



socialbakers
An Astute Company

CX Stats and Trends to Know in 2021

What customers expect from brands today and the growing need to deliver amazing experiences.



About the Report

We live in the age of the customer. With more options and information at their fingertips than ever before, your customers want to do things their way.

They expect companies to give them what they want, how they want, and when they want. They now prioritize experiences above all else when choosing between brands.

What does this mean for brands like yours? The ability to deliver top-notch experiences that meet or exceed your customers' expectations your customers expect has never been greater.

A lot of time and resources (and buy-in from the very top of the organization) are needed to design, implement, and manage successful CX initiatives. However, ample research shows that the effort is worth it in the end.

This report looks at just some of the customer experience research and predictions available that brands like yours should know today to help guide your efforts to be a CX leader.

Brands dramatically increased their investment in social media advertising in Q4. At its Q4 peak, worldwide ad spend increased by 50.3% compared to the holiday peak in Q4 2019. In Northern America alone peak spend increased by 92.3%. Doubling down in digital ad spend has become the new normal, as brands work to build lasting relationships with their customers and increase their online sales.

The increasing popularity of Live Video content and the momentum around Instagram Live Shopping experiences highlights just how important social media is as a revenue generation tool. Live shopping is already a megatrend with the Gen Z in China and it's rapidly gaining traction with brands and consumers in the West.

When it comes to influencer marketing, 2020 saw a 17% decrease versus 2019 in the usage of #ad on Instagram overall. However, Socialbakers' data shows that the number of brands working with influencers with an audience of more than 100K returned to almost pre-pandemic levels at the close of 2020, as brands shift their focus away from influencers with smaller audiences.

Yuval Ben-Itzhak, President, Socialbakers



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Customer Experience Is Now Front and Center





CX Is the Top Differentiator

Being able to deliver exceptional experiences is critical to a brand's success, and they are shifting how they do things accordingly.

In the age of the customer, having the measures in place to ensure seamless customer journeys from the start is critical. **With 65% of customers saying they would stay with a brand long-term** if they provided positive experiences throughout the journey, this should be a top priority for brands in 2021 and beyond.



86 %

of customer experience professionals expected their organization to compete mostly (or entirely) based on CX by 2021.

Source: Gartner, 2019 Customer Experience Management Study.



83 %

of executives feel unimproved CX presents them with high revenue and market share risks.

Source: Forbes Insights and Arm Treasure Data, Proving the Value of CX: How to Place Customer Experience at the Center of Your Business, 2020.



Brands Face Immense Pressure to Deliver

Customers are not the only ones with growing expectations that brands must continually meet – the pressure is also coming from internal stakeholders.

This is forcing brands to find ways to promptly identify and address any pain points on all touchpoints along the customer journey. But also, to make good experiences even better.

\$35.3 B



is lost every year by US businesses in customer churn caused by avoidable CX issues, such as fair treatment.

Source: CallMiner, The CallMiner Churn Index 2020.

3x



CX leaders outperform CX laggards in terms of stock performance.

Source: Watermark Consulting, 2019 Customer Experience ROI Study.



| The Takeaway

The importance of CX continues to grow. To meet customers' ever-growing expectations, brands must identify and address critical pain points to ensure seamless experiences across the customer journey.





Customers Experience Impacts the Bottom Line in Many Ways





Customers Now Prioritize Experiences Above All Else

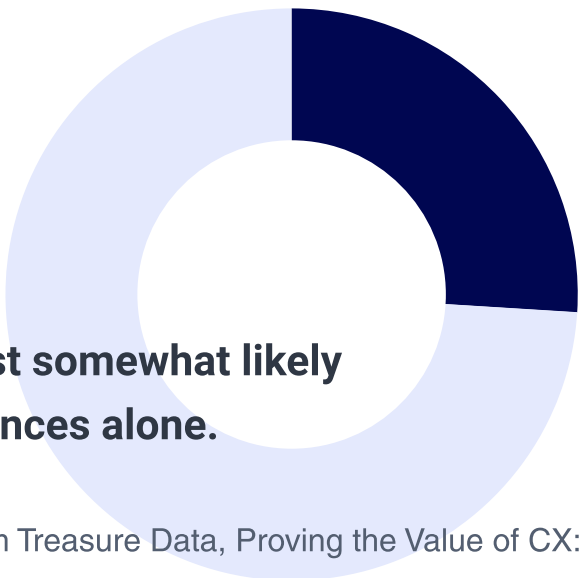
Customers have more options at their fingertips than ever. Easy and convenient experiences are now table stakes when they are choosing between brands.

And customers are willing to pay for better experiences, too. Studies from [PwC](#) and [American Express](#) found that customers are willing to pay a 16-17% premium if it means getting better service.

That means there’s absolutely no reason for brands not to deliver, because the demand – and the value – is there.

74 %

of customers are at least somewhat likely to buy based on experiences alone.



Source: Forbes Insights and Arm Treasure Data, Proving the Value of CX: How to Place Customer Experience at the Center of Your Business, 2020.



\$98 B

is left on the table every year by companies who fail to provide “simple” experiences to consumers.

Source: Siegel+Gale, The World’s Simplest Brands 2018-2019.



Excellent CX Leads to Happy and Loyal Customers

Many customers want experiences that feel tailored to them. Catering to these expectations can have a positive impact on your bottom line, as [35% of consumers are willing to share personal data](#) to brands if it helps improve the online experience, and [40% of US consumers said they are more likely to spend more](#) than they expected when experiences are highly personalized to them.

A seamless post-purchase customer journey paves the way to improved customer retention and loyalty, which shows up on your bottom line. For example, [Forrester and Adobe](#) found that experience-driven businesses saw a **1.5x YoY growth** in customer retention, repeat purchase rates, and customer lifetime value, compared to other companies.



of customer loyalty is driven by product and interaction experience (more than “brand perceptions” and “price”, combined).

Source: Siegel+Gale, The World's Simplest Brands 2018-2019.



The Mobile Experience Shouldn't Be An Afterthought

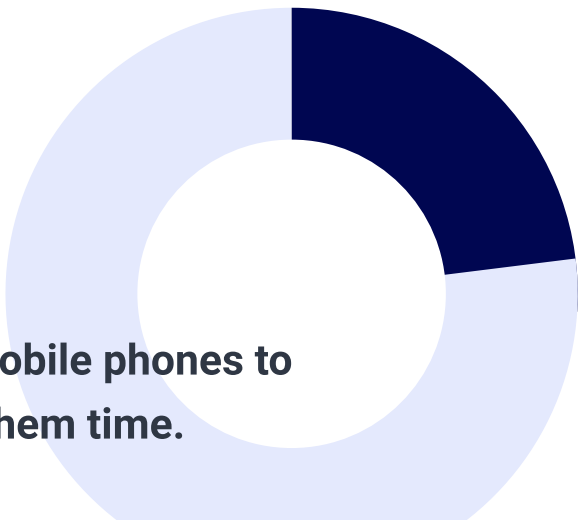
Customers are becoming increasingly on-the-go and glued to their phones. Ensuring easy mobile experiences pre-and-post-purchase should be a top priority.


45 %

of the total U.S. e-commerce market was expected to come from mobile commerce by the end of 2020, up from 25% in 2019.

76 %

of shoppers use their mobile phones to shop because it saves them time.

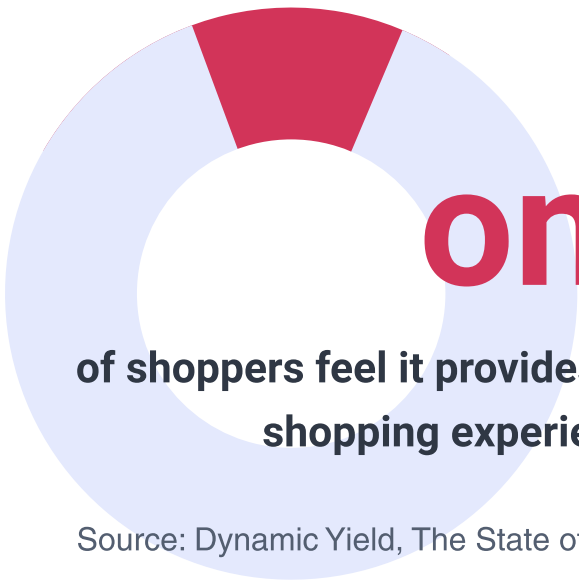


Source: Forbes Insights and Arm Treasure Data, Proving the Value of CX: How to Place Customer Experience at the Center of Your Business, 2020.

HOWEVER

only 12 %

of shoppers feel it provides them the most convenient shopping experience (4x less than desktop).



Source: Dynamic Yield, The State of Personalization in Mobile Commerce.



The Takeaway

Brands that offer great CX are more likely to see their revenue grow faster than those who do not prioritize CX.

Customer feedback – understanding their needs and expectations, as well as how they perceive their experiences with your brand – is critical to know how best to deliver the CX they desire.





Embrace Technology to Meet Expectations



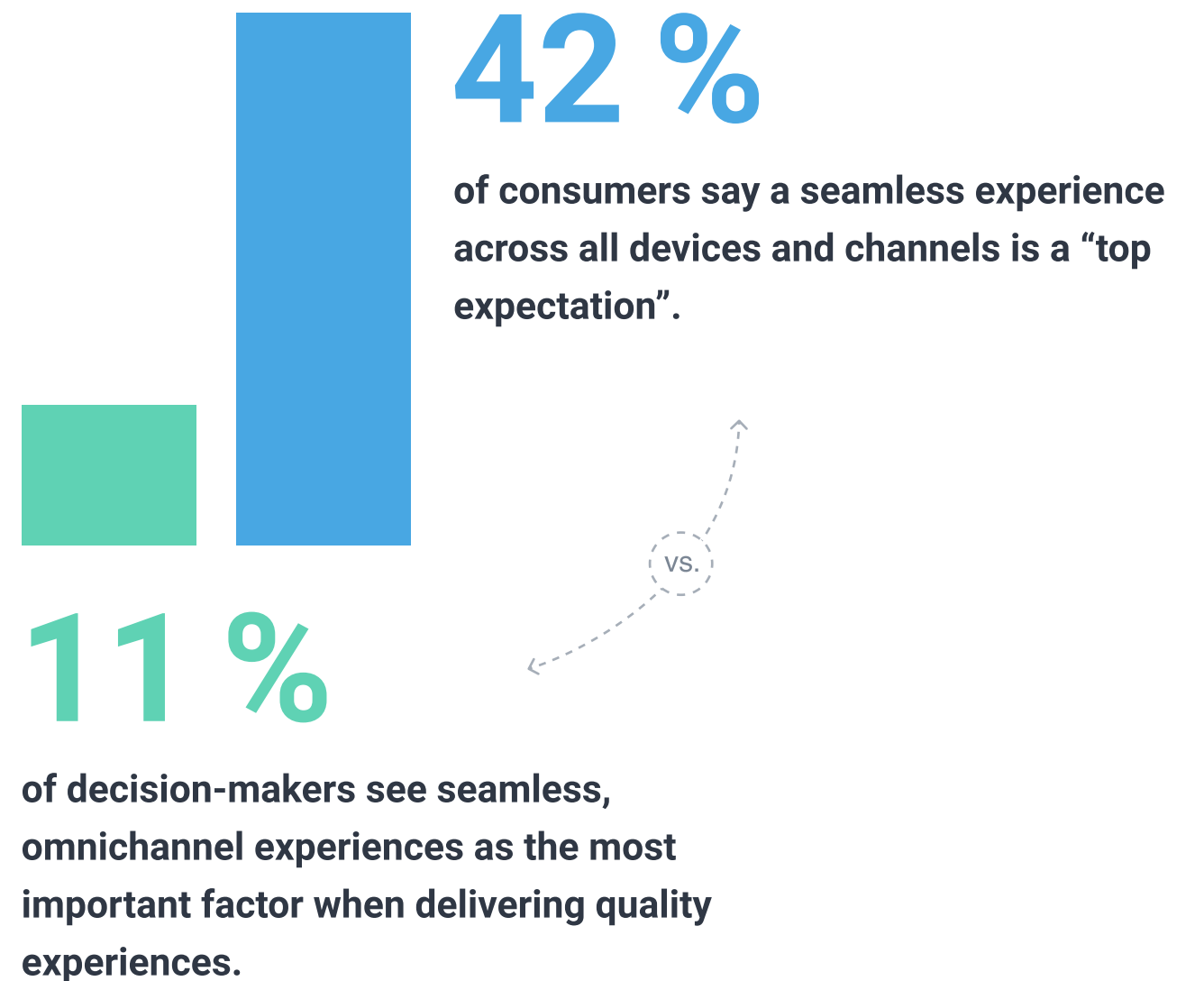


Every Experience Counts

Customers today expect easy, quick, and frictionless experiences. Otherwise, they will not hesitate to take their business elsewhere, as one PwC study found that [32% of customers would stop doing business](#) with a brand they love after only one bad experience.

On the flip side, that same study found that [65% of all consumers](#) find a **positive experience with a brand to be more influential than great advertising**. A great ad campaign only works when it's backed up by a great experience.

And what does it take to deliver that experience? One key is the need for speed.



Source: Wunderman Thompson, Experiences Customers Want, 2020.

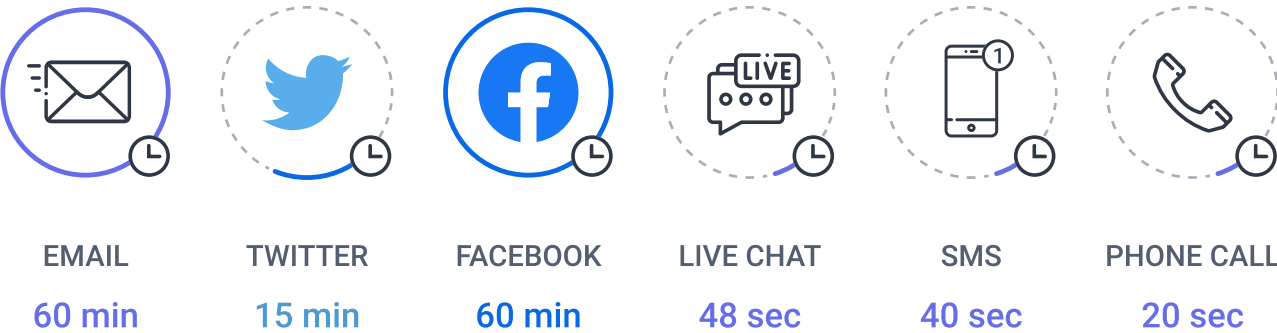


Customers Expect Answers, Fast

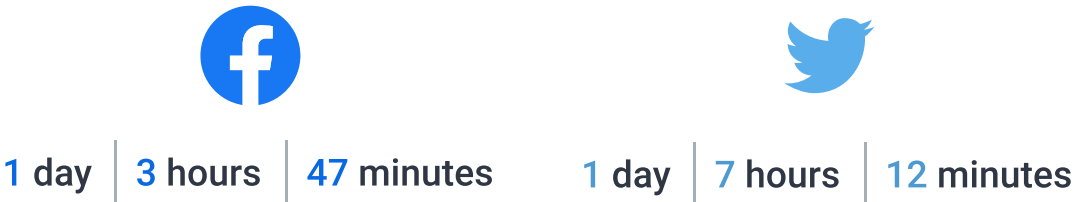
Customers want the right information at a moment's notice. Having to wait too long or jumping through too many hoops to get it is unacceptable.

Brands must not only measure the experience at key moments throughout the customer journey; they must also ensure these insights reach the right people at the right time to enable quick action.

Speed and quality; it's not enough to deliver one or the other. So, how can brands speed up responses?



Customer Expectations for Response Times on Facebook and Twitter



Average Response Times

90 %
of customers expect an “immediate” response to support questions (10 minutes or less).

Source: HubSpot Research, Consumer Customer Support Survey, Q2 2018.



Brands Are Using Emerging Tech to Help Customers Self-Service

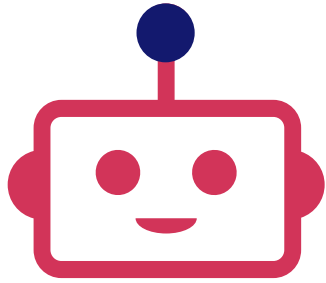
Brands are embracing ways to accommodate their customers' evolving support needs. With [over 60% of customers preferring to use digital self-serve channels to answer their questions](#), it's clear that most customers seek ways to help themselves first before they reach out to a customer service agent.

Emerging tech is being used to help customers help themselves, while also helping lighten the load for agents. Win-win.

40 %

more digital customer service interactions are expected to take place in 2021. Brands will also their channels from 8 to 11 to accommodate

Source: Forrester, Predictions 2021: Customer Service, October 20



300,000

chatbots (and growing) are active on Facebook Messenger to help customers get quick answers.

Source: VentureBeat, Facebook Messenger passes 300,000 bots, 2018.



The Takeaway

Brands must adjust to their customers, not the other way around. Determine how to best adapt your CX design to cater to their preferences and habits.

Leveraging emerging technologies (such as AI-driven chatbots) and empowering agents with timely and easily-accessible insights can help ensure positive experiences that breed customer loyalty.





Brands Are Investing More Into Customer Experience





CX Leaders Investing and Planning to Deliver Better CX

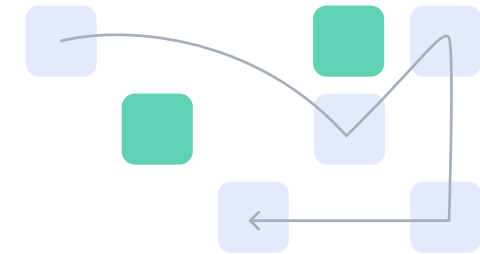
Brands realize the power of CX. That's why they are investing more and assigning more resources not only to better understand what their customers need and expect of their experiences at each stage of their journey, but also to take these experiences to the next level.

\$641 B

is expected to be spent on CX technologies in 2022, over \$130B more than in 2019.

Source: IDC, Worldwide Semiannual Customer Experience Spending Guide (via Press Release), 2019.

85 %



of professionals who have used customer journey maps have seen improvements in their CX.

They have also seen improvements in at least one of the following:

- Customer satisfaction
- Net Promoter Score
- Number of complaints
- Customer churn

Source: Gartner, Top CX Trends for CIOs to Watch, 2020.



CX Leaders Organize Their Teams to Prioritize CX

The customer experience is an organization-wide initiative. Everyone from the top to bottom of the organization across all departments, customer-facing or not, contributes to the experiences that brands ultimately deliver to their customers.

Brands are ensuring resources are assigned accordingly to inspire a customer-first culture.

25 %

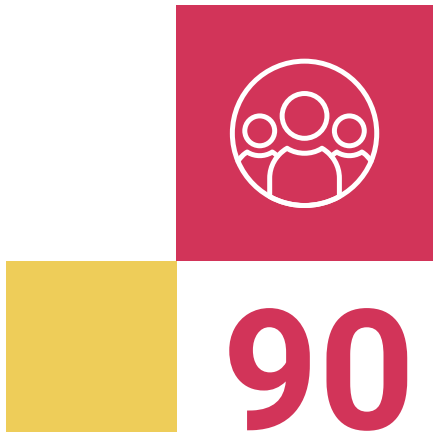
of organizations are expected to integrate marketing, sales, and CX into a single function by 2023.

Source: Gartner, 3 Key Gartner Marketing Predictions for 2021, 2020.

31 %

of CX professionals place the responsibility of offering great digital experiences on the Marketing department.

Source: CX Network and Clicktale, Defining Digital Experience, 2019.



90 %

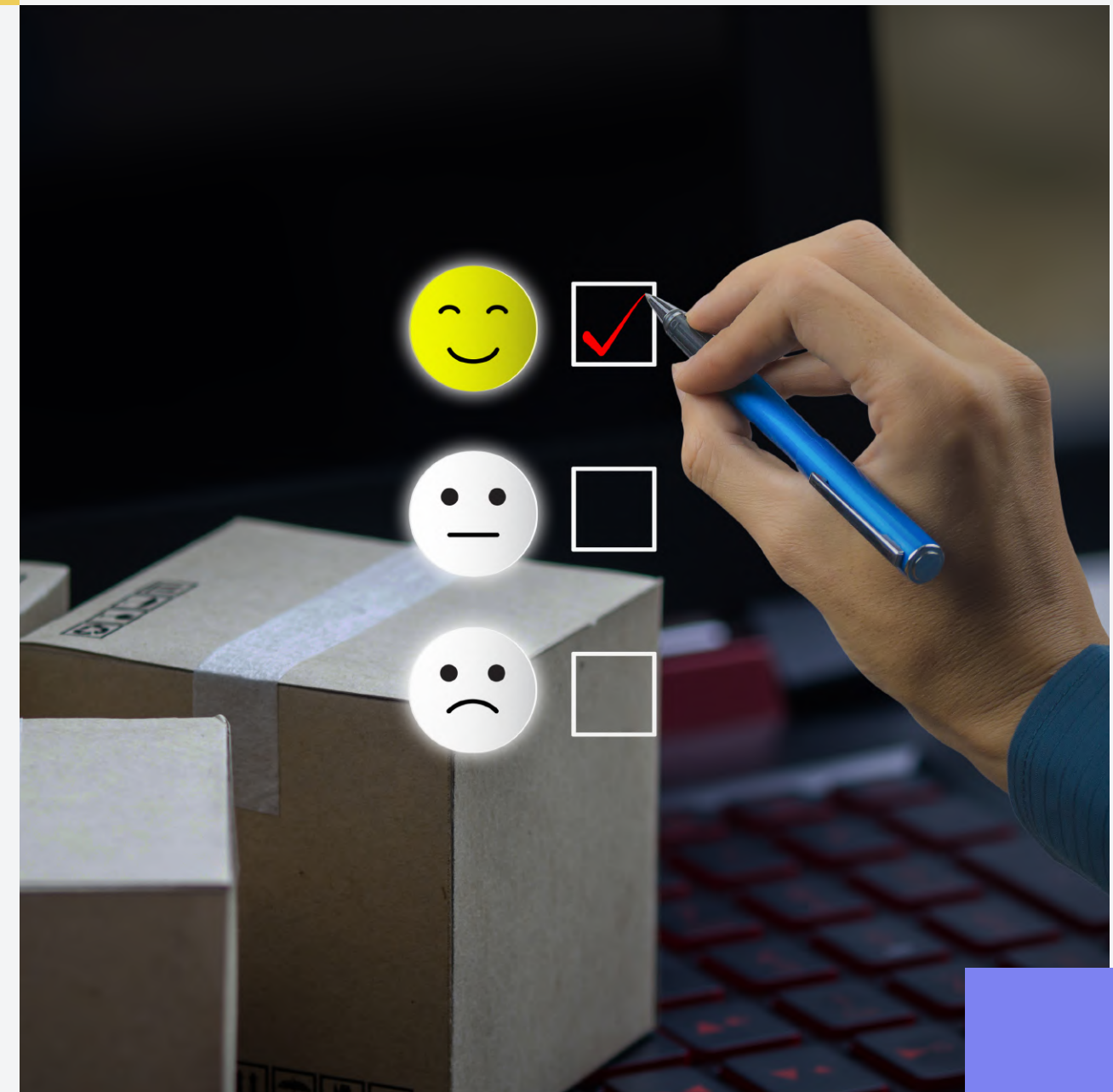
of enterprises now employ a Chief Customer Officer, Chief Experience Officer, or executives with similar responsibilities.

Source: Gartner, 2019 Customer Experience Management Study, 2019.



The Takeaway

How CX is tackled internally can vary based on the organization. However, one thing is constant – any CX initiative requires buy-in from the top of the organization and across all departments to be successful and instill a culture that prioritizes customer focus.





| What Lessons Can We Learn?

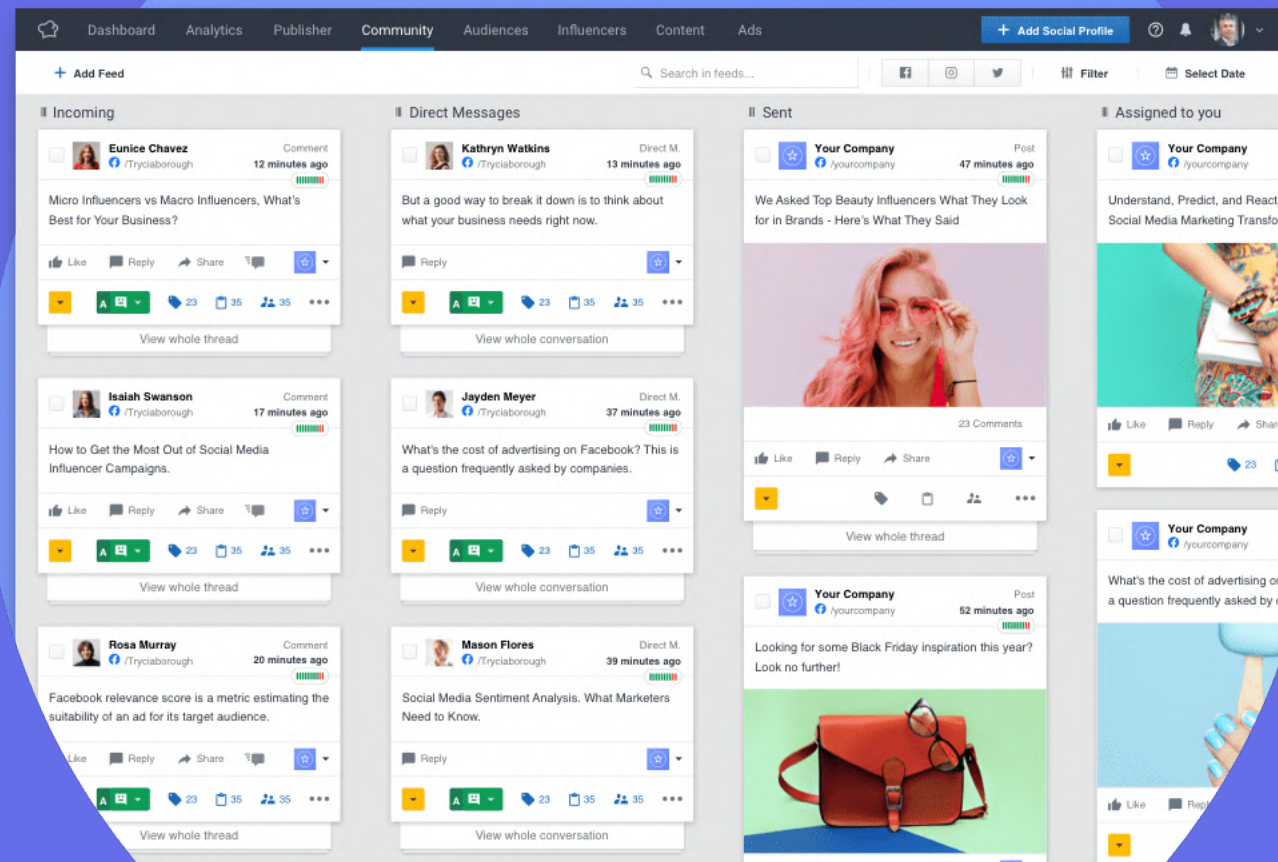
Customers' expectations only continue to grow, and brands must continuously seek ways to keep up. As we've seen, the customer experience can reverberate to a brand's bottom line in many ways.

More customers prioritize CX when choosing between brands. With switching costs fading, organizations can't afford to fall behind.

A CX program can only succeed if the customer is at the heart of every decision. All key stakeholders, customer-facing or not, must also be equipped with the tools and timely insights to meet growing expectations.

The right customer engagement tools can help shed more light on what customers need, expect and experience across their entire journey, and empower your teams with insights they can use to help your company stand out from the crowd as a CX leader.





Socialbakers provides brands with an integrated customer experience platform, enabling them to deliver a best-in-class experience across the entire omni-channel customer journey. With over 2,500 clients across 100 countries, Socialbakers is the trusted partner of many of the world's biggest and best-known brands.

In September 2020, Socialbakers joined forces with Astute Solutions, a leading customer engagement and Voice of Customer platform. Together Socialbakers and Astute will provide brands with a platform that enables them to understand their consumers at every touchpoint and provide valuable, connected brand experiences.

www.socialbakers.com