

Alida.

**THE ALIDA 2021
GLOBAL TRENDS REPORT:
CUSTOMER
EXPERIENCE**

INSIGHTS ON CONSUMER ATTITUDES, EXPECTATIONS
AND BUYING BEHAVIOR



TABLE OF CONTENTS

EXECUTIVE SUMMARY	PAGE 2
METHODOLOGY	PAGE 3
FOUR KEY FINDINGS	PAGE 3
CONCLUSION	PAGE 16
ABOUT ALIDA	PAGE 17

EXECUTIVE SUMMARY

COVID-19 accelerated many consumer changes already in motion, such as omnichannel shopping, digital transformation, and brand switching. As we emerge from the pandemic—albeit unevenly—brands are trying to understand how to adjust to a radically changed customer base.

Alida's customer experience experts teamed up to take the pulse of consumers around the globe as they evaluate how to spend their money and time. In July of 2021, researchers surveyed 5,300 people in five countries to explore questions such as:

- What types of experiences do customers expect from businesses?
- What is driving brand alignment and loyalty?
- How should businesses change to meet consumer expectations?

Participants raised many themes that businesses must heed if they want to satisfy customers in a post-pandemic economy. The survey findings reveal an audience that's willing to engage with brands but doesn't feel brands are effectively engaging with them. It surfaces differences in geographies and age groups to help brands better understand key customer segments. In addition, it highlights recommendations for brands to (re)build positive relationships with an increasingly demanding audience.

METHODOLOGY

In July of 2021, researchers conducted an anonymous online survey of 5,300 people in five countries: United States, Canada, United Kingdom, Australia, and India.

At least 1,000 respondents participated from each country. To ensure respondents reflected the population within each country, the research team set quotas based on gender, age, and income demographics.

This approach enables us to compare and contrast different geographic markets and consumer groups to provide a global, local and cross-generational viewpoint.

4 KEY FINDINGS

1. RAPID CHANGE HAS LEFT SOME CUSTOMER SEGMENTS BEHIND

2. YOUR CUSTOMERS EXPECT TO BE TREATED AS INDIVIDUALS

3. CONSUMERS ARE KEEPING AN EYE ON YOUR BRAND VALUES

4. CONSUMERS HAVE FEEDBACK TO SHARE, BUT DON'T THINK COMPANIES WILL DO ANYTHING ABOUT IT

KEY FINDING 1:

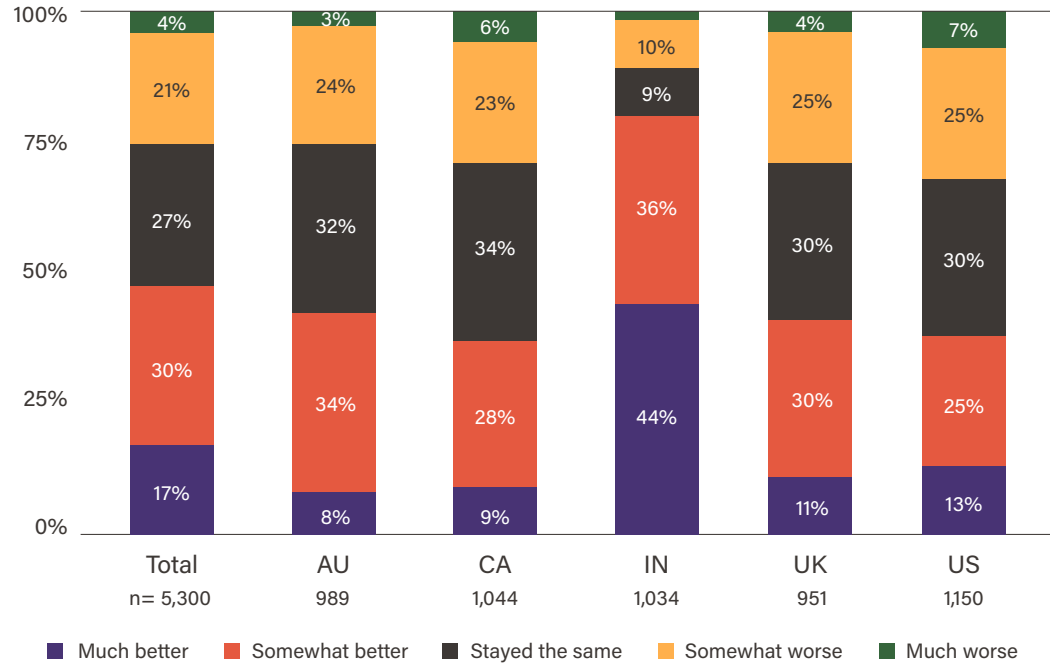
RAPID CHANGE HAS LEFT SOME CUSTOMER SEGMENTS BEHIND

A year and half of great change has meant customer satisfaction is uneven.

One in four consumers say customer experiences have gotten worse in the past year.

Respondents in India are significantly more positive in this regard, with 44% reporting their customer experience has significantly improved, yet one in five don't perceive any improvement.

How has customer experience changed in the past 12 months - by Country -

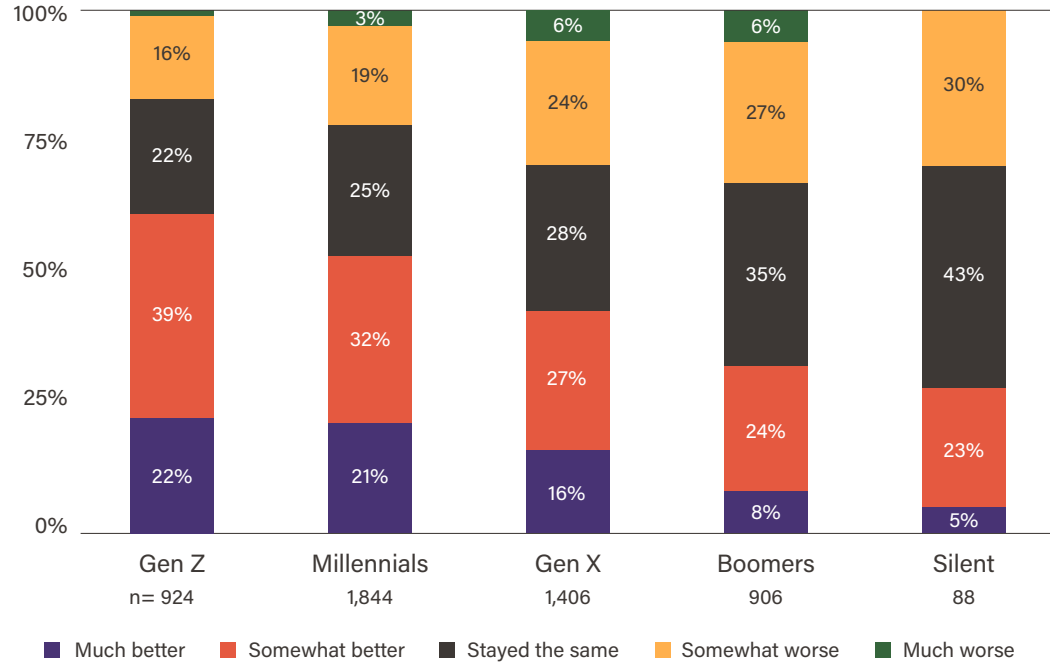


KEY FINDING 1:

RAPID CHANGE HAS LEFT SOME CUSTOMER SEGMENTS BEHIND

Older generations (Boomers and Gen X) are more likely to think that customer experience has gotten worse over the past year. In contrast, Gen Z and Millennial respondents are more likely to believe customer experience has measurably improved.

How customer experience has changed in the past 12 months
- by Age -



RAPID CHANGE HAS LEFT SOME CUSTOMER SEGMENTS BEHIND

This pattern holds true across industries, as older generations are more likely to be dissatisfied

and younger generations more likely to say experiences exceeded their expectations.

Customer Experiences That Exceeded Expectations by Industry

	Gen Z	Millennial	Gen X	Boomer	Silent
Streaming services	43%	37%	33%	23%	13%
Online retail	36%	33%	28%	21%	7%
Healthcare providers	30%	27%	26%	27%	27%
Technology providers	29%	27%	22%	13%	13%
Media	27%	21%	21%	11%	7%
Health Insurance	26%	22%	20%	14%	13%
Banks	24%	21%	19%	15%	7%
In-person retail	23%	20%	17%	14%	12%
Credit card companies	21%	19%	18%	12%	5%
n ≥	761	1,496	1,073	635	45



TAKEAWAYS FOR BUSINESSES:

Customer experience is not a one-size-fits-all strategy. When groups with considerable buying power express discontent, businesses need to pay attention.

For example, it may be that the quick pivot to digital transactions hasn't been as easy for the older generation to absorb. While brands have been investing in new types of channels for people to communicate (messaging apps, video capture, web feedback forms) older generations may need more support than younger buyers.

Brands should assess their touchpoints – particularly digital ones – for all age groups and geographies they serve. It's important that all types of voices, from all generations and demographics, are included in your customer experience strategy.

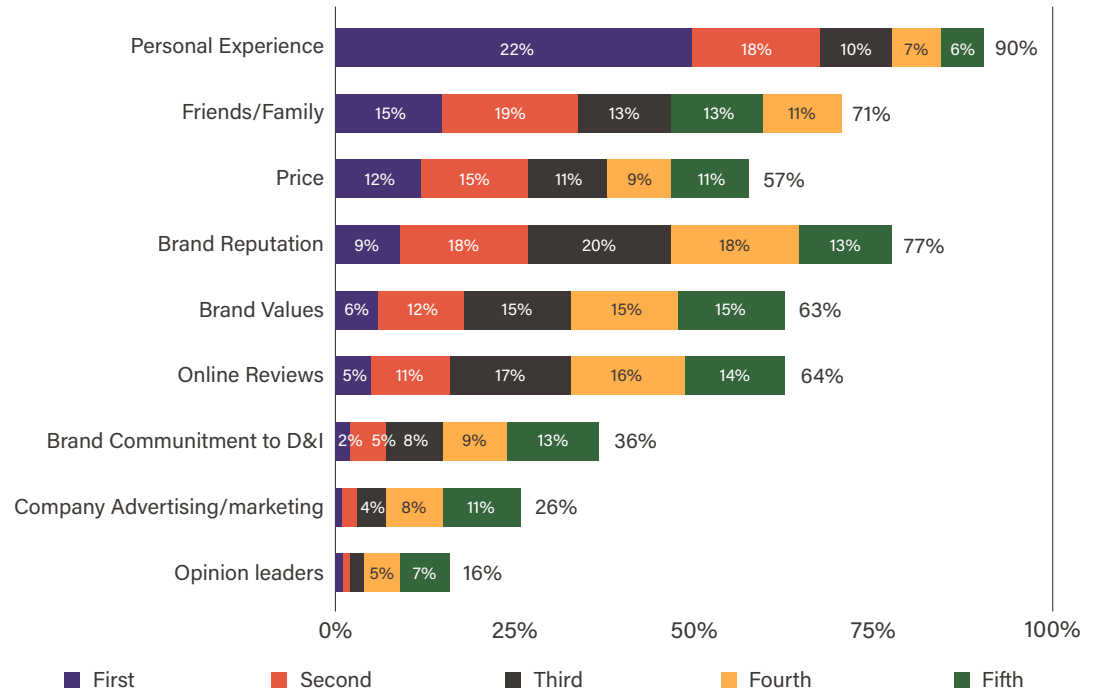
KEY FINDING 2:

YOUR CUSTOMERS EXPECT TO BE TREATED AS INDIVIDUALS.

When customers decide whether to stick with a brand, their first-hand, personal experience is twice as important as external opinions or price considerations.

90% of all respondents identify personal experiences as an influencer of purchase decisions. Half of all consumers worldwide rank it as the #1 factor.

Top Ranked Influencers of Brand Purchase Decisions



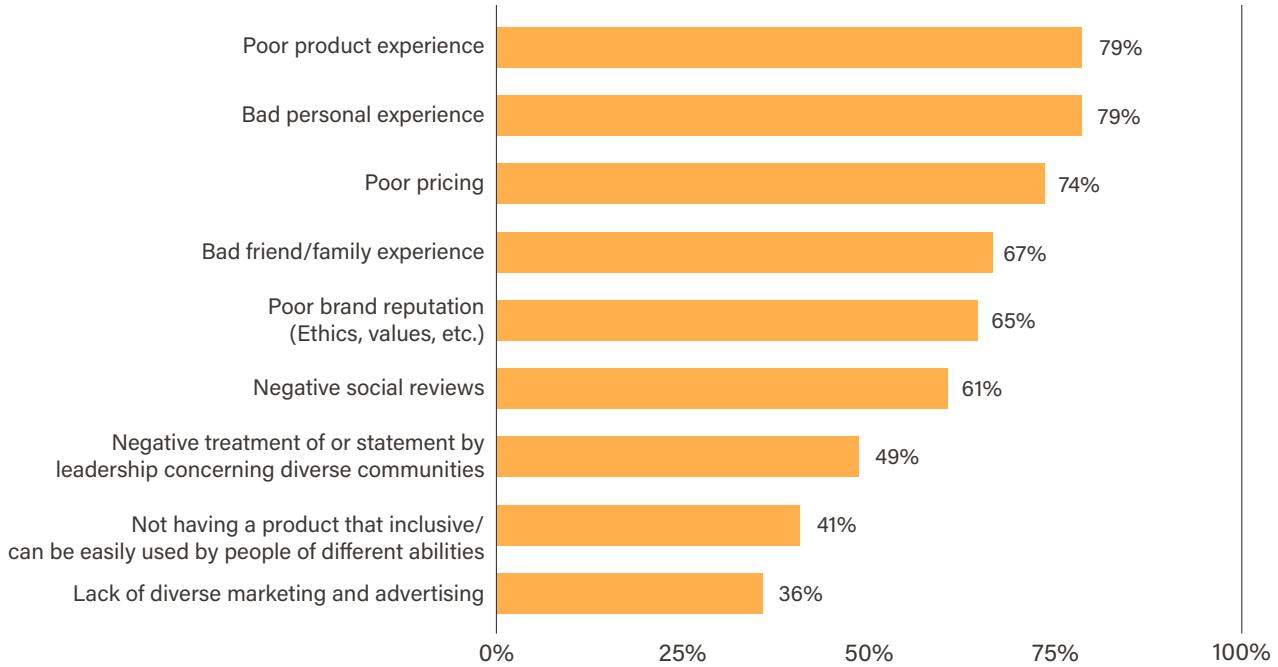
KEY FINDING 2:

YOUR CUSTOMERS EXPECT TO BE TREATED AS INDIVIDUALS.



Personal experience is so important that 79% of consumers who have a bad experience will avoid a brand in the future.

Reasons Cited Avoiding Brands



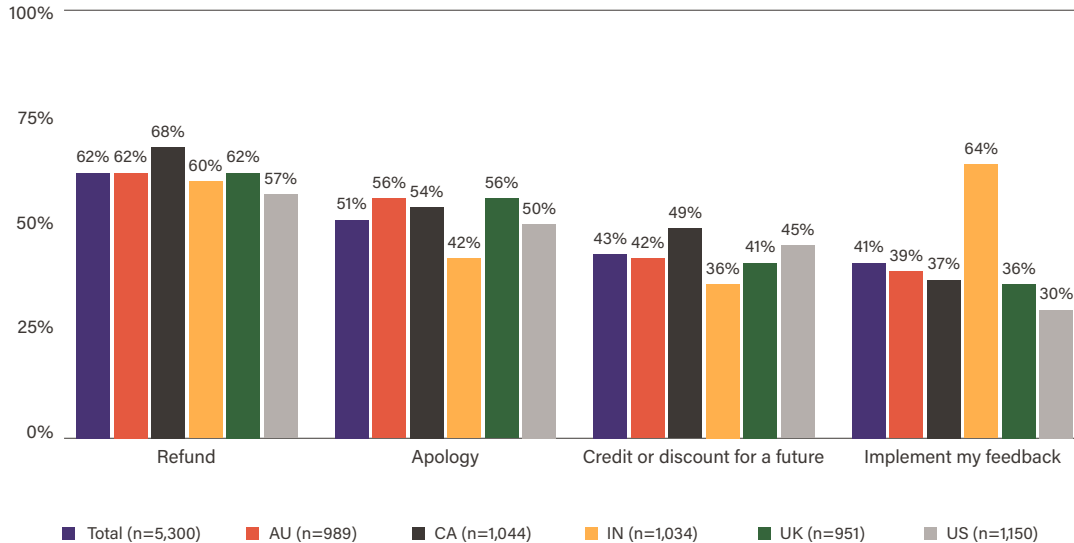
KEY FINDING 2:

YOUR CUSTOMERS EXPECT TO BE TREATED AS INDIVIDUALS.

The personal touch can help to turn around a negative customer experience. Over half of consumers say a sincere apology is their most preferred recovery measure

following a service failure. As a preferred response, apologies are second only to refunds and ahead of credits.

Most preferred recovery measures following a service failure - by Country -



TAKEAWAYS FOR BUSINESSES:

Every interaction matters. To retain customers, businesses must get to know people intimately and strengthen personal bonds throughout the customer journey.

Context is key. You must maintain a rich history of your touchpoints with customers and keep track of changes. That means tapping into multiple data sources – not just ad-hoc snapshots of customer feedback, but also changing emotions and expectations, married with ongoing operational data like purchase and service history.

If a customer has a negative personal experience, you need to know about it right away so you can take action to make it right. You need strategies to spot moments that matter so you can make structural changes to improve experiences for all customers.

CONSUMERS ARE KEEPING AN EYE ON YOUR BRAND VALUES

The research highlights the connection between customers' values and the brands they choose.

86% are more likely to spend with a brand that has values that align with their own.

80% care about a company's stance on diversity, equity and inclusion (DE&I).

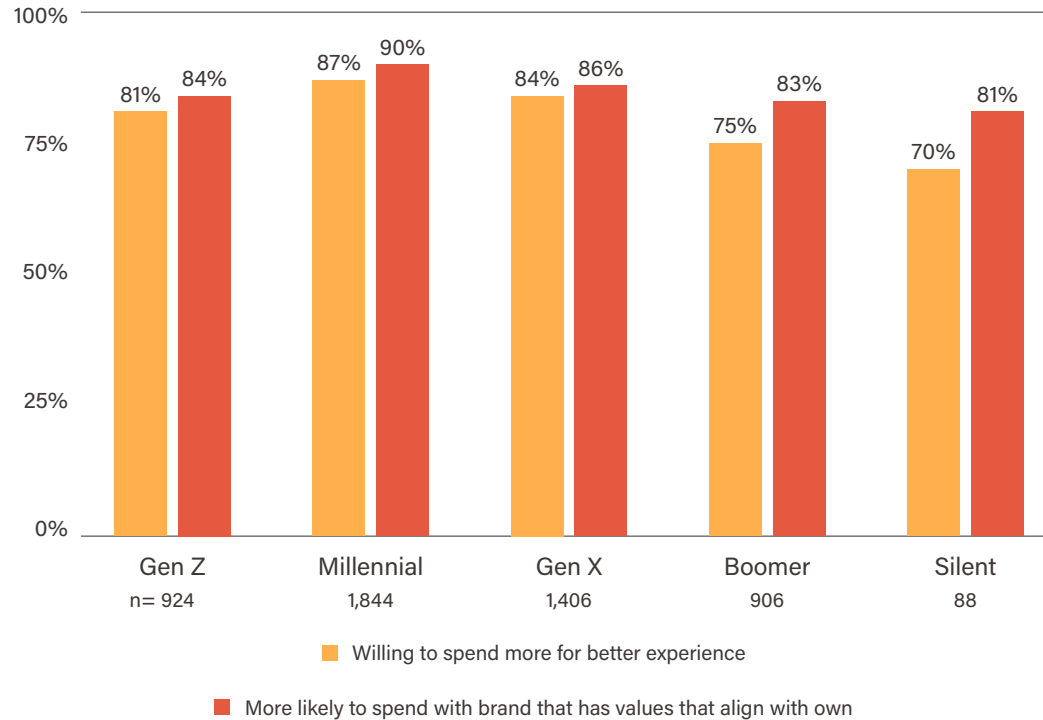
82% say they'll never do business with a brand that discriminates.

Impact of Customer Experience on Purchasing Behaviors - by Country -

	Total	AU	CA	IN	UK	US
Customer experience is an important factor when it comes to my purchasing decisions	92%	93%	91%	94%	90%	92%
I am loyal to brands who focus on my customer experience	89%	89%	88%	94%	88%	87%
A positive customer experience is more important to me than convenience	87%	88%	87%	93%	84%	85%
More likely to spend with a brand with values that align with mine	86%	88%	85%	94%	84%	82%
I am willing to spend more for better overall experience	83%	83%	78%	92%	79%	82%
Hearing of, seeing or experiencing bias or discrimination can cause me to never do business with a brand again	82%	86%	82%	85%	79%	77%
A single bad experience can cause me to never do business with a brand again	80%	84%	79%	77%	82%	79%
Strong company position on equality & accessibility is an important when it comes to my purchasing decisions	80%	80%	76%	92%	76%	75%
n=	5,300	989	1,044	1,034	951	1,150

CONSUMERS ARE KEEPING AN EYE ON YOUR BRAND VALUES

Importance of Brand Values and Experience on Purchasing
- by Age Cohort -



Brand values are a higher priority for certain customer segments. Younger consumers and women are significantly more likely to avoid a brand because of insensitive marketing messages or perceptions of not accommodating diverse or disabled communities.

CONSUMERS ARE KEEPING AN EYE ON YOUR BRAND VALUES

Factors That Drive Consumers to Avoid Purchasing From a Brand

	Gen Z	Millennial	Gen X	Boomer	Silent	Female	Male
Poor product experience	80%	85%	85%	87%	84%	81%	78%
Bad personal experience	79%	84%	85%	87%	88%	80%	78%
Poor pricing	73%	78%	82%	85%	83%	75%	73%
Bad friend/family experience	71%	74%	74%	66%	60%	68%	66%
Poor brand reputation	72%	70%	69%	63%	58%	66%	63%
Negative social reviews	73%	74%	62%	47%	39%	65%	57%
Negative treatment / statement concerning diverse communities	62%	57%	49%	34%	30%	51%	45%
Not having a product that is inclusive/ easily used by people of different abilities	54%	48%	41%	27%	19%	43%	38%
Lack of diverse marketing & advertising	54%	42%	34%	22%	12%	37%	35%
n=	924	1,844	1,406	906	88	2,813	2,355



TAKEAWAYS FOR BUSINESSES:

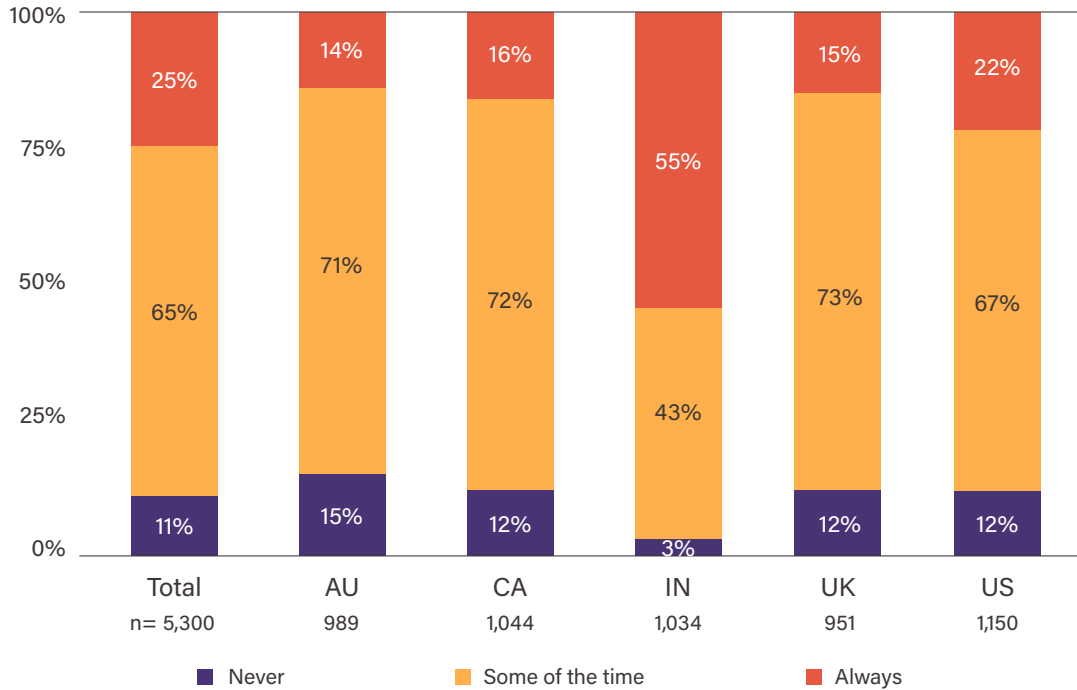
Your products and services aren't the only decision factors for your buyers. Consumers also want to know what you stand for and how you treat people.

Be transparent about your efforts and share results with your customers to increase their trust in you and ultimately, their brand loyalty.

KEY FINDING 4:

CONSUMERS HAVE FEEDBACK TO SHARE, BUT DON'T THINK COMPANIES WILL DO ANYTHING ABOUT IT

Perceptions of how often businesses use customer feedback
- by Country -

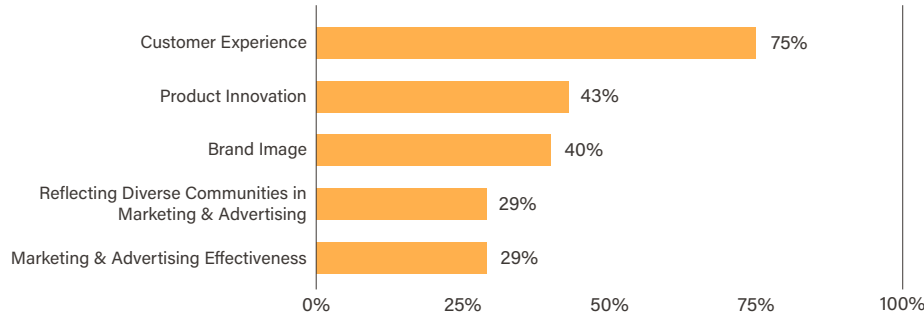


Virtually all consumers (97%) say they're likely to share feedback with companies if they know it will be implemented. However, 75% don't think companies use all the feedback they give them, and one in 10 think it's never used at all.

KEY FINDING 4:

CONSUMERS HAVE FEEDBACK TO SHARE, BUT DON'T THINK COMPANIES WILL DO ANYTHING ABOUT IT

Most preferred areas customers would want to help companies improve



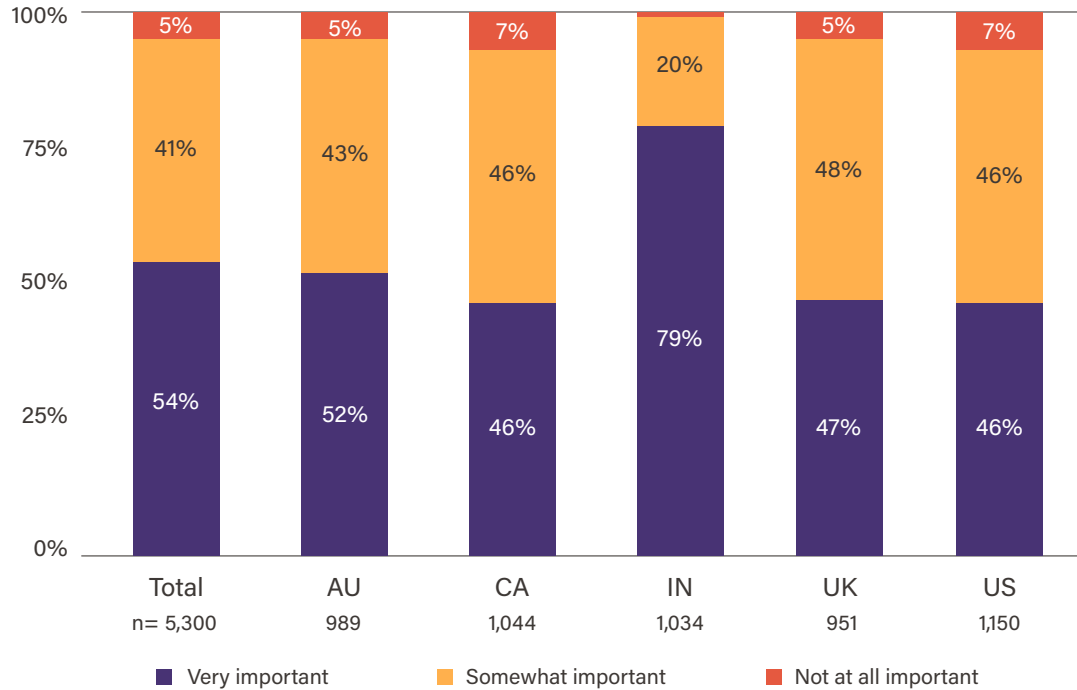
	Gen Z	Millennial	Gen X	Boomer	Silent
Customer Experience	64%	75%	79%	80%	80%
Product Innovation	40%	45%	44%	41%	35%
Brand Image	45%	43%	39%	32%	28%
Reflecting Diverse Communities in Marketing & Advertising	34%	31%	28%	21%	19%
Marketing & Advertising Effectiveness	31%	31%	28%	22%	19%
n=	924	1,844	1,406	906	88

Specifically, 75% of consumers want to help brands improve their customer experience, and especially the younger generations want to share their feedback on brand experience. That said, only 43% of consumers want to help brands improve their product innovation.

KEY FINDING 4:

CONSUMERS HAVE FEEDBACK TO SHARE, BUT DON'T THINK COMPANIES WILL DO ANYTHING ABOUT IT

Perceived importance of using customer feedback
- by Country -



TAKEAWAYS FOR BUSINESSES:

Consumers are willing to give companies a chance to show they're good listeners. Don't squander it. If you ask customers for feedback on their experiences, be sure you close the loop to address any problems that come to light. Communicate with customers to show them their feedback was taken seriously and what results came from it.

Make it easier for customers to provide product feedback in a variety of ways – small interactions as well as large – so they're more willing to participate in product discovery and co-creation.

CONCLUSION

Now is the time for brands to improve the experiences they create for customers. Key takeaways from this survey can help you prioritize your efforts and optimize your customer experience strategy.

Your customers are always changing. To gain their trust, meet their expectations, and create brand advocates, you must understand their motivations. The better you know your customers, the more you can demonstrate that you put them first.

ABOUT ALIDA

Alida believes in a world where customers are the ultimate source of truth. A world where the best business decisions are those made with customers, not for them. Alida created Alida TXM (Total Experience Management) to fuse the voice of customers and employees with the ability to innovate and deliver extraordinary customer, employee, product, and brand experiences. Iconic brands like Twitter, Toyota, and J. Crew choose Alida, formerly Vision Critical, to build stronger brands, happier workplaces, winning product portfolios, and lasting customer relationships.

Alida.

Learn how Alida TXM can support your customer experience strategy.

GET THE EBOOK

Follow us at **www.alida.com** and engage with us on social media **[@alidaCXM](https://twitter.com/alidaCXM)**.

Alida.

alida.com

