# Building Long-Term Customer Loyalty:

## A Research Report on What Consumers Want

braze

# Table of Contents


**Introduction** ..... 2

Key Takeaways ..... 3

- In challenging times, brand trust is just as important as affordability ..... 4
- If consumers lack trust in brands, they will take action to protect their data ..... 6
- Consumers demand personalized experiences, but are cautious of technology that enables it ..... 9

The Paradox of Consumer Expectations vs Reality ..... 11

When Marketers' Ambitions Are Hindered by External Forces ..... 12

Redefining the Rules of Engagement ..... 13

4 Brands That Are Using Customer Opinions to Build Loyalty ..... 14

Conclusion ..... 19

# Introduction

For too long, modern marketing communications have been driven by subpar transactional interactions that lack humanity. Brand X incentivizes customers to sign up for their email, SMS, or push updates in exchange for a one-time discount or offer without taking the time to figure out what these individuals really want or need. Brand Y checks in on inactive customers by sending out a flash sale campaign without getting to the bottom of why they've gone dormant in the first place.

The truth is, the status quo isn't cutting it anymore. However, there is more to this story than meets the eye.

Yes, consumers care deeply about brand trust and humanity, making them far more likely to part with their cash when it is established. The same goes for personalized experiences, which are not a nice-to-have, but a necessity for brands that care about retention.

However, consumers simply aren't confident that brands are responsibly handling their data and are cautious of the types of technology that can enable brands to scale their personalization efforts and elevate relationships from reactive to predictive.

So where do we go from here? Well, it starts with bringing customers into the fold and treating them as the true stakeholders that they are, collaborating with them more effectively to deliver their wants and needs, but in a way that is actually achievable for brands.

# Top Consumer Trends in 2023

New findings from an online survey of 2,219 adults in the US and UK reveal that more than ever, brand trust and personalized experiences are pivotal to forging deeper relationships and long-term retention.

From the research, we identified three key consumer trends with the potential to shape the way that brands engage with their customers and develop loyalty-building strategies.

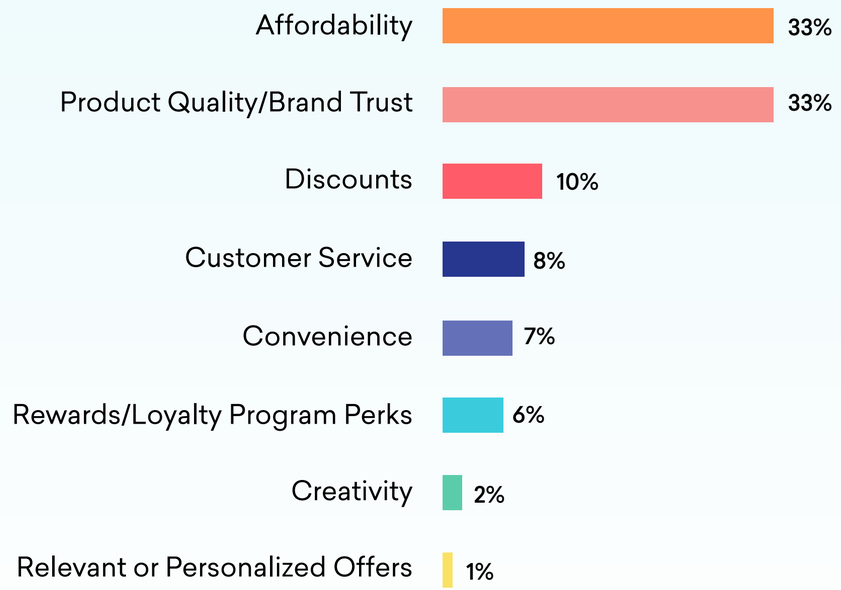
1. **In challenging times, brand trust is just as important as affordability**
2. **If consumers lack trust in brands, they will take action to protect their data**
3. **Consumers demand personalized experiences, but are cautious of technology that enables it**

# Key Takeaway #1:

## In challenging times, brand trust is just as important as affordability

**Think of the brands you buy from again and again: what keeps you coming back repeatedly?**

Base: 2,218
(>99% of respondents)




As part of our market research survey, we asked consumers to share which factors motivate them to make repeat purchases, and brand affordability and product quality/brand trust rose to the top of the list. Perhaps surprisingly, participants were **3.3X more likely to select these choices compared with discounts.**

Based on these results, the main barriers to entry for gaining traction with consumers are price and trust. Once brands have cleared these hurdles, repeat business is attainable. However, these aren't easy challenges to overcome, especially when often tight profit margins leave brands with little room for flexibility.

# Actions to Take

Fostering trust is paramount and brands must ensure consistent messaging that delivers real value for consumers over time.

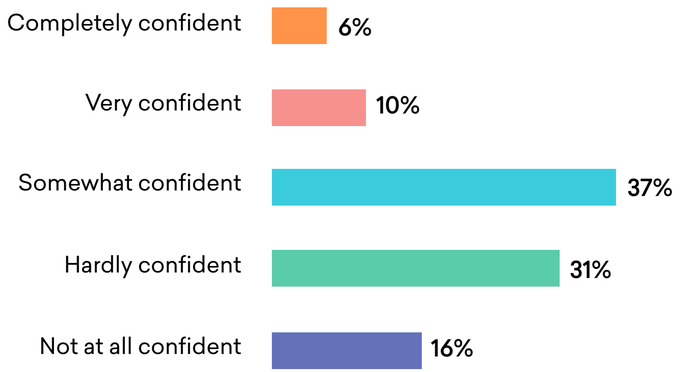
To do that, businesses need to truly understand their customers by laying the foundation with a solid **first-party data** strategy, gathering owned insights about individuals (knowingly with their consent), and information people want to share to improve their experience.

Savvy marketers that create rich **live customer profiles** of all of the data they have about their customers from across channels and sources—their preferences; browsing, purchasing, and engagement history; their feedback and responses to surveys; location and language; and interactions across touchpoints—and act on this data are able to activate smarter **audience segmentation** and **message personalization**, customizing the overall customer journey at a 1:1 level, and elevating outcomes over the their customers' lifetimes.

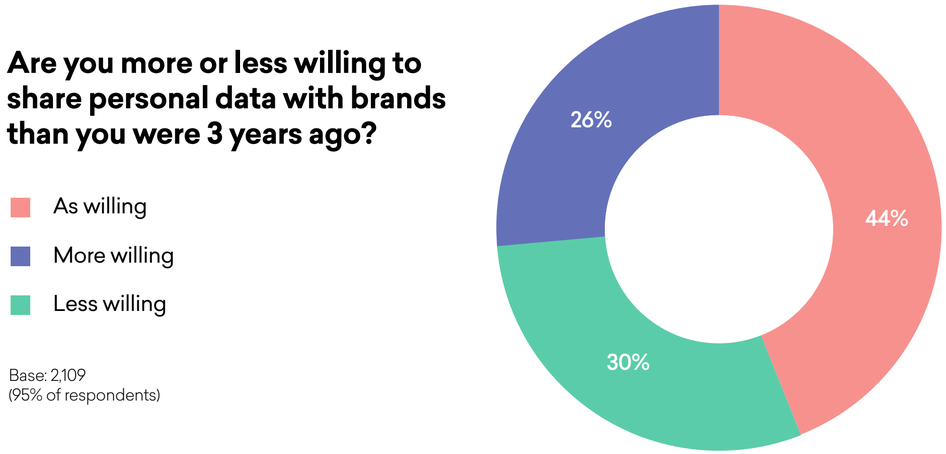
# **Key Takeaway #2:** If consumers lack trust in brands, they will take action to protect their data

**How confident are you that brands use your personal data responsibly?**

Base: 2,080
(94% of respondents)




**Are you more or less willing to share personal data with brands than you were 3 years ago?**




Base: 2,109
(95% of respondents)

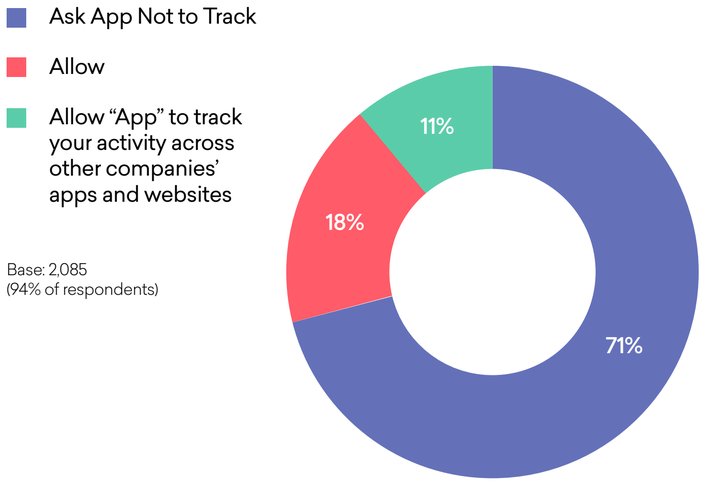
With trust proving more important than ever, and understanding customers at the individual level being key to instilling trust, there's one major obstacle brands have to overcome, and that's data management. **Only 53% of surveyed consumers say they're somewhat confident (or more) that brands will use their personal data responsibly**, and an almost equal portion (47%) are hardly confident or aren't confident at all that brands will use their data responsibly.

At the same time, trust in sharing data in general appears to be on the decline compared to a few years ago. In fact, 30% of participants responded that they're less willing to share their personal data with brands than they were three years ago, with only 26% responding that they're more willing. This turn of the tide has the potential to hinder customer experiences, which are greatly reliant on customer data to deliver personalization.

# **Key Takeaway #2:** If consumers lack trust in brands, they will take action to protect their data **(Continued)**

Given consumers' hesitancy around data sharing, it's unsurprising that the vast majority of surveyed mobile users (71%) select the option to not have their information tracked by the apps they use.

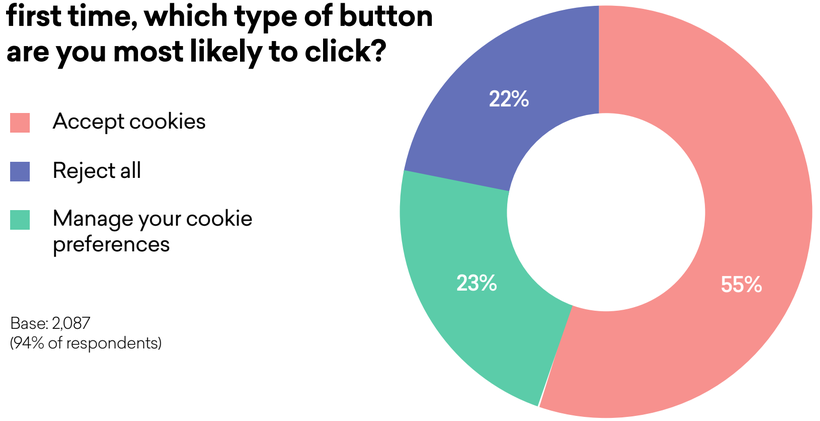
**When visiting a mobile app, which are you most likely to click?**




Base: 2,085
(94% of respondents)

As with mobile users, a sizable share of surveyed website visitors (22%) reject their data being tracked online. While the portion of web users in our survey who accept cookies (55%) is much higher than the share of mobile users who allow apps to track their data (18%), some of this gap may be explained by the difference in the web browsing experience versus the mobile app experience.

**When visiting a website for the first time, which type of button are you most likely to click?**




Base: 2,087
(94% of respondents)

Following the introduction of the General Data Protection Regulation (GDPR) in the EU and privacy laws in California, Colorado, and Virginia, more websites now ask visitors to "accept cookies," "manage cookies," or "view more options" before allowing them to access or view their content. Previous Braze research has found that nearly a quarter of consumers find it too time-consuming to figure out how to opt out of sharing cookies, suggesting that **the difference between language and experience of the privacy prompts on mobile and web might be driving the disparity between consumers' acceptance of tracking across these channels.**

# Actions to Take

It's clear that brands need to do the work of educating audiences across channels—both website visitors and app users—about why they might want to opt into sharing their data and the benefits of doing so.

After all, companies that succeed at data collection and personalization are transparent about the information they're gathering and explain the benefits to the customer for opting into data sharing. They are clear about how these insights will be used to personalize the experience and how they will enable the company to better serve their individual needs.

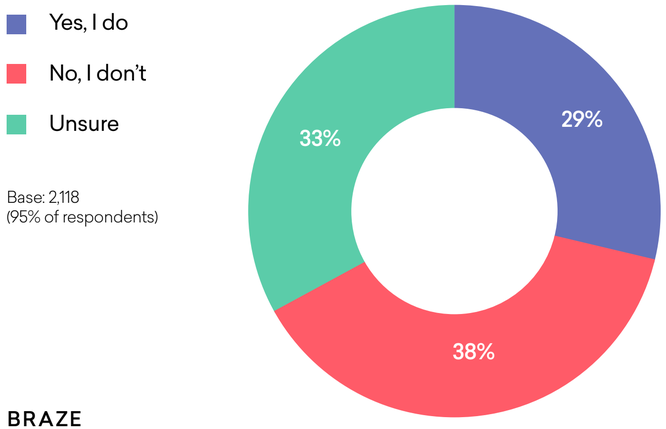
A strategic move is to prime customers before asking for their permission to collect any of their data. This is an effective way to get more web and mobile users to opt into sharing their personal information so your team can deliver more tailored experiences. This can be done by leveraging primers—targeted messages that you can embed in your company's app or website—to encourage or prime recipients to opt into doing something (in this case, having their app or website activity tracked).

However, brands need to live up to what they promise in the primer. They should create experiences that benefit the customer based on what they've shared and identify surprise and delight opportunities that can be made a reality, to build not just trust, but loyalty and excitement.

# **Key Takeaway #3:** Consumers demand personalized experiences, but are cautious of technology that enables it

Our research shows that **more participants say they don't feel comfortable with AI being used to personalize experiences, however this does not substantially outweigh those that do feel comfortable.** This presents brands with an opportunity to improve both consumer understanding and sentiment towards such technology.

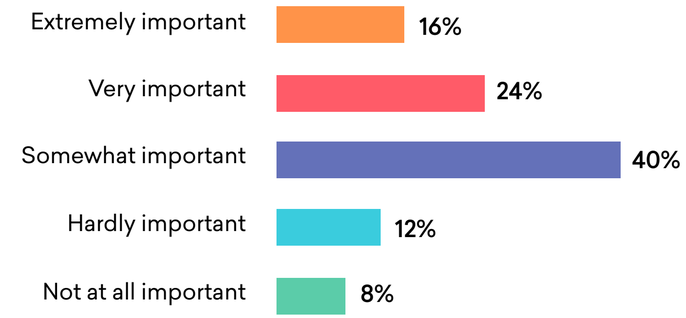
**Do you feel comfortable with AI technology such as ChatGPT being used by brands to create more personalized experiences for you?**




Base: 2,118
(95% of respondents)

On the flipside, **the vast majority of surveyed consumers (80%) responded positively to personalized experiences saying that they are at least somewhat important when making purchases.** This makes personalization a powerful force that carries a real impact on purchasing decisions, with AI serving as a powerful vehicle to deliver those experiences with ease and at scale.

**How important is it to receive a personalized experience when making a purchase based on your browsing habits with a brand?**




Base: 2,127
(96% of respondents)

Additionally, not receiving personalized experiences risks leading customers to consider other brands, abandon their shopping carts, or buy from a brand less frequently–raising the stakes for brands to get it right.

**When you don't receive a personalized experience, and expected one, how do you most typically respond?**

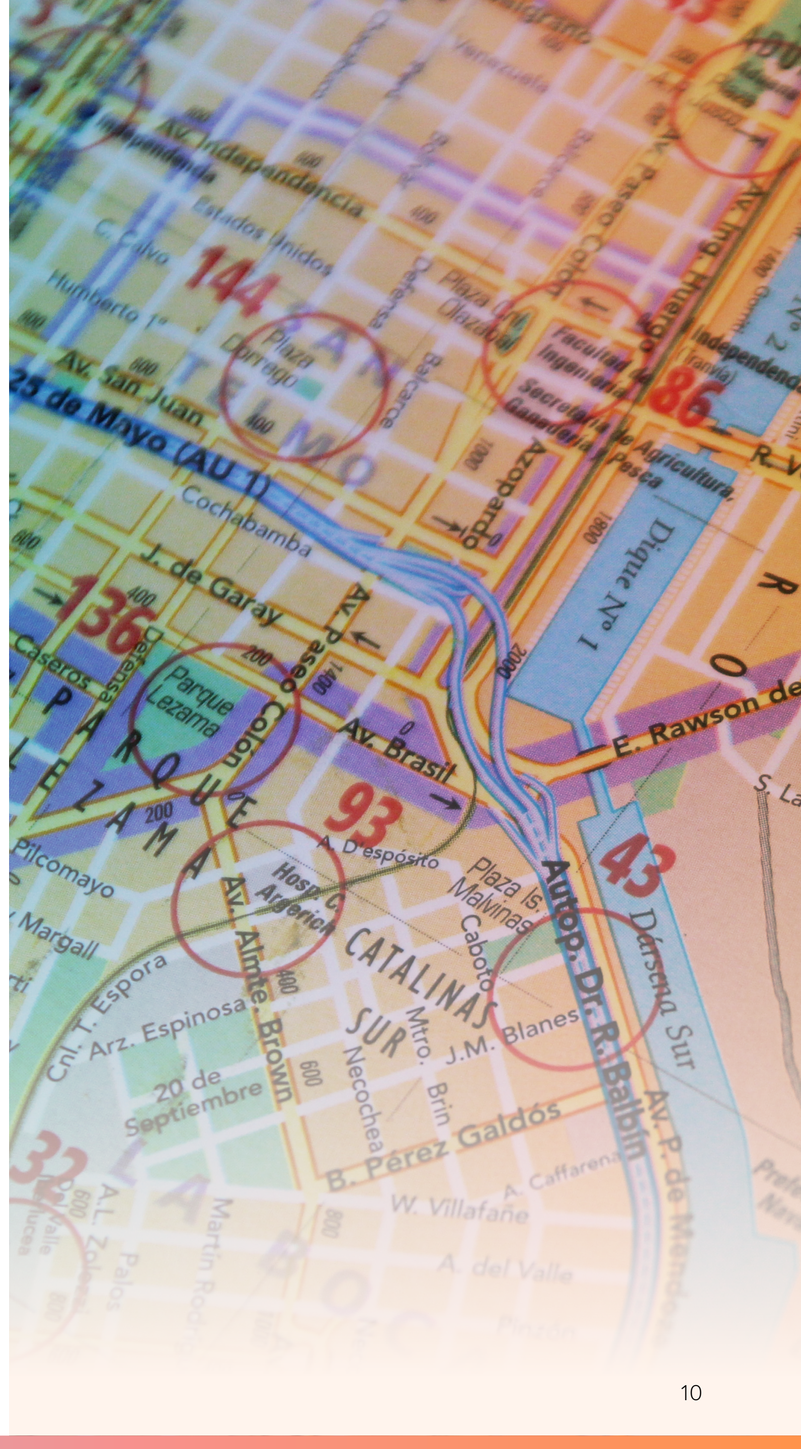
Base: 2,119
(95% of respondents)

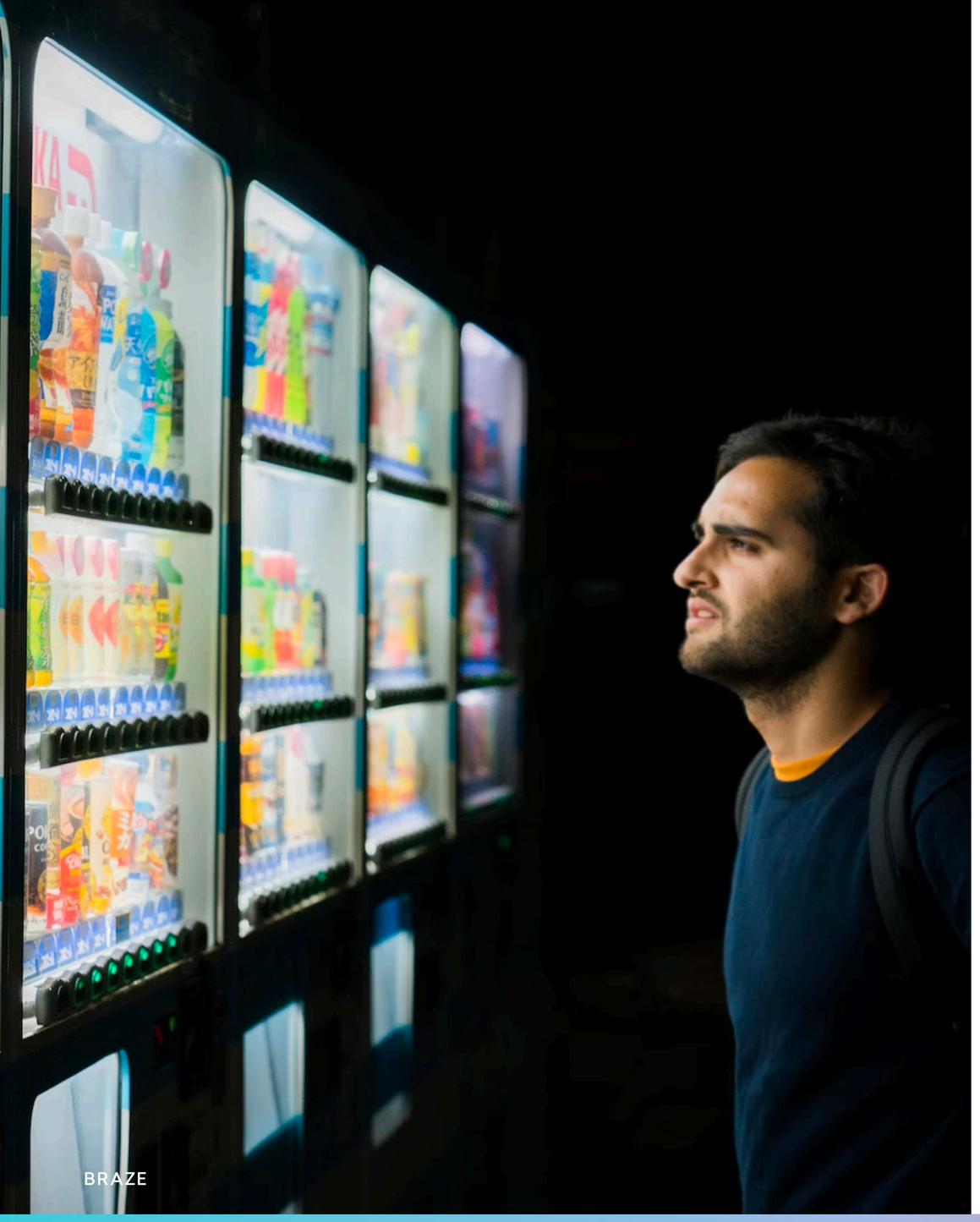
# Actions to Take

Strategic brands are harnessing the power of their first-party data to implement data-driven personalization to better connect and engage with customers.

Effective tactics that make an impact include using **event- and attribute-based personalization** (using known customer attributes (their size, time zone, etc.) and events (actions they've taken with your brand) to create more relevant and valuable user messaging and experiences), **location-based personalization** (serving up more contextually relevant experiences at the local level), **language-based personalization** (engaging global audiences using their preferred language), and **delivery-time personalization** (tailoring the timing of the delivery of campaigns at the 1:1 level based when individuals are most likely to engage).

However, these tactics alone are not going to generate the results that ambitious brands are looking for. It is imperative to have a strategy that takes everything that is known about customers through first-party data and pairs it with the science of AI, machine learning, and automation to work out what needs to come next for the highest impact experience.





# The Paradox of Consumer Expectations vs Reality

Echoing the last key takeaway, where we saw high consumer demand for personalized experiences but low appetite for AI to deliver them, it's clear there is some disparity between consumer expectations vs reality.

Consumers have higher expectations than ever of brand experiences and a low tolerance for failure, prompting them to vote with their feet when they don't get what they want. **But what do they want and what are they actually getting?** Well, it starts with consumers being faced with an overwhelming set of choices for where and how they shop when really they crave affordability, product quality, and brand trust.

They are served up hordes of automated, irrelevant brand communications when really they crave relevancy and humanity, and they are on the receiving end of a bombardment of requests for their data when really they crave control, privacy, and transparency.

All of this leads to a growing feeling of disconnect between consumers and the brands they love.

# When Marketers' Ambitions Are Hindered by External Forces

It's similarly polarizing on the brand side, with companies often seeing their goals and realities at odds with their customers.

In the face of uncertain economic conditions, marketers are under more pressure than ever to maximize revenue and profit while also reducing business risk. To do this they need to orchestrate thousands, if not millions, of customer interactions, but also have to nurture brand equity across every interaction, and they need to procure technology solutions to minimize costs and complexity while also avoiding data silos and ensuring these solutions can withstand rapid scaling.

All of these ambitions are entirely achievable, however, they require focused prioritization and an effective customer engagement strategy that is built for purpose.

**What that customer engagement strategy should look like, however, is changing.**

# Redefining the Rules of Engagement

Simply put, brands need to move away from engaging in surface-level, transactional-driven relationships with consumers and instead view consumers as collaborators, and co-creators of their broader customer engagement strategy. After all, the only way that everyone achieves what they want is by working together harmoniously.

Yet for many brands this requires a mindset shift and recognizing the true role that customers play, elevating them to the level of key stakeholders, rather than viewing them as incremental gains achieved on the path to hitting revenue targets.

1 It starts with redefining the rules of engagement and reimagining the value exchange between both parties that makes the relationship mutually beneficial and equitable. Trust has to be paramount. **Brands need to be prepared to be transparent about the kinds of data needed to provide the types of experiences customers want and need.** They need to be upfront about how that information is going to be used—responsibly—and how it's ultimately to the benefit of that individual (whether that data is being utilized to provide the customer greater convenience, a more relevant experience, more accurate information, etc.).

2 Next, **brands need to look at what drives loyalty across the entire path to purchase and the high-value actions that consumers take as part of their customer journeys.** Whether that's looking at what channels to use to communicate, the content used during their customer interactions, or even the timing of customer outreach, it's about adapting to consumer preferences, rather than taking a blanket approach or even worse, acting based on assumptions.

3 Finally, **brands need to embrace a new breed of customer engagement campaigns that put individuals truly at the heart in a way that is collaborative.** Whether that's mindful personalization based on behavioral segmentation, running NPS and customer feedback surveys, or serving relevant experiences post ad clicks—trust building and living the values of customer centricity is imperative.

Select organizations are already doing the work of embracing this new breed of customer engagement, and they're achieving impressive results. Ahead we'll share what's working for them, why, and how your company can learn from their example.

# 4 Brands That Are Using Customer Opinions to Build Loyalty

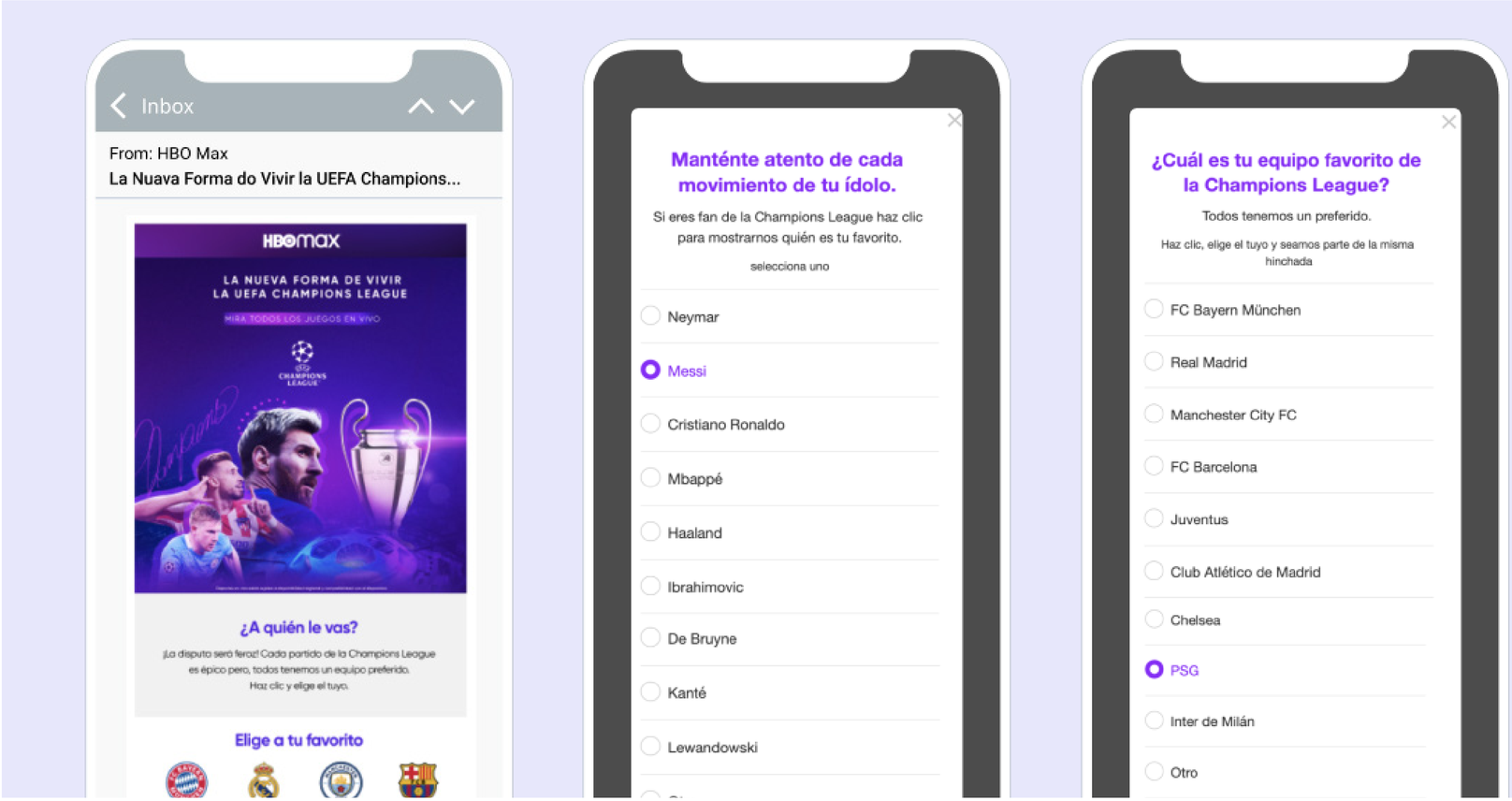
Brand trust is earned when companies take the time to understand what their customers want and deliver. Time, and time again. It comes from recognizing fans and fostering their passions. It comes from asking customers what they need, listening, and responding. Here are four brands that are taking action and collaborating with their customers to pioneer better, stronger relationships that last.

READ THE FULL CASE STUDY HERE

The team at Max (formerly HBO Max) wanted to launch a campaign to engage Harry Potter, Champions League, and DC Comics super fans in Latin America. They recognized the importance of growing brand trust and saw an opportunity to achieve this by activating 1:1 personalized experiences that collected the right data throughout their customers' journeys.

With a powerhouse streaming platform that serves up a diverse catalog of scripted films and series, unscripted documentaries and reality shows, and live events in key markets, Max was looking to develop a customer engagement campaign that could scale with the growing platform and leverage unique zero-party customer data to better serve subscribers a supercharged personalized experience.

They landed on a simple yet highly impactful approach: Asking users questions abaout their fandoms—such as who was their favorite DC superhero, which house in the Hogwarts School of Witchcraft and Wizardry was their favorite, or who their favorite league players and teams were—and sharing tailored content based on their responses.



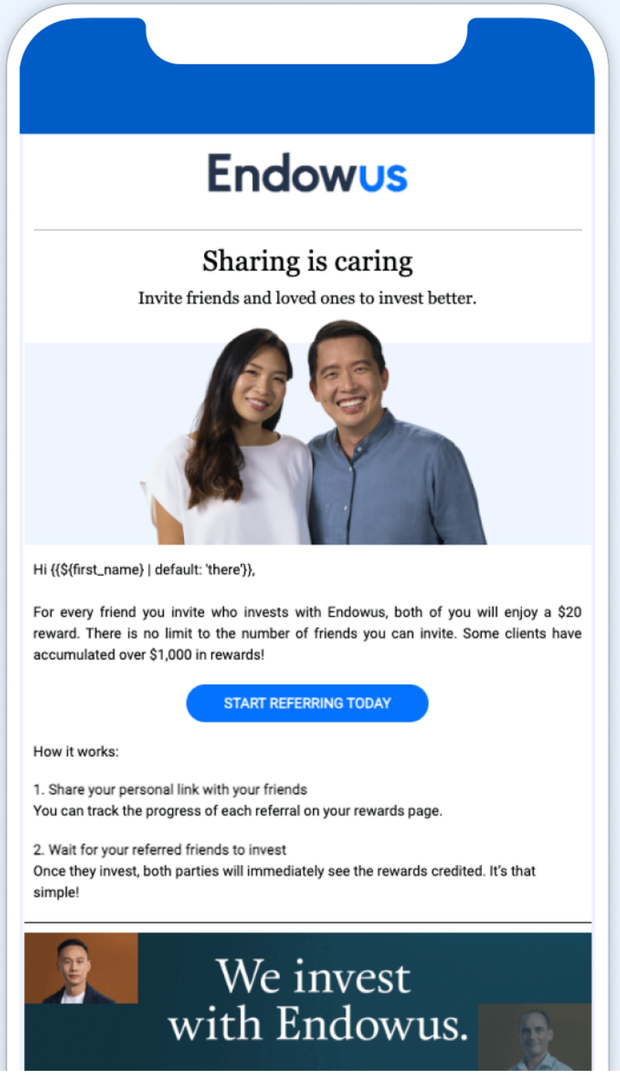

The data they collected enabled them to better segment their messaging, resulting in an impressive **40% increase in CRM comms performance and a 15% reduction in user churn in Latin America**, empowering the brand to sustain loyalty and long-term subscriber relationships over time.

# Endowus

READ THE FULL CASE STUDY HERE

Establishing credibility with consumers is essential, particularly in the financial services space, and especially for digital-first firms that are shaking up the industry, like the Singapore-based fintech and digital wealth platform Endowus. The brand that allows investors to seamlessly use money from their public pension funds for investing wanted to build out a customer engagement campaign that would help build trust with and deliver value for their customers. To do that, they leaned into using NPS surveys to gather feedback from customers about their experience throughout their onboarding and investing experience.

By listening to what customers had to say and improving experiences based on these timely insights, Endowus has been able to learn what best resonates with investors using the platform, **efforts that have helped them improve engagement rates by 30% on email.**

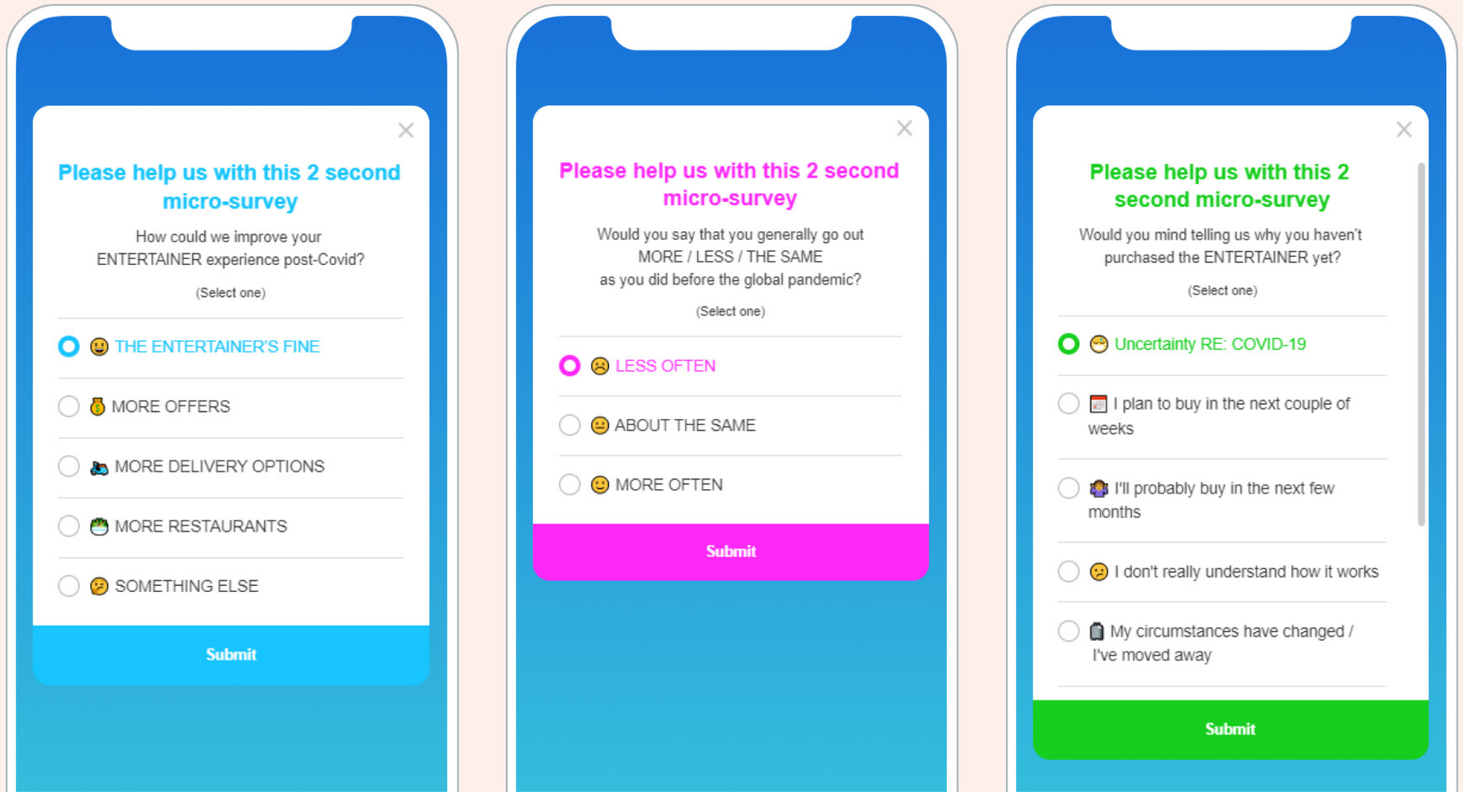


READ THE FULL CASE STUDY HERE

The Entertainer, a two-for-one discount app with over three million global members, found a way to unlock more learnings than ever from their community—by asking customers for more information about themselves at the right place and right time. In the past, the brand used email surveys to check in with customers weeks after they'd engaged with a given campaign, but given the lag time in data collection, response rates weren't what they could be. After teaming up with Braze, the team is now able to collect first-party data precisely in the moments when customers are primed to engage by deploying Simple Survey in-app messages.

By gathering these insights in the moment, The Entertainer team has yielded a deeper understanding of how customers feel about their platform's product quality and merchant mix and which offers and communications resonate with different customer segments.

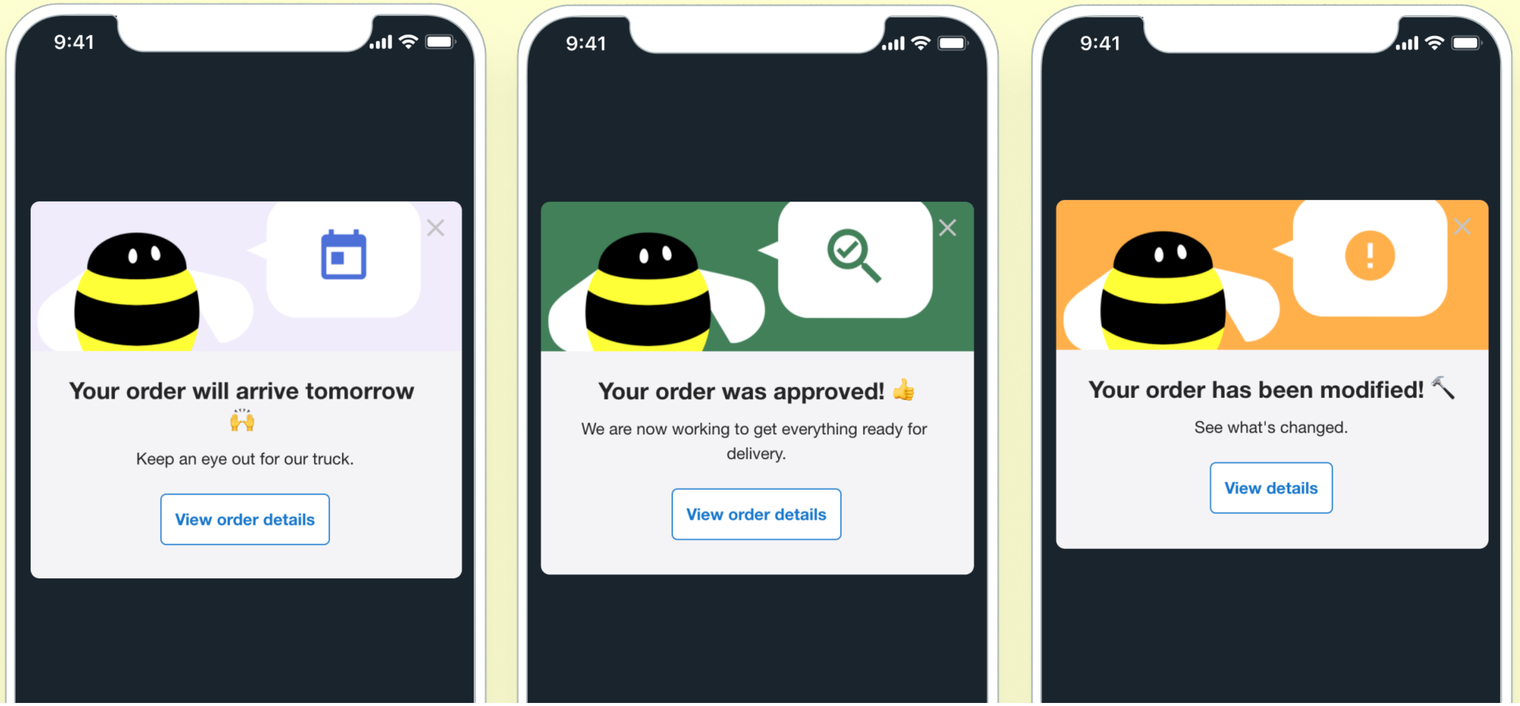
After four months of collecting these learnings, The Entertainer learned about pain points in their lower-performing markets and what was getting in the way of consumers making purchases. Not only that, they took action to make improvements and introduced tailored campaigns addressing these customer concerns. Nearly one-fourth of users who explained why they hadn't made a purchase ended up placing an order after receiving a campaign that spoke to their particular issues.




Data from the surveys also helped The Entertainer team better segment their customer communications and deliver more relevant deals, resulting in a **15% increase in conversions compared with efforts that took a generic approach to outreach.**

Just as personalized experiences have the power to improve customer engagement, loyalty, and trust, a lack of personalization can lead to poor experiences for customers.

That was originally the case for the retailers that were buying products from Anheuser-Busch InBev (ABI) before the company introduced real-time personalized messaging through the company's BEES platform, a digital B2B commerce tool for small to mid-size retailers to place orders with ABI. Retailers had limited insight into which ABI products were and weren't in stock, where their orders were in the delivery cycle, and how they could modify their orders, all of which created anxiety for shop owners and resulted in an influx of order support and product information tickets for ABI.




To get to the root cause of these customer support issues, BEES launched a mobile app and leveraged in-app messaging to encourage retailers to share their feedback via an in-app NPS survey. Based on the insights ABI gathered via the BEES app survey, the company was able to determine that not having visibility into their order statuses and not receiving delivery updates were two major sources of friction for customers. To address these underlying issues, the team utilized cross-channel messaging to provide retailers with timely personalized updates about the status of their orders—when they were on their way and when they'd be received.

Since implementing this change, retailers have the insights they need to better run their stores and **BEES has seen a 15% decrease in order support and product information request tickets.**

# Conclusion

## 1 Lower prices don’t mean lower churn

In today’s challenging climate, discounts and sales simply aren’t enough to drive sustainable gains in loyalty or revenue.

## 2 Make loyalty part of your brand DNA

Brands with a long-term focus have the advantage. Trust isn’t earned overnight, but businesses that make fostering customer confidence and loyalty a priority and a practice stand to gain over time.

## 3 Your customer is king (or queen), treat them as such

Growth is the result of companies doing the work to thoughtfully ask customers for the right information that will enable them to understand their customers and create more meaningful, personalized products, services, experiences, and marketing campaigns—efforts that will not only yield returns but have the potential to result in consumers ultimately becoming brand loyalists for life.

# Methodology | Data Sources

The results in this report are from an online survey that was fielded by Researchscape International from August 10 to 26, 2024. There were 2,219 respondents to the survey and respondents were from 2 different countries, the US and UK.

Topline results presented in this report were weighted to be representative of the overall population by the following variables —

- **State*:** California (10%), Texas (9%), Florida (7%), New York (6%), Pennsylvania (4%), Other (64%)
- **Census Area*:** South Atlantic (21%), East North Central (15%), Pacific (14%), Mid-Atlantic (13%), West South Central (12%), Mountain (8%), West North Central (7%), East South Central (6%), New England (5%)
- **Gender:** Woman (51%), Man (49%)
- **(United Kingdom) Age:** 18-34 (28%), 35-44 (16%), 45-54 (17%), 55-64 (16%), 65+ (24%)
- **(United States) Age:** 18-34 (32%), 35-44 (17%), 45-54 (17%), 55-64 (18%), 65+ (16%)
- **Education level:** Less than HS (12%), HS graduate (29%), Some college (30%), College graduate (19%), Postgraduate (10%)
- **Household income:** Under $50,000 (41%); $50-$99,999 (32%); $100,000+ (27%)
- **Ethnicity:** White, non-Hispanic (65%); Hispanic (16%); Black, non-Hispanic (12%); Asian (4%); Other race (3%)
- **Country:** United States (82%), United Kingdom (18%)
- **Standard**:** London (13%), South East (14%), East of England (9%), South West (8%), North West (11%), East Midlands (7%), West Midlands (9%), Yorkshire and the Humber (8%), North East (4%), Wales (5%), Scotland (8%), Northern Ireland (3%)

* State/Census Area refers to US respondents only. ** Standard refers to UK respondents only.

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