

Audience of One: Creating Loyalty Through Data Personalization

Few industries have witnessed the transformational power of digital experiences quite like retail. Since March of 2020, consumers have rapidly embraced online shopping, mobile purchasing, and a slew of new purchasing options such as buy online and pick up in-store (BOPIS) and buy now, pay later (BNPL). The accelerated adoption was driven not just by necessity, but also by the ease of access to these experiences as a result of retailer's investments in the end-to-end customer experience.

Two years later and marketers are still competing with macroeconomic factors that are causing many consumers to alter their spending habits. For retailers, that increasingly means identifying the value drivers and differentiated positioning that resonate with shifting consumer demands. The increased competitive landscape has resulted in marketing, pricing, and personalization strategies to quickly change in the second half of 2022.

Achieving and maintaining customer loyalty is more difficult now than ever before. Much of it is a direct result of the COVID-19 pandemic, when new online shopping opportunities made it easier for customers to bounce from store to store and brand to brand. As consumer expectations continue to evolve, marketers will need to shift focus to balancing what consumers want in the immediate future with the long-term vision of building new loyalty strategies that increase customer lifetime value (LTV).

Movable Ink's [Audience of One: Getting Personalization Right in 2022](#) is a guide to understanding consumer sentiment surrounding personalization, loyalty, and data. Now, we've extricated data specifically for retail consumers, giving marketers a rare insight into exactly how their customers react to digital marketing.

What consumers told Movable Ink is that they don't think in channels. They want a consistent shopping experience no matter how, when, or where they research, buy, and receive products. If you aren't already focusing your marketing efforts on creating consistency between in-store, online, mobile, email, SMS, and social channel communications, you may confuse or disappoint your customers. And there is always another retailer waiting in the wings to provide people with the cohesion they crave.



Loyalty Is a Synonym for Trust

On the surface, marketers and consumers want the same thing: loyalty. It's much easier to sell to an existing customer than it is to find a new one - not only can they be reached directly, but the messaging can be tailored to the individual. From the consumer's perspective, it's also much simpler to buy from one brand - knowing the quality and product value prior to check out lessens anxiety and buyer's remorse.

At the intersection of the buyer-seller interaction is trust. It is the factor that binds marketer and consumer, and it is the basis of effective marketing personalization. A retailer seeks to engender trust by delivering marketing communications that are relevant to the consumer, and a consumer seeks to reduce cognitive demand by having a go-to array of trusted retailers. This trust is often referred to as brand loyalty.

More than 75% of consumers told Movable Ink that they are likely to recommend a product from a company they trust. That trust begins with marketers proving that they know their customers' individual needs and wants by providing the right information across every channel to make the shopping experience as seamless as possible.

Personalization in your marketing communications is the key to bridging the trust gap with your consumers. In fact, nearly a quarter of consumers said that personalized communications are more likely to drive a repeat purchase while 23% admitted that personalization increases their trust in a brand.

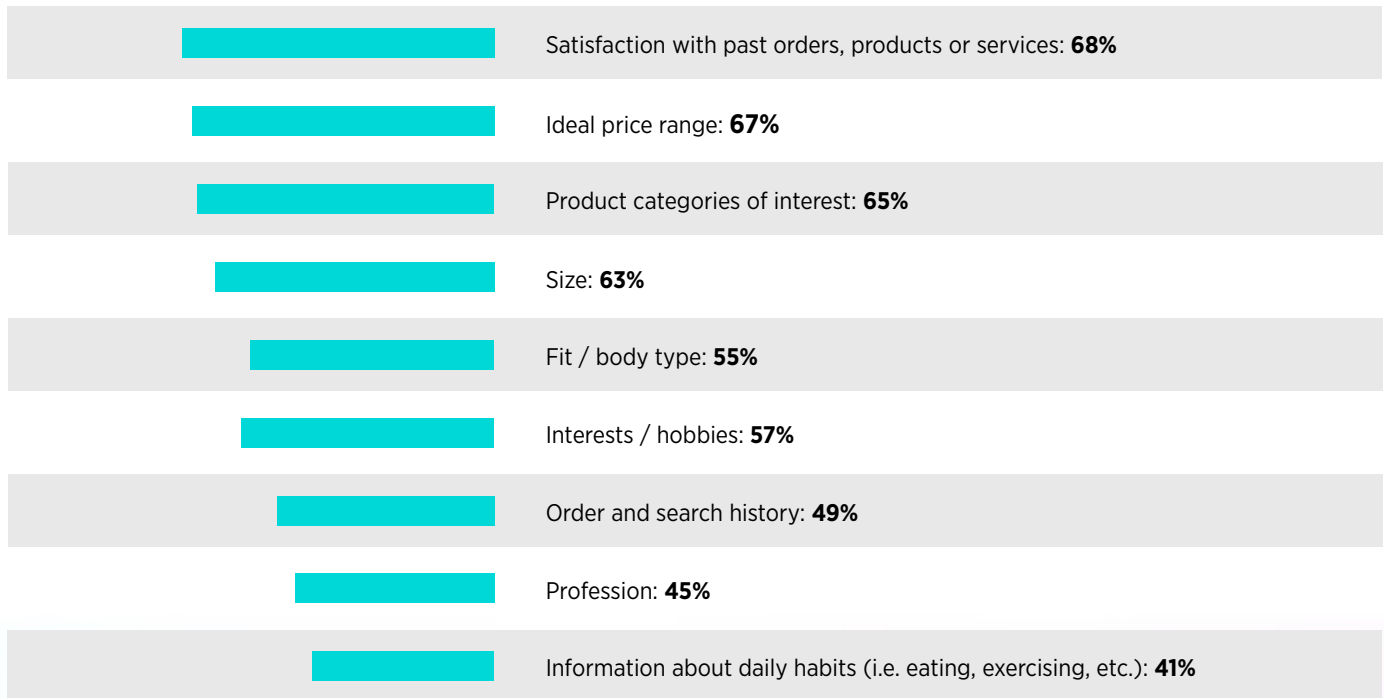
Online shopping can feel more anonymous than when a customer walks through a retailer's door, sees a smile on an employee's face, and receives a warm greeting. Personalized marketing that uses zero- and first-party data customers are willing to share is the online equivalent of this. It makes people feel that they are connected to the brand.

To make the online shopping experience more intimate, more than half of consumers told Movable Ink that they are willing to share information with the brands they feel loyal to. American consumers were the most willing (60%), but consumers in the UK, Ireland, and Canada were also ready to divulge data in return for more personalized shopping.

Generations that grew up online and better understand the transactional nature of the internet are much more likely to be comfortable with sharing personal information with brands and marketers. More than 60% of Gen Z shoppers aged 18-to-24 will trade data for more personalized experiences while less than half of baby boomers said the same thing. The information people are most willing to concede includes gender, age, email address, marital status, and birthday. More than half of consumers said they would share this information for more tailored marketing.

Nearly half (44%) even said they were willing to give up their location and cell phone number with a brand. Beyond personal data, consumers are open to sharing information directly related to the products and services they are looking for, including their satisfaction with past orders (68%), ideal price range (67%), and product categories of interest to retailers in exchange for products or services that are relevant to them (65%).

How comfortable²⁰ are you giving the following types of information to retailers in exchange for personalized product or service recommendations that are relevant to you, your interests and your lifestyle?



How do retail marketers create an ecosystem of comfort and loyalty that makes it easy for consumers to share that information? Value and transparency. Loyalty (and inherently trust) is a two-way street. Brands will need to offer tangible value to customers in order to collect the data necessary to personalized marketing touchpoints. However, value does not simply mean offers and discounts - it refers to the end-to-end experience a consumer has with a brand throughout their lifetime - the total sum of interactions.

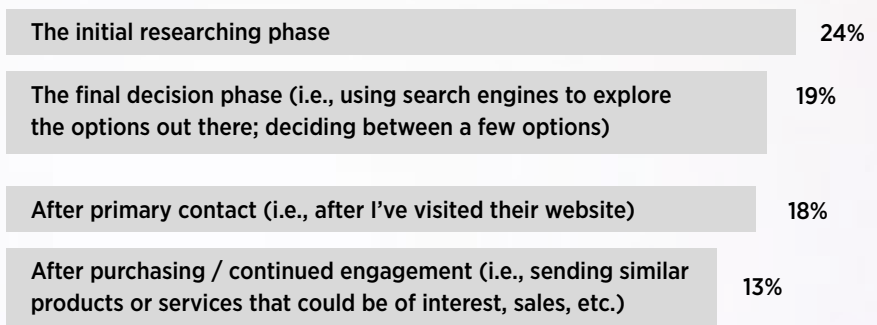
The wild west days of third-party data are coming to an end, with privacy regulations heightening consumers' awareness of how their personal information is used and who is leveraging it. Now, marketers will need to double down on zero- and first-party data, which will require a clear value exchange between brand and customer. Luckily, most retailers have a head start in the process—loyalty programs are one of the biggest drivers of value and trust. By leveraging loyalty programs to collect data, reward consumers, and put up blinders against the competition, retailers can elevate the customer experience above and beyond a transactional nature.

Leveraging AI to Enhance the Customer Experience

The modern consumer is inundated with marketing messages on their phone, social media, email, SMS, and television. As a result, most of these communications have become white noise, forcing people to be more selective with their attention spans, resulting in a more discerning customer. The onus is now on retailers. Marketers need to provide a reason - beyond a discount or cutesy subject line - to open the brand's message and take the desired action.

As a result of data silos, tech debt, or competing priorities, most marketers have yet to master the basic tenet of marketing 101: right place, right time, right audience. You will need to provide consumers with the right information in the right channel at the right stage of their buying journey in order to stand out from the rest of the pack. This is no simple feat - and marketers cannot be expected to deliver superhuman results. But machine learning can help get you closer. When asked at what point marketing communications are most helpful in their purchase journey, nearly one in four consumers said during their initial research phase, but this applies to every step of the path to purchase.

Consumers have more information than ever when it comes to making purchasing decisions. When are communications from the brand (i.e., emails, in-app notifications, etc.) most helpful to your decisions when purchasing or evaluating products?



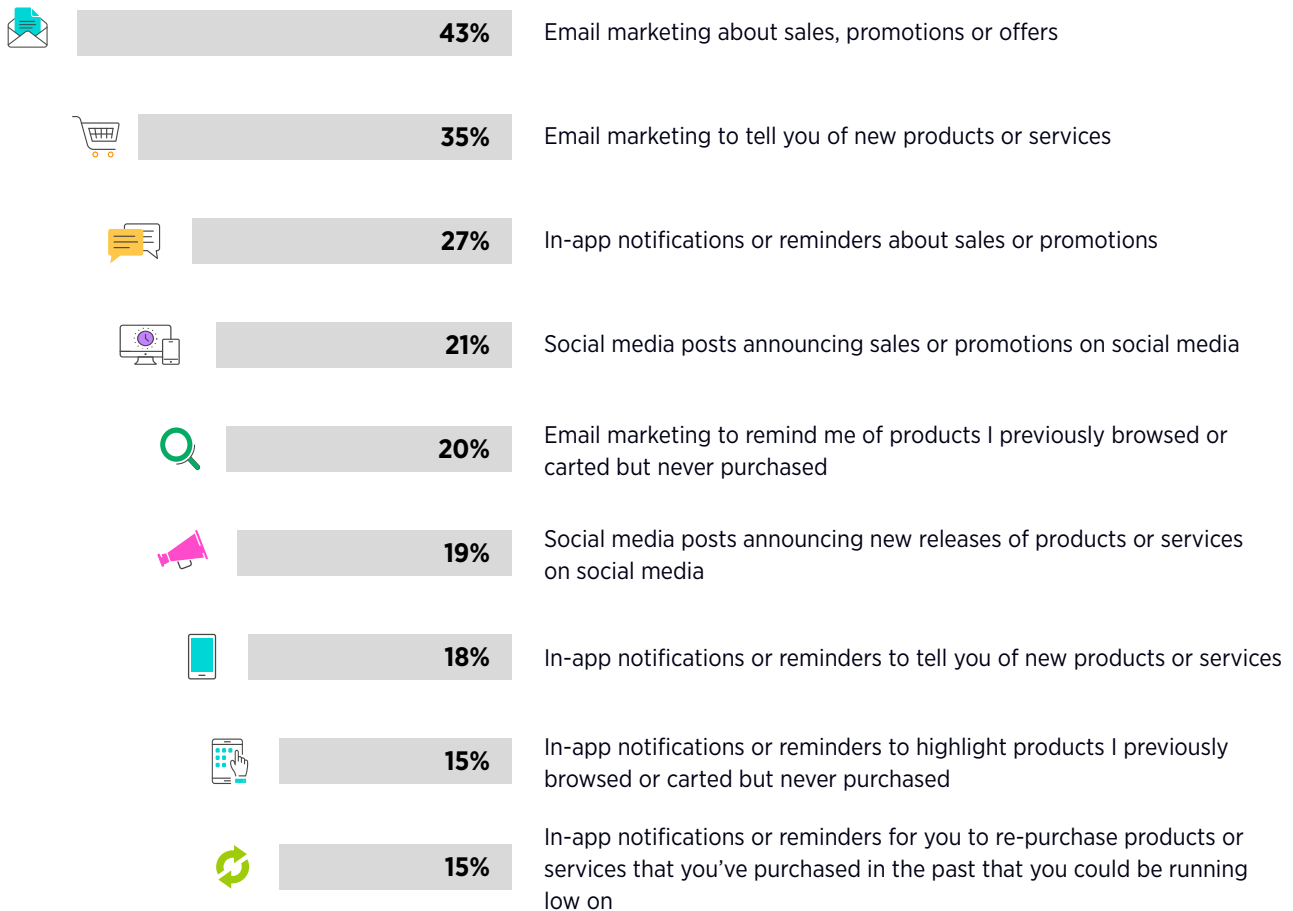
What consumers deem as helpful or valuable information varies along the buying journey. In the initial research phase, your customers want information on new arrivals. While at the final decision, they find promotions or discounts on specific items or services they've already researched to be most important.

After purchasing, consumers find information about items or services they have previously purchased to be effective. By leveraging AI to deliver personalized communications with the right information at the right stage, brands can create a better customer experience and end-to-end journey.

In fact, consumers say the information from brands that is most useful to them when they are evaluating products or making purchasing decisions is email marketing about sales, promotions or offers (43%), email marketing to make them aware of new products or services (35%), and in-app notifications or reminders about sales or promotions (27%).

There is also another side to these results. Not every consumer needs a sale or discount - they need something else. Retailing has historically relied on promotional activity to drive conversions, but now we know that is not necessarily what consumers need or want. By leveraging AI, retailers can better identify the type of content that will resonate with each individual consumer, such as editorial, how-to, or lifestyle content.

What kind of information from brands is most useful to you when you are evaluating products or making purchasing decisions?



Additionally, demographics have never been more important. The shift in consumer behaviors and expectations has been accelerated by the proliferation of digital accessibility, creating more pronounced demographic differences. For example, younger consumers (18-24) say the information from brands that is most helpful when evaluating products or making purchasing decisions is in-app notifications or reminders about sales or promotions in their social media feeds.

The need for the right information is often most pronounced at the top of the funnel. Retailers have a limited number of touchpoints to drive a first sale or future upsell, and consumers in turn are creatures of habit, shopping what they know. It's no secret that consumers increasingly struggle with the paradox of choice. Brands today offer so many categories across their product catalog that customers are left sticking to what they know.

Marketers can leverage AI as a powerful tool to persuade customers that don't know what they're looking for. Brands should be inventive and use AI capabilities to systematically mine for data that will allow them to surface relevant content that leads consumers to new product categories.

Consumers say they would likely make the following purchases if the recommendation for the complementary product was personalized to them and their interests:



Purchase beauty products when shopping for clothing:
41%



Purchase clothing when shopping for beauty products:
40%



Purchase clothing when shopping for home goods:
39%



Purchase home goods when shopping for clothing:
39%



Purchase beauty products when shopping for home goods:
34%



Purchase home goods when shopping for beauty products:
39%



Conclusion

Your customers want personalization, but they are also weary about sharing their data. Retailers in 2022 will need to create a trustworthy ecosystem that encourages their customers to share first- and zero-party data by providing concrete value in return. People are inundated with marketing messages while simultaneously reevaluating their household budgets for the remainder of the year. Now is the time to get your data strategy together and make an impact—because it's never mattered more.

For marketers to succeed in 2022, they will need to be sensitive to the macroeconomic factors influencing consumer decisions, while sustaining a highly differentiated and LTV-focused strategy. AI and machine learning can help bridge the gap between the more cost-conscious, overwhelmed consumer and the marketer's objective of increasing customer spending and driving long-term value.

To help weather the storm and build a long-term consumer-brand relationship, marketers must deliver data-powered personalized messaging to customers when and where they want it.

ABOUT MOVABLE INK

Customers don't experience data, they experience content. Movable Ink activates any data into personalized content in any customer engagement. The world's most innovative brands rely on Movable Ink to accelerate their marketing performance. With more than 550 employees, the company is headquartered in New York City with operations throughout North America, Central America, Europe, Australia, and Japan.

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