ACQUIA
EXPERIENCE DIGITAL FREEDOM

CUSTOMER EXPERIENCE TRENDS REPORT 2019

Australian Edition

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What makes or breaks the customer experience?

The phrase "customer experience" has become increasingly popular over the last decade, encapsulating everything that contributes to the way in which customers interact, engage with and, ultimately, feel about your brand at every stage of their buying journey.

At Acquia, we've built our business on helping organisations create experiences that are connected, seamless and relevant; but part of this process is identifying the points at which the customer experience fails ... so we decided to investigate.

Welcome to our first ever Customer Experience Trends Report – Australian Edition.

We've surveyed more than 1,000 consumers and 100 marketers across Australia to get to the bottom of what makes or breaks the customer experience. From the drivers of customer loyalty, to frustrations around restrictive technology, this eBook highlights the key Australian findings of the global Closing the CX Gap: Customer Experience Trends Report 2019.

1,000 CONSUMERS

100 MARKETERS

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KEY FINDINGS

There are five very notable areas of concern for Australian consumers and marketers:

Experience gap

A disparity between consumers and marketers on what is considered a "good" experience and how improvements can be made in future.

Loyalty

Several factors contribute to a customer's loyalty and, therefore, how likely they are to leave a brand when they encounter a poor experience.

Technology

As always, technology is crucial to developing a better online experience; however, for marketers, complicated and restrictive tech continues to disappoint.

Shiny new thing syndrome

With AI, IoT and voice technology promising to revolutionise customer experiences, there's a temptation for marketers to overlook the basics of a good online experience in order to stay on top of the latest martech trends.
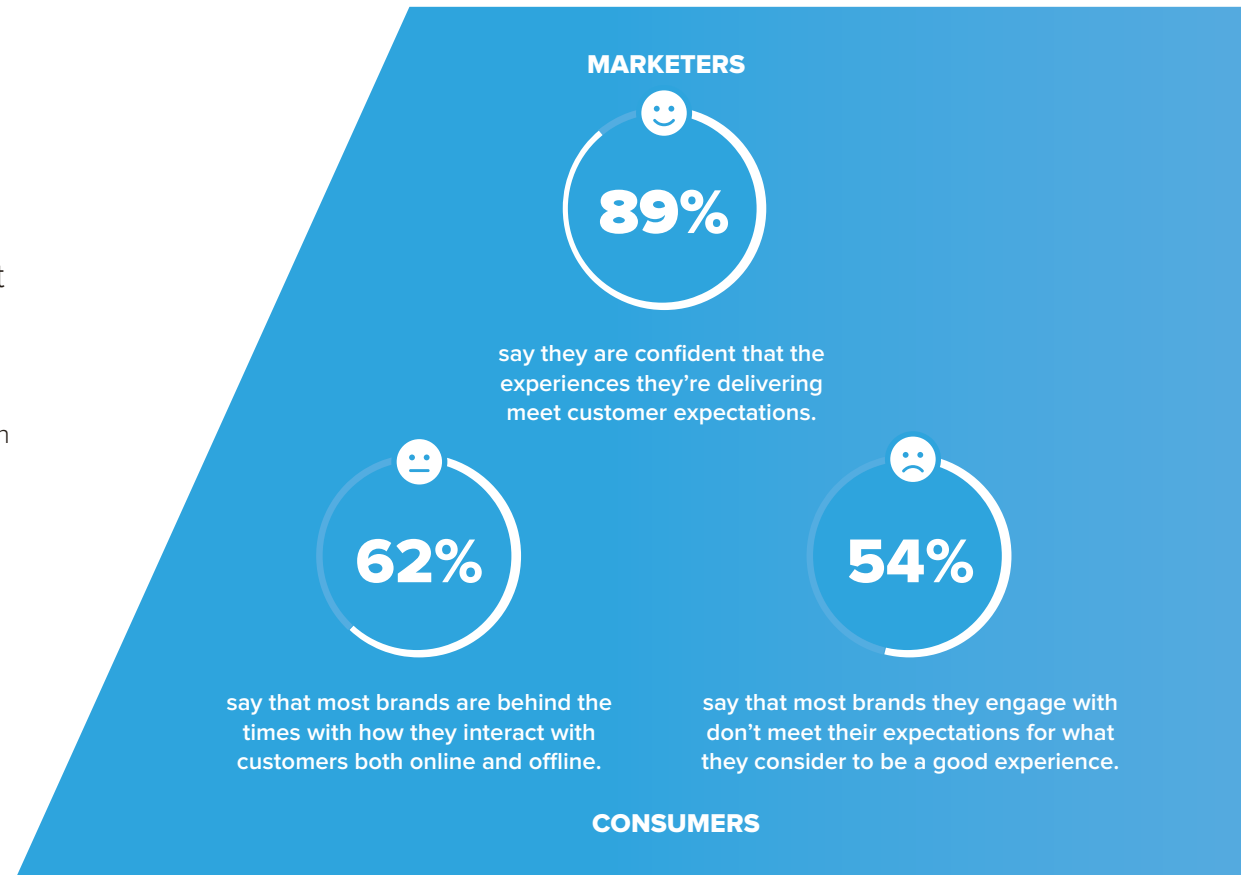
Data privacy

An ongoing issue that is far from being resolved – particularly in light of recent global scandals and the introduction of the General Data Protection Regulation (GDPR) – it seems that consumers and marketers still have very different ideas about what is acceptable.

EXPERIENCE GAP

Australian consumers are among the most digitally savvy in the world, with a recent study from We Are Social citing an estimated 88 percent internet usage and 78 percent mobile penetration across 69percent of the population. With this in mind, it's unsurprising that Australians have very clear and high expectations of what they want from their online experiences.

Ninety-two percent of those surveyed say that convenience is a priority for a good experience, while personalisation is also considered important, with 64 percent complaining that most brands do not do a good job of using their personal preferences to predict their needs.

With a tough crowd to please, marketers need to be wary of underestimating consumers' expectations of a good online experience: 89 percent of marketers believe they are meeting customer expectations, while 54 percent of consumers disagree.

MARKETERS

89%

say they are confident that the experiences they're delivering meet customer expectations.

62%

say that most brands are behind the times with how they interact with customers both online and offline.

54%

say that most brands they engage with don't meet their expectations for what they consider to be a good experience.

CONSUMERS

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More than nine in 10 Australian consumers say that when they engage with a brand they expect a convenient experience.

When I engage with a brand, expect a convenient experience.

92%

Most brands are behind the times with how they interact with customers both online and offline.

62%

Most brands I engage with don't meet my expectations for what I consider to be a good experience.

54%

% saying strongly/somewhat agree

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Just how bad does an experience need to be before a customer will leave?

It depends. As you might expect, there's no easy answer to this question. More than half (54 percent) of those surveyed said that once they become loyal to a brand, they're loyal for life. This certainly aligns with theories such as the 'status quo bias'; a term used by behavioural economists to explain our natural inclination to avoid taking action unless pushed to do so. However, conflicting responses showed that the same number of consumers would not consider themselves loyal to any brand.

To confuse matters further, four in five (78 percent) said they would only be loyal to a brand until they had encountered a 'bad experience', and would then move to another brand. A massive 82 percent stated that they would be most loyal to brands that can show that they really understood them and what they were looking for.

Furthermore, 80 percent of those surveyed stated that if they believe a brand really 'gets them', they're more likely to be loyal. This ties in with a recent research study by FastCompany, which showed that the most popular brands are those that focus on expanding their 'share of emotion' rather than their "share of mind."

72%
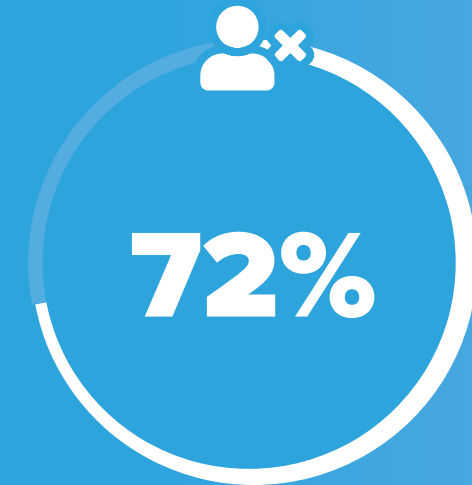
of Australians will abandon one brand for another if their online experience is poor.

Australians are mostly loyal to brands, but more than three-quarters say if they have a bad experience, they will move on from that brand.

I prefer brands that make my experience convenient.
90%

I am loyal to certain brands, but as soon as I have a bad experience with it, I move on.
78%

I don't consider myself loyal to any particular brands.
54%

Once I am loyal to a brand, it has my loyalty for life.
54%

% saying strongly/somewhat agree

HOW STRONGLY DO YOU AGREE OR DISAGREE WITH THE FOLLOWING STATEMENTS? CONSUMERS

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TECHNOLOGY

Almost two-thirds of marketers are dealing with technology that is just too complex to create good customer experiences; the main criticism being a struggle between marketing and IT to bring new customer experiences to life.

Despite ongoing efforts, 76 percent of marketers are unable to make their various technology solutions work together and 80 percent admit that the providers they work with have limitations. A further three in five are concerned with the speed at which they can bring new customer experiences to market.

However, it's not all doom and gloom! In spite of the challenges being faced, marketers are forging ahead with ambitious plans for improving customer experiences.

Firstly, marketers are still heavily investing in technology, with 61 percent increasing their spend compared with 2017; of those, 33 percent are increasing spend by as much as 25-50 percent. There's also very little doubt around investment levels, with almost 80% of marketers feeling comfortable with the amount that their organisation is spending on marketing technology.

What's very clear to see in the findings is that marketers see current struggles with technology as short-term problems. The majority of Australian marketers are taking a proactive and positive stance, with 93 percent stating that technology should (and will) make experiences with brands more valuable in future.
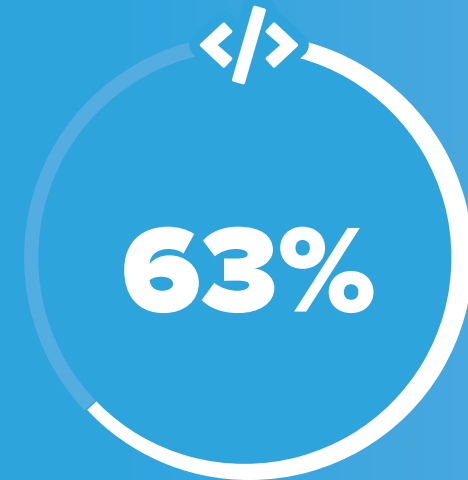
63%

of marketers say they're dealing with technology that is too complex to create good customer experiences.
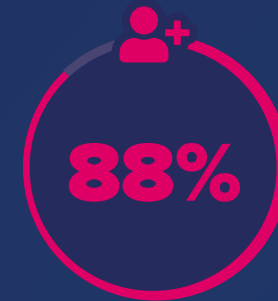
THE CHALLENGE FOR MARKETERS IS REAL...

63%
of marketers say they're dealing with technology that is too complex to create good customer experiences.

61%
of marketers say the speed at which they can bring new customer experiences to market is a struggle.

88%
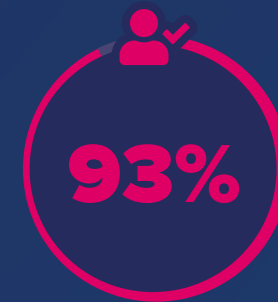of consumers believe technology should improve their online experiences with brands.

BUT THERE'S OPTIMISM ON BOTH SIDES FOR THE FUTURE...

61%
of marketers are increasing their investment in martech in 2019.

80%
of marketers feel that they're adequately investing in marketing technology.

93%
of consumers state that technology should (and will) make experiences with brands more valuable in future.

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SHINY NEW THING SYNDROME

An underlying cause (or perhaps a symptom) of the challenges marketers face with IT is the number of different technologies being used. The latest tally on available marketing technologies is a whopping 6,829 (**Chiefmartec.com**), and most marketers are still opting for multiple solutions to achieve their goals, rather than one holistic platform.

In Australia, 37 percent of marketers are working with between four and six different vendors, and 18 percent are working with between seven and 10. This begs the question; *are marketers too focused on keeping up with the latest technologies*?

Unsurprisingly, working with multiple solutions creates data silos. Eighty-five percent of those surveyed cited "data siloed in multiple systems" as a problem, and 88 percent recognise that being able to connect and understand this data better would enable them to more effectively automate customer experiences.

It's also worrying to note that almost half (48 percent) of who engage with a brand at least once a week say they have encountered fundamental issues such as slow and "glitchy" websites or a slow response from brands during a major online event, such as Black Friday. This is particularly important considering 78 percent said they are likely to stop being loyal to a brand after just one "bad experience."

While personalisation is still appreciated by consumers, the focus should still be on getting the basics right and creating easy and seamless experiences – a whopping 90 percent of consumers say they prefer brands that make their experience convenient!

48%

of Australians who engage with a brand at least once a week say they have encountered fundamental issues such as slow and 'glitchy' websites...
Is yours one of them?

In the coming year, nine in 10 Australian marketers say more personalisation for both customers and potential customers is part of their strategy.

Greater personalisation for customers	91%
Greater personalisation for potential customers	90%
More marketing technology in general	89%
Internet of Things (IoT)	86%
Artificial intelligence and machine learning	83%
Linking with in-home devices (such as Amazon's Alexa and Apple's iHome)	73%

% saying some part/ a lot of

DATA PRIVACY

Officially enforceable on May 25, 2018, the European General Data Protection Regulation (GDPR) is considered by many marketers to be among the most influential pieces of legislation in recent years.

Following several major data breaches, GDPR set forth a framework intended to reshape the way data is collected, stored and utilised, giving consumers more control over their personal information and placing greater responsibility on the companies that use it.

While half of Australian consumers (49 percent) may not have heard specifically about GDPR, they nonetheless take data privacy very seriously. Fifty-one percent said they are not comfortable with brands gathering their personal data in exchange for an improved experience such as more perks and greater personalisation. Worryingly, almost two-thirds (64 percent) of consumers are not confident that brands have their best interests in mind when they use, share or store their personal data and a further 79 percent say brands should not be able to use their personal data to market different products or services to them.

This lack of trust around data usage isn't surprising, given recent scandals (such as Cambridge Analytica's use of Facebook data), and a glance at **Edelman's most recent Trust Barometer report**, which shows that consumer trust is at an all time low.
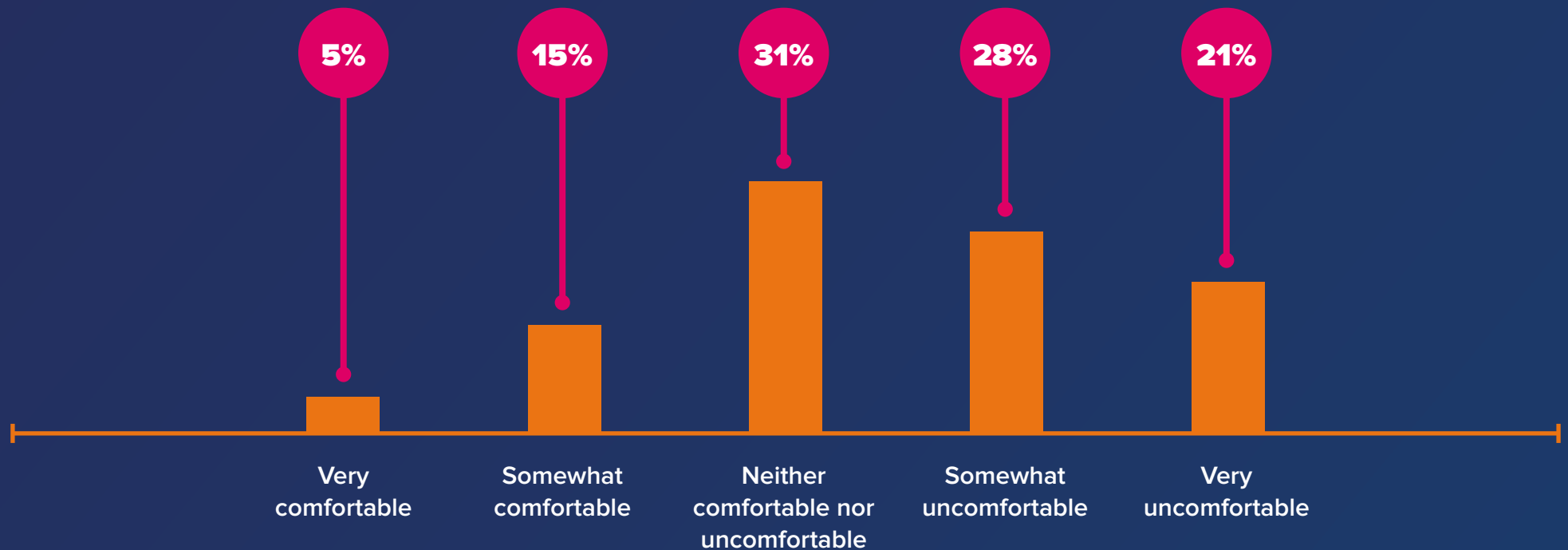
Troublingly, perhaps consumers are right to be concerned about how their data is used; almost nine in ten marketers (86 percent) think that customers are comfortable with providing their personal data in exchange for an improved experience such as more perks and more personalisation.

DATA PRIVACY IS A GENERATIONAL ISSUE.

Gen Xers are more likely to be uncomfortable with brands accessing their data than Millennials and iGens

65%
55 and older

48%
35-54

33%
18-34
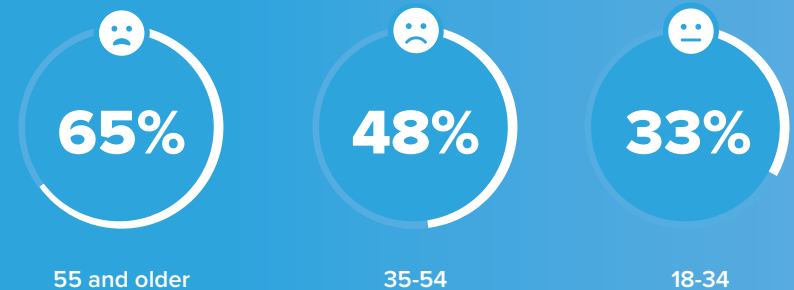
Half of Australians say they are uncomfortable with brands accessing personal information to which they were previously unaware these brands had access.

5%
Very comfortable

15%
Somewhat comfortable

31%
Neither comfortable nor uncomfortable

28%
Somewhat uncomfortable

21%
Very uncomfortable

HOW COMFORTABLE ARE YOU WITH BRANDS ACCESSING PERSONAL INFORMATION TO WHICH YOU WERE PREVIOUSLY UNAWARE THEY HAD ACCESS? (I.E. YOU RECEIVE AN OFFER FOR THEIR PRODUCT THAT YOU SEARCHED ABOUT THE WEEK PRIOR.) CONSUMERS

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CLOSING THE CX GAP

For many marketers, finding the balance between innovation and giving customers what they want will always be a challenge. While Steve Jobs may have famously said "People don't know what they want until you show it to them," it's also important to recognise that trust and creating a good experience are the cornerstones of customer loyalty.

So what have we learnt?

Ask, don't assume

A recurring theme of the report was a difference in opinion between marketers and consumers; on everything from data privacy to what defines a good customer experience. Find ways to incorporate opportunities for feedback into more areas of your customer experience and listen to what comes back.

Build trust

Partner with your internal IT and security teams as needed to ensure data compliance standards are being met, like GDPR. Embrace opt-in methods so customers are aware and in agreement of their data being used. There should be no surprises. Provide value in exchange – for whatever data customers have agreed to share, provide something in return. Create ways to engage and show that you have their best interests at heart.

Black is the new black

When it comes to technology, avoid simply adding to the tech stack to fix fundamental problems. Instead, identify the breakpoints in your CX delivery and get opinionated about systems that aren't delivering. Some may not be returning results because they're disconnected from the rest of your stack. For other systems, it may be that your team lacks required expertise. Martech trends will come and go but keeping customers happy will always stay in style.

Finally, while marketers will naturally take on responsibility for customer experience, it's crucial to remember that demonstrating good customer service must come from every facet of the organisation. CX is a team effort that takes support from the top down...and insight and assistance beyond the walls of a single company.

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ABOUT ACQUIA

Acquia is the open source digital experience company. We provide the world's most ambitious brands with technology that allows them to embrace innovation and create customer moments that matter. At Acquia, we believe in the power of community - giving our customers the freedom to build tomorrow on their terms. To learn more, visit acquia.com.

ABOUT THE SURVEY

Closing the CX Gap: Customer Experience Trends Report 2019 was commissioned by Acquia and conducted by Regina Corso Consulting from Aug. 14-28, 2018. Respondents to the online survey were 5,003 consumers – 1,000 from Australia, 1,000 from France, 1,000 from Germany, 1,000 from the United Kingdom and 1,003 from the United States – and 501 marketers – 100 from Australia, 100 from France, 100 from Germany, 100 from the U.K. and 101 from the U.S. The consumers are all 18 and older and the sample is balanced by age and gender for each country. The marketers are directors and above and their company has an annual revenue of 10 million or more.

This ebook looks at the responses and key findings from Australia and hopes to put a spotlight on the perceived delta between money spent on marketing technology and revenue lost to failed customer conversions and retentions each year. It also uncovers discrepancies between marketers' objectives and customers' actual experiences.