

MARKETING

Consumers will offer information in exchange for rewards: report

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Shoppers are increasingly growing more open to sharing information, especially if something is in it for them. Image credit: Unsplash

By KATIE TAMOLA

Consumers around the world believe brands could improve their personalization practices and efforts, according to a new study.

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Research from consumer data acquisition and audience engagement solutions provider 3Radical found that 84 percent of consumers prefer brands to be more open and transparent about the information they collect and how they plan to use it. Consumers also do not feel as though collected information is being tailored effectively, as 65 percent of respondents feel they have received actively irrelevant offers.

"The reality is a consumer doesn't want to navigate everything on a luxury brand's entire website to find what it is they're looking for," said Michael Fisher, CEO at 3radical. "Start to get to know a consumer right at the beginning of the digital relationship.

"Ask them, 'Are you shopping for yourself or someone else?' and 'What are you looking for today, how can we help?' and take them directly there," he said. "Relevancy with personalization is critical to brand communication."

3Radical surveyed more than 900 consumers, consisting of 300-plus consumers each in three markets: the United States, United Kingdom and Singapore. Participants were surveyed about their shopping experiences during the 2021 holiday shopping season and completed the questionnaire in January 2022.

Missing the mark

Brands and retailers can cause themselves harm with several practices. There is a great amount of work left to be done in terms of brands collecting data transparently and implementing their findings effectively.

Only 18 percent of consumers strongly believe they receive customized recommendations based on the personal information they have shared.



If a brand is going to collect a consumer's information, the consumer is expecting relevant offers in turn. Image credit: Unsplash

As consumers feel like they are not being thoughtfully or effectively tailored to, brands could ultimately face a lack of loyalty as a result.

Fifty-two percent of respondents indicated frustration from receiving communications and offers not relevant to them, and 42 percent said they would be less inclined to shop with brands that did not extend tailored communications.

Although data privacy and sharing are hot-button issues, only 8 percent of respondents said they would not be willing to exchange their information with a brand for something of value.

When it comes to what consumers are most comfortable sharing, 74 percent said they were most comfortable sharing demographic data, such as age and gender.

Conversely, only 52 percent of respondents said they were happy to provide their contact information, while 23 percent of respondents said they were extremely uncomfortable sharing their contact details.



Shoppers feel more comfortable sharing certain pieces of information, including age or gender. Image credit: Getty

Fifty-seven percent of consumers believe the best time for brands to obtain consumer information is when customers are signing up for a loyalty reward program, while 34 percent said during the checkout process and 33 percent said when answering polls or surveys.

Compared to the previous year, preference for more personalized promotions increased by more than 20 percent in all regions, with the U.K. seeing the highest increase at 19.9 percent for a more personalized shopping experience.

Loyalty pays off

Ostensibly, consumers are willing to share information, and brands must learn how to build mutually beneficial relationships with this data.

Sixty percent of respondents noted that loyalty programs were the best way to maintain their loyalty, followed by targeted promotions at 46 percent and milestone celebrations at 43 percent.

Several luxury brands and retailers have identified the mutual benefits of loyalty programs.

Earlier this year, luxury resale platform Rebag launched its first loyalty program.

Rebag Rewards is a multi-tiered loyalty program offering different incentives based on the amount a customer

trades, sells and buys over time, broken down into four levels: bronze, silver, gold and diamond. In addition, members may earn points that can be redeemed and used toward future purchases ([see story](#)).

Since so many brands are entering the rewards program arena, and consumers are not easily impressed by other personalization efforts, it is imperative that they work diligently to set themselves apart.

In a webinar held earlier this month hosted by Loyalty360 and Deloitte, retail experts discussed how the loyalty landscape has changed in recent years. Although consumers tend to have memberships with several loyalty programs in various sectors, they tend to only be engaged with a select few ([see story](#)).

Brands must continue working to prove their products and ethos align with consumers' wants and needs.

"Consumers are questioning exactly how much value they are getting and brands need to find ways to apply personalized relevant offers, with easy-to-understand rewards," Mr. Fisher said. "This will be critical going forward in what we feel is an extremely oversaturated landscape.

"Personalized means relevant," he said. "If a brand is more relevant to me, then they are more aligned with my interests, motivations, and intent"

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