GetFeedback®

Retail reality:
What your customers actually want
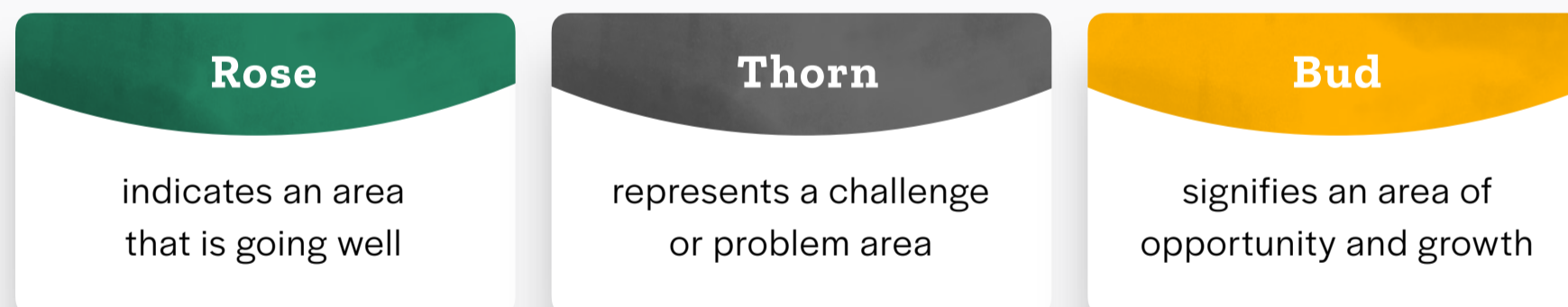
(and what retailers are already getting right!)

![GetFeedback logo]

In 2020, the COVID-19 pandemic pummeled retailers with unprecedented shutdowns, shrinking consumer budgets, and market uncertainty, leading some businesses to close up shop for good. Now, retailers are looking to make a big comeback.

To support retail businesses on their journey to recovery, we set out to understand trends in consumer preferences, what the retail industry is prioritizing, and how customer experience (CX) can play a role in your success.

In this report, we'll share findings from our survey of **1,030 consumers** and **221 retail professionals** across the U.S. and U.K., categorized into the Rose, Thorn, Bud framework:

Rose	Thorn	Bud
indicates an area that is going well	represents a challenge or problem area	signifies an area of opportunity and growth

Read on for insights and tips for staying close to your customers' changing needs, narrowing the gap between your retail investments and what your consumer actually wants, and delivering a world-class customer experience.

We share findings from our survey of

1,030
Consumers

221
Retail professionals

across the U.S. and U.K.

Customer effort

Transforming friction into effortless experiences

In the retail world, convenience is king. In fact, **84% of consumers say they're likely to choose a retailer based on convenience or ease of doing business**. There are many elements that make a shopping experience convenient, from location to amount of difficulty to complete a purchase, but the key to convenience is reducing the time and effort required to do business with you.

The opposite of convenience is friction—any roadblock that prevents a buyer from successfully completing a purchase. With such high expectations for convenience today, your success depends on removing points of friction and making the shopping experience as easy and seamless as possible.
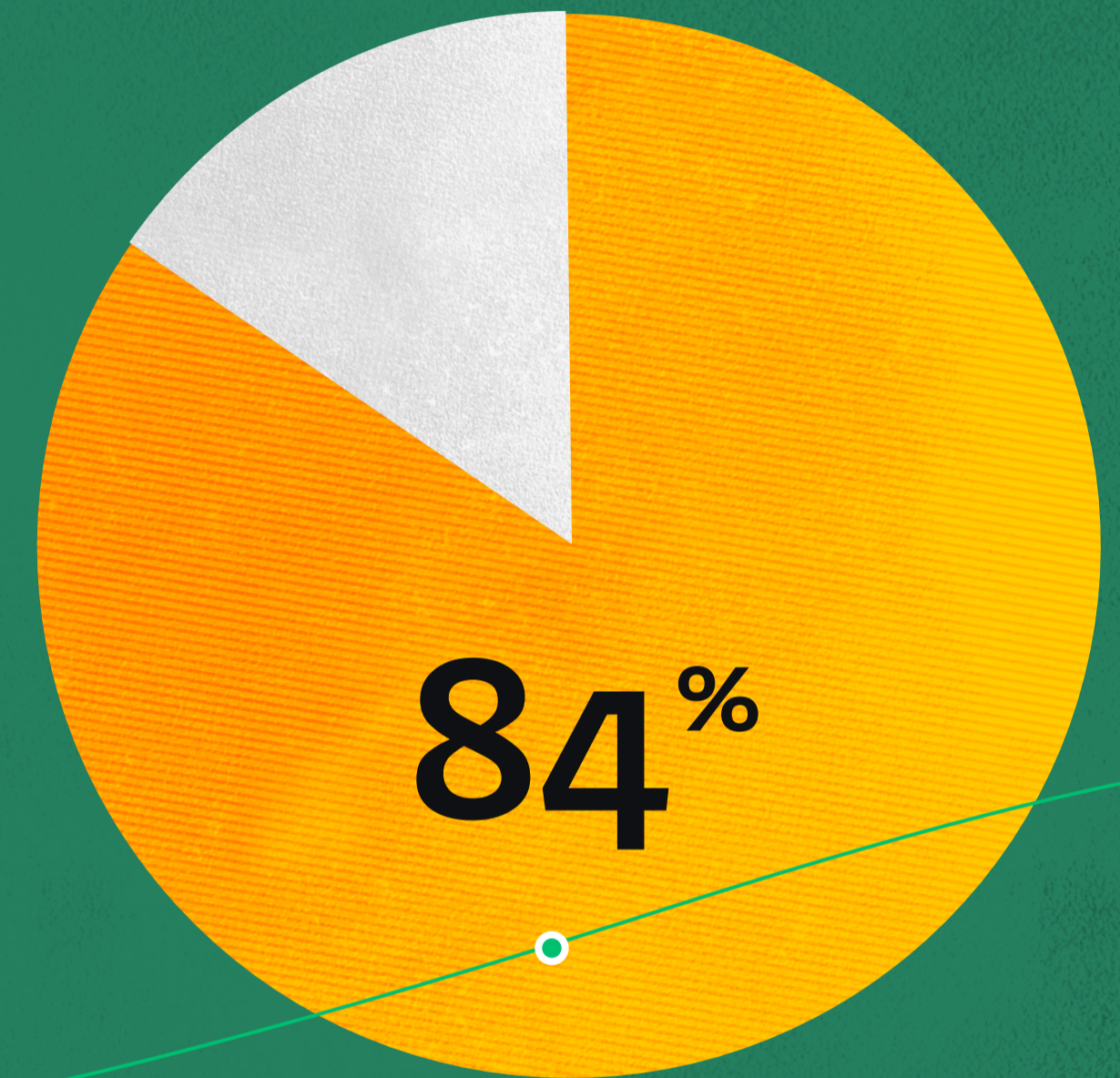
84%

of consumers say they're likely to choose a retailer based on convenience or ease of doing business

Rose

Consumers and retailers share the same vision: an easier, frictionless experience. As we learned above, the vast majority of consumers are apt to choose a retailer based on convenience. It's a good thing most retailers are in complete alignment—**97%** say reducing customer effort is an important aspect of their 2021 CX strategy.

Thorn

The pandemic ushered in a whole lot of friction for in-store shoppers: long queues before entering the store, out-of-stock necessities, and bans on sampling goods before buying, for instance.

Enter, ecommerce. When customers turn to online shopping, they report **convenience** is the **#1 reason**. But ecommerce has its own points of friction to contend with—like slow loading times, high shipping costs, or website bugs—that can result in shopping cart abandonment and a poor overall experience.

97%

say reducing customer effort is an important aspect of their 2021 CX strategy.
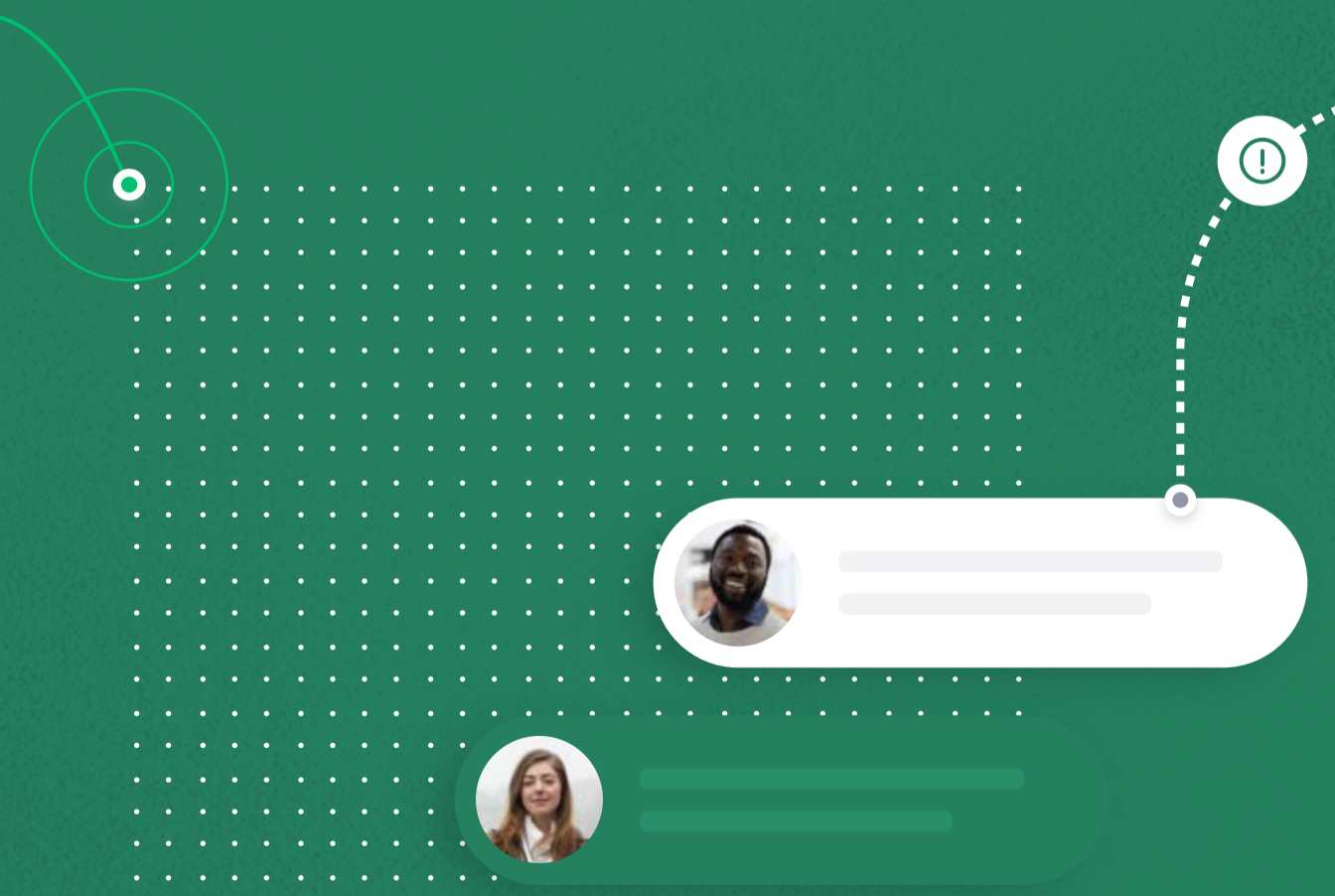
| Customer effort

Bud

So where should retailers focus their efforts to reduce friction and improve ease of use? According to consumers, convenience is most important during the **research** stage, when they're still deciding on which brand to select for a purchase—that means focusing on easy site navigation (1 in 3 consumers would like to see this improved), displaying reviews on your site (requested by 42% of consumers), and easy browsing and search functionality, could have a big impact on your success this year.
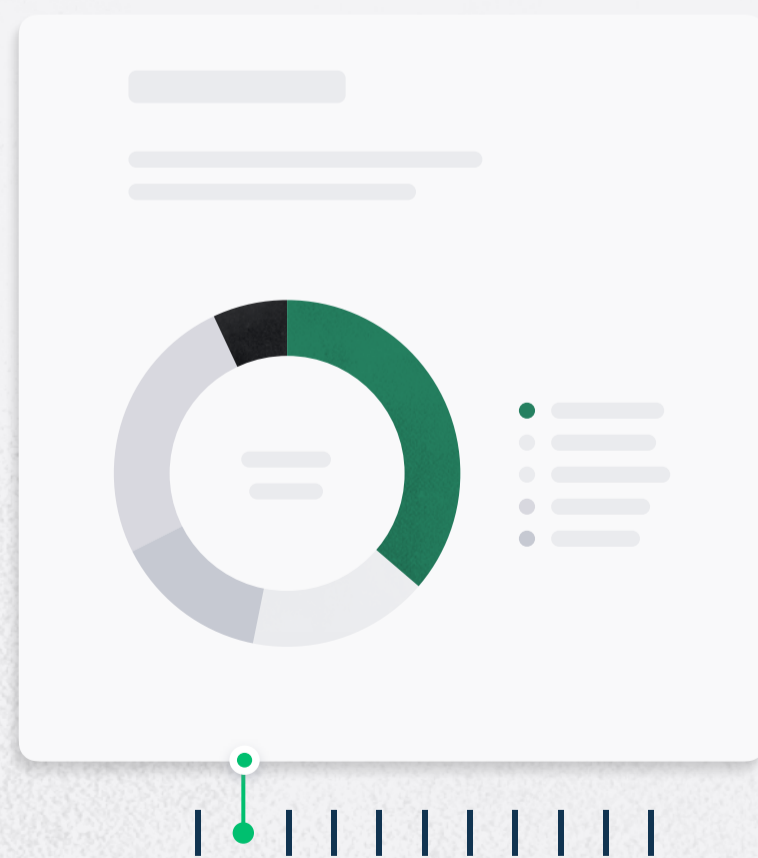
Expert tips

- To identify any points of friction, request feedback from your customers by triggering a <u>transactional Net Promoter Score® (NPS)</u> survey by text or email directly after a purchase, measuring your <u>Customer Effort Score (CES)</u>, or taking a quick pulse on your website or at the time of sale on your point of sale (POS) system.

- Be available to customers should they need to reach out while experiencing friction. Most retailers can be reached by phone (69%), online help centers (58%), and in person (55%). Chat bots, email, and text are other convenient ways for your customers to get in touch.

- To reduce customer effort, it's also important to make it easy for buyers to leave feedback—for instance by <u>capturing feedback on your website</u> without disrupting the browsing experience

<u>**Read more about best practices for reducing customer effort.**</u> ↗

How Carrefour uses the Voice of the Customer (VoC) to identify friction points and improve the customer experience
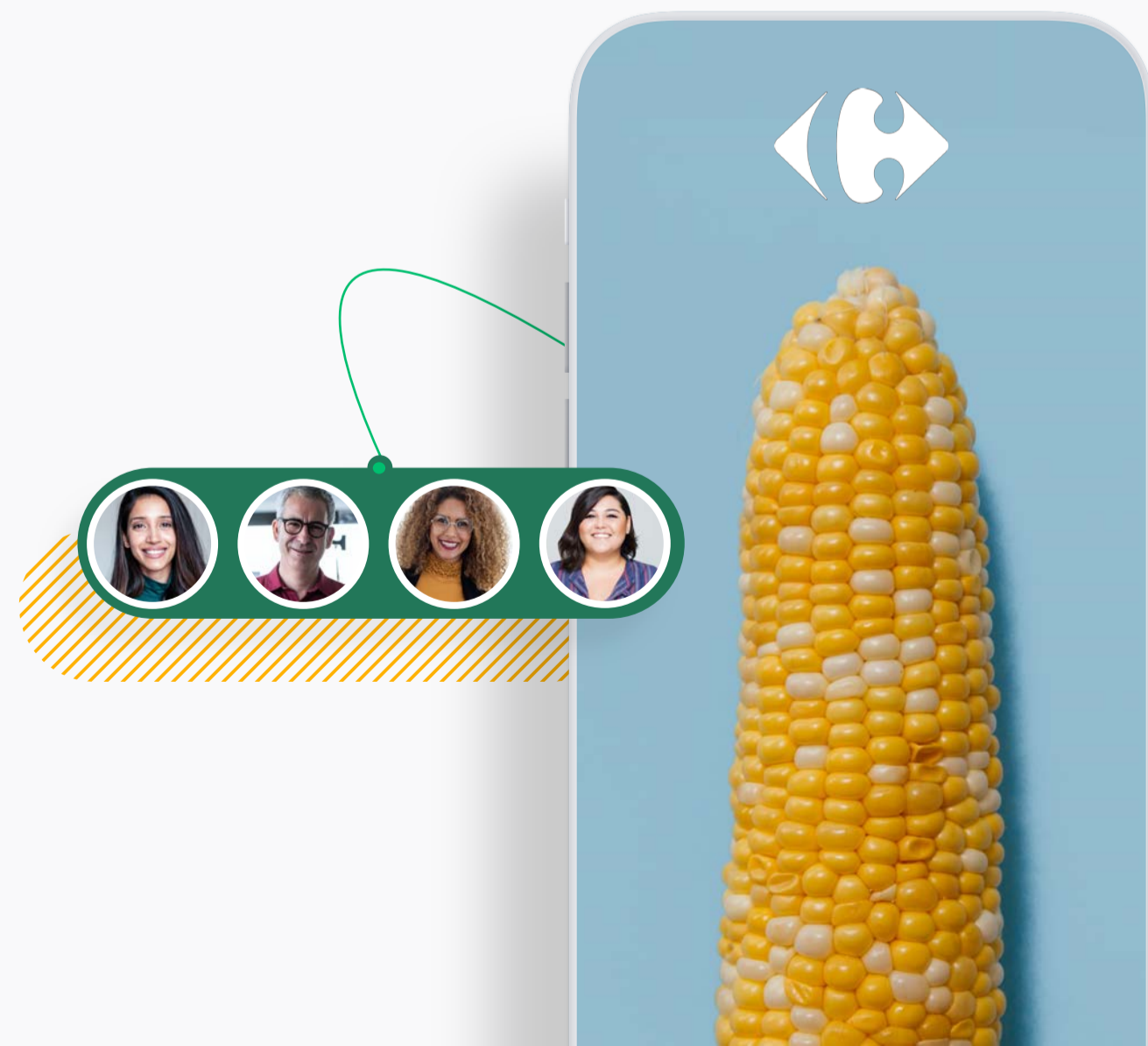
Carrefour, a global leader in wholesale distribution with 12,225 stores in 30 countries, is a pioneer in the retail industry. For years, Carrefour has been striving to become more user-centric, but recently they've accelerated their focus on the customer experience.

Since the pandemic, Carrefour has observed an influx of new customers to their websites and apps. Using GetFeedback, they were able to collect and analyze real-time feedback to identify friction points throughout the purchasing journey that were previously unknown, as they were dealing with many new customers.

Today, a total of 50% of their roadmap is dedicated to resolving frustrations reported by customers, compared to the 10-20% that the team devoted to this in the past as part of their product improvement initiative.

Read the full story

Digital transformation

Embracing the future of omnichannel

The ecommerce boom, fueled by evolving consumer preferences and ignited by the pandemic, isn't going anywhere. The events of 2020 simply accelerated a transition that was already in motion. But we're also seeing that brick and mortar locations will continue to play an important role. Our study found an omnichannel approach is still the most desirable path forward—**almost half of consumers say they prefer the option to shop with a retailer online *and* in store** (compared to just 28% who prefer shopping exclusively in store and 23% who prefer online-only).

49%
Online & in store

28%
In store

23%
Online
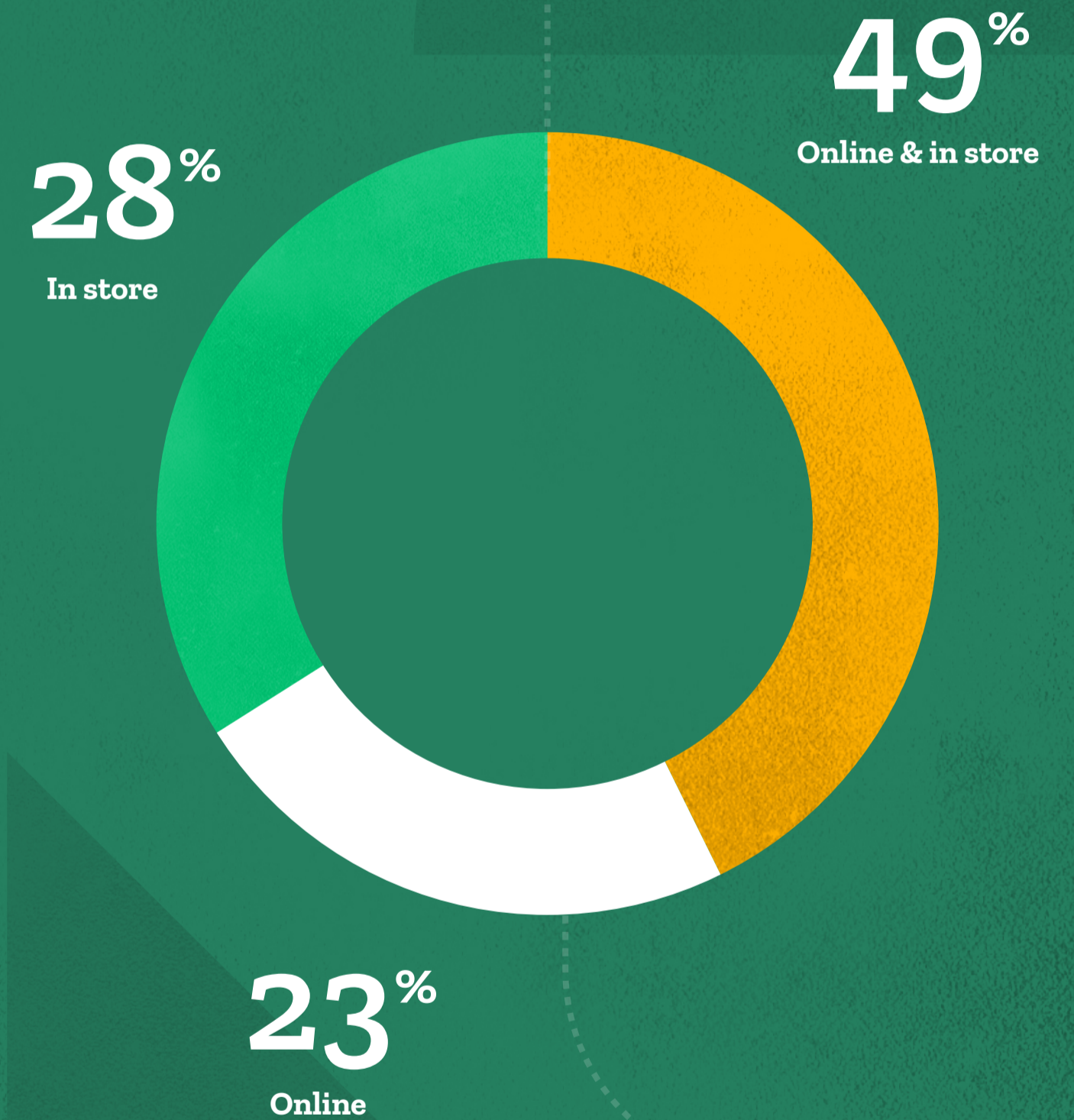
Digital transformation

Rose

It's clear that online shopping isn't slowing down. **1 in 4** consumers plan to do **more online shopping** post-pandemic, and 61% say their online shopping habits will remain steady. Luckily, retailers are prepared to lean into the digital age: 76% say their investments in digital channels will increase over the next year.

Wondering where to focus your efforts? Consumers say "finding deals and promotions" is the #1 area they'd like to see improved in the online shopping experience (46%), followed by "comparing prices or reviews" (42%), and "easier site navigation" (32%).

Thorn

2020 demanded retail businesses invest quickly and heavily in driving digital transformation initiatives, in some cases condensing multi-year plans into weeks. This brought a lot of new competition to the ecommerce space, but newcomers to the world of online retail are at a disadvantage compared to their digital-first peers and may not be fully prepared to compete in this channel.

1 in 4

consumers plan to do more online shopping

Cactus Plant

Perfect for the office, living room, home decor and more. Get creative with your cacti!

Buy now

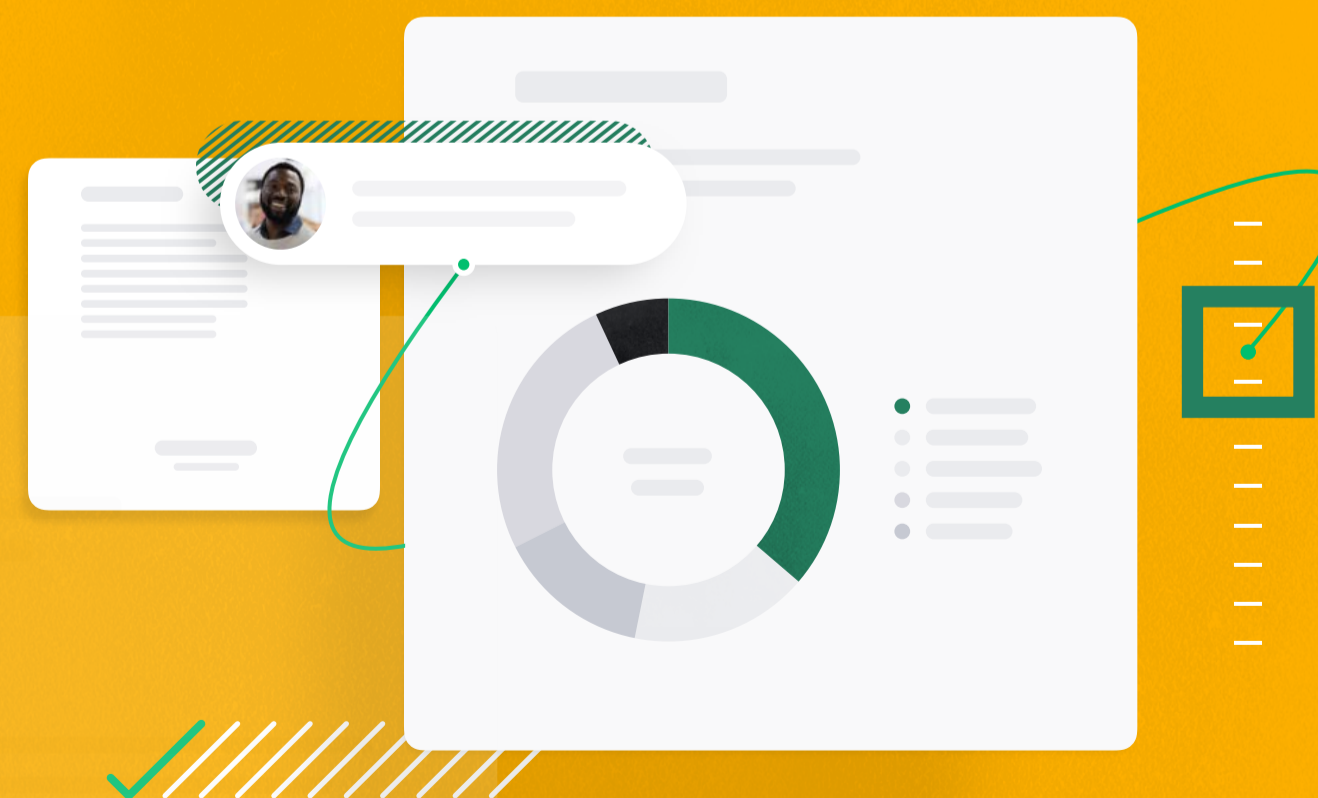## Digital transformation

Bud

While most consumers prefer a blend of online and in-store shopping, these channels are not equal—and each has its upsides and downsides. Those who prefer shopping online say **convenience** is the biggest advantage, while **being able to see and feel goods before buying** is the biggest advantage reported by those who prefer shopping in stores.

The future of omnichannel is headed toward a holistic, seamless approach that blurs lines and breaks through the boundaries of traditional shopping experiences. To merge the best of both worlds, retailers would benefit from making in-store shopping more convenient—for instance, by speeding up the check-out process with buy online pickup in store or adding mobile payments—and improving the online experience with new AR-powered features like virtual try-before-you-buy.

Expert tips

● Whether you're a digital-first business or just venturing into the ecommerce space, it's critical to understand and improve on the experience you're providing for customers online. A great way to measure this is by using website surveys to ask why customers are abandoning their carts, what visitors think of your website redesign, or how you could improve your site navigation and user experience (UX).

Learn more about collecting in-the-moment feedback across your digital channels and how GetFeedback Digital can help. ↗

Customer spotlight

How PUMA uses multidimensional customer feedback to drive a digital transformation

PUMA, a German multinational footwear company, was ready to continue its upward momentum and was all set with 2020 plans—until the pandemic changed everything. Quickly adapting from brick and mortar stores to online shopping, PUMA needed to swiftly optimize their digital customer experience.

GetFeedback was implemented throughout the customer journey, giving customers the opportunity to provide website feedback in real time and providing the PUMA team with customer insights. The result? A 62% jump in PayPal revenue and an 11% increase in NPS.
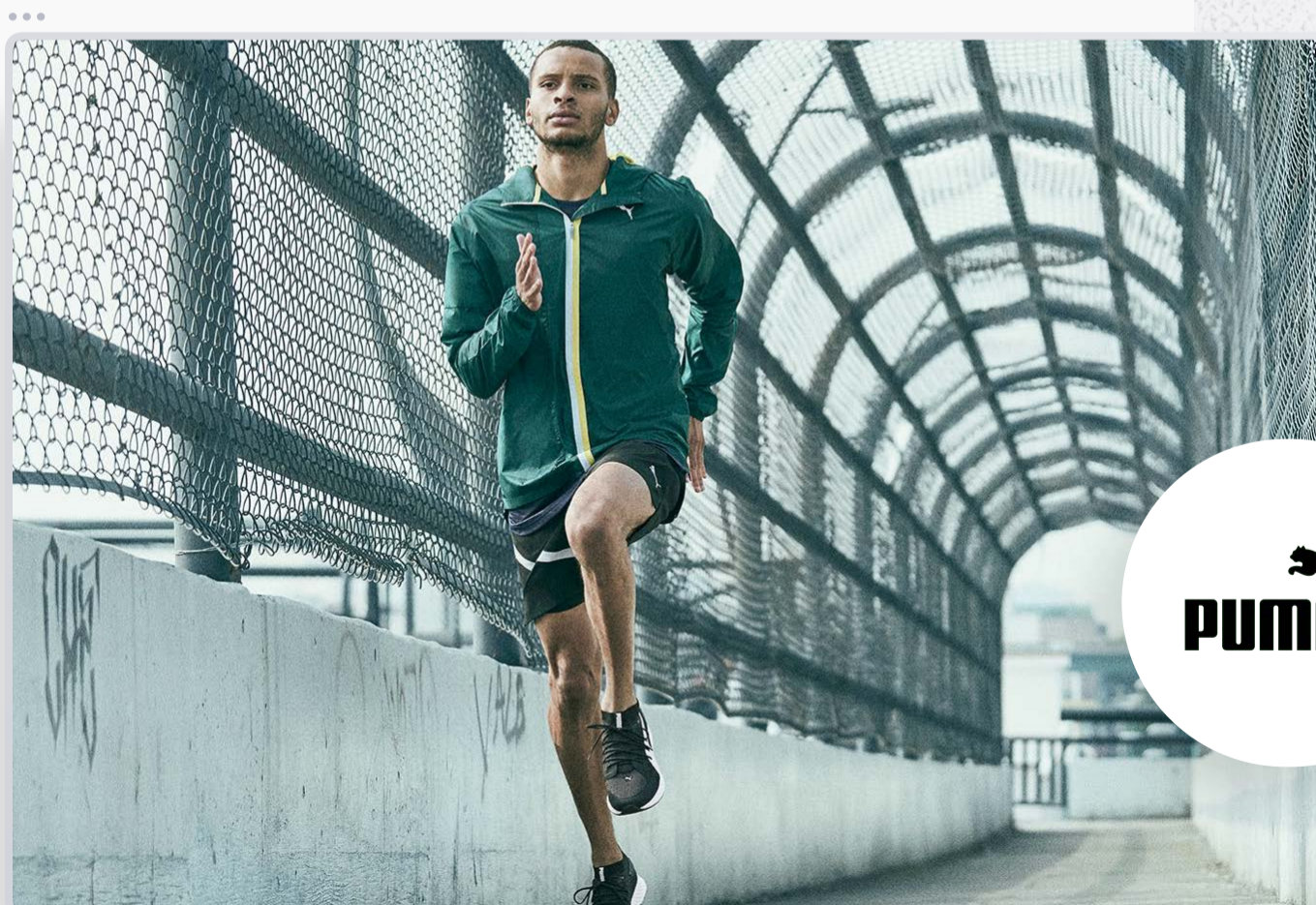
Read the full story ↗
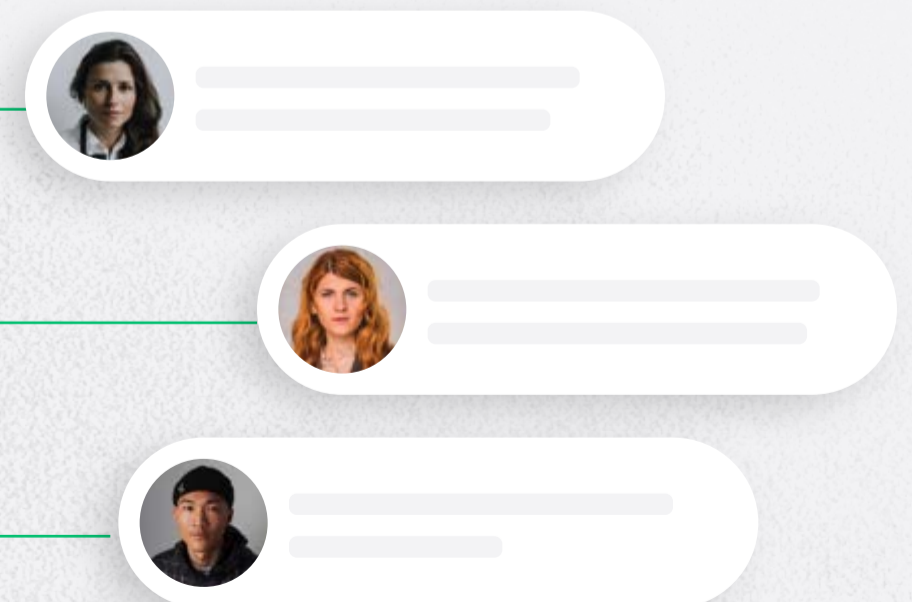
Customer loyalty

Exploring new ways to drive customer loyalty

With all eyes on customer retention, retailers need to continuously evolve and adopt new strategies for boosting customer loyalty. Loyalty programs are a popular way to further incentivize customers to revisit your brand—again and again—and reduce marketing spend on new customer acquisition.

Due to evolving consumer habits and changes to spending, customer loyalty programs became an important factor in retaining customers during the pandemic. In fact, **88% of retailers say they launched or revamped a customer loyalty program in response to the pandemic**. Sephora, Kohl's, and Madewell were among the brands to expand their loyalty programs and provide more enticing incentives.
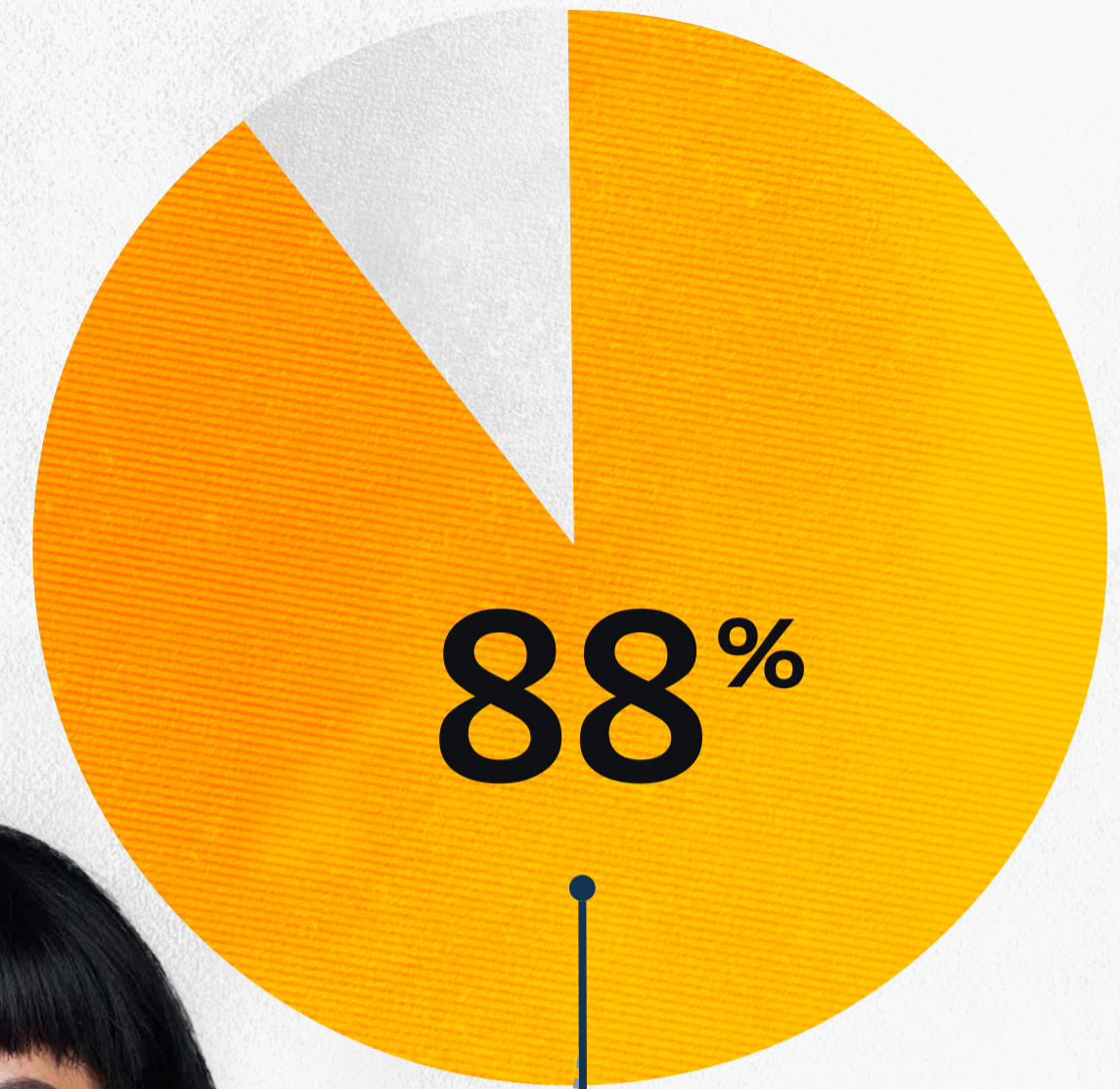
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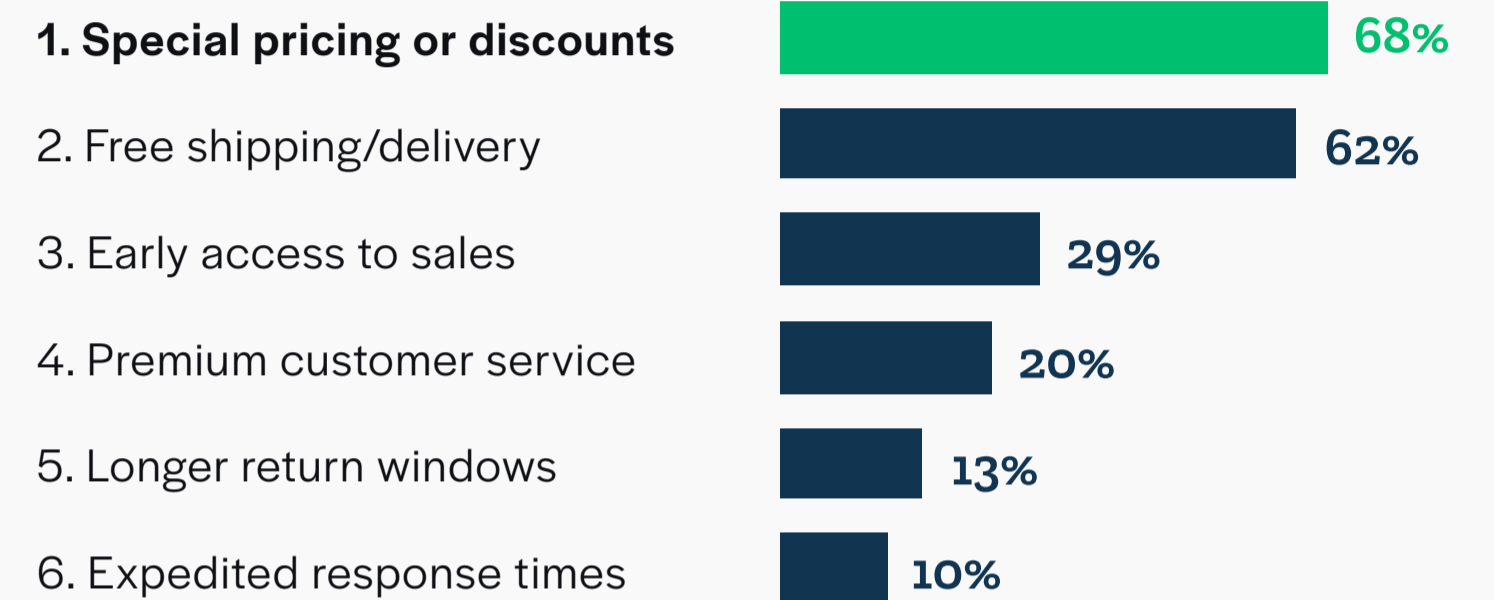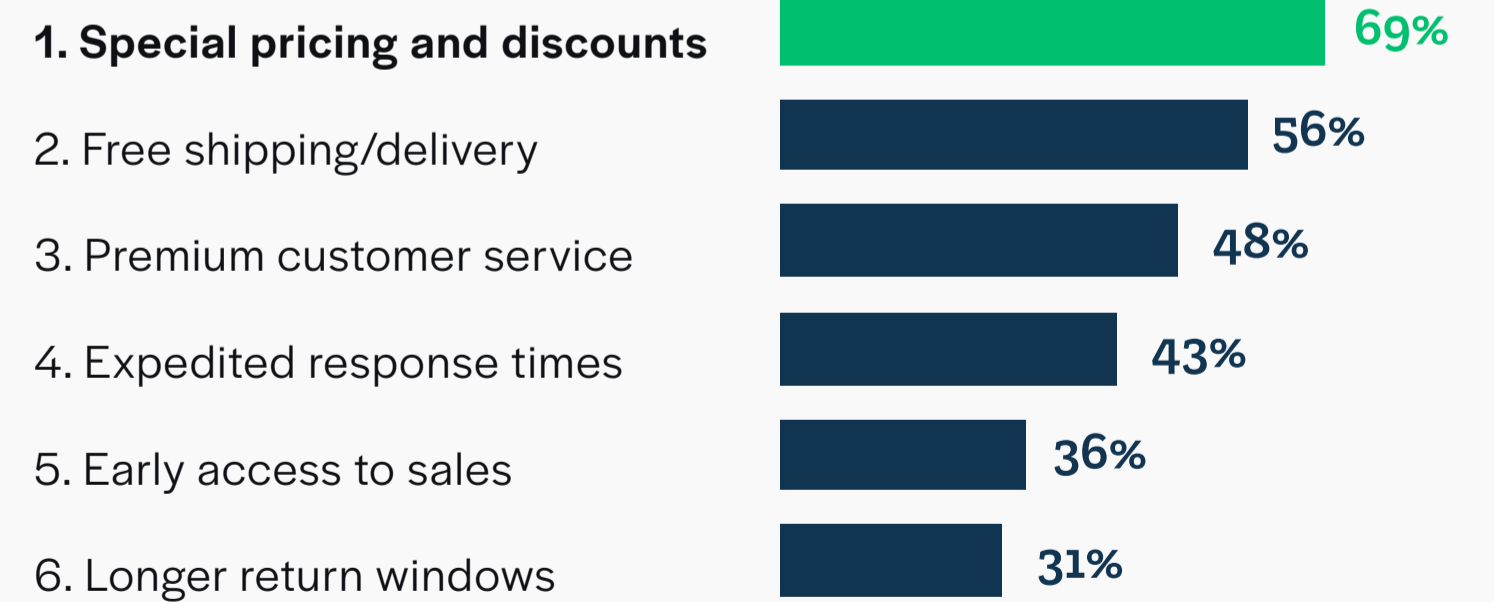
Customer loyalty

Rose

When it comes to what features to include in a customer loyalty program, consumers and retailers are very aligned on their priorities. "Special pricing or discounts" came in at the top spot followed by "free shipping/delivery" for both consumers, when asked what would interest them in a loyalty program, and retailers, when asked what their program includes.

What interests consumers in a loyalty program:

1. Special pricing or discounts — 68%

2. Free shipping/delivery — 62%

3. Early access to sales — 29%

4. Premium customer service — 20%

5. Longer return windows — 13%

6. Expedited response times — 10%

What retailers offer:

1. Special pricing and discounts — 69%

2. Free shipping/delivery — 56%

3. Premium customer service — 48%

4. Expedited response times — 43%

5. Early access to sales — 36%
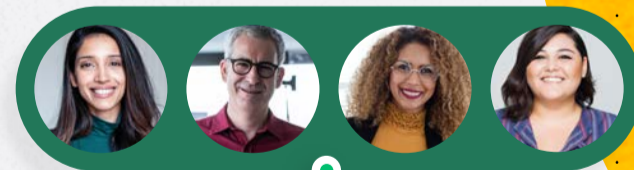
6. Longer return windows — 31%
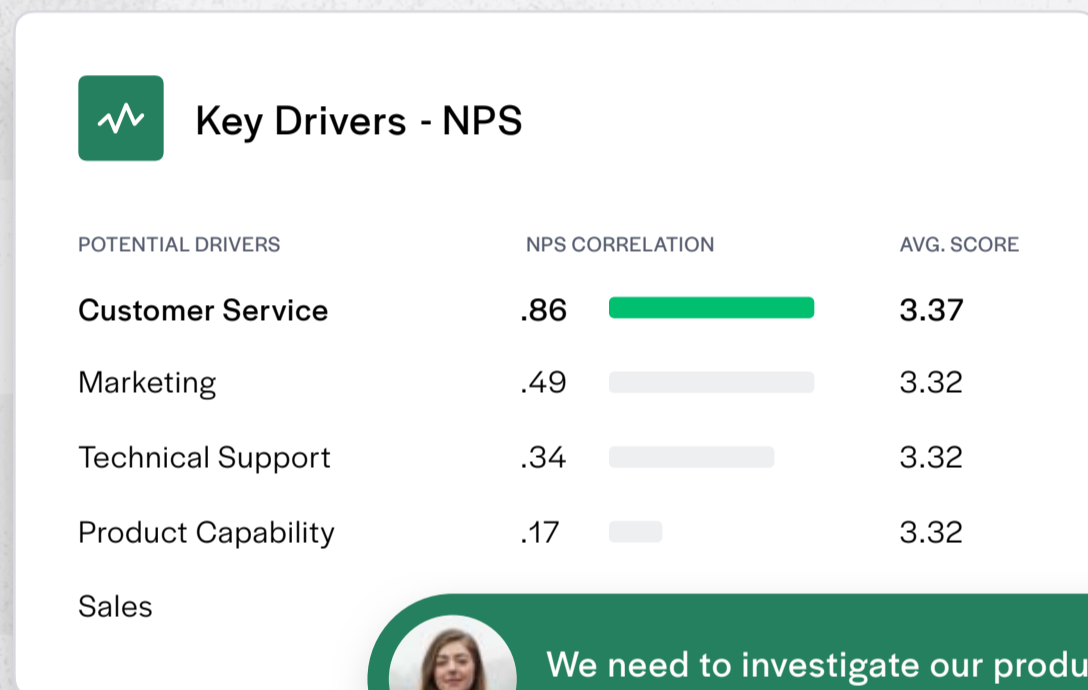
| Customer loyalty

Thorn

Special pricing and other monetary perks are at the top of the list of consumers' preferred loyalty program features. This means your customers could have more loyalty to the discount rather than your brand or business. On their own, discounts aren't enough to create loyalty. If you offer similar brands and goods as your competitors, your customers may buy from whoever has the biggest sale or lowest price— unless they have an emotional connection to your brand that's been built over time through consistent customer service and excellent value.

Bud

Speedy service and delivery are worth a lot to consumers— **over a third said they'd be willing to pay for a loyalty program** that offered faster shipping or customer service. Charging a monthly or annual fee for your loyalty program can help you recoup some of the costs of running the program, and may even encourage customers to turn to your business more often to get the most out of their investment.

GetFeedback®

Key Drivers - NPS

POTENTIAL DRIVERS	NPS CORRELATION	AVG. SCORE
Customer Service	.86	3.37
Marketing	.49	3.32
Technical Support	.34	3.32
Product Capability	.17	3.32
Sales		

> We need to investigate our product. It's having a big impact on NPS.

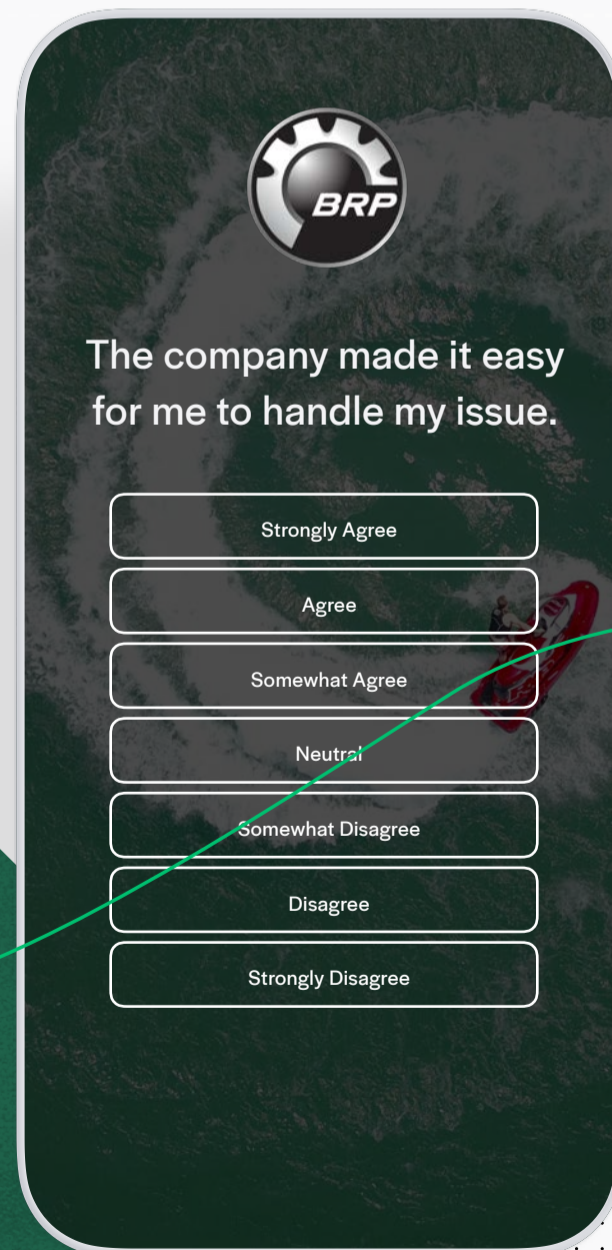> Agreed. Let's schedule a meeting with the product managers.

Expert tips

- Loyalty programs can be costly. Before you launch one or add expensive perks, you should first make sure the results will outweigh the costs. It's also a good idea to <u>survey your customer</u>s to gauge interest in a potential program—and even find out how much they'd be willing to pay for one.

- To measure customer loyalty, try sending an NPS survey to identify your Promoters, Passives, and Detractors—then put an action plan in place to <u>turn your Detractors into Promoters</u> and your Promoters into advocates for your brand.

<u>Learn more about customer loyalty surveys and what questions to ask.</u> ↗

How BRP boosts customer loyalty by listening to feedback

The company made it easy for me to handle my issue.

- Strongly Agree
- Agree
- Somewhat Agree
- Neutral
- Somewhat Disagree
- Disagree
- Strongly Disagree

Bombardier Recreational Products (BRP) is the world's leading powersports manufacturer, with seven brands including Ski-Doo Snowmobiles, Sea-Doo Watercrafts, and Can-Am Spyder Motorcycles.

BRP credits their success to the strong connection they have with their customers. For many decades, they've prioritized collecting feedback to understand customer needs and expectations, but low response rates and high costs led them to search for a new CX solution.

With GetFeedback, BRP has met its goals and launched several impactful surveys, including their purchase loyalty survey and service loyalty survey. The insights have shown them how much the dealership staff has an impact on the customer's loyalty. Once they began capturing Net Promoter Score® (NPS®), they found the number one thing impacting the score was the staff and the customer's relationship to that staff.

Read the full story ↗

Following up with upset customers

Getting customer complaints isn't fun. But responding to them in a timely manner is key to creating loyalty and reducing churn. Your customers expect a quick response: After leaving a complaint on a brand's social media page, **most consumers anticipate a response within a few hours (30%) to a few days (31%)**. Any longer, and your customers may start to think you've forgotten about them, or worse—don't care.

31%

anticipate a response within a few days

30%

anticipate a response within a few hours

Rose

While it's easy to think your Detractors are far from your biggest fans—if they truly despise your company, they might not have bothered leaving feedback at all.

The top motivation for leaving negative feedback reflects this— most consumers say they just want to **let your company know so you can improve (53%)**. Another 38% say they'd like to save others from having a bad experience, and 6% want your company to compensate them. Just 3% admit they're out to get revenge.

Interestingly, over half of the consumers we surveyed say they've felt remorseful or worried about the consequences after leaving a negative review. It's a helpful reminder that your customers are just people, after all—sometimes they get upset and respond more harshly than they want to.

53% want to let your company know so you can improve

38% want to save others from having a bad experience

6% want compensation

3% want to get revenge

| Retail reality: What your customers actually want
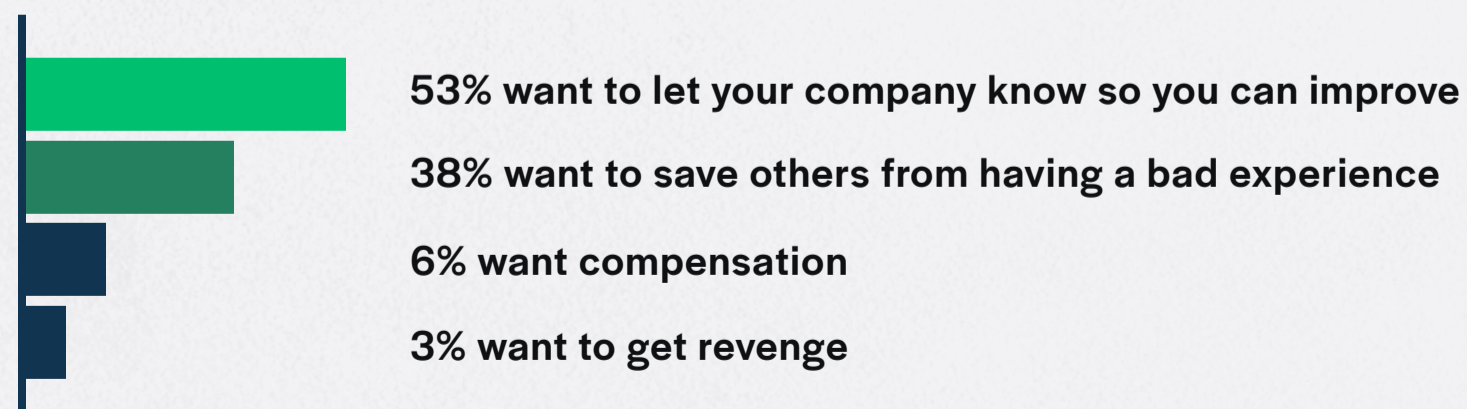
Thorn

Nearly half of the retail professionals we surveyed said their companies were unable to address every complaint they received last year (45%), and 14% were only able to address half or less. That means a lot of customers were left with unresolved problems.

So what do consumers want from you to remediate a complaint? After a poor experience with a brand, what consumers want more than anything else is to be **reimbursed for the purchase (61%)**. Forty-two percent want the company to acknowledge their mistake and apologize, 39% want to be offered a monetary reward or credit for the inconvenience, and 29% want more product or service free of charge.

Bud

Complaints can come in from any channel, but social media offers a very public—and potentially damaging—setting to receive feedback. The risks are real: 91% of consumers say they've changed their mind about making a purchase after reading a negative review.

Still, less than half of retailers have a **social listening program** in place today (49%), meaning they aren't following or engaging in the conversations happening about them on social media, from Yelp to Twitter. If you're not involved in the conversation, the conversation will go on—without you. So make sure to grab ahold of the opportunity to make things right, and show other potential buyers how your customer service stacks up.
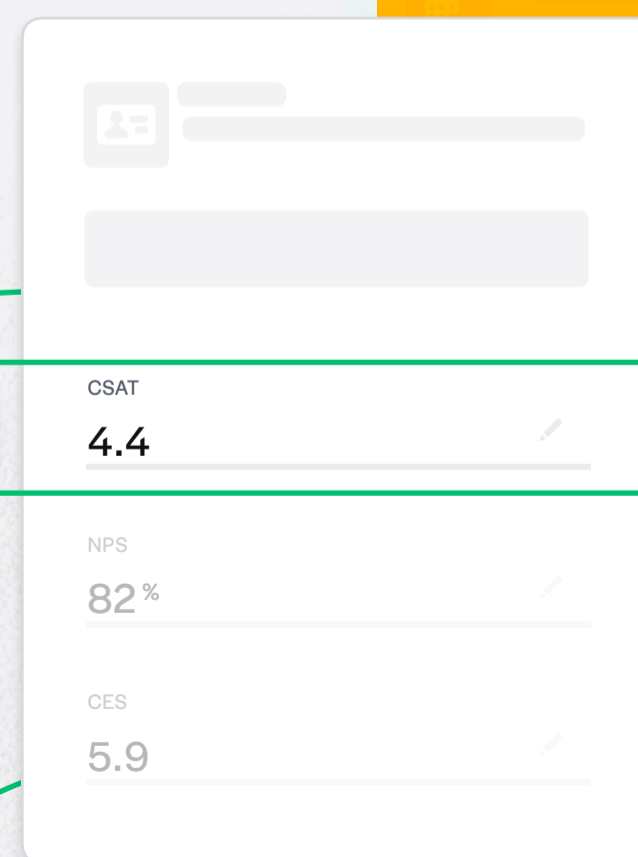
Expert tips

● If you're not going to take action, why bother asking for feedback at all? Make sure any time you ask for feedback, you're putting insights into action and closing the loop with your customers—if they get the sense you aren't doing anything with their feedback, they might not bother leaving any next time.

● Survey customers after support interactions to identify areas to improve with your customer service, for instance by sending an automated CSAT survey using GetFeedback for Salesforce after a support case is closed.

Learn how GetFeedback empowers teams to close the loop and take action in the systems they're already using. ↗

CSAT
4.4

NPS
82%

CES
5.9

How YETI closes the loop
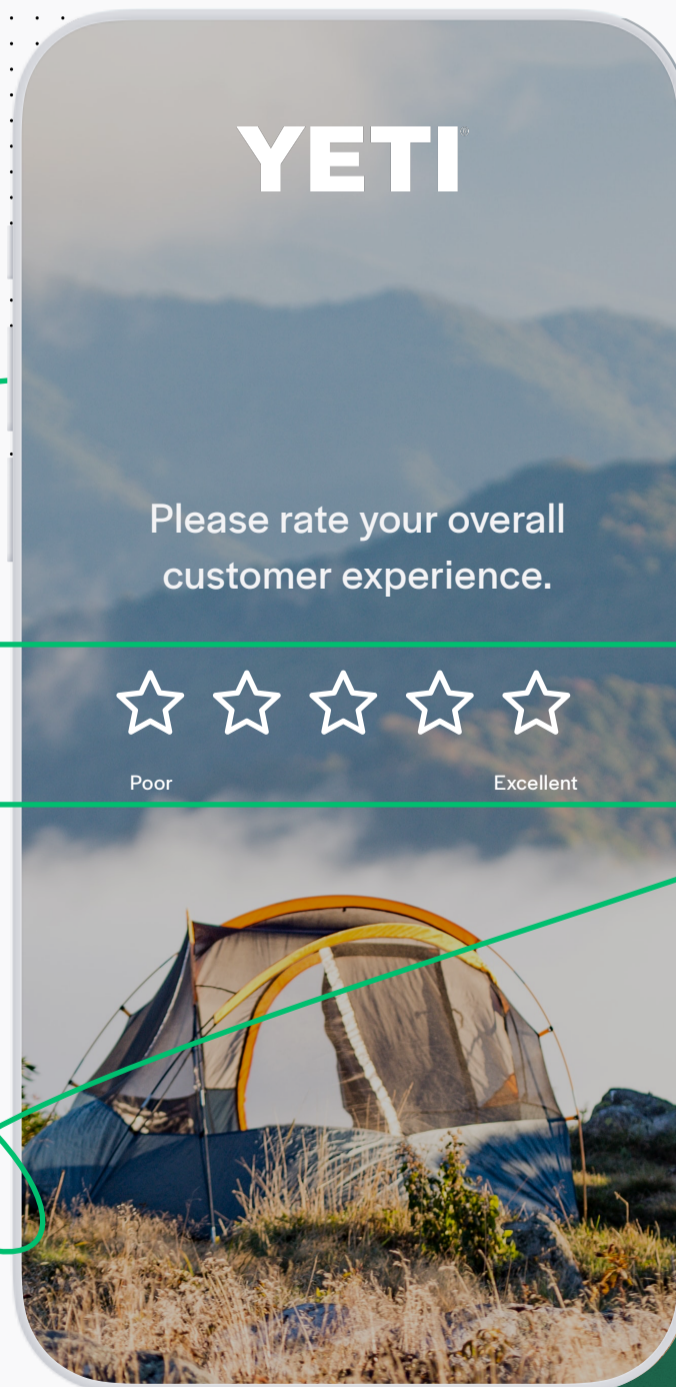
YETI's top tier coolers and drinkware have become a symbol of status and trendiness for outdoor enthusiasts. The company's success hails from their ability to produce need-to-have products inspired by firsthand experiences and their relentless pursuit of delivering the best customer experience.

As YETI's popularity grew, their customer base increased along with it. Striving to deliver the best products, services, and experiences, they adopted GetFeedback to create an omnichannel feedback program that would scale alongside them.

One of the ways YETI uses GetFeedback is to send a simple One-Touch Email Survey embedded at the bottom of every signature to get real-time access to customer sentiment and understand how customers are feeling after interacting with a customer service agent. YETI supervisors then have the ability to follow up, contact them and remedy that situation or experience, and convert them to be a customer for life.

Read the full story ↗

Next steps

We talked to a broad sample of consumers to piece together overall trends in the retail industry, but to get an accurate idea of what your customers want, you'll need to ask them. That's where GetFeedback can help. GetFeedback is an agile CX platform that can help you achieve all of your customer experience goals—from relieving friction to supporting omnichannel strategies and creating loyal customers.

With GetFeedback, retailers can:

Listen
Meet customers where they are and collect in-the-moment feedback across all channels.

Understand
Quickly spot trends and share insights widely with your teams.

Act
Close the loop on critical feedback as it happens and drive action to improve the customer experience.

Learn more about GetFeedback's agile CX platform and sign up for a free trial. ↗