

MARKETING

Efficiency, empathy essential for brands to meet CX expectations

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For most consumers, customer service is an important consideration when shopping, second only to price. Image credit: Kustomer

By SARAH RAMIREZ

As COVID-19 has accelerated companies' digital transformations, customer experience and service must remain at the forefront of brands' strategies.

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According to a new report from CRM platform Kustomer, 79 percent of consumers say customer service is extremely important when deciding where to shop. Meeting consumers' expectations is more important than ever as retail spending has slowed due to the pandemic.

"Today's shoppers are used to having Google in their back pocket and the ability to help themselves when they have a question," said Andrea Paul, director of content and research at Kustomer. "This translates to what they expect from their shopping experience, being able to effortlessly and quickly get the response they need.

"Luxury shoppers in particular may not have time to call up a customer service representative or wait on hold, and if they are able to click a button and fix their issue, CX becomes more effortless and empowering," she said. "In addition, attitudes towards chatbots show how far the technology has drastically improved over the past few years, and the importance of speed of resolution to consumers."

Kustomer's report is based on a survey of more than 500 U.S. consumers in August 2020.

CX standards

For most consumers, customer service is an important consideration when shopping, second only to price.

A strong majority of consumers, 85 percent, will avoid doing business with a company that has bad customer service. Eight in ten will even abandon a purchase because of bad customer service.

Fifty-nine percent of consumers are willing to pay a premium for a brand known for outstanding service, with 10 percent of those buyers willing to pay at least 20 percent more for a product or service.

Almost the same number of consumers will share on social media about a good customer experience or a negative experience, at a rate of 58 to 57 percent respectively.

Percentage of consumers who have avoided doing business with an organization due to poor service:



Consumers will avoid retailers or travel brands if they have poor customer service experiences. Image credit: Kustomer

So what exemplifies quality customer service?

Seventy-one percent of respondents believe their issues should be resolved immediately after contact customer service, but more than half have experienced hold times longer than 15 minutes.

Retailers and brands can leverage automation and artificial intelligence (AI) to help meet customers' expectations, and acceptance is growing for these solutions.

Fifty-three percent of consumers favor self-service instead of speaking to customer service agents, and the same percentage agree that chatbots have improved their experiences.

Empathy and personalization also makes these service experiences more meaningful.

About seven in 10 consumers, 69 percent, expect a company to prioritize their issue if they are upset. Routing upset or loyal shoppers to appropriate service agents can pay dividends.

More than half of consumers, 53 percent, also expect companies to know about their history with the brand. This will require that brands and retailers invest in technology to empower their agents to view customer histories.

Additionally, brands will need to be more proactive about contacting customers about any problems. Three-quarters of consumers expect brands to reach out and follow-up if there are issues, such as fulfillment problems or shipping delays.

Being proactive helps brands build loyalty and can even reengage unhappy customers.

Building relationships with customers also means offering a seamless service experience, especially as consumers can reach out to retailers through a variety of venues, including phone, chat and social media. Fragmented experiences such as when shoppers reach brands through multiple channels about the same issue, resulting in multiple tickets tend to lead to frustration.

Other frustrating experiences reported by the majority of consumers include being transferred to multiple departments, having to repeat information and receiving contradictory or incorrect information from agents.

Future of CX?

Generational differences in service standards can also give brands and retailers insight into what will be widely expected as younger consumers become heads of households.

Among shoppers ages 18 to 24 years old, good customer service was the number one factor determining where or who to patronize even above price.

"Younger consumers value customer service much more than older consumers, as they ranked it as their top attribute when choosing where to shop," Kustomer's Ms. Paul said. "This goes hand in hand with the rapid success of disruptor brands that have put the customer experience at the center of their strategy, and built a community of advocates with shared values."

Sixty-one percent of shoppers 34 and younger are willing to pay a premium for good service, compared to 48 percent of consumers above 55 years of age. They are also willing to pay a higher premium 20 percent of consumers 18 to 24 would spend up to 15 percent more quality service, compared to 7 percent of those 55 and older.

However, that important 18-24 demographic also finds customer service as slower and more inconvenient than all other age groups. While older generations still prefer speaking to service agents, 61 percent of consumers between 18 and 24 prefer self-service and 62 percent of consumers 35 and younger believe chatbots improve the customer experience.

This is promising for luxury brands, who can differentiate themselves by offering elevated service experiences and have the resources to invest in technology.

"Luxury brands are already known to deliver white glove service," Ms. Paul said. "With many consumers now preferring to shop online during the global pandemic, luxury brands need to replicate the high end and personalized experience to the digital realm as well.

"Prioritizing exceptional and efficient service on the consumers' terms will be incredibly important to luxury brands' digital success, since one lost transaction could mean a larger reputational hit," she said. "Luxury brands need to leverage the right technology tools to deliver that high quality experience while executing on consumer expectations."

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