

**Audience of One 2022:
Germany Edition**

Introduction

The people have spoken. Personalization is still the best way for marketers to reach consumers and build relationships with every single customer. That's what the data told us in Movable Ink's second annual Audience of One consumer survey. No matter how people shop or engage, or on what channel, they told us that customer-centric marketing messages are the best ways to win their loyalty. And it all starts with data-driven personalization; brands must treat each customer like a person, not a number.

There is no question that in this age of heightened concern about data privacy, marketers must tread a fine line to ensure that they are always providing tangible value for the data customers are willing to share. It also means people are more sensitive to data misuse. This year's survey paints a picture of consumers that want a unique experience from the brands they love, one that no one else receives. It is also a portrait of a more savvy consumer, one who isn't willing to accept bland, unpersonalized email and mobile messages or share data without a clear benefit. Want to learn more from consumers themselves? It is my honor to present Movable Ink's Audience of One 2022: Germany Edition.

Alison Lindland
Senior Vice President, Strategy
Movable Ink

ABOUT MOVABLE INK

Customers don't experience data, they experience content. Movable Ink activates any data into personalized content in any customer engagement. The world's most innovative brands rely on Movable Ink to accelerate their marketing performance. With more than 600 employees, the company is headquartered in New York City with operations throughout North America, Central America, Europe, Australia, and Japan.

Learn more at movableink.com.



Overview

Consumer expectations are rapidly shifting. Technology has advanced at a breakneck pace, all while many people have transitioned to a new, hybrid form of shopping that blends the digital and physical worlds. It's up to marketers to adjust by letting go of traditional, channel-based marketing, instead viewing every touchpoint—digital or physical—as a chance to build a consistent, awe-inspiring customer experience.

Movable Ink originally conducted a survey of U.S. consumers in 2021 to better understand changing sentiments around customer expectations, consumer trust and loyalty, as well as marketing personalization. This year, to get a more global perspective, Movable Ink expanded beyond the U.S., incorporating feedback from consumers in Canada, the United Kingdom and Ireland, and Germany.

The research in this report specifically explores what German consumers value most in interactions with brands, what impacts their brand trust and purchasing decisions, and what information people will share in exchange for a more personalized customer experience.

Today's world is set against a backdrop of decreasing customer loyalty. In response, marketing departments have ramped investment in digital transformation to ensure they meet customers with the right message, on the right channel, at the right moment.

The world is at everyone's fingertips. It's now marketing's responsibility to cut through the digital noise. What makes someone subscribe to marketing communications? What message persuades shoppers to purchase? And how do brands maintain someone's trust? These are just a few of the questions that Audience of One 2022: Germany explores.

As people become more dependent on digital life, concerns over data privacy are increasing. Consumers will no longer sacrifice privacy, yet they also expect the same personalized experiences even as regulations increase. Marketers have more limited access to customer information, yet they will still need to create personalized, 1:1 communications at scale. This research explores what types of information consumers are willing to share with brands in exchange for a more personalized experience.

ABOUT THE STUDY

The Audience of One 2022: Germany Edition report is based on a survey conducted by TEAM LEWIS Research on behalf of Movable Ink. This research sought to uncover what German consumers value in branded communications, what information is most useful in their purchasing journey, and the

types of information consumers will share for a more tailored customer experience. This research also sought to identify trends across key verticals and demographics from the consumer perspective. The findings detailed

in this report are based on data collected in the study, which consisted of 1,000 total responses from Germany consumers from April 10, 2022 to April 20, 2022 with a margin of error of +/- 1.7 percentage points.

Personalization Builds Brand Loyalty & Trust Among Consumers

Nearly half of consumers said they're more likely to buy goods or services when a company creates a personalized experience (i.e., emails, in-app notifications, etc.).

Yet, personalization is still nascent in Germany—giving marketers and brands a blue ocean opportunity to engage with customers on a deeper level.

Personalization increases trust and likelihood to purchase more goods from the brand by nearly 20%.

In terms of industries, consumers have noticed the most personalization from fashion retailers (36%), media and entertainment brands (30%), electronics companies (28%), health and beauty brands (28%), and hospitality companies (22%). However, more than one in four (26%) have not noticed any personalization effort from brands.

Loyalty, the holy grail of marketing, is predicated on personalization. More than half of consumers (53%) stated that their loyalty and increased purchase rates rest squarely on the shoulders of brands engaging and building a personal relationship with them.

Why? Because it builds trust that the brand cares about personal preferences and interests (30%), fosters a personal connection (22%), gives customers more control over their experience (22%), and whittles information down to a more digestible format (22%).

A personalized experience has the potential to directly influence the customer relationship. In fact, personalization increases trust and likelihood to purchase more goods from the brand by nearly 20%.

Personalization influences customer-brand relationships by:

19% Makes me more likely to purchase the same products and services from the brand

19% Makes me more likely to purchase new products and services from the brand

17% Increases my trust in the brand

17% Improves my perception and opinion of the brand

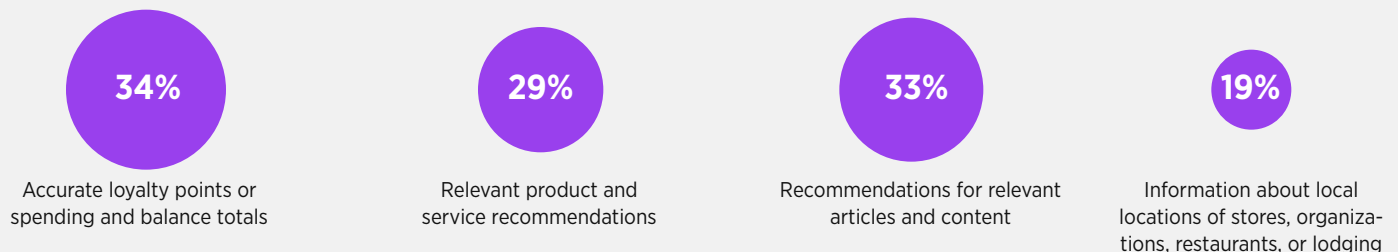
What Matters Most to Consumers

With the near endless options at customers' fingertips, quality of service (51%) and trust (44%) are key for German brands to break through the noise and encourage a purchase or conversion.

According to customers, brand trust is built on helpful customer service (55%), a strong brand reputation (49%), and consistency of experience (40%).

For the consumer, it's all about quality over quantity. In fact, too frequent communications (36%) or content that is too focused on selling (30%) could drive customers away from your brand resulting in increased unsubscribe rates. In today's landscape, it's more important than ever to carefully balance editorial with sales-oriented content. Moreover, if content is irrelevant, more than 1 in 4 (26%) consumers said they'd hit the unsubscribe button.

The most helpful information customers reported is:



Customers view brand relationships through a utility lens. They want information that is most important to them. A ranking of most useful information when shopping or making a purchasing decision are:

- Email marketing about sales, promotions of offers - 35%
- Email marketing informing of new products or services - 24%
- In-app notifications or reminder about sales and promotions - 19%
- Email marketing reminders of browsed or carted items - 17%

Email recommendations (46%) continues to be the workhorse for brands, driving the highest likelihood to purchase, followed by in-app recommendations (40%), website ads (30%), social media (24%), and SMS (28%).

As screen proliferation continues to grow, consumers maintain a clear preference for email communications when engaging with brands.

Why it Matters to Get it Right

People expect marketing that is useful and relevant — missing the mark can lead to damaging consequences for brands.

43% of consumers say they would delete or uninstall a brand’s app if the personalization is wrong or inaccurate, such as the wrong name or spelling, trying to sell them something they just bought, or the wrong location. Additionally, over one in four (26%) consumers say they would unsubscribe from emails.

Trust is the basis for word of mouth—70% of consumers are likely to recommend a product from a company they trust.

No surprises here as the biggest turnoffs for customers stem from inaccurate data or irrelevant content.

The biggest turnoffs in branded communications:



When brands suggest products or services I’m not interested in
20%



Product recommendations that don’t fit my needs
19%



Inaccurate expected delivery date or timeline
19%



When brands suggest products or services too often
18%



When brands suggest products or services I’ve already purchased
17%

Each customer is unique. They want different content. They have distinct preferences. Zero- and first-party data will continue to grow in importance as a valuable part of marketers’ tool chest as they build out the best-in-class experience catered to each individual on a one-to-one level.

Consumers Want More Personalized Communications. What are They Willing to Trade for It?

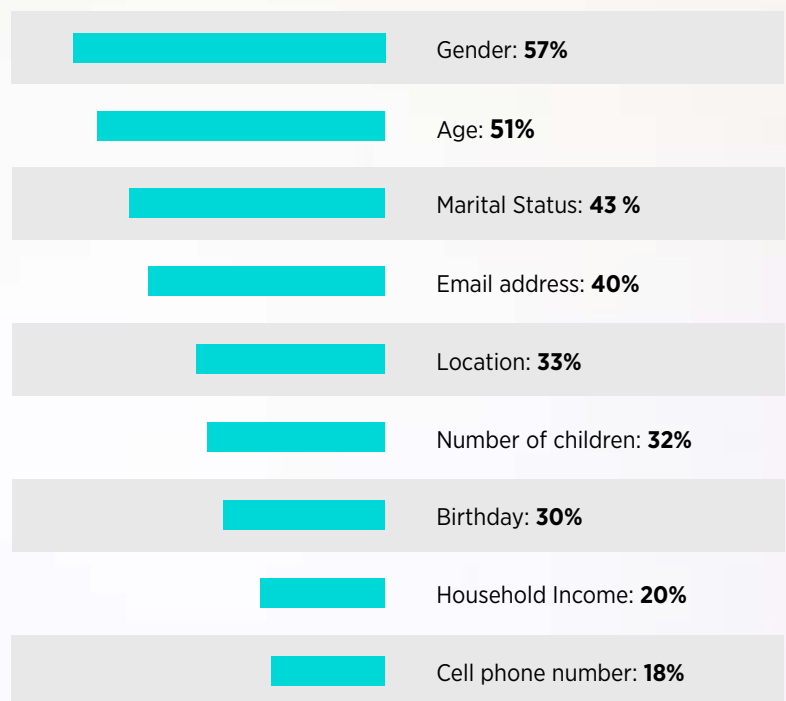
People will share information with brands for more personalized experiences, but brands should note that the comfort level varies by the type of information being disclosed.

Nearly half of consumers feel comfortable sharing additional personal information like satisfaction with past orders (52%), ideal price range (48%), size (46%), products and categories of interest (44%), fit and body type (41%), and more.

More than half of consumers (51%) share more information with brands they're loyal to—giving marketers a sizable opportunity to build up their zero- and first-party data arsenals to continue to drive brand affinity and personalized experiences.

Stakes are high when it comes to data privacy. The biggest concern is data being sold to other parties (44%), followed by data being stolen (32%). Misuse of information would cause nearly 40% of consumers to cancel the brand's service or never purchase from them again.

Consumers are comfortable sharing personal data with brands:



The New Loyalty Battleground

Today's consumer pays more attention to brand ethics and values. Ultimately, a brand's image can make or break the relationship and directly impact loyalty.

When asked why customers would switch from a brand they're loyal to, more than half (53%) attributed the move to hearing negative things about the company's business practices. Against a challenging economic climate, tightening wallets and being more cost-conscious were also top concerns with more than half of customers saying they'd make the switch for a lower cost.

What would make you switch from a brand you're loyal to?



If I heard negative things about the company's business practices
53%



If I saw another brand with a lower cost
54%



If I saw a discount from another brand
46%



If I heard positive things about a different brand from a friend or family member
34%

Conclusion

Personalization is no longer optional; highly-curated experiences are imperative. As consumers continue shifting from screen to screen and from brick-and-mortar to digital, the brands that invest in their digital capabilities, including data-powered personalization, will thrive. Customers must come first. When done right, marketers can strike a balance between customer demands, privacy, and trust while delivering best-in-class omnichannel experiences that keep consumers coming back for more—building even stronger brand loyalty.

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