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Consumer Census 2019

How to create marketing experiences your customers will love

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About the authors

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A lot shorter in person and often confused with the North African country; Alegria is Ometria's senior content executive, manages our **blog for retail marketers** • and learns all the industry acronyms so you don't have to. In her spare time she directs short films and doesn't sleep.

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Introduction

Having a shirt turn up looking completely different to how it was online; needing to jump through hoops to return an unwanted purchase, or being incessantly followed around the web by a pair of shoes that have now sold out. Maybe even having to collect your delivery from the gutters of your roof (okay, this one is more of a rarity – but it's happened and is memorable for all the wrong reasons).

We are all aware of what a 'nightmare customer experience' looks and feels like: for those on the receiving end, it's obvious when a brand has missed the mark and why. And often, these bad experiences are reasonably simple to troubleshoot and try to fix – a new piece of tech, a change of process, a tweak to communication channels.

But as marketers, providing a 'not-crappy-experience' isn't enough. We want to make them feel happy, loved and like we get them at each and every touchpoint they have with us.

Trouble is, a great customer experience is less easy to articulate than a terrible one – often it's less tangible and just a matter of feeling right. Which isn't all that helpful or actionable if you're a marketer trying to make your customers happier.

To sound out the factors that contribute to great customer experiences, we decided to ditch the speculation and go straight to the (proverbial) horses' mouths. We spoke to 4000 consumers[1] – 2000 from the UK and 2000 from the US – about what makes them love the marketing they receive from brands.

This report will tell you what we found.

[1] **Methodology:** The research was conducted by Censuswide, with 4,003 consumers in the UK and US between 18.09.2019 and 23.09.2019. Censuswide abide by and employ members of the Market Research Society, which is based on the ESOMAR principles.
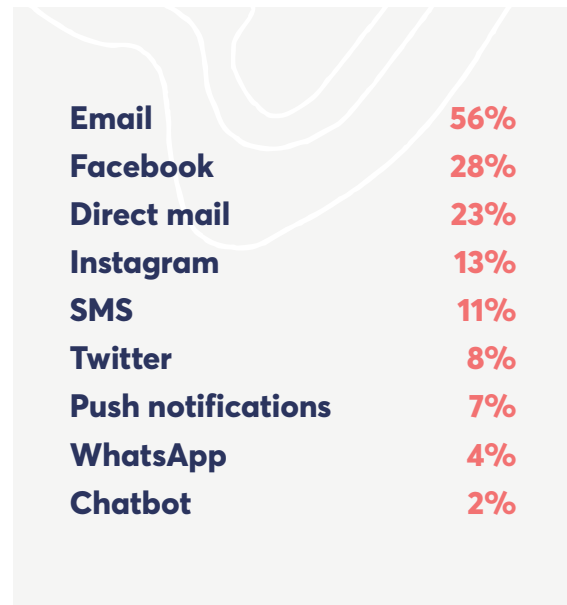
Consumer

Census 2019:
the findings

Marketing Channel Mix

Sending emails has been the bread-and-butter of retail marketing since the growth of ecommerce; but alongside that growth has been an increase in channels available to customers – from Facebook to Instagram; direct mail to brick-and-mortar. As brand touchpoints increase, which channels do consumers want to be reached on, and when?

Top channels for hearing about offers, new products and other news from retailers

Respondents could choose up to three

Email	56%
Facebook	28%
Direct mail	23%
Instagram	13%
SMS	11%
Twitter	8%
Push notifications	7%
WhatsApp	4%
Chatbot	2%

Although email remains a firm favourite amongst consumers, it's clear that other channels, especially social media, are steadily becoming more popular, if not preferred, means of contact. With the customer experience now expanding beyond the inbox, it's clear that retailers need to take a customer-centric approach over a channel-centric one.

UK vs. USA

How do channel preferences differ?

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Email	49%	62%
Facebook	23%	33%
Direct mail	16%	29%

Focus on email: what % of emails from retailers do consumers open?

- Nearly half **(46%)** of consumers open less than a quarter of the emails they receive from retailers
- A quarter of UK consumers open **less than 10%** of the emails they receive

Customers' inboxes are swimming with emails from you and your competitors, which means they are more likely than not to ignore them. But it isn't all doom and gloom. This report will highlight ways of ensuring maximum engagement with your marketing messages.

The online/offline divide

Do consumers prefer to research and buy new items online, in-store or both?

Both	**74%**
Online only	**14%**
In-store only	**12%**

Key Takeaways

Email is a firm favourite, but as customers extend their shopping channels to social and even direct mail, they expect your marketing messages to be ready to greet them. Cross-channel has cemented itself as standard practice for the advanced customer journey.

Take a customer-centric rather than channel-centric approach

It's time to move beyond email. Customers have moved beyond the inbox and expect you to follow suit. Make sure your journeys are truly cross-channel, offering them an experience that matches their channel preference.

Take steps to join up the online/offline divide – collecting offline data is key

Physical shopping remains important, despite the noted 'death of the high street'. By using e-receipts you can fortify the cross-channel experience and make sure to send relevant messages.

3 key elements of a good cross-channel strategy

- Single customer view: unified customer data on their interactions across all channels, including offline
- Channel preference: understanding the channels that customers like to interact with you on
- Consistency: ensuring that you're not sending mixed messages across different channels

Creating great marketing experiences

How do consumers feel about the overall experience of interacting with retailers? We wanted to get to the bottom of what makes for a great marketing experience – and what constitutes a bad one.

How often do consumers feel overwhelmed by marketing emails?

At least daily	15%
At least once a week	45%
At least once a month	70%

There are no two ways about it: in 2019, consumers feel overwhelmed by the number of marketing emails they receive, and on a regular basis.

The impact of too many marketing emails

37% of consumers think that the number of marketing emails they receive negatively contributes to their overall:

O Stress levels
O Happiness
O Wellbeing

Young people are most affected, with **46% of 16-24 year olds** feeling the negative impact of too many marketing messages

The knock-on effects of being bombarded with emails is clear, with nearly **2 in 5** consumers reporting wider negative consequences of email overload.

Top consumer annoyances:

Context is key – consumers not only want fewer messages; they want their interests and previous shopping behaviour to be reflected in the marketing experiences that they have with retailers

Too many emails	**74%**
Promoting out-of-stock products	**71%**
Promoting products I'm not interested in	**66%**
Promoting products I've already bought	**56%**
Not recognising my loyalty	**54%**

It might be on a path to global domination, but how do consumers feel about the Amazon customer experience?

Two-thirds of consumers would consider ditching other retailers to just shop with Amazon. But what reasons did they give for this?

If you could make all of your purchases on Amazon, would you?

Yes, definitely	**21%**
Yes, possibly	**46%**
No	**28%**

Top 3 reasons for shopping only with Amazon

Ease of use	**57%**
Fast delivery options	**56%**
Good range of products	**49%**

Top 3 reasons against shopping only with Amazon

Prefer shopping with a range of retailers rather than just one	**51%**
I like other brands more than I like Amazon	**24%**
Other retailers have better loyalty perks than Amazon	**22%**

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> # "We want our customers to discover amazing new products, but we also want to make sure that they do that through marketing experiences they enjoy"
>
> **says Jennifer Roebuck, CMO** Feelunique.com

Key Takeaways

More doesn't equal better, and our Consumer Census data suggests that retailers must start to prioritise the quality of the messages they send over the quantity if they are to create long-term connections with shoppers. They should:

Take a customer-centric rather than channel-centric approach, considering the number of messages that they are sending across all channels.

Consider the emotional impact of the messages they send – are they contributing negatively to their recipients' lives?

Consider context and relevance as a route to amazing marketing experiences.

Personalisation

The thin line between feeling annoyed and feeling appreciated

As customers become more acclimated to algorithms understanding TV shows that might interest them and foods they might like, it makes sense they'd want their shopping experiences to mirror this. But with many different opportunities to make the customer experience more personal and relevant, which should marketers be prioritising?

Personalisation helps consumers feel valued

- **49%** feel valued when a retailer only contacts them with messages relevant to their interests
- **46%** feel valued when retailers send them product recommendations that are tailored to the things they like

Generic marketing annoys people

- **66%** of consumers report feeling annoyed when a retailer markets them products they're not interested in

Given the choice, consumers would prefer:

Context is key – consumers not only want fewer messages; they want their interests and previous shopping behaviour to be reflected in the marketing experiences that they have with retailers.

Occasional marketing that is tailored to their interests and tastes using data — **36%**

No marketing at all — **33%**

A lot of generic marketing that doesn't use personal data — **17%**

Methods of personalisation

Lifecycle marketing

Sending contextual marketing messages that are triggered by customer behaviour (e.g. predictive replenishment, predictive anti-lapse campaigns)

Dynamic content

Content that changes to match the profile of the recipient. This can be based on recent purchases, gender and location

Campaign segmentation

This is a way to organise which customers receive your marketing emails. It can be based on a constant, a language if you're multinational, or based on the individual customer profile, like lifecycle stage

Key Takeaways

Personalisation is essential to creating memorable customer experiences, but customers would rather no marketing at all if it doesn't feel relevant to them.

Personalisation remains an important tenet of advanced marketing, but there is still some way to go to highlight its value to all shoppers. Quality and not quantity rules the day; this translates to less filling of inboxes and more emails that feel timely and relevant.

Moving towards more proactive automation may be an exciting step towards meeting customer expectations.

Loyalty recognition

Thank you goes a long way

Whether shopping online or in a brick-and-mortar store, customers have a host of different brands to serve them the same or similar products, and they're aware of this. How can retailers ensure that it's them that customers come back and shop with again and again? Our research suggests that recognising and rewarding their loyalty is key.

How many retailers are consumers loyal to?

10%   aren't loyal to anyone

58%   are loyal to 3 brands or fewer

82%   are loyal to 5 brands or fewer

Top 5 ways of recognising customer loyalty:

Points-based rewards systems are a favourite among loyal customers; but other types of loyalty, such as perks and discounts, go down well with shoppers too. Customers want to feel special and valued for their loyalty to their brand – unexpected gifts and perks highlight that; personal touches are appreciated too.

Points rewards	33%
Discounts on items I'm interested in	23%
Unexpected gifts and perks	11%

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US consumers are way more likely to just want points **(38% vs 29%)** or money off **(27% vs 18%)**

Top 5 ways of making consumers feel valued:

Promos and perks that they don't offer everyone else	59%
They only contact me about promotions and product launches that are relevant to my interests	49%
They send a follow-up email after I make a purchase with related content	49%
They ask for my feedback on purchases and my overall customer experience	49%
They send me product recommendations that are tailored to the things I like	46%

Key Takeaways

Customers are picky about who gets their loyalty

Shoppers are inundated with options and it shows in the loyalty numbers. With the majority of customers loyal to less than five brands, it's essential to reward your most frequent shoppers to highlight your value to them.

The personal touch is appreciated

Special perks and promotions are top ways to show customers you appreciate their loyalty. Customers want to have their tastes recognised, as well as an opportunity to share their thoughts on the overall experience.

Customer data and AI

Customer data might lie at the heart of personalised experiences, but with GDPR, ICO fines and The Great Hack shining a spotlight on how data can be misused by brands and organisations, how do consumers feel about retailers leveraging their data to encourage them to buy more?

How comfortable are consumers with retailers using AI?

It seems that consumers are becoming more accustomed to being profiled; and while a third of consumers expressed some discomfort at AI being used in relation to their customer profiles, this number was 5% down on last year.

68% of consumers aren't uncomfortable at the prospect of brands using AI, **up from 62% last year.**

Men are almost twice as likely to feel 'very comfortable' with brands using AI – **11% versus 6%** of women

Feeling 'very comfortable' with AI decreases with age – **12% of those aged 16-24 compared to 4% of those aged 55+**

53% of consumers say they're more likely to shop with brands that give them control over how their data is used in marketing

While AI is becoming a more familiar fixture for consumers, it's clear that they want a choice in how their data is collected and analysed, with over half saying they're more likely to shop with brands that give them a say.

Data transparency is more important to US shoppers with 60% more concerned versus the UK's 45%

Compared to a year ago, are consumers more or less wary now of how your data is collected and used by retailers?

Growing awareness of AI may have contributed to increasing vigilance about its uses; with the majority of consumers reporting greater wariness about how their data is collected and used compared to this time last year.

61% of consumers are more wary about how their data is used compared to this time last year.

Consumer-friendly AI

AI-powered technology offers retail marketers the possibility of instant, in-depth customer insights and greater marketing efficiency. But our Consumer Census data suggests that customers may need more convincing about their data being used. Here are some ways that retailers can win them round:

- Complete transparency: ensuring that consumers understand how their data is used.
- Flexible preferences: giving consumers the ability to easily set the boundaries of communication – whether that's the channels they wish to be contacted on or the data that they allow retailers to use.
- Tangible improvements in the customer experience: ensuring that the use of AI and personal data is reflected in an improved customer experience.

Key Takeaways

The results of our research paint a mixed picture of consumer attitudes towards the use of their data in marketing experiences, suggesting that brands need to be careful to demonstrate the benefits it brings to the customer experience:

- Consumers are warier of the possible uses (and misuses) of their personal data.

- While this is increasingly accepted as a part of marketing, retailers shouldn't be complacent – transparency is a clear winner when it comes to matters of artificial intelligence.

- Consumers are becoming accustomed to retailers using data to better understand their interests and behaviours.

Conclusion

What does an amazing customer experience look like?

Let's face it: coming up with amazing, creative marketing that inspires loyalty and devotion amongst your customers is a really, really hard task. While (sadly) there's no formula for magicing up an instant emotional connection with your customers, what this year's consumer census reveals is that there are common elements that - when combined with truly understanding your customers and a touch of creative marketing flare - make for long-term loyalty and revenue.

Customers want to hear from you less…

Customers are overwhelmed by the number of marketing messages they receive on a day to day basis. Although it may be tempting to try to outflank the competition by sending more messages across more channels, this year's census showed a clear call from consumers to put an end to batching and blasting for good.

…and when they do hear from you they have high expectations

Consumers have increasingly less tolerance for generic, undifferentiated marketing, and are less forgiving of brands that fail to recognise their loyalty.

Retailers must work hard to show the customer benefits of AI

An interesting finding of this year's census was that, in spite of increasing wariness of the way their data is used by brands, consumers are becoming accustomed to the idea that AI-based tech is necessary for providing more personalised, relevant experiences. This interesting dynamic suggests that it'll become increasingly important for retailers to justify that the use of personal data and artificial intelligence actually results in superior experiences for their customers.

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