Nuxeo 2020 UK Retailers and Brands Research Report

Navigating the New Normal:

How customer experience has become even more important for retailers and brands as they look to the future

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With the retail sector facing some of its biggest challenges ever, exclusive new Nuxeo research shows how - as the industry transitions to even more of a digital model - delivering exceptional digital customer experiences and personalisation are integral to inspiring loyalty.

What’s inside

Navigating the New Normal:
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Foreword

by **John Mancini – Former AIIM President and President of Content Results**

What is the common element in each of the following customer experiences?

- Conducting a search to find out where to buy the newest trainers endorsed by a celebrity.
- Finding a replacement part for the toaster that you just can't discard and getting directions on how to make the repair.
- Finding the perfect shirt – but in the wrong colour or size – and then identifying which store actually has the right one in stock.

The common element in all of these experiences is *content*. Exceptional experiences create customer and brand *loyalty*, but the new breed of customer is also perceived as increasingly *fickle* – gaps, inconsistencies or irrelevant messaging in experiences lead to immediate abandonment of a retailer or brand. Like never before, keeping customers both engaged and close requires that digital content be more than an afterthought – it must be a core element in *business* strategy.

The challenge is that the content necessary to support meaningful journeys as retail businesses and brands look to get back on their feet, is usually scattered everywhere throughout the organisation, exploding in volume, increasingly diverse, and must be delivered seamlessly across mobile, virtual, and in-person experiences.

So what is needed to meet this challenge?

Content that is *accurate*. Nothing alienates a customer more quickly than inconsistent or inaccurate information. This means all of your information must meet a high quality standard – whether presented on your web site, on social networks, in emails, or in store.

Content that is *relevant*. What is the customer trying to do, and at what stage are they in the buying journey? Are they researching options, or have they already decided what they want and are only researching colour or size or style or where to buy it? Personalisation is essential but it goes way beyond addressing someone by their name and needs to really add value.

Content that is *timely*. The world is changing more quickly than ever – the Coronavirus pandemic has shown that better than anything could. Does the content you offer to current and prospective customers meet this challenge? How is it presented? How frequently does it change? Is it automatically updated across all of the platforms in which it needs to be delivered?

Content that is *intelligent*. Meeting the test of delivering content and information that is accurate, relevant, and timely has always been a challenge. In an earlier era, it was possible to use manual processes to address this challenge, but this is no longer the case. Information chaos and customer demands are *both* rising; a failure to intelligently automate the management of the content critical to customer journeys is a recipe for disaster.

Keeping customer experiences fresh and engaging – and understanding that these experiences must be customised at the *individual customer level* – is key to retailing success. And an integrated and modern content management strategy is not just a nice-to-have in this equation, but now a business necessity.

Well-known author, speaker, and advisor on information management, digital transformation and intelligent automation, John was President of the Association for Information and Image Management (AIIM) for more than two decades and is now an independent industry researcher and consultant, heading up his own firm, Content Results.

Find him on Twitter, LinkedIn and Facebook as @jmancini77

Introduction

In today's digital word, consumers' expectations of their favourite brands and retailers are sky high. It is a buyers' market and if one provider doesn't measure up with a truly exceptional digital experience, customers don't have far to go to find someone else who can meet their needs. The increasing maturity, sophistication and choice of the modern e-commerce experience, in particular, have set the bar high. At the same time, increasingly convenient digital purchasing aids, such as automated form-filling and express links to one-touch payment facilities when they buy online, make it very easy for consumers to switch their loyalties if their needs aren't being met by their initial choice of supplier.

Furthermore, the pandemic has had an enormous impact on the global retail sector, bringing with it a fresh new set of challenges. The UK industry has seen sales fall into a tailspin, a number of prominent retail brands placed into receivership and thousands of retail employees furloughed or made redundant.

These challenges have already seen retailers and brands move even closer to an all-digital model, accelerating what already had been happening in the sector. In this context and to mark a quarter of a century since eCommerce pioneers Amazon.com and eBay first launched, Nuxeo asked UK consumers about the factors that would influence their retail and brand choices.

The findings only reinforced the need for retailers and brands to deliver on the things most important to consumers - a first-class digital customer experience, personalised and valuable content and detailed product information.

The research, with more than 2,000 UK consumers, surveyed shoppers aged between 16 and 55+, with a special interest in the preferences and habits of respondents aged 16-24 who have grown up with digital retail experience. Arguably these consumers have the highest expectations of what constitutes a successful digital shopping experience – including the ability to compare and interrogate products in rich visual/multi-dimensional detail to drive informed buying decisions.

The research leaves no doubt about the growing challenges facing retailers and brands as they strive to keep the experience relevant, supported by the right content to convert the browsing experience to hard sales.

Key Findings: Retailers & Brands Needs to Raise their Game

Revealing the scale of the challenges facing retailers and brands in 2020, the research suggests that more than half of UK shoppers (54 per cent) would switch to a competitor if their digital customer experience doesn't measure up – rising to 60 percent of 16-24 year olds.

In addition to predictable contributors to a positive digital shopping experience such as easy navigation, rapid search and clear pricing, today's consumers expect a detailed view of products – with images and video, as well as well-worded descriptions. In store, as well as being able to pick up or try out a product, consumers increasingly expect easily-digestible access to information about it. Online, consumers increasingly want to be able to view products from different angles, to replicate as much of the physical shopping experience as possible. Fashion-wise, it might be the ability to view items in other colours not currently available in store.

Confidence is key: rich digital experiences matter

With generally less money to spend at this stage of their lives, younger customers are also keen to maximise value for money, by choosing the right product first time. Again, with consumers facing difficult financial pressures, value will be even more important. As they start to form brand preferences, which retailers and brands hope will stay with them as they enter the workplace and have more disposable income, these suppliers need to be careful that they represent products accurately so that these consumers can buy confidently. For retailers and brands this is critically important across all customer demographics, given the high cost of receiving and processing product returns.

Customised content is a clincher

Retailers and brands struggling to bring new product innovations to market quickly, or to respond in a timely way to new trends, risk losing valued customers to rivals. Yet too often this is the reality for suppliers: the inability to quickly and efficiently generate and distribute relevant product information, and enticing visual experiences which help to contextualise or personalise content for target customers, means they are not ready for consumers as their latest desires and demands are forming. In many cases, it can take brands and retailers many months to bring a new product to market, with all of the positioning and promotional materials required to support the launch and subsequent sales.

Drilling down into the individual findings, it becomes clear that consumers are becoming increasingly discerning yet also impatient in their decisions about where to focus their browsing and spending, which in turn are informed by their most recent experiences.

Product refresh rates rank highly

Suppliers' ability to bring the latest products to market quickly is also a high priority. The research found that if a retailer or brand could not yet launch the latest market-trending product, the vast majority of consumers would not wait. Rather, they would quickly redirect their search to an alternative source.

So, while exceptional customer experience was found to boost loyalty for 63 per cent of consumers, a greater proportion of consumers (69 per cent) said they would immediately go elsewhere if their favoured source hadn't launched a latest product. That might be the latest fashion in 'athleisure' (athletic leisurewear); accessories to fit the latest smartphone release; or a brand new product category – perhaps created by a market disruptor – which is now trending.

Keeping the Customer Experience Fresh & Dynamic

In an intensely competitive market, retailers and brands must now work harder than ever to keep customers coming back, which means maintaining strong relationships by recognising who shoppers are and what they want, and continuously improving their browsing and buying experience.

In the survey, almost two-thirds (63 per cent) of UK shoppers said they tend to be loyal to a retailer that offers exceptional customer experience.

The Coronavirus pandemic has seen many retailers upping their game here, adding elements to their online offering to improve the experience, or pivoting quickly to offer products to meet particular demand.

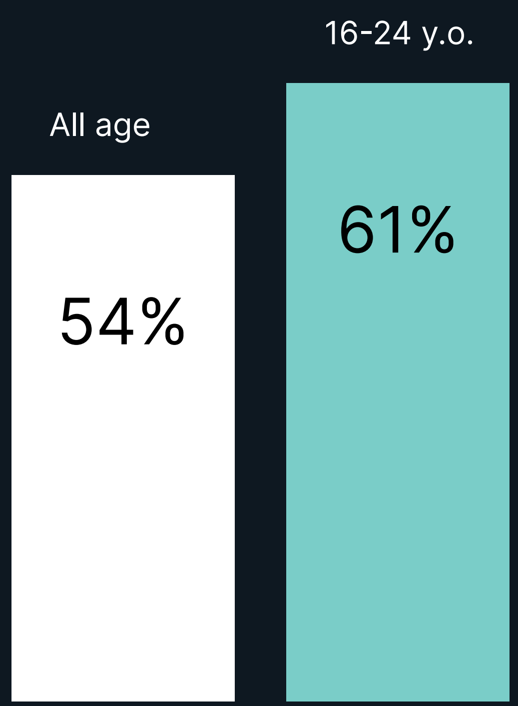
A good experience clearly includes reliable product delivery and returns service (cited as critical to loyalty by 41 per cent and 28 per cent of UK shoppers respectively, along with good value - cited by 61 per cent), the consumer's digital journey is critical to secure purchases in the first place – and to keep attracting them back.

More than half (54 per cent) of shoppers said they would go to a competitor, if their favoured brand/retailer's overall digital experience did not meet their expectations - rising to 60 per cent of 16-24 year-olds specifically.

"I am more loyal to a retailer that offers exceptional customer experience."

Loyalty & Digital Experience

How likely would you be to change to a competitor if the overall digital experience did not meet your expectations? ↓



Inadequate product information

In the Censuswide research, reduced physical shopping destinations (the number one challenge facing UK shoppers, cited by 26 per cent of all respondents), was clearly contributing to more people purchasing online.

During the lockdown, people were shopping almost exclusively online, a habit that they might not wish to break. This means that the right product information is critical.

Yet, for the younger demographic, the most commonly cited problem was the lack of sufficient product information – including photos, videos and detailed descriptions - available to support their purchasing decisions.

A quarter of 16-24 year-olds said this presented a challenge when buying products.

Top 5 Challenges when Shopping per Age ↓

16-24

25%
Insufficient product information (photos, videos, descriptions)

25%
Unreliable delivery

25%
The latest products are not available

21%
Reduced shopping destinations

20%
Returns and exchange policies are not clear

All age

26%
Reduced shopping destinations

23%
Unreliable delivery

21%
Insufficient product information (photos, videos, descriptions)

19%
Returns and exchange policies are not clear

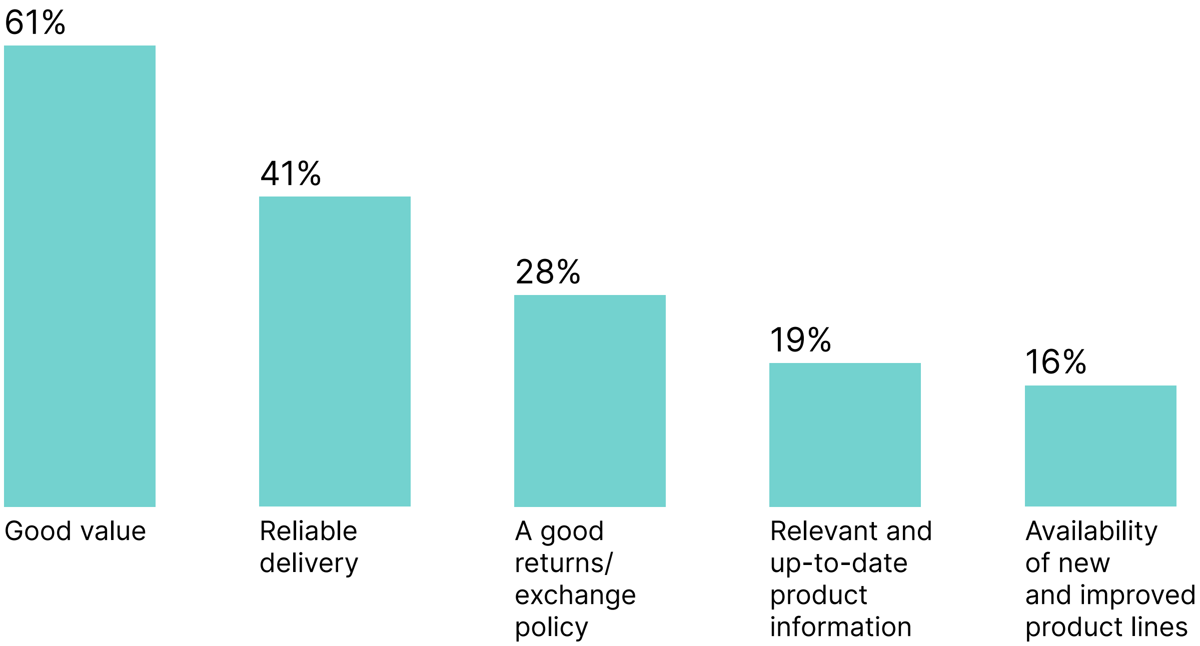
19%
The latest products are not available

Indeed, relevant and up-to-date product information was a top five determinant of brand/retailer loyalty, cited by a fifth (19 per cent) of UK shoppers. Across all age groups, poor/inadequate product information remained a top-three inhibitor to a good shopping experience, cited by 21 percent of consumers – only marginally behind the challenges of reduced choice on the high street and unreliable online deliveries.

The importance of informative content clearly applies at all stages of the retailer/brand relationship and purchasing decision process, from even before a desire to purchase has been formed. The research identified that this isn't merely a marketing imperative for suppliers; it is also something that consumers actively seek out.

Top 5 Factors to Remain Loyal

What are the Biggest factors for you when it comes to remaining loyal to a brand/retailer? ↓

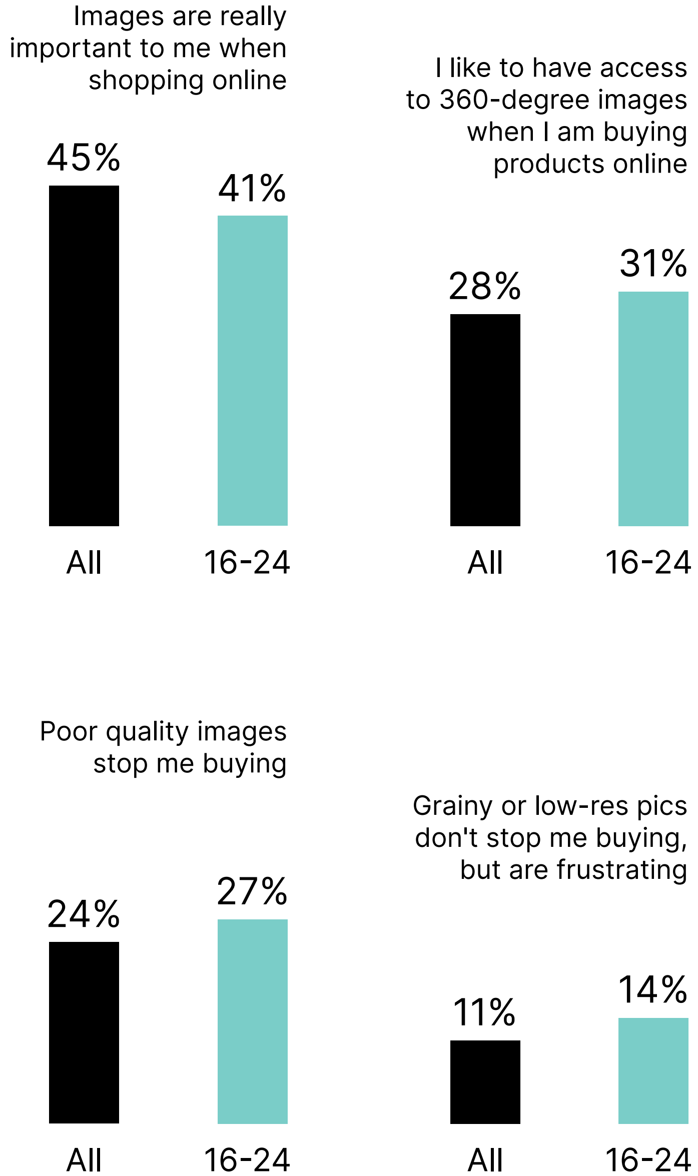


Nearly six in 10 (58 per cent) of UK shoppers said that if a retailer had poor product information on its web site, they would buy that product elsewhere, while half (50 per cent) of consumers would divert their attention away from a retail site with inadequate visual content, most notably product photography.

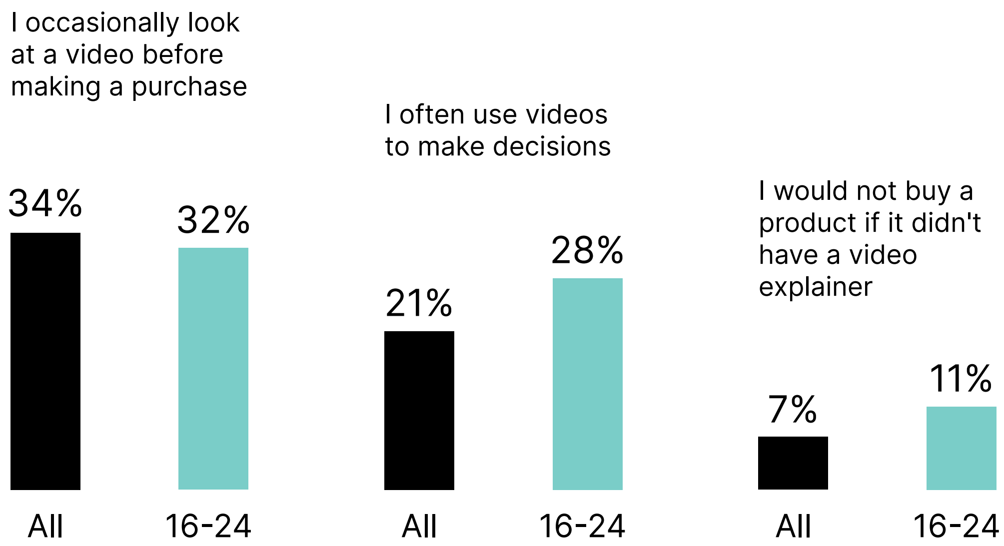
Almost half (45 per cent) of respondents confirmed that images are really important to them when shopping online; conversely 24 per cent said that poor-quality images put them off purchasing, while 11 report frustration with grainy or low-resolution images. It is clear that people are no longer tolerant of inadequate or inaccurate product information.

The Role of Digital Assets in the Buying Journey

IMAGES



VIDEOS



The range of images matters too, helping shoppers to make more confident choices that are right first time: 28 per cent of consumers in the survey said that they like having access to 360-degree images when buying products online, so that they can view goods from all angles.

Social distancing measures have made many people reluctant to visit physical stores - this makes it even more important to give them all the information they need online.

Video content is seen as increasingly valuable too, as part of the purchasing journey. In the research, over a quarter of UK shoppers said they either often (21 per cent) or always (6 percent) use product videos from a brand to aid their buying decision. A further 34 per cent do so occasionally.

Videos are viewed particularly widely among younger shoppers: 39 per cent of 16-24 year-olds use product videos either often (28 per cent) or always (11 per cent) to support their buying decision.

"If a retailer had poor product photography on its website, I would buy that product elsewhere" →

Instant Gratification: Serving the “Search it up” Generation

Consumers might be more impatient in their desire to ‘have it all now’, yet even younger shoppers like to peruse the best options before they buy. Blending the concepts of ‘research’ and ‘rapid lookup’, 16-24-year-olds talking about ‘searching [something] up’ when they look into something online.

If they’re wondering who is selling the latest trainers worn by a celebrity, or a coat/bag/ toaster in the latest colour, they’ll pick up their mobile. As well as seeing who has launched that product, they’ll probably want to zoom in on it, turn it round and, if it’s a garment, see how it’s meant to fit and what others are pairing it with.

Often being more conscious consumers, young adults may want to drill down into where the product is made and what from - are materials sustainably sourced and does the company use sustainable manufacturing practices? They may also be more interested in how much of a hassle it will be to maintain - or how easy or costly it might be to source replacement parts (e.g. film for an instant camera, a new filter for a water bottle). The supplier that meets not only fulfils the basic assumptions (launching the products quickly and at the right price, can deliver quickly/ has a good returns policy), but can also give the consumer the confidence that it’s going to meet all their needs, will be the most likely to secure the sale.

So how well are retailers and brands faring in this regard?

Personalised contact & recommendations valued by young consumers

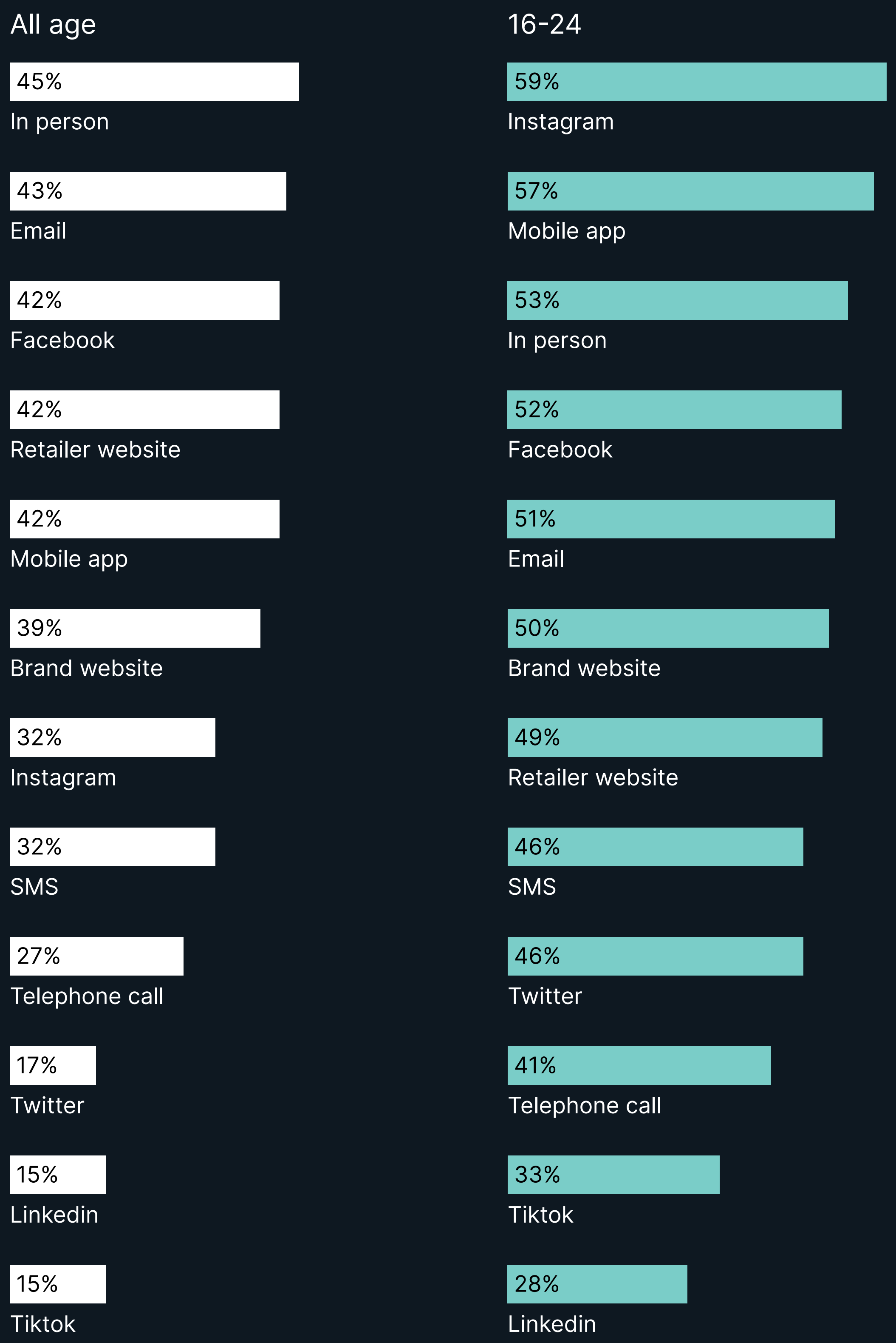
Retailer and brand content has been really interesting during the coronavirus. It has definitely not been a time to stop engagement and conversations with consumers, but it needed a change in approach. Brands have mostly moved away from sales-focused messaging to more informative, light-hearted or reassuring content - essentially it has become much more human.

Content has been a big part of the customer experience for a number of years now. Across all age groups, 41 per cent of UK shoppers said they engaged at least once a week with a brand or retailer’s mobile app; 42 per cent via a retailer’s website and 28 per cent via a brand’s web site.

Around a quarter of shoppers aged under 44 said they engaged with a retailer or brand’s mobile app on a daily basis, falling to 17 per cent then 7 per cent as age demographics increased. Those in the 35-44 age range were the most likely to use retailer/brand mobile apps every day (25.3 per cent), closely followed by 25-34 year-olds and 16-24 year olds. A similar pattern applied to brand web sites, though the numbers of daily users was lower: 35-44 year-olds were the most likely (14 per cent) to browse a site daily, in this case followed by 16-24-year-olds (12 per cent), then 25-34 year-olds (10 per cent). The youngest demographic was more likely to visit a retailer’s site daily (12 per cent of 16-24 year-olds, compared with 10 per cent of the next two age groups).

Interactions with Brands

Do you use the following channels to engage with your favoured brand or retailer's content once or more than once a week? ↓



The younger the shopper, the greater role social media played in the retailer/brand-consumer relationship, but it would be interesting to see how this changes as we move forward from COVID-19. Have other generations relied on social media more during the crisis and will they continue to do on-going? 24 per cent of all respondents said they engage with a favoured brand's content via Facebook every day, with 15 per cent doing so via Instagram and 10 per cent via Twitter.

Although across all demographics, only 5 per cent of consumers engage with retailers and brands via TikTok each day, among the youngest age category this rises to 14 per cent; meanwhile over a third (34 per cent) of 16-to-24 year-olds report engaging with brand content on TikTok at least once a week. Analytics platform Sensor Tower recently reported that TikTok had reached two billion downloads, so that's a medium on which engagement will likely only increase.

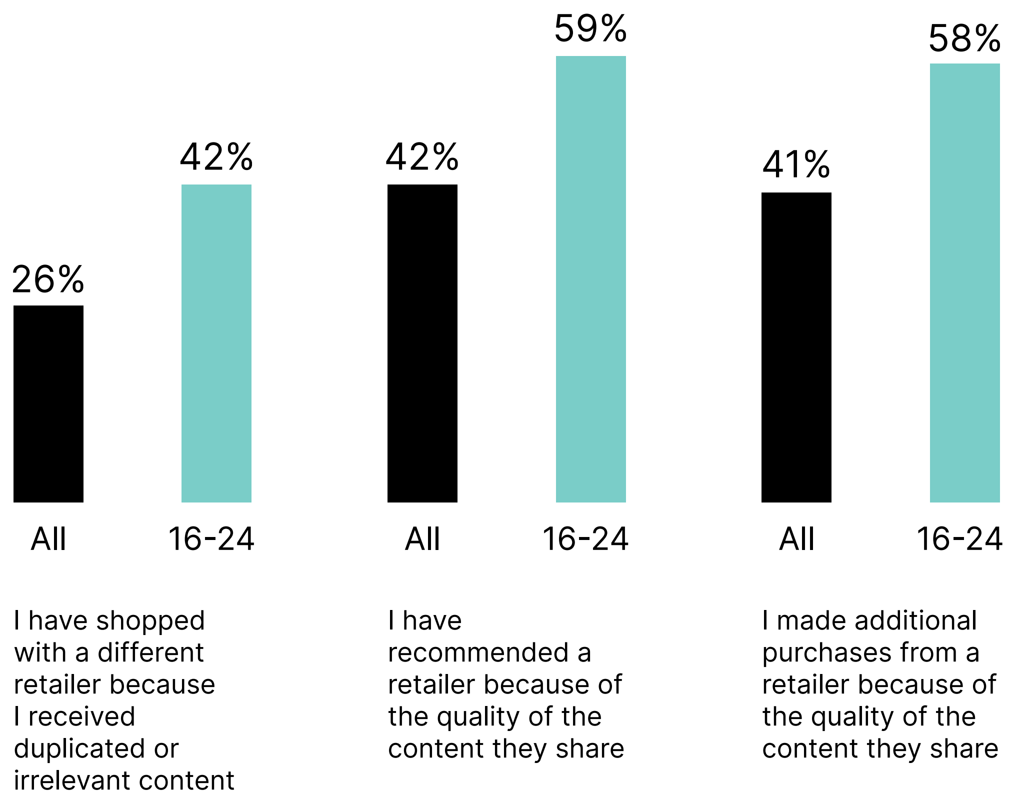
Emails are still a popular form of brand engagement, too. More than four in 10 UK shoppers (42 per cent) said they engage with a favoured brand's content via email at least once a week, while a fifth (21 per cent) do this daily. SMS, the most direct route to a customer yet also the channel with the greatest scope to irritate consumers if used excessively or in a poorly targeted way, remains an important channel of engagement too: just under a third of shoppers surveyed (31 per cent) said they engage with a favoured brand's content via SMS at least once a week.

But what about the quality and impact of these interactions?

Content quality & relevance

Relevance, personalisation and value of content clearly matter to shoppers. This has only been heightened during the pandemic, when many brands have excelled with the level of personalisation and relevancy of their content. When these parameters are observed, success rates are strong. More than four in 10 (42 per cent) of UK shoppers say they have recommended a retailer because of the quality of the content they share, rising to almost six in 10 (59 per cent of) 16-to-24 year-olds. The percentages that convert to additional purchases for the same reason are very similar (41 and 57 per cent, respectively).

The role of content in the buying process ↓



Yet, similar numbers of consumers are being turned off by poor content experiences. Almost half of UK shoppers (47 per cent) said they have been sent irrelevant, impersonal content from a retailer, while 51 per cent have been sent the same content more than once.

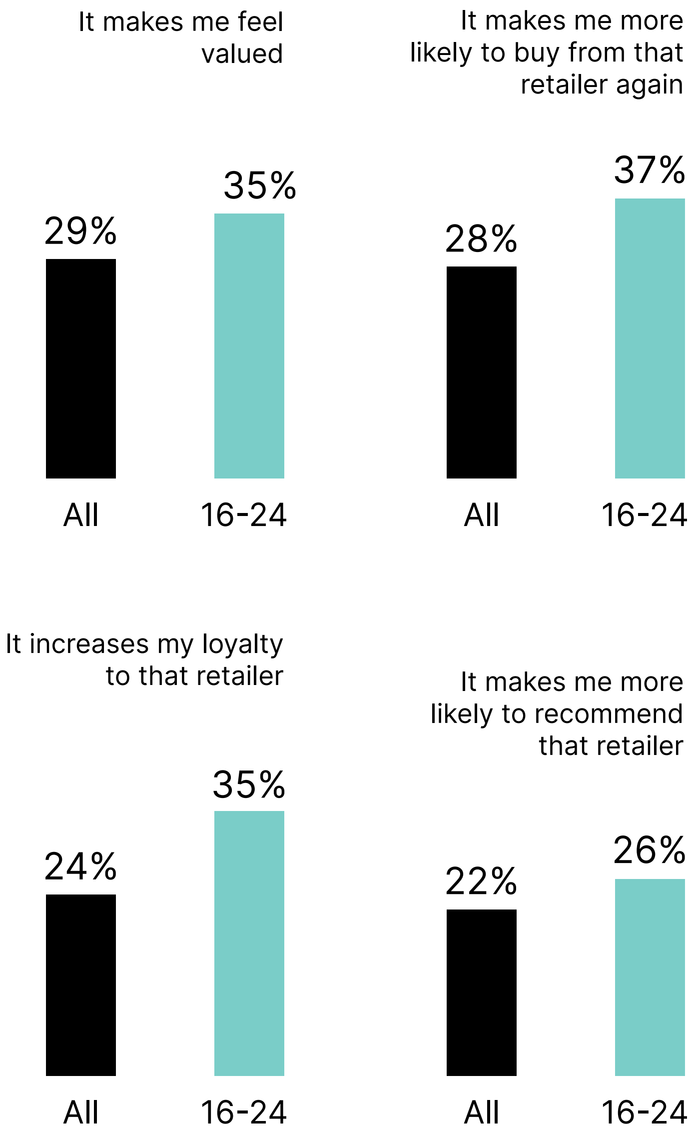
More than a quarter (26 per cent) of all shoppers, and 42 per cent of 16-24 year-olds, have switched retailer because of this. As many as 53 per cent of shoppers report having been sent spam email from a retailer or brand; and this is in the post-GDPR era, during which blanket campaigns and unwanted contact should have decreased.

The power of personalisation

While modern consumers are turned off by spam and irrelevant promotional content, shoppers tend to feel much more positive about personalised content. When automated email systems are now quick to spot when users are not engaging with content, offering a one-click option to ‘unsubscribe’ from newsletters and promotions, consumers are much more likely to continue welcoming and engaging with content that feels useful and relevant to them.

This is clear from the research: nearly three in 10 consumers said personalised content from a retailer makes them feel more valued (29 per cent) and more likely to buy again (28 per cent), while a quarter (24 per cent) said it made them more loyal and more than a fifth (22 per cent) said they would be more likely to recommend that retailer as a result. This trend was even more pronounced among the youngest demographic. Over a third (35 per cent) of 16-to-24 year-olds said they felt more valued and were more loyal if content was personalised; 37 per cent were more likely to buy from a retailer again, and 26 per cent more likely to recommend them.

The Importance of Content Personalisation →



Relevant Product Offerings: Innovation & Speed to Market

As in so many markets, loyalty to retailers and brands selling consumer goods is hard won yet easily lost, especially now that it is so easy for buyers to autofill their delivery and payment details when switching to a new supplier online. This increases the pressure on consumer goods providers to keep innovating – both with their product ranges, and with their customer experiences. In the research, availability of new and improved product lines was a top-five determinant of retailer/brand loyalty, cited by 16 cent of UK shoppers.

What's more, UK consumers want access to these products quickly. A quarter (25 per cent) of respondents said that when a new market trend emerges, they would ideally like their favoured retailer to make that product available within one week. A further 26 per cent felt they could wait a month, but no longer. A hopeful 2 per cent said they would want that product to be available in-store by their preferred retailer within three days.

Trends and Product Launch

When a new market trend emerges, on average how quickly would you want your favoured retailer to respond to that trend? ↓

"I am more likely to buy from an innovative retailer or brand" ↓

Unsurprisingly, younger shoppers are even less prepared to wait for their favoured retailer to launch a trending product: more than over a third (34 per cent) of 16-24 year-olds said they would want that product available within one week, and 31 per cent within a month.

This is in sharp contrast to the current reality for many retailers, which typically experience much longer in bringing a product to market – much of which is linked to the coordination involved in creating, customising and distributing supporting content.

This is clearly something they need to address with some urgency as, in the research, more than two-thirds (69 per cent) of UK shoppers said that if a retailer they usually shopped with didn't have a latest product, then they would immediately try elsewhere.

In addition, 42 per cent of shoppers are more likely to buy from an innovative retailer or brand, seeking out suppliers who have their finger on the pulse and are keeping pace with the latest market trends.

↑ "If a retailer I usually shopped with didnt have a latest product I wanted, then I would immediately try elsewhere"

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Conclusion: Keeping Consumers Close – and Engaged

So where does all of this leave UK retailers and brands as they look to the future? The pandemic is undoubtedly having an impact on the sector, but most likely, is that all the things that mattered to consumers beforehand will matter to them afterwards, perhaps even more so. This is especially pertinent when it comes to the digital customer experience. Undeniably then, these organisations need to be working towards greater agility and dynamism in their ability to keep refreshing their propositions. They also need to recognise and engage with consumers in ever more creative, sophisticated and customised ways at different points along the customer journey – with targeted, relevant content, harnessing all channels to best effect.

In the research, the most critical elements of an exceptional customer experience were identified not just as good value and convenient delivery/returns services, but also immediate access to relevant and useful content relating to a product.

Certainly, retail will never be as competitive and challenging as it has become now, so it is vital for those in the sector to do everything they can to ensure consumers have the best experience possible. With increasingly diverse and intensifying competition and continuous market disruption, added to the general uncertainty caused by the pandemic, retailers and brands need to be proactive in their approach to innovation and providing exceptional customer experiences. Failure to match consumer expectations will see customers go elsewhere.

As digital-native generations mature and assume greater spending power, these priorities will carry increasing weight so it is incumbent on retailers and brands to strive to get ahead of consumers' demands, anticipating not just what they expect today – but how much more of it, and what else, they will be looking for tomorrow.

Customer experience needs to be more to the fore than ever - retailers and brands must provide all the relevant and valuable content that shoppers need to make their purchasing decisions, and they must also be innovative and aim to stock the latest products in good time.

The good news is that the technology exists today to satisfy all of these requirements. With a coordinated approach to content management across the customer journey, retailers and brands can give customers the confidence and appetite to purchase, and to keep coming back.

About the Research

The research was conducted by Censuswide, with 2,009 UK consumer respondents between 21 February and 24 February 2020. Consumers were asked to rate their preferences and experiences when buying everyday non-food items such as electronic devices, books, clothing and homeware, whether online or in store. Censuswide abide by and employ members of the Market Research Society which is based on the ESOMAR principles.

About Nuxeo

Nuxeo, developer of the leading Content Services Platform, is reinventing enterprise content management (ECM) and digital asset management (DAM).

Nuxeo makes it easy to build smart content applications that enhance customer experiences, improve decision making, and accelerate products to market.

Its cloud-native, low-code content services delivery platform, which supports the widest spectrum of content types, has been deployed by customers including Electronic Arts, TBWA, ABN AMRO and CVS.

Founded in 2000, Nuxeo is based in New York with offices across the United States, Europe and Asia.

Learn more at www.nuxeo.com

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