

REPORT

# Personalization Report 2023



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# Customer-Centricity: The Heart of Successful Brands

Even in 2023, many consumer brands play the ‘dating game.’ Brands put a lot of time and effort into attracting potential buyers to become customers. However, there is often less momentum when it comes to engaging with their existing customer base.

And this is the difference between brands that succeed and those that fail.

Successful brands consistently invest time and effort in actively engaging with their existing customers, turning first-time buyers into loyal fans, all the while attracting new customers and creating a growth loop. This effort to be customer-centric pays off, granting brands a consistent stream of revenue.

Take a moment to ask yourself this question, “How can we become more customer-centric?”

Your starting point is personalization.

If this answer has raised more questions about your customers—like what delights and frustrates them, as well as when and where they would like to receive notifications from you—then you’re undoubtedly on the right path.



# Move Out of the ‘Friendzone’ with Personalization

Everybody knows personalization is essential for a brand’s long-term success. But what exactly is personalization?

*Personalization* tailors an experience to make it individualized for your customers. By using personalization, brands can drive repeat engagement and loyalty, boost referrals, improve the customer experience, increase conversions, and generate revenue.

While all of the benefits offered by personalization are of immense value for brands in Southeast Asia, *all personalization is not the same*.

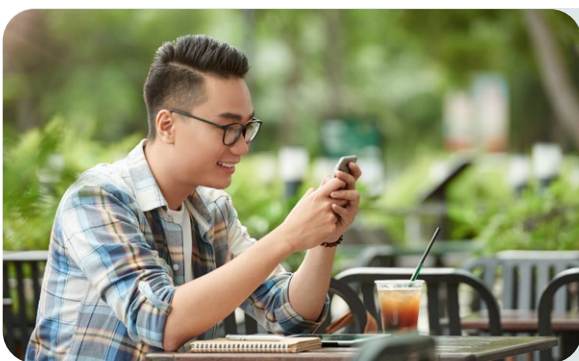
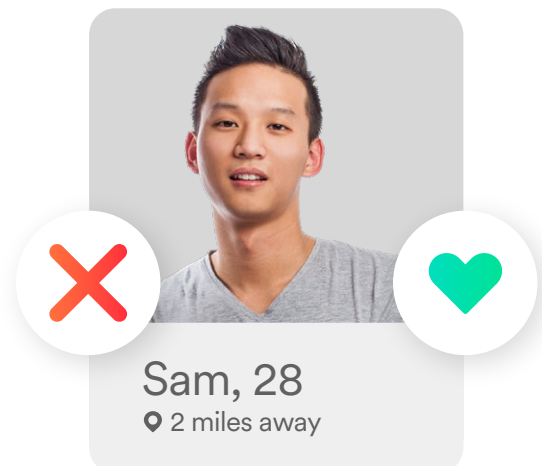
In the world of customer engagement, there are largely 4 levels (generations) of personalization.

## 1st Gen: Personalization Using Basic Customer Data

Imagine you’re on a dating app and come across Sam’s profile from Singapore. So, you decide to type, “Hey, Sam! Nice to meet you. How’s the weather in Singapore?”

But Sam’s response isn’t that great. Ever wonder why? It’s because Sam gets hundreds of messages like that.

In customer engagement, personalization based on name and location won’t take you far. However, it is the foundation that most brands start with when developing personalization.

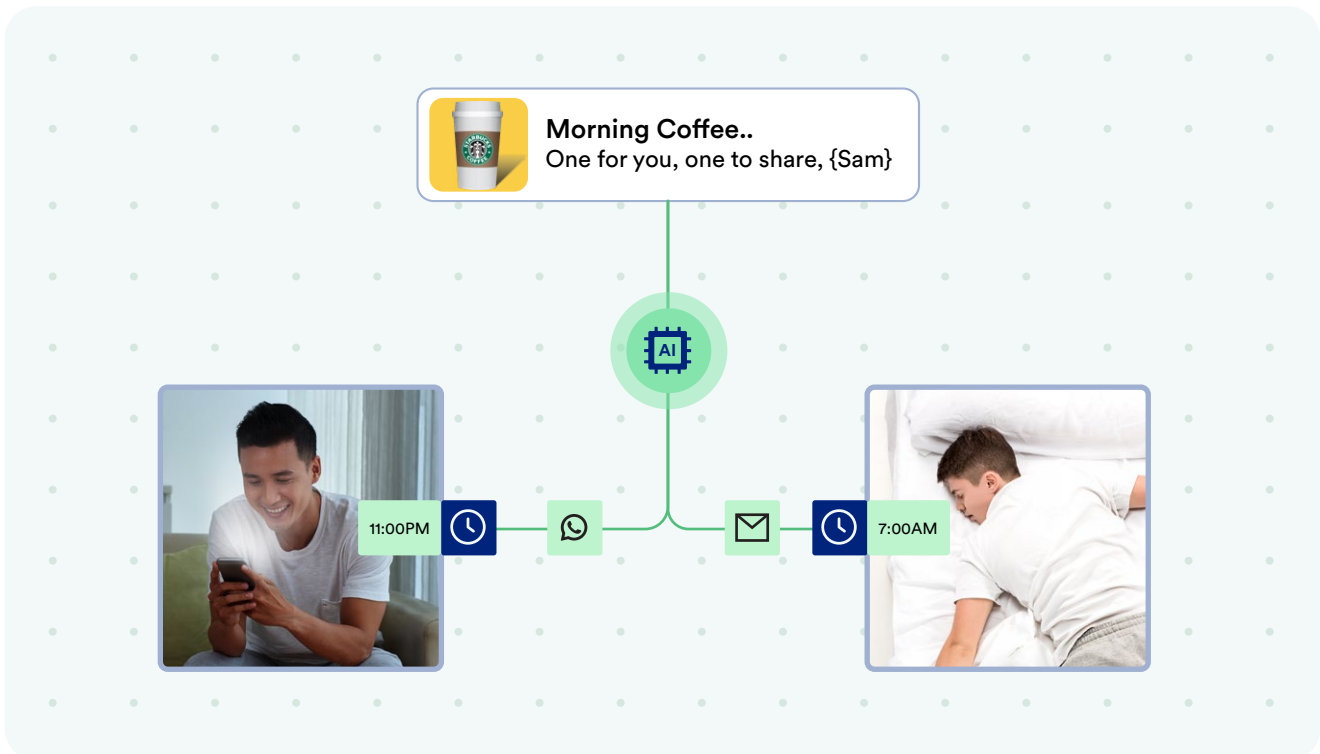


### Stage 1

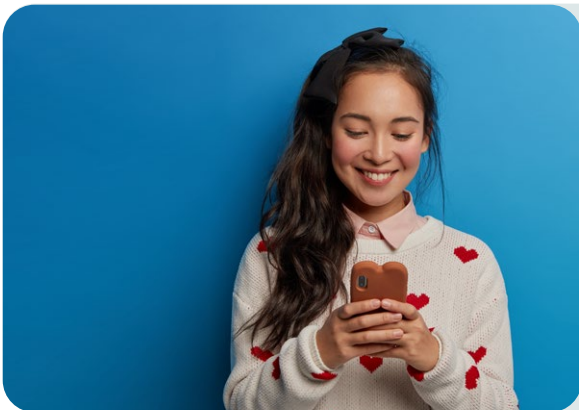
When you start your personalization project, it is essential to build a good foundation. You can start with content and A/B testing your campaigns using customer properties and geolocation.

## 2nd Gen: Personalization Using Customer Preferences

Imagine conversations between you and Sam have been going smoothly. Over time, you realize that Sam prefers WhatsApp over emails and likes to chat between 10 pm to 2 am. If you sent him an email at 7 am with some discount coupons, chances are it would remain unopened.



In customer engagement, customers expect brands to understand their natural interests and preferences with every conversation and tailor messages accordingly.



### Stage 2

At this stage, you create rule-based segments, identify cross-channel preferences, and provide recommendations based on the product catalog and customer actions. You can personalize based on how the customer has interacted with your campaigns.

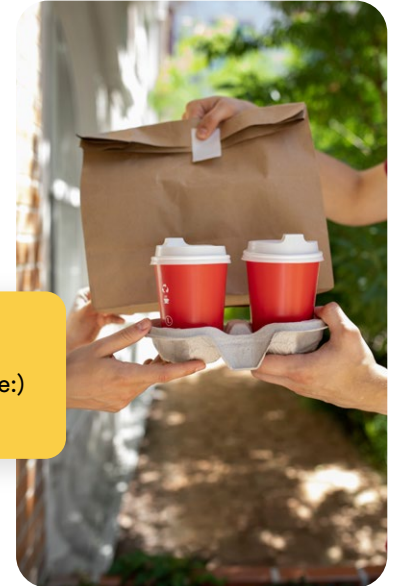


## 3rd Gen: Personalization Using Behavioral Data

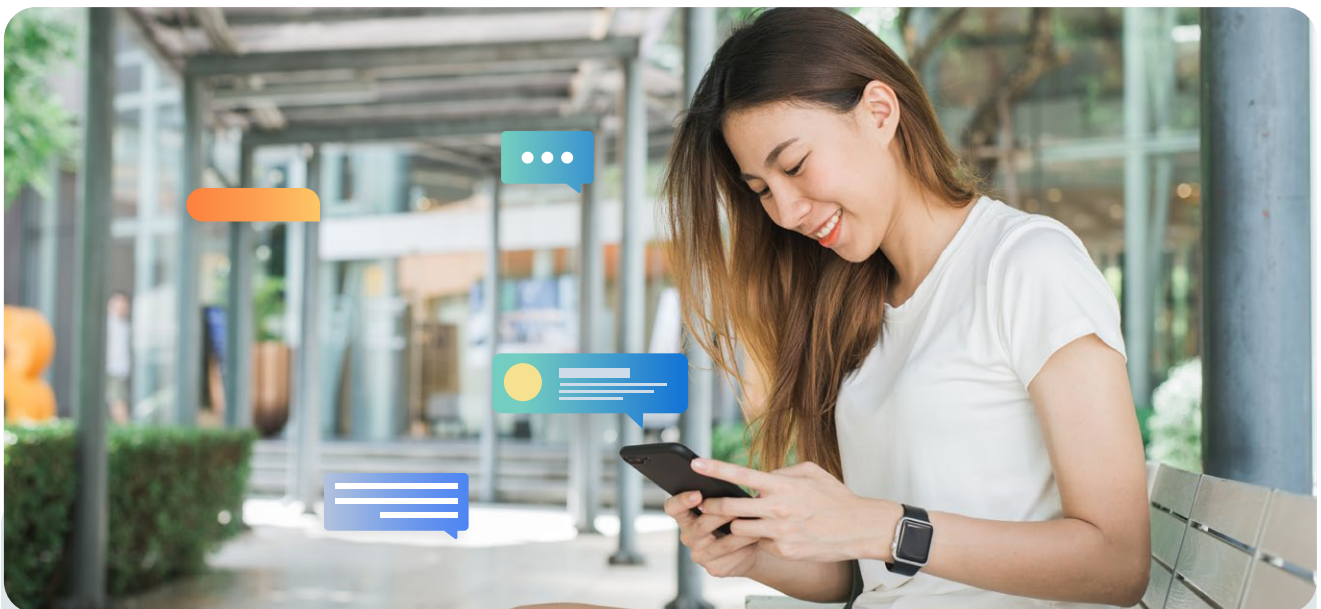
As you spend more time together, you learn that Sam loves spicy foods, dislikes sweets, and needs time alone after an argument. So, when you need to make amends after an argument, you order some spicy Nasi Goreng and give him space to reflect.



Hi, Your ordered food was delivered to your loved one:)



In customer engagement, brands are expected to piece together customer preferences and behavioral tendencies. This helps strengthen the brand–customer relationship and improve the customer experience.



### Stage 3

At this stage, brands build a 360° profile of customers and use dynamic, real-time segmentation to respond to customers in a contextual and relevant manner.

## 4th Generation: Hyper-Personalization Using AI

Sam's birthday is coming up, and to delight him, you design a scrapbook highlighting your time together. You have a gut feeling that he will appreciate the gift because of the thoughtfulness behind it.



In customer engagement, gut feelings aren't enough. Data-driven insights create the real magic. AI-driven affinity segmentation and predictive analytics help marketers group customers based on interests, preferences, affinities, and lifestyles.

### Stage 4

Personalization will be driven at this stage using AI-driven segmentation, predictive analytics, and one-on-one customer journey mapping. Additionally, brands can personalize app and web experiences to provide a truly individualized experience.

# Move Away From Assumptions: Listen To Your Consumers

To help you better understand your customers, we interviewed over 1000 consumers across Indonesia, Singapore, the Philippines, Vietnam, Malaysia, Thailand, and Australia to uncover their expectations and preferences concerning personalization.

This section of the report goes deeper into consumer preferences and expectations regarding personalization.

## Dealmakers and Dealbreakers in Customer Engagement

### What delights you most about your experience with a brand?

**19.5%**

Consistent and seamless experience online and in-store

**17.8%**

Receiving personalized product/service recommendations

**7.7%**

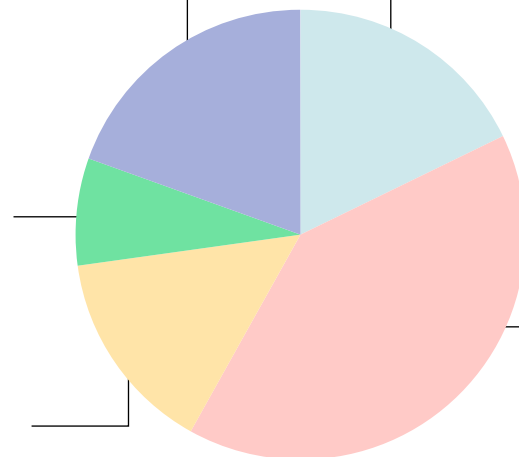
Notifications on favorite/back-in-stock products

**40.3%**

Personalized discounts and offers

**14.3%**

Buyer experience add-ons (curbside pickup, BNPL, etc.)



**59.7%** of consumers are delighted with improved messaging and experiences.

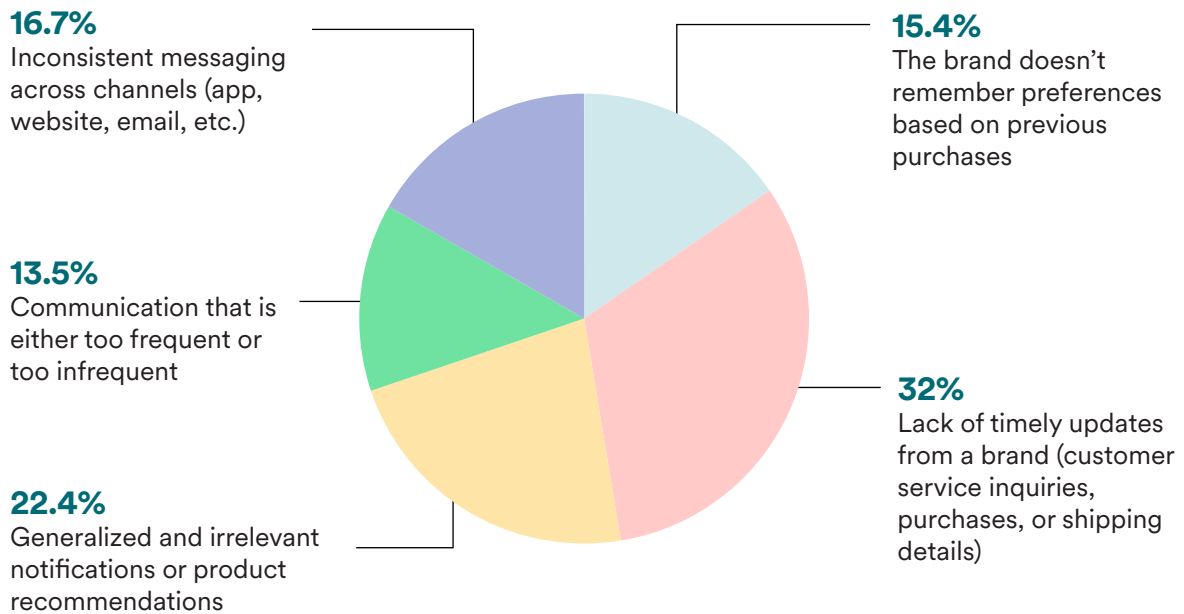


Most consumers want brands to understand their purchase needs, offer easy payment and pickup options, notify them about available products, and provide a consistent and seamless experience across channels.



By leveraging behavioral analytics and predictive segmentation, brands can better understand consumer needs and curate experiences accordingly.

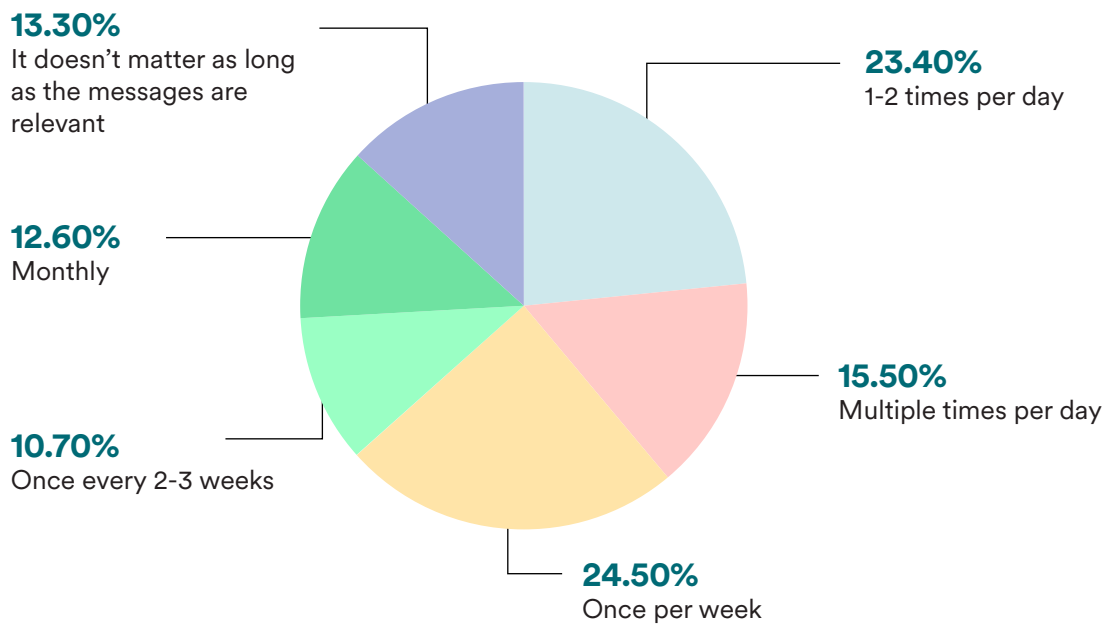
### What aspect of your interaction with a brand frustrates you the most?



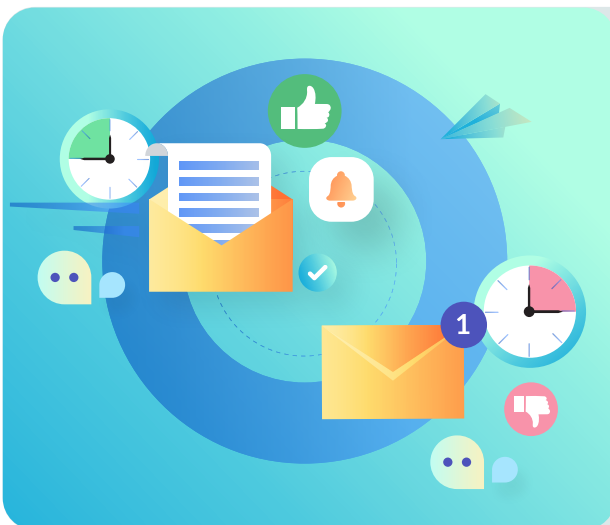
**68%** of consumers are frustrated with brands that offer generic and inconsistent communication.

Most consumer frustration lies in the absence of a well-planned customer engagement strategy.

## How often do you prefer to receive communications from brands?



**24.50%** of consumers prefer to receive communication from brands once a week. And **23.4%** of consumers prefer to receive communication 1-2 times daily. Consumers want brands to follow a cadence and share relevant notifications about their browsing and purchasing habits.

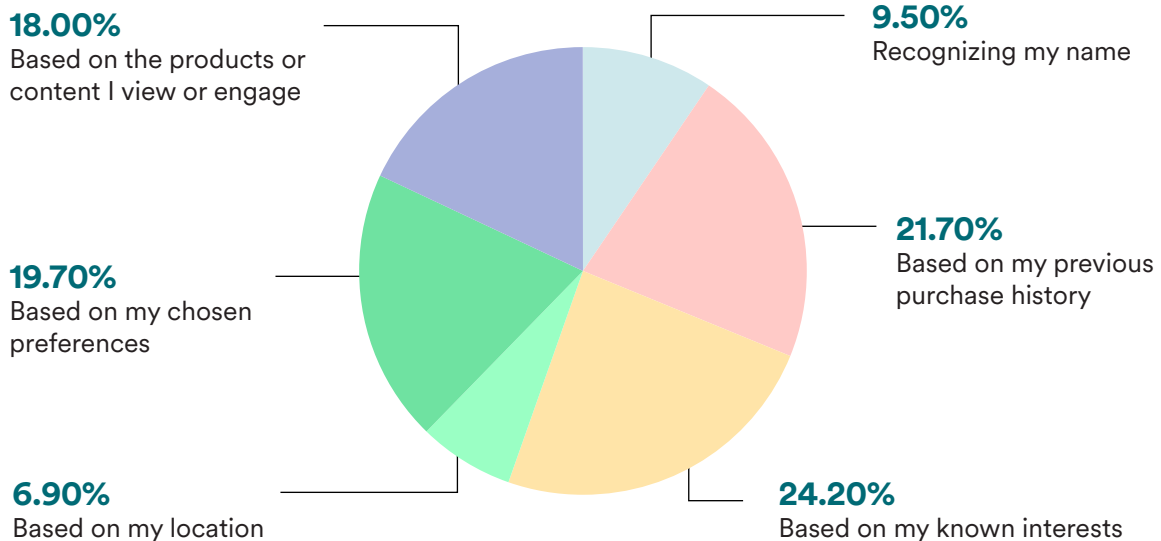


Using an AI-powered campaign optimization engine, brands can identify the best time to send a campaign for every customer based on their frequency of interaction.

# Be The Best In Personalization

The survey data says that brand communications make or break the ‘delight’ factor all brands aim for. With customer-centricity the need of the hour, it is essential for brands to understand customers’ expectations when it comes to personalizing communications and experiences.

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

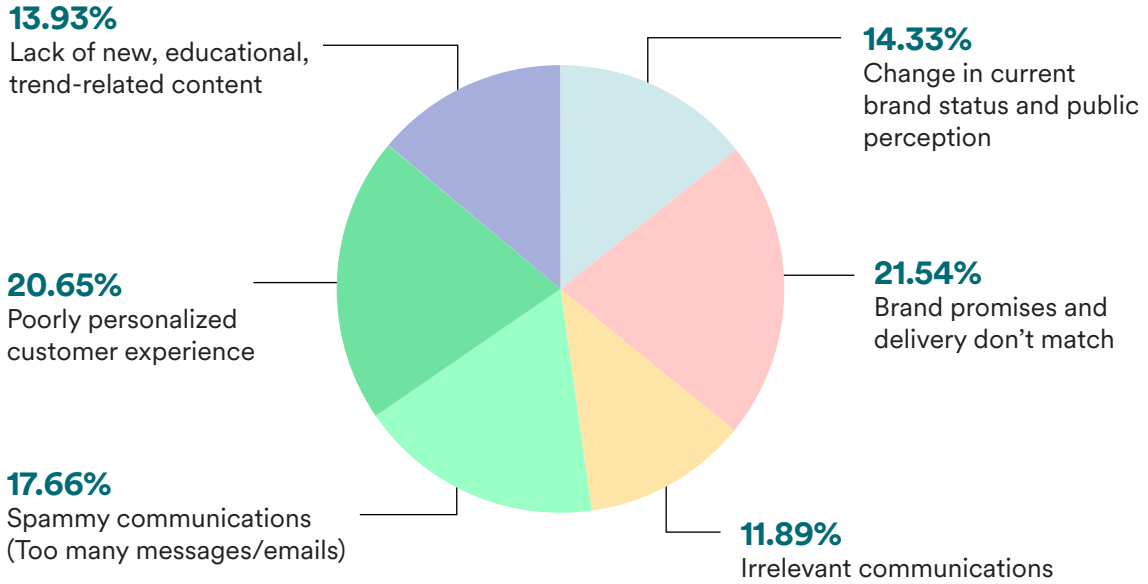


**24%** of consumers want brand communications tailored to their interests, such as favorite categories, repeat purchases, wishlist products, and more insights. **22%** of consumers want brands to engage with them based on their previous purchase history.



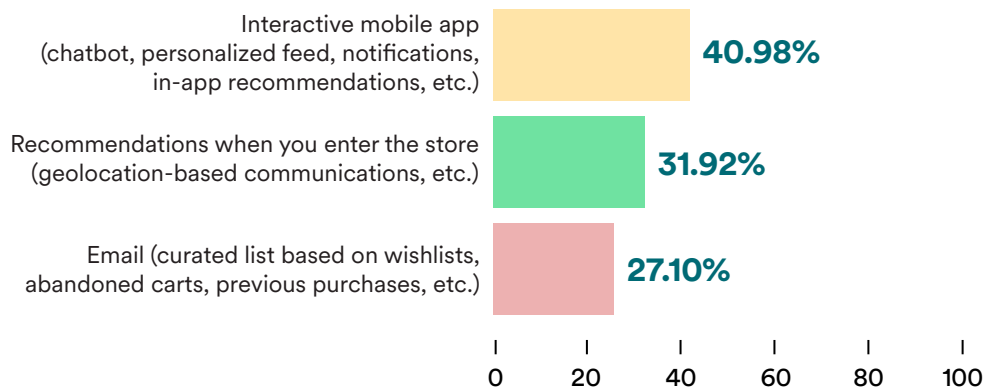
For meaningful engagement, brands must leverage insights such as purchase history, app/ website activity, affinity (brand/ product, time, channel), etc.

### Apart from product quality, what factors make you change brands?



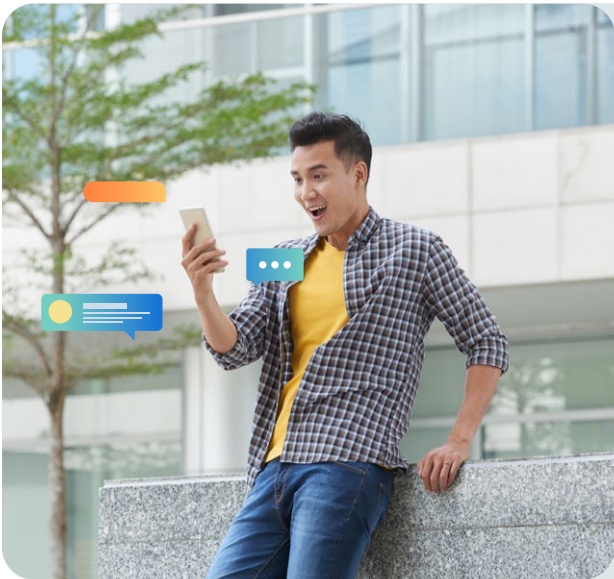
**50%** of Consumers Will Switch Brands If The Communication is Irrelevant or Spammy and The Customer Experience Is Poorly Personalized

### What elements would you like incorporated into your current customer experience to make it hyper-personalized?



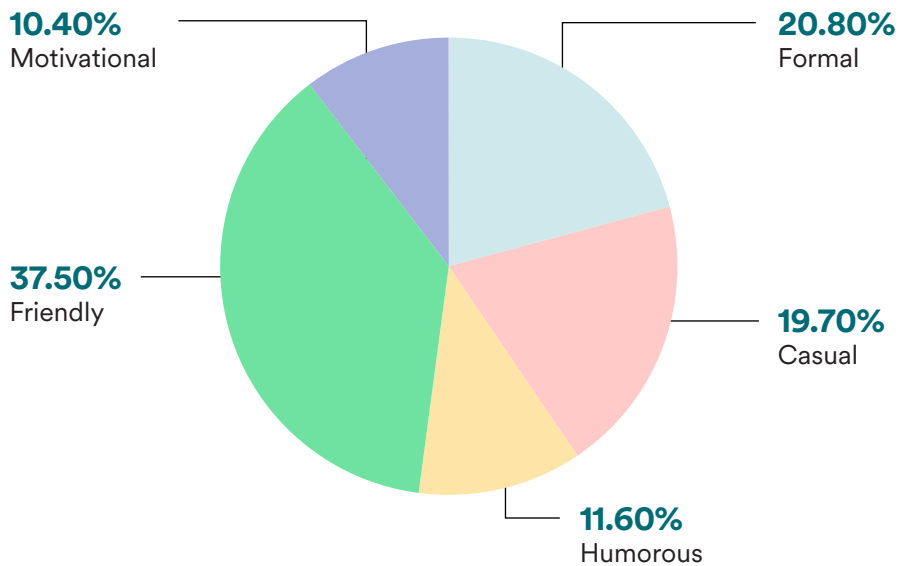
**73%** of consumers prefer personalized recommendations using chatbots, personalized feeds, in-app recommendations, and geotargeting.





Build personalized micro-moments for customers using item attribute-based, customer action-based, and AI-based recommendations.

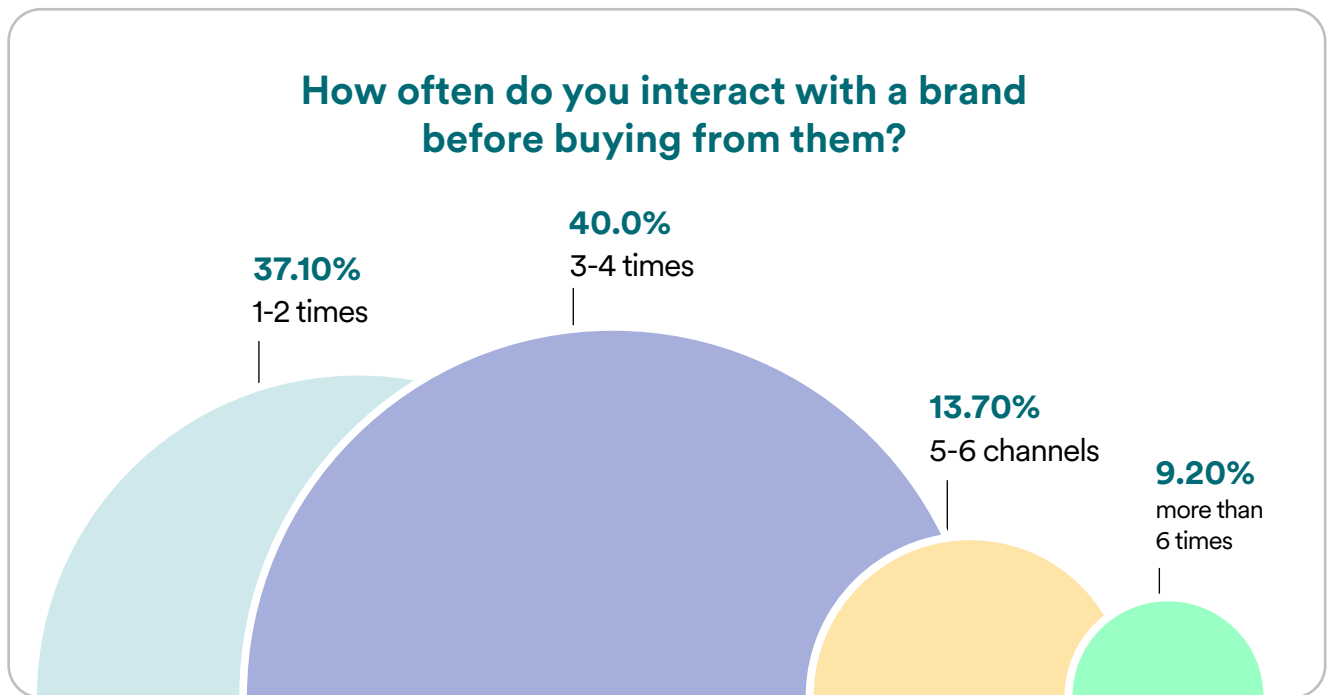
### What tone of personalized communication makes you trust a brand more?



**37.5%** of consumers prefer to trust brands with a friendly tone in their communications; this signals that today’s consumers want brands to be understanding, authentic and reliable.

## Meet Your Customers At The Right Place, Right Time

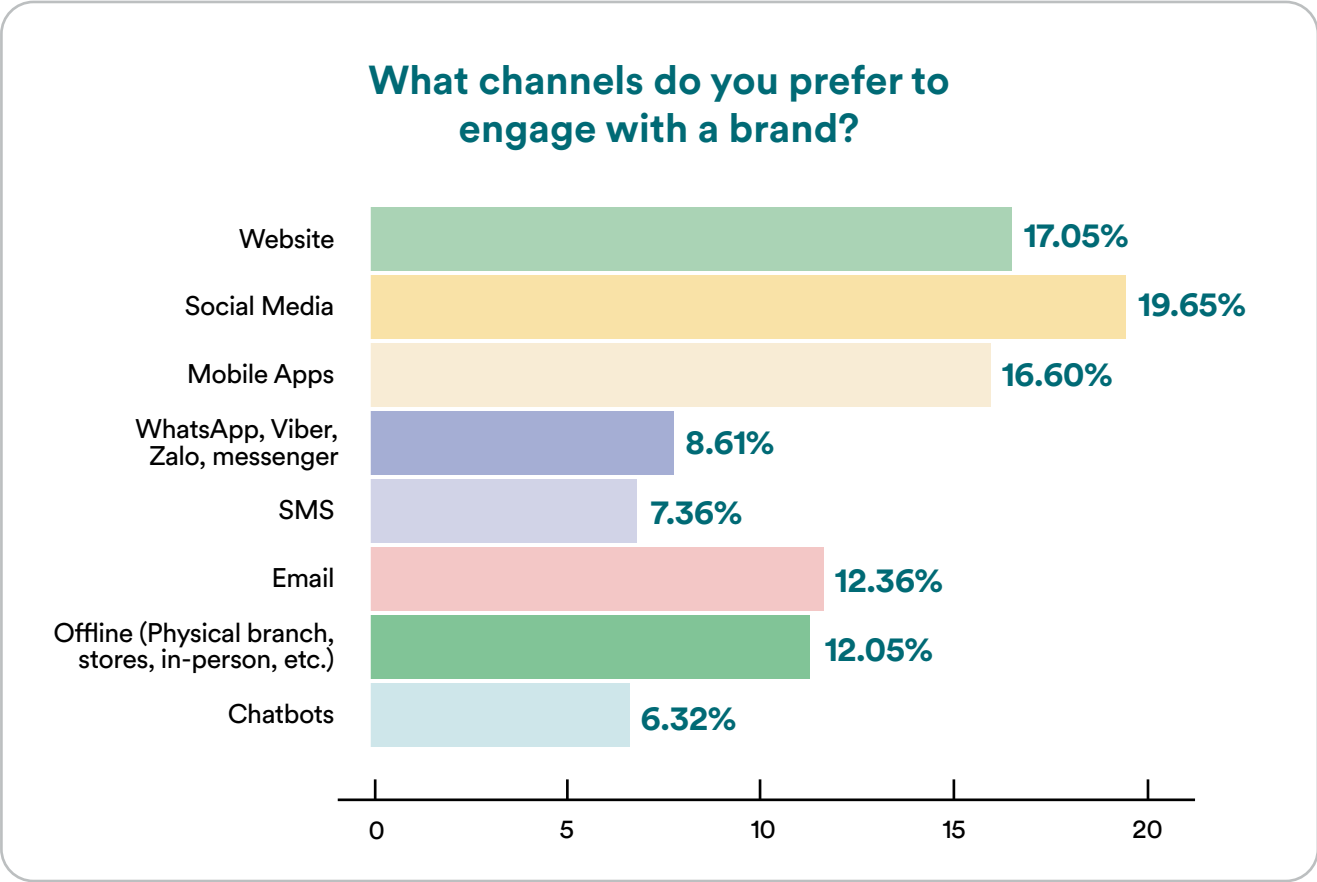
Now we understand what consumers want in terms of personalization, let's dive deeper into what this means regarding communication frequency and channel preferences.



**40%** of consumers interact 3-4 times with a brand before purchasing.

Since most consumers interact with brands multiple times before deciding to buy, each interaction gives brands more data and insights to perfect their personalization strategies and become more customer-centric.



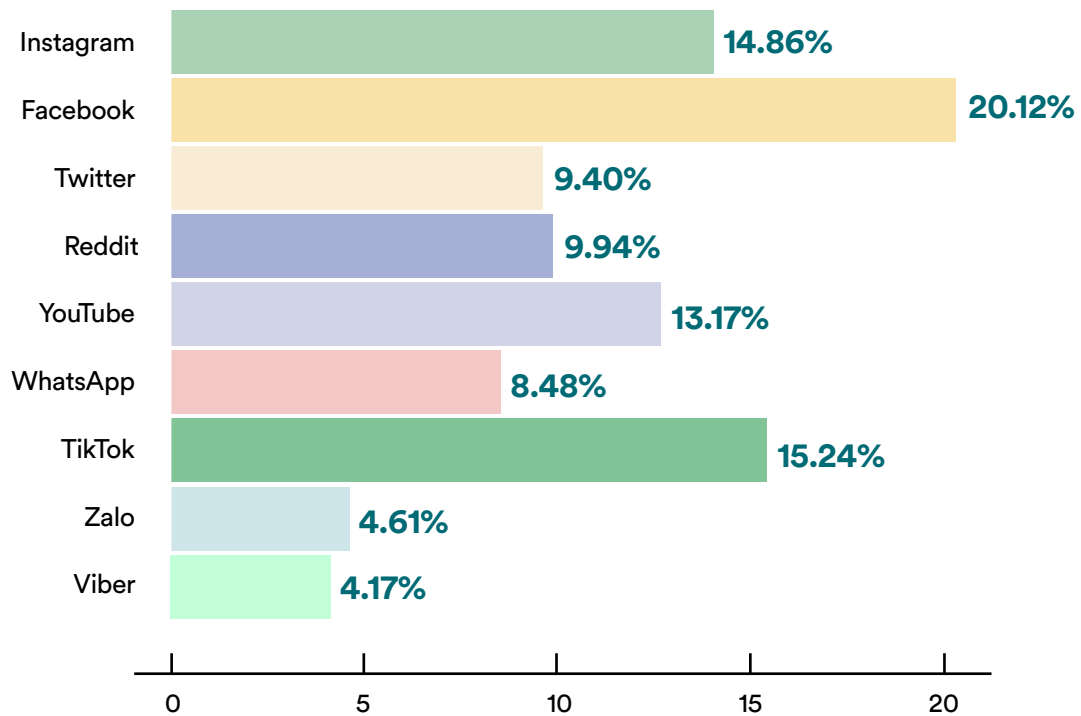


Social media (**19.65%**) triumphs over the list of channels preferred by consumers to interact with a brand, following websites (**17.05%**) and mobile apps (**16.60%**).



Unlock popular messaging channels using in-app notifications to prompt customer permission and send personalized alerts, offers, and updates through push notifications, website pop-ups, social media, email, chatbots, WhatsApp/Zalo/Viber.

### Which social media platforms do you use to purchase a product/service?



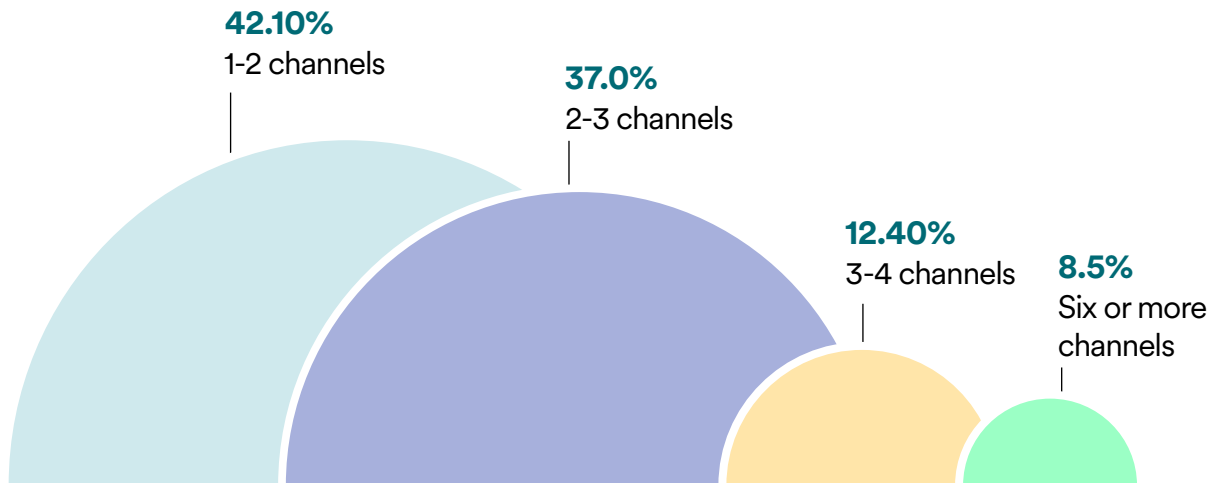
Regarding the social media channels on which most consumers preferred to make purchases, Facebook topped the list (**20.12%**), followed by TikTok (**15.24%**) and Instagram (**14.86%**).



Make third-party social media channels like Facebook, Google Ads, TikTok, and conversational commerce platforms like WhatsApp, Viber, and Zalo a seamless part of your hyper-personalization strategy.



## How many channels do you interact with a brand before buying?

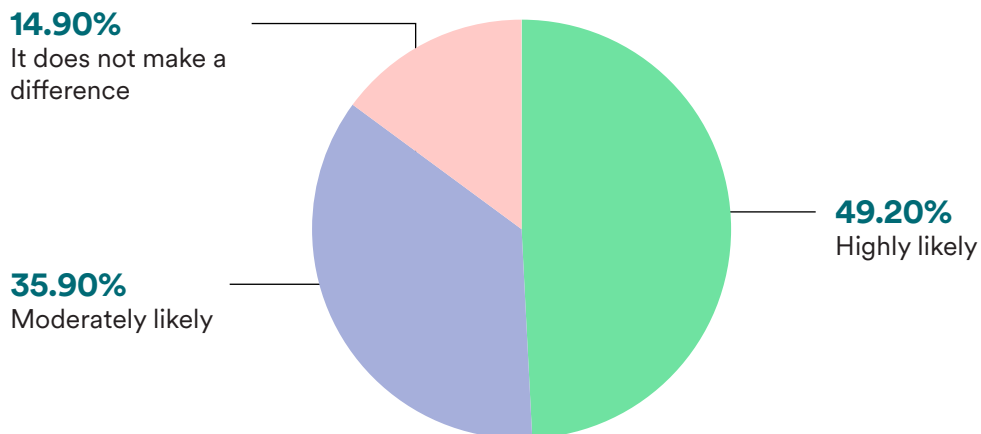


Consumers interact with multiple channels before purchasing. Hence, it's important for brands to be where their customers are.

Extend your reach and include social channels, ad-retargeting, and WhatsApp in your omnichannel campaigns.

## How likely are you to choose a brand due to a personalized experience?

(Personalization based on age, gender, location, purchase preferences, and beliefs)

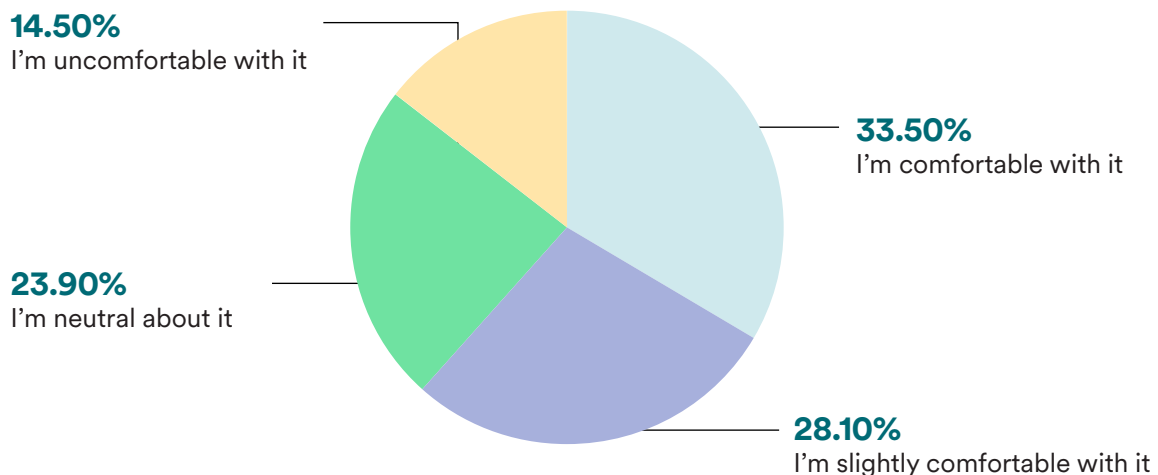


**49.2%** of consumers would choose a brand if they were to receive a personalized experience. This highlights the importance of consumer brands focusing on providing a personalized customer experience or risk losing revenue to the competition.

## Personalization-Privacy Tightrope: Balance is the Key

Personalization comes at the cost of sharing personal data. Hence, brands need to understand how consumers perceive sharing their data and allowing brands to use it to provide an enhanced experience.

### How comfortable are you with brands using your personal data, like Name, Age, Location, Email, etc., to offer you a more personalized experience?



**61.6%** of consumers in Southeast Asia are comfortable or slightly comfortable sharing personal data that includes parameters such as name, age, location, and email address.



Brands can openly embrace personalization practices aligned with global data privacy and security standards.

# Make Personalization the ♥ of Your Strategy

Consumers want a highly personalized and seamless customer journey from start to finish. A smoothly running growth engine requires a robust personalization toolkit. You can build yours using these top 4 components:



## An Unified, 360-Degree Customer View of Customers

AI prerequisite for personalized communication is having a unified view of your customers. MoEngage allows you to orchestrate customer journeys across channels (app, website, CRM, data warehouses, etc.) to create a 360-degree view of customers, helping brands with essential insights for engagement. Open Analytics lets you access all this data in a clean schema. You can even pull transactional data and online CSV files from physical stores or branches.



## Dynamic Hyper-personalization

Website is a crucial channel for consumers to interact with their preferred brands. Hence, investing in website personalization will help build a solid base for your omnichannel personalization strategy. MoEngage [Website Personalization](#) lets you hyper-personalize the website experience based on their preferences, affinities, and behavior.

Create dynamic experiences for anonymous visitors and repeat customers, run A/B experiments to optimize campaigns, and reduce time to value by reducing dependencies on design and developer teams.

Using MoEngage's AI-driven [Dynamic Product Messaging \(DPM\)](#), brands can communicate relevant products from their catalog based on customers' browsing history through push notifications (app/web) and emails.



## Leverage Channels To Drive Conversational Commerce

Consumers in Southeast Asia want brands to connect with them in real-time in their preferred channel. That's where channels like [WhatsApp](#), chatbots, [Facebook](#), and more come in handy and are gaining popularity. Brands need to personalize their communication using conversational channels to establish direct relationships with consumers.



## Insights From 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 will assist in 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.





# About MoEngage

MoEngage is an insights-led customer engagement platform trusted by more than 1,200 global consumer brands such as Kredivo, Alfamart, BliBli, 7-Eleven, XL Axiata, Standard Chartered, Citibank, Dominos, Samsung, Atome, Home Credit, CIMB Bank and more. MoEngage empowers marketers and product owners with insights into customer behavior 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 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.

MoEngage was recognized as a **Customers' Choice Vendor in the 2022 Gartner Peer Insights 'Voice of the Customer'** for the Multichannel Marketing Hubs Report and a **Strong Performer in the Forrester Wave™: Cross-Channel Marketing Hubs, Q1 2023 Evaluation.**

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