Online Customers: Are you Keeping Yours Happy?

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Consumers are increasingly feeling let down by their online shopping experience: our all-client database suggests that 95 percent of people do not follow through with a purchase after they look at a product page.

At a time when everyone is talking about Customer Experience, is anyone really doing anything significant about it? If you listen to friends and family then you wouldn't be blamed for thinking it was not a priority.

Over the last 12 months our experience has shown how much value there is still to be captured from doing nothing more than understanding customer frustration and investing in testing alternative experiences to try and address it. Working for global brands in a range of sectors our 'average experience' suggests that there is room for improvement:

- 45 percent of people had difficulty finding products online
- 19 percent cited low stock availability as a reason for not purchasing
- 11 percent said that a poorly designed product page was a major frustration
- 30 percent blamed technical issues for non-completion
- 11 percent identified unclear or unattractive delivery terms as the reason they abandoned the transaction
- 10 percent of people said that their purchase was thwarted by substandard site navigation; and
- six percent pointed to a lack of product information available

Interestingly, only nine percent blame the price of the items as the reason behind prematurely ending the purchase journey.

That 45 percent of users fail to buy because they cannot find a desired product represents a significant lost opportunity and also suggests that the current 'best practice' approach to serving thousands of products to users through hundreds of categories and sub categories isn't working. Having worked extensively in fashion we can confirm that as far as the vast majority of online customers are concerned, over-segmentation (e.g. smart jeans, casual jeans) is a frustration.

Frequently we find technical issues to be a major cause of failures suggests that e-commerce retailers may be focusing on technological innovation over the essential activity of maintaining basic site functionality. It's no good having the latest gizmo if the basics don't work.

So, what does good Customer Experience look like online?

Well, ultimately an organisation needs to form a lasting relationship with its customers and not solely look for their approval. UK fashion retailer JD Williams excels at new customer engagement, whilst eBay is known for effectively handling reviews and referrals. French Connection offers its customers simple, open feedback forms which enables them to act on the feedback they receive.

There are some agencies out there claiming that the answer to improving customer experience is personalisation.

We believe that the key word is relevance. You cannot personalise for people you don't know. In reality it's pretty difficult to personalise for people you do know – after all how many of us have actually bought something recommended to us even on sites where we can arrive as a known quantity? The cost of personalisation is substantial and unless you have very significant scale you may well not recoup the investment in the modelling that is required.

Generating a return on personalisation investment is further complicated by recurring patterns of customer behaviour.

Whilst users may visit multiple times before transacting, the preference of guest checkout, particularly for smaller retailers, restricts the ability to capture user details.

In addition, much of personalisation relies on the logic that because I bought 'x' last time I want to buy 'y' this time. Or even because I told you a year ago I was interested in 'a' I am still as interested. These assumptions come with significant risk – all you know is something from a point in time – you know nothing about any subsequent sales engagement.

In fact, customers are more likely to respond to a simpler nudge based on relevance – the sharing of what others actually bought in addition to the item they have put in their basket. Amazon is reported as attributing 35 percent of its revenue to their smart algorithms that link what other customers did to the search result.

Delivering a Customer Experience that actually meets the needs of the customer means that businesses should first target customer interest. Amazon is the master of this – using specific searches, directed to a specific page.

Effective and relevant landing pages are also critical to support customers set off on the purchase journey. For most people, shopping is intuitive and it is necessary for businesses to provide effective navigation a search function that helps the customer to find what they are looking for and product pages that deliver. Equally important is a frictionless checkout that forbids the CRM system from driving the deal.

Delivery should also be high on the agenda post-payment, including a fuss-free courier service and easy handling of returns.

What will make you an authentic Customer Experience leader in 2018? Simply put, getting your organisation to become obsessed about the customer not the sale.

To lead in Customer Experience means you have to start and finish with the customer, they should inform all that you do, set the agenda for ideas to test and their feedback should drive innovation.

To do this requires a customer-centric culture. Our research suggests what drives this are three things: curiosity, pace and agility. Curiosity about the customer – this should incorporate methodical, data driven results that puts the customer front and centre.

Agility to make fast decisions and adjust corporate understanding and mindset – this should prioritise commercial value and enable rapid change through measuring impact.

Pace underpinned by the courage to be bold in testing alternatives – this requires an insight-based test and learn strategy with acceptance that whilst some tests won't deliver the hoped-for commercial outcome, all will deliver powerful learning that can help inform the business about the customer along the way.

Breaking this down into behaviours that make a difference we have created a culture measure for digital organisations which looks to identify the gaps to close that ensures that the customer, and their experience, are front and centre in what you do – in our experience this is something done rarely yet can support the delivery of significantly improved commercial outcomes. Why? In our view the biggest barrier to getting customer experience right is your organisation – and that means the way you organise your people, the way they work (processes) and the way they behave.

There is no silver bullet to transforming CX, but digital does give organisations the opportunity to build insight quickly and cheaply. This then allows the testing of ideas in real time and on real customers to find ways of unlocking value. Investing in this, as opposed to more new technology, can create value and ensure that as new technology is introduced, it has a better chance of making its promised return.

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