MARIGOLD

U.K. Consumer *Trends Index* 2023

Marigold in conjunction with Econsultancy

Our latest research reveals what consumers in the U.K. expect from the brands they do business with online — the channels they prefer to connect on, what value exchanges elicit engagement and attitudes to the predicted economic recession. We compare the data to previous years and global consumers to help understand the latest trends impacting consumer behaviour.

We surveyed 1,053 consumers in the U.K. covering a nationally representative sample across age and gender and income bands.

ONE

U.K. Consumers Purchase From Multiple Channels and Expect Consistent Brand Experiences

Email and organic social media posts are the preferred channels of consumers in the U.K. for receiving offers, content, incentives and rewards from brands, which ultimately drives them to purchase. Email is not quite the highest-converting channel, trailing just slightly behind social media posts (51% vs. 52%), but as brands own their database it's comfortably the most cost-effective.

51% Over half of consumers in the U.K. have made a purchase directly from an email they received in the last year

200% Email outperforms banner ads by 200%

71% of U.K. consumers state a brand's website or mobile app is important or critically important to engendering their loyalty

TWO

How Best-in-Class Brands Are Communicating With Their Customers

When it comes to separating favoured brands from those less so, messaging is a key differentiator. The brands committed to fostering better relationships and adding relevance, value and personalisation to their messaging are the ones that are elevated to preferred status.

Thinking about how your favorite brand has communicated with you over the last six months, which statements do you agree with? My favourite brand...

87% Provides a consistent user experience, whatever the channel

86% Uses data responsibly

79% Rewards me for my loyalty

79% Treats me like an individual

76% Strives to build a relationship with me

68% Surprises me with rewards

63% Makes me feel like VIP

61% Influences my life beyond the product

THREE

It's Time to Truly Personalise Your Messaging

Many consumers in the U.K. are frustrated with the lack of personalised messaging they are receiving, with a 7% year-on-year increase in those irked by messages that don't reflect their loyalty history. Truly personalised messaging is the core of relationship marketing, and delighting customers for the long haul.

Thinking about all the brands that have communicated with you regularly in the last six months, have you felt frustrated when you received...?

56% Irrelevant content or offers

17% Communications delivered at the wrong time of day

36% Messaging based on information you hadn't shared directly with the brand

42% Messages that don't reflect your wants and needs

32% Messages that don't reflect your loyalty history

FOUR

Almost Two-Thirds of Consumers in The U.K. Will Pay More to Buy from Their Favoured Brands

Not only are 62% of consumers in the U.K. happy to pay more to purchase from their favoured brands, this is 5% higher than global consumers. With over three-quarters of consumers (77%) stating they buy frequently from the same company but are not loyal to that brand, rather than a negative, this represents a huge slice of your addressable market that can be won over if you apply the right messaging strategy, utilising a value exchange and strong loyalty offering.

62% I'm loyal to some companies and will pay more to shop with them
2% increase since 2022

84% I am loyal to some brands, but buy from competitors if it's cheaper

77% I buy frequently from the same company, but don't feel loyal

28% I'm not particularly loyal to any brands

FIVE

Loyalty Program Participation is on the Rise

Consumers in the U.K. love loyalty programs and are participating more than ever before. 49% plan to increase their participation this year, which is a year-on-year increase of 20%, so if you're not offering one, you're leaving sales on the table and risking your customer being wooed by a competitor.

28% I'm more likely to take part in a loyalty program than I was last year

45% I'm no more or less likely to take part in a loyalty program than I was last year

6% I'm less likely to take part in a loyalty program than I was last year

SIX

There's Much More to a Loyalty Program than Rewards

The term loyalty program is all-too-often confused with a rewards program. A rewards program is simply points-for-prizes, and although it can be highly effective in driving sales, it will do little to enhance long-lasting brand loyalty. Consumers in the U.K. want loyalty programs that go beyond the generic fostering community, recognising them as an individual, and delivering personalised recommendations that reflect this.

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

70% +8%* Discounts

66% +10%* Points / Rewards

30% +3%* Exclusive access

24% +9%* Suggested products based on preferences

19% -14%* Communicate with me on the channels I prefer

15% +15%* Sweepstakes

11% -8%* Community

8% -53%* Brand recognition

*Year-on-year comparison

SEVEN

Consumers in the U.K. Will Share Their Personal and Behavioural Data for Better Service

If you want your customers' personal and preference data, you need to offer something tangible in return — this is the value exchange economy. And it needn't always be a red-letter prize or huge discount, consumers in the U.K. are actually sharing behavioural and psychographic data for things that will add value to your brand long-term.

	HIGHLY VALUABLE	SOMEWHAT VALUABLE	NOT VALUABLE
Unlocking content	15%	38%	46%
A chance to win a prize	28%	50%	22%
Community	16%	36%	48%
Early / Exclusive access	31%	54%	15%
Loyalty points	47%	44%	9%
Discounts	54%	39%	7%

EIGHT

Consumers in the U.K. are Very Pessimistic About the Rising Cost of Living

Inflationary pressures, rising energy prices, an impending recession and other personal monetary concerns are going to bring acute financial hardship for many consumers in the U.K. over the coming year and beyond. Almost three-quarters of consumers are both "very pessimistic" about the rising cost of living (73%) and economic outlook (72%). As a result 62% will be making less impulsive purchases and almost half (46%) will rely on loyalty benefits more than previously to make purchases.

	DOING MORE	DOING LESS	ABOUT THE SAME
Buy as quickly as possible	12%	62%	26%
Extend the research phase	53%	16%	31%
Find deals on social channels	34%	26%	39%
Wait for sales	47%	18%	34%
Rely on loyalty program benefits	46%	18%	36%

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Get even more insights into trends at our 2023 Consumer Trends Index hub.

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