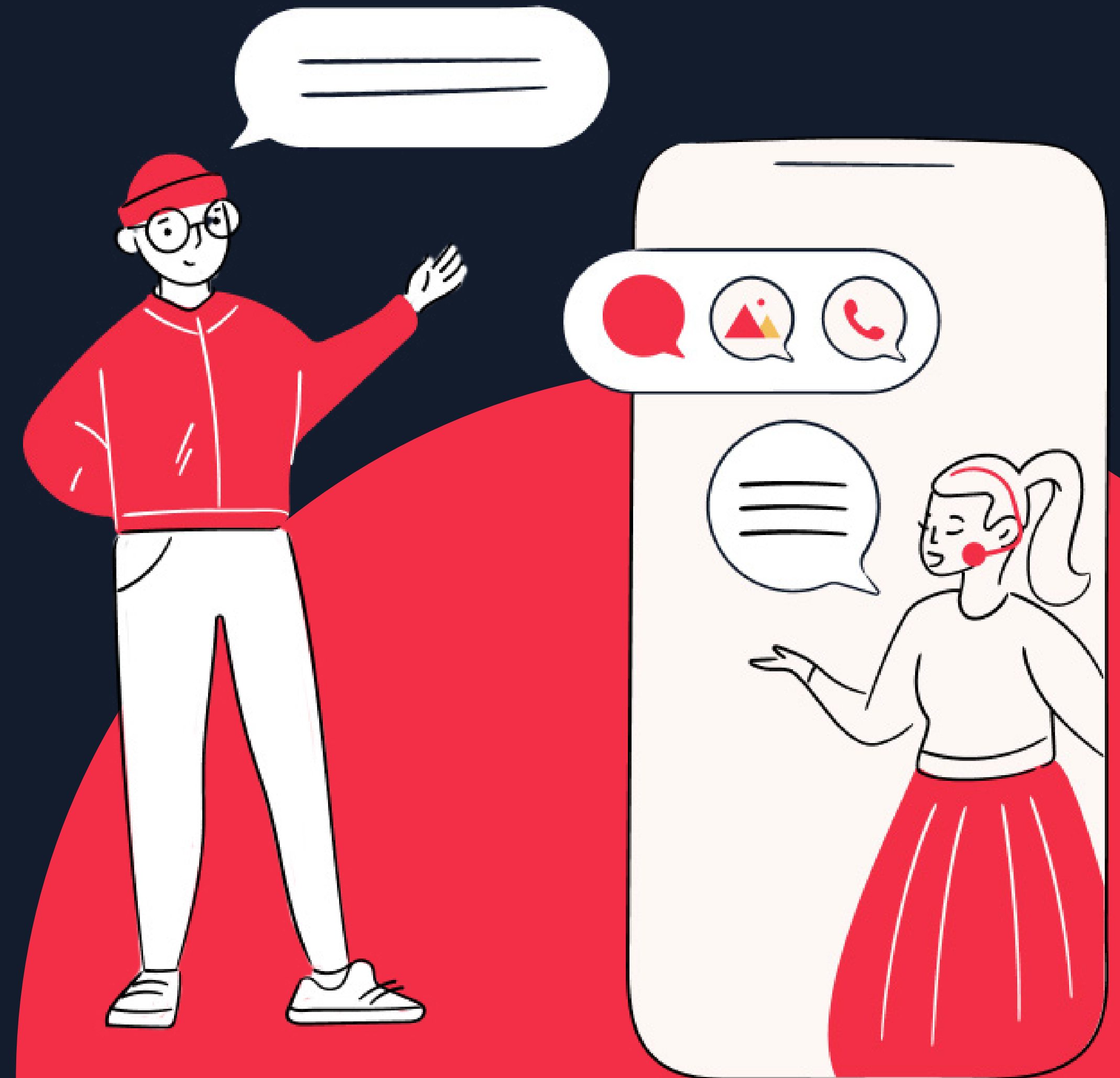




# The Relationship Economy **2023**

How brands can be successful  
in a non-monogamous world





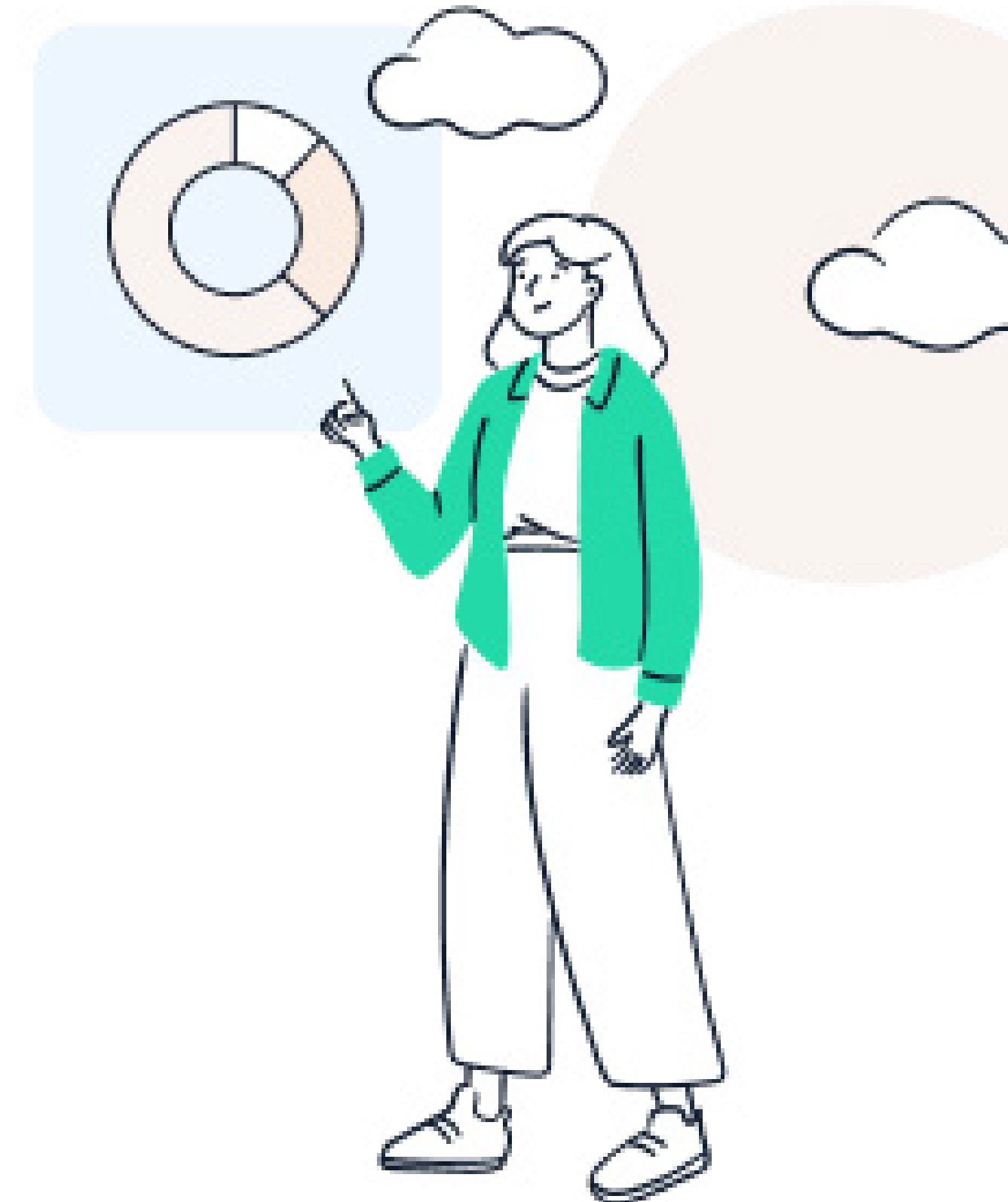
**Sam Richardson**

Customer Engagement  
Consultant, Twilio

## Executive summary

The dynamics between brands and customers have undergone a significant shift. Gone are the days when consumers sought exclusive, monogamous commitments with their favourite brands. Instead, modern consumers are exploring multiple options, seeking variety, and challenging the traditional notion of long-lasting brand loyalty.

In the past, commitment in the consumer-brand relationship could be likened to a marriage, where loyalty was paramount. However, our latest research revealed that modern day consumers have become more likely to “play the field”...





They are now engaging in what can be described as “open relationships” with brands, akin to the concept in personal interactions. They no longer seek to pledge exclusive allegiance to selected brands, but explore numerous options to meet their ever-evolving needs and preferences, placing practicality above all else.

Despite this newfound openness, one fundamental principle remains unchanged – the expectation for honesty and reliability. Just as in personal relationships, consumers demand trustworthiness and consistency from the brands they interact with, whether in long-term or short-term engagements.

To succeed in this non-monogamous world, brands must adapt and embrace this new reality. They must acknowledge that unwavering loyalty from their tribe is no longer realistic. Instead, the focus should be on building meaningful connections by respecting their changing needs and providing enhanced experiences, even in short-term interactions.

The findings in this report are a reminder that the relationship economy is not static: people and relationships change, and brands need to adapt to evolving customer needs. New consumer behaviour trends will always emerge and brands need to continue to adapt their approach accordingly.

Notably, as AI and the use of data become more mature, we will likely start seeing better and stronger customer engagement: we are on the cusp of significant change and brands need to lay the foundations to be ready. This will help them to maintain strong relationships and win their trust in this dynamic marketplace.





## About the research

Between June and August 2023, Twilio commissioned a survey of 6,050 consumers (aged 18+) and 1,811 senior marketers across Europe to understand how companies can be more successful at building strong relationships with their customers. Respondents spanned the UK, Germany, France, Spain, the Nordics (Norway, Finland, Denmark and Sweden) and Benelux (Netherlands, Belgium and Luxembourg).

The research was carried out by Censuswide. Censuswide abides by and employs members of the Market Research Society which is based on the ESOMAR principles and are members of The British Polling Council.

# Table of Contents

Key takeaways	04
Rethinking loyalty	05
Respect as a brand strategy	07
Keeping the spark alive	13
Spotlight on France	16
Brand etiquette pledge	18
The final word	20

# Key takeaways



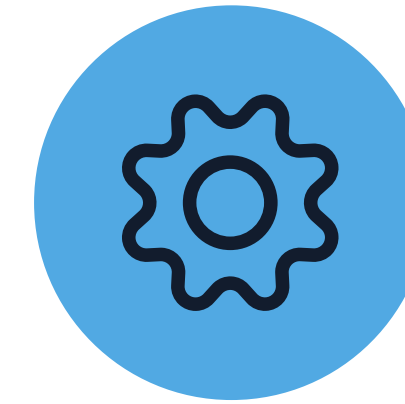
## **Consumers are seeking out variety**

Consumers are emotionally drawn to an average of 4.75 brands, pointing to a willingness among consumers to explore various relationships, seek out diverse experiences, and find those that are right for them (at least for the time being). This inclination towards variety marks a departure from the traditional notion of brand loyalty.



## **Honesty and reliability apply to all brand-consumer relationships**

According to our research, honesty (44%) and reliability (41%) are the top qualities European consumers seek from brands. In today's non-monogamous world, there is no room for complacency when it comes to customer interactions. Whether the engagement is short-term or long-term, consumers universally value trustworthiness and consistency from brands.



## **Practicality over emotional connection**

In this new landscape, expertise and efficiency take precedence over emotional connections. The study revealed that 31% of respondents prioritise expertise when contacting brands, while 24% place a premium on efficiency. These figures surpass the 15% of consumers who prioritise emotional connections.



## **Redefining strong relationships**

Brand engagements don't have to be lifelong to be valuable or meaningful. In fact, only 22% of consumers cited 'long-lasting' as one of the top qualities they want from brands.

# Rethinking loyalty

Brand loyalty has taken on a new dynamic. Consumers now have the freedom to play the field with different brands whenever they want, and they may be even more likely to exercise this freedom in a price sensitive market. Indeed, at times when inflation is high, consumers are likely to be more inclined to shop around more to manage costs.

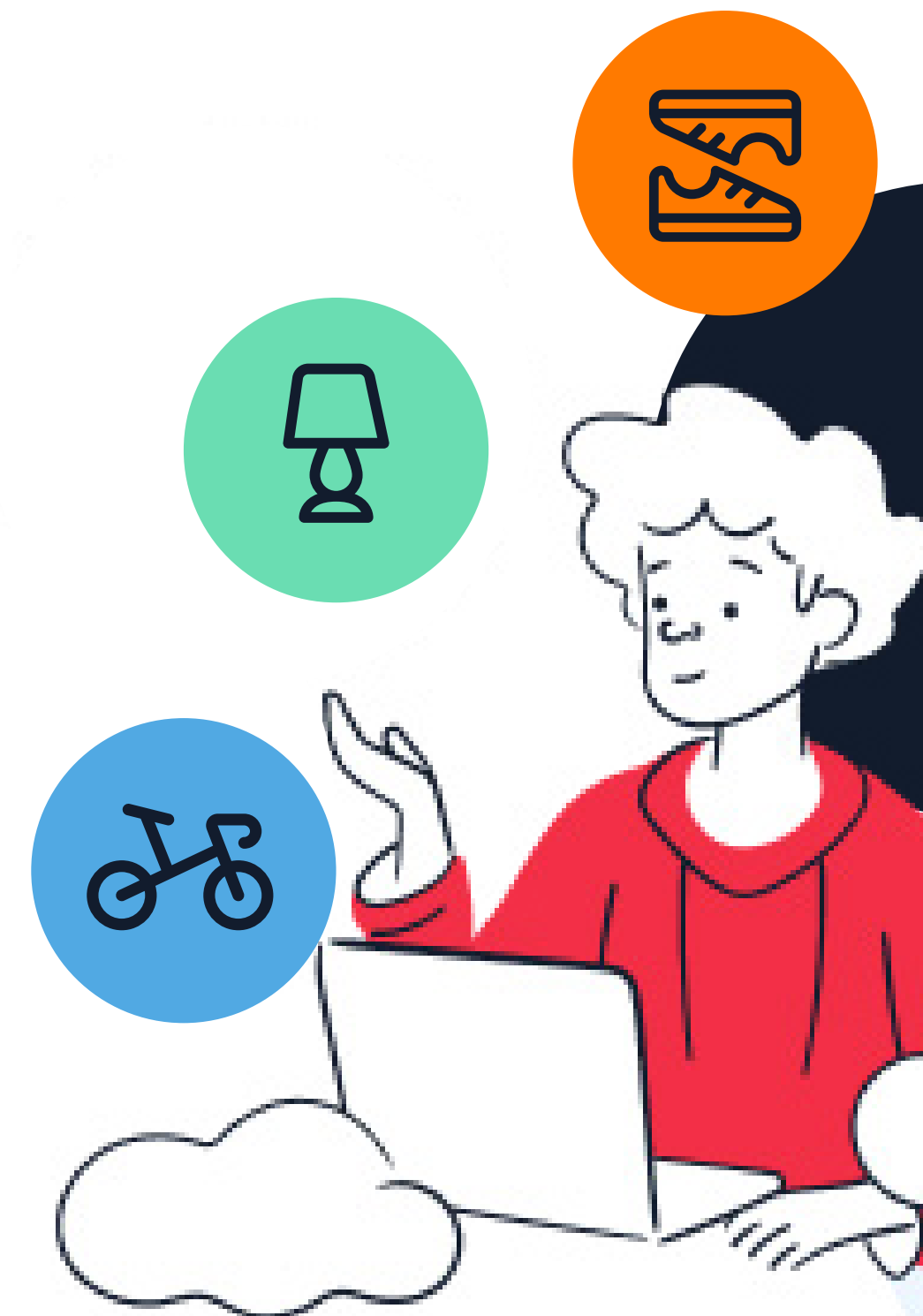
This makes it even more important for companies to take a proactive approach to building customer engagement, and demonstrate that they know their customer by engaging them with specific, relevant offers and messaging.

Brands must recognise that loyalty is no longer a fixed concept. It can change on a daily, weekly, or yearly basis depending on a consumer's preferences, priorities, brand perceptions, and experiences, as well as the wider economic situation.

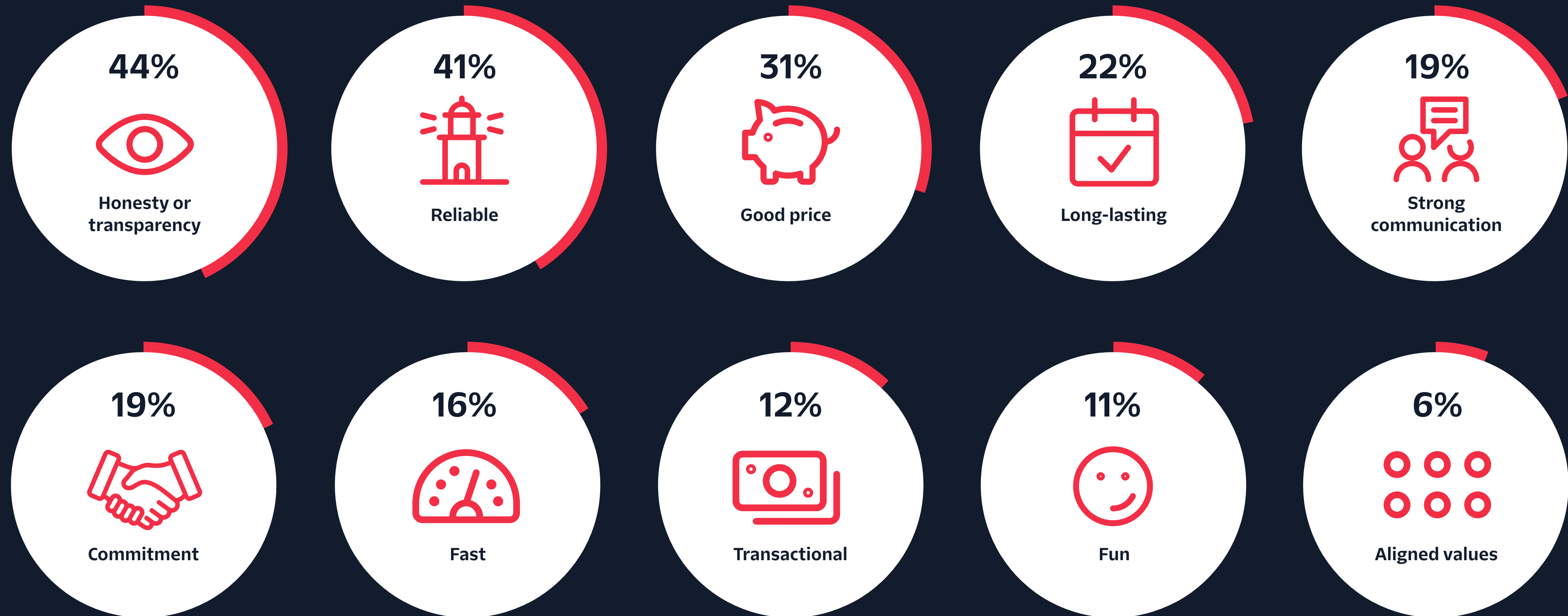
However, while consumer loyalty may now be more fluid, customers' desire for respect and fair treatment remains constant. Our research reveals that honesty and reliability are vital for winning over admirers, so companies cannot afford to fall into the trap of thinking that short-term or casual relationships can be treated with disregard or taken lightly.

Consumers ultimately want a supportive partner in a brand – one that is there for them and able to provide real help when they need it, rather than being directed towards self-service options.

In this new non-monogamous world, achieving recurring revenue and staying top of mind hinges on resonating with today's consumers. So, whatever the nature of the relationship, the brands that stand out will be the ones that demonstrate genuine respect. They will build the strongest relationships, realise huge potential gains for customer engagement, and build a new kind of loyalty.



# What attributes do you want from a brand?



\*Research carried out among 6,050 European consumers; respondents were asked to tick up to three attributes

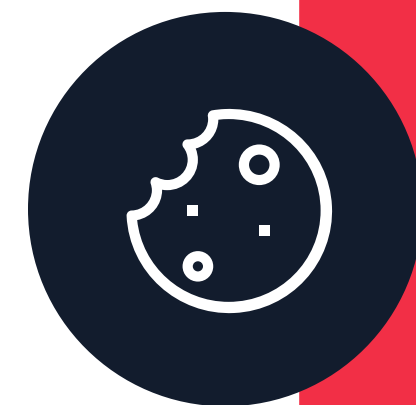


# Respect as a brand strategy

In the dating world, we follow established norms of behaviour. We understand the importance of not persistently messaging someone who has shown disinterest, and respecting their decision to move on. These unwritten rules help to maintain respectful and healthy interactions – whatever the nature of the relationship.

In the marketing realm, however, not all practitioners are applying this level of basic respect. Our research brought certain industry tactics to light, such as the use of third-party cookies and over-targeted adverts (what brands call retargeting), which have eroded trust with consumers.

These tactics are often employed by what could be referred to as self-serving “hook-up brands” – companies that use consumers to satisfy their own immediate needs and then quickly move on. However, it is not just “hook-up brands” eroding trust.



As we can see from the research, other bad behaviours include coming on too strong (e.g. over-targeting, over-communicating), playing it hot and cold (e.g. inconsistent pricing), and being too superficial (e.g. non personalised, third-party cookies, which, when gone wrong, could be likened to getting your love interest’s name incorrect).

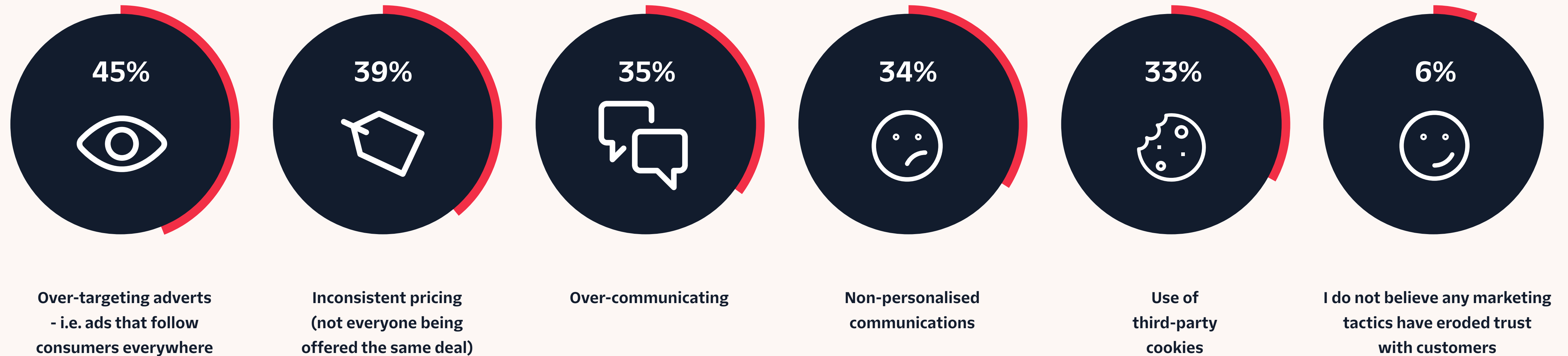
Recognising and acknowledging these poor marketing practices is crucial to encouraging more considerate customer engagements. It’s time for marketers to take a stand and embrace respectful practices to foster trust and build more powerful customer engagements. By prioritising boundaries, we can elevate the marketing industry to a higher standard, where respect and empathy guide more meaningful interactions.

## What are third party cookies?

Third-party tracking cookies are often used in advertising, retargeting and cross-site tracking. They typically work by one company placing another company’s cookie on their website. These are different to first-party cookies which remember login details and perform other useful functions that help provide a good user experience.



# What marketing tactics across the industry do you believe have eroded trust with consumers, if any?



\*Research carried out among 1,800 senior marketers across Europe

## Consumers swiping left

Some brands are finding it challenging to adapt to the ever-changing consumer environment. Keeping up with evolving customer needs and behaviours emerged as the top challenge faced by marketing leaders (44%), ahead of knowing enough about their customers (42%), understanding their boundaries (42%), keeping things exciting (40%) and maintaining consistent experiences across channels (35%).

Consumers appear to agree that marketers are not always getting it right, with over four in five (81%) respondents reporting that they have “dumped” a brand. Following a lack of reliability (44%), the biggest brand turn-offs include a lack of communication or difficulty in getting a response (30%) and constant calling or messaging (28%).

This juxtaposition reinforces that there is a fine line between too little and too much communication, emphasising the need to strike the right balance in their interactions with customers, and the need to always be readily available. It also highlights the intrinsic link between customer service and the overall brand experience: rapid and proactive resolution of issues is critical to protect the relationship and build strong engagement.

Subscription companies, in particular, will need to adapt to these changing customer expectations, and be mindful of the fact that consumers are reluctant to commit to specific brands in the long-term. They will need to go the extra mile to prove their value and be transparent about their services – helping to avoid consumers feeling “locked-in” or strong-armed into a relationship.



## Which of the following would be the biggest turn-offs?



\*Research carried among 6,050 European consumers

# First-party data as the path to customer understanding

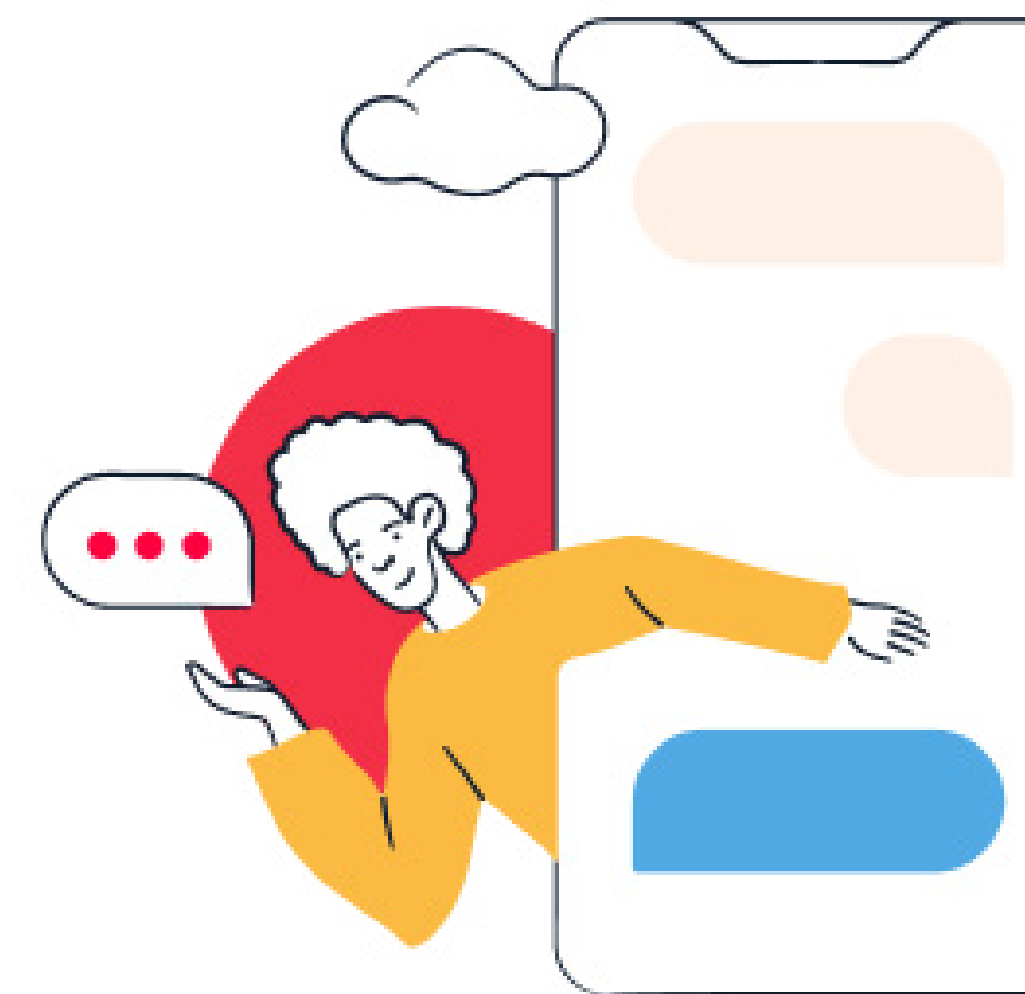
Brands can create a strong foundation for relationships to flourish by utilising their own first-party data with explicit consent from their customers. Much like two people in a relationship who openly share their interests and preferences, with first-party data, brands can consensually collect information directly from their customers as they interact with them.

In many cases, such as in marketing emails, brands use our first names in an effort to customise their communications. However, this practice falls short of genuine personalisation. The answer to truly effective personalisation centres around first-party data. In the dating world, it's not enough to just know your date's name, and it's no different in consumer-brand relationships.

Embracing first-party data fosters trust between brands and customers, enhancing customer experiences and enabling brands to achieve the accurate personalisation that consumers have come to expect. Just as understanding a partner's likes and dislikes leads to a more fulfilling and meaningful relationship, brands armed with this data goldmine can supercharge their efforts to provide customers with exactly what they need and desire – at exactly the right time.

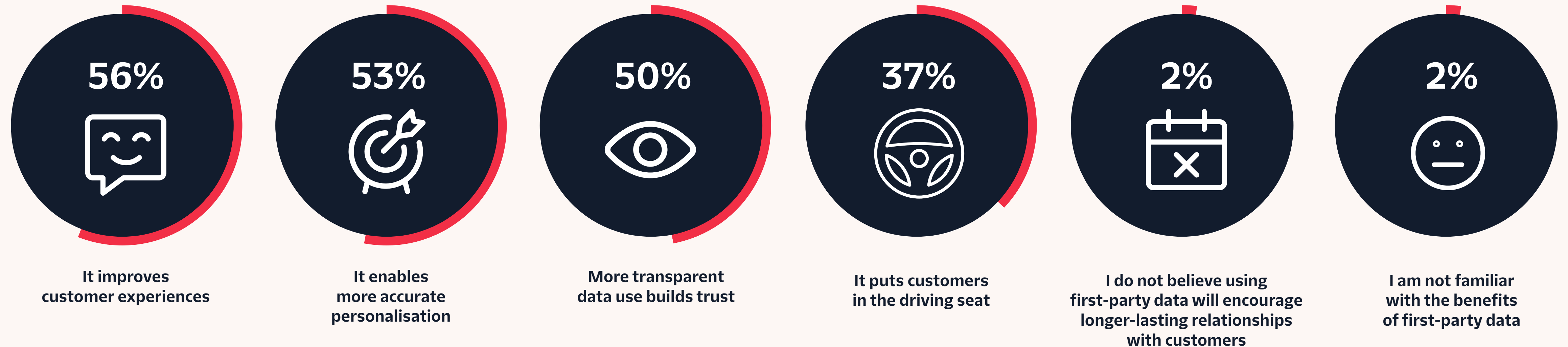
First-party data could include questionnaires filled out or purchases made by consumers. By consensually collecting this information directly from customers, and adopting transparent practices regarding data usage and storage, brands can demonstrate the utmost respect for their customers' privacy and preferences, and improve the quality of their interactions.

Effective use of AI can also help to power more personalised customer engagement. Specifically, first-party customer data leads to stronger predictions on what customers might prefer or their future behaviour. Then, generative AI can guide companies on how to interact with customers effectively and at scale.





# What marketing tactics across the industry do you believe have eroded trust with consumers, if any?



\*Research carried out among 1,800 senior marketers across Europe

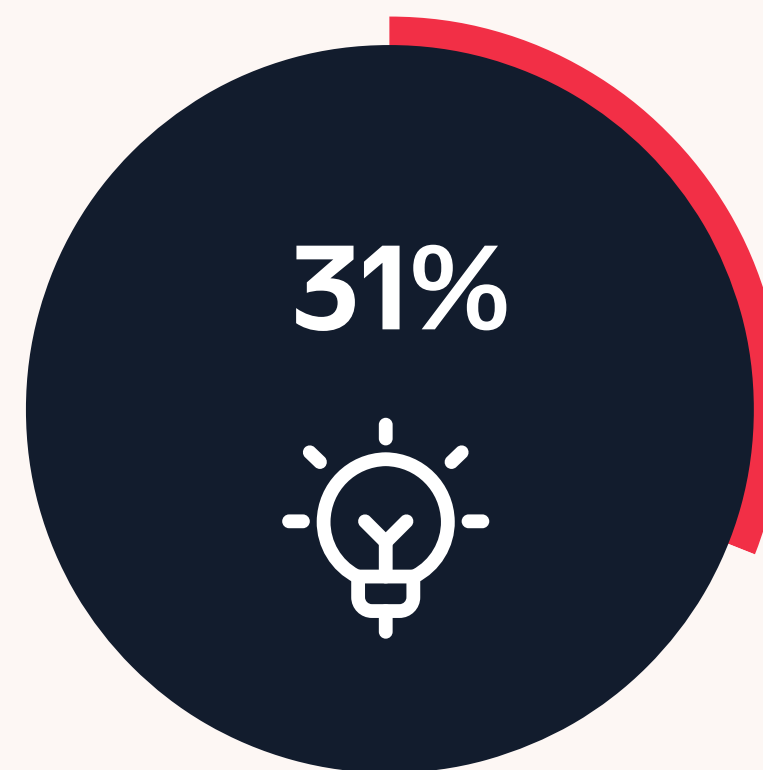
# Keeping the spark alive

There has been a noticeable shift towards pragmatism among European consumers, with the research revealing that they favour expertise and efficiency over emotion. This, of course, is likely to vary somewhat between sectors: consumers may prioritise a smooth and reliable service from their bank, but want more fun and surprises from an entertainment brand.

Regardless, this finding is in stark contrast to research carried out by Twilio last year, where consumers placed almost equal emphasis on these three pillars: 25% of 8,700 people surveyed said that efficiency was the most important priority for them.

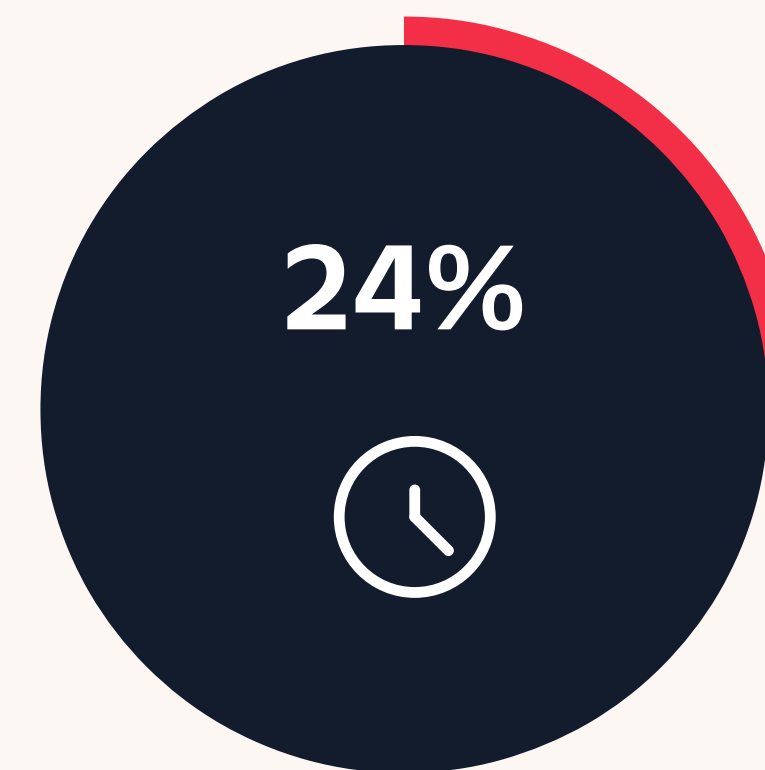
Another 25% said that emotional connection was the priority, and 24% said that expertise was the most important marker of a business.

When you have to contact a business, what do you consider to be the most important thing?



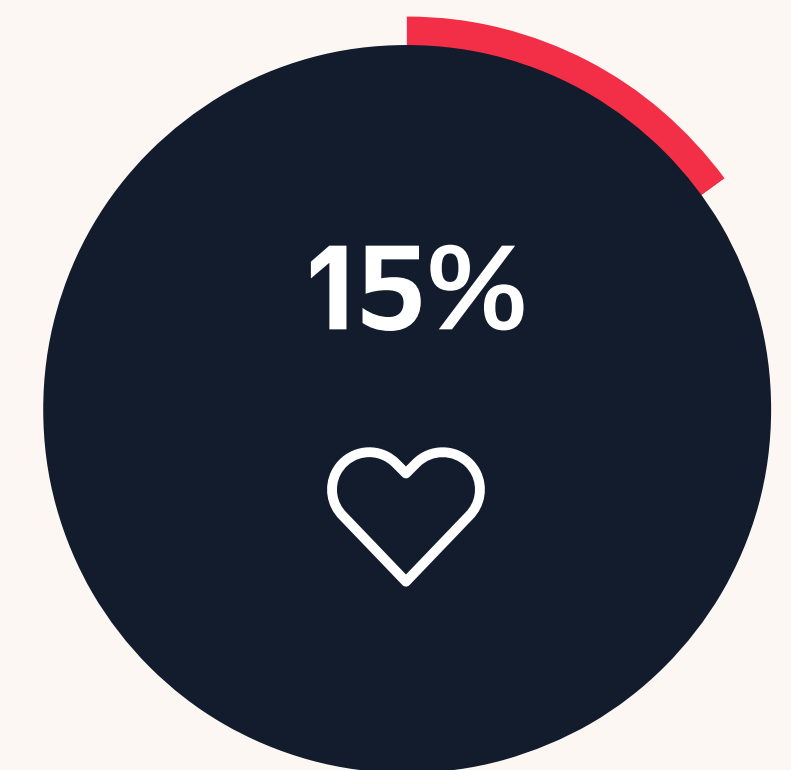
**Expertise**

get an answer from someone who is knowledgeable



**Efficiency**

get an answer asap



**Emotion**

get an answer from someone who's keen to help and understands my issue

\*Research among 6,050 European consumers



This represents a notable shift in priorities. Just last year, the ‘E3 formula’ of efficiency, expertise and emotion were considered equal building blocks of customer engagement.

We could speculate that this shift is, in part, due to financial pressures which are encouraging consumers to lean more towards “getting things done” – with less of the emotional connection.

It could also be attributed to disjointed customer journeys. Currently, very few organisations have connected up their channels which makes it increasingly difficult for customers to be able to reach brands. Companies must prioritise joining up channels – and the application of artificial intelligence across the contact centre could help to alleviate some of the pressures created by unnecessarily high volumes of contact chasing.

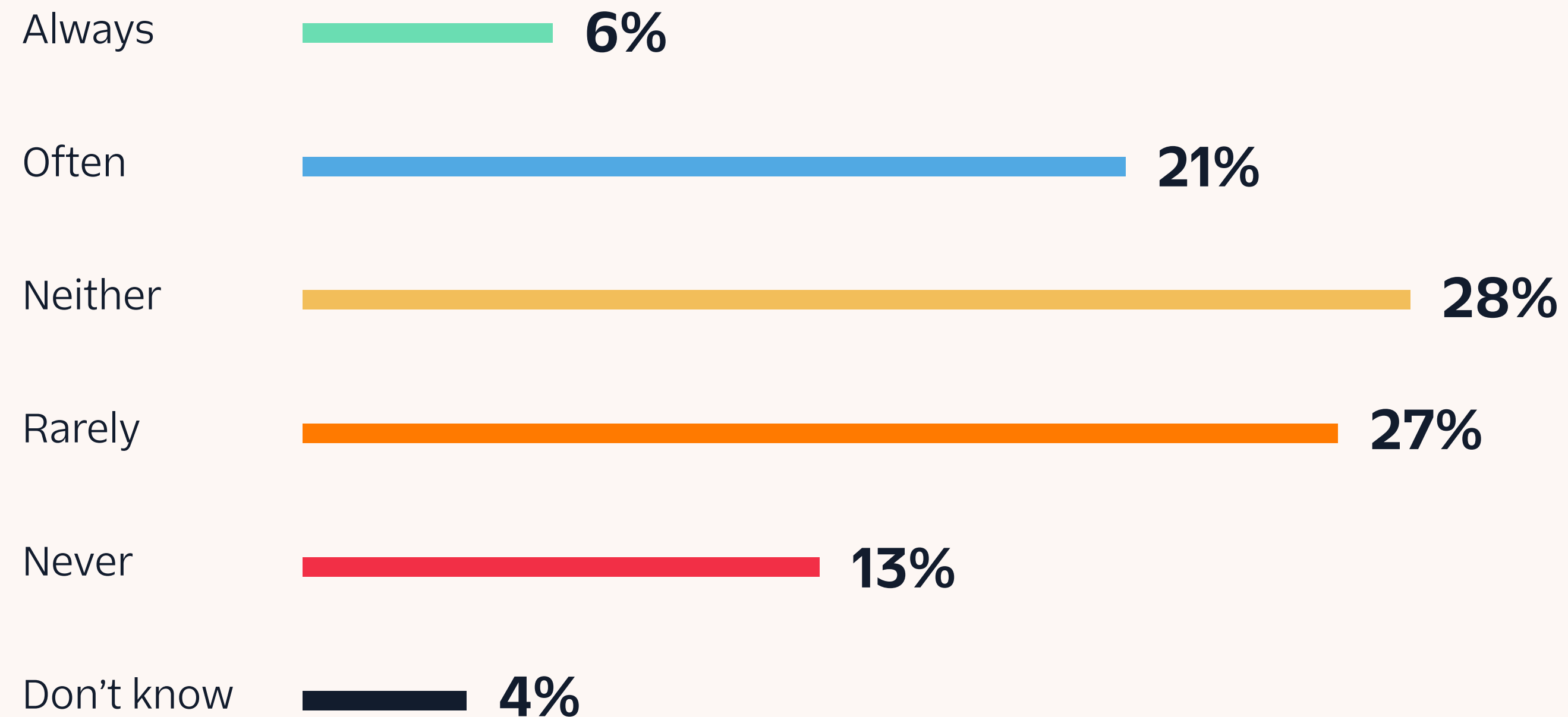
In response to this trend, brands have adapted their strategies to focus on providing dependable solutions that effectively meet consumer needs.

There is a potential pitfall in this pragmatic approach, however, as brands risk neglecting the emotional aspect of consumer interactions entirely. The pursuit of functional efficiency may be leading to more lacklustre engagements, with as many as four in ten (41%) European consumers admitting to rarely or never feeling special in their brand interactions.

To restore the human touch to brand relationships, marketers must bring together relevant data and information with the art of romance. Keeping the mystery alive, and surprising and delighting consumers – whether that is through birthday offers, surprise discount codes, or service upgrades – become vital elements in fostering emotional connections. Generative and predictive artificial intelligence (AI) can play a crucial role here to help brands act on insight and deliver better, personalised engagement at scale.

By embracing excitement and unpredictability, brands can engage with consumers on a deeper level and become a customer engagement leader.

How often, if ever, do you feel special when it comes to engaging with brands?



*“We’re on the cusp of data being the number one driver of loyalty. While efficiency, expertise and emotion are all very important, their significance will evolve depending on consumer priorities. The increasing maturity of AI, and a growing understanding of how to use data, will be the biggest deciding factors in the future of loyalty.”*

**Sam Richardson**  
CX consultant at Twilio



# Spotlight on France

French consumers ranked honesty, price and reliability as the top three qualities they want from brands. In fact, it is the only country where price came in as high as second.



Top three qualities French consumers want from brands





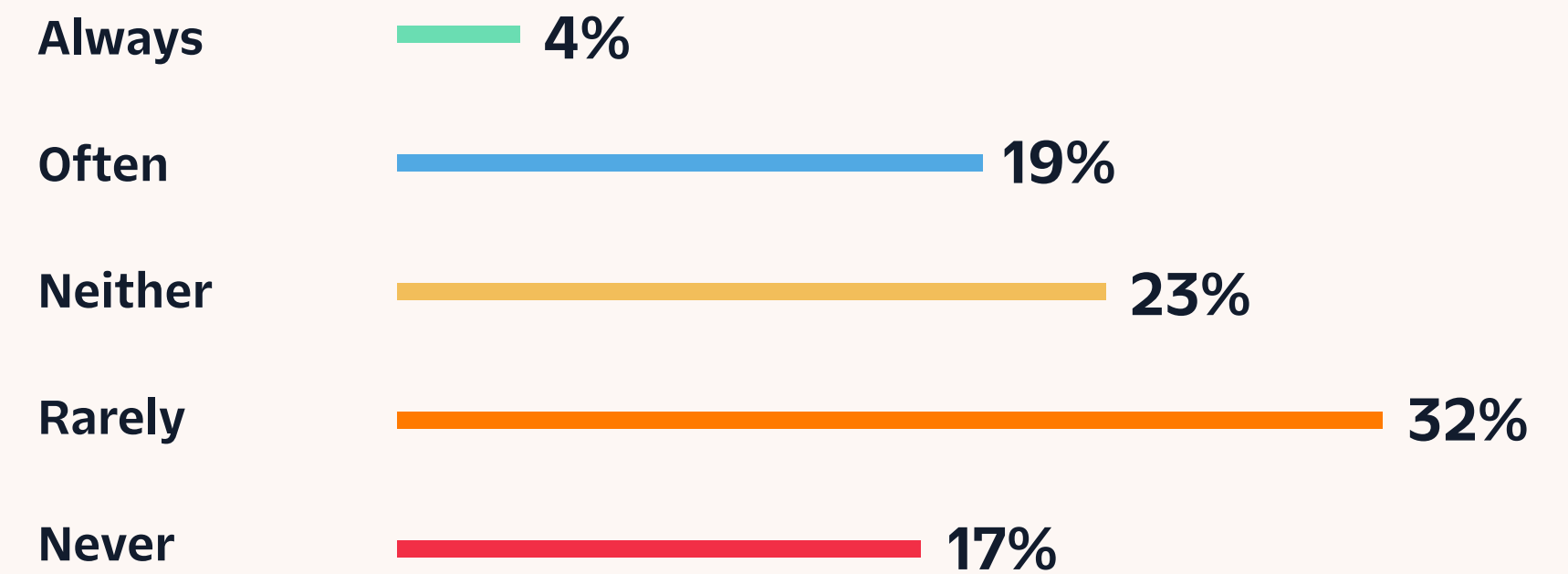
Consumers in France also stood out as being the least likely to feel special or valued by brands. Almost half (49%) reported that they rarely or never feel special when engaging with brands, and 46% said they rarely or never feel valued. Respondents in France were also the most likely to feel often or always let down by brands (29%).

With brands seemingly missing the mark in this country, a quarter (25%) of respondents said they do not feel emotionally drawn to any brand. It appears that some consumers in France also yearn for greater connection, with 35% of respondents preferring to communicate with brands by calling and speaking to a human.

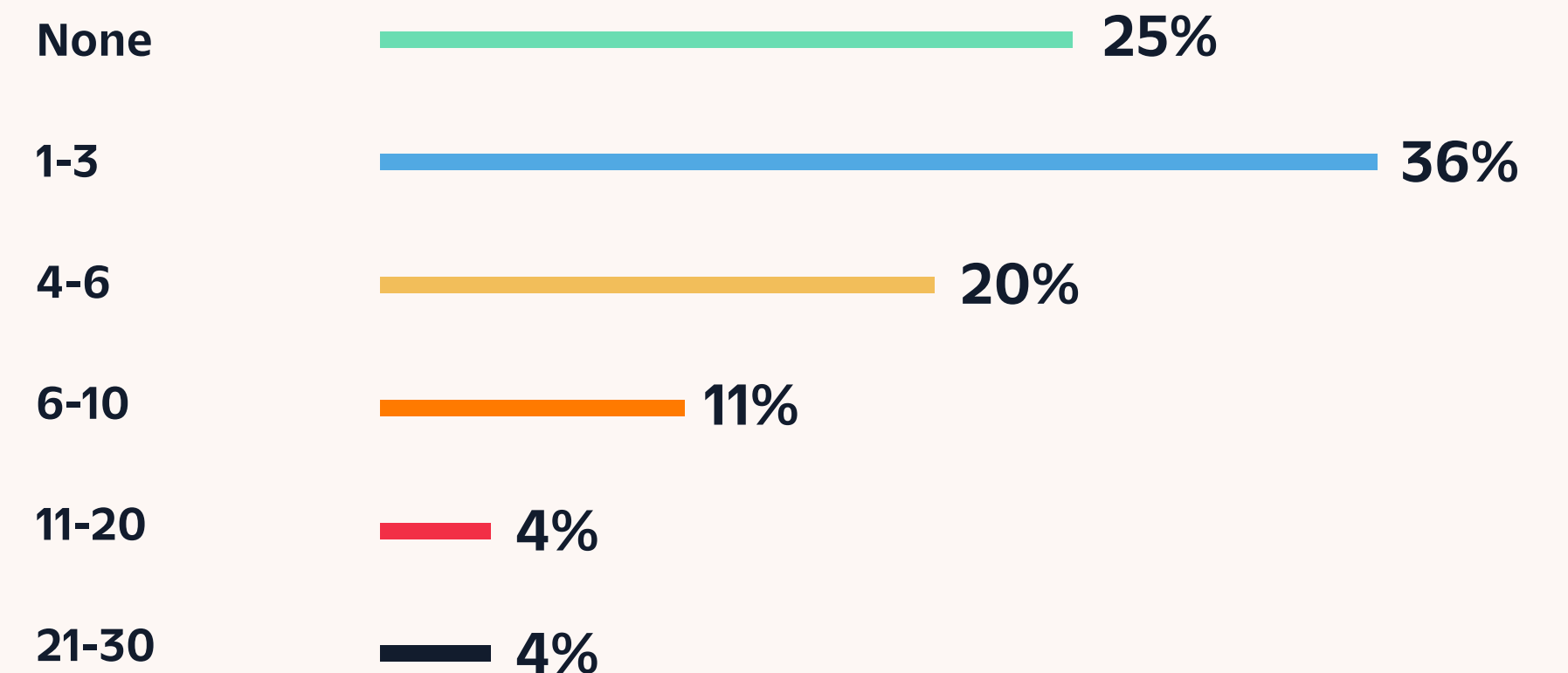
With only 20% of French consumers citing 'long-lasting' as one of the top qualities they want from brands, there is a big opportunity for brands to reconsider what it will take to build more valuable and meaningful relationships.

Fortunately, marketing leaders in this region recognise the importance of using first-party data to overcome some of these challenges and enhance engagement levels. They cite improved customer experiences (56%), more accurate personalisation (51%), more transparent data use building trust (51%) as the top benefits of first-party data to build strong relationships.

### How often French consumers feel special when engaging with brands



### Number of brands French consumers feel emotionally drawn to





# Brand etiquette **pledge**

To succeed in the 2023 Relationship Economy, brands need to understand the rules of engaging with consumers:







**Move on when someone's not interested**

Respect the boundaries of consumers who have shown a lack of interest or have opted out of communication. This includes not bombarding them with excessive messages or intrusive ads. Instead, acknowledge their decision and gracefully move on.

**Prioritise important communication**

Focus on the resolution of customer issues and queries before trying to engage your audience with marketing messages. An important part of this is making sure you are accessible for your customers to communicate with at all times.

**Keep things interesting**

Avoid repetitive or dull messaging that may lead to disengagement. Instead, offer a variety of relevant information, exciting updates, and entertaining experiences to keep consumers interested and coming back for more.

**Continuously improve and adapt**

Regularly assess and analyse consumer interactions and feedback to identify areas for improvement. By being proactive in evolving your approach, you can ensure that your brand remains relevant and resonates with your target audience.

**Be unexpected**

With countless brands all vying for consumers' attention, surprise and delight consumers by going beyond their expectations. Unexpected gestures, personalised interactions, and exclusive perks can leave a lasting positive impression on consumers.

**Respect different relationship dynamics**

Not all relationships are created equally. Brands need to understand and respect the different dynamics they have with their customers.

**Respect privacy and consent**

Prioritise consumer privacy by obtaining explicit consent for data collection and use. Honour opt-out requests promptly and responsibly to build trust and credibility.



# The final word

The Relationship Economy of 2023 presents a paradigm shift in consumer-brand dynamics, challenging traditional notions of loyalty and commitment.

To succeed in this landscape, brands need to get comfortable with polyamorous consumers whose relationships with brands exchange far more fluidly than they ever have. They need to embrace the concept of open relationships, prioritise honesty and reliability, and adapt their strategies to meet consumers' ever-changing expectations.

By building meaningful connections and demonstrating genuine respect, brands can create experiences that drive strong engagement. This will help them to thrive in this non-monogamous world and secure success in this dynamic marketplace.







To stay up to date with today's  
fast-changing consumer needs, contact Twilio.

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