

REPORT

Personalization Pulse Check 2023

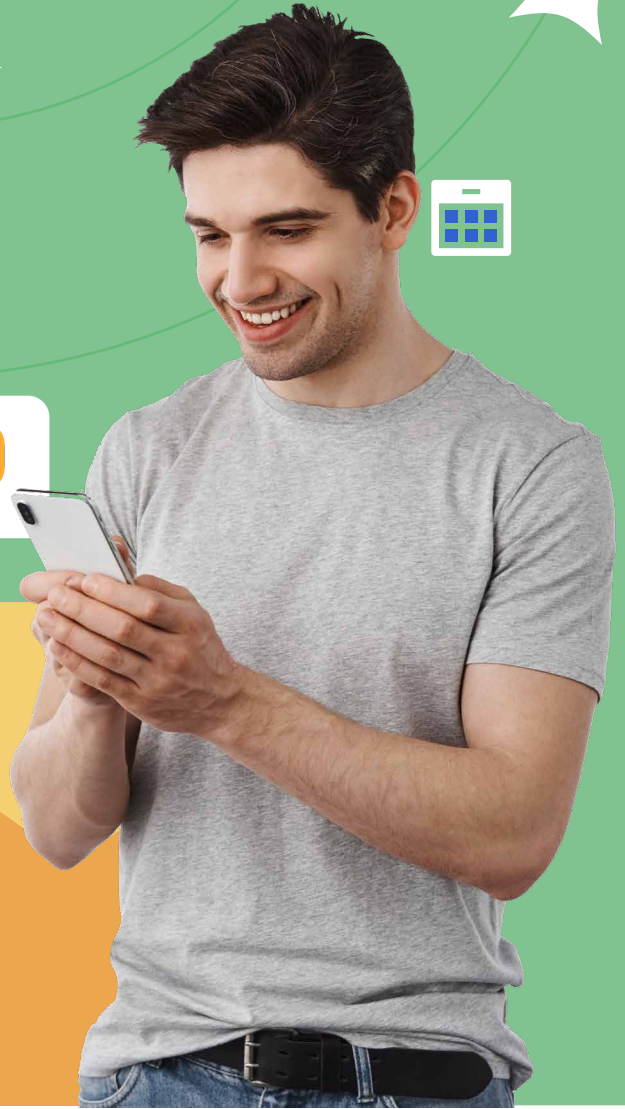
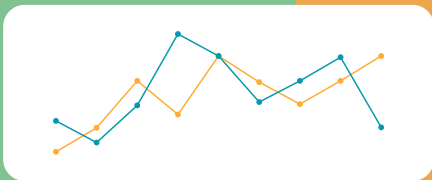
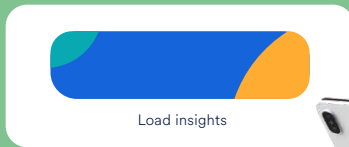
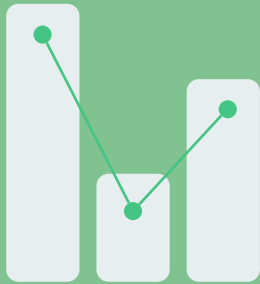


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Foreward

As a concept, personalization is not new. Since the first use of email marketing more than a decade ago, personalization, in some aspect or the other, was always prevalent.

While first-name personalization is widely used, the trend towards hyper-personalization represents a distinct evolution in customer demands.

In our “The State of Personalization Report” in 2022, we showcased how enterprise and digital-first brands use personalization to go beyond first-name personalization. Additionally, brands that used customers’ events-related data or drafted communications based on customer affinities witnessed higher and better traction.



However, as we move forward in 2023 and beyond, the game will shift towards more sustainable growth, and hyper-personalization will be a main spoke in the loyalty flywheel. While getting the right personalization can be daunting, it is not impossible. The key is to start with the basics, identifying the number of channels for customer interaction, changes in customer sentiment, the number of channels used for browsing, and so on.

We spoke to 2000 Middle Eastern and African B2C customers to understand their engagement preferences and personalization needs. This report is meant to answer important questions, such as what delights consumers, what frustrates them, how personal they want brands to be, what their preferred communication channels are, and much more.






Kunal Badiani
Regional Vice President

A Look Back to What We Said Last Year!

In 2022, the world was once again open for business following the effects of the global coronavirus pandemic. As a result, phygital stores evolved from an idea to a reality, prompting a paradigm shift in customer engagement.

From Physical to Digital to Phygital: Here is a peek into how customer interaction evolved.

	Physical Era	Digital Era	Phygital Era
 <p>Brand Interaction</p>	<p>Customers visited brick and mortar stores while website interaction was picking up</p>	<p>Customers started using web apps or mobile apps for purchase and any other queries</p>	<p>Customers are visiting offline as well as online stores</p> <p>Online channels dominate for daily/quick buys, while offline channels are starting to dominate during sale/festive seasons</p>
 <p>Millennials vs. Gen X</p>	<p>Both preferred offline engagement channels</p>	<p>Both segments shifted towards digital channels of communication</p>	<p>Millennials are inclined toward digital channels.</p> <p>Gen X is gradually moving back to offline channel interactions</p>
 <p>Digital Campaigns</p>	<p>Bare minimum, mainly focused on email mass marketing</p> <p>Utilization of CRM tool to drive basic engagement</p>	<p>Witnessed exponential growth with personalized messaging</p> <p>Usage of data to enhance communication</p>	<p>Brands are looking at engagement platforms like CEP along with CDP to drive more engagement</p> <p>Offline stores are utilizing digital data to offer personalization at the store and vice versa</p> <p>Loyalty plays a significant role</p>

Needless to say, brands have responded to these evolving customer demands.

Before we breakdown the “Voice of Customer” in our new Personalization Pulse Check Report, let us look at how few Middle Eastern and African brands have benefited from personalization:

- **Going Beyond First-Name Personalization:** By adding a first name and product as a part of personalized communication, a UAE-based brand witnessed a **2X** increase in open rate
- **Improving Deliverability:** An African brand witnessed **98%** deliverability for personalized communication as opposed to 91% for generic communications.



Now that it is established that personalization is the stairway to customer engagement and that customer demands are ever-evolving, **brands need to be on top of the customer’s pulse moving forward.**

Specifying
the product



Bag sale at our store!

Hey **Miranda**, we have special discounts. Our way of saying thank you for being a **loyal customer**

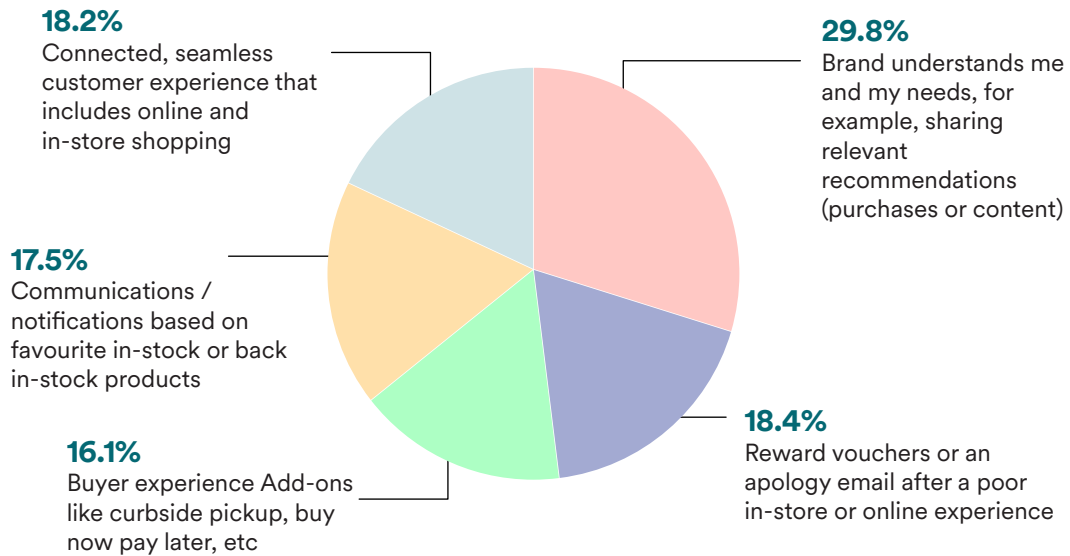
Using
names

Appreciation

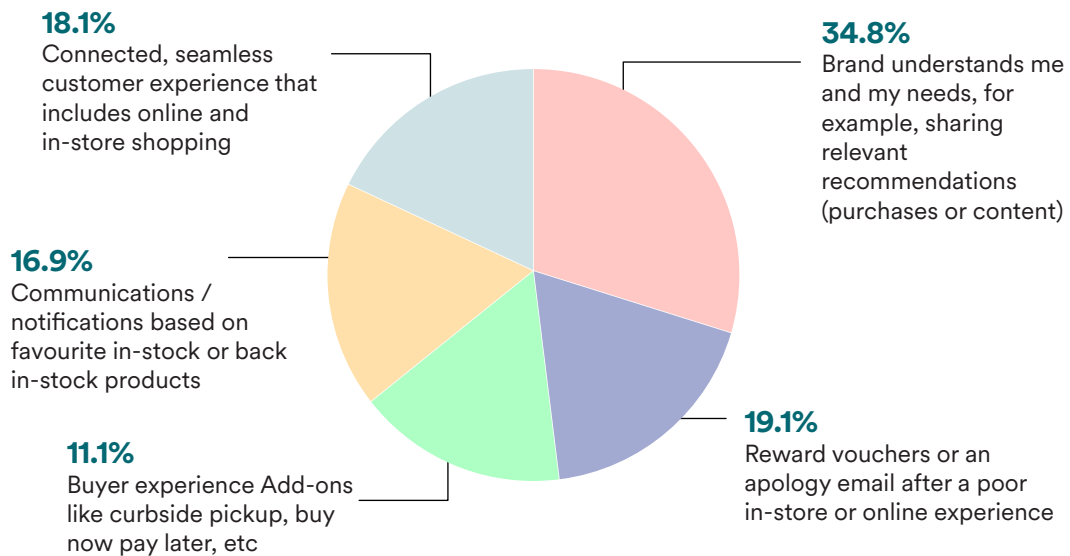
Knowing Your Customers' Highs and Lows

What do you like the most about your interaction with a brand?

Middle East



Africa



Across the Middle East and Africa, **30%** of customers prefer brand interaction with relevant recommendations.

Customers prefer a connected, seamless experience, with rewards/vouchers or apology emails following poor experiences.

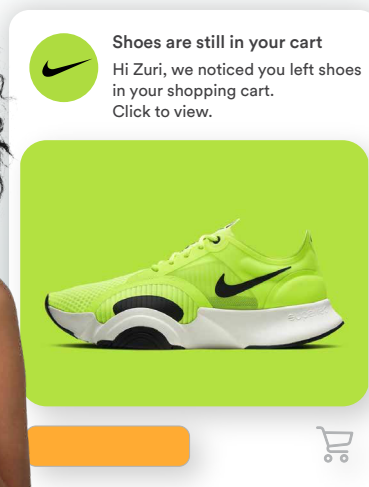


Considering the above factors, it is clear that customers ask for **RELEVANCY** and **EXPERIENCE**.

Communications based on the last page viewed or a personalized message for items in the cart will go a long way in building brand loyalty.



MoEngage tip: Marketers can go beyond personalizing external channels like Push, Email, SMS, WhatsApp and create a more connected experience by personalizing both internal channels (website, mobile app) and external channels to basically deliver a relevant and seamless experience.



What frustrates you most about your experience with a brand?

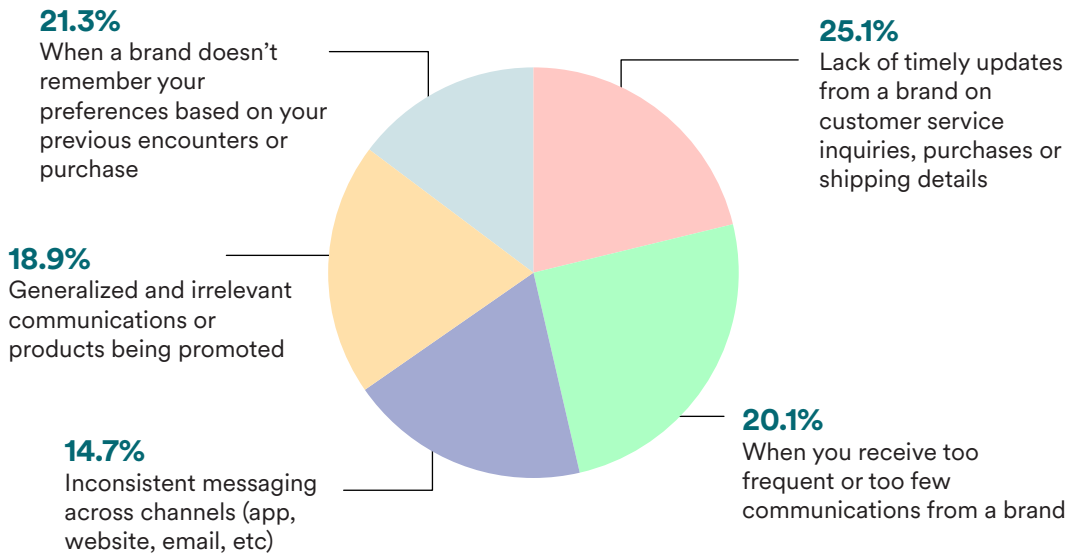
25%

of Middle Eastern consumers are frustrated by the lack of timely updates from a brand on customer service inquiries, purchases, and shipping details. While,

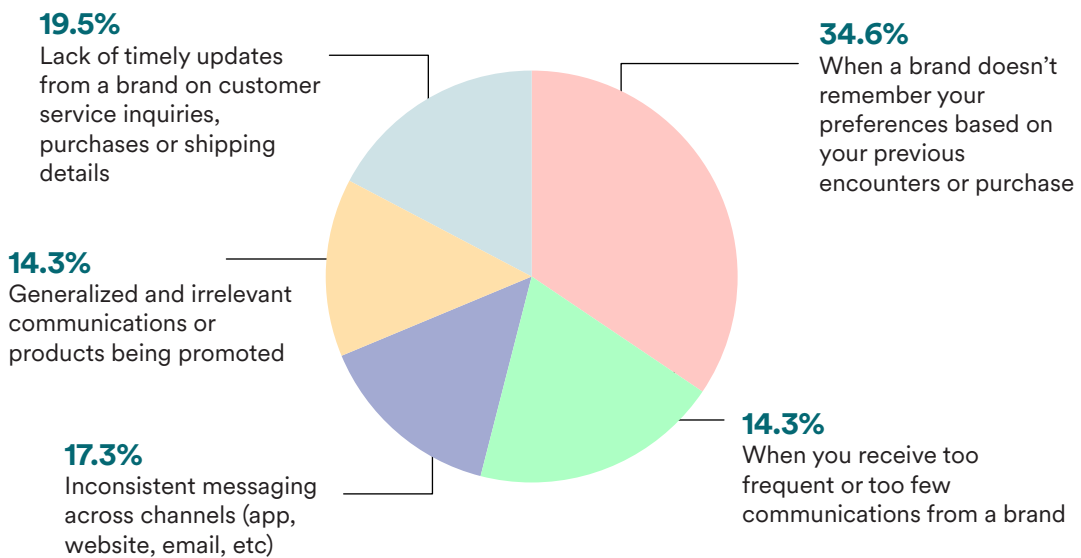
35%

of consumers in Africa experience frustration when a brand does not remember their preferences based on their previous encounters or purchases.

Middle East



Africa



If we dive further into the nuances of GCC countries, we find that:

- **In the United Arab Emirates (UAE), 23%** of customers are frustrated by lack of timely communication, followed by generic communication (21%) and too frequent communication (20%).
- **While in the Kingdom of Saudi Arabia (KSA), 27%** of customers are frustrated by a lack of timely communication, followed by generic communication (22%) and too frequent communication (20%).

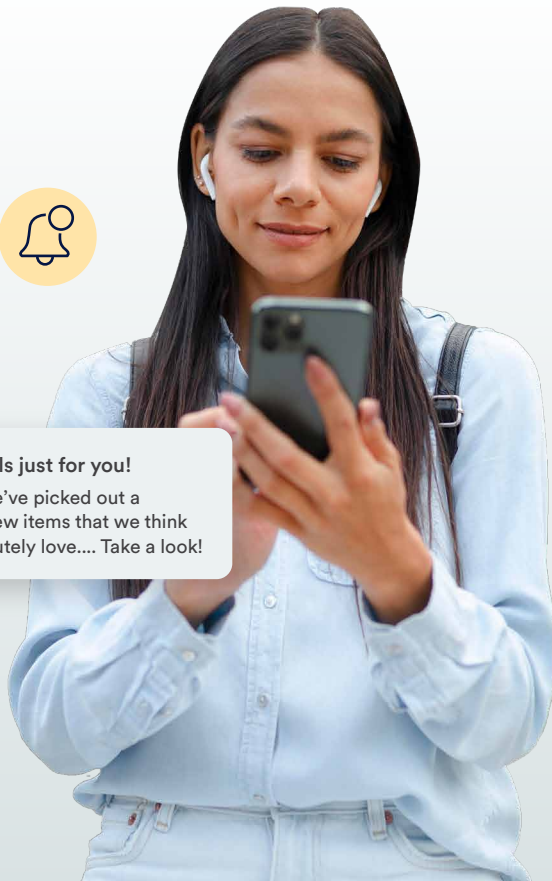


The above analysis indicates that customers prefer to communicate with brands that are timely, relevant, and personalized at preferred intervals. Often, marketers confuse frequency with non-performance. However, in today's world, relevance and value take center stage.



New arrivals just for you!

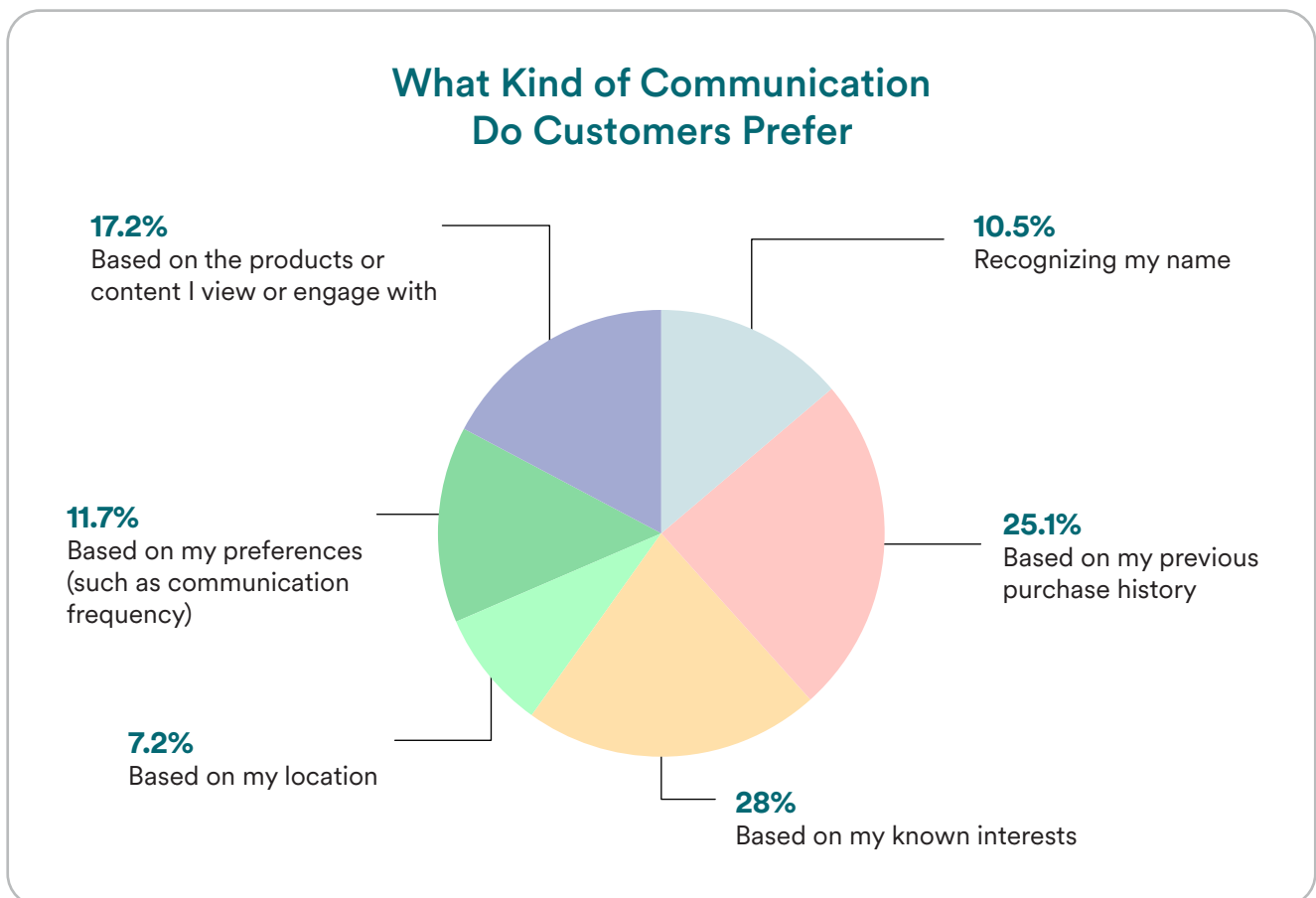
Maryam, we've picked out a couple of new items that we think you'll absolutely love.... Take a look!



Hyper-Personalization is the New Black

In 2023, it is safe to say that brands have moved beyond first-name personalization. The above statement is also corroborated by various brands that use personalization based on product landing pages or personalized communication for cart abandonment.

For brands that have already embarked on the personalization journey, they need to continue this and do much more. For brands that are just beginning their journey, it is important to understand their respective POs in personalization and act upon them.



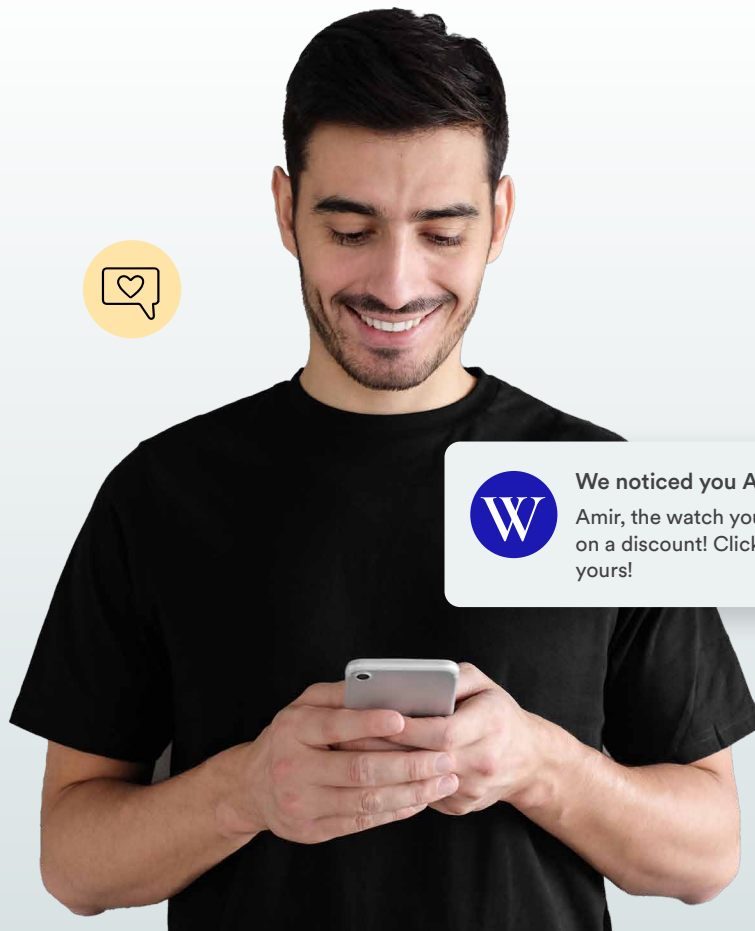
- Across both regions, more than **50%** of customers resonated with communication that included information about known interests or previous purchase history.
- Information in regional locale, its communication frequency, and previous content viewed or liked is demanded by customers when it comes to brand communication.

If we further breakdown the statistics according to different countries, we find that:

- **In the UAE, 28%** of customers like information about previous purchase history.
- **In the KSA, 32%** of customers like information about known interests.
- **In Africa, 31%** of customers like information about products or content that they have engaged with



With the above-mentioned analysis, it is clear that consumers are not satisfied with just first-name or location (while it is a good-to-have thing). Today, the demand is for much more, and brands need to keep their communications relevant.



We noticed you Amir!

Amir, the watch you viewed is now on a discount! Click here to make it yours!

Understanding Why Customers Prefer You Over Others and Vice-Versa

While we are talking about personalized brand communication and its relevancy, communication is also a powerful tool to understand why customers prefer certain brands.

As a part of the survey, we asked customers what made them choose Brand A over Brand B

Apart from product quality, what factors lead you to choose one brand over another?

	MEA	Middle East	Africa
Relevant communication based on your purchase history or preferences	23.99%	24.50%	21.77%
Communications about discounts or offers based on items in your shopping cart	30.11%	29.63%	32.26%
Messages about new sales, products, and promotions	26.23%	26.45%	25.27%
New, educational, trend-related content	14.48%	13.99%	16.67%
Spam communications (email, push, app, etc.)	5.18%	5.44%	4.03%



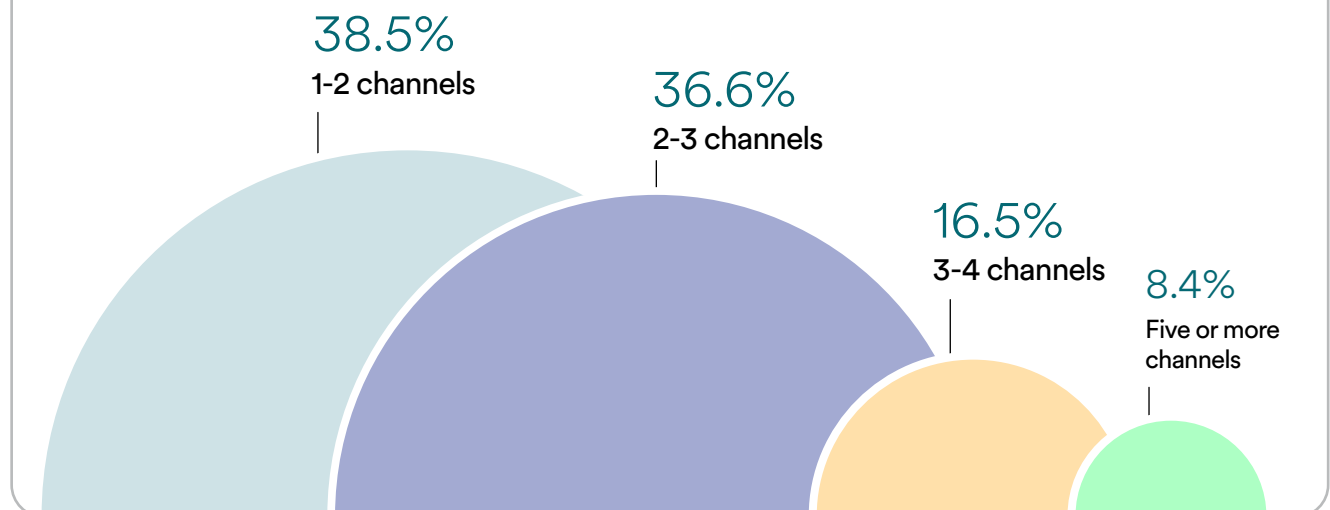
The survey above indicates that communication can help brands to place their customers in different segments. Whether it is discounts or promotional communications, brands can identify what segments resonate the most with what kind of communication, ultimately increasing their retention and customer lifetime value (CLTV).

Meeting Customers at the Right Place and the Right Time, with the Right Message

Along with hyper-personalization, it is also important for brands to know and analyze:

- How often do customers interact with brands before making a purchase decision.
- Which channel(s) work and which do not.

How often do customers interact with brands before making a purchase decision.

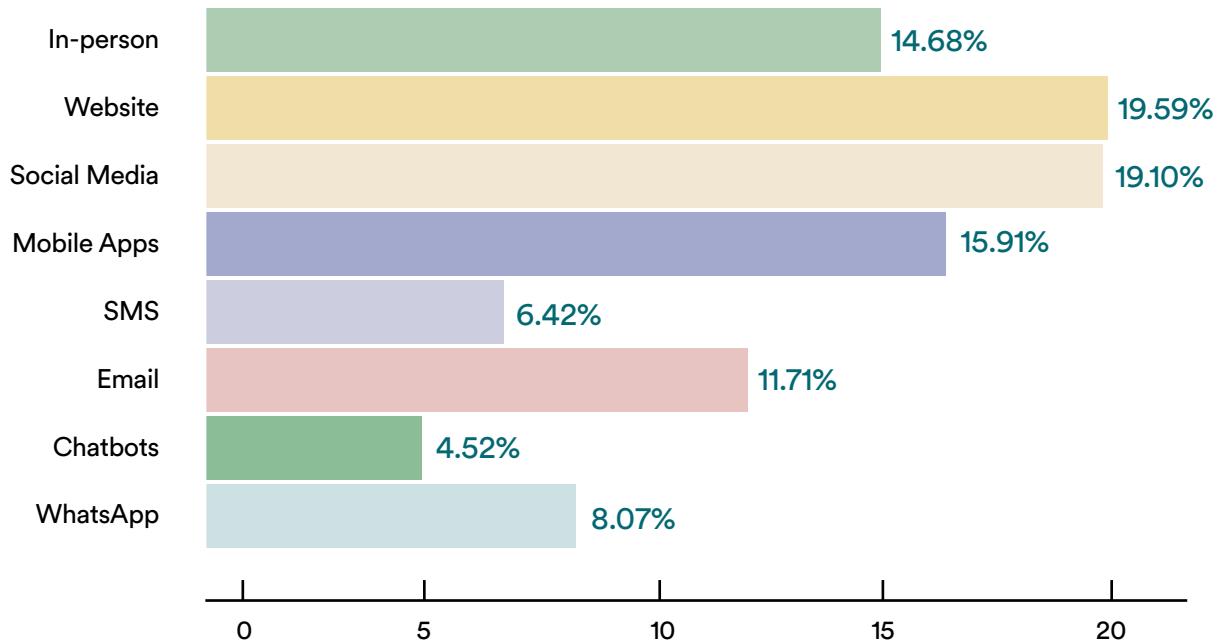


Interestingly, 75% of customers visit or interact with brands approximately three times before making a purchase decision. Moreover, it is also noticeable that the number drops as the frequency increases – a classic funnel case. To increase their checkout numbers, brands need to be relevant from the outset.

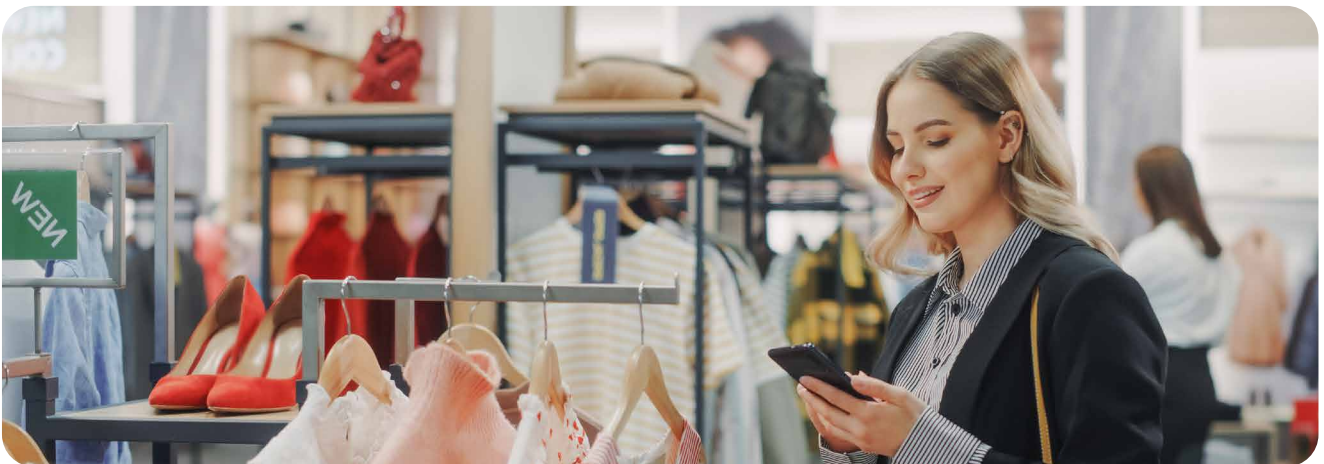
And what plays a crucial role in finding that relevancy?
Channels for Communication!

54%

of customers across GCC and Africa prefer to use websites, social media, or mobile apps for interaction.



- Channels like Email, SMS, and WhatsApp are preferred by **24%** of customers.
- Even in-person interactions are preferred by **15%** of customers, and this is expected to pick up as offline stores increase in numbers.



If we further dissect the survey results by region, we find that:

UAE	KSA	Africa
Website (20%) and social media (19%) dominate, followed by in-person and mobile-apps respectively	18% and 19% of customers prefer social media and mobile apps, respectively.	websites remain the most dominant channel; however, emails are also preferred by 15% of customers, along with in-person interactions.

This indicates that mobile apps, websites, and social media attract the most customers. Traditional channels, like email, are still relevant, but there is an increased use of WhatsApp in the GCC region.



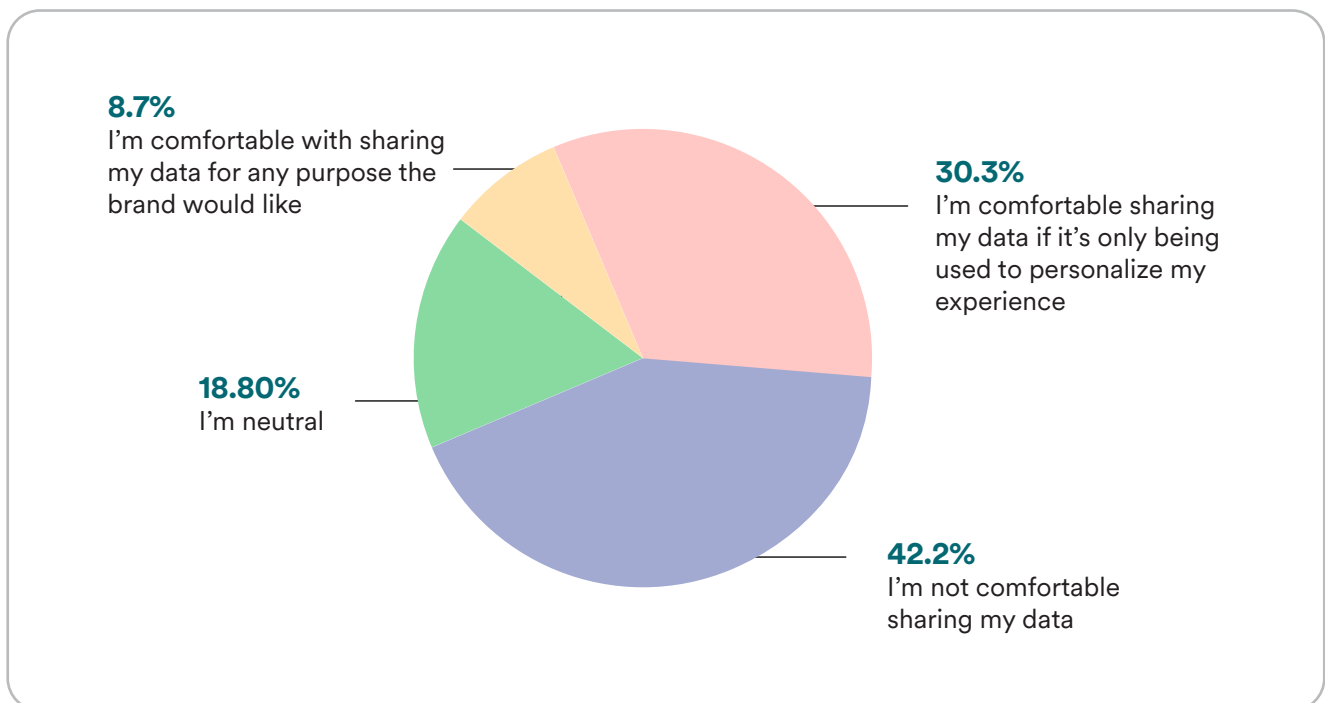
A point to be noted by digital-first brands in Africa and GCC is that offline stores may just become fashionable once more.



Balancing Personalization and Privacy

While consumers expect personalization, they also want to know how their data is being used. In an imminent cookie-less world, brands need to give that assurance to their customers and, at the same time, know how comfortable their customers are with sharing their data.

In both regions, we asked customers how comfortable they felt with brands using their personal data, like name, location, or email, to offer a better experience.



This data suggests that customers are comfortable with brands using their data to convey relevant communication.

In 2023 and beyond, personalization will play a key role in customer engagement and retention. Privacy will also be one of the key growth drivers, and customers are likely to only engage with a brand that they trust.

Prioritize Personalization Like Growth Depends On It

Because it does! How brands prioritize 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 personalized experience, using their favorite channels, and seamless journeys from start to finish. All brands have a chance to retain their growing consumer base if these customer expectations are achieved. If they fall short, they 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 that are essential to a smooth-running growth engine.



Move away from segmentation towards hyper-personalization

To get personalization right, brands need to understand what personalization is not. In many instances, personalization and segmentation are used interchangeably. While segmentation helps to label and categorize consumers into different cohorts based on their interests, preferences, locations, etc., personalization helps to treat them as individuals. While segmentation allows you to divide 10 million consumers into 5 different segments, personalization allows you to have 10 million stores for 10 million consumers, suited to their unique needs.

As approximately 19.5% of customers use websites to engage with their preferred brand, starting with website personalization will help to build a solid base for an omnichannel personalization strategy. [MoEngage Website Personalization](#) allows for easy personalization of the website experience for each customer according to their preferences, affinities, and behavior.



Invest in scalable, real-time messaging

Consumers demand real-time interaction with brands whenever it is required. Giving consumers prompt updates, through the right channels, on value-added services, like click and collect, buy online or pick up in-store (BOPIS), order confirmations, returns, etc., is crucial for ensuring consumer retention. Using [MoEngage Inform](#), brands can deliver critical messages to consumers in real-time, including alerting consumers when a package arrives, sending one-time passwords (OTP) to approve transactions or log in securely, along with cab arrival updates and password reset requests.



Explore channels to grow in the age of conversational commerce

Many consumers do not wish to engage with brands via phone. They prefer to use channels like SMS, chatbots, Facebook, and more. Brands need to personalize their communication to suit these [conversational channels](#). Exploring such channels 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, newsletters, WhatsApp opt-ins, etc. This will facilitate hyper-personalized experiences, reaching the right consumers and fostering 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. However, brands can 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 Apparel Group, Azadea, Mashreq Bank, Jazeera Airways, Joi Gifts, Alsaif Gallery, Almosafer, Alamar Foods, CoinMena, Rain Bahrain, and more. MoEngage empowers marketers and product owners with insights into customer behavior, and provides 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 one billion monthly customers. With offices in 13 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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