



LISTEN: A MAGENTO 'MEANINGFUL CX' SERIES

Brand Utility:

Listening To Customer
Feedback, Responding With
Better Experiences

Foreword

Since the birth of the customer experience (CX) concept, brands and digital experts have been discussing and experimenting on the right strategies for it. Countless reviews, studies, and reports that talk about the concept are available out there. Brands have an avalanche of information and data to refer to.

Yes, it's great to be aware of the industry trends and best practices. But sometimes, brands forget to pause and ask: "What is this data telling us, particularly from a customer perspective? How can we incorporate these insights into our day-to-day interactions with customers?"

To find a deeper meaning behind the numbers, brands need to listen more intently to what customers say. Customers must feel their thoughts are heard, and better experiences await following their feedback.

This is why we came up with Listen: A Magento 'Meaningful CX' Series to provide some practical takeaways on how brands can improve experiences based on customer preferences. We've asked consumers questions to understand the factors affecting their retail choices whilst shopping online and get their take on data sharing and new technologies.

As part of the survey, we received feedback from 7,000 respondents across Asia Pacific (APAC) including Australia, China, India, Japan, Malaysia, Thailand, and Singapore. This range of consumers from different countries provided us with powerful insights and direction in terms of CX and branding strategies. They expect brands to prioritise seamless experience across all touchpoints, protect their data, and explore eco-conscious initiatives.

While going through the whitepaper series, we hope that brands will also feel the need to listen more to customers, to start two-way conversations with them, and to build a stronger relationship founded on trust.

All these will begin from a habit of effective listening.



Nicholas Kontopoulos
Head of APAC Commerce Marketing



The Oxford dictionary defines listening as, “to give attention to sound or action.^[1] When listening, one is hearing what others are saying, and trying to understand what it means.”

So why is listening so important to a commerce business?

Notice that the definition of listening did not stop at sound or hearing alone. It ended with a more in-depth objective of “understanding.”

Take a moment and put yourself in your customers’ shoes.



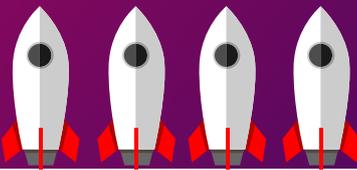
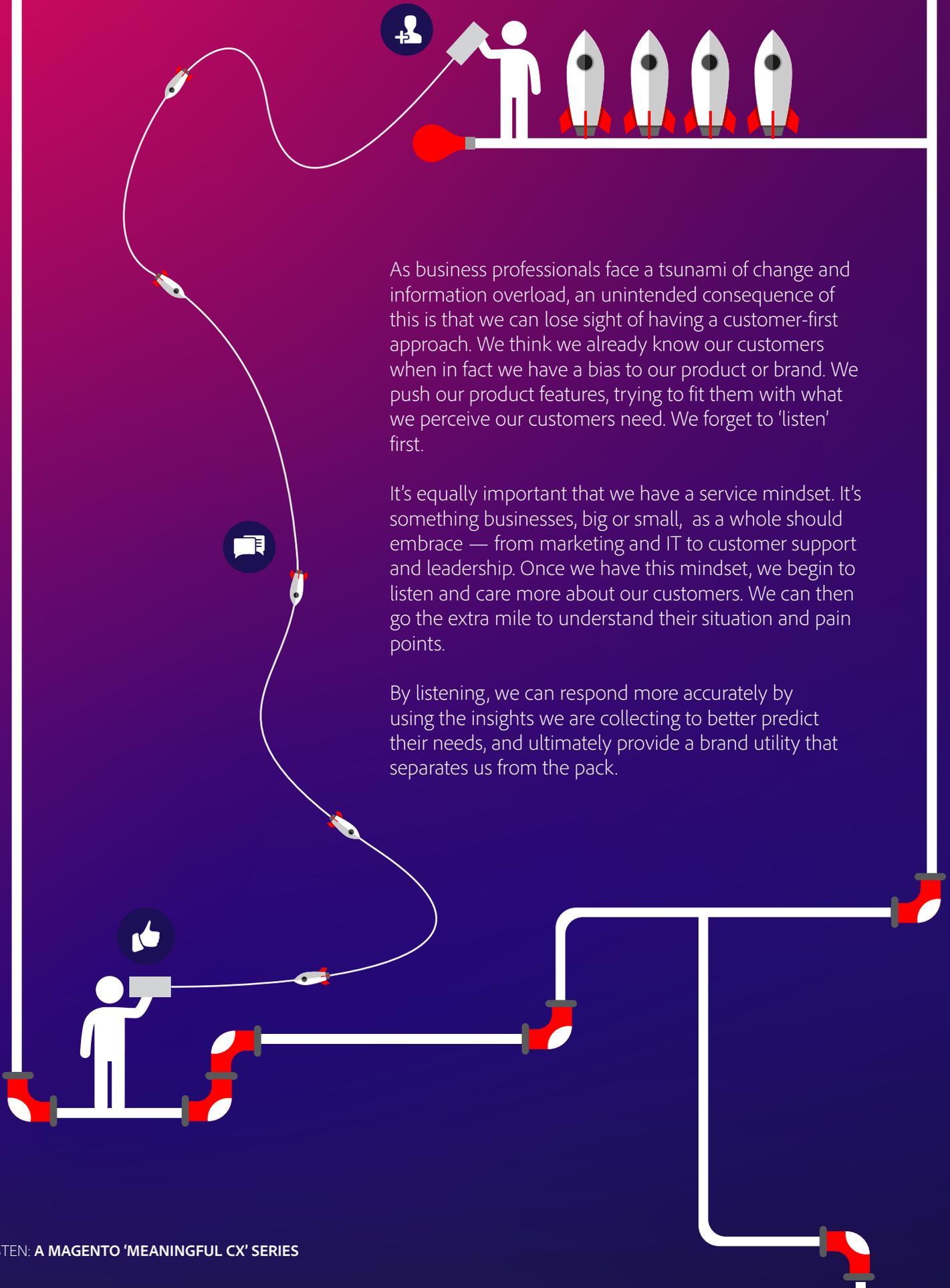
Every day, you are bombarded with email, social media, and push notifications from different brands trying to get your attention. You do a quick Google search to try and find a product, and are flooded with similar offerings.

Sometimes, you're overwhelmed by the fear of making the wrong purchase and regretting it later. As psychologist Barry Schwartz says, "(too much choice) paralyses people into indecision."

So what can we do as businesses to help ease our customers' anxiety and make their lives easier?

A hint? Listen to your customers and create relevant brand utility. (We'll talk about this concept in more detail shortly.)





As business professionals face a tsunami of change and information overload, an unintended consequence of this is that we can lose sight of having a customer-first approach. We think we already know our customers when in fact we have a bias to our product or brand. We push our product features, trying to fit them with what we perceive our customers need. We forget to 'listen' first.



It's equally important that we have a service mindset. It's something businesses, big or small, as a whole should embrace — from marketing and IT to customer support and leadership. Once we have this mindset, we begin to listen and care more about our customers. We can then go the extra mile to understand their situation and pain points.



By listening, we can respond more accurately by using the insights we are collecting to better predict their needs, and ultimately provide a brand utility that separates us from the pack.

Let's hear from customers



What makes customers want your offerings?



What makes them come back?



What are the usual pain points they experience with you?



What are they willing to exchange with you?

These are the questions Magento aimed to answer when it commissioned its research with YouGov for an Asia Pacific (APAC) survey in 2019. We asked 7,434 respondents from Australia, China, India, Japan, Malaysia, Thailand, and Singapore to discover the factors that affect their online retailer preferences and viewpoint on data sharing and new technologies.

By “listening” to customers better, we hope you can keep the connection evolving into something more valuable: a leveled up purchasing experience built on customer’s confidence in you.

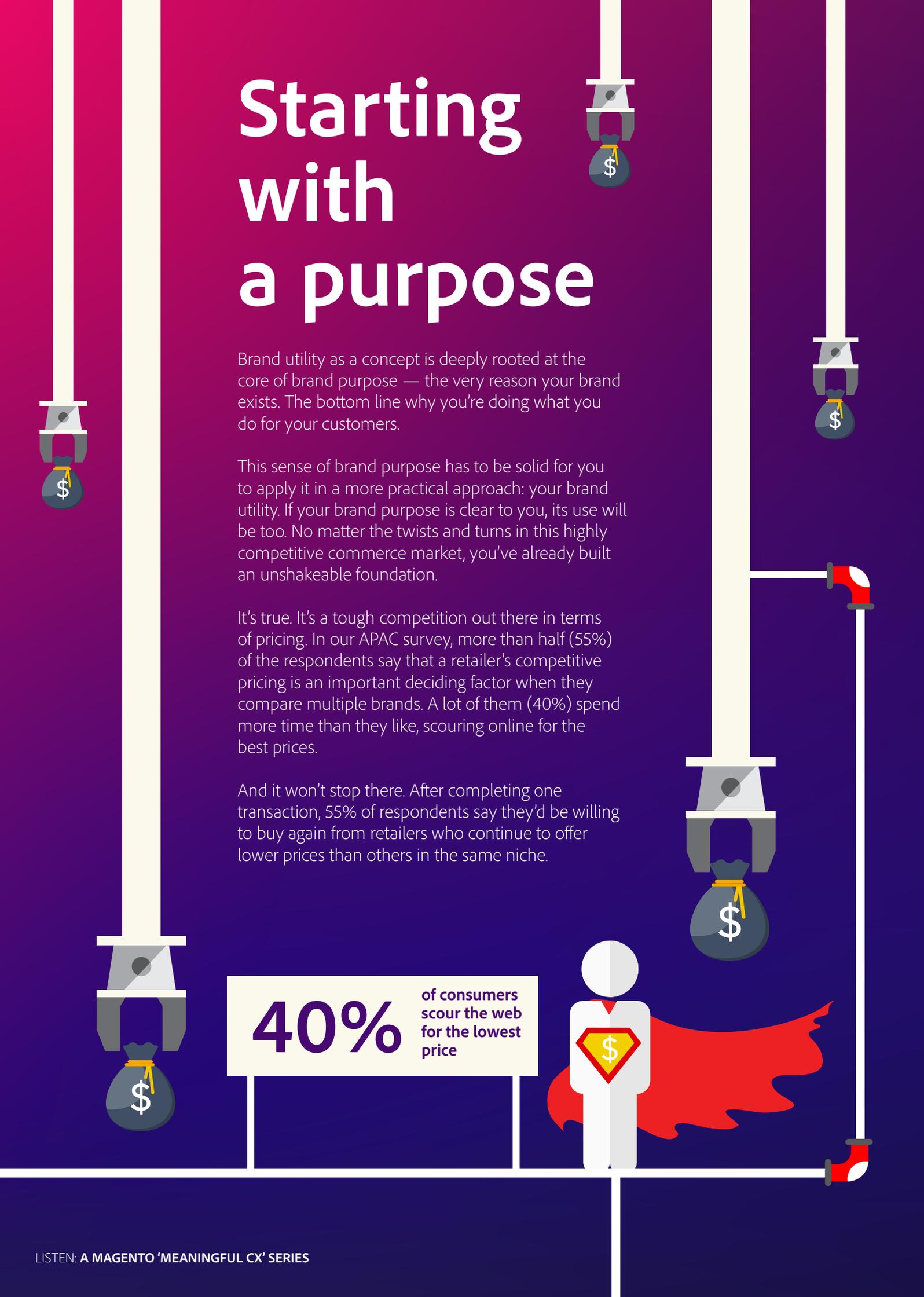
7,434
people surveyed



across **7** Countries



Starting with a purpose



Brand utility as a concept is deeply rooted at the core of brand purpose — the very reason your brand exists. The bottom line why you're doing what you do for your customers.

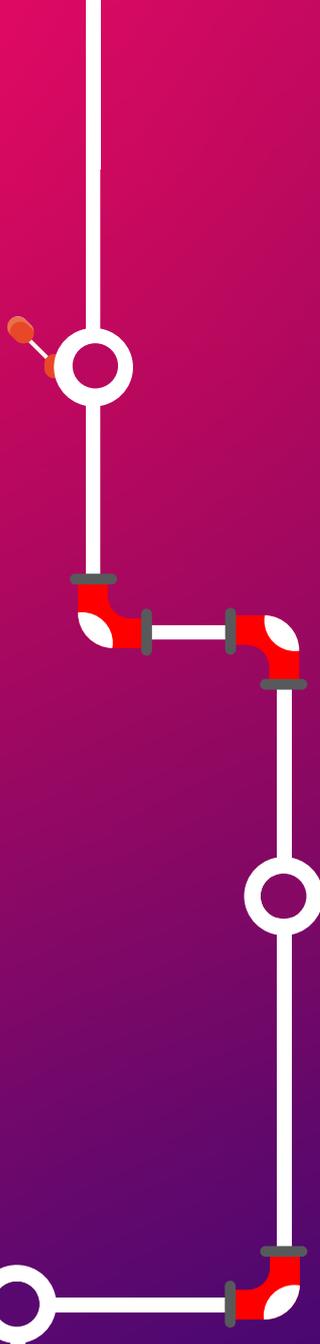
This sense of brand purpose has to be solid for you to apply it in a more practical approach: your brand utility. If your brand purpose is clear to you, its use will be too. No matter the twists and turns in this highly competitive commerce market, you've already built an unshakeable foundation.

It's true. It's a tough competition out there in terms of pricing. In our APAC survey, more than half (55%) of the respondents say that a retailer's competitive pricing is an important deciding factor when they compare multiple brands. A lot of them (40%) spend more time than they like, scouring online for the best prices.

And it won't stop there. After completing one transaction, 55% of respondents say they'd be willing to buy again from retailers who continue to offer lower prices than others in the same niche.

40% of consumers scour the web for the lowest price





Free this. Free that. A rival would try to offer all things free, just to get customers' attention. Over half of APAC consumers (66%) we've surveyed would shop again on a retailer website that offers free delivery, and 47% would come back because of free returns policy.

But there's more than just the price tags and free stuff. We should be investing more in the long-term. Brand utility stemming from brand purpose — it's the one that will be your biggest differentiator in a highly competitive commerce market.



66%

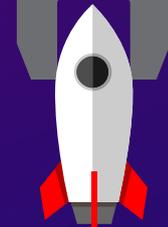
of consumers
would return for
free delivery



Offer reasonable prices and freebies, but work more on creating a brand utility that is anchored in a service mindset, so customers will keep coming back for value, not for the price.



Focus on envisioning the meaningful impact your product or service will have on customers. Your relationship with them should extend beyond their transaction.



Aim for branding that resonates with customers, not treating them as a transaction.

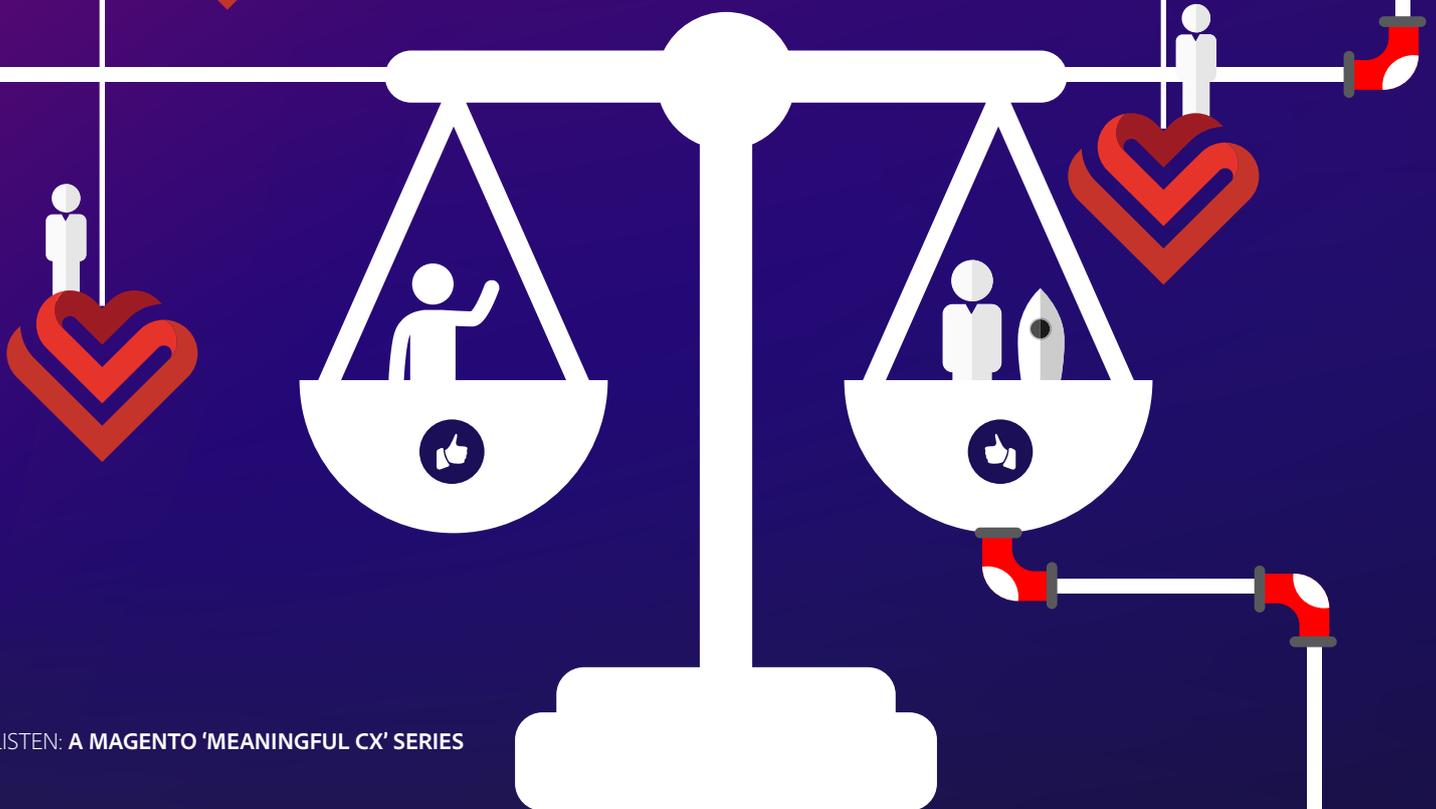
Staying true to your promise

Once you get clarity on your brand purpose and brand utility, you'll be better at communicating your "brand promise."

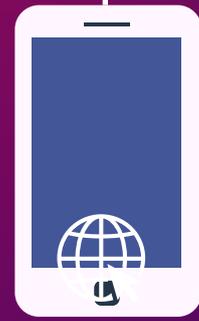
Your brand promise (or mission statement) is based on your brand purpose. It is the promise you make to your customers and employees to fulfil your purpose.

Promise keeping is the bedrock of trust and central to delivering delightful customer experiences.

Doing as you committed. This is where brand utility also comes in. It's the catalyst that will help you keep your promise. It's how you ensure that the value you offer is experienced by customers.



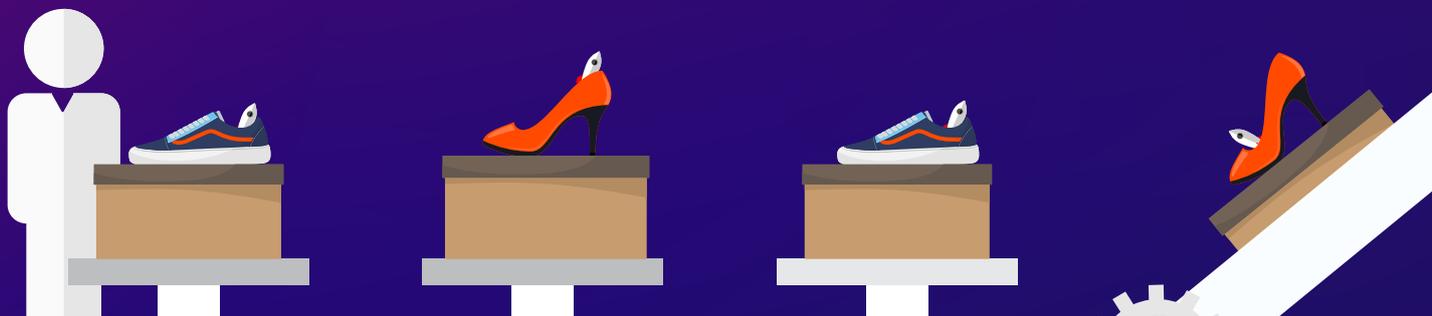
Redefining the customer experience with technology



Take for example, Accent Group Limited, which is made up of brands including Vans, Timberland, The Athlete's Foot, Platypus, Hype DC and Sketchers.

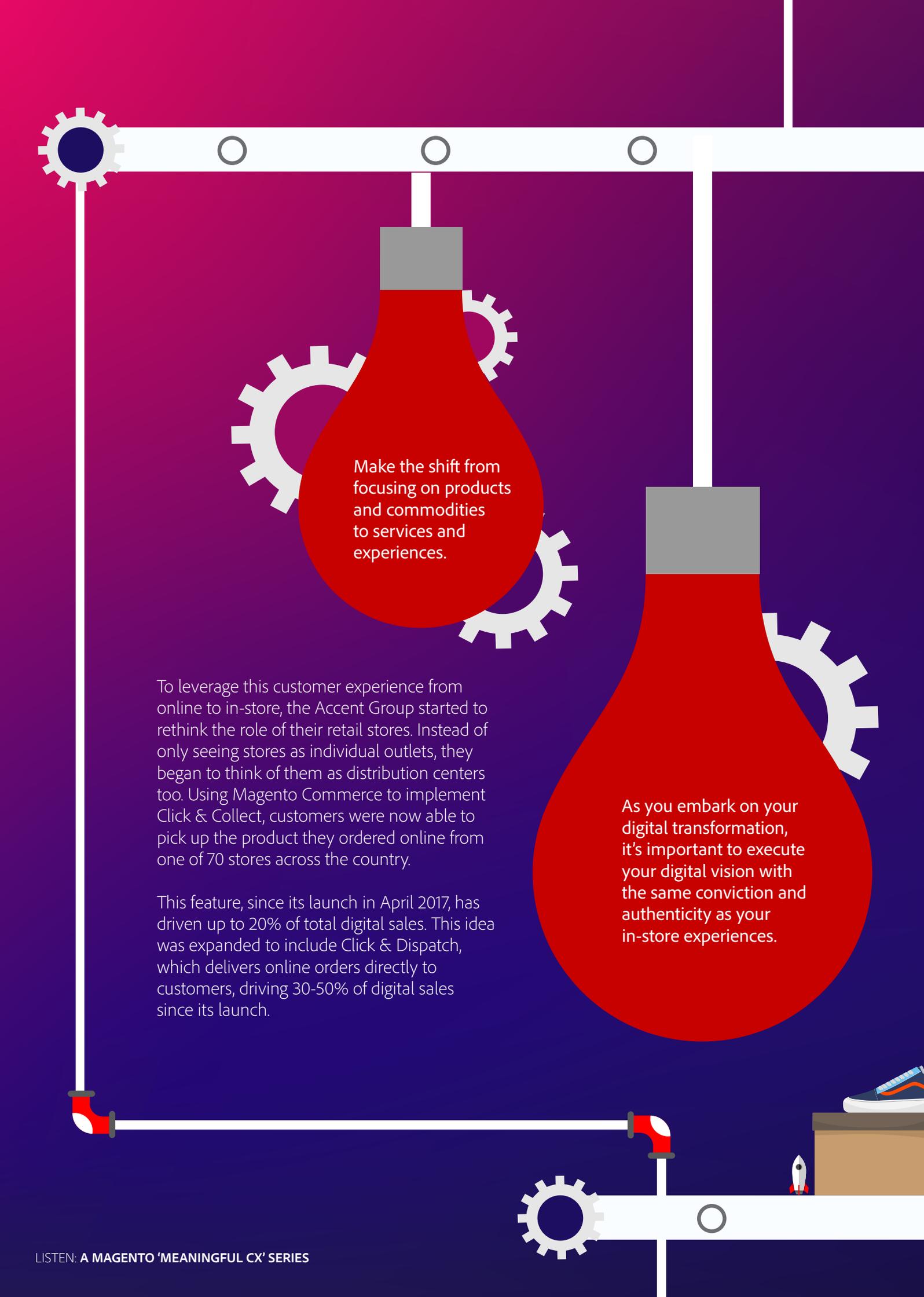
A large proportion of Accent Group's customer traffic was coming from mobile and tablet devices. With this valuable insight about its customer base, Accent Group included it as the primary consideration in its commerce re-platform project in 2016.

To address the mobile requirements, the platform needed to be fast, flexible, and mobile-friendly. Accent also developed a deep Instagram integration to bridge the boundaries between social and commerce, and a mobile app-like theme to drive engaging mobile experiences for customers.



Click & Dispatch has driven up total digital sales by up to

50%



Make the shift from focusing on products and commodities to services and experiences.

To leverage this customer experience from online to in-store, the Accent Group started to rethink the role of their retail stores. Instead of only seeing stores as individual outlets, they began to think of them as distribution centers too. Using Magento Commerce to implement Click & Collect, customers were now able to pick up the product they ordered online from one of 70 stores across the country.

This feature, since its launch in April 2017, has driven up to 20% of total digital sales. This idea was expanded to include Click & Dispatch, which delivers online orders directly to customers, driving 30-50% of digital sales since its launch.

As you embark on your digital transformation, it's important to execute your digital vision with the same conviction and authenticity as your in-store experiences.

Make it simple, make it mobile-friendly

Bank on your website's navigation ease.

After establishing a connection with a customer, they visit your website and see if you really offer solutions to their problems.

True enough, our APAC respondents say this is what they look for when shopping online: 31% of them said an ecommerce website should be easy to use and navigate, 32% said the website/in-app experience should be great, and 39% said that the website should work well on smartphones.

No waiting times. No frustration. Quick as 1-2-3. The online shopping platform performing as the customer asked it to. That's when you know you earned points for being sincere in keeping your promise.

Prioritise website responsiveness on smartphones.

Act right away if there's a simple detail in your website that disturbs the customer experience.

39% of APAC shoppers want a seamless mobile shopping experience

The rules of disclosing what's personal

You said your online shopping website is secure? Well, you're on the right track in including it in your brand utility proposition. Our survey results show that it's important for 50% of the respondents for their personal data to be protected.

If done right, this is actually not just one point addition to your track record. It could be two or more, depending on how much a certain customer values the non-disclosure of their personal information, such as name and email address.

If they feel safe in your company, you're giving them peace of mind. Something hard to achieve in the chaotic interconnectedness of the e-commerce world.

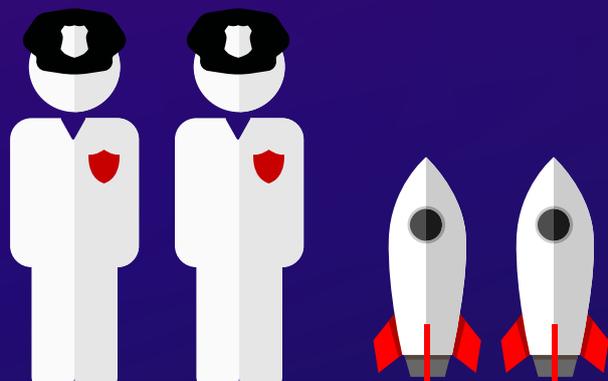
Be transparent to customers on how their data is collected and processed.

Ask for consent before you use a customer's data for other purposes known to them.

Ensure that you have security certifications for your online platform.

50%

of respondents believe it's important to protect their personal data



No headaches, please?

Have you promised to give your customer options and make their transactions easy? Do it anyway whether you promised or not.

One of the many factors that customers become upset about when shopping online is when they click that 'BUY' button, and then nothing happens. Why? Because their preferred payment method cannot be accepted.

This holds true especially with APAC consumers: 39% of them avoids shopping with an online retailer if their credit card didn't get accepted, 30% if debit cards, 28% if e-Wallet payments, and 25% if cash on delivery.

While the majority of them still have a bias towards traditional payment methods (cash, credit, debit), don't be selective in giving options to customers.

If you could fix simple glitches in your system, do as needed. Keep in mind that your energy should be targeted in deeper customer connections, not in different payments that could've been in place at the onset. This will help you prevent an unnecessary loss in sales.

Enable all of your customers' preferred payment methods.

Every now and then, check whether transactions go through to each of your payment modes.

Fix glitches in your payment systems as soon as detected or reported.

39%

of APAC consumers avoid retailers that rejected their credit card

Go green or go away

Same wavelength — this is also a deal-breaker when it comes to finding chemistry between you and another person. If you want to establish good relations with somebody, you have to uncover that person's likes and dislikes.

This applies too when you're dealing with customers. You have to know what they value or advocate for. One of these is eco-consciousness. Nowadays, it has become a deciding factor whether a customer will continue their ties with you or just leave.

In APAC, 44% of our respondents said that they are more likely to purchase from one brand over another if that retailer is transparent where it sources its products. If the brand reduces its non-eco-friendly packaging materials, 34% are more likely to buy from them than from others who aren't paying attention to environmental impact.

34%
of APAC consumers prefer retailers that use eco-friendly packaging

Check your compliance to environmental policies.

Explore ways of being more transparent about your product sources.

Include sustainability and eco-friendly aspects in your brand utility.



Taking it to the next level with tech

Promises made, plus promises kept: a formula resulting in trust.

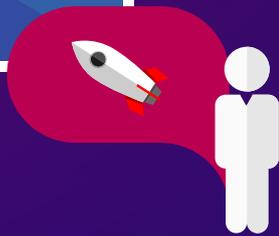
Now that you've established trust, what next? Perhaps leverage new tools and technologies to provide a better experience. In fact, most APAC customers (60%) in our survey are comfortable with retailers employing new technologies, such as artificial intelligence (AI).

Our survey respondents aren't sensitive to negative stories about AI, as 44% of them are more likely to buy from retailers using AI capabilities so long as they offer low prices, excellent customer service, and online experience.

Almost a third (27%) of survey respondents are also fine with website's AI algorithms if retailers use their profile data (e.g. age, gender, location etc.) and other data (e.g. purchase, transaction, and activity history) to suggest products they might like.



Our study reveals that customers are comfortable with businesses using AI as long as it benefits them. So don't be afraid to take a chance on AI if you could deliver better value through it.



Leverage your brand utility through AI, if it makes sense for your brand.



Combine big data and AI to personalise and improve customer experience.



60% of APAC consumers are comfortable with new technologies

The value of two-way investment in relationships

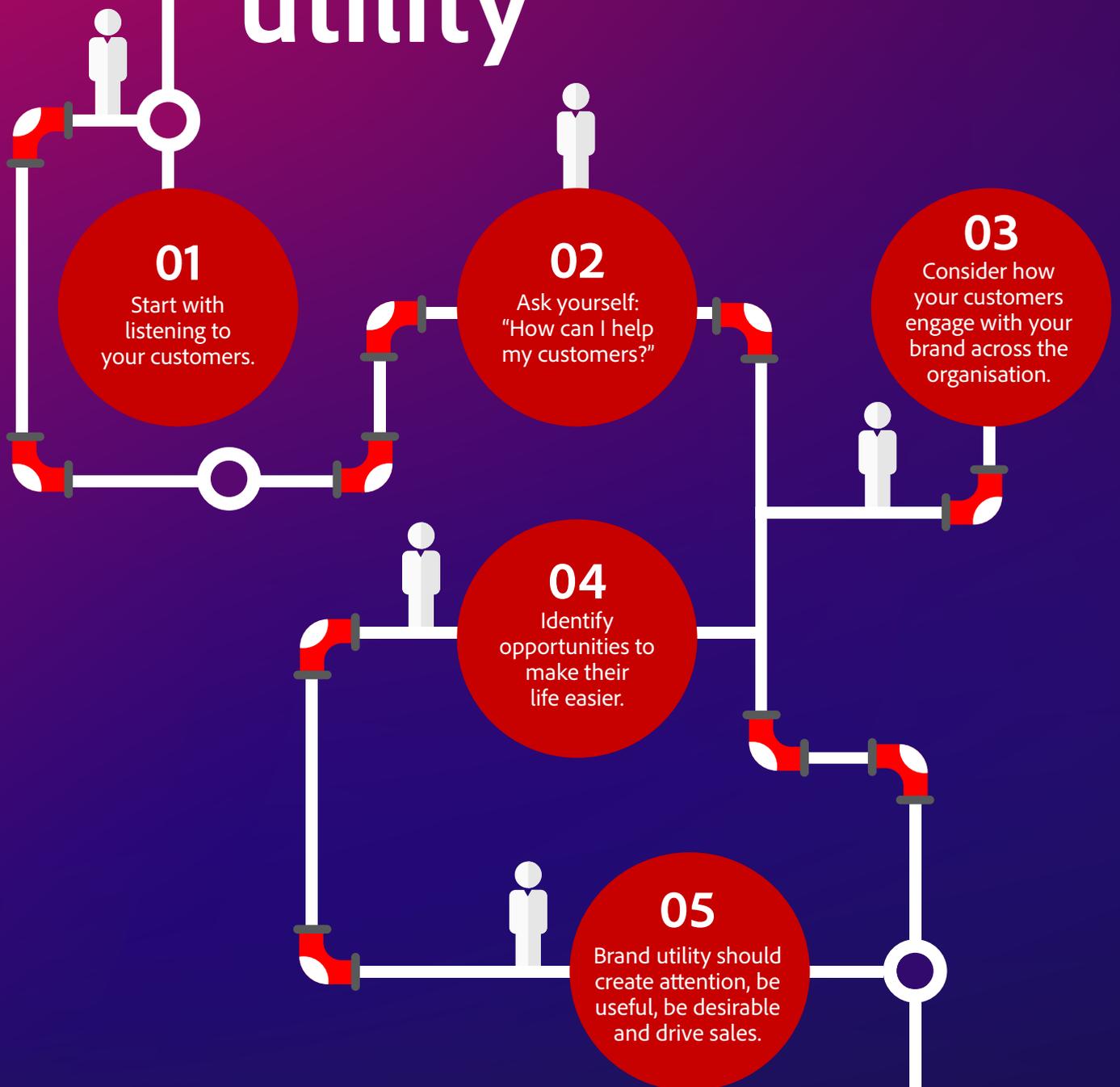
A promise realised through utility; it leads to rock-solid trust. This is the time your customer also becomes more open to investing time, effort, and honest feedback with you. They trust you enough that you'll do better things for them.

In return, customers rely on you to listen. To be humble enough in accepting feedback and doing something about it—doing it right this time, so you won't fail them.

Listening — it's one of the best ways to keep your commerce business evolving, and ultimately build more trust and stronger relationships with your customers.



Tweetable takeaways for brand utility





Magento Commerce

Magento, an Adobe company, is a global leader in cloud commerce innovation. Magento Commerce boasts a strong portfolio of cloud-based omnichannel solutions, integrating digital and physical shopping experiences and powering \$155 billion in gross merchandise.