

# 2023 *Consumer Trends Index*

EUROPEAN CONSUMER ATTITUDES AND TRENDS IN  
PERSONALIZATION, PRIVACY, MESSAGING, ADVERTISING,  
BRAND LOYALTY AND THE RISING COST OF LIVING

In conjunction with ● **Econsultancy**



# Executive Summary

In the past three years, consumers and marketers alike have seen more disruption and transformation in their habits and behaviors than probably in the past two decades. In 2023, a global pandemic thankfully seems to be slipping slowly into the rearview mirror, but the effects will be felt for years to come. As we publish this year's Consumer Trends Index, our fourth consecutive annual report, a potential recession hangs over the globe, threatening to bring more uncertainty to purchasing behaviors and, ultimately, the brand/consumer relationship. A now yearlong conflict between Russia and Ukraine has dealt a blow to Europe and beyond via strife and economic hardship. In all, marketers across the globe have a rough road ahead as they try to grow revenue and build long-lasting relationships with their customers.

These factors make our report even more important to the planning and forecasting marketers have to do each year. The voice of the consumer is one of the most important signals a brand can consider when building a roadmap for success. Supply chain, labor force and other components certainly can help or hinder a brand's ability to prosper, but ignoring the needs and sentiment from consumers can be an arrogant misstep that's easily avoidable. Our goal is to arm you not only with the statistics that matter when it comes to aligning with consumer needs, but also bring perspective and guidance in the key areas that are crucial to relationship marketing.

Building long-lasting relationships is the key to increasing customer lifetime value and fostering brand loyalty that helps grow your business. The science of relationship marketing is simple: you need to acquire, engage and retain customers in order to drive revenue on a recurring basis. The art of relationship marketing is a bit more nuanced and requires your brand to take a more human approach to the way you interact with your audience. Listening to consumers is more important than marketing to them. Understanding them as individuals and meeting their unique needs in the right moment is core to developing trust and loyalty for the long term.

Technology has finally caught up to consumer demand in this respect, and that's exactly why Sailing Marketing exists: to help marketers build better relationships and scale their ability to personalize their content and offers, leading to mutually beneficial relationships.

The value of this report is to give you the insights to make better investments that align with consumer needs. To get you closer to your customers. It will dig into the trends behind consumer purchase behavior, so you can align your products and services to meet consumers' needs. We will look at the ways in which your audience wants to be communicated to across the purchase cycle. We will show you what engenders loyalty and ways you can increase market share. The data within this report can help you build the case for new strategies, new technology investments and, hopefully, keep you ahead of your competitors while creating loyal advocates who help grow your business organically.

Typically, we see positive measures that give marketers strong signals on where they can win. Messaging continues to point to email as a strong channel to drive revenue. Lacking algorithms, heavy censorship and being ubiquitous, email should continue to be the mainstay for marketers' efforts. It is also the easiest to personalize. Customers have shown they are open to spending more on the

brands they love, but a strong loyalty offering is required to achieve that result. You will find great statistics to help you ideate on how to provide value, both to simply retain a customer while also fostering true brand loyalty. Brand trust, as well as privacy issues and concerns on an impending recession are also explored to give you a well-rounded understanding of consumer attitudes as the 2023 buying season unfolds.

To summarize, marketers have yet another amazing opportunity to take this year's report and revamp, or even start, their relationship marketing strategy. Understanding the best of what is working in their existing efforts, coupled with guidance from a strategic technology partner that helps them deliver on these new trends, would be a sensible and surefire approach to growth. At Sailing Marketing, we pride ourselves on our deep industry expertise matched with our technology's ability to execute for the SMB up through the global enterprise organization. We are excited to offer up this year's data from over 7,000 European consumers and provide guidance to help you understand the opportunity at hand. If you'd like to dig in deeper and understand how you can better align your relationship marketing efforts to your audience's needs, we're here to help.

# Key Takeaways



Social media advertisements are the most popular channel for purchases at 50%, though email and social media posts trail closely behind at 48% and 47%, respectively. SMS/MMS messages and banner ads are significantly less common, both coming in at 24%.



Brand loyalty is on the rise, with 58% of consumers prepared to pay more to purchase from their preferred brands. Just under two-thirds of consumers (64%) cite the loyalty program of their favorite brand as either important or critically important to winning their lasting loyalty.



Consumers are loyal by nature, but take them for granted and they will shop elsewhere. Over a third of consumers have switched away from a favored brand in the last 12 months (38%), citing a poor loyalty program, the online customer experience and data privacy issues as core problems.



The majority of consumers want to receive personalized content and offers from trusted brands and will readily share personal data in return for it. However, consumers are clear that they prefer brands that use data that has been explicitly shared directly with the brand. A sizable 58% of consumers feel cookie-fueled ads are a creepy marketing tactic and definitely not cool.



Consumers are incredibly concerned about current global economic uncertainty, with 64% very pessimistic about the rising cost of living and 60% feeling the same about the economic outlook. 60% of consumers are making fewer impulsive purchases with most doing more research (50%), waiting for sales (49%) and relying on loyalty benefits (43%) when purchasing from their favorite brands.



As privacy regulations become the norm and third-party tracking cookies edge closer to curtailment, the vast majority of consumers (72%) are cheerily unaware that Google will soon cease tracking activity online in this way. However among those who are aware of the impending withdrawal, 33% are glad, and a further 34% are optimistic it will improve their relationship with brands.



# Research Parameters

Sailing Marketing, in conjunction with Econsultancy, conducted its 2023 Consumer Trends Index of consumers across the globe. This exclusive report helps understand the latest trends impacting consumer purchasing behavior specifically in Europe. The insights are based on 7,392 consumers in the U.K., Germany, France, Spain, Denmark, Sweden and the Benelux region, covering a nationally representative sample across age and gender, and includes responses from consumers representing different household income bands. The data was collected in October-November 2022.

Our latest research reveals what consumers in Europe expect from the brands they do business with online — the channels they prefer to connect on, what value exchanges elicit engagement and attitudes to the predicted economic recession. The granular insights will empower digital strategists, marketers and decision makers to see the trends impacting consumer purchasing behavior and how to deliver relationship marketing strategies that build mutually beneficial and long-lasting connections between brand and buyer.

The format for this version of our report focuses on European consumers, but be sure to check out our global report. In March 2023 we will have reports focused on the U.S., U.K. + Ireland, age breakdowns and papers with guidance on the trends for a wide range of industries and verticals.

The background is a solid teal color. A green triangle is positioned on the left side, with its base at the bottom and its apex pointing towards the top left. A yellow arc, resembling a large semi-circle, spans across the upper half of the image, starting from the left edge and ending near the right edge.

Messaging



# When It Comes to Making Purchases, Nearly Half Have Chosen Email

As brands and consumers have evolved, and new touchpoints come to the fore, email continues to be an influential and impactful marketing channel. Nearly half of consumers (48%) have made a purchase directly from an email they received in the last 12 months, second only to social media advertisements, which sit at 50%.

The key to rising above the competition in noisy inboxes, and getting your emails opened, read, clicked and converted, is to establish an intelligent messaging strategy that goes beyond “casting and blasting” or personalization that peaks at a first name in the subject line.

The science of subject line length and call-to-action placement are of course important but will drive relatively modest gains. To win, the emails you send should offer products your customer has expressed an interest in, that

fits their declared budget and contains dynamic content that uses keywords you know will elicit engagement from them — and that’s just in the subject line and preview text.

Using zero-party data to power your email marketing — self-reported preference, behavioral and psychographic data — is the path in a constricted economy to increased revenue and customer retention.

Of course, marketers need a strategy that leverages all channels, but brands own their database, so not only is email the most effective channel, but it’s also comfortably the most cost-effective, too.

Nearly half of consumers have made a purchase directly from an email they received in the last year

**48%**

**100%**

Email outperforms banner ads and SMS by 100%

# Digital Advertising in a Recession

There are a myriad of reasons why traditional banner ads just aren't clicking anymore. What was once an innovative format is no longer exciting for consumers, with many banner-blind to the ads they receive. Digital advertising is of course associated with a lack of transparency and ad spamming, which has resulted in the low engagement rates and poor performance we see today.

With a recession looming, every dollar needs to be delivering a provable ROI, and with the online walled gardens reluctant to share the depth of granular campaign metrics one would expect from any other partnership, brands can never own that customer relationship.

Not only do we have the data from consumers, with less than a quarter (24%) having made a purchase directly as a result of a banner ad in the last year. But we have data from brand

marketers, too. In a recent Sailing Marketing study, brand marketers declared that banner ads will be their least emphasized marketing tactic this coming year. It's clear that marketers need to cease blindly squandering budgets on formats that are no longer fit for purpose — chasing clicks, eyeballs and other vanity metrics, instead of what actually matters: engagement.

Brands need to be future-proof now and start owning customer relationships to collect the data and insights required to deliver better personalized marketing on the channels consumers actually want to engage with. Zero-party data puts customers in control of what information they share and who they share it with, enabling both greater transparency and more effective personalization.



24%

Less than a quarter of consumers have made a purchase directly from a banner ad



38%

Well over a third of marketers are expecting their advertising budgets to shrink in 2023



12%

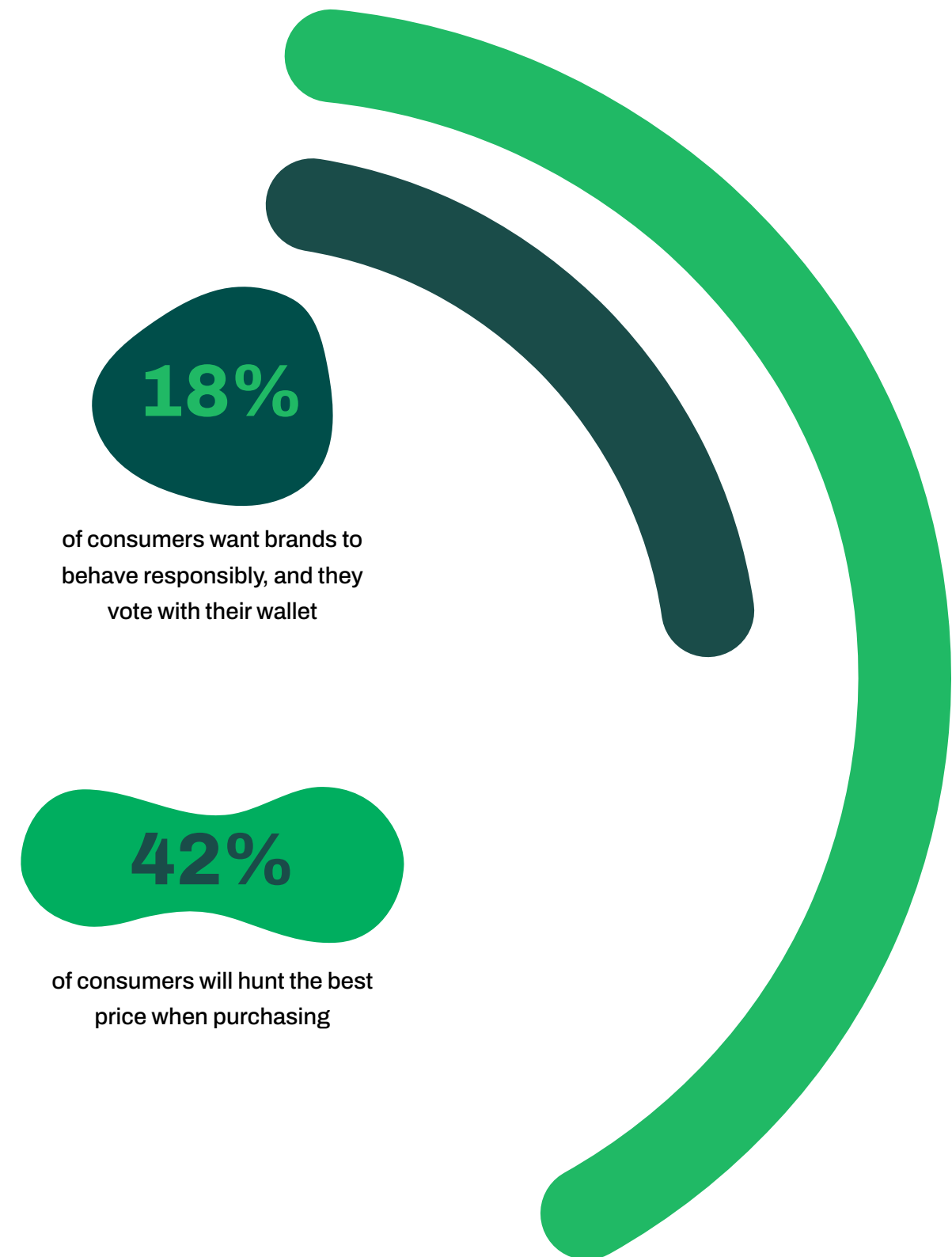
Merely 12% of marketers report that they will focus their marketing spend on banner ads in 2023



# The *Factors Behind* Purchasing Behaviors

Whether it be the bargain hunter, indecisive browser, impulse buyer or mission-driven shopper to name but a few, there are several different shopper profiles that have very different ingrained purchase behaviors. Of course, a sizable number will always look for the best price, with 42% of consumers identifying this way, then there's 22% who expect products that fit their style, 18% who want brands to behave responsibly, and a further 18% who define themselves as convenience first.

These numerous different shopper profiles need a level of individualization that goes beyond lumping them into large cohorts if you want to win their dollars when it's time to purchase. Irrespective of whether your customer wants the cheapest price point or will pay top dollar, as long as it's the perfect product, consumers are craving more personalization from brands and rewarding those that have made that commitment.



# Want to Enhance Business Results? *Look No Further* than Mobile

Consumers are using their mobile devices more than ever before to make and research purchase decisions. Over half of consumers (55%) have used their mobile phone in-store to research a potential purchase, and nearly half (48%) of consumers are showrooming — the practice of browsing products in-store but purchasing online or elsewhere. This all points to the significance for brands to have a full-fledged mobile strategy. Marketers must think of mobile as a collection of highly accessible touchpoints, whether it be SMS, MMS, mobile wallet, email, web, or mobile app to make a brand much more accessible to the consumer.



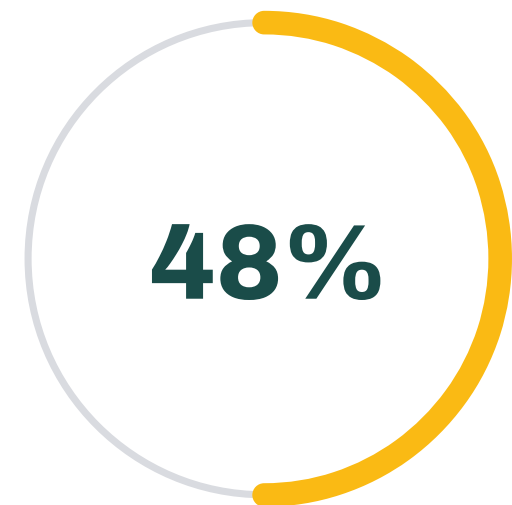
of consumers have bought something from an email on mobile



of consumers have made a purchase directly from SMS they received in the last year



Well over half of consumers have used their mobile phone in-store to research a potential purchase



Nearly half of consumers have browsed for products in-store but purchased elsewhere

# How *Best-in-Class* Brands Are Communicating With Their Customers

When it comes to separating favored brands from those less so, messaging is a key differentiator. Consumers love the communications they receive from their preferred brands and how it goes beyond the purely transactional.

A huge percentage of consumers favor brands whose messaging delivers a consistent user experience, irrespective of the channel (82%). They also value brands that treat their data responsibly (78%), reward them for loyalty (77%), treat them as an individual (76%), as well as strive to build relationships with them (73%).

The brands committed to fostering better relationships and adding relevance, value and personalization to their messaging are the ones that are elevated to preferred status and poised to see long-term benefit across the customer lifecycle.



# How *Best-in-Class* Brands Are Communicating With Their Customers



of consumers favor a brand's messaging that provides a consistent customer experience



of consumers favor a brand's messaging that rewards them for their loyalty



of consumers favor a brand's messaging that uses their data responsibly



of consumers favor a brand's messaging that treats them like an individual



of consumers favor a brand's messaging that strives to develop a relationship



of consumers favor a brand's messaging that surprises them with rewards they don't expect

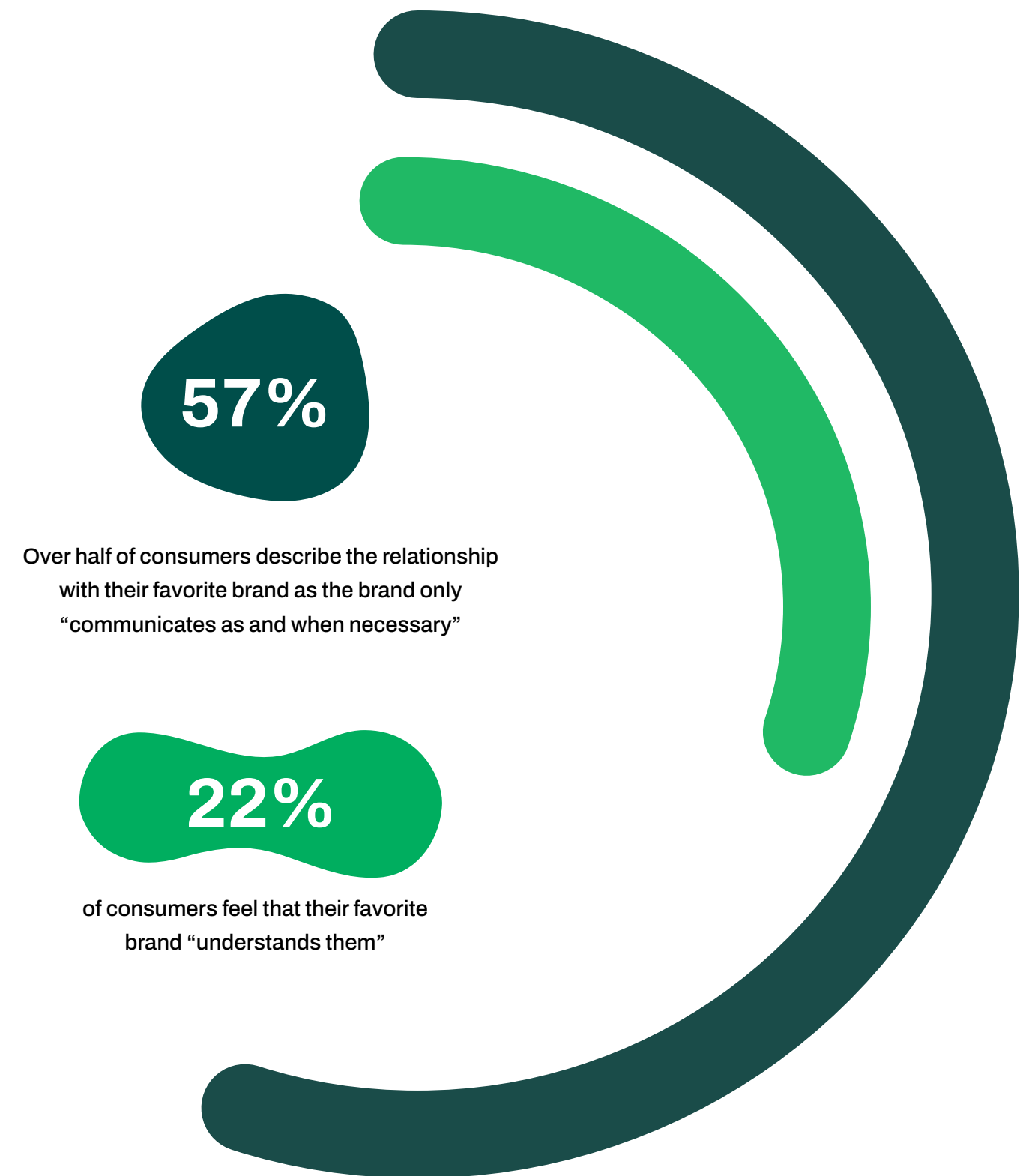


of consumers favor a brand's messaging that treats them like a VIP

# Favored Brands *Connect With Their Customers* with the Right Message, on the Right Channel at the *Right Time*

With more eyeballs than ever online, to win and maintain relationships with today's tech-savvy consumers, marketers need to connect with them delivering the right message, on the right channel, at the right time.

Although it can be tempting to blast your latest offering to your entire database, consumers are clear, with over half (57%) describing the relationship with their favorite brand as only getting communications from the brand as and when necessary. That means brands need a communication frequency based on each customer's individual purchase cycle and profile attributes. This requires a cadence that is constantly refined by optimal delivery times; campaigns should be triggered based on online behavioral data and other real-time customer signals across your websites, apps, and owned properties, including in-store actions. Let the data tell you when it's time to send a message, in which channel, and what the content should be. Listening is as important as talking when building relationships and driving favored outcomes.



# Consumers Have Had Enough, *It's Time* to Truly Personalize Your Messaging

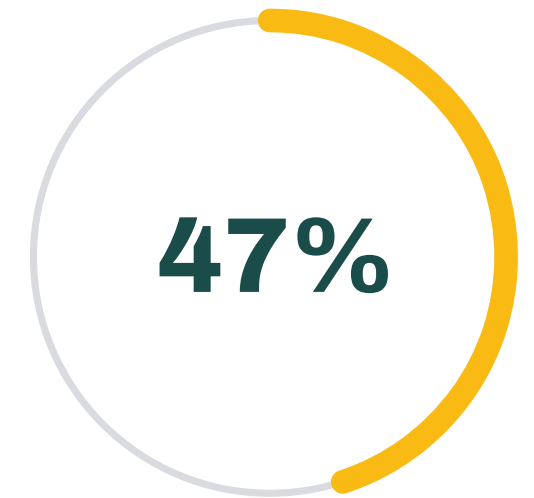
With more consumer data available to marketers than ever before, there's little excuse for sending inconsequential offers, products that the consumer has no interest in, or even worse, messaging based on data that has been surreptitiously gathered without their consent.

Even so, consumers remain pretty frustrated by the subpar attempts at personalized messages they receive from brands, with nearly half of consumers feeling annoyed by irrelevant content or offers (47%) and over a third being frustrated by messages that don't reflect their wants and needs (38%). Around a third are irked by messages that don't recognize their shopping or loyalty card history (32%) or by messages based on information that they hadn't shared directly with the brand (32%).

Truly personalized messaging is the core of relationship marketing, and not about short-term wins or sales, but focused on delighting customers for the long haul. In order to reduce attrition and continue to grow, brands need to deliver personalized messaging that shows empathy and an understanding of an individual's likes, interests, history and preferences while delivering in the moments that matter. This means collecting, understanding and activating more zero-party data throughout their entire messaging strategy.



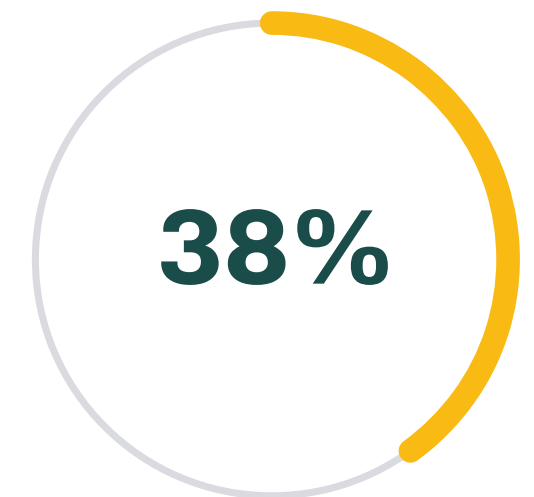
Roughly a third of consumers felt frustration when they received messaging that didn't recognize their shopping or loyalty history



Almost half of consumers felt frustration when they received irrelevant content or offers



Roughly a third of consumers felt frustration when they received messaging based on information they hadn't shared directly with the brand



of consumers felt frustration from messaging that doesn't reflect their wants and needs



# When It Comes to Messaging Frequency, Marketers Are *Doing Well*

Whether through email, apps, social media or SMS, consumers are generally content with the volume of messages they receive from brands. When it comes to being “about right” or “would like to receive more messaging,” marketers are getting their volume and cadence spot-on. When asked what consumers feel they get served the “right amount of” or “want more of,” the content topics include brand discounts (73%), free delivery (73%), loyalty program information or offers (71%), personalized treats such as birthday offers (71%), VIP offers (69%), sales promotions (63%), and brand-purpose related activities (61%).

Balancing your messaging strategy with a blend of value-based offers and personalized content is a sure way to retain customers and keep engagement rates high.

**73%**

of consumers receive about the right amount or would like more messaging on brand discounts

**71%**

of consumers receive about the right amount or would like more messaging on loyalty programs

**71%**

of consumers receive about the right amount or would like more messaging about personalized treats



# Brand Loyalty

# Consumers Are *Surprisingly Loyal*

With the rising cost of living and impending recession dominating the global news cycle, it would be reasonable to expect that price would be king when consumers are ready to make a purchase. However, a formidable 58% of consumers are happy to pay more to purchase from their favored brands.

While 33% of consumers identify as not being loyal to any particular brands, and 72% state that they buy frequently from the same company but don't feel loyal to that company, these stats should not simply be viewed as negative. It still stands that a huge slice of your addressable market can be won over if you apply the right messaging strategy, utilizing a value exchange and strong loyalty offering. Consumers enjoy the benefits that come from being loyal to a brand, but it's up to marketers to engender it.

Nearly three-quarters of consumers buy frequently from the same company but are not loyal to that brand

**72%**

**58%**

A staggering 58% of consumers will pay more to purchase from a favored brand

Only a third of consumers are not loyal to any particular brands

**33%**

# Top Loyalty Drivers

Loyalty begins when a customer feels emotionally connected to your business, to the point that buying your products becomes a de facto part of their routine. Loyal customers help your business by repeatedly purchasing from you, and they're proven to spend more, too.

There are several factors that engender lasting brand loyalty, and what consumers find important or critically important are fairly simple: product availability (78%) complemented by a plentiful range of options (78%), offers and promotions (75%), quality of product or services (74%), and good customer service (74%).

Where a brand can really differentiate from its competitors may lie among other factors. Some of those that are considered important or critically important to long term loyalty include a brand's website and mobile app (68%), its effort to build a relationship (53%) and its data privacy policies (75%). Investments in improving these areas will ensure a long-term return and happy customers.



64%

Almost two-thirds of consumers think the loyalty program of their favorite brand is important or critically important — only 8% of consumers think this is not important



53%

of consumers think their favorite brand working hard to build a relationship with them is important or critically important — only 14% of consumers think this is not important



68%

Over two-thirds of consumers think the mobile app and website of their favorite brand are important or critically important — only 9% of consumers think these are not important

# The *Cost* of Getting Loyalty Wrong

It's one thing to know what your audience wants when it comes to building brand loyalty, but understanding the factors that turn them off is just as important. While some of these factors can be both an attractant and a pitfall to a brand's loyalty strategy, it's crucial to explore your own offerings to understand if they are best-in-class or lacking real value and turning customers away.

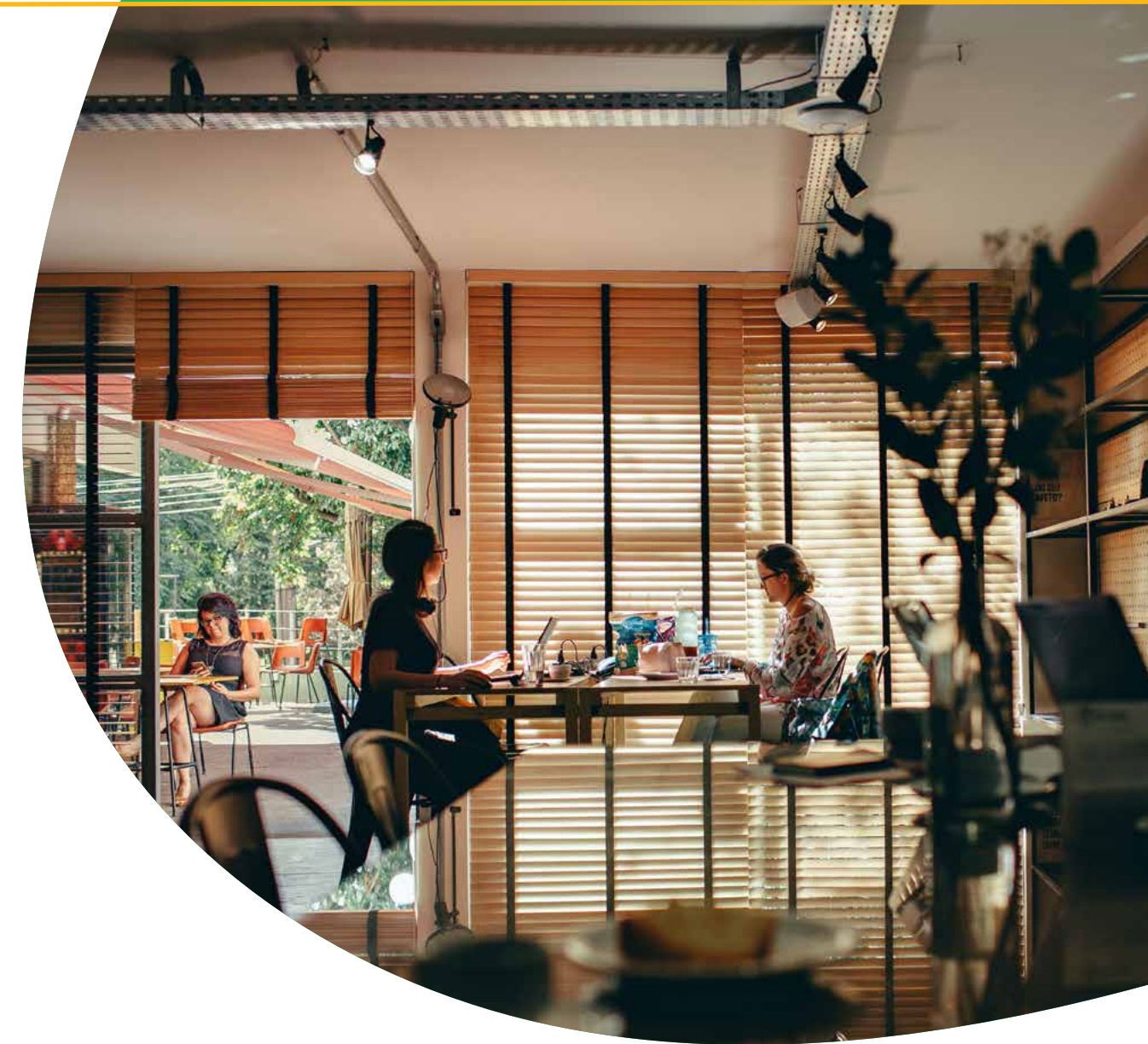
Over a third of consumers (38%) have switched away from, or become less loyal to, a previously favored brand in the last year. The largest factors for losing a customer would be either a drop in quality of products/services or irrelevant offers/promotions, with 33% of consumers claiming these factors would turn them to another brand. Other noteworthy factors include lack of product availability either in-store or online (25%), customer service or support issues (23%), range of product options (22%), or a poor or nonexistent loyalty program (20%).

Knowing that your brand is doing all it can in these areas can be the difference between long term loyalty or losing customers to your competitors.

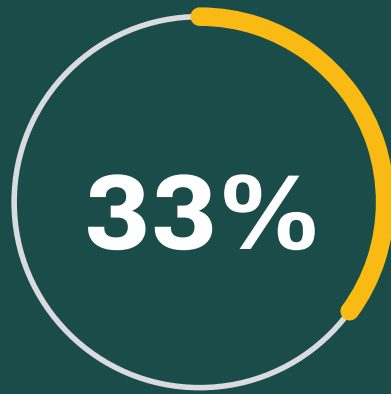
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## 38%

Over a third of consumers have switched away from, or become less loyal to, a previously favored brand in the last year



# The Reasons Consumers Have *Switched* *Away* From a Favored Brand



Quality of products / services



Customer service / support



Availability online / in-store



Offers and Promotions



Loyalty program



Range of options



Mobile app / website



Brand purpose



Data privacy policies



# These Lapsed Customers *Can Be Won Back*

The great news is that nearly three-quarters (74%) of customers who stated they have switched away from a brand they were previously loyal to, can be won back with the right encouragement.

The key to any successful business is a low customer churn rate — happy customers equal increased profit margins. First, you need to find out why you lost a customer. As per the previous data points, this can include anything such as product quality, a poor loyalty program or privacy issues to highlight a mere few. Gathering these insights and targeting those lapsed customers with personalized solutions will give you a good chance of rekindling a customer-brand relationship.

Easy ways to collect this information from lapsed customers could include win-back offers, or even new marketing campaigns such as sweepstakes, sent via email or SMS that include survey questions to qualify. Create a one-off value exchange that doesn't dilute your core value to mass markets but is highly targeted and has enough hook to obtain that data on why they left. These offers might just bring them back into your fold as a customer, but at the least you will understand why they left and can course-correct with current customers to lower your churn rates.

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## 74%

Nearly three-quarters of consumers who have left a brand they were previously loyal to say they can be won back



# Loyalty Program Participation *Is Strong*

Loyalty programs not only give customers perks and benefits, but they also foster an emotional connection between brand and customer. Of course, for brands, loyalty programs have the imperative benefit of rewarding repeat customers, thus driving sales and increasing customer lifetime value.

Consumers love loyalty programs and are participating more than ever before, so if you're not offering one, you're leaving sales on the table and risking your customer being wooed by a competitor. 41% of consumers intend to increase their participation in loyalty programs over the coming year, with merely 8% of consumers less likely to participate in a loyalty program than last year.

Consumers aren't just ready for a loyalty offering — it's the prerequisite — one that truly rewards them as an individual and goes beyond points-for-prizes or a generic freebie every tenth purchase.



41%

The infographic features a large, thick yellow arc on the right side. Inside the arc, there are two colored shapes: a yellow circle containing '41%' and a teal circle containing '8%'. The text for the 41% statistic is positioned to the right of the yellow circle, and the text for the 8% statistic is positioned to the right of the teal circle.

of consumers are more likely to engage in a loyalty program this year than last

8%

Only 8% consumers are less likely to engage in a loyalty program this year



# A Loyalty Program Is *So Much More* Than a Rewards Program

The term loyalty program is rather liberally used and is often a misnomer. In fact, you might be dealing with a rewards program that does little to enhance brand loyalty. Many brands still confuse the two, and although points and discounts are fine, they are merely two of the myriad of tactics available for a full-fledged loyalty program.

Earning customer loyalty demands more than just rewards. Brands should be using value exchanges that drive deeper engagement through emotional loyalty.

What is exciting for modern marketers that are committed to building more meaningful connections with consumers is the added-value things customers want from a loyalty program that can make your brand unique. Over a quarter (28%) of consumers want exclusive or early access to products,

21% want personalized product recommendations based on their self-reported preferences, 19% want brands to communicate with them on the channels they prefer, 19% want sweepstakes, and 12% want both to feel part of brand's community and get brand recognition.

The results make it obvious that consumers want loyalty programs that go beyond the generic. The heart of loyalty is not merely the cheapest price point, but a brand that fosters community, recognizes the customer as an individual, and delivers personalized recommendations that reflect this.



# A Loyalty Program Is *So Much More* Than a Rewards Program



65%

Almost two-thirds of consumers want discounts from a loyalty program



58%

of consumers want points from a loyalty program



28%

Over of quarter of consumers want exclusive or early access to products from a loyalty program



21%

of consumers want personalized, recommended products based on their preferences from a loyalty program



19%

of consumers want brands to communicate with them on the channels they prefer as part of a loyalty program



19%

of consumers want sweepstakes and contests as part of a loyalty program



12%

of consumers want to feel part of a brand's community



12%

of consumers want brand recognition from a loyalty program



# Privacy & Personalization

# Calling Time on *Creepy* Marketing

What marketers view as exciting innovations in data collection can actually be spooky for consumers. With targeted ads and personalized emails becoming the norm, it is easy for consumers to develop a fear of being watched.

Although as marketers we should always be striving to deliver better personalization, it's crucial to recognize the line between what's cool and adds value to the consumer's life, and of course, what's creepy and overly intrusive. It may be tempting to demonstrate how well you know your customers, but nobody wants to be unpleasantly surprised by marketing efforts.

The overwhelming majority of consumers feel ads derived from location data, third-party tracking cookies or listening smart devices are creepy and definitely not cool. However, it's a big thumbs up to recommendations based on past purchases and an email reminder or advert about an abandoned shopping cart.





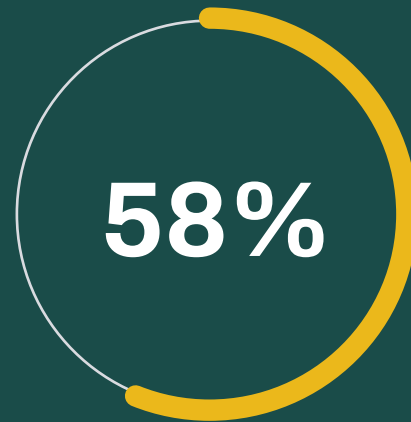
# The *Value* *Exchange* Economy



The idea of a value exchange is as old as civilization and omnipresent in life. Whether you're looking at it from the marketer's or the customer's perspective, it's simple: ask, receive, give, repeat. It's a match made in relationship marketing heaven.

And it doesn't have to be an extravagant prize or colossal discount. Of course, 92% of consumers are prepared to trade data for a discount, 90% for loyalty rewards, and 80% for the opportunity to win a prize. But many consumers will share their personal, psychographic and behavioral data in return for unlocking content (58%), to feel part of a brand's community (55%), and for early or exclusive access to products and services (83%).

# The *Value Exchange* Economy



of consumers will trade personal and preference data in return for unlocking content — 18% find this highly valuable



of consumers will trade personal and preference data in return for the opportunity to win a prize — 36% find this highly valuable



of consumers will trade personal and preference data in return for feeling part of a brand's community — 18% find this highly valuable



of consumers will trade personal and preference data in return for early or exclusive access to products and services — 35% find this highly valuable



of consumers will trade personal and preference data in return for loyalty rewards — 48% find this highly valuable

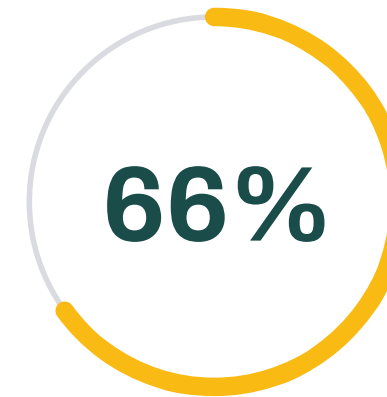


of consumers will trade personal and preference data in return for discounts and coupons — 56% find this highly valuable

# Consumers Will Share *Behavioral Data* for a Better Service

There's an obvious fissure between the data consumers will share readily for a better service and the data they're more hesitant to share. The majority of consumers are comfortable sharing their full name (56%), gender (73%), date-of-birth (68%), and email address (65%). This is contrasted by the more modest numbers for family make-up (44%), home address (40%), annual earnings (33%), phone number (42%), location in real-time (31%) and photograph (25%). The key, of course, is only asking for information that truly empowers you to build more meaningful relationships with your customers and deliver on the promise of a more personalized service.

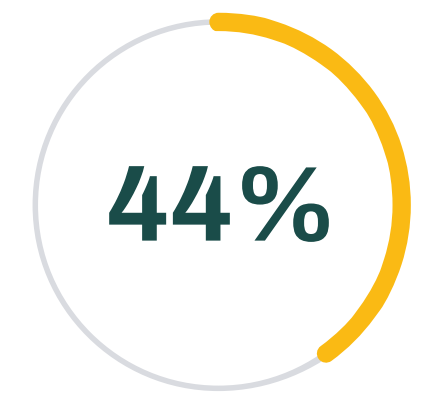
Which leads to the real-story. A mammoth 66% of consumers are comfortable sharing information about their hobbies in return for a better service — behavioral data that marketers can use to truly tailor messaging, content and offers. This class of data empowers brands to build direct relationships with consumers, and in turn, deliver better personalization. As it comes directly and willingly from the consumer, there are no intermediaries or guesswork, and the consumer feels at ease.



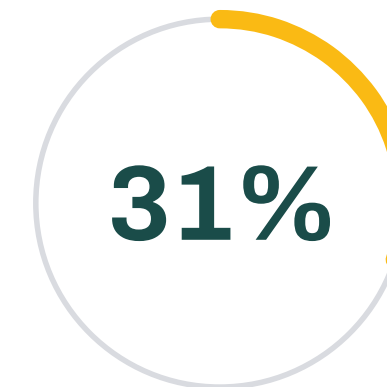
Two-thirds of consumers will share their hobbies in return for a better service



Almost three-quarters of consumers will share their gender for a better service



of consumers will share family make-up for a better service



Less than a third of consumers will share their location in real-time for a better service



Over two-thirds of consumers will share their date-of-birth for better service

# The *Perpetual Concern* About Consumer Data and Privacy

Consumers are taking a more proactive role in protecting their data and privacy online than ever before. Almost half (44%) of consumers are using ad blocking tech. This uptick in adoption, conflated with the phasing out of third-party tracking cookies and poor performance of digital advertising, makes it abundantly clear that this is a format marketers need to rapidly steer away from.

More than half of consumers (52%) are using privacy mode on a pre-installed browser; well over a third (36%) have gone to the laborious task of using a PC cleaner, 27% are actually paying to use privacy software and 23% have left the behemoth browsers and started using an alternative privacy-centric browser.

The data does more than suggest that brands need to make privacy a priority and build consumer confidence in how this data is used. That means collecting only the data required to deliver better personalized experiences and that which a consumer is happy to share with you.

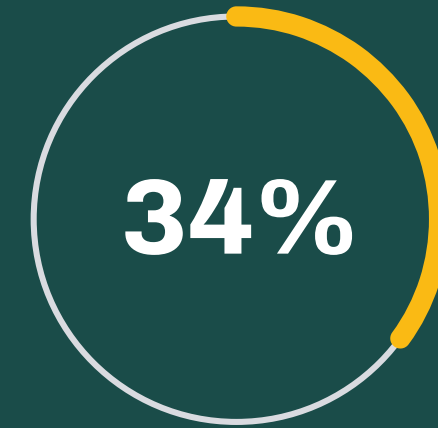
# The *Perpetual Concern* About Consumer Data and Privacy



Almost half of consumers have  
installed an ad blocker



Over half of consumers enact privacy  
mode on a pre-installed browser



of consumers are using a  
password manager



of consumers are using a PC cleaner



Over a quarter of consumers are  
using paid-for premium software



of consumers use an alternative  
privacy-centric browser



# The *Slow Death* of Third-Party Cookies

For decades, third-party tracking cookies have been the lifeblood of the online advertising ecosystem, driving awareness and sales alike. Although they were given a reprieve of a couple of years, Google will be imminently curtailing their use, with promises of full phase-out by the end of 2024 (Safari and Firefox already have). The loss of third-party cookies will inevitably make it more difficult for marketers wedded to the practice of tracking users online to serve them targeted advertising across a myriad of websites and apps.

Although the hot topic of marketing and advertising discourse, the vast majority of consumers (72%) are blissfully unaware that third-party tracking cookies are slated to be killed off. Even though many are not cognizant of the machinations of digital advertising, what is obvious is the relatively small percentage of consumers buying from banner ads (24%), and the high

usage rate of ad blocking technology (44%). Short story, consumers don't like having their online activity tracked without consent, without a clear value exchange, and by brands with which they have no relationship. Marketers need to shift to a first- and zero-party data strategy to power their advertising and marketing initiatives before the cookie fully crumbles.

Engaging consumers with a strong value exchange offering that opens them to sharing data directly with your brand is the first step in relationship marketing. Being transparent on how you intend to use that data to personalize your offerings and communications transcends their inclination to block, avoid and ultimately think negatively about your brand. You will no longer be the brand that snoops or creeps them out, but rather one that listens and provides a truly personalized journey that enhances their lifestyle.

**11%**

Only 11% of consumers will miss cookies and think it might worsen their experience online

**72%**

Over two-thirds of consumers have no idea cookies are being withdrawn

**33%**

Among those aware of impending cookie withdrawal, a third of consumers are glad cookies are being withdrawn, with 34% optimistic it will improve their relationship with brands





# The Rising Cost of Living

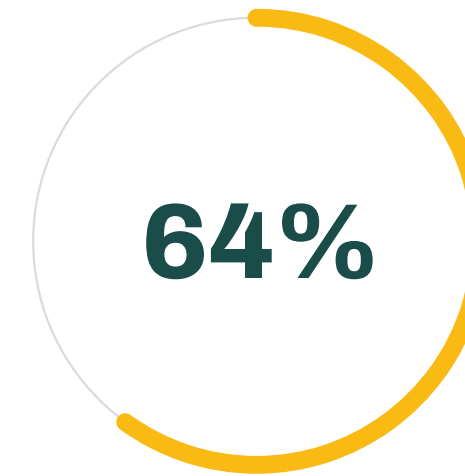
# Consumers Are *Very Pessimistic* About the Rising Cost of Living

Global inflationary pressures, rising energy prices, an impending recession and other personal monetary concerns are going to bring acute financial hardship for many consumers over the coming year and beyond. Sweeping changes in purchasing behavior and cutbacks in consumer spending will have huge impacts on brands' revenue sheets, too.

64% of consumers are “very pessimistic” about the rising cost of living, with merely 17% feeling “very optimistic.” These troublesome numbers are backed up with 60% of consumers “very pessimistic” about the economic outlook, and a lowly 16% feeling “very optimistic.” There are positives on job security, with over a third of consumers “very optimistic” (36%) and a lower number (26%) feeling “very pessimistic.”

With soaring costs, many consumers will look for value when purchasing; however, there are only so many opportunities for brands to reduce costs before they start cutting corners — strategies such as shrinkflation quickly attract negative attention.

Brands must also re-evaluate how they deliver value to consumers beyond just cost. Marketers must have a real understanding of, and empathy for, customers' evolving needs in these trying economic situations. Zero-party data will be crucial to accurately identifying these needs and delivering the right message, at the right time, to support consumers. As Robert H. Schuller perfectly coined it: “Tough times don't last. Tough people do.”



of consumers are “very pessimistic” about the rising cost of living



of consumers are “very pessimistic” about the economic outlook



Over a third of consumers are “very optimistic” about their overall job security

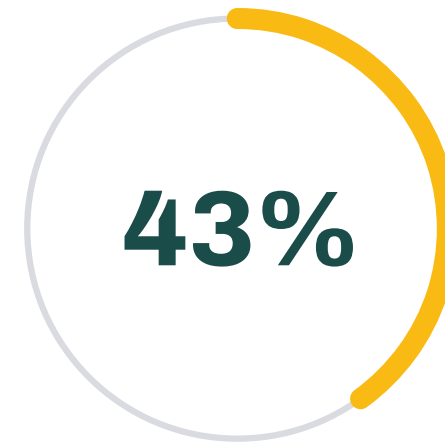


A fifth of consumers are “very optimistic” about their financial outlook

# Consumers Will *Rely on Loyalty Benefits* More Than Ever

Well over half of consumers will be making less impulsive purchases (60%), and exactly half (50%) say they will be extending the research and consideration phase before parting with their dollars. Predictably, 49% will wait as long as possible before purchasing — hoping the product goes on sale, but what should pique every marketer's interest is 43% of consumers will rely on loyalty benefits more than previously.

In a time of financial uncertainty, loyalty programs, and the value they provide, can appeal to the financial considerations of customers, while also helping brands gather zero-party data. Consumers are more likely to consider their rewards and value stored in loyalty programs as currency for making decisions throughout the household's needs — from decisions on where to dine to which clothing, goods and services to purchase.



of consumers will rely more on loyalty program benefits this year before making a purchase



Almost half of consumers are more likely to wait as long as possible for a product to go on sale this year



of consumers are making fewer quick purchases than this time last year



of consumers are doing more research than last year before making a purchase

The background is a solid teal color. A thin pink arc starts from the left edge, curves upwards and to the right, and then curves downwards towards the bottom right corner. A thin green line starts from the top center, curves downwards and to the left, and then continues horizontally across the bottom of the frame.

# Consumer Sentiment by Industry

# To Win Online, Brands *Need to Deliver* a True Omnichannel Experience

The pandemic forced many consumers online for the first time, but many have stayed even with brick-and-mortar stores back open. Prior to the pandemic, many industries viewed technology as a means to save money and reduce unnecessary spending. However, recent digital transformations offer brands tremendous opportunities to innovate and find their way to the front of their industry. When technology is used well, it offers brands the ability to engage customers, answer their needs, and move forward in a new and differentiated way.

The idea of a true omnichannel experience, where brands seamlessly blend the physical with the digital, can seem deceptively easy to achieve. Catering to individual customers' preferences and actively steering them toward the most efficient resolution continues to elude the majority of marketers.

Redefining omnichannel is about putting the customer at the heart of digital transformation, where all channels and touchpoints revolve around them, not merely the product. For brands, that means breaking down barriers, both organizationally and within their tech stack, to create a unified commerce approach.

# To Win Online, Brands *Need to Deliver a True* Omnichannel Experience

**22%**

Over a fifth of consumers have signed up for a financial product

**39%**

Over a third of consumers have made a travel booking

**20%**

A fifth of consumers have placed a bet

**35%**

Over a third of consumers have purchased in-home or out-of-home entertainment

**37%**

Over a third of consumers have ordered groceries online

**37%**

Over a third of consumers have ordered a meal for delivery or pick-up

**60%**

of consumers have bought clothes, fashion or make-up

**25%**

A quarter of consumers have bought furniture

**22%**

Over a fifth of consumers have bought a large household appliance

**28%**

Over a quarter of consumers have bought products for home repairs and decorating



# Consumers Trust Brands To *Deliver Personalized Marketing*

Merely a few years ago, consumer trust in organizations that had access to their data was at an all-time low. The Cambridge Analytica scandal dominated headlines, huge fines were being meted out for data breaches, and the practice of using surreptitiously gathered aggregated third-party data sets was omnipresent.

But the darkest moment is before dawn, and these crises have been a catalyst for change in all verticals, accelerating the way in which brands provide a digital service and innovating how they deliver their products. For many, it's been an opportunity to build deeper, more meaningful relationships with customers, learn more about them, and use that data to provide personalized marketing and services.

Consumers tell us they love brands who are ethical with their data, with a resounding 78% citing that their favorite brand uses their data responsibly.

## SHARE OF CONSUMERS WHO EITHER TRUST OR ARE NEUTRAL, PER INDUSTRY

**73%**

Financial Services

**82%**

Travel / Hospitality

**88%**

Food / Grocery

**57%**

Gaming / Gambling

**83%**

Beauty / Fashion

**84%**

Sports / Entertainment

**87%**

Furniture / Household Goods

**86%**

Household Appliances

**87%**

Home Improvement

**85%**

Restaurants

# Online Customer Experience Is Good, but *It Can Always Be Better*

The goal in today's digital platform world is to significantly improve the customer, employee, and other stakeholder experiences. Internally, it's about driving efficiencies; customers are concerned only about making a purchase with as little friction as possible. In fact, a staggering 82% of consumers have a favorite brand that provides a consistent customer experience — whatever the channel.

Delivering an excellent online customer experience is about putting the customer at the heart of everything, breaking down barriers, both organizationally and within your tech stack, to create a unified commerce approach. On the whole, brands in different industries are creating this experience, with well over half of consumers in most industries defining the online customer experience as “excellent.” Travel leads with 61%, closely followed by groceries and fashion (both 60%), and, entertainment 57%.

When it comes to “very poor,” the story is resoundingly positive with most industries polling below 15%.

## INDUSTRIES DELIVERING AN “EXCELLENT” ONLINE CUSTOMER EXPERIENCE

**51%**

Financial Services

**61%**

Travel / Hospitality

**60%**

Food / Grocery

**40%**

Gaming / Gambling

**60%**

Beauty / Fashion

**57%**

Sports / Entertainment

**53%**

Furniture / Household Goods

**55%**

Household Appliances

**52%**

Home Improvement

**56%**

Restaurants

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