

REPORT

Personalization Pulse Check 2023



Table of Contents

[Click to navigate](#)

1 A Look Back at Previous Personalization Pulse Check Edition

Page 04



2 Knowing Your Customers' Highs and Lows

Page 06



3 Personalization Benchmark is Higher Than Ever

Page 08



4 Meeting Your Customers - Right Place, Right Time

Page 12



5 Balancing Personalization and Privacy

Page 15



6 Prioritize Personalization Like Your Growth Depends On It

Page 17



Foreward

58% of consumers are frustrated with brands that offer generic and inconsistent communication.

Yes, personalization is not just a necessity anymore – it is imperative.

In this year's "Personalization Pulse Check Report," we help brands understand customer sentiment on personalization. The data is clear: it is not just "nice to have"; customers now demand it.

However, only 30% of brands use deeper insights to personalize their experience.

Brands still struggle to provide personalized, omnichannel experiences based on customers' affinity, AHA moments, channel/frequency preferences, and more.

Finding the solution to winning customer loyalty can appear daunting, but it isn't an impossible feat. The key is to start with the basics: for example, how many channels you use to interact with customers, how often customer sentiment changes, how many channels your customers browse before making a purchase, and so on.

But who can give you the answer to these age-old questions?

Your customers!

We spoke to 2,000 North American consumers to understand their customer engagement preferences and personalization 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.

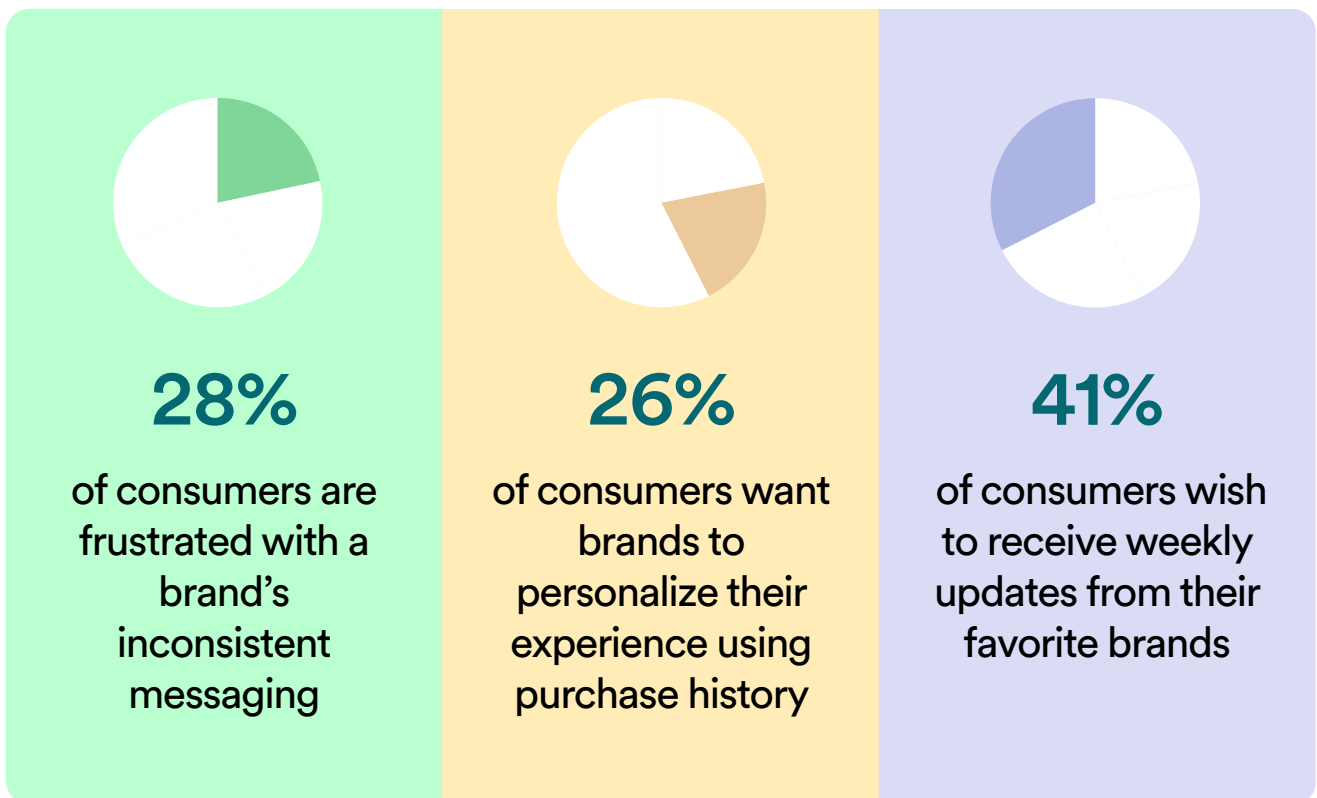


Meagen White

VP Marketing - North America

A Look Back at Previous Personalization Pulse Check Edition

In last year's Personalization Pulse Check report, we found that the number one challenge for consumer brand marketers was consistent messaging across multiple channels.



This is the communication gap between brands and their end customers. Much data is available to these marketers, but customer communication is not personalized on a relevant, human level. Approximately 44.5% of marketers feel that using insights (customer, journey, and campaign level) helps boost the overall ROI. However, adding personalization to customer engagement remains elusive.

So in this year's report, we wanted to understand consumers' current expectations toward brand communications and establish how these expectations have changed (or not) compared to our last edition of the report.

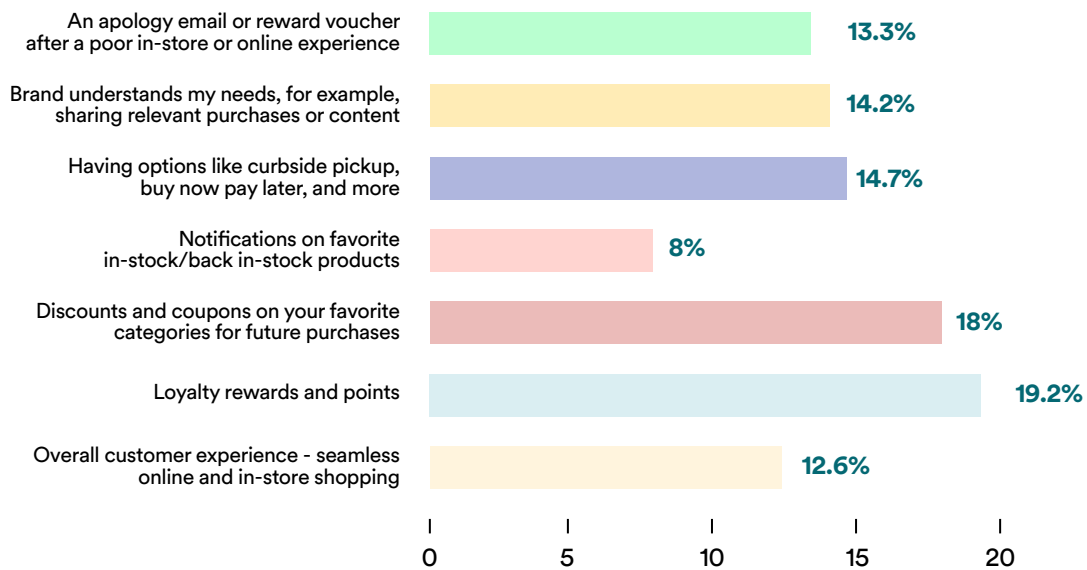


We surveyed 2000 North American consumers from the US and Canada, aged 16-54 to:

- 1** understand their expectations from brands regarding personalizing their experiences.
- 2** know what delights, what frustrated customers, and how personal they want brands to be.
- 3** find out which channels they would like to read or see communication from brands on and much more.

Knowing Your Customers' Highs and Lows

What delights you most about your experience with a brand?



19.2% of consumers are delighted when a brand focuses on having a loyalty program that gives them access to loyalty points rewards.

18% are happy when they get discounts and coupons in their favorite

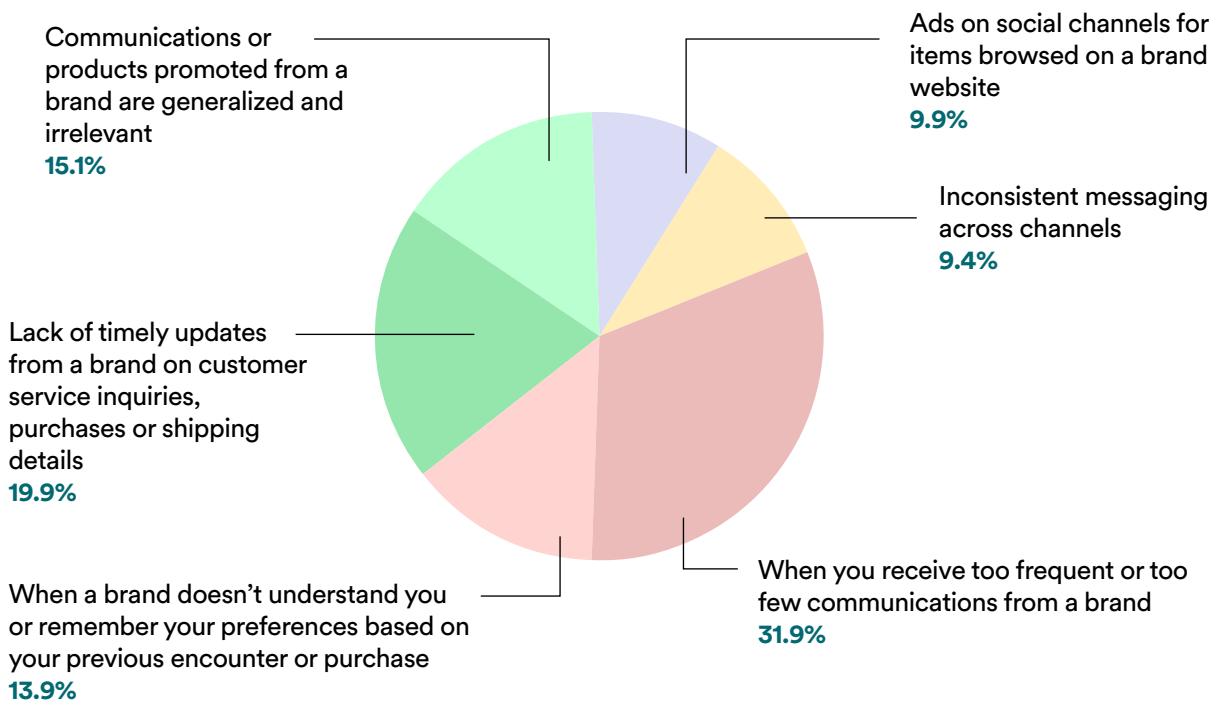
When we see this data from a customer engagement perspective, around 14% of consumers are delighted when brands understand their purchase needs and improve their overall buying experience.

48.1% of consumers are delighted with improved communication and experience

Yes, the broad majority of consumers want brands to understand their purchase needs, compensate them when they have a poor experience, and notify them about in-stock favorite products. Consumers also want brands to focus on a seamless customer experience that includes personalized communication based on their buying behavior.

58% of consumers are frustrated with brands that offer generic and inconsistent communication

What frustrates you most about your experience with a brand?



The majority of consumers' frustration stems from a lack of strategic customer engagement. Furthermore,

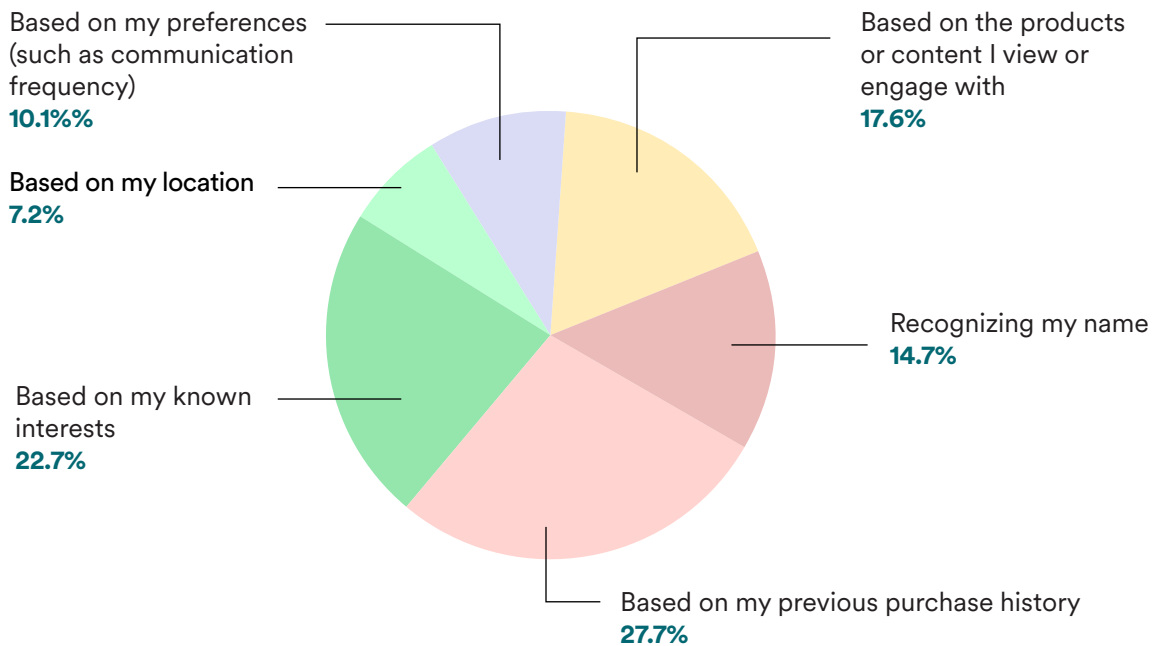
31.9% of consumers are frustrated when brands send too frequent or too few communications.

This clearly shows that consumers also demand relevant, timely, and customized communication apart from price and product-related benefits.

Personalization Benchmark is Higher Than Ever

Based on the data, it is clear what delights and frustrates the consumers is mostly related to brand communication. It's essential to understand consumers' criteria when personalizing communication and engagement.

When it comes to brand communication, pick the statement that best describes the level of personalization you want



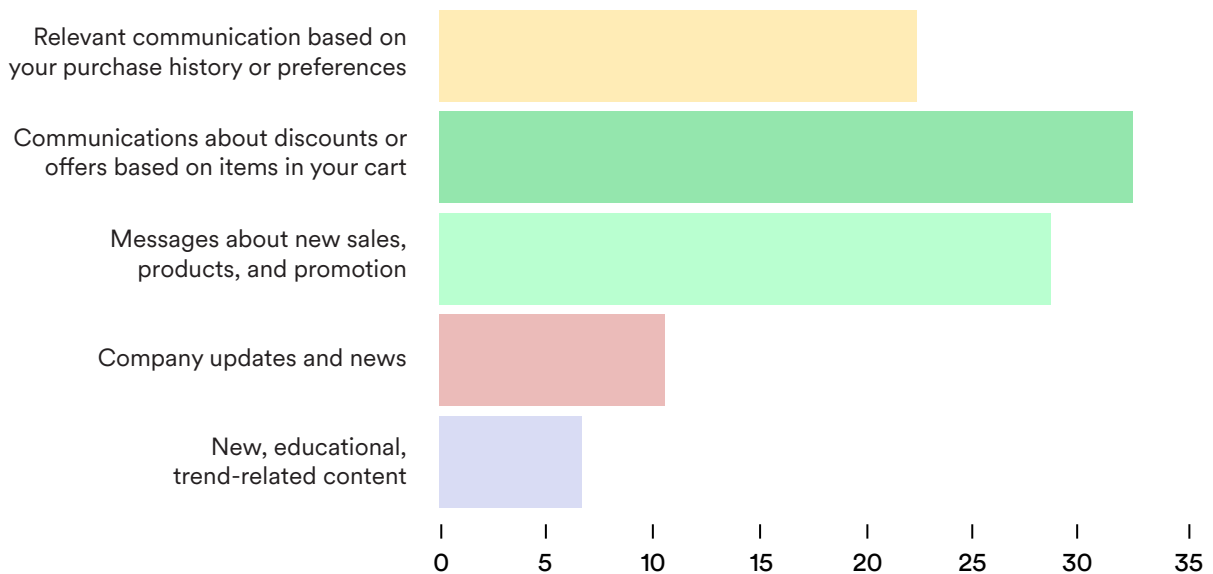
27.7% of consumers want their communication personalized using purchase history, and 22.7% prefer known interests such as favorite categories, repeat purchases, wishlist products, and more such insights.

The expectation in which brands use name, preferences, and location are still essential but represented as lesser importance compared to the other criteria, likely because brands have been focusing on these attributes for some time. Now, consumers are looking for deeper conversations that can only happen using deeper insights such as purchase history, app/website activity, affinity, and so on.

Let's dive deep into understanding consumer expectations from brands.

32.3% of consumers choose one brand over another if the communication is unrelated to their current shopping behavior

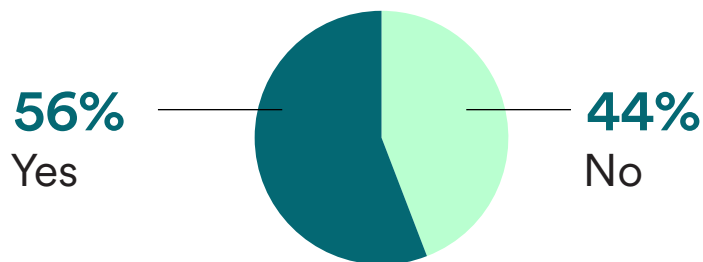
Apart from product quality, what factors lead you to choose one brand over another?



Communicating to consumers about recent sales, products, and promotions (28.6%); and reaching out to consumers using purchase history and preferences (22.2%) are some top options to choose one brand over another.

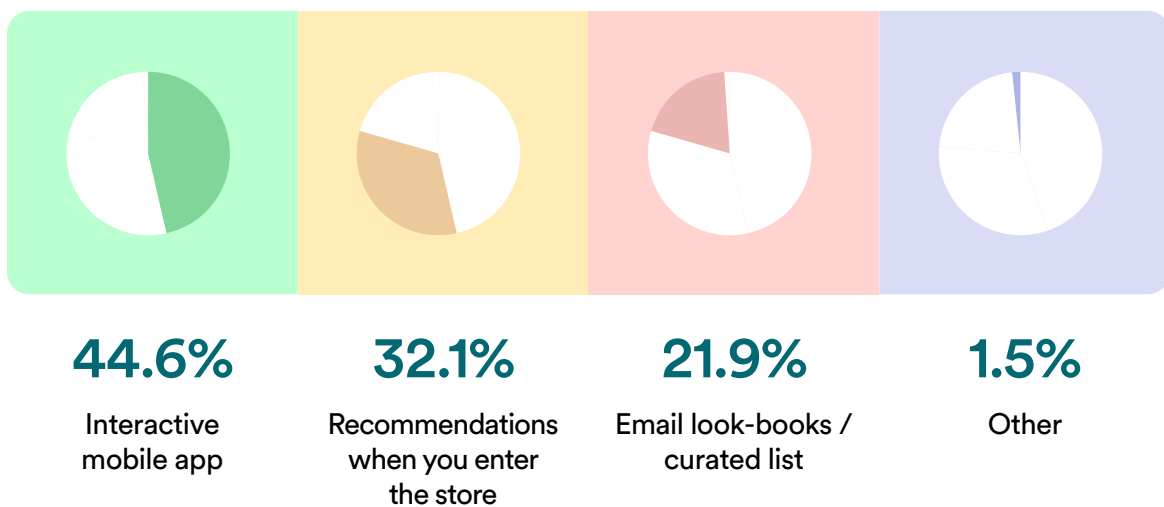
56% of consumers want a curated shopping experience

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

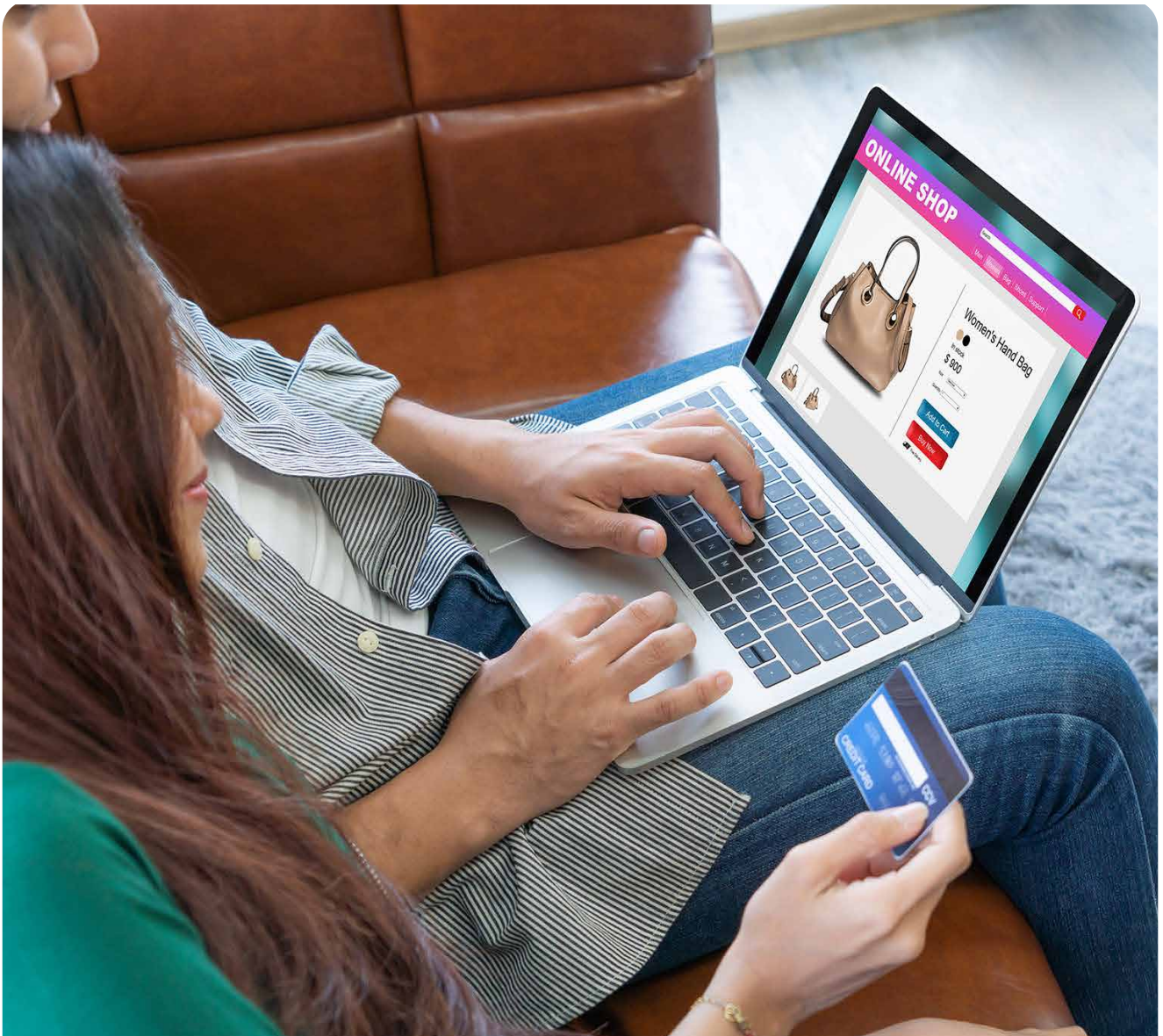


The next thing on the list to understand is if consumers are looking for a curated experience, and the majority said yes. This shows that consumers want their shopping/buying personalized based on their behavior, preferences, and affinity.

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



They want this curated experience to be added to their current shopping journey/process via an interactive mobile app like AR/VR options (44.6%), store recommendations (32.1%), and look-books or curate shopping list via email/SMS (21.9%). Some consumers also said they would like digital recommendations while browsing in-store.



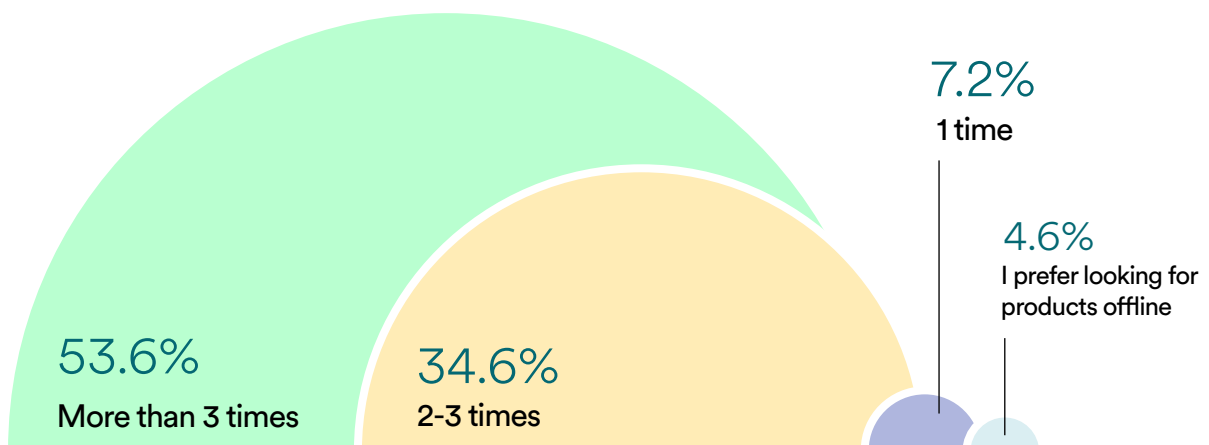
From the last edition to this one, we can infer that brands are working towards personalizing their communications based on these consumer insights, but there's significant room for improvement. Overall, it is clear that the consumers' personalization expectations are increasing, and brands need to work hard to match those standards.

Meeting Your Customers at the Right Place, Right Time

Now we understand what consumers are looking at. Hyper-personalized engagement; the next thing to know is communication frequency and preference.

53.6% of consumers interact more than three times with a brand before buying from them.

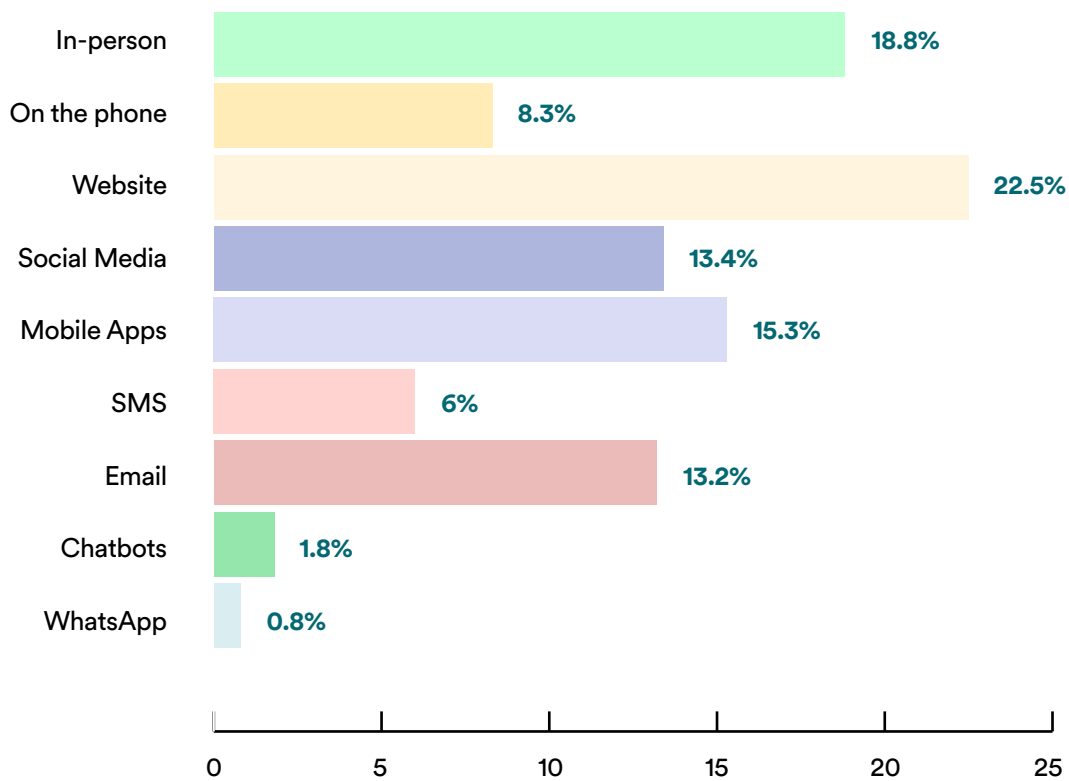
How often do you interact with a brand before buying from them?



Since most consumers interact with brands numerous times before deciding to buy, each interaction gives brands more insights and preferences to get personalization right.

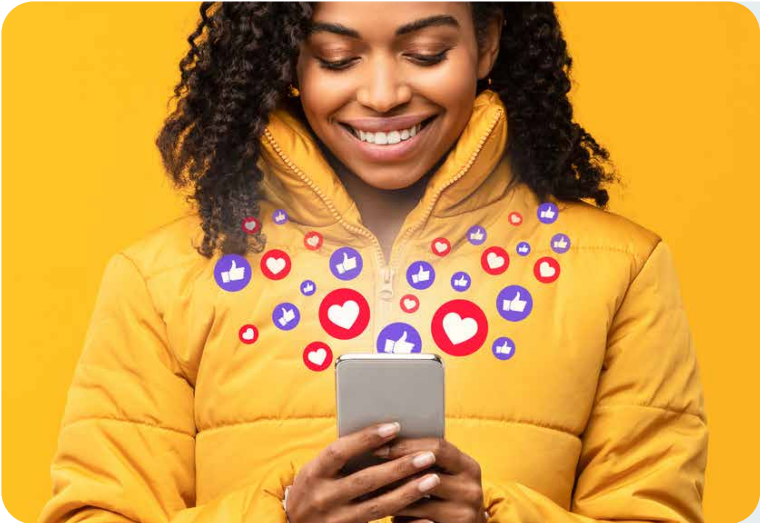
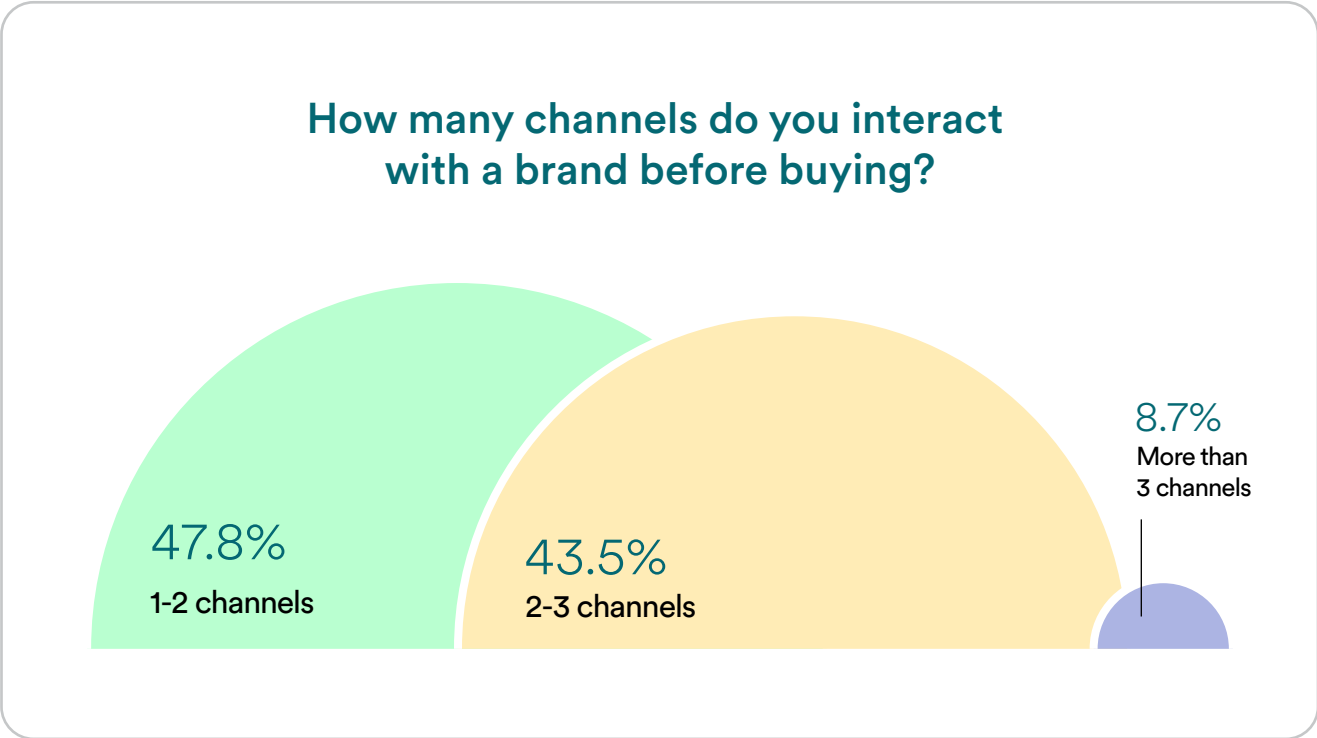
22.5% of consumers favor website as their go-to engagement channel

What channels do you prefer to use to engage with a brand?



Interacting with brands through their website (22.5%) is consumers' preferred channel, more so than even in-person interactions (18.8%). This shows a shift in the importance of digital communications compared to traditional channels. Moreover, 13 - 15% of consumers still prefer mobile apps and social media as engagement channels. Emails and SMS are on the consumers' preferences list as well. Noticeably, chatbots seem to be last on the priority list; however, based on 2023 engagement trends, this channel will gain popularity soon.

We understand the preferred channels, so what comes next? Frequency of interactions on these channels. 47.8% of consumers interact once or twice on their preferred channel(s) before making a purchase. Whereas an equally close 43.6% interact 3-4 channels before purchasing.

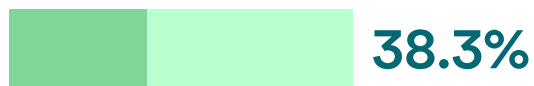


We understand the preferred channels, so what comes next? Frequency of interactions on these channels. 47.8% of consumers interact once or twice on their preferred channel(s) before making a purchase. Whereas an equally close 43.6% interact 3-4 channels before purchasing.

Balancing Personalization and Privacy

We all know personalization comes at a cost, i.e., sharing personal data. Hence it is essential to understand how consumers perceive sharing their data and letting brands use it for an enhanced experience.

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



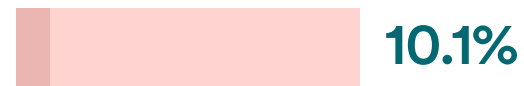
I'm comfortable with it



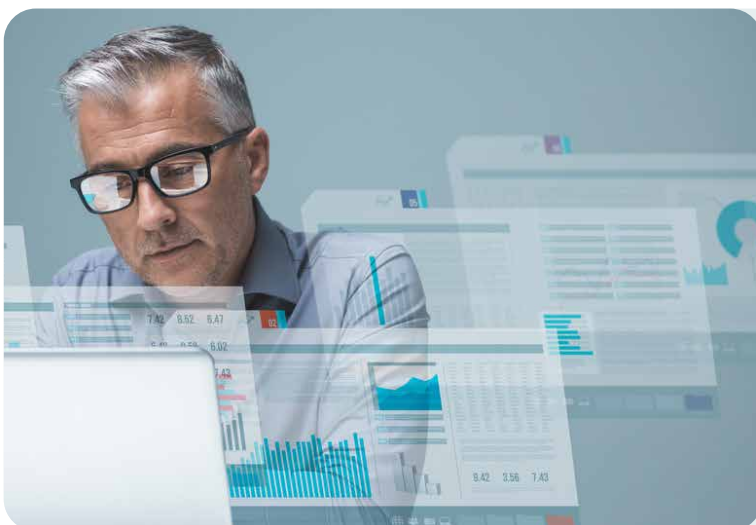
I'm slightly comfortable with it



I'm neutral



I'm not comfortable with it

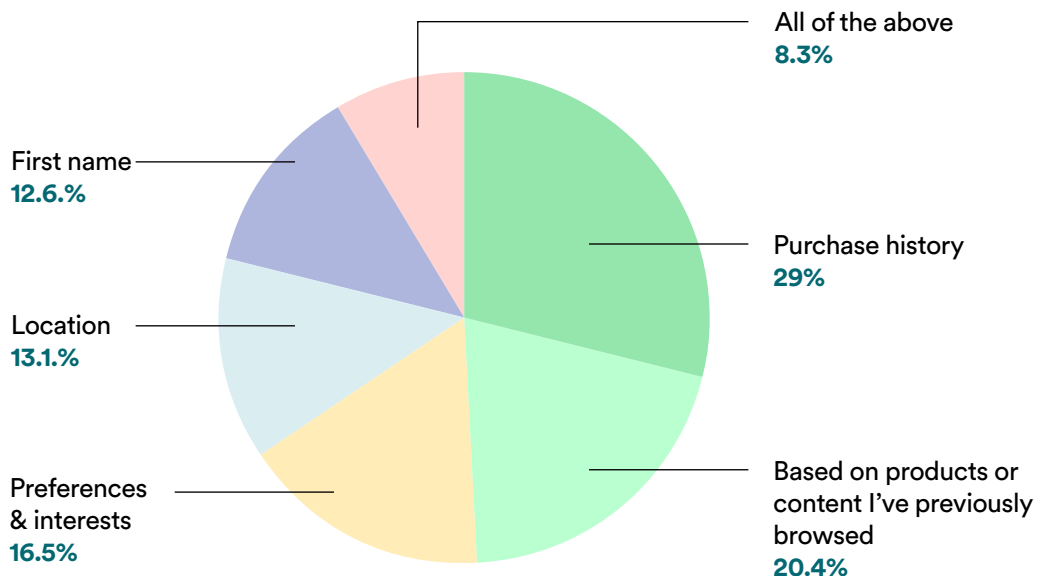


Well, more than 66% of consumers are comfortable or slightly comfortable with sharing their data including name, location, and email. This acceptance of data sharing shows personalized experience is expected from consumers. That's how customer-centric brands need to move to succeed in a high-competition, low-loyalty environment.

49.4% of consumers want brands to base personalized shopping on purchase history and product preference

Once we understood that consumers are willing to share their data, the next thing to gauge was what type of data they wanted to utilize for this personalized shopping. So other than name and location, more than 50% of consumers want brands to use preferences, affinity, favorite products/categories, and purchase history as elements of personalization. Finding browsing and purchase history insights is straightforward, as brands can use the app and website data.

What data would you like brands to base your personalized shopping on?



Prioritise Personalization Like Your Growth Depends On It

Because it does! Where brands place their bets, how they prioritize their customers, and adapt to customer expectations will determine their growth trajectory for the year ahead.

Consumers have made it abundantly clear that they want a highly personalized experience over their favorite 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 customer base. Fall short, and brands might miss out on 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 marketing and customer engagement toolkit. Here are some essential parts to a smooth-running growth engine:



Moving away from static segmentation towards dynamic, hyper-personalization

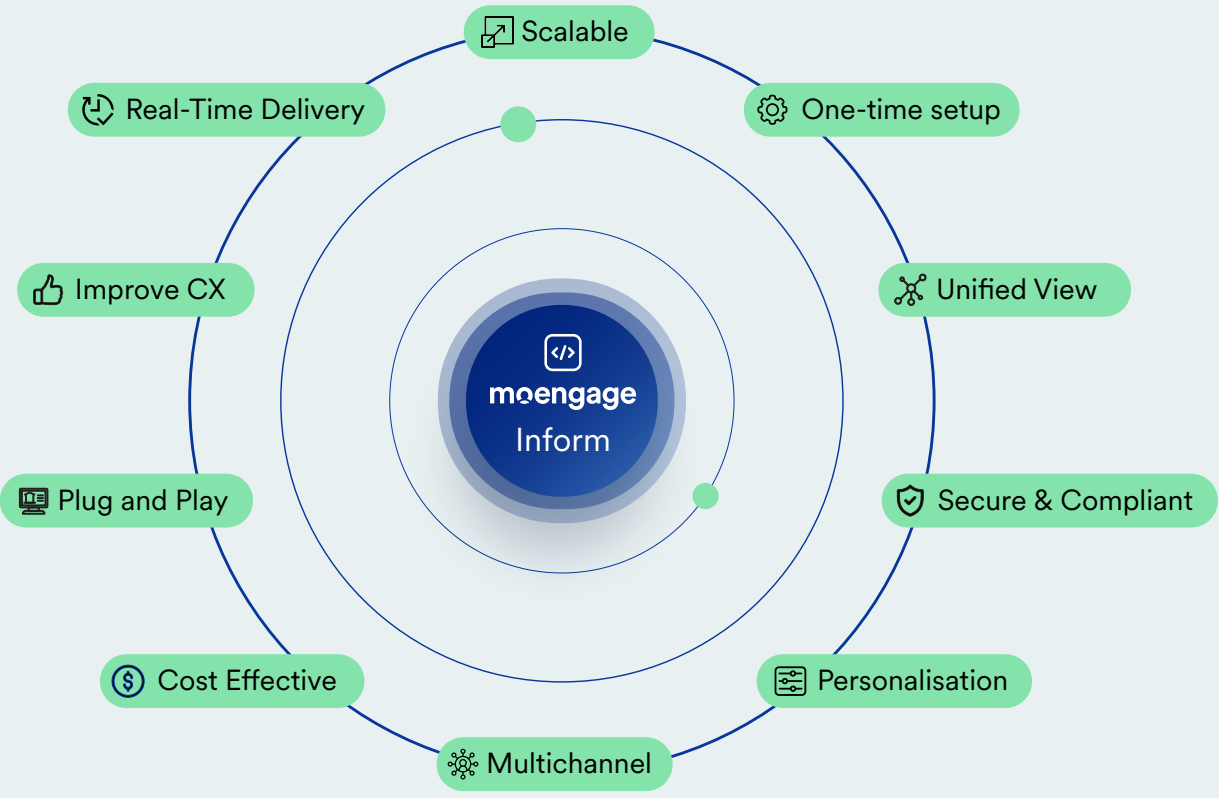


To get personalization right, brands need to understand what isn't personalization. In many instances, personalization and segmentation are used interchangeably. While segmentation helps you categorize and label your customers into different cohorts based on their interests, preferences, locations, etc., personalization helps you treat them as individuals. Look at it this way, while segmentation allows you to divide thousands or millions of customers into different segments, personalization allows you to have individual moments with each customer.



Invest in scalable real-time messaging

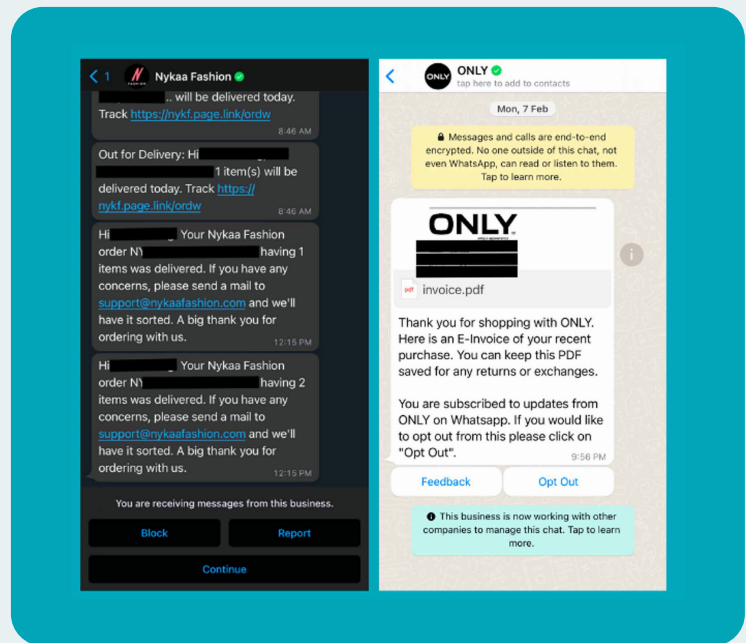
Your consumers demand the opportunity to interact with a brand whenever they need to, without a moment's delay. Giving consumers real-time transactional updates on value-added services like curbside pick-up, BOPIS, order confirmation, returns, etc., sent at the right time, helps you as a brand have a proactive communication plan to build trust and loyalty. Using MoEngage Inform, brands can deliver critical messages to customers in real-time. These include alerting customers when an ordered package arrives, sending OTPs to approve transactions or log in securely, cab arrival updates, or password reset requests, for example.





Explore channels to grow in the age of conversational commerce

Customers don't want to wait hours on end to connect with your brand's customer service on a call. They want an instant resolution. That's where channels like SMS, chatbots, Facebook, and more come in handy and are gaining increasing popularity. Brands need to personalize 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 now 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-personalized experiences, reaching the right customers, and fostering customer relationships by understanding their preferences.

By embracing new technologies and investing in both consumers and their journeys, brands can infuse a customer-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 customers 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.

Forbes

Gartner



FORRESTER



To learn more, visit
www.moengage.com

moengage