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MARKETING

Businesses underestimate when consumers will jump ship after poor CX: report

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Only 31 percent of businesses offer custom services via chat. Image credit: Blake Wisz

By KATIE TAMOLA

It is no secret that as technological developments soar, so do consumer expectations.

However, there are major disparities between what businesses think consumers want and what consumers are actually looking for, according to the new 2022 Digital-First Customer Experience Report from AI CX software provider Nice. To continue fostering positive customer experiences, businesses need to provide a mix of assisted and self-service channels that are ultimately seamless and effective.

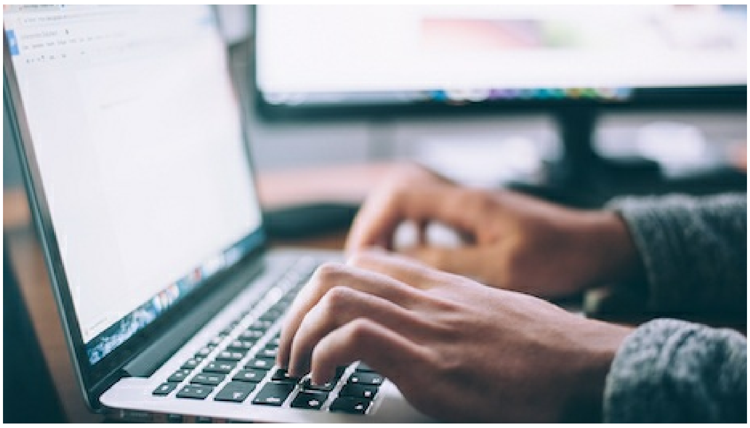
"While focusing on digital-first interactions, our report underscores the importance of both agent-assisted and self-service channels, with businesses primarily wanting the ability to choose whichever option they prefer at any given time," said Paul Jarman, CEO of Nice, in a statement.

Nice commissioned a survey of 1,320 respondents in the U.S. and U.K. with 1,000 consumers and 320 senior decision makers from customer care, customer experience, contact center IT and stakeholders between director level and c-suite in strategy departments.

What consumers want

Sometimes there is a disconnect between what businesses believe consumers are seeking and what they actually want.

Eighty-one percent of consumers stated that they want more self-service options, while only 15 percent indicated a high level of satisfaction with the tools provided to them today by businesses.



More than half of respondents indicated chat is their preferred customer service medium. Image credit: Glenn Carstens-Peters

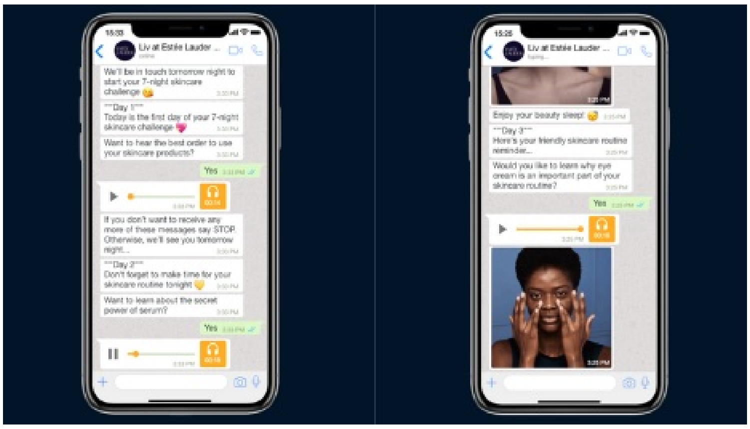
Only 31 percent of businesses offer custom services via chat, while 52 percent of consumers prefer chat over other channels. Eleven percent of businesses are prioritizing making self-service smarter, despite only 36 percent of consumers indicating this is a priority.

Almost half of consumers, 46 percent, say the first thing they do is go to Google search, while only 15 percent of businesses estimate this as the first step.

Businesses are becoming more cognizant of this gap and are making strides in better providing for shoppers.

About four in 10 businesses are also looking to offer better visibility in search results, while 54 percent identify chat as the top channel that needs improvement.

Forty-seven percent of businesses said they are looking to expand chat capabilities, 44 percent said they yearned to expand website access, 42 percent wanted to expand search options and 34 percent said they are looking to expand service via the company website.



Some luxury brands, including Este Lauder, have expanded their chat capabilities. Image credit: Rehab Agency

There is also a lack of understanding for businesses in gauging when a consumer will abandon a purchase due to a negative experience.

Businesses underestimate how quickly consumers will abandon a brand, as 41 percent of consumers say they will look to the competition after only two poor digital interactions, while only 25 percent of businesses predict consumers will leave that quickly.

Leading to brand loyalty

Seamless customer experiences continue to go a long way and correlate directly to brand loyalty.

Ninety-five percent of consumers place great importance on customer service, saying it directly impacts brand loyalty. Regarding brand loyalty, consumers rank online self-service and easy access to their preferred channels as two of the top customer service factors.

Brands and retailers must be cognizant of the many technological concepts and processes that could contribute to or detract from brand loyalty.

As ecommerce spending continues to climb, brands and retailers cannot overlook the costly impact of search abandonment.

Search abandonment happens when a shopper searches a retailer's website but is unable to find the product they are looking for. According to research from Google Cloud, U.S. retailers alone lose more than $300 billion a year due to search abandonment (see story).

If brands want consumers to continue shopping with them, their retention efforts must go beyond mass text messages and uniform marketing.

In a webinar from Yotpo in conjunction with Shopify, experts discussed how consumers have become increasingly more interested in purchasing from brands they feel align with their values. Brands must make emotional appeals, foster meaningful loyalty programs and offer unique experiences to retain these buyers and show them that they are both understood and valued (see story).