

U.K. Retail Forecast

The 2023 Consumer Trends Index

This paper focuses on how retail marketers need to react to the U.K.-specific data within the 2023 Consumer Trends Index.

Retailers are faring slightly better than other industries to maintain consumer confidence and loyalty despite concerns about the economy and less discretionary spending.

Introduction

In a world impacted by economic uncertainty and a looming recession, retail marketers have their work cut out for them. Consumers are deeply concerned about stretching their dollars. As technology plays a larger role in commerce, so too do the issues of data usage, privacy and creating a value exchange between businesses and their customers.

The [2023 Consumer Trends Index](#) surveyed thousands of people across the world - including 1,053 from the U.K. - about their purchase patterns. We asked consumers about what they liked about doing business with the brands in their lives: what they value and what they consider acceptable or irrelevant.

Retail marketers who adopt a [relationship marketing strategy](#) will win the day. They work to understand what customers want so they can build a better shopping experience and longer lifetime customer value. Consumers have more options and platforms and decide with their dollars. No business can afford to lose a single customer.

The retail industry is better positioned than other sectors to retain existing shoppers during a recession. This abridged review of the survey will help retailers understand what consumers want and how they can do better. You can download free copies of our regionalized Consumer Trends Index reports which include far more statistics and insights at [MeetMarigold.com](#).

Email and the Rise of Mobile

As the number of channels and platforms available to marketers and consumers alike multiply, email remains an effective medium for driving sales. 51% of survey respondents made a purchase directly as a result of an email they received in the last 12 months, second only to social media posts, which 52% purchased from.

Consumers are using mobile devices more than ever to make and research purchase decisions. Over half of the consumers (54%) have used their mobile phones while in a store to research a potential purchase. 53% of consumers are showrooming — the practice of browsing products in-store but purchasing online or elsewhere.



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WHAT CAN RETAILERS DO:

Double down on your email strategy

Every retailer has an email strategy, but 2023 is the year to double down. The data shows that email is an astounding 200% more effective than SMS marketing or banner ads to drive online sales.

Email remains a low-cost, high-value investment that is easy to personalize with the right tech stack. When leveraged as a part of a true omnichannel sales strategy, email holds its own as one of the most scalable and cost-effective channels for marketers.

Re-examine your mobile strategy

Merely being mobile responsive is not enough. Retail marketers must think of mobile as a collection of highly accessible touchpoints, including SMS, MMS, mobile wallet, email, web, or mobile app to make a brand much more accessible to the consumer.

Leverage automation to deliver a frictionless experience

More digitally enabled options are great but can lead to errors and a poor shopper experience. Is your returns process simple and easy? The 2023 study found that 22% of shoppers discontinued their relationship with a brand because of poor customer service.

Does a customer's shopping cart follow the person from your website to your app? 26% of consumers stopped shopping with a brand because of a lack of inventory, both in-store and online. This type of friction is avoidable.

Retailers must utilize their tech stack to leverage just-in-time, automated journeys like back-in-stock notifications, abandoned cart reminders, and alternate product options if a size or colour is unavailable. For example, have you acknowledged that your consumer has opened your app three times this week and came into the store yesterday? It's about tying together more sophisticated customer signals to show that you are listening and reacting to the customer's actions.

Triggering a surprise and delight email or SMS offer based on customer signals helps to personalise the experience. It demonstrates that you are thankful for those non-transactional interactions that have taken place, and helps build a relationship with the shopper.

WATCH NOW



[Simple Messaging Solutions to Enhance Business Results using SMS](#)



[How to Utilize Mobile Across the Entire Customer Lifecycle](#)

Brand Loyalty

Brand loyalty remains strong, with 62% of consumers prepared to pay more to purchase from their preferred brands. Nearly two-thirds of consumers (63%) cite a brand's loyalty program as either important or critically important to winning their lasting loyalty. And 74% of shoppers who left a brand they were previously loyal to say they can be won back. It's also promising to see that 49% of consumers are more likely to engage in a loyalty program this year than last – that is a 20% increase over 2022.

When it comes to loyalty in times of economic uncertainty, having a valuable program could make all of the difference. 46% of consumers said they will rely more on loyalty program benefits in 2023 before making a purchase and 47% are more likely to wait as long as possible for a product to go on sale. Additionally, 53% are doing more research than last year before making a purchase.

With continued economic strain, retail marketers need to ensure their programs are providing both financial value as well as emotional value. It's imperative that retailers offer shoppers a reason to stay loyal to your brand and connected to your brand ethos and identity.

WHAT CAN RETAILERS DO:

Build a better loyalty program

If your brand does not have a loyalty program, now is the time to consider creating one. If you only offer points for purchases, consider adding recession-worthy incentives like free shipping or first-look sales access for VIP loyalty members. With more customers citing loyalty programs as an incentive to stay with a brand, few retailers can afford to ignore shoppers who have already demonstrated an affinity for your products and services.

Integrate transactional and behavioral data

Information from offline and online purchases combined with search and behavioral data allows for a full 360-degree customer view. Be sure to integrate data from mobile orders, in-person pick-ups, two-way messaging and in-app browsing that yield powerful clues. The more time consumers spend on their mobile devices, the more clues they leave behind.

Create a value exchange

The 2023 Consumer Trends Index found that the vast majority of U.K. consumers (93%) would share personal information in exchange for a discount.

What else can *retailers* offer in the exchange?

A NUMBER OF THINGS:

91%

of shoppers are interested in loyalty rewards

85%

want early and exclusive access to products and services

78%

of consumers want to win a prize

54%

are interested in bonus content

52%

would share information about themselves to feel part of a brand's community

In times like these, consumers are also looking to loyalty programs to provide financial relief. Adding emotional loyalty shows you value all actions a consumer takes with your brand, not just those that involve purchases, but keeping discounts or redeemable points as part of the program still makes sense and will sway future purchase decisions.

WATCH NOW



[How emotional loyalty powers this global footwear brand's strategy](#)

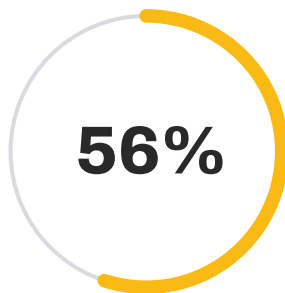


[Learn more about the value exchange economy and ideas here](#)

Personalisation

Consumers in 2023 expect true personalisation from their favorite brands, yet many brands still settle on broad segmentation in their delivery of messaging and advertisements. 56% of U.K. consumers are frustrated with irrelevant content and offers. 42% felt frustration about messages from brands that don't reflect their wants or needs.

The time to take personalisation seriously has arrived and the technology exists to make it so, at scale.



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WHAT CAN RETAILERS DO:

Invest in zero-party data (ZPD)

If you're not sure yet what ZPD is, we have you covered. Simply put, this is data shared directly from a consumer to a brand. It's not deduced or scraped from a cookie, social platform, or from a third-party intermediary. It usually goes beyond demographic and includes psychographic data; data that represents an individual's own personal wants and needs.

Create experiences to collect ZPD

Create "experiences" that can be entertaining, educational and collect the ZPD you need to deliver true personalisation. They can take the form of a simple post-purchase product survey. Or create sweepstakes, quizzes or polls—great tools for collecting psychographic information, that are part of a larger seasonal marketing campaign. Be sure to build promotional campaigns that showcase the interactive experience. Campaigns should include all channels such as email, social and even in display advertising.

LEARN MORE



[Get our Zero-party data lookbook here](#)



[Watch our Zero-party data webinar here](#)

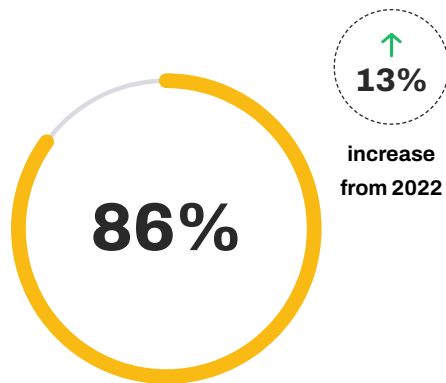


[Watch American Airlines collect, personalise and increase revenue with XPD](#)

Data and Trust

Refreshingly, when it comes to the overall online customer experience, a little over one-half of survey respondents cite the experience as excellent.

Consumers love brands that are ethical with their data, with an overwhelming 86% citing that their favorite brand uses their data responsibly - a 13% increase from 2022.



of U.K. consumers are citing that their favorite brands use their data responsibly

WHAT CAN RETAILERS DO:

Always ask for permission before initiating an exchange on a new platform

It's surprising how many businesses try to avoid this critical step. If you send an SMS to someone who hasn't engaged with your brand before, chances are your message will be viewed as spam.

Be transparent about how you plan to use their data at opt-in

Leave no question as to what you plan to do with consumer data at the time they submit it. Beyond listing a link to your privacy policy or terms of use, allow respondents to explicitly opt in for personalized messaging and advertising. Use easy to understand language and explain how and where they can opt out if needed.

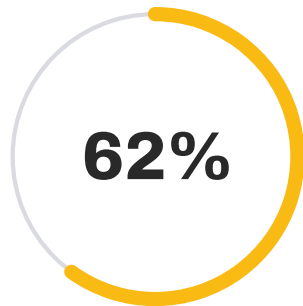
Never forget the "opt-out" button

Data privacy policies around the globe require explicit consent from users. All customers who receive your brand's messages must click an "opt-in" button. Your invitation for permission to send push notifications must always explain how your company will store and use the shopper's data. Get into the habit of always including opt-outs in every message, and on each and every platform.

The Rising Cost of Living

Consumers are deeply concerned about current global economic uncertainty, with 73% very pessimistic about the rising cost of living and 72% very pessimistic about the economic outlook. Well over half of consumers are making fewer impulse purchases (62%).

Most are doing more research (53%), waiting for sales (47%) and relying on loyalty benefits (46%) when purchasing from their favorite brands.



Over half of U.K. consumers are making fewer impulse purchase

Conclusion

Building long-lasting relationships is the key to increasing customer lifetime value and fostering brand loyalty that helps grow your business. Customers have shown they are open to spending more on the brands they love, but a strong loyalty offering is required to achieve that result.

It's never been a better time to review your relationship with your customers and even reassess your entire relationship marketing strategy. To learn more about what consumers across the globe really think about sharing their data, who they trust and what makes them stay loyal, visit [MeetMarigold.com](https://www.meetmarigold.com) where you can find several regional versions of the [2023 Consumer Trends Index as well as watch free, on-demand webinars where industry experts share their tips for marketers based on the report's findings.](#)



Where *relationships* take root.

The Marigold approach to Relationship Marketing stands alone in a world of one-size-fits-all marketing technology companies. Our solutions are designed for your specific size, industry, and maturity, giving you the technology and expertise you need to grow the relationships that grow your business, from customer acquisition to engagement to loyalty. And, with a team of strategists that provide insights into what's working, what's not, and what's changing in your industry, you're able to maximize ROI every step of the way.

Great marketing isn't just about conversion, but true connection. Learn why 40,000 businesses around the world trust Marigold to be the firm foundation they need to help relationships take root.

Find out more at [MeetMarigold.com](https://www.meetmarigold.com)



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