

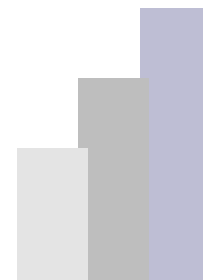
## 'What the Customer Wants' Survey 2009

Independent research conducted on behalf of:



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## Executive Summary

Online customer engagement has become one of the hottest topics of the year for marketing departments of all businesses, while social media and Web 2.0 tools have been heralded as the gateway for attracting and retaining customers – the holy grail of successful business.

Yet online marketing strategies and techniques still seem to be falling short of consumer expectations. And it's not hard to understand why. It is no secret that retailers, such as Tesco and Boots, have led the UK market in monitoring customer preferences through their respective loyalty schemes and then using this data to target them with relevant offers. It has been over ten years since the Clubcard and Advantage Card were launched and, in this time, these retail giants have built up profiles of their customers which rivals envy and the industry holds in high regard.

So it seems bizarre that businesses are not successfully replicating such proven marketing tactics online.

Furthermore, this survey indicates that the recession has inevitably led to more and more consumers feeling the pinch and are therefore shopping online to browse for the best deals. Coupled with this, consumers are increasingly internet-savvy and are embracing online personalisation. Previously worried and sceptical about companies tracking their online behaviour, internet users now demand convenience and relevancy – customer loyalty schemes, particularly those that offer discounts based on their online shopping habits are prime examples of this. This therefore highlights the necessity for personalisation and real-time offerings.

Ultimately, the consumer wants their shopping experience to be as easy and relevant as possible. Businesses providing this will therefore encourage visitors to convert to being customers and improve stickiness. It's time the online world got it right.

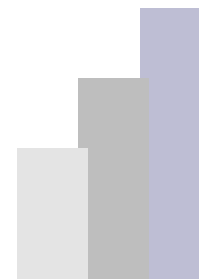
Performing 1,000 online interviews with UK shoppers in Autumn 2009, the SDL Tridion 'What the Customer Wants' Survey provides insights to better understand consumer behaviour in this most pervasive of markets.

### Methodology

*The SDL Tridion 'What the Customer Wants' Survey comprised 1,000 online interviews undertaken with UK consumers. Conducted during Autumn 2009, the survey provided an opportunity to capture and explore consumer attitudes to how businesses engage with them online, what they want from their online experience and what impact the recession has had on online shopping habits.*

*Respondents were drawn from UK regions (excluding Northern Ireland), including Greater London (16%), Wales (13%), the Midlands (16%) and Scotland (9%). The ratio of male-to-female respondents was 50%: 50%, and the average sample age was 40 years.*

*The research was conducted by Loudhouse Research, an independent consultancy based in the UK.*



## Recession boosts online shopping

### Bargain hunters

The SDL Tridion 'What the Customer Wants' research indicates that as penny-pinching becomes the 'norm', naturally the appetite to find the best deal has been heightened. Many consumers want to take advantage of the cheapest price available, and the economic situation has made this trend a necessity for some. Businesses have to sit up and take notice that their 'online face' to their target audience is not just a point of reference, but a critical revenue stream that could turn a visitor on or off.

The current generation of consumers is increasingly fickle and will not be so easily swayed by a label or brand reputation. Previously, research was done online before the shopping was then done on the high street. With 31% of internet users now shopping more online than they did before the recession, and 51% continuing their current online shopping habits, SDL Tridion's research shows that e-tailing has never been more popular. Never has the website been such a critical component in a company's commercial strategy.

### Web 2.0

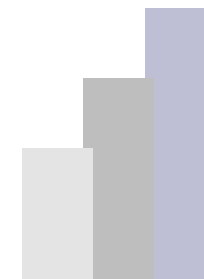
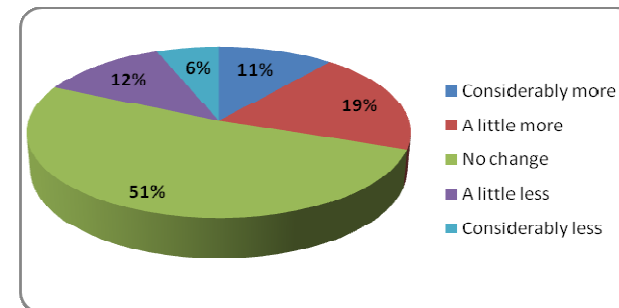
Shopping more online is most evident in parents with under 18s living at home (44%) compared to just 25% of those who do not have children living at home. With under 18s and society at large embracing social media, the communication channels available through Web 2.0 tools (such as forums, blogs, customer communities and online interactive environments) have given rise to remarkable levels of user involvement and user-generated content.

A new web economy has evolved, where content is transformed into passionate customer activity, rather than passive browsing behaviour.

### Differentiation

But to convert a visitor into a customer, personalisation and relevance of content will enable businesses to differentiate themselves in an increasingly competitive landscape by offering a more convenient and slick online experience.

Q: In light of the current economic recession, how have your online shopping habits changed – are you doing it more or less?



## Loyalty schemes: stick or twist?

### Know your customer

The age-old tenet of business – know your customer – has stood the test of time and has never been more important than it is now. There is an increasingly competitive, and crowded, market place for businesses of all sizes, in all sectors.

It is widely recognised that capturing, monitoring and managing customer information correctly can be one of the most effective aids to strategic decision-making. With the widespread adoption of internet-based technologies we have witnessed an explosion in the number of customer channels and touch points. This has in no small measure resulted in a huge growth in the amount of data businesses can collect regarding customers and their behaviour.

The likes of Tesco and Boots are experts at this in the offline world. Isn't it about time the online marketing world caught up with its sophisticated forerunner to customer engagement?

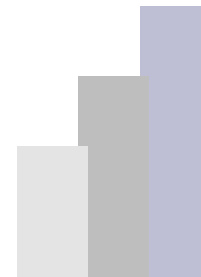
### Loyalty pays

The survey highlights that when browsing content or shopping online, three quarters of internet users (74%) value customer loyalty schemes that offer discounts based on their personal shopping habits more highly than other features. Consumer thirst for a bargain during the downturn continues unabated and is also evidenced by Hitwise reporting that internet searches for discount vouchers have increased by 47.5% over the last 12 months.

Almost all businesses engage in tracking and monitoring their customers' activity to varying degrees and will have customer data in some form or another. But all too frequently, this data sits in silos, relating to separate aspects of customer behaviour and not providing the complete picture.

### Big Brother benefits

Contrary to popular believe, internet users do not consider businesses that track their online behaviour and shopping habits to be spying on them. With three-quarters of respondents valuing customer loyalty schemes that offer discounts based on their personal shopping habits more highly than other features, retailers have a green light to monitor, track, profile and engage. Whatever the reality, these figures clearly show that, so far as customer loyalty schemes are concerned, internet users want Big Brother to watch them, and reward them accordingly.



## Personalisation of websites

### Are you talking to me?

Take a look through your email inbox at the marketing communications you have received lately and at websites you visit regularly. How many of them are personalised to your needs and interests? Have they gone beyond simply adding your name or suggesting recommended purchases based on what someone else may have bought? It would appear that businesses are still transfixed with driving traffic to the site and are not personalising at all, which renders their marketing efforts somewhat akin to spam in tone, relevance and success.

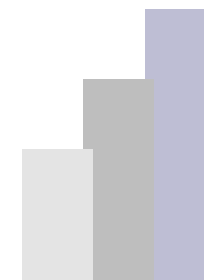
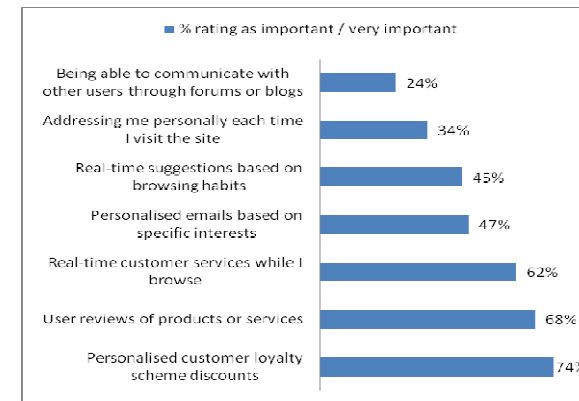
### 1 out of 3 consumers said...

Against a backdrop of consumer bargain hunting, how does the personalisation of websites fit in, and does it even register on the internet user's radar? One in three internet users think it is important that they are personally addressed when visiting a website (34%). Furthermore, with a quarter seeing value in being able to communicate with users through forums or blogs (24%), the popularity of social networking sites particularly amongst the under 25s means that the opportunity to communicate online with other brand users is most attractive to this age group (35%).

### Convert the traffic

Up until now, marketers' attention has been on attracting customers to the site. This focus must shift to include conversion, or risk losing significant market share. Take the purchase of a family holiday, for example. We know from our customers in the hospitality sector that visitors will actively think about buying a particular holiday for around 7 days and, during this time, they will visit the website on multiple occasions. If you treat these repeat visitors the same every time they view the website, you're not helping them toward taking the decision and, ultimately, buying the holiday. Use the collected visitor behaviour information to treat them differently each time by adding value and you can take control of the marketing funnel to actively drive visitors onto action and conversion. This is ultimately what personalisation is about.

Q: When using a company's website to browse content or shop online, how important are the following features?



## Sophistication up, tolerance down

### Relevancy is key

Although there is a place for the friendliness and politeness conveyed by a personal greeting, the usefulness of signposting products that may be of interest and that will in turn hopefully save said internet user time and perhaps money, are held in far greater regard. Almost half of internet users think it is important that websites email them with updates on products or services that cater to their specific preferences or interests (47%) and a similar proportion (45%) would like to see suggestions for other products or services of interest while they are browsing.

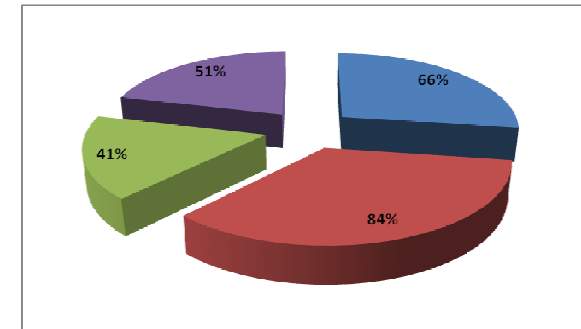
Internet user sophistication is clearly on the rise and with it there is far less tolerance for unsolicited information and more desire for genuinely useful applications. Specifically, 84% of internet users say they would be less likely to visit websites that hit them with unwanted information like pop-ups and emails. In 2009, two thirds (66%) of internet users expect to view content specific to their interests and needs.

Furthermore, 41% say that they would be more inclined to shop online with a vendor that allowed them to create a personal shopping profile that stored information on browsing habits and purchases.

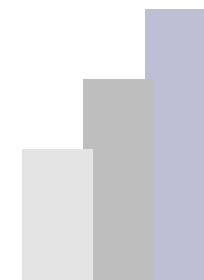
### Branding impact

The importance of brand consistency across platforms is increasingly important. 30% of internet users consider consistency to be important, expressing dissatisfaction with the inconsistent look and feel of company websites, emails, blogs and forums. Interestingly, consistency is much more important to those aged 18-24 (42%), its importance diminishing with age (only 24% of those aged 45-54 years old consider it important) as value becomes a key consideration compared to the younger 'brand animals'.

Q: For the following statements, please rate your level of agreement...



Key:
When I visit a website, I expect to view content specific to my interests and needs
I am less likely to visit websites that hit me with unwanted information like pop ups and emails
I would be more inclined to shop online with a vendor that allowed me to create a personal shopping profile that stored information on my browsing habits and purchases
My decision of where to shop online would be swayed by whether a vendor offered a customer loyalty scheme



## Conclusion

### Savvy consumers want Big Brother benefits

Unquestionably the recession has prompted consumers to shop online to find the best deals and save money. What is refreshing, however, is how much more sophisticated they are with their online usage – they understand the benefits of having their behaviour tracked and profiled and welcome customer loyalty schemes that reward their personal shopping habits with discounts individually tailored. Consumers no longer see personalisation as a threat to their personal privacy, but as a way of deriving convenience and saving time, as well as money.

Online businesses need to sit up and take notice. Organisations in the current climate are fighting to hold on to their customers – enriching the customer database to enable better communication with their target audience in a highly personalised manner will help build a relationship by understanding the prospective customer's preferences and interests. It's the tenet of all business – know your customer. In the online world, this means personalisation, relevancy and real-time offers.

A unified marketing strategy, running on a platform that enables customer interaction and data to be captured, can help a business interact with customers in real-time. Relevant special offers and promotions can be displayed while customers are on your website searching for specific items, all driven by their online behaviour – products or peer reviews they have viewed, for example.

This is what the customer wants.

#### Key highlights from the research include:

- *The recession has prompted 30% of internet users to shop online more often than they did previously*
- *When browsing content or shopping online, three quarters of internet users (74%) value customer loyalty schemes that offer discounts based on their personal shopping habits more highly than other features*
- *51% of internet users say that their decision of where to shop online would be swayed by a vendor offering a customer loyalty scheme*
- *Almost half of internet users think it is important that websites email them with updates on products or services that cater to their specific preferences or interests (47%) and a similar proportion (45%) would like to see suggestions for other products or services of interest whilst they are browsing*
- *84% of internet users say they would be less likely to visit websites that hit them with unsolicited and unwanted information like pop-ups and emails*
- *In 2009, two thirds (66%) of internet users expect to view content specific to their interests and needs. Furthermore, 41% say that they would be more inclined to shop online with a vendor that allowed them to create a personal shopping profile that stored information on browsing habits and purchases*
- *30% of internet users consider consistency to be important, expressing dissatisfaction with the inconsistent look and feel of company websites, emails, blogs and forums*