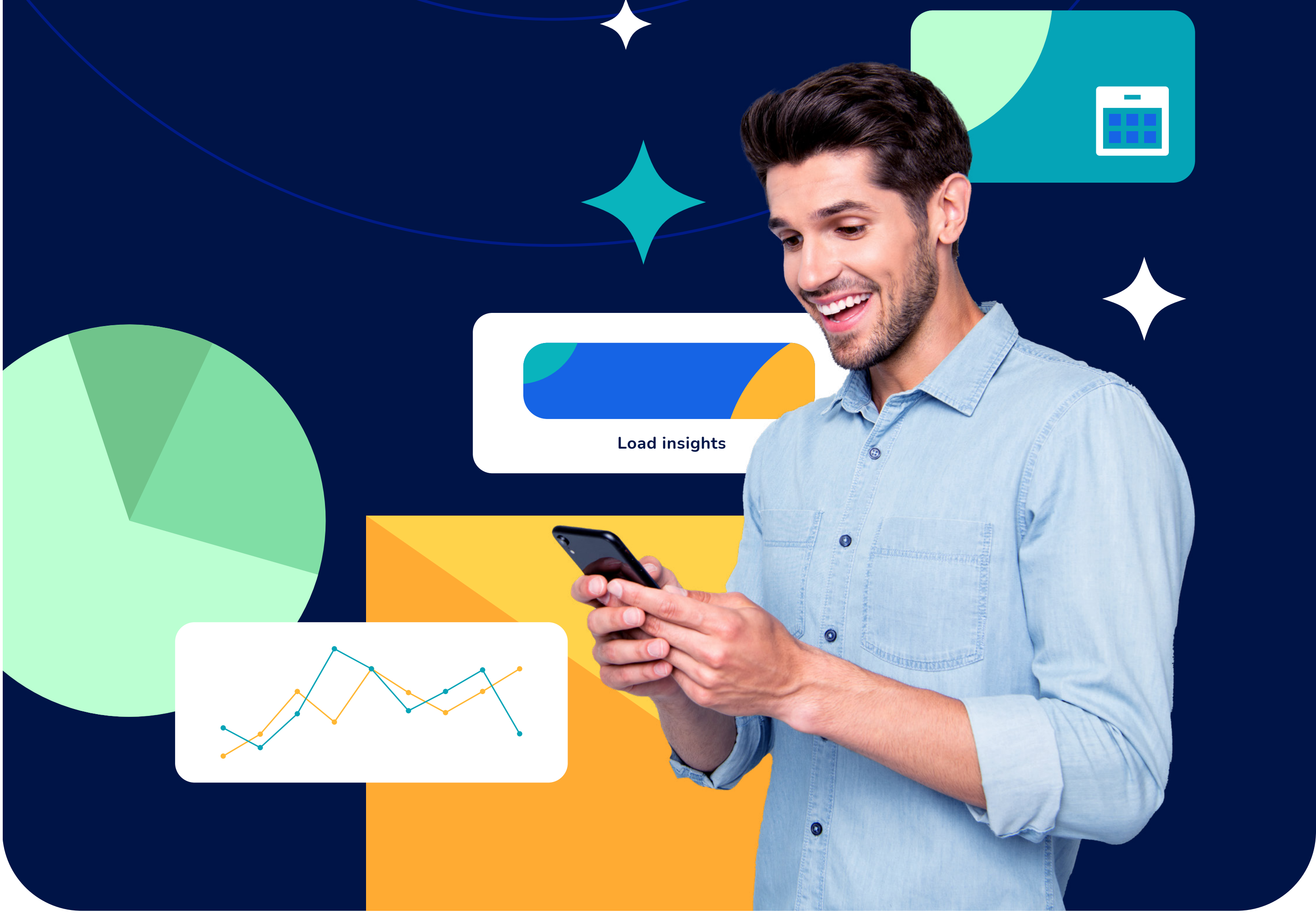
EUROPE

REPORT

Personalisation Pulse Check

2023



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Foreward

Personalisation is not just a necessity anymore; it is an imperative. While businesses understand that, the road to getting personalisation right is still less travelled even as consumer loyalty becomes more elusive.

In the “Personalisation Pulse Check Report 2021”, we helped brands understand the consumer sentiment around personalisation. We saw that personalisation for consumers is not just “good to have”; they now demand it. **Brands understand this and are trying to personalise the experience for each consumer. However, they still struggle with providing seamlessly personalised, omnichannel experiences.**

Finding the solution to winning customer loyalty can appear daunting but isn't impossible. The key is to start with the basics: how many channels are there to interact with customers, how often does customer sentiment change, how many channels do they browse before making a purchase, and so on.

We spoke to 1000 European B2C customers to understand their customer engagement preferences and personalisation needs. This report is meant to answer clear questions like what delights consumers, what frustrates them, how personal they want you to be, where they would like to read or see communication from you, and much more.

A Look Back at the Previous Personalisation Pulse Check 2021 Edition

We surveyed 2000 European consumers in our last “Personalisation Pulse Check Report” to understand:

1. Their expectations from brands on how their buying experience needs to be personalised.
2. What delights and frustrates consumers, and how personal do they want brands to be in their interactions?
3. What channels would they like to read, see communication from brands, and much more?

Before we delve into what the “Personalisation Pulse Check 2023” has in-store, let’s look at the findings from the previous edition so we can compare how consumers today have changed.

28%

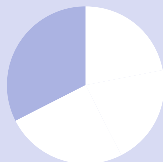
of European consumers stated their biggest cause of frustration is brands sending them irrelevant product or content

26%

want brands to personalise their communication based on previous purchase history

32%

of European shoppers prefer receiving communication via email



41%

of shoppers in Europe would prefer receiving messages from brands on a weekly basis

Consumers today have higher standards for brand experience and expect it to be customised to their needs. Personalisation Pulse Check Report 2021 report findings back this belief. Consumers want consistent communication based on their purchase history, preferences, and they want regular interaction with the brand. While brands realise the importance of real-time personalisation on their bottom line, true personalisation still evades most.

After two years of adapting and responding to unprecedented change, brands are now looking ahead with an eye for growth.

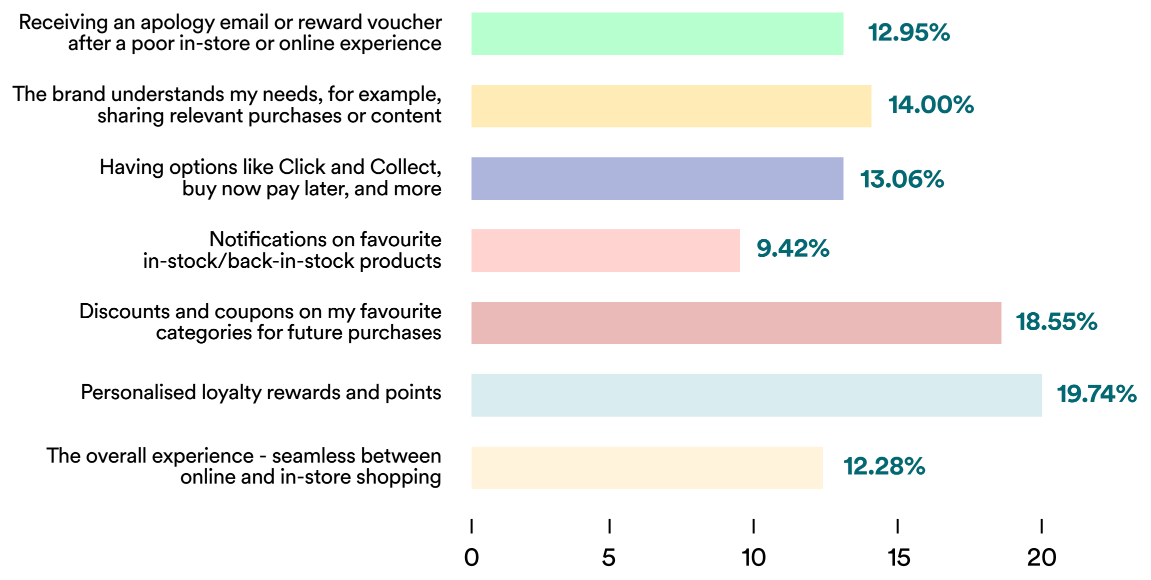
The result of a survey conducted on 2000 European buyers from the UK and Germany aged between 16 to 55 has helped shape this report, which aims to educate brands on what their consumers want from them in 2023.

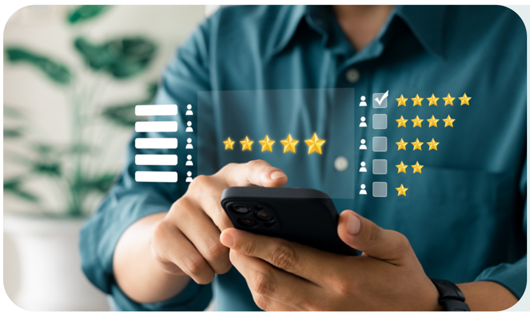
Knowing Your Customers' Highs and Lows

The first step to delivering top-notch personalisation to your customers is knowing what they love and hate!

52% of Europeans find delight in personalised discounts, rewards and recommendations

What delights you most about your experience with a brand?

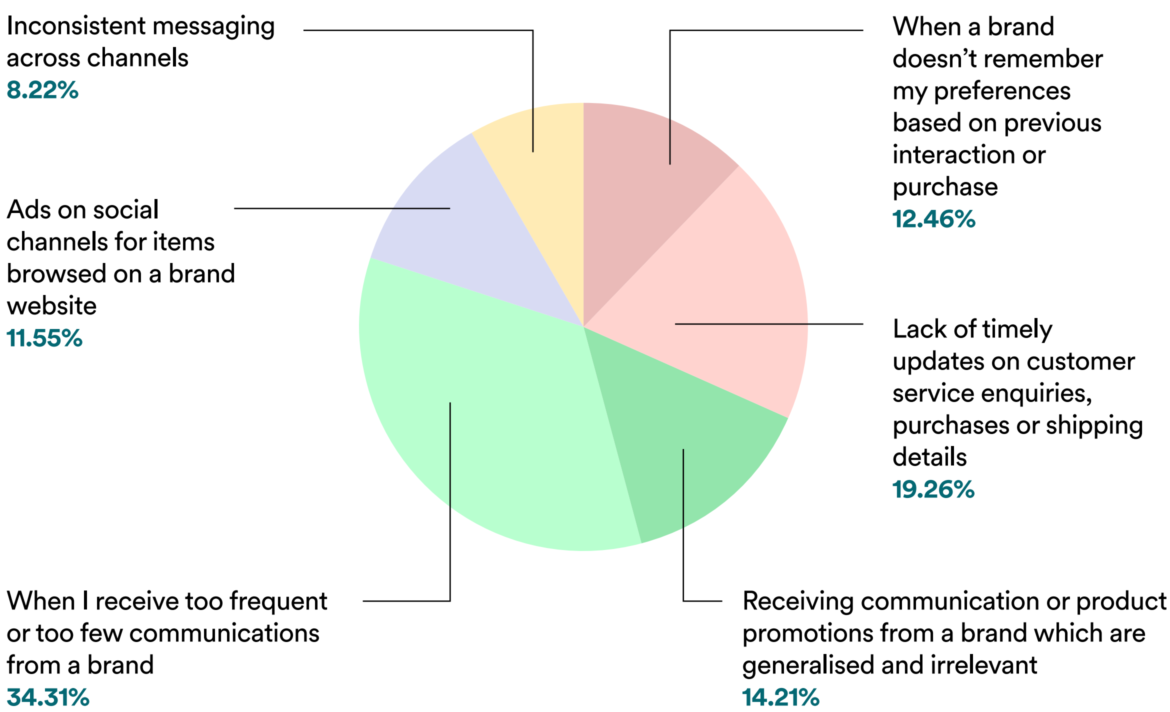


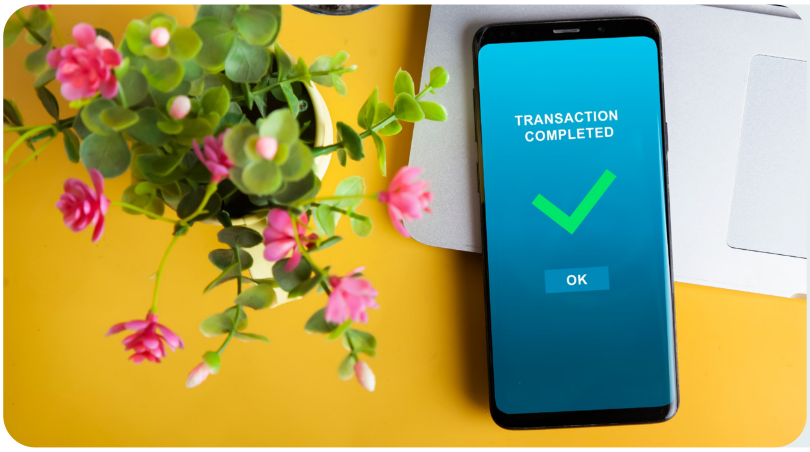


Consumers are delighted when brands display how much they value them, they appreciate brands apologising for a mediocre experience and working on improving their online and in-store experiences.

34% of Europeans get frustrated if the brand isn't saying the right thing or not saying enough

What frustrates you most about your experience with a brand?





While marketers assume that sending too many messages annoys the consumer, not receiving relevant messages from a brand is equally frustrating. Consumers want to receive timely updates.

The Demanding Consumer Wants Better Personalisation

Consumers have signalled loud and clear that they expect more from brands they decide to buy from. Now that we've seen what delights and frustrates consumers, here's the answer to how they want brands to personalise their buying experience.

Getting personalisation right matters more now than ever

When it comes to brand communication, pick the statement that best describes the level of personalisation you get?	Overall	UK	Germany
Recognising my name	14.30%	12.80%	15.80%
Based on my previous purchase history	→ **27.20%**	→ **29.60%**	24.80%
Based on my known interests	26.20%	22.20%	→ **30.20%**
Based on my location	6.40%	6.20%	6.60%
Based on my preferences (such as communication frequency)	11.50%	11%	12.00%
Based on the products or content I view or engage with	14.40%	18.20%	10.60%

While the majority of the consumers from the United Kingdom (29.60%) want brands to personalise based on previous purchase history, this majority of consumers from Germany (30.20%) want the brands to know their interest and personalise based on that.

Consumers aren't satisfied with brands personalising based on name or location. They expect them to demonstrate that they know them on a personal level and base personalisation efforts on deeper insights like their interests, preferences and purchase history.

Understand what leads consumers to pick your brand over another

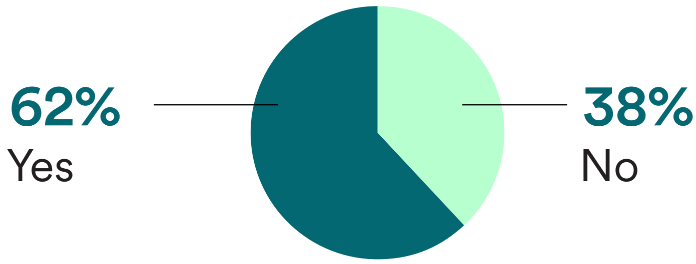
Apart from product quality, what factors lead you to choose one brand over another?	Overall
Brands reaching out to me with relevant communication based on mypurchase history or preferences	17.29%
Communications about discounts or offers based on items in my shopping cart	35.23%
Messages about new sales, products, and promotions based on my interest	30.46%
Company updates and news	9.39%
New, educational, trend-related content	7.63%

52.5%

of consumers feel brand personalisation efforts have an impact on them picking one brand over others. Brands that are able to personalise consistently and effectively will witness an increase in growth and bottom line.

62% of Consumers say a curated shopping experience is table stakes

Are you expecting a curated shopping experience from the brands you shop from regularly?

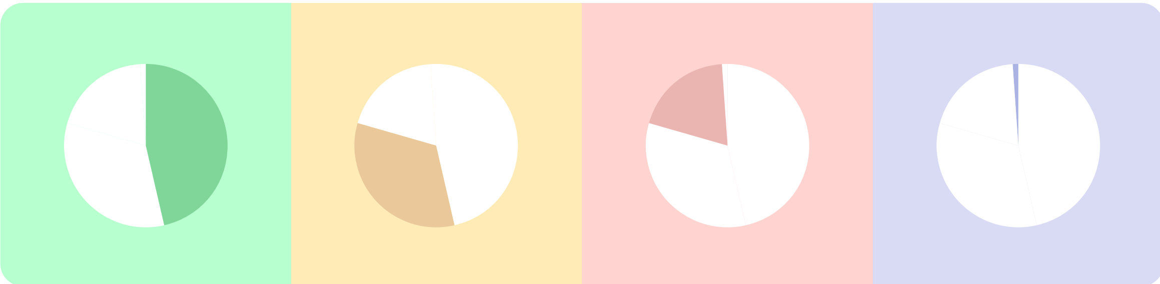


Over 60% say they expect brands to curate and customise their purchase experience. This shows that consumers want their shopping/buying experience personalised based on their behaviour, preferences, and affinity.

From the last edition to this one, we see that brands are working towards personalising their communications, but there's significant room for improvement. Overall, it is clear that the consumer's personalisation expectations are increasing, and brands need to work hard to match those standards.

Personalisation directly impacts buying behaviour across the purchase journey.

How would you like the curated shopping experience to be added to your current shopping?



46.42%
Interactive mobile app

33.07%
Recommendations when I enter the store

19.63%
Email look-books / curated list

0.87%
Other

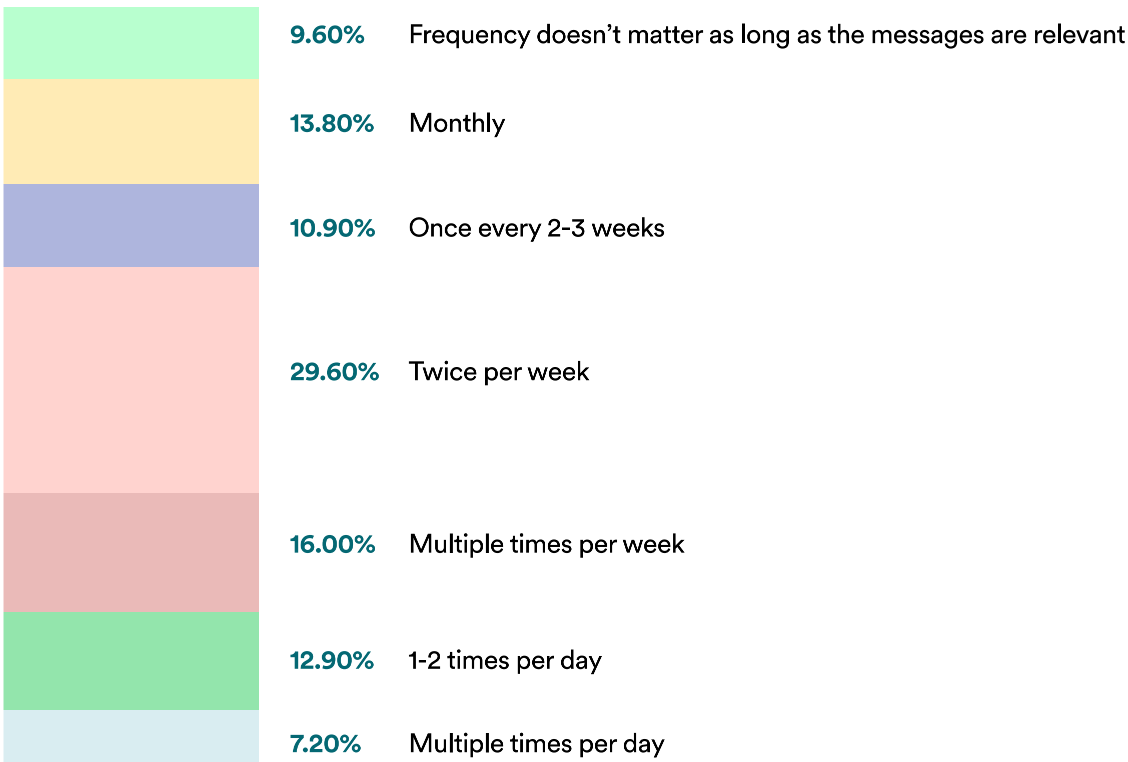
The consumer is adopting a more omnichannel approach to shopping, they use digital channels like mobile as well as in-store purchasing. Whatever the channel, they still expect their experience to be personalised, seamless and curated.

Meeting your customers - Right Place, Right Time

Brands now realise that hyper-personalised experiences are the need of the hour, but they still operate on the assumption that sending regular communications to consumers may lead them to getting frustrated and then churn. So let's understand just how many times your consumer wants to hear from you and where they want to see you.

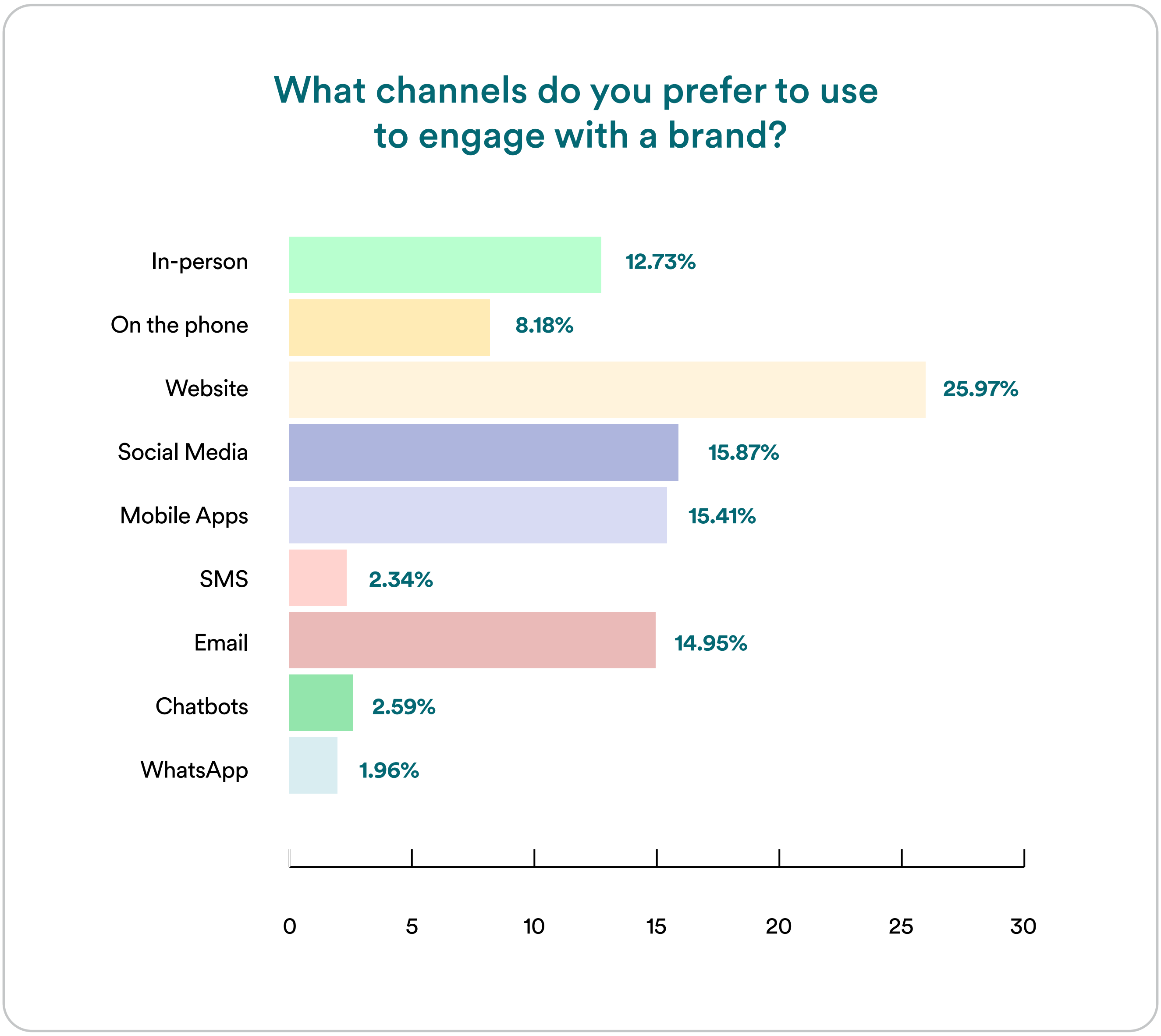
30% of Europeans want brands to send relevant communication multiple times per week

How often do you prefer to receive messages and communications from brands?



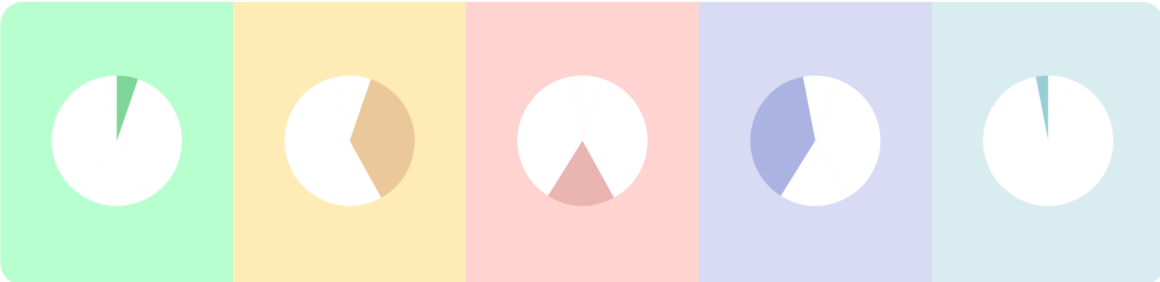
Consumers aren't satisfied with brands personalising based on name or location. They expect brands to demonstrate that they know them on a personal level.

26% Choose website as their go-to engagement channel



Consumers primarily used email to engage with brands in 2021, however, in 2023 majority of the consumers prefer engaging with brands through their website and social media. While WhatsApp and Chatbots are still lower on the engagement spectrum, they've seen an quite an increase in usage since 2021. These are emerging channels that brands should explore in 2023.

How many times have you visited a shopping app/website before making a purchase



5.4%
Once

36.6%
Two-Thre e times

17%
Four-Five times

38.2%
More than five times

2.8%
I prefer looking for products offline

The fact that consumers engage with brands multiple times, through multiple channels, presents brands with a huge window of opportunity to understand the customer and collect deep insights to drive personalisation.

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Balancing Personalisation and Privacy

Consumers are impressed with a brand's personalisation efforts only when it feels non-intrusive. Hence, it becomes very important to find out what is considered personal and what comes off as too personal.

How comfortable are you with brands using your personal data like name, age, location, to offer you a better experience?

46.42%
I'm comfortable with it

33.07%
I'm slightly comfortable with it

19.63%
I'm neutral

0.87%
I'm not comfortable with it

Consumer expectations from brands to personalise are constantly increasing. By taking a customer-centric approach brands can become successful in a high-competition, low-loyalty environment.

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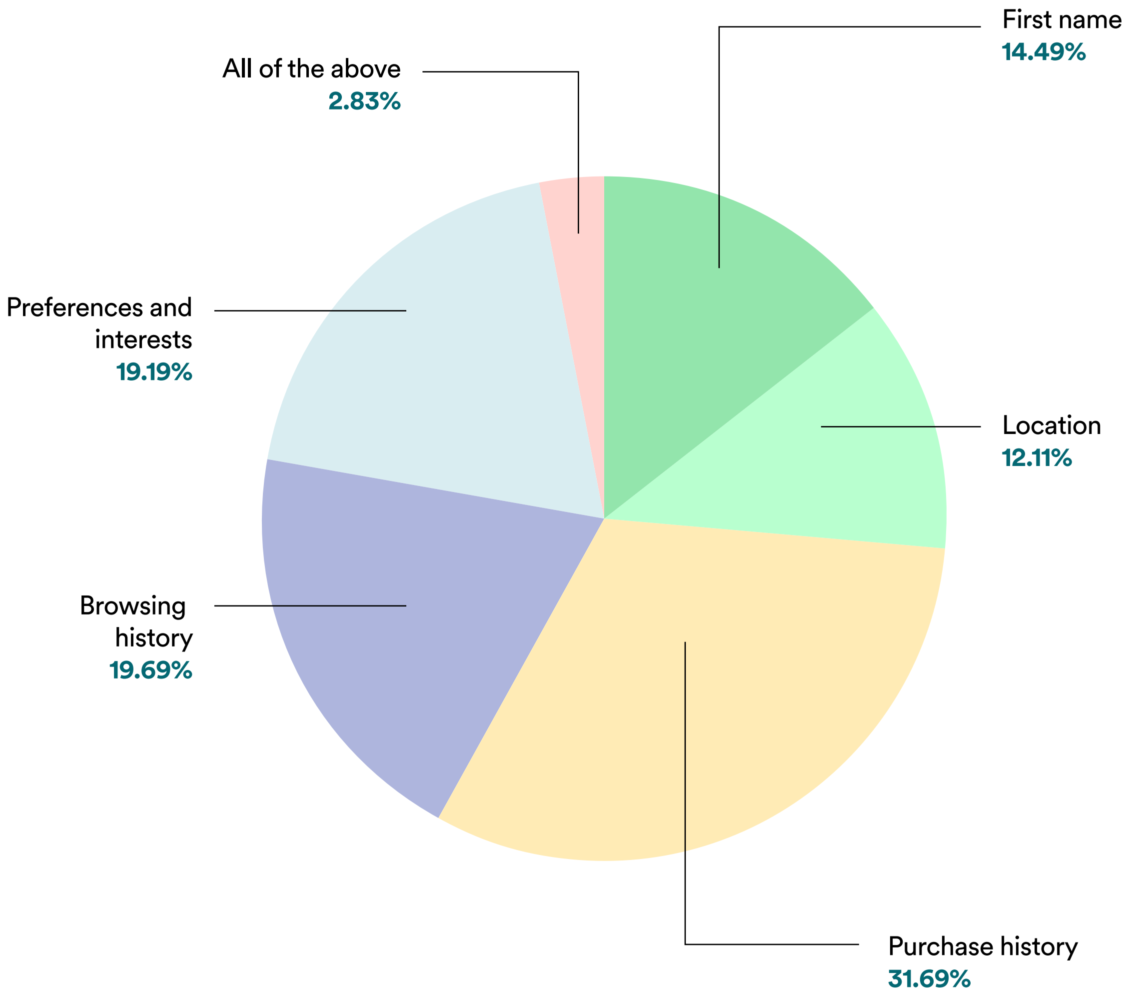
Consumers have a strong point of view of how brands should personalise

What data would you like brands to base your personalised shopping experience around?



Prioritise Personalisation Like Your Growth Depends On It

Because it does! How brands prioritise their consumers and adapt to their expectations will determine their growth trajectory for the year ahead.

Consumers have made it abundantly clear that they want a highly personalised experience over their favourite channels and seamless journeys from start to finish. Deliver on these expectations, and all brands, large or small, have a chance to retain their growing consumer base. If you fall short, you run the risk of missing the opportunity to try again.

Future Success Depends On Four Emerging Growth Areas

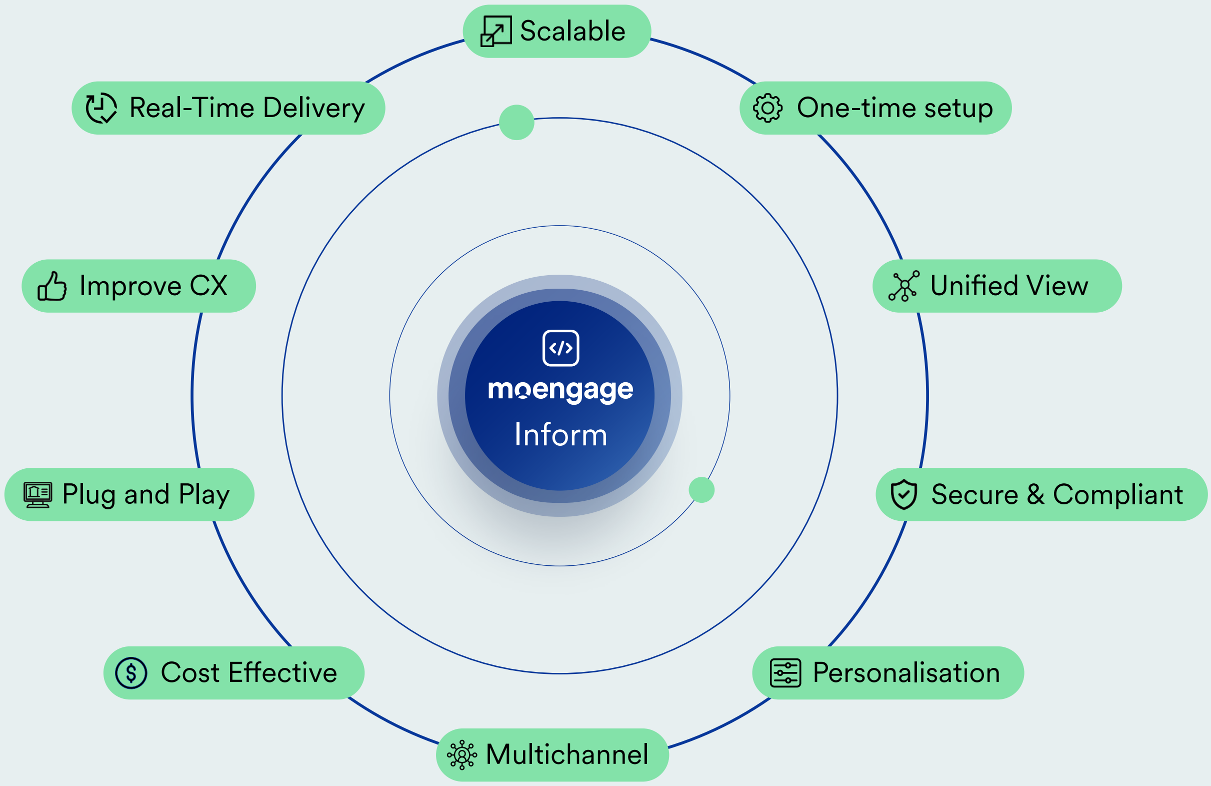
Even the most successful brands are only as good as what they have in their toolkit. Here are some parts essential to a smooth-running growth engine:

Moving away from segmentation towards hyper-personalisation

To get personalisation right, brands need to understand what isn't personalisation. In many instances, personalisation and segmentation are used interchangeably. While segmentation helps you categorise and label your consumer into different cohorts based on their interests, preferences, locations, etc., personalisation helps you treat them as individuals. Look at it this way, while segmentation allows you to divide 10 million consumers into 5 different segments, personalisation allows you to have 10 million stores for 10 million consumers, suited to their unique needs. Since around 25.9% (a majority) use websites to engage with their preferred brand, starting with website personalisation will build a solid base for your omnichannel personalisation strategy. **MoEngage Website Personalisation** lets you easily personalise the website experience for each customer according to their preferences, affinities, and behavior.

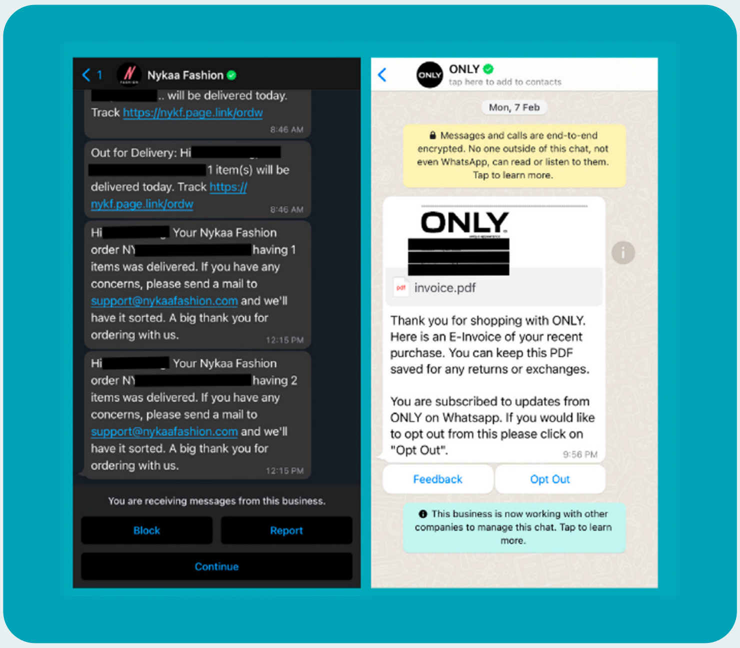
Invest in scalable real-time messaging

Your consumers demand that they can interact with a brand whenever they need to, without a moment's delay. Giving consumers real-time updates on value-added services like Click and Collect, , BOPIS, order confirmation, returns, etc., sent at the right time through the right channel is crucial for a brand to ensure the consumer returns to buy from you. Using **MoEngage Inform**, brands can deliver critical messages to consumers in real time. These include alerting consumers when a package arrives, sending OTPs to approve transactions or log in securely, cab arrival updates, or password reset requests.



Explore channels to grow in the age of conversational commerce

Many consumers don't want to pick up their phones to have a conversation with a brand. They prefer using channels like SMS, chatbots, Facebook, and more. Brands need to personalise their communication to suit these conversational channels. Exploring channels like Chatbots and WhatsApp allows brands to establish a direct relationship with the consumer.



Leverage insight to succeed with first-party data

Zero-party data collected from loyalty/referral programs, buying intent, or other sources should be used for product recommendations, building custom profiles, and improving customer service, which in turn will assist better strategic decisions. Similarly, brands can use first-party data gathered from owned digital channels - website/app, surveys, feedback, newsletter, WhatsApp opt-ins, etc. This will facilitate offering hyper-personalised experiences, reaching the right consumers, and fost consumer relationships by understanding their preferences.

By embracing new technologies and investing in both consumers and their journeys, brands can infuse a consumer-first mindset into all levels of engagement. The window for action is small—and closing. But brands have the opportunity to drive bottom-line growth and create better experiences just by letting their consumers lead the way.

About MoEngage

MoEngage is an insights-led customer engagement platform, trusted by more than 1,200 global consumer brands such as Ally Financial, McAfee, Flipkart, Domino's, Nestle, Deutsche Telekom, OYO, and more. MoEngage empowers marketers and product owners with insights into customer behaviour and the ability to act on those insights to engage customers across the web, mobile, email, social, and messaging channels. Consumer brands across 35 countries use MoEngage to power digital experiences for over 1 billion monthly customers. With offices in ten countries, MoEngage is backed by Goldman Sachs Asset Management, B Capital, Steadview Capital, Multiples Private Equity, Eight Roads, F-Prime Capital, Matrix Partners, Ventureast, and Helion Ventures.

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