

Deloitte.

The Deloitte
Consumer Review
Made-to-order: The rise
of mass personalisation



Foreword

Welcome to the 11th edition of the Deloitte Consumer Review. This latest edition focuses on the growth of personalisation. While personalisation is at the heart of serving consumers in many niche businesses, mass personalisation is finally becoming a reality. Businesses have not only developed the capabilities to measure specifically what each individual consumer wants, they are now also in a position to link their processes and resources to provide it.

In this report we explore consumer attitudes and behaviours to personalisation and how businesses are adapting their operations to respond. We look at the enablers from a technology perspective and how processes are changing to offer cost-efficient personalisation at scale. We also consider how demand for personalisation runs counter to the dominant model of providing high-volume products or services through mass distribution or generic service suppliers, and how some product categories and services are better positioned to offer more customised offerings than others.

We hope this report gives you the insight and data to enhance your understanding of the opportunities and challenges in your sector, and welcome your feedback.



Nigel Wixcey

Lead Partner, Consumer Business
Deloitte LLP

Executive summary

Empowered by social networks and their digital devices, consumers are increasingly dictating what they want, when and where they want it. They have become both critics and creators, demanding a more personalised service and expecting to be given the opportunity to shape the products and services they consume. Deloitte research shows that in some categories more than 50 per cent of consumers expressed interest in purchasing customised products or services. Moreover, not only would the majority of consumers be willing to pay more for a customised product or service, they would also like to be actively involved in the process.

In the future, businesses that do not incorporate an element of personalisation into their offering risk losing revenue and customer loyalty. However for many businesses, demand for personalisation runs counter to the dominant model of providing high-volume products or services through mass distribution or generic service suppliers. The move from mass production to mass personalisation can have big cost implications, so there must be a net benefit to the business to pursue this model. The challenge is to determine how many options are necessary for a product or a service to feel unique while still being profitable.

Mass personalisation is finally becoming a reality. Businesses have not only developed the capabilities to measure specifically what each individual consumer wants, they are now also in a position to link their processes and resources to provide it. This has been made possible by advances in manufacturing and distribution technologies. For example flexible manufacturing and 3D printing enable mass personalisation at lower costs and allow manufacturers to rethink their supply chains radically. Businesses are now postponing production until the latest point possible to allow individual customisation. Beyond the ability to provide more customised products, postponing production in this way can help reduce inventory levels and ultimately increase plant efficiency.

Besides investing in the technologies to deliver customised products, businesses also need to consider their analytics capabilities. The growing use of analytics means that product and service providers are getting better at knowing what consumers want – and do not want – and are adapting their operations to respond accordingly. Depending on the degree of personalisation offered, analytics tools are critical in matching the right consumer to the right outcome.

Delivering personalised products and experiences can provide benefits for both the business and the consumer. Offering mass personalisation gives businesses the opportunity to demonstrate the value consumers get from their personal data being used. At the same time businesses gain deeper insight into consumer behaviour. It also allows businesses to simplify their product and service range which means lower marketing and production costs while creating more predictable demand. In addition it makes it easier for consumers to understand the offer while getting better value for money.

Offering personalisation might require a rethink of business operations including adapting strategy and operating models and changing core processes such as manufacturing, distribution, marketing and customer service. Introducing an element of design and co-creation will also impact the talent strategy and will require a new data governance process that gives consumers control over how their data is used.

Businesses that embrace personalisation have an opportunity to create a differentiated proposition that may command a price premium, and improve consumer traffic and conversion. Personalisation could also help improve efficiency and reduce costs, and offer a path to sustainable growth.

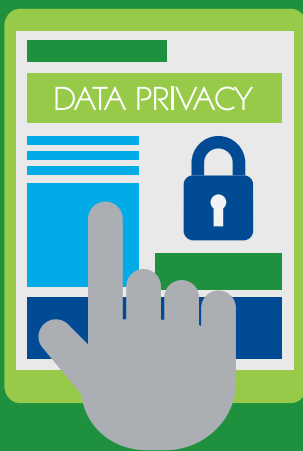


Price isn't the barrier

1 in 5 consumers who expressed an interest in personalised products or services are **willing to pay a 20% premium.**

Where would you even start?

42% of consumers who are interested in customised products or services would still rather be **led by brands** and choose from a selection of options.



The great data exchange

22% of consumers are **happy to share some data** in return for a more personalised customer service or product.

Self-expression at every age

The **over 55s** are more likely to buy a **personalised holiday** than the 16-24s.



Up close and personal: The future of consumer engagement

In the era of all things digital, consumers have higher expectations: they want their interactions with businesses and the products and services they buy from them to be personalised.

Personalisation rose to prominence with the advent of digital, and modern manufacturing processes and technology. Businesses have not only developed the capabilities to measure specifically what each individual consumer wants, they can now also link their processes and resources to provide it. However, the origins of personalisation go back much further to before the Industrial Revolution when, in the absence of factories or mass production, everything was personalised. From the end of World War II to the 1960s, the focus moved to the globalisation of consumer brands and economies of scale in manufacturing. This saw the rise of mass market products and mass consumerism. While the former focused on mass-produced, homogenised and mass-marketed goods, the latter was the natural response to the former, i.e. a society where the majority enjoys the benefits of increased productivity and constantly expands the range of goods they consume. But that focus started to shift between the 1960s and the 1980s, when the individual became all important.¹

The definition of 'personalisation' continues to change. For some time personalisation signified exclusivity: personalised products were status symbols, a way of making consumers feel special, enabling them to stand out from the crowd. While exclusivity has traditionally been expensive, rapid developments in technology have now made personalised communications, products and services more affordable and accessible. Today, consumers are able to put their own mark on a product, perhaps by selecting a specific flavour of crisps or by being part of the marketing campaign through user-generated content.

From personalised marketing to personalised experience

Businesses started to personalise marketing communications by using consumer segmentation and data about consumer behaviours in an effort to target them better. This was first done in the form of direct communication through the post. With the emergence of the internet, consumers started browsing the web to find out more about products and services, and in the process businesses started to collate more personal information

about their consumers including their email addresses and phone numbers. As a result businesses started to contact their consumers via emails or texts instead of using the post. When consumers started to buy goods online, they shared not only more of their personal information but also their purchasing history. Digital marketing and e-commerce offered businesses advantages over shopping in traditional bricks-and-mortar channels, including the ability to target consumers with personalised offers based on their online shopping and browsing data.

In recent years, businesses have invested heavily in developing advanced marketing capabilities. These include personalising email, social media communications and campaigns, geographical personalisation, Internet Protocol (IP) address customisation, account customisation and related content personalisation (see adjacent box). While these investments have helped to achieve improved response rates from consumers, there is still more that can be done to capture a consumer's attention and increase his or her spending and loyalty.

With the advent of social media, personalised communication moved from businesses 'pushing' content towards consumers to consumers 'pulling' content themselves. Consumers started to become content creators and curators. The rapid growth of social curation communities like Pinterest, where consumers curate their own collections of products, provides businesses with access to deeper insights in near real time, something that traditional market research simply could not compete with.

These new channels created an explosion of data which meant managing that data became more complex. The priority for many businesses was to connect the dots between multiple platforms and devices so that a more comprehensive view of their consumer profiles could be developed. The single view of the consumer through all the different touch points he or she has with a business allows that business to personalise the shopping experience further.

Be relevant or be forgotten

The digital era has also handed additional power to the consumer, including more choice and increased access to information. Empowered by social networks and their digital devices, consumers are increasingly dictating what they want, when and where they want it. They have become both critics and creators, demanding a more personalised service and expecting to be given the opportunity to shape the products and services they consume.

As the competition for consumers' attention intensifies, it has never been more difficult for businesses to engage with their consumers. This is in part due to the overwhelming number of unsolicited messages consumers receive which could ultimately result in damage to the brand.

Different degrees of marketing personalisation**Email and social media personalisation**

In this context consumers tend to identify themselves to a business by signing up for some form of notification such as a newsletter or following the business on social media. As a result they will provide information about themselves and their preferences. This allows targeted communication using segmentation based on the data the consumer provided. For example this might occur through targeted email campaigns or Facebook advertising.

**Campaign personalisation**

Campaign personalisation describes website content personalised to support online and offline campaigns. This typically involves the creation of a custom landing page to support the campaign. These pages would include a call to action such as making a donation or signing up for an event.

**Geographical personalisation**

Geographical personalisation customises content based on the consumer's geographical location. For example, users from the UK landing on a US website might be redirected to a page specifically designed for a UK audience. Another example is geolocation where a device such as a beacon picks up signals sent by mobile phones, allowing a store to track consumers' movements both within and outside a store. The technology can also send consumers geo-located messages about special offers, unique offers, or discounts at shops close-by.

**Internet Protocol address customisation**

IP customisation attempts to identify the user through their IP address. Knowing where a user comes from allows the customisation of content to reflect their needs. Typically this might involve changing homepage content to provide quick links to content of specific interest to that consumer.

**Account customisation**

The most common form of personalisation is when consumers can personalise content once they have created an account. By logging in the consumer identifies himself and so content can then be tailored around his needs. This typically involves adding or removing content and customising quick links to content they regularly access. It is possible to do account customisation without a consumer logging in by relying on cookies.

**Related content personalisation**

Related content personalisation is used by Amazon. It refers to recommendations based on what content a consumer has previously viewed and the behaviour of other consumers.

According to a recent survey, three in four consumers said they receive too many emails from brands, and one-fifth said they could not handle the current volume. As a result over half of consumers are avoiding brands that contact them with poorly targeted communications and 69 per cent have 'unfollowed' brands on social media, closed their accounts or cancelled subscriptions. Another 59 per cent have been forced to block numbers to curb nuisance texts and calls. Only one in five of those surveyed said they received very relevant information from supermarket brands, while even fewer said the same about communications from banks (13 per cent), food and drink brands (11 per cent) or technology brands (12 per cent).²

In an era where a consumer's attention span is declining rapidly, seemingly in inverse proportion to the amount of information he or she is exposed to, developing the ability to offer consumers relevance is critical. When the right content is offered at the right time to the right consumer, he or she is likely to respond positively and is more likely to want to repeat the experience. Well-executed personalisation can deliver five to eight times the return on investment on marketing spend and lift sales by ten per cent or more.³

Many businesses could take their current personalisation activities a step further. Depending on the maturity and depth of their consumer data, the more mature businesses will want to combine contextual data from unstructured data sources, such as social media or other behavioural data, with existing personal consumer data to engage with consumers in the most relevant way possible, and ideally in real time. Other businesses, whose data collection is less advanced, could start with simply creating a unique customer ID across their separate repositories of transactional data allowing them to track and measure an individual's purchasing journey better.

Businesses need to do more to convince consumers to part with their data. Our research shows that only one in five consumers is happy for businesses to use their personal information to offer them more personalised products or services. Among the 16 to 24 year olds this goes up to more than one in four (see Appendix, Figure 6).

Our research shows that only **one in five consumers** is happy for businesses to use their personal information to offer them more personalised products or services.



Among the 16 to 24 year olds this goes up to **more than one in four**

Given how consumers' trust is highly correlated with loyalty and advocacy, nurturing that trust is very important. To grow and retain consumers' trust, businesses need to demonstrate that the data consumers share with them is used to serve them better by offering them more relevant and tailored products or services. Businesses also need to reassure consumers that they take consumer data privacy seriously and that they have the governance in place to protect it.

From personalised experience to customisation of products and services

As systems become integrated and share a single view of the consumer across different channels and platforms, personalisation is moving out of the digital space into the physical world. A business is now able to follow a consumer's journey not solely through his or her digital footprint, but also through his or her face-to-face interactions with the business. A year ago, only 21 per cent of businesses had a complete view of each consumer's behaviour across all channels, or a single customer view (SCV), but many are catching up and 57 per cent expect to achieve this capability within the next year.⁴

Consumer technologies such as smartphones and tablets have also played a key role in businesses engaging more personally with consumers beyond the digital space. For example, consumers use their devices while on the move and in particular while in the store. The long-held dream of being able to target shoppers in real time, with relevant and personalised location-based offers took a big step forward with the launch of technologies such as beacons which allow precise, low-cost indoor tracking in stores. Each of these steps, from targeted communications to personalised experiences, are slowly moving businesses closer to offering mass personalisation of products and services.

As society becomes more affluent, the demand for personalised products and services will continue to increase as manufacturers seek to satisfy consumers. Deloitte research shows that the demand for personalisation is there: in some categories more than 50 per cent of consumers expressed interest in purchasing personalised products or services and half said they were willing to wait longer for a personalised product or service. The majority of consumers would also be willing to pay more, particularly in the more expensive or fashion related categories (see Appendix, Figures 3 & 7).

On average **36 per cent** of consumers expressed an interest in purchasing personalised products or services



48 per cent said they were **willing to wait longer** for a personalised product or service.

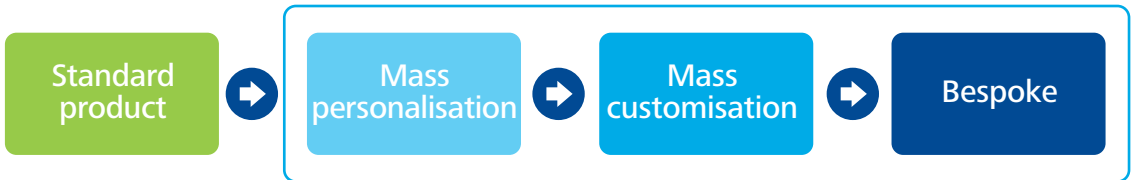
In our view there are three distinct degrees of product and service personalisation:

Mass personalisation: Products are mass produced but can be modified by the business to meet consumer preferences identified through existing data about the individual. This process does not involve any input from the consumer besides allowing the use of their purchasing or profile data. A perfect example is Amazon's personalised recommendations that display as pop ups showing suggestions of purchases consumers might like to make based on their previous purchase history.

Mass customisation: Products are mass produced but the consumer is offered some limited options to customise the product or service. For example Dell gives consumers the option to customise the computer they order.

Bespoke: The consumer is involved from the beginning to the end of the process to create a unique product or service. An example is A Suit That Fits, a suit tailoring business, which simplified tailoring to offer the experience of a local tailor more widely. Since they started, the business has created over 50,000 bespoke garments and has 34 studios, across the UK, Ireland and the US.

Personalisation of products and services



New business models

While bespoke or custom-made products have existed since the Industrial Revolution, for example in the automotive, niche and luxury sectors, more recently new business models have embraced customisation and are offering it across a wider set of categories and at more affordable prices. Gift products are often seen as suitable for personalisation. Deloitte research shows that one in two consumers feels that customised products can make great gifts. Moonpig, which built a successful greeting cards business and has since expanded into other areas, is a good example. Its online, template-driven offering keeps the cost of personalisation comparatively low, while making the product more attractive and relevant to consumers.

Case study – Absolut vodka

The vodka brand Absolut took an inventive step towards personalised packaging with Absolut Unique by producing four million bottles, each with a slightly different design. This was achieved by re-engineering its production plant so that splash guns and colour-generating machines could coat the bottles in a nearly endless sequence of combinations. This maintained Absolut's brand values while injecting variety into the design making each bottle unique.

Another example has been the launch of NikeiD. It brought together a brand popular with the millennials, with the ability to tailor a pair of trainers to the consumer's own design.

Traditional consumer goods businesses are beginning to provide customised offerings of their different ranges. For example, from pasta to soft drinks manufacturers are investing in personalised packaging. Whether this is true personalisation, it is certainly interesting to see brands experimenting with mass personalisation. Another example is Interflora which developed an online service where consumers can design their own bouquet by 'dragging and dropping' more than 70 flower and foliage options.

Case study – Kennedy City Bicycles

James Kennedy, the one-man operation behind Kennedy City Bicycles, builds made-to-order urban bikes from his London workshop while the design is done primarily by the consumer from the business's website.

Without a physical retail store for consumers to visit, Kennedy focuses his attention on creating a completely seamless online experience from personalisation to purchase. Consumers go through a 'decision tree' from the beginning, helping to immerse them in the experience of creating the product. When asked whether the business needed a physical space, Kennedy explained that he engages a slightly younger generation for whom online is familiar. This model is flexible enough for Kennedy City Bicycles to operate as a retailer.⁵

Made-to-order: Investing in the right capabilities to move from mass production to mass personalisation

Innovations and technologies, such as digital commerce and content, artificial intelligence and 3D printing, are all making personalised product and service offerings more cost efficient.

Enabling personalisation

Beyond enticing the right consumer with the right content, Deloitte research shows that there is also real consumer appetite for more personalisation of products and services. However, the number of consumers purchasing personalised products or services remains low with only one in six having ever purchased any (see Appendix, Figure 2). The challenge for consumer businesses is how to convert consumer interest in customised products and services into profitable sales.

The merging of offline products with online platforms means consumers can now co-create and truly take part in the manufacturing process. For example, Apple's off-the-shelf devices can be highly customised after purchase, either in the digital world by downloading apps or in the physical world by choosing a different cover or colour for the phone.

This has been made possible by advances in manufacturing and distribution technologies. For example, flexible manufacturing and 3D printing enable mass customisation at lower costs and allow manufacturers to rethink their supply chains radically. Businesses are now postponing production until the latest point possible to allow individual customisation. Beyond the ability to provide more customised products, postponing production in this way can help reduce inventory levels and ultimately increase plant efficiency.

Manufacturing solutions that can be combined with a digital design tool are driving the dramatic increase in mass customisation of products and services. For example Argos, the retailer, is running a 3D printing trial that lets shoppers customise jewellery. A dedicated site allows consumers to design and order a range of 3D-printed bangles, rings, earrings and pendants.⁶

Besides investing in the technologies to deliver customised products, businesses also need to consider their analytics capabilities. The growing use of analytics means that product and service providers are getting better at knowing what consumers want – and do not want – and are adapting their operations to respond accordingly. Depending on the degree of personalisation offered, analytics tools are critical in matching the right consumer to the right outcome. True personalisation requires businesses to rethink their consumer engagement and segmentation approaches. This requires the mining of data collated from multiple consumer touch points. Businesses have access to a multitude of tools which collectively provide much richer insight on consumer behaviours. These include their customer relationship management systems (CRM), the amount of data collated through cookies on websites or loyalty schemes in-store.

However, businesses need to do more to demonstrate the value they are offering consumers from gathering data about their interactions with them. Our research shows that two-thirds of consumers (66 per cent) are concerned about the amount of information businesses hold about them, and currently only one in five (22 per cent) is happy for businesses to use their information to offer them personalised products or services (see Appendix, Figure 6). Therefore, the vital component in any successful personalisation initiative must be trust, both in the way that personal data is handled and in the motivations for its use. There are three core building blocks required to achieve this: transparency, personalised benefits and control.⁷

Managing the personalisation process

The move from mass production to mass customisation can have big cost implications, so there must be a net benefit to the business to pursue this model. The challenge is to determine how many options are necessary for a product or a service to feel unique. Because consumer interaction can be costly and time-consuming, some businesses do not invest in developing personalisation capabilities. However, as the pressure for profits grows, businesses will need to collaborate increasingly with their consumers. Otherwise they run the risk of lost sales, missed innovation opportunities and excessive inventory.

There is a clear case for businesses to develop customised product and service options that improve the experience for consumers and engage them in a dialogue. With consumers prepared to pay a premium for a customised product or experience, it is more profitable for businesses to offer low volume products or one-off services.

There are a number of advantages for businesses offering mass customisation as highlighted in the following table.

Commercial and consumer benefits of adopting a personalisation process

Key criteria for successful personalisation	Consumer benefits	Commercial benefits
Demonstrate the value of using personal data	<ul style="list-style-type: none"> Personalised offers Personalised products and services 	<ul style="list-style-type: none"> Deeper insight into consumer behaviour and purchasing
Simplify the product or the service range	<ul style="list-style-type: none"> Easier to understand the offer Better value for money Improved availability 	<ul style="list-style-type: none"> Lower marketing spend due to reduced complexity Lower cost of production through scale Create more predictable demand Lower supply chain costs Better forecasting and business intelligence
Increase configurability (without increasing the number of products in the range)	<ul style="list-style-type: none"> More flexibility More likely to get the product they want 	<ul style="list-style-type: none"> Differentiated product offers Increase consumer loyalty and satisfaction
Invest in the right technologies e.g. design software, 3D printing, flexible manufacturing, new platforms and fulfilment solutions	<ul style="list-style-type: none"> Ease of customisation Better user experience 	<ul style="list-style-type: none"> Consumers trading up Enhance consumer loyalty

Source: Deloitte analysis

Delivering personalised experiences

Delivering personalised products and experiences can provide benefits for both the business and the consumer.

While businesses should benefit from increased conversion levels, consumers trading up and increased loyalty, the consumer receiving a personalised experience will feel more valued and recognised.

Our research has highlighted not only consumers' willingness to pay more for personalised products and services, but also their desire to be actively involved in this process (see Appendix - Figure 4). In the future, businesses that do not incorporate an element of personalisation into their offering risk losing revenue and customer loyalty.

For businesses that embrace personalisation, there is an opportunity to create a differentiated proposition that may command a price premium and improve consumer traffic and conversion. Personalisation could also help improve efficiency and reduce costs, offering a path to sustainable growth.

In some instances, offering personalisation may require a radical rethink of how the business operates. For example a business will need to consider how their strategy and operating model will need to adapt. Core processes such as manufacturing, distribution, marketing and customer service may also need to change to deliver a more personalised experience. Introducing an element of design and co-creation will require different skills and capabilities that will impact their talent strategy. The use of customer data for both personalised marketing and the development of customised products and services will require a new data governance process and framework that gives consumers control over how their data is used. Finally, offering personalisation will require an investment in technology both to facilitate the design and manufacture of customised products and the execution of personalised marketing campaigns.

Appendix: Consumer research findings

Appendix: Consumer research findings

Methodology

To understand consumer attitudes to personalisation better, Deloitte commissioned an online consumer survey carried out by an independent market research agency. The survey was conducted with a nationally representative sample of 1,560 adults aged 16 and over in England, Scotland and Wales.

Level of awareness and experience of personalisation

Beyond enticing the right consumer with the right content, Deloitte’s research shows that there is also real consumer appetite for more personalisation of products and services. Businesses are starting to realise the value of letting consumers create their own unique products or services.

The research also shows that while the majority of consumers are aware that customisation exists, only one in six on average (16 per cent) has ever purchased a customised product or service (see Figures 1 & 2).

Figure 1. Consumers’ awareness of product or service customisation by category

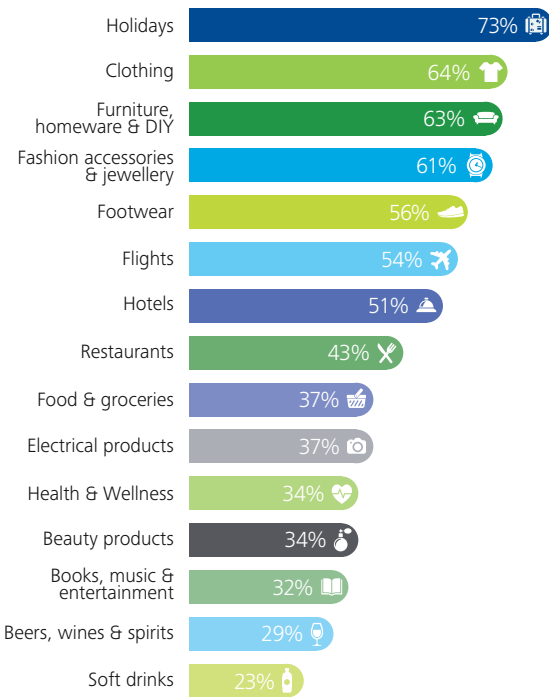
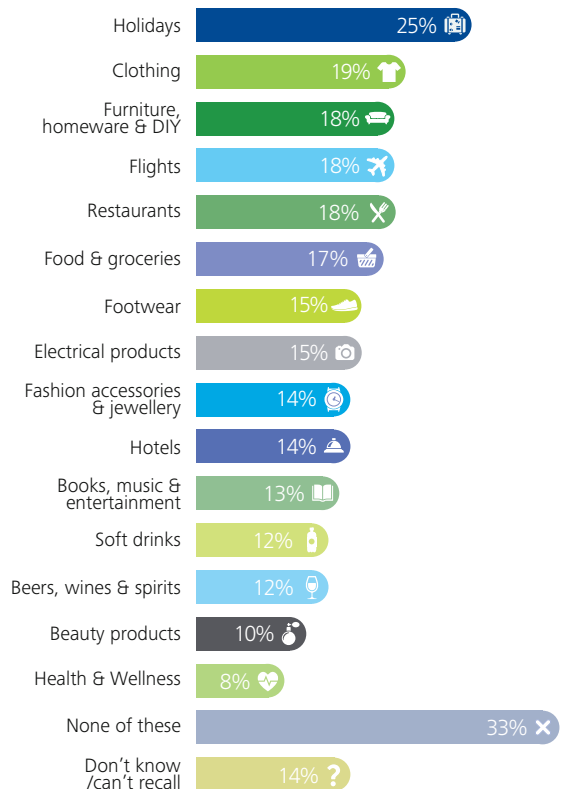


Figure 2. Consumers who have purchased a customised product or service in the past by category



Base: All GB adults 16+ (n=1,560)
Source: Deloitte research (June 2015)

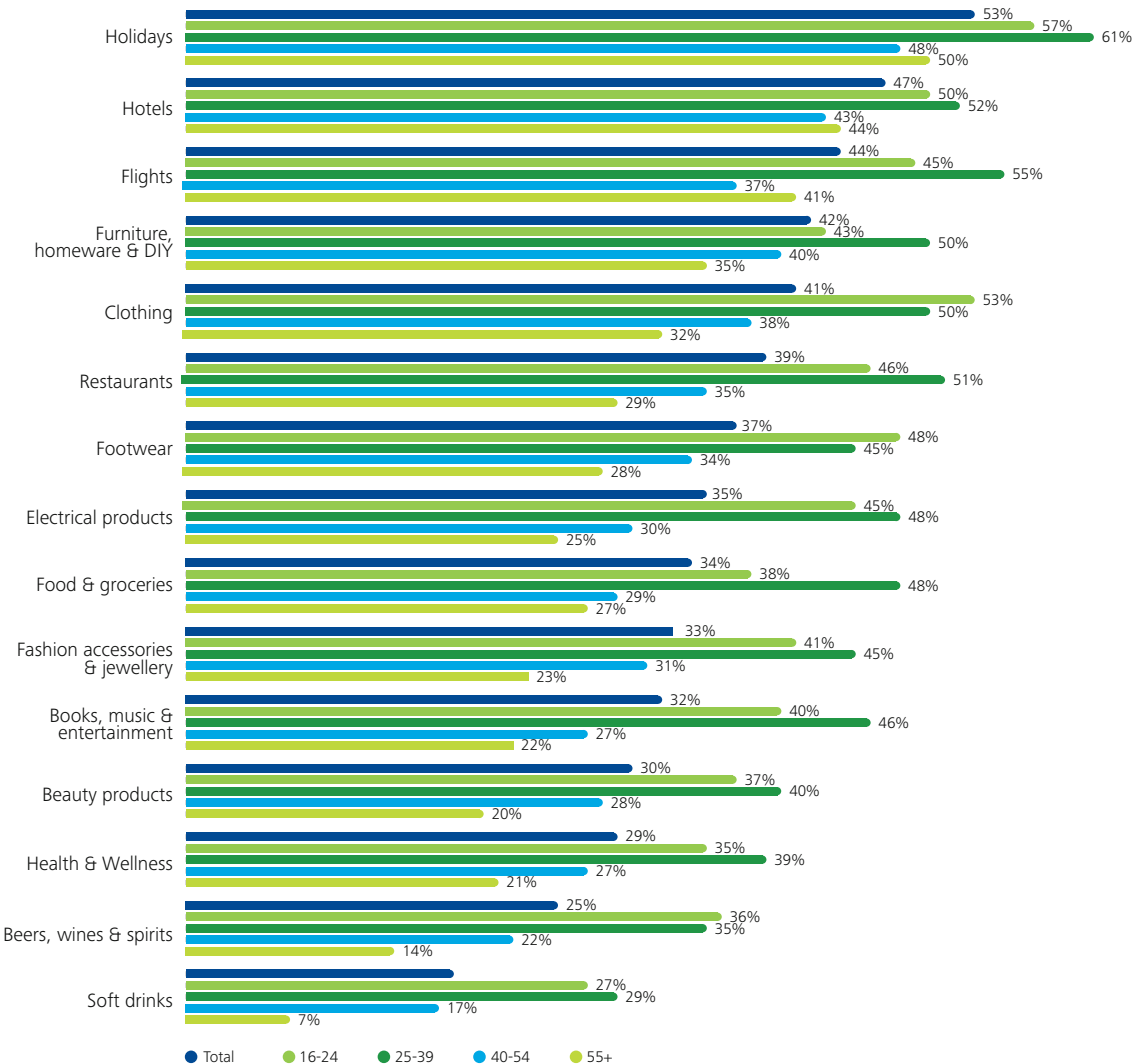
Base: All GB adults 16+ (n=1,560)
Source: Deloitte research (June 2015)

Level of interest for personalised products and services

While our analysis shows some clear distinctions in the level of interest between different categories, it is important to note that consumers’ opinions are based on what they have experienced. Products and services where there is less interest should not be considered less suited to personalisation but businesses could benefit from first-mover advantage by offering personalisation in those categories.

According to Deloitte research, entertainment and leisure categories such as holidays, hotels and flights, are the most popular for personalisation among consumers followed by big-ticket items such as furniture and homeware. Consumers aged 55+ are more likely to be interested in personalisation in these categories compared to the rest of the population. Clothing and footwear are also popular categories especially among the younger age groups. Preferences by age group tend to be correlated to life stages (see Figure 3).

Figure 3. Consumer interest in personalised products or services by categories and age groups



Base: GB consumers 16+ (n=1,560)
Source: Deloitte research (June 2015)

Different levels of personalisation by category

Deloitte research shows that some products and services offer better customisation opportunities for businesses than others. These are likely to be in categories where consumers can justify a price premium to achieve differentiation, such as luxury holidays, specialised food products (particularly those that meet special dietary requirements) or high-end fashion goods. In other categories, where the nature of the product or service is more commoditised, customisation will be more challenging from a manufacturing and cost structure perspective.

To obtain a better understanding of consumers' attitudes to personalisation, they were asked to rank different categories based on two measures. For the first measure, ranking was based on the consumer's preferred level of involvement in the personalisation process. The ranking criteria extended from 'active', where the consumer wants to play an active role in customising the product or service, to 'passive', where the consumer prefers the company to do the customising for them based on data the company already holds. For the second measure, categories were ranked by preferred degree of personalisation, from 'mass personalisation', where the consumer can choose to customise a product or a service from a limited selection of options, to 'bespoke', where the consumer receives an entirely custom-made product or service (see Figure 4).

Categories were then grouped according to the following criteria:

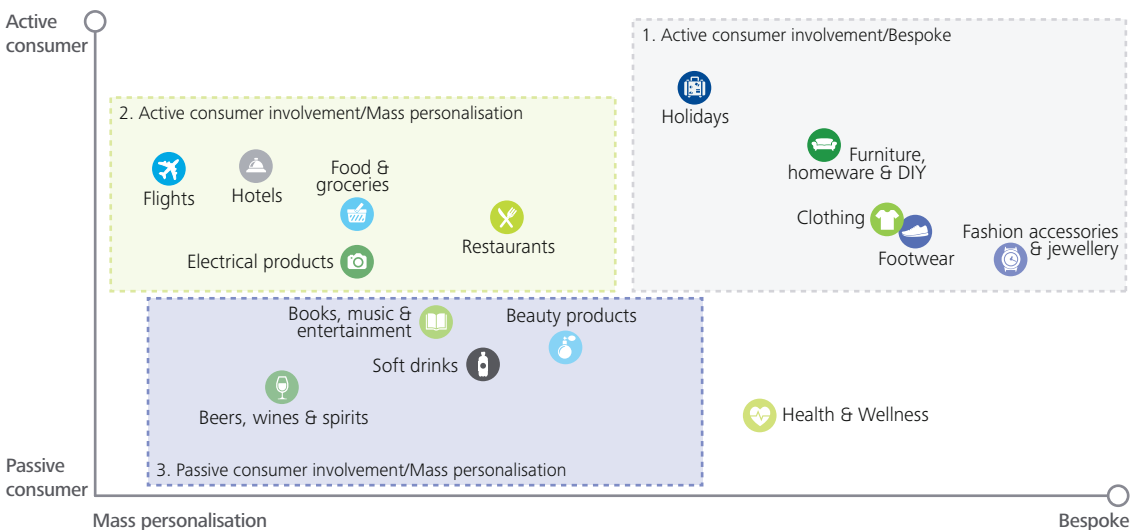
1. Bespoke with active consumer participation in the personalisation process
2. Mass customisation with active consumer participation in the personalisation process
3. Mass customisation with limited consumer participation in the personalisation process.

Deloitte analysis shows that consumers want to be actively contributing to the personalisation process in categories where the item is more expensive, such as holidays or furniture, or where they would like to add a personal touch such as in fashion accessories or clothing.

Categories where consumers want to play an active role, but are happy to choose from a set of more limited options, include flights, hotels or electrical goods where there is less room for personalisation.

Consumers are happy to play a less active role in categories that are more commoditised, such as soft or alcoholic drinks, although they would still like some level of personalisation. These are categories where businesses can use data they hold about their consumers to make recommendations or provide some more limited automated personalisation based on consumers' preferences or consumption habits.

Figure 4. Demand for personalisation: Level of involvement vs level of personalisation

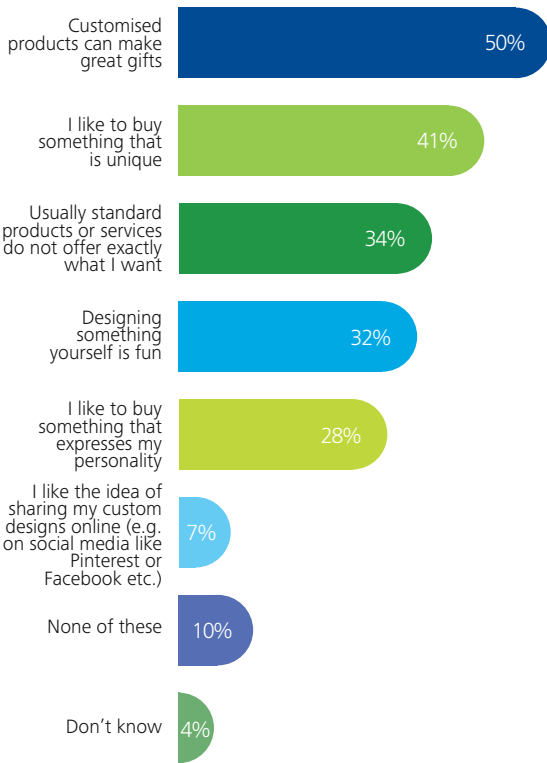


Base: All GB adults 16+ (n=1,560)
Source: Deloitte research (June 2015)

Attitudes to personalisation

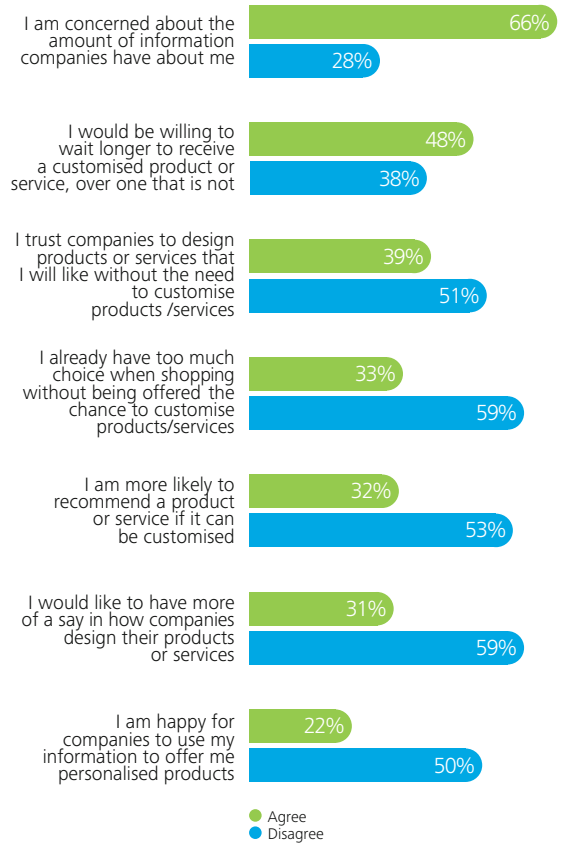
According to Deloitte’s research, one in three consumers who are interested in customisation (34 per cent) felt that standard products or services do not meet their expectations. Moreover, more than half of consumers (51 per cent) did not think businesses can design products or services that they would buy without the need to customise them first (see Figures 5 & 6).

Figure 5. Reasons why consumers want personalisation



Base: All GB adults 16+ interested in customised products and/or services
Source: Deloitte research (June 2015)

Figure 6. Attitudes to personalisation

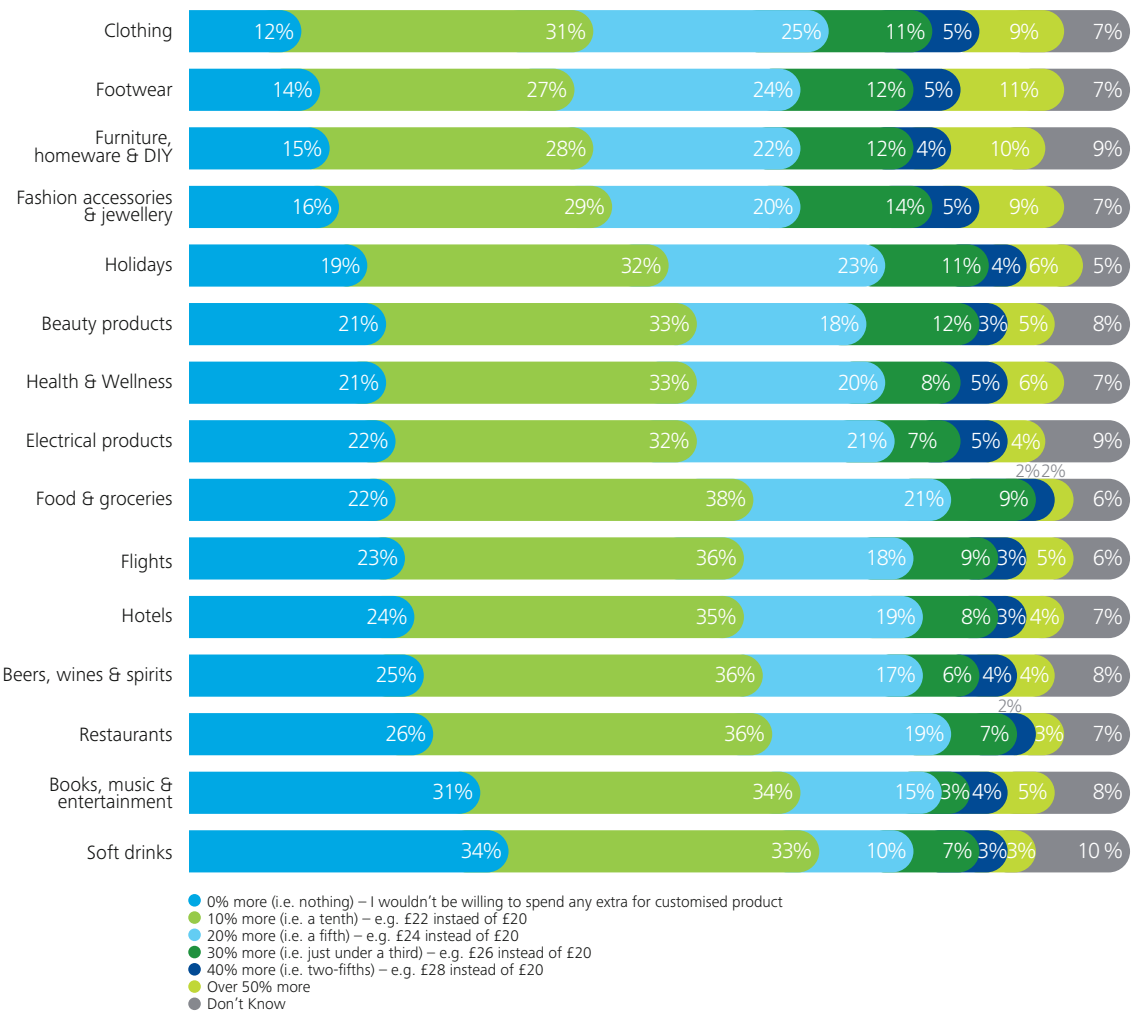


Base: All GB adults 16+ (n=1,560)
Source: Deloitte research (June 2015)

Upselling opportunities

Deloitte research shows that the demand for personalisation is there: in some categories more than 50 per cent of consumers expressed interest in purchasing customised products or services and half said they were willing to wait longer for a customised product or service. Moreover, the majority of consumers would be willing to pay more for a customised product or service, particularly in the more expensive or fashion related categories (see Figures 3 & 7).

Figure 7. The premium consumers are prepared to pay for a customised product or service by category



All GB adults 16+ interested in customised products and/or services
 Source: Deloitte research (June 2015)

Endnotes

1. Getting personal: how much further can the trend go? Marketing, October 2013.
See also: <http://www.marketingmagazine.co.uk/article/1214152/getting-personal-further-trend-go>
2. Irrelevant Marketing from Brands Gives Rise to the 'Deletist', AIMIA, March 2015. See also: Consumer' <https://www.aimia.com/en/media-center/news-releases/viewer.html/en/irrelevant-marketingfrombrands-givesrisetothe deletistconsumer>
3. Big Data, Analytics And The Future Of Marketing And Sales, Forbes, July 2013. See also: <http://www.forbes.com/sites/mckinsey/2013/07/22/big-data-analytics-and-the-future-of-marketing-sales/>
4. Marketing analytics becomes a priority, The Wise Marketer, July 2014. See also: <http://www.thewisemarketer.com/news/read.asp?lc=v12637hx4279zv>
5. One-Man Manufacturer Explains Why Personalization is Key to Small Business, PSFK, June 2015.
See also: http://www.psfk.com/2015/06/independent-retail-sol-local-heroes-campaign-kennedy-city-bicycles.html?utm_source=PSFK+Newsletter&utm_campaign=7bb290e8ee-Retail%3A+%2A%7CRSSITEM%3ADATE%7C%2AGutm_medium=email&utm_term=0_16a14e1b11-7bb290e8ee-426430369
6. The Deloitte Consumer Review – Digital predictions 2015, Deloitte, March 2015. See also: <http://www2.deloitte.com/uk/en/pages/consumer-business/articles/digital-predictions-2015.html>
7. Data Nation 2014 – Putting customers first, Deloitte 2014. See also: <http://www2.deloitte.com/content/dam/Deloitte/uk/Documents/deloitte-analytics/deloitte-uk-data-nation-2014.pdf>

Contacts

Consumer Business Leadership team

Nigel Wixcey

Partner, Consumer Business Industry Leader
+44 (0)20 7303 5007
nigelwixcey@deloitte.co.uk

Ian Geddes

Partner, Retail Lead
+44 (0)20 7303 6519
igeddes@deloitte.co.uk

Graham Pickett

Partner, Travel, Hospitality & Leisure Lead
+44 (0) 1293 761232
gcpickett@deloitte.co.uk

Authors

Céline Fenech

Research Manager, Consumer Business
+44 (0)20 7303 2064
cfenech@deloitte.co.uk

Ben Perkins

Head of Research, Consumer Business
+44 (0)20 7307 2207
beperkins@deloitte.co.uk

Contributors

Colin Jeffrey

Partner, Deloitte Digital, Consumer Business
+44 (0)20 7007 0194
cjeffrey@deloitte.co.uk

Oliver Vernon-Harcourt

Director, Consulting
+44 (0)20 7007 1628
overnonharcourt@deloitte.co.uk

Harvey Lewis

Head of Research, Analytics
+44 (0)20 7303 6805
harveylewis@deloitte.co.uk

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.co.uk/about for a detailed description of the legal structure of DTTL and its member firms.

Deloitte LLP is the United Kingdom member firm of DTTL.

This publication has been written in general terms and therefore cannot be relied on to cover specific situations; application of the principles set out will depend upon the particular circumstances involved and we recommend that you obtain professional advice before acting or refraining from acting on any of the contents of this publication. Deloitte LLP would be pleased to advise readers on how to apply the principles set out in this publication to their specific circumstances. Deloitte LLP accepts no duty of care or liability for any loss occasioned to any person acting or refraining from action as a result of any material in this publication.

© 2015 Deloitte LLP. All rights reserved.

Deloitte LLP is a limited liability partnership registered in England and Wales with registered number OC303675 and its registered office at 2 New Street Square, London EC4A 3BZ, United Kingdom. Tel: +44 (0) 20 7936 3000 Fax: +44 (0) 20 7583 1198.

Designed and produced by The Creative Studio at Deloitte, London. 45387A