

# Acquisition and the Consumer Mindset

2021

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# / Introduction

I often wonder how we will look back on these two years in 20 or even 50 years' time. Will it just be a minor blip and a footnote in modern history or will the changes we are experiencing today influence how we live from now on. There can be no doubt that we have all faced changes in our daily lives; from how we work and how we interact with our friends and families, to how we shop, what we buy and what influences these decisions.

Here at the DMA's Customer Engagement Committee, we have been conducting research on consumers and how they make choices around which brands to buy – either for the first time or on an ongoing basis – for many years. Clearly, any research run during these extraordinary times needs to be considered in the light of the world we now live in. When we were designing the survey, we wanted to try and keep track of the trends we have been monitoring over time, as well as dive a bit deeper into those adjustments that we are all experiencing.

As such, I am really pleased to welcome you to this year's research report. This time we are focussing on acquisition and the consumer mindset, as we do every two years. We have asked consumers what channels and factors help them decide which brands to buy from when they are making a new purchase. We have also looked at switching brands in different sectors, how consumers feel about the marketing they have been receiving during the pandemic and, as we like to do, taken some time to look at some emerging trends and what impact they are likely to have.

What we have found is that there are some consistencies with previous reports – email, TV and advice from friends and families all still play a big part in how we want to hear from brands and what influences our decision making – as well as some changes that probably were happening anyway but have been accelerated by the pandemic. We see that, in general, switching brands has decreased since the last time we looked at this topic in 2019, it seems we would prefer to stay with those brands we know and feel comfortable with in a time of crisis.

Using the pandemic itself in marketing seems to have run its course and consumers feel that they now want to try and get back to some sort of normal, but we also see that what is normal has shifted and the use of digital comms, social media and video are increasingly valued. Clarity on areas such as diversity and values-based shopping are becoming much more important to consumers, as is choice, although it appears we would like to have as much choice as possible through as few outlets as possible.

The brands that will win, and will continue to win, are always going to be those that understand their customers and align their values with the consumers themselves. As ever, we really hope that you enjoy reading the report, but also that there are nuggets in here that you can extract and use in your working lives every day.

## **Scott Logie**

Chair of the DMA Customer Engagement Committee  
MD at REaD Group Insight

# / Foreword – dotdigital

Customer acquisition has never been as important as it is today. The dramatic digital shift that occurred in 2020 has meant that more brands are vying for customer attention. In order to turn attention into acquisition and retention you have to earn trust. This latest edition of the DMA's Customer Engagement research offers evidentiary insight to help marketers better understand what drives customer behaviour.

Our first key finding is that email remains at the top of customers' preferred channel for marketing communications. At a time when digital went from being the preferred form to the only form of communication, email never wavered. Interest in digital and technology-led purchase methods is on the rise and email continues to be the medium that connects these various channels into a single, unified experience. If you want to build strong relationships with your newly acquired customer, a well-planned email marketing strategy is essential.

Virtual communications – email, social, live chat – are increasingly in demand. Customers have gotten used to connecting and communicating with businesses online. Brands that want to succeed in appealing to bigger markets need to align their marketing strategy to incorporate more virtual communication channels. Virtual communication is no longer a necessity of the pandemic, it is the preferred channel. The more a brand can make itself available and accessible to its audience, the more customers will continue to choose to shop with you.

This report also supports dotdigital's recent research into responsible marketing. Trust has become all-important in the customer's decision-making process. Value-led shopping continues to appeal strongly to customers. Shoppers want to be able to easily identify and shop with brands that align themselves to the values they're interested in. The more a brand can make itself available and accessible to its audience, the more customers will continue to choose to shop with you. But it's not as simple as saying it, brands need to demonstrate a commitment to their shared values to appeal to customers. Customers have to be able to trust you if they're going to do business with you.

This report also reveals that referrals from family and friends hold the greatest potential for trust building between customers and brands. When shoppers discover a new brand, the fastest way for them to decide whether it will meet their needs is through word-of-mouth. This is why reviews and influencer marketing continue to grow in importance.

As we look towards the future of marketing, this report will help marketers align their acquisition tactics to connect with the modern customer's mindset – a necessity for brands looking to retain and grow their marketing database.

**Gavin Laugenie**  
Global Head of Content at dotdigital

# / Foreword – Merkle

Over the last few years, we've seen an acceleration in what has become widely known in the marketing industry as the expectation economy in which consumers are driving the rate of change at which businesses need to adapt.

In the early days, companies like Google and Amazon were leading the way – changing the way people search online, or their expectations of their online retail experience, from the amount of choice right through to delivery times and costs. In the last 18 months, since Covid hit, commerce projects have become a necessity and we've seen ecommerce jump ten years ahead in the space of three months (ShawSpring Research, 2021). Companies are now being forced to transform the way they think, measure and work to live up to the expectations of today's consumers. And it doesn't just stop at the browsing and buying experience. You also need to think about it in the context of the product and service experience because consumers only see one brand from acquisition through to retention – not the siloed departments that often sit behind the different elements.

As the expectation economy matures, the focus on using data to build relationships and make every moment matter has never been more important.

This report highlights the need to better understand customers so that brands can effectively engage with them, better understand their preferences, and enable the right channels for communication. This forms the foundations of understanding and managing the motivations of why people switch brands.

With people unlikely to switch in today's market, advocacy is important to retain existing customers and use them as an opportunity to attract new customers. This means that there is an increased importance in managing the entire customer experience by stitching together every interaction from online search through to purchase, reviews and recommendations.

This focus on every interaction is coupled with new and innovative models from brands where their creative approaches to acquisition can set them apart. Strategic partnerships or a focus on local, can make the difference in how consumers will look to engage in new brand relationships.

All these points show how it's important for brands to identify the right moments to interact, stitch those moments together to curate experiences that will build longevity in their relationships with customers, whilst providing differentiation and competitive advantage in attracting new customers.

**Azlan Raj**  
Chief Marketing Officer EMEA at Merkle

# / Exec Summary

- Email remains the preferred channel to receive marketing content, along with being perceived as the most relevant – 63% of consumers rank email in their top two most preferred channels to receive marketing messages
- Social media is now the preferred channel for younger consumers (Gen Z and Gen Y) to hear about new brands, while for older consumers (Gen X and Baby Boomers) email remains the preferred channel for new product and service discovery
- TV is still the most common channel consumers hear about new brands – with 55% claiming they find out about new products and services via TV; But the overall trend from 2019 to 2021 has been the growth in digital channels (such as a brand's online presence and social media marketing) in how consumers most often hear about new brands
- Referrals from family and friends remains the most important influence that increases the level of trust in marketing messaging of brands not used before; However, the most notable growth in factors that build trust in brand marketing is in online influencers – one in three consumers aged 16-24 now claiming online influencers increase their level of trust
- In 2021 consumers say they are more likely to stick with existing brands than switch to new ones – the number of consumers agreeing that they have not switched suppliers for any of the categories surveyed has risen from 39% to 44% since 2019
- Pandemic-related marketing is less important in 2021, with a third (34%) of consumers agreeing that they receive too much communication about coronavirus from brands and companies (up from 27% in 2020)
- Consumers expect to seek more virtual communication from brands in the post-pandemic era – for example, those stating they prefer to communicate virtually with car brands has risen from 29% prior to the coronavirus pandemic, to 40% moving forwards
- Presence-free communication continues to grow in appeal – 50% of Gen Y consumers are either using video calls to speak to a customer assistant or are interested in doing so
- There is growing interest in digital and technology-led purchase methods, with 20% of consumers now claiming to have bought directly via social media (up from 14% in 2020)
- Reselling platforms are a popular channel for acquisition across generations – around half (50%) of consumers have bought a product through a reselling platform and would be interested in doing so again
- A new spectrum of models for acquisition hold differing levels of appeal across demographics – from large online marketplaces and retail formats that attract older consumers to direct-to-consumer (DTC) channels that engage younger age groups
- Values-led shopping shows strong appeal, with over four in 10 consumers saying they'd like to be able to filter products by what matters to them when shopping online, such as sustainability or localism – interest rises to almost two-thirds among those aged 25-34
- Brand marketing that represents the diversity of society is a clear route to customer acquisition in 2021, with almost one in four consumers claim they are more likely to buy from brands that do a good job representing diversity in their advertising – rising to almost 60% among those aged 25-34
- Consumers show a strong desire to support local businesses in 2021 – almost six in 10 claim they try and shop locally as much as possible, while supporting the local economy is by far the most common reason why people choose to shop in their local area

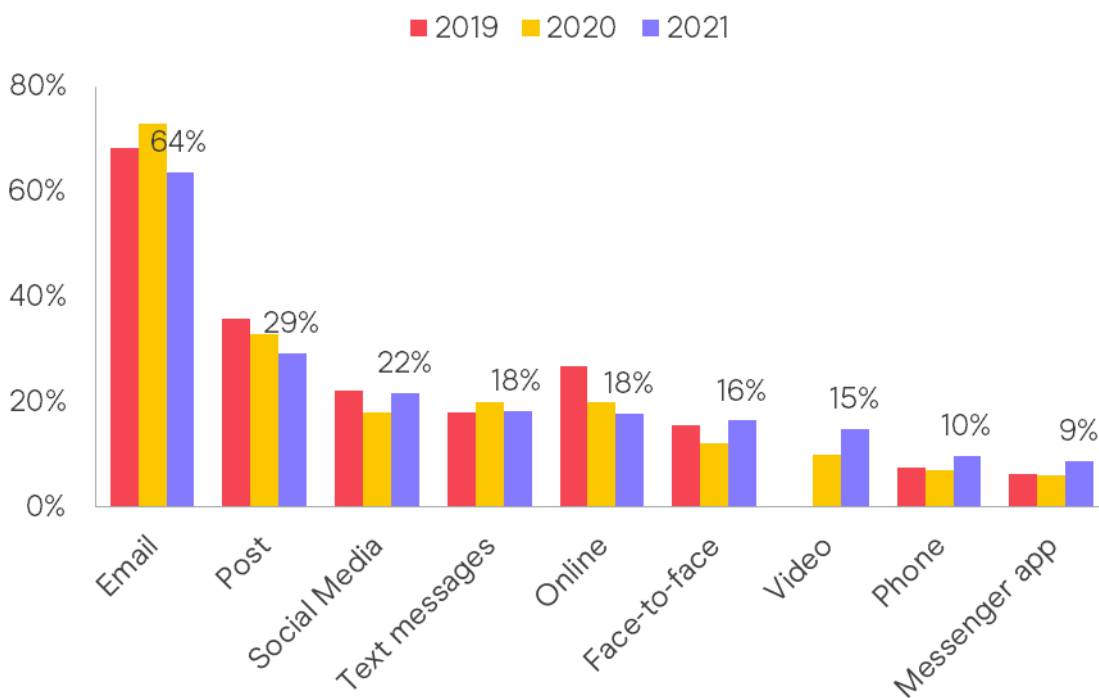
# / Channels of Acquisition

## Email Still Dominates, But Video has Grown

Email is still the preferred channel to receive marketing content, along with being perceived as the most relevant and among the most trusted. However, since 2019 there has been a slight decline in the relevancy of email as a marketing channel (from 61% in 2019 to 57% in 2021\*) and email as a preferred channel (from 68% in 2019 to 64% in 2021). At the same time, there has been a notable rise in the relevancy of video as a marketing channel (from 34% in 2020 to 39% in 2021) and video as a preferred channel (from 10% in 2020 to 15% in 2021), driven largely by younger generations. Video is also now one of the most trusted marketing channels after face-to-face, email and post.

Like email, post is also slightly less popular than it was in 2019, with just 11% of 16-24s preferring to receive marketing messages via this channel. It is worth noting, however, that post retains its stronghold among older consumers; over half of consumers aged 65+ prefer to receive marketing messages via post.

What way do you prefer to receive marketing messages? (Ranked in top 2)



## Non-Digital Sources of Inspiration Still Important Amidst Digital's Rise

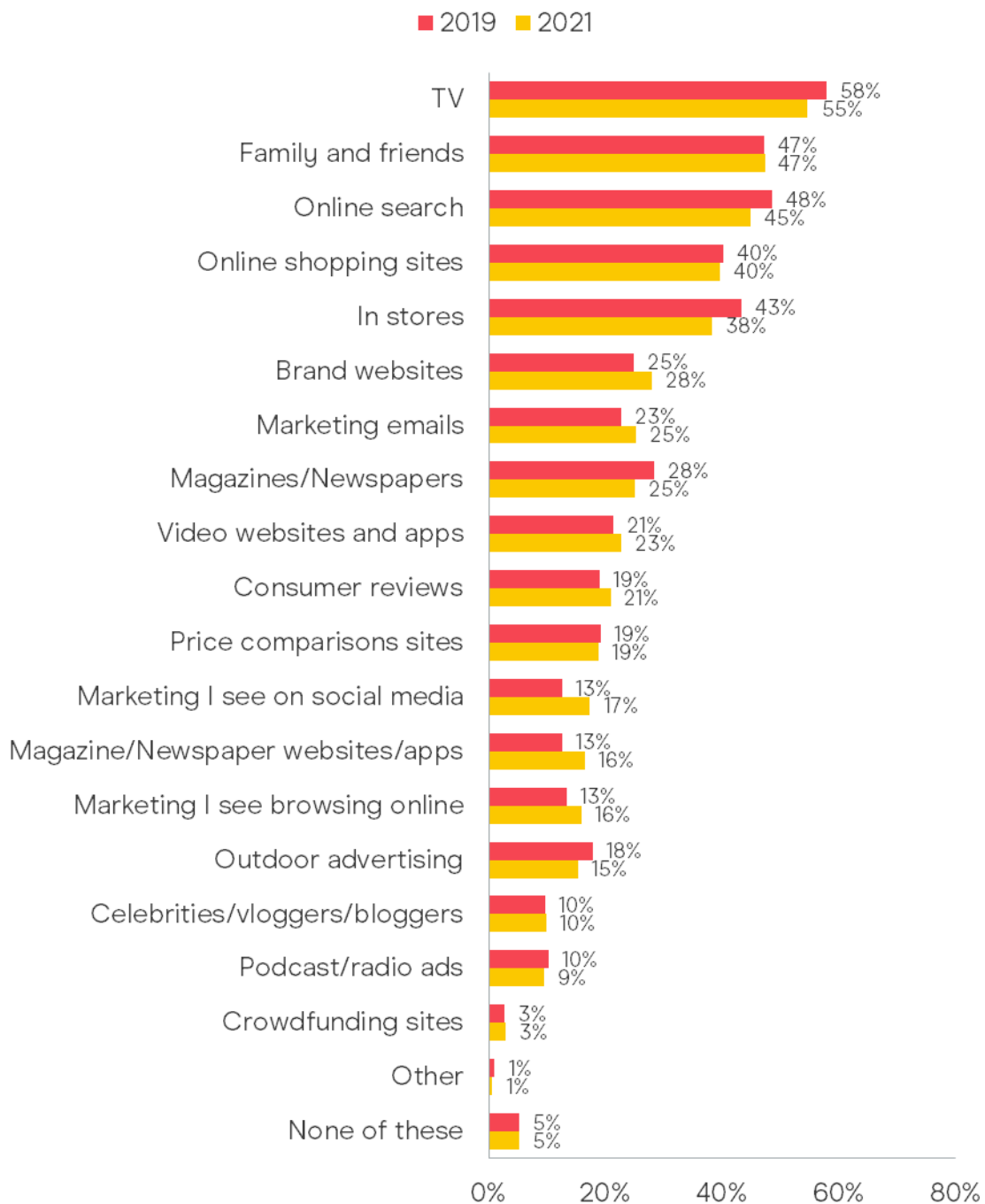
For purchasing inspiration, a wide range of digital and non-digital sources remain popular. While TV still tops the list of influences in 2021 (55%), the overall pattern of change since 2019 is from non-digital to digital, evidenced by the shift from physical to digital magazines/newspapers as a source of inspiration.

This will in part be impacted by the coronavirus pandemic, especially when we consider the decline in in-store as a source of inspiration. It's also not to say that physical media don't have

an impact, as they clearly do in several cases – not least in-store (38%) and magazines/newspapers (25%).

There is also a noteworthy change in behaviour when considering digital sources in isolation. Consumers are now more likely to look for inspiration within their existing online world; marketing messages seen on social media and while browsing online have both increased as sources of inspiration, while online search has declined.

### How do you typically find out about new products or new services?





## Social is Integral for Acquisition for Younger Generations

Social media remains a particularly important channel of acquisition for younger generations, being the preferred channel for discovering new brands for Gen Z and Gen Y.

In which of the following ways would you prefer to hear or find out about brands/companies you haven't used before? (Ranked in top 3)

Gen Z	Gen Y	Gen X	Baby Boomers
Social media	Social media	Email	Email
Online	Email	Social media	Post
Email	Online	Online	Online

Younger generations are also more likely to agree that the adverts they see on social media are more interesting than those they see elsewhere, with 54% of Gen Y agreeing compared to 29% of consumers in total.

### Key takeaway

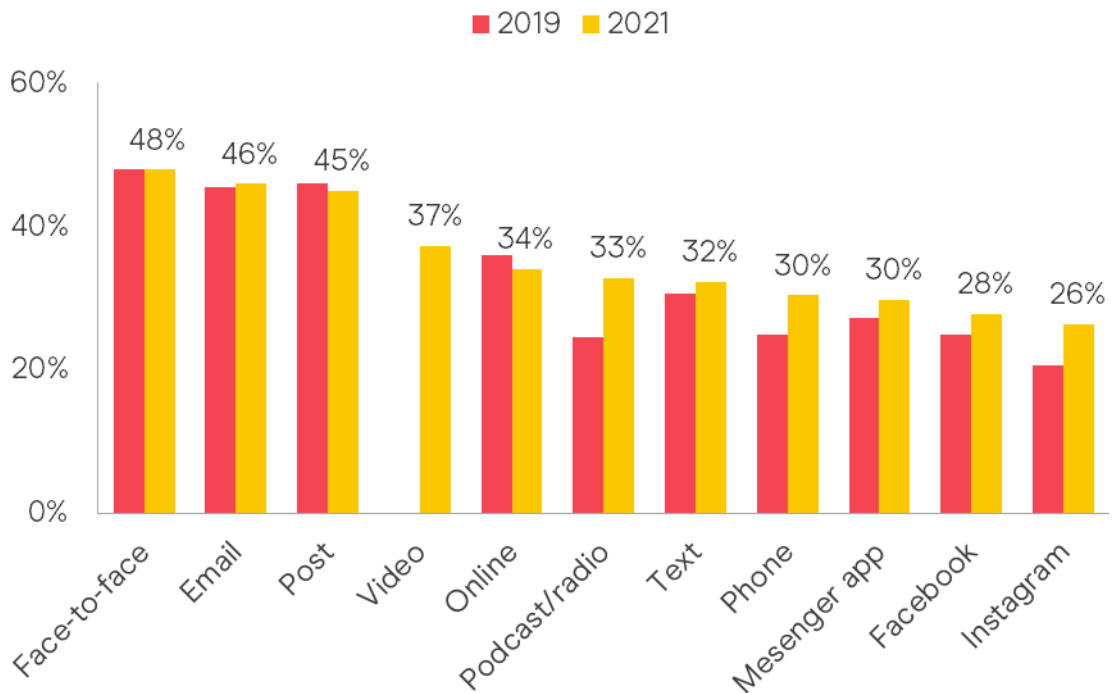
Marketers must navigate a variety of potential acquisition routes, from channels that consistently rank highly across generations (such as TV and email) to emerging channels dominated by younger consumers (such as video and social) to long-standing channels that have a loyal following of older consumers (such as post).

There is also an important distinction to be made between consumers (especially younger consumers) who expect marketing messages to embed themselves neatly within their existing online activities and consumers who prefer to step in and out of discovery, whether online or offline.

## The Unwon Battle of Trust

Trust in marketing messages regardless of the channel continues to be a concern for marketers in 2021. While face-to-face ranks highest, it is still less than half of consumers who would rank it on the higher end of the scale (5-7 on a 7-point scale) in terms of trustworthiness.

How much do you trust marketing messages you receive in the following ways? (Ranked 5-7 on 7 point scale, excluding 'Don't know')



Moreover, consumers are now less likely than they were in 2019 to select options that would help them trust marketing messages from brands/companies that they have not used before. All options offered have declined, apart from simple to understand information, addressed to me personally, online influencer and celebrity endorsement. Gen Y is the generation most likely to select options that would build trust, while Baby Boomers are the least likely to.

Which of the following would help you to trust marketing messages from brands/companies you have not used before?



Trust in family/friend referrals has declined across all generations since 2019. In contrast, trust in online influencers has risen across all generations excluding Baby Boomers. Trust for the latter is largely among 16-24s, with a third trusting online influencers.

There is also a significant difference by gender in terms of what would help to build trust. 35% of men agree that customer reviews would help them to trust marketing messages in contrast to 41% of women. The same disparity can be seen with friend/family referrals with 37% of men agreeing this would help them to trust marketing messages in contrast to 46% of women. It would seem men are less likely to trust recommendations from their peers than women.

#### Key takeaway

Ensure marketing is backed by trusted sources, with special attention paid to how trust differs between demographic groups. Simple to understand information needs to be a hygiene factor across communication.

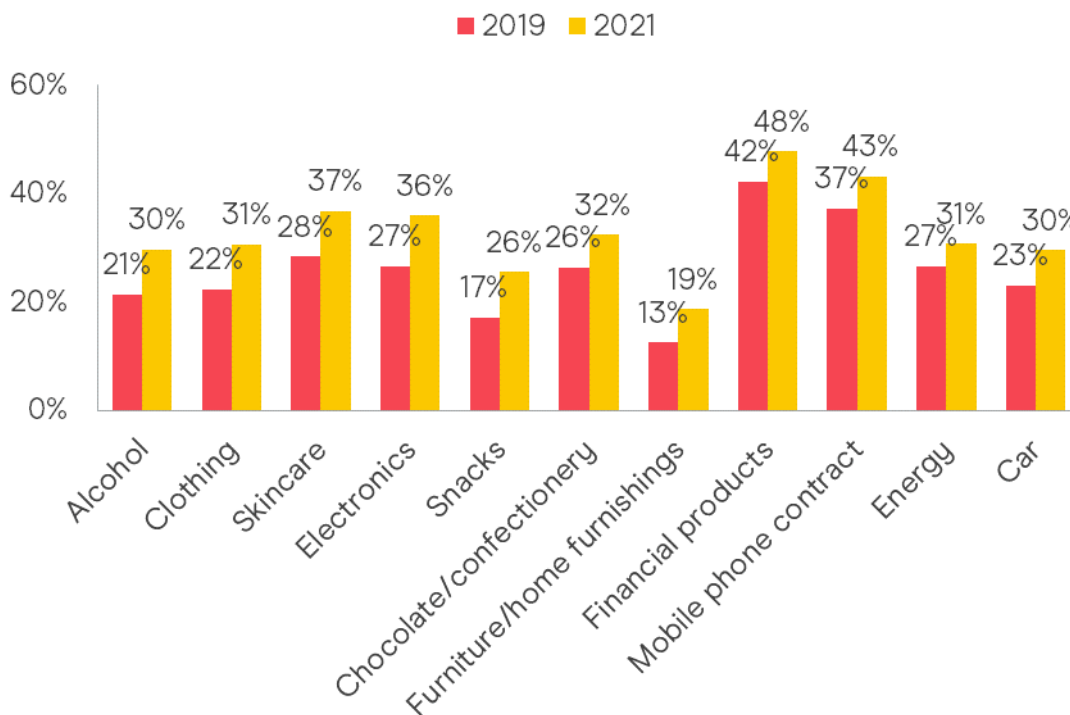
# / Understanding Acquisition: Switching Motivations

With comparison and recommendation tools ever-expanding, confidence in a decision to switch to different suppliers has never been more accessible. This confidence, however, has been undermined by the unpredictability of the pandemic. Product and people shortages, paralleled by personal financial and emotional struggles are new criteria to consider within the decision to switch.

## Switching is Less Appealing in 2021

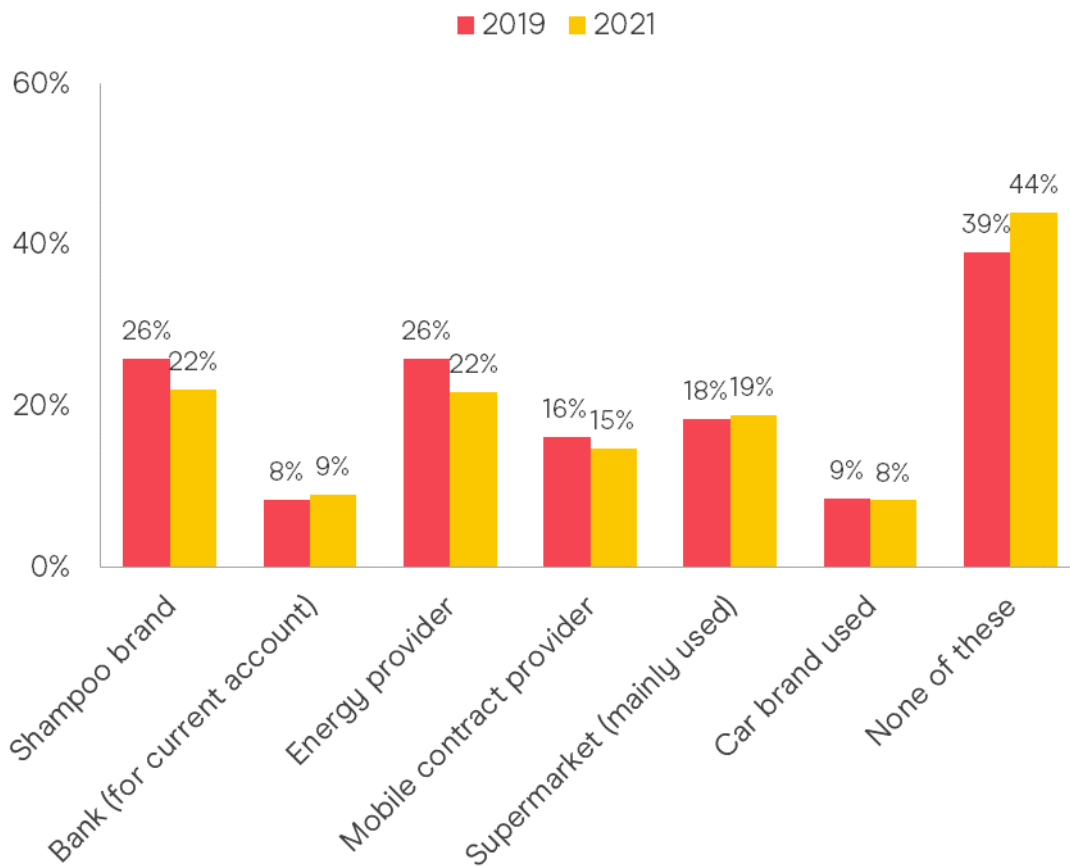
Consumers are now significantly more likely to agree that they prefer to stick with brands they have used before than switch to a brand they haven't used before.

Thinking about when you buy the following kinds of products, how much do you like to try brands you haven't used before vs. sticking to brands you have used? (Net 'Sticks with brands')



When we consider the number of consumers who have switched supplier or brand in the last 12 months, however, a comparison with 2019 is less stark. While the number of consumers agreeing that they have not switched suppliers for any of the categories surveyed has risen from 39% to 44% since 2019, there has not been a significant change in the number of consumers switching between suppliers or brands.

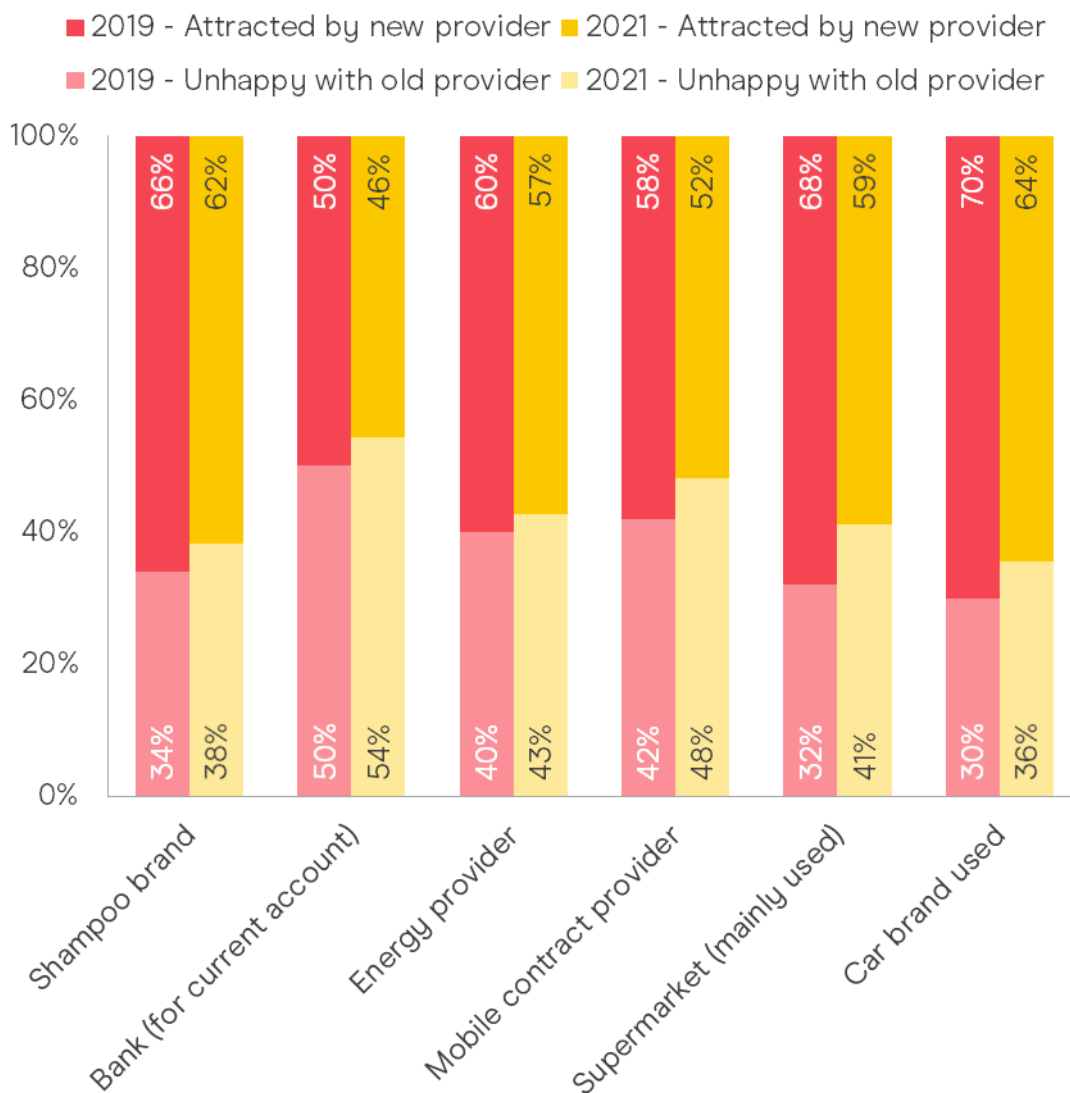
Which of the following have you switched over the last 12 months?



## Why Are People Switching?

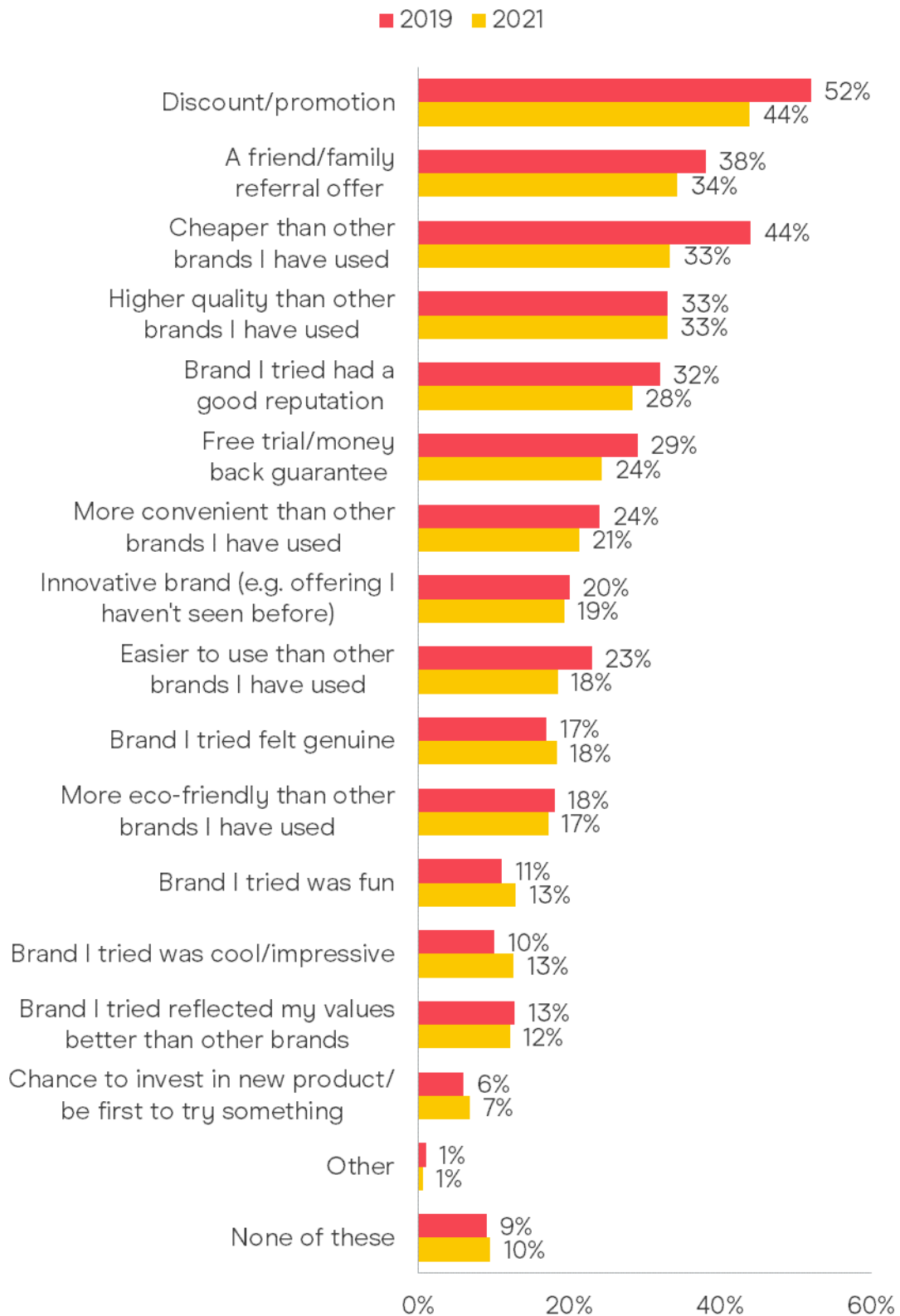
While consumers are still more likely to switch because they are attracted by their new provider, there is now a greater proportion of consumers switching because they are unhappy with their old brands. This is particularly the case for supermarkets, with 41% of consumers agreeing they switched brands because they were unhappy with their old provider, in contrast to 32% in 2019. It is likely that supermarket food shortages and limited online food slot availability resulting from the pandemic impacted perceptions of existing brands and encouraged potentially reluctant switchers to make a move.

Which of these best describes your reasons for switching TO the following brands/companies?



When looking more broadly at reasons for switching, there has been a decline in the more functional reasons since 2019 (such as discounts, a cheaper price and free trials), while more emotional reasons have increased slightly (such as the brand being fun and cool). In fact, 80% agree that companies should offer good value as standard (rising to 92% for those aged 65+). To be encouraged to try something new, consumers are looking for more than just good value.

Thinking about when you are buying products or services, which of the following have encouraged you to try new brands or companies you haven't used before?



**Key takeaway**

The post-pandemic reluctant switcher will need greater convincing that their decision to switch is the right one. While functional reasons for switching should naturally be highlighted, these should be treated as hygiene factors with more emotional and values-based considerations brought to the forefront.

## What Influences People to Switch Brands?

The sources of influence that drive consumers to select new brands differ notably across the tested sectors. Indeed, while online search is the most influential factor in driving people to switch brands within the car and supermarket sectors, price comparison sites were the most important within the energy and telecoms sectors. Moreover, advice from family and friends is top-ranked in terms of driving switching choices for bank accounts, while in-store experiences were the main factor in nudging consumers to switch their brand of shampoo.

Which of the following informed your choice to switch to the following brands/companies?

Energy provider	Bank account	Phone contract provider	Car	Supermarket	Shampoo
Price comparison sites	Family and friends	Price comparison sites	Online search	Online search	Experience in store
Online search	Marketing emails	Online sites	Experience in store	Family and friends	Family and friends
Consumer reviews	Online search	Family and friends	Brand websites	Price comparison sites	Online shopping sites

What is clear is that each sector has its own key drivers that are most crucial in directing switching behaviour. Brands will need to prioritise their engagement with the sources of influence that most impact their respective sectors and customers – to drive new customer acquisition and avoid losing customers.

## Where are People Switching To?

In understanding where brands have made gains and losses among consumers who are moving their custom around, the following analysis reflects the sample of people who have switched within the category in the last 12 months. Brands have then been categorised into three groups:

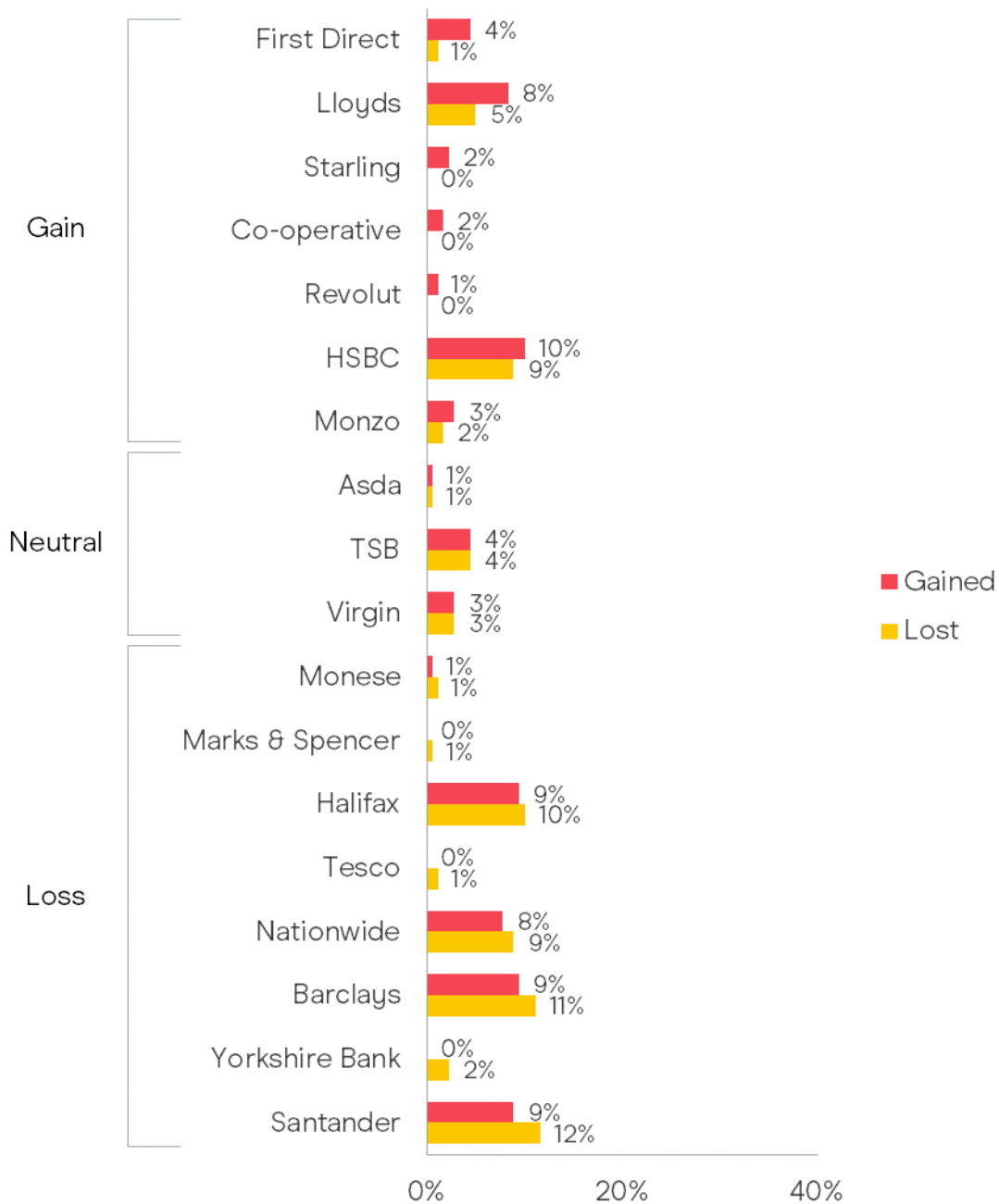
**Gains:** Where more switchers have switched to a brand than moved away

**Neutral:** Where similar numbers of switchers have moved to and from a brand

**Losses:** Where more switchers have left a brand than moved to it

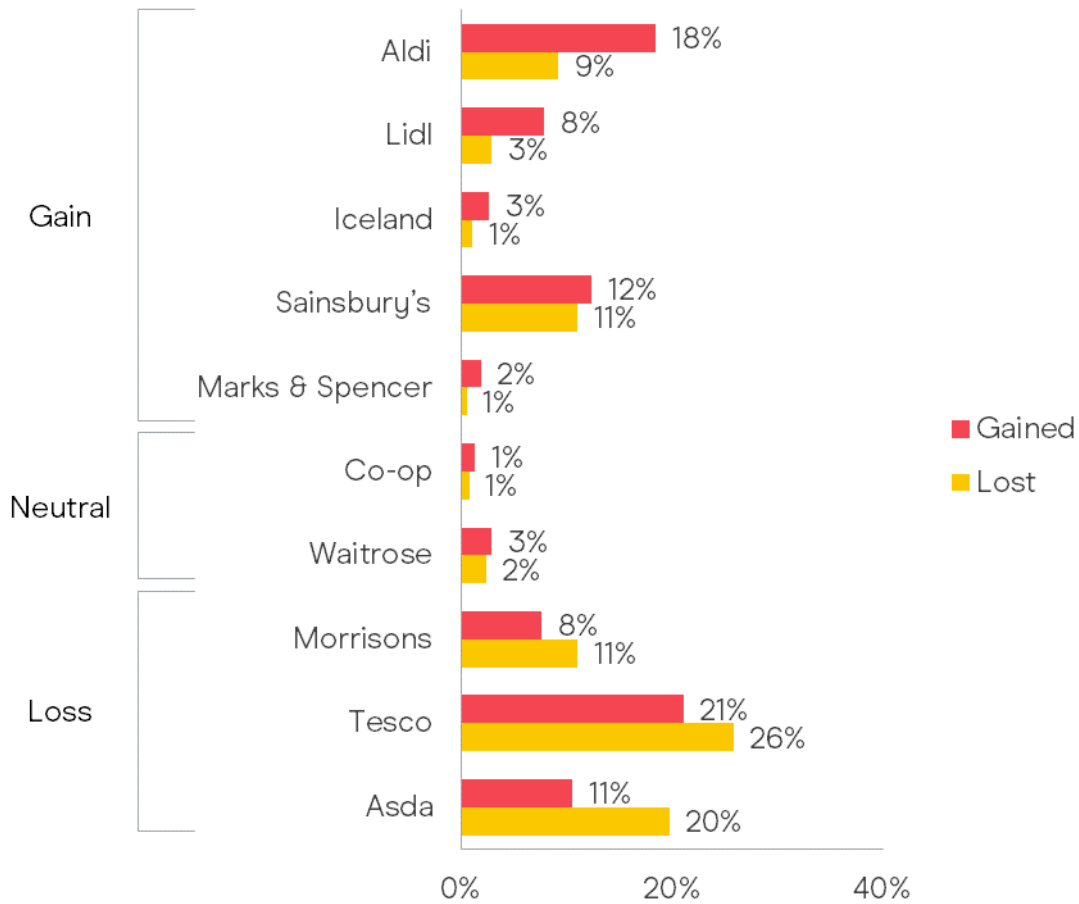


## Banking: Which brand/company did you switch FROM and which did you switch TO?



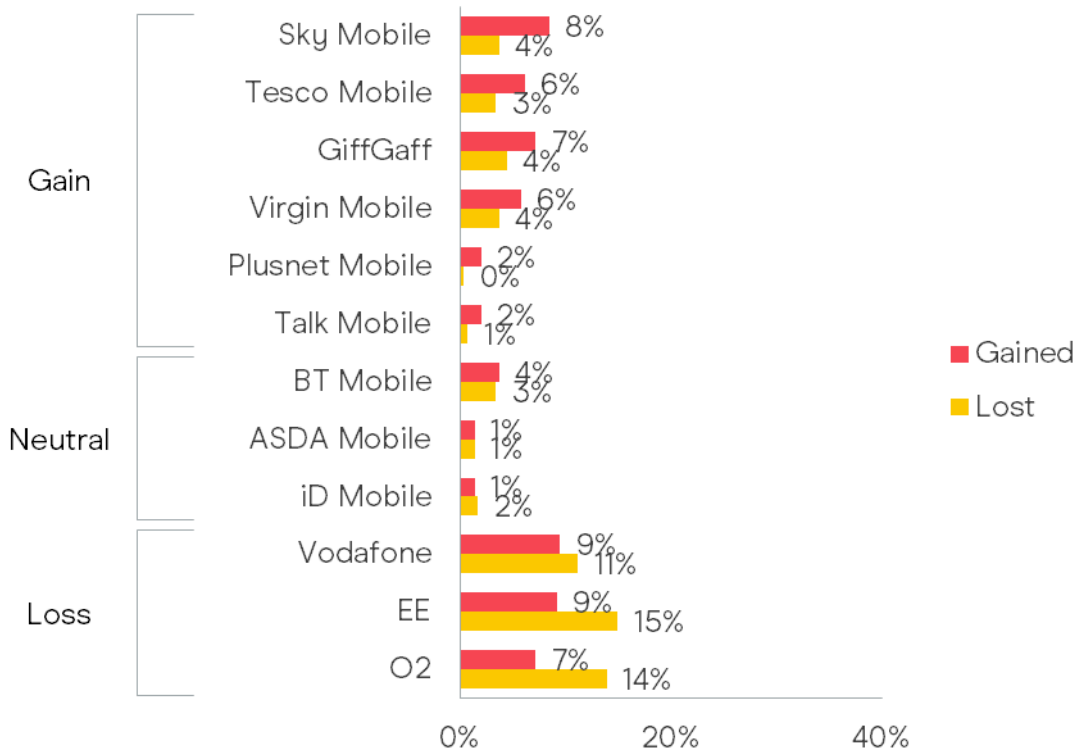
In terms of banks, newer entrants such as Monzo and Revolut, are continuing to attract new customers. On the other hand, established banks, such as Lloyds and First Direct, are making the biggest gains.

### Supermarket: Which brand/company did you switch FROM and which did you switch TO?



The “Big Four” supermarkets have made greater losses than they have gained, with the exception of Sainsbury’s. Discounters like Aldi and Lidl have made the most gains. Indeed, the findings point to consumers increasingly moving to either side of a spectrum in choice of supermarkets, between discounter retailers and more traditionally premium retailers. For instance, Marks and Spencer have also gained customers alongside the more discount focused supermarkets. Conversely, those that fall more towards the centre of this discounter vs. premium spectrum are the retailers that have seen the most losses in 2021.

Mobile Provider: Which brand/company did you switch FROM and which did you switch TO?



For mobile phone contract providers, the main gains have been made by Sky Mobile, GiffGaff, Virgin Mobile and Plusnet Mobile. These have been at the expense of brands like O2 and EE who show a net loss of customers in 2021 – although it should be noted many of these growing providers will also be using infrastructure provided by larger networks like O2 to operate.

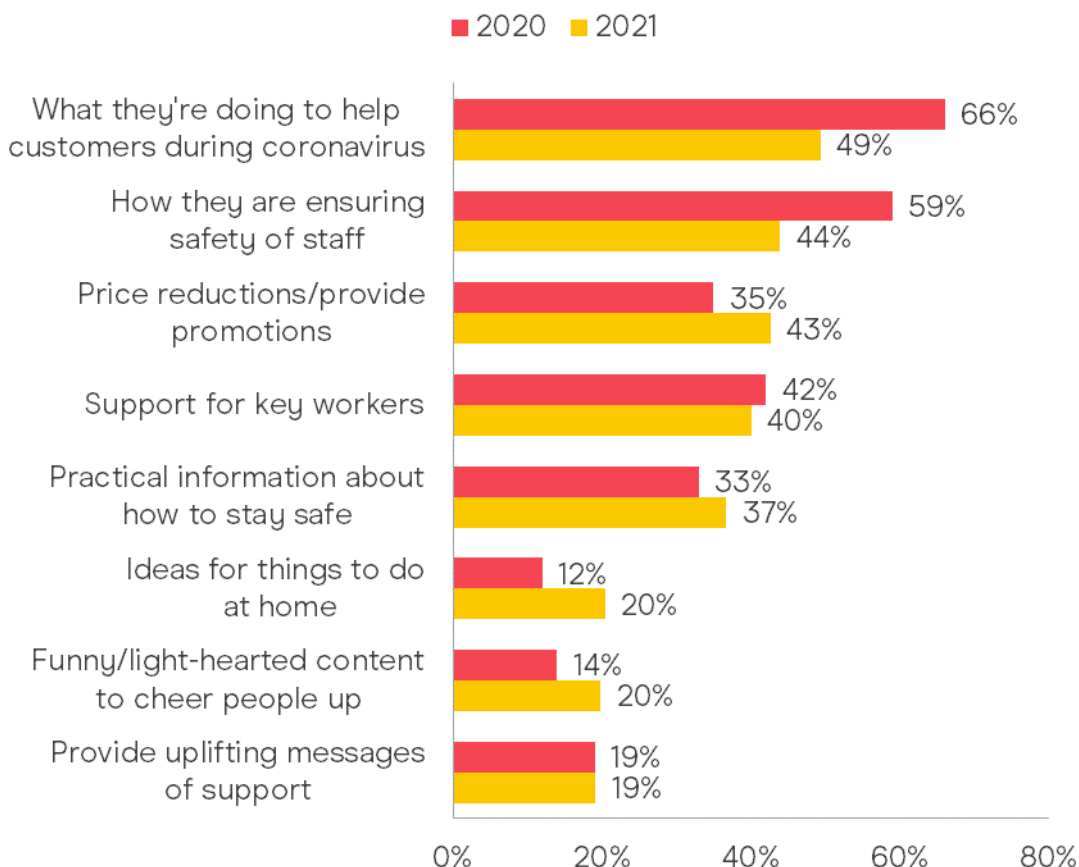
# / Communicating in the Wake of a Global Pandemic

## Calls for Pandemic Support Dwindle, But Virtual Communication Set to Stay

As the vaccine rollout has progressed and restrictions have eased in 2021, companies ensuring that consumers are safe is considered less important than it was at the height of the pandemic. Meanwhile, price reductions, fun content and ideas for things to do at home are now considered more important than they were a year ago.

Similarly, consumers are now more likely to agree that they receive too much communication about coronavirus from brands and companies (from 27% in 2020 to 34% in 2021) and that they don't expect companies to help people during the pandemic (from 22% in 2020 to 28% in 2021).

Which of the following do you think are most important for brands you use to communicate in response to the coronavirus situation? (Ranked in top 3)



Since the pandemic started, consumers increasingly expect to be able to communicate virtually with brands across sectors more than face-to-face – a trend that looks set to continue post-pandemic.

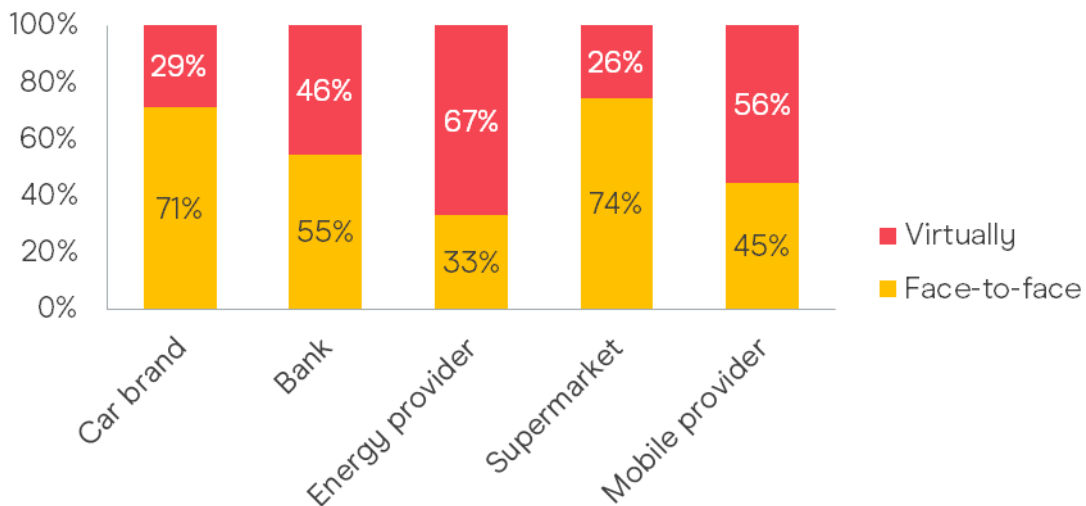
Within the survey, we specified that by face-to-face we meant communicating in-person and

by virtually we meant communicating online – for example via video call or instant messaging. The only sector where this shift toward virtual is not the case is energy providers, where many consumers already predominantly communicated virtually before coronavirus.

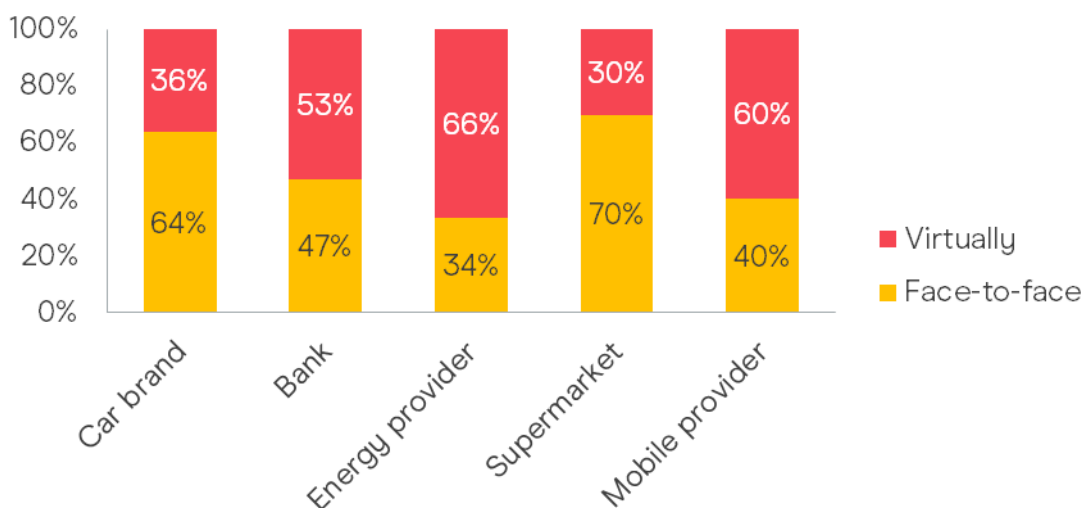
The biggest shift from face-to-face to virtual engagement has been in the automotive sector, with 29% of consumers agreeing that they preferred to communicate virtually with car brands before the pandemic, rising to 36% now. Furthermore, 40% say that they expect to communicate with car brands more virtually than face-to-face moving forwards.

While younger generations are driving the preference for virtual communication with car brands specifically, it's notable that there is no real age effect when considering the shift from face-to-face to virtual across other sectors.

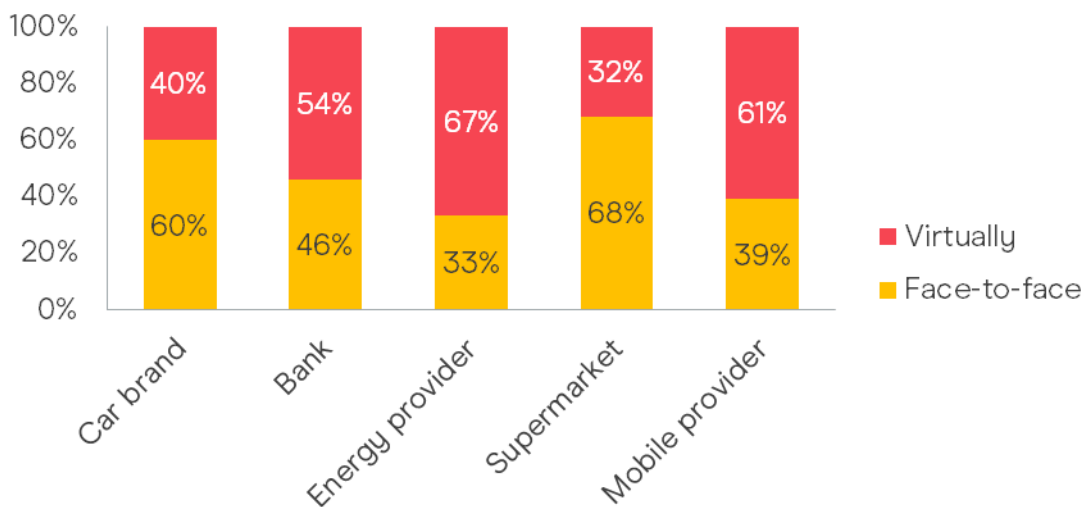
**Before the coronavirus situation, did you prefer to communicate with each of the following brands/companies you use face-to-face or virtually?**



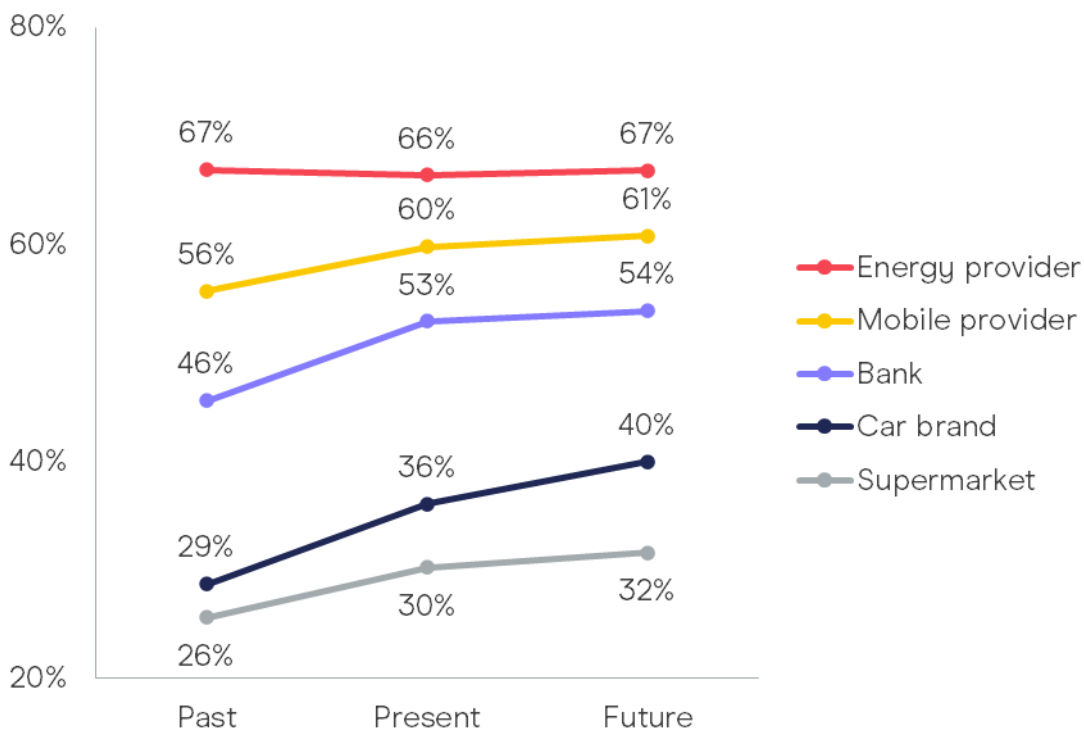
**Do you now prefer to communicate with each of the following brands/companies you use face-to-face or virtually?**



Moving forwards, do you expect to communicate with each of the following brands/companies you use face-to-face or virtually?



Past, present and future of virtual brand engagement



### Key takeaway

Although it's difficult to predict if communication between consumers and brands will change long-term, there is certainly an increased preference for communicating virtually compared to before the pandemic and a perception among consumers that they will continue to communicate more virtually moving forwards. Consumers do not see communicating virtually as simply a necessity of the pandemic, but rather a form of communicating that they have come to prefer. Brands must explore how to maximise engagement via virtual communication, especially brands such as energy providers, mobile phone contract providers and banks, where most of their customers believe their future communication will be carried out virtually.

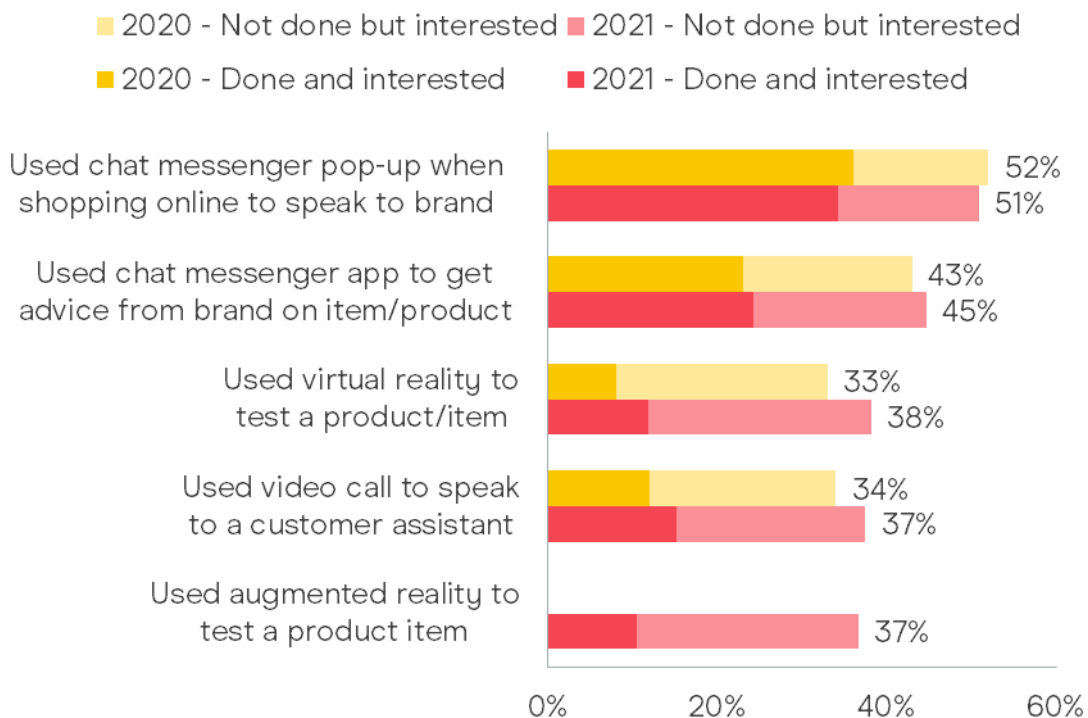
# / New Channels for Acquisition

The shift in communication from face-to-face to virtual is also evident in the rise in presence-free, technology-led pre-purchase and purchase channels. Again, the pandemic has certainly had an impact on this preference for virtual, but it is interesting that as the pandemic ceases to control as many aspects of our day-to-day lives in 2021, the use of and interest in virtual continues to grow.

## Presence-Free Growing in Popularity

A growing number of consumers have used a chat messenger app to speak to a customer assistant when shopping online and would be interested in doing so again in the future. While use and interest in a chat messenger pop-up box to speak to a customer service assistant when shopping online has declined slightly since 2020, it is still over half of consumers who have either done this or would be interested in doing so.

Which of the following have you done, and which would you be interested in using in the future?

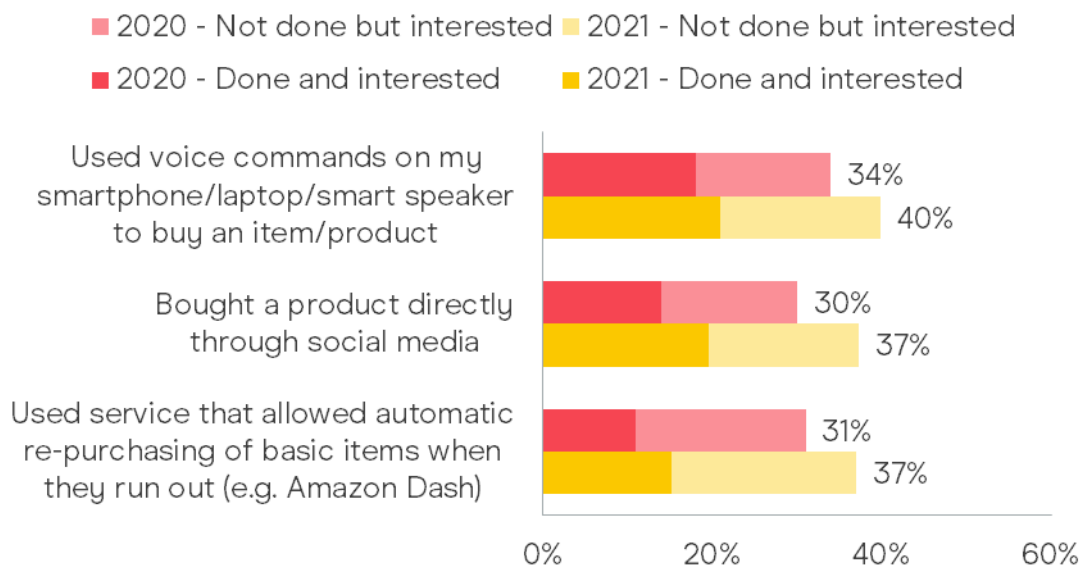


In terms of communicating with a customer assistant, the biggest rise in use and interest since 2020 has been in the use of video calls. The pandemic has played its role again here, but, interestingly, consumers have sought a form of communication that is as close to face-to-face as possible. Video channels provide the convenience of communicating from home, alongside the ease of communication and trust levels of face-to-face. Video call is also popular across

generations, with 50% of Gen Y and 25% of Baby Boomers either using video calls or interested in using them to speak to a customer assistant

Likely ignited by store closures during the height of the pandemic, there has been a rise in using virtual reality to test a product/item, while using augmented reality to test a product is similarly popular.

**Which of the following have you done, and which would you be interested in using in the future?**



There has been even greater growth in the use of and interest in technology-led methods of purchase, particularly buying a product directly through social media – with 20% claiming that they have done this and would be interested in doing so again in 2021 compared to 14% in 2020. It is worth noting that while there is a strong age effect at play here, 22% of Baby Boomers either have or would be interested in buying a product directly through social media.

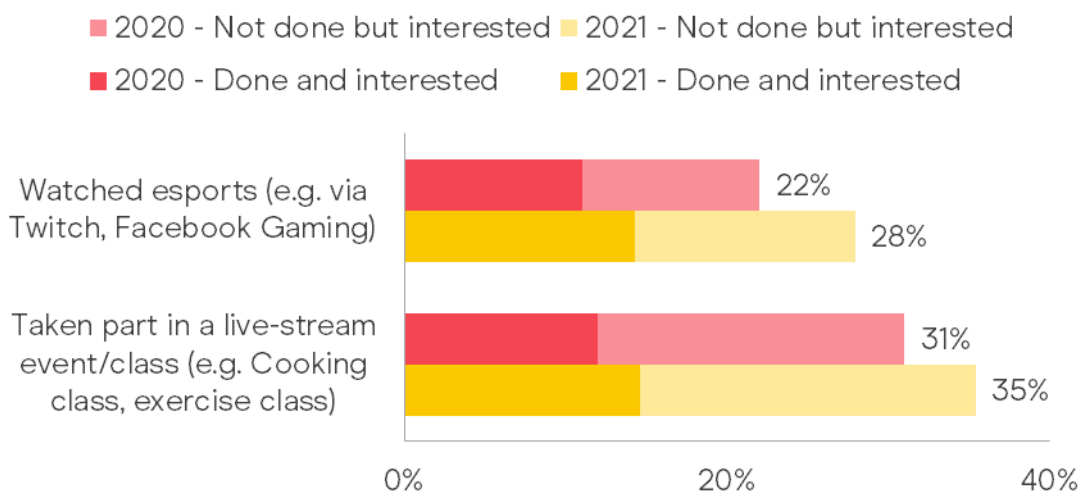
Such interest in these services suggests a shift towards purchasing as an extension of everyday offline and online activities rather than as an event in isolation.

## Preference for Presence-Free Living

There also appears to be a preference for presence-free beyond purchasing behaviours, with a rise in technology-led, presence-free activities, such as taking part in a live-stream event and watching e-sports.



Which of the following have you done, and which would you be interested in using in the future?



A third of consumers (35%) have now taken part in a live-stream event or would be interested in doing so, rising to 55% for consumers with children under the age of 18. Over a quarter of consumers have now watched or are interested in watching e-sports, rising to 50% for those aged 16-24.

Again, it is likely that long lockdowns encouraged consumers to try presence-free activities, but growth is unlikely to waver given high-interest levels among both those who have tried these presence-free experiences and those who are yet to try them.

### Key takeaway

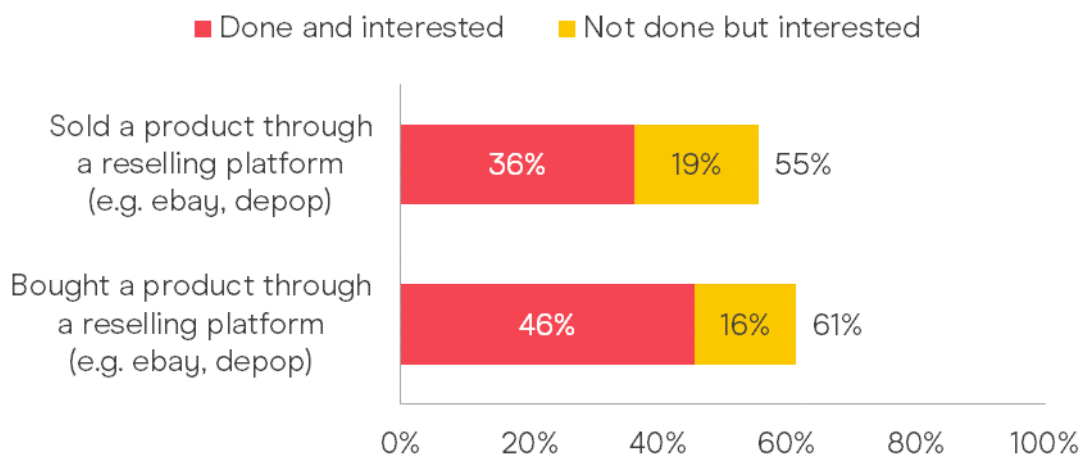
Presence free platforms are ripe for acquisition opportunities as consumer interest peaks following heightened need during the pandemic. While these platforms will appeal most to younger consumers, there is also a significant proportion of older consumers interested in presence-free technology.

# / New Routes to Acquisition

## Growing Engagement with Circular Retail

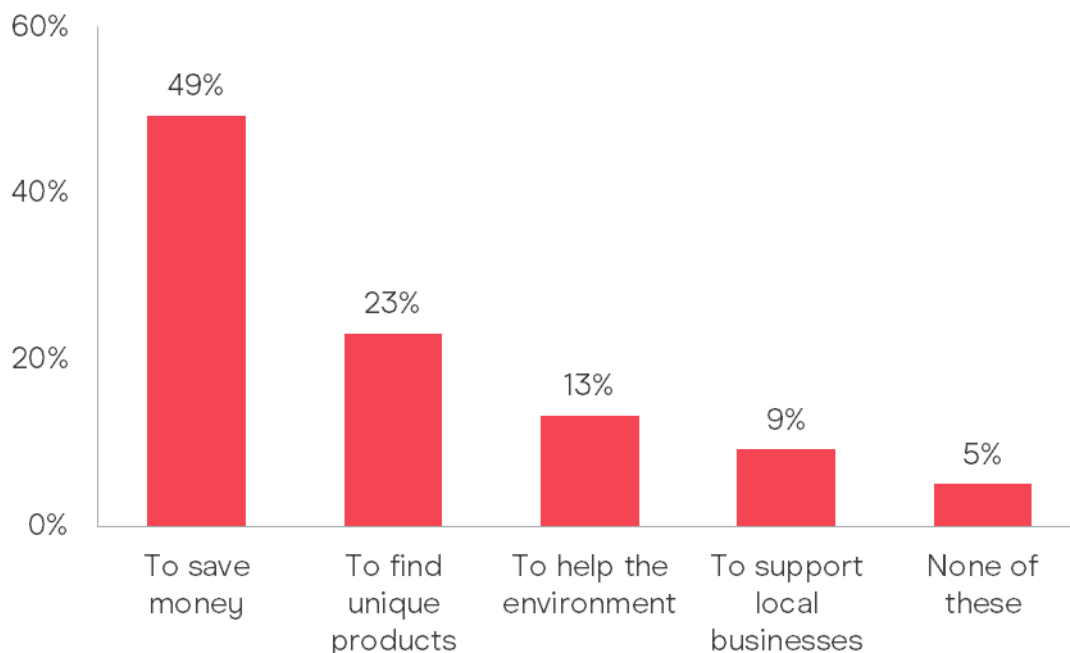
Reselling platforms are a growing consumer resource and, as such, a key channel for acquisition across generations. Just under half of consumers have bought a product through a reselling platform and would be interested in doing so again, a figure that remains relatively stable across different demographic groups.

Which of the following have you done, and which would you be interested in using in the future?



While trading through reselling platforms is lower among the youngest and oldest consumers, the youngest are the most likely to agree that they are interested in doing so in the future.

What is the main reason why you have/would buy a product through a reselling platform?



The main appeal of reselling platforms is to save money. The top three reasons to buy a product through a reselling platform are the same across generations: saving money, discovering unique products and at the same time protecting the environment.

### Key takeaway

Explore creating reselling options and channels directly from your brand. Alternatively, seek to form partnerships with established platforms that can facilitate reselling propositions for your customers.

## Growing Spectrum of Appealing Acquisition Models

The options of physical formats and online platforms that consumers have access to when searching for and buying products has increased significantly over the last decade. From large online marketplaces and super retail stores that provide access to countless products and brands, to the rise of more direct-to-consumer (DTC) online channels and smaller boutique retailers – the UK consumer in 2021 has a wide spectrum of choices of how and where they to shop with brands.

What's more, in the next decade some new formats and platforms are expected to emerge – such as integrated brand eco-systems. This is: where a selection of brands partner to provide more medium-sized and curated shopping experiences. An example might be a collection of brands partnering with one another based on a shared customer base to provide a bespoke online marketplace that sells products and services from just these participating brands. This could be around a specific interest, hobby, sport or shared brand values that bring the organisations together. Such a model could also become increasingly common for physical retail stores.

Consequently, a new spectrum of acquisition models is emerging from large online marketplaces and retail formats on the one side and DTC and small/specialised physical retail stores on the other – with medium-sized online and in-store formats provided by partnering brands sitting in the middle.

When this spectrum of acquisition models was tested, it is interesting to note that there is a similar level of appeal across almost all the options provided.

In which of the following ways would you prefer to buy your favourite brands? (Ranked in top 2)



The most notable difference in demand for models tested is the relatively low appeal of partner brands online marketplaces. While this is the model tested that consumers are the least likely to have had direct experience with to date, such findings suggest that brands in 2021 who are seeking to test and develop integrated shopping channels will need to ensure that the rationale and benefits offered by these new platforms are clearly communicated to the targeted customer base.

When testing the most popular platforms by generation, the picture is very different. For example, direct from the brand website is the most popular way for Gen Z consumers to purchase products from their favourite brands and is the second most popular method of purchase for both Gen Y and Gen X.

In which of the following ways would you prefer to buy your favourite brands? (Ranked in top 2 by generation)

Gen Z	Gen Y	Gen X	Baby Boomers
Direct from the brand website	From a large online marketplace that sells a wider range of products	From a large online marketplace that sells a wider range of products	In-person in a store that sells a selection of products from lots of different brands (including my favourite)
From a large online marketplace that sells a wider range of products	Direct from the brand website	Direct from the brand website	In-person in a store that sells my favourite brand along with a selection of products from other brands
In-person in the store of my favourite brand	In-person in a store that sells a selection of products from lots of different brands (including my favourite)	In-person in a store that sells a selection of products from lots of different brands (including my favourite)	From a large online marketplace that sells a wider range of products

It is clear that there is a growing spectrum of acquisition models that hold appeal to a significant number of consumers. Age is the key factor that will drive preference for these models and determine which brands are best suited to target which combination of the platforms/formats presented.

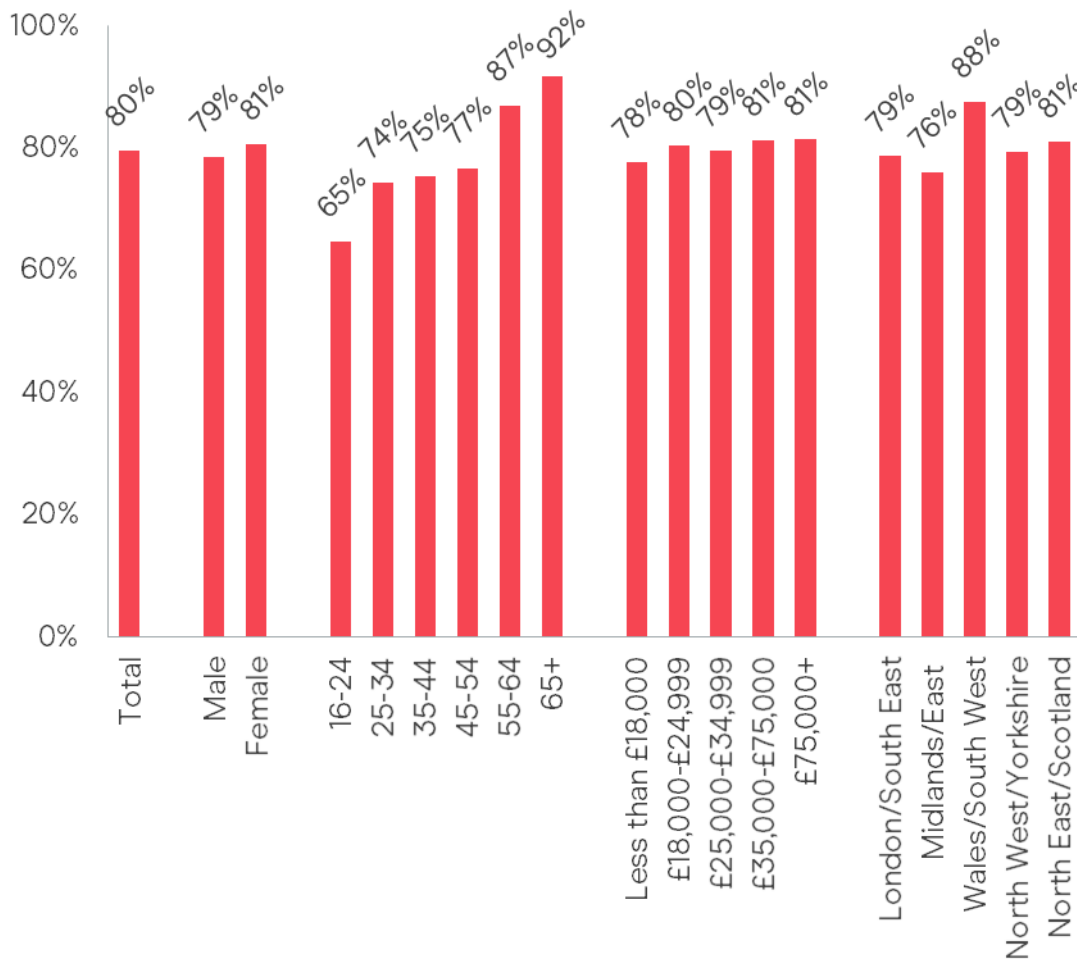
#### Key takeaway

Investigate which models on the spectrum outlined above resonate most with your target customer audiences, as well as the network of brands that your customers engage with to allow future options for integrated online or in-store shopping channels with partner brands.

## Value + Values = The New Shopping Paradigm

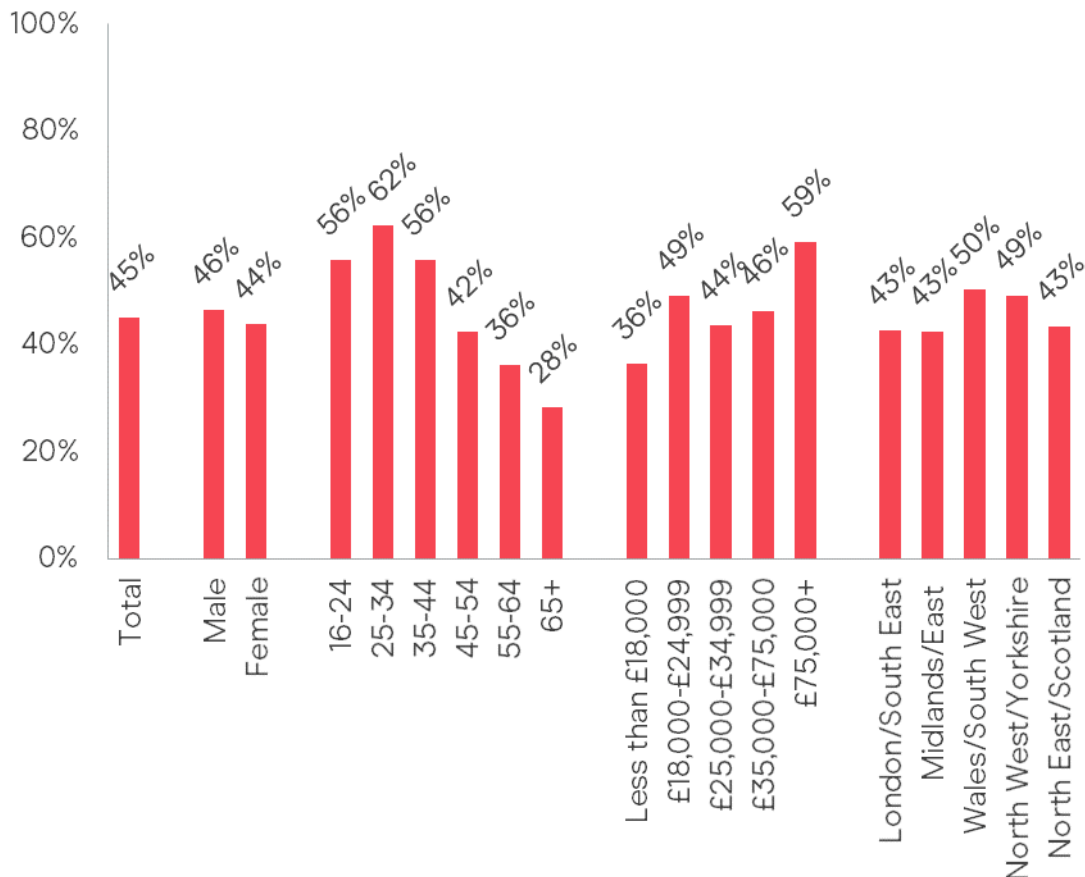
In the 2010s, following the aftershocks of the 2008's financial crisis, value-led shopping became the hallmark of consumer behaviour in the UK. At a time of renewed uncertainty in 2021, this intent to maximise commercial dealings remains engrained across the UK consumer landscape. Indeed, 80% of consumers surveyed state that they expect brands to offer good value for money for standard.

How much do you agree or disagree with the following: "I expect brands to offer good value for money as standard"? (Net agree)



Looking ahead to the coming decade, the evidence presented here points to a second factor that will sit alongside value-led shopping in shaping expectations and behaviour towards brand choice: Values. This values-led shopping, where consumers can shop through the lens of the values that matter most to them personally, already holds strong appeal. Over four in 10 consumers would like to be able to filter products by the values that matter to them when shopping online, such as sustainability or localism. Interest also rises to almost two-thirds for consumers aged 25-34.

How much do you agree or disagree with the following: “When online shopping, I wish I could filter product lists by my values (e.g. Only see products based on whether they are vegan, halal, sustainable, locally made, etc.)”? (Net agree)



These findings indicate that value plus values could be the core paradigm that shapes shopping and acquisition behaviour in the 2020s.

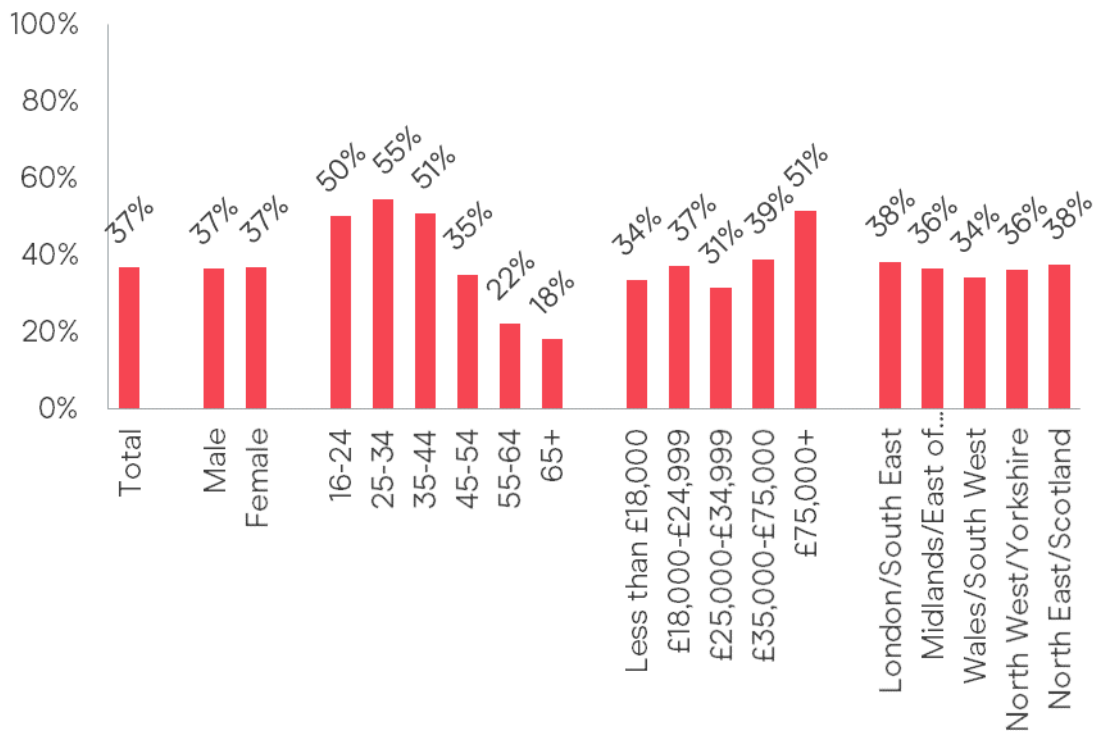
### Key takeaway

Seek to implement options that allow consumers to shop by personal values. This could take the form of values filters for online shopping or dedicated in-store space for specific values for in-store shopping.

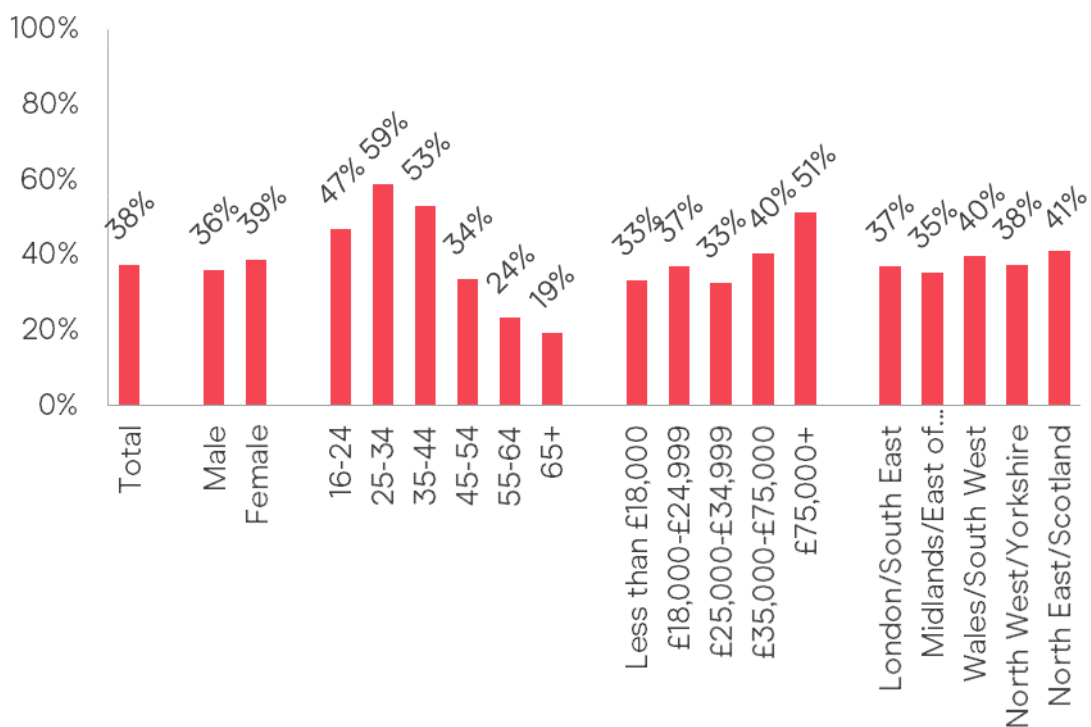
## Diversity in Advertising Driving Acquisition and Engagement

Ensuring that brand marketing represents the diversity of UK society is a clear route to customer acquisition in 2021. Indeed, 37% of consumers claim that they find advertising that does a good job at representing diversity more engaging. This figure rises among younger, more affluent and London-based consumers. For example, 55% of consumers aged 25-34, 51% of consumers in the highest income bracket and 46% of consumers based in London agree that diversity in advertising drives better engagement.

How much do you agree or disagree with the following: "I find advertising that does a good job at representing diversity more engaging"? (Net agree)



How much do you agree or disagree with the following: "I am more likely to buy products from brands that do a good job at representing diversity in their advertising"? (Net agree)





Diversity in advertising is also a key driver of acquisition alongside engagement, with almost one in four claiming that they are more likely to buy from brands that do a good job representing diversity in their advertising. Again, the agreement is higher among young and more affluent consumers. However, it is notable that agreement is highest among 25-34s (59%), rather than the youngest aged group of 16-24s (47%).

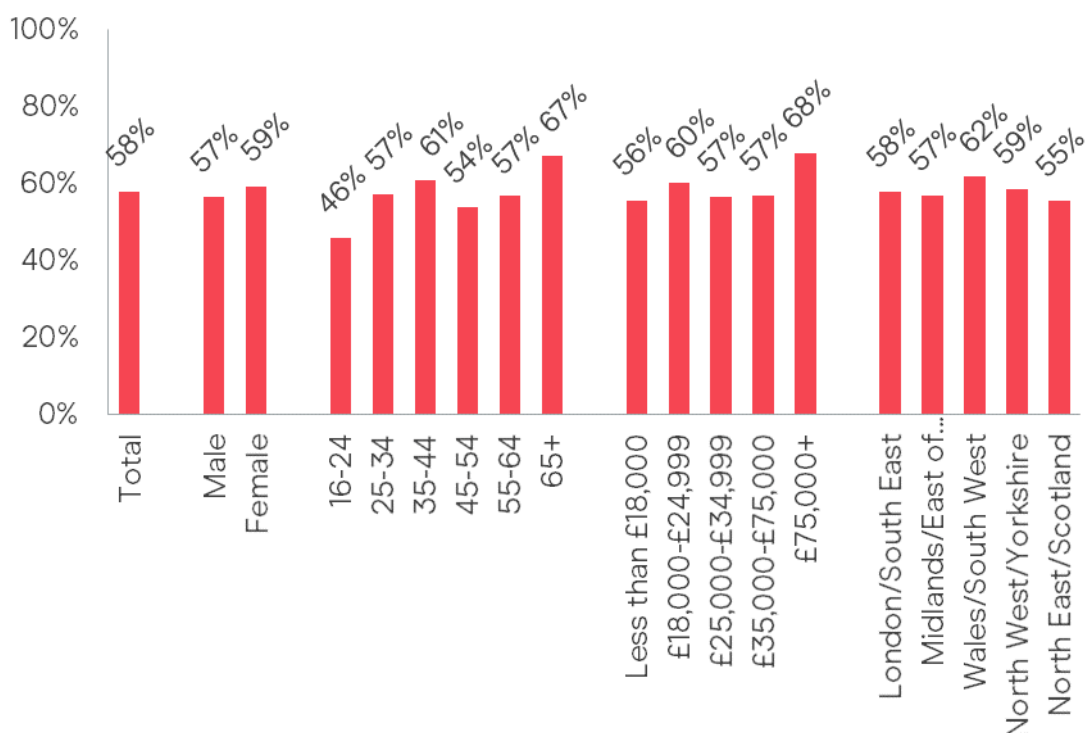
### Key takeaway

Ensure that all brand marketing represents the full diversity of UK society in order to increase levels of brand engagement and likelihood of customer acquisition.

## Renewed Engagement with Localism Post-Pandemic

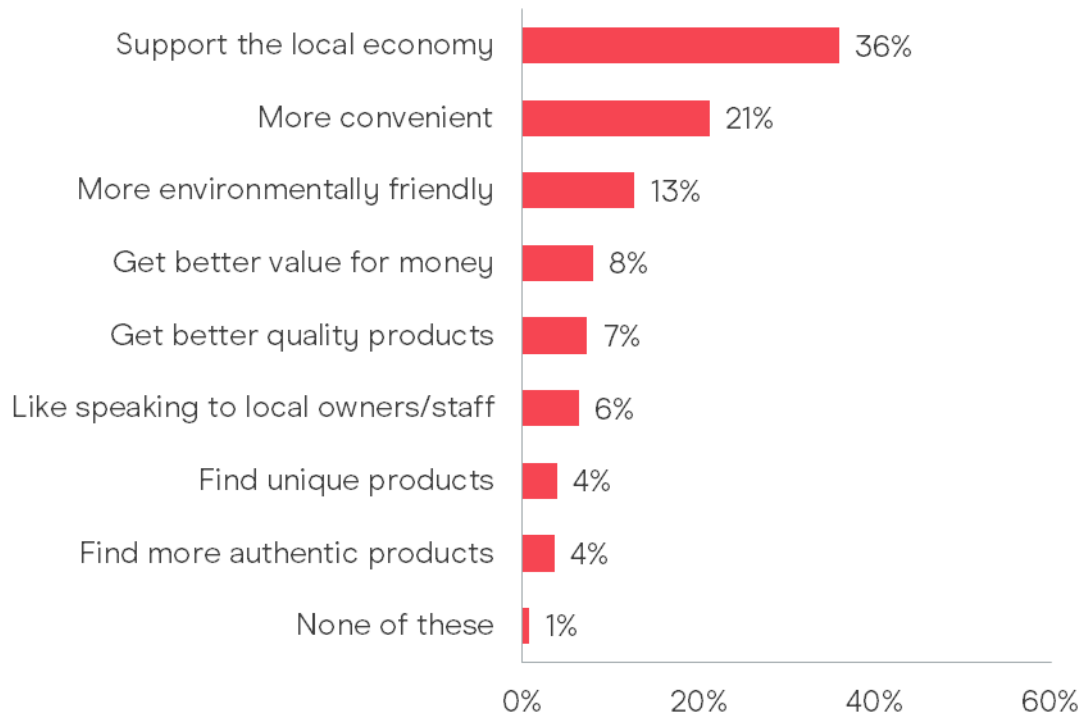
Following 18 months of intermittently living under lockdown, it is interesting to note the high level of interest in shopping locally. Indeed, almost six in 10 UK consumers claim they try and shop locally as much as possible. This rises to over two-thirds among consumers aged 65+ and only falls below a majority of consumers among those aged 16-24 (at 46%).

How much do you agree or disagree with the following: "I try to shop locally as much as possible"? (Net agree)



As UK consumers have spent more time in their local communities, combined with a clear awareness of the support needed for local businesses during the pandemic, the data shows a renewed sense of local preference when it comes to brand choice. In fact, supporting the local economy is by far the most common reason why people choose to shop locally, followed by the convenience of local shopping and the belief that it is more environmentally friendly.

What is the main reason why you try to shop locally as much as possible? (Those who agree/strongly agree they shop locally as much as possible)



#### Key takeaway

Support for local businesses is translating into new shopping behaviours where many consumers in the UK will look to engage with local brands or brands whose offering has a local touch. For example, via the selling of locally made products or supporting local businesses through commercial partnerships or CSR initiatives.

# / Acknowledgements

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- Lisa Benson, Serpentine galleries
- Scott Logie, REaD Group

# / Methodology

The 'Customer Engagement: Acquisition and the Consumer Mindset' report is a study undertaken by the DMA, in partnership with dotdigital, Merkle, Foresight Factory and the DMA's Customer Engagement Committee.

The research was conducted in August 2021 via an online survey of 2,000 respondents (nationally representative of GB adults). The data was collected by Foresight Factory, then analysed by the DMA Insight teams and Foresight Factory. The report was written and designed by the DMA Insight department and in-house design team in partnership with Foresight Factory.

The survey consisted of a maximum of 45 questions. These questions were reviewed by the DMA, Foresight Factory, and the Research Hub of the DMA Customer Engagement Committee to ensure relevance to the current state of the industry. Unless referenced, all data included in this report is taken from this survey.

If you have any questions about the methodology used in the report, you can contact the DMA's research team via email: [research@dma.org.uk](mailto:research@dma.org.uk).

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