Couture Connections
Fashioning Improved Customer Loyalty with Experience Data

THE BEST RUN **SAP**

Inspire customer loyalty

Although retail sales online have **more than doubled in the last decade**[1], the majority of sales continue to come from physical locations. But real estate in Soho doesn't always mean success. In a time where technology is first, time is short, and finding exactly what we need is at the tips of our fingers, how does a brand win in today's competitive landscape? When what shoppers want to buy changes with the day and time, events in their lives, their age, income, or location, interpreting their desires can feel like a guessing game.

But in important ways, it might not be. Trust, meeting expectations, and great shopping experiences are still the foundation for your relationships with your consumers.

We surveyed more than 5,000 people about their experiences with fashion brands across their shopping journey, from initial awareness, to consideration, purchase, and finally, service and loyalty programs[2]. And they surprised us. In this age of all things digital, 85% of shoppers said they value customer service and support—that is, human connection—and that brands' performance in this area leaves a lot to be desired. We know we have a long way to go in humanizing AI and machine learning technologies—and perhaps human interaction is irreplaceable.

Better support isn't all they want. We also found significant gaps between consumer expectations of brands and how they rated brand performance at other touchpoints, such as shopping experiences and offers and promotions (**see Figure**). Imagine how much larger the gap might be when consumers' experiences versus their expectations at all touchpoints are taken into account.

1. "A Decade in Review: Ecommerce Sales Vs. Retail Sales 2007-2018," Digital Commerce 360, February 2019.
2. "Experience Management Survey for Fashion Brands," SAP SE, 2019.
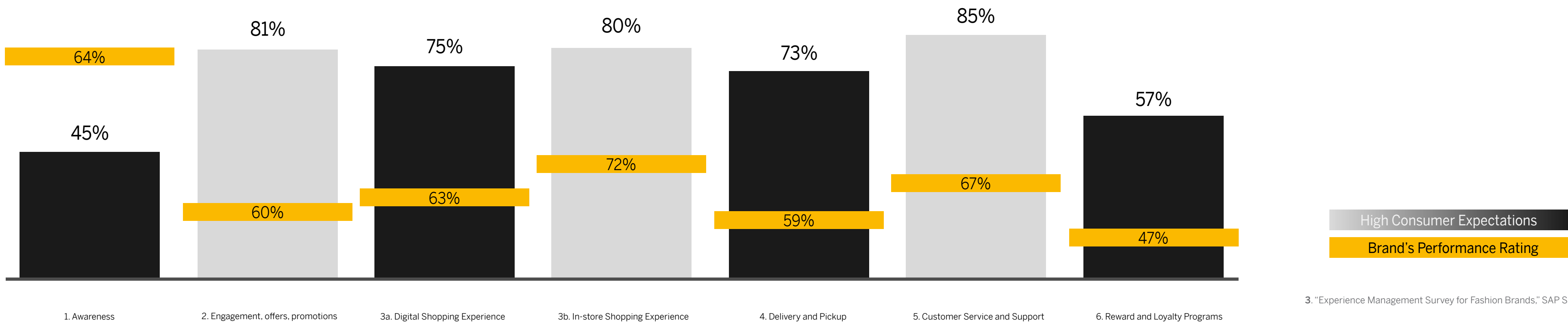
Connecting is crucial

85%

of shoppers value strong customer service and support but brand performance leaves a lot to be desired.

Figure: Brands Can Perform Better[3]
In key moments of the customer experience brands aren't meeting consumer expectations

	1. Awareness	2. Engagement, offers, promotions	3a. Digital Shopping Experience	3b. In-store Shopping Experience	4. Delivery and Pickup	5. Customer Service and Support	6. Reward and Loyalty Programs
High Consumer Expectations	45%	81%	75%	80%	73%	85%	57%
Brand's Performance Rating	64%	60%	63%	72%	59%	67%	47%

High Consumer Expectations
Brand's Performance Rating

We looked at groups of consumers in traditional brand clusters—**luxury, multi-brand, premium, fast-fashion, and sportswear**—and found that every group placed clear emphasis on having customer support as they shop. We also discovered nuances in consumer behavior that impact the kind of support they seek, and when. Across all five clusters, three types of shoppers—disciplined researchers, savvy discount seekers, and confident decision makers—show distinct traits that influence their buying journey.

In this report, we envision how each type of shopper might engage with your brand and **how to create experiences** that will keep them coming back.

Understand shopper traits

We found our three types of shoppers across all five brand clusters, grouped together in unique combinations. Although all shoppers are united in their emphasis on the importance of strong customer support, they may diverge on what that support should look like and when it should be available. That said, at least 60% of shoppers in every cluster exhibit the traits of disciplined researchers.

In the profiles that follow, we describe the traits of each shopper type and suggest some ideas for how to support them.

SHOPPER TYPE	DISCIPLINED RESEARCHER	SAVVY DISCOUNTER	CONFIDENT DECISION-MAKER
	You are likely to find disciplined researchers learning about products online before purchasing by browsing and checking reviews to ensure a product meets their needs. Though they are found in all age groups, those between the ages of 25 and 34 place the strongest emphasis on research during their buying journey.	These price-conscious shoppers are always looking for a deal. They may fill up an online cart, then wait for an e-mail with a discount code to get the best price. Discount hunters, surprisingly, tend to earn in the $50,000 to $150,00 income range.	These shoppers know what they want and where to get it – and they prioritize expedience. With their lists of go-to brands, they are rarely disappointed with their purchases. We found that shoppers under the age of 45 are particularly confident in their ability to shop expediently.
HOW TO SUPPORT THEM	Online, offer robust product descriptions, plenty of reviews, and landing pages that tell a microstory about how to use the products. Improve human interactions by providing more education to your sales teams. Whether they are in store or on the phone, associates who have access to the same research their shopper has, along with additional tools to help them meet their shoppers' needs, can result in a more successful shopping experience.	Keep the incentives coming, and ensure your offerings are accessible through multiple channels. Our survey found that as shoppers age, they become less confident in their ability to scout good deals, giving brands an opportunity to empower these customers with information that enables them to feel "in the know." Keep deal-hungry customers informed of special store events, too: they'll show up, and probably bring friends.	Convenience is critical: enabling them to buy online and pick up in the store will be key. Getting shoppers to the store will also give brands the opportunity to infuse the human interaction each type of shopper craves. If you are a new brand to the confident decision-maker, returns and exchanges need to be seamless. To complete the shopping experience, offer style guides at checkout and online that include how-tos, reviews, sizing information, and stories about the brand. In addition, provide multiple ways to pay: PayPal, Google Pay, and other mobile wallets are likely preferences.

Turn traits into transactions

The pressure on brands to meet familiar customer expectations—that is, to provide quality products and services, build compelling digital experiences, and ensure good customer service—isn't letting up. But to capture customer loyalty, something increasingly scarce in today's retail landscape, brands need to understand how and when their customers are likely to display the traits of our three types of shoppers. The challenge: a given consumer may embody any one of them at different points in their buying journey. Successful brands will dig into their customer data to figure out the nuanced ways that these shopper types overlap and express their traits.

What everyone wants:
great service and personalized offers

We've all had great shopping experiences. Traditionally, connecting with a well-trained salesperson, either in-store or on the phone, helps us re-confirm our choices. We are comforted when this person can answer our questions honestly, and with confidence. The interaction builds trust. The gap our survey revealed between consumer expectations and brand performance when it comes to customer support suggests how easy it can be to lose sight of the value of human connections.

Going forward, building trusted online, as well as in-store experiences will be critical for brands to earn consumer loyalty. Online, a first resort might be a list of reviews, or a chatbot to answer questions. However, having access to a trusted advisor through live chat or a voice call will help to seal the deal for consumers who need a personal interaction.

You can also promote personal service at a local store. For example, the ability to schedule time with an associate and having a fitting room waiting with the desired items ready will give busy customers more incentive to spend what time they have in your store.

Lastly, training your in-store and digital team to ask questions, seek out preferences and provide informed data will help consumers learn about the products you have that are right for them. This type of intensive interaction will result in increased spending.

81% of **customers expect personalized offers** and promotions

An overwhelming majority of consumers surveyed (81%) also expect brands to shine with offers and promotions. Mass produced email offers are being rejected by empowered consumers who want personalized interactions; they won't open a message that isn't tailored to their needs or interests.

The trick, however, is that personalization is about more than just collecting and crunching data. It's also about harnessing the human element by gathering experiences from retail associates who have been in the trenches for years. Brands need to capture their feedback and incorporate it into their data collection and deployment strategy to personalize offers. Finally, brands need to connect those personalized experiences with consumers' preferred channels.

Here's where understanding how the expectations of consumers within a brand cluster are influenced by their shopping styles can raise every brand's game.

Shopping traits, meet customer personas

You already know that as much as you try to identify common traits among your customers, no two are alike – and neither are the experiences they'll have with your brand. And we have learned from our survey respondents that when you focus on demographics, such as age, income, and geographic region alone, you might be missing key data about their behavior and expectations that will influence how your customer buys.

In our research, we identified how consumers displayed the traits of our shopper types within the five brand clusters: luxury, premium, multibrand, fast-fashion, and sportswear. Depending on where we find them, the key moments that resonate with them the most may differ, as will the level of importance they place on specific touchpoints, and their willingness to be a repeat customer after a good or bad experience. We created personas for each cluster to illustrate how they might interact with your brand across different touch points and how to think about engaging your own audiences.

What is an Opportunity Gap?

An opportunity gap highlights the difference between a **consumer's expectations** and brand's performance.

We compared the importance that shoppers placed on a given touch point with their opinion about whether brands are meeting those expectations. **Across luxury, multibrand, premium, fast-fashion, and sportswear shoppers**, we highlight three of the biggest gaps—and thus **the biggest opportunities for improvement**—that we found.

Luxury Shopper

Adriana is a 30-year-old woman pursuing her master's degree. She has a strong social media presence and follows many brand influencers, often taking note of their style or tagged products. She sticks to the stores where she's consistently had a good experience, because she knows she can trust their level of service. She often prefers online chat or online customer service support to get the full details about a product.

The **Luxury shopper** leads the way in leveraging digital spaces, not only to make purchases, but also to share knowledge about a given brand. Thanks to the abundance of information at their fingertips, they research the stories behind products – including peer reviews, the quality of materials, and whether the product is a "best fit" for their needs.

77% prefer online shopping only,
or online and **in-store** shopping equally.

For luxury retailers, the implications are clear: if you can create powerful, informative digital experiences for your customers, **you'll transform passing interest into obsession.** Because this shopper also rates customer support as a top priority, brands should be equally focused on the in-store experience. This shopper wants a 5-star experience at all times.

69% identify as **disciplined researchers**

55% identify as **confident decision-makers**

Biggest Opportunity Gaps

83% expect outstanding customer support.
73% are satisfied with the support they receive.
Opportunity gap: 10%

74% prioritize excellent offers and promotions.
62% are satisfied with the offers they receive.
Opportunity gap: 12%

82% expect an excellent in-store shopping experience.
74% are satisfied with their in-store experiences.
Opportunity gap: 8%

Love You or Leave You

83% of customers who have a good experience **will shop a brand again.**

36% of **customers won't buy again** after a poor experience.

Multibrand Shopper

Jessica is a 50-year-old, senior associate with a bachelor's degree who works full-time. She does not have children. She likes getting email updates (especially friends and family discounts) and loves to share active sales and the great deal she has scored. She actively looks for coupons online and knows how to find the best deal. She loves browsing familiar stores with multiple brand offerings because they're the best of both worlds - she knows they have exceptional service and trusts that new brands she comes across in store are the same quality she's come to expect from her choice retailers.

For **Multibrand shoppers**, your physical storefront fuels the thrill of the hunt and acts as an information hub. They still do their research, and scout great deals, but they prefer to browse your in-store offerings and engage your staff with questions. To drive and maintain interest, you'll need to ensure that this customer has access to all the information they need about a given product in store. Their interactions with in-store staff could make or break a purchase.

65% prefer in-store shopping only,
or in-store and **online** shopping equally.

Strict brand loyalty is lowest with this group. As a result, trusted retailers have the **opportunity to tap this audience's open-mindedness** – here, innovative product offerings have their chance to shine. But only roughly one in three indicate that they'll engage in any kind of impulsive shopping behavior, so be sure your messaging clearly communicates the value to consumers.

Only 41% buy from familiar brands and rarely consider new ones.

60% identify as **disciplined researchers**

50% identify as **confident decision-makers**

Biggest Opportunity Gaps

79% expect outstanding customer support.
63% are satisfied with the support they receive.

Opportunity gap: 16%

75% prioritize excellent offers and promotions.
58% are satisfied with the offers they receive.

Opportunity gap: 17%

79% expect an excellent in-store shopping experience.
72% are satisfied with their in-store experiences.

Opportunity gap: 7%

Love You or Leave You

88% of customers who have a good experience **will shop a brand again.**

56% of **customers won't buy again** after a poor experience.

Premium Shopper

Peter is a 55-year-old, senior VP in a bank. He is married and has children. He is not particularly fond of shopping for new clothes; as a result, he likes to go back to familiar brands and make a purchase without spending too much time online or in store. Peter is fairly set in his tastes; he's comfortable shopping similar styles online and knows when he can find those items on sale, but if it is a new trend, he will visit the store and connect with a familiar sales associate. When he can't find what he is looking for online, he often relies on customer support.

Premium shoppers tend to be event-driven: perhaps fall rolls around and they want to add to their wardrobe, or they're seeking a new suit ahead of an important job interview. They are consistent in their buying, when they buy, and how much. They understand quality and customer service and want both. Brands who stay consistent in messaging, quality of product and customer support will win with this consumer.

72% prefer online shopping only,
or online and **in-store** shopping equally.

This customer is open to the impulse purchase if they can find a reason for it. Adding a few store events, perhaps quarterly, that are relevant to this consumer will help increase their lifetime value and their purchase frequency. You will find a raving fan, if, you as the brand, can **identify this segment early and court them appropriately.**

60% report moderate to frequent tendencies to **make an impulsive purchase.**

64% identify as **disciplined researchers**

51% identify as **confident decision-makers**

Biggest Opportunity Gaps

79% expect outstanding customer support.
66% are satisfied with the support they receive.

Opportunity gap: 13%

75% prioritize excellent offers and promotions.
58% are satisfied with the offers they receive.

Opportunity gap: 17%

76% expect an excellent in-store shopping experience.
69% are satisfied with their in-store experiences.

Opportunity gap: 7%

Love You or Leave You

81% of customers who have a good experience **will shop a brand again.**

47% of **customers won't buy again** after a poor experience.

Fast-fashion Shopper

Michael is a 26-year old man. He is new to working full-time and has been interning to help decide the best path for his career. He is an impulsive shopper who does not spend too much time on product selection due to his hectic lifestyle. Because of this, he tends to act quickly and has little time to deal with returns or exchanges. If he's looking for a specific item, Michael will seek a sales representative's advice before making a purchase. For Michael, human interaction expedites the shopping experience.

Fast-fashion shoppers are savings savvy and consider excellent offers and promotions critical to their buying decisions. But that's not all that they prioritize: while brands should ensure their digital experience is best in class, they'll need to pay sharp attention to how staff interactions play out in the physical store. This shopper is highly dependent on interactions with salespeople to make sense of product offerings and get in and out as quickly as possible.

73% prefer online shopping only,
or online and **in-store** shopping equally.

If you want to engage this shopper, you'll need to pair digital touchpoints with meaningful human experiences. Companies can inspire stronger brand loyalty by rewarding the drive to find discounts and should look to personalization to provide custom offers and incentives.

64[%] identify as **disciplined researchers**

54[%] identify as **confident decision-makers**

Biggest Opportunity Gaps

78% expect outstanding customer support.
68% are satisfied with the support they receive.

Opportunity gap: 10%

79% prioritize excellent offers and promotions.
67% are satisfied with the offers they receive.

Opportunity gap: 12%

80% expect an excellent in-store shopping experience.
74% are satisfied with their in-store experiences.

Opportunity gap: 6%

Love You or Leave You

87[%] of customers who have a good experience **will shop a brand again.**

49[%] of **customers won't buy again** after a poor experience.

Sportswear Shopper

Anne is a 35-year-old trainer and an athlete. She pays particular attention to reviews of high-performance running gear. She usually makes her purchases in store so that she can ensure the best fit and speak to staff about their experiences using the products. Understanding that her gear is a long-term investment, Anne closely follows offers on newly launched products online to ensure that she can get great deals on the highest quality goods.

This shopper's habits largely rely on how they perceive a brand could help them fulfill their goals. They **look for sales staff who have "been there, done that"** and who are eager to share their advice.

62% prefer in-store shopping only,
or in-store and **online** shopping equally.

If this shopper is looking for the best long-distance running shoe, for example, advice from someone who has run a marathon would likely resonate better for this consumer than recommendations from a nonrunner.

This shopper wants to know about sales and promotions, but they aren't always satisfied with the offers available to them. Quality, expedience, and product reviews may matter more than scouting a good deal. They are consistent in their buying, when they buy, and how much. Brands' messaging, product quality, and **customer support need to be consistent** to retain and grow the relationship with this consumer.

64% identify as **disciplined researchers**

49% identify as **confident decision-makers**

Biggest Opportunity Gaps

76% expect outstanding customer support.
64% are satisfied with the support they receive.

Opportunity gap: 12%

73% prioritize excellent offers and promotions.
57% are satisfied with the offers they receive.

Opportunity gap: 16%

75% expect an excellent in-store shopping experience.
70% are satisfied with their in-store experiences.

Opportunity gap: 5%

Love You or Leave You

82% of customers who have a good experience **will shop a brand again.**

45% of **customers won't buy again** after a poor experience.

Make **your customers love you** even more

As our research and analysis shows, **there's more to creating a loyal following** than just satisfying a consumer's minimum desire for convenience, transparency and control.

Stellar human-centered customer support is the most defining experience in the customer journey. Brands can add or expand on three customer experience management techniques to ensure they are meeting not only customers' expectations for support, but providing all of the experiences that are important to them.

ask.

Most brands collect feedback. Listening to customers across their journey, through channels they prefer, is key. Having a disciplined, repeatable approach for collecting actionable data from consumers will enrich how you target and engage with them. Connecting product data, customer data, and purchase behavior will enhance any brand's marketing efforts, resulting in higher conversion rates and customer spending.

Collect feedback from employees too. If your team is happy, your customers will be happy. Employing similar methodologies for understanding the feelings and behavior of your customer support team will bring you closer to providing what those teams need to deliver the best customer support possible. The result: engaged ambassadors and raving fans.

measure.

We recommend adding—if you haven't already—an experience management (XM) strategy that includes stakeholders from business functions in addition to marketing. Identify key performance indicators (KPIs) that are understandable across the organization and that can be measured. Including data in addition to your KPIs, such as retention rates, will give the organization a more holistic view of XM performance. If your KPIs are actionable, you will be able to use them not only to achieve your goals but also to motivate the organization to reach for more.

Layering on tools that support your brand promise (for example, "provide the best customer service possible") will keep your team focused on the type of customer experience your organization wants to deliver and will also help you tailor your customer support. Remembering that XM strategies evolve over time and need to be refreshed regularly will ensure your strategy continuously drives improvements and meets those KPIs year over year.

train.

Customer support that meets expectations starts with a well-trained team. Attracting employees who can take on the ambassador role will elevate your performance.

Brands need an experience management strategy for their employees as much as for their consumers. **A Lexington Law survey of 2,000 Americans** revealed that nearly 60% of Americans would opt for a job they loved, even if it meant reducing their current income by 50%. Communicating your mission often and clearly will connect your brand to your employees.

Meanwhile, providing employees a work experience that is as digital as their personal one, making life and work easier, more productive, and supportive of well-being can help them fulfill their brand ambassador roles more effectively. Winning brands are omnichannel, global and innovative. They support their complexity with a foundational platform that is digital first, regionalized and scalable. Such platforms remove barriers and promote a sense of acceptance, comfort and community for employees, thereby enabling their success.

Source: "Americans Would Take a 50% Pay Cut for A Job They Really Love," Lexington Law, October 2018.

Summary: How to keep and grow your customer loyalty

Creating an outstanding customer experience is more complicated today than ever. Sustaining it by staying relevant and top of mind isn't easy. But by digging deeply into the wants, needs, behavior and motivation of their consumers; applying the personal, human touches that they expect; performing consistently; and learning and improving continually, brands can capture those raving fans.

For more about how to refine your XM strategy across the organization, you may find these additional readings helpful:

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Operationalizing XM
https://www.qualtrics.com/xm-institute/operationalizing-xm/

How to Launch Your Employee Pulse Program
https://www.qualtrics.com/ebooks-guides/launch-your-employee-pulse-program/

Delivering experiences consumers can trust
https://www.sap.com/industries/fashion-apparel.html?pdf-asset=2e5a77d0-627c-0010-82c7-eda71af511fa&page=1

Methodology

SAP conducted a survey of 5,750 individuals regarding their perceptions of fashion brands and their overall shopping behavior. Data collection took place during July and August 2019 through online survey delivery. In order to qualify for the survey, a respondent had to be a United States resident, age 18 or older, and had shopped with at least 3 of the 83 polled fashion brands in the last 6 months. Potential respondents were shown a random set of 21 fashion brands and asked to choose those where they had shopped in the past six months. If fewer than three were selected, respondents were shown a different random set of 21 fashion brands. If fewer than three brands were selected across the two sets, the respondent's participation was terminated. A total of 750 individuals were terminated from the survey, resulting in an effective sample size of 5,000 respondents. In all, we had 14,850 brand responses captured.

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