

# UJET August 2018 Retail Experience Snapshot

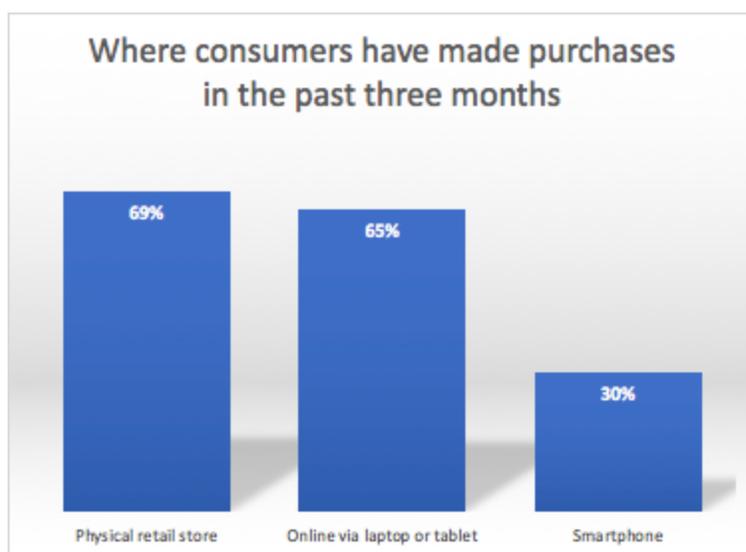
August 28, 2018

## The Evolving Retail Experience

Retail is undergoing a significant upheaval due to emerging technologies and changing consumer behaviors. However, the human connection between shoppers and retailers (online and traditional) remains strong and essential, even if taking different forms. UJET, a real-time customer communications platform that makes it simple for any company to provide intuitive, modern-day support, conducted a survey of 1,500 U.S. adults to help retailers understand current consumer preferences that could come into play in the approaching holiday shopping season. The survey uncovered some surprising findings related to millennials and customer support, interactions with retail brands through new technologies, and security/data protection as it relates to shopping.

## How We Shop Today

U.S. consumers are taking advantage of shopping in all forms: in physical retail stores, online via laptops or tablets, and on their smartphones. While only 30 percent of respondents said they've made a purchase in the last three months on their smartphone, these ubiquitous devices play an increasingly important role in all of our shopping, whether it's researching products, checking out reviews, comparing prices or checking if a product is available in a local store. In fact, according to the 2018 Internet Trends Report, by Mary Meeker of Kleiner Perkins, mobile shopping app sessions grew 54

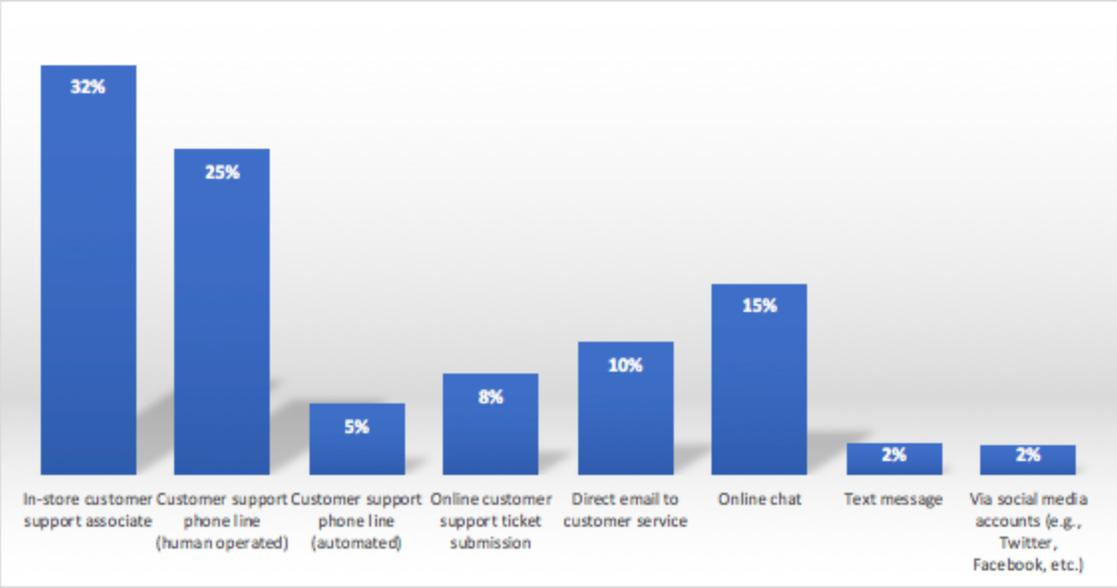


percent year-over-year, by far the fastest session growth of any mobile activity.

## We Still Seek Out Real People for Help

With so many technological advancements and with companies investing in automating more customer services functions, we still strongly prefer to get help from a real live human. And in this age of instant gratification, when we want help, we want it right away: hold time far and away is the biggest consumer frustration with customer service.

**When shopping with a retail brand, which of the following is your most preferred method for contacting customer support?**



## AI Is Not A-OK

Many believe artificial intelligence (AI) will eventually replace humans in helping consumers address support and service questions and issues. Companies have invested heavily in AI-powered chatbots, for example, with mixed results. Google recently launched Google Duplex, which is supposed to be nearly indistinguishable from humans, but is limited to specific tasks, such as helping schedule appointments.

However, 58 percent of consumers surveyed reported that chatbots are not as effective as they could be. The majority (56 percent) of Americans surveyed prefer to chat with a service representative as a way to resolve issues.

*Over half of consumers say chatbots are not as effective as they could be; prefer to chat with humans to resolve issues*

The data shows that organizations need to find the balance between AI and human agents, understanding the roles for both and how everything works together within the customer experience equation. Urgent and complex issues likely require a live agent, whereas simple requests that are not urgent can be served by chatbots. By coupling human instinct with insights generated from AI, human agents can provide better customer service that is smarter, more effective and capable of growing customer trust.

## Millennial Views on Customer Support

Two-in-three (66 percent) Americans agree – when they make a purchase, customer service is as important as product quality or price. However, the level of importance varies across generations: 71 percent of boomers say customer service is as important as quality and price, while 67 percent of Gen-Xers and 60 percent of millennials hold that view.

Millennials are accustomed to ordering items online, trying them and returning or exchanging them, rather than seeking out the information they need to make the right decisions before they order. Nearly one-in-two (47 percent) millennials say they would rather purchase the wrong item and later return it than speak to a customer support associate in a retail store; 38 percent of Gen-Xers and only 18 percent of boomers say the same. And millennials are also more likely to write a negative review online if they've had a poor experience with a brand's customer support – 55 percent millennials surveyed would, compared to 38 percent of boomers.

With millennials, the expectations for a good experience are high and the fallout of a poor experience can likewise be high. Millennials are also more likely to take advantage of a retailer's goodwill efforts to make up for a bad experience. Roughly one-in-four (24 percent) millennials say they have falsely reported an unpleasant experience to a customer service department while shopping with the expectation of a discount or coupon, while fewer Gen-Xers (14 percent) and boomers (two percent) say the same.

The millennial generation is changing the very nature of customer support. Today's smartphone- and IoT-centric society has created a culture of immediate gratification and digital interactions; the explosion of on-demand services has driven a monumental change in consumer's expectations for convenience, which extends beyond ease of purchase to customer service and support. In order to meet these demands – and keep negative reviews at bay – companies will make maintaining brand loyalty a focal point of their business.

## Consumers Care About Security, But Not Enough to Shop Differently

As the frequency and scale of security breaches continue to grow, companies are taking note and implementing steps to protect customer data. Beyond the cost of a breach and potential brand damage, companies are also motivated to bolster their security practices due to their shoppers' data privacy concerns. In fact, 77 percent of respondents were somewhat or very concerned with privacy and security of their personal data when shopping online.

However, when asked if a large, public security breach would impact their desire to buy products or services from the company affected, only one-in-three (29 percent) said it would significantly. When we examine this statistic more closely, boomers (33 percent) are more likely than millennials (24 percent) to say they would not buy any products or services from a company that was recently a victim to a large-scale data breach – indicating the younger generation is less likely to change their shopping habits due to security concerns.

While security may still be a worry for consumers, the majority of shoppers are unwilling to change their retail behaviors following a major breach. This may be due in part to the frequency and volume of recent breaches, leading consumers to a general feeling of apathy, or 'breach fatigue.' Alternatively, shoppers may also be focused on more practical and tangible aspects of the retail experience, such as cost. Regardless, security will become increasingly important for companies with new privacy regulations coming into effect, even though shoppers may remain unphased by the insecurity around them.

## What Does this Mean for Retailers?

Online and traditional retailers are wise to optimize support through real-time communications built on smartphone-era technology. Increasingly, consumers demand support wherever and whenever they want. Meet them there and change the game on the customer experience equation.

## Survey Methodology

This study was commissioned by UJET and delivered by Branded Research Inc., an independent market research organization. Branded Research has an active proprietary panel of over 3B respondents that is routinely validated with a stringent screening process including Verity® and RelevantID by Imperium®. Results derived from a 15-minute online survey instrument with 52 total questions, fielded May 15-24, 2018 for a total of 1,505 responses from adult (18+) Americans. Overall margin of error of +/- 3% at a 95% confidence interval.

### **About UJET**

UJET is the real-time communications platform that makes it easy for customers and businesses to instantly connect so they can resolve problems faster. Headquartered in San Francisco, UJET enables businesses of all sizes to provide support experiences that turn customers into lifetime brand advocates. For more information, visit us at [www.getujet.com](http://www.getujet.com).