Digital Consumer Trends Index 2021

Global Consumer Attitudes and Trends in Personalization, Privacy, Messaging, Advertising and Brand Loyalty

In conjuction with Econsultancy

A Note From

Richard Jones

CMO, Cheetah Digital

We live in strange and challenging times. Understanding consumer sentiment and their attitudes to a broad range of issues has never been more important. Whether it is advertising on platforms that don't do enough to curb harmful content, a brand's approach to sustainability, or the perception around whether a brand respects consumer privacy or not, consumers are watching closely and voting with their wallets.

As marketers, 2021 is definitely a year where we have to challenge previous assumptions that fuel our marketing mix and the investments we make. For example, 79% of consumers would prefer it if brands pulled back on advertising on Facebook and instead invested in loyalty programs to reward them for their business.

Marketing fundamentals, like approaches to personalization, if not done right now run the risk of being viewed by consumers in ways that can damage brand reputation and revenue. Highlighted by 52% of consumers declaring adverts on social media sites, generated from cookie tracking and the like, are creepy not cool.

The rise of a more ethical consumer is playing out against a backdrop of a much needed reckoning around data, privacy, harmful content, social justice, and disinformation that is impacting many aspects of society — from politics to big tech.

Speaking as part of a conference convened for International Data Privacy Day, Apple CEO Tim Cook recently said:

"Technology does not need vast troves of personal data stitched together across dozens of websites and apps in order to succeed. Advertising existed and thrived for decades without it, and we're here today because the path of least resistance is rarely the path of wisdom. If a business is built on misleading users on data exploitation, on choices that are no choices at all, then it does not deserve our praise. It deserves reform.

We should not look away from the bigger picture. In a moment of rampant disinformation and conspiracy theories juiced by algorithms, we can no longer turn a blind eye to a theory of technology that says all engagement is good engagement, the longer the better, and all with the goal of collecting as much data as possible.

It is long past time to stop pretending that this approach doesn't come with a cost. A polarization of lost trust, and yes, of violence. A social dilemma cannot be allowed to become a social catastrophe."

The practice of targeting ads based on invasive user tracking has fueled the internet economy for a decade, and the algorithms that keep our attention have undoubtedly led to a polarization of beliefs and sowed the spread of harmful content and conspiracy theories on the platforms that consume the largest shares of our digital ad dollars.

Before everyone started carrying internet-connected computers with them everywhere, there were much lower levels, both on how much surveillance was possible and how much attention companies could monetize. As a marketer, there is much to think about it. Consumer attitudes are changing fast and we need to make sure we don't fall foul of that, or get hurt in the crossfire of the big tech battle around what vision of the internet wins out.

There are some obvious conclusions we can draw. If you are over-reliant on connecting with customers through third-party platforms like Facebook and Google, you are exposed — the more we as marketers can build direct connections to consumers on owned channels the better. The more we ask consumers for data versus snoop on them, the less exposed we will be. The more ethical we can be in how our brand responds to questions of data privacy, the spread of harmful content, social justice, and sustainability, the more attractive we will be to our customers.

Encouraging customer engagement with a value exchange that respects not just their purchases, but their emotional loyalty, will protect our brand's long term future. In doing so, we will also understand our customers' preferences, motivations, and desires in a way that circumnavigates the personalization and privacy paradox that much of "Big Tech" and "Ad Tech" have fallen into. This is driven by a desire to juice profits with ever more targeted advertising derived from invasive tracking of consumer behavior.

In 2021, marketers will need to decide which side they are on. Our increasingly digitally savvy consumer audiences will be watching.

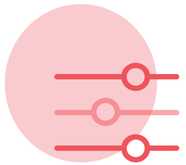
Key Takeaways

While the global pandemic has led to a rise in idle thumbs scrolling social channels, almost 2/3 of consumers prefer to buy from brands that do not advertise on Facebook, and a staggering 79% would rather brands invest in loyalty programs than social advertising.

When it comes to driving sales, email beats banner ads, social media native apps, organic posts, and SMS by up to 92%, with almost half of consumers reporting they have purchased a product directly as a result of an email they received in the last 12 months.

Consumers are becoming more conscientious, whether it is selecting brands because of their approach to sustainability, or their stance around advertising on platforms that don't do enough to curb harmful content. 58% of consumers have switched brands for ethical reasons — marketers need to heed the rising expectations of the ethical consumer.

Consumers are loyal by nature, with 2/3 prepared to pay more or wait longer to purchase from a preferred brand. We have seen a decrease in consumers expecting a discount in return for their loyalty with exclusive access, personalized product recommendations, brand recognition, and community growing drivers of consumer loyalty.



The majority of consumers want to receive personalized content and offers from trusted brands and will readily share personal and preference data for it. However, this is from data they have proactively shared with the brand, they do not feel comfortable with cookie-fueled ads or location tracking — they see this as creepy marketing.

Executive Summary

In the wake of the COVID-19 pandemic, consumers' digital expectations have risen exponentially. With bricks-and-mortar stores recurrently closed for business, digital natives have been joined online by consumers who traditionally choose bricks over clicks.

These digital newbies demand the same level of personalization online they would receive from a knowledgeable shop assistant, and they are uncomfortable with cookie tracking, snooping, or location data being leveraged to realize it — a fully-fledged digital transformation with all marketing channels connected is not a nice to have, it's essential.

Conversely, digital natives are a complex bunch with often contradictory demands. They count on watertight privacy and the right to have data erased, complemented by true personalization. They expect comprehensive loyalty programs that go beyond generic points-win-prizes incentives and discounts. The core of loyalty is not merely the cheapest price point, but a brand that can foster community, recognizes the customer as an individual, and delivers content and product recommendations that reflect this.

Like it or not, for now, the virus has changed the way we "internet." With more eyeballs than ever online, to win and maintain the custom of today's tech-savvy consumers, marketers need to connect with them on the right channel, at the right time. And although much time is spent scrolling social media feeds, avowing to an uptick in purchasing on this channel, email remains the preeminent medium, in both terms of favor, engagement, and imperatively — sales.

Privacy is now as much a differentiator as price, product, and customer experience. With global privacy legislation well established, Apple's IDFA curtailed, and third-party cookie tracking enjoying its swan song, modern marketers must pivot to first- and zero-party data to build connections with consumers.

The biggest shift we have seen in 2020 is the rise of the conscientious consumer. More than half of consumers have jettisoned a preferred brand due to its environmental, corporate, or political values and they are staunch in their want for brands to curb the amount it spends with Facebook. As consumers switch brands for ethical reasons, marketers need to skill-up and meet the rising expectations of the conscientious consumer.

These may be unprecedented times, but by building more meaningful connections with your customers, they need not be uncertain times.

Research Parameters

New global research commissioned by Cheetah Digital reveals what consumers expect from the brands they do business with online, the channels they want to connect on, and the data they're prepared to share in return for more personalized experiences at every stage of the customer lifecycle; from acquisition through to loyalty.

It shares insight from 5,065 consumers across six countries (Australia, France, Japan, Spain, the U.K., and the U.S.) as well as by age group (18-24, 25-39, 40-54, and 55-75) and gender to help digital strategists and decision-makers understand how these issues fit together to build more meaningful and lasting relationships between brand and buyer.

Messaging

Connecting on the Right Channel, with the Right Message, at the Right Time

Email Is Still The Number 1 Driver Of Sales

There are numerous touchpoints in which one should be connecting with your customer, but email is still comfortably the preferred channel of consumers for receiving offers, content, incentives, and rewards from brands.

However, rising above the noise in crowded inboxes and making that connection can be a challenge. Catchy subject lines might accrue you an open, but it's imperative you're respecting your customers' preferences and privacy, as well as delivering content that adds value.

To do this, email personalization needs to go beyond merely a first name, but offer products your customer has expressed an interest in, that fit the budget they have told you they have, and contain dynamic content that uses keywords that you know will elicit engagement from your customer — derived from preference insights and purchase motivations that they have explicitly told you. This zero-party data will empower you to deliver data-driven email, and maximize ROI from it.

This takes email personalization beyond lumping consumers into large cohorts based on tired buyer personas and delivers true personalization.

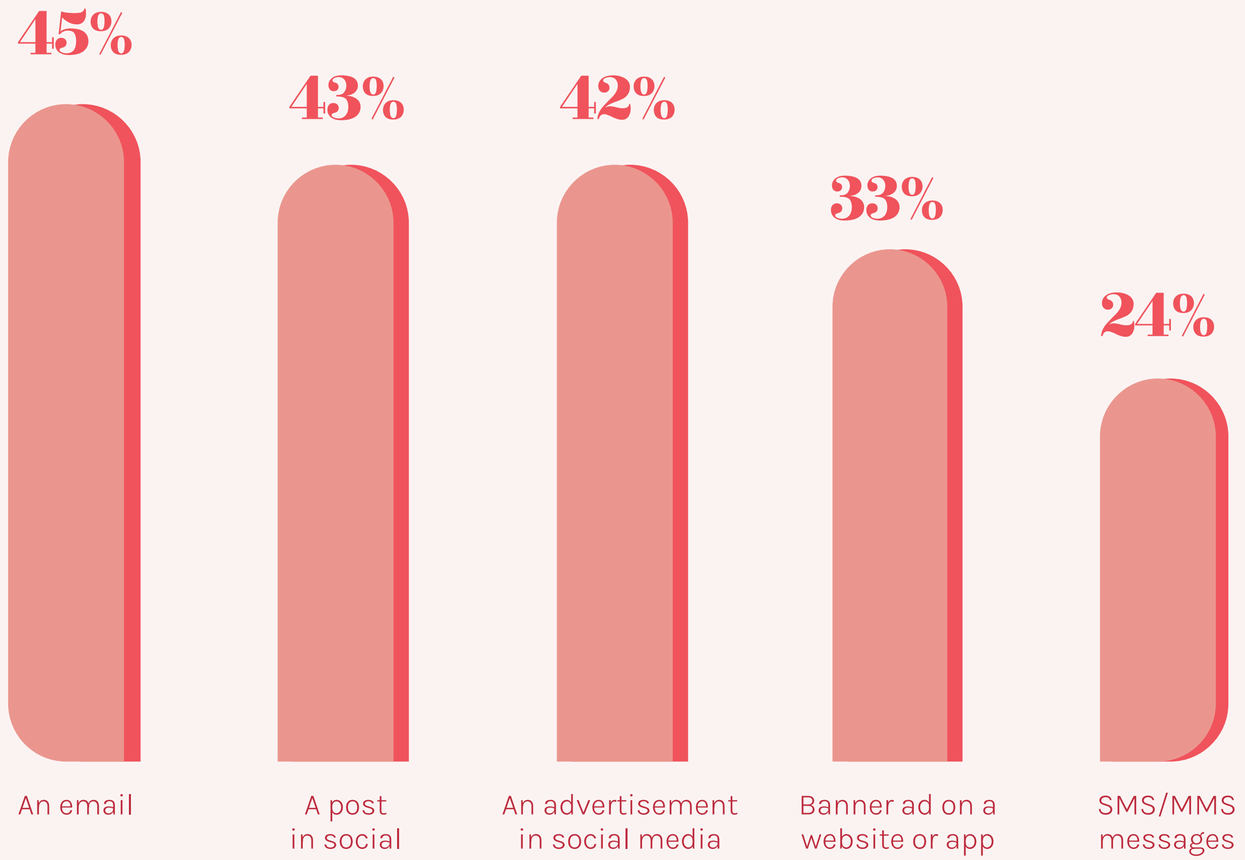
39%

Email outperforms banner ads by over 39%

92%

Email outperforms SMS by a staggering 92%

Have you ever made a purchase from any of the following in the last 12 months?

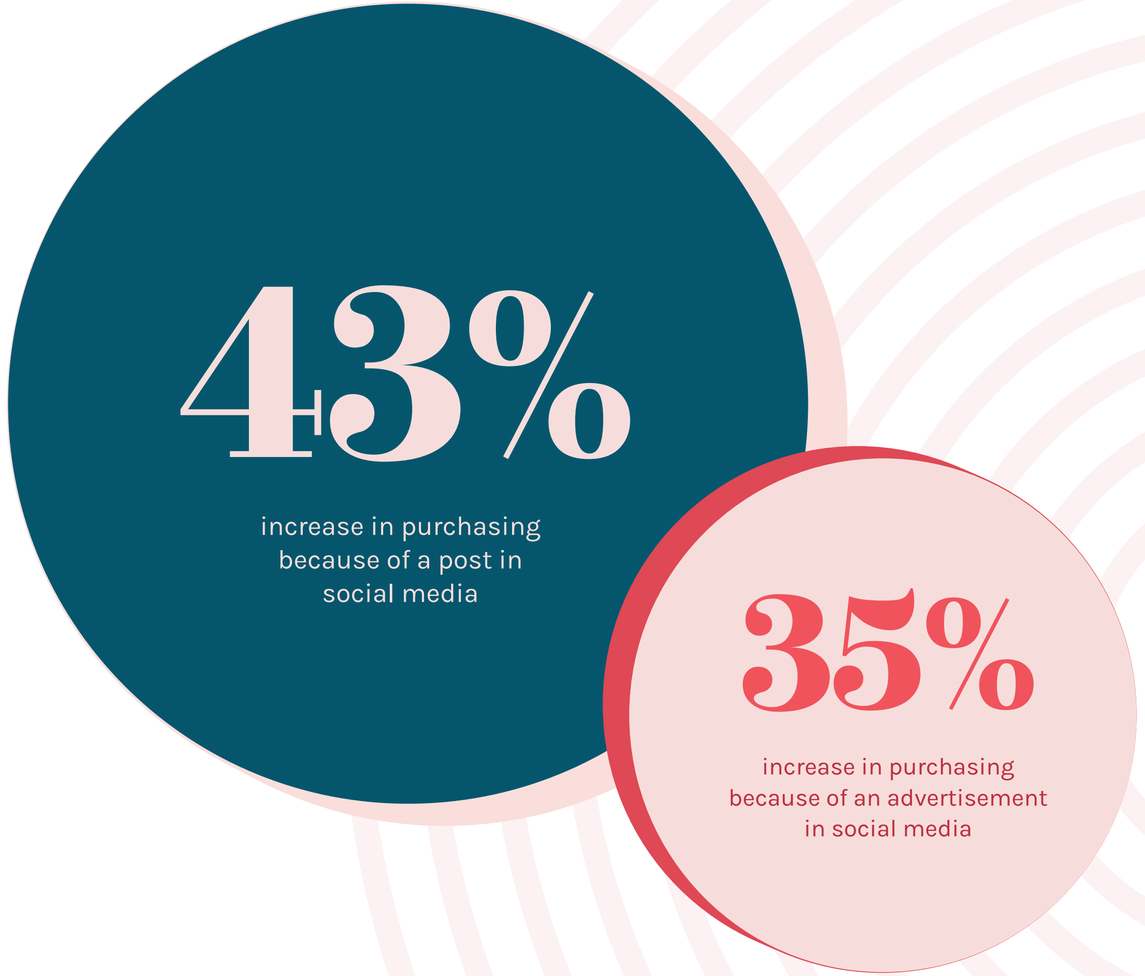


The Rise Of Social Commerce

The COVID-19 pandemic has seen a 67% worldwide increase in media consumption* and 40% increase in time spent on social feeds. With consumers spending more time than ever on social media, for the time being it is a key driver of sales.

There is an obvious advantage to running eCommerce extensions to social channels: the potentially enhanced user experience, by reducing the click journey from path to purchase. However, email still comfortably outperforms social, banner ads, and SMS; it is the best way to maintain brand messaging and is preferred by consumers.

When planning for COVID-19 recovery, expect consumers to return to pre-COVID trends, where 2020 saw email on top of these other channels. Increasing the volume of known consumers in your database is key to driving meaningful action. Messaging (email, SMS, in-app) are core channels that will drive sales and outperform more expensive paid media strategies.



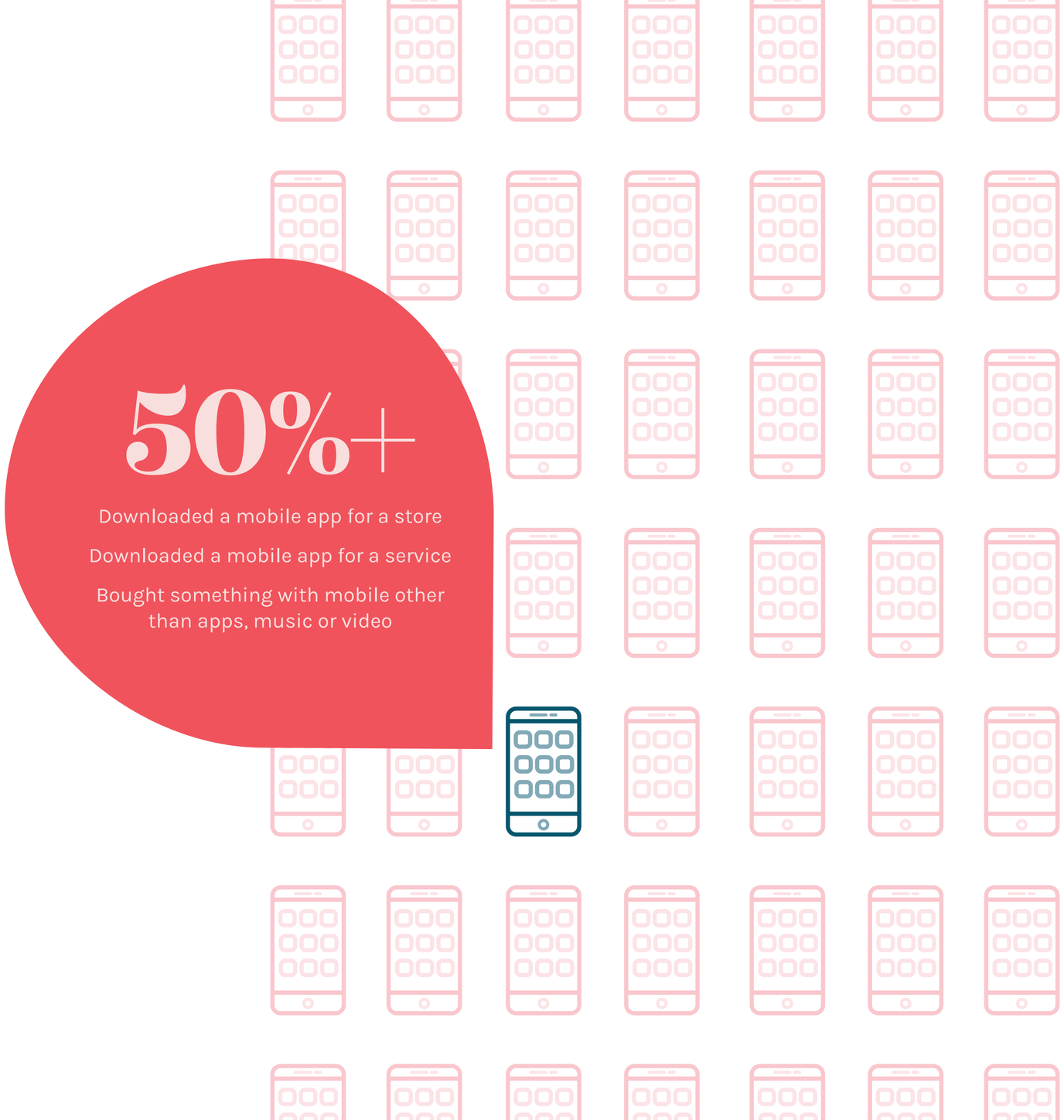
*https://www.statista.com/statistics/1106498/home-media-consumption-coronavirus-worldwide-by-country/

The Value Of Mobile

In today's digital and interconnected world, the importance of tailoring marketing efforts so they are mobile-first, rather than merely mobile-responsive, cannot be overstated. To put into context, a staggering eight out of every 10 digital minutes reside on a smartphone, with consumers reaching for their device almost 100 times a day — it's clear that a fully-fledged mobile strategy is no longer a nice to have, but the keystone of any digital transformation.

We live in an omni-channel world with consumers interacting with an average of six digital touchpoints when engaging with a brand. Whether that be content on social media, payment through wallet, news from SMS, or offers via email, to name but a few — principally however, all these touchpoints can be directly accessed through mobile. And the upside to this is brands can gather vast amounts of consumer data, opt-ins, preference insights, and behavioral data to no longer infer, but anticipate what its customers are likely to do next.

As customer behaviors have modified during the COVID-19 pandemic, and more time has been spent on additional screens and different channels, having all channels connected and a single source of truth of the customer is absolutely vital for brands that want to build deeper, more meaningful relationships.



Price May Be King, But Customer Experience Is Queen

Consumers are influenced by a number of factors when making purchases, but price will always be a determining factor for consumers, increasingly in a year with economic insecurity. However, merely a third of shoppers describe themselves as deal hunters — that's a huge chunk that cares about customer experience.

With consumers reliant on digital more than ever, and with brick-and mortar premises closed, there has been a sharp rise in those citing speedy fulfillment as a key tenet of their purchasing persona.

Brands need to prioritize their positioning and value proposition as well as privacy and product relevance as key purchase considerations. Focusing on every part of the customer experience will improve all areas of the buyer's journey.

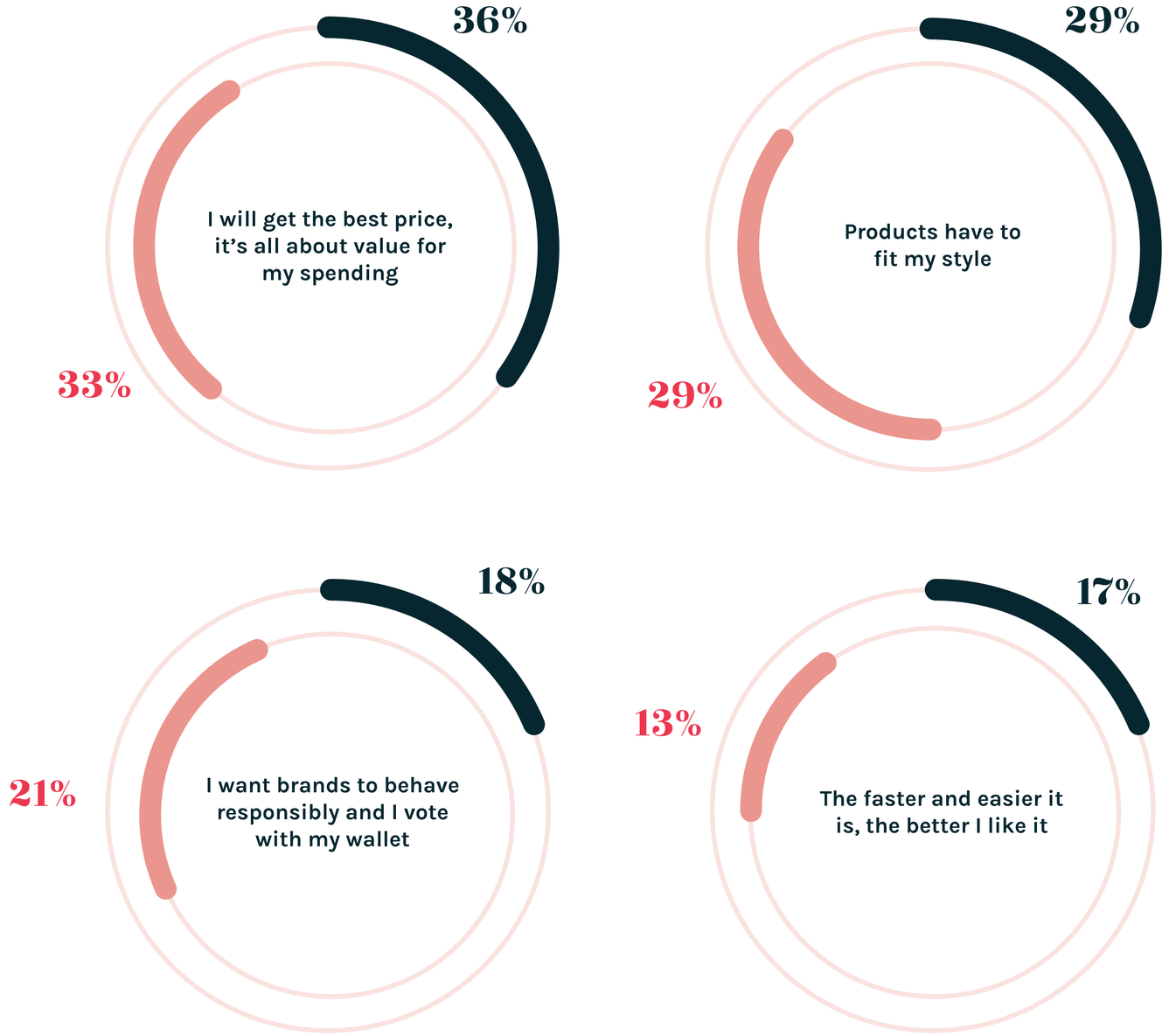
9%

increase in consumers looking for the best price when selecting a purchase

31%

increase in consumers making a purchase based on speed of fulfillment

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

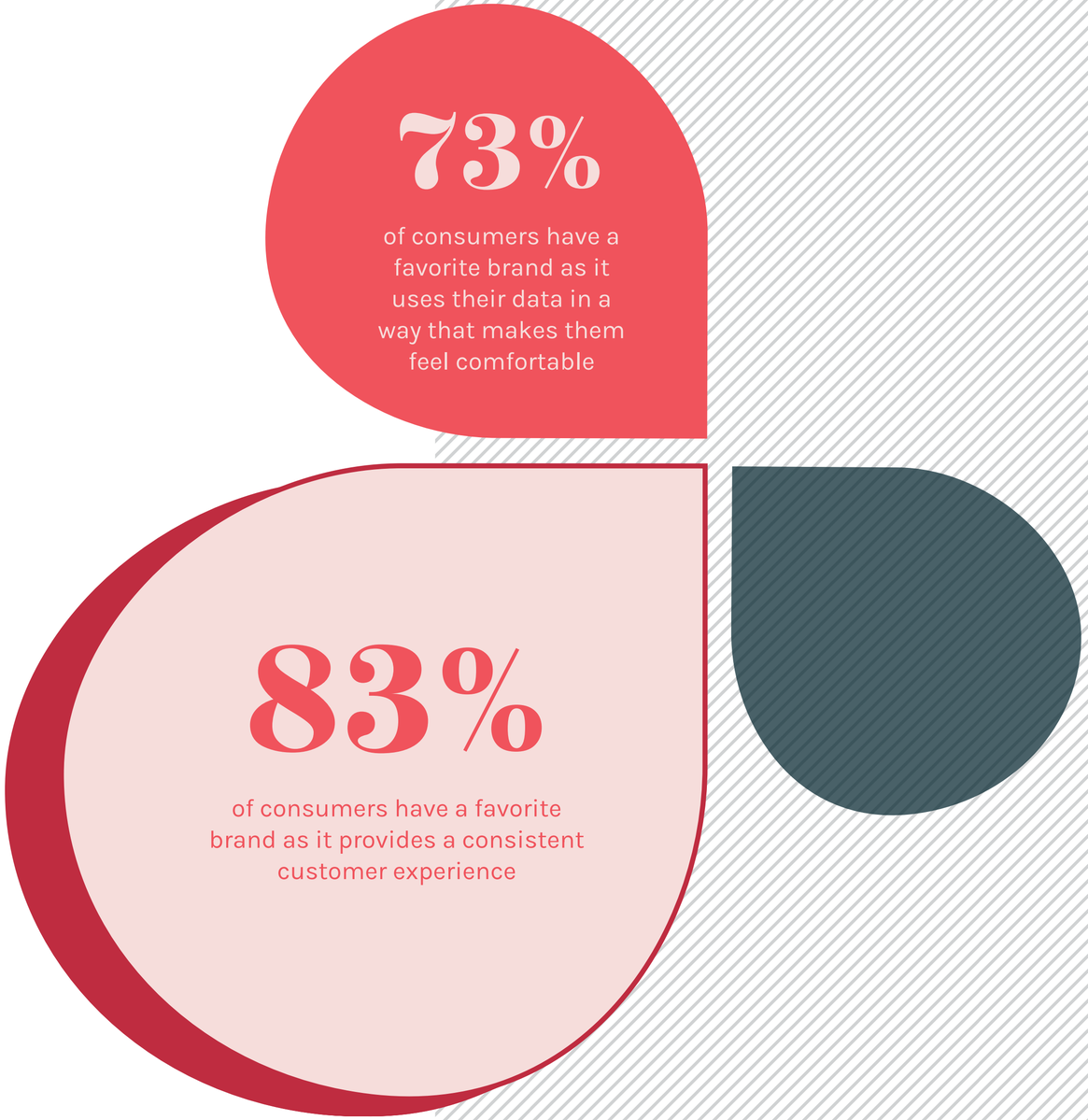


Key Customer Experience Drivers

Best-in-class brands know if they create a promise, product, and experience that evokes an identity worth aspiring to, customers will pay to align and come back to that brand again and again — increasing the lifetime value of the relationship. The overwhelming majority of consumers, when thinking about how their favorite brand communicates with them, want the relationship to go beyond the purely transactional.

Above all else, a staggering 83% of consumers like a consistent shopping experience, irrespective of the channel. That means having all channels not only connected, but a single source of truth for customer data to power it.

Almost 3/4 of consumers like brands to use their data responsibly. What's clear is where privacy was once an afterthought of most brands' go-to-market strategy, limited to a generic policy buried on the annals of its website and existing solely for mitigation purposes, it should now be seen as vital a differentiator as price, product, and customer experience.



Thinking about your favorite brand that has communicated with you a lot over the last six months...

When Personalization Falls Short

Personalization is failing consumers. For too long, personalization has been merely a buzzword rather than an essential part of marketing strategy.

Initiatives that purport to be personalization are commonly limited to torrents of display ads for products a customer has already purchased, lazy recommendations such as “people who bought item X also bought item Y,” or the sort of creepy marketing developed from location tracking, cookies, or surreptitiously acquired aggregated third-party data sets.

It’s these kinds of techniques that have led to the rise in ad-blocking technology adoption, an increase in email unsubscribe rates, and consumers being skeptical about the personalization they receive.

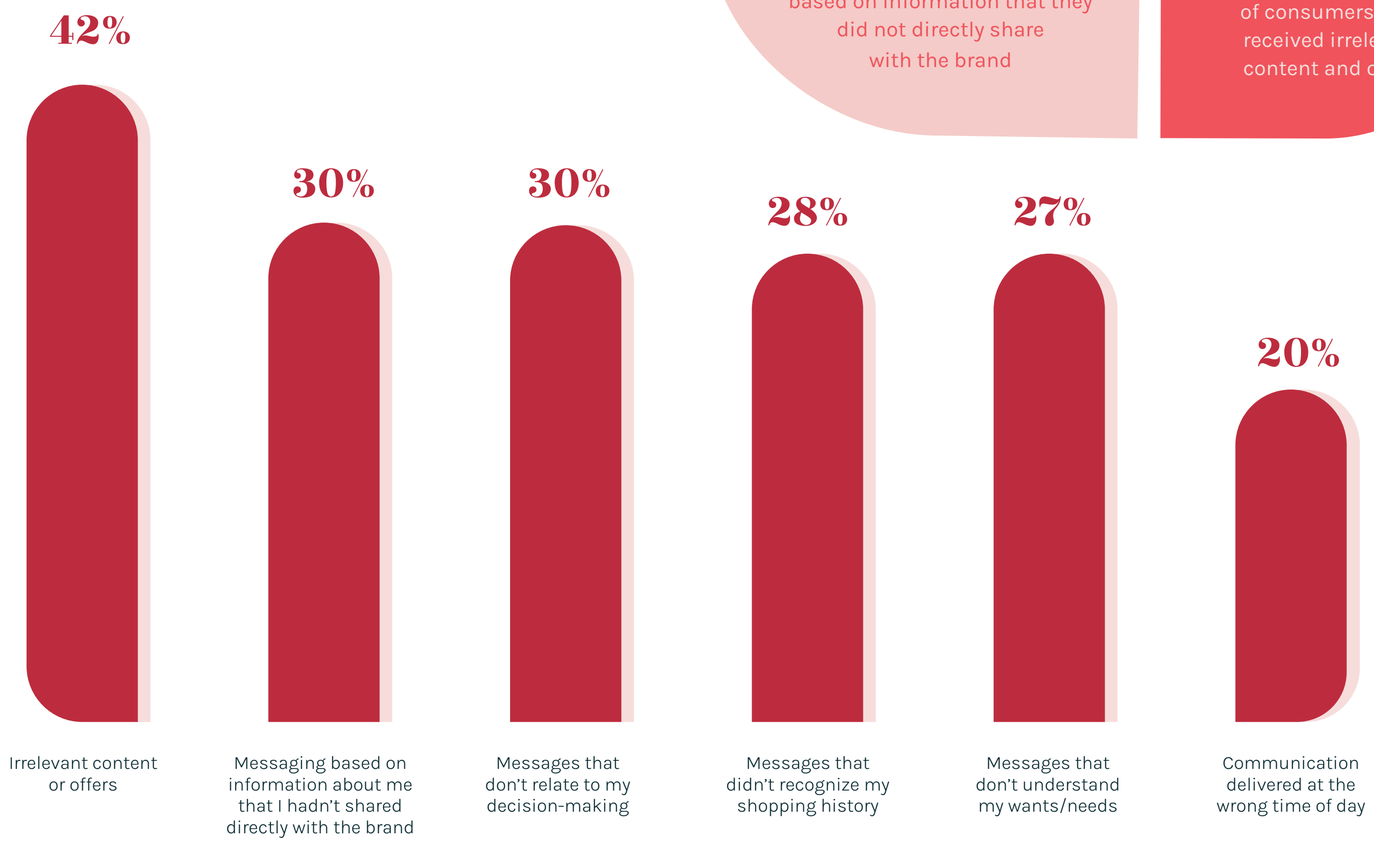
Your personalization and messaging strategy needs to be rooted in both first- and zero-party data. Creating messaging opportunities based on transactional data is great, but using zero-party and psychographic data to personalize those messages will differentiate your brand from your competitors.

30%

of consumers have received creepy personalization based on information that they did not directly share with the brand

42%

of consumers have received irrelevant content and offers



“Zero-party data is extremely valuable and will improve the effectiveness of your firm’s personalization efforts.”

Fatemeh Khatibloo,
Principal Analyst, Forrester

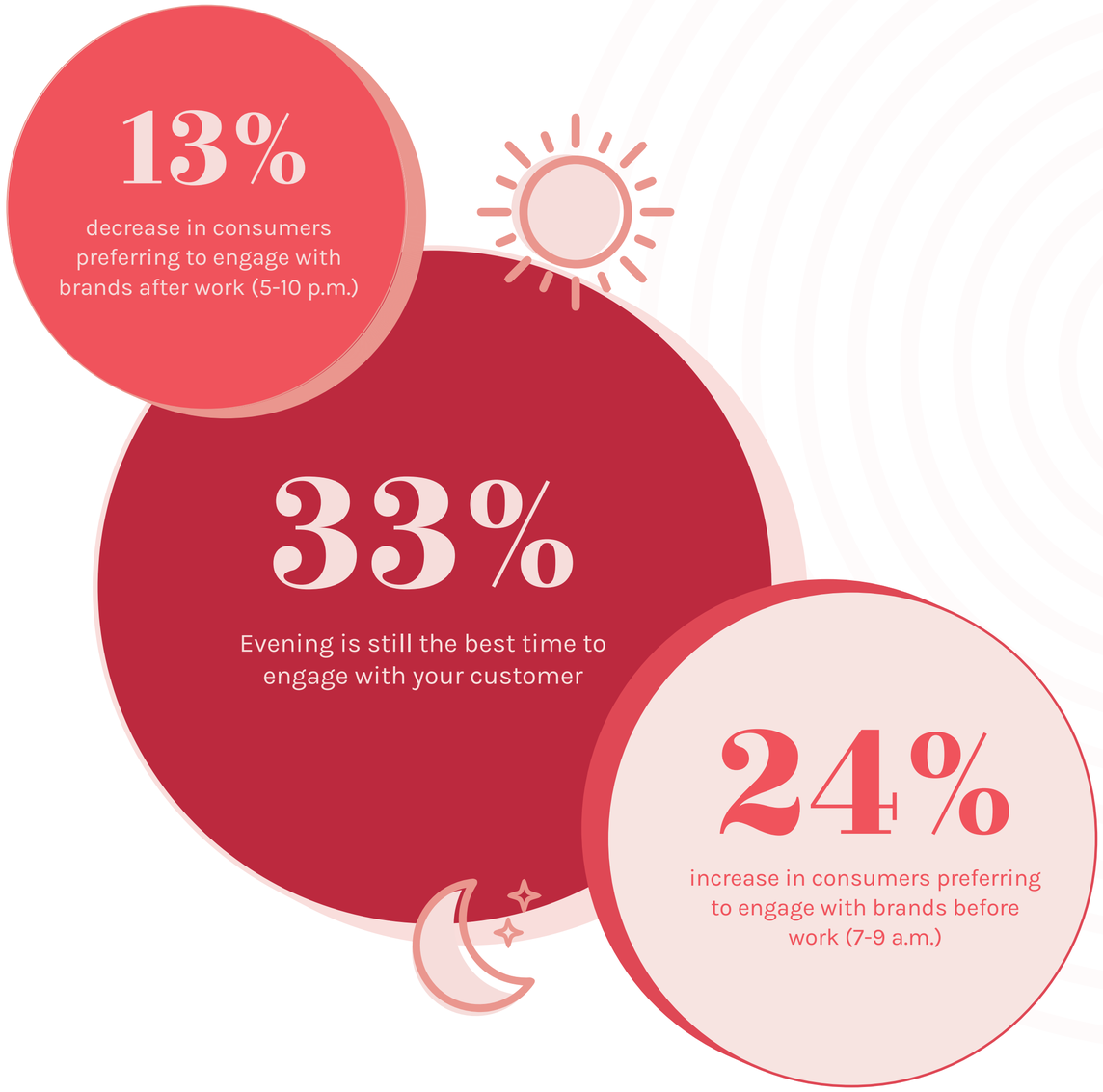
Time Of Day Consumers Prefer To Engage With Brands

Unfortunately, the answer to the question, “when is the perfect time to send a marketing email?” is rather unsatisfying. There are a myriad of variables, and no hard and fast rule — the best time is whatever works for your specific audience. However, it is incredibly helpful to have a place to start and look at different times consumers have told you they like to be contacted.

Evening (5-10 p.m.) remains the most popular time of day to engage with a brand, with all other time periods merely half as effective. However, there has been a 24% increase in consumers preferring before work — likely a result of consumers checking email a little earlier while working from home during the COVID-19 pandemic — expect this to return to “normal” as the year wears on.

When looking at age demographics, there’s a notable increase on the average, with 25% of the 25-39 age group preferring to be contacted during working hours.

With more consumers working from home, having marketing technology that continually applies machine learning algorithms for send time optimization will help you adapt to any changes. Your messaging strategy needs a robust platform that empowers the right-time delivery of critical offers and content. Coupled with a personalization strategy, your messaging can hit the mark when you need it most.



Loyalty

Loyalty is About More than Undercutting Your Competitors

Consumers Are Loyal By Nature

All too many brands still invest far more resources in customer acquisition strategies, rather than customer retention. Yet when it comes to the bottom-line, reducing attrition rates by a mere 5% can see profits increase by a staggering 95%.

For marketers, there should be no greater achievement than locking in a loyal customer — one who not only has affinity for the company's products and trust for the brand's promises, but will also pay a little bit extra for it.

The data shows that consumers are loyal by nature, but also opportunists, so do not take them for granted. Brands should leave nothing to chance and develop a loyalty strategy that keeps customers thinking about you first in decisive moments.

64%

Almost two-thirds of consumers are prepared to pay more to purchase from a trusted brand

81%

of consumers are loyal to some brands but will buy from a competitor if it's cheaper or more convenient

3/4

What's more, 74% of consumers buy frequently from the same company, but are not loyal to that brand

That’s a huge slice of the market that may not be loyal to you, but are also not loyal to your competitors. It’s crucial for brands to build value into customer relationships to turn fickle consumers into loyal customers.

29%

of consumers say they are not loyal to any particular brand

The True Cost Of Failing To Implement A Loyalty Strategy

Marketers are still struggling to make the case for long-term strategic investments in loyalty. Loyalty programs are an often-overlooked aspect of customer experience, but they are vital in building relationships that last.

Almost a quarter of consumers buy frequently from a brand, but are not loyal to that brand as they have never been offered any encouragement to be loyal. That's a huge amount of revenue being left on the table by not implementing a loyalty strategy.

In the post COVID-19 world, it could be a long haul back to business as usual. This is the time to think about your relationships and how to keep them healthy. Rather than create new customers right now, you can work on maintaining your relationships with past customers.

Consumers tend to be people of habit, and many enjoy the benefits that come from being loyal to a brand. It's clear that brands need to invest in a loyalty program and platform to maximize revenue potential.

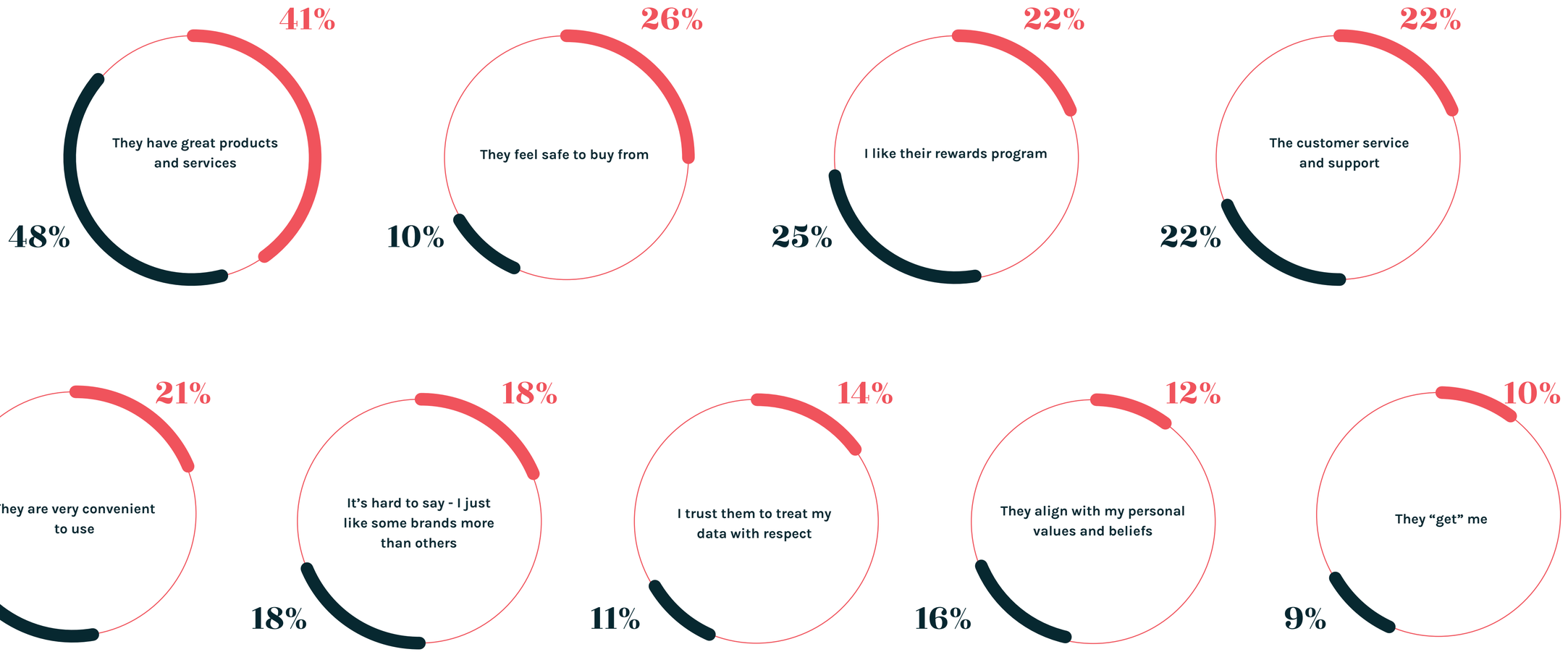
Loyalty Drivers

There are many factors that drive brand loyalty, and the top driver is fairly simple: have a great product or service. Following on from that, almost a quarter of consumers value a brand's loyalty program (22%), the same for good customer support (22%), and likewise that the brand is convenient to use (21%). Investments in improving these areas will ensure a long-term return and differentiate you from your competitors.

Then it becomes a little more interesting. There has been a colossal rise in consumers electing to stick with brands that they feel it's safe to buy from. This rise in conscientious consumerism, with your customers proactively educating themselves on your brand's corporate, ethical, and environmental values, is a burgeoning loyalty driver that feels here to stay. Marketers need to heed the rising expectations of the ethical consumer to drive loyalty.

What's more, there has been a sharp rise in consumers who are loyal to a brand that is responsible with their data, with modern consumers more up-to-date with privacy legislation and the responsibilities of the brands they do business with.

Thinking about your answers to the last question, what are the top two things that make you loyal to certain brands?



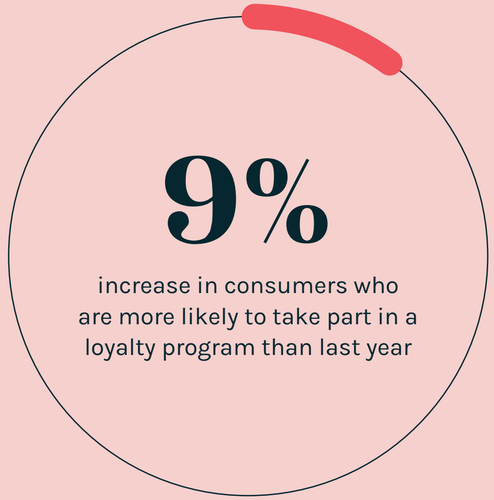
2020 2019

Loyalty Is On The Rise

Customers don’t just buy your product, they buy your promise. In today’s digital world of infinite choice, undercutting your competitors is merely a veritable race to the bottom. Product differentiation is tough to maintain and market domination is short-lived. A loyalty program that truly rewards your customer as an individual can be the differentiator.

Emotional and genuine loyalty is an outcome — a goal you can only achieve by truly knowing your customers and carefully nurturing every relationship you have — every action, input, and communication a customer receives from you should make them feel valued and respected.

Most consumers tend to already be members of existing loyalty programs (95%) and more are willing to increase their participation.

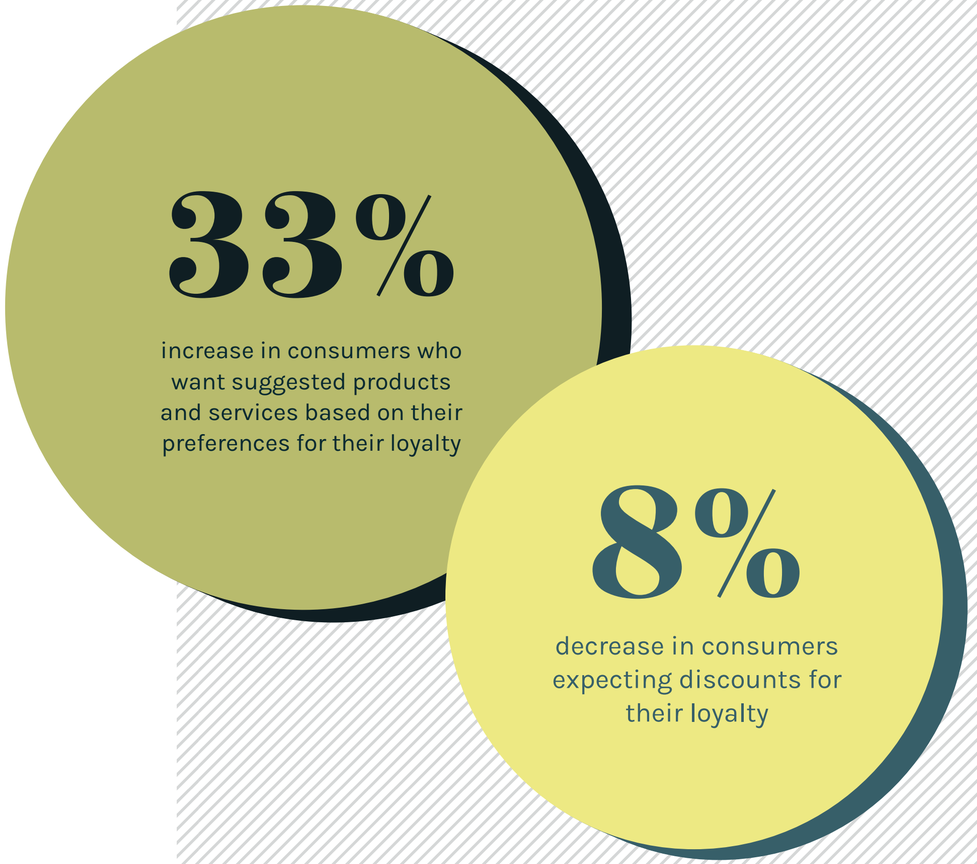


Loyalty Is About More Than Points-Win-Prizes

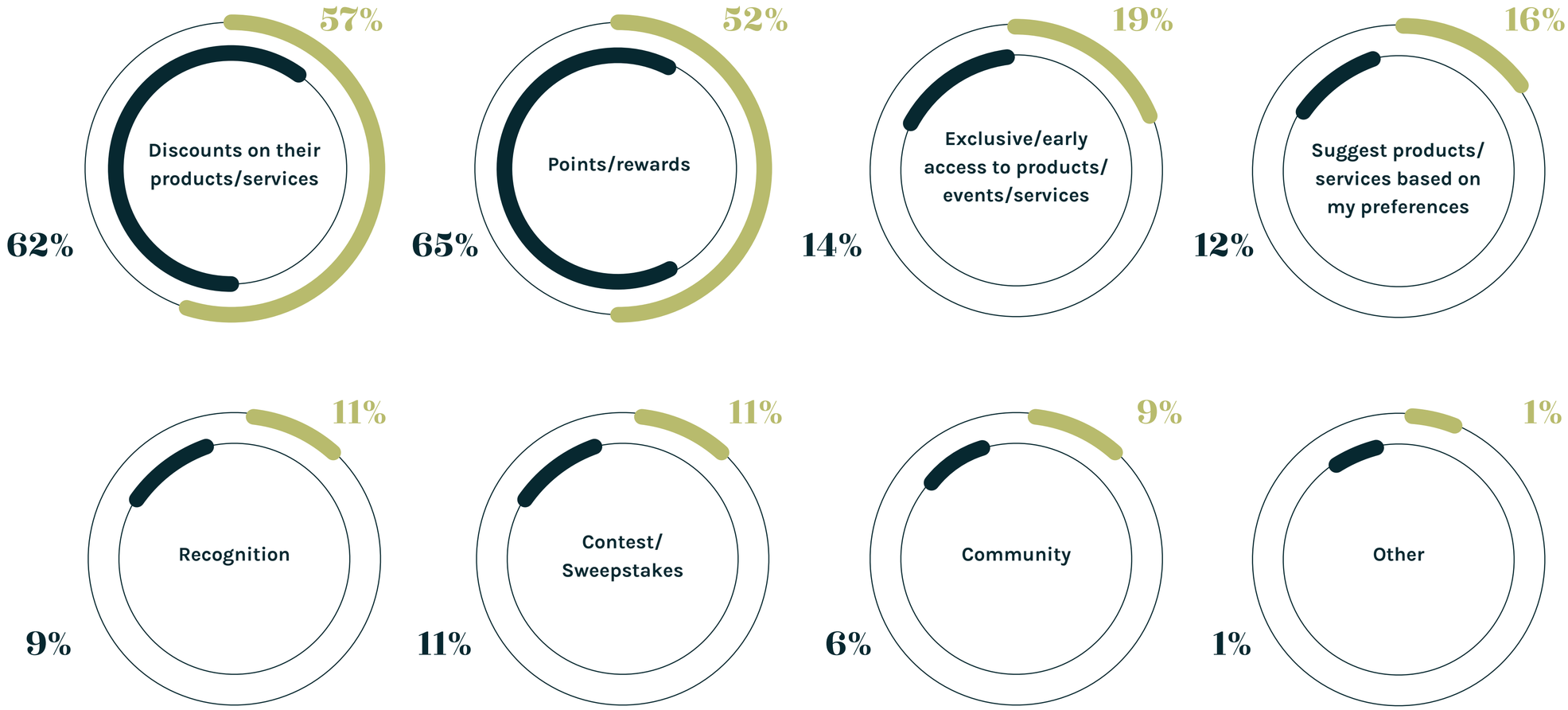
Even in times of crisis, people are looking less for discounts and rewards than the year before in return for their loyalty. Highlighted by an 8% dip in consumers loyal in return for a discount, and a 20% drop in those who want points and rewards.

The story is the rise of consumers valuing all of the things that make your brand unique, and, in turn, makes them feel special. There have been increases in consumers who want to feel part of the brand's community (50%), those seeking early or exclusive access to products (36%), personalized product recommendations based on their self-reported preferences (33%), and those that would like brand recognition (22%).

The results make it clear that consumers expect comprehensive loyalty programs that go beyond generic points-win-prizes incentives and discounts. The heart of loyalty is not merely the cheapest price-point, but a brand that can foster community, recognizes the customer as an individual, and delivers content and product recommendations that reflect this.



Thinking about rewards and loyalty programs, what should brands offer to keep you coming back?



Privacy & Personalization

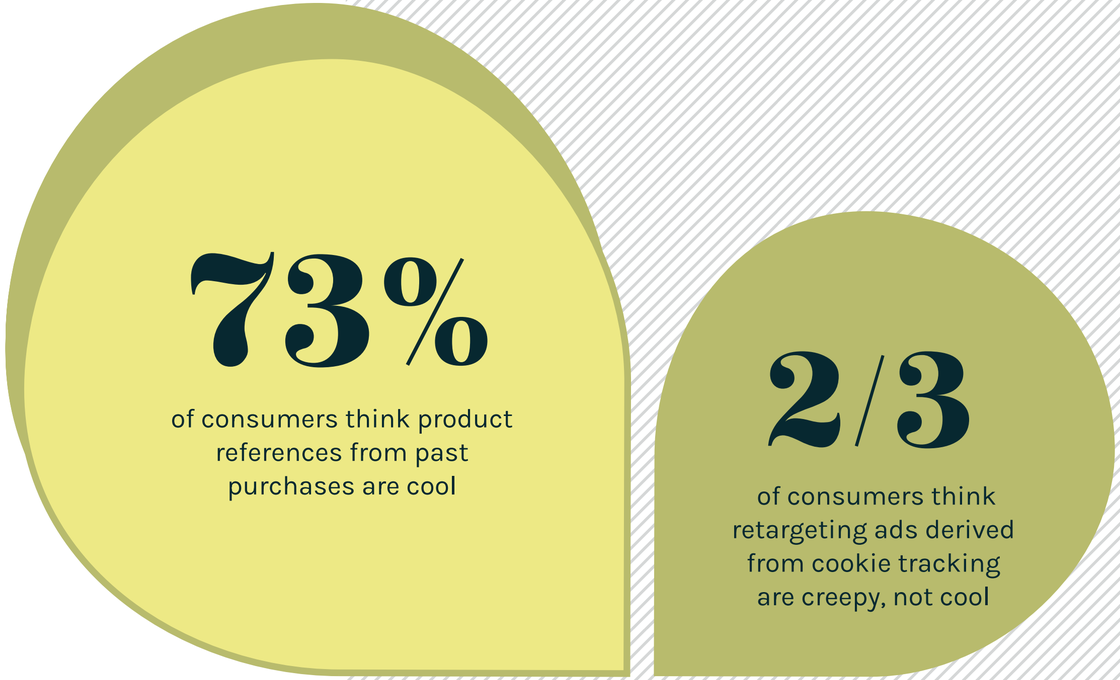
An End to Creepy Marketing and the Value Exchange Economy

Creepy Marketing Doesn’t Convert

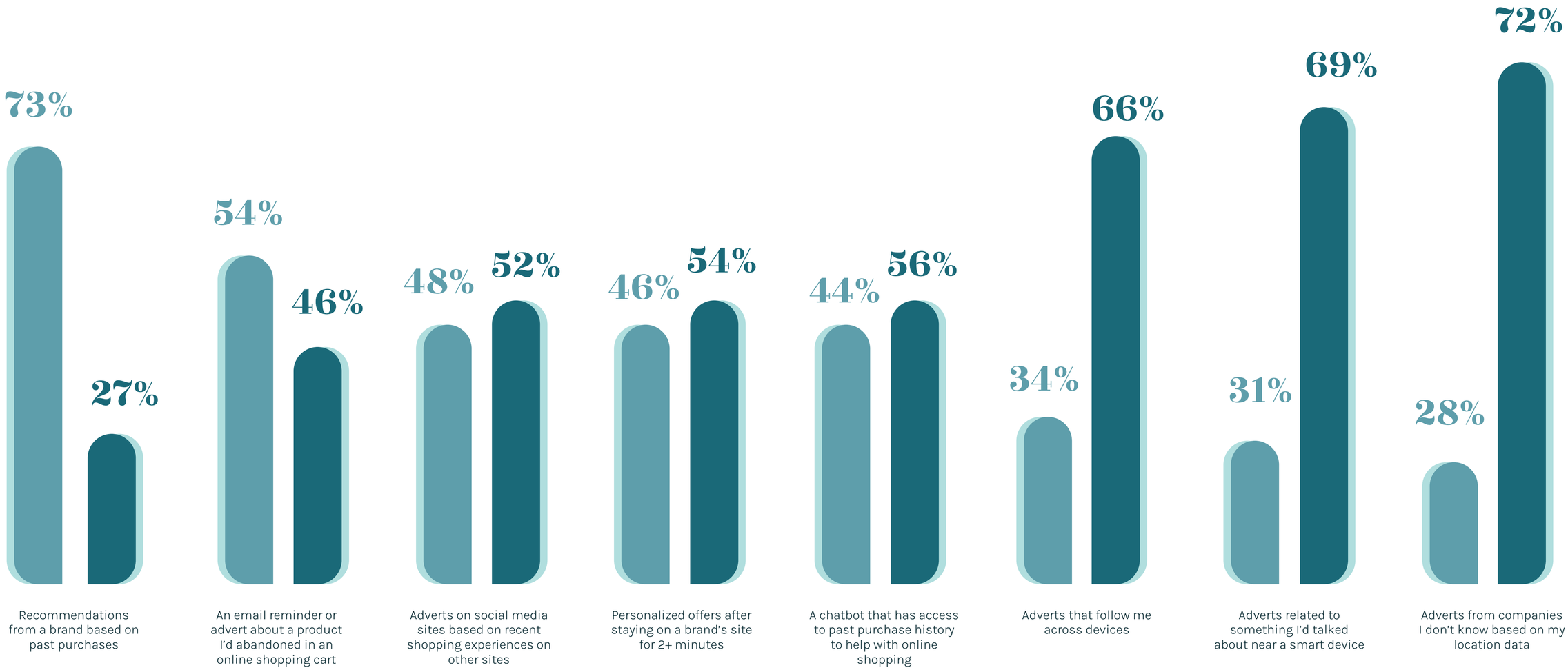
What marketers view as exciting innovations in data gathering can actually be spooky for consumers. With targeted ads and personalized emails becoming the norm, it is easy for consumers to develop a fear of being watched. Just because marketers have access to certain data, doesn’t mean they should collect it or use it.

The majority of consumers feel adverts from shopping on other sites, personalized offers after quickly exiting a site, chatbots accessing purchasing history, retargeting ads, location-based ads, or ones from a listening smart device are examples of creepy marketing and not cool.

However, using first- and zero-party data (previous transaction history and self-reported preference data) is viewed as cool in the eyes of consumers. There has been a 33% rise in consumers loyal to a brand because of personalized product recommendations based on their self-reported preferences, and the majority of consumers are willing to share personal and preference data in return for tailor-made offers.



How would you feel if a brand/retailer interacted with you in the following ways? Please indicate whether you feel it's creepy or cool?



“There is a big difference between targeting a golden audience segment with a silver bullet of an offer and going through a consumer’s proverbial trash by analyzing their browsing history.”

Alex Krylov,
Senior Analyst of Privacy & Data Protection,
Cheetah Digital

The Majority Of Consumers Will Share Their Data With A Brand For A Better Service

The future of marketing to individuals with relevance is about asking them about their interests, motivations, and desires, rather than inferring or snooping on them. This is zero-party data. A class of data that is intentionally and proactively shared by the customer.

It is possible for marketers to know what customers intend to do or buy in the future by collecting data that is intentionally and proactively shared directly by the consumer.

Unfortunately it's not merely a case of "build it and they will come." Modern consumers expect to be entertained, engaged, and receive something in return for their attention and personal data. Marketers can deliver this through interactive experiences that conduct market research, accrue opt-ins, and deliver an altogether better experience with a tangible value exchange for the consumer in the form of added value (coupons, competitions, social kudos, or content, to name but a few).

Zero-party data empowers marketers to build direct relationships with consumers and, in turn, better personalize their marketing efforts, services, offers, and product recommendations. As it comes directly and willingly from the consumer there are no intermediaries, no guesswork.

Consumers Are Getting Proactive About Privacy

A few of years on, and the fallout from the Cambridge Analytica scandal seems no closer to abating. Facebook remains part of the daily newscycle for perpetual privacy breaches, Google has been under the spotlight for surreptitious location tracking, and consumers are becoming ever-more cognizant of the value of their data.

Privacy legislation may have swept the globe, in the form of the GDPR in Europe and CCPA in North America, as well as some eye-watering fines meted out for non-compliance at major brands, but consumers are still taking control of their data, resulting in a stark rise in ad-blocking tech adoption, the disabling of location tracking, and consumers regularly clearing cookies.

For marketers that have relied on third-party data sets and cookie tracking to power its email marketing initiatives, this time of digital disruption is quite the headache. However, for those marketers committed to forging honest, meaningful relationships, and adopting a fully-fledged privacy-first strategy, the rewards are limitless. They will have the ability to collect the marketing opt-ins and granular psychographic data points to win over their competitors and retain their customers.

“If you buy data from a third party, that is a risky element that could get you in hot water not just with the client for being creepy, but potentially with regulators.”

Mark Grannan,
Senior Analyst, Forrester

The Value Exchange Economy

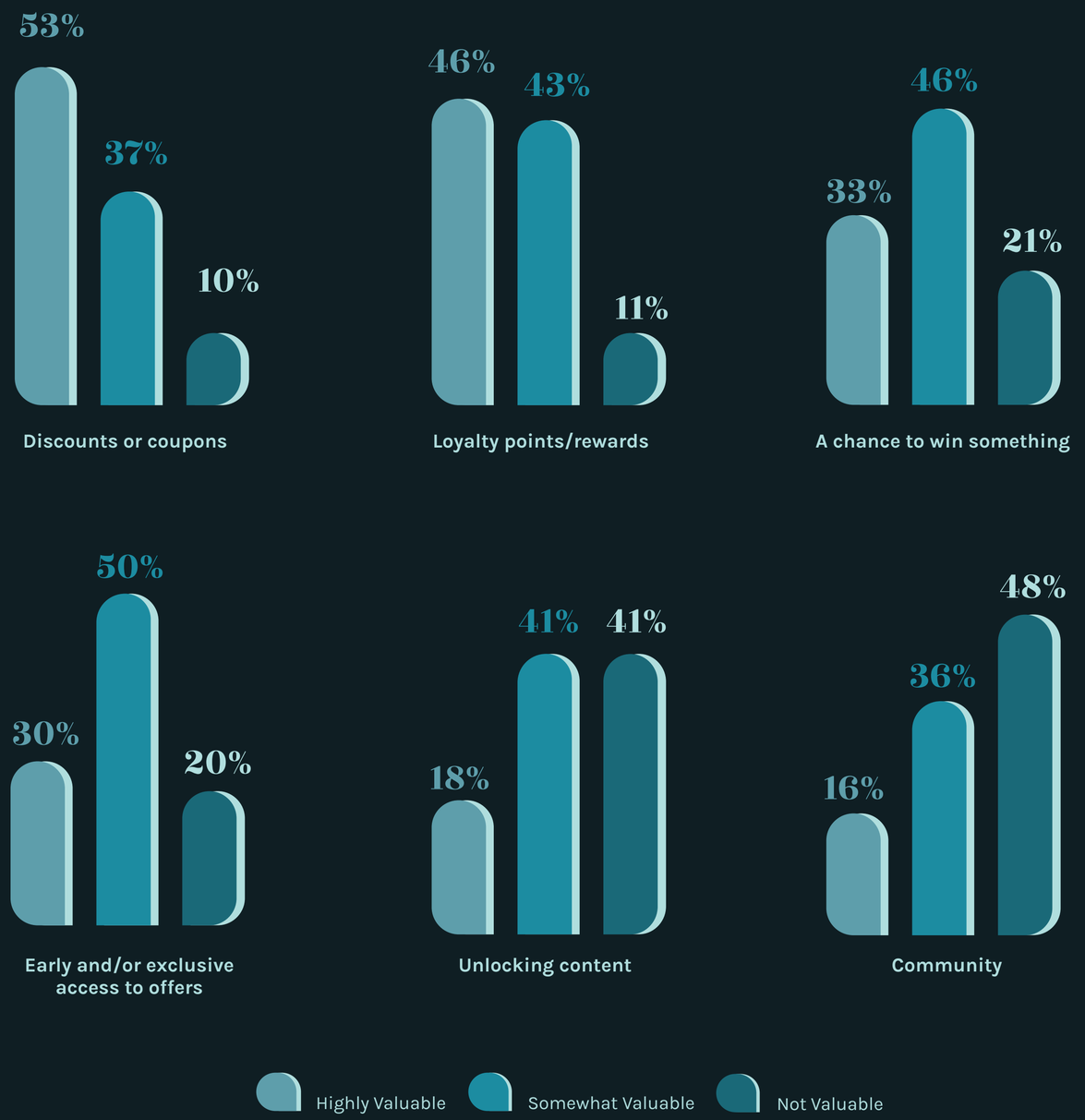
If you want your customers' preference data you need to offer something tangible in return — this is the value exchange economy. But it needn't always be a red-letter prize or huge discount. Sure, 90% of consumers are prepared to trade data for a discount, but 89% will for loyalty rewards, 80% for early or exclusive access, 59% for unlocking content, and 52% to feel part of a brand's community.

Brands can deliver this through interactive experiences that conduct research, accrue opt-ins, and deliver an altogether better experience with a value exchange for the consumer.

Questionnaires, polls, quizzes, contests, or social stories can incorporate reward mechanics that give consumers a genuine reason to engage and submit their first- and zero-party data.

Capturing consumer motivations, intentions, interests, and preferences at scale allows for a personalized customer experience. And by leveraging the right mechanics, and offering a value exchange, your customers will tell you what products they desire, what they look for in a service, and what motivates them to purchase.

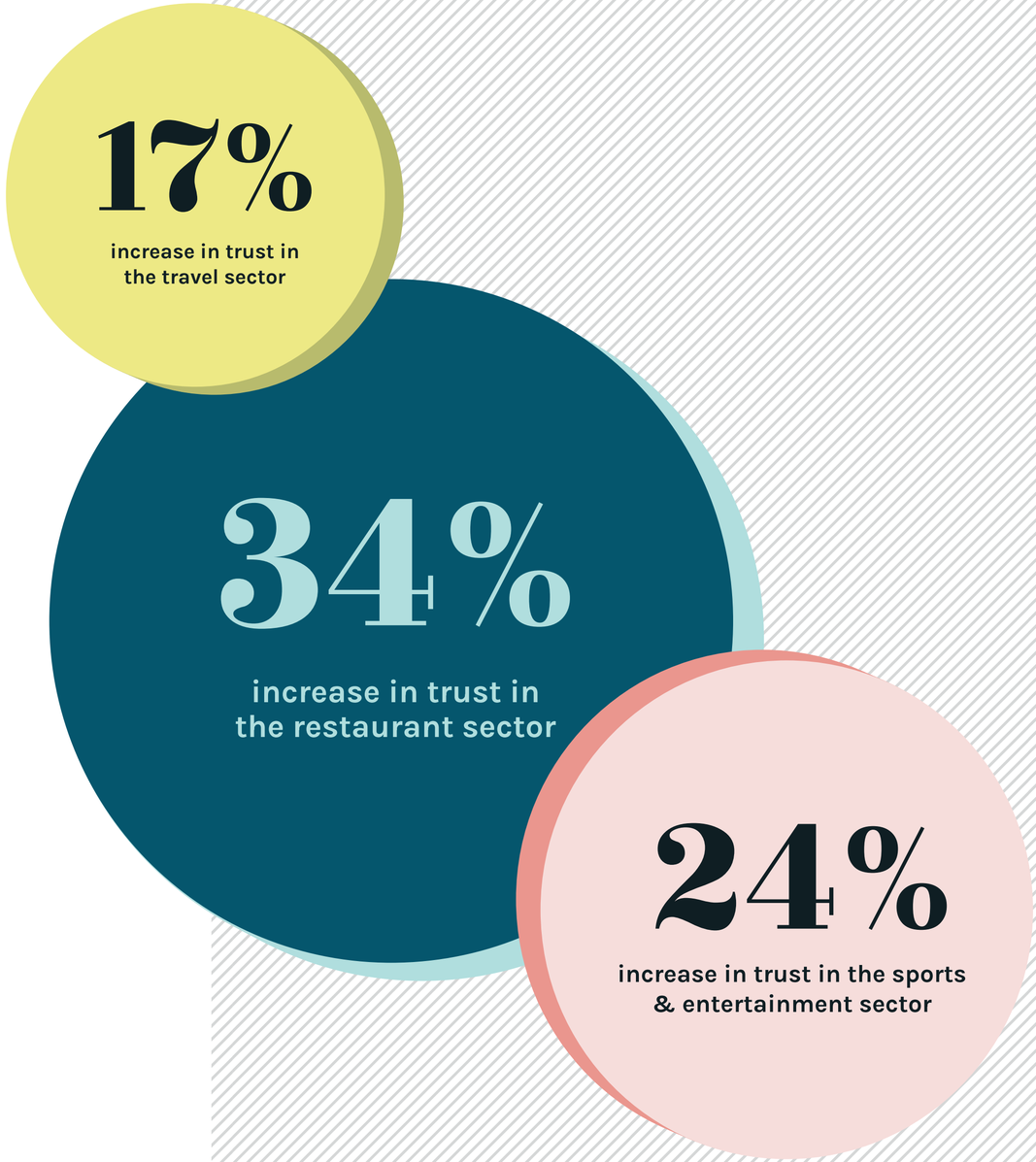
Brands often provide something of value in exhange for data. Which types of benefits are the most valuable to you?



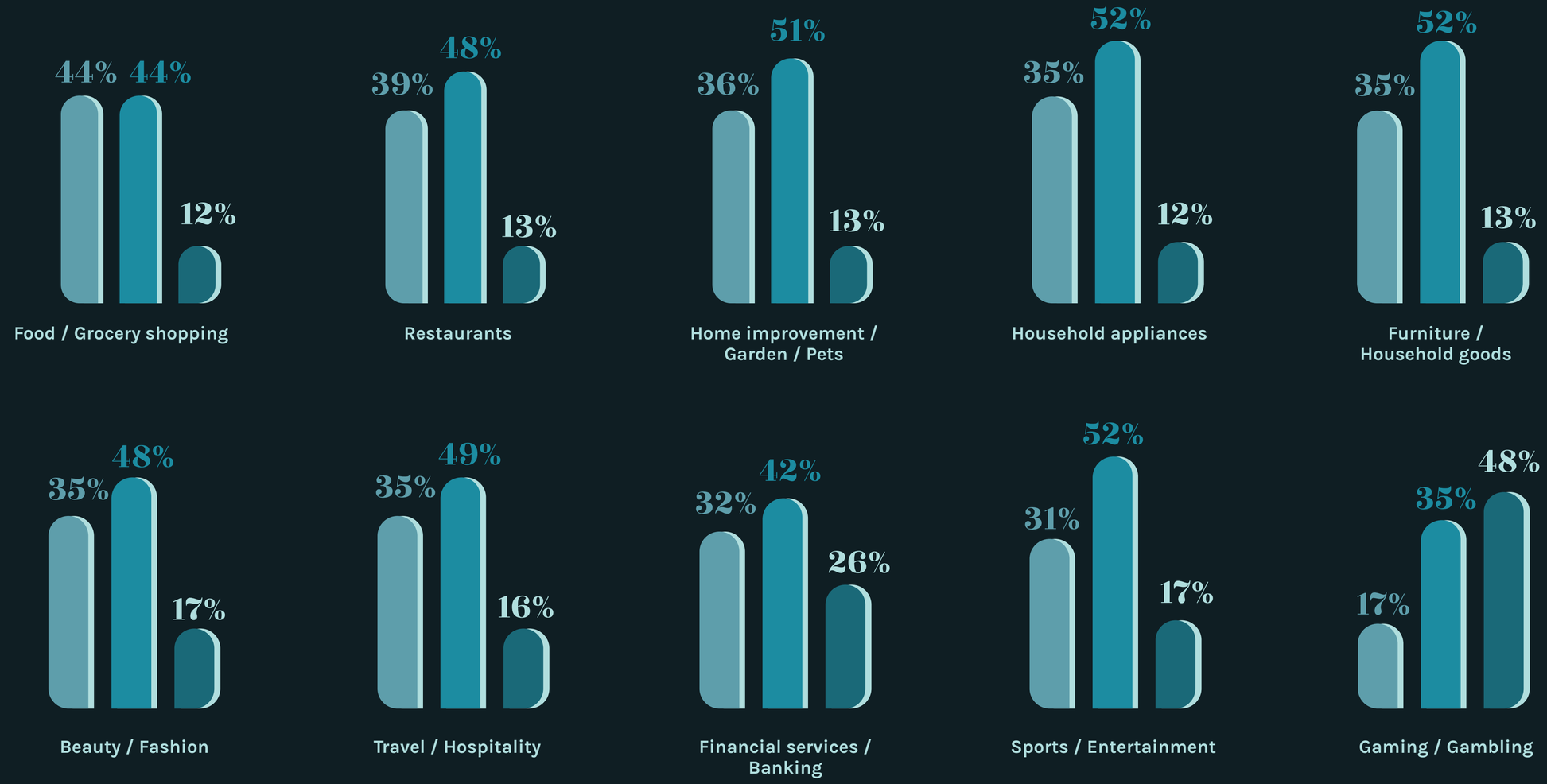
Industries Consumers Trust Most To Use Their Data For Personalized Marketing And Services: Trust Is On The Rise

The last 12 months have been pretty tumultuous for almost every industry, no more so than restaurants who have had to close their doors, sports teams playing in empty stadiums, and the travel sector with vacations pretty much cancelled. These are trying times indeed, but these industries have seen a rise in consumers trusting them to use data responsibly to provide personalized marketing.

For many in these verticals, it's been an opportunity to build deeper, more meaningful relationships with their customers and come out the other side stronger, and more resilient.

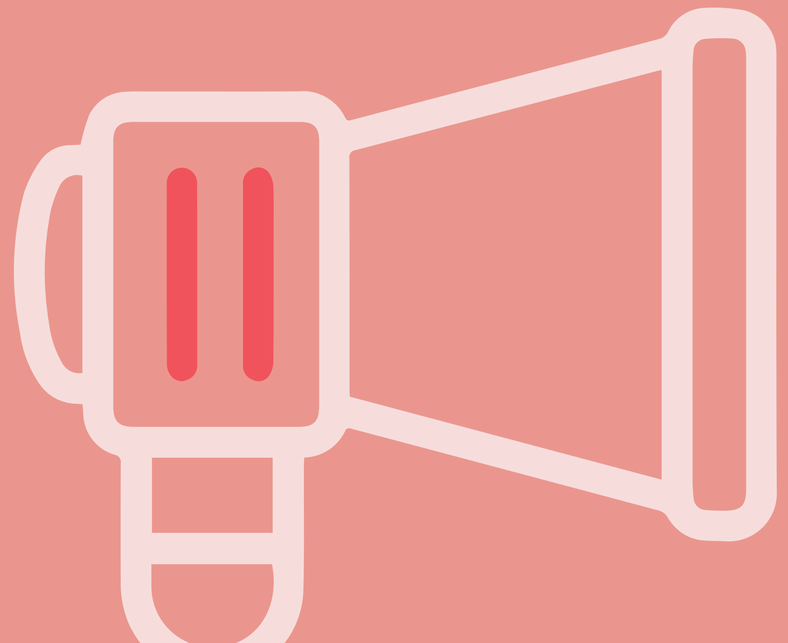


How much do you trust brands in the following industries to use your data to provide personalized marketing services?



Covid-19, Advertising & Social Media

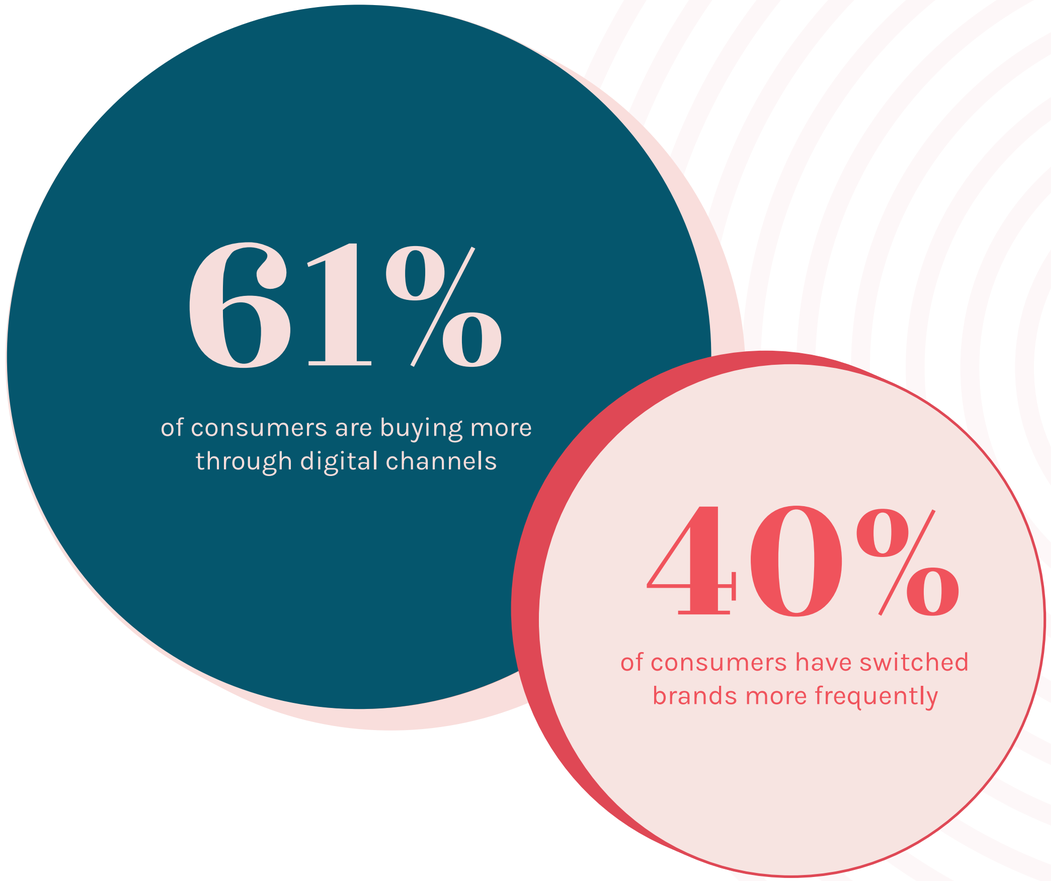
The Rise of the Conscientious Consumer



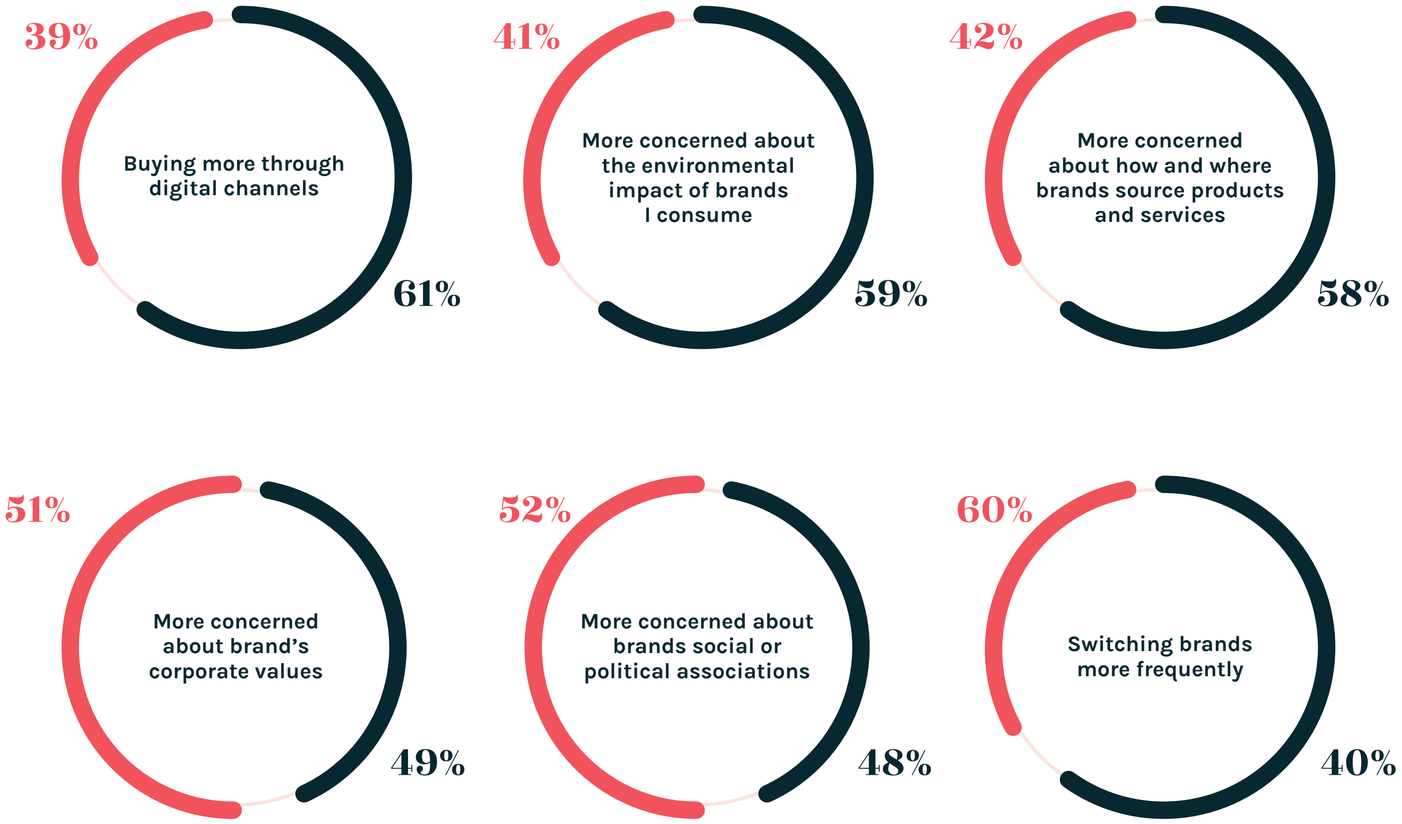
Changes In Purchasing Habits Because Of Covid-19

It’s the elephant in the room. We may as a collective be tired of phrases like “the new normal,” but the pandemic has accelerated the shift towards a more digital world and triggered changes in online shopping behaviors that are likely to have lasting effects.

Swathes of digital immigrants have joined digital natives online and demand the same level of personalization online they would receive from a knowledgeable shop assistant. In fact, 61% of consumers are purchasing more through digital channels, but are choosy where they splash their cash. Issues of hate speech, online bullying, extremist content, and fake news have made consumers take a closer look at the brands they do business with — the majority of consumers consider environmental impacts (59%), how products are sourced (58%), and corporate values (51%).



Thinking about your buying habits over the last six months during the Covid pandemic, please state whether the following are true or false.



Why Consumers Have Switched Brands

Only 40% of consumers have switched brands during the pandemic, and whilst one might assume that economic instability meant seeking a cheaper price point was the overwhelming rationale, the data shows that isn't strictly the case.

Looking for a more attractive price accounted for 45%, but promotions (37%), quality (35%), buying options (33%), ethical reasons (22%), customer service (22%), and brand safety (16%) are all reasons for attrition.

It's essential that brands make the customer journey as frictionless as possible, from acquisition through to loyalty, and have all touchpoints and activities connected. Despite the clear dysfunction created by having fragmented views of the customer, we continue to see brands struggling with multiple data silos and competing versions of the truth. On average, marketing departments have a tech stack boasting 12 systems — the vast majority of enterprise brands are using many more.

Without a single source of the truth, it's easy for marketing teams and entire companies to end up working feverishly on the wrong activities that fail to move the needle. Without a single customer view and real-time insights, organizations struggle to deliver the quality experiences that customers are looking for today.

eCommerce Will Continue To Rise

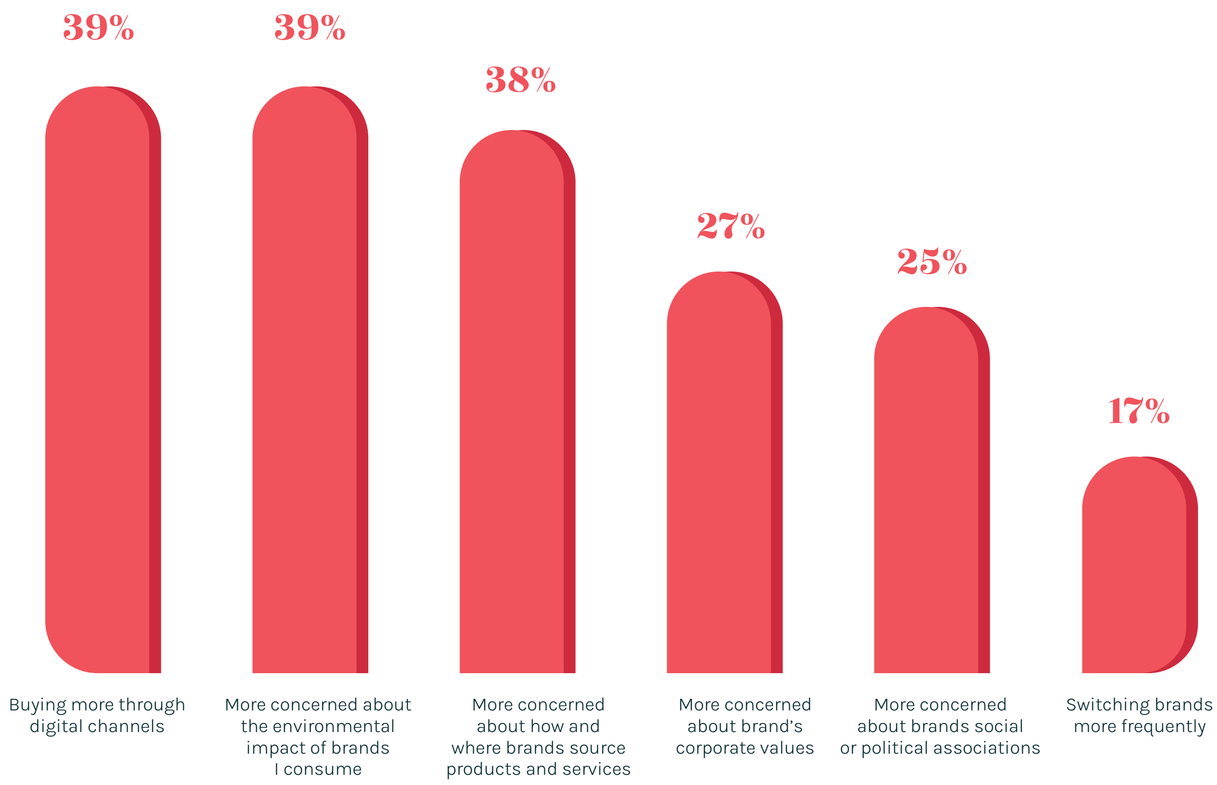
Years from now, when the COVID-19 pandemic's impact on global business is analyzed, it's likely that the most striking change will be how it accelerated digital transformations and drove eCommerce.

While many companies are challenged to survive in the short-term, the crisis also presents opportunity; bold companies that invest ambitiously into their digital infrastructure are emerging as market leaders. Although Zoom quizzes, remote working, and home spin classes will likely abate once restrictions are fully lifted, 39% of consumers will continue to buy more online.

To win, brands must focus on those key customer experiences drivers, providing a consistent and seamless user experience, whatever the touchpoint, loyalty that rewards as an individual, being respectful of data, and providing true personalization.

39% of consumers will buy more through digital channels

Thinking about your buying habits over the last six months, which of the following do you expect to stick long term?



“The more ethical we can be in how our brand responds to questions of data privacy, the spread of harmful content, social justice, and sustainability the more attractive we will be to our customers.”

Richard Jones
CMO, Cheetah Digital

The Rise Of The Conscientious Consumer

Ethical consumerism has been on the rise for many years, with more and more consumers seeking out plant-based, organic, and fair-trade fare, reducing plastic use, and thinking about the fuels they use and the impact that has on the environment.

A newer phenomenon is that conscientiousness extends to corporate values and political associations. In the polarized society we live in, consumers are making ethical decisions when it comes to the organizations they do business with, and brands need to think carefully about social and political associations and the impact that can have on brand loyalty and the revenue sheet.

eCommerce Per Vertical

With brick-and-mortar stores recurrently closed for business, digital natives have been joined online by consumers who traditionally choose bricks over clicks. It's imperative that brands match the customer service expectations that they would enjoy in-store, online. There has been a fairly even spread of consumers ranking differing verticals for best online customer experience.

For those that have made purchases online in different sectors, there are some interesting variations by age group, with a 9% increase above the mean of 18- to 24-year-olds buying online in beauty and fashion, a 5% increase above the average of 55- to 75-year olds in food and grocery, and a 14% increase above the average of 25- to 34-year-olds in restaurants.

9%

above the average online shopping in beauty & fashion for 18- to 24-year-olds

5%

above the average online shopping in food & grocery for 55- to 75-year-olds

14%

above the average online ordering in restaurants 25- to 39-year-olds

Life Beyond Amazon

Amazon has had a pretty good pandemic...if there is such a thing. Its seamless eCommerce experience, complemented by competitive prices and speedy fulfillment, has seen the behemoth's profits soar into the billions. But it's also brought its corporate values into sharp focus, and on the front pages, not merely the business papers.

Almost 2/3 of consumers are buying online from sites beyond Amazon that they previously didn't know existed, and a staggering 78% of consumers have realized online shopping for specific items is better and easier, with 61% espousing that online is better and easier for everything.

Being mobile-first, rather than merely mobile-responsive, is an essential rather than a nice-to-have. We know consumers are addicted to their mobile devices, but a staggering 61% are comfortable doing all of their online shopping on their mobile device.

61%

of consumers have realized online shopping is better and easier for everything

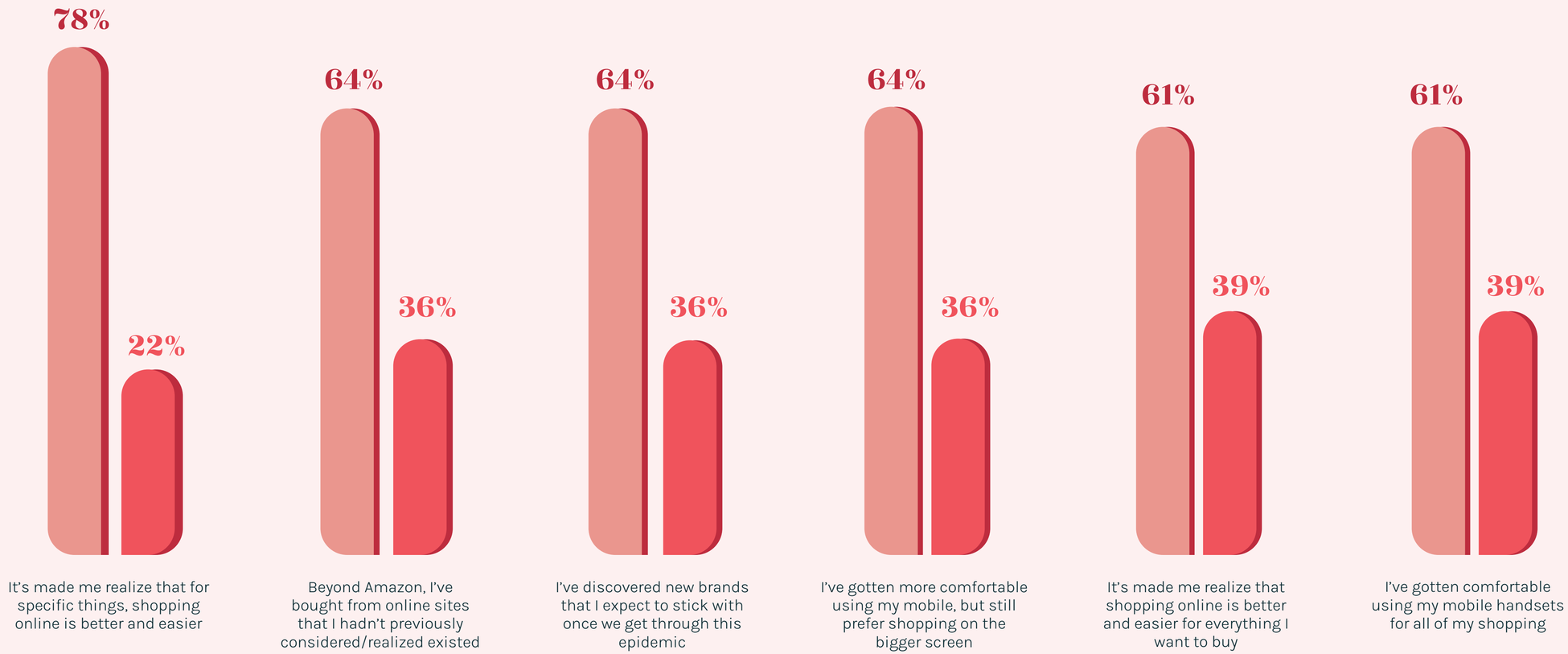
61%

of consumers are comfortable buying on mobile for all shopping

2/3

Almost 2/3 of consumers are buying from new brands, and beyond Amazon

We've had to do more shopping online over the last six months due to the Covid-19 pandemic, what effect has that had on your buying behaviors?



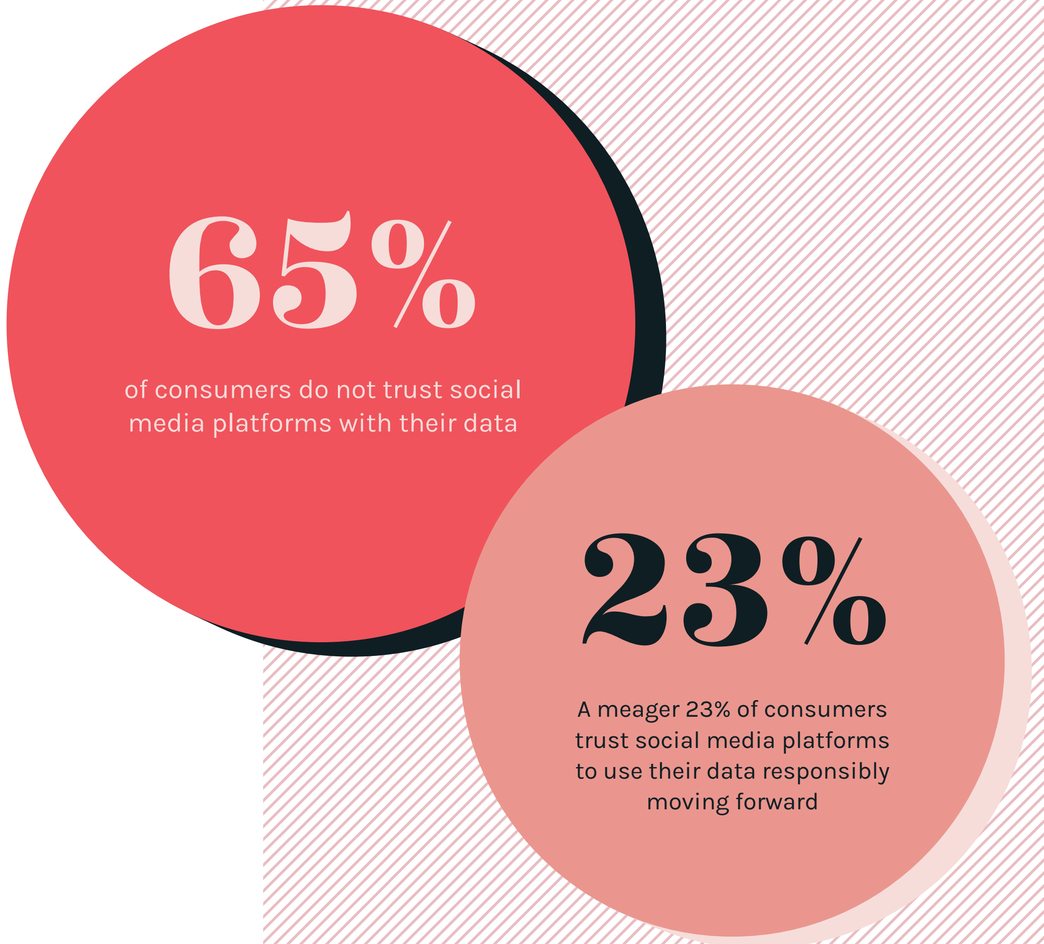
The Social Quagmire

Social channels were not built for marketers. Social media advertising is already a vertical hallmarked by a lack of transparency, performance fraud, ad blocking, and spamming ad frequency that has resulted in the abject engagement rates and lack of trust we see today.

It's vitally important brands don't invest marketing budgets on formats that are no longer fit for purpose — chasing views, clicks, and other vanity metrics instead of what really matters: engagement.

Social networks stubbornly refuse to feed granular campaign-level data to companies' multi-touch attribution models. Marketers can start reconnecting with modern consumers by switching from interruptions to experiences. Instead of erroneously spending money on pushing their message wider and further, they can shift to a strategy rooted in offering value for engagement, and begin to unlock customer relationships directly.

In a recent Forrester report "It's Ok To Break Up With Social Media," they revealed that 37% of U.S. online adults believe social media does more harm than good, and a mere 14% believe the information they read on social media is trustworthy.



“Many marketers have misread the room. In their eagerness to have a broad presence on social media and establish two-way communication with customers, they’ve failed to fully consider their audience’s preferences or build a social strategy based on deep customer understanding.”

Jessica Liu

Senior Analyst, Forrester

It’s Time To Break Up With Facebook And Own Customer Relationships

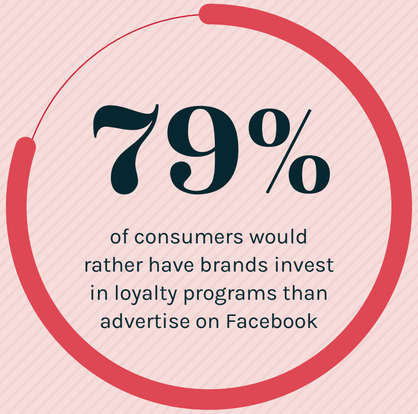
Pick up a copy of Forbes’ “World’s Most Valuable Brands List” and it’s easier to list the behemoths in the top 100 that haven’t curtailed social media ad spend as a result of the giants not doing enough to take tangible steps to prohibit hate speech.

Demanding that there is a safe environment on platforms that we spend heavily on and associate with makes sense. Long-term brand health, issues of hate speech, online bullying, extremist content, fake news, and the like are canaries in the mine that should be telling marketers that being over-reliant on social platforms to reach customers is a perilous game.

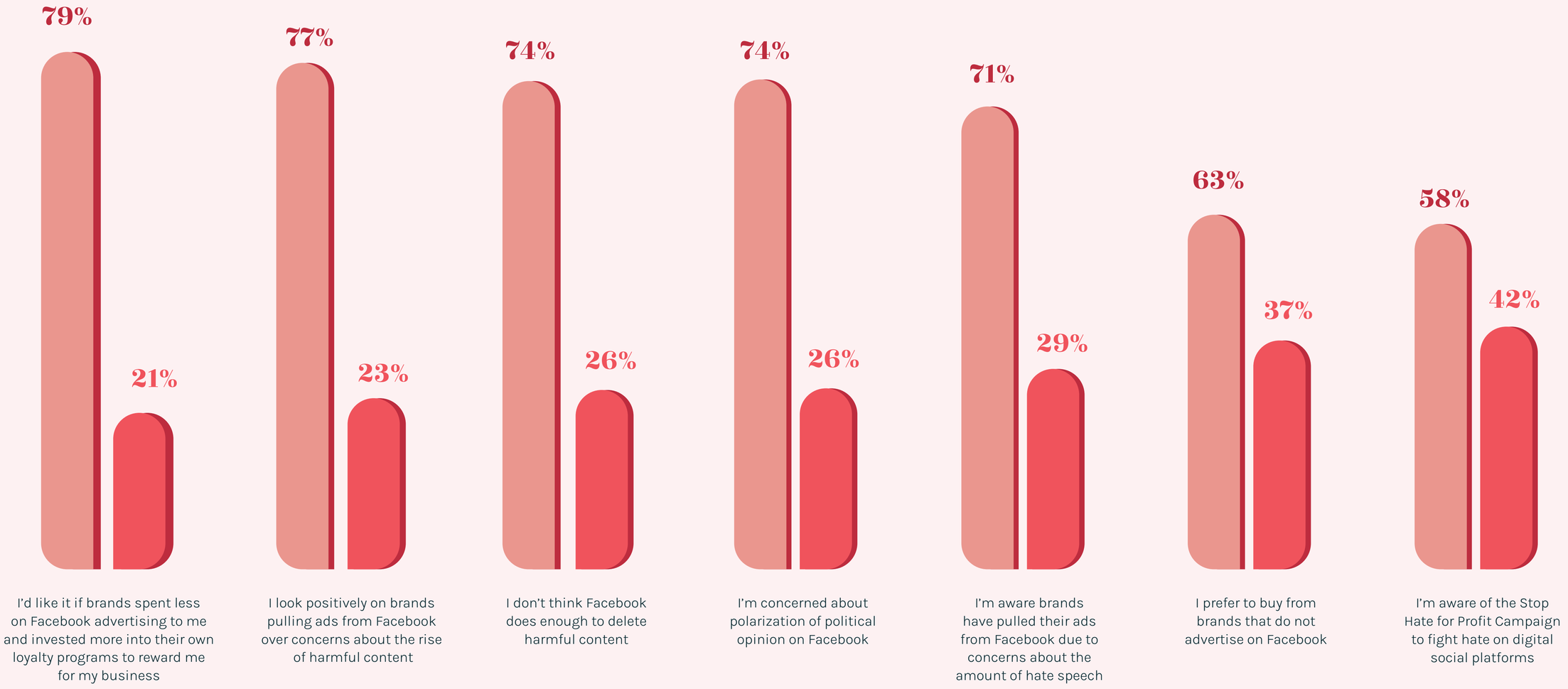
Rather, they need to shift to a strategy of owning customer journeys and compliantly collecting and actioning data to build more meaningful relationships with consumers. Investing in social advertising to get consumers off that platform into our own direct channels, versus relying on social media as the channel to communicate to consumers.

Although current circumstances mean more consumers are shopping from social ads than ever, a staggering 79% of consumers want the brands they do business with to invest in loyalty programs that offer value rather than shelling erroneous bucks on Facebook advertising, and nearly 2/3 would like to purchase from brands that boycott Facebook.

A further 77% see pulling ads from Facebook with positivity and 74% don’t think Facebook does enough to stop harmful content.

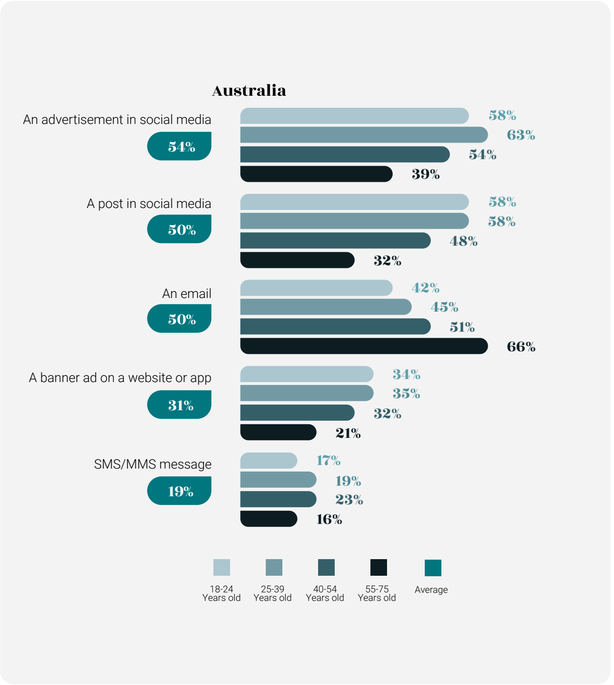


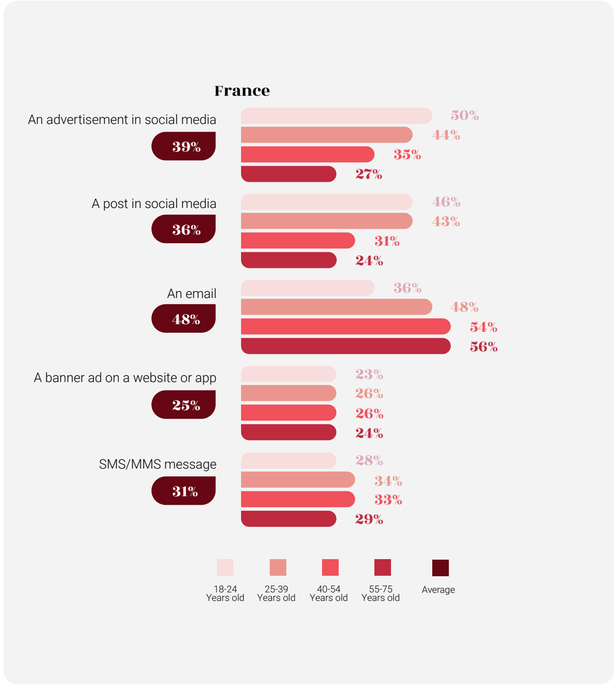
You mentioned that you’re more concerned about brands social or political associations. Thinking about Facebook in particular, please note whether you agree with the following statements

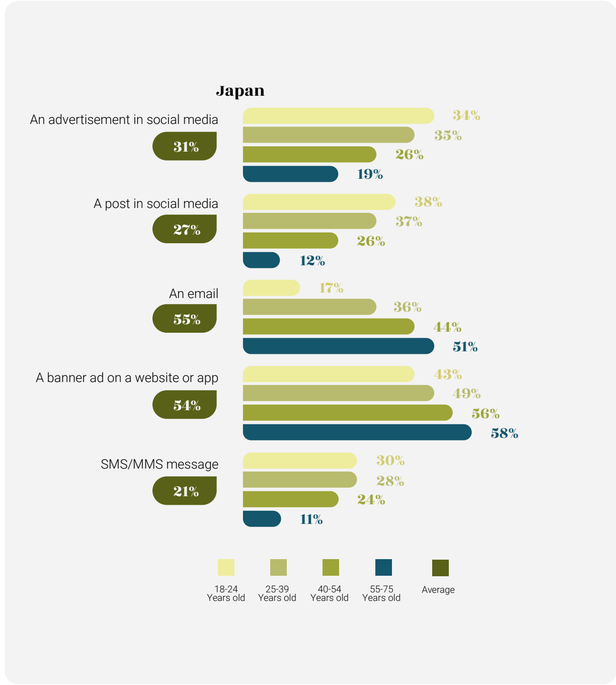


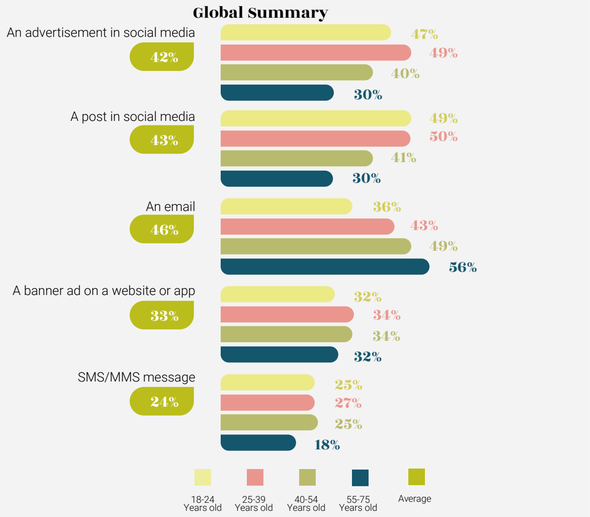
Appendix

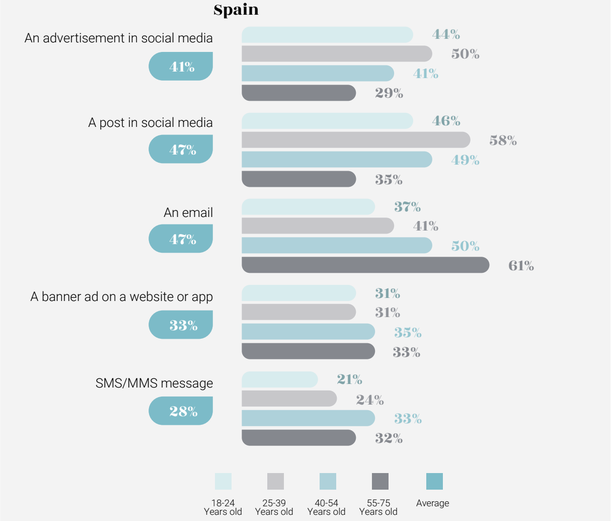
Have you ever made a purchase from any of the following in the last 12 months?

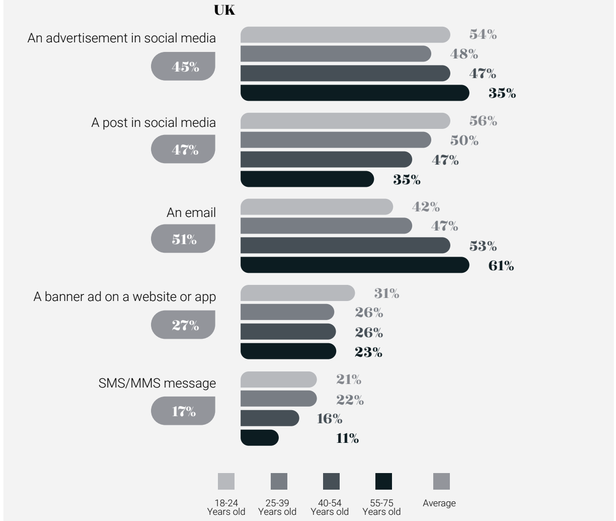


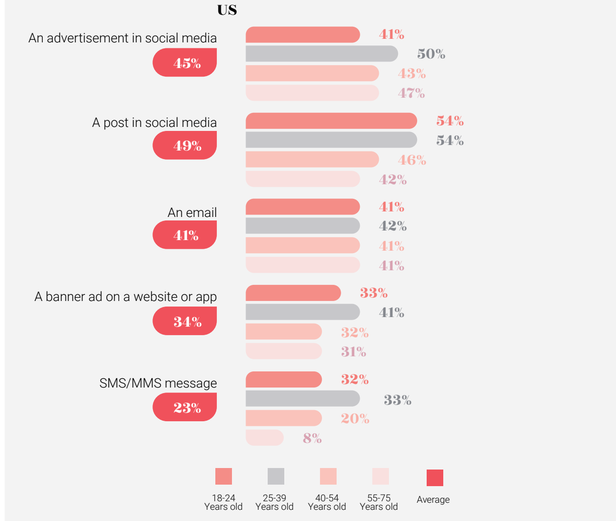




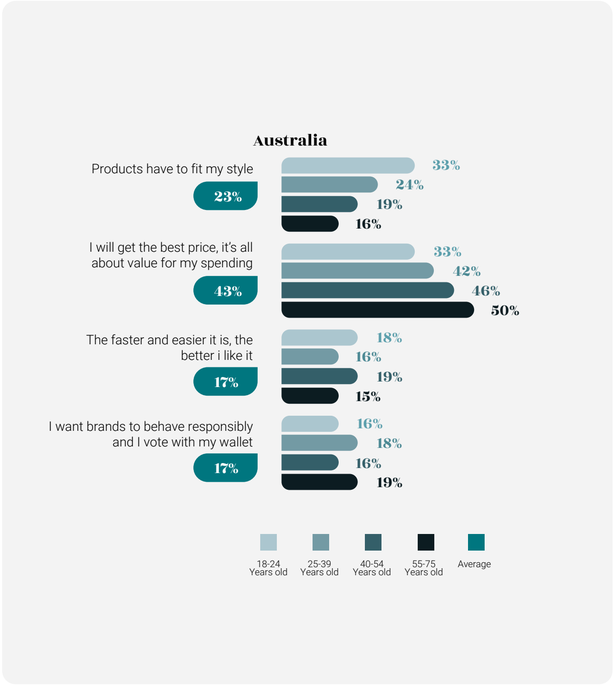


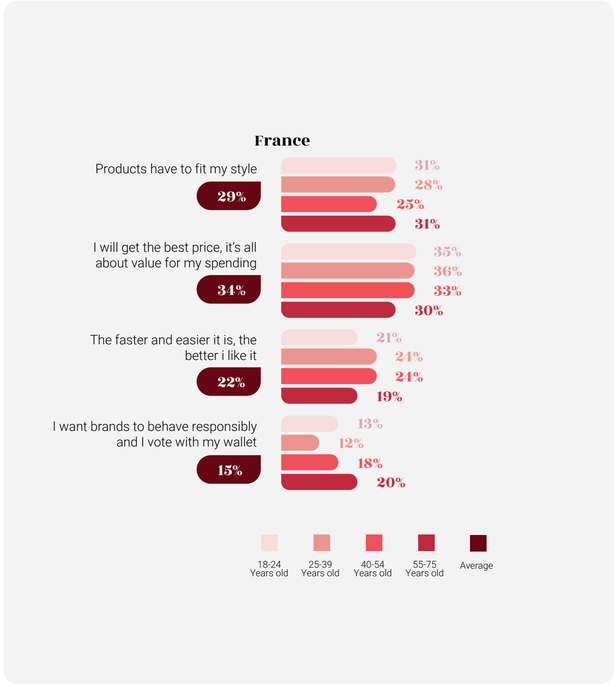


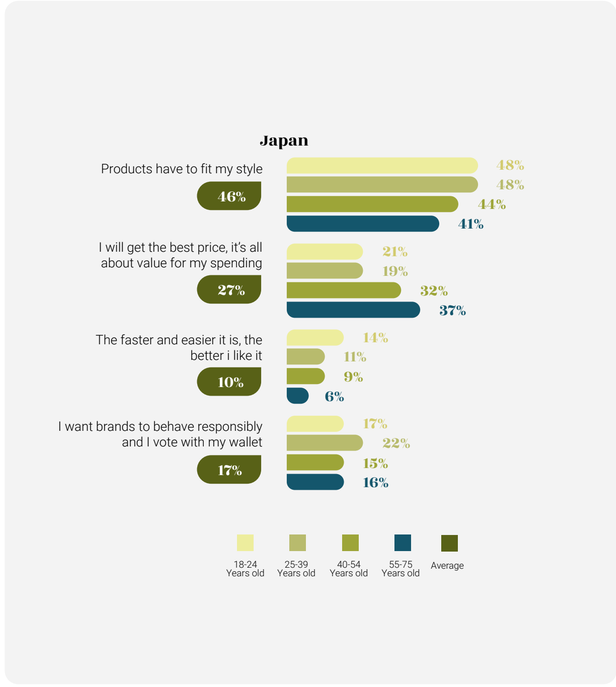


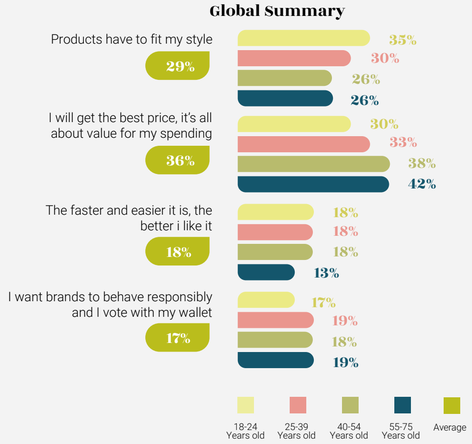


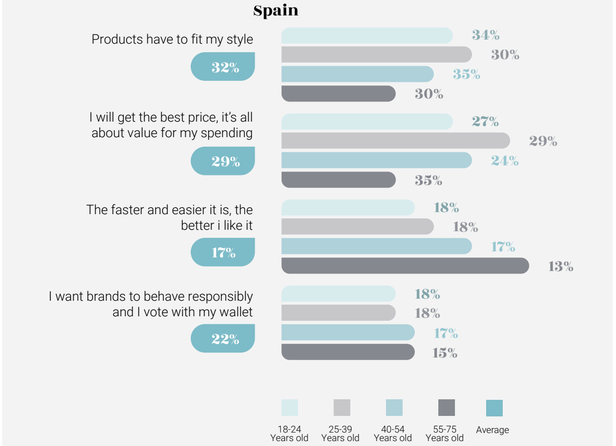
If you had to pick one phrase to describe you as a shopper, which would it be?

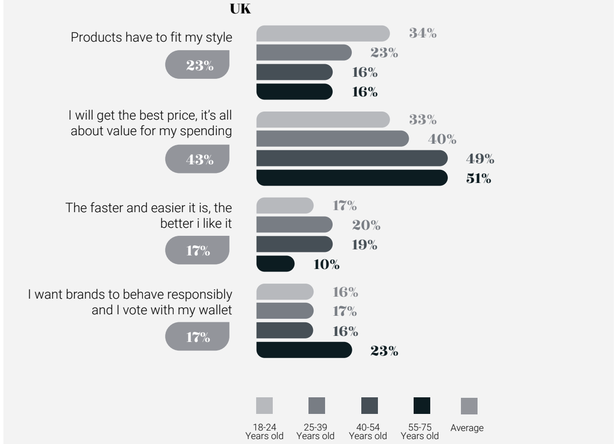


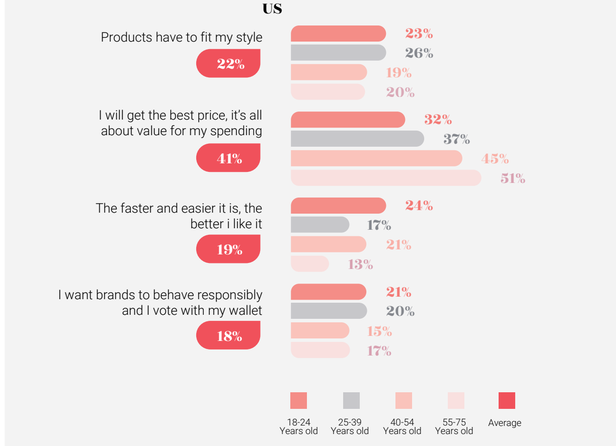




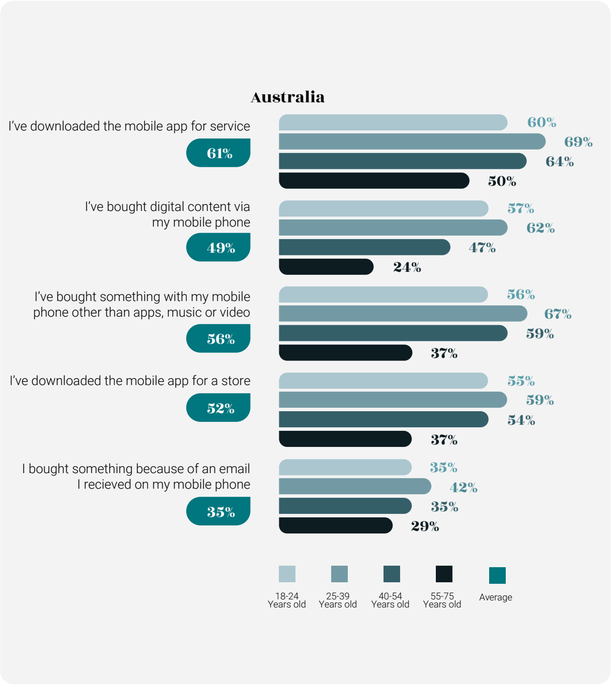


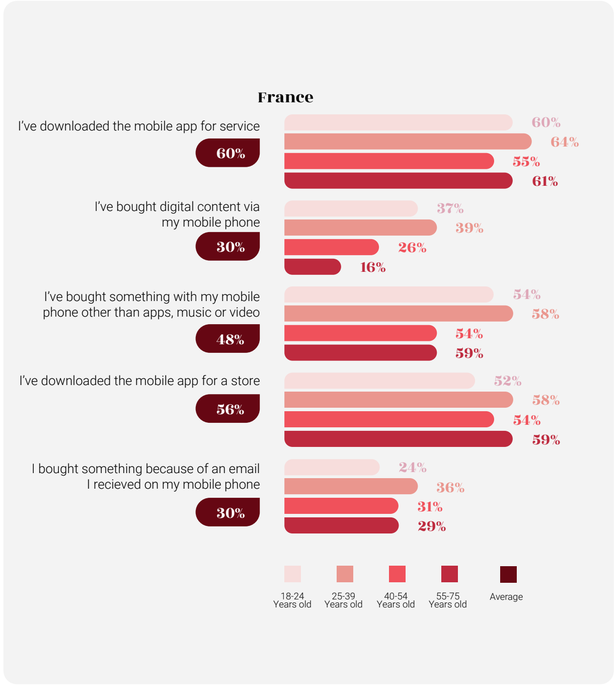


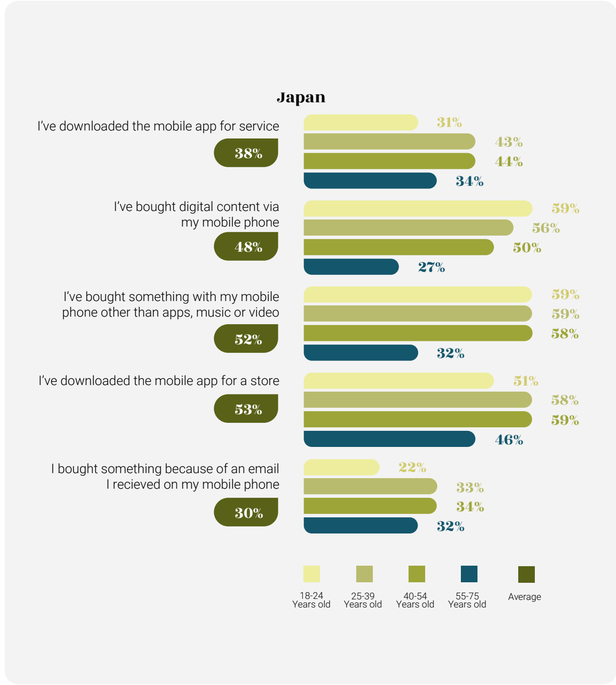


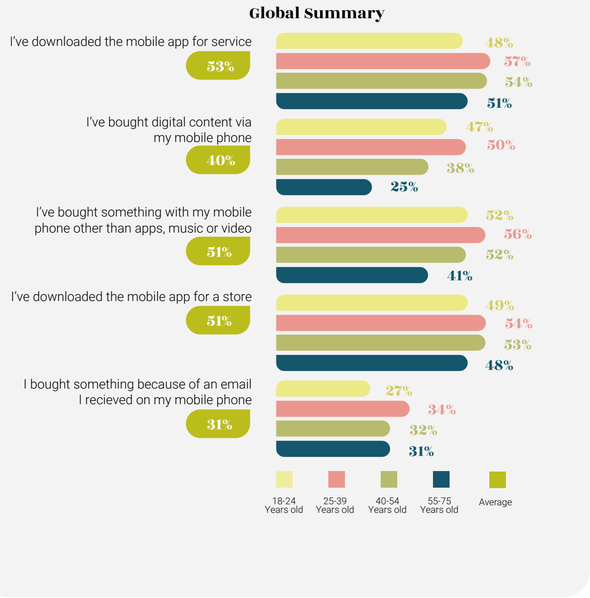


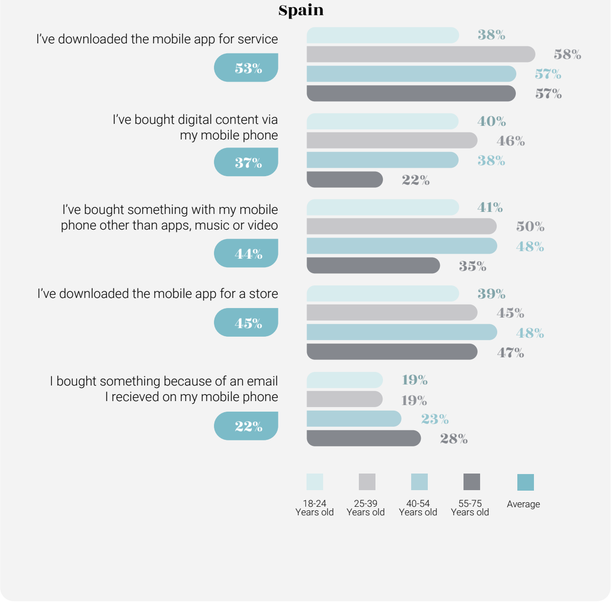
Which of the following, if any, describe you?

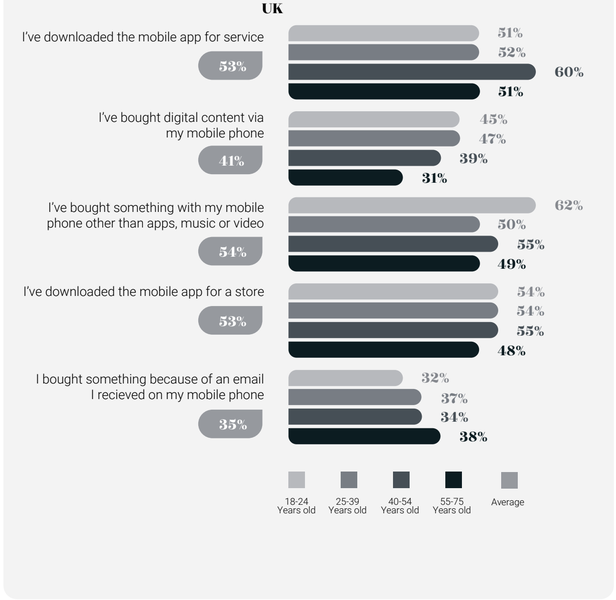


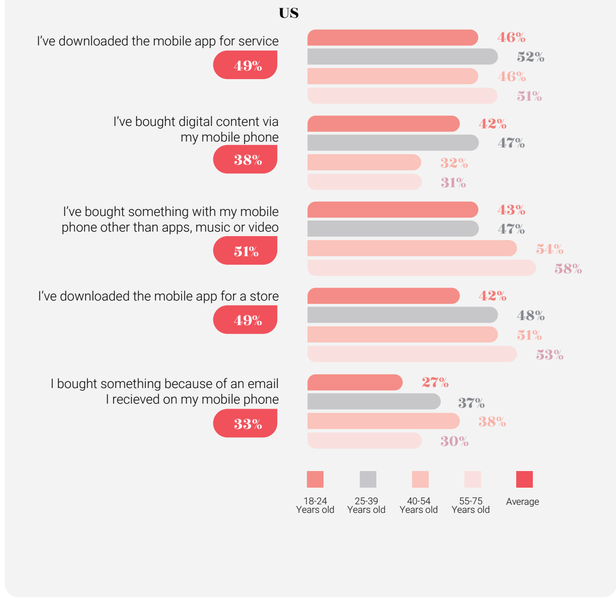




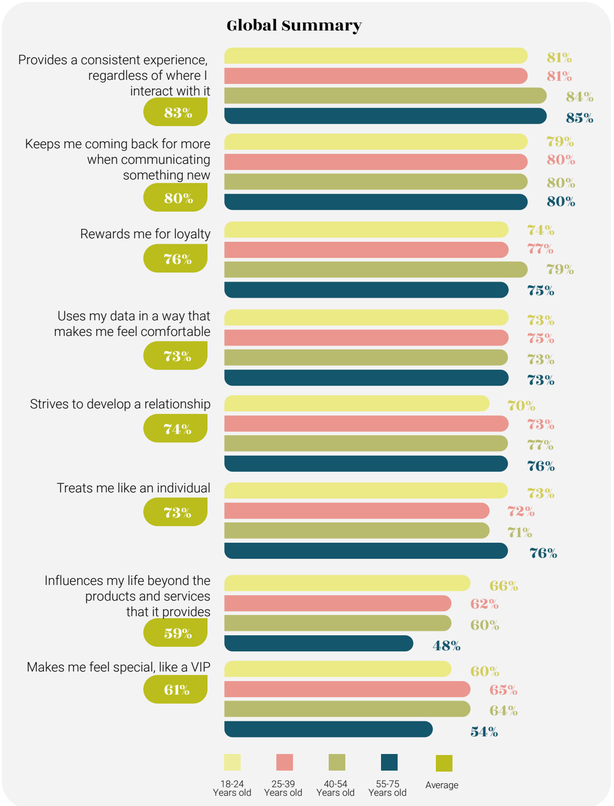


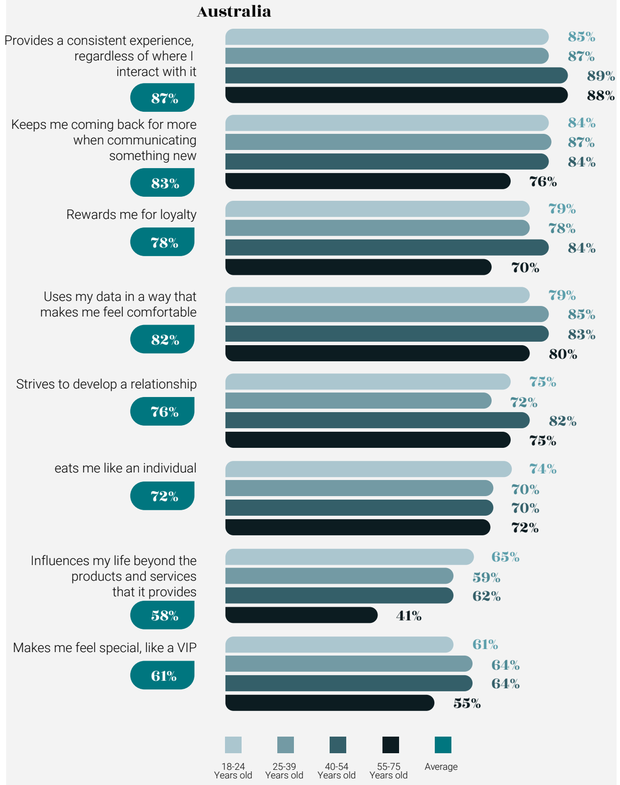


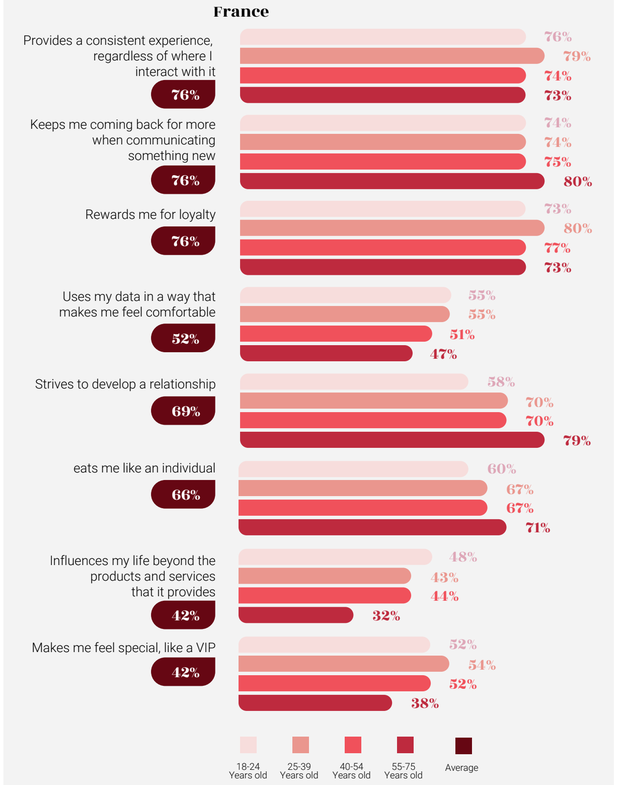


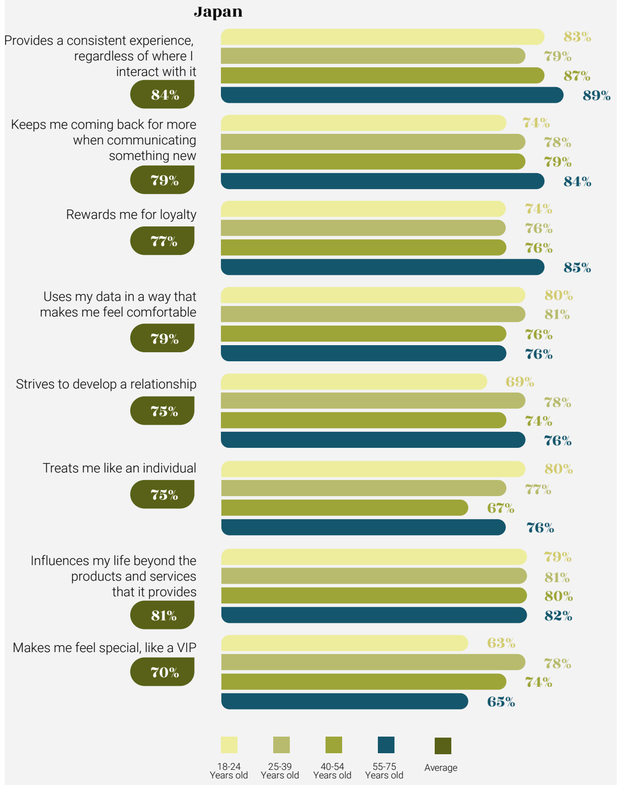


Thinking about your favourite brand that has communicated with you a lot over the last six months, please select whether you agree with the following statements. (Agree only)









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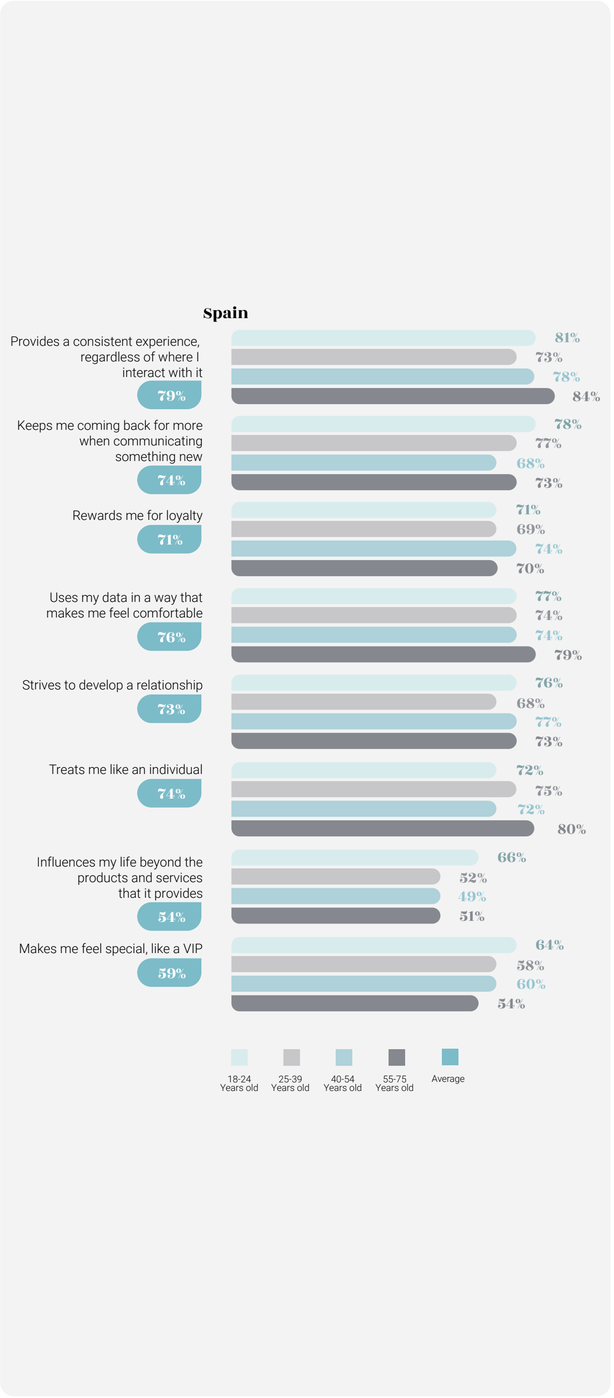
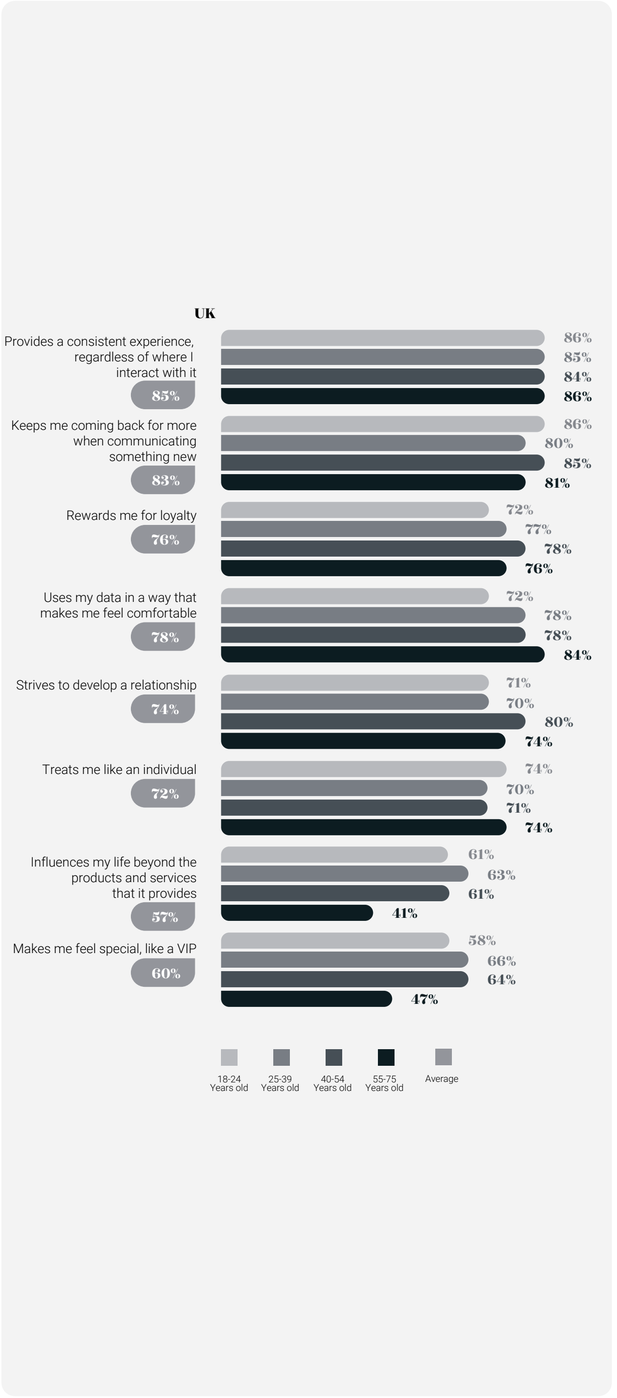
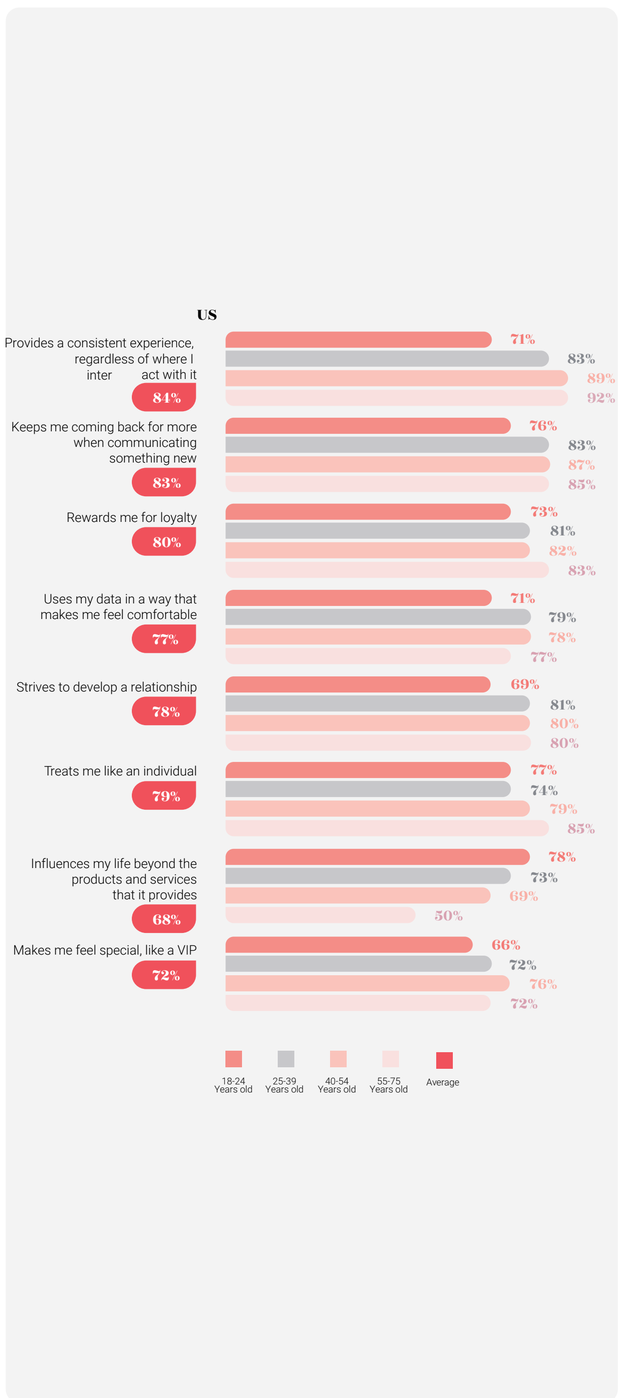
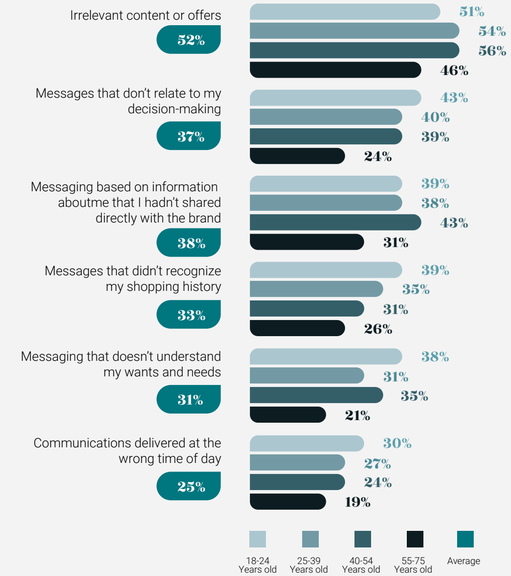
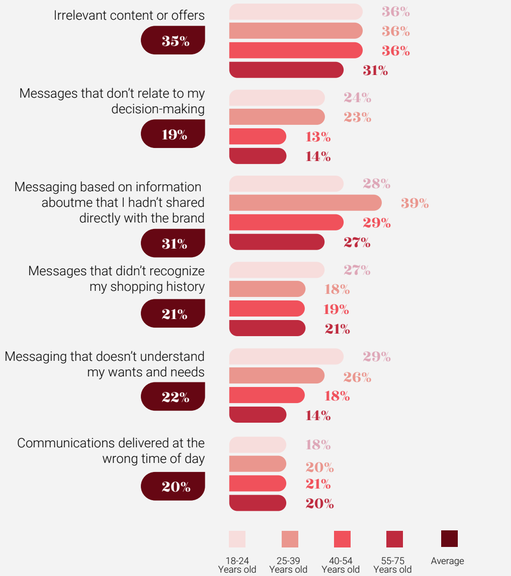


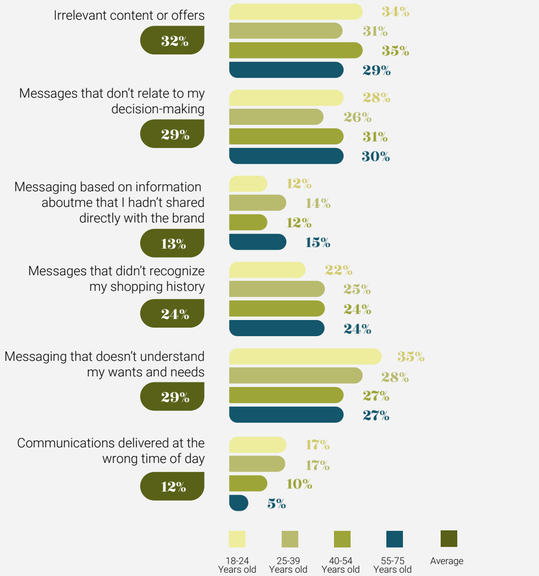


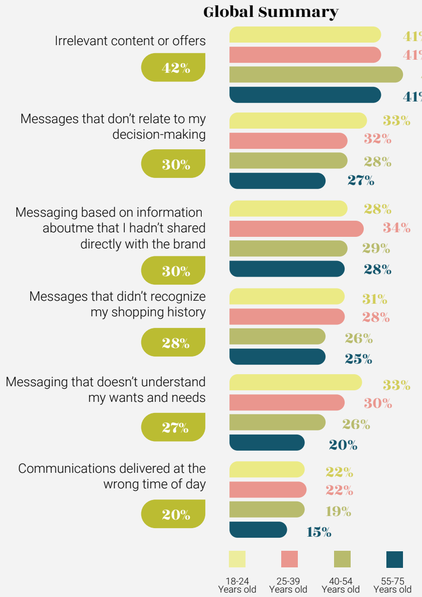


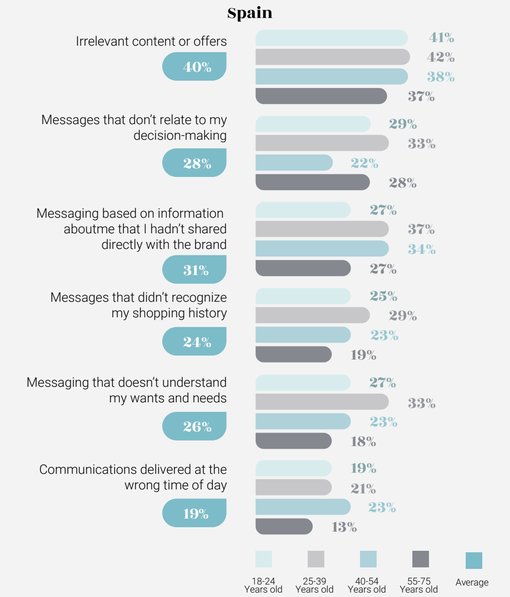
Thinking about all the brands that have communicated with you regularly in the last six months, have you experienced any of the following frustrations?

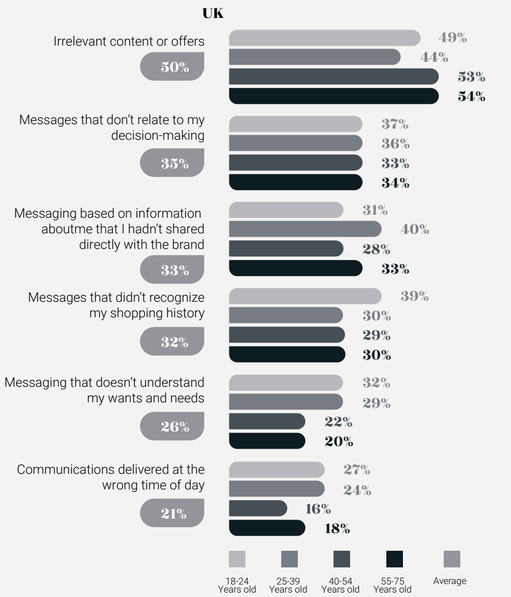


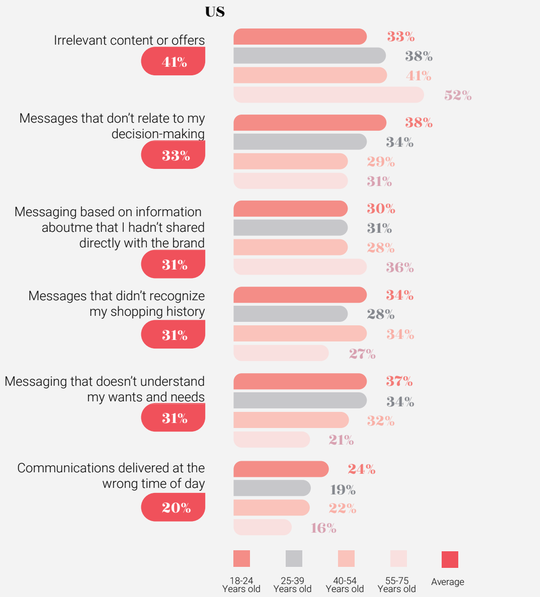




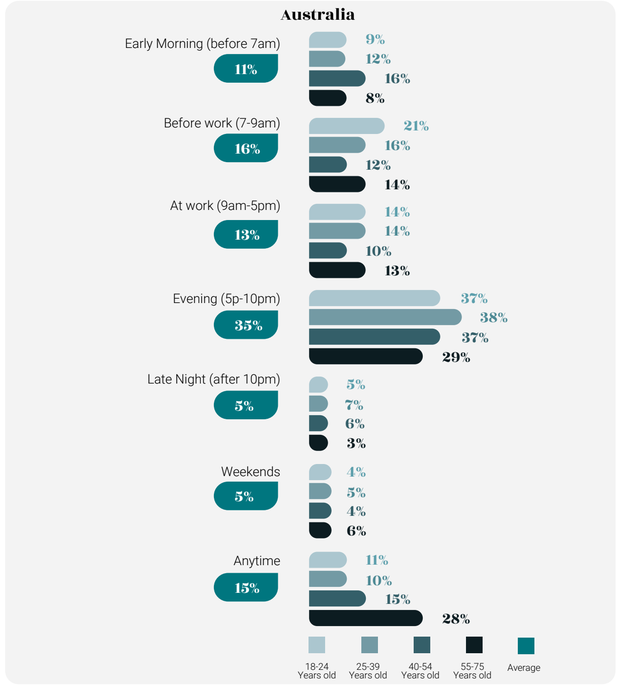


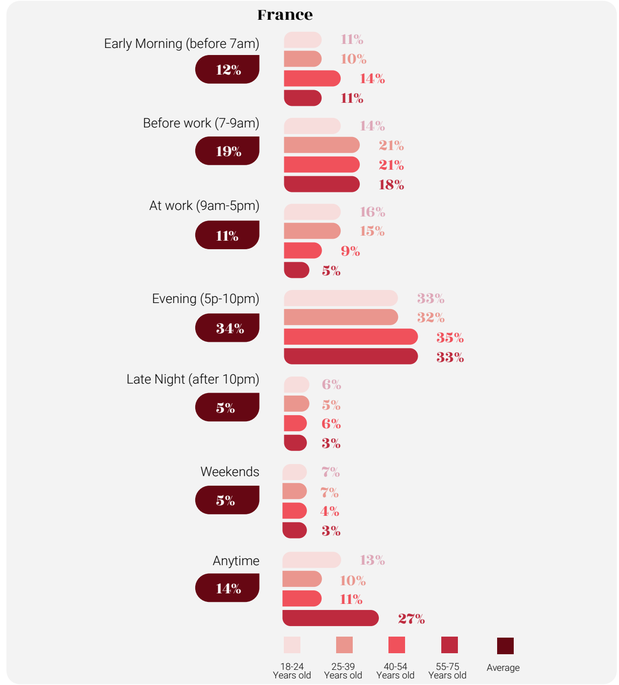


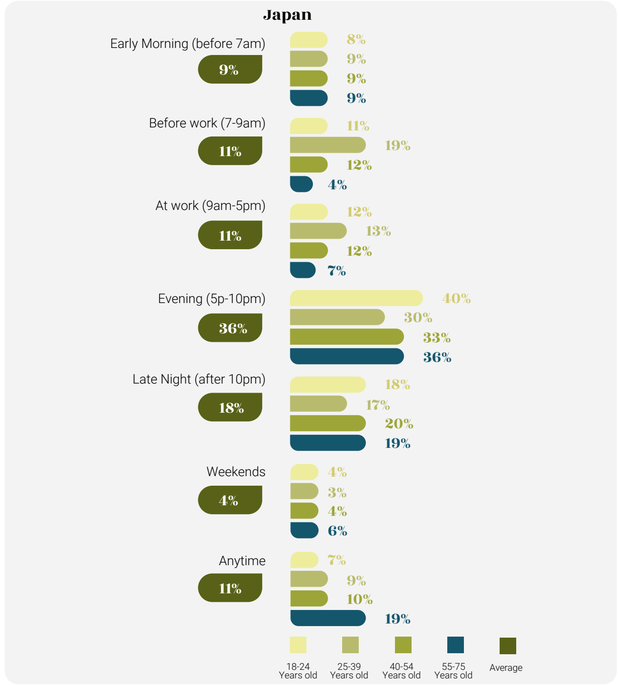


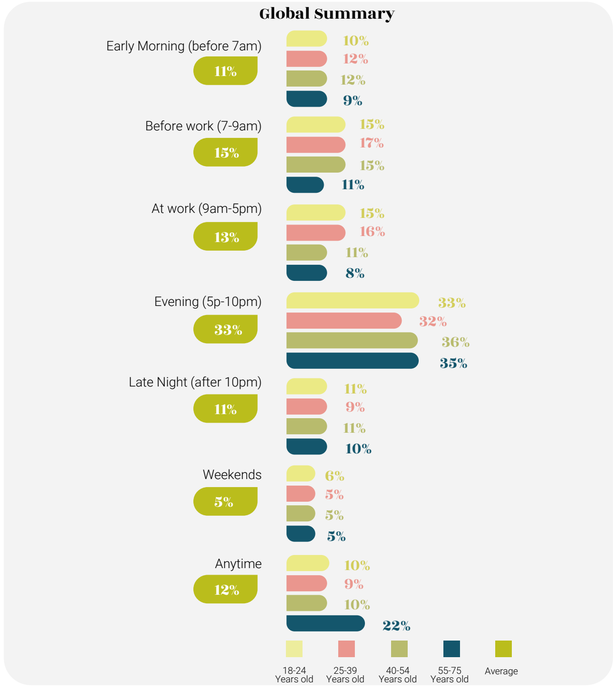


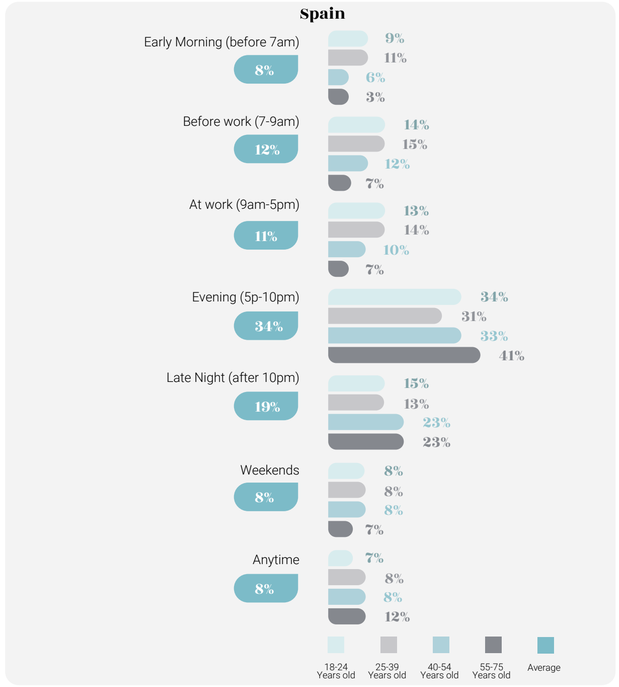
When in your day are you most likely to engage with brands (read emails, use apps, check social media, etc.)

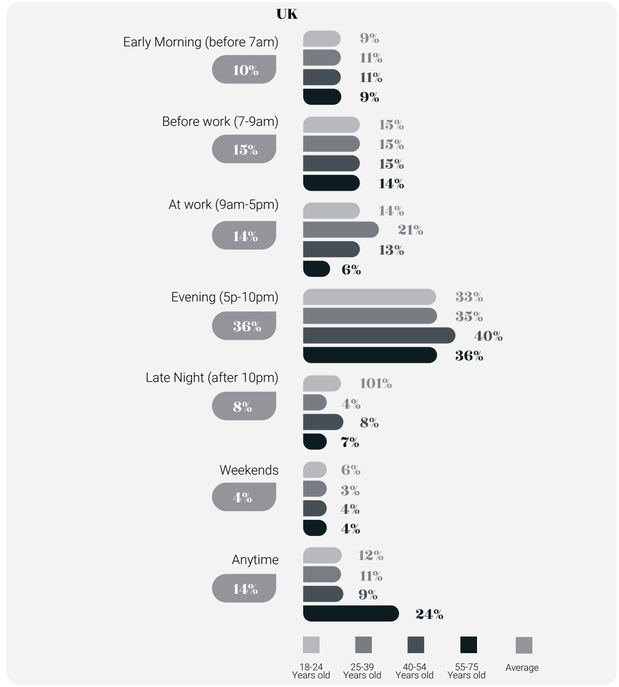


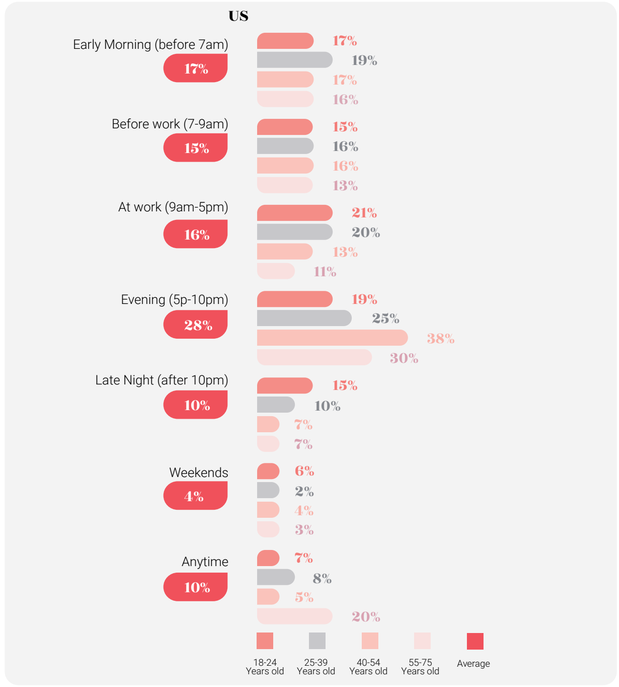




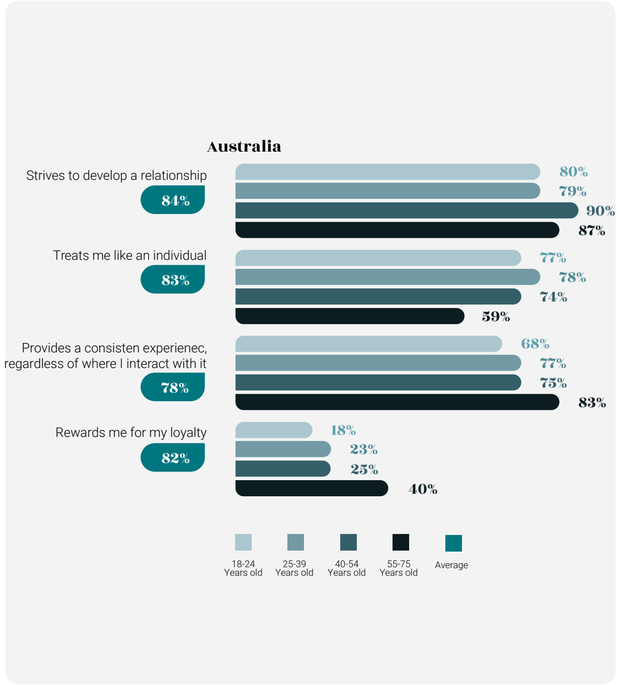


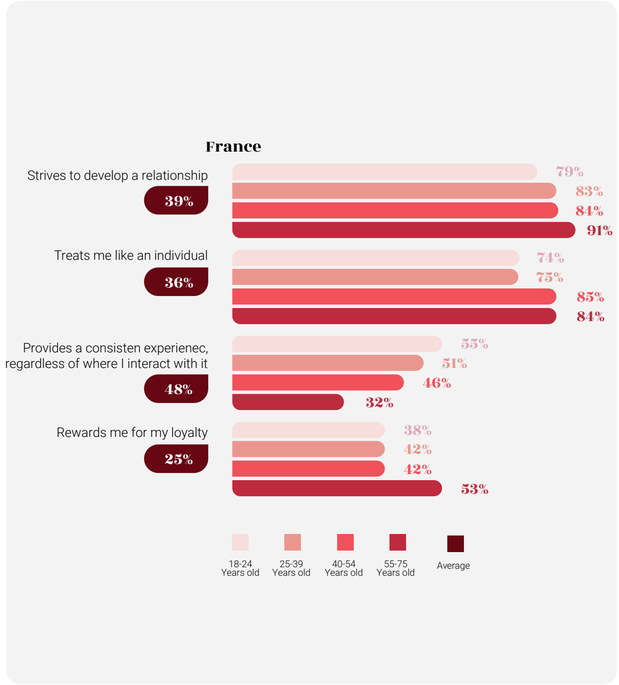


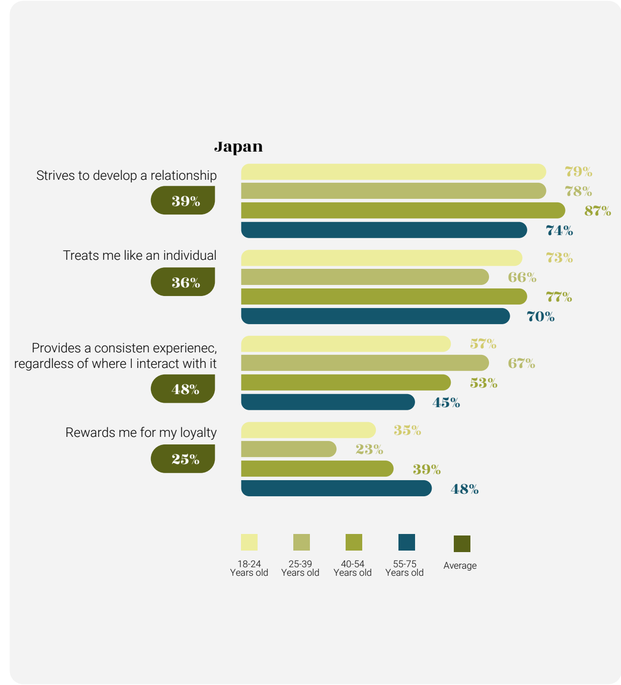


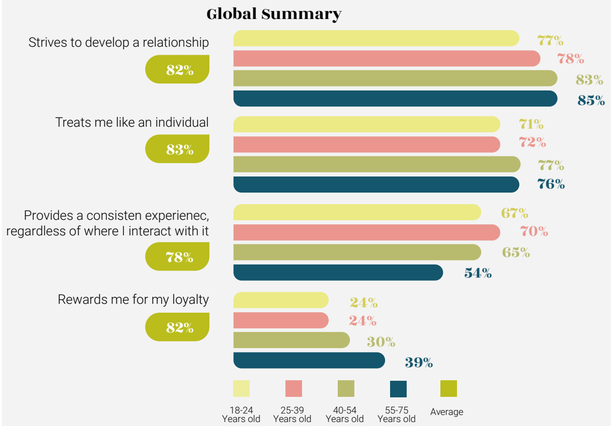


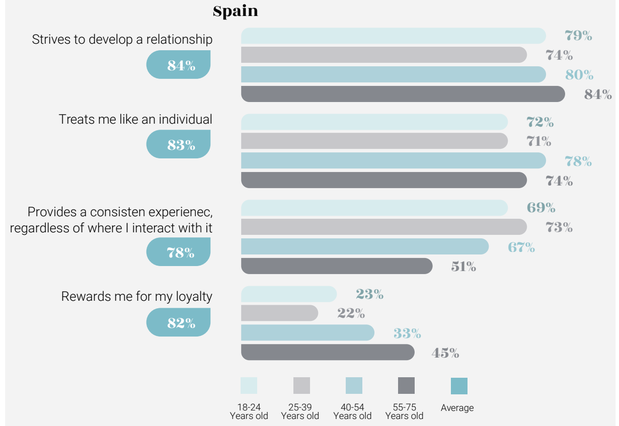
Brands want to have loyal customers who prefer them to competitors. Thinking about how you've shopped and your personal brand loyalties in the last six months, are the following statements true? (True only)

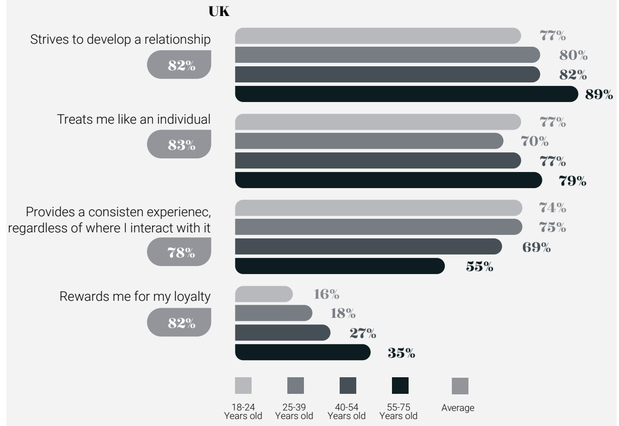


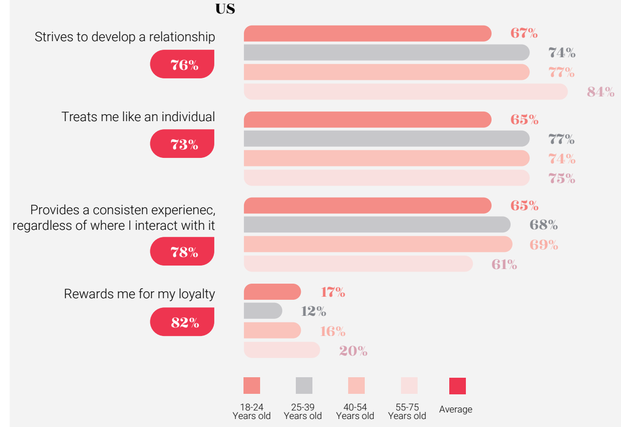




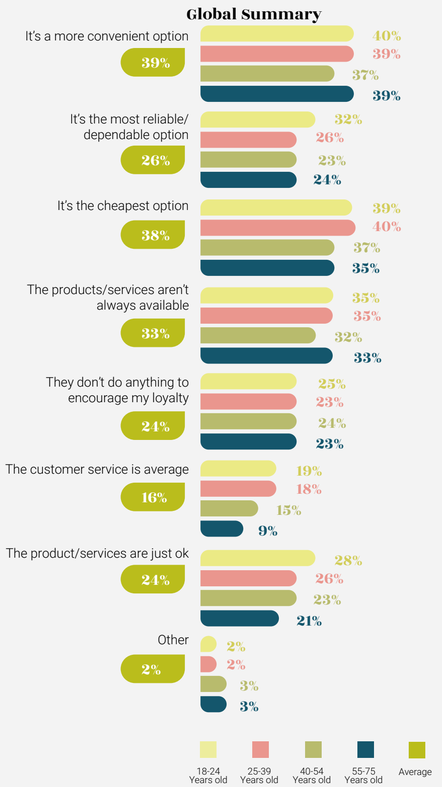


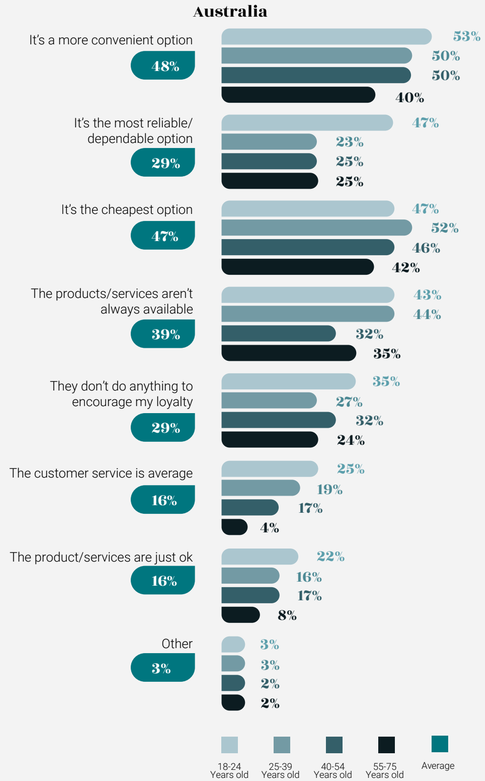


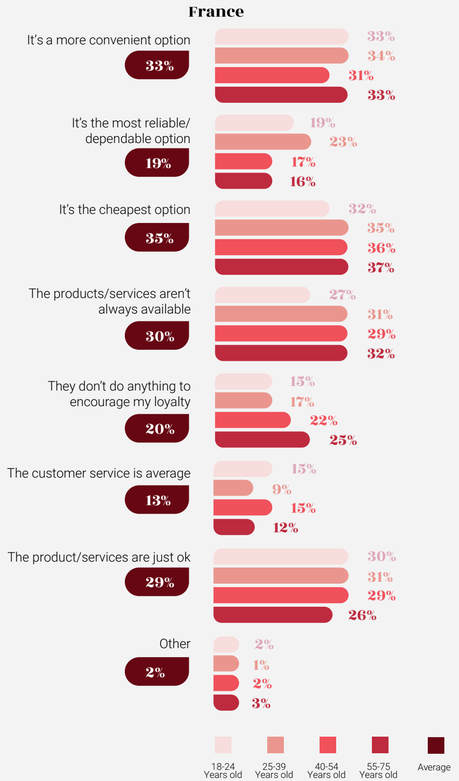


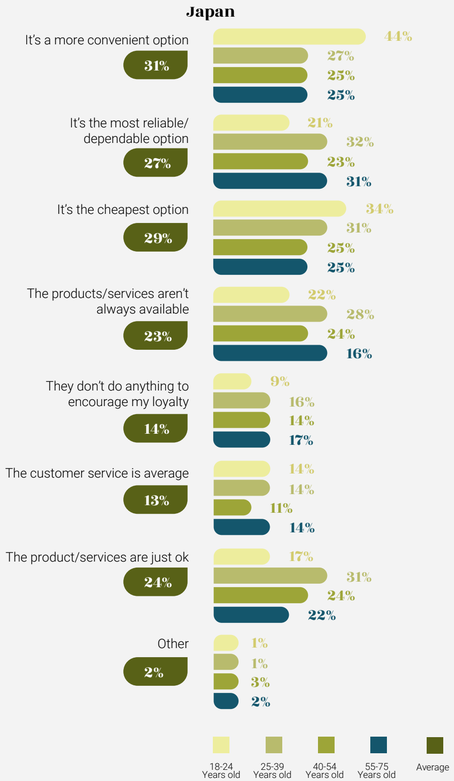


You said you sometimes “Buy frequently from the same company, but I’m not loyal to that company.” Why is that?









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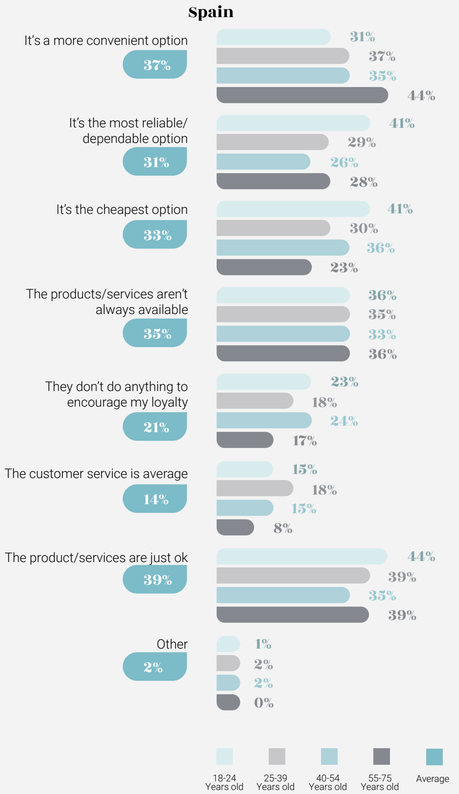
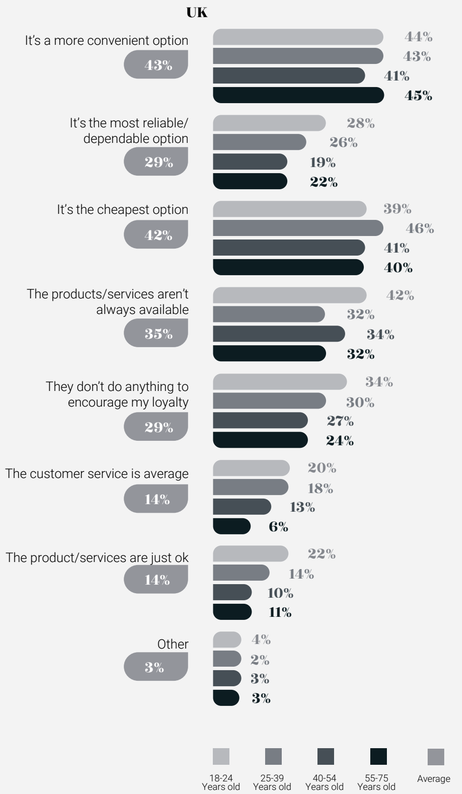
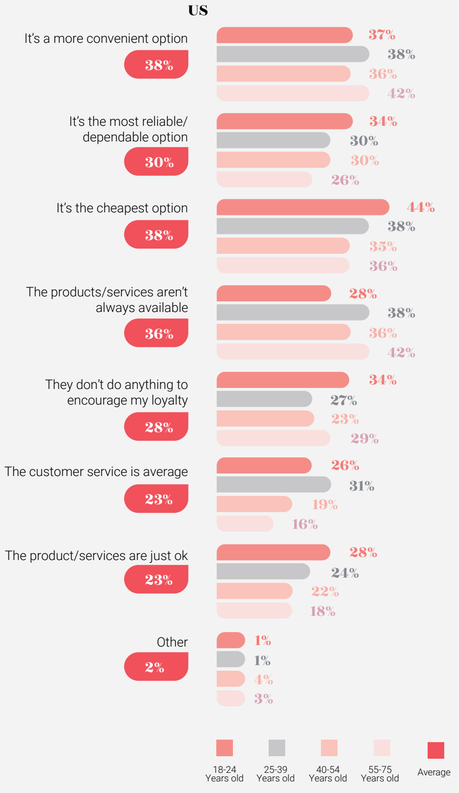
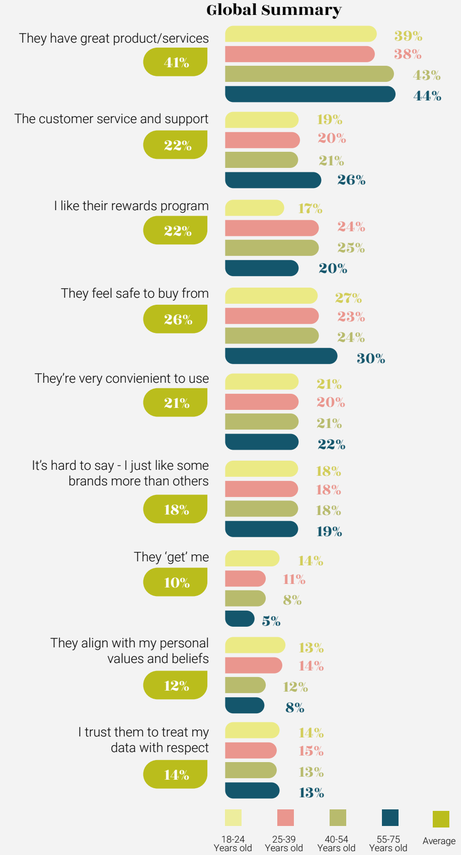
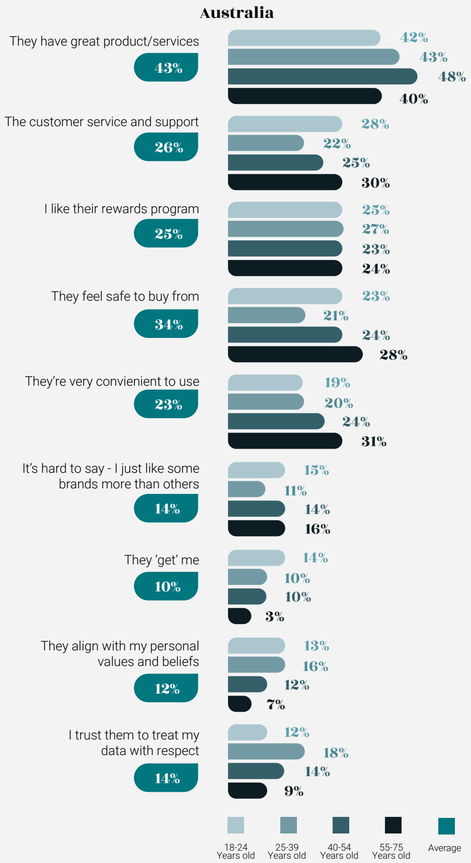


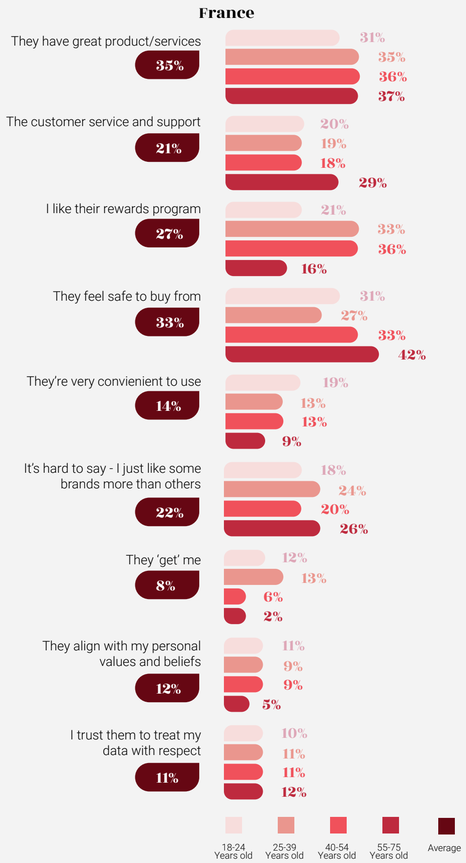


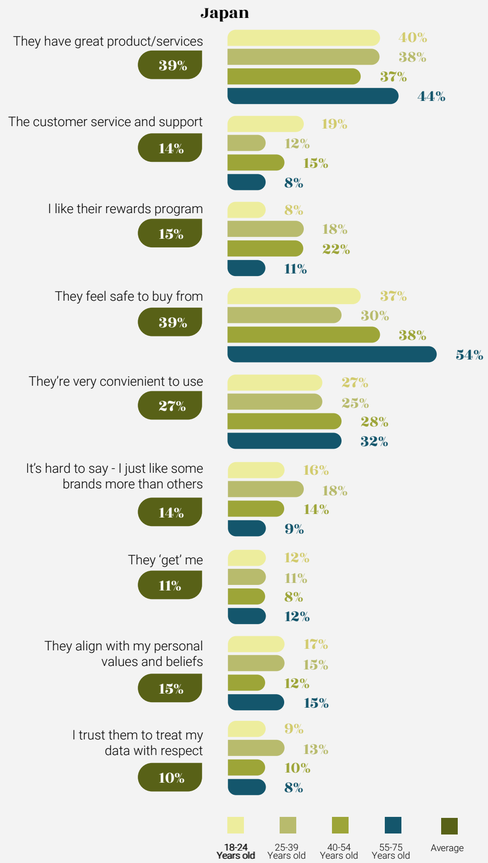


Thinking about your answers to the last question, what are the top two things that make you loyal to certain brands?









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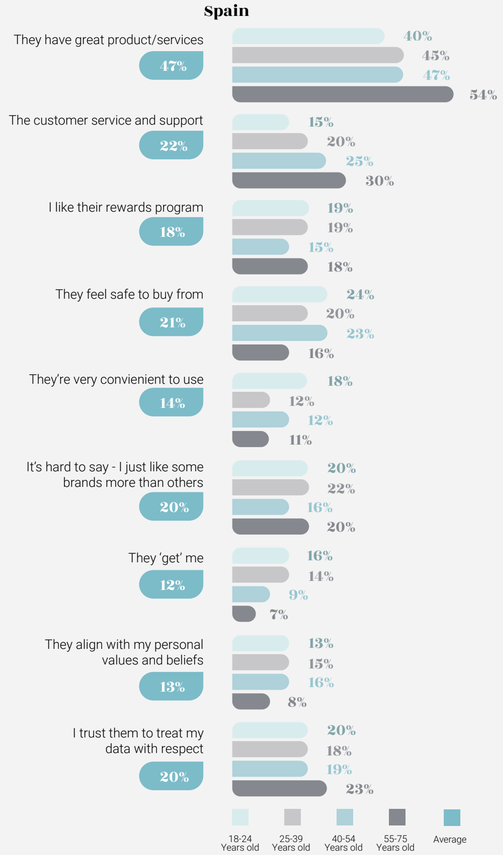
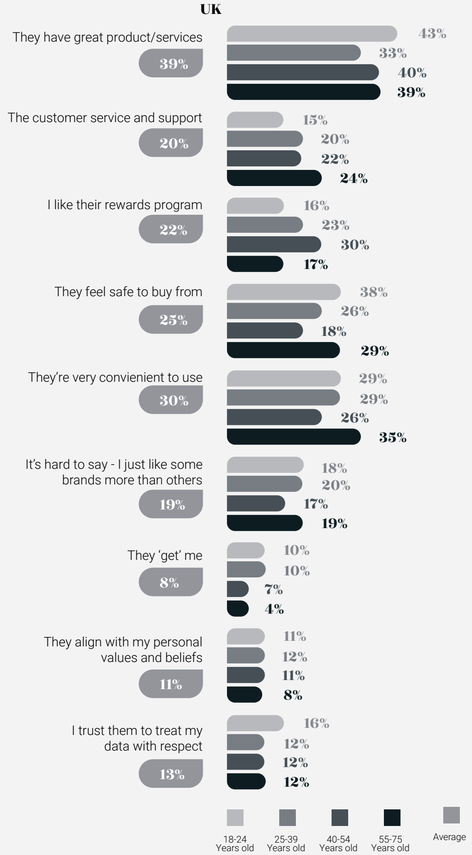
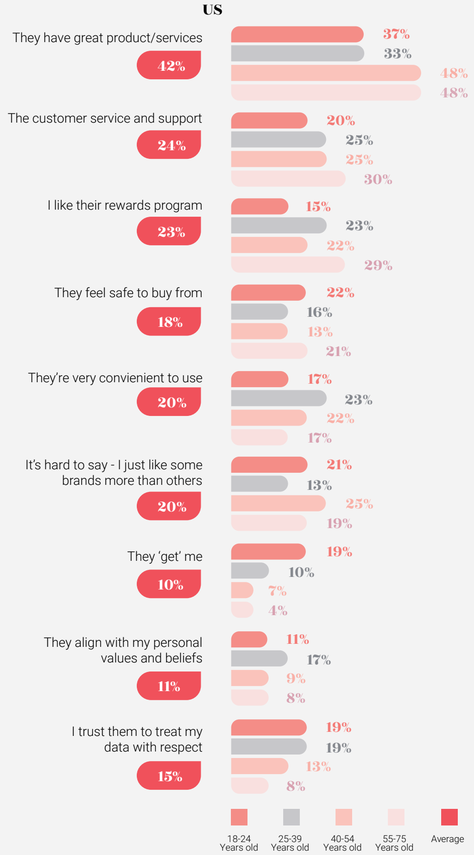
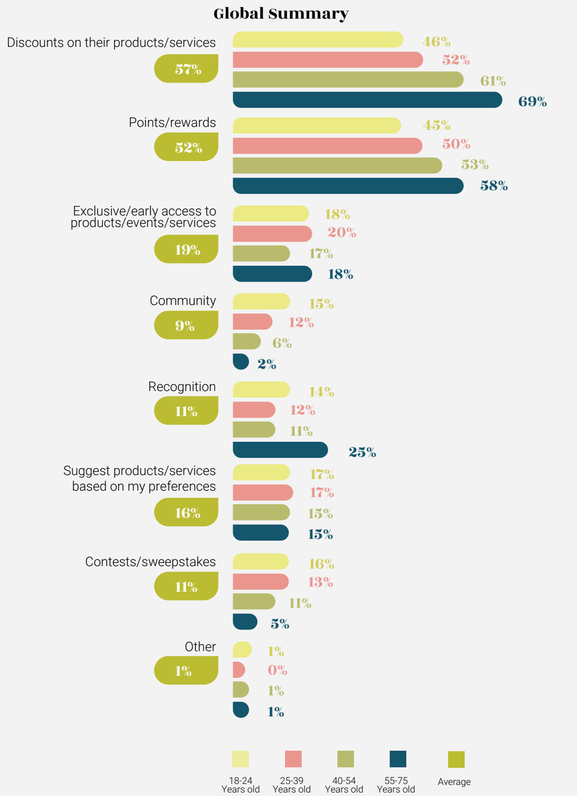
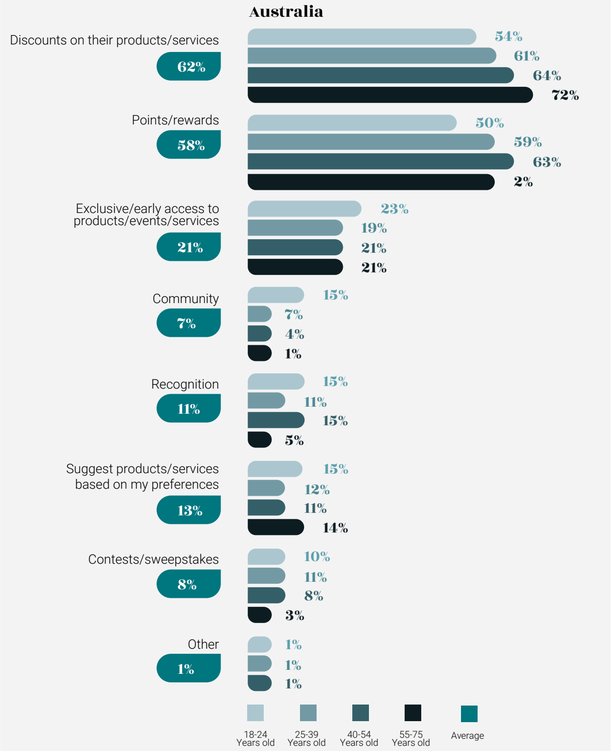


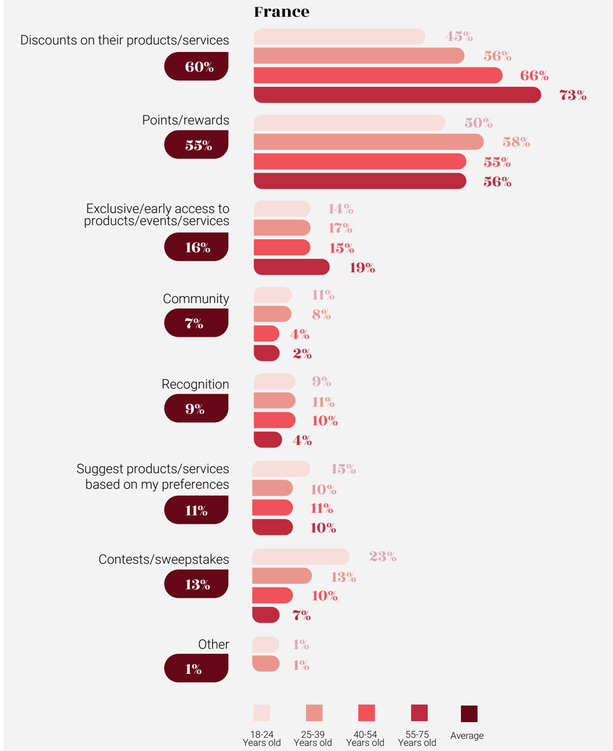


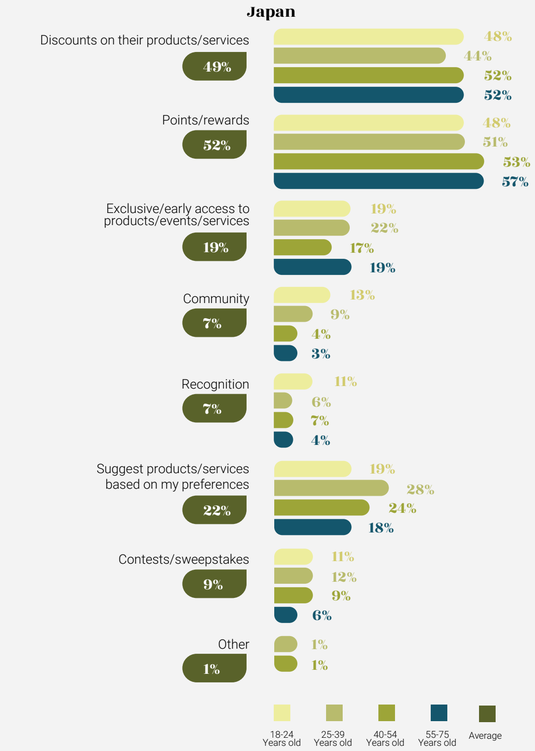


Thinking about rewards and loyalty programs, what should brands offer to keep you coming back?









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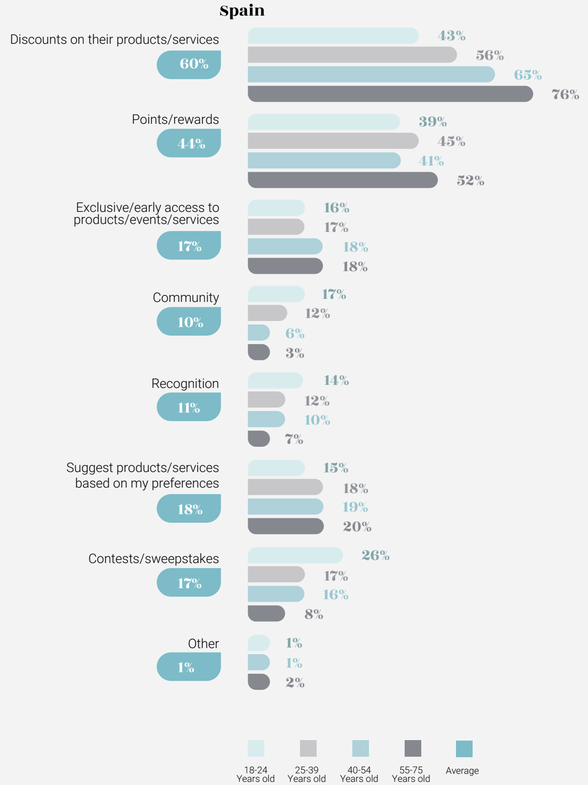
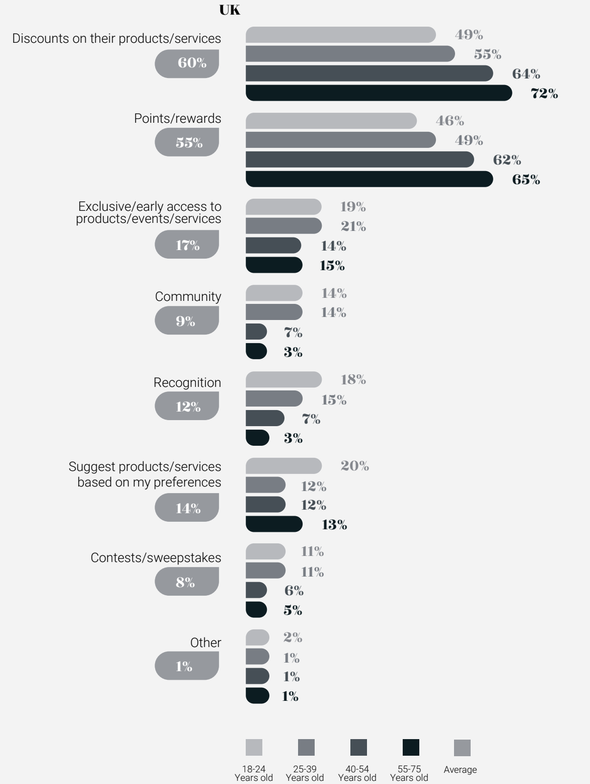
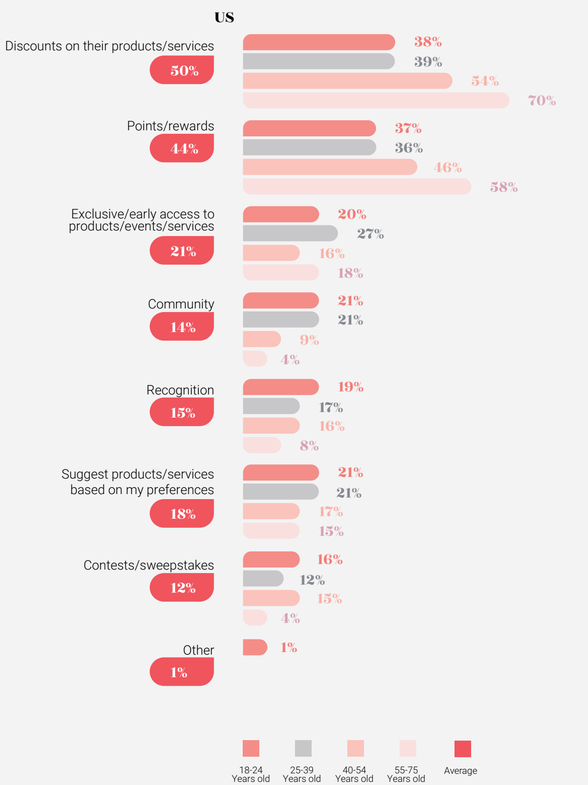
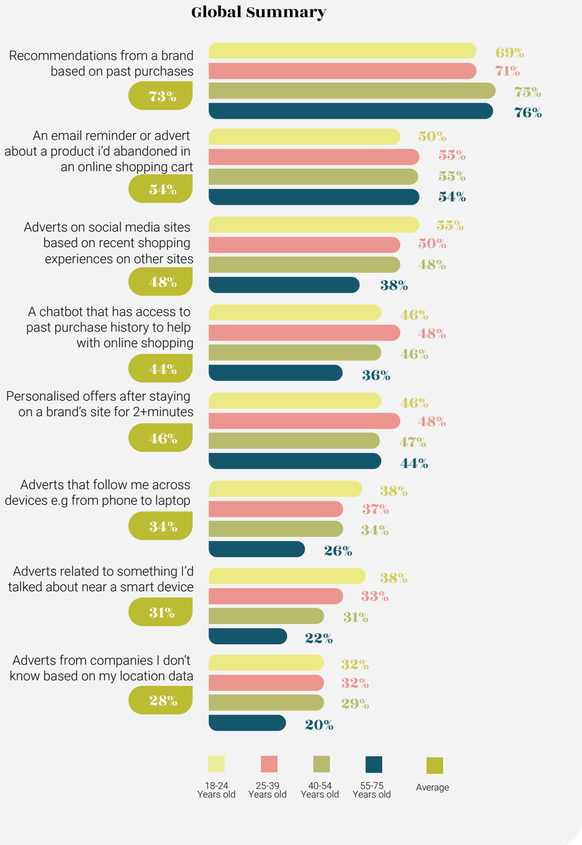
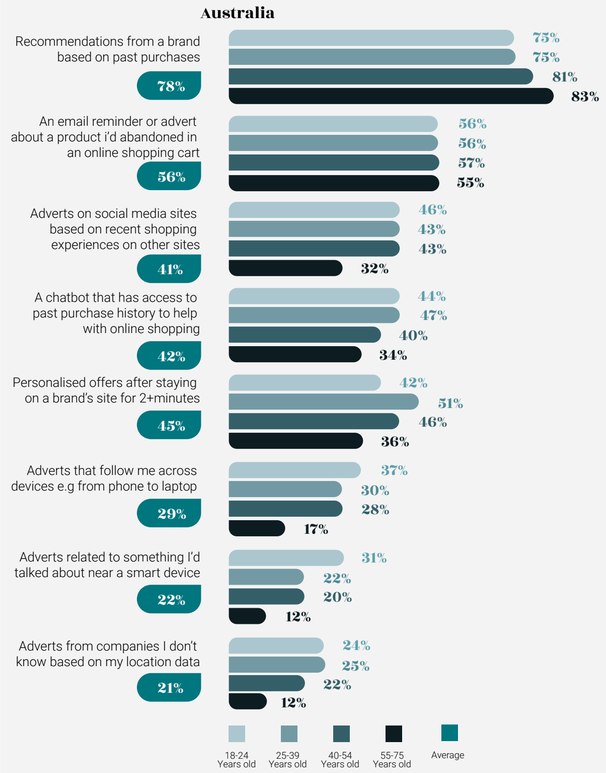


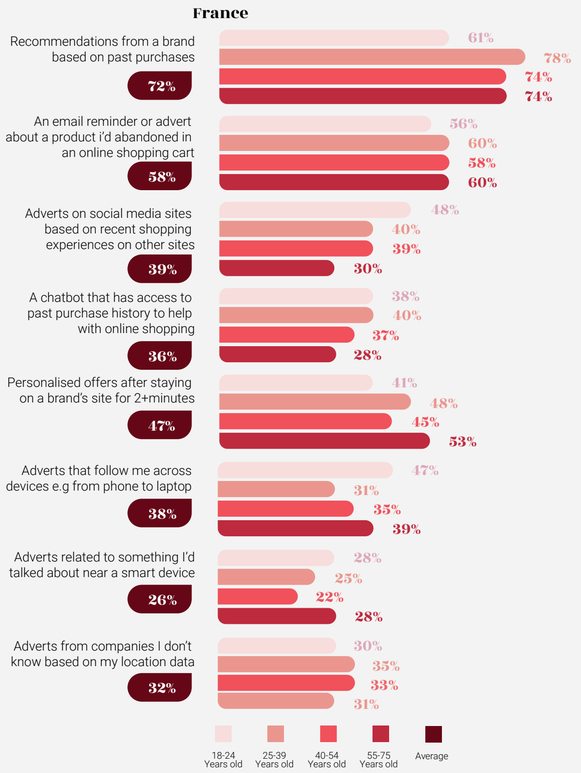


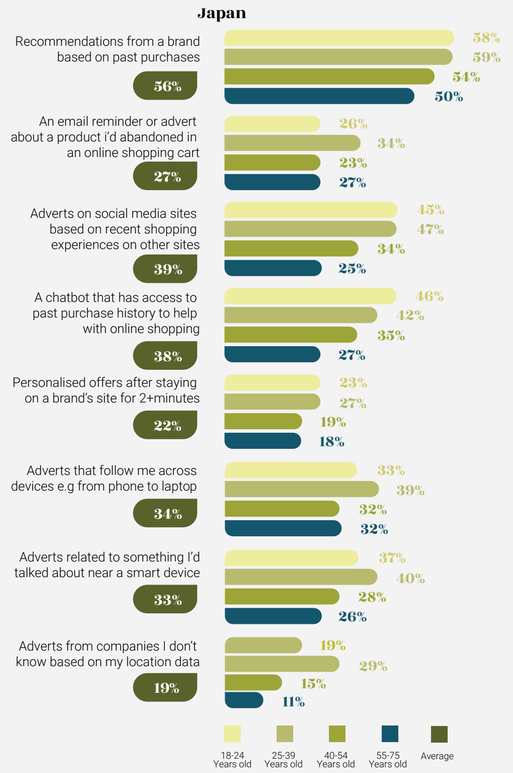


How would you feel if a brand/retailer interacted with you in the following ways, please indicate whether you feel it's creepy or cool? (Cool only)









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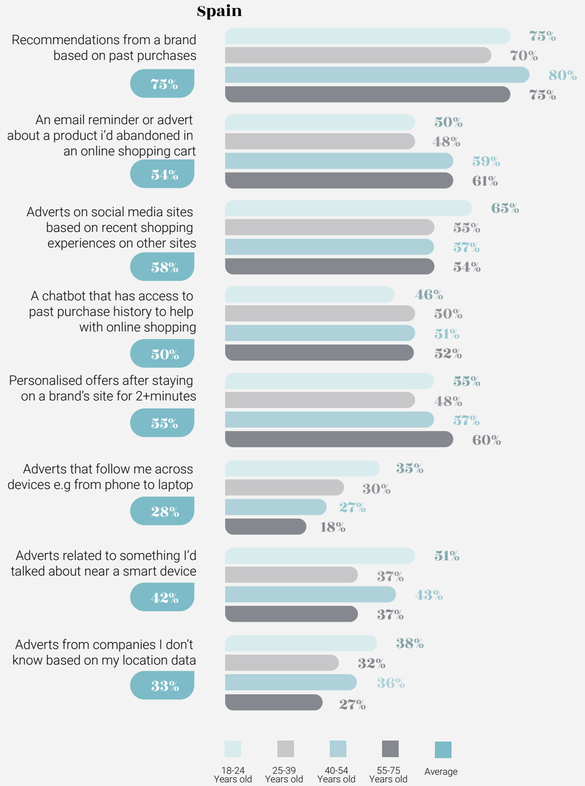
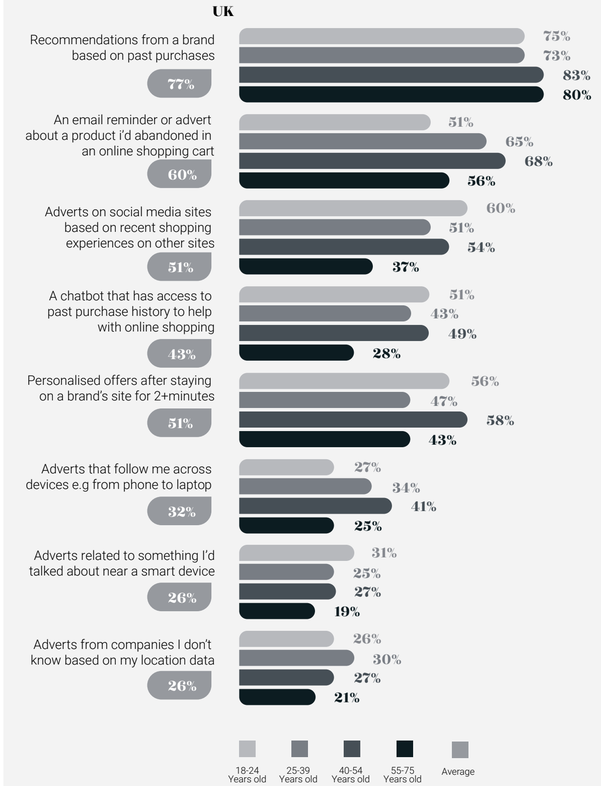
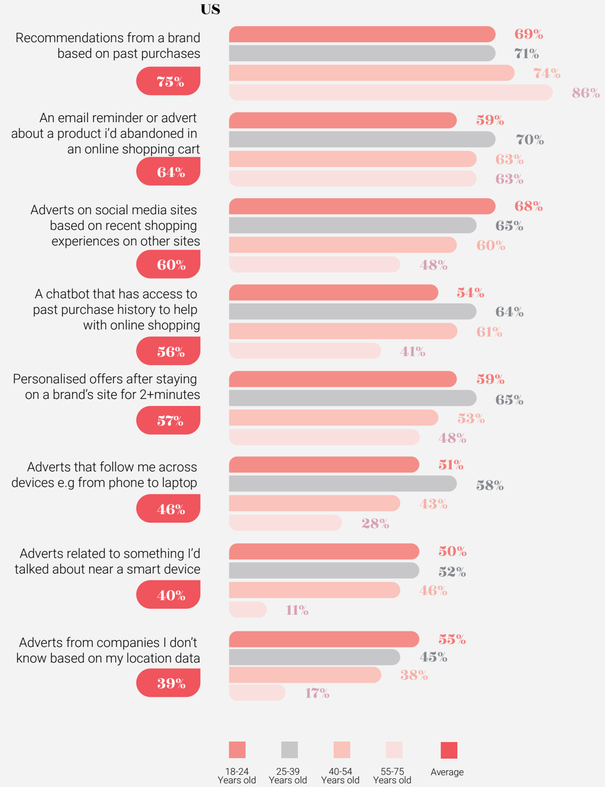
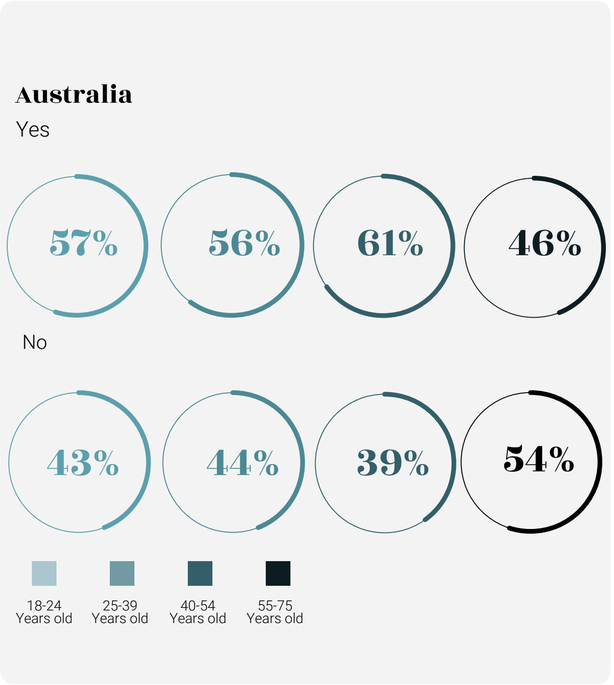
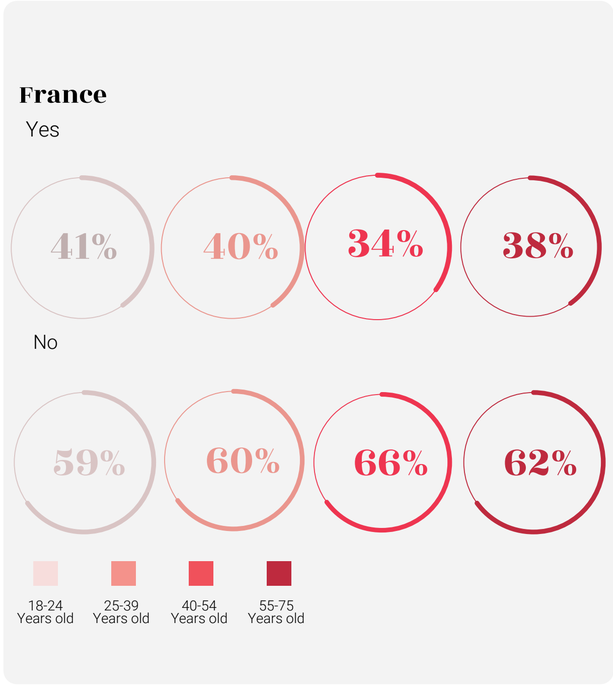


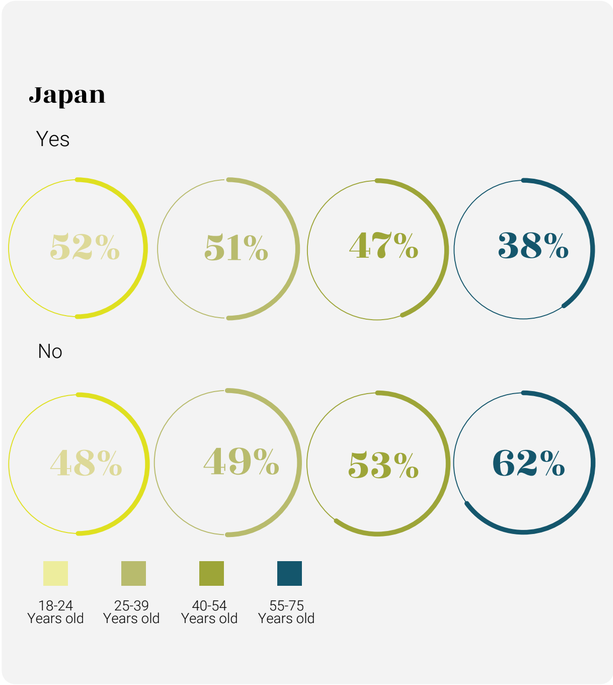


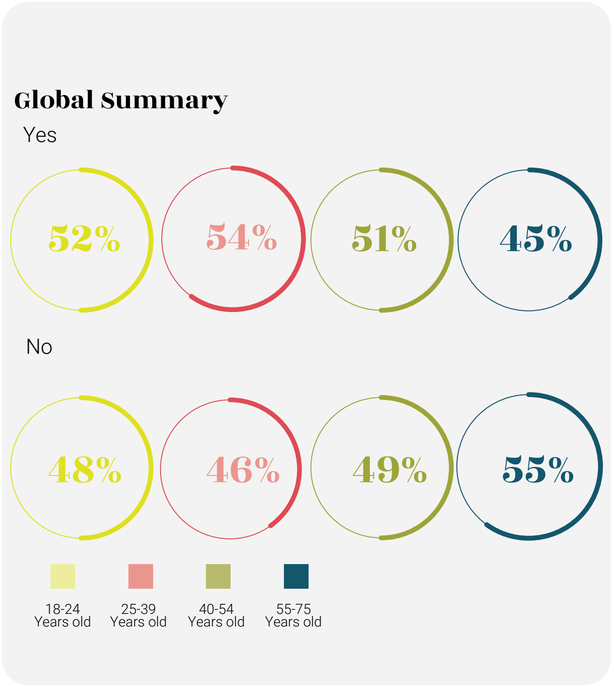


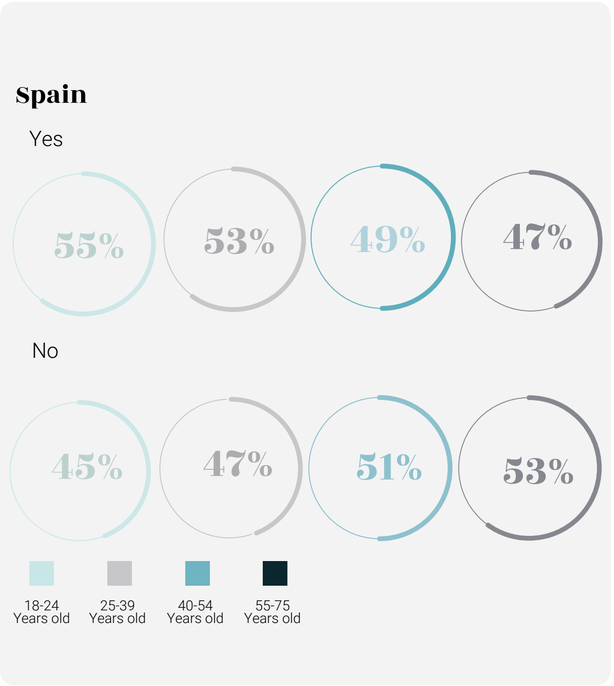
Are you comfortable sharing data with brands in exchange for better service?

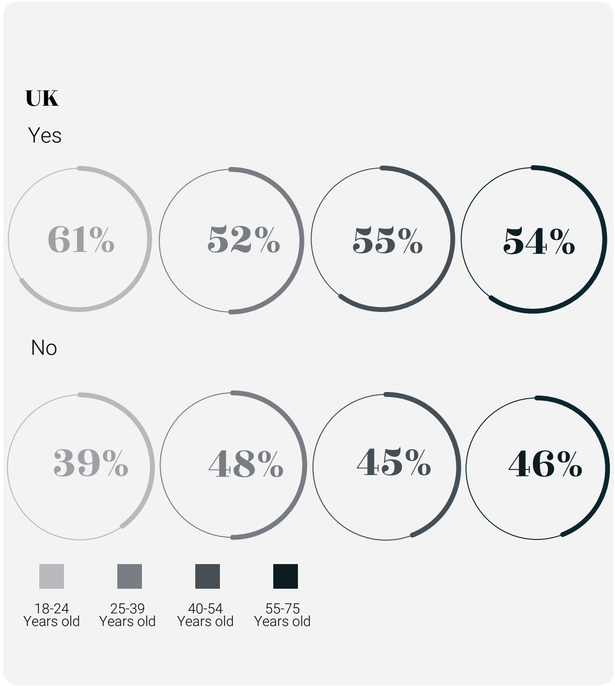


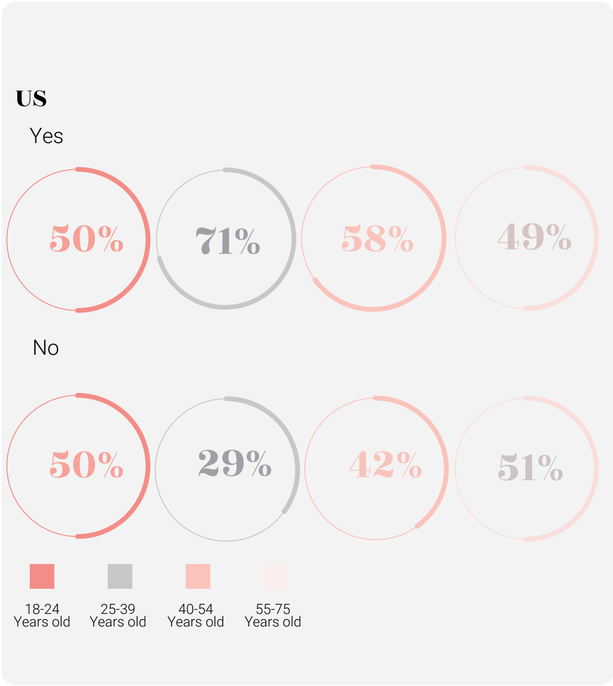




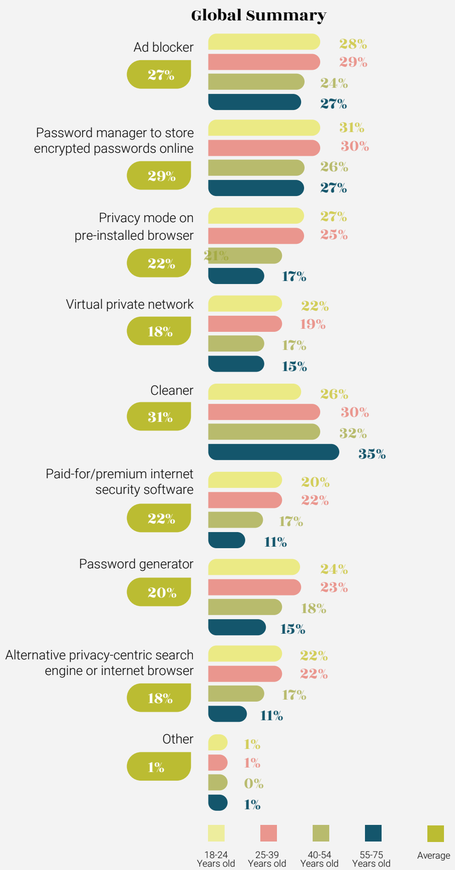


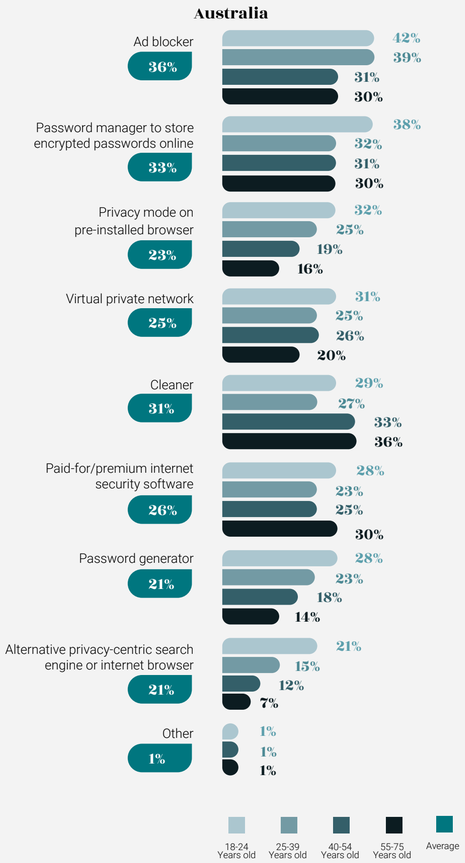


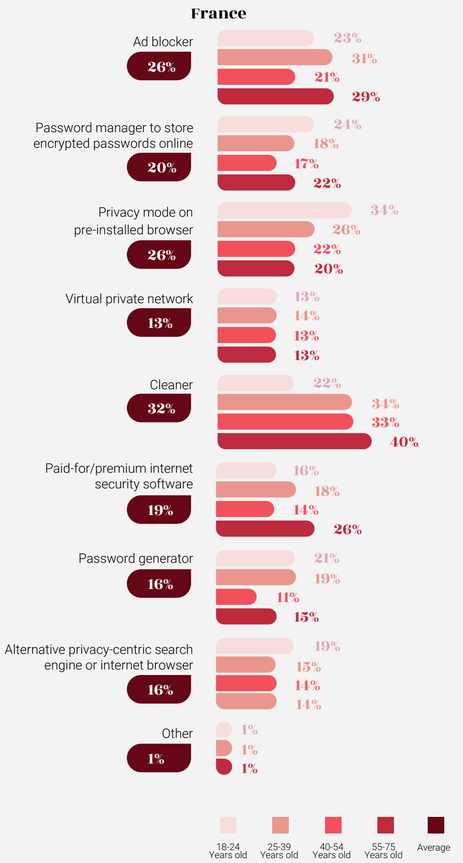


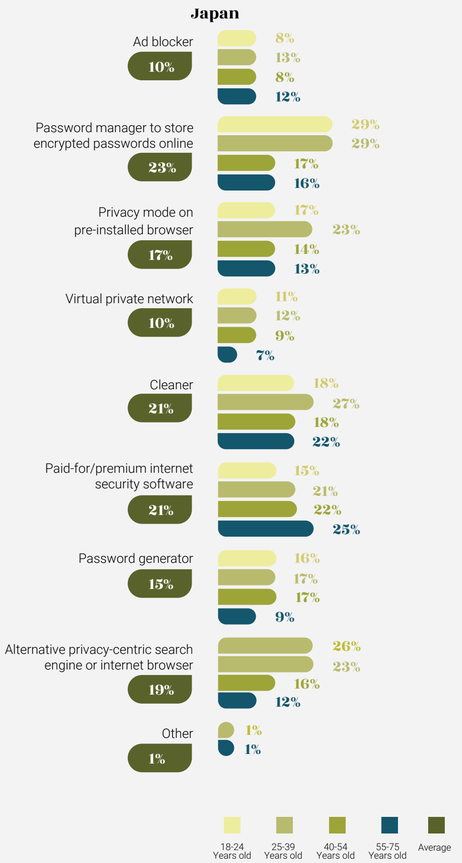


Do you personally use the following on either your mobile, tablet or desktop PC?

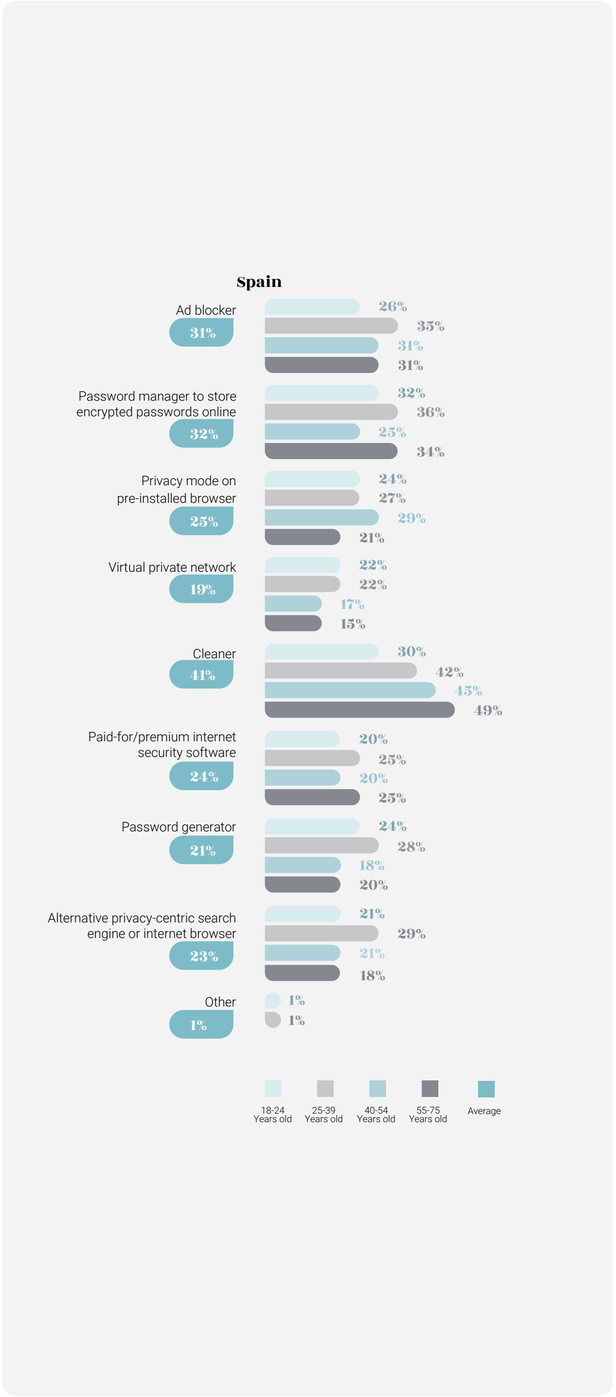


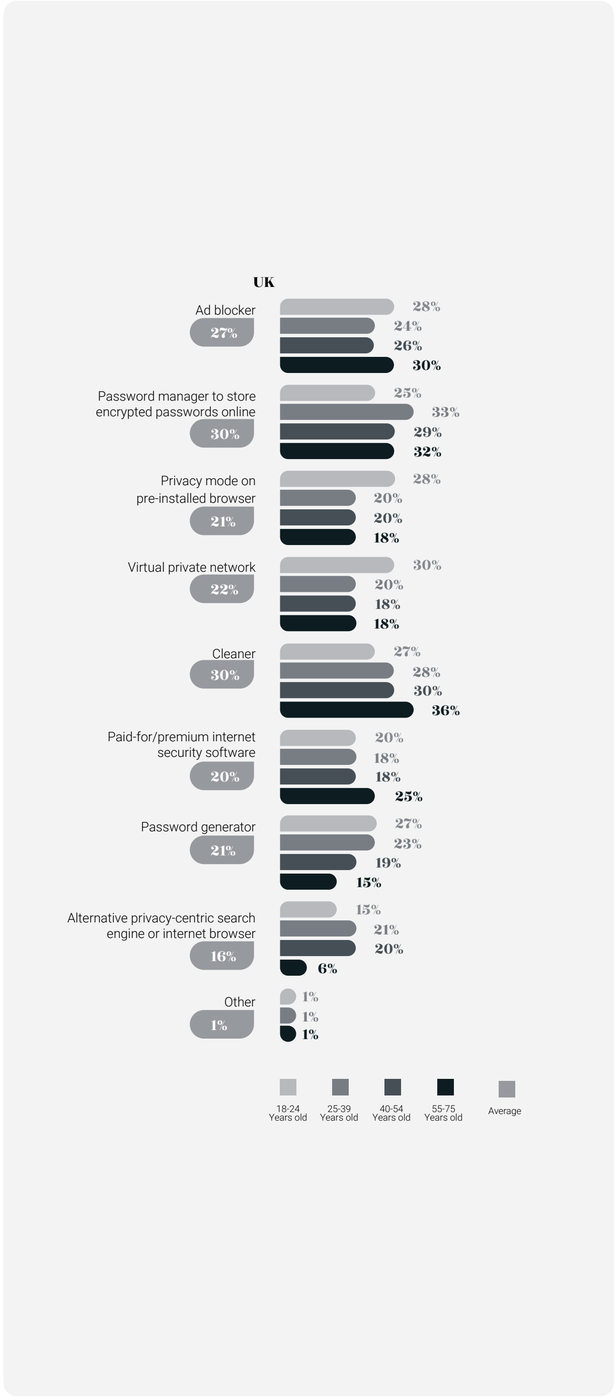


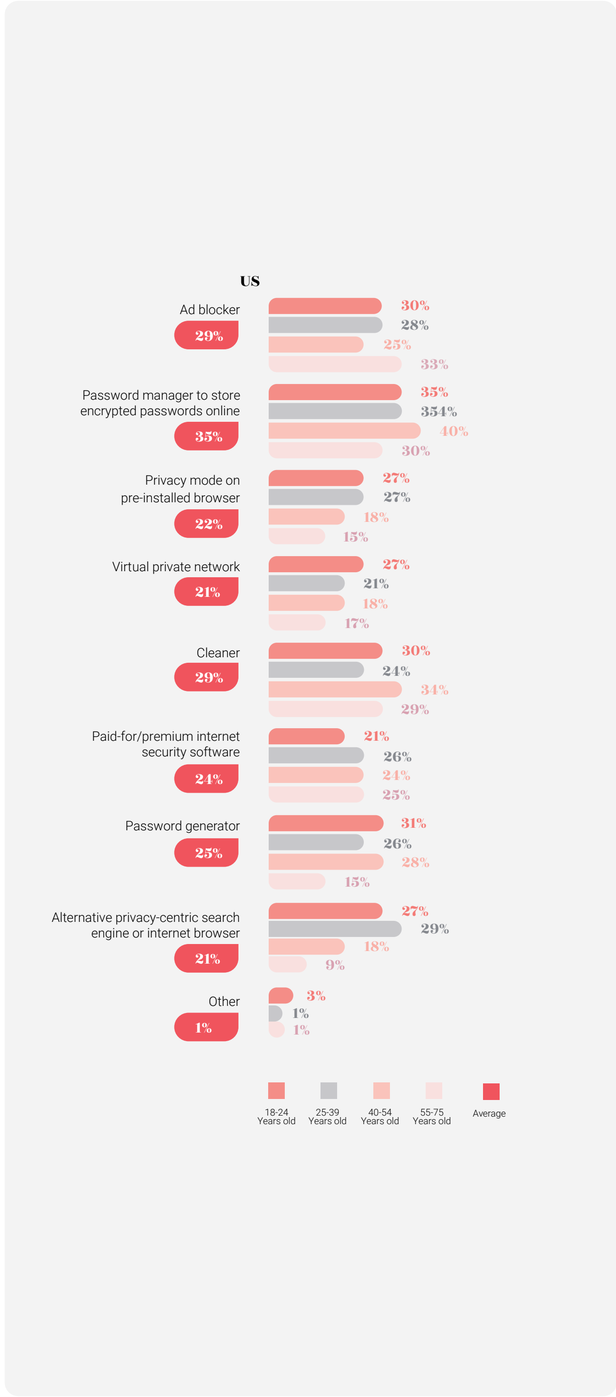




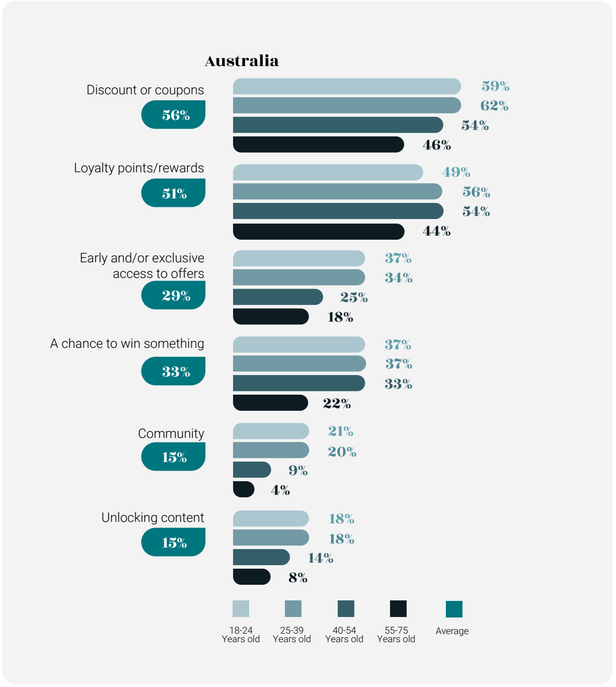
Do you personally use the following on either your mobile, tablet or desktop PC?

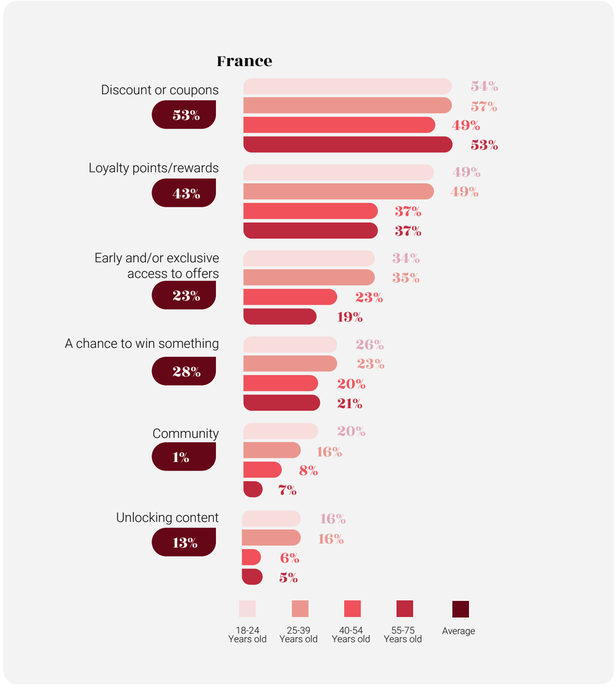


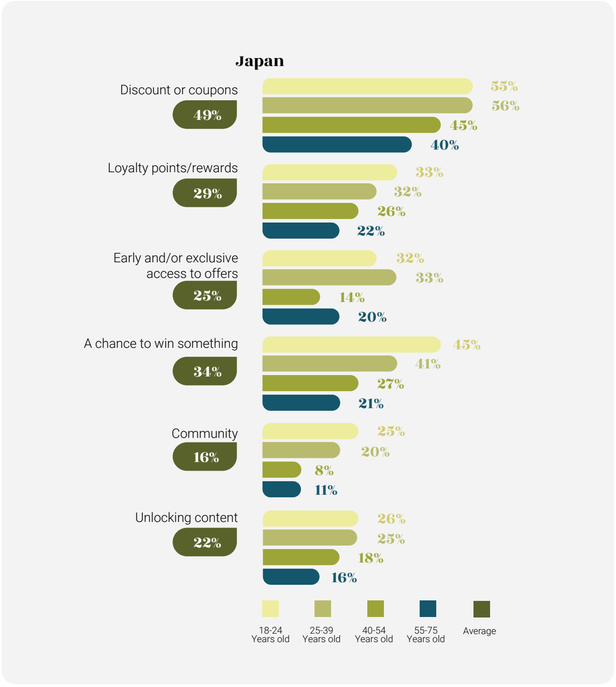


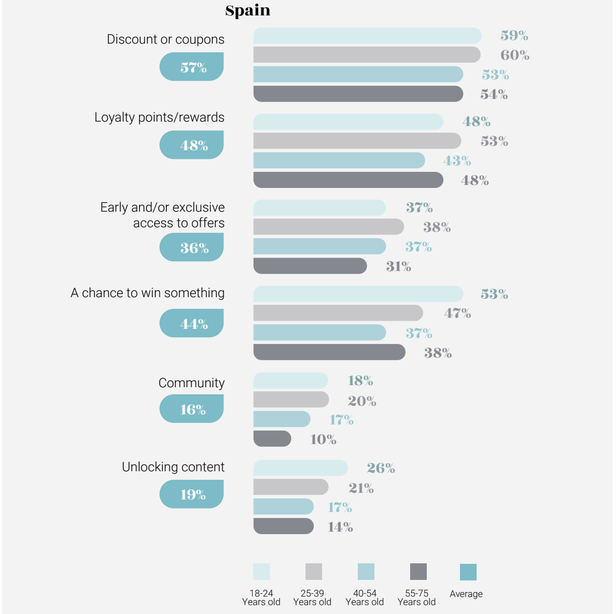


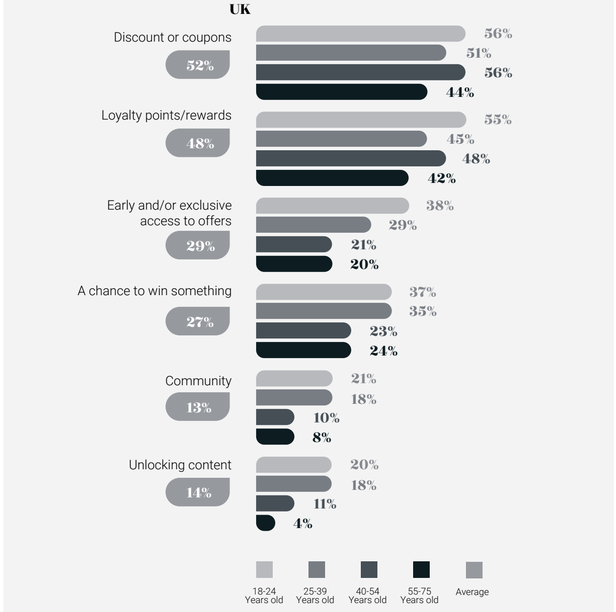
Brands often provide something of value in exchange for data. Which types of benefits are the most valuable to you? (Highly valuable)

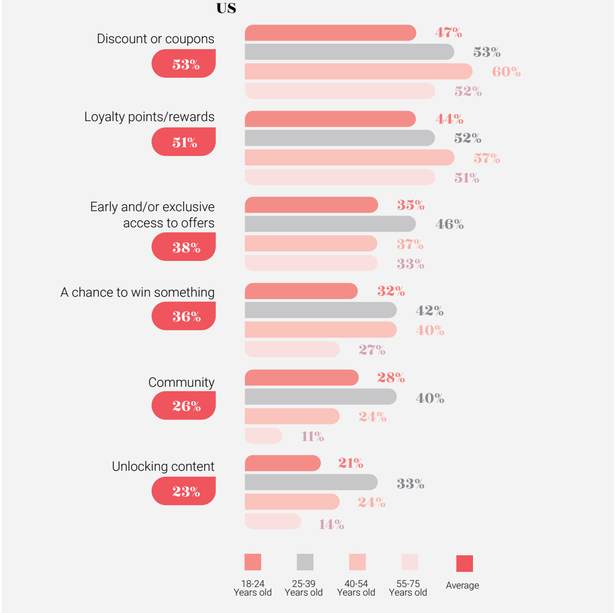




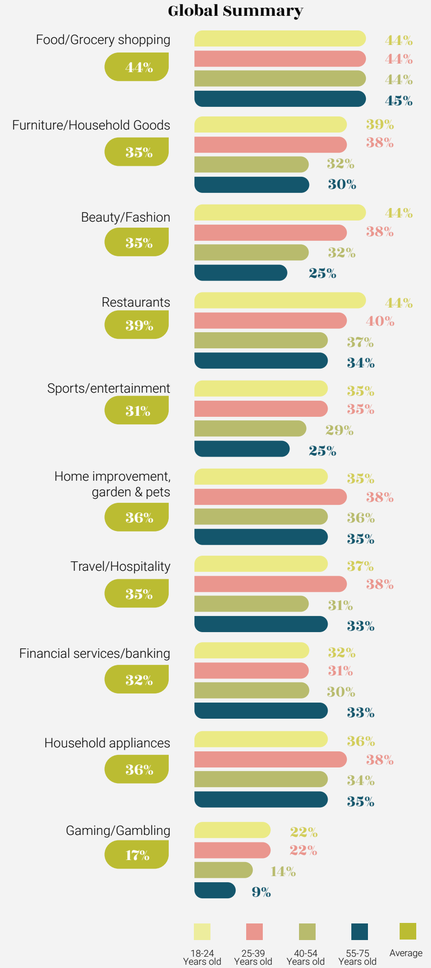


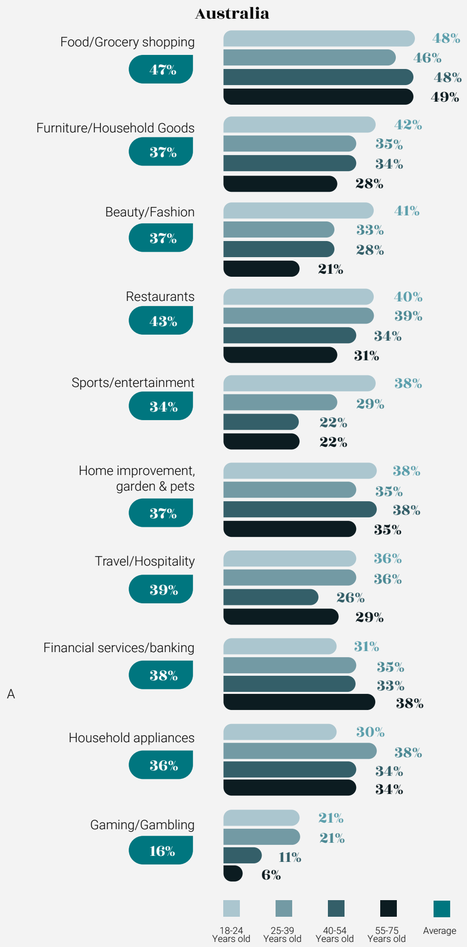


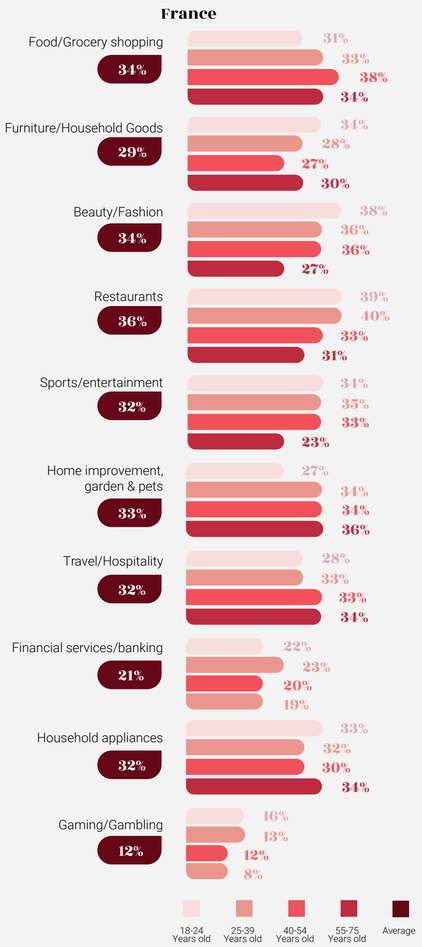


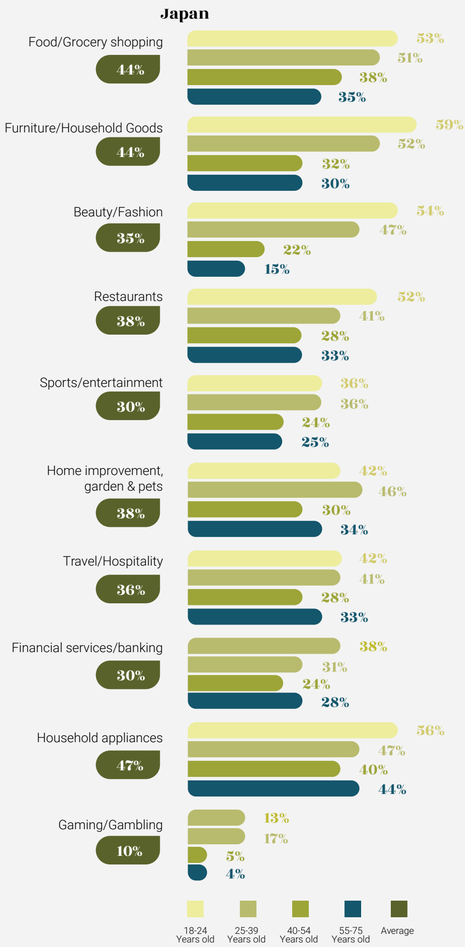


How much do you trust brands in the following industries to use your data to provide personalized marketing and services? (Trust only)









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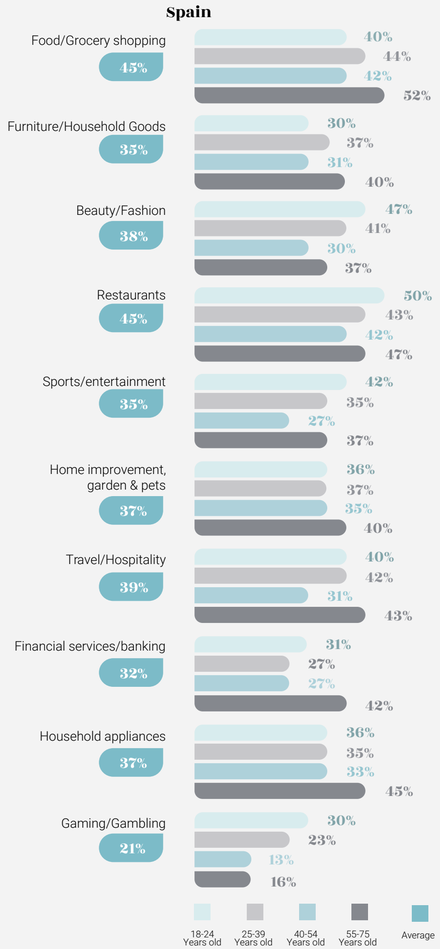
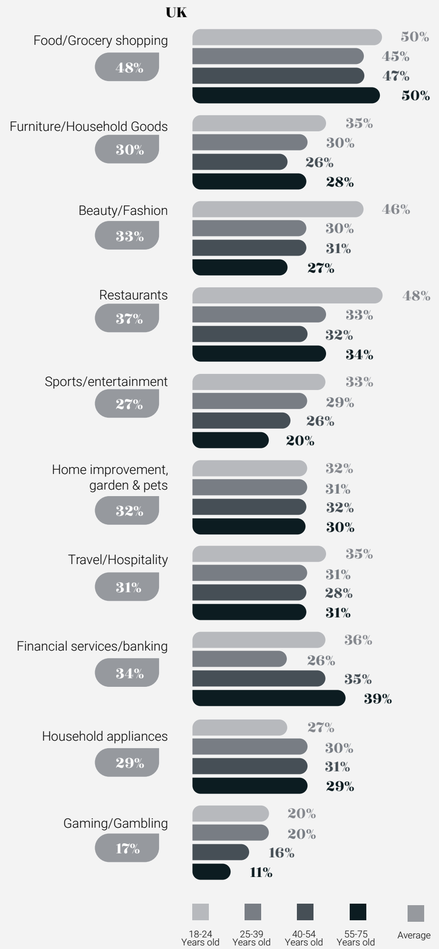
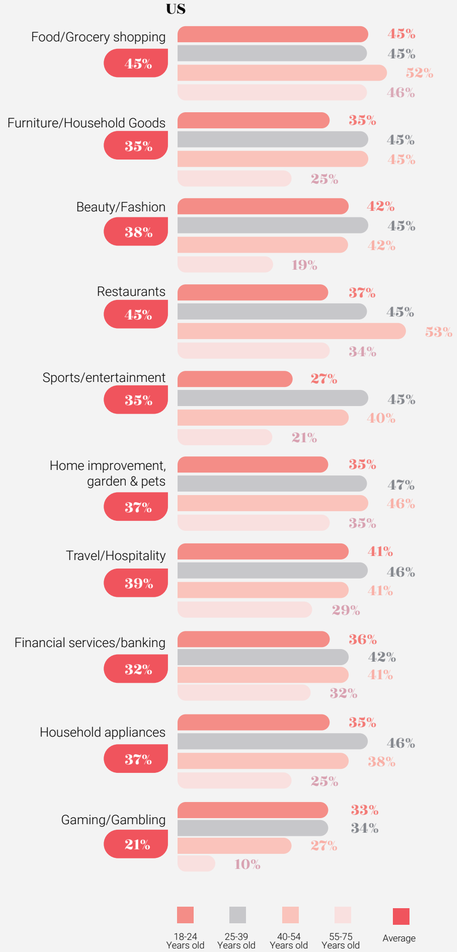
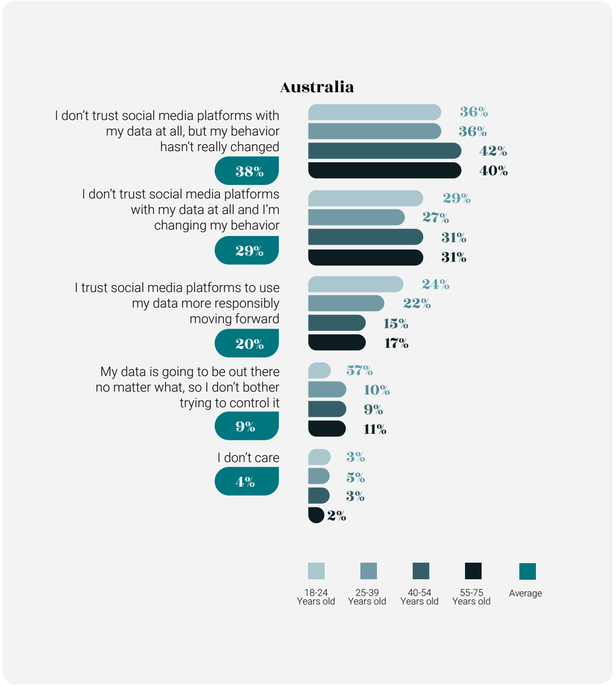
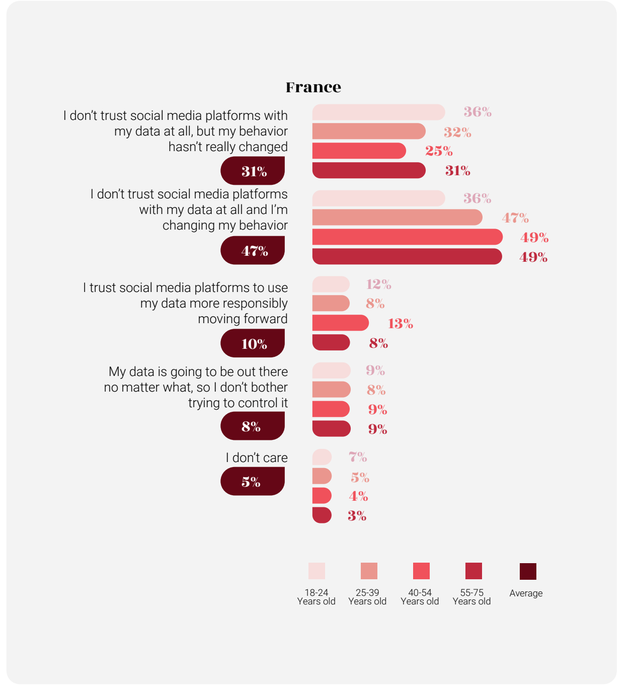


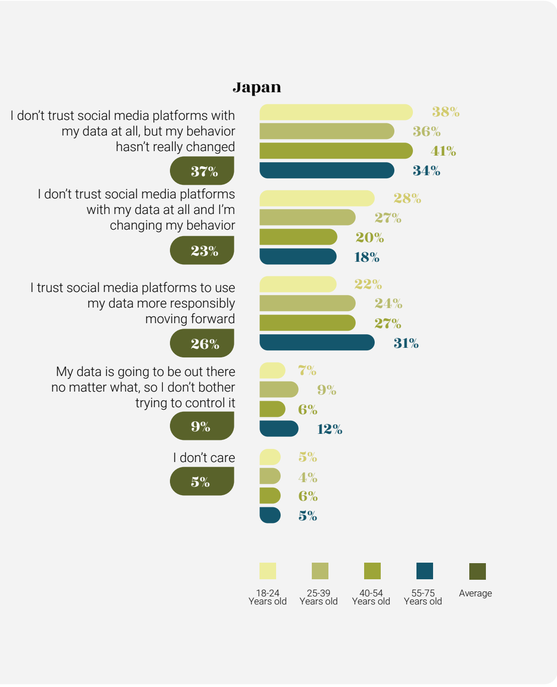


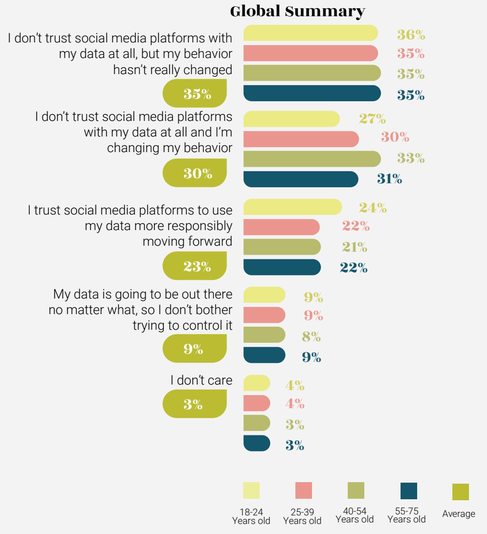


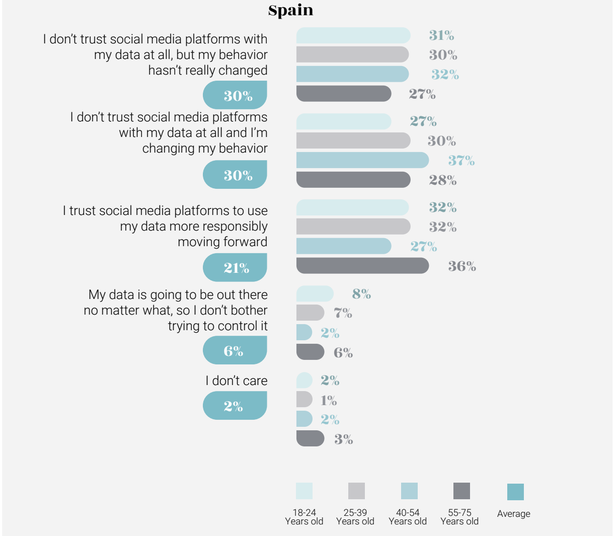
When it comes to social media platforms and the security of your personal information, which of the following statements best describes your attitude?

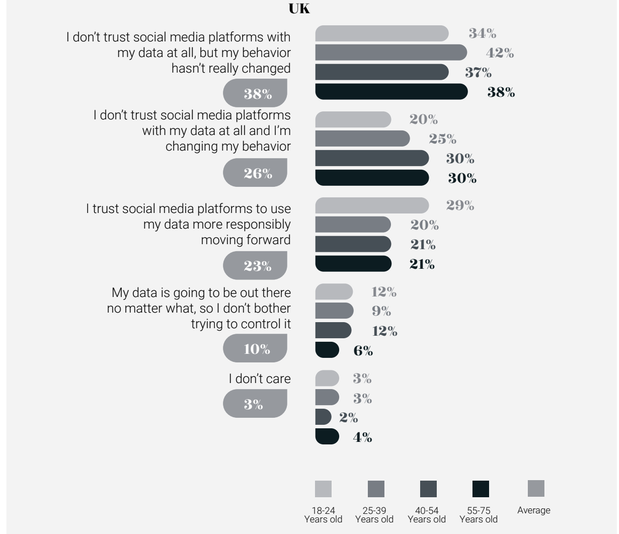


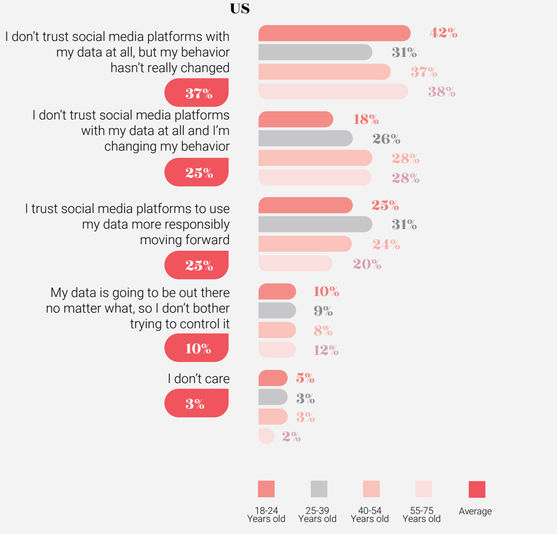




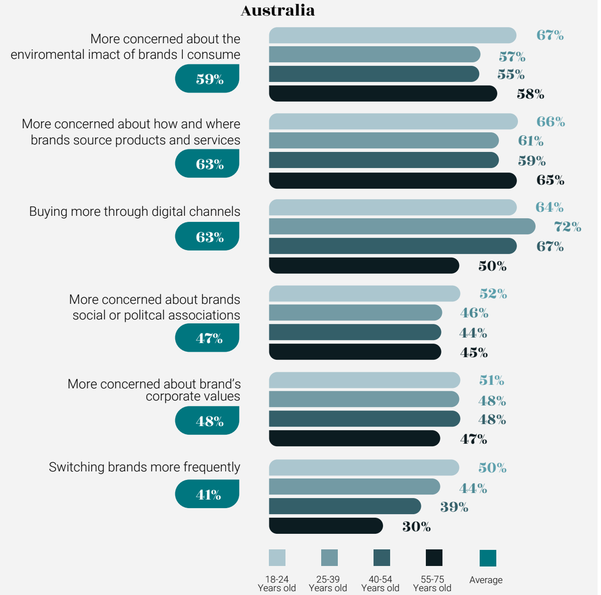


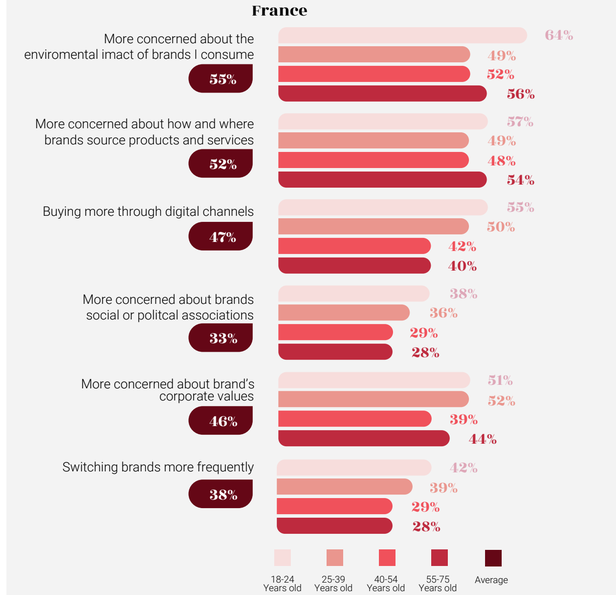


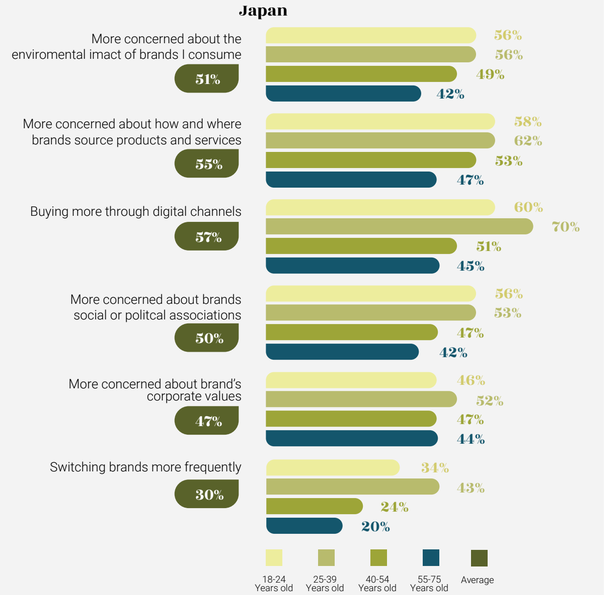


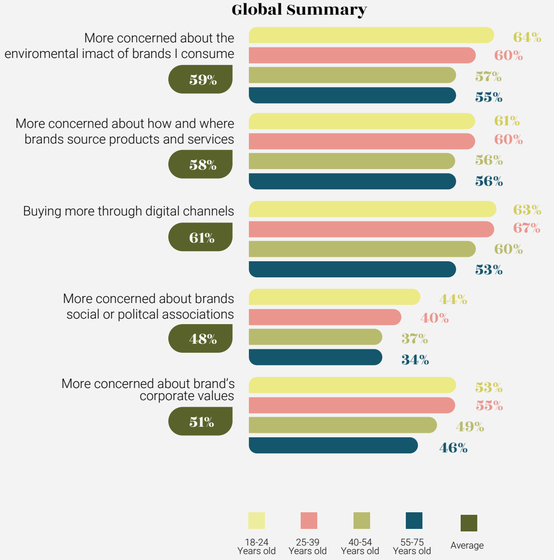


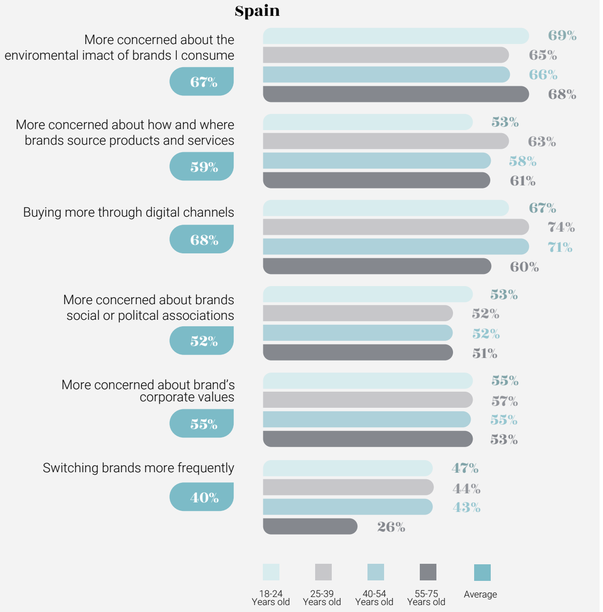
Thinking about your buying habits over the last six months during the Covid pandemic, please state whether the following are true or false (True only)

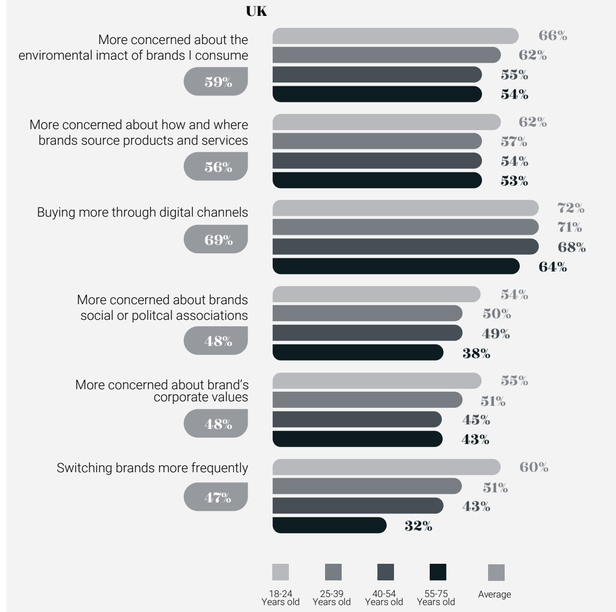


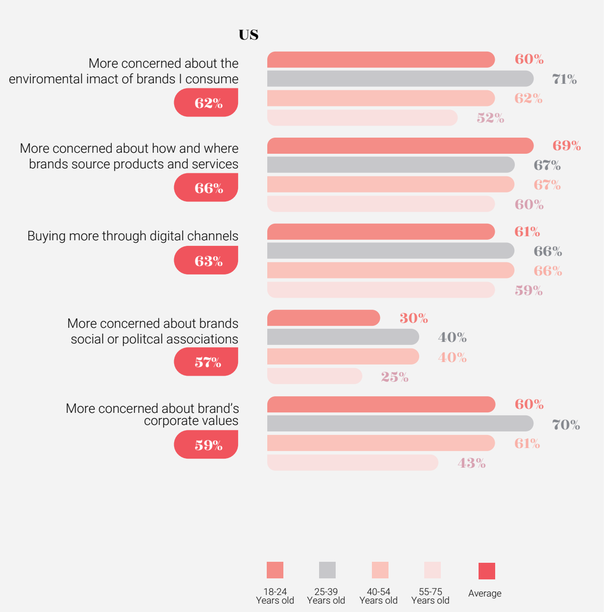




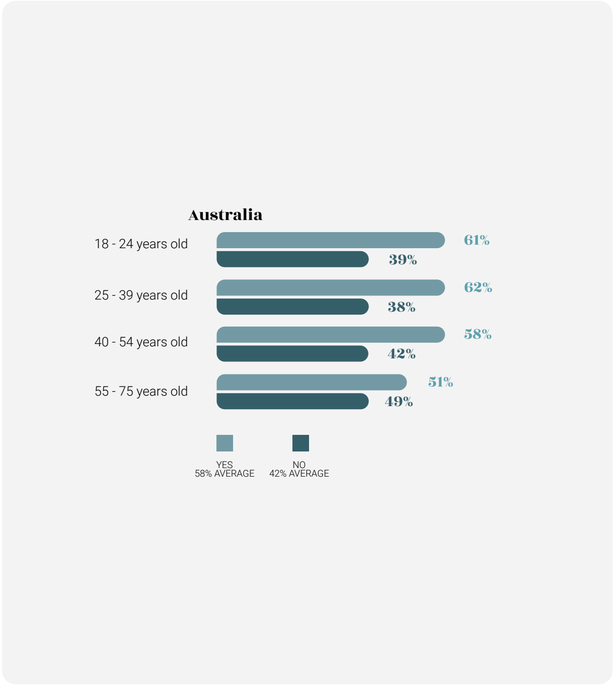


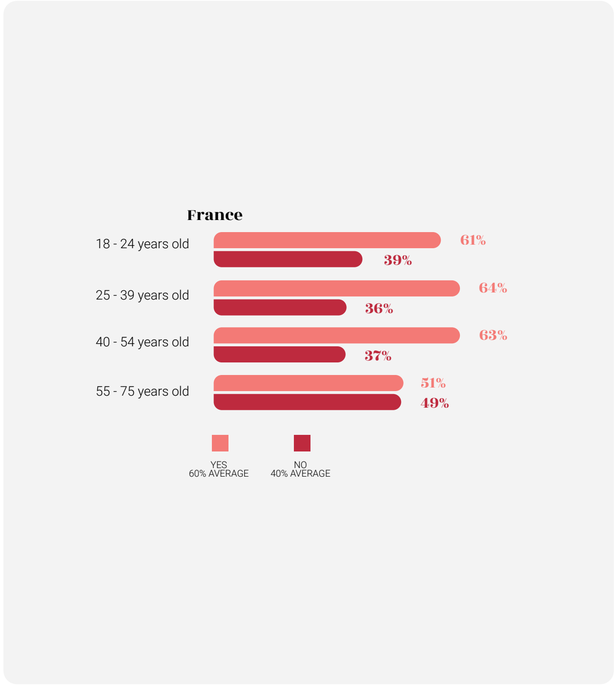


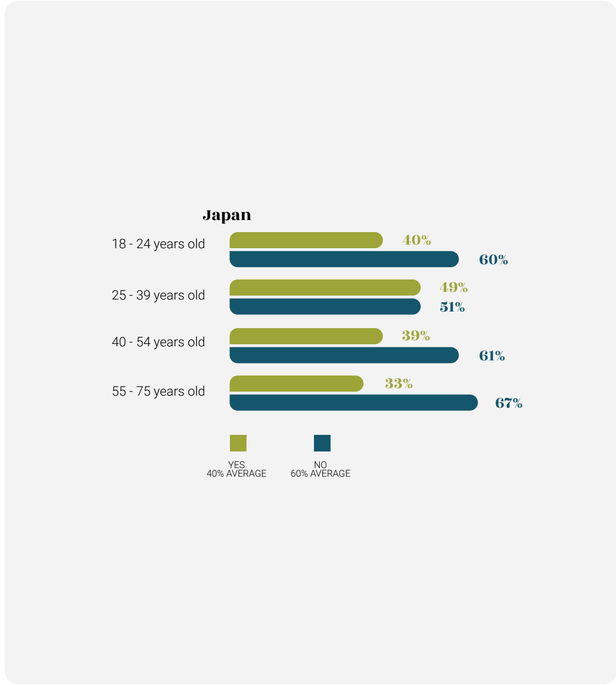


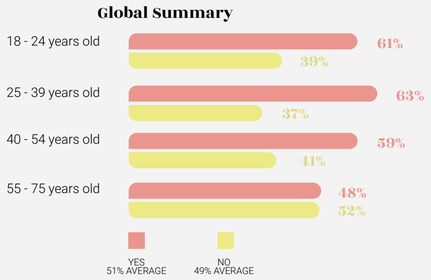


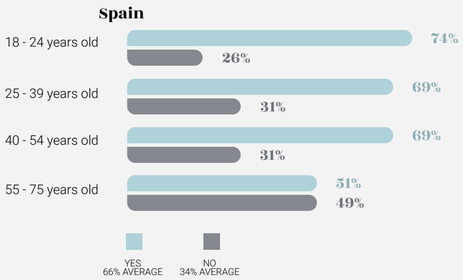
You stated that you were either more concerned about the way brands conduct themselves in society, either through the way it sources products to environmental impact or social and political associations. In the last six months, has this led you to reject a brand you might have previously bought?

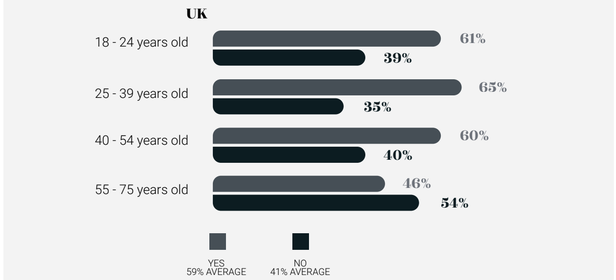


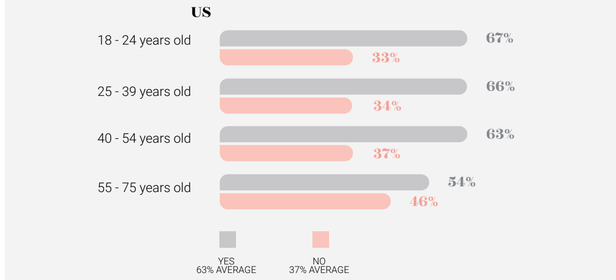




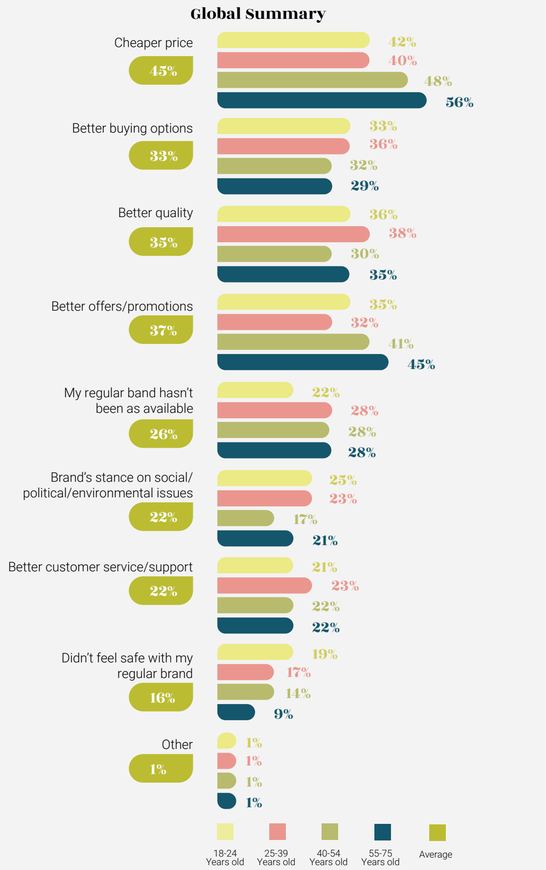


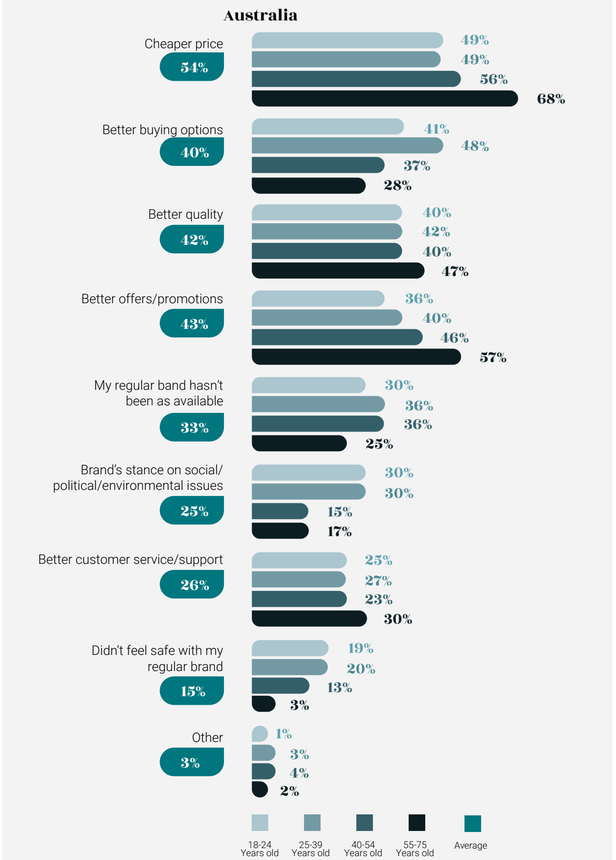


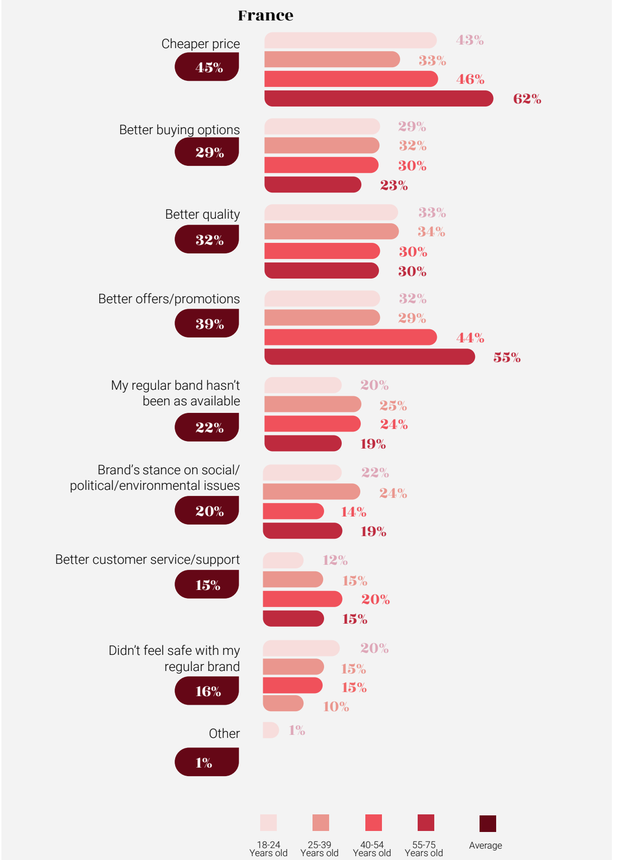


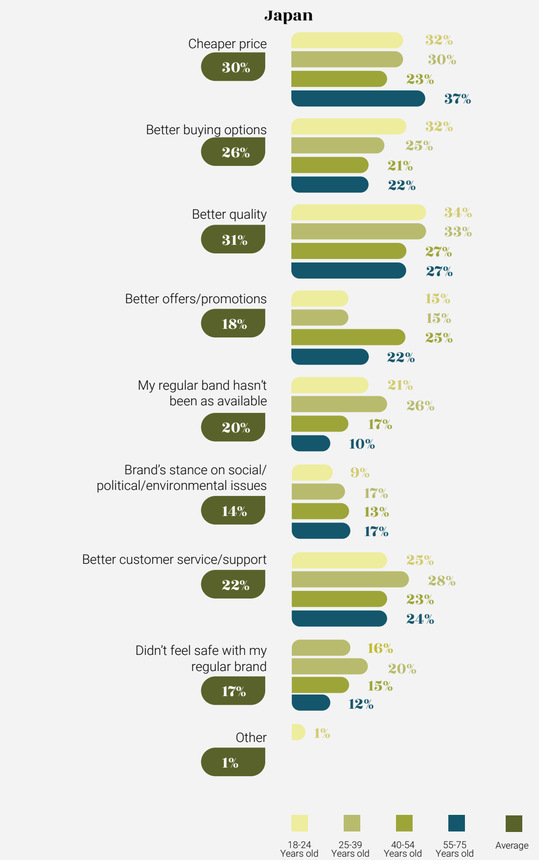


You mentioned that you've switched brands more frequently, why's that the case?









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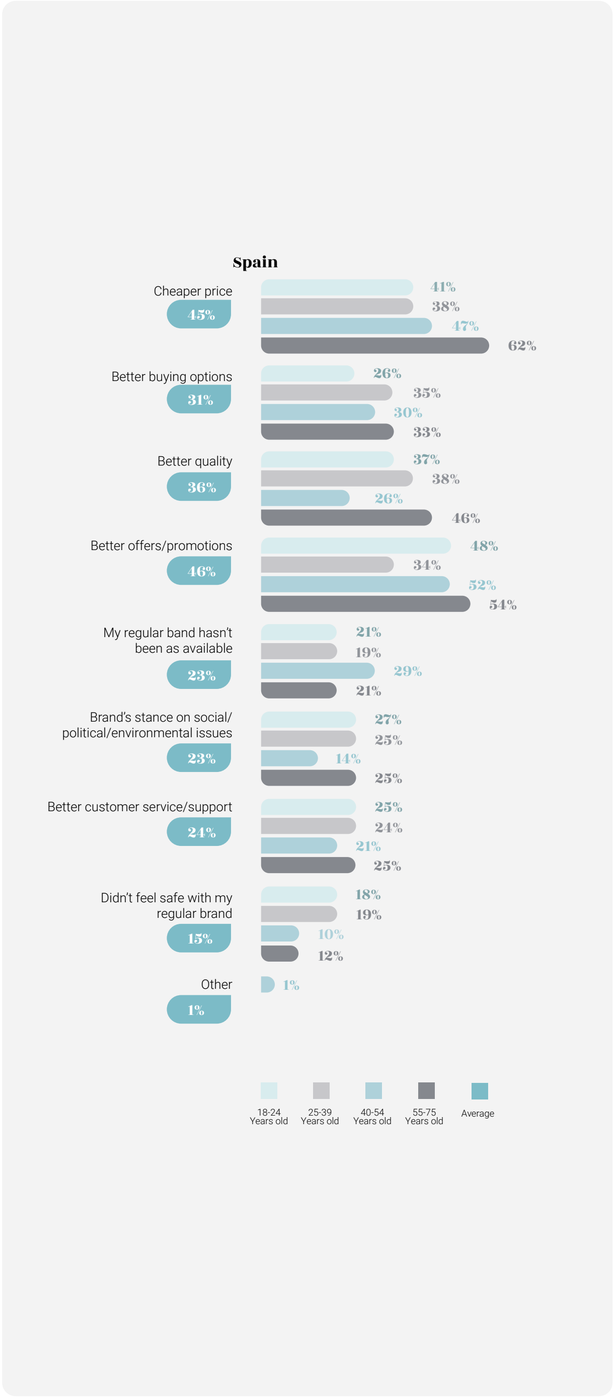
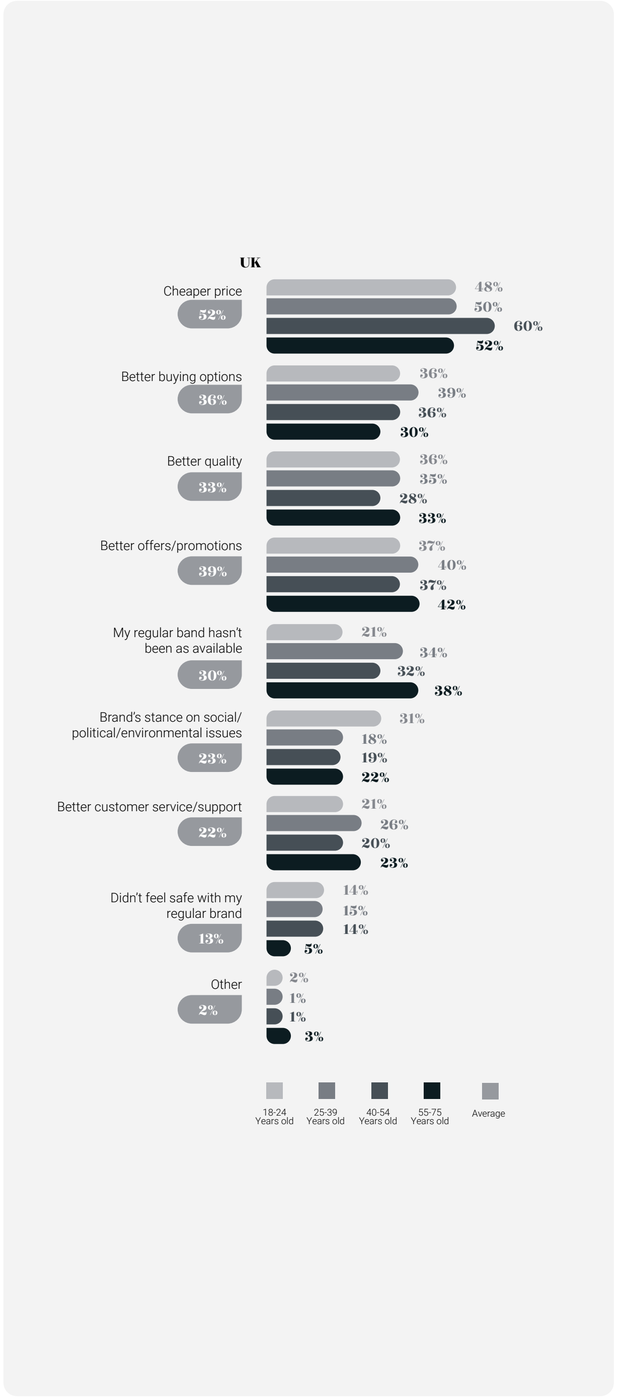
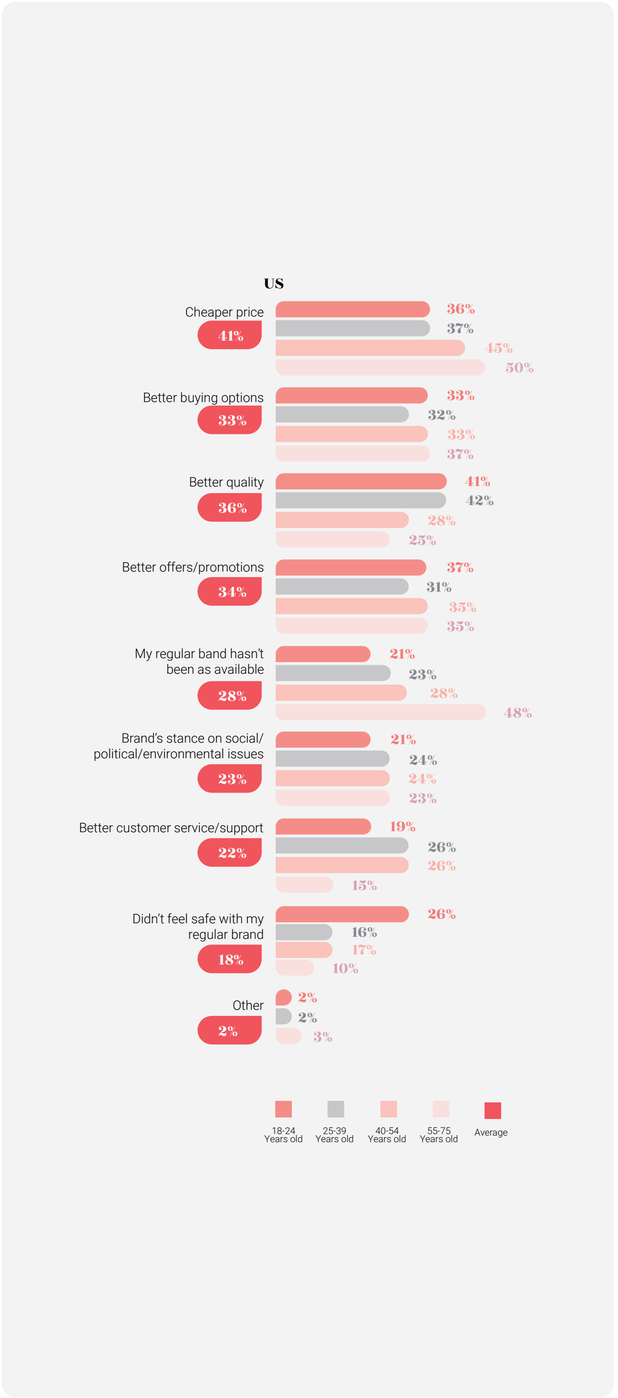
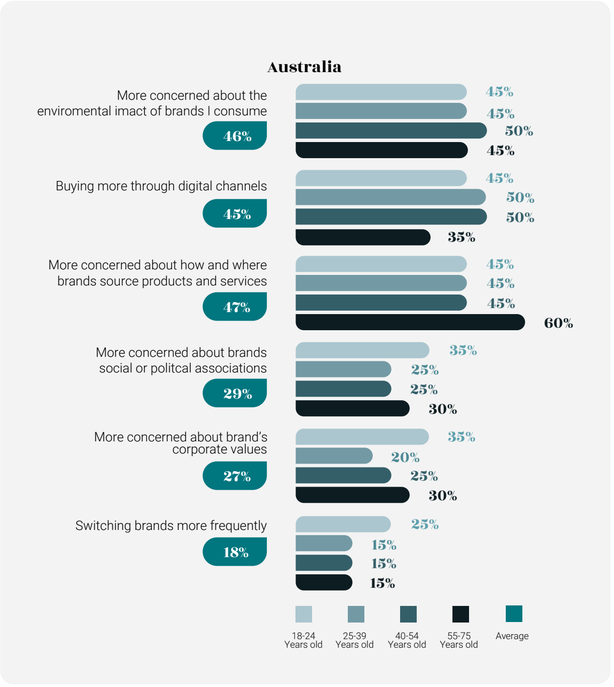
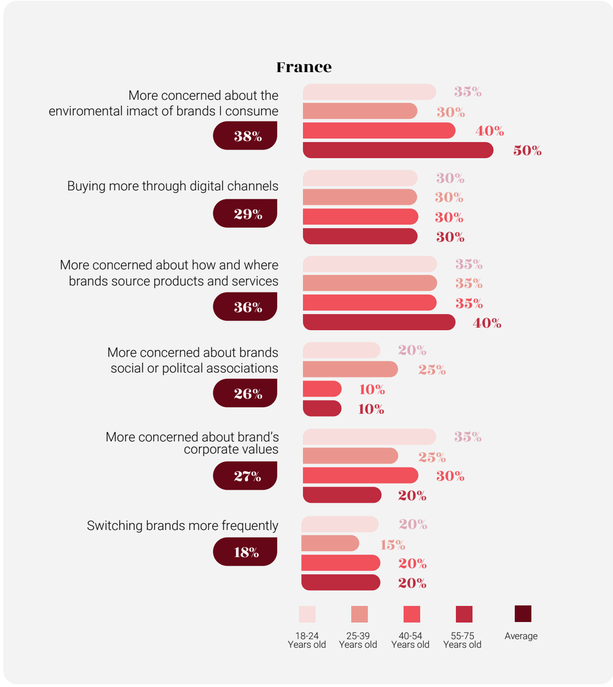


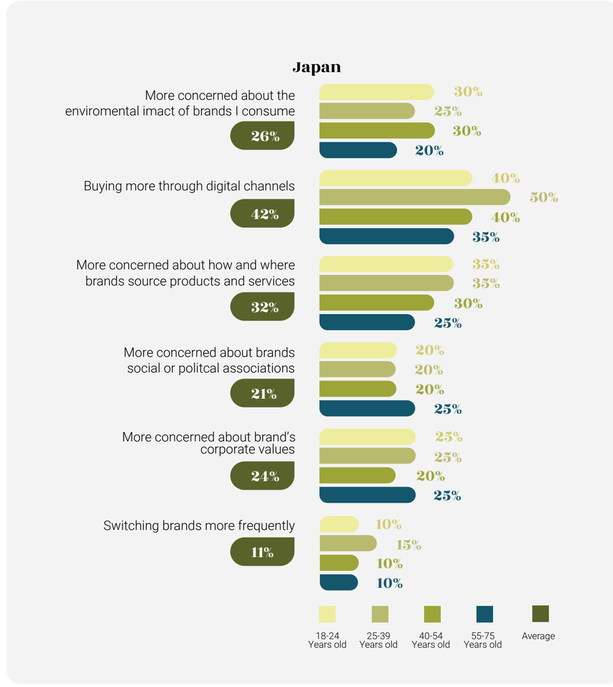


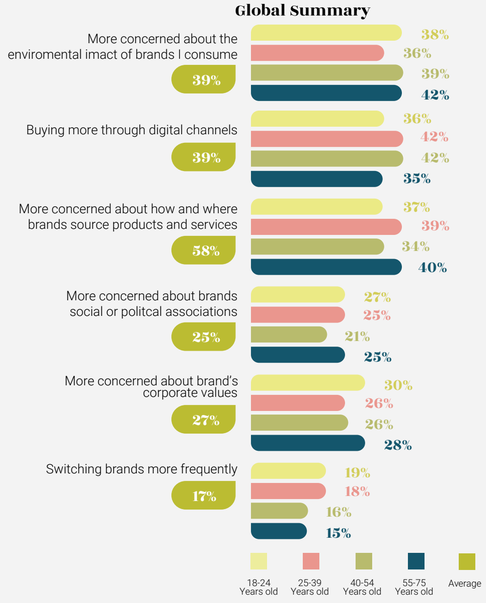


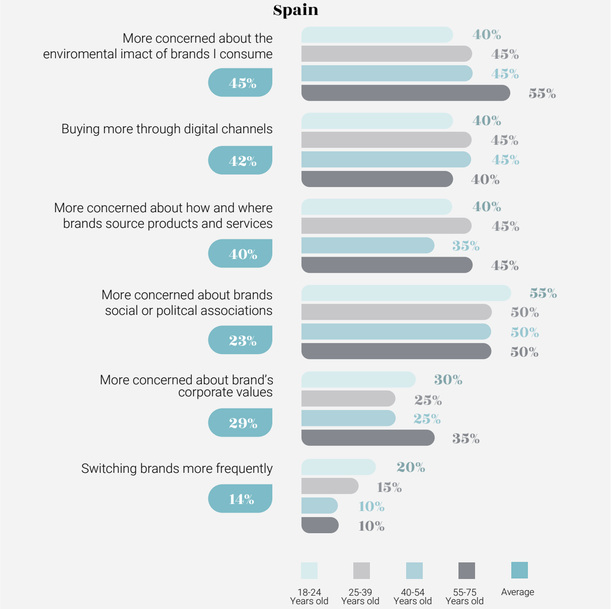
Thinking about your buying habits over the last six months, which of the following do you expect to stick long term?

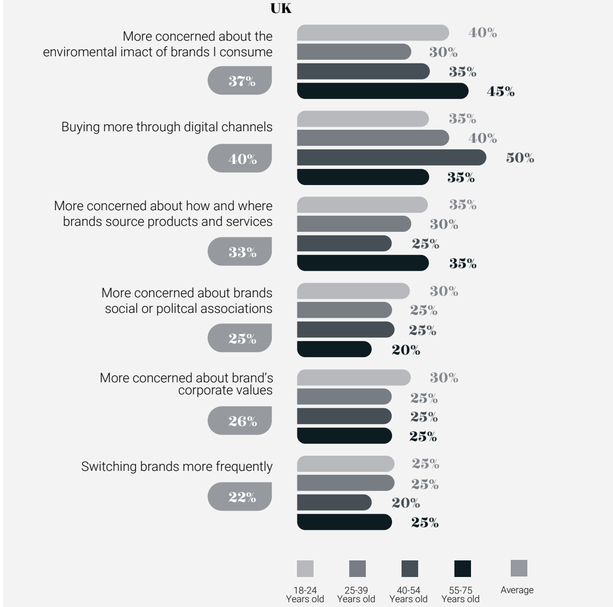


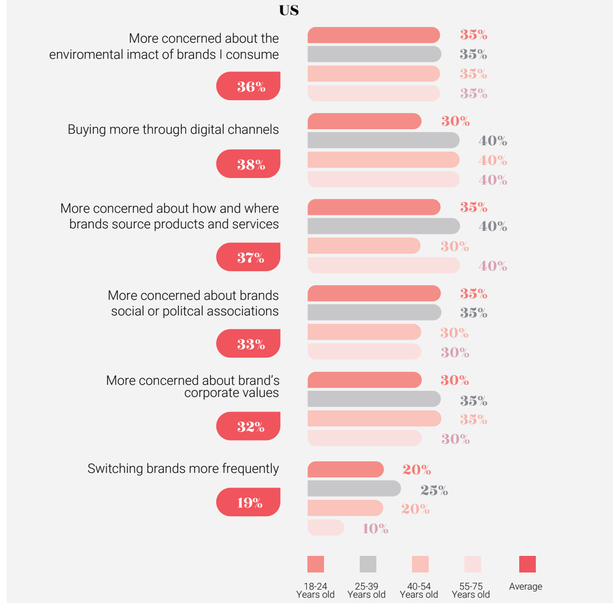




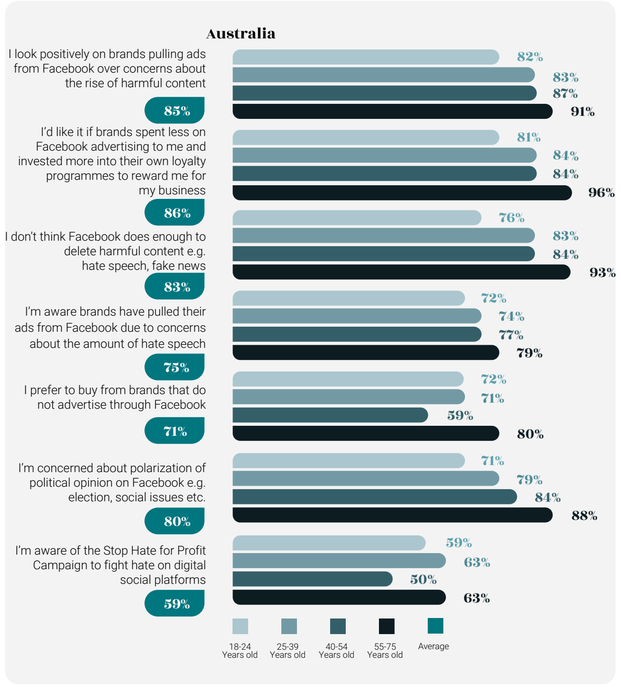


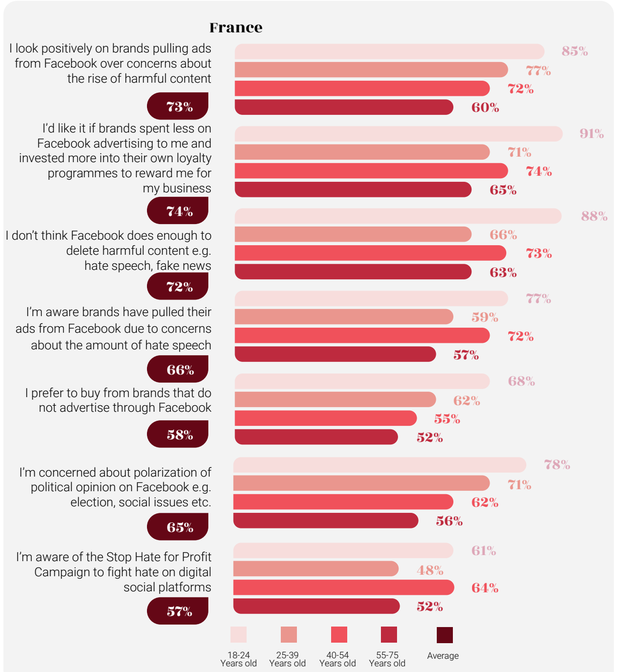


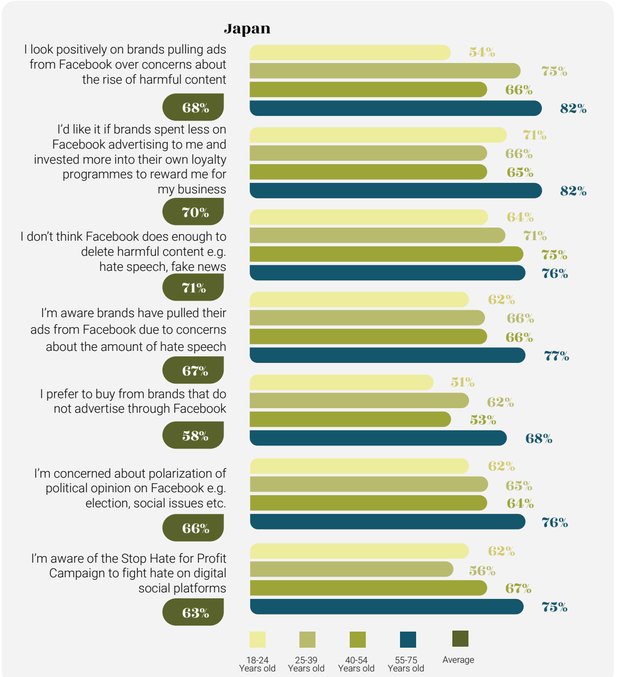


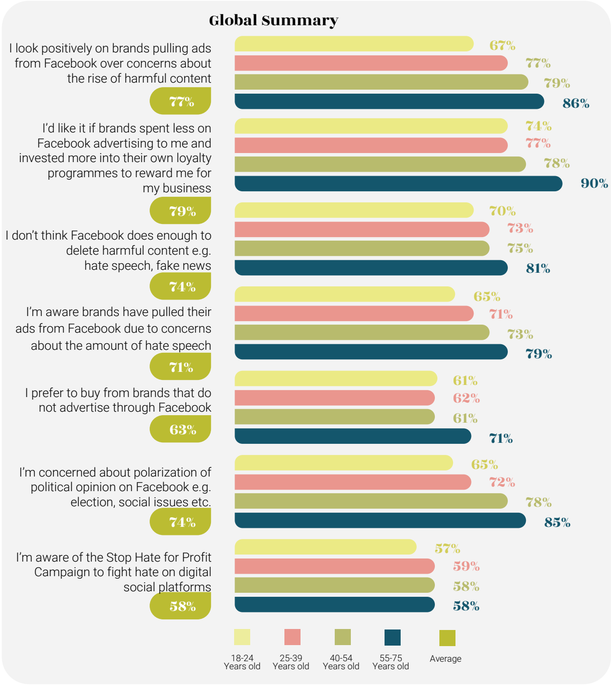


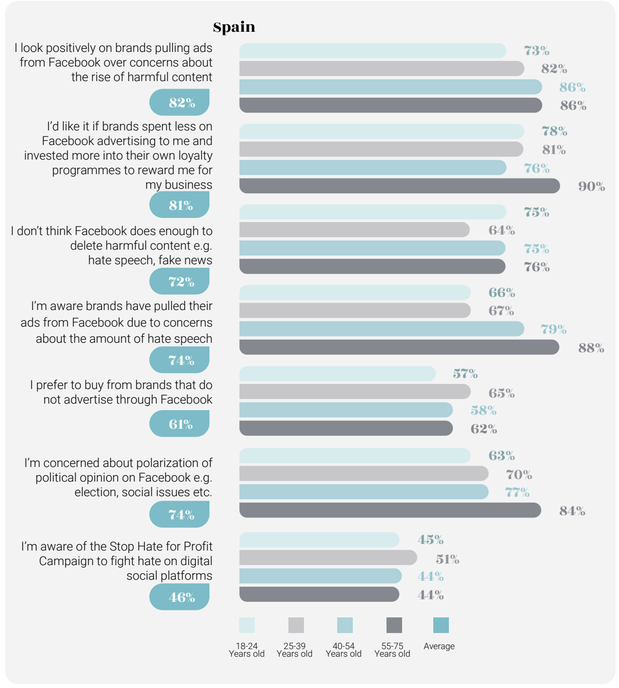
Thinking about your buying habits over the last six months, which of the following do you expect to stick long term?

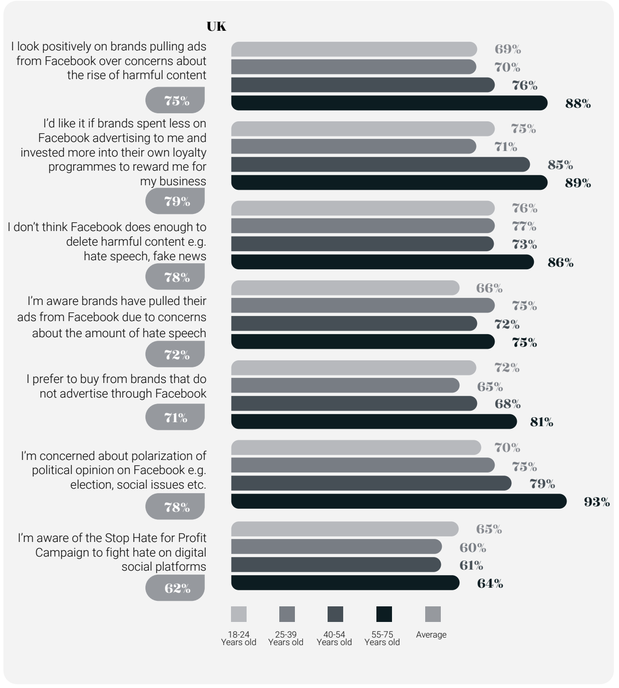


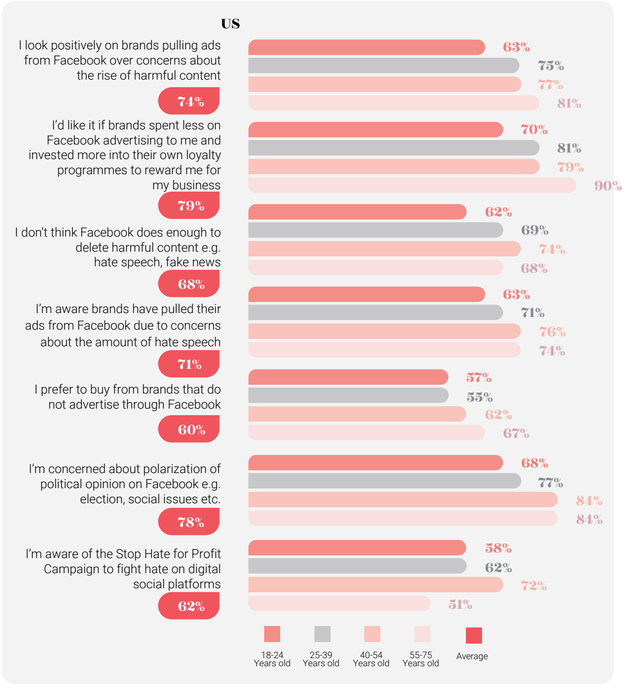




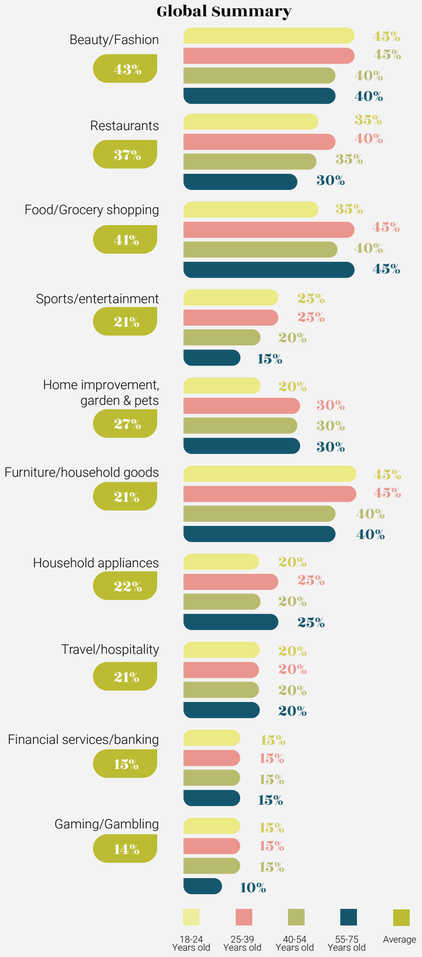


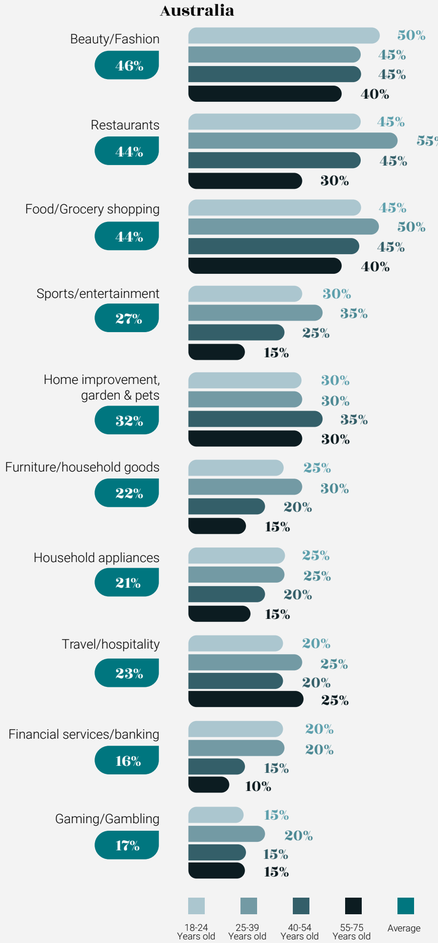


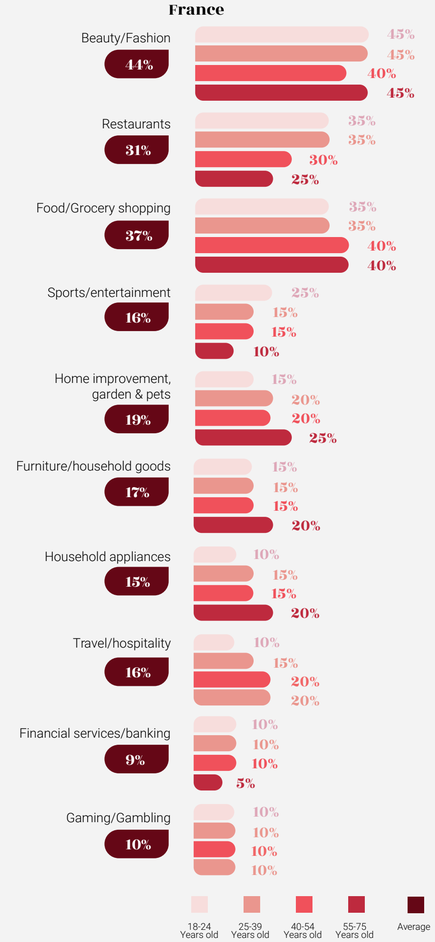


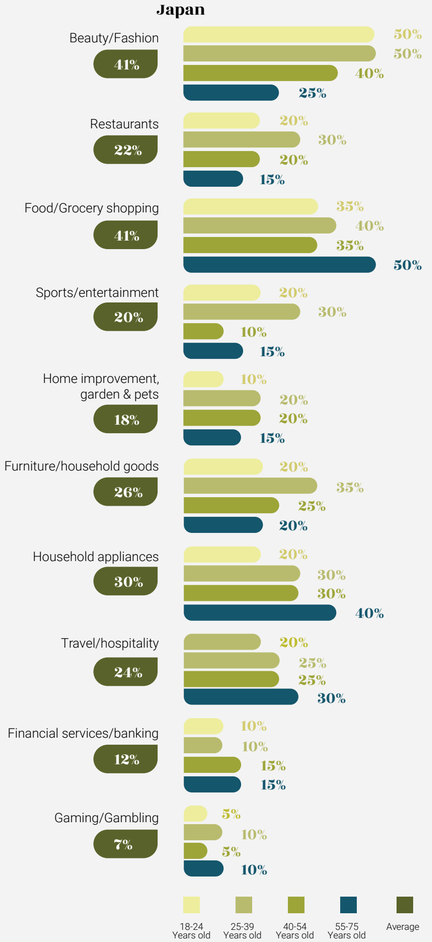


Thinking about the companies you've made an online purchase from in the last six months, were they based in any of the following industry sectors?









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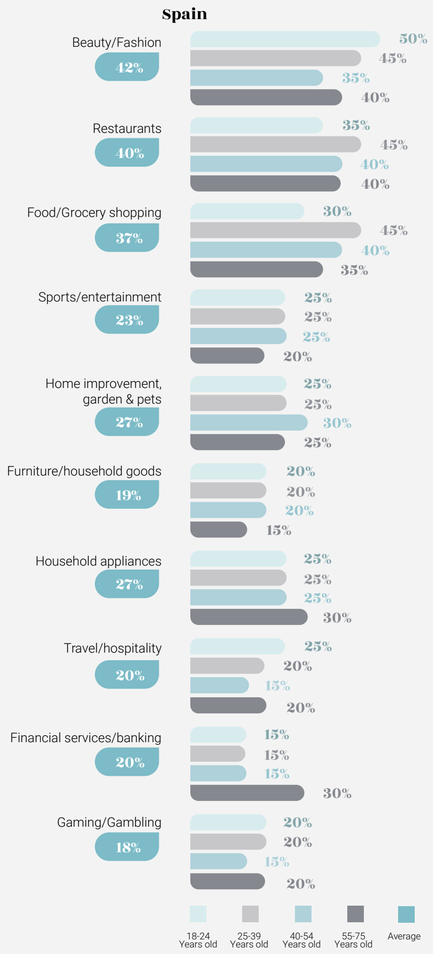
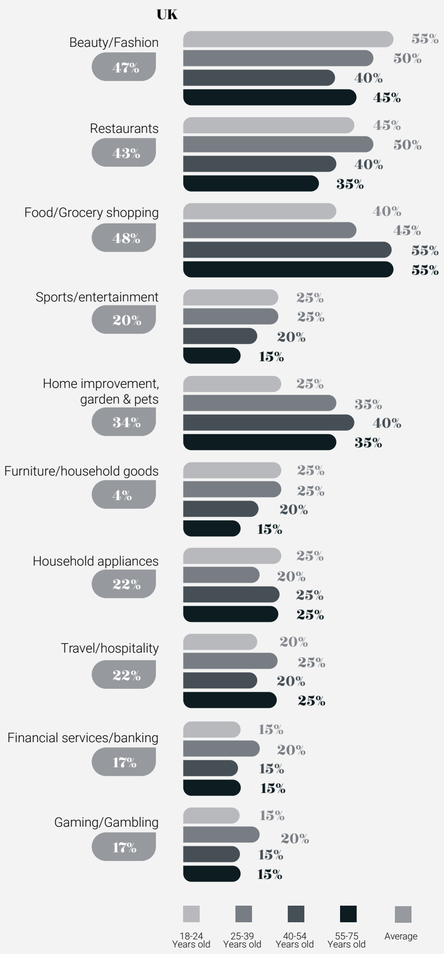
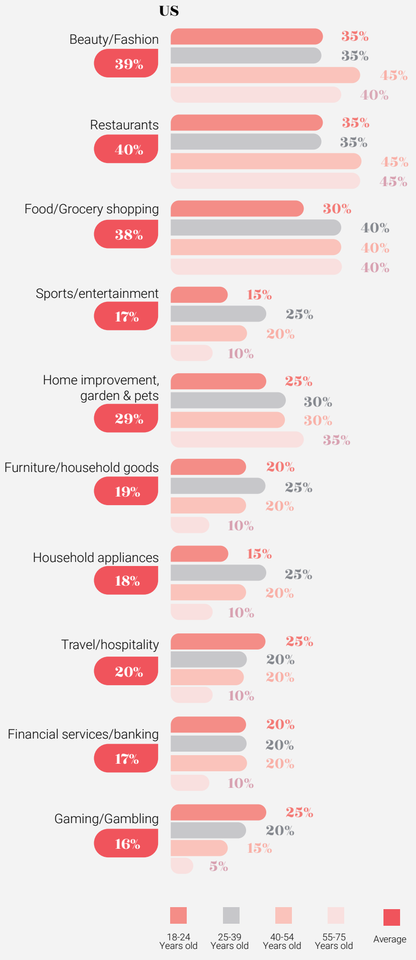
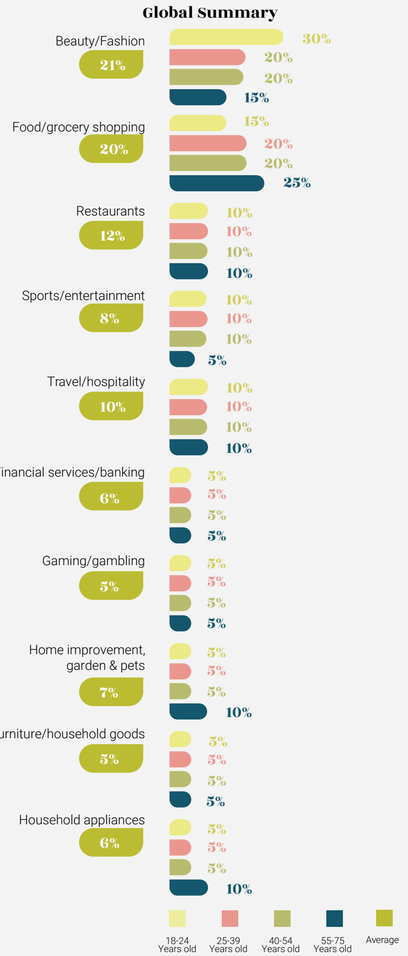
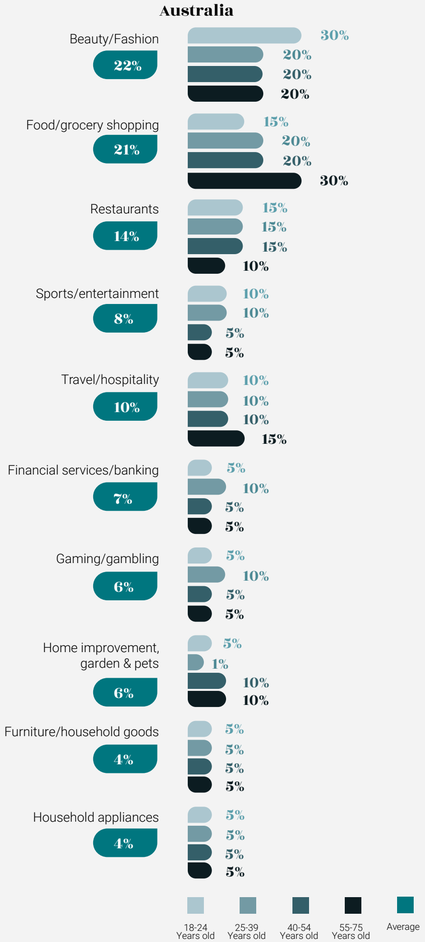


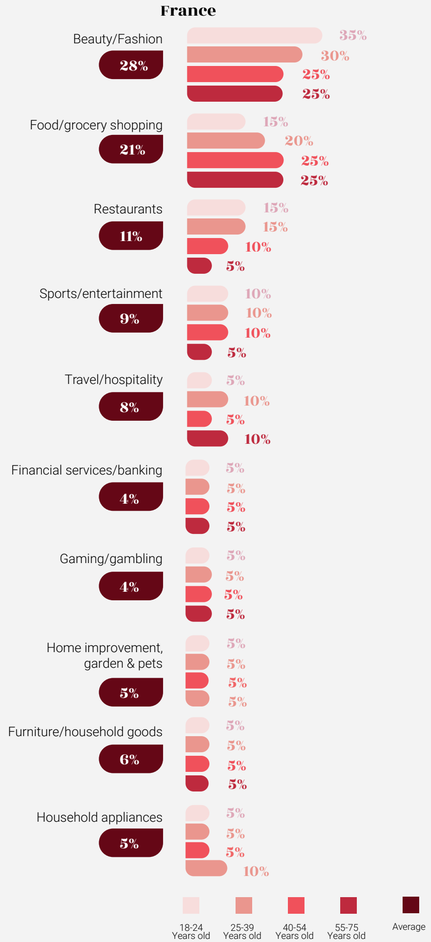


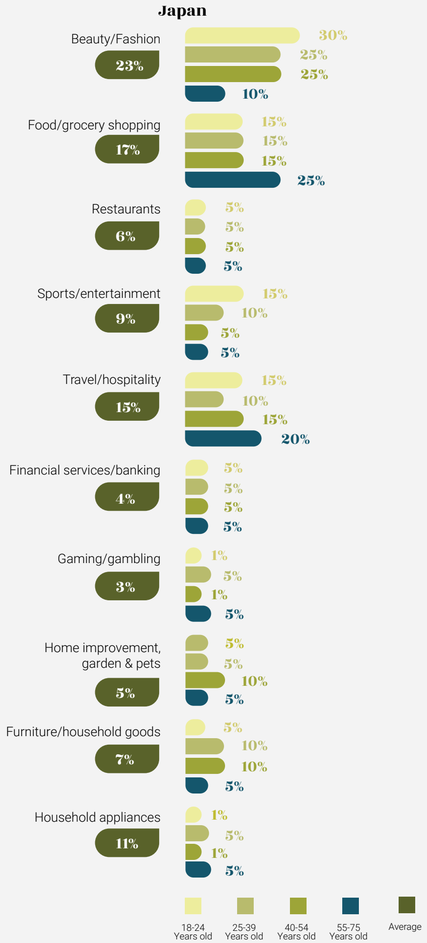


Of those companies you've purchased from in the last six months, which do you think provided the best online customer experience?









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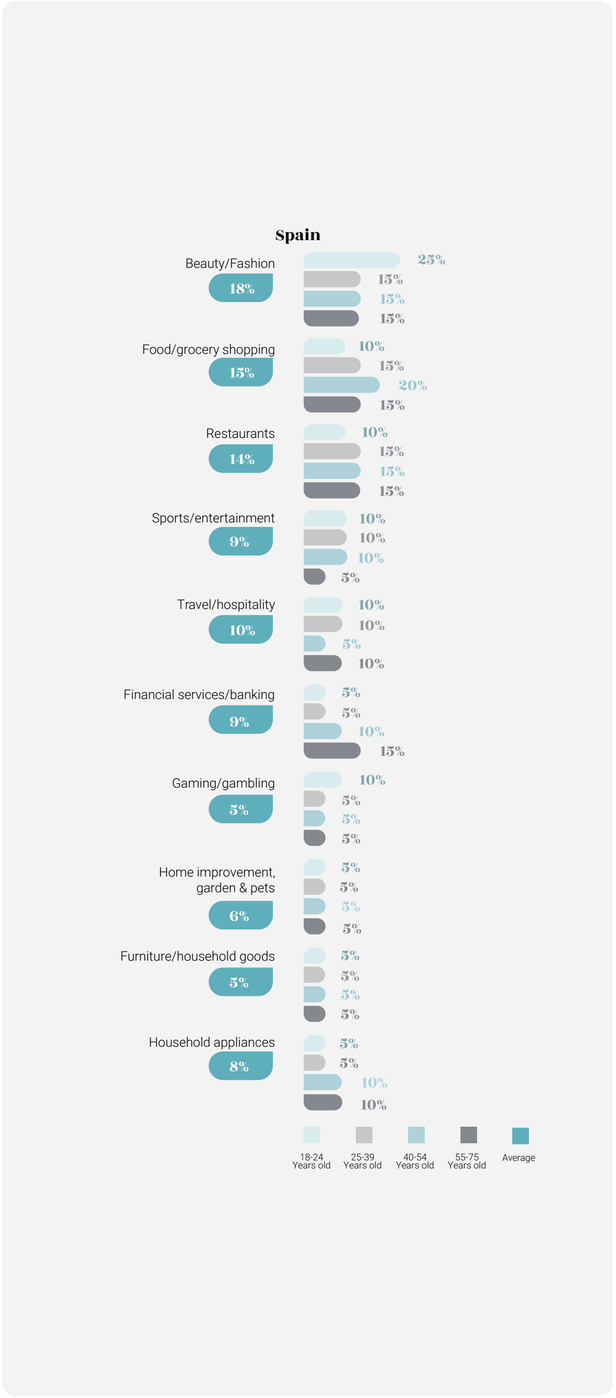
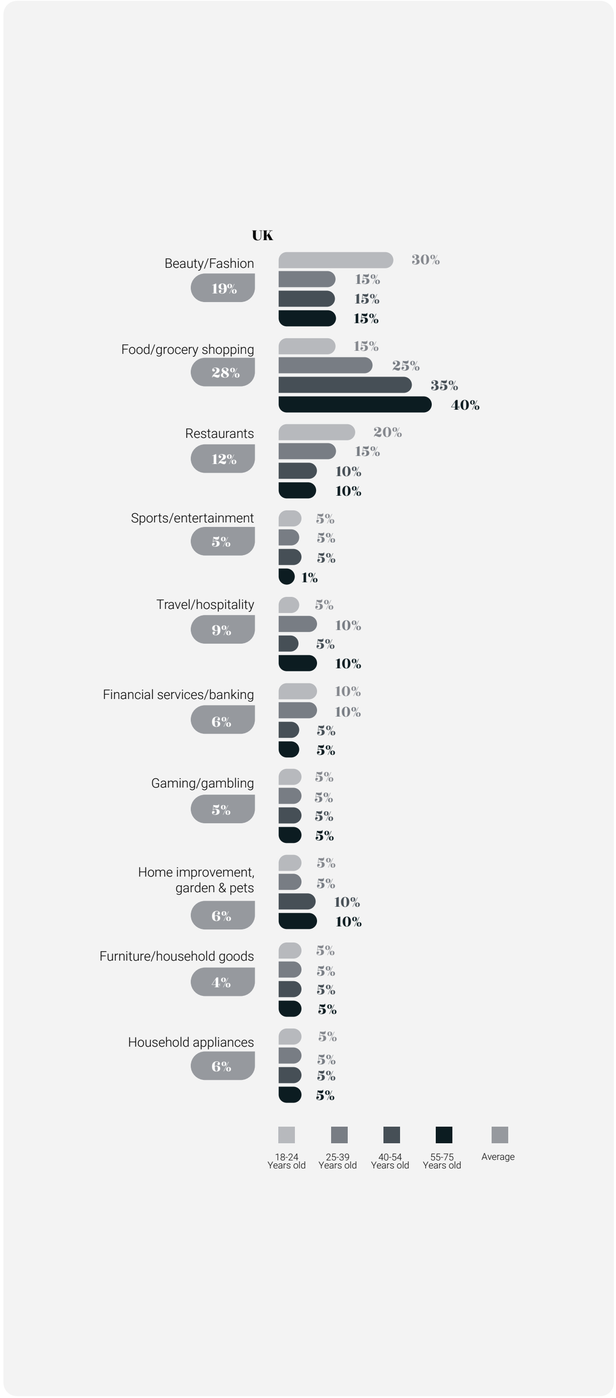
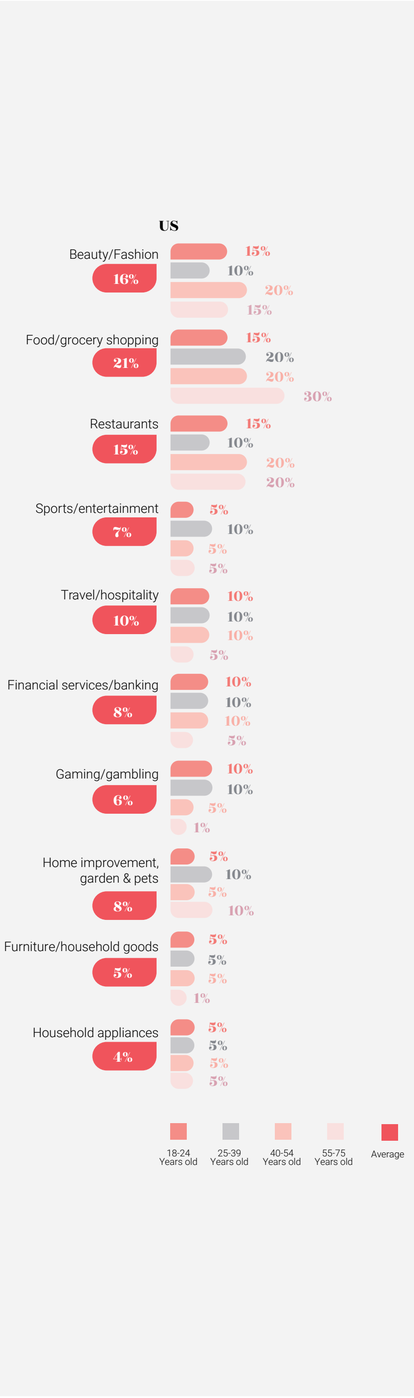
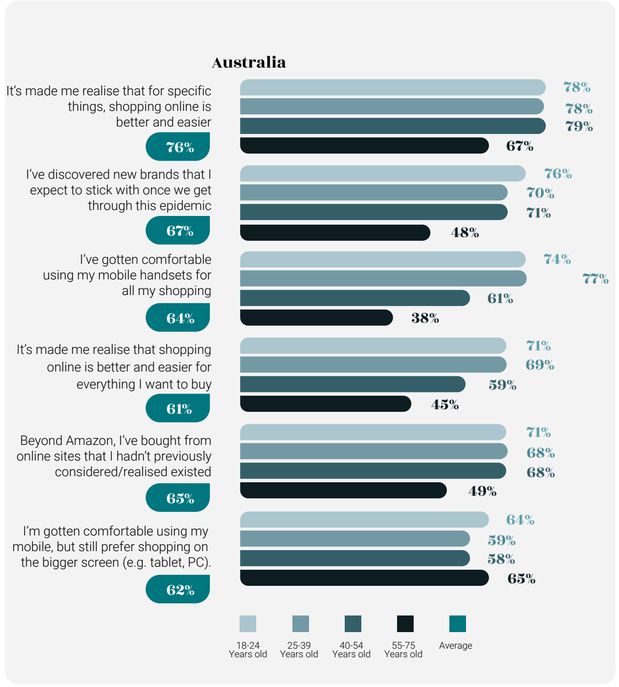
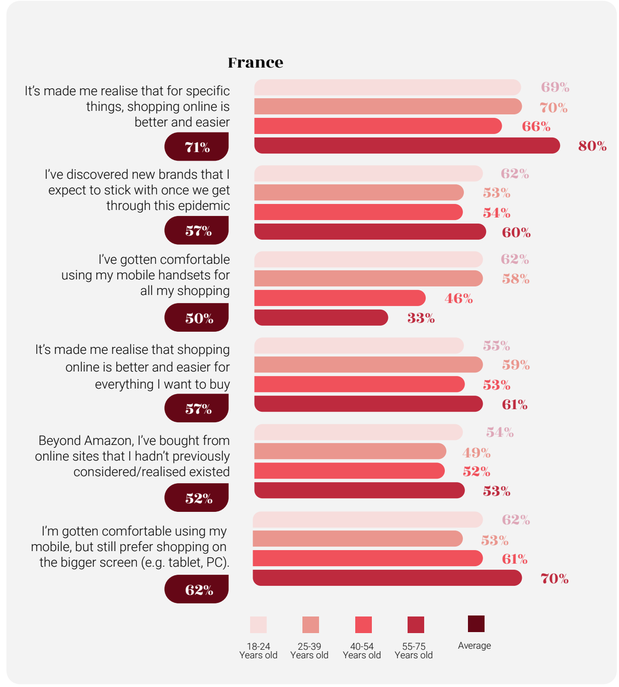


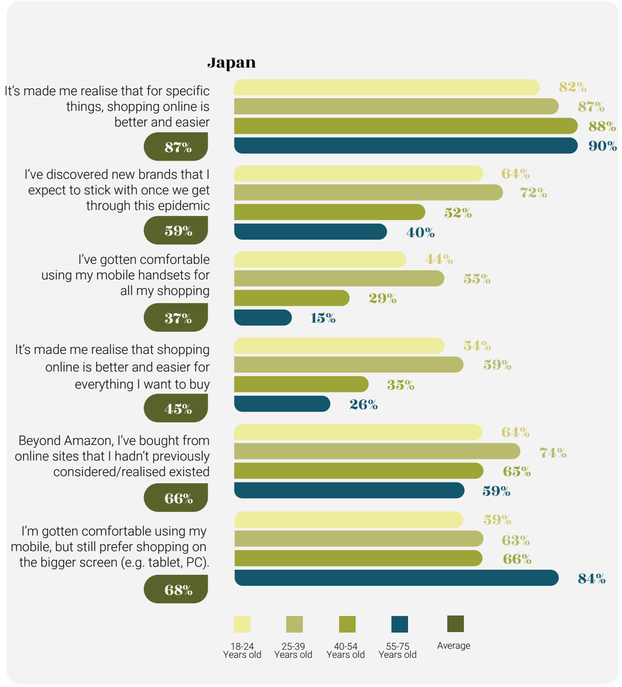


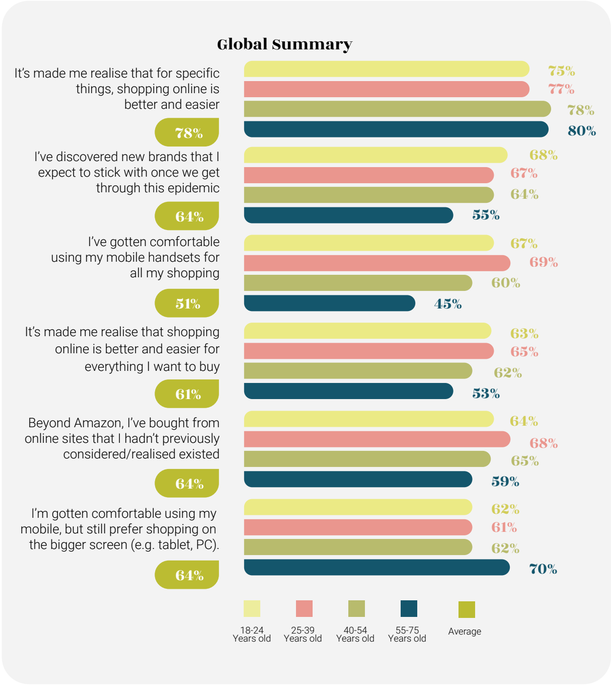


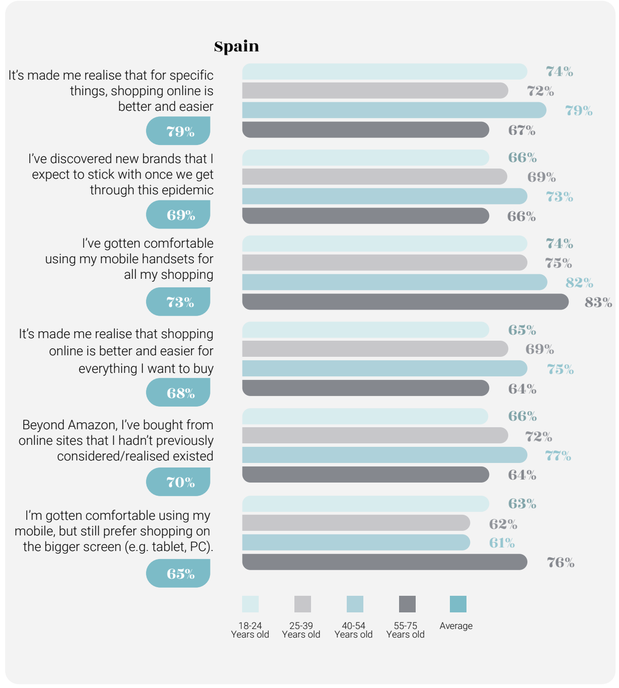
We've had to do more shopping online over the last six months due to the Covid-19 pandemic, what effect has that had on your buying behaviors? (Agree only)

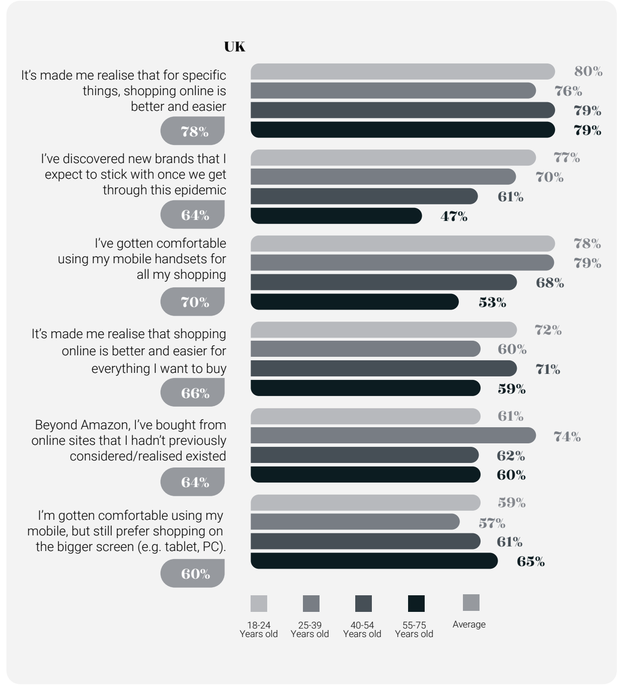


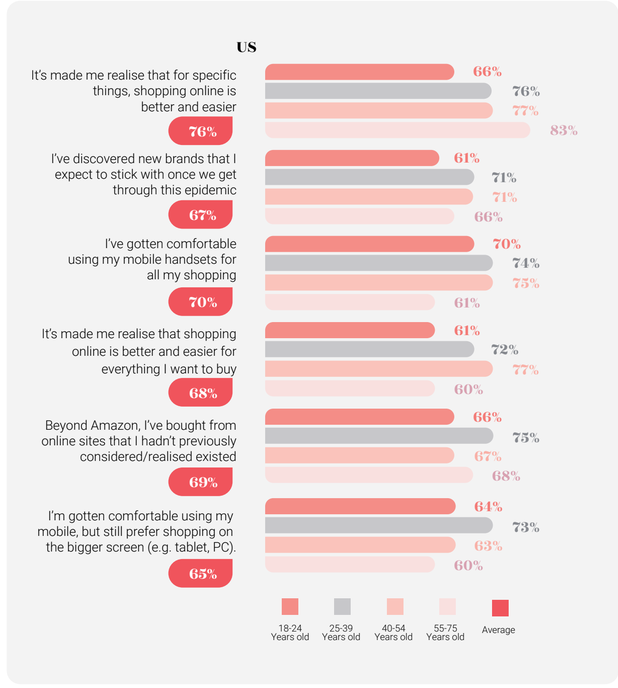








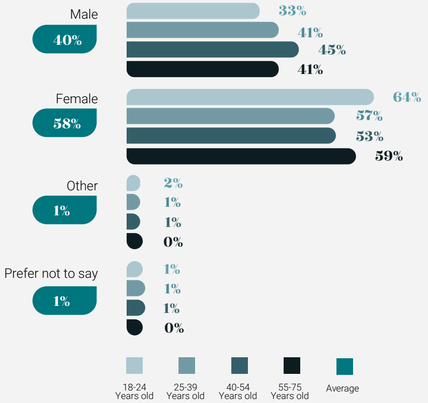




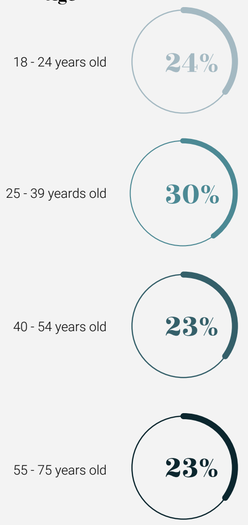
Demographics

Australia

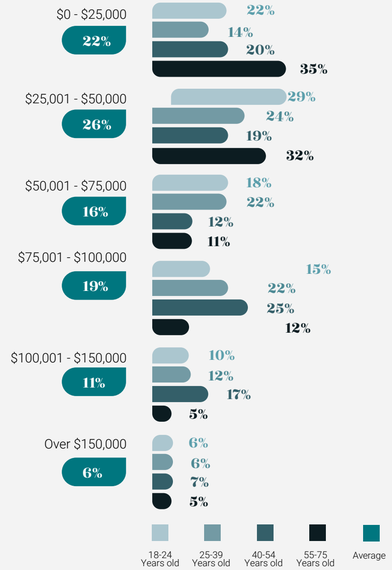
Gender



Age

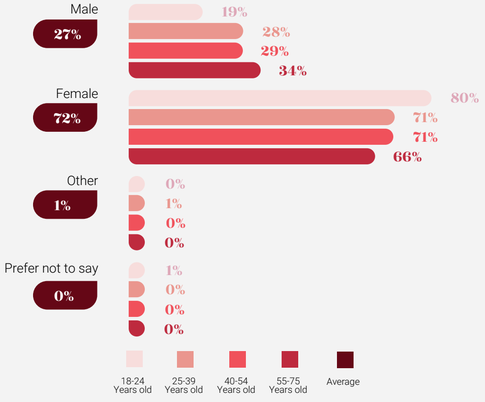


Annual Household income

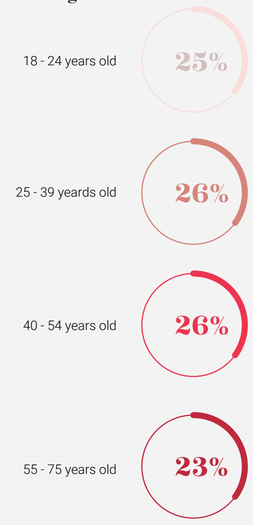


France

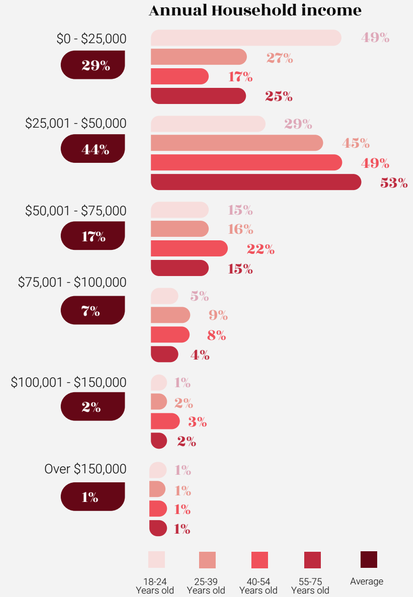
Gender



Age



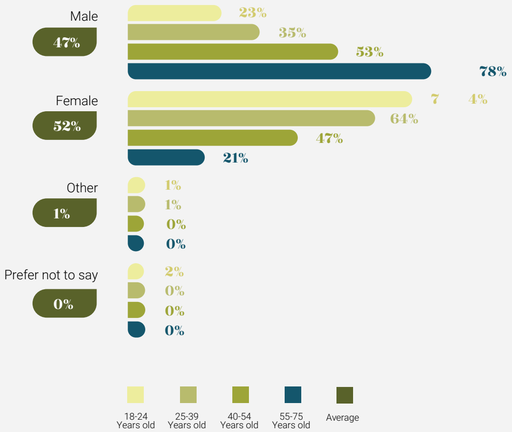
Annual Household income



Demographics

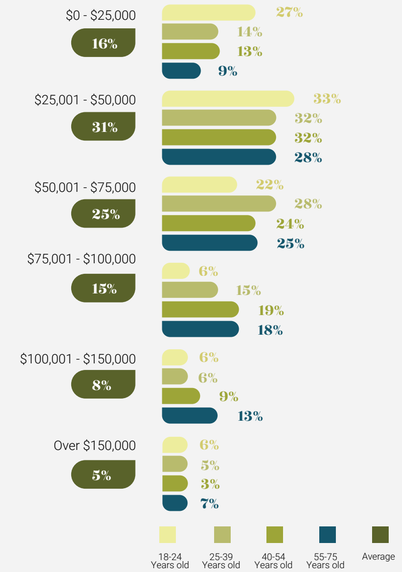
Japan

Gender



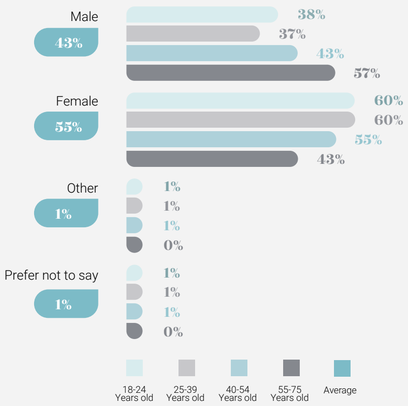
Age

Annual Household income

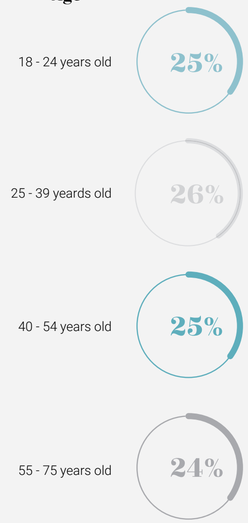


Spain

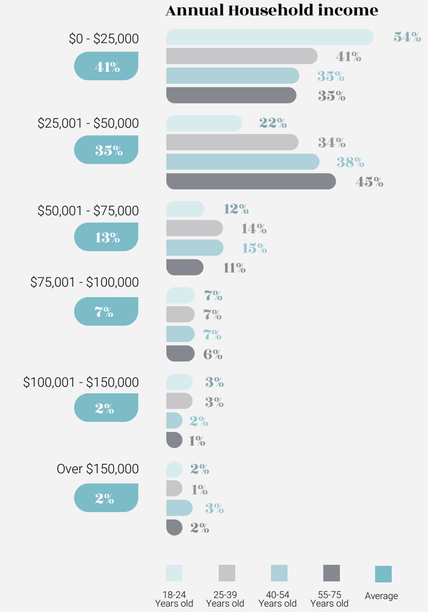
Gender



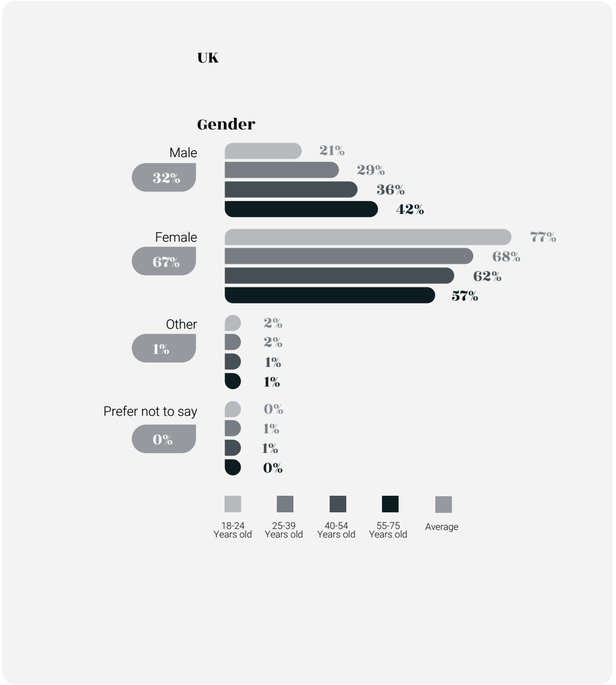
Age

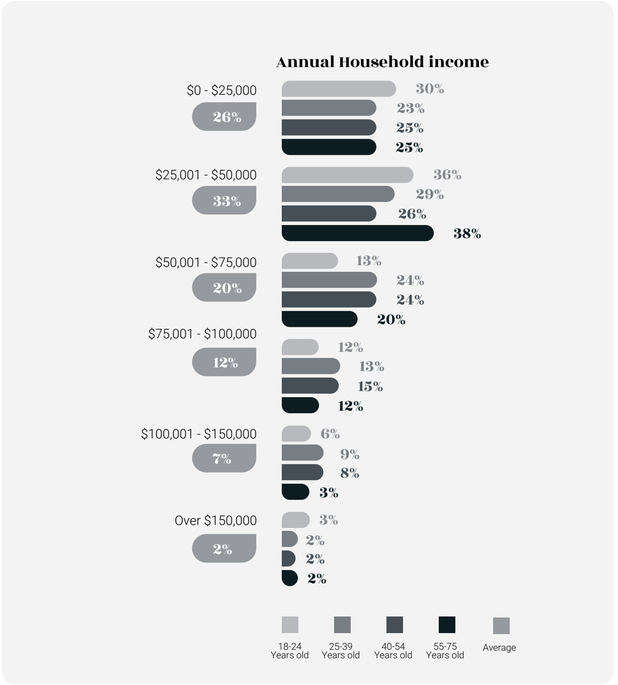


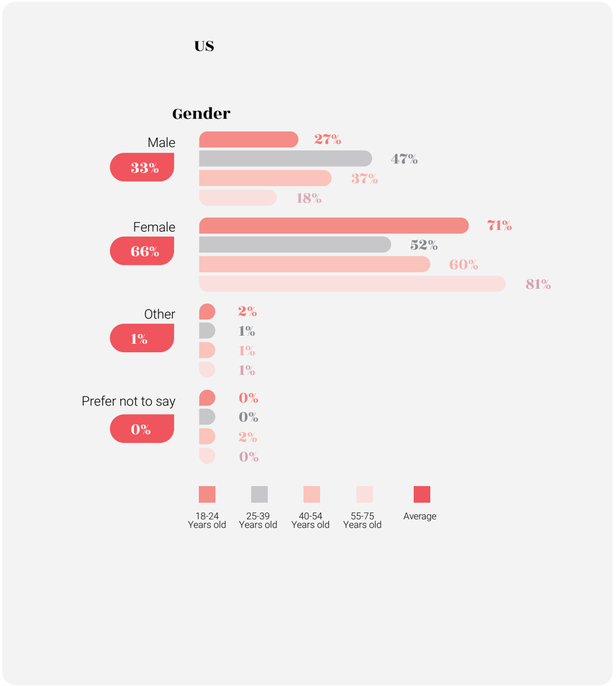
Annual Household income

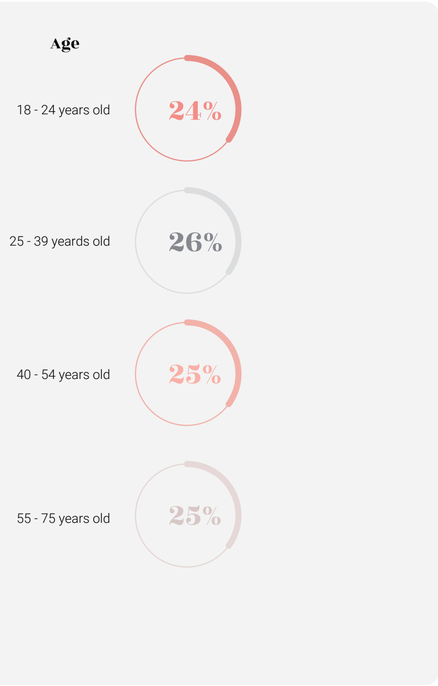


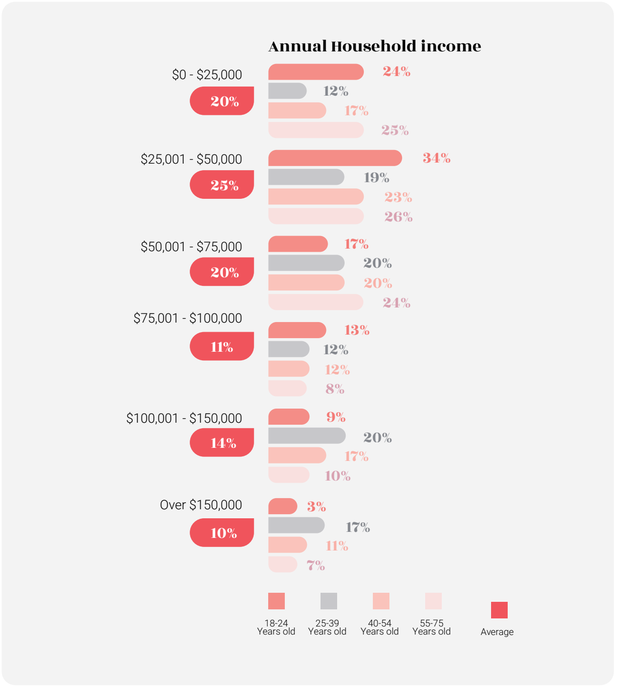
Demographics







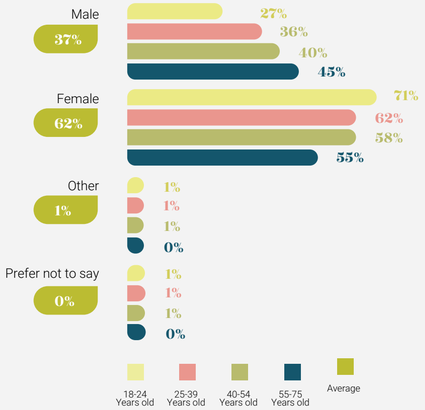




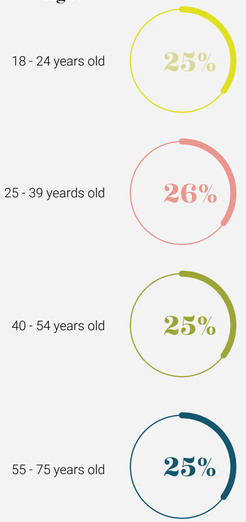
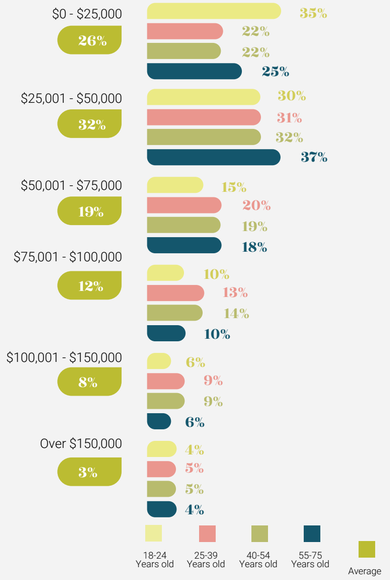
Demographics

Global Summary

Gender



Age



Annual Household income