



Consumer Report 2018

Connecting with Shoppers in the Age of Choice

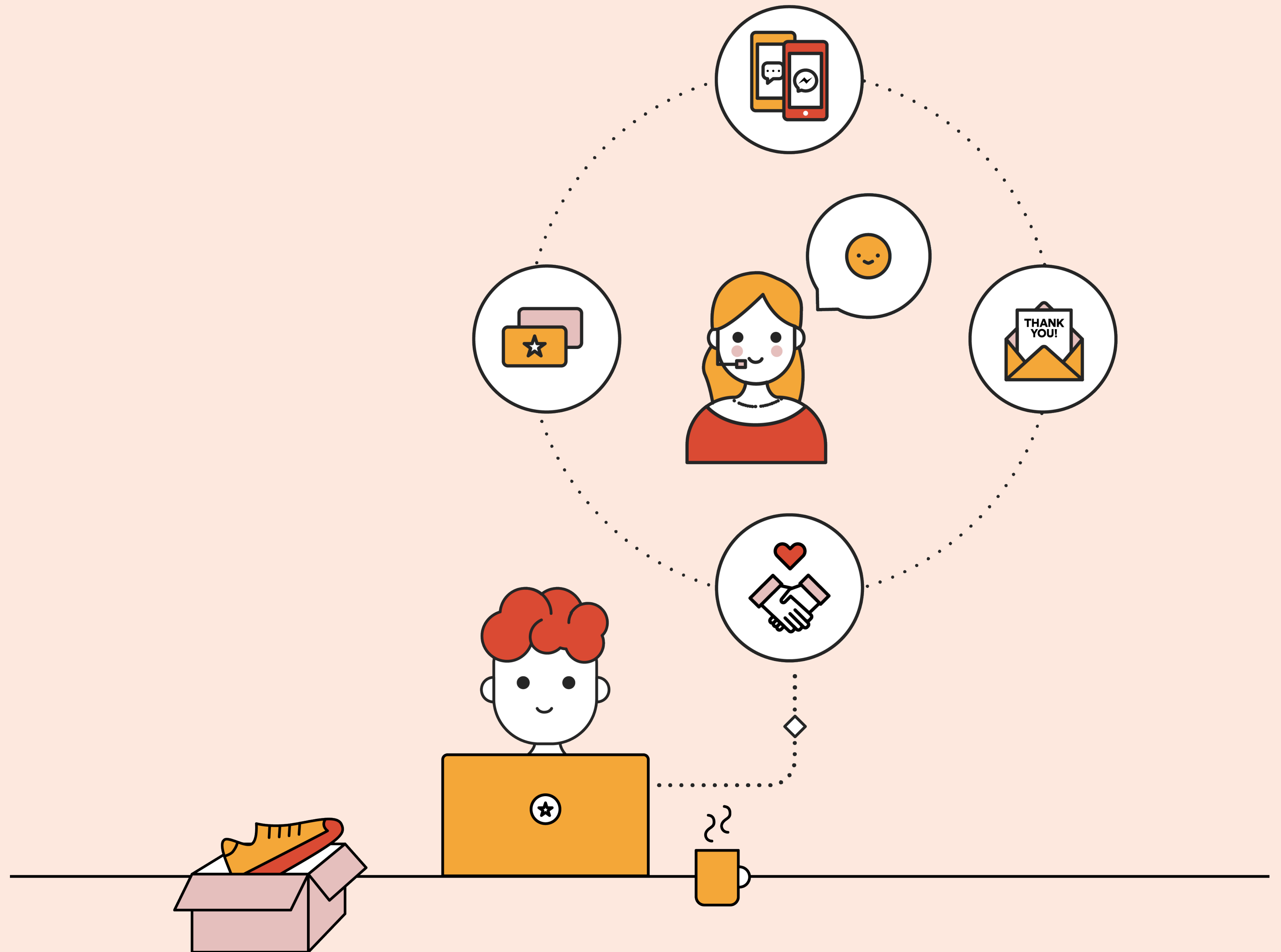


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Executive summary

In the age of digital commerce and infinite choice, retailers must put their customers at the center of everything. Technology has changed how people shop while increasing shoppers' expectations, putting pressure on retailers to care for their customers in ways that build trust and inspire loyalty beyond reason.

This study evaluates how customers prefer to communicate with their favorite brands and what they expect from their retail experiences beyond the buy button.

Specifically, we sought to answer:

1.

When, why and how do customers want to communicate with retailers?

3.

Are retailers able to provide better care to shoppers using bots and voice technologies?

2.

What role does the post-purchase experience play in fostering brand loyalty?

4.

How are new technologies and consumer expectations impacting the relationship between shoppers and brands?

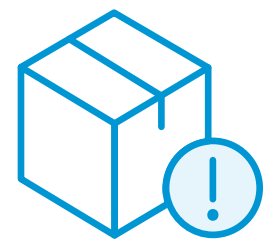
Methodology:

Narvar conducted an online survey of 1,543 U.S. online shoppers between 21–65 years old who made online purchases within the last six months. The survey ran from November 22–29, 2017.



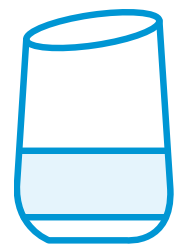


What we heard



Shoppers want more information and more options.

Shoppers want more communication from brands than ever before; 83% of those surveyed said they expect regular updates about their purchases.



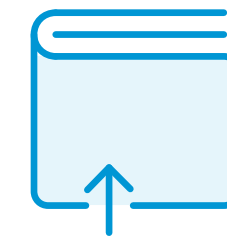
Voice-powered shopping is here.

Voice device ownership and voice shopping nearly doubled over a six-month period. People across age groups are using voice at all parts of their shopping journey.



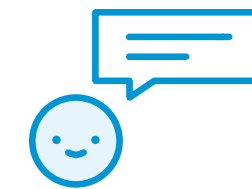
The definition of digital commerce is expanding.

In addition to voice and chatbot interactions, people are open to shopping via emerging technologies such as AR and VR.



Returns, when done right, give retailers a competitive advantage.

Expectations for easy returns are rising, which poses an opportunity for retailers to make a strong impression and keep customers coming back.



Shoppers want to communicate with bots AND humans.

The number of people who say they don't like bots decreased 21% from last year. Still, bots are no replacement for human support.



Inspiring loyalty must be an integral part of the entire shopping experience.

All of the above—communication, returns, new channels, and a combination of AI and human support—play a role in building trust and loyalty with shoppers.

01.

**Consumers are loyal to
retailers that invest in care**

Shoppers want updates about their purchases.



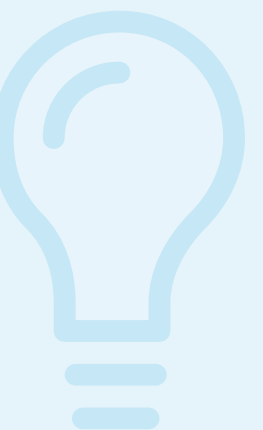
83%

of shoppers say they expect regular communication about their purchases.

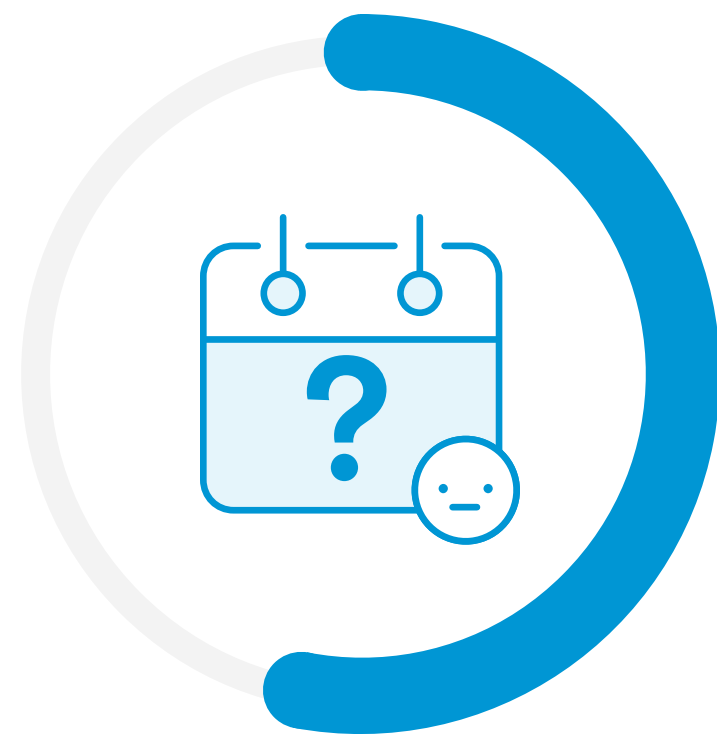
Just 8% say they're getting too many notifications about their packages.

Key takeaway:

Shoppers crave relevant information, especially when it comes to the status of their delivery. This is not just a nice-to-have; shoppers expect proactive updates.



Tracking and delivery must be accurate and transparent.



53%

of shoppers **won't purchase** something if they don't know when it will arrive



54%

will give repeat business to a retailer that can predict when a package will arrive

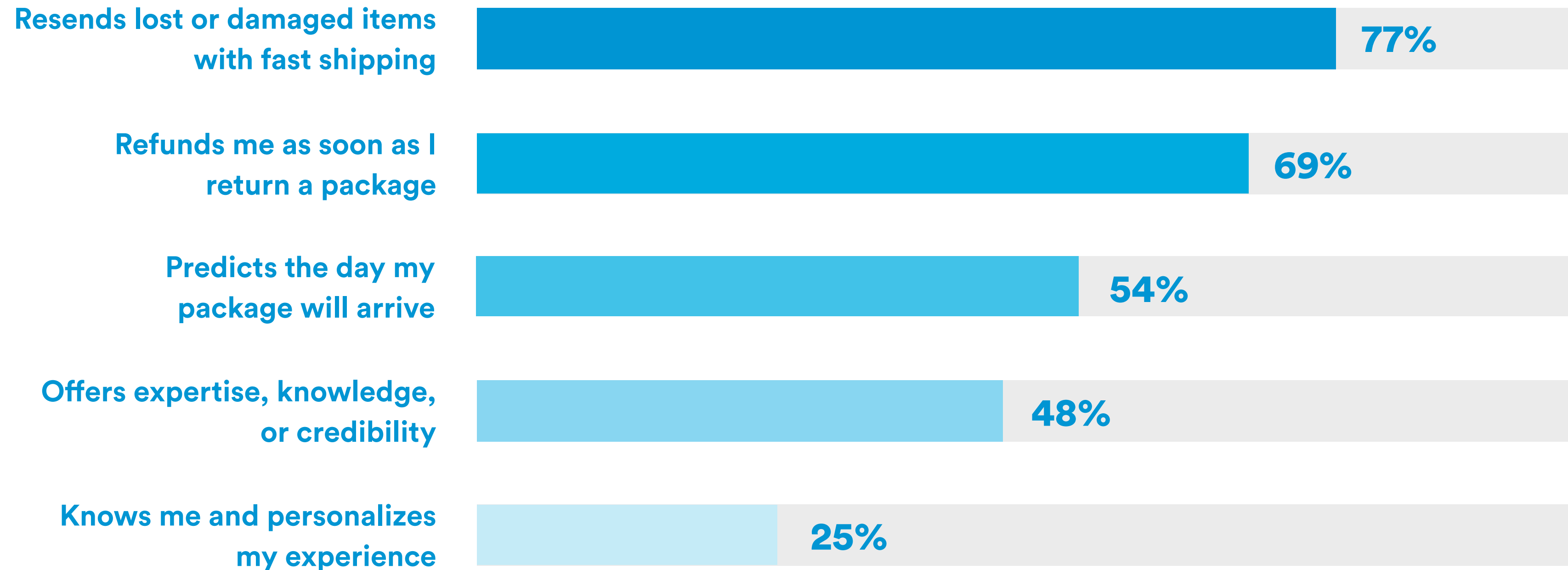


Key takeaway: Ambiguity about package delivery and tracking can threaten a sale and damage customer loyalty.

Loyalty is built on exceeding expectations for customer care.



I would absolutely give repeat business to a retailer that:



Key takeaway:

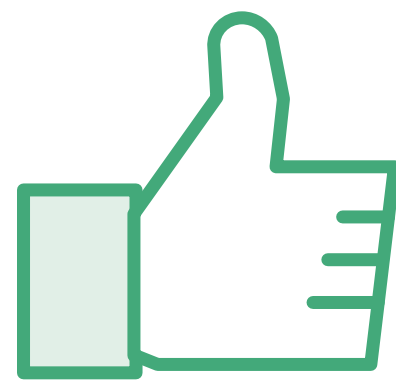
Shoppers will return to the retailers that go above and beyond expectations, fixing issues like lost or damaged items and refunding purchases as soon as the return is submitted.



02.

**Returns can make or break
customer loyalty**

Easy returns and fast refunds drive loyalty.



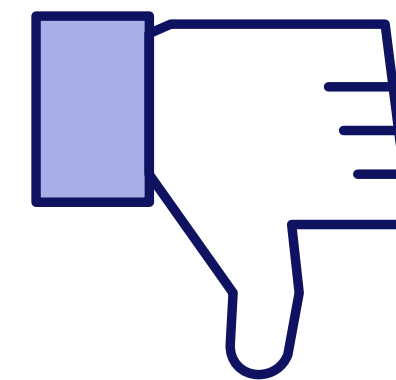
I would give repeat business to a retailer that:



Makes returns and exchanges easy



Refunds my money right away



I would not make a purchase if:



I have to pay for return shipping



I can't find the return policy

Key takeaway:

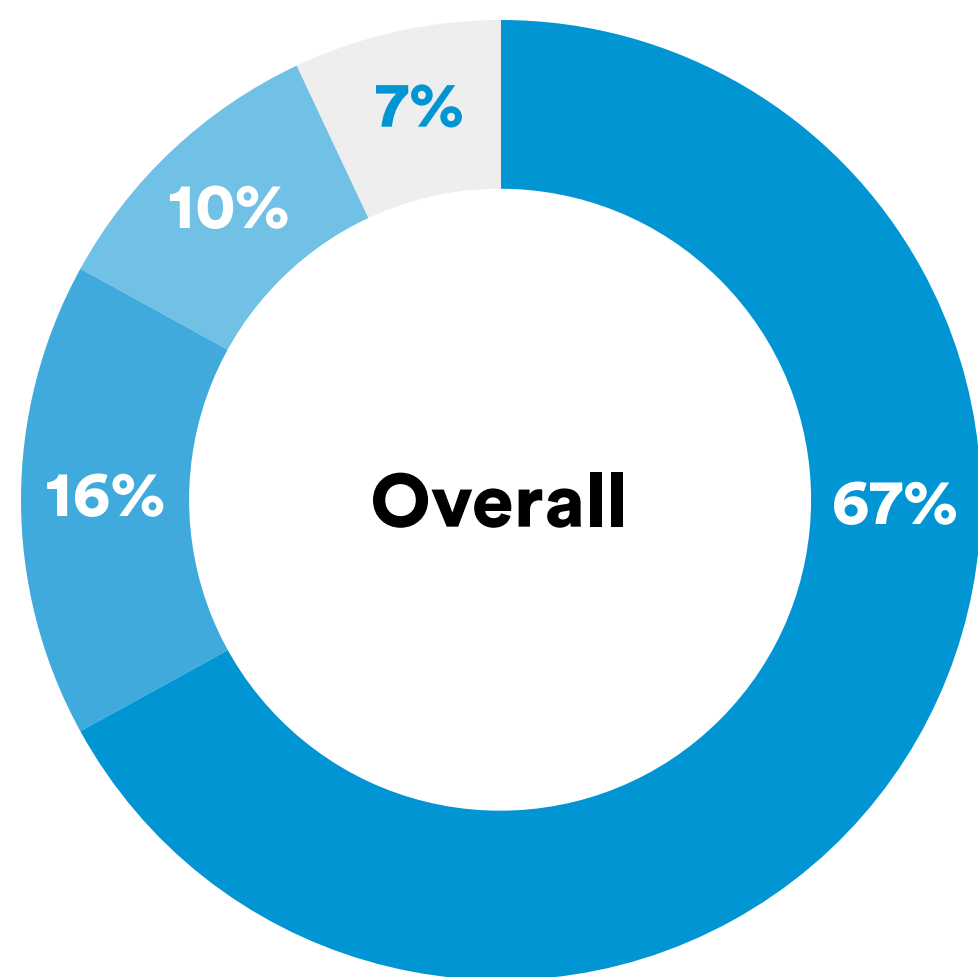
Returns are the new normal; 42% of shoppers have returned an item they bought online in the last six months. Retailers must ensure that returns are easy and transparent for the consumer.





Mail is the most common way to return an online purchase.

While most shoppers mail their returns, suburban and rural shoppers are more likely to return in-store.



How did you return your online purchase?

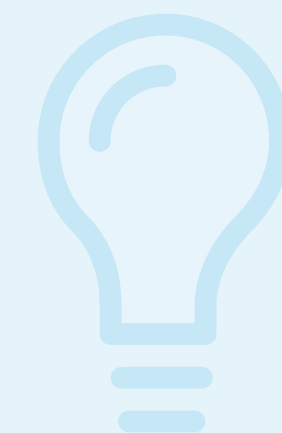


● Mailed back
 ● Returned to store
 ● Scheduled pick-up
 ● Refunded with no return needed

Surprise finding: 25% of shoppers won't buy something if they don't have the option of returning to a physical store.

Key takeaway:

Retailers can create more effortless return experiences by combining the benefits of in-store returns with the convenience of mail—namely, immediate refunds and the ability to shop for additional items online.

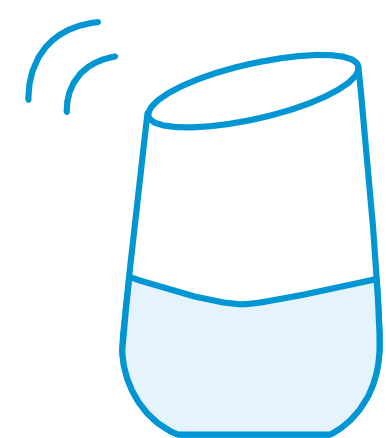


03.

**Voice shopping is poised
to go mainstream**

People are turning to voice devices to shop.

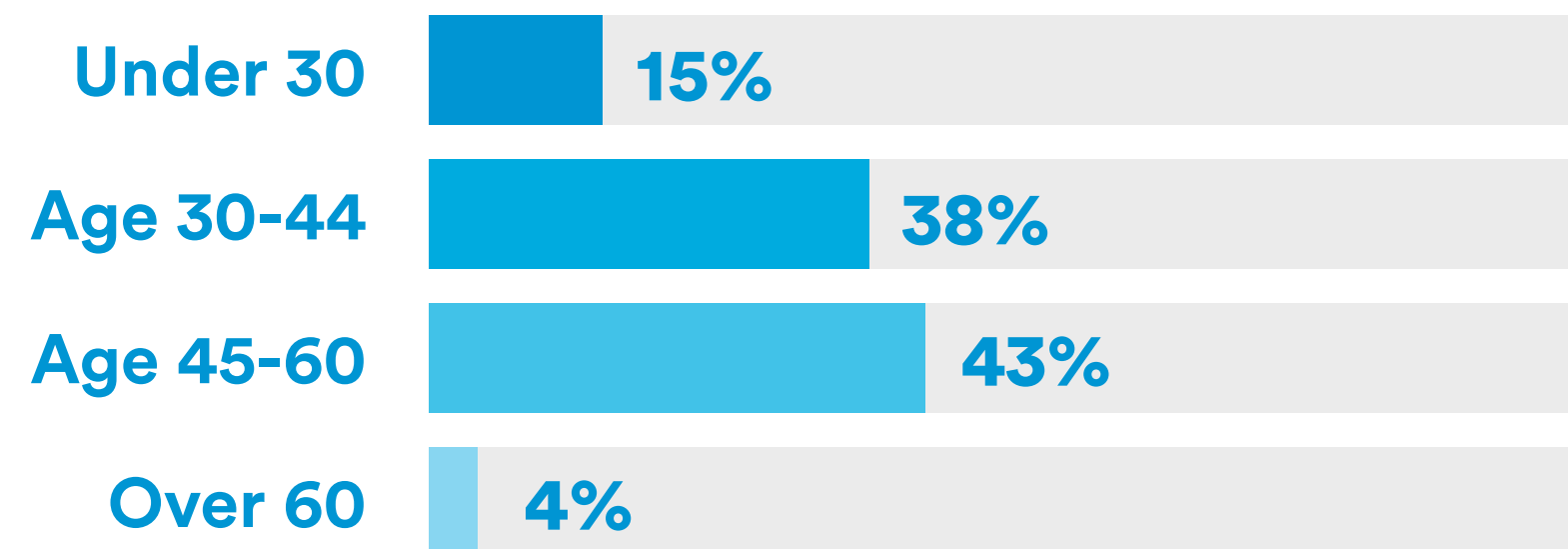
Compared to six months prior, both device ownership and voice shopping activity have nearly doubled:



42% increase
in device ownership



41% increase
in using the device to shop



It's not just Millennials. Voice device owners of all ages use them to shop.

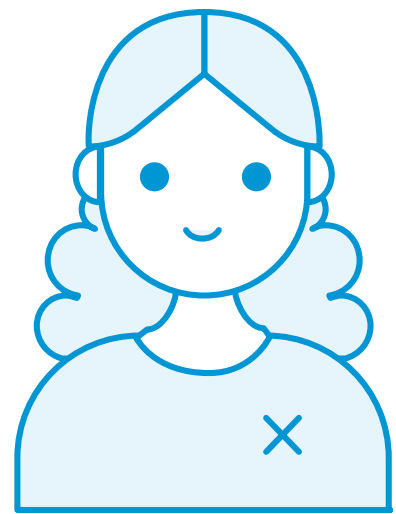
Key takeaway:

Voice devices are going mainstream and shopping behaviors are following suit across age groups.

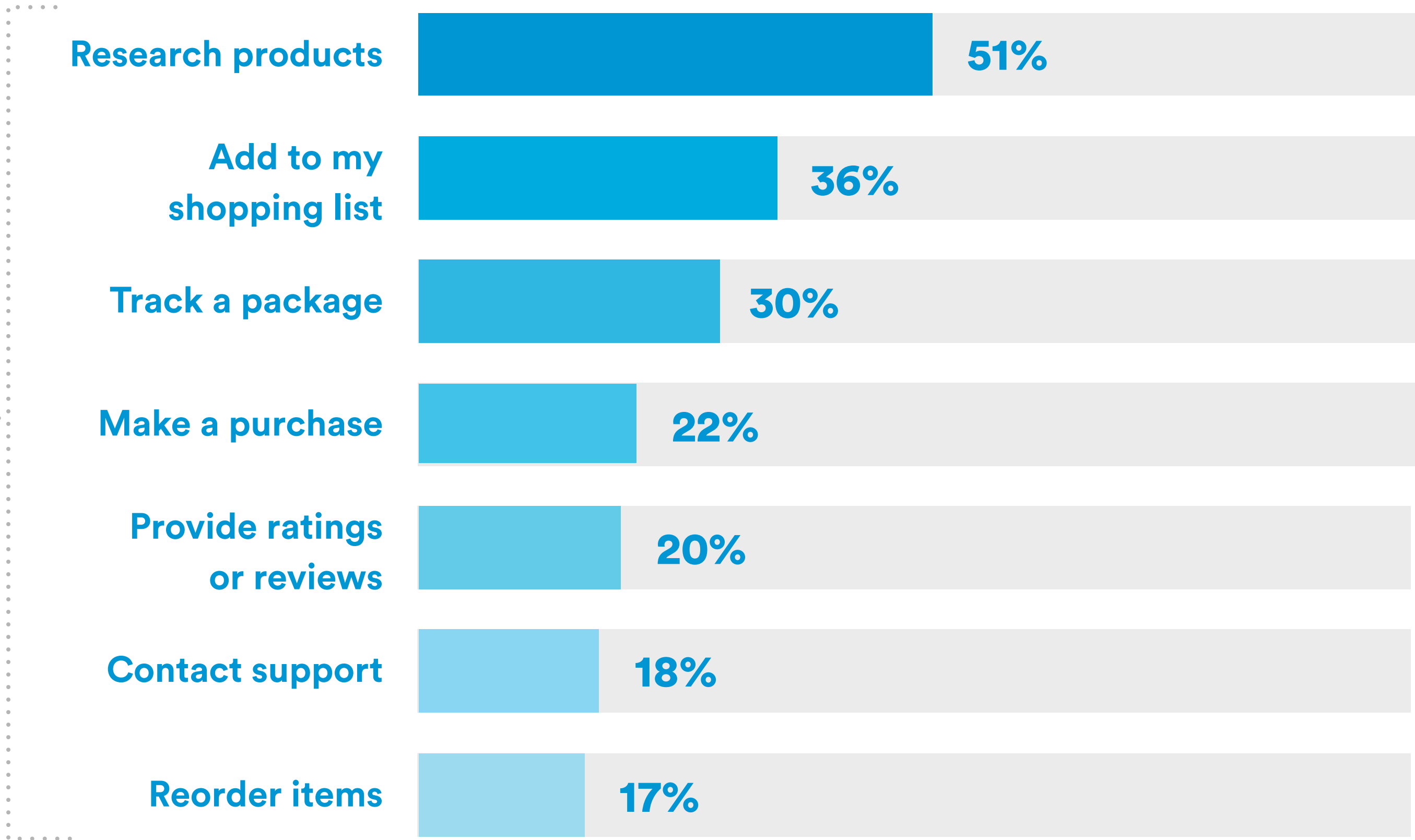




Shoppers use voice before, during and after they make a purchase.



I use voice to:

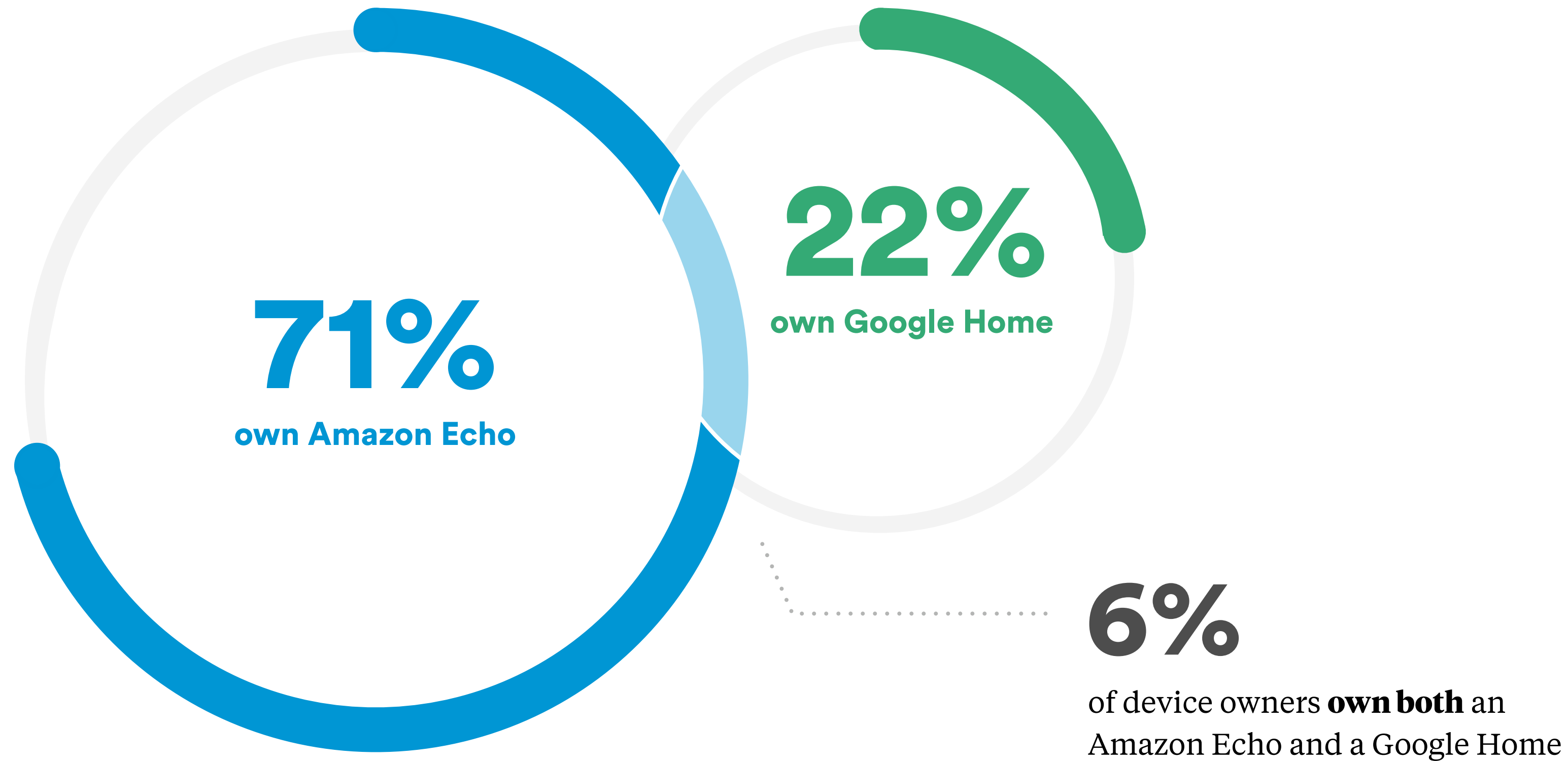


Key takeaway:

While research is the most popular use case at this point, nearly a third of shoppers are using voice to track their packages.



Some shoppers own more than one voice device.

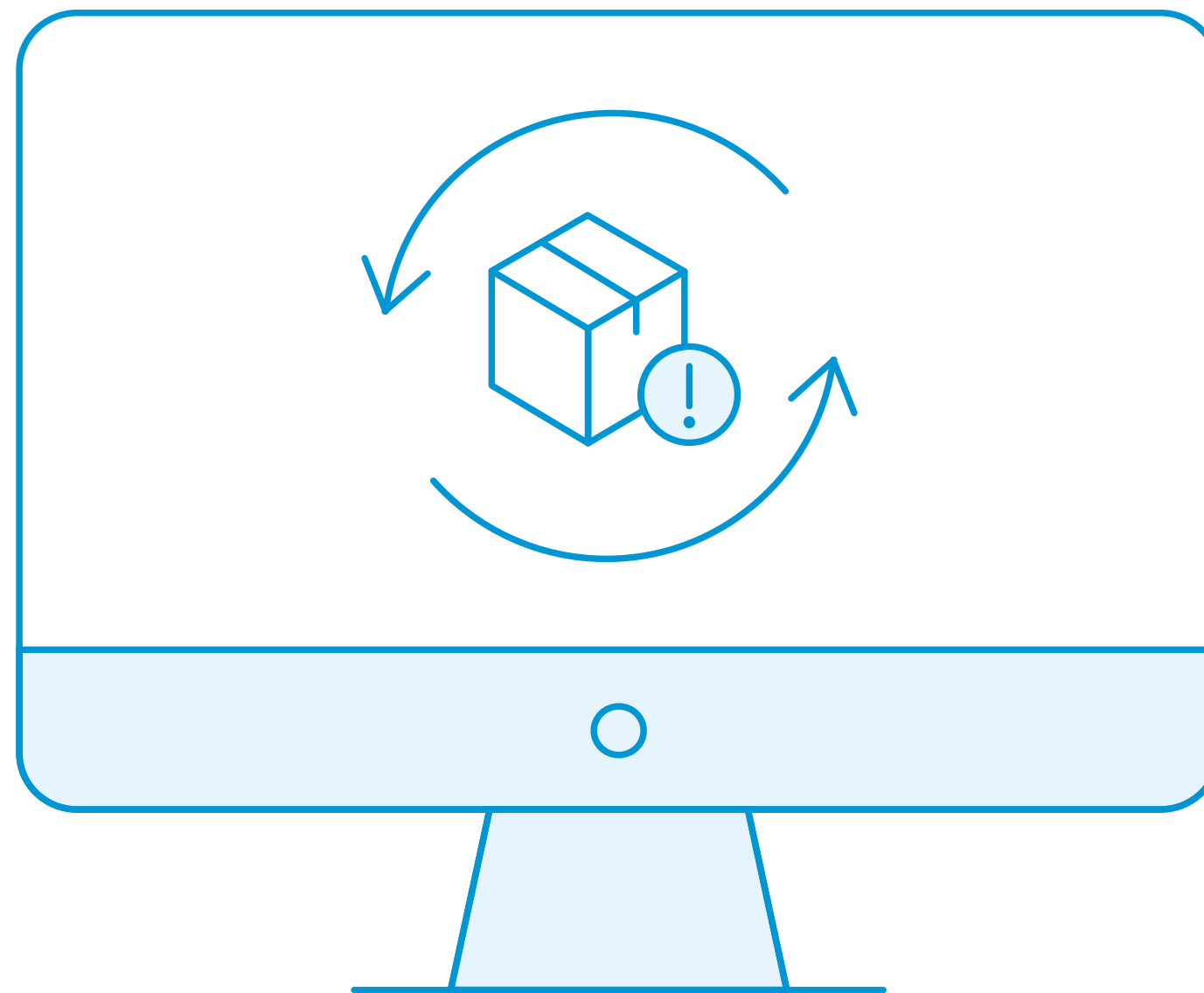


Key takeaway:

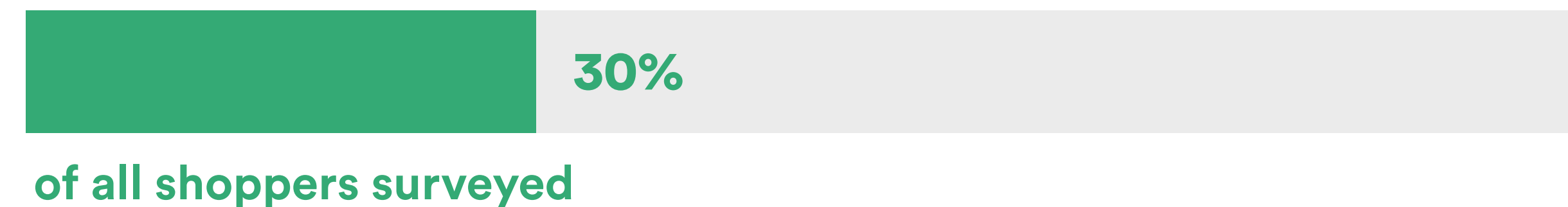
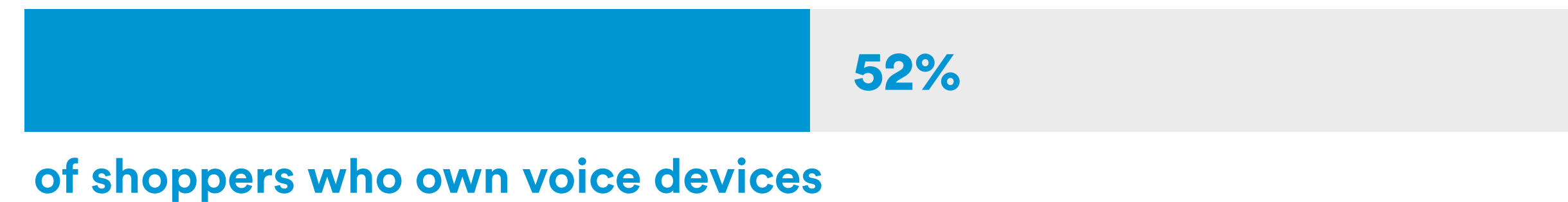
As more consumers buy devices for their living rooms, kitchens and bedrooms, they'll spend more time using voice and shopping via voice.



Voice shoppers are ripe for predictive retail.



I opt into subscription services and automatic reordering:



Key takeaway: Voice device owners are more likely to use subscription and auto-replenishment services than other consumers. Retailers can leverage the strengths of voice shopping by recommending products they know their customers have already bought and rated highly—particularly if they're replenishable.

Voice shopping is gaining traction beyond voice-activated devices.



Of all consumers surveyed:



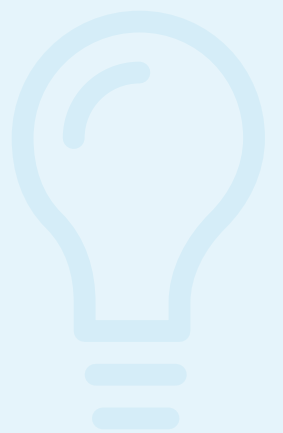
shop using a **voice-activated virtual assistant** on mobile (e.g. Siri, Google Assistant)



shop using a **voice-activated device** (e.g. Amazon Echo, Google Home)

Key takeaway:

Customers are getting more comfortable shopping via voice, whether or not they have a voice-activated device in their home.



04.

Shoppers embrace bots

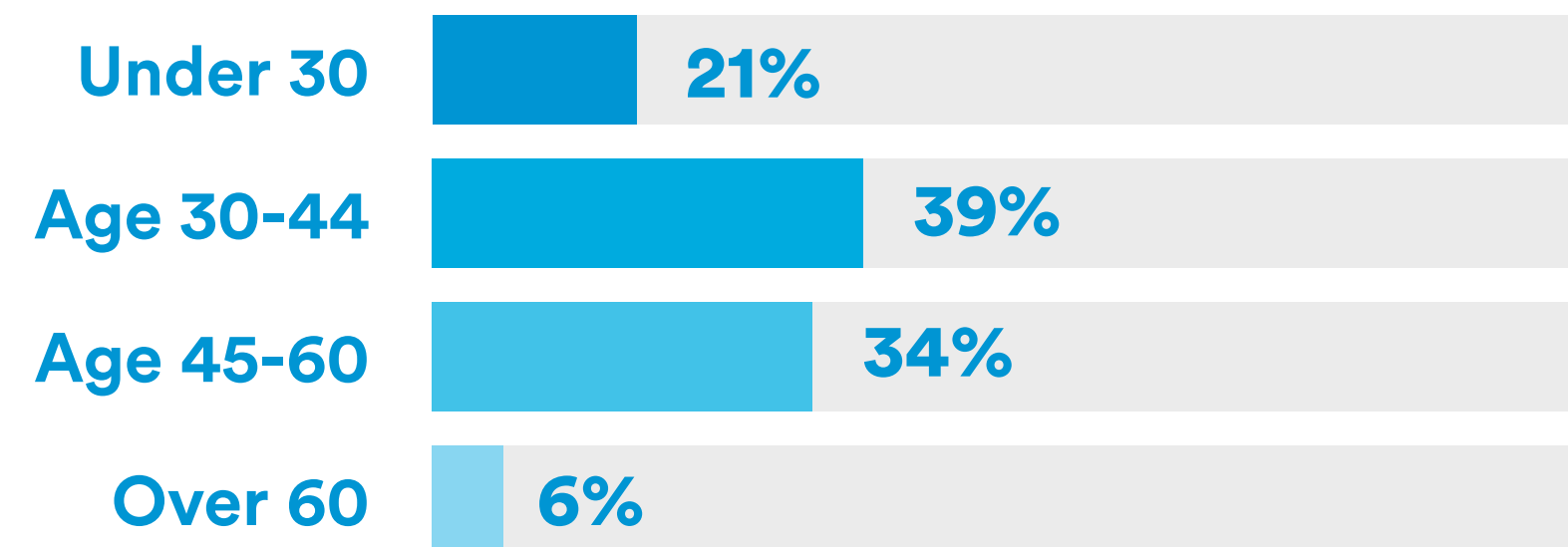


Chatbot use is on the rise.



29%

of consumers use or plan to use chatbots to shop online



And it's not just Millennials who are using chatbots.

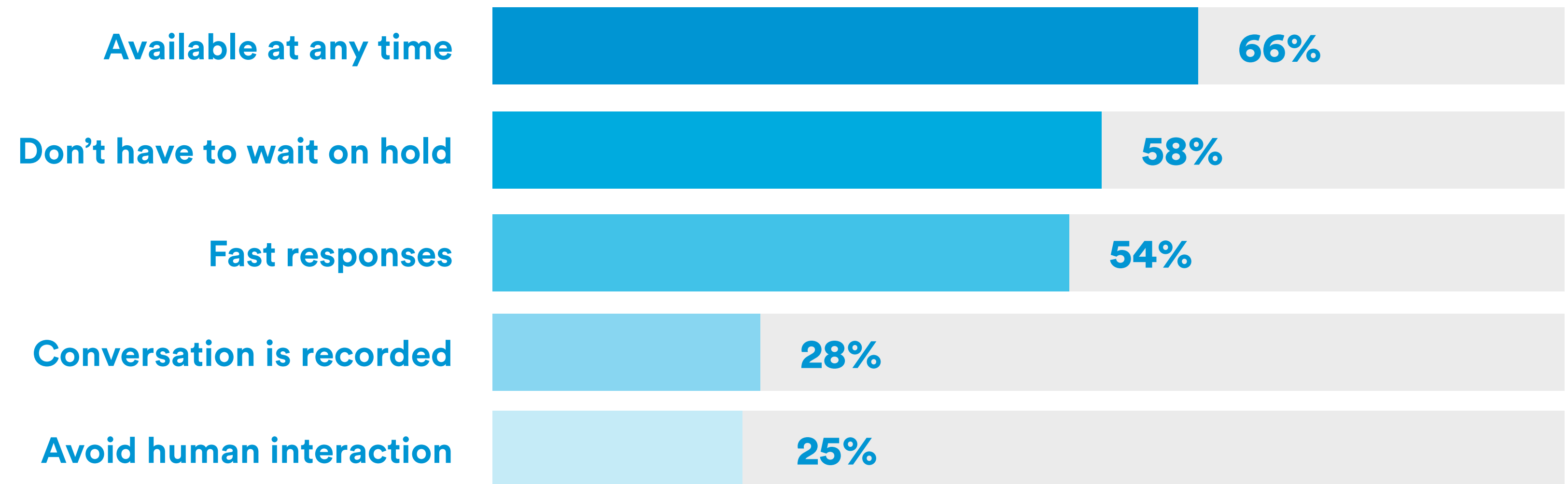
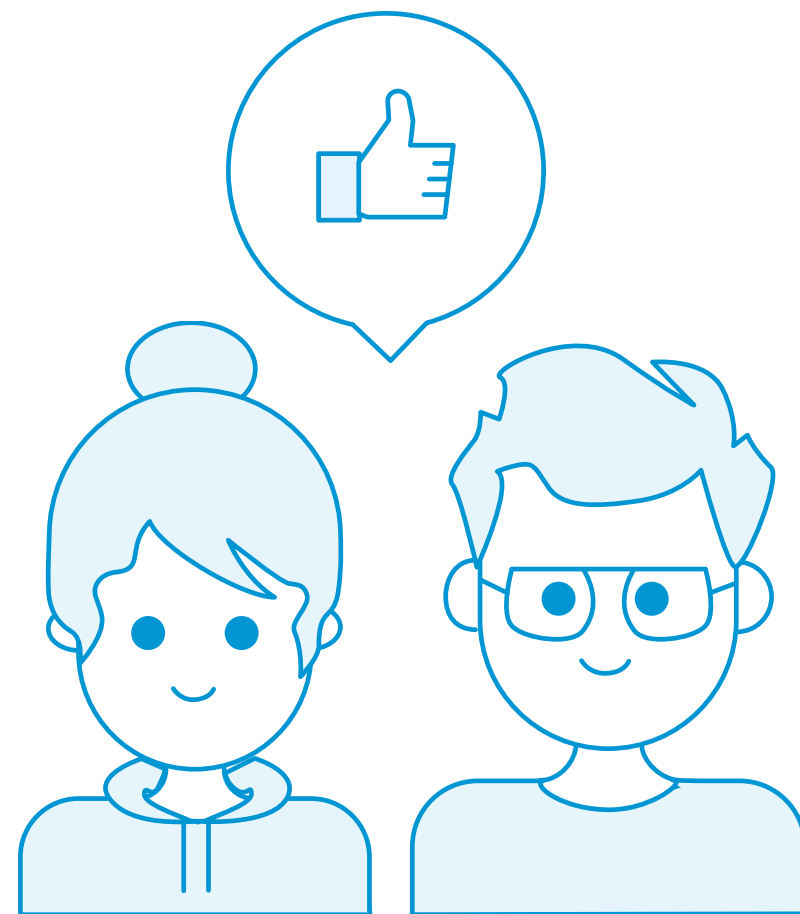
Key takeaway:

Bot use is nascent but growing. As natural language processing improves and consumers gain more exposure to new interactive channels, it's likely shoppers will become more comfortable interacting with bots to resolve simple customer care issues.



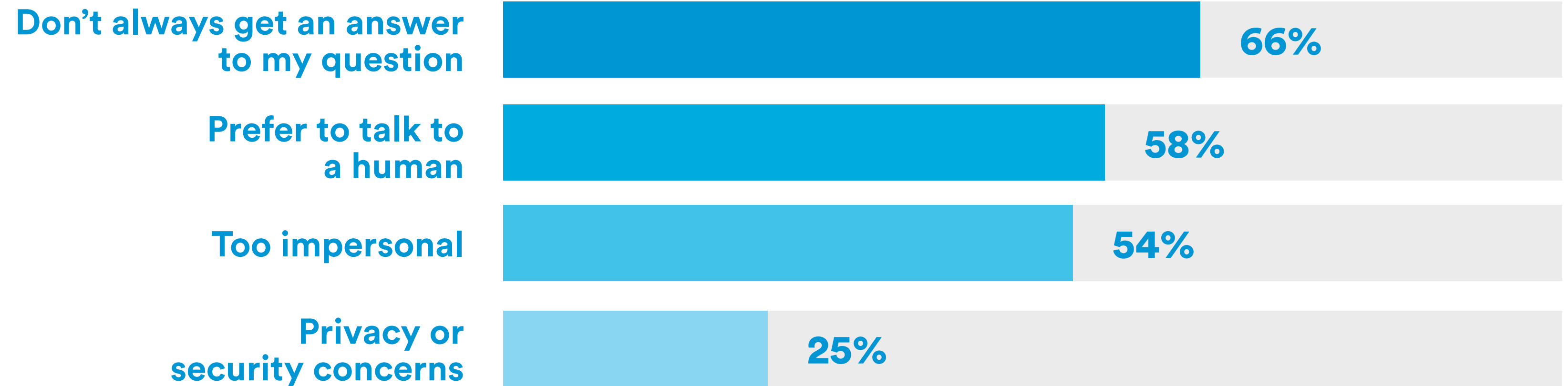
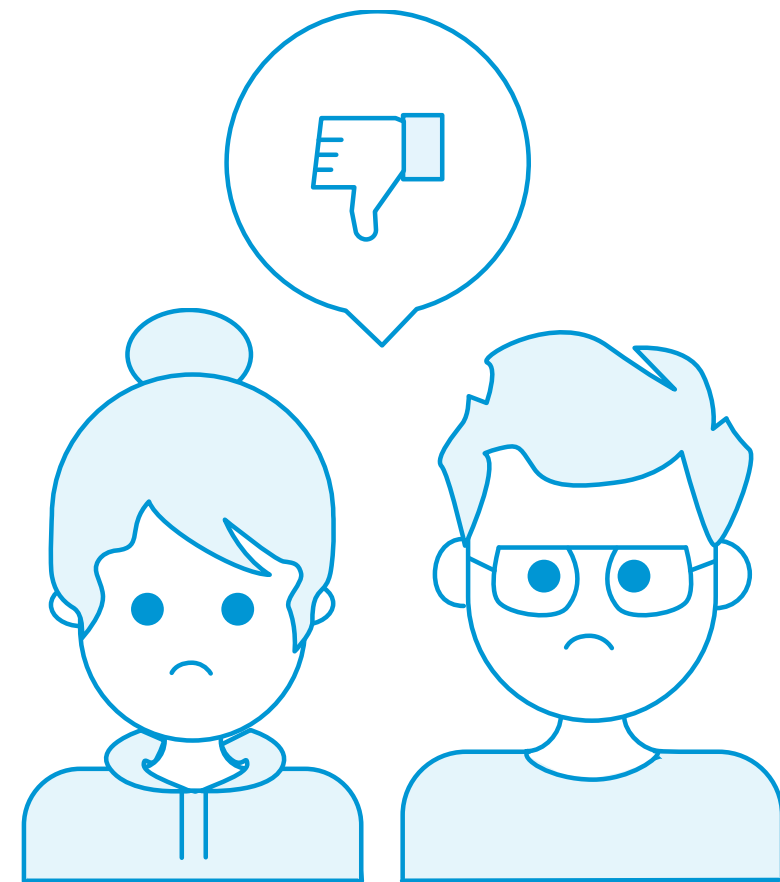
Consumers like that chatbots are fast and available.

What do you **like** about using a chatbot to communicate with a retailer?



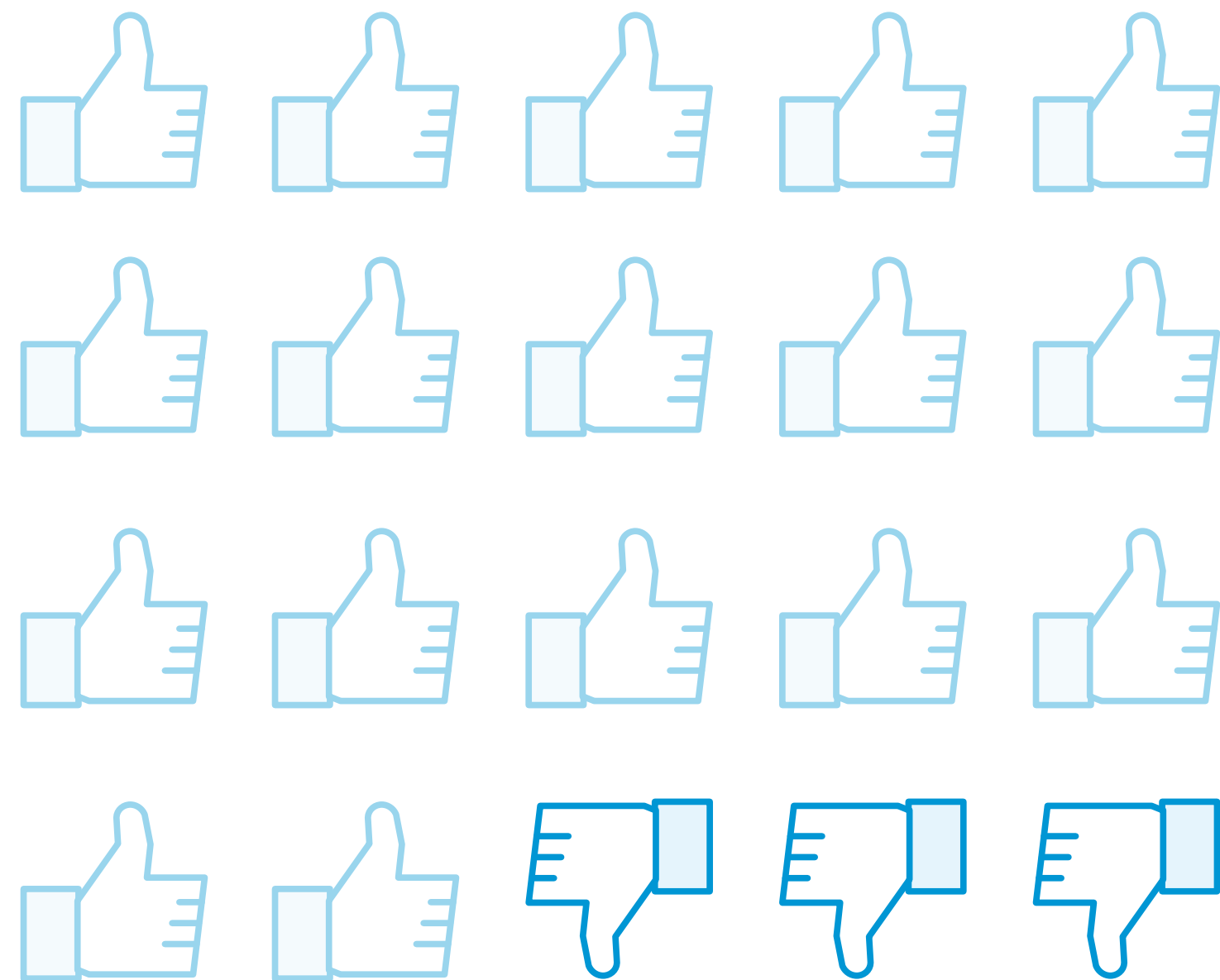
They dislike them because they're, well, bots.

What do you **dislike** about using a chatbot to communicate with a retailer?



 **Key takeaway:** Don't expect bots to replace human customer support for answering complex questions, helping customers with high-value or considered purchases, or resolving nuanced issues.

As chatbots get more advanced, they've become more likable.

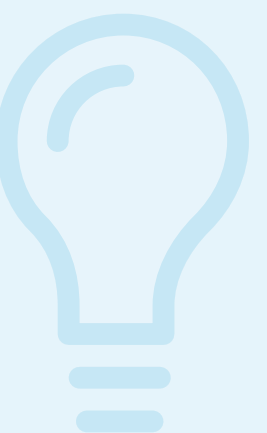


Only
14%

say **they don't like chatbots at all**, compared to 35% six months ago*

Key takeaway:

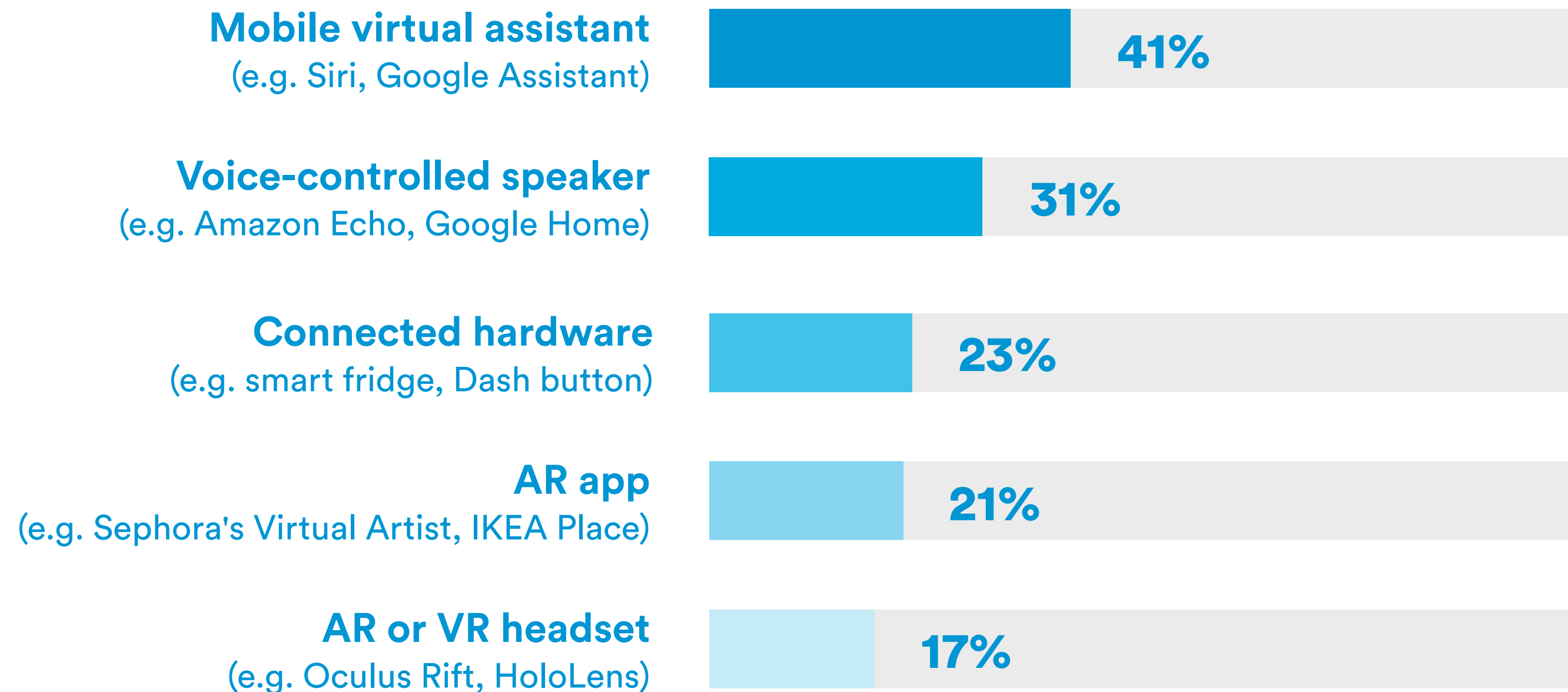
Consumers are embracing chatbots as they get better at understanding commands and responding to queries.



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

People anticipate shopping via voice, AR, VR, and more.

I currently shop or plan to shop using:



Key takeaway:

As consumers experiment with new ways of interacting with brands, retailers should communicate on the shopper's terms rather than force-feeding their marketing into a new channel.





Recommendations

Prioritize proactive communication throughout a shopper's experience.

Communicate with your customers about the status of orders and returns—particularly if something goes wrong. Seek permission to message shoppers through multiple formats, understanding how they prefer to interact with your brand.

Get ahead of the voice trend by experimenting with new ways to care for customers.

Voice is not just a channel for discovery, it's also an opportunity to send order updates, solicit feedback and remind customers to restock easy-to-replenish items. Listen to what customers want from their voice experiences so you can eventually use voice as another way to build loyalty and trust.

Make return policies clear and as painless as possible for the consumer.

Provide return package tracking and be transparent about refund status to help alleviate shopper concerns. In addition to encouraging in-store returns, consider partnering with non-traditional locations, such as convenience stores, to accept returns.

Use both humans and AI to create experiences shoppers love.

As the AI adoption curve matures, make sure you're considering its best applications for your business and for consumers. Use bots where they can add the most value—for instance, to provide information quickly and fulfill simple requests.

Inspire loyalty beyond reason.

Think about building loyalty not just by offering discounts or points; prioritize customer care and connecting with shoppers in personal and authentic ways.



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

Narvar helps retailers inspire loyalty beyond reason. As an enterprise-grade customer experience platform serving 400+ retailers like Sephora, Patagonia, Home Depot, Gap, and Bose, Narvar enables seamless post-purchase experiences that retain, engage, and delight customers—from cart to doorstep, and beyond. With 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