

BUILDING CONSUMER BRAND INFATUATION

How Popular Retail and Travel Brands Are Crushing Customer Churn with Great Experiences



Introduction

What do companies like Amazon and Marriott have in common? They are recognized as some of the world's most valuable companies and achieve some of the highest Customer Satisfaction Indexes* in their respective categories. This is not happenstance. These companies share a strong customer-centric philosophy, an unbending desire to create innovative, engaging customer experiences and to embrace data-driven decisions.

As a result, these and other disruptive retail and travel/hospitality brands have raised the bar on how consumers define a great customer experience. These companies understand that in order to succeed and thrive, they have to adapt to consumers' rising expectations of brands. They have to evolve alongside consumers and adopt new processes to account for consumers' use of multiple devices, and their ability to move between online and offline within a single shopping journey. The sharp focus on enhancing and prioritizing the customer experience leads them to engage with consumers in new and innovative ways. A research survey conducted by Signal and Digital Ascendant in March 2017 indicates that their strategy worked as consumers name them as some of their favorite brands.

So what can others learn from these highly disruptive brands? What can they do to ensure they delight customers with the best possible customer experiences and keep them coming back? To find out, we surveyed consumers about what their favorite retail and travel/hospitality brands do better. Here's what we learned: Their favorite brands are winning consumer loyalty and improving return on investment because they deliver experiences that are personal, seamless and relevant – regardless of what and how many digital platforms and purchase channels consumers use. On the other hand, brands that fail to provide individualized and positive experiences risk an erosion in brand image, churn (loss of customers) and a decrease in highly engaged customers.

When we asked consumers what they love most about their favorite brands, factors that revolve around providing a more individualized and connected customer experience rise to the top along with more traditional customer experience drivers like "trustworthy with my data," "rewards me for my loyalty" and "quick issue resolution." Today's individualistic consumers have a fundamental need to feel understood, recognized and respected: A significant majority of consumers say favored brands make it easier for them to find products and services that are right for them; they make them feel like a valued customer. They reward brands that take the friction out of omnichannel interactions and provide consistent experiences across digital and physical world touchpoints. They return again and again to brands that make their lives easier.

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What Makes Their Favorite Brands Better Than Other Brands

What do consumers' favorite brands do better than other brands? These brands understand that consumers use multiple platforms and touchpoints to interact with brands. As a result, favored brands invest in technologies that help them provide customers with consistent experiences regardless of the platform or channel used, and individualized messages and offers.

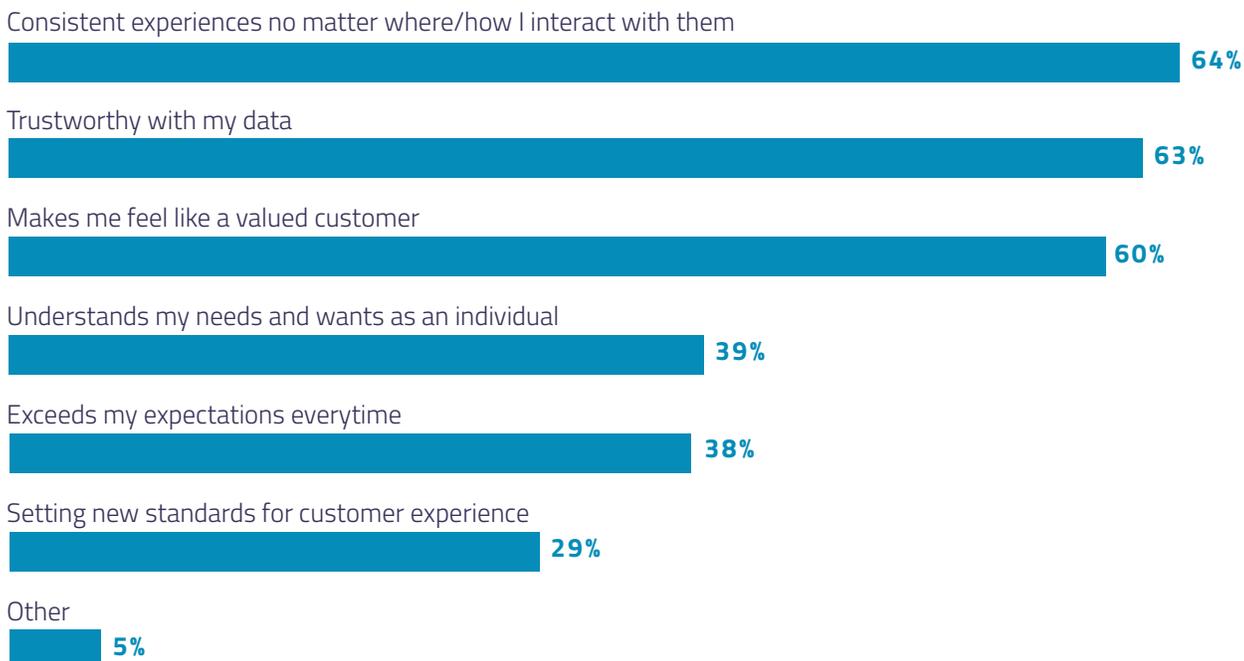
Favored Retailers Deliver Consistency, Convenience and Personalization

Nearly **two in three consumers (64%)** indicate that their favorite retail brands provide an overall better customer experience by providing consistent experiences, regardless of the digital platform or purchase channel consumers use to interact with them.

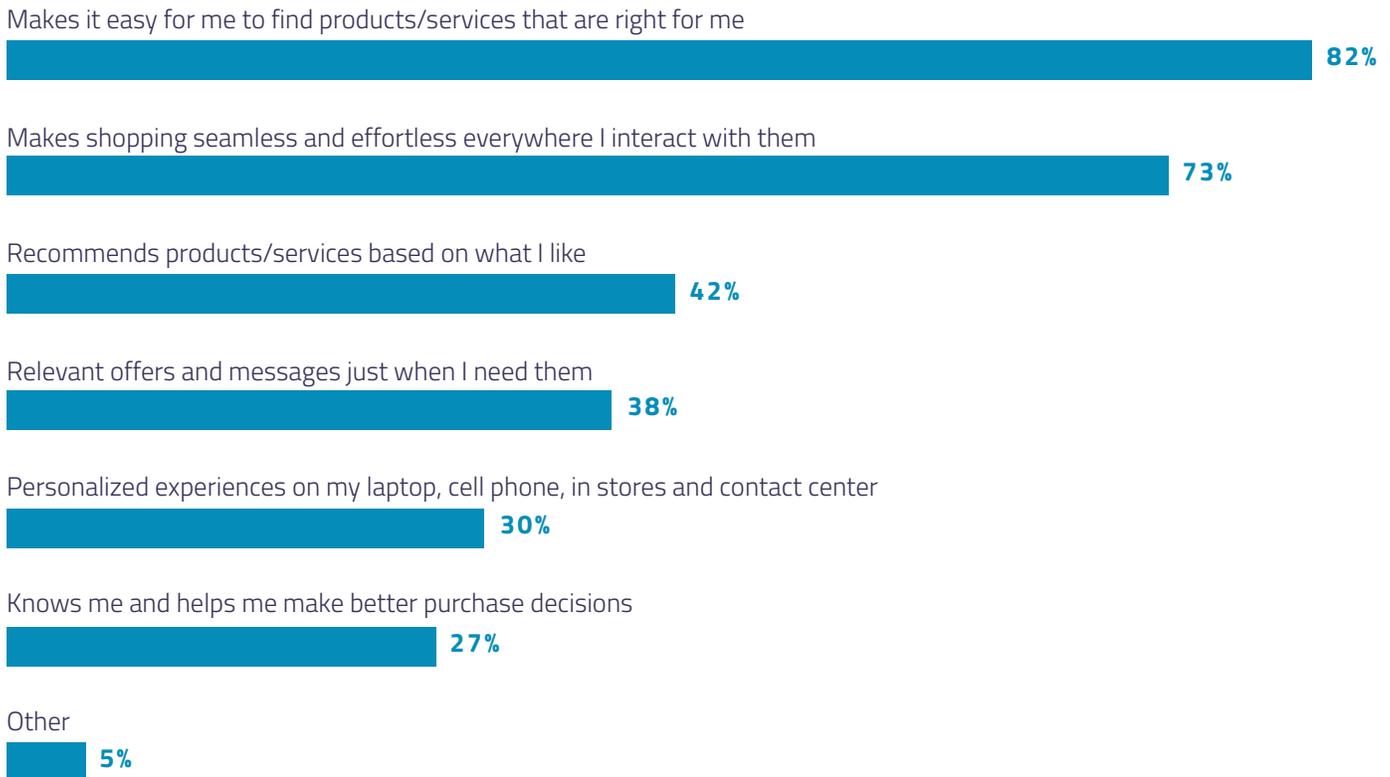
Savvy retail brands leverage their customer data to identify customers at every touchpoint of the journey and engage with them in contextually relevant ways, making the consumer journey seamless and convenient.

- More than **8 in 10 consumers (82%)** indicate that their favorite retail brands **make it easy for them to find products that are right for them** while shopping in-store or online.
- Nearly **3 in 4 consumers (73%)** say their favorite retailers **make shopping seamless** everywhere they interact with them.
- **60%** say their favored retail brands make them **feel like a valued customer**.
- **42%** of consumers indicate that their favorite retailers **proactively customize product recommendations** based on the customers' personal preferences or past behaviors.

GRAPH 1: WHAT MAKES YOUR FAVORITE NATIONAL RETAIL STORES/WEBSITES BETTER THAN OTHER RETAIL STORES/WEBSITES WHEN IT COMES TO OVERALL POSITIVE CUSTOMER EXPERIENCE? SELECT THE TOP 3 REASONS.



GRAPH 2: WHAT MAKES YOUR FAVORITE NATIONAL RETAIL STORES/WEBSITES BETTER THAN OTHER STORES/WEBSITES WHEN IT COMES TO A POSITIVE SHOPPING OR BROWSING EXPERIENCE? SELECT THE TOP 3 REASONS.

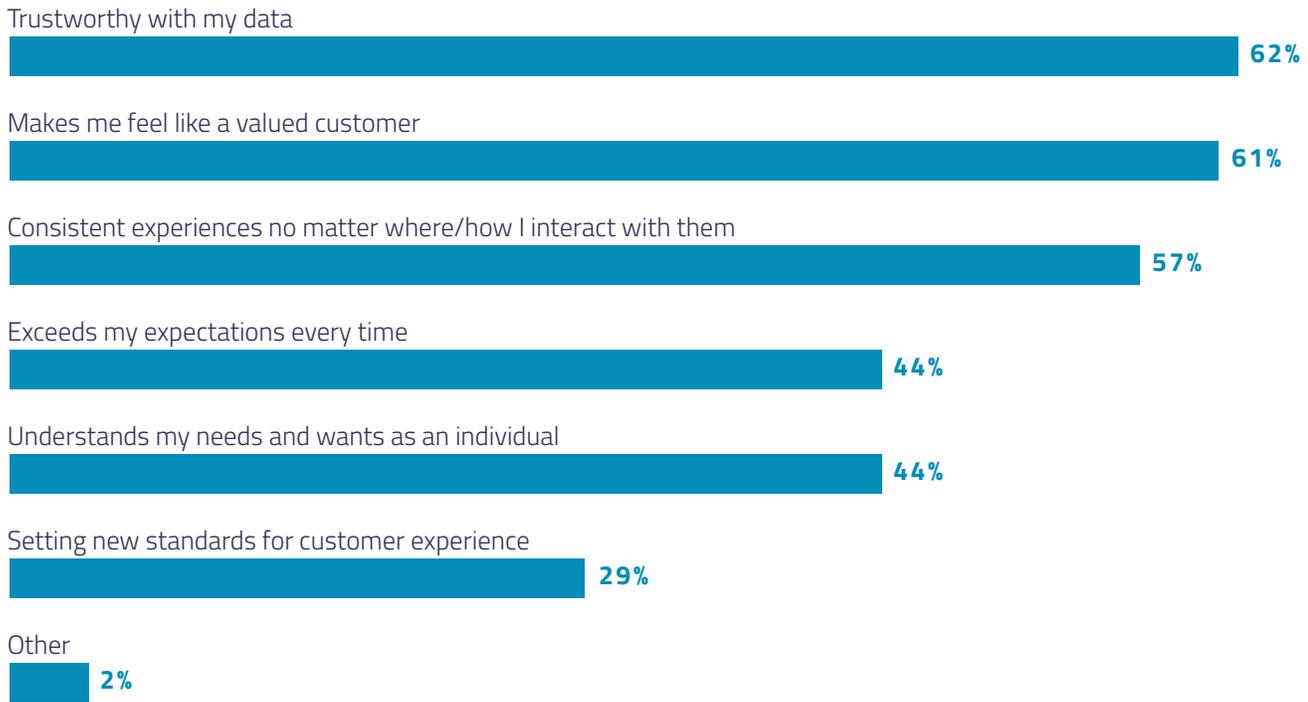


What Can Travel/Hospitality Brands Learn From Retail?

Consumers aren't as satisfied with the consistency of cross-channel experiences provided by their favorite travel/hospitality brands.

- While **64%** of consumers say that their favorite retailers provide **consistent experiences** across channels, only **57%** of consumers said that about their favorite travel/hospitality brands. This may be due to the fact that travel decisions are more complicated, requiring coordination of airline, car and hotel plans and, within each of those areas, comparisons across multiple brands, dates and price points.
- In fact, our research indicates that consumers are more likely to use **multiple devices and touchpoints when booking travel (84%) than when retail shopping (72%)**, indicating that the travel decision process is more complex.
- Only **70%** indicate their favorite travel/hospitality brands make it easy to find products or services that are **right for them** vs. **82%** for favorite retailers.
- Only **61%** indicate their favorite travel/hospitality brands make shopping **seamless at each touchpoint** vs. **73%** for favorite retailers.

GRAPH 3: WHAT MAKES YOUR FAVORITE TRAVEL AND HOSPITALITY BRANDS BETTER THAN OTHER BRANDS WHEN IT COMES TO AN OVERALL POSITIVE CUSTOMER EXPERIENCE? SELECT THE TOP 3 REASONS.



GRAPH 4: WHAT MAKES YOUR FAVORITE TRAVEL AND HOSPITALITY BRANDS BETTER THAN OTHER BRANDS WHEN IT COMES TO A POSITIVE SHOPPING EXPERIENCE? SELECT THE TOP 3 REASONS.



Feedback and Issue Resolution

Help Differentiate Favorite Brands Post-Purchase and Can Impact Repeat Purchase

The consumer journey does not end with a purchase. Favorite retailer and travel/hospitality brands make it easy to provide feedback, resolve issues and buy again.

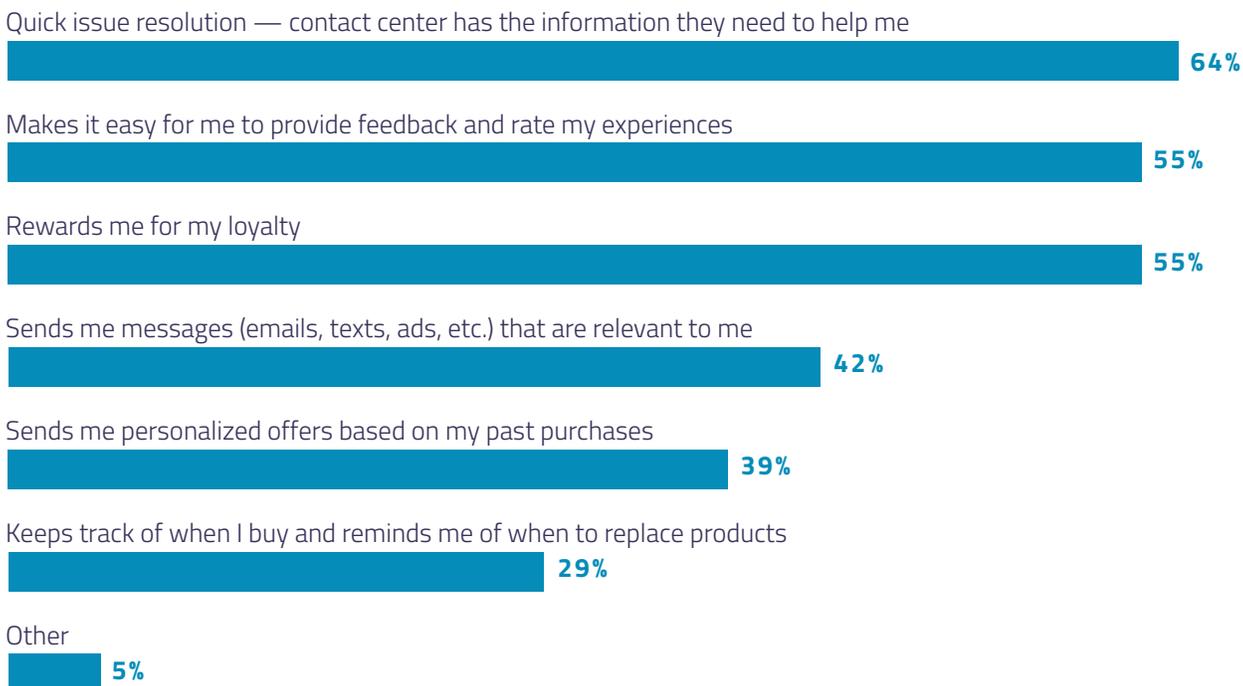
Post-purchase, after consumers have a chance to experience the product or service, is equally important.

The popularity of sites like Yelp and Angie’s List confirms that consumers not only love reviewing brands and services, but they also trust reviews and rely on these testimonials to form opinions and make future purchase decisions. The 2016 Review survey reveals that **84%** of people trust online reviews, and **54%** visit a website after reading reviews.**

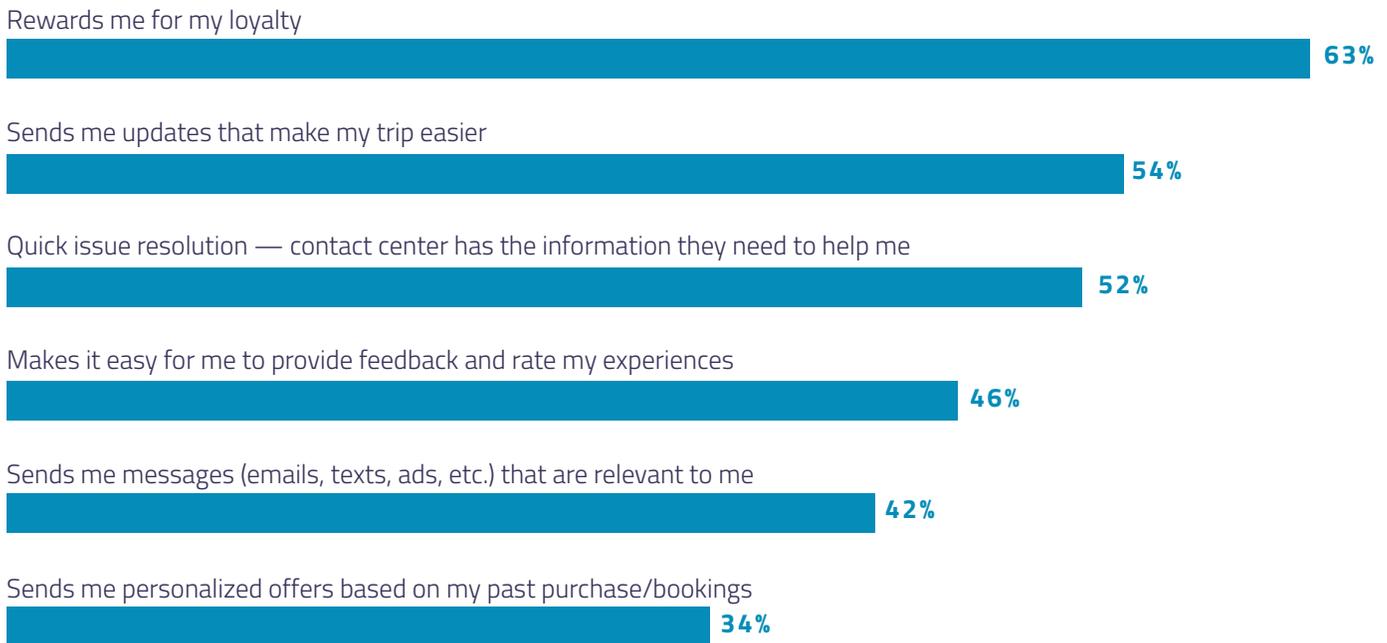
This post-purchase consumer behavior is why brands, whether in the retail or travel/hospitality space, need to continue the communication loop with consumers after the purchase, encourage consumers to provide feedback and put in place processes that make problem resolution quick and painless for consumers.

- In the **retail space**, our research indicates that about **two in three** consumers (**64%**) agree their favorite retail brands are better than other retail brands at providing **quick problem resolution**, and **55%** of consumers indicate their favorite brands make it easy to provide experiential feedback.
- In **travel/hospitality**, more than **half** of consumers (**54%**) say their favorite brands send updates that make for easier and more efficient trips. Another **52%** of consumers also agreed that their favorite brands are better at providing **quick issue resolution**.

GRAPH 5: WHAT MAKES YOUR FAVORITE RETAIL BRANDS BETTER THAN OTHER BRANDS WHEN IT COMES TO A POSITIVE POST-PURCHASE EXPERIENCE? SELECT THE TOP 3 REASONS.



GRAPH 6: WHAT MAKES YOUR FAVORITE TRAVEL AND HOSPITALITY BRANDS BETTER THAN OTHER BRANDS WHEN IT COMES TO A POSITIVE POST-PURCHASE EXPERIENCE? SELECT THE TOP 3 REASONS.



Consumers Reward Brands That Deliver **Excellent Experiences**

Brands that prioritize customer experience are rewarded by consumers: These brands are recognized as favorite brands, which in turn results in higher ROI, stronger loyalty and retention and more passionate advocates.

Top retail and travel/hospitality brands understand the value of putting the customer first. They are driven by their customer data. They use everything they know about customers on an individual level to provide the best 1:1 experience possible, and to take friction out of their buying journeys and travel experiences, whether a customer is online, in a physical location or using multiple digital devices. As a result, these organizations invest in technology that enables them to intelligently utilize customer data and identity, in privacy-safe ways, to recognize the customer as a person and ensure that they constantly enhance and improve cross-channel consumer experiences.

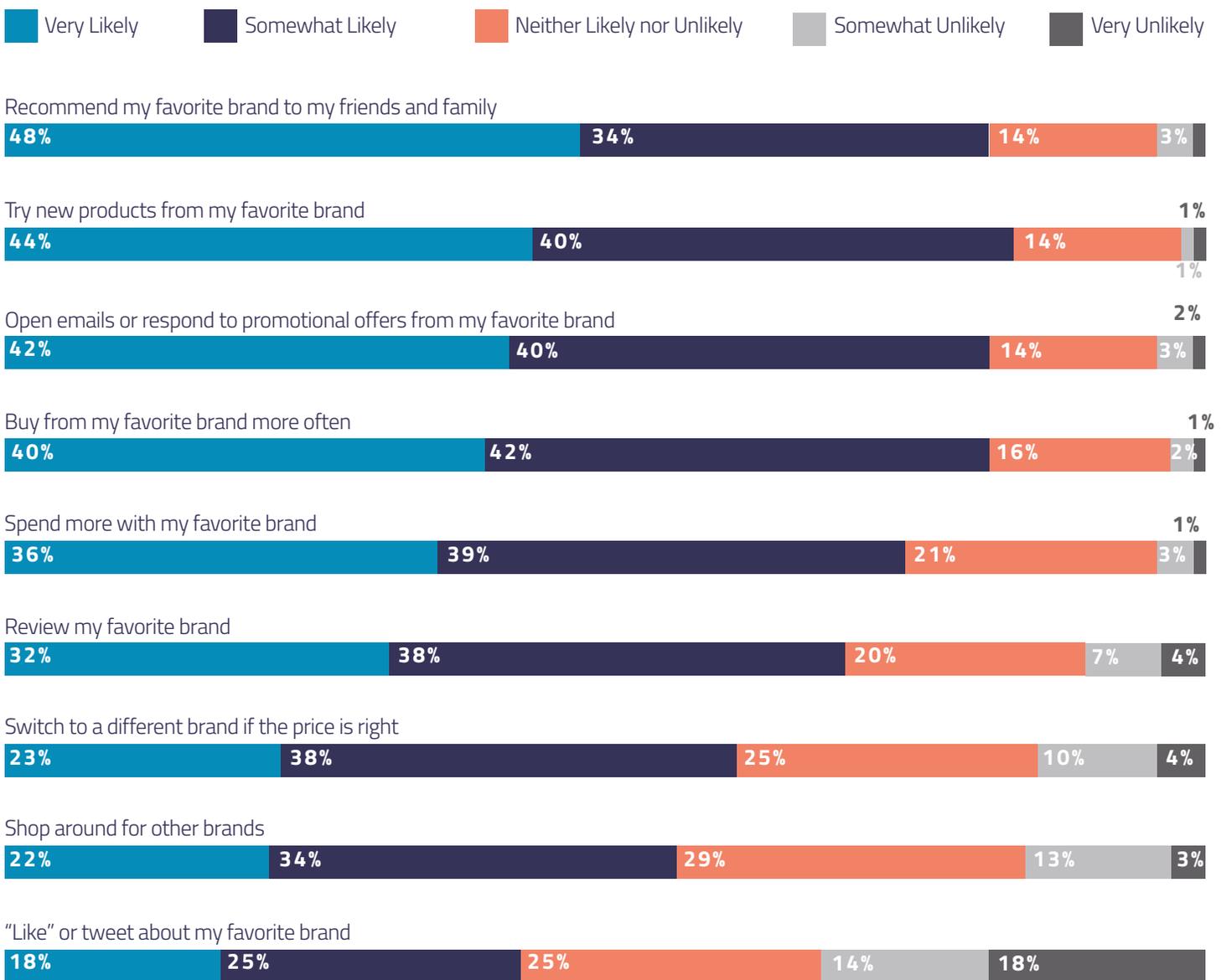
Consumers reward **retail** brands that provide exceptional customer experiences:

- **Four in ten (40%)** consumers are very likely to **buy more often** from their favorite retail brands.
- Almost **half (48%)** of consumers are very likely to **recommend** their favorite retail brands.
- **44%** are very likely to **try new products** from their favorite retail brands.
- **44%** are neutral or unlikely to **shop around** for other retail brands.
- **36%** of consumers are very likely to **spend more** with their favorite retail brands.

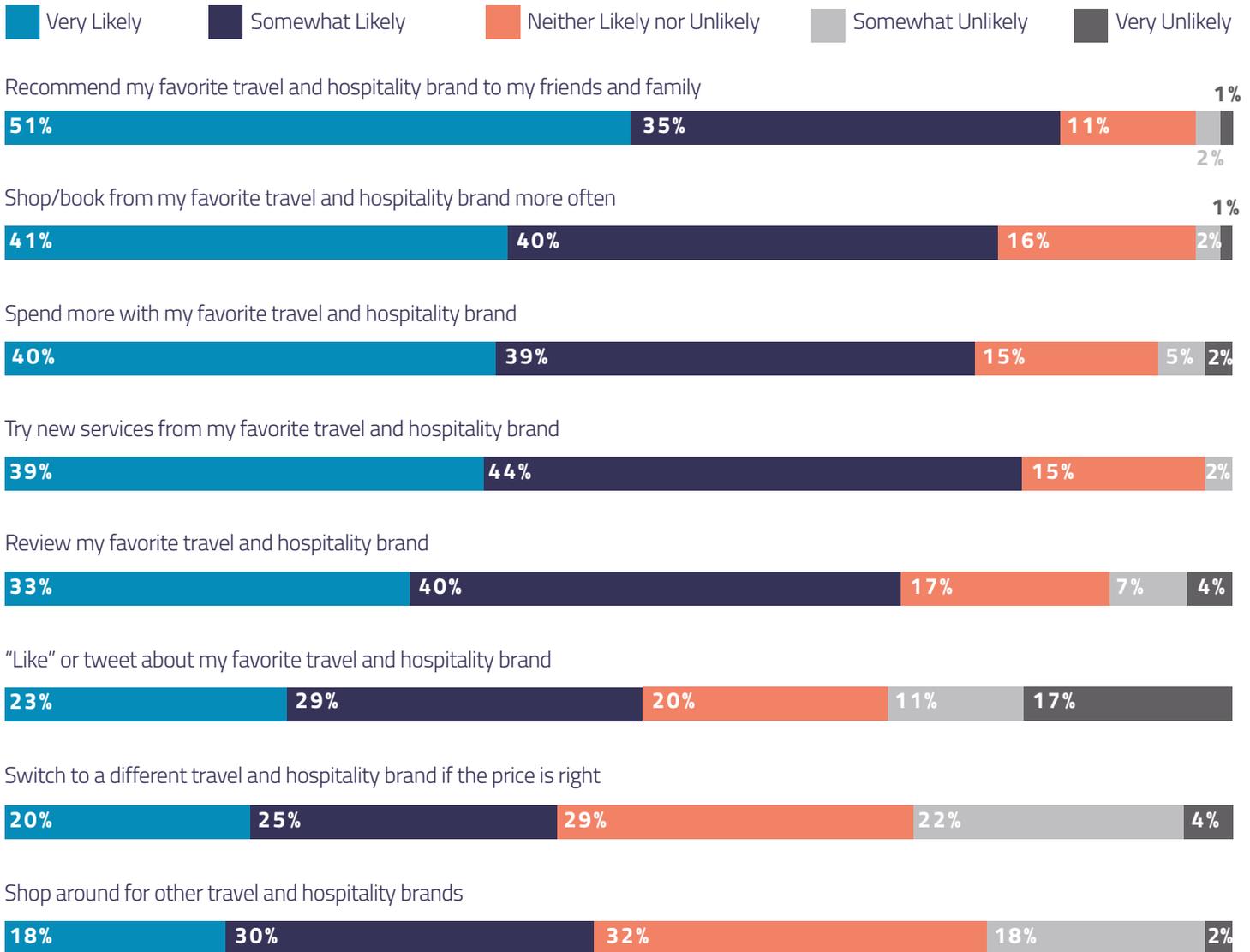
Results are very similar among favorite **travel/hospitality** brands. Here's how travelers reward the travel brands they love most (see results on graph 8).

- **51%** are very likely to **recommend** favorite travel/hospitality brands to friends and family.
- More than **half** of travelers (**52%**) are neutral or unlikely to **shop around** for other travel brands or switch brands for a better price.
- **41%** are very likely to **shop/book more often** with favored travel/hospitality brands.
- **40%** are very likely to **spend more** with favorite travel/hospitality brands.
- **39%** are very likely to **try new services** from favorite travel/hospitality brands.

GRAPH 7: HOW LIKELY ARE YOU TO DO ANY OF THE FOLLOWING WHEN IT COMES TO YOUR FAVORITE RETAIL BRAND VS. OTHER BRANDS?



GRAPH 8: HOW LIKELY ARE YOU TO DO ANY OF THE FOLLOWING WHEN IT COMES TO YOUR FAVORITE TRAVEL AND HOSPITALITY BRAND VS. OTHER BRANDS?

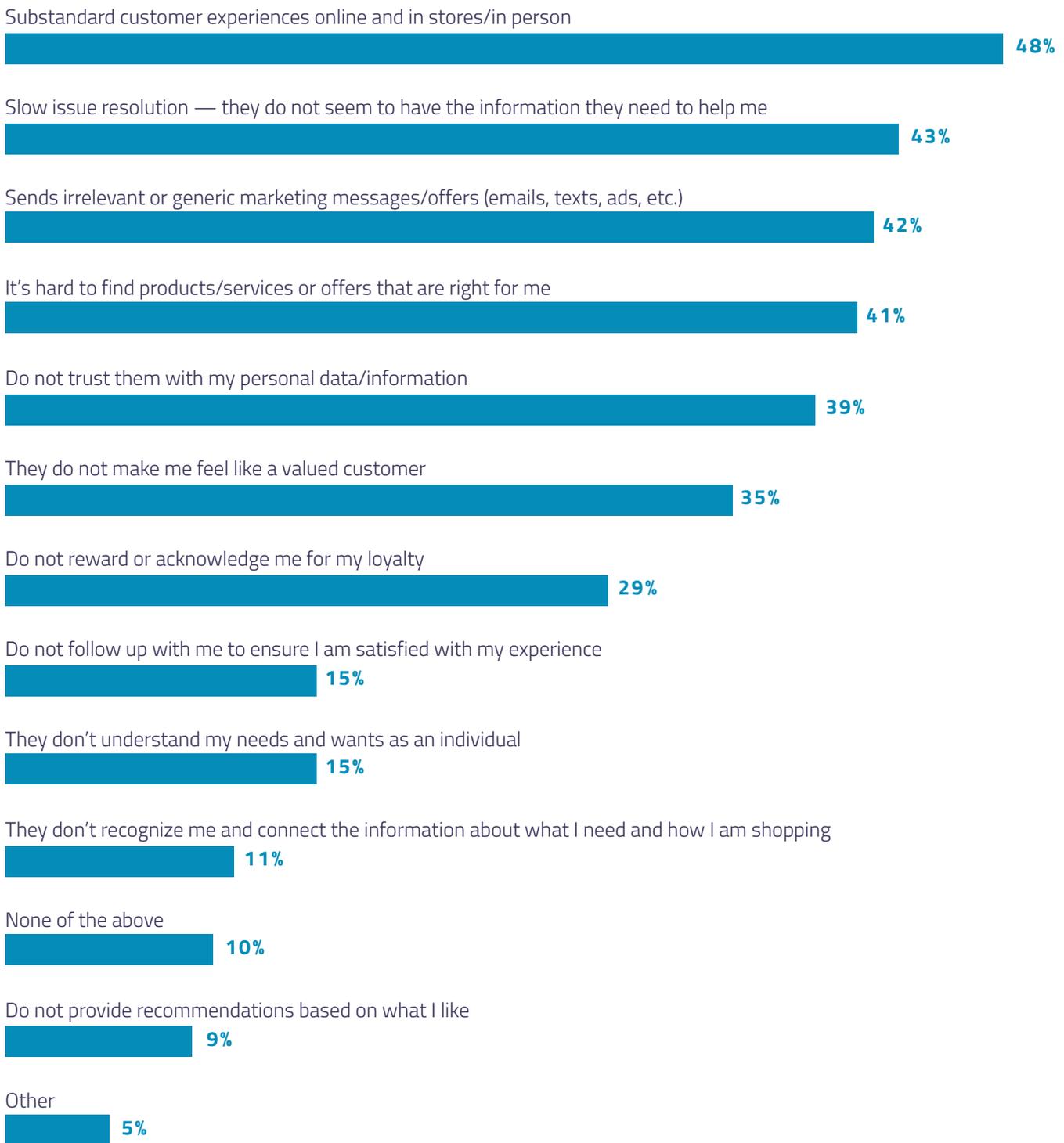


Why Consumers Stop Doing Business With Brands

Brands that don't prioritize the customer experience and fail to address the consumer on a 1:1 level face the risk of customer defection.

- Nearly **half (48%)** stopped purchasing from a brand due to **subpar experiences** in digital and physical world channels.
- **43%** left a brand because of **slow issue resolution** and **42%** due to **irrelevant communications**.
- **41% switched brands** because it was hard to find products/service or offers that were **tailored to their needs and interests**.

GRAPH 9: WHICH OF THE FOLLOWING REASONS CAUSED YOU TO STOP SHOPPING OR PURCHASING FROM A BRAND? SELECT THE TOP 3 REASONS.



CONCLUSION

Disruptive brands are winning consumers' loyalty by delivering individualized experiences and contextual relevance at scale across devices and channels. Here's what marketers need to do to keep their customers and stay competitive:

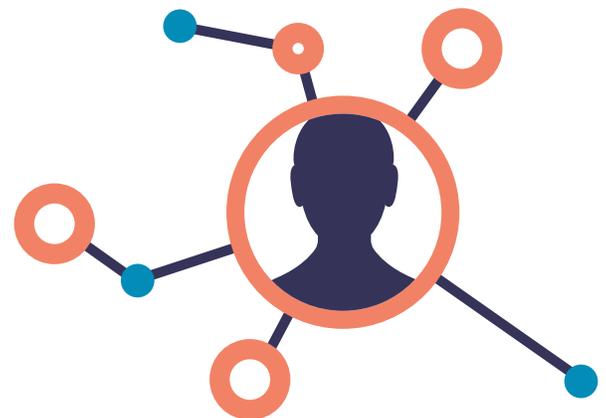
1. Prioritize the customer experience.

In our me-centric society, empowered consumers are demanding relevance, convenience and connected experiences or they will go elsewhere. In this environment, marketing leaders must be more agile, data-focused and customer-obsessed than ever before. Build world-class experiences for your customers by putting them at the center of your business. Understanding your brand's full relationship with customers is critical to interacting with customers on the right channels with impactful messages designed for maximum engagement.



2. Unify your brand's customer data.

Digital marketing's rapid growth has spawned a myriad of useful technologies that capture customer data, from ad clicks to ecommerce transactions, but it's stored in silos. Brands also have a wealth of loyalty and historical data in offline systems. Without a clear view of the customer and their interactions with your brand across all these channels, marketers are left in the dark. Integrating this data in a privacy-safe way enables marketers to know who the customer is and what they need at critical moments in their journeys. It's a key requirement for building relevant, connected experiences.



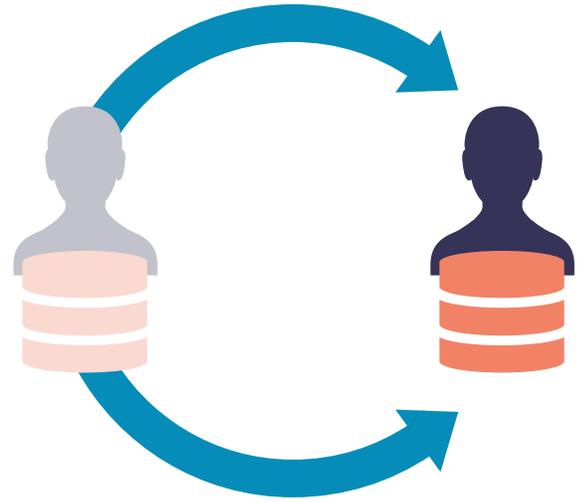
3. Take a strategic approach to identity resolution that spans the enterprise.

Identity resolution is a strategic capability for engagement across the many touchpoints where customers experience your brand. After all, individualized experiences are impossible without recognition. But recognition in single channels, such as digital media, isn't enough. Matching data and identity across all customer touchpoints will be at the center of this 1:1 marketing transformation. Your goal should be to achieve deeper insights through a holistic view of the customer that bridges all of the data sources across the enterprise, including digital interaction touchpoints and offline sources including customer relationship management, point-of-sale, and contact center systems.



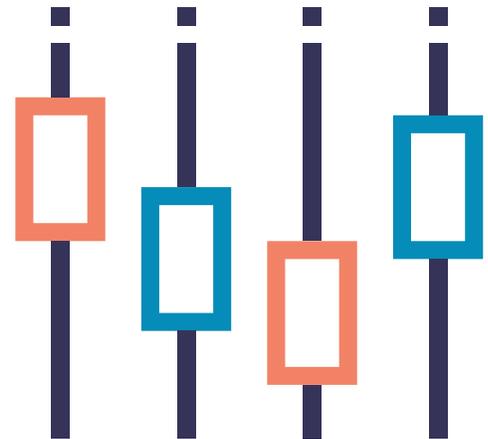
4. Choose an identity solution that moves with your customers.

Customers view brand experiences as a continuum; they don't distinguish between devices or online/offline channels. As a result, your identity solution should operate continuously and move at the same pace as your customers. Create long-lasting profiles that merge everything you know about the customer as an individual to utilize behaviors, preferences, targeting attributes and demographics. These profiles should update instantly with each interaction to reflect the most current data. Your customers are making buying decisions within minutes, and if you are approaching identity resolution on a campaign-by-campaign basis, you are losing opportunities to engage and delight them.



5. Stay in control of your customer data and identity.

Build a data asset that your brand owns and can enrich continuously and over time, becoming more robust and valuable with every customer interaction. Your identity data should be available any time for activation across the enterprise and with any partner or platform in your marketing ecosystem to enable individualized communications. By leveraging your customer data and keeping control of customer identities, your brand will be well positioned to build strong customer relationships that will result in reduced customer churn and improvements in loyalty, conversions and return on marketing investments.



METHODOLOGY

National online quantitative survey conducted March 7–12, 2017, among 500 adults 18+ who have made an online purchase at least once in the past 3 months and have made a retail or travel purchase at least once in the past 3 months. Sample was collected using Lab42 proprietary sample methodology where respondents are obtained while interacting with their preferred social networking site, e-commerce site, game or application and screened in order to determine their qualification for inclusion in the study.

*American Customer Satisfaction Index

**2016 Review Survey

About Signal

Signal is the first and only Customer Identity Solution for the enterprise. Signal's platform offers an independent identity solution for brands that transforms the customer experience by connecting an always-active profile to customer engagements across all human, physical and digital touchpoints.

Today, Signal's technology runs on more than 45,000 digital properties in 158 countries. The platform facilitates billions of data requests monthly, supporting top brands around the world that generate more than \$1.5 trillion in commerce, including Allstate, Audi, Crate & Barrel, GAP, JetBlue Airways, 1-800-Flowers.com, Starcom MediaVest Group, Starwood Hotels and Resorts, and many more.

Signal has been recognized with numerous awards and honors, including being named one of the fastest growing companies on the 2015 and 2016 Inc. 500 lists. Visit www.signal.co to learn more and follow Signal on LinkedIn, YouTube and Twitter.

Digital Ascendant

The theme for the 2017 spring Digital Ascendant is "Leading in an Era of Constant Change" which is even more relevant in an era of real new tech, real fake news, and really diverse challenges in many sectors of the marketing discipline. The four supporting sub-themes are focused on the ever-changing tech-enabled consumer, how to manage chaos, addressing the angst over the role of the agency, and an exploration of the bleeding edge of technology as it impacts marketing.

About the Ascendant Network

The Ascendant Network's twice-yearly events are not run of the mill conferences. Instead, the council has built a selective community (invite-only via nominations) of senior change agents (VP, SVP and CMO level) spearheading today's retail r/evolution. Each event brings together 100 transformative marketers and merchandisers from the nation's largest retailers to share + connect + debate + tackle industry problems, etc. Unlike typical conferences, this forum is closed-door/no press, which supports candid sharing and relationship-building among the industry's "who's who."