

# Let's Make A Deal

Shoppers Are Ready For Personalization  
And Willing To Trade Data For It

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## Foreword

We're well into a new retail era dominated by consumers' demand for both high quality customer-driven ecommerce experiences and a sense of security. Within the last decade, news of data breaches <sup>1</sup> throughout the tech world have made consumers question when, how, and why they should ever share their personal information.

Our industry is (seemingly) caught between two (supposed) opposing forces: privacy and personalization. On one hand, retailers need to demonstrate how they value consumer privacy by offering data sharing opt-ins and thoughtful data collection/protection processes. On the other hand, to win a customer and their loyalty, retailers need to deliver superb experiences, from product to customer service — which requires even more first-party data. At first glance, privacy and personalization appear mutually exclusive. In actuality, they could be mutually beneficial if retailers invest in trust-building and creating meaningful value for their target customers.

With the goal of helping retailers and brands find the middle ground between privacy and personalization, CommerceNext fielded a consumer survey, in partnership with BizRate Insights and sponsored by Persado.

### **This research sought to understand:**

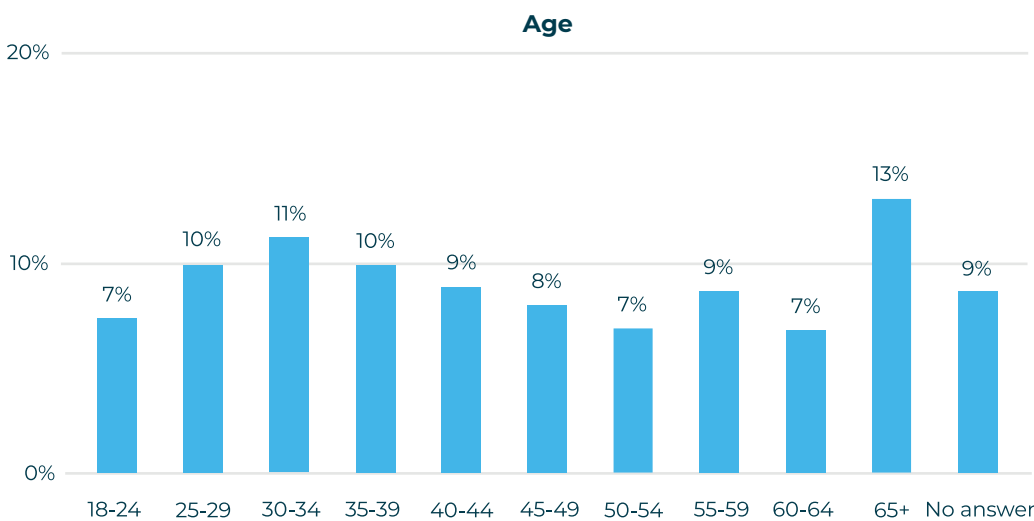
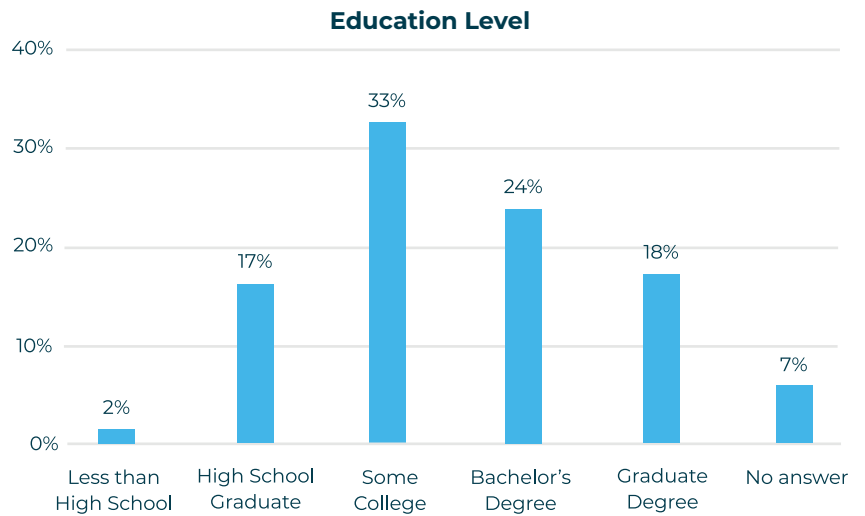
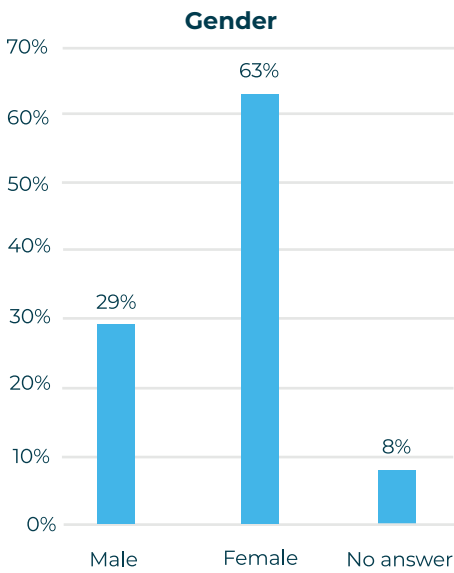
- What aspects of personalization consumers value.
- How much willingness consumers have to share personal data in order to get personalized services.
- What motivates consumers to participate in the data value exchange economy.

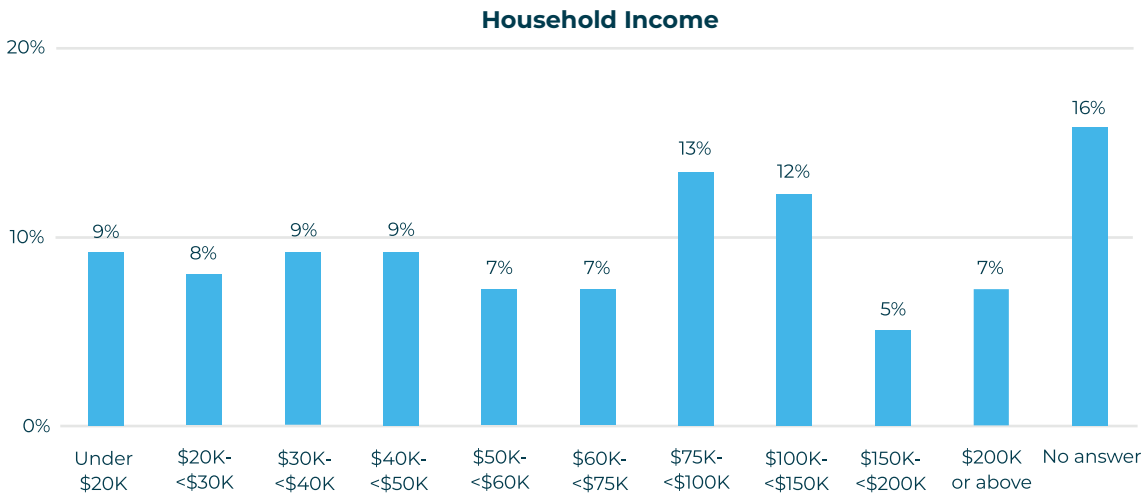
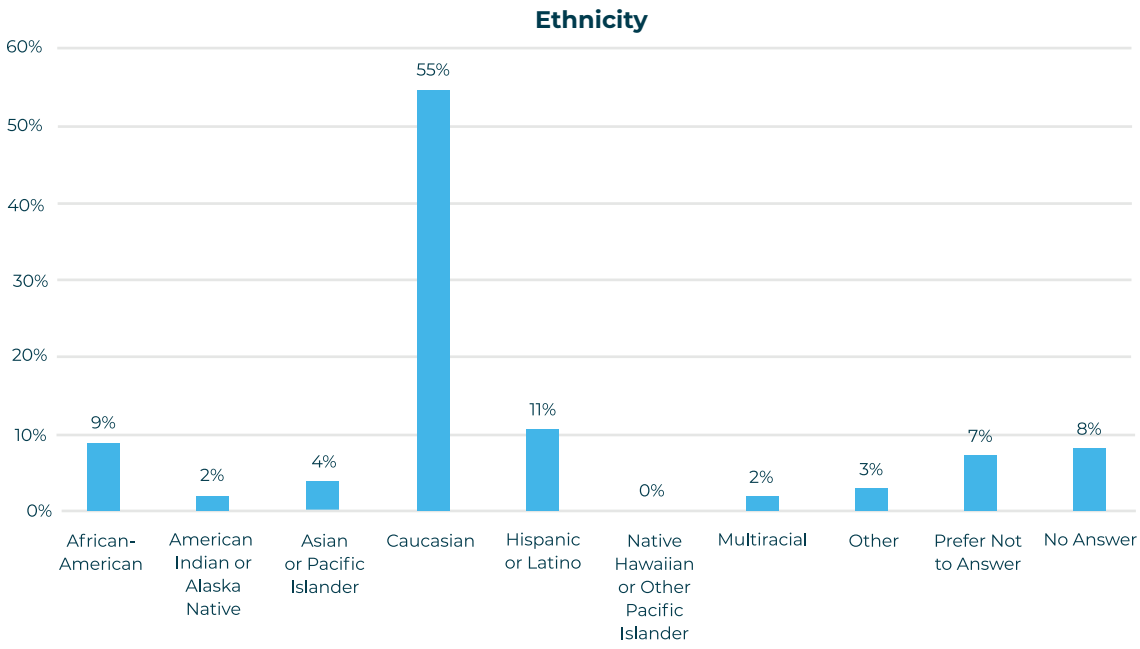
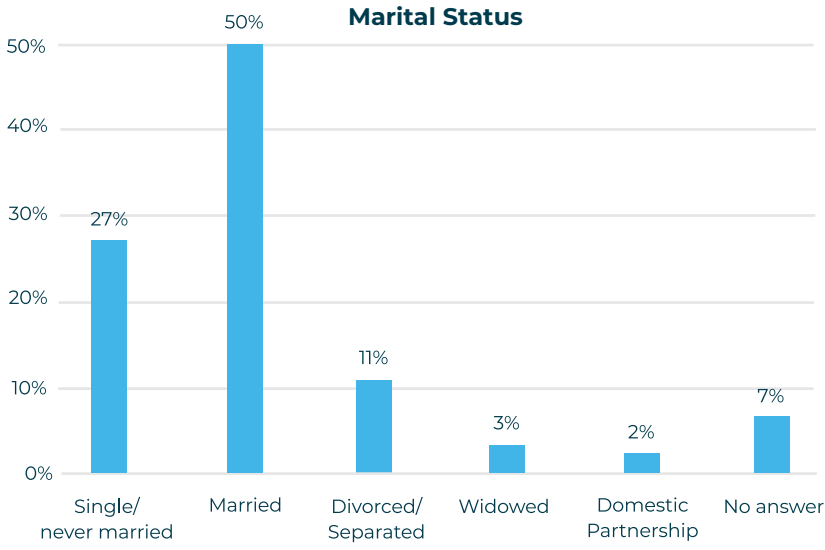
# Methodology

For this report, more than 1500 online shoppers participated in a post-purchase survey facilitated by Bizrate Insights ([www.bizrateinsights.com](http://www.bizrateinsights.com)) in August 2021.

The breakdown of respondent demographics is as follows:

## About Our Respondents





## Summary of Results

Consumers have questioned their data-sharing habits throughout the past decade <sup>2</sup>, burned by breaches and Big Tech sharing data without permission or purpose. And yet, shoppers are still ready to bargain their data for relevant offers and more highly customized shopping experiences.

In this report, we analyzed how consumers not only view personalization, but also what aspects of it are most valuable to them and what incentivizes them to share the personal data needed to receive personalized experiences.

### **This research sought to understand:**

- Shoppers generally have positive associations with personalization, and are willing to share a variety of information to get the right type of personalization.
- While the most commonly remembered forms of personalization are still related to ecommerce, younger shoppers recognize and value a broader variety of personalization options, including personalized content.
- Regardless of age, the “value exchange” (willingness to share personal information for personalization) starts with trust.

# The Who, What And Why Of Personalization

Before retailers can decide what personalization strategies to deploy, they need to understand consumers' current relationship with the practice of personalization.

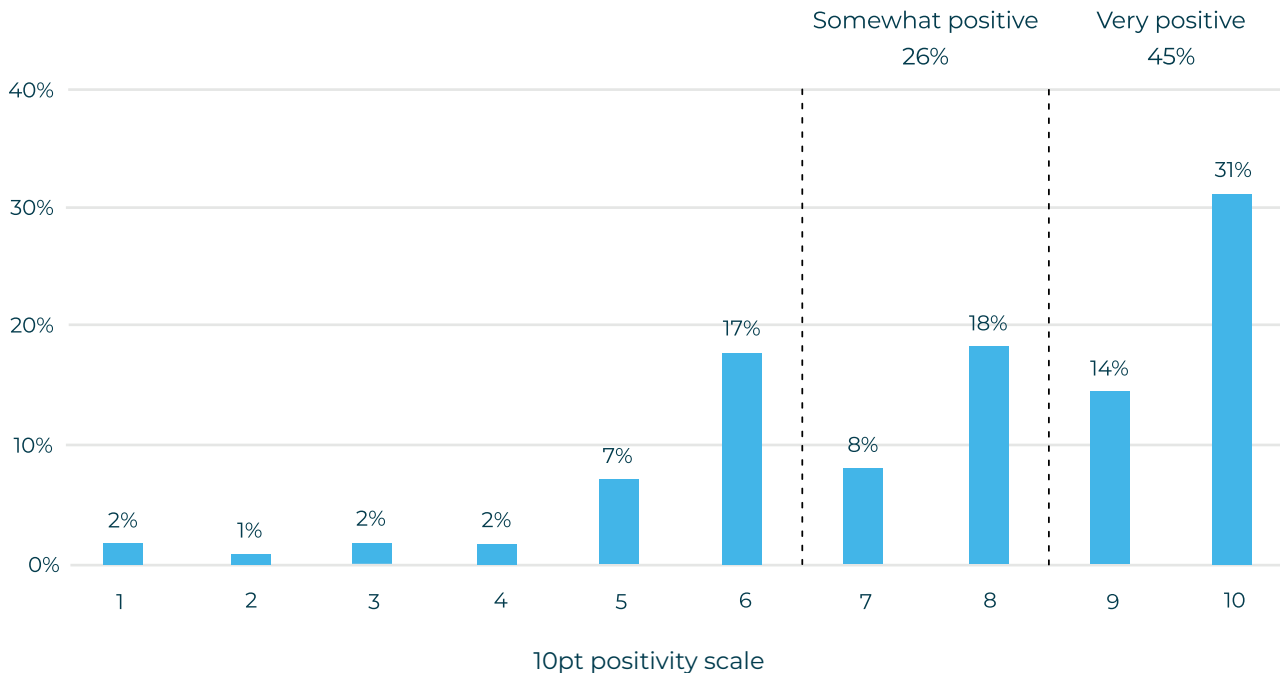
To obtain this deeper understanding, we looked at three areas of the consumer-to-experience relationship: (1) Who is more apt to appreciate personalized experiences; (2) What types of experiences consumers value most when interacting with a brand; and (3) Why shoppers are willing to share information, along with how a brand can best help consumers to do so.

## The Who: Most Shoppers Like It, Younger Shoppers Love It

The vast majority of shoppers (71%) have positive associations with online retail brands that personalize products, offers, and information. Not surprisingly, the youngest — and most digitally immersed — age demographic polled (18-24) skews even higher on positive associations with personalization.

**Q1:** In general, what do you think of online retail brands that personalize products, offers and information for you?

**Source:** BizRate Insights Survey, August 2021



Although this adult Gen Z cohort (18-24) is the most connected to technology, they actually prefer shopping in-store more than their millennial predecessors.<sup>3</sup> They enjoy disconnecting from online and discovering brands and products in real life. It's no wonder they view personalization positively — they are the shoppers who now highly value personal connection. Brands need to not only have standout products and offers, they also have to be cutting edge in their customization to close the deal with these tech-savvy, digitally-overloaded, cost-conscious shoppers.

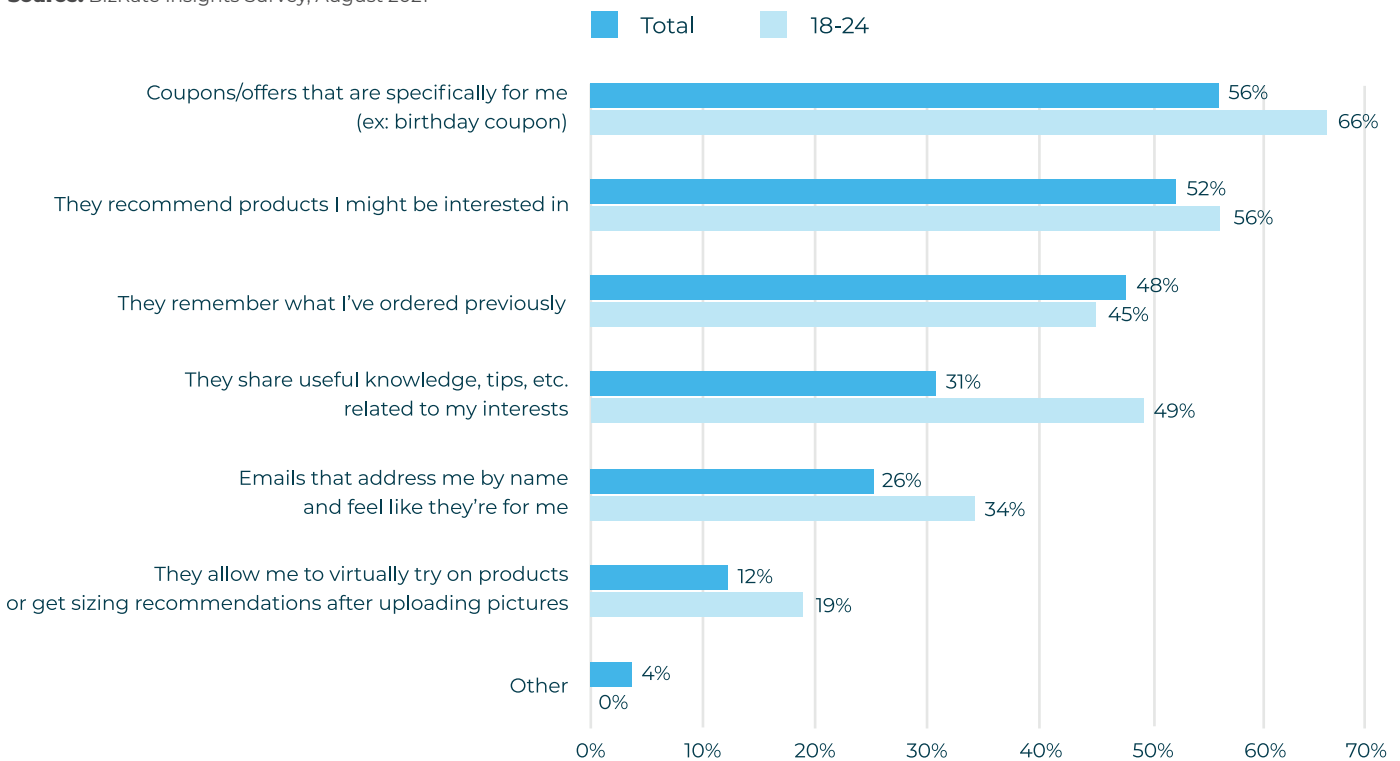
The next question is then: what kinds of custom experiences do they expect (and prefer) to encounter?

## The What: Shoppers Value Variety

Shoppers associate personalization most with custom offers (56%) and product recommendations (52%). Whether it be from paying closer attention, shopping online more frequently, or shopping brands who utilize a larger assortment of personalization tactics, the 18-24 year old cohort encounters more personalization experiences, like receiving useful knowledge/tips (49% vs 31%) and personalized emails (34% vs 26%).

### Q2: What types of “personalization” experiences have you had with retailers?

Source: BizRate Insights Survey, August 2021



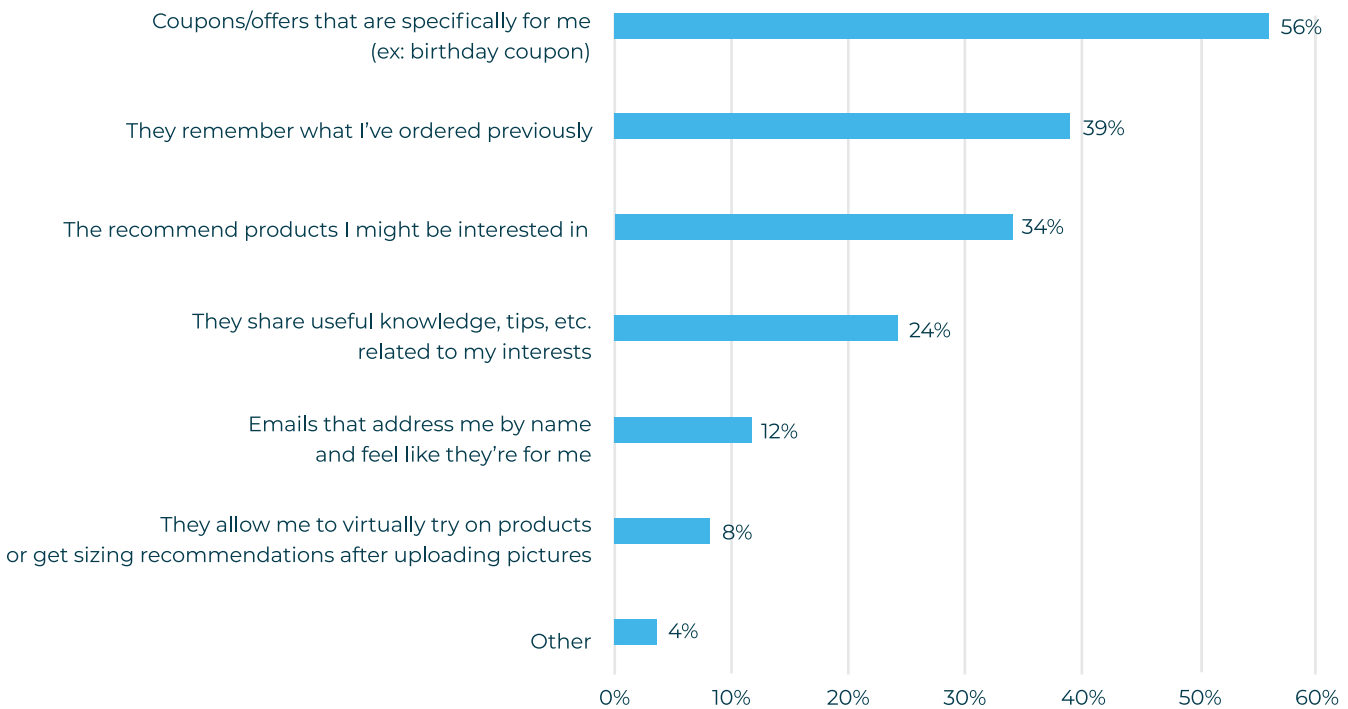
And apparently, in the personalization arena, the more you see it, the more you want it. The most frequently encountered experiences are also the most valuable to consumers: personalized coupons and offers topped the list of most valuable types of personalization at 56% (see Q3).

It is not surprising that a monetary exchange in the form of coupons or special offers was considered most valuable to shoppers — it's now table stakes in online retailing. But what we found interesting was that consumers also see ecommerce-enhancing features like order recall (39%) and product recommendations (34%) as highly valuable.



**Q3:** Which of these types of personalization are the most valuable for you?  
(Check all that apply)

Source: BizRate Insights Survey, August 2021



Further analysis of the data displayed in Q3 revealed a few other notable variations in consumers surveyed:

**18-24** The youngest 18-24 yr old cohort of shoppers are even more likely to appreciate the ecommerce-enhancing feature of **recommending products** (44% vs 34%)

**18-29** 18-29 year old shoppers (34% vs. 24% for the total group) were more likely to appreciate **relevant personalized content** like brands sharing useful knowledge, tips, etc.

**55+** **Remembering past orders** seemed to be appreciated more by older shoppers (age 55+ all ranked above 45% vs. 39% for the total group)!

It is great news for retailers that so many shoppers are open to the benefits of personalization; the challenging next step is gaining permission from customers to receive the first-party data needed to deliver highly personalized experiences. Fortunately, the paths of personalization and privacy can merge in the minds of consumers when the value exchange is evident.

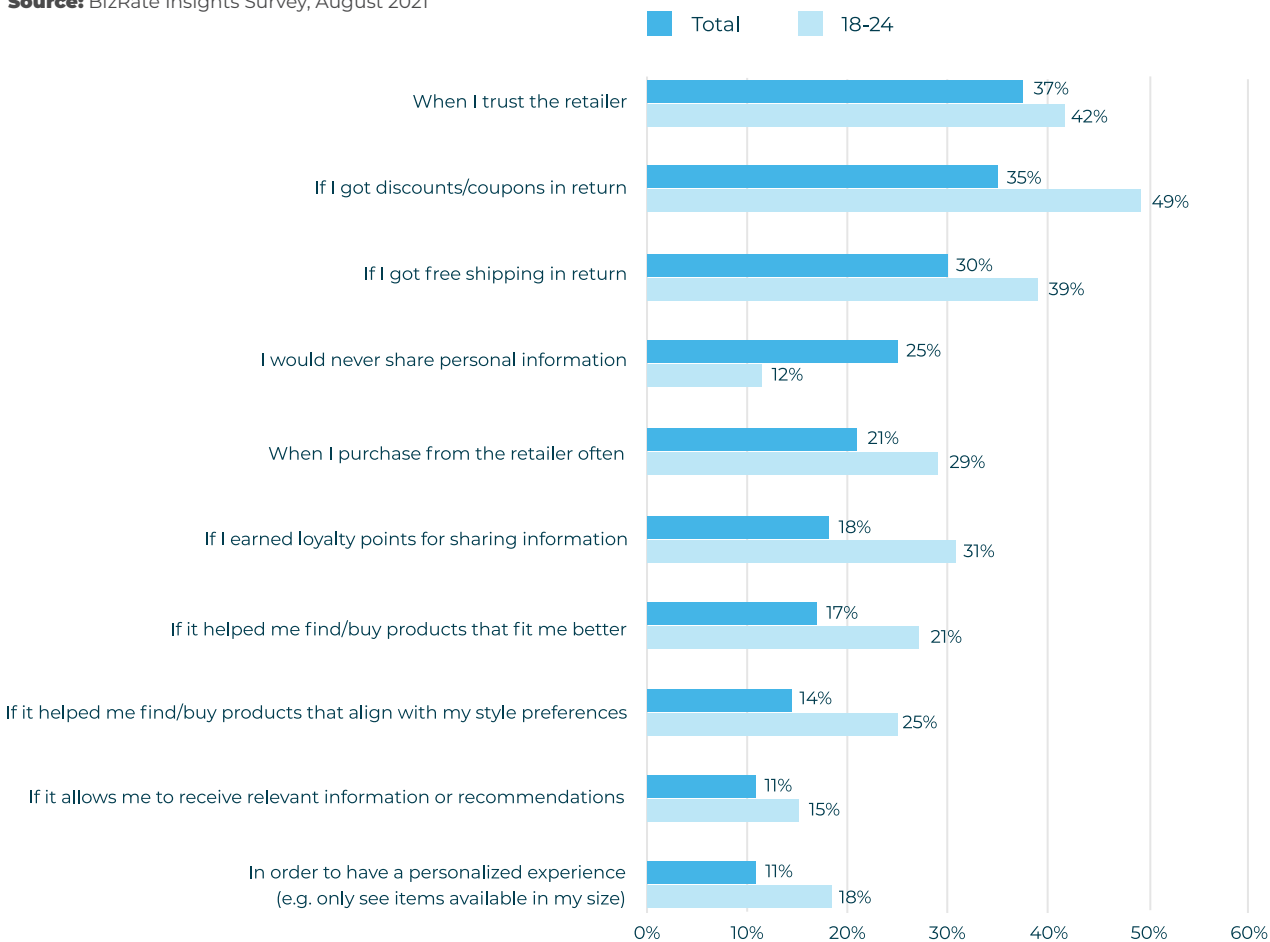
# The Why And How: Shoppers Need Trust To Share, And Simplicity To Trust

As an industry, we've spent years building seamless, engaging ecommerce experiences to make our brands stand out and remove all obstacles to conversion along the customer journey. We work months to optimize every site page and campaign, while meticulously crafting offers and message flows for both acquisition and retention. But, does any of that matter if the customer doesn't trust a brand enough to share information?

In our survey, trust (37%) was the top reason why shoppers would be willing to share personal information to receive personalization, edging out discounts, coupons, and free shipping. By now, shoppers across all demographics know they have the ability to opt out of sharing, so brands must prove genuine trustworthiness to win their information.

**Q4:** To offer personalization, retailers often need to collect personal information from you. Under which circumstances would you share personal information? (Check all that apply)

Source: BizRate Insights Survey, August 2021



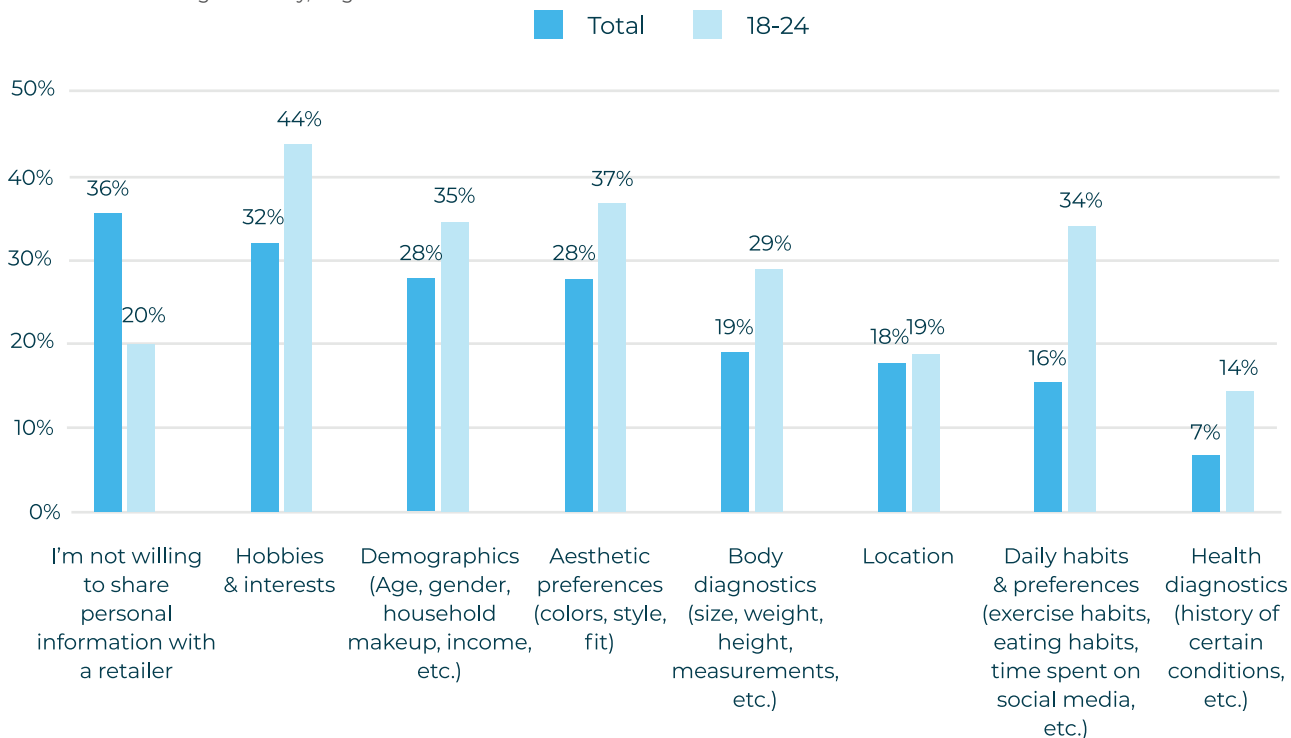
However, our younger demographic had a few glaringly different preferences on information sharing. While they still prioritized trust more than any other age group (42%), the 18-24 year old cohort prioritized discounts (49%) more. Gen Z is especially frugal compared to other generations, as their earliest memories include their parents working through the 2008 recession.<sup>4</sup> More recently, they've witnessed millennials struggling with a mounting debt they avoid amassing themselves. For them, saving money via discounts is an ideal reason to dish their info.

But this 18-24 year old group was also more willing than the total group to share personal information in exchange for loyalty points (31%), or a better shopping experience that customized results based on style (25%) or fit (27%). As mentioned earlier, this adult Gen Z generation values in-person shopping, and is more likely to appreciate online personalization tools that leverage technology to replicate the in-store customer experience.

The biggest surprise from consumers these days is not why they will share, but the type of information they're divulging. According to Q5, demographics (28%) are just one type — and perhaps not nearly as helpful to retailers as the others. Many prefer sharing hobbies and interests (32%) and aesthetic preferences (28%) as much, or moreso, than age and gender. Perhaps some shoppers view this type of information-sharing as less invasive, lower risk. But to retailers, this type of preference-related data is gold and can be leveraged to create real experiential value for consumers.

**Q5:** Which of the following types of personal information are you willing to share with retailers? (Check all that apply)

Source: BizRate Insights Survey, August 2021

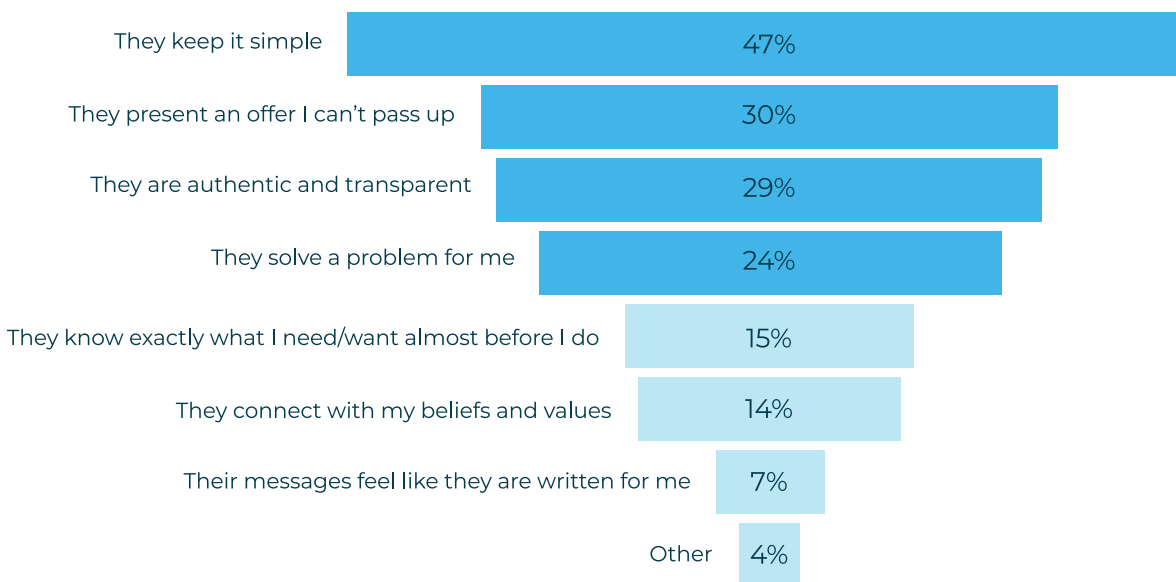


When preferences, hobbies, styles, and general behavioral data are offered up to retailers, expectations for personalized experiences become much higher. But the possibilities become endless. We're looking forward to seeing a future filled with creative and meaningful ways retailers strengthen their relationships with customers.

Even within this new privacy era where consumers are hyper-aware of risk, consumers are receptive to reward, and thus, open to sharing a spectrum of personal data. But, a transactional value exchange is not enough. Branding and messaging still matters.

**Q6:** When you experience a brand that "speaks to you", what do you remember the most?

Source: BizRate Insights Survey, August 2021



Our respondents remember brands that deliver simple (47%), authentic (29%) messaging relevant to what they need (24%). Connecting in a forthright way to shoppers can make the difference between a one-time conversion and a loyal customer. Consumers want clear and concise answers to questions like: What are you doing with my data? Do you have products tailored to my needs? Are you offering me any incentives to give you my business? What causes, if any, is your brand committed to? Why is your product better than any others?

After being relegated to online shopping during the pandemic, many shoppers realized the considerable benefits to personalized ecommerce experiences, like customized offers and tips. The need and want for personalization is real and ubiquitous amongst consumers — now we just need to do it right.

The winning formula clearly starts with a foundation of trust and wins with straightforward brand communication.

# The Path To Personalization Greatness

We've reached a point in our industry's growth where trust and personalization are inextricably linked, constantly feeding each other. Without trust, customers won't pony up their data — and 81% of them won't even give their business.<sup>5</sup> Without first-party data, we're on a one-way road to a subpar personalized experience that no customer wants to drive on. And without truly relevant personalization, shoppers won't trust that a brand is being thoughtful about the data it's asked for.

Customers are coming to the table with a willingness to barter their hobbies, interests, and style preferences for discounts and more curated ecommerce experiences. That should be a win-win for retailers and the loyal shoppers they seek.

## “Just Trust Me”

*The vast majority of shoppers (71%) have positive associations with online retail brands that personalize products, offers, and information. Not surprisingly, the youngest — and most digitally immersed — age demographic polled (18-24) skews even higher on positive associations with personalization.*

It's not enough to say it. Brands must show they're to be trusted. Following the preferences of our surveyed consumers, brands should convey trustworthiness through both simple messaging and personalized experiences that represent intentional and insightful data collection. Some of those ways include:

- Asking for data that customers feel comfortable giving (e.g. hobbies, interests, and aesthetic preferences), and thus, breaking the habit of assuming preferences based on basic demographic information.
- Encouraging and then genuinely listening to (and incorporating) customer feedback.
- Making help accessible when needed — it can't be difficult for customers to reach you.
- Building personalized experiences based on indicated consumer preference, not identifying customer data.

A few years ago, great personalization was often characterized as being so smoothly integrated throughout the experience that it often went unnoticed by customers. Nowadays, however, brands want their personalization prowess to shine through. They want consumers to quickly place confidence in their products and in the handling of their data, and then notice how smartly and conscientiously they designed their customized experiences. That's our new north star, and consumers are ready to follow us to it.

## Sources

<sup>1</sup> <https://www.cpomagazine.com/cyber-security/consumers-mostly-afraid-of-data-breaches-during-the-holiday-shopping-season-and-more-aware-of-identity-protection-services/>

<sup>2</sup> <https://www.forbes.com/sites/forbestechcouncil/2020/12/14/the-rising-concern-around-consumer-data-and-privacy/?sh=f6a81d2487e8>

<sup>3</sup> <https://www.cnbc.com/2019/09/17/gen-z-shopping-habits-can-fuel-a-brick-and-mortar-resurgence-report-says.html>

<sup>4</sup> <https://www.cnbc.com/2020/06/01/how-the-coronavirus-pandemic-is-shaping-the-future-for-gen-z.html>

<sup>5</sup> [https://www.edelman.com/sites/g/files/aatuss191/files/2019-07/2019\\_edelman\\_trust\\_barometer\\_special\\_report\\_in\\_brands\\_we\\_trust.pdf](https://www.edelman.com/sites/g/files/aatuss191/files/2019-07/2019_edelman_trust_barometer_special_report_in_brands_we_trust.pdf)

## About CommerceNext

CommerceNext is a community, event series and conference for marketers at retail and direct to consumer brands. Now in its third year, CommerceNext has grown to include webinars, virtual summits, industry research and an online community, in addition to the annual CommerceNext summit and the esteemed “CommerceNext’s Awards program. Inc. magazine named the CommerceNext Summit one of the Top 5 ecommerce conferences for 2019/2020. To learn more about CommerceNext visit [commercenext.com](https://commercenext.com).



## About Persado

Persado is the AI content generation and decisioning platform that unlocks billions in incremental revenue for data-driven enterprises. Leading brands including J.P. Morgan Chase, Humana, Williams Sonoma, American Express, and Verizon rely on Persado to realize the untapped potential in every message. Words matter. And when they are mapped to human emotion, generated by the Persado AI, and powered by machine learning, organizations reach a tipping point in their ability to understand the customer and personalize language experiences across touchpoints and channels—creating a continuous ability to learn, gain further customer insights, and drive ever higher performance. Visit [Persado.com](https://persado.com) to learn more.



## Acknowledgements

CommerceNext would like to thank BizRate Insights, who partnered with us and provided their panel of consumers for the shopper insights that are part of this brief. Learn more at [bizrateinsights.com](https://bizrateinsights.com)

