



# U.S. *Consumer* *Trends* Index 2023

U.S. CONSUMER ATTITUDES AND TRENDS IN  
PERSONALIZATION, PRIVACY, MESSAGING, ADVERTISING,  
BRAND LOYALTY & THE IMPENDING RECESSION

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 the 4th annual Consumer Trends Index, and this U.S.-only version in particular, a potential recession hangs over the globe, threatening to bring more uncertainty to purchasing behaviors and, ultimately, the brand/consumer relationship. A now year long conflict between Russia and Ukraine has dealt a blow to Europe and beyond via strife and economic hardship. A presidential election cycle is kicking-off here in the U.S., which may also shake the confidence of consumers as interest rates climb in an effort to combat inflation. 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 the various report versions of our global research 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 U.S.-only report version 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 U.S. consumer purchase behavior, so you can align your products and services to meet their needs. We will look at the ways in which your audience wants to be communicated with 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.

Topically, we see some positive trends continuing to give marketers strong signals on where they can win. Messaging trends continue to point to email and SMS/MMS as the go-to channels to drive revenue. Lacking algorithms, heavy censorship and being ubiquitous, these channels should continue to be the mainstay for marketers' efforts. They are also the easiest to personalize.

Advertising continues to wane when it comes to impacting sales directly, but it can be meaningful in starting conversations with new contacts and getting them into your database. 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. 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



Email remains the most effective channel for driving sales, with over half of U.S. consumers (55%) purchasing a product directly as a result of an email they received in the last 12 months. Millennials, Gen X and Boomers are all at least 49% more likely to make a purchase through email than Gen Z consumers.



Brand loyalty remains strong, with a staggering 72% of U.S. consumers prepared to pay more to purchase from their preferred brands. This is 31% higher than global consumers. 70% cite the loyalty program of their favorite brand as important to engendering their lasting loyalty.



Loyalty program participation is on the up, with 52% of U.S. consumers more likely to engage in a loyalty program this year than last, rising to 57% for Gen X and 67% for Millennials. However a third of U.S. consumers (33%) have switched away from a favored brand in the last 12 months, with a quarter (25%) citing a poor loyalty program as the core problem.



As privacy regulations become the norm and third-party tracking cookies edge closer to curtailment, U.S. consumers are resolute with well over half (57%) stating they find retargeting ads to be creepy, rather than cool. Among U.S. consumers aware of the impending cookie withdrawal, almost a third (32%) are glad, with a further 36% hopeful it will improve their relationship with brands.



The majority of U.S. consumers want to receive personalized content and offers from trusted brands and will readily share personal data in return for it. 75% of U.S. consumers (rising to 84% for Millennials) are comfortable sharing their behavioral data in return for a better service - 10% higher than global consumers.



U.S. consumers are more optimistic than their peers elsewhere, but many are still very concerned about current global economic uncertainty. Almost half of U.S. consumers are very pessimistic about both the rising cost of living (49%) and economic outlook (48%), and as a direct consequence half (50%) will make less impulsive purchases. To assuage the constrained economy 53% of Millennials and Gen X will be relying on loyalty program benefits when making purchases.



# Research Parameters

Sailing Marketing, in conjunction with Econsultancy, conducted its 2023 Consumer Trends Index of U.S. consumers. This latest report builds on insights from previous years and helps understand the latest trends impacting consumer purchasing behavior in the United States. The insights are based on 1,561 U.S. consumers, 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 U.S. consumers expect from the brands they do business with online — the channels they prefer to connect on, what value exchanges elicit engagement and attitudes with 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 U.S. consumers, the year-on-year trends, comparisons to global consumers and differences in age demographics. If you'd like to see additional reports with global, European and vertical trends please visit our [content hub here](#).

# Age Groups



## Gen Z

### 18-25

This generation is the first set of digital natives, where multitasking is the new relaxing - flitting between multiple screens and channels at the swipe of a finger. This tribe is quick to mobilize, are shrewd with their spending and trust social proof over any form of advertising.



## Millennials

### 26-40

Digital pioneers rather than natives, Millennials bore witness to the explosion of technology at our fingertips. Still acutely digitally savvy, they straddle the generational line, happily purchasing from social media, SMS or more traditional formats like email. Like Gen Z, they use multiple devices and expect them to be connected.



## Gen X

### 41-55

The last generation that will be considered digital immigrants, Gen X don't get the same amount of attention as younger age groups or Boomers, often considered the generational "middle child." They tend to share more characteristics with Boomers, but treat them right and you have a lifelong loyal customer.



## Boomers

### 56-75

Boomers represent the largest amount of buying power, so ignore them at your peril. They hunt for the best price, value loyalty points over anything more modern and will be annoyed by substandard personalization. If you want to engage with them, traditional rewards like prizes and discounts are always a winner.

The image features a solid teal background. A thin green line forms a triangle, with its base at the bottom and its apex at the top left. A thin yellow arc, resembling a semi-circle, spans across the upper portion of the frame. The word "Messaging" is written in a white, serif font, positioned within the green triangle and below the yellow arc.

Messaging



# Email Remains the #1 Driver of Sales for U.S. Consumers

Email is still the preeminent channel of U.S. consumers for receiving offers, content, incentives and rewards from brands, which ultimately drives them to purchase. More than half of U.S. consumers (55%) have made a purchase directly as a result of an email they received in the last 12 months, 8% higher than consumers surveyed from elsewhere on the globe. However, this isn't consistent across age demographics, with Millennials, Gen X and Boomers almost 50% more likely to purchase directly from an email than their Gen Z counterparts.

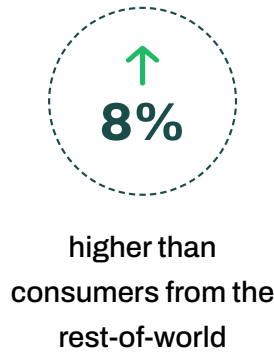
The key to rising above the noise in crowded inboxes and getting your emails opened, read, clicked and converted by all age demographics, is to establish relationship marketing strategies that go beyond "casting and blasting" or generic personalization. To win, the emails you send should offer products 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. Email is not only the most effective channel overall, but as brands own their database it's also comfortably the most cost-effective, too.

When it comes to other sales channels, U.S. consumers are a digitally savvy bunch - with a 13% increase in propensity to purchase from organic social media post from 2022 data. Again we see some predictable age variation here with Gen Z, Millennials and Gen X over 120% more likely to purchase from social media posts when compared to Boomers. Of course, marketers need a strategy that leverages all channels, so delivering messaging to your target audience's preferred channel is imperative.

Over half of U.S. consumers have made a purchase directly from an email they received in the last year

**55%**

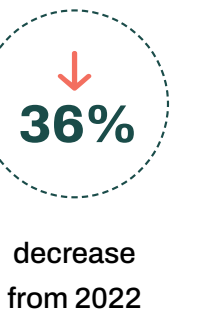


**139%**

Email outperforms banner ads by 139%

of U.S. consumers that have made a purchase directly from a banner ad

**23%**



**49%+**

More Millennials, Gen X & Boomers have made a purchase directly from an email than Gen Z - 41% of Gen Z claim to have purchased directly from an email versus all other age groups claiming 61% or more



# Digital Advertising and the Impending Recession

There are a myriad of reasons why banner ads just aren't clicking with U.S. consumers these days. What was once an innovative format for getting a brand's message wider and further is now annoying at best, and intrusive at worst for online consumers.

With a recession looming, not just in the U.S., but globally, every dollar needs to be delivering a provable ROI, and banner ads just don't deliver it. If consumers aren't using ad blocking tech to evade digital ads they're likely banner-blind to them. Poor engagement rates, along with online walled gardens failing to share the depth of campaign metrics one would expect from any other partnership, lead to the conclusion that marketers need to focus on formats that empower them to truly own customer relationships.

Fewer than a quarter of U.S. consumers (23%) have made a purchase directly as a result of a banner ad in the last year - a huge 36% drop on 2022 and 12% fewer than consumers from the rest of the world. The opposite ends of the age spectrum

are most indifferent when it comes to banners ads as a buying channel with a dismal 11% of Boomers (70% fewer than Millennials and only 17% of Gen Z (54% fewer than Millennials having made a purchase directly from a banner ad.

Complemented by data from a separate Sailing Marketing study of brand marketers, which 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 and connection.

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 where consumers actually want to engage. 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.



23%

Fewer than a quarter of U.S. consumers have made a purchase directly from a banner ad 12% lower than consumers from the rest-of-world

11%

Only 11% of Boomers and 17% of Gen Z have made a purchase directly from a banner ad in the last year

12%

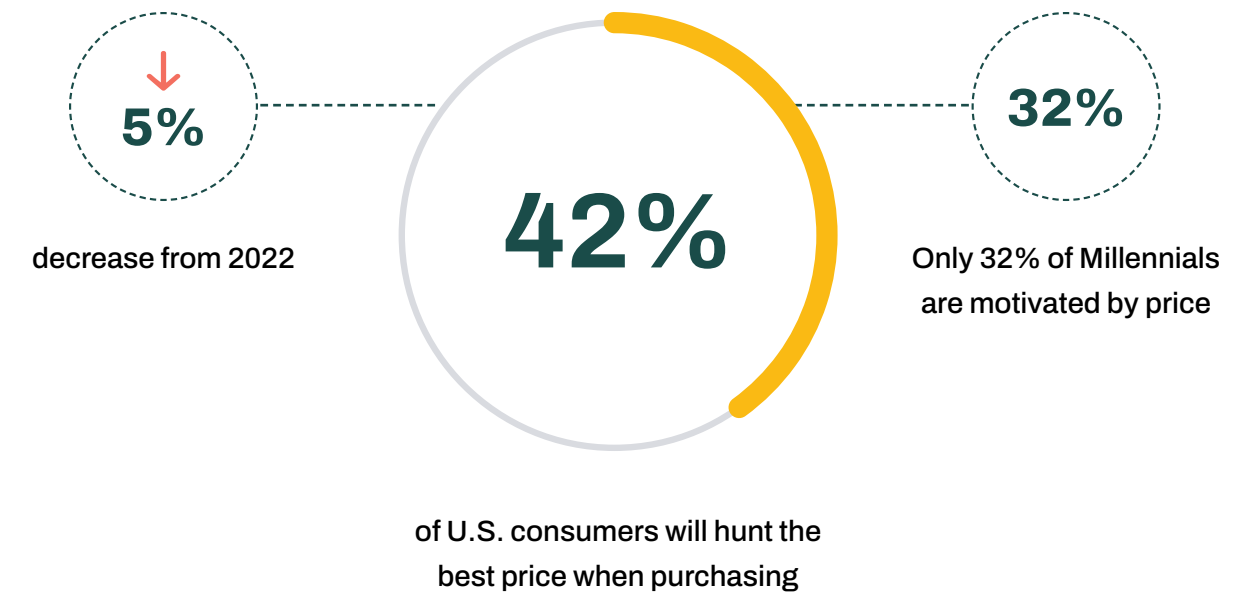
Merely 12% of marketers report that they will focus their marketing spend on banner ads in 2023 and 38% expect their advertising budgets to shrink

# The Factors Behind U.S. Consumer Purchasing Behavior

U.S. consumers are influenced by a multitude of factors when making purchases. Whether it be the bargain hunter, 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; these also vary significantly depending on age.

42% of U.S. consumers are price-driven when it's time to purchase, a surprising 5% decrease since 2022 given the economic outlook. This peaks with Boomers at 51%, which is 59% higher than Millennials at 32%. Others value convenience (18%), fitting their style (24%), and expecting brands to behave responsibly (16%). Price is a large factor, but merely part of a complicated and fragmented path to purchase.

These numerous different shopper profiles need a level of individualization that goes beyond lumping them into large cohorts if you want to win their bucks 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.



# If you had to pick one phrase to describe you as a shopper, which would it be?

|   | Gen Z | Millennials | Gen X | Boomers |
|---|-------|-------------|-------|---------|
| I will get the best price, it's all about value for my spending | 44%   | 32%         | 42%   | 51%     |
| The faster and easier it is, the better I like it               | 12%   | 24%         | 20%   | 15%     |
| Products have to fit my style                                   | 28%   | 24%         | 21%   | 21%     |
| I want brands to behave responsibly and I vote with my wallet   | 15%   | 20%         | 16%   | 12%     |

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

When engaging with a brand, U.S. consumers interact with several digital touchpoints that can almost always be accessed on mobile, with SMS, browser, email, apps, social and wallet ubiquitous on any smartphone device. And U.S. consumers are using their mobile devices more than ever before to make and research purchase decisions with 57% stating they have used their mobile phone in-store to research a potential purchase, and almost half (48%) showrooming — the practice of browsing products in-store, to purchase later online.

Digital natives (Gen X and Millennials) are fully adopting mobile, making purchases through SMS, apps and buying digital content. Boomers, or digital immigrants to give them a less polite moniker are unsurprisingly less so. In the past year an eye-watering 309% more Millennials have bought directly from an SMS and 195% more have purchased digital content than Boomers.

It's also worth noting that Millennials are consistently the most active age group when it comes to mobile usage across the following actions:

**51%**

Purchased something because of an email viewed on a mobile phone

**62%**

Purchased a product or service in an app from a mobile phone

**66%**

Used a mobile phone while in a store to research or help decide to make a purchase

**61%**

Received or sent money from a mobile phone to another individual

**56%**

Purchased digital content via a mobile phone

**51%**

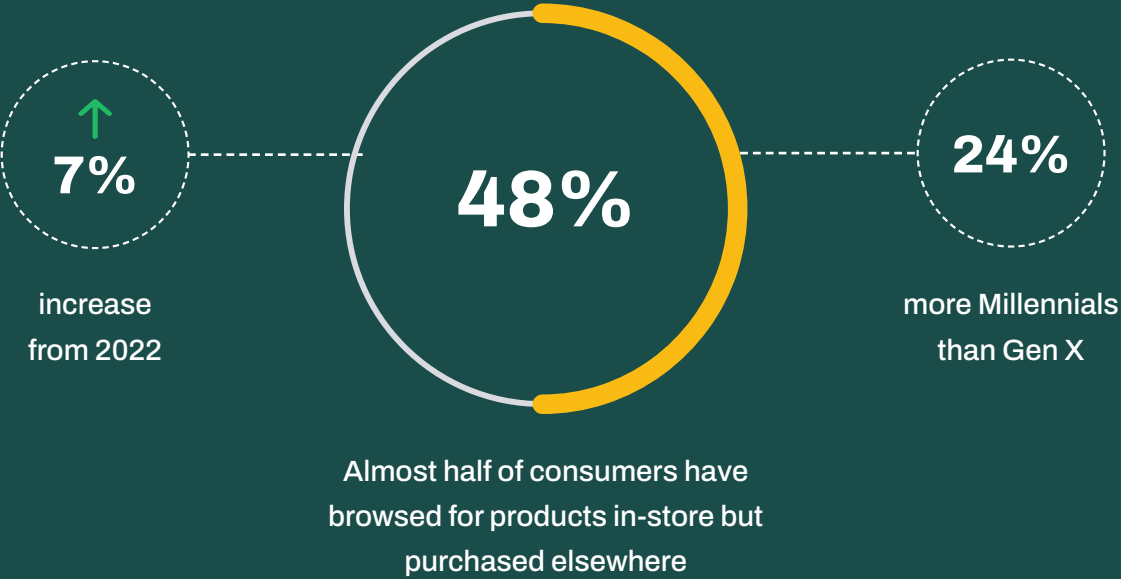
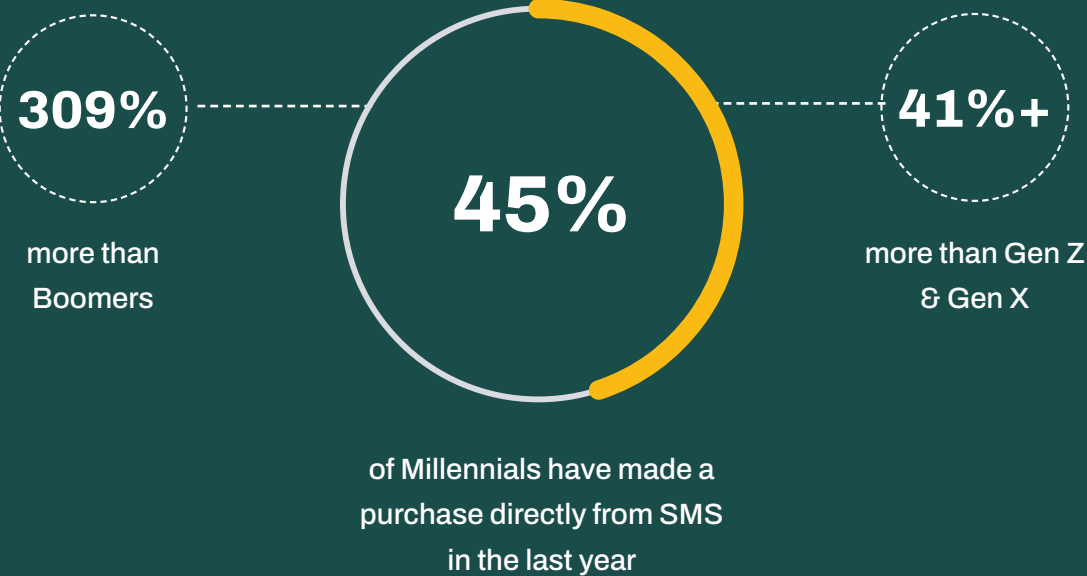
Browsed for products in a physical store but purchased online

**45%**

Purchased something because of an SMS or MMS message received on a mobile phone

This all points to the significance for brands to have a full-fledged mobile strategy and thinking of a smartphone as a collection of highly accessible touchpoints to make a brand much more accessible to the consumer. It's clear that if you are not listening to these multiple touchpoints across various channels, or if you can't activate that data and provide a relevant and real-time reaction on mobile, your customers will be purchasing from someone else.

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



# 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. Above all else, a resounding 90% like consistent shopping experiences, irrespective of the channel (6% higher than global consumers). 87% of U.S. consumers have a favorite brand as it rewards them for their loyalty (7% higher than global consumers), 86% of U.S. consumers like brands to treat them as an individual in their messaging (8% higher than global consumers), and well over three-quarters (79%) favor a brand's messaging that treats them like a VIP (20% higher than global consumers).

Irrespective of age demographic, the overwhelming majority of U.S. consumers, when thinking about how their favorite brand communicates with them, want the relationship to go beyond the purely transactional. As far as U.S. consumers who want messaging from favorite brands to “surprise and delight” them, only 63% of Boomers desire this tactic whereas both Gen Z and Millennials both saw 83% expecting this.

U.S. consumers are a discerning bunch, demanding more personalization than ever in the messages they receive and noticeably higher than global consumers too. Across all age groups, over 84% want to be treated as an individual and over 77% want brands to strive to develop a relationship, with 86% of Millennials topping out that desire. U.S. respondents also felt 20% more like they wanted to be treated as a VIP by their favorite brands than other global consumers. 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



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

Almost half of U.S. consumers (45%) describe the relationship with their favorite brand as they communicate as and when necessary, although Boomers heavily skew the numbers with 65% identifying this way - 38% higher than Gen Z, 132% higher than Millennials and 67% higher than Gen X. Messaging all these differing demographics when necessary is a sweet spot you learn through progressively getting to know your customer.

Almost a quarter of U.S. consumers (24%) describe the relationship with their favorite brand as one that understands them, 14% higher than consumers from around the globe. Intriguingly, 23% of U.S. consumers receive messaging from their favorite brand that makes them feel like a VIP - a huge 77% rise on the rest-of the world.

So although it can be tempting to blast your latest offering to your entire database, consumers are clear, your communication frequency should be 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.



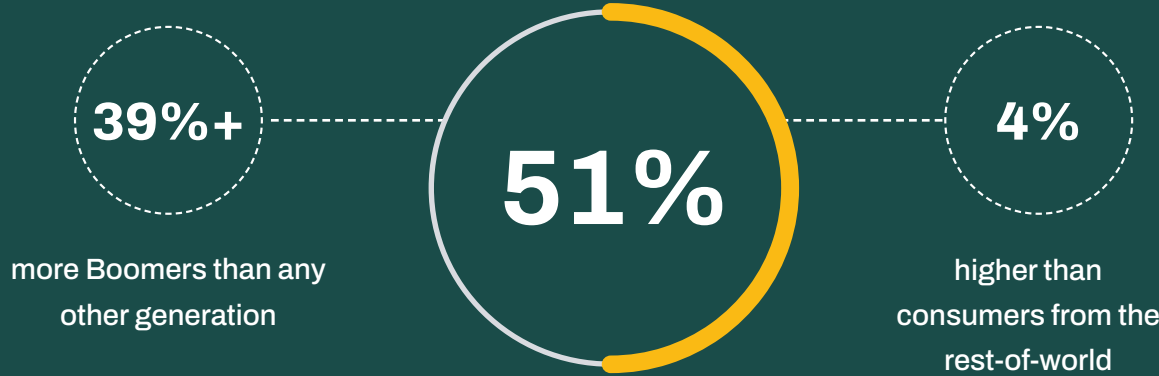
# U.S. Consumers Have Had Enough, It's Time to Truly Personalize Your Messaging

U.S. consumers are frustrated with the lack of personalized messaging they are receiving, with over half of them feeling irked by irrelevant content or offers (51%), with this creating significantly more friction for Boomers at 68%. In the data economy, where brands have huge portfolios of data on their customers, the numbers tell us personalization initiatives are getting worse, not more attuned - 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. This is where zero-party data can help marketers match content, messaging and offers to the right individual.

Half of U.S. consumers (50%) are frustrated by receiving messages that don't reflect their wants and needs. A big 14% jump on 2022 and 25% higher than consumers from the rest-of-the-world. 39% felt irked when they received messaging based on information about them that hadn't been shared directly with the brand (15% higher than consumers from the rest-of-the-world) and 38% were irritated when they received messaging that didn't recognize their shopping or loyalty history (a 9% increase since 2022 and 23% higher than consumers from the rest-of-the-world).

Truly personalized messaging is the core of relationship marketing, and delighting customers for the long haul. This means collecting, understanding and activating more zero-party data throughout their entire messaging strategy.

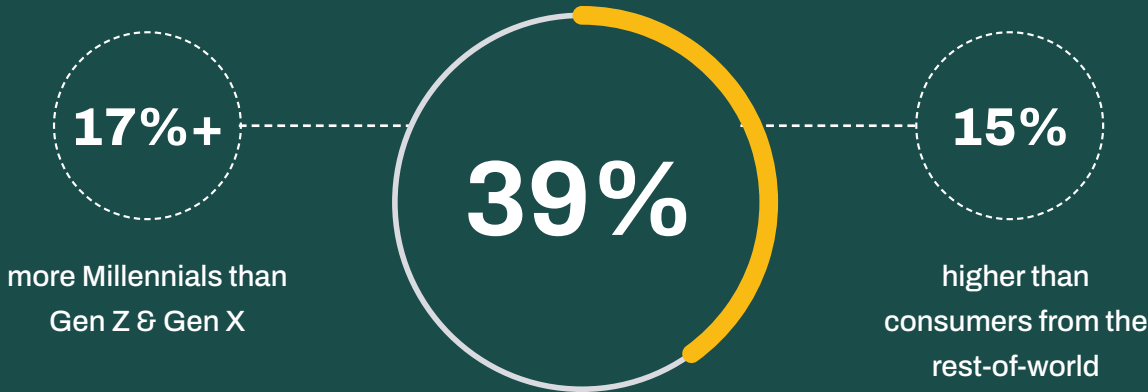
# U.S. Consumers Have Had Enough, It's Time to Truly Personalize Your Messaging



Over half of U.S. consumers felt frustration when they received irrelevant content or offers



Half of U.S. consumers felt frustration from messaging that doesn't reflect their wants and needs



of U.S. consumers felt frustration when they received messaging based on information they hadn't shared directly with the brand



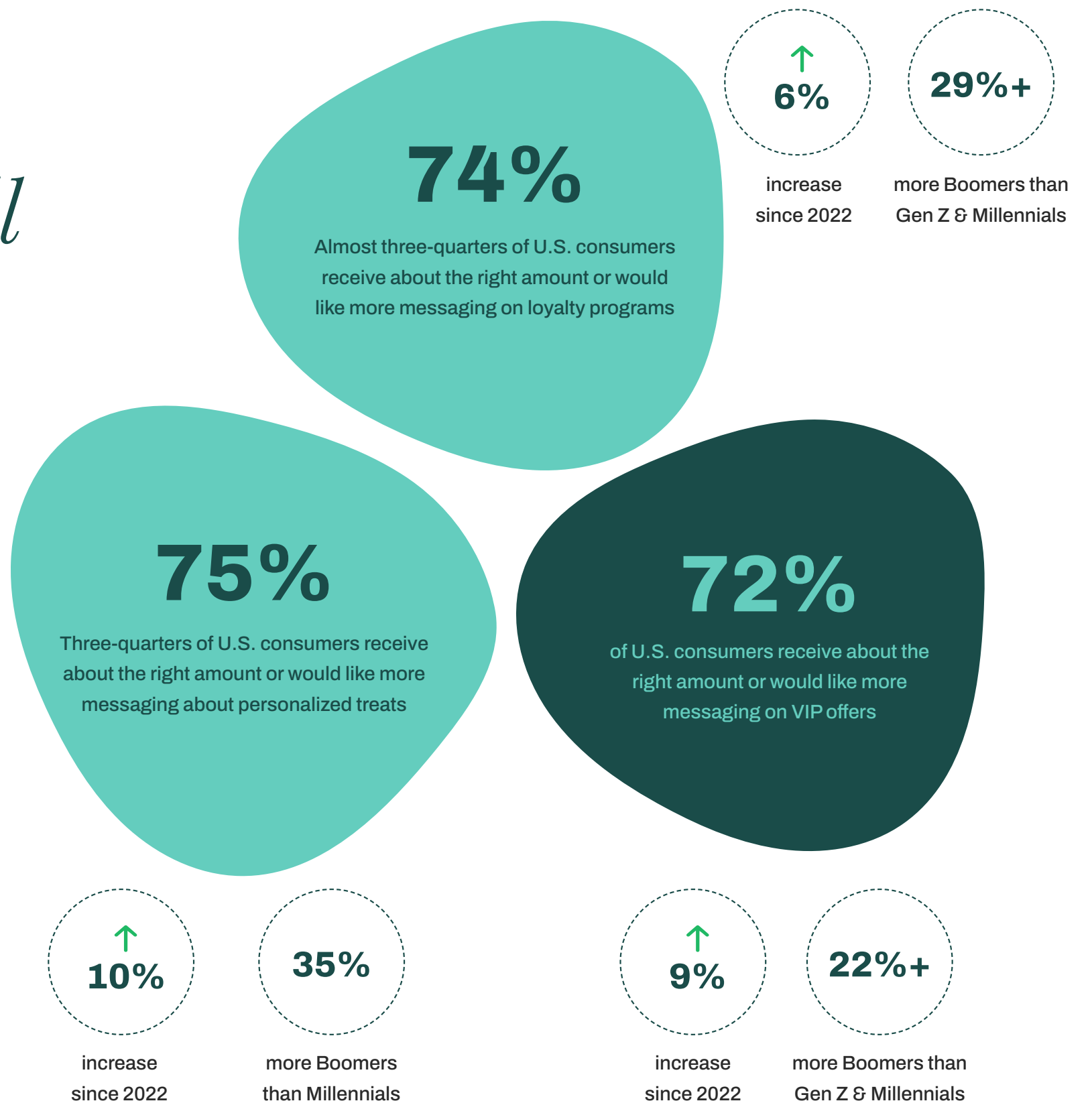
of U.S. consumers felt frustration when they received messaging that didn't recognize their shopping or loyalty history

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

Whether through email, apps, social media or SMS, U.S. consumers are 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 U.S. consumers feel they get served the “right amount of” or “want more of,” the content topics include brand discounts (74%), brand-purpose related activities (61%), loyalty program information or offers (74%), VIP offers (72%), personalized treats such as birthday offers (75%), free delivery (73%), and sales promotions (63%).

In fact, consumers are not just content — in some cases, they crave more. There have been year-on-year increases in U.S. consumers who want more messaging on brand discounts (6% increase), loyalty program information or offers (14% increase), free delivery (6% increase) and sales promotions (9% increase).

Across the board Boomers are hankering for more messaging than their younger counterparts, so segmenting your database and 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. Other notable areas where consumers ‘want more’ would be 19% of Gen Z asking for more VIP offers rewarding their actions as a valued customer and 21% of Gen Z desiring free delivery, with only 13% of Gen X asking for this to increase.



The background is a solid teal color. A large, thin teal arc starts from the left edge, curves upwards and to the right, and ends near the bottom right corner. A thin green line forms a triangle that starts from the top left, goes down to the bottom left, and then goes up to the top right, crossing the teal arc.

# Brand Loyalty



# *U.S. Consumers Are the Most Loyal in the World*

With rising gas prices, inflation and an impending recession dominating the news cycle, it would be reasonable to expect that price would be king (or President) when U.S. consumers are ready to make a purchase. However, not only are 72% happy to pay more to purchase from their favored brands, but this number is 31% higher than their global peers.

Merely 18% of U.S. consumers identify as not being loyal to any particular brands, 42% lower than global consumers. Millennials are the leading cohort identifying as being prepared to pay more to purchase from a favored brand (83%) and conversely only 11% are not loyal to any brands.

of U.S. consumers will pay more to purchase from their favored brand

72%

31%

higher than consumers from the rest-of-world

41%

more Millennials than Boomers

↑  
9%

increase since 2022

9%+

more Gen Z than any other generation

70%

of U.S. consumers buy frequently from the same company but are not loyal to that brand

42%

fewer than consumers from the rest-of-world

48%+

fewer Millennials than Gen Z & Boomers

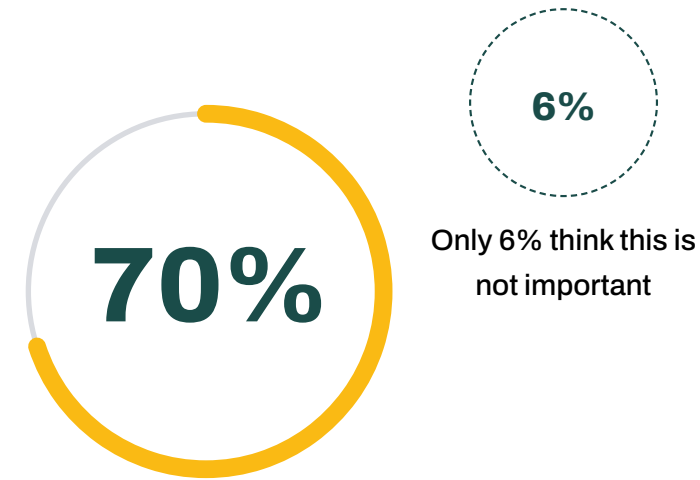
Only 18% of U.S. consumers are not loyal to any particular brands

18%

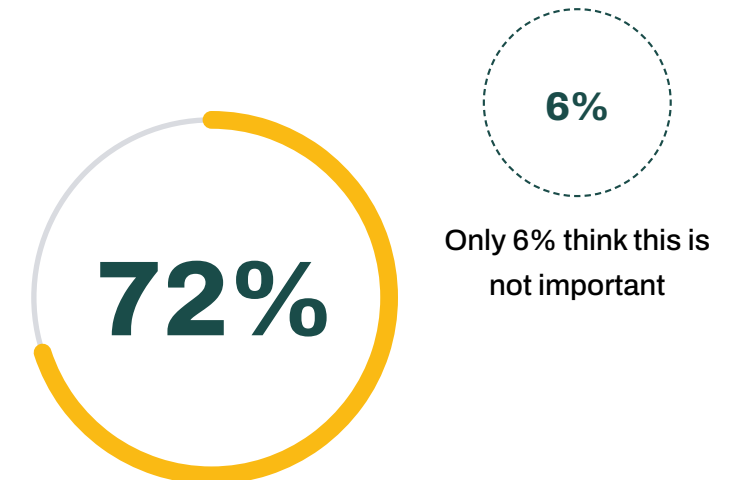
# Top Loyalty Drivers

Loyalty begins when a customer feels emotionally connected to your business, to the point that interacting with your brand and 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 U.S. consumers find important or critically important are fairly simple: have a great product or service (81%), good customer service (83%), product availability (82%), complemented by a plentiful range of options (82%).

Where a brand can really differentiate from its competitors may lie among other factors. 72% of U.S. consumers state a brand's website or mobile app is key to keeping them coming back - 6% higher than global consumers. 70% love its loyalty program (4% higher than global consumers), 62% value working hard to build a relationship (11% higher than global consumers) and 80% want robust data privacy policies (3% higher than global consumers). Investments in improving these areas will ensure a long-term return and happy customers.



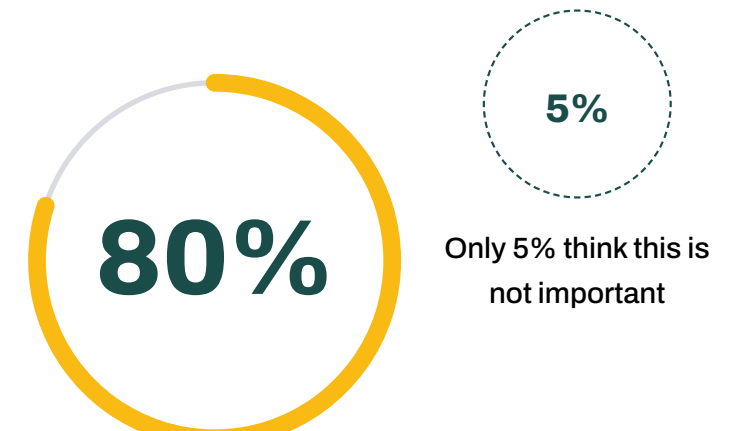
of U.S. consumers think the loyalty program of their favorite brand is important or critically important



of U.S. consumers think the mobile app and website of their favorite brand are important or critically important



of consumers think their favorite brand working hard to build a relationship with them is important or critically important



of consumers think the data privacy policies of their favorite brand are important or critically important

# Top Loyalty Drivers By Age

When looking at these top loyalty drivers by age group there are some nuances that need to be considered. In the age of true personalization, these stats can help you hone in on the key factors that will attract and retain customers when you start to understand them as individuals. Brands need to strive to deliver on all of these factors, but this chart will help you understand what your core audience (by age at least) ranks as critically important or not a factor driving their loyalty. These stats share the age groups that care the most and the least about each of the 10 loyalty drivers.

## How Important are the Following in Retaining Your Loyalty to Your Favorite Brands?

|  | Not at all Important |             | Critically Important |                     |
|--|----------------------|-------------|----------------------|---------------------|
| Quality of products or services            | 9%                   | Millennials | 48%                  | Boomers             |
| Customer service & support                 | 5%                   | Gen Z       | 39%                  | Millennials         |
| Data privacy policies                      | 3%                   | Millennials | 57%                  | Boomers             |
| Product availability                       | 4%                   | Gen Z       | 43%                  | Millennials         |
| Mobile app or website                      | 12%                  | Boomers     | 34%                  | Millennials         |
| Offers & promotions                        | 5%                   | Gen Z       | 36%                  | Millennials & Gen X |
| Loyalty program                            | 9%                   | Gen Z       | 31%                  | Millennials         |
| Range of product options                   | 5%                   | Gen Z       | 39%                  | Millennials         |
| Brand purpose                              | 30%                  | Boomers     | 29%                  | Millennials         |
| Brand working hard to build a relationship | 15%                  | Boomers     | 34%                  | Millennials         |

# The *Cost of Getting Loyalty Wrong*

A third of U.S. consumers (33%) have switched away from, or become less loyal to, a previously favored brand in the last year — a worrying 10% jump since 2022 and more prevalent among the younger generations. In fact, 43% of Millennials have switched away or become less loyal to a brand they had previously purchased from. 37% of Gen Z, 28% of Gen X and 20% of Boomers declared the same.

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. It's crucial to explore your own offerings to understand if they are best-in-class or lacking real value and turning customers away.

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## 33%

A third of U.S. consumers have switched away from, or become less loyal to, a previously favored brand in the last year - a 10% increase since 2022

**Gen Z - 37%**

**Millennials - 43%**

**Gen X - 28%**

**Boomers - 20%**

The largest factor for losing a customer is fairly predictable - with 40% of U.S. consumers declaring a drop in the quality of products or services turns them to a competitor. Other factors include irrelevant offers or promotions (28%), poor mobile app or website (27%), lack of brand purpose (26%) and data privacy policies (26%).

If your competitors are offering a loyalty program that offers true individualization with a clear value offering, then younger consumers will be seeking them out. Only 7% of Boomers have switched from a previously favored brand as its loyalty program wasn't up to scratch, but 24% of Gen Z, 30% of Millennials and 25% of Gen X have said the same. Knowing that your brand is doing all it can in these areas can be the difference between long term loyalty or losing customers.



# The Reasons U.S. Consumers Have Switched Away From a Favored Brand





# These Lapsed Customers *Can Be Won Back*

The great news is that over well over three-quarters (80%) of U.S. customers who stated they have switched away from a brand they were previously loyal to, can be won back with the right encouragement - 5% higher than consumers from the rest-of-the-world and consistent across different age demographics.

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 the 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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## 80%

A staggering 80% of U.S. consumers who have left a brand they were previously loyal to say they can be won back

5% higher than global consumers





# Loyalty Program Participation *Is on the Rise*

U.S. 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. In fact, over half of U.S. consumers (52%) intend to increase their participation in loyalty programs over the coming year, an astonishing 30% higher than consumers from the rest-of-the-world. Merely 5% of U.S. consumers declared they are less likely to participate in a loyalty program than last year, and this number is a sizable 44% less than global consumers.

Breaking down the ages of those that said they are more likely to participate in a loyalty program during 2023 versus 2022 shows 52% being Gen Z, 67% Millennials, 57% Gen X, and 33% Boomers.

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.

U.S. consumers' sophisticated stance doesn't just show they are 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.



higher than consumers from the rest-of-world



more Millennials than Boomers



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

The term loyalty program is all-too-often used when actually referring to a rewards program. A rewards program is simply points-for-prizes, and although it can be highly effective in driving sales, it will do little to enhance long-lasting brand loyalty. Earning customer loyalty demands much more, and brands should be using value exchanges that drive deeper engagement through emotional loyalty.

U.S. consumers love a discount in return for repeat purchasing with 61% claiming this as a driver. 85% of Boomers stated this keeps them coming back with 70% of that age group also highlighting loyalty points as a carrot worth dangling - both of those tactics resonate significantly higher with Boomers over younger generations.

What is exciting for proactive marketers is that U.S. consumers love the added-value offerings from loyalty programs that can make your brand unique. The more youthful generations are particularly receptive to value exchanges that go beyond the traditional 'discounts and points' schemas.

When it comes to Millennials, for example, 33% want personalized product recommendations, 34% want brands to communicate with them on the channels they prefer, 27% want sweepstakes, 24% want to feel part of a brand's community and 21% want to receive brand recognition.

The results make it obvious that U.S. 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.



# What U.S. Consumers Actually Want From Loyalty Programs





# Privacy & Personalization

# Creepy Marketing Needs to be Left in 2022

Like Oscars slaps, Wordle and Salt Bae, some things are probably best left in 2022. What marketers view as exciting innovations in data gathering to drive personalization initiatives are actually viewed as rather surreptitious by U.S. consumers. With targeted ads becoming the norm, it is easy for consumers to develop a fear of being watched. Just because marketers have access to certain data (for now), doesn't mean they should collect it or use it.

Although marketers 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 think you know your customers, but nobody wants to be unpleasantly surprised by marketing efforts, especially from brands where they don't have an existing relationship. The overwhelming majority of U.S. consumers feel adverts derived from location data (62%), cookie tracking (57%), and listening smart devices (61%) are creepy, and definitely not cool. There's a serendipity between Gen Z and Boomers who identify strongest this way with Millennials being the most indifferent.

But U.S. consumers do like personalization, if it's not done through snooping. 81% think recommendations based on past purchases are cool, 69% like an email reminder or advert about an abandoned shopping cart and 62% think tailored offers after staying on a brand's website for a couple of minutes are cool too. These are all higher than consumers elsewhere in the world.



## What U.S. Consumers Think Are Creepy

**62%** of U.S. consumers state ads from brands I don't know based on my location data are creepy

**61% Gen Z**  
**47% Millennial**  
**54% Gen X**  
**86% Boomers**

**57%** of U.S. consumers state retargeting ads derived from third-party cookie tracking are creepy

**57% Gen Z**  
**42% Millennial**  
**54% Gen X**  
**78% Boomers**

**61%** of U.S. consumers state ads related to something they talked about near a smart device are creepy

**60% Gen Z**  
**44% Millennial**  
**56% Gen X**  
**88% Boomers**



## What U.S. Consumers Think Are Cool

**81%** A huge 81% of U.S. consumers state recommendations based on past purchases are cool

**79% Gen Z**  
**77% Millennial**  
**80% Gen X**  
**89% Boomers**

**62%** of U.S. consumers state personalized offers after staying on a brand's site for 2+ minutes are cool

**64% Gen Z**  
**64% Millennial**  
**66% Gen X**  
**56% Boomers**

**69%** Over two-thirds of U.S. consumers think an email reminder or advert about an abandoned shopping cart is cool

**69% Gen Z**  
**68% Millennial**  
**70% Gen X**  
**68% Boomers**



# The *Value Exchange* Economy



You NEED consumers' personal and preference data to bring your marketing to life, that's not in question. But how you go about obtaining this data - and converting consumers to customers - needs careful consideration. You need to offer consumers something of real, tangible value in return for their preferences, wants and needs. This is known as the value exchange economy.

U.S. consumers expect to be entertained, engaged, and receive something of value for their attention and ever-important zero-party data. That is information declared directly to your brand instead of gathered from a third party or deduced from behavior. It should include psychographic data that only the individual can provide such as their personal desires and needs related to your products and services. And in theory, this value exchange is a match made in relationship marketing utopia - marketers want consumers' information, consumers want personalized experiences, and marketers need personal information to deliver that.

And it needn't always be a red-letter prize or huge discount. Sure, 93% of U.S. consumers are prepared to trade data for a discount, 92% for loyalty points and 81% for the chance to win a prize, but a huge number of U.S. consumers are actually sharing behavioral and psychographic data for things that will add value to your brand long-term.

An astonishing 89% will impart their data in return for early or exclusive product access, 69% to unlock content (100% more Millennials than Boomers) and 64% to be part of your brand's community (179% more Millennials than Boomers).



# Offerings That U.S. Consumers Said Would Have Value to Them in Exchange for Providing Personal Data Directly to a Brand



of U.S. consumers will trade personal and preference data in exchange for unlocking content

**76% Gen Z**  
**82% Millennial**  
**71% Gen X**  
**41% Boomers**



of U.S. consumers will trade personal and preference data in exchange for feeling part of a brand's community

**71% Gen Z**  
**81% Millennial**  
**66% Gen X**  
**29% Boomers**



of U.S. consumers will trade personal and preference data in exchange for the opportunity to win a prize

**83% Gen Z**  
**88% Millennial**  
**84% Gen X**  
**71% Boomers**



of U.S. consumers with trade personal and preference data in exchange for loyalty rewards

**90% Gen Z**  
**91% Millennial**  
**93% Gen X**  
**94% Boomers**



of U.S. consumers with trade personal and preference data in exchange for early or exclusive access to products and services

**88% Gen Z**  
**90% Millennial**  
**92% Gen X**  
**87% Boomers**



of U.S. consumers with trade personal and preference data in exchange for discounts and coupons

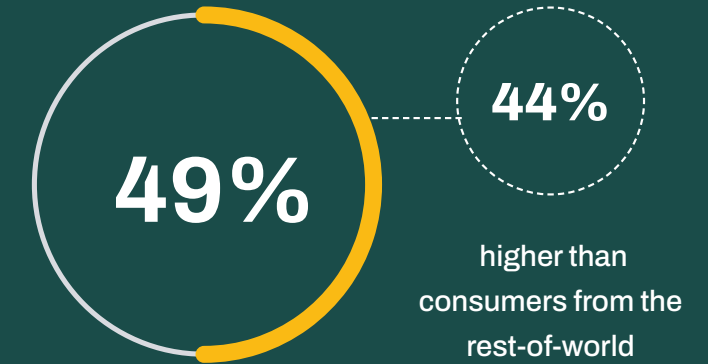
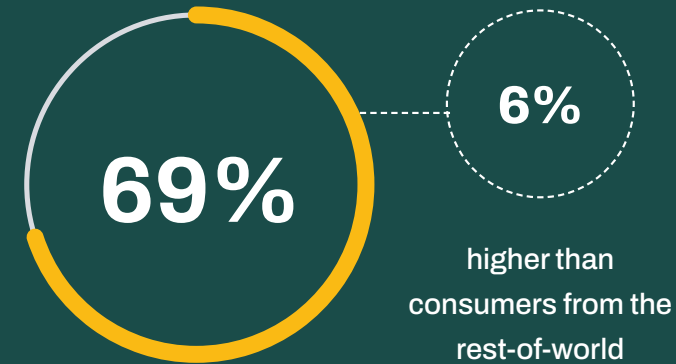
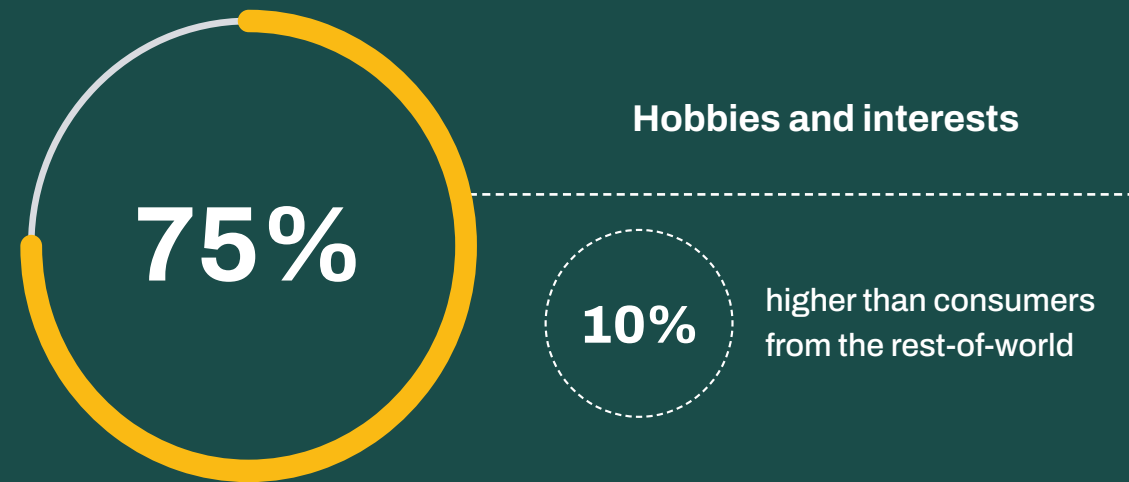
**89% Gen Z**  
**93% Millennial**  
**97% Gen X**  
**98% Boomers**

# U.S. Consumers Will Share Their Personal and Behavioral Data for a Better Service

Across the board U.S. consumers are considerably more comfortable than their counterparts around the globe sharing their personal and preference data in return for a better service from brands. Of course there is still a chasm between the data U.S. consumers will share readily, and that they're more hesitant about, but the majority of consumers are comfortable sharing their full name (63%), gender (83%), date-of-birth (69%), email address (74%) and cell-phone number (54%). Predictably, Millennials are the most laissez-faire in this respect and Boomers the more privacy-conscious.

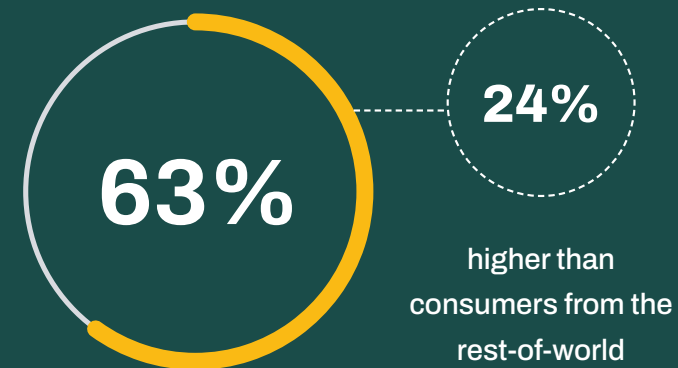
This is contrasted by just under half being content to divulge family make-up (48%), home address (46%), annual earnings (49%), location in real-time (41%), and photograph (39%). So although U.S. consumers are au fait with the data economy, the key of course, is only asking for information that truly empowers you to build more meaningful relationships with your customers and deliver on the promise of more personalized service.

Which leads to the real-story. A colossal 75% of U.S. consumers are comfortable sharing information about their hobbies in return for a better service (84% for Millennials) — 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.

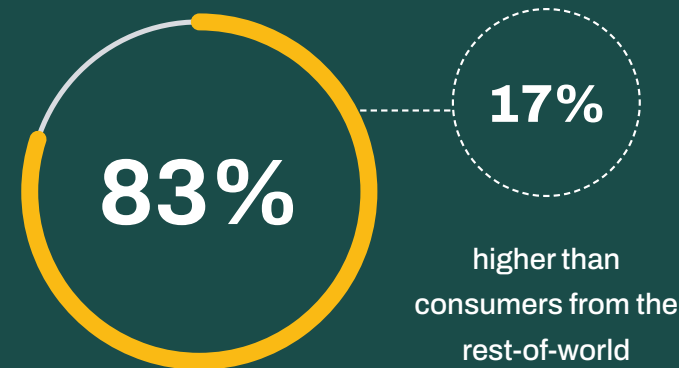


Date-of-birth

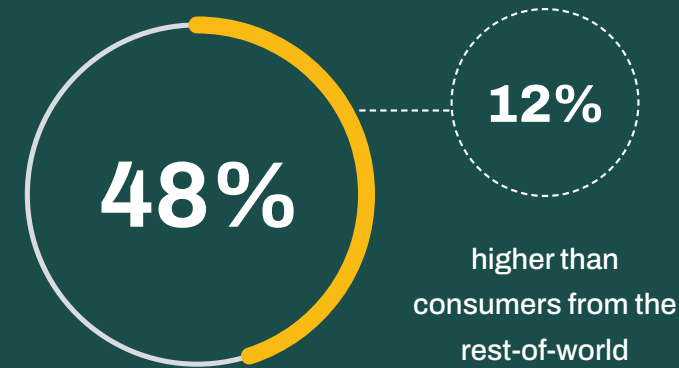
Household income



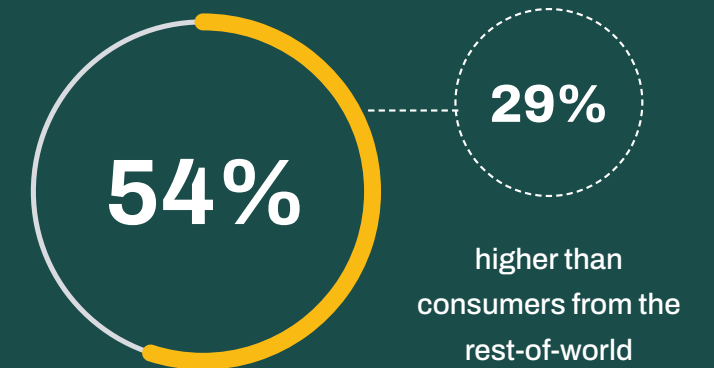
Full name



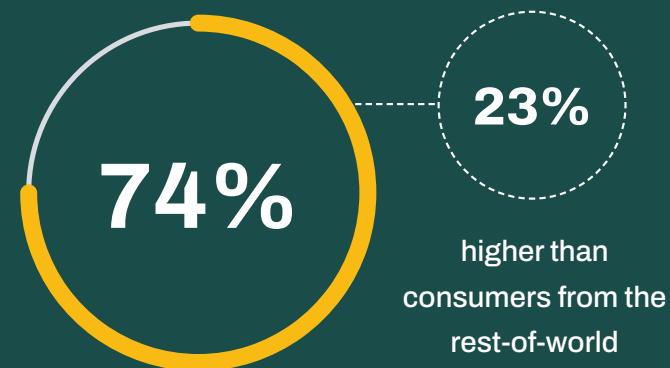
Gender



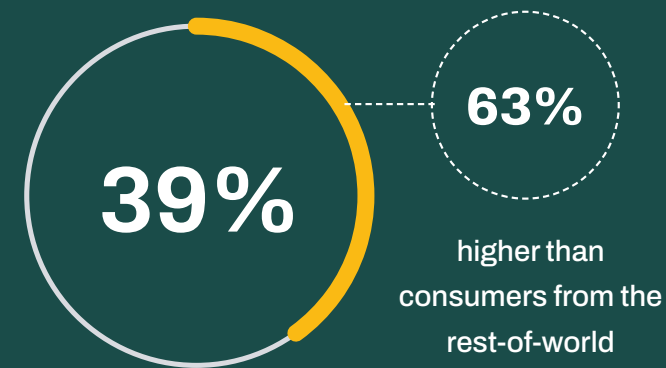
Family make-up



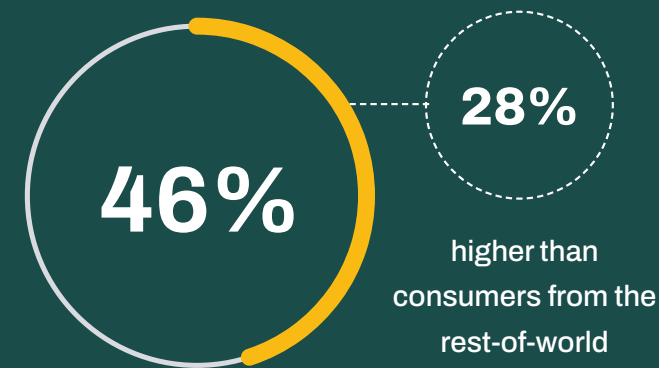
Cell-phone number



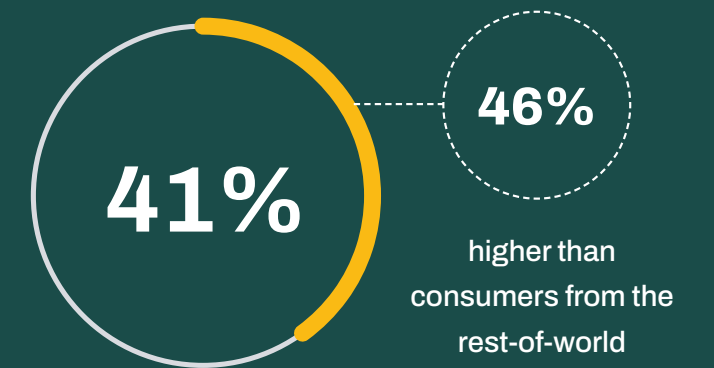
Email address



Photograph



Home address



Location in real-time



# U.S. Consumers *Are More Proactive* Than Ever When It Comes to Their *Privacy Online*

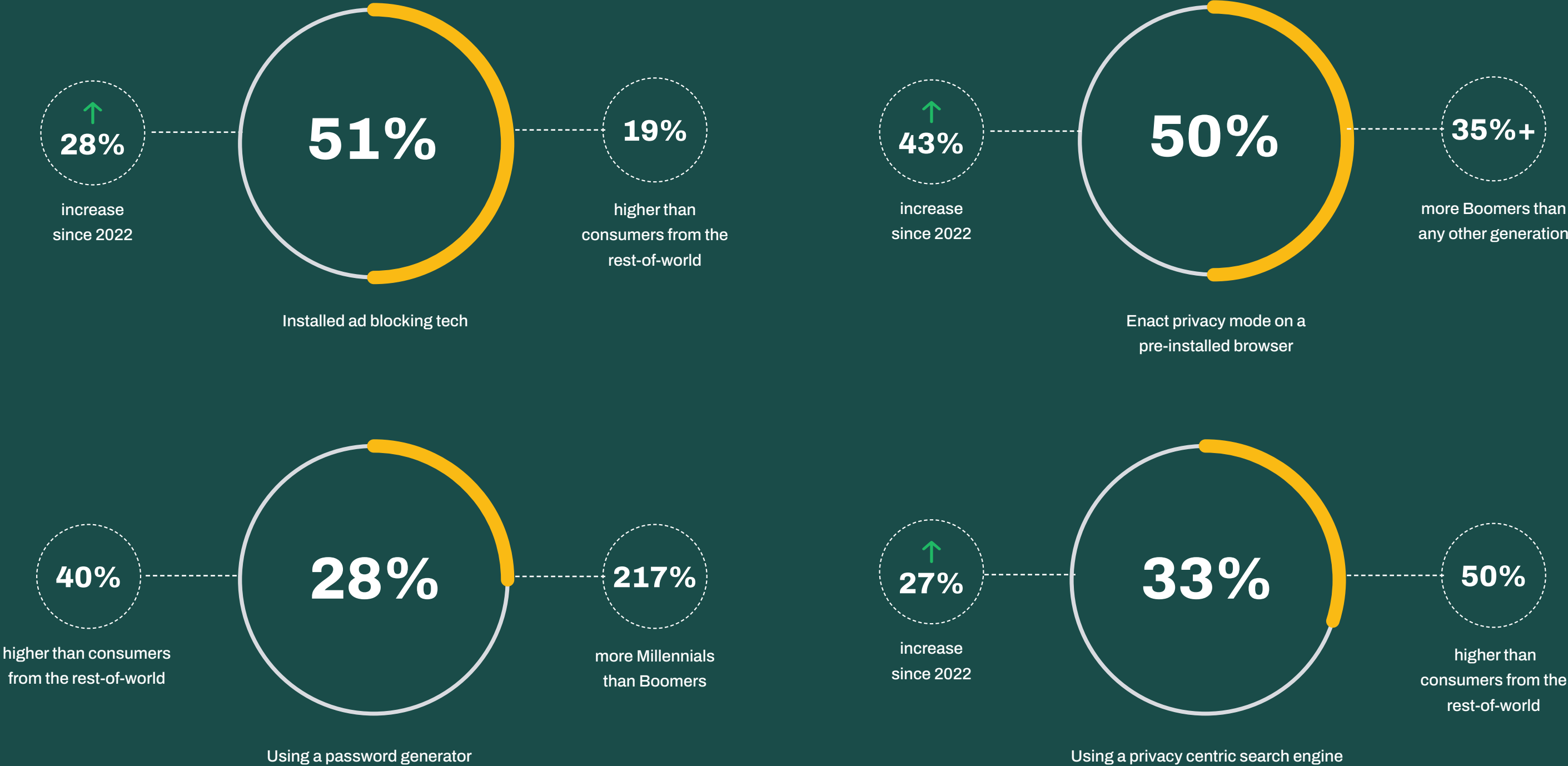
U.S. consumers are more privacy-conscious than ever and taking proactive measures to protect their data online. Over half of U.S. consumers (51%) are going to the trouble of installing ad blocking technology - a 28% uplift on 2022 and 19% higher than consumers from the rest-of-the-world. This uptick in adoption, complemented with the demise of third-party tracking cookies, make it abundantly clear that the impact of advertising efforts based on snooping and third-party data is waning, quickly.

Half of U.S. consumers (50%) are using privacy mode on a pre-installed browser, 41% a cookie cleaner, 33% privacy-centric search engine, 33% paid for premium software and 45% a password manager.

And it's not just Boomers protecting their privacy online, cookie cleaners, privacy-centric search engines, password managers and password generators are more prevalent with younger consumers.

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 not searching for ways to circumvent privacy tech, but focusing on forging honest, meaningful relationships. This means the importance of owned channels like email, SMS, as well as web and app messaging, are more effective investments in building relationships with consumers. Those channels have little to no censorship and can attain nearly 100% deliverability rates. It also means collecting only the data required to deliver better personalized experiences and that which a consumer is happy to share with you.

# Privacy Protection Tactics that *U.S. Consumers* Are Adopting





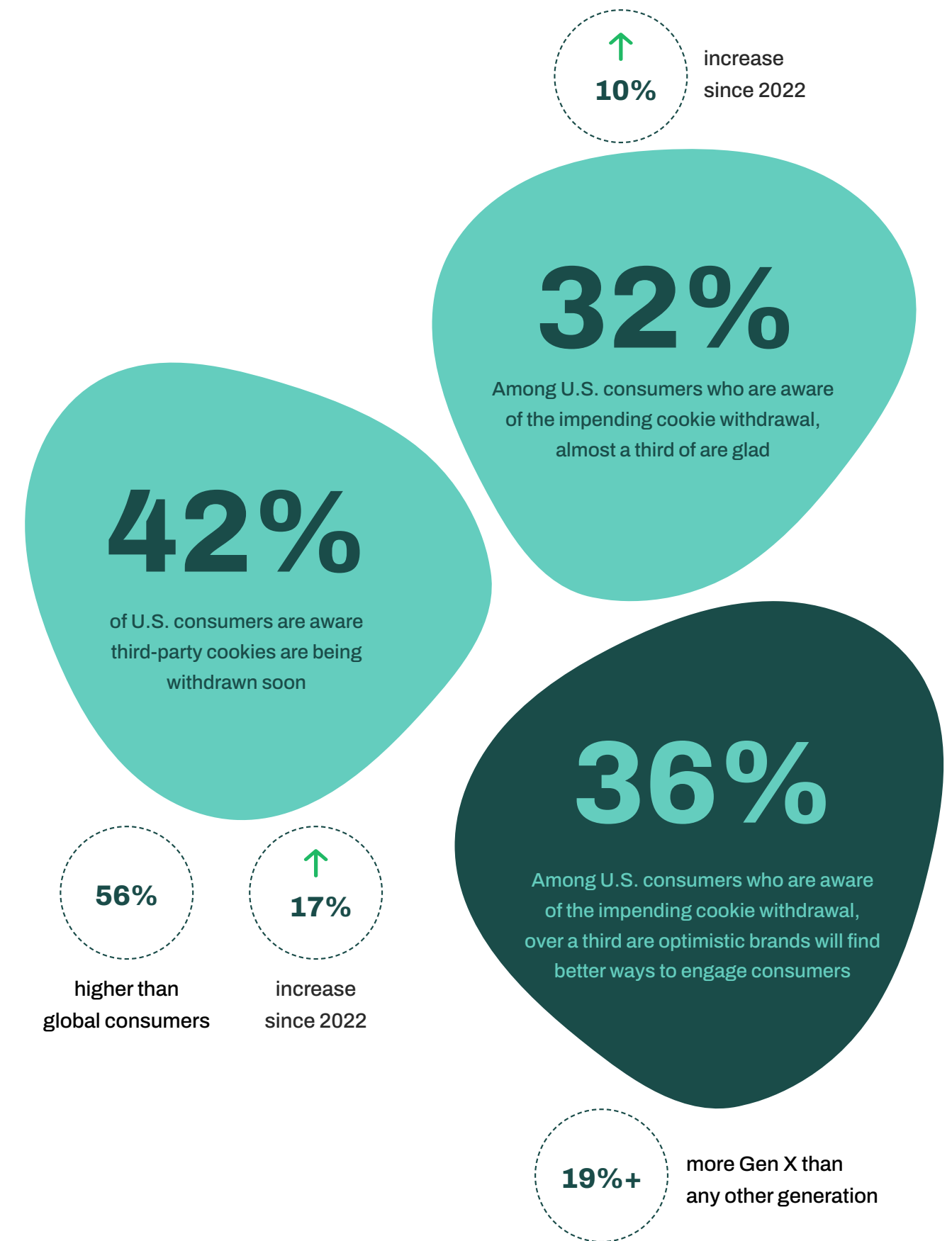
# The *End* of Third-Party Tracking Cookies

As Google edges closer to comprehensively curtailing third-party tracking cookies (slated for Fall 2024 - Firefox and Safari already have), the way in which marketers connect with consumers is undergoing radical change. For decades, cookies have been the nucleus of the online advertising ecosystem, driving awareness and sales. But since the first banner ad from AT&T in 1994, which boasted a 44% click-through rate, ads today are performing well if they accrue a mere 0.1% CTR.

When compared to their peers elsewhere, U.S. consumers are far more cognizant of these huge changes to the digital advertising landscape. 42% of U.S. consumers are aware that third-party cookies are being withdrawn, a 17% uplift since 2022 and a hefty 56% higher than global consumers. Age stereotypes ring true with 64% of Millennials up-to-date with this news compared to 13% of Boomers.

When conflated with a sizable drop in U.S. consumers buying from banner ads (36% decrease since 2022) and the increased adoption of ad blocking technology (28%) it's clear that U.S. 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.

Although a win for consumers, this juncture is also a chance for marketers that are ready to commit to a comprehensive relationship marketing strategy. One that is transparent and listens to consumers, as individuals. Of course, the loss of cookies will inevitably make it more difficult for marketers to track users online and serve them targeted advertising across a myriad of websites and apps. But for those marketers that power their advertising and marketing initiatives with first- and zero-party, this time of digital disruption is actually one of digital opportunity.



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# The Looming Recession

# U.S. Consumers *Are Pessimistic* About the Rising Cost of Living

Inflationary pressures, rising energy prices, an impending recession and other personal monetary concerns are going to bring acute financial hardship for many U.S. 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.

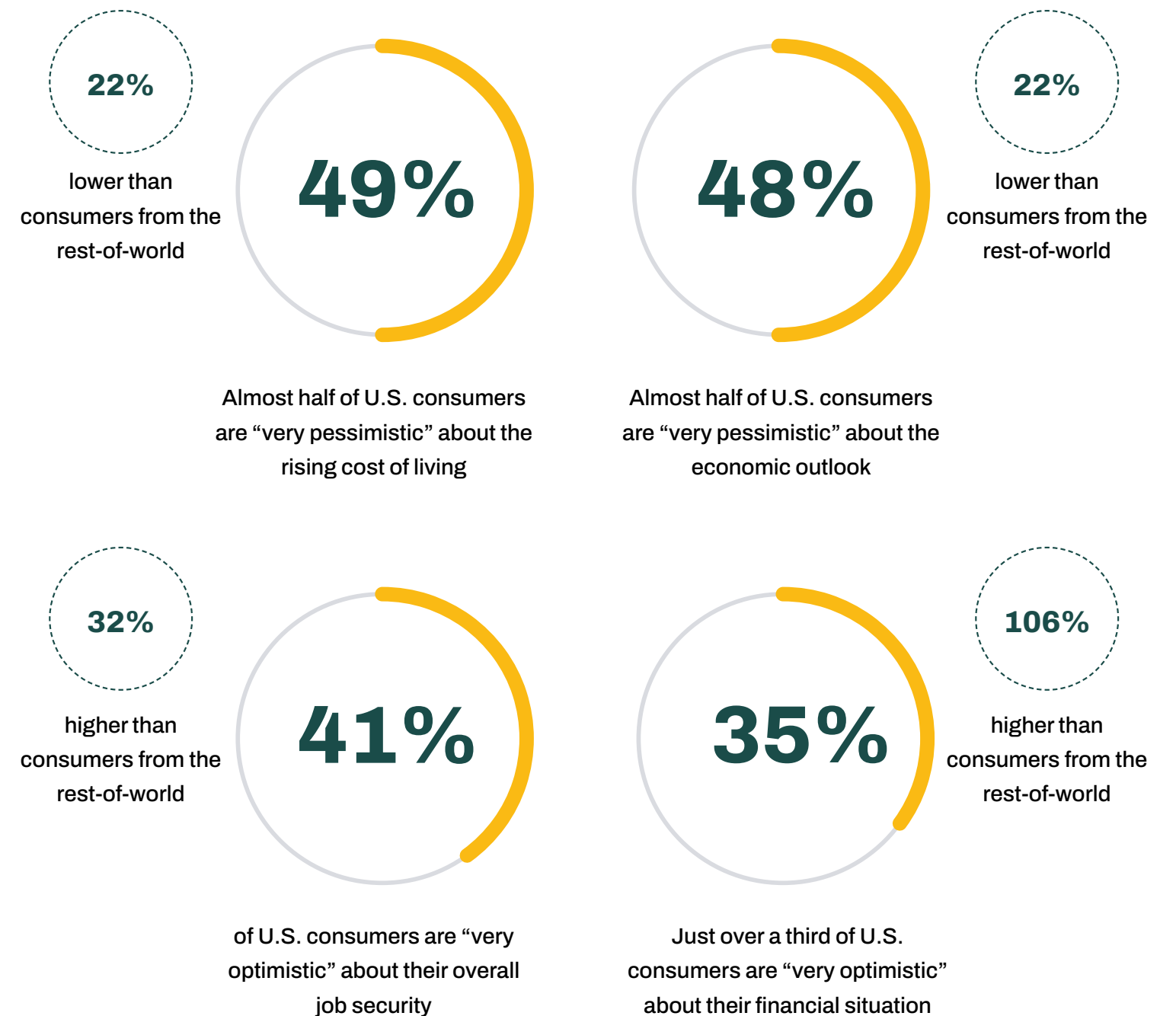
Almost half of U.S. consumers (49%) are "very pessimistic" about the rising cost of living – a sizable amount, but 22% lower than consumers from the rest-of-world. A third of U.S. consumers (32%) feel "very optimistic" about the cost of living - 100% higher than consumers elsewhere. Less than a third of U.S. consumers (29%) are "very optimistic" about the economic outlook, backed-up by cautious enthusiasm for job security (41%) and personal finances (35%).

Although U.S. consumers are far more optimistic than their peers elsewhere, with soaring costs, many consumers will look for value when purchasing. There are however only so many opportunities for brands to reduce costs before they start cutting corners — strategies such as shrinkflation quickly attract negative attention.

Brands also need to consider how they are providing real, measurable value via their loyalty programs. Consumers will be looking to their loyalty rewards as its own economy that may help offset the outlay of cash across purchases from dinner, travel, furniture and more. Marketers must have a real understanding of, and empathy for, customers' evolving needs in these trying economic situations.

Zero-party data will also be crucial to accurately identifying individual consumer needs and delivering the right message, with the right offer, at the right time, and in the right channel. As Robert H. Schuller perfectly coined it: "Tough times don't last. Tough people do."

## U.S. Consumer Concerns Related to Economic Conditions



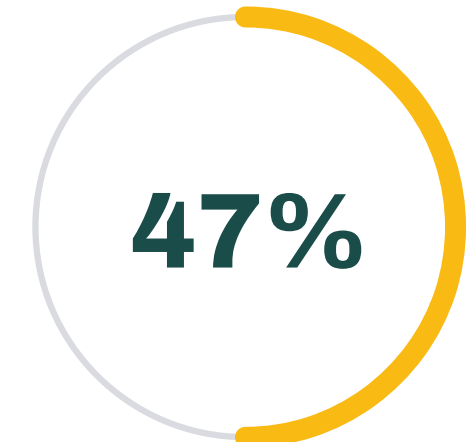
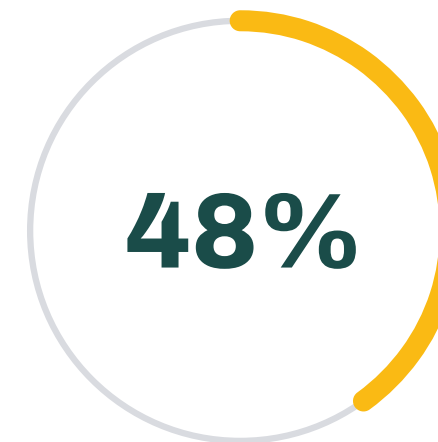
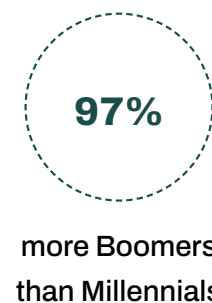
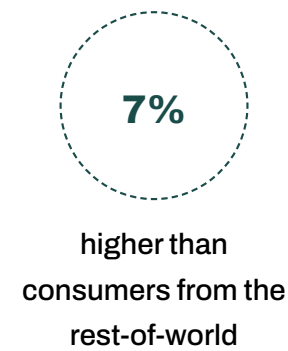
# U.S. Consumers *Will Rely on Loyalty* Benefits to Assuage the Recession

Half of U.S. consumers (50%) will be making less impulsive purchases, with a similar amount extending the research and consideration phase (55%). Predictably, 47% will wait as long as possible before purchasing — hoping the product goes on sale. What should pique every marketer's interest is that almost half of U.S. consumers (48%) will rely on loyalty benefits more than previously.

While Boomers (65%) and Gen Z (56%) will be making less spontaneous purchases, 67% of Millennials say they will be doing more or about the same number of quick purchases irrespective of cost - reinforcing the need for a multi-faceted approach to these very different cohorts.

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.

## How Economic Conditions Will Change Purchase Behavior in The U.S.



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# Consumer Sentiment by Industry



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

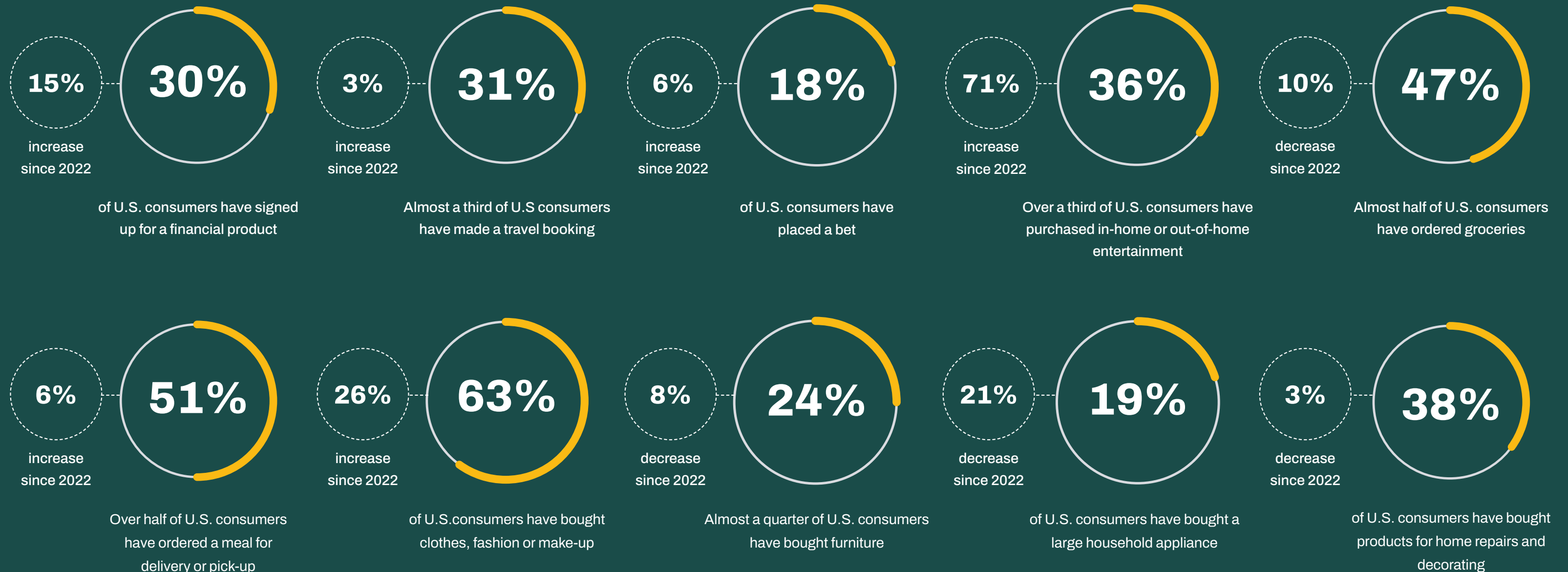
The pandemic forced many U.S. consumers online for the first time, but many have stayed even with brick-and-mortar stores back open. Pre-2020, many industries viewed technology as a means to save money and reduce unnecessary spending. However, recent digital transformations offer brands tremendous opportunities 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.

In financial services, travel, casual dining, there have been year-on-year increases in U.S. consumers purchasing online, with huge jumps in those buying entertainment (subscriptions) and fashion. The noticeable drops are in furniture, household appliances, and DIY, which for many were pandemic projects.

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



# Trust in Brands To Deliver Personalized Marketing Is on the Rise Among U.S. Consumers

Merely a few years ago, U.S. 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 surreptitiously gathering 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.

U.S. consumers tell us they love brands who are ethical with their data, with a resounding 85% citing that their favorite brand uses their data responsibly. Trust is on the up across all industries for brands to use data to deliver personalized marketing.

## YEAR-ON-YEAR UPLIFTS IN TRUST PER INDUSTRY

**7%**

Financial Services

**10%**

Travel / Hospitality

**7%**

Food / Grocery

**22%**

Gaming / Gambling

**12%**

Beauty / Fashion

**24%**

Sports / Entertainment

**10%**

Furniture / Household Goods

**12%**

Household Appliances

**4%**

Home Improvement / Garden / Pets

**11%**

Restaurants

# Online Customer Experience Is Very 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 90% of U.S. 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 consistently around two-thirds of U.S. consumers in most industries defining the online customer experience as “excellent.” Groceries leads the way on 72%, closely followed by financial services, entertainment and dining at 65%. When it comes to “very poor,” the story is resoundingly positive with most industries polling 10% or lower.

## INDUSTRIES DELIVERING AN “EXCELLENT” ONLINE CUSTOMER EXPERIENCE

### Financial Services

**65%** **41%**  
consumers from  
the rest-of-world

### Travel / Hospitality

**63%** **7%**  
consumers from  
the rest-of-world

### Food / Grocery

**72%** **31%**  
consumers from  
the rest-of-world

### Gaming / Gambling

**59%** **40%**  
consumers from  
the rest-of-world

### Beauty / Fashion

**64%** **12%**  
consumers from  
the rest-of-world

### Sports / Entertainment

**65%** **18%**  
consumers from  
the rest-of-world

### Furniture / Household Goods

**63%** **24%**  
consumers from  
the rest-of-world

### Household Appliances

**64%** **10%**  
consumers from  
the rest-of-world

### Home Improvement / Garden / Pets

**63%** **24%**  
consumers from  
the rest-of-world

### Restaurants

**65%** **20%**  
consumers from  
the rest-of-world

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