2016 Consumer Expectations Report

CONSUMERS IN THE DIGITAL AGE

What They Expect and Need From You

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Consumers in the Digital Age
Consumer Expectations Report

It has never been more important for retailers and brands to keep pace with consumers' changing needs and growing expectations. Customer experience is becoming one of the core drivers of differentiation, customer loyalty, thus the **new competitive battleground.**

Today, there is hardly any business that can afford to neglect the customer experience it offers.

It can be a dizzying challenge to drive high customer satisfaction levels and engagement in today's world.

Delivering exceptional customer experience in both traditional and emerging channels requires a clear understanding of consumer behavior during the various stages of the consumer decision process.

Leading retailers and brands recognize that a greater understanding of their customers leads to higher satisfaction, sales performance, and loyalty.

It boils down to guiding and personalizing the prospective customer's purchasing experience, helping them find exactly the product they need, even when they're not sure what they're actually seeking.

To enrich the understanding of consumer behavior today, SMARTASSISTANT and ResearchScape International conducted an extensive survey of 573 consumers in the US, UK, and Germany to learn more about their perceptions, expectations, behaviors and habits across various channels, industries, and contexts.
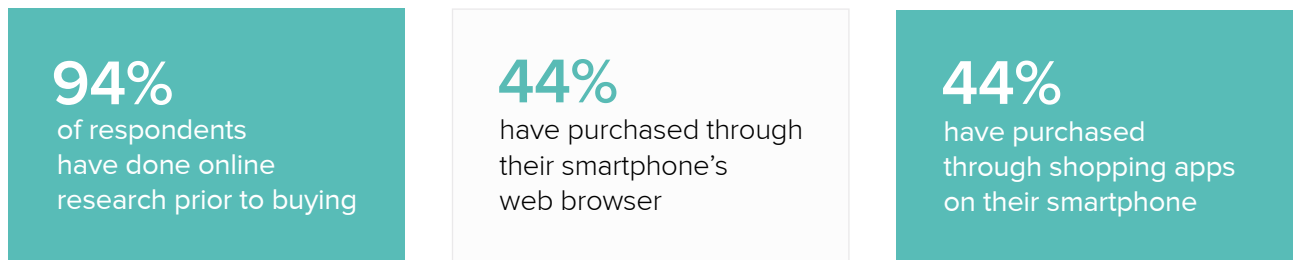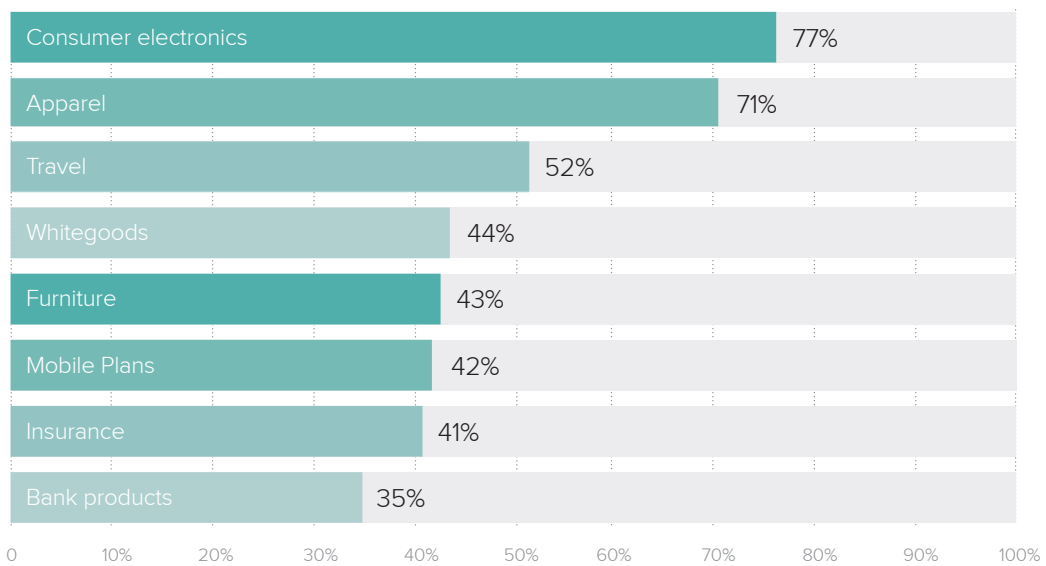
1. Customer Experience
It's all About Me, My Wants, and My Needs

If it's all about the consumer, where exactly does that prospective customer's experience begin? The survey results show that it happens online; and increasingly through smartphones and shopping apps.

94%
of respondents have done online research prior to buying

44%
have purchased through their smartphone's web browser

44%
have purchased through shopping apps on their smartphone

The most commonly researched categories:

Category	Percentage
Consumer electronics	77%
Apparel	71%
Travel	52%
Whitegoods	44%
Furniture	43%
Mobile Plans	42%
Insurance	41%
Bank products	35%

Almost two-thirds (61%) of respondents reported that they prefer shopping in digital channels.

Apart from fair pricing (85% expected their ideal store to offer a fair price), the big conversion driver was a **fast and pleasant shopping experience** characterized by these three key elements:
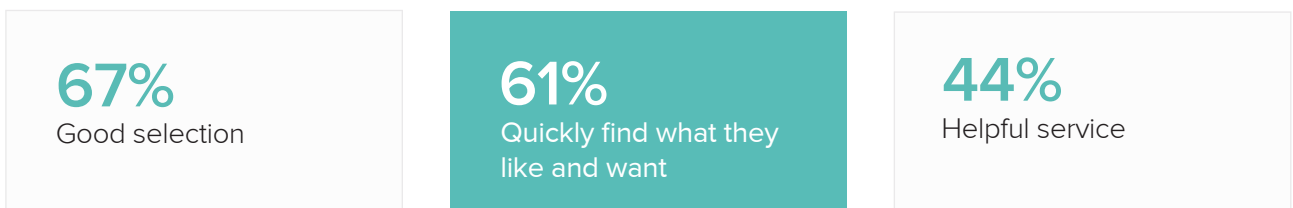
67%
Good selection

61%
Quickly find what they like and want

44%
Helpful service

Savvy businesses must provide consumers with a fast, pleasant shopping experience, along with a wide selection and fair prices to convince them. Businesses must help their customers quickly find what they want and need. After all, it is all about them!

2. Preferred Places to Shop
## Consumers are Consolidating Their Shopping Destinations

While consumers explore more digital sources than before, they are also more willing to stick to a few select retailers and brands, as long as they deliver the expected experience.

According to the Global Total Retail Survey by PwC, in 2013, 43% of customers preferred to shop at a maximum of two to five different stores with only 14% shopping at more than 10 separate locations.

In line with the ever growing pursuit for "ease of shopping", the 2016 Consumer Expectations Survey found that consumers are consolidating their shopping destinations even further.

Already two-thirds (67%) of respondents shop at fewer than five different online shops. Only 10% consider nine or more online stores. That's a 24% increase in the number of consumers consolidating their preferred shopping destinations in only 3 years.

Number of retailers shopped with the last 12 months

Category	Percentage
Less than 5	67%
5 - 8	23%
9 - 12	8%
13 - 16	1%
17 or more	1%
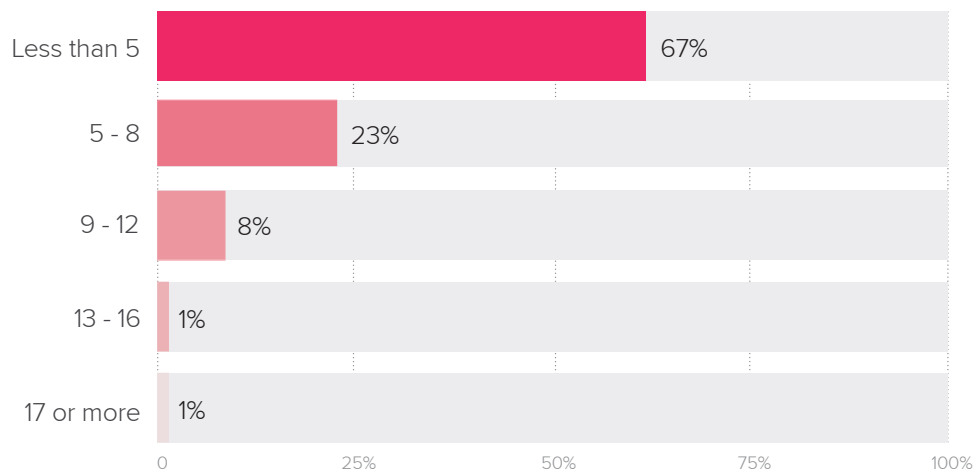
Consumers are no longer hesitating to limit the stores they consider, meaning purchasing power and control is rapidly shifting further away from retailers to consumers.

3. Self-Service
I Want to Do It Myself, NOW!

Consumers have come to rely more on their own resources and research. They want to do it themselves and they want to do it NOW.

The majority of respondents (55%) preferred self-service over speaking to a company representative.

Here's what they indicated was important:

55%
Convenience of self-service

49%
Ease of self-service

43%
Speed compared to human service

32%
Not having to interact with anyone

Over two-thirds (67%) reported that the primary reason they needed to contact a call center after using a self-service option was because the self-service wasn't able to support their needs. This points to current self-service solutions not being intuitive, user-friendly, or easy enough to use.

Self-service options that are insufficient and/or too complex place a growing burden on contact centers. They do not manage to support users and instead increase call-center volume or worse, drive consumers to competitors.

German consumers were less satisfied with self-service options: only 34% of German respondents were very of completely satisfied with self-service vs. 54% of US and 52% UK consumers

Businesses need to have a system in place that allows consumers to discover the solutions to their issues on their own, wherever and whenever, without having to interact with a company representative. Whether it be be online, mobile, or in the store.
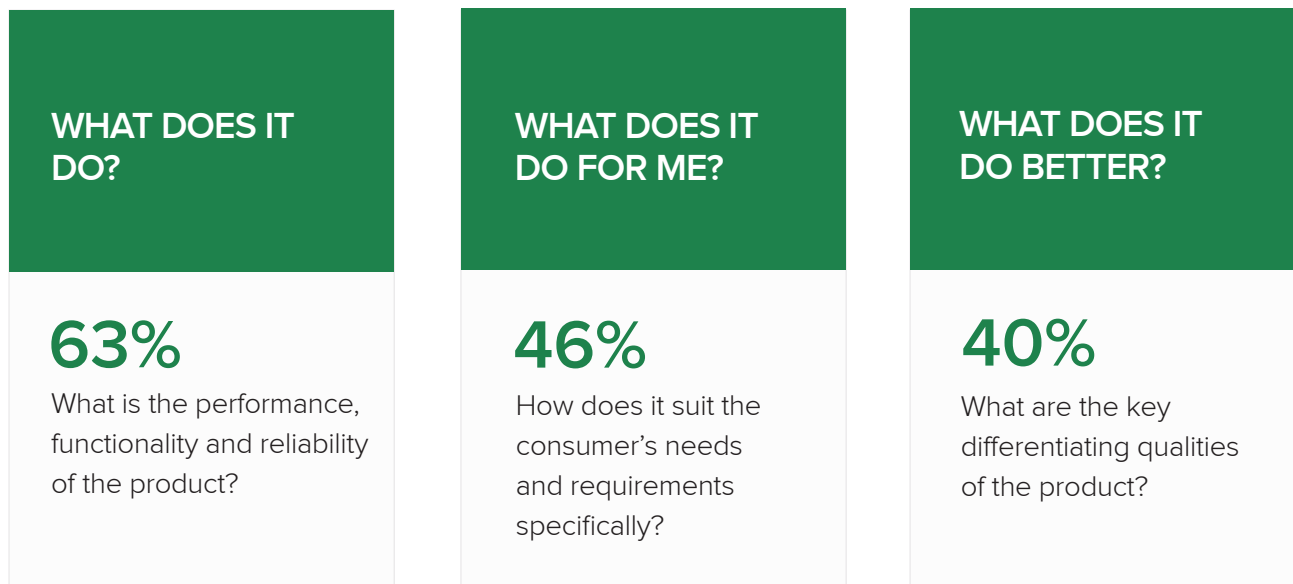
4. Finding Value
Help Me Spot the Difference

From the survey findings, it's apparent that consumers don't readily recognize brand-specific product differences. A surprising 60% of consumers believe electronic products by different brands are very indistinguishable, with only 5% recognizing significant differences.

To help shoppers during their decision-making process, increase opportunities to differentiate and build loyalty, brands need to make sure they educate shoppers and communicate their brand-specific unique selling propositions (USPs) clearly.

The three main questions a shopper is eager to have answered:

WHAT DOES IT DO?	WHAT DOES IT DO FOR ME?	WHAT DOES IT DO BETTER?
63%	**46%**	**40%**
What is the performance, functionality and reliability of the product?	How does it suit the consumer's needs and requirements specifically?	What are the key differentiating qualities of the product?

American consumers were more likely to comparison shop than European consumers: 67% of U.S. consumers considered multiple products vs. 53% of German consumers.

British consumers were the least likely to see differences between consumer electronics and appliance brands: only 16% did so, compared to 27% of German and American consumers.

Consumers need assistance in discovering and understanding the personal value a product or solution brings to them. Brands need to guide the consumer through the selection process, assisted by discovering their individual requirements and identifying how they fit within an overall product matrix.

5. Navigating Complexity
Help Me Find and Understand the Options that Fit Me

Not surprisingly, consumers feel more confident about products and services when they understand them. This is particularly evident when analyzing their behavior regarding mobile phones and plans.

The telco sector has a reputation of being complex and somewhat opaque. However, when businesses manage to give consumers more clarity, they enjoy greater chances of retaining customers and building loyalty.

The survey found a direct correlation between the consumer's satisfaction with a provider and their understanding of their mobile phones and plans.

Comparing satisfaction and understanding of their **mobile phones:**

53%
Respondents who did not understand their mobile phones were less satisfied with their provider

85%
Respondents who did understand their mobile phones were more satisfied with their provider

Comparing satisfaction and understanding of their **mobile plans:**

58%
Respondents who did not understand their mobile plans were less satisfied with their provider

84%
Respondents who did understand their mobile plans were more satisfied with their provider

Only 14% of respondents in Germany were completely satisfied with their current mobile plan vs. 26% of respondents in the US and UK.

The survey also uncovered another crucial detail: the complexity of evaluating options holds consumers back from making a change.

20%
Those less satisfied with their existing plan say it's too difficult to choose a replacement

20%
Complain that it's not a quick process to find a new plan or provider

16%
Those likely to switch say it's too difficult to choose

Telecommunication companies that manage to explain the benefits of products and options better than their competitors, gain a significant sales advantages, enjoy higher customer satisfaction, loyalty and retention levels.

6. Brand Loyalty
Good Customer Service Keeps Me From Switching

When asked why they don't switch mobile plans or providers, consumers said that:

57% Are satisfied with their current provider and their good service	**33%** No better plan suited their needs

Good service starts by understanding, acting upon and meeting the unique needs and requirements of customers.

Only by understanding their current and evolving needs will it be possible to create truly engaged customers who are the best evangelists and promoters.

Customers don't buy products, but solutions to problems. If businesses can show shoppers that they have their best interest at heart (from the initial selection to on-going support and service) they will be able to become partners – both now and in the future.

Implications for Your Business
What You Need to Do

The survey revealed five key takeaways that ensure the delivery of a customer experience that consumers expect and need:

1. Focus on the consumer

Today's discerning consumers expect easy shopping experiences that take their individual needs and wants into account.

2. Address the need for speed through streamlined self-service

Consumers want to do their own research and engage with self-service systems, chiefly to save time.

3. Make it easy for consumers to understand your USP's

Educating shoppers helps them to readily identify the value proposition for your brand, service, and products.

4. Give consumers the tools they need to navigate any complexity that you can't eliminate

By simplifying the product choosing experience, businesses can attract new customers, increase their decision confidence, and foster loyalty.

5. Build consumer loyalty through superior customer service

If consumers are satisfied with current customer service levels, they won't launch the process to make a change. Investing time and effort to keep them satisfied will keep them on board with your company, your brand, service, and products.

About
SMARTASSISTANT Digital Advice Suite

SMARTASSISTANT provides the leading SaaS Digital Advice suite specifically designed to help organizations create better experiences across all channels (online, mobile, call center, and in store), throughout the entire customer lifecycle and covering all customer-facing business units (commerce and sales, marketing, support and service).

The company's mission is to help people make more confident decisions.

SMARTASSISTANT follows a need-based paradigm and focuses on guiding the consumer's individual choosing and selection processes in a way that is closest to how humans make decisions.

Global businesses of all sizes and industries leverage digital advisors in more that 100 product categories and over 35 languages to increase customer satisfaction and simplify decision-making. The integration of SMARTASSISTANT is a proven way to improve business results:

- 30 to 70% conversion rate increase
- 20%+ increase in sales
- Up to 10% reduction in returns

Commerce and Sales	Marketing	Customer Service

Interested in taking the next step to optimize your company's customer support and service? Contact us to learn more: SMARTASSISTANT Contact

Researchscape International provides custom research that delivers strategic insights into concept testing, business planning, and consumer research.

Get in touch with us

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SMARTASSISTANT
DIGITAL ADVICE SUITE

Smart Information Systems develops SMARTASSISTANT – the first enterprise-class, cloud-based Digital Advice technology that lets retailers, brands and service providers implement and integrate Digital Advice solutions easily to provide their shoppers with helpful, interactive product advice online, mobile, and at point of sale - to become their #1 Point of Decision.