee in total-cost-of-ownership assessments.

Salesforce

Salesforce is a Leader in this Magic Quadrant. Users can extend the Marketing Cloud Personalization engine by buying other Marketing Cloud solutions (e.g., Data Cloud, Engagement, Account Engagement). Operations are geographically diversified, serving large B2C and B2B enterprises with global footprints. This solution is suited for marketers in industries with significant site traffic and large customer lists (e.g., financial services, retail,media). Salesforce's roadmap includes platform-consumption reporting to optimize usage, agentic marketing assistance and agentic experiences to enhance navigation, product offerings, and content. The recently released Salesforce Personalization offers natively embedded, AI-driven personalization solutions, which increases appeal to existing Salesforce clients.

Strengths

- **Salesforce ecosystem:** Both enterprise and existing Salesforce customers benefit from the solution's integration with the vendor's cloud ecosystem. Marketing, Sales, Commerce and Service Cloud enable a cohesive approach to customer interactions and streamlined data flow across functions and touchpoints. This ecosystem includes many service and training offerings, including a global network of implementation and product specialists.

- **Comprehensive testing capabilities:** Marketing Cloud Personalization provides built-in testing across channels that leverage templates, out-of-the-box algorithms and ML capabilities. Features include native A/B/n testing, rule-based testing, multicampaign segments and custom goals that apply real-time updated recommendations.

- **Web-based editor usability:** Salesforce's solution includes an intuitive and user-friendly, web-based editor to create dynamic content. Marketers and business users without technical knowledge can use it to create and manage personalization campaigns.

Cautions

- **Product dependencies:** Enterprises new to Salesforce, and small to midsize businesses seeking end-to-end journey orchestration across multiple channels in one product, must evaluate whether it can support their use cases. Buyers are often pressured by sales or find they need to adopt additional products (e.g., Data Cloud, Account Engagement, Journey Builder, Einstein Studio) for personalization objectives.

- **Benefits to non-multi-could clients:** Salesforce focuses on enterprisewide personalization enhancements across its entire cloud portfolio. As a result, non-multi-cloud clients may not find the same value when purchasing its personalization engine as compared to multicloud clients.

- **Measurement and reporting:** Marketing Cloud's native measurement and reporting capabilities are overshadowed and underpowered by features in Data Cloud and Tableau, which both require additional licenses. Clients seeking sophisticated reporting and analytics should assess the embedded reporting capabilities, especially if interaction events occur outside of Marketing-Cloud-specific testing and channels.

SAP

SAP is a Leader in this Magic Quadrant. SAP Emarsys provides personalization for customer support, digital commerce, marketing, sales and account engagement (B2B). CDP and Enterprise Consent & Preference Management solutions are available at additional cost. SAP's operations are global, serving many industries with customers primarily in retail and wholesale industries, as well as B2B. It is suited for large, global organizations, especially those in retail, wholesale or B2B. Its roadmap includes expanded support for personalization tokens, enhanced product recommendations using conversational messaging and AI-assisted personalization scripting to enable natural language prompts that generate custom code for advanced content personalization.

Strengths

- **Data and data connectors:** SAP Emarsys' natively integrated customer data layer can hold customer, engagement, product, sales, web, mobile, real-time event and federated data from data stores used for personalization. It has prebuilt connectors to third-party data sources and a no-code connector to its CDP, which can be bought for more robust functionality (i.e., data cleansing, matching and consolidation).

- **Organizational productivity:** SAP incorporates AI and GenAI throughout its product portfolio. For business users, examples of efficiencies include automated building of customer journeys, automated creation of customer segments and premade sophisticated campaign templates. For developers, examples include numerous third-party integrations enabled by native connectors and no-code/low-code tooling (e.g., business intelligence, digital commerce, CDPs, customer service, mobile messaging and consent/preference management).

- **Vertical expertise:** SAP Emarsys serves clients in all industries except publishing and energy, oil and gas. Its purpose-built accelerators include automations and corresponding data models for retail, loyalty, utilities, consumer products, sports and entertainment, and travel and hospitality.

Cautions

- **SI partner certification:** SAP's percentage of partners who completed its certification program was below average among the vendors evaluated. Buyers should verify partners' certifications to avoid difficulties.

- **Promotion, testing and recommendations:** A relationship with Mastercard Dynamic Yield may be required when clients have sophisticated promotion or niche-testing use cases (e.g., server-side testing, A/B testing of category filters, comparative algorithmic testing). It could also be needed when product recommendations require industry-specific use cases (e.g., financial services, media, quick-serve restaurants).

- **System availability SLAs:** SAP offers a 99.7% System Availability Percentage during each month for the production version of its Cloud Services, which falls below the commonly offered 99.99% for digital commerce. Prospects interested in digital commerce use cases may want to explore negotiating system availability upgrades to better support their endeavors.

Sitecore

Sitecore is a Visionary in this Magic Quadrant. Its Sitecore Personalize solution is part of its larger, composable digital experience platform (DXP) product portfolio. Users can further extend personalization by purchasing CDP and Discover. Sitecore's operations are geographically diversified and it primarily serves manufacturing, financial services and retail. It is primarily suited for midsize to large organizations with mature personalization capabilities. Its roadmap focuses on improving predictive traits (e.g., identifying profiles with churn predictions and likelihood to purchase). It plans to improve implementation support via insight reports by analyzing customer data available in the clients implementation of Sitecore.

Strengths

- **Pricing:** Sitecore offers one of the most scalable and transparent pricing models among vendors in this Magic Quadrant. When pricing is coupled with its composable product architecture, prospective buyers' purchasing decisions become clear.

- I**ndustry focus:** Sitecore currently serves clients across a range of industries, but is increasingly focusing its sales coverage and support on five sectors in particular: financial services, IT, life sciences and healthcare, manufacturing, and retail. Prospective buyers operating in these industries should benefit from greater industry expertise over time.

- **Content personalization:** With a heritage in content marketing, Sitecore emphasizes uncovering relevant content more than other vendors in this Magic Quadrant (e.g., providing a library of prebuilt recipes based on product or content entities and set item-based or visitor-based rules such as Xy or Y). The platform uses AI and real-time data to present content driven by user behavior on websites and across digital channels.

Cautions

- **Advanced technical skills needed:** Sitecore can require a comprehensive level of technical skills for complex use cases, relative to other vendors assessed in this Magic Quadrant. Organizations seeking to develop more advanced or custom personalization use cases should detail them in advance and work to assess feasibility and skills impact.

- **Geographic strategy:** Despite its operational presence in North America, Europe and APAC, Sitecore mostly provides a UI, training and administrative support in English. However, it does provide support to its customers in Japanese, and a Japanese version of the Sitecore UI is on its roadmap.

- **Implementation support:** Sitecore typically does not implement its platform directly, depending on a network of third-party implementation partners. Customers wanting direct assistance from Sitecore can purchase its upgraded service plan, Sitecore360, for additional implementation services.

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.

Added

- Bloomreach

- CleverTap

- Kameleoon

- Optimizely

Dropped

- **Algonomy:** It was dropped due to failure to meet financial criteria, either:

  - A minimum of 25 net new customer deployments of the personalization engine product in 2023, not including pilots, or

  - A minimum of 20% year-over-year (YoY) growth in 2023 from the sale or license of the personalization engine product when compared to 2022

- **Crownpeak:** It was dropped due to failure to meet the use-case criteria of supporting two of three use cases (e.g., digital commerce, marketing, customer service). While Crownpeak has a strong focus on digital commerce, it did not meet the criteria for supporting either marketing or customer service.

- **SiteSpect:** It was dropped due to failure to meet financial criteria, either:

- A minimum of 25 net new customer deployments of the personalization engine product in 2023, not including pilots, or

- A minimum of 20% YoY growth in 2023 from the sale or license of the personalization engine product when compared to 2022

Inclusion and Exclusion Criteria

For Gartner clients, Magic Quadrant research identifies and then analyzes the most relevant providers and their products in a market. The inclusion criteria represent the specific attributes Gartner analysts deemed necessary for vendors to satisfy to appear in this Magic Quadrant. To be included, each vendor had to satisfy the following inclusion criteria, defined by Gartner, as of 30 June 2024.

The personalization engine software must be generally available and sold as an independent solution for personalization. While the engine may be optimized when supported by additional solutions or bundles, the personalization engine should not require the additional solutions or bundles for it to function as such.

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

➤ An independent solution for personalization.

- Offered by the vendor without the requirement to purchase or implement additional products sold by the vendor (e.g., content management system, CDP, MMH, digital commerce platform, analytics solutions).

- Should meet the other criteria without requiring the purchase or implementation of additional products sold by the vendor. However, the packaging of the personalization engine with other solutions, to boost its functionality and increase the number of use cases served, is permissible. These distinctions, however, must be clearly identified in the request for information.

➤ Multiple use cases, with at least two of the use cases being marketing, digital commerce or customer service.

- Marketing. Application of personalization to the marketing experience through native functionality of:

- Targeting — Combining profile data, real-time behavioral data and contextual data to perform rule-based and algorithm-based segmentation and targeting. This feature supports personalized messaging and interactions, such as retargeting and product life cycle campaigns to improve conversion rates.

- Triggering — Setting up, triggering and measuring personalized experiences, such as location-triggered or event-triggered messaging. Personalization engines must support real-time triggering across channels for a given individual, through an interface targeted at, and used by, marketers.

- Digital commerce. Application of personalization to the digital commerce experience through native functionality of:

  - Product and content promotion — Improve digital commerce outcomes through personalized product and content recommendations. Must support both rule-based and algorithmic recommendations.

  - Discovery — Improve content and product discovery through personalized site search, personalized navigation and/or personalized experiences based on interactive engagement.

- Customer service. Application of personalization to the customer service self-service and agent experiences through native functionality to set up, test, target, trigger, tailor and measure results for both scenarios. The ability to create and evaluate content through native functionality of:

  - Testing — Set up and conduct a variety of tests (A/B/n, multivariate, bandit algorithms) and interpret results for a given audience, channel or touchpoint.

  - Visual editor — Create different versions of content or experiences for test purposes and preview testing for a given audience, channel or touchpoint.

➤ The native ability to track, measure and report performance and performance improvements through standard and custom reporting, dashboards and data visualizations.

➤ Proven engagements across industries, with at least 20% of personalization engine revenue being generated from nonretail industries (e.g., travel, hospitality, financial services, media, publishing, telecommunications).

➤ Financial results of:

- Annual software revenue from the sale or license of the personalization engine product of $20 million or greater based on fiscal year 2023 or the most recent fiscal year end, excluding services, and

- Either of the following:

  - A minimum of 25 net new customer deployments of the personalization engine product in 2023, not including pilots.

  - A minimum of 20% YoY growth in 2023 from the sale or license of the personalization engine product when compared to 2022.

Honorable Mentions

The personalization engine market consists of over 50 vendors, but only 11 of those vendors met the inclusion criteria for this Magic Quadrant. A vendor's exclusion, however, does not necessarily mean that it lacks viability or its products lack viability. It simply means that a vendor did not meet all of the inclusion criteria.

The following vendors failed to meet one inclusion criteria — either the type of use cases supported (i.e., digital commerce and/or marketing and/or customer service) or the financial inclusion criteria (i.e., YoY customer growth and/or total personalization engine revenue) for their solutions.

- **Algonomy:** Its Digital Experience Personalization solution (for digital commerce) includes personalized recommendations ensembles (outfit styling or bundle curation) and content along with personalized search and discovery. An omnichannel customer marketing solution is available as an add-on, enabling triggered campaigns, content suggestions and orchestration. Algonomy has a global presence with customers in over 40 countries. It serves primarily retail organizations.

- **Crownpeak:** Its Digital Experience Personalization solution is part of its greater CMS and Product Discovery portfolio, which includes Omnichannel Content Management and eCommerce Search, Merchandising and Recommendations. Crownpeak has a global presence, doing business in over 20 countries. It has a viable presence in the Americas, Europe and APAC. It serves two primary verticals: business or consumer services and retail.

- **Optimove:** Its Opti-X solution offers a personalization solution for B2C marketing leaders. It features strong testing, audience segmentation and targeting capabilities. It has a global presence with most of its customers in EMEA, followed by North America. While it has clients in multiple verticals, its largest is entertainment. Functionality can be extended with its MMH solution, Optimove.

- **SiteSpect:** Its platform includes client-and server-side testing, feature management and experimentation, personalization, and recommendations, with a strong focus on testing and optimization for medium-sized organizations and enterprises. It has a geographic presence primarily in the Americas and EMEA, with industry solutions for retail, media and healthcare.

Evaluation Criteria

Companies evaluating personalization engines have an array of requirements that vary based on industry, channels served (e.g., email, digital, store, sales rep, service rep, point of sale) and required use cases (e.g., marketing, sales, customer service, self-service, store). The best assessment tool, however, for those seeking a personalization engine remains vendors' clients' testimonials and customer references.

The evaluation criteria and weights describe the specific characteristics and their relative importance that support Gartner's view of the market. Prospective buyers can use these criteria to comparatively evaluate the personalization engine providers in this research.

Ability to Execute

Gartner increased the weight of the Overall Viability criteria from medium to high this year, because viability is viewed as a crucial criteria by clients and prospects. The Product or Service criterion remains high, as it is typically the No. 1 item used by prospects to evaluate vendors and create their shortlists. All other criterion weights remain as either medium or low.

Ability to Execute Evaluation Criteria

Evaluation Criteria	Weighting
Product or Service	High
Overall Viability	High
Sales Execution/Pricing	Low
Market Responsiveness/Record	Low
Marketing Execution	Low
Customer Experience	Medium
Operations	Low

Source: Gartner (August 2024)

Completeness of Vision

In order to produce the best products and services, vendors must understand the market and its needs. As a result, the Evaluation Criteria, Marketing Understanding and Offering (Product) Strategy retain their weighting of high. All other weightings remain medium or high with the exception of Business Model, which was previously rated low. It is not rated this year because it is so tightly woven into many of the other criteria (e.g., operations, vertical/industry strategy, geographic strategy, sales execution/pricing, marketing execution) that separating it felt arbitrary and provided no purpose of value.

Completeness of Vision Evaluation Criteria

Evaluation Criteria	Weighting
Market Understanding	High

Evaluation Criteria	Weighting
Marketing Strategy	Medium
Sales Strategy	Low
Offering (Product) Strategy	High
Business Model	NotRated
Vertical/Industry Strategy	Low
Innovation	Medium
Geographic Strategy	Low

Source: Gartner (August 2024)

Quadrant Descriptions

Leaders

Leaders demonstrate a solid understanding of the market and offer product capabilities demanded in the current market. They are typically committed to customer success. Leaders offer sophisticated personalization engines at enterprise scale — covering multiple industries and an expansive geographic footprint. They deliver clear business value and are continually exploring emerging technology — taking personalization to the next level and thus protecting the investment of today's buyers.

Challengers

Challengers are well-positioned to succeed in the market. However, they focus their personalization engine on a narrower set of use cases or a limited set of industries or geographies. At the same time, they have been successful in executing their strategy and growing both their revenue and customer counts. Their vision may be hampered by the lack of a coordinated strategy across the various products in their 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 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 in customer experiences, operations and/or sales execution than leaders. Visionaries are thought leaders and innovators, but they often lack scale, or there may be concerns about their ability to grow while providing consistent execution.

Niche Players

Niche Players likely lack depth consistently across their entire personalization engine but may focus on a specific domain or aspect of personalization, such as recommendations, measurement, targeting, and testing or reporting. They often lack significant quantities of customer reviews and ratings when compared to Leaders and Challengers. While Niche Players may have strength in their specific domain, they often lack supporting services or may have a smaller, less diverse set of partners. Typically, Niche Players may not have achieved the necessary scale to solidify their market positions and are often limited in their industry and geographic scope.

Context

This research is an assessment of vendors' capabilities based on past execution, current abilities and future development plans as it pertains to their stand-alone and individually sold personalization engines.

For these personalization engines, this Magic Quadrant evaluation emphasizes results (i.e., annual personalization revenue and customer growth) coupled with product breadth and level of sophistication. It also assessed how well an organization's marketing, sales and operations approaches supported it. Strong consideration was also given to overall customer experience, innovation and partner networks due to the many touchpoints of personalization. Evaluated products also supported a minimum of two use cases in these areas: marketing, digital commerce and customer service. This research, however, did not evaluate other solutions that may comprise a vendor's total personalization product portfolio

(e.g., search and product discovery, CDP, MMH, DXP) unless the solution was natively embedded as part of the personalization engine and not sold separately.

Readers should use this Magic Quadrant with its companion document, Critical Capabilities for Personalization Engines research and Gartner's product reviews and ratings for personalization engines.

Market Overview

Over the years, personalization has often been misunderstood. Definitions have included misnomers like margin profit management and/or inventory management. However, personalization, at its core, is about delivering the right experience at the right time to a recipient that propels the recipient toward their desired outcome. In turn, this focus brings rewards to the organization through revenue, customer satisfaction and cost-efficiency. Today's personalization engines use sophisticated AI to ferret out customer intent and propel their journeys. Many vendors are incorporating GenAI to both facilitate the use of personalization engines and improve personalization results.

While many, if not most, personalization engines have their roots in retail and digital commerce, this foundation has expanded to include marketing, customer service and sales. Vertical support is no longer limited to retail, with most personalization engines supporting an average of six verticals (representing +5% of their customer base) and some supporting up to 12 or more verticals.

Personalization is the most prevalent, reported capability gap (i.e., between current existing capabilities and the capabilities needed to meet business goals within the marketing organization), according to respondents from our 2024 Gartner CMO Spend Survey (tied with multichannel marketing and customer journey orchestration). [1] Respondents reported that personalization investment pays off in helping them meet both revenue and profit/margin growth. About one-fourth of respondents reported their personalization efforts are supported by GenAI, with an accompanying higher ROI in improving optimization, targeting and personalization.

Consumers remain reluctant to share information with organizations in exchange for personalized communications. For the last three years, close to two-thirds (62% in 2024, 64% in 2023, 62% in 2022) of consumers said they'd rather give up more relevant and

personalized experiences than have their digital behaviors tracked, a slight uptick from 55% in 2021. [2,3,4,5] In contrast, however, consumers report that they want convenience.

In the 2024 Gartner Consumer Behavior in Retail Survey, the convenience of getting shopping done quickly and efficiently was ranked as the highest factor influencing shopping behavior (73%). [5]

Since personalization is helpful to customers and makes their lives easier, it could gain additional traction as customers make a connection between personalized and convenient experiences. Consumers in this survey identified with convenience in the following statements:

- Helps me manage my busy life (69%)

- Reduces effort in getting what I need (68%)

- Informs me about products and prices quickly (58%)

- Provides me with some, but not too many, choices (54%)

- Simplifies my life (53%)

In response, personalization engine vendors are focusing on helping their clients achieve greater success with continued advancements to better understand customer intent (of both known and anonymous customers) and using AI to better personalize experiences, reduce customer effort and identify the most optimum choices for customers. Personalization engines are also using GenAI to increase and improve approaches to content creation to increase employee efficiency.

The personalization engine segment grew 21.1% in 2023, down from 24% in 2022, to a size of $908 million. In the 2024 Gartner CMO Spend Survey, 51% of responding CMOs and marketing leaders reported that they plan to increase digital commerce investment in digital shelf content and personalization of digital commerce touchpoints over the next 12 months. [1] In the 2023 Gartner Brand Leaders Survey, two-thirds (67%) of brand leaders said they exceeded their ROI expectations when delivering personalized, contextualized brand messages. [6] These data points illustrate the importance of personalization engines and the interest in these investments by organizations.

Despite the importance of personalization engines, the 2023 Gartner Marketing Technology Survey found that 30% of marketing technology leaders have critical gaps in successfully

aligning their martech stack to orchestrate new personalized journeys across multiple channels and touchpoints. In addition, 35% of surveyed leaders identified critical gaps in creating, storing and distributing content across touchpoints. Marketing technology leaders also reported that their personalization platforms have one of the lowest utilization rates of all content, commerce and experience technology solutions asked about in 2023. [7]

While this research considered more than 20 personalization vendors for possible inclusion, only 11 met the inclusion criteria, which could possibly be attributed to growth in ancillary solutions, more product bundling or cross-enterprise solutions. However, analysts expect that more vendors will meet inclusion criteria as interest in personalization continues to increase among sellers and customers crave convenience and low-effort engagement.

⊕ Evidence

Acknowledgment

We are extremely saddened to share that Mike passed away shortly after finishing his work on this document. Our heartfelt condolences go out to his family, friends and professional colleagues. This research is published in memory of the valuable contribution and legacy Michael Froggatt made to Gartner.

⊕ Evaluation Criteria Definitions

Objectivity." Gartner research may not be used as input into or for the training or development of generative artificial intelligence, machine learning, algorithms, software, or related technologies.

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