

RESEARCH REPORT

What Consumers Expect From the Customer Experience...and How You Can Deliver



Introduction

In past decades, consumers chose where to shop solely based on the quality of the product. In this product-centric environment, the customer experience served as a differentiator. Companies began to capitalize on this idea, putting customer delight and relationship-building at the center of their strategy. But customers continue to grow and shift, and in this day and age, service can often overtake the product when it comes to choosing where to shop. In fact, consumers rank customer service as the second most important attribute they consider when shopping, right below price. With all the changes the past year have brought, we wanted to know how consumer expectations have changed, and how CX organizations can keep up.

Kustomer surveyed over 550 US-based consumers to better understand what they expect from the customer experience, where organizations are falling short, and how expectations have shifted across generations. According to our research, **79% of consumers say customer service is extremely important when deciding where to shop**, so delivering on consumer expectations has never been more important. Read on for the findings from our research, and for strategies to deliver on consumers' growing demands.

Most Important Attributes When Choosing Where to Shop *(in order of importance)*

- 1 Price
- 2 Customer Service
- 3 Customer Reviews
- 4 Reputable Brand
- 5 Convenient Location
- 6 Online Platform
- 7 Industry-Leading Product or Service

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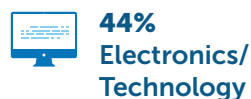
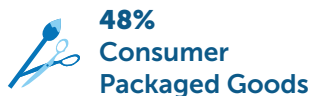
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Driving Revenue Through Customer Satisfaction

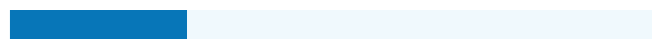
The way that organizations interact with consumers in their greatest times of need could be the difference between a lifelong customer and one lost to the competition. **Eighty-five percent of consumers said they would avoid doing business with an organization due to bad customer service**, and 81% of consumers would abandon a purchase due to bad service. While retailers and food & beverage companies feel this pain the most, with 60% of consumers reporting that they have sworn off of a brand in those industries due to a negative experience, organizations in every vertical are being impacted by poor support experiences.

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



Lifelong customers means a higher lifetime value, and in the short term, our survey found that 59% of consumers are willing to pay a premium for a brand or provider known to have outstanding customer service, with most consumers reporting they are willing to pay 5-10% more. Support directly contributes to an organization's bottom line and should be treated with such importance.

13% are willing to pay LESS than 5% more



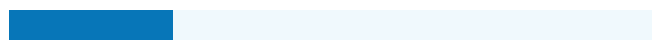
35% are willing to pay 5% more



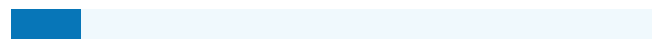
29% are willing to pay 10% more



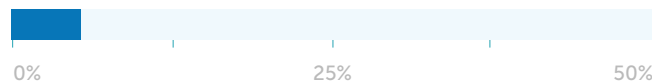
12% are willing to pay 15% more



5% are willing to pay 20% more



5% are willing to pay MORE than 20% more



Additionally, customer service could be the difference between a resounding endorsement and a PR nightmare. While 58% of consumers reported that they post on social media after a good customer experience, 57% report that they also would do so after a bad experience. Organizations must be able to take swift action when responding to customer service complaints, to heed off losing customers and enduring public outlash.

Service at the Speed of Light

We've all been there. Too much to do, too little time. This turn of phrase is even more pertinent for customer service organizations. Delivering real-time service is inherently difficult without endless resources, especially during peak shopping periods. But it is truly what your customers expect.

Seventy-one percent of consumers believe their problem should be solved immediately upon contacting customer service, but 52% report that they've experienced hold times longer than fifteen minutes. That's a massive amount of consumers whose expectations are not being met.

Luckily, thanks to automation and artificial intelligence (AI), businesses now have the opportunity to provide more self-service options, freeing up agent time for complex and proactive support. In fact, 53% of consumers prefer self-service over talking to a company representative, meaning AI-powered experiences fulfill their needs. Tools like chatbots are growing in popularity with both businesses and consumers, with 53% of consumers saying that chatbots improve the customer experience. They can be used to collect initial information, answer simple questions, and direct customers to a help center if human intervention is not needed.

These tools save time for both the customer and agent, and increase the time spent on the actual issue rather than information gathering and low level support. Additionally, 42% of consumers reported that they would be willing to buy a product or service from a chatbot. This transforms AI-powered chatbots from a deflection tool into a revenue generator, with the ability to suggest similar products, or answer questions consumers need clarification on before buying.

Hello! I need to exchange my sneakers for another size. What is your exchange policy?



Thanks for reaching out! I am happy to help. Here are some articles that might help answer your question.

[Return Policy - 30 Days](#)

[Return Policy - 90 Days](#)

[Exchange Policy](#)



53%

of consumers prefer self-service over talking to a company representative

Empathy and Humanity Above All Else

If 2020 has taught us anything, it is that empathy is of the utmost importance when dealing with customers. As the world has drastically changed, and individuals feel more stress and anxiety than ever before, the potential to brighten someone's day with a simple support interaction is hugely impactful.

According to our survey, 69% of consumers expect an organization to prioritize their problem if they are upset. Through a combination of sentiment analysis and intelligent routing, your customer service platform should be able to move upset or loyal customers to the front of the line and immediately get them help from the most appropriate agent.

Additionally, 53% of consumers expect a business to know about them and personalize how they interact. To create these meaningful relationships, companies need to adopt technology that allows them to see customer history, issues and behavior in context, no matter the platform.

69%

of consumers expect an organization to prioritize their problem if they are upset.

One thing is clear across the board: consumers expect retailers to know how they've interacted in the past, what issues they've encountered, and they want organizations to actively make amends. A whopping 76% of consumers expect companies to proactively follow-up and reach out to them if there is a problem. Whether it is a winter storm delaying a shipment, a new safety policy, or a fulfillment issue, proactive outreach is not only a nice benefit, it is now an expectation. Proactive communication can provide even more value when you use it for actions like reengaging unhappy or complacent customers, and building brand loyalty with targeted offers. Make sure your platform can power bulk messaging, targeting specific customer segments based on your unique data, like orders, location, or CSAT. In no time your customer service team will turn from a cost center into a profit center.

IN ACTION SPOTLIGHT

Lulus.com

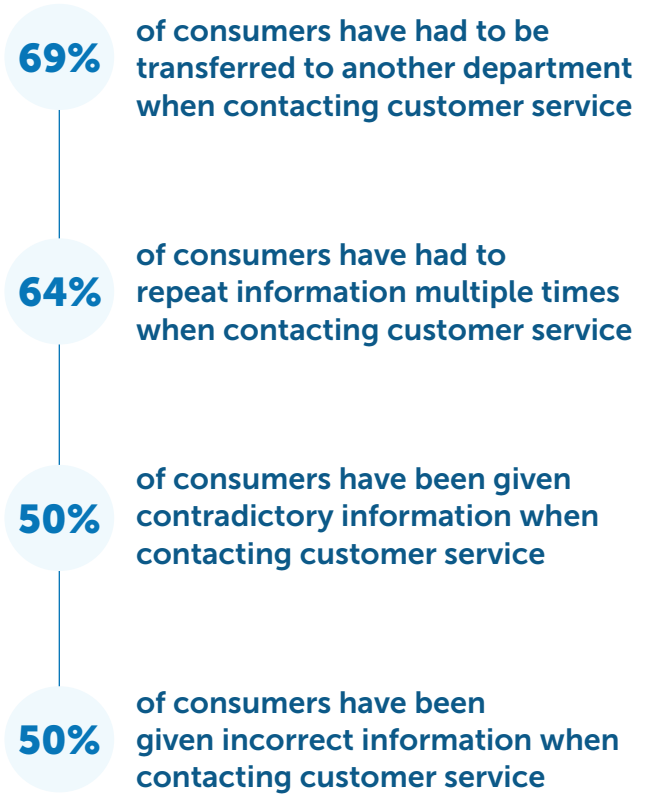


According to Amy Coleman, Director of CX at Lulus.com, the humanity of customer service is often lost in call center environments. "I think that one of the downfalls to old school ticketing systems is that it's no longer about people. It almost becomes like data entry for those agents that are working on the same thing. It's how many tickets there are," said Coleman. "We were never thinking of it in terms of the human beings that are on the receiving end. And I think that's what Kustomer has really done for us, it's allowed us to spend the time with the human beings that are on the other line and spend more time developing our team."

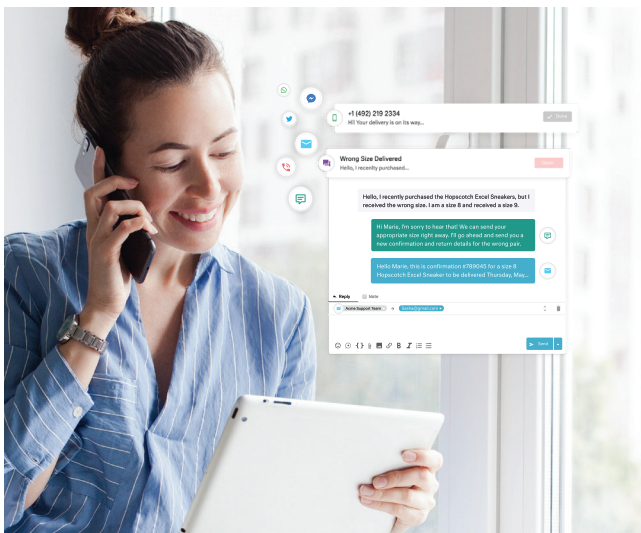
Omnichannel, Not Multichannel

There are more channels to contact customer service through than ever before. Whether using chat, social or phone, customers are not hesitant to reach out to retailers. Unfortunately, being present on every channel is pretty much table stakes in this day and age. Seventy-nine percent of consumers report getting frustrated when they can't contact customer service through their preferred medium or platform.

But it's not enough to simply be available on all channels anymore. You must also deliver an effortless and seamless experience. Most of the time, when a customer contacts a company, the team manning that channel will create a ticket. If the customer then contacts the company through a different channel about the same issue, a second ticket will be created with each team working their respective tickets. This results in a fragmented experience and an annoying experience for consumers. Unfortunately, most consumers have experienced the negative effects of a disjointed, multichannel customer experience:



A true omnichannel support strategy shifts perspective from ticket resolution to customer relationship building. Customers have the freedom to move between channels throughout their engagement, and are guaranteed consistency, so each conversation starts where the last ended. In order to achieve this successfully, agents must be free to move across channels through a single conversation and have a real-time view into historical interactions, so they know the context of the issue immediately.



CX of the Future

Generational differences in consumer expectations have always existed, and they give organizations insight into what is on the horizon when it comes to CX trends. What may have been the norm fifteen years ago, could still be preferred by older generations, whereas younger consumers are now setting the bar for the customer experience of the future.

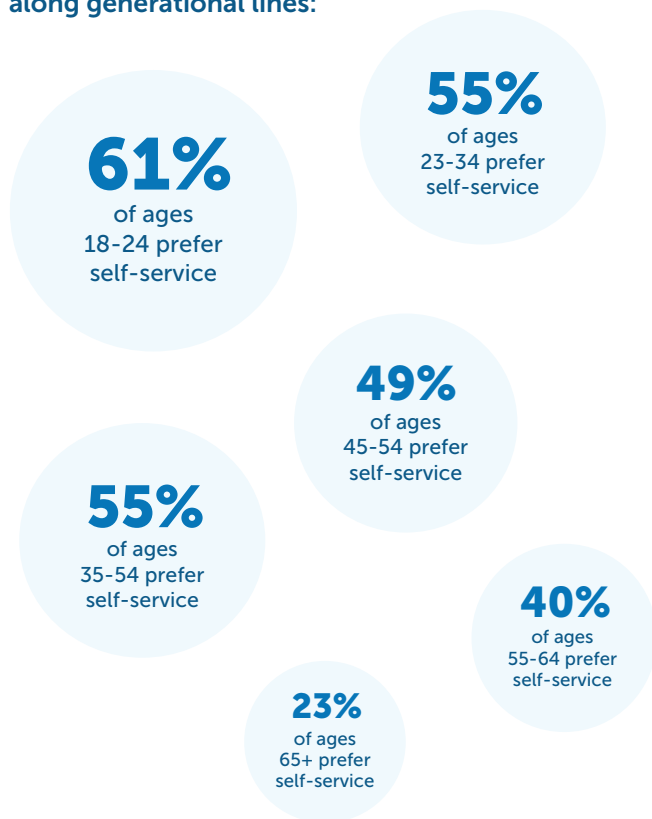
Based on our research data, customer service is only going to become more important to the success of businesses in the future. Good customer service was ranked as the number one attribute when choosing where to do business, even above price, for those aged 18-24. Additionally, younger generations are more willing than older generations to pay a premium for good service (61% of consumers 34 and younger vs. 48% of consumers 55+), and they are willing to pay more of a premium at that (20% of consumers 18-24 are willing to spend up to 15% more for exceptional service, vs. only 7% of consumers 55+). This means that businesses need to begin investing heavily in providing exceptional customer service, as these young consumers will soon become household purchasing decision makers.



Consumers aged 18-24 report customer service is the #1 attribute they consider when choosing where to do business.

Consumers aged 18-24 also rate customer service as slower, more difficult, less personal, and less convenient than all other age groups, meaning that current customer service strategies are falling short when it comes to this generation. Luckily, they are also more forgiving. Only 28% of consumers aged 18-24 say they wouldn't do business with a company again after a bad customer service experience.

Lastly, consumer appetite for self-service is split along generational lines:



Older generations, that are perhaps a bit less tech-savvy, still prefer to speak with a company representative, but as younger generations begin to age, it will be imperative to invest more heavily in self-service tools. This demographic has grown up with Google in their back pockets, and are used to finding answers on their own. This “help yourself” mentality thus transfers seamlessly to customer service.

Similarly, younger consumers are also more comfortable interacting with and buying from chatbots. Sixty-two percent of consumers aged 35 and younger believe chatbots improve the customer experience, compared with only 35% of those aged 45 and above, and 21% of those aged 55 and above. Additionally, 51% of consumers aged 35 and younger are willing to buy products and services from a chatbot, compared with only 25% of those aged 45 and above, and 12% of those aged 55 and above.

It’s always been clear that consumers are demanding, but their expectations shift as quickly as the current global landscape. And consumers are now being forced to be more conscious and discerning about where they spend their dollars. Organizations need to put a customer service strategy in place, and leverage the right tools, to deliver on these expectations and properly prepare for the future. COVID-19 has accelerated digital transformation efforts by **six years on average**, so the time to prepare for the future state is now. Keep in mind: a customer is no longer a problem to be solved, but a relationship to be built. And your customer service strategy should reflect that.



About Kustomer: Kustomer is the first-of-its-kind customer service CRM platform built for managing high support volume by optimizing experiences throughout the customer service journey. Kustomer helps brands quickly resolve conversations on all digital channels by automating 40% of interactions via self-service, reducing handle times with intelligent routing, and driving omnichannel experiences between customers and agents.

    To learn how Kustomer can help you deliver on consumer expectations, visit [Kustomer.com/Demo](https://kustomer.com/Demo)