



2018 CX Trends Report

What Brands Should Know About Creating Memorable Experiences

inmoment

Methodology — InMoment surveyed 2,000 consumers and 1,000 brands in the United States to find out where both groups aligned or disconnected on various CX topics. These topics included memorability, personalization, the use of new technologies, and other timely subjects related to the customer experience.

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Why Memorable Experiences Matter

In InMoment’s annual study of CX trends, we surveyed both consumers and brands to understand the state of the customer experience and where brands are aligned and disconnected with customer expectations. We unearthed five trends in this research that speak to what consumers want from brands today and where brands are succeeding and failing in meeting those expectations in a positive, memorable way.

An overarching theme we found in our research was the power of memorable experiences, including what elements transform a fleeting

moment into a memory that stays and inspires action — both for the positive and negative.

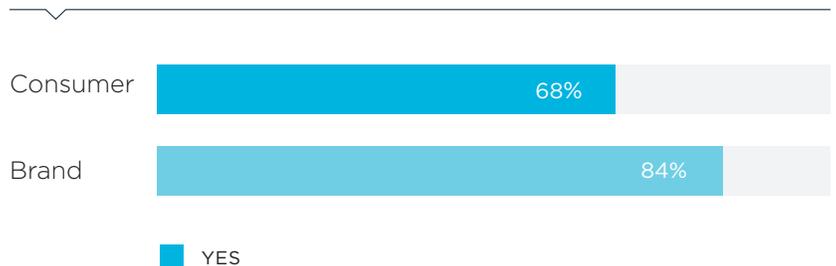
In last year’s study, we discovered that customers equate great experiences with satisfaction, with the biggest takeaway being that when brands simply deliver on their promises, customers are happy. This year, we wanted to take the next step: What does it take to go from satisfactory to memorable?

We started off by asking both brands and consumers if they had provided or received a positive, memorable

experience this past year, and here’s what we found:

Most consumers (68%) report having a positive, memorable brand experience within the past year. Still, brands are not as good at providing those experiences as they think they are, as they estimated 84% of their customers had positive experiences that stayed with them. And considering almost half (49%) of consumers report actually having at least one negative memorable experience in the past year, there’s a lot of room for improvement.

Have consumers had positive, memorable brand experiences this year?



With memorability in mind, here are five trends we discovered in our research:

01

Personalization can get too personal: Brands' attempts at what they define as "personalization" can veer into "creepy" territory without benefitting the end customer.

02

Millennials are misunderstood: There's a lot of mythology around the millennial demographic. This year's study provides more context, and in some cases, some interesting surprises about their attitudes about technology, including digital vs. in-person experiences.

03

Flashy is fun, basics matter most: From pre-packaged gourmet meals, to augmented reality, brands are exploring new ways of delivering new value. But regardless of the fancy wrapper, consumers still appreciate the simple things most.

04

Humans offer both the greatest opportunity and the great risk to CX: Across age and gender, human beings leave the most significant and longest lasting impression on your customers — whether online, over the phone, or in person.

05

Memorable experiences are emotional experiences: Regardless of whether they're good or bad, experiences that customers remember have strong emotional components. In many cases, brands are failing to capitalize on this.

Trend #1: Personalization Can Get too Personal



Today, many companies collect and use consumers' personal information (information about what they buy, places they visit online, places they shop in person using GPS devices, etc.) to create a "personalized experience."

This was a big focus in last year's study, in which we reported that consumers valued personalization for service and support over sales and advertising—the opposite priority for brands.

Brands say these activities are meant to provide better CX — to make customers feel cared for. And often, that is the case. But brands might be doing more harm than good with many of their personalization tactics.

A whopping 75% of consumers find most forms of personalization at least somewhat creepy (with 40% of brands reporting this). That's right: Nearly half of brands fully admit they are being creepy.

What do we mean by "creepy?"
causing an unpleasant feeling of fear or unease.

“
75% of consumers find most forms of personalization at least somewhat creepy

To better understand how brands are creeping out customers, let's take a look at some of the qualitative data. Here are how consumers described their own "creepy" brand experiences:

"[The experience] was **intrusive and too personal**, and also presumptive about me and my wants and likes."

"I didn't like being emailed about a product I had left in a cart on a website, or emailed about products I have recently searched. Also, I do not like targeted ads on websites. **It feels like I'm being stalked.**"

"I do not like giving out my phone number or address to buy a product, especially at a store that I do not shop at often. I was not able to buy a product without providing them my phone number... **I did not like this as I did not see how my telephone number was relevant to buying chicken and pizza.**"

"When I have been shopping online and a product I was looking at appears publicly on an unrelated page some time later... **This makes me feel like I'm being watched** and could also cause trouble if I was shopping for gifts for my family and the gifts appear on my screen at random times!"

"I had an ex-boyfriend that lived beside a restaurant. I would sometimes take pictures of his cat. Google would immediately suggest that I upload those pictures to Google and review my experience at that restaurant."

"[The brand] wanted me to enable/install app to get a great in-store experience, but of course it ALSO asked for permissions to [access] my contacts, location, emails, etc. NO WAY."

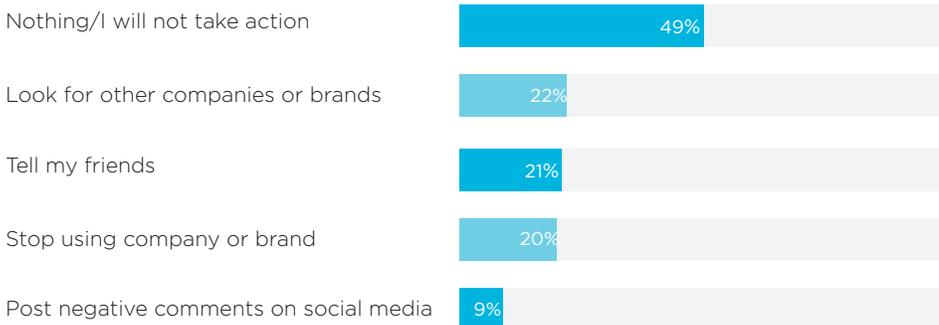
The biggest concern was when consumers noticed the crossover between the physical and digital world (as in when they have the perception that Facebook is listening to what they are saying or Google knows where they've been). Consumers also know when a brand is asking for too much information — beyond what will actually help in improving their experience.

Brands can't afford to underestimate their own creepiness. While half of customers say they'd keep shopping with a brand after a creepy experience, 22% report they will leave for other brands. Even worse, they'll tell their networks: One in five will tell friends, while one in ten will share Big Brother-type experiences on social media. And many will compound the negative impact — leaving a brand

and telling their friends, leading to lost customers and reputation.

If you're in CX, it's up to you to balance the brand's needs with your customers' best interests. Don't let traditional marketing metrics influence the experience and corrupt your customer promise. It will pay off in both the short the long term if the personalized experiences you provide are the right kind of memorable.

How Do Consumers React to Brand Creepiness?



Takeaways

- Customers don't value personalization efforts when they simply make interactions easier or more efficient, or when they deliver personalized recommendations. They do value personalization when it gives them exclusive access and VIP treatment.
- Crossover between the physical and digital realms is creepiest to consumers.
- Creepiness can translate into lost business and reputation.

Trend #2: Millennials Are Misunderstood

Millennials (born 1981-1997) have long been the fascination of marketers, who have obsessed over their personal habits, preferences, and what new industry they're killing off.

Our findings reveal, however, that brands might be making some false assumptions about the generation that could be drastically misguiding their customer experience strategy for a critical cohort of consumers. Here are a few myths and realities about this generation uncovered in our research.



Myth #1: Millennials don't think twice about sharing personal data.

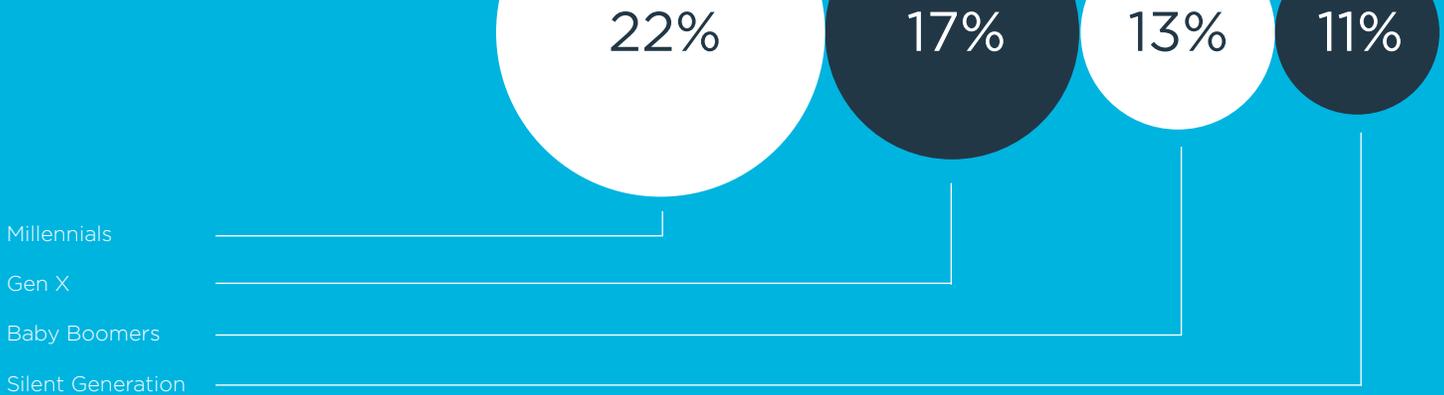
First, brands tend to believe that Millennials are less cynical about new technology than older generations, with few privacy concerns and no hesitation to give away personal information. But in fact, the opposite is true: older generations report fewer creepy experiences from brands, while Millennials reported the highest (at 22%, compared to 11% for the Silent Generation and 13% for Baby Boomers).

For Millennials, the biggest offenders when it comes to creepy marketing tactics are online-exclusive companies (with 27% of the generation reporting having a creepy experience), apps (23%), and retailers (19%).

Myth #2: Millennials are all-digital.

The second misconception brands seem to hold is that Millennials are exclusively digital, conducting all of their personal and commercial interactions from their mobile devices. Research finds that this is untrue — in fact, Millennials are true omnichannel consumers who find value in shopping online, through mobile apps, and in brick-and-mortar locations. For example, 32% of Millennials rank the ability to buy online and then pick up in store as very valuable, and 29% rank physical locations for e-tailers (like Amazon or Bonobos) as very important.

Have Consumers Had Creepy Brand Experiences This Year?



Myth #3: Millennials are unique in wanting brands to be aligned with their causes.

While there's a lot of chatter about militant Millennials nearly forcing brands to advocate for their specific causes or face public ridicule, the data tells a more complex story. Yes, 58% of Millennials do feel that it is important

or very important that brands they support invest in causes near and dear to them — but so do other generations. About 55% of GenXers and 51% of Baby Boomers said the same thing. The more nuanced truth

is that US consumers care, but value alignment is just one factor in where they put their money. Millennials are complex, they're savvy, and they're not as easy to put in a box as brands may have assumed.

Takeaways

- Millennials care about where they share their personal data. Be transparent in how you will use or share their data and be sure to deliver reciprocal value.
- Offer Millennials (and all demographics) choices in how to engage with your brand and understand (like Amazon has), some experiences are best had in person.
- Millennials make decisions on a variety of factors. Pay attention to the causes that inspire them, but don't forget the basics like price, ease, and functionality.

Trend #3: Flashy Is Fun, but Basics Matter Most

Our research delved into some of the aspects that make experiences memorable, including how elements like staff, environment, technology etc. impact the customer experience, and to what degree.

We also wanted to explore some of the newfangled ways brands are either delivering products and services (such as pop-up stores and pre-packaged cook-at-home meals), or pairing the experience with things like augmented reality. We evaluated them on whether consumers valued these cool additions (yes, we think they're cool), as well as how much of an impact they had on creating positive, memorable experiences. Here's how the elements fared:

Valuable Factors

High: Self-serve checkout, human interaction, being treated special

Low: Pre-packaged meals, pop-up stores, virtual reality, facial recognition

Memorable Factors

High: Human interaction, being treated special

Low: Self-serve checkout, mobile, social

While consumers may think some of the newer elements are interesting and even fun, almost none bubbled up as either being categorized as “valuable” by consumers, or having a significant impact on long-term

memorability. The one outlier was self-checkout. Consumers ranked it as a valuable service, but ranked it low when it came to its impact on making experiences memorable. Perhaps surprisingly, we saw consumers rank mobile and social low on their impact to memorability. Our theory is that we may be seeing cases where newer elements of customer experience emerge and quickly go from “shiny” to table stakes.

The two basics of “human interaction” and “being treated special” (exclusive offers, loyalty programs, etc.) came through again as being highly influential on memorability, emphasizing the critical nature of getting this part of the experience right.

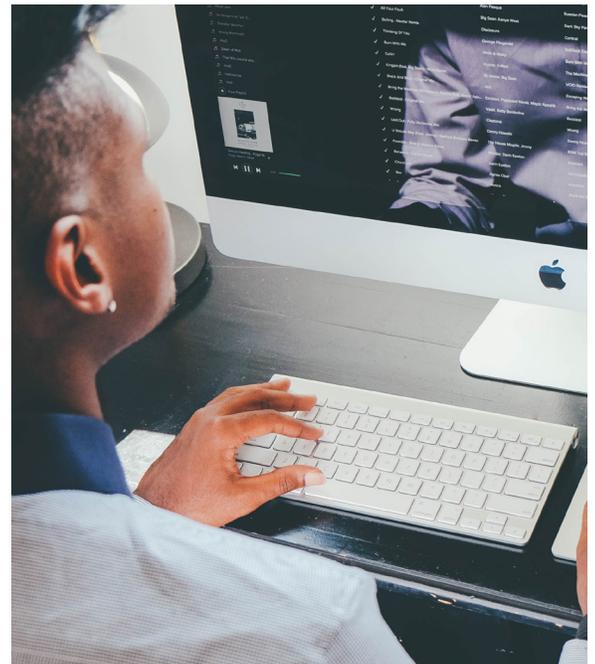
Takeaways

- Be thoughtful when rolling out new tech or delivery models. Prioritize those that lead to long-term, positive memorability.
- If you do choose sparkly new elements, ensure they align with brand aspirations, and follow up to ensure consistent messaging and real impact.
- Nothing replaces the power of people making other people feel special. Hire, train, and coach to that end.

Trend #4: Humans Offer Both the Greatest Opportunity and the Greatest Risk to CX

Despite apocalyptic talk that artificial intelligence will replace people at some point in the not-too-distant future, the human factor is actually what makes or breaks the customer experience. Consumers value genuine connections with staff who are well-trained to educate and inform, whether in store, online, or on the phone. More than six out of ten (65%) of consumers report that “staff interaction” highly influenced their decision to buy more products from a brand, while another 65% reported that access to educators and experts is highly influential.

In researching factors that contributed to positive, memorable experiences, we found good alignment between what consumers prioritize and what brands report. Following are the top five elements ranked by each group. With that said, poor staff experiences can spoil the experience for brands and consumers alike. Unfortunately, brands significantly underestimate the real damage employees can do to their CX.



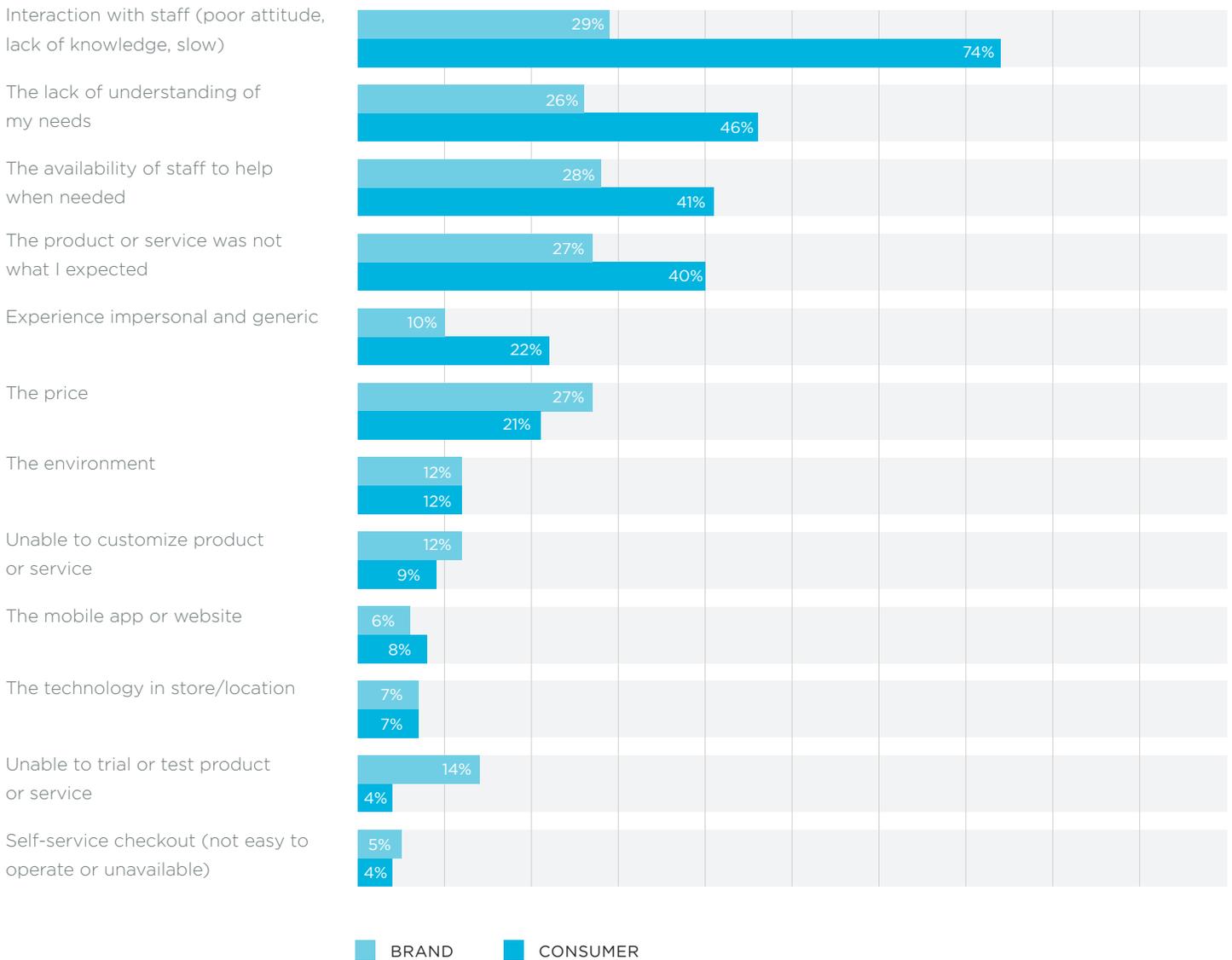
Consumer Rankings

- Staff interaction
- Access to experts/educators
- Loyalty treated differently
- Trial/testing options
- Exclusive products/services

Brand Rankings

- Staff Interaction
- Loyalty treated differently
- Customization options
- Exclusive products/services
- Access to experts/educators

What Leads to Lackluster Brand Experiences?





Almost three-fourths (74%) of consumers report that poor staff experiences (due to poor attitudes, lack of knowledge, or other reasons) contributed to a bad brand interaction. By comparison, only 29% of brands reported the same: a disconnect that could be a potential nightmare if brands aren't investing properly in staff.

With human interactions so clearly influential in customer relationships, brands must ensure that employees who work directly with customers can make the kind of emotional connection that reinforces positive, memorable experiences.

Takeaways

- In addition to your own staff, leverage outside experts to boost the experience.
- Outside of the human factor, nothing makes an experience more memorable than making your customers feel special.
- Give customers the ability to try out new products and services. It makes an impact.

Trend #5: Memorable Experiences Are Emotional Experiences



We know that brands have room to improve when it comes to delivering memorable experiences. But what actually makes these experiences memorable in the first place?

In examining the unstructured data, we discovered that while a few consumer comments were

product-related, the overwhelming majority of comments were about interactions with humans and the emotions they evoked.

Here is a sample of how consumers responded when asked to describe both positive and poor experiences that were memorable.

Positive

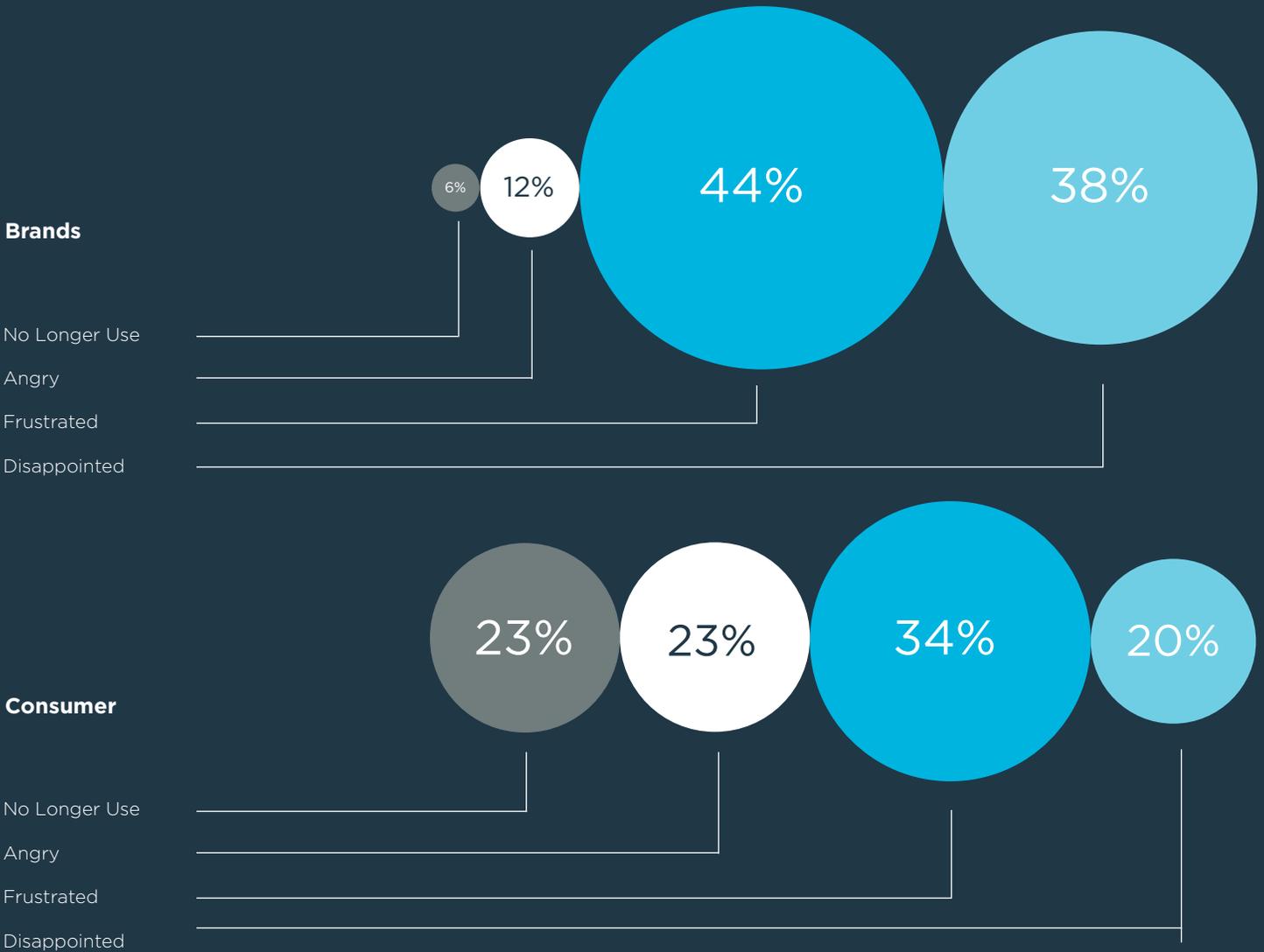
- Very helpful and concerned
- Made me feel valued
- Listened, understood my need
- Warmth, welcome, consideration, a feeling of really being listened to and the intention to make the interaction meaningful

Poor

- Not taking time to understand my needs
 - The cashier was sarcastic which made me look small in front of other customers
 - Only seemed interested in protecting them, not me
 - Inattentive
-

Brands Underestimate Impact of Negative Experiences

In the words of actual customers, memorable experiences are emotional experiences. To keep customers coming back, brands need to evoke positive emotion with the experiences they offer. But just as positive experiences leave memories that stick, so do negative ones — and with surprising strength. And brands seem to be blissfully unaware.



2x Consumers are much more likely to be angry

4x Consumers are much more likely to defect



Not only are 23% of consumers reporting they are angry after a bad experience with a brand—nearly twice the amount that brands assume (12%)—but consumers are four times more likely to stop shopping with a brand after a bad experience. Brands can't afford to underestimate the emotional and financial impact of missing the mark.

We also looked at what types of communication most impacted making experiences memorable: Online and in-person communications made the most difference for customers, and brands agree. However, there are

some differences. Brands believe that 75% of memorable experiences take place in-person, compared to 59% reported by consumers. Phone calls also make a difference, with 28% of consumers reporting that their most memorable experiences occurred while chatting with staff on the phone.

Special treatment doesn't hurt, either, as 72% of consumers say they will choose one brand over another if they are made to feel special, and 80% are willing to share personal information if they receive special or exclusive offers.

Takeaways

- Don't brush off a bad experience. Customers aren't just miffed, they're downright mad when you don't deliver on your promises.
- Anger leads to action. Strong, negative emotions brought on by a negative experience will result in lost customers and revenues.
- Consumers simply have too many other options for brands to continue to ignore the risks of downplaying the impact of emotion on their experience and the bottom line.

About InMoment

InMoment™ is a cloud-based customer experience (CX) intelligence platform, arming brands with compelling customer insights to drive high-value business decisions and relationships with both customers and employees. The company's industry-leading Customer Feedback Management platform leverages a proprietary, AI-based analytics engine to power a full suite of Voice of Customer (VoC), Voice of Employee (VoE), Employee Experience, and Social Reviews & Advocacy solutions. InMoment also provides strategic guidance, support, and related services to more than 350 brands across 95 countries. For more information, visit www.inmoment.com.

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