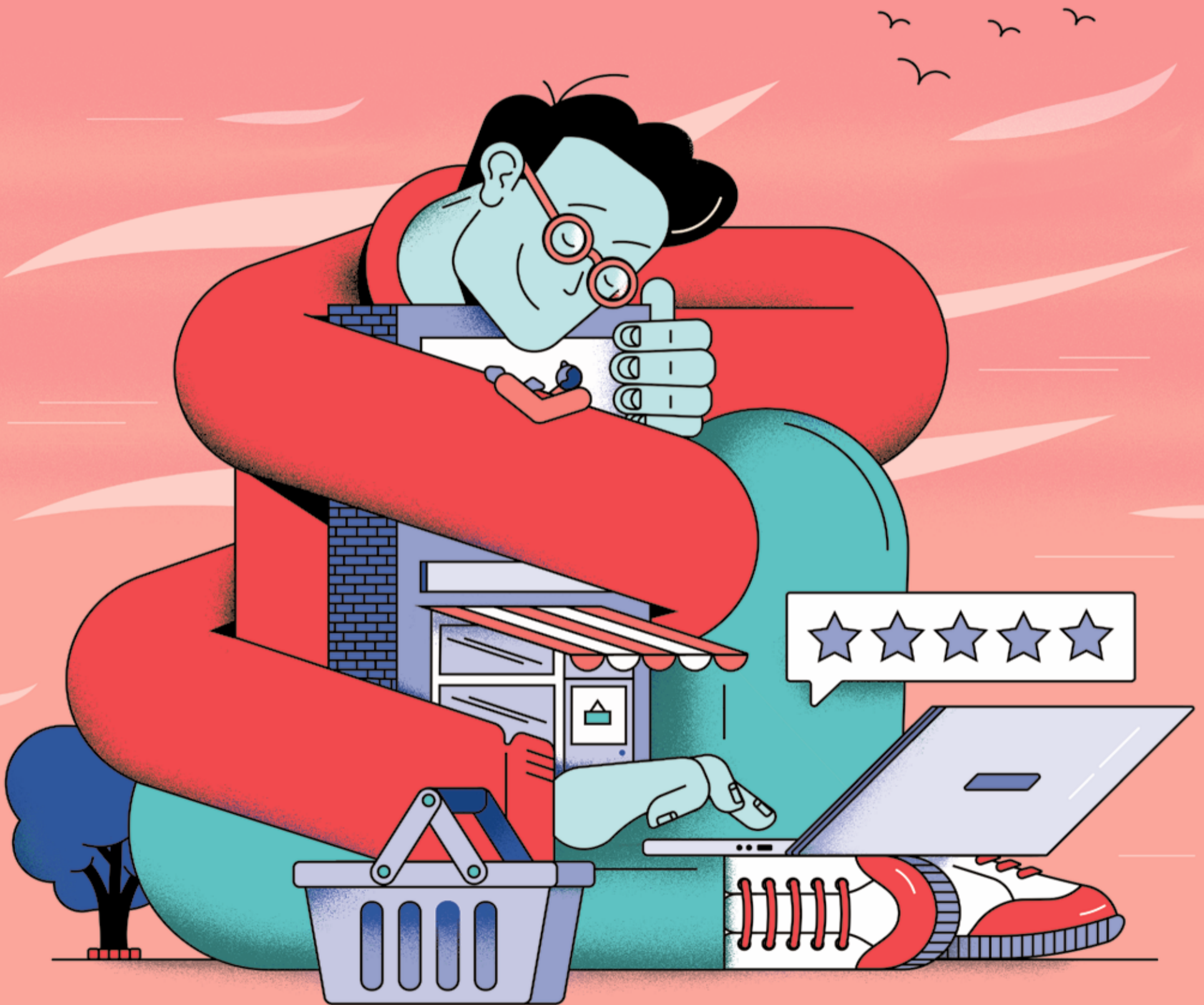


CUSTOMER EXPERIENCE & LOYALTY

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CUSTOMER EXPERIENCE & LOYALTY

Distributed in
THE TIMES

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CUSTOMER PROFILES

Serving the customers of the future

Four new customer types have emerged in the post-lockdown world. Is your business ready for them?

Katie Byrne

Covid-19 has transformed how we live, work – and shop. Businesses around the globe are adapting to these changes, vying to attract and retain the new customer breeds that have evolved from the pandemic.

Although retailers have thrived during the Covid crisis, lockdown restrictions around the world have obliged bricks-and-mortar businesses to become more creative to continue reaching their customers. They are focusing on brand loyalty, meaningful interactions and offering customer service that's somehow personal and hyper-efficient.

"The Covid crisis has altered consumers' behaviour because it has introduced a 'pattern break'," says Mark Pilkington, author of *Retail Recovery: how creative retailers are winning in their post-apocalyptic world*. "Working at home changes several patterns of consumption. Less is spent on transport and more on telecoms, for instance. And less is spent on extroverted consumption, such as fashion and eating out, while more is spent on introverted consumption, such as athleisure and home improvements."

Rebecca Saunders is a retail consultant, entrepreneur and founder of beauty retailer Seekology. She observes that shoppers were forced to spend a significant proportion of their money online during the lockdowns while "non-essential" high-street retailers were closed.

"Now we are seeing a bifurcation of behaviour," Saunders says. While many consumers have returned happily to the high street, "some are remaining cautious – often despite their fully vaccinated status" – for the medium term, at least. With consumers making significant changes to the way they spend both their time and money, there's definitely room for a renewed focus on customer experience (CX).

Angelica Cabellos is vice-president of sprinklr consulting in EMEA for Sprinklr, a provider of CX management software. She observes that

the "impact of social distancing has accelerated trends in digital transformation that are here to stay, so brands are having to rethink the role of CX. It's time for retailers to reinvent both their in-store and virtual experiences."

Central to this reinvention is an understanding of emerging Covid-era customer profiles. How retailers engage with them is crucial. Here's what they need to know.

The impulsive consumer

These customers are working from home indefinitely. Because they are no longer splashing out on oat milk flat whites on the way to the office, they tell themselves that it's perfectly fine to spend a small fortune on a snap purchase.

This 'you only live once' attitude makes them prone to spending with little care for the consequences. They can therefore be quickly converted – and just as quickly repelled. "Impulsive consumers are even more likely to spend if there is some form of flash promotion or an incentive such as free shipping," says Sophie Biggerstaff, founder of retail consultancy Byrcollective.

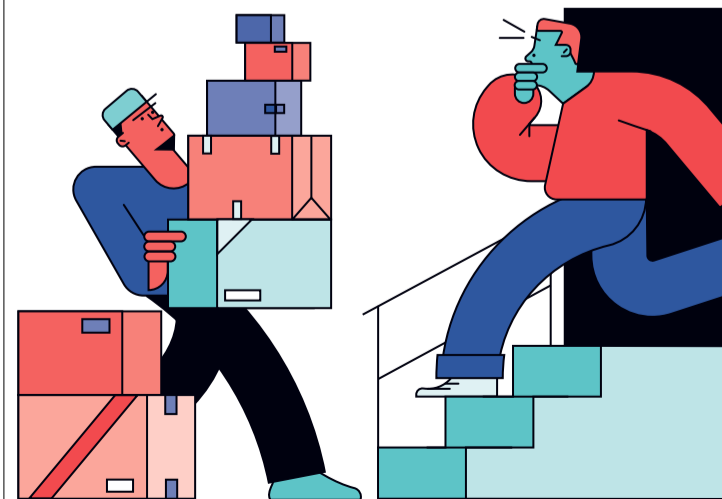
In offline settings, it can pay to give customers the option to skip

the queues and pay with QR codes or use a self-service checkout.

"If impulsive consumers need to queue, they are more likely to put down their purchase," she says.

It's important to design an experience that matches the intentions of the customer, whether they are making an unplanned transaction or a carefully considered purchase. Data is central to this, says Lambert Walsh, senior vice-president of customer success at DocuSign, a provider of e-signature technology.

"Given all the myriad ways now available for gathering and measuring data, it's easier than ever to show which efforts are delivering a return and should lead to further investment," Walsh notes.



The on-the-edge shopper

These consumers are haunted by recent memories of juggling homeschooling with caring for shielding parents. They live in mild fear of being 'pinged' before next week's board presentation. They want to be reassured by retailers – comforted, even – and are seeking a CX that can offer an element of escapism.

Satisfying these shoppers' needs calls for empathy and consideration, says Walsh, who adds: "We all know what a good experience feels like, as opposed to a bad one. My team and I always consider how we would feel having that experience. Customers want us to deliver a depth of understanding – to know their risk dimensions and solve specific problems."

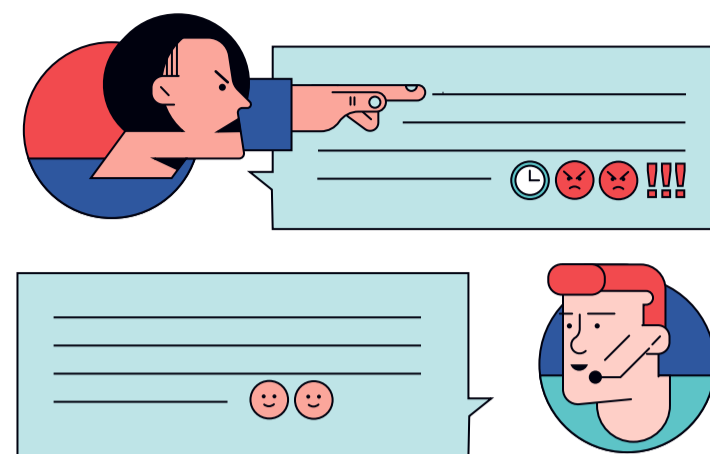
Such an approach could pay dividends for some time after the relaxation of lockdown restrictions. This has certainly been the case at Lululemon, a retailer of athletic wear based in North America.

"The pandemic has led to a significant shift in the way our customers shop," says its senior digital director, Michael Manotas-McCafferty. "Despite the Covid restrictions, which naturally affected our bricks-and-mortar business, we responded well, with our customers shifting to online retail – many shopping with us there for the first time."

As part of this digital shift, the company created a virtual shopping service, enabling potential customers to speak directly to members of staff and helping them towards that transactional end goal. This service contributed towards Lululemon's strong Q1 2021 results: at \$545m, the firm's net digital revenue was 55% up on Q1 2020's total. Indeed, it proved so popular that Lululemon has retained it ever since the lifting of all lockdown restrictions.

Developing your digital platform can help to ensure that a customer always feels well understood, says Cabellos, who adds that retailers should use AI to gauge the intent of their customers' messages and automatically route these, based on the topic and level of urgency, across digital channels to the right people.

"Time is becoming increasingly valuable to retailers' customers and employees," she says. "Automating manual processes is therefore vital for optimising CX while also giving employees more time to personalise critical customer engagements."



The chancer

These consumers know that businesses around the globe have been hit hard by Covid-19 restrictions – and they aren't afraid to pick holes in a company's customer service for potential gain. They will query everything, from VAT to the time your social team takes to respond to messages. They'll look at your final pricing as a starting point for negotiation. So how can you ensure that chancers don't have a leg to stand on when critiquing your business?

While it's unrealistic to expect a flawless customer journey in every transaction, ensuring that all your core operational processes are well integrated can certainly help.

"If retailers can unify all of their customer-facing functions – including marketing, advertising and customer service – they will be in a better position to deal with any

complaints," Cabellos says. "A customer's experience has become incredibly important. People are increasingly paying attention to how retailers treat their customers. They are talking publicly about their experiences more than ever before on digital channels."

When a chancer approaches, it's important for retailers to consider whether they actually want to court such customers, as they're unlikely to be profitable, Pilkington warns.

"Chancers are unlikely to be loyal. They will default to the lowest-cost competitor. Businesses are usually better off focusing on loyal customers who love the brand and aren't going to be tempted away," he says. "Unfortunately, many retailers lack the data to identify these customers, so collecting and unifying consumer data must be a key priority."

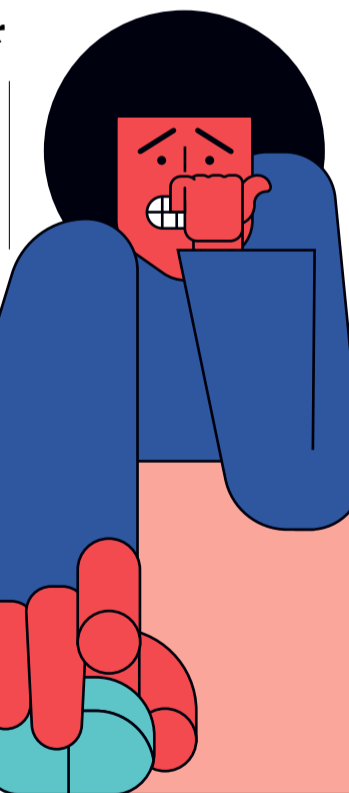
The cautious spender

Once bitten, twice shy. Whether they have experienced redundancy or they've been left feeling anxious by the uncertainty of the past 18 months, the cautious spender might need coaxing into action when it comes to committing to a purchase. They're likely to add items to their virtual basket without making it through to the checkout and are prone to lingering on websites.

"The best way to convince the cautious customer is to provide great-quality goods and services at attractive, stable prices," Pilkington says.

There will always be ways for retailers to "gain wallet share from spenders who may be feeling cautious", according to Saunders. "These could include helping them to understand the value for money offered by the product, for instance, or appealing to them with other characteristics, such as sustainability."

Highlighting your credentials is another way of reassuring cautious shoppers, says Manotas-McCafferty. To this end, Lululemon has updated the product pages on its website, making the "Why we made this" and "Reviews" sections more prominent. This, he says, provides "more insight into the construction and technical aspects of our products, while showing what other buyers think of them".



A clear-cut returns policy can also help, Biggerstaff suggests. Cautious consumers need to know that they can change their minds without making problems for themselves. "A difficult policy will almost certainly put off these shoppers," she says. "Knowing that they can cancel or return something within 30 days eliminates any major risk and will make them feel more confident." ●

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PAYMENTS

Buy now, pray later?

Alternative retail payment models such as buy-now-pay-later seem a compelling proposition for all parties. But are the benefits they're offering today masking problems tomorrow?

Thomas Brown

The world of retail has been transformed since the late 1990s, when online shopping was a frustrating experience for many, soundtrack by the squawk of a reconnecting modem. But, more recently, it's not only how we shop that's changed – it's how we pay.

The historical dominance of debit and credit cards is being challenged by so-called alternative payment methods. One in particular – the buy-now-pay-later (BNPL) scheme – is gaining significant traction.

BNPL schemes have risen in prominence for various reasons. On the one hand, they have spawned new entrants to the financial services sector that have attracted dizzying valuations. On the other, they have attracted the attention, if not yet the ire, of regulators. In February 2021, the UK government announced its intention to bring BNPL providers under the oversight of the Financial Conduct Authority. Other countries are considering similar measures.

But the main reason behind their rapid rise is their popularity with both retailers and consumers. BNPL spending in the UK is set to reach

£26.4bn over the next three years. This 'alternative' has undoubtedly entered the mainstream.

It's easy to see why. BNPL schemes charge no interest. They provide a light-touch approach to eligibility checks and a slick interface designed for the smartphone age. They offer users instant gratification and no worries about footing the bill until the next pay day. Or they simply represent a way to try goods and return unwanted items without the hassle of having to seek a refund.

For retailers, the attraction is just as compelling: it's a low-cost, risk-free way of encouraging more sales. Introducing BNPL payments may therefore seem a straightforward choice with few disadvantages for anyone involved. But the picture is a little more complex than that.

Critics of BNPL are concerned that any scheme offering such easy credit could lead the unwary into a debt trap. Surveys suggest that half of the UK's generation-Z consumers (born between 1997 and 2012) have used BNPL schemes. It's people in this group who are the most financially vulnerable, according to the critics.

Other supporters of the BNPL model contend that it even provides a better option than overdrafts or longer-term loans for consumers. The idea that its short-term, fixed-installment repayment plans help them to manage their finances even has some support – albeit highly qualified – from the head of policy at a debt charity. Peter Tutton of StepChange says: "There is nothing wrong with BNPL schemes themselves and I'm not averse to them. Credit can play a useful and meaningful role in consumers' lives."

But he adds: "Credit can also cause great harm when it's unsuitable or unaffordable. So it should be bought, not sold. Our concern is that, when credit is sold, it is predominantly sold on the benefits, not the risks."

StepChange's reservations are well founded. Despite the promise of regulatory oversight and commitments from BNPL firms to act responsibly, there are historical warning signs.

"We've been here before with store cards," Tutton explains. "In the mid-2000s, retailers went from selling clothing to selling credit, which led many people to take out store cards when it wasn't appropriate. Incentives to buy things on credit might have helped sales, but they weren't always good value for consumers and could contribute to serious debt problems. We have to learn the lessons of the past."

While retailers focus on delivering an ever more slick customer experience, Tutton calls for moderation: "A little friction is a good thing. There has to be space between the decision to purchase goods and the decision to purchase credit."

StepChange is urging retailers "to ensure that the BNPL firms they partner with are operating to high responsible lending standards and to reduce the prominence of credit options early in the purchase journey to better protect consumers."

Retailers must face up to an even more profound issue than responsible lending: responsible consumption. So says Gemma Butler, author and co-host of the *Can Marketing Save the Planet?* podcast.

"Deferred payments have simply become another lever to sell more and sell faster, without a thought for the societal and environmental

“Credit can play a useful and meaningful role in consumers’ lives. But credit can also cause great harm when it is unsuitable or unaffordable

costs," she says. "These aren't the concerns of a few vocal eco-warriors – the tide is turning against the excesses of consumerism, because the science is telling us that how we live today is simply not sustainable. Retail executives need to pay attention, because I'll tell you who else is: institutional investors, fund managers, analysts and boards."

Butler accepts that BNPL schemes can be valuable to consumers, but she argues that, when they're used inappropriately, they're a symptom of something far more problematic.

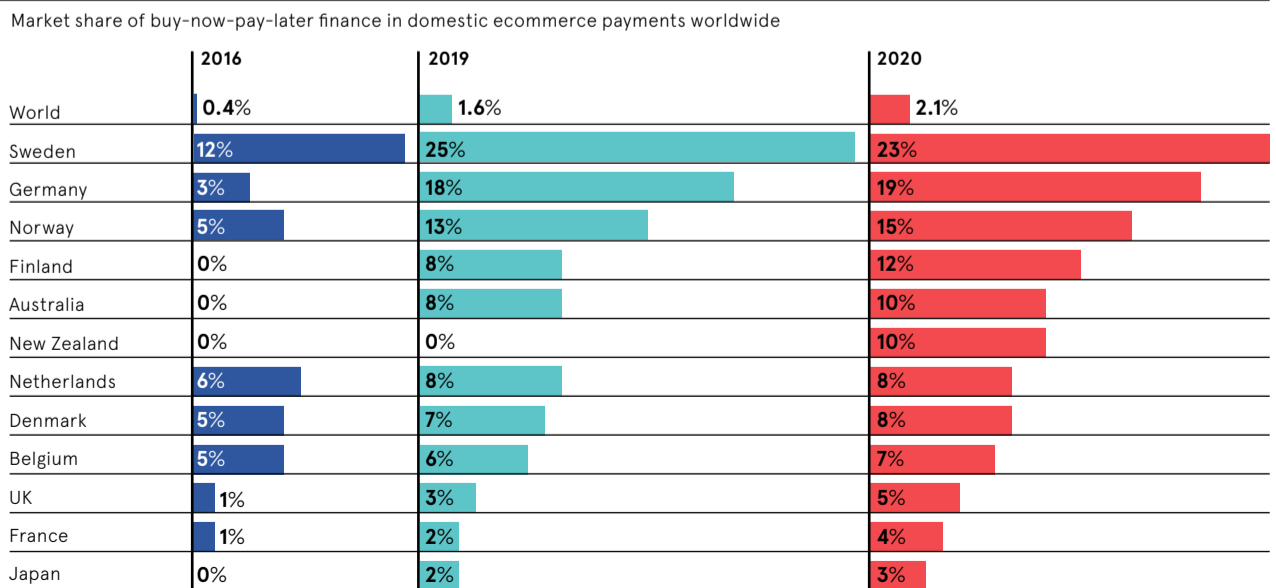
"Retailers need to confront a more existential question, because it has existential consequences," she says. "Should we really be selling what we're selling, and in the way we're selling it, in the first place?"

While this may be of little interest to a retail executive focused on the next quarter's sales figures, "it is a question they need to face up to, because change is happening."

If a retailer encourages its customers to take out credit they either don't need or can't afford, the reputational fall-out will be directed more at the retailer and its peers than at the BNPL provider. And, if retailers fail to acknowledge their part in perpetuating excessive consumption, their customers, investors and other stakeholders will eventually punish them.

It may not happen tomorrow, next week or next quarter, but a reckoning is coming. Ignoring such considerations indefinitely is an approach that's fraught with risk. ●

WHERE IS BNPL GAINING THE MOST TRACTION?



The new customer relationship is here

To win the trust of consumers in the digital age, brands must master the art of real-time, humanised engagement at scale, while also keeping all the customer data safe and secure

The relationship between customers and brands has transformed in recent years, and not only how they interact across different channels but also the nature of their relationship. Whereas previously that relationship was almost entirely defined by how well companies met the needs of their customers, now it is far more complex and requires a careful digital transformation strategy. In Salesforce's 2021 *State of Marketing* report, 90% of marketing leaders globally said the pandemic has changed their digital engagement strategy.

Plainly, customers have grown to expect more from brands in the digital age. In another recent report by Salesforce, *State of the Connected Customer*, 56% of consumers said they have re-evaluated the societal role of companies. It is no longer enough to be good at a particular product or service. Brands now need to stand for something larger: a cause that is important to the wider community they serve. Be it climate change, diversity, giving back to good causes, ethical supply chains or bringing more social justice to the world, people expect companies to align with their personal values.

Meanwhile, with the rise of e-commerce, brands have to engage with more relevancy and humanity, and tell a consistent story across touchpoints. Those who show up consistently in all customer interactions grow

stronger relationships, and business growth becomes a by-product of customer experience done well. This is the frontier of a new kind of loyalty that cannot be achieved with points on a plastic card or discount codes. In a switch-driven marketplace with unlimited choice, customers only return if they feel seen, heard and treated as a human being.

"To hit long-term growth goals, leaders have to look inwards, asking uncomfortable questions such as do their current ways of working and organisational structure support a customer-centric culture?" says Jo Pettifer, vice-president of marketing, UK & Ireland, at Salesforce. "As companies embrace hybrid work models in the post-pandemic age, they should be designing them around the customer experience, leaning heavily on their core values as they transform externally and internally to meet new imperatives. It's not a digital transformation – it's a digital customer transformation."

Despite trust growing more important than ever in a consumer-brand relationship, 99% of customers believe companies need to improve their trustworthiness, according to Salesforce's *State of Connected Customer* report. Social media feeds have blurred the lines between friends and brands, with consumers now expecting the authenticity that they get in the former with the latter too.

Released early August, Salesforce's *State of Marketing* report revealed that the top tactics which high-performing marketers turn to are aimed at increased engagement: pre-produced video, livestream video and influencer marketing. Communicating with humanity is a common thread through all three.

Trust online, underpinned by real-time, humanised engagement, translates directly into sales. In the second quarter of 2020, traffic to digital websites from social media referrals grew by a record 104% over the same quarter the prior year, and orders generated by those referrals were up by the same figure

+104%

In the second quarter of 2020, traffic to digital websites from social media referrals grew by a record over the same quarter the prior year, and orders generated by those referrals were up by the same figure

Salesforce, 2021

Commercial feature



Jo Pettifer, vice-president of marketing, Salesforce United Kingdom and Ireland

“A customer-centric culture, empowered by technology, is the secret to brand trust, loyalty and unlocking long-term growth

heard and engaged through all touchpoints, as opposed to the stop-start interactions rooted in siloed systems and processes. A customer-centric culture, empowered by technology, is the secret to brand trust, loyalty and unlocking long-term growth.

Designing a great, trusting customer experience requires a shift in technology, culture and organisational alignment. But siloed data and legacy tools, when combined with the rapid pace of change, from customer expectations to employee skill set requirements, make building relationships and connecting every interaction to a cohesive journey extremely challenging.

Successful CMOs, at the forefront of the digital customer transformation, tackle these challenges on both fronts. Firstly, they are highly invested in helping their teams gain the necessary digital skills to meet this new imperative. To lend a hand here, Salesforce has launched the Marketer Career Path, an on-demand, free online learning platform offering solution-agnostic education for those seeking to enter the marketing profession or advance their career.

Secondly, CMOs are seeking to simplify the tech stack, making it easier to use for all teams involved in customer experience. Winning customers' trust is now a common goal across the business, from marketing, commerce and service to IT, cyber security and finance. Though it is no longer just down to marketing, the marketing team often leads the digital transformation supported by their customer data, sophisticated personalisation, innovative tools and ever-evolving skill sets.

Salesforce's customer data platform is built on the world's most trusted and secure customer relationship management system. Enabling all departments

to consolidate their data into one customer profile for each individual unlocks the opportunity for commerce, marketing and service teams to deliver real-time, humanised digital interactions adhering to the highest security and trust. Thanks to its underlying integration, users of Salesforce's solution suite gain loyalty through digital excellence which so many others still seek to achieve.

"The brands that get ahead, by truly knowing their customers and humanising every moment, will reap the long-standing benefits of customer trust, loyalty, increased lifetime value and, of course, business growth," says Pettifer. "The marketing leaders who are ready to take on the immediate challenges, including cross-departmental alignment around meaningful data and metrics, executing the digital transformation strategy and upskilling, are tomorrow's heroes."

Long-term thinking and a decisive move beyond vanity metrics is required to showcase not just immediate marketing campaign effectiveness but the brand value and long-term strategic contribution to business growth. Given the complexity of the action required to meet customer expectations, there is no room for playing safe. Brands that do will be left behind by the brands that focus on long-term relationship building, driven by purpose and core values.

For more information, visit salesforce.com/uk/form/state-of-marketing



MAKING CONVERSATION

By forcing both businesses and their customers to embrace digital technologies, the pandemic has transformed consumers' expectations and behaviour. The way organisations communicate has needed to change accordingly. Now they need to be more conversational – mostly through social media channels – to win people's brand loyalty. Instant messaging services such as WhatsApp and Facebook Messenger are no longer simply tools for chatting with friends and relatives. They offer a quick, easy and secure channel for customer service as well. But are businesses keeping pace – and are consumers happy with their performance?

KEY TRENDS: UNDERSTANDING WHAT CUSTOMERS WANT

Demand for a good digital-first experience has rocketed, with consumers wanting to be treated as individuals OpenText, 2021

65% of global consumers indicate that their expectations of brands' digital experience have changed owing to the pandemic

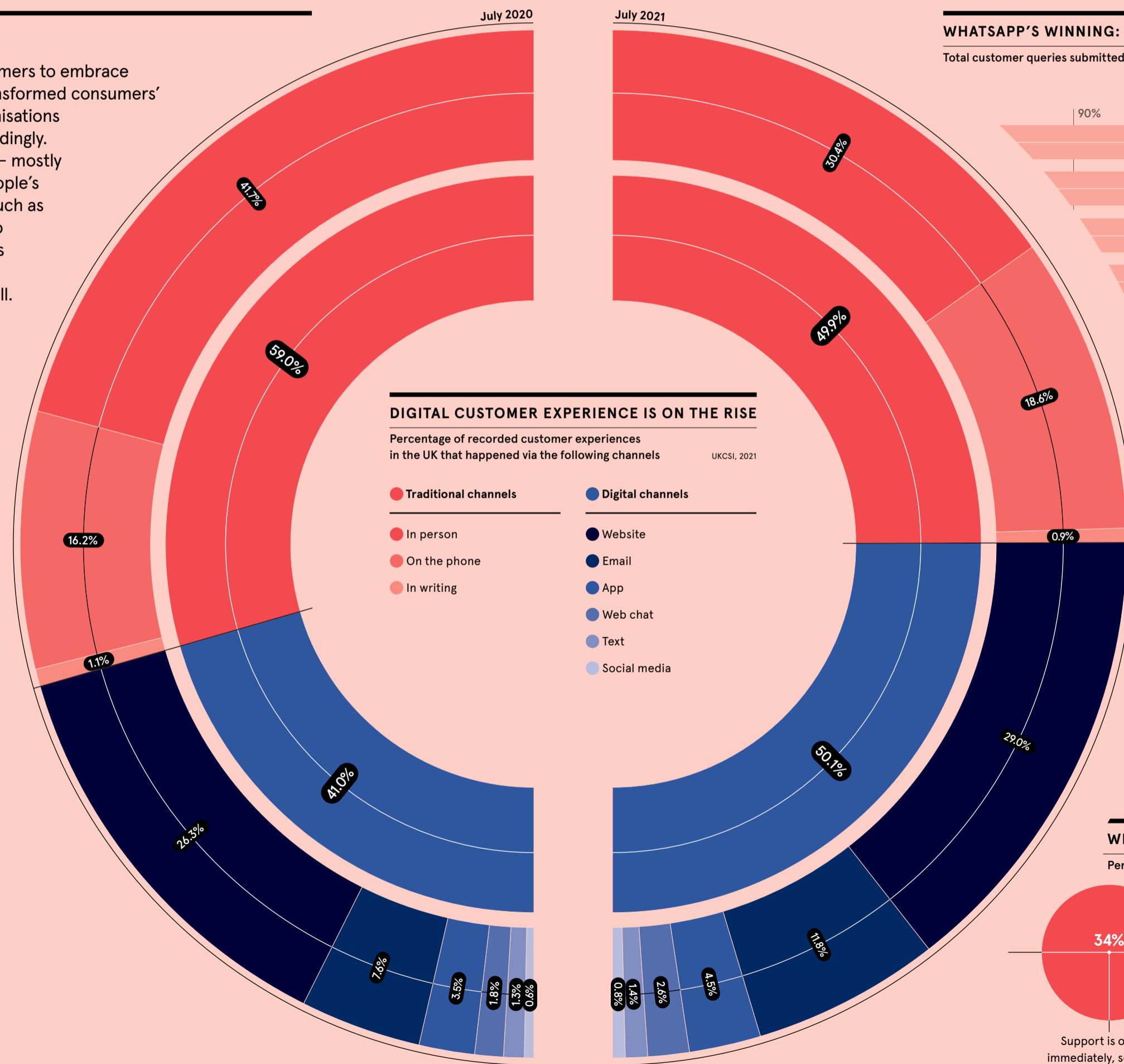
59% indicate that a personalised digital experience is vital to their becoming repeat customers

56% indicate that they buy only from brands that understand and respect their communication preferences

53% prefer to buy from brands that remember or auto-fill their details online

72% say that having an excellent digital customer experience is a key factor in their purchasing decisions

28% say that they won't use a brand at all if the experience it offers falls short of excellent



HOW IMPORTANT IS A PERSONALISED DIGITAL EXPERIENCE?

Percentage of UK customers who said "yes" to the following questions OpenText, 2021

Do you agree that you will be more likely to buy again from brands that treat you as an individual rather than as a customer? **62%**

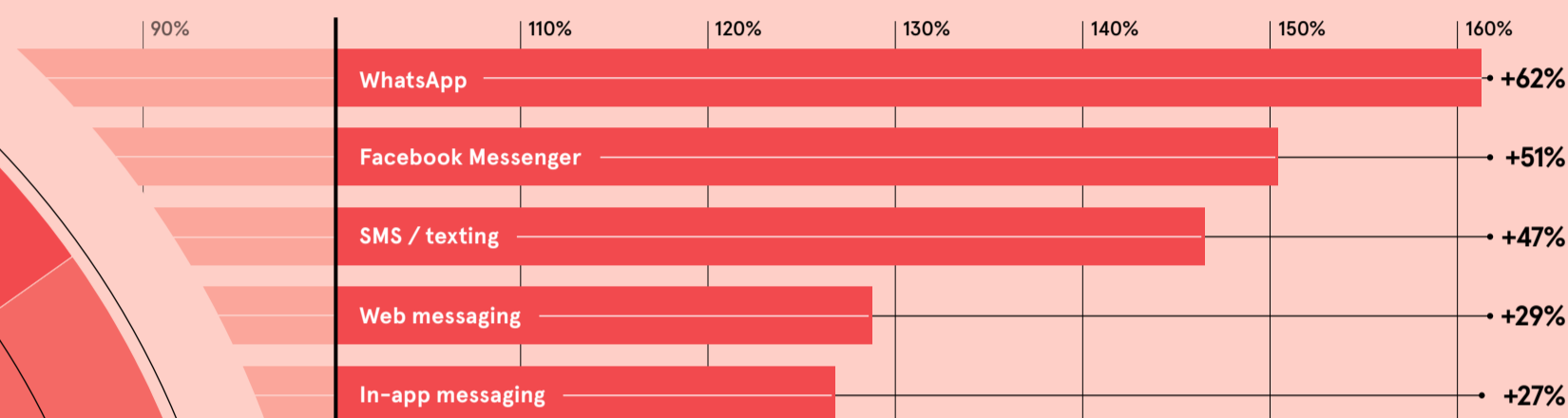
Do you agree that a personalised digital experience is vital in making you return time and again to a brand? **43%**

Has the pandemic made you more comfortable with digital-only businesses? **46%**

Would one bad experience with a brand deter you from becoming a repeat customer? **56%**

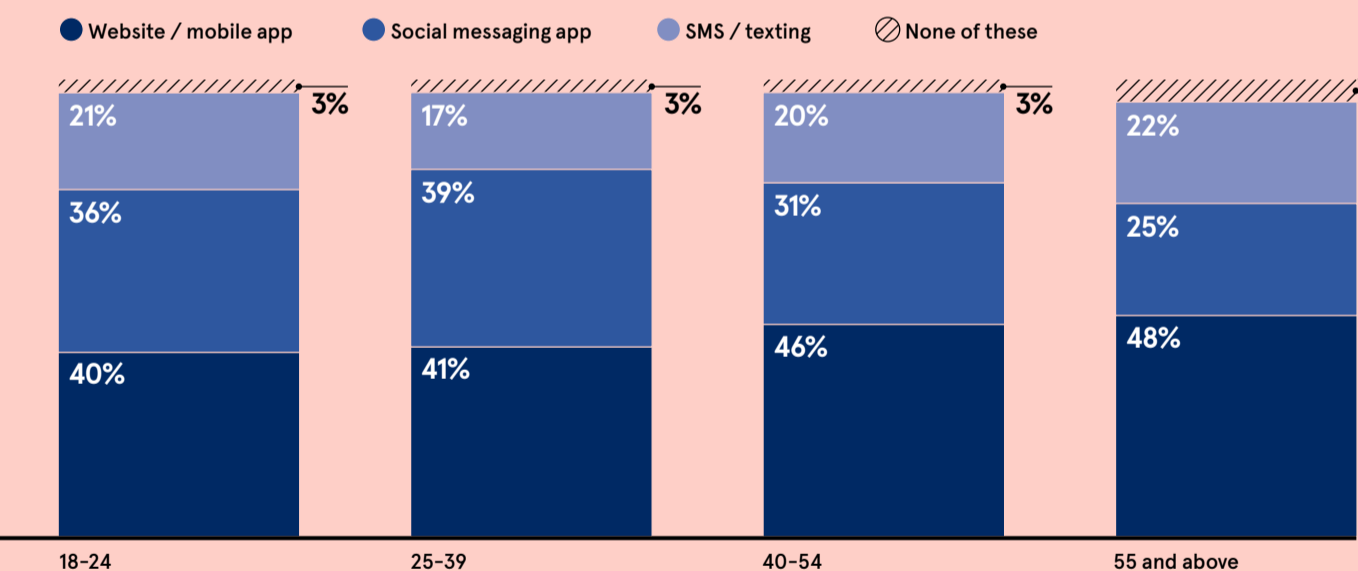
WHATSAPP'S WINNING: WORLD-LEADING MESSAGING CHANNELS IN 2021

Total customer queries submitted via various digital comms channels in February 2021, expressed as percentage increases on the the equivalent totals in February 2020 Zendesk, 2021



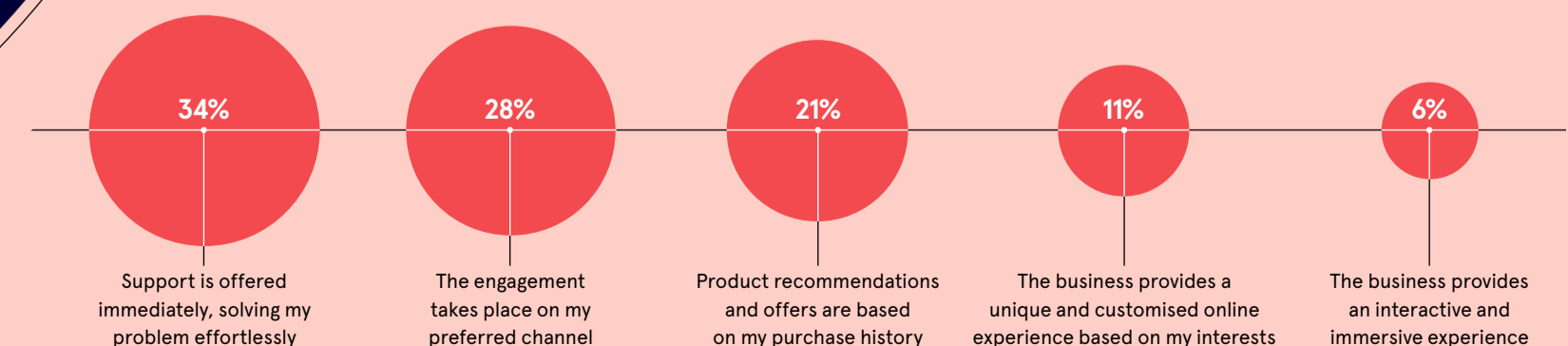
A GENERATIONAL DIVIDE: HOW PEOPLE WANT TO CONNECT WITH BUSINESSES

Percentage of global customers, split by age group, who say they prefer to message an organisation in the following ways Zendesk, 2021



WHAT MATTERS MOST WHEN IT COMES TO EXPERIENCE?

Percentage of global consumers citing the following as the most important aspects of good customer experience to them Conversocial, 2021



How retailers can stand out in the online shopping crowds with innovative delivery experiences

From same day delivery to a 'wow moment' unboxing experience, three leading retail brands share how they plan to maximise the opportunity in the upcoming peak ecommerce season

MaryLou Costa

'Ship-ageddon': that's how the ecommerce landscape of 2020 could be described, thanks to 81% of consumers reporting a bad delivery experience - a five-fold increase on the previous year due to overwhelming demand brought on by the pandemic.

That's according to data from delivery management software provider Metapack's 'Peak 2021 Delivery Trends' report, which analysed delivery data from 272 retailers across five markets.

The numbers suggest ecommerce volumes will continue to rise, with the traditional peak shopping season set to open with a bumper October that's tipped to be up 18% from the same time last year in terms of delivery volume. And that's ahead of an overall 11% increase across the peak season of October to December.

It's a huge opportunity for retailers to not just capitalise, but avoid the chaos of last year, says Duncan Licence, VP global product for Metapack Group. "When you think about the impact a bad delivery experience has on brand, loyalty and consumer buying behaviours, I know a lot of retailers and carriers are thinking very hard about how they improve the customer ecommerce and delivery experience in 2021," Licence says.

He adds, "But what's consistent across every peak trading season is that retailers acquire new customers, as there is still a cohort of customers out there who don't shop online regularly, who will begin doing that this Christmas for the first time."

"However, retaining those customers is the most important thing, because acquiring a customer is very expensive. Retaining a customer is how you make sure that you run a sustainable, profitable business. And delivering great customer experience around ecommerce is absolutely pivotal to making sure you do that."

The need for speed

With further research revealing that 49% of shoppers would be enticed to shop online by same day delivery, how important is accelerating delivery times in the whole scheme of the ecommerce customer experience?

For a young, urban demographic, it's incredibly important, according to Tom

Reding, Group Digital Director for beer producer BrewDog, who are about to launch delivery of cold, fresh beer in 30 minutes or less across Central London.

"The expectation levels are going through the roof - hyper convenience is a trend that will continue to grow," Reding says.

Likewise, cosmetics retailer Lush partnered with same-day delivery provider Stuart during the UK lockdowns to cater to the influx of online orders, shares Lush's head of ecommerce Nicole Belling. Yet, both she and Reding agree that speed isn't always the top priority for all consumers.

"There's still another part of the customer base who might want a larger order, and don't want to pay for the delivery, and they're willing for it to arrive a bit more slowly. But we're talking days, not weeks, we're still pretty tight on that, as our average order comes in 48 hours, and many next day" says Reding. "So the expectation for speed is still pretty high. And as carriers keep innovating that will keep increasing, so it's something we spend a lot of time thinking about."

When convenience and completion is priority

Lush's Belling has noted there are also increasing customer demands for convenience over speed, which aren't necessarily the same thing: "It's 'give me what I want when I want it'. It might be a gift that needs to go on a certain date. That's about the convenience of the time of arrival, the time the customer wants it to be."

While brands like interior design retailer Graham & Brown are making internal processes slicker to speed up dispatch times, its head of ecommerce, Jan Bartczak, believes speed isn't always the pinnacle of a good delivery experience.

"Selling premium wallpaper, paint and home products, it's much more of a considered purchase; it's more of a project. So many customers want to get it when it's right for them, versus as fast as possible," says Bartczak.

He adds: "But it's not just the delivery itself, it's the product aspect. It's also about matching products. Our proposition is very much about perfectly partnered wallpaper and paint. It's not only making sure we can deliver fast, but



that we can also deliver all the products needed for a project, so people can begin decorating their home with everything they need at the same time."

An uplifting touch

As a result, aesthetics are a significant aspect of the delivery experience too, Bartczak says. "We want to make that unwrapping moment amazing for the consumer. We provide beautiful branded boxes with little quirks, like

our wallpaper patterns used on the lining. It adds more life to it with that extra 'wow' moment."

Likewise Lush's monthly beauty subscriptions are all about that special touch to elevate the delivery experience from functional to tactile.

"Our Lush fans just want more of what they love from Lush. They get to vote on the products we include. We've had such good feedback from our community in terms of what they would like to see from us and how we've been able to parcel this up," says Belling.

"And it's very much community driven. They want to find out what's in the box, and spoiler alerts come up all over social media. We consider, what does that unboxing look like to the customer, to make them feel like they've had an experience that they've not got anywhere else. And that connection we build emulates what we're trying to produce both in store and digitally."

That element of delight is also something BrewDog has incorporated into its delivery experience, Reding adds.

"Surprise and delight' is fundamental to the experience these days," he says. "For example, we recently partnered

with Tony's Chocolonely and include chocolate in some of our packs. We've sent some of our customers handwritten letters in the post. If there's one thing we've learned, it's that the last interaction is remembered most."

Retailers can be assured of a lucrative peak season if they remain agile in terms of customer delivery choices, Metapack's Licence concludes.

"The technology and the logistics foundations to deliver on all of those things exist today. If retailers pick their technologies and logistics providers correctly, they can curate the perfect mix of delivery costs, speed and convenience that their different customers want."

For more information please visit [metapack.com](https://www.metapack.com)



SOCIAL MEDIA

Trending: social media and your CX strategy

Social networks are important retail touchpoints for consumers, but many companies aren't taking advantage of this. How should that change?

Megan Tatum

Whether a company realises it or not, social media is already an integral part of the customer experience.

For an online business, it may be one of the few channels enabling a customer to interact directly with the brand. A social network could be where they first hear about new developments, share feedback and link up with like-minded members of a brand community.

Even if most sales occur offline, social media acts as a digital storefront, just as crucial as a shop for shaping customers' perceptions of the business. More than half (55%) of adults say that social media was where they discovered at least one brand, while 78% say that a positive encounter with a business on social media would prompt them to buy from it, according to Sprout Social.

Yet many companies lack a clear plan when it comes to integrating social into their CX programmes. According to recent research by Hootsuite, 82% of companies agree that social networks are crucial channels for delivering exceptional customer experiences, yet only 58% have a defined strategy for doing so.

This is becoming problematic. As shoppers continue to flock online and social media platforms themselves become ever more sophisticated, it's an oversight that could

lead to many missed opportunities and other more serious headaches.

"Social has become an essential tool to any customer relationship management strategy. Brands can't afford to ignore consumers reaching out to them, whether that's to seek information, resolve an issue or buy your product," says Clare Lawson, chief customer officer at Ogilvy UK. "For consumers, the number-one thing that makes a brand best in class on social is 'offering strong customer service'."

So how do you craft a CX strategy that has social media at its heart? The first step is to see things the way customers do, advises DuBose Cole, head of strategy at creative agency VaynerMedia London.

"No one parses a brand interaction as 'social' or 'customer service' or 'advertising'. They just see the company," he explains. "Having a holistic view of how to portray yourself and add value at every engagement is essential for creating a powerful and relevant brand."

In other words, ensure that your CX is both consistent and seamless across every channel you're using, online or offline. In fact, according to a recent survey by software-as-a-service provider Freshworks, 26% of consumers prioritise the facility to continue conversations with businesses on different channels without having to repeat themselves.

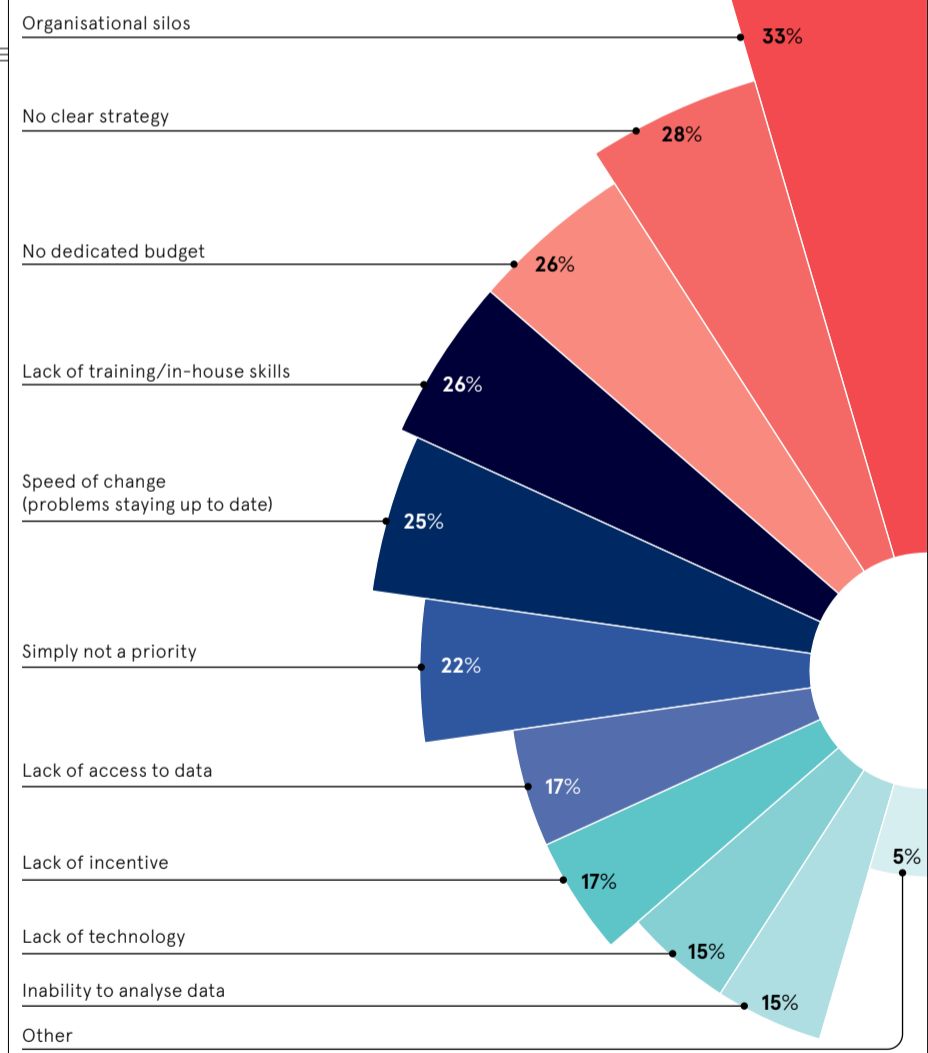
Domino's Pizza has provided such usability, according to Lawson. Its 'Anywhere' campaign has enabled orders to be sent in on a far broader range of platforms and has focused on 'removing barriers and making experiences as frictionless as possible', she says.

Once you've achieved this level of consistency, "you can start to incorporate greater utility, engagement and enjoyment", Lawson adds, citing US esports brand FaZe Clan as an exemplar. "It served the needs of



THE MAIN BARRIERS TO A BETTER SOCIAL STRATEGY

Percentage of executives at firms with more than 1,000 employees who say the following are preventing them from using social media more effectively to improve the customer experience



Hootsuite, 2021

its audience first before expanding to merchandise and partnerships."

Social media can be a risky arena, of course. "People can disconnect from your brand in a heartbeat on social," Lawson says. That's why it's important to choose the platform that's the best fit for your CX strategy, first by mapping out corporate objectives and then by looking at the profile of your target audience.

And don't think too narrowly, she warns. "Gone are the days when

people considered only Facebook, Twitter, Instagram, LinkedIn and TikTok. The playing field is much wider than that now. Search engines, publishers, blogs, ecommerce platforms - they all need to connect."

Take advantage of social media as a point of sale too, by tapping the growing number of integrative 'shoppable' tools out there. Even newer platforms such as TikTok have recognised the value in this, trialling 'Shop now' buttons for

advertisers' videos and a 'Hashtag challenge plus' ecommerce feature that enables users to shop for products associated with a sponsored hashtag.

Jo Boswell is an independent CX consultant and former head of customer value management at British Airways. She advises brands to always make the customer central to any decisions concerning which social media platforms to focus on.

"It's vital to understand what the customer is trying to achieve and focus on how you can improve the outcome for them," she says. "Then you can work out how a given social channel can support them in achieving that outcome."

Also ensure that you deliver a CX that combines sharing content with listening, says Boswell, who adds: "Businesses need to think about their interactions with customers as ongoing conversations, which is as much about listening as it is about talking."

While many companies use social media to push messages out to their customers, they aren't necessarily as good at listening via those same channels. It entails picking up on what individuals are saying and responding appropriately.

"It's great to have inspirational marketing content that stops people scrolling past, but you must also be able to reply to their comments and requests for help," she stresses.

And consumers are becoming less patient: 79% expect a reply from brands on social media within a day, Lawson says. If 24/7 responsiveness isn't feasible, you need to be clear about your hours of operation and suggest where customers can find help outside these times.

It may be a recent arrival, but social media is like any other element of CX, Cole argues. Managed in the right way, it "respectfully captures attention, considers the best ways to create for consumers and adapts to keep providing value".

Great brands, experiences and social marketing all have the same characteristic, he adds. "They start by understanding whom they are speaking to and what value they can offer that audience." ●

“No one parses a brand interaction as 'social' or 'customer service' or 'advertising'. They just see the company

SERVICE STANDARDS

Customers tire of Covid excuses

Businesses can no longer blame the pandemic for suboptimal service, but those that boosted their digital offering are well placed to thrive

Oliver Pickup



Almost 18 months after the UK government enforced its first Covid-19 lockdown, some organisations are still using the disruption caused by the pandemic as an excuse for providing poor customer service.

People were initially more accepting of the suboptimal delivery of even basic services, whether they faced delays in receiving goods or they missed out on vital medical appointments. We were collectively numbed by the trauma of the pandemic. As we applauded NHS workers on our doorsteps, we diligently believed 'we're all in this together'.

Granted, the crisis will leave ugly scars on businesses large and small. But it's evident, now that a sense of normality is returning – thanks in part to the administration of about 90 million vaccinations – that consumers have had enough. They are quick to admonish firms that they suspect are taking advantage of the situation and readily call out below-average customer service.

This does cut both ways, though. Recent research by verified reviews platform Feefo indicates that consumers are 29% more likely to leave feedback – good or bad – than they were before the pandemic.

In July, the latest *UK Customer Satisfaction Index* – a nationwide cross-sector snapshot of customer service standards, with 10,000 consumers rating 45,000 experiences – revealed that 24% of respondents believed that some organisations

had used Covid as an excuse for poor service. Specifically, firms that failed to communicate transparently and authentically – if at all – were more likely to irk consumers. The Institute of Customer Service publishes the index twice a year. Its CEO, Jo Causon, says: "It has been well documented that businesses are facing ongoing problems with stock, supply chains and staffing. The issue is how these organisations manage communication and the overall experience, helping the

customer to navigate problems, indicating when to expect delivery, offering alternatives and being honest and explicit up front." Moreover, customers expect considerably better experiences compared with pre-pandemic times, she observes. Those organisations that continue to blame Covid for their poor customer experiences risk damaging their reputations irreparably, while ceding market share to progressive competitors that have seized the opportunity to

upgrade their offering by investing in technological solutions. "The past 18 months have exposed businesses' strengths and weaknesses," Causon says. "Those that have fared well have embraced new technology. They have been proactive with their support, reached out and considered the implications for their customers." Brands that have succeeded during the pandemic and both attracted and retained consumer loyalty have "involved the customer in the

design and delivery" of new goods or services, offering them greater "channel choice", she adds.

Her views chime with the findings of recent research by CX software company Zendesk. This revealed that roughly half of UK consumers will move away from a retailer after only one bad experience. In the case of multiple disappointments, the proportion rises to 80%.

Zendesk's vice-president of sales in the UK and Ireland, Celine Maher, says: "A brand needs to be able to meet its customers where they are by ensuring that it's putting their needs first."

One option, she suggests, is to adopt an omnichannel approach. "This helps businesses to conduct meaningful conversations with their customers on whichever channel they feel most comfortable with, without needing to monitor across several platforms."

But "providing a fast and friendly service is no longer enough", Maher warns. "In a period of such uncertainty, customers are also seeking proactivity and empathy."

Benjamin Braun, chief marketing officer in Europe for electronics giant Samsung, agrees that quick-thinking brands have approached the Covid crisis as an opportunity to re-evaluate their purpose and the customer experience they offer. Realising that making their online offering as consumer-focused as possible was key to their survival, they used customer data to create more personalised experiences and engender loyalty, he says.

"Almost overnight, a company's website became more than just its shop window. It was its only open shop," Braun notes.

With this shift came the need to optimise the commerce experience, he adds. "Customers expected – and demanded – support at every step of the online shopping journey to replace the traditional in-person shopping support that had been lost. The rise of omnichannel has been phenomenal and a real mark of success for many brands."

The corollary is that "even the most beloved brand can lose favour if their digital experience isn't up to scratch". So says Paul Robson, president of software giant Adobe in

home-restaurant kits, for instance, will people still be likely to spend their money at a high-street chain? Or are they going to splash the cash in upmarket restaurants, where the experience feels more special? Time – and data – will tell.

Away from the restaurant industry, there's no time to test and tweak. With the high street back open, and already under severe pressure from the ecommerce boom, businesses have been forced to adapt.

Sachin Jangam, partner for retail at Infosys Consulting, says that just-walk-out stores such as Amazon Go (the first outside the US opened in Ealing, west London, in March) are a "natural progression of the changes we have already seen in retail".

Tom Burch, managing director of immersive experience studio Pixel Artworks, notes that Lego charges \$15 (£11) for a unique interactive

20-minute experience at its flagship New York store. This type of so-called retailtainment is groundbreaking, he says.

"That Lego can charge for this is proof of the shift in market demand," Burch argues. "I'm sure that such experiences will be coming to big UK city centres. Stores will start to better delineate between what digital can do and what only stores can deliver."

Physical retail will continue its shift towards offering fully immersive brand playgrounds, according to Burch.

"Retail stores might even have no physical stock, but instead engage their customers with creative and unique augmented reality opportunities, with purchases delivered to your door," he adds. "Ultimately, successful retailers understand that consumers want a shopping experience from stores. They don't go there just to buy stuff."



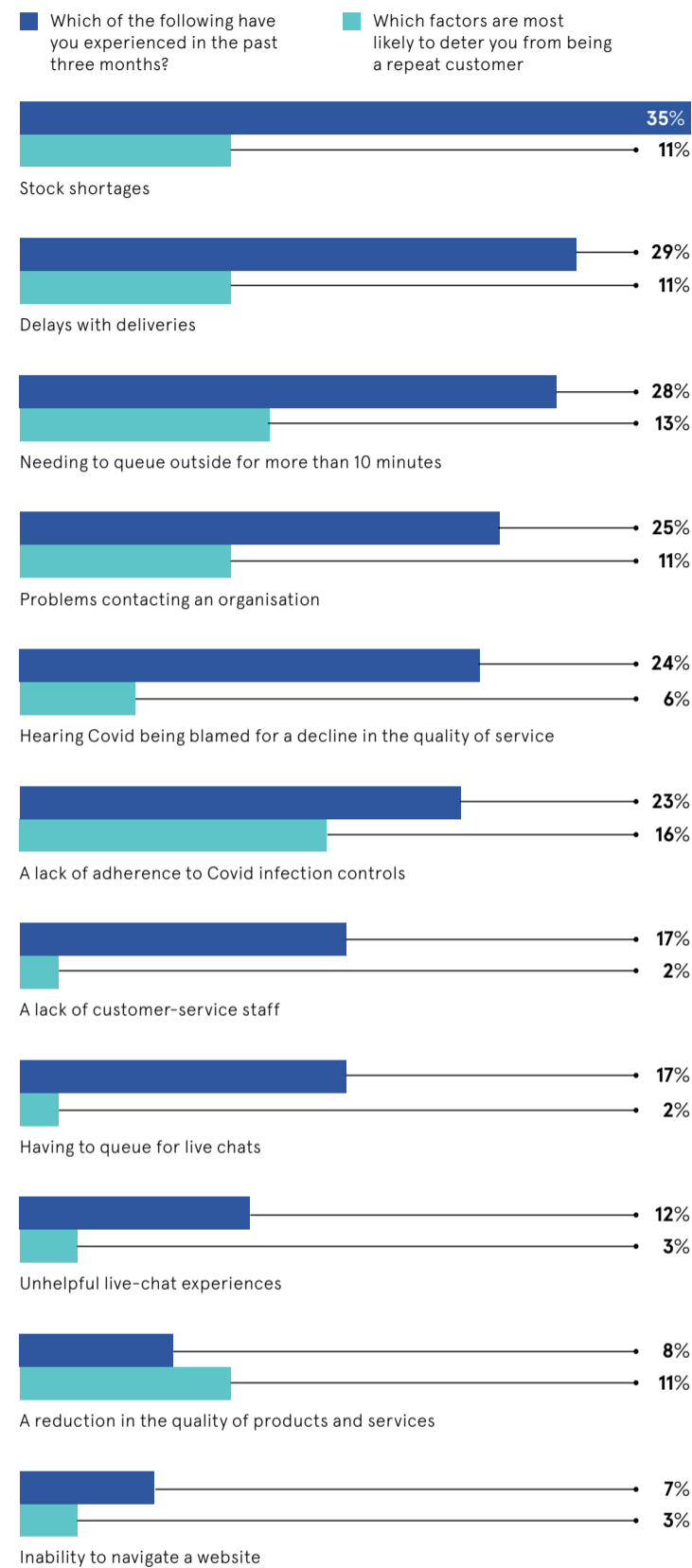
Raising the bar for in-person customer experiences

Could improved in-person customer experiences be the key to generating – or rebuilding – consumer loyalty for brands? After 18 months of takeaways and luxury

“A brand needs to be able to meet its customers where they are by ensuring that it's putting their needs first

HOW THE PANDEMIC HAS CHANGED THE CUSTOMER EXPERIENCE

Percentage of UK consumers who say they have experienced the following problems during the Covid crisis



ICS, 2021

its markets outside North America. He adds that companies are entering a new era in CX.

"Suddenly, we have entered a digital-first world," Robson says. "Brands that took the opportunity to invest in the tools that help them to build deeper direct relationships with their customers will emerge from the pandemic far stronger than those that didn't."

As this new era develops, Braun believes that the drive for customisation will only get stronger.

"Consumers returning to the high street are craving an integrated customer experience that merges the physical and digital domains," he explains. "As a result, they expect to receive a tailored service

in store while they also make use of new services online."

An investment in data analytics and artificial intelligence is necessary for any company seeking a long-term competitive edge, Braun argues. "Brands can embrace customers' needs by putting these first continuously," he says. "All shops, online or physical, have to put the customer experience at the heart of their service. They must use data and insights to better tailor every customer's experience."

The prospect of a digital-physical CX offering is thrilling for consumers. Brands have no excuse – including the Covid crisis – not to invest in technology and engage with them, wherever they may be. ●

Q&A

Avon: home of the original influencers

Avon representatives have been the brand's iconic difference since it launched 135 years ago. **Matthieu Comard**, its managing director for Western Europe, shares how it's empowering them to thrive in the digital age, introducing the experience to a new generation of customers



Q How did Avon's digital transformation play a part in its 2020 market share growth, during a time when other industry players struggled?

A We've been innovating to provide convenient digital tools for our representatives to run their businesses completely online as social sellers. Our digital brochure, for example, can be shared via social and is fully shoppable.

For representatives that weren't already leveraging our digital tools, we've provided thorough training and incentives. We welcomed tens of thousands of new representatives in 2020, with the number selling digitally skyrocketing. This enabled us not only to remain open, but be relevant to a new generation of representatives and customers.

Q Consumer access to products is often a challenge for Avon. How does personalisation help?

A Our social selling business model is more relevant than ever. Avon

representatives can be considered the original 'influencers', sharing beauty advice, tips and tricks with their communities and recommending products they love. Many brands are launching online consultations, often powered by artificial intelligence (AI) and chatbots, and while we see a role for this, nothing beats the truly personal recommendation.

Q What beauty buying behaviours have changed?

A The environment for the beauty sector was incredibly challenging in 2020, however Avon UK moved from 10th to third place in cosmetics, with growth across colour, skincare and fragrance. Many consumers no longer have the disposable spend to buy high-priced brands, but they still want quality. That's when they discover Avon.

Hybrid (multi-use) products have grown in popularity, with people looking to get more from their money. For example our Revival Serum Lipstick and Serum Foundation are make-up and skincare hybrids.

The talk of a repeat of the 'Roaring 20s' is real. We're seeing fragrance and make-up rebound, and lip colour is back on the rise.

Q What are the challenges of selling beauty products online?

A Getting products into people's hands. For products like fragrance or foundation, trialling is essential. Our trusted beauty advisors offer samples and demo products to their customers to try before shopping the full-size product. Customers can also purchase samples directly from Avon online. As it's not possible to try make-up in stores right now, we see our range of samples as a competitive advantage.

Customers can also return or exchange a product free within 90 days. We find many customers will shop a full size and a sample, so they can return the full size if they try the sample and it isn't right. But with the personalised service from our representatives, that doesn't happen often.

Q What will be next for Avon in terms of digital innovation?

A We are continually rolling out new tools to help with personalised recommendations, such as our online Foundation Finder. We are investing millions to help our representatives become true digital entrepreneurs to reach more people in their communities. Whilst we'll always be developing our digital tools, we'll continue to do the same for our much-loved brochure.

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