Magento Commerce

Adobe

SOMETHING FOR SOMETHING

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.

Customers and brands

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.)
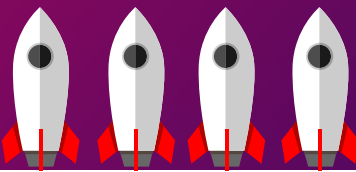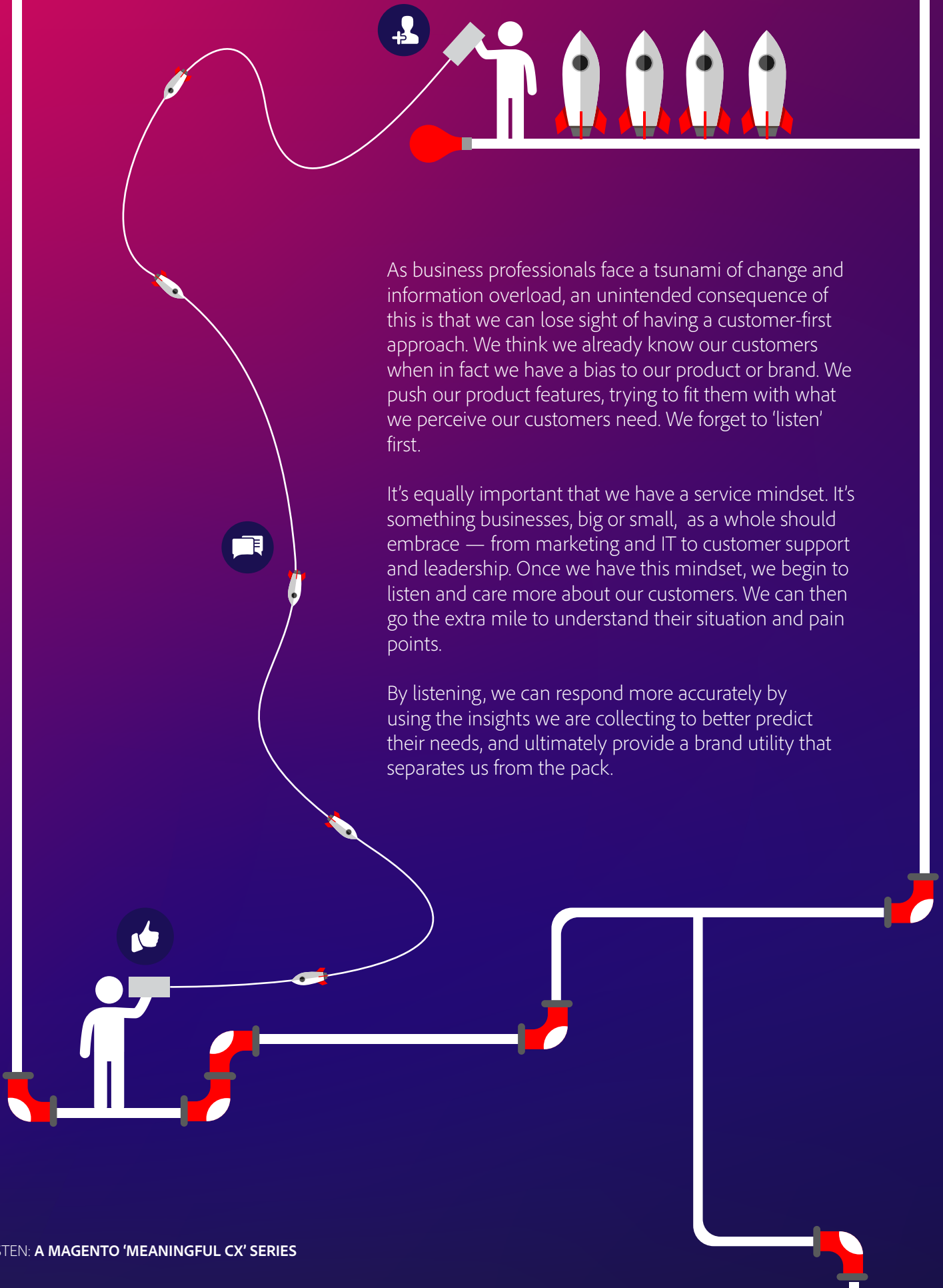
As business professionals face a tsunami of change and information overload, an unintended consequence of this is that we can lose sight of having a customer-first approach. We think we already know our customers when in fact we have a bias to our product or brand. We push our product features, trying 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 Australia survey in 2019. We've asked 1,103 respondents from Australia 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.

1,103
people surveyed

Australia
Survey in **2019**

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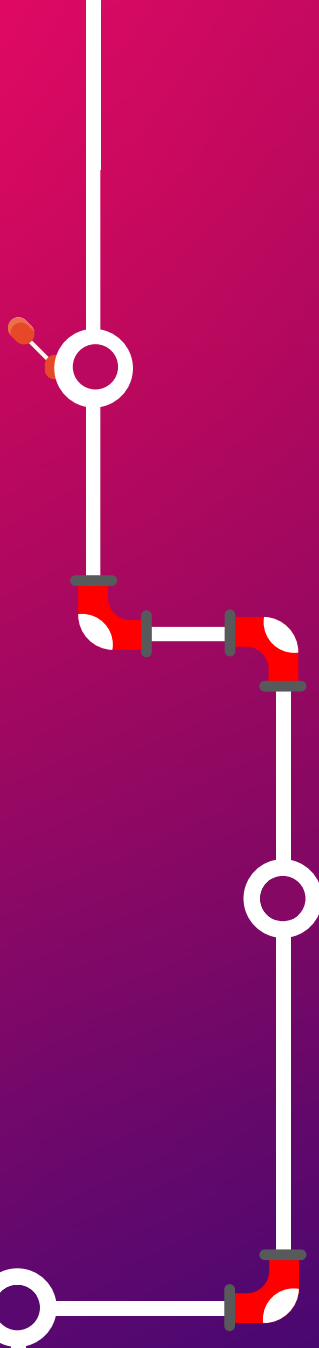
This sense of brand purpose has to be solid for you to apply it in a more practical approach: your brand utility. If your brand purpose is clear to you, its use will be too. No matter the twists and turns in this highly competitive commerce market, you've already built an unshakeable foundation.

Many will agree that market competition is tough. Brands will try different strategies to capture customers' attention. Some of the quickest ways to do it is through pricing and free service.

In our survey, 58% of Aussie respondents say that a retailer's competitive pricing compared to other brands is a factor in their purchase decision. The same percentage (58%) say that, after completing one transaction, they'd buy again from retailers who continue to offer lower prices than others in the same niche. Aussies even love to search for greater deals, with 35% of our respondents spending more time online to check for the best prices.

## 58% of Aussies will choose retailers with lower prices.

How about the customers' pulse for retailers who offer free services? Well, the Aussie market is positive about it. Over half of the consumers (67%) we've surveyed would shop again at online retailers that offer free delivery, and 47% would do so too because of a free returns policy.

But there's more than just 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.

67%
of Aussies shop with retailers that offer free delivery.
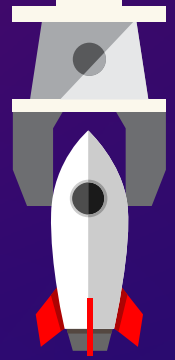
Competitive pricing and free perks are good ways to initiate a connection with customers. But after establishing it, focus on driving better value and forging a brand utility founded on a service mindset.

Don't fall into the mistake of a shotgun approach — targeting a volume of customers through cheap prices and free services, hoping for a landslide of one-off transactions.

Think of the significant impact that your product or service can bring to your customers as you strive for utility that resonates with customers.

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.
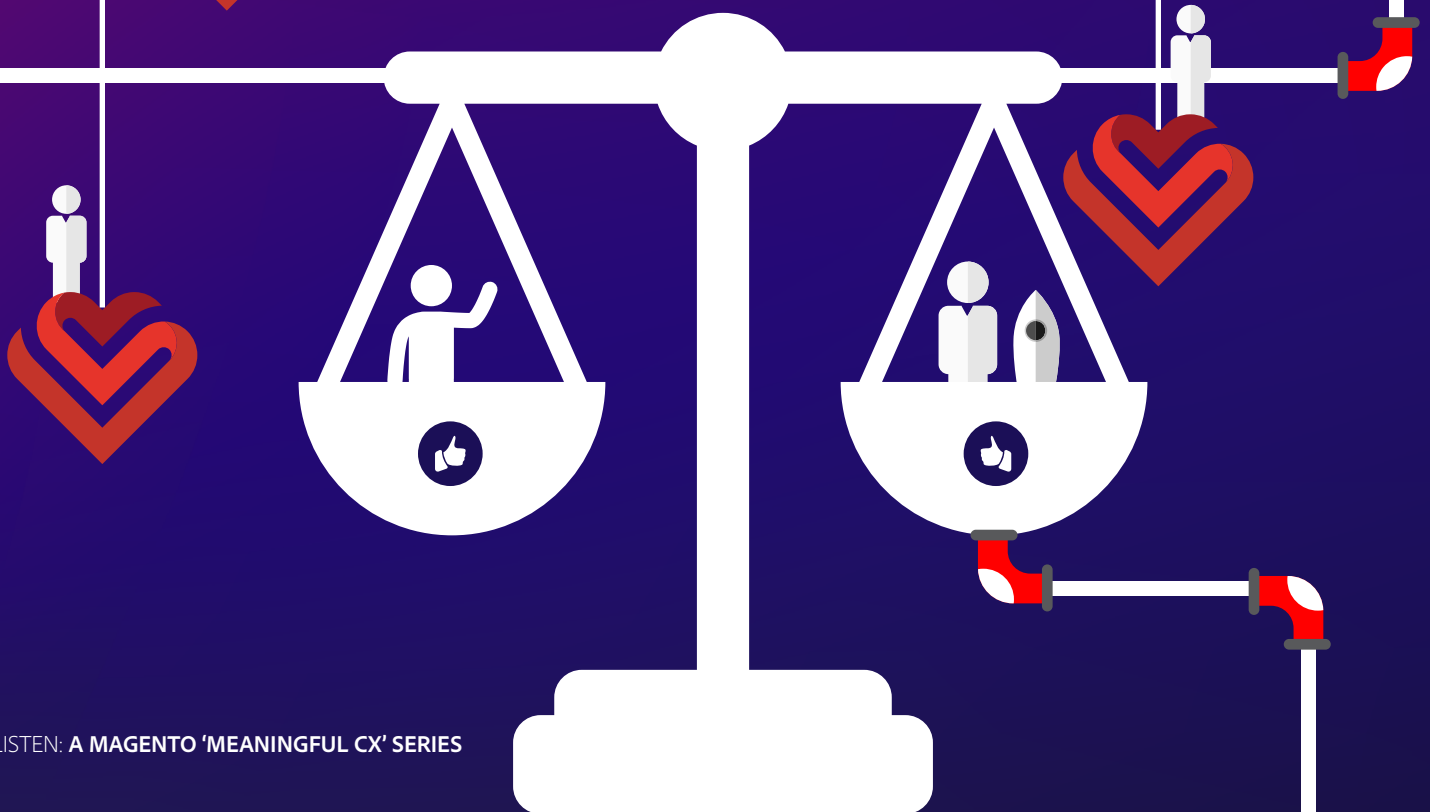
Creating A Unified Commerce Experience

Let's take Monash University as an example. It's one of the largest universities in Australia, home to around 17,000 staff and 78,000 students. With its sophisticated research facilities, it prides itself on being at the forefront of innovation and technology.

However, Monash University has a web store that needed improvement — a fragmented eCommerce landscape of disparate web pages, platforms, and POS systems. Each sold separate products and services, and each came with a different login. Staff and students could not purchase textbooks, lab supplies, and online course materials at a single storefront, or in a single transaction. It was an outdated customer experience that did not match Monash University's high standards.

The university then realised the need to simplify its operations under one central eCommerce platform — Magento Commerce. Apart from the platform's flexibility, extendability, scalability, Magento also met Monash University's requirements: to provide students and staff with a consistent, intuitive online shopping experience.

Today, Monash University has one, unified online marketplace with a single storefront. Students and staff can securely transact any time, on any device, no matter where they are — at home or abroad. With full backend autonomy, each business unit can now manage and sell their products and services, while providing students with an intuitive, superior 'single shopping cart' user experience.
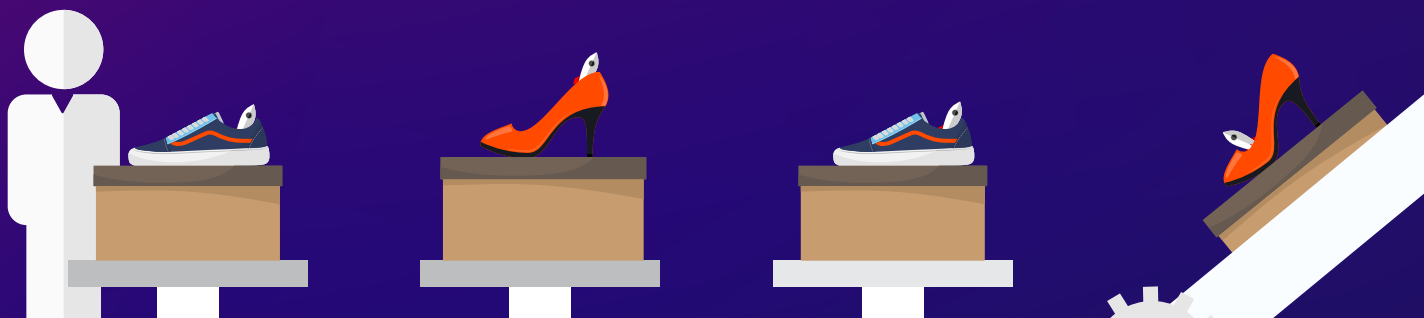
The platform's ease of use has led to a $17million increase in online sales.

$17M

Simplify. Look into the intricacies of your overall shopping experience. Fragmented experiences might be the reason behind decreased engagement, visits or returning customers.

Streamline. Experiment in having everything under one roof. Unified commerce could be the missing puzzle piece that your customers are looking for in their brand experience with you.

Always go back to your brand's commitment to customers. It will be your guiding light and will help you see if there's a disconnect between what you promise to customers and what they're actually experiencing.

The marketplace concept has positioned Monash University as the leader in online customer engagement and innovation across the Australian education sector — keeping the university at the forefront of technology leadership.

The platform's ease of use has seen a 240 percent rise in the number of SKUs added to the university's catalogue, and in the two years since their relaunch, they have experienced an astonishing $17 million increase in online sales.

No Friction, Please

Invest in making your website user experience friendly and consistent in all devices — desktop, mobile, and tablets. Make sure that the search function is easy to locate and powerful in driving conversions and revenues.

Once a customer encounters your brand either online or offline, they may visit your website. So, make sure it's a seamless and frictionless experience.

A website that loads quickly is important to 37% of our Aussie survey respondents when they shop online. Not only that, more than half (53%) of the same consumers say that a website's ease of use is critical, such as search and product findability functions, in their buying decisions. And for 36%, once they find what they're looking for, product variants and sizes must never be out of stock.

Do regular checks of your loading time, and try to make it above industry standards.

Have a robust inventory system in place to replenish products and sizes even before they're out of stock. That way you can ensure you have what your customers are looking for.

37% of Aussie shoppers want a website that loads fast.

Old Or New Payment Types? Doesn't Matter

The customer has already decided to take a look around your shop, pick products and special offers, and add them to their shopping cart for check-out. But come the time they have to pay, their first choice of payment mode isn't accepted. Upset, the customer checks on whatever payment option is available just to take home what they bought.

Sound familiar? Yes, it happens not only in physical stores but also online. Is it a happy encounter for customers? Definitely, no. If we are to view it from a customer-first, service-oriented lens, it isn't the customer who should be coming up with alternatives. It is the brands.

What's worse is if customers don't have an alternative for us, they abandon the what-could-have-been sold items and brand trust. Most Aussie consumers we've surveyed would agree to this: 45% of them avoid shopping with an online retailer if their credit card didn't get accepted, 41% if debit cards, 30% if e-Wallet payments, and 30% if payment vouchers offered by the same retailer.

Hence, from our end, they need us to be more proactive. We have to give them multiple options even if the majority of them are still more inclined to using traditional payments like credit and debit cards. Their hesitation on not using e-Wallets or vouchers should not come from brands. Everything has to be ready, whatever means they chose to go for.

45%
of Aussie shoppers avoid retailers that reject their credit cards.

Regularly test your payment systems to make sure all aspects work and are seamless across channels such as desktop, mobile or app.
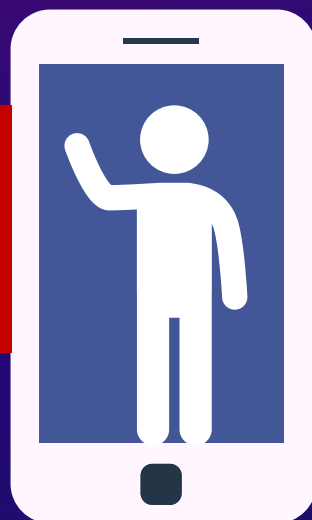
As much as possible, make all payment options available to customers. Remember, alternatives and solutions should come from brands, not from them. If your brand can't offer all options yet, do a roll-out in phases. Prioritise the primary payment modes that your customer base use.

Be Mindful Of Your Carbon Footprint

With massive information online about the state of the earth, consumers are now more aware than ever that their decisions today will have a great impact tomorrow.

And so, many customers have felt the need to be eco-friendly in whatever they do, from what they eat to what they shop. They're so committed to doing it that it's an instant deal-breaker if they'll be in touch with a brand or not. They'd better be associated with a brand that shares their advocacy.

In Australia, 42% are more likely to buy from brands that reduce their non-eco-friendly packaging materials. If a retailer is transparent where it sources its products, 41% of our respondents said that they are more likely to buy from that brand than from others.

If you take a closer look at customers' eco-conscious advocacies, they actually help you focus on the grander scheme of things — your environmental impact. The more you incorporate this value to your brand utility, the closer you get to the hearts of customers. And when you share advocacy with your customers, please mean it.

Track where are you in compliance with environmental policies. You might stumble upon untapped opportunities or ideas there.

Make your product sources visible to your customers. It can also be useful for you as a unique selling proposition.

See where you can cover sustainability and eco-friendliness in your brand utility

42%
of Aussie shoppers are more likely to buy from eco-friendly brands.
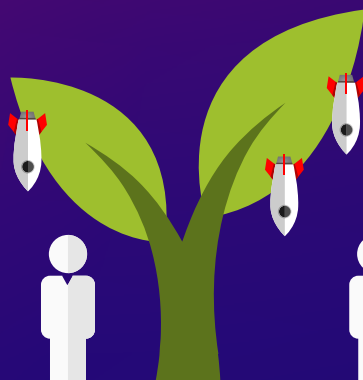
Be Wary About Data Use

Is your website secure and safe to handle customer data? If you're answering "yes" with confidence, then good for your brand. Our survey results show that 52% of our Aussie respondents deem it important for their personal data to be protected.

However, while much of the consumers are aware of how important their data is and that it must be protected at all costs, many still don't realise how vital data is to improve their online shopping experience.

In our survey, customers had a low take on the necessity of using data in suggesting products they might like — only 13% is fine to base it on their purchase history, 9% to base it on their profile data, and 6% to base it on their activity logs (e.g. how they use the website or what content they access).

These results only mean that brands have a lot more work to do in terms of testing new approaches and providing customers with an improved shopping experience. Brands need to look beyond data and pre-set personalisation. A comprehensive review of customer feedback (both offline and online) is a good starting point before deciding what's needed to personalise the customer experience.

Apart from having security certifications for your digital platforms, implement other safety measures to protect customer data. Think international and plan for the future. Are European citizens visiting your website? Whether you answered yes or no, make sure your marketing and platforms are compliant with GDPR as these standards are becoming more common internationally. Rather than waiting for this to be implemented in your market, get ahead of the game and ensure you have the policies in place to protect your customers data.

Inform customers on how you use their data and how it can help you unlock better interactions and experiences for them.

Ask tougher questions to deep dive on what customers find useless and start from there. Be creative in experimenting with the data you collect, and see how it pays off.

52%
of our respondents demand that their personal data be protected.
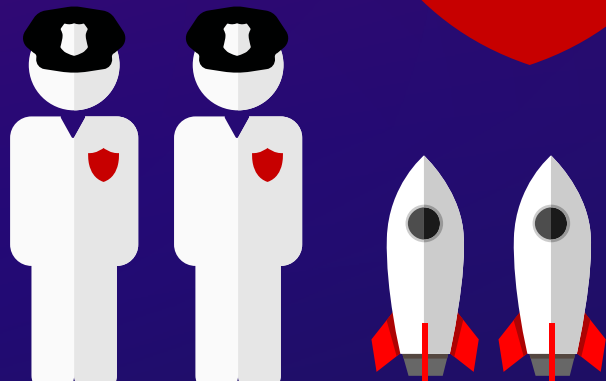
Split Opinions On AI

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

Now that you've established trust by doing as you committed to customers, what's next? Perhaps leverage new tools and technologies to provide a better experience.

But in Australia, there's a split opinion on the use of artificial intelligence (AI) in commerce. In our survey, the same percentage of our respondents are divided on using AI to increase sales and profits: 40% are "very" or "fairly" comfortable with it, while 40% are "fairly" or "very" uncomfortable with it.

Despite low prices, as well as great service and online experience, only 24% of Aussie customers would be willing to purchase if AI is involved in the process, while 30% would be less likely to do so.

Yes, there are polarised views about AI in our survey results. However, AI still has a lot more room for discovery, especially in terms of business applications. And that is for brands to find out and let customers know transparently on the usefulness and effects of AI.

Explore further on the benefits that AI and other technologies can offer in refreshing customer experiences.
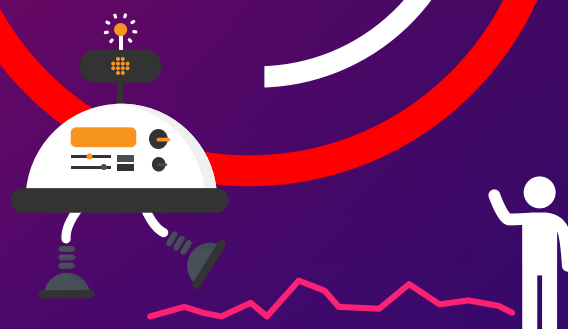
To sway the non-believers into becoming believers, make them well-informed about your initiatives on AI and tech. It can also be beneficial to involve them through user testing.
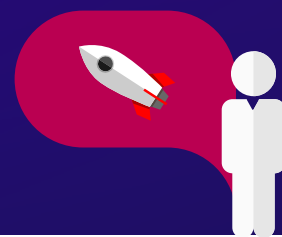
40% of Aussie are fine with retailers using AI

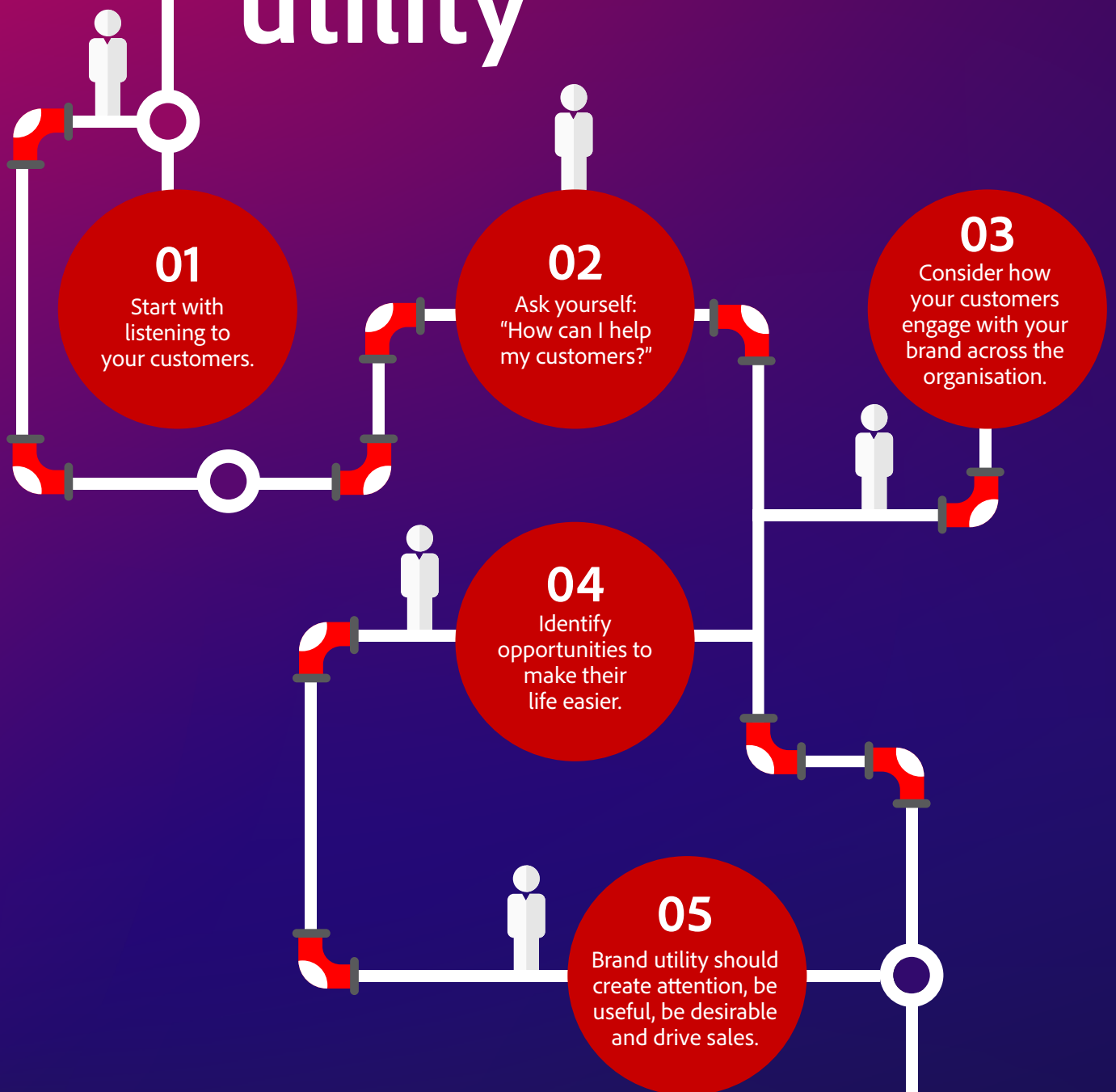# The value of two-way investment in relationships

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

01
Start with listening to your customers.

02
Ask yourself: "How can I help my customers?"

03
Consider how your customers engage with your brand across the organisation.

04
Identify opportunities to make their life easier.

05
Brand utility should create attention, be useful, be desirable and drive sales.

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.