

Table of contents

Executive summary	3
What we heard	4
01. What do consumers consider most important?	5
02. Consumers increasingly prefer a mix of channels	9
03. New interactive channels are emerging...slowly	14
Recommendations	18

Executive summary

Consumer preferences for communicating with retailers is changing.

This study evaluates the intersection of urgency, types of messages and specific channels (including emerging ones) to understand what consumers really want.

Specifically, we sought to answer the following questions:

1.

In what channel (e.g. email, text, chat) do customers want to receive the messages they get from retailers?

2.

How does their preference vary by **type of message** (e.g. transactional communication vs marketing)?

3.

Do shoppers like **talking to customer service agents** when they encounter problems in a retail transaction?

4.

Are **bots and voice technologies** gaining adoption among shoppers as a transaction support tool?

Methodology:

Narvar conducted this online survey of 1,290 U.S. online shoppers between 21-65 years old who made an online purchase within the last 6 months. The survey ran from June 18 through July 17, 2017.



What we heard



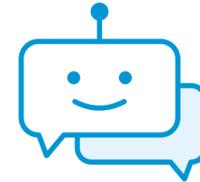
Texts are welcome for mission-critical messages.

Order information is most critical to shoppers, and consumers are more willing to receive those messages via text and push notifications. 38% of those surveyed said they wanted communications via multiple channels.



Email still matters.

More than 80% of shoppers prefer to receive any type of communication (e.g. marketing, customer service) from retailers through email. 93% of them indicated it was important for record-keeping rather than due to it being less intrusive than other channels.



Bots and voice are nascent.

Only 2% of shoppers say they want to receive messages from retailers via chatbots or through messaging apps like WhatsApp or Facebook Messenger. But 38% were not sure if they were interacting with a human or not. Among customers who have used bots or were unsure, they report liking them because they are fast and easy.



People like other people.

Shoppers will try to resolve problems on their own first. But once they need assistance, more than half of all customers (including those under 30) prefer to talk to a person to resolve issues they may have with a transaction.

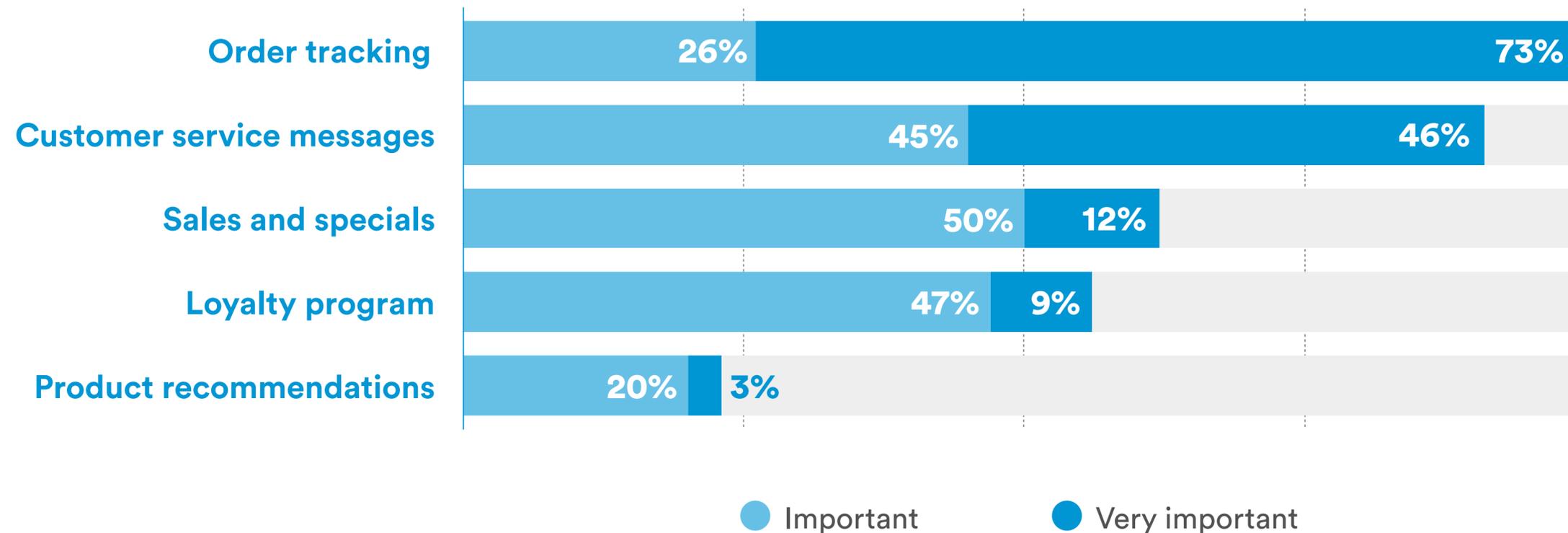
01.

**What do consumers consider
most important?**

Messages about orders and customer service are top priority.



Of the following types of messages from retailers, how important is each of them?

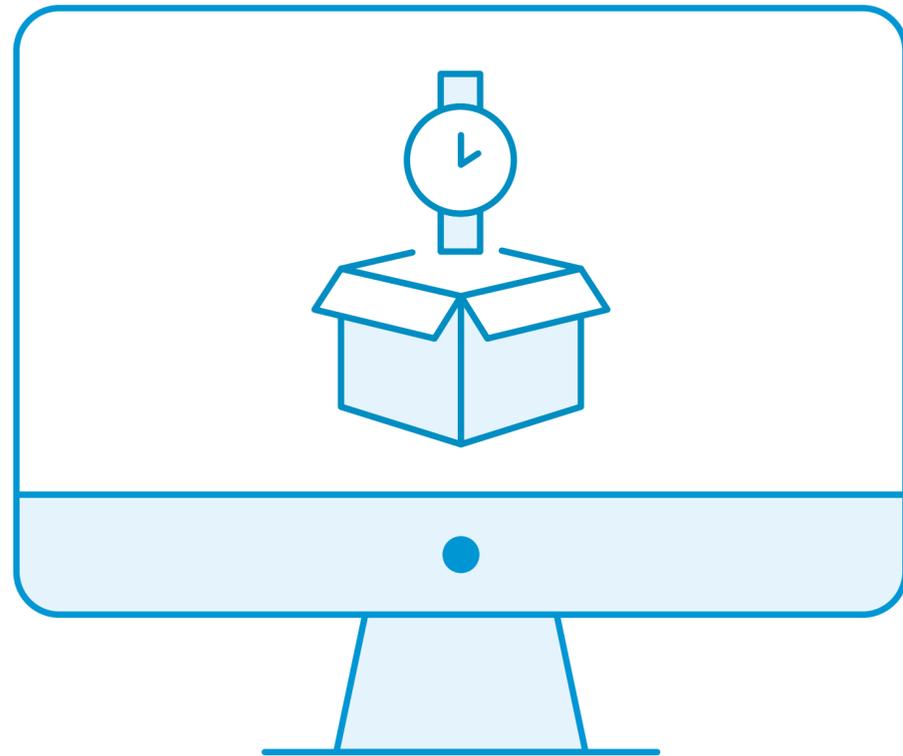


Key takeaway:

While retailers put significant weight in marketing messages, they are regarded by shoppers as less essential than other messages. More intrusive communication like texts and push notifications are more well-received for “important” messages like order tracking.



Consumers want higher frequency of messages for high-value purchases.



84%

say **more communication is critical**
if the purchase is expensive

Key takeaway:

Perhaps more than product category, value—whether cost or rarity—should dictate frequency of messaging.





Conveying bad news in a timely manner fosters trust.



98%

say **they feel better about a company** if they are notified immediately when something goes wrong

Shoppers indicate these are “very important” priority messages about order status:

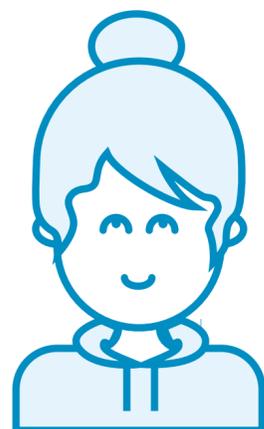


Key takeaway: To foster trust and build customer loyalty, retailers should provide timely proactive notifications, especially if something goes wrong.

02.

**Consumers increasingly
prefer a mix of channels**

Consumers overwhelmingly prefer email...



I generally prefer to receive messages from a retailer as...



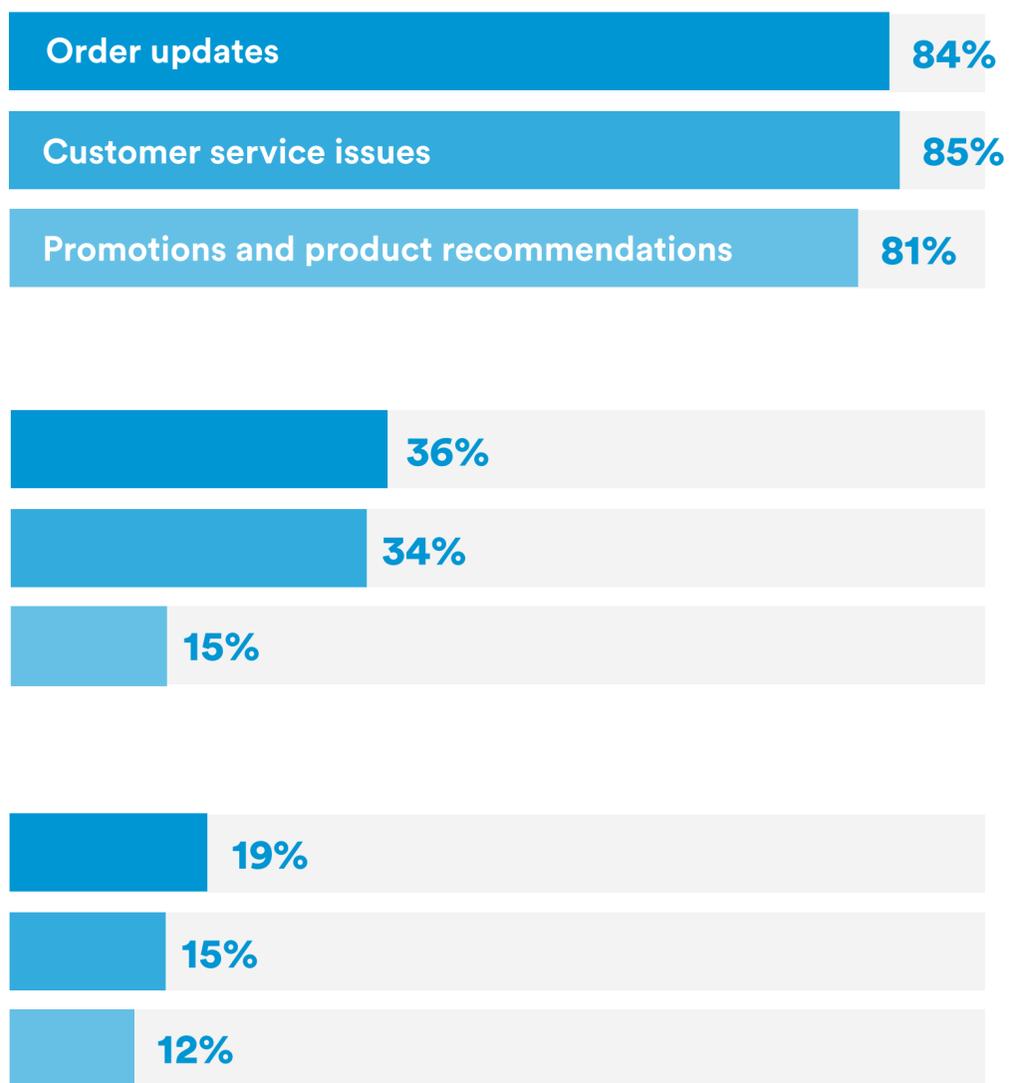
...Email



...Text Messages



...Push Notifications



● Order updates ● Customer service issues ● Promotions and product recommendations

...but primarily for reference, and in addition to other channels.



93%

say it's easier to **refer back** to emails later



38%

want to hear from retailers in **multiple ways**

Key takeaway:

Email is still a key component of any communications strategy, but consumers want to hear from retailers in multiple channels based on urgency of message.

Even as channels with more immediacy like text and messaging services become critical for important information, retailers should continue to provide email for record-keeping.

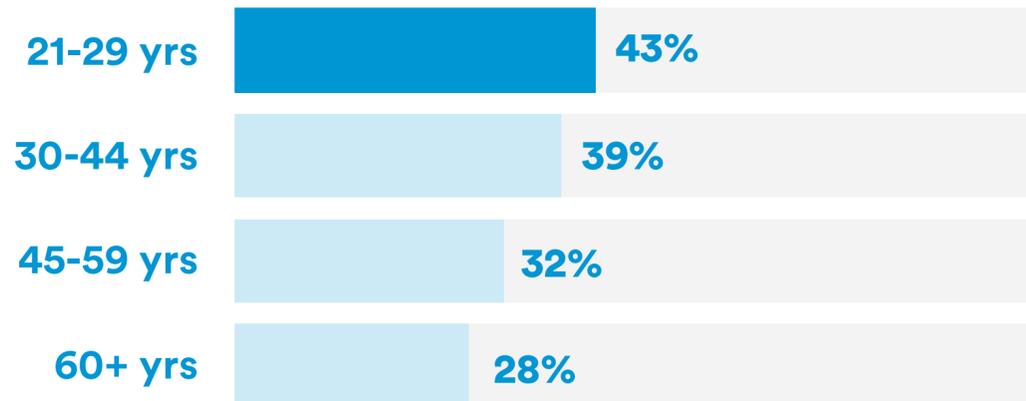


Younger shoppers in general are open to texts and push notifications from retailers.

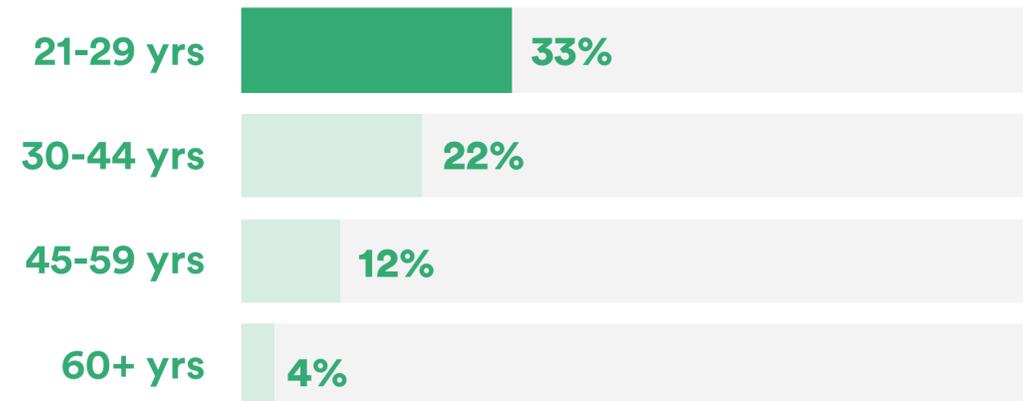


When a retailer sends you a message with an update on an order you just placed, you prefer...

Text Messages



Push Notifications



Key takeaway:

Younger shoppers say they prefer text and push notifications because they are more likely to see them; retailers should seek permission to message these shoppers through multiple formats.



People prefer self-service, but human touch still matters.



When you have an issue with a retailer or order, how do you prefer to make contact?

“I try to find an answer to the problem myself”



88%

21-29 year olds agree

73%

60+ year olds agree

“I prefer to talk to a person”



55%

21-29 year olds agree

72%

60+ year olds agree

Key takeaway:

Shoppers prefer to solve problems on their own when possible, but when they need to escalate, they want a human to help them.



03.

**New interactive channels
are emerging...slowly**

Consumers are regularly using automated or AI-driven channels when shopping.



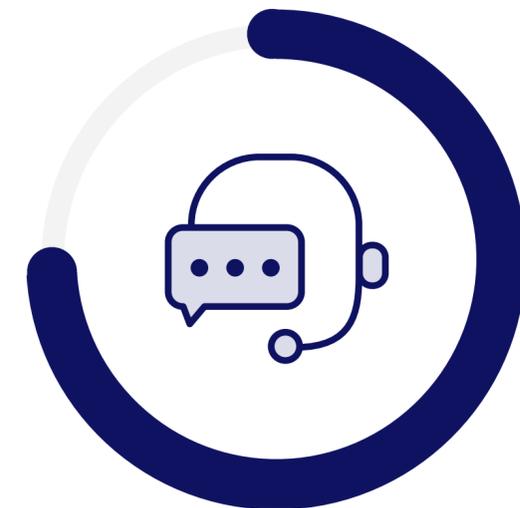
79%

have used **text, messenger apps**
or **voice devices**



71%

have used **Google** or
another search engine

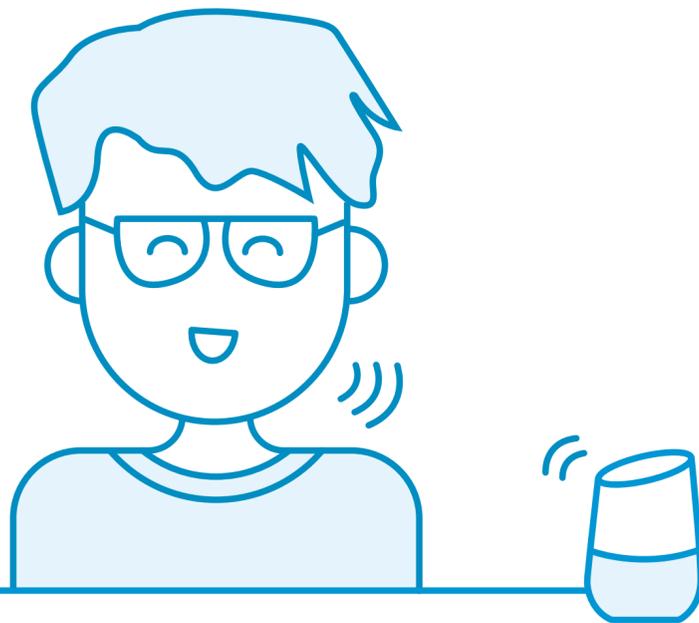


74%

have used **live chat**

Bots aren't in demand, but may be used more than people realize.

Only 2% of customers surveyed prefer to communicate via bots, but live chat and messenger apps are often an introduction to “bot-like interactions”.



38%

didn't know if it was AI or not

10%

knew it was **not human**

Key takeaway:

Shoppers often don't know whether they are interacting with a bot or a human, which suggests some of the bots are programmed well and are proving valuable.

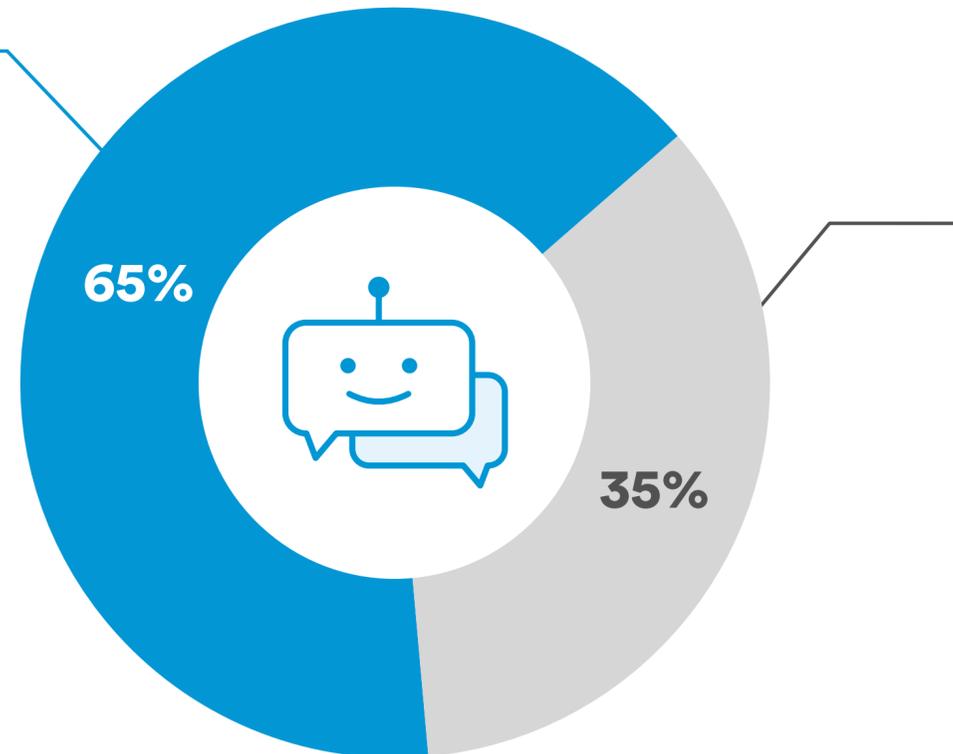


Shoppers have mixed feelings about bots.

But shoppers who interacted with a bot generally liked the experience.*

Liked it

- Fast and easy
- Resolved the question without talking to a person
- No need to wait on hold
- Ability to multitask while chatting (vs. being on a call)
- Better for people who have social anxiety or are antisocial



Didn't like it

- Need to repeat things
- Need to wait for a response
- Need to escalate to a supervisor anyway
- Bot didn't answer my question

Recommendation:

Use bots where they can add the most value. Don't expect them to replace human customer support for complex issues, nor put them in the path of customers who have already tried self-service.

* Based on shoppers who used a chat or messaging app, and either knew it was not human or weren't sure





Using voice devices for shopping is nascent, but growing.



12%

already own a
voice device

Do you envision using a voice-controlled interface like Amazon Echo or Google Home for online shopping (e.g. to make a purchase, track your package, contact customer service, etc.)?

Already use

29%

30%

Do not
expect
to use

Will use in
the future

41%



Adoption of voice assistants for shopping is ramping quickly. 70% of device owners already shop by voice or expect to.



Recommendations

Continue to prioritize email collection.

Continue collecting email addresses and constantly ensure you have your shopper's current information on file. Email is still the preferred means of communication for most shoppers.

Prepare for other touchpoints.

Collect other contact information, particularly mobile numbers, social network handles and mailing addresses and adapt your touchpoints to what customers prefer.

Communicate more frequently about high-value purchases.

If you sell high-value merchandise, you have greater permission to message shoppers more frequently about their orders; don't neglect that as an opportunity.

Over-communicate bad news.

It's essential that you have the ability to ingest information on datapoints like undeliverable packages and put a procedure in place to quickly pass that information back to shoppers.

Experiment with bots and voice devices.

While bots and voice devices are emerging, they are not yet mainstream. Experiment but watch and see how shoppers react so you can adjust. Learn from the innovators in the space.

Be judicious about using AI vs. human support.

Until the technology is mature enough to avoid frustrating customers further, focus on applying AI or automation where it can add value with quick access to data, rather than to replace complex interactions requiring a human.



Narvar is on a mission to simplify the everyday lives of consumers.

We help the most admired brands and retailers build lifelong relationships beyond the “buy” button. As an enterprise-grade SaaS platform serving 400+ retailers like Sephora, Neiman-Marcus, Crate & Barrel, and GameStop, Narvar drives brand loyalty at scale by enabling immersive and emotional post-purchase customer experiences. From effortless order tracking, proactive communications, and seamless returns, Narvar applies machine learning across billions of interactions to simplify the everyday lives of consumers.

To learn more, visit www.narvar.com

In collaboration with Sucharita Mulpuru

Sucharita Mulpuru is a leading authority on retail, shopping and mobile commerce. From 2005 until 2016, Sucharita was the lead retail analyst at Forrester Research where she focused on the intersection of technology and commerce. She served on the board of Shop.org, the digital division of the National Retail Federation, and as Chief Retail Strategist at Shoptalk.

Prior to Forrester, Sucharita held management positions at Saks Fifth Avenue, Toys 'R' Us, Walt Disney Company, Cap Cities/ABC and was a member of the founding team at Babystyle. Sucharita holds a BA in Economics from Harvard University and an MBA from the Stanford Graduate School of Business.