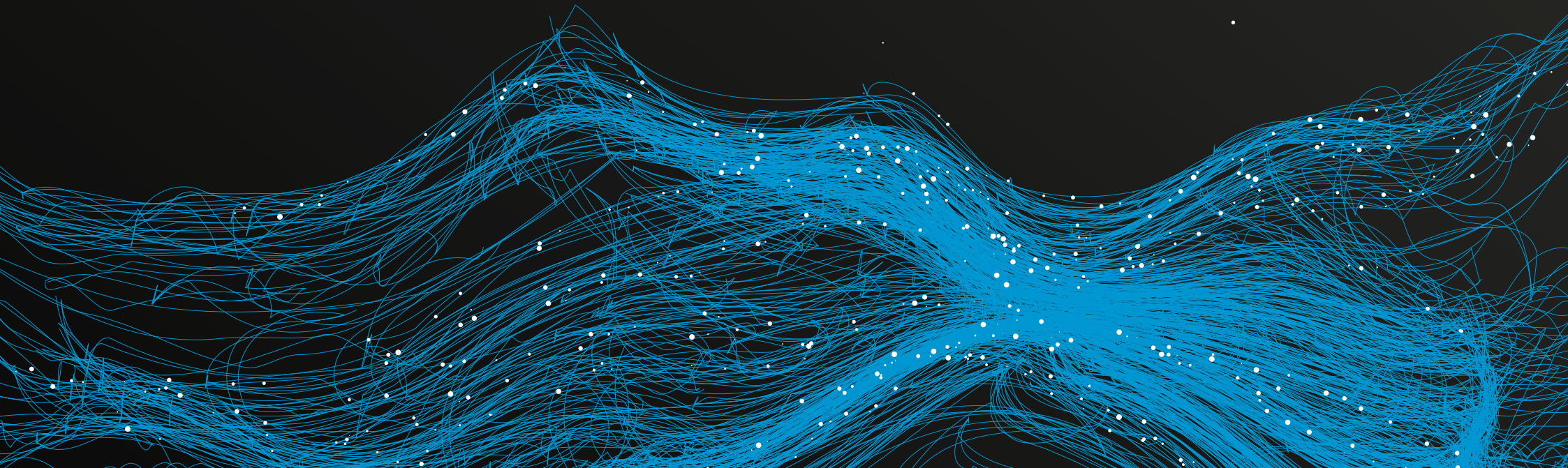


THE EXPERIENCE IMPACT



A company's relationships with its customers is about much more than just selling products or services and increasing revenue. In today's rapidly growing experience economy, **customers are looking for long-term, connected experiences that have emotional, interesting appeal** and stand out in the saturated market. Customer experience (CX) accounts for the entire life cycle of a company's customers; understanding the whole customer journey, from the very first moment they consider making a purchase, is essential to creating a clear, efficient, and enjoyable experience. In order to better understand the importance of customer experience today and inform CX decisions going forward, we sought to answer the question: **how and why do experiences affect where consumers choose to spend their money?**



WHAT MATTERS MORE?

According to the research results, **66% of consumers care more about experience than price** when making a brand decision. Since experiences are often more powerful in driving customer loyalty than price, meeting customer needs should be a company's first priority.

66%

of consumers care more about experience than price when making a brand decision.



HOW DOES EXPERIENCE AFFECT REVENUE?

Over half (52%) of online shoppers reported having stopped shopping on a brand website due to poor site experience. Investing large sums of time and resources into attracting new customers may bring visitors to a website, but an excellent customer experience is essential to ensuring that acquisition budget pays off in revenue. By delivering positive and unique customer experiences with a focus on digital, companies can gain the loyalty of each customer.



52%

of online shoppers reported having stopped shopping on a brand website due to poor site experience.



WHO DELIVERS A PERSONAL EXPERIENCE?

Nike, Amazon, and Apple were the top mentioned brands for delivering a personalized experience. So, what is it about these brands that keeps them on top?

NIKE

Nike embodies a customer-centric approach by monitoring consumer preferences and shifting focus from the products to the overall brand and the individual consumer interaction.

AMAZON

Amazon developed its Prime account option with customer needs in mind, and a high number of customers pay for this personalized experience that removes the pain points of shipping time and cost that are common with other online retailers.

APPLE

Apple sells a lifestyle, rather than the product itself. Every iPhone or computer release is based on customer needs and Apple's objective of creating the most seamless, innovative experience.

Although the industries differ, all three of these brands have an undying focus on customers, which keeps them coming back again and again.

WHO PROVIDES THE BEST ONLINE EXPERIENCE?

Amazon, Nike, and Apple were the top mentioned brands for delivering the best online experience, and Amazon was cited by over half of respondents. The top reasons why were:



EASY



CUSTOMER SERVICE



FAST

Amazon likely holds the top spot because of its customer-centric backbone since its inception. Clearly, convenience often surpasses other factors in determining the value of a brand. Now, customers across different industries and platforms expect an enhanced, seamless experience, thanks to Amazon.

WHY DO CONSUMERS HESITATE TO BUY?

Respondents cited **unknown quality as the #1 hesitation to trying a new brand**. Overcoming customer fears of the unknown improves overall customer perceptions. Use research, data, and analytics to understand customers' motivations, pain points, and behaviors to develop an experience that better addresses them.

Research also reported that **recommendations from friends/family is the #1 way for new customers to trust an unfamiliar brand**.

Word of mouth is the most organic and valuable form of marketing, and it will only increase when customers feel that their experience is worth sharing.

THE BOTTOM LINE

Customer experience has a direct impact on the bottom line. Experience translates to conversions, purchases, and revenue and directly impacts advertising ROI. Marketers should develop experiences with customer value and business value at the center, focusing on creating branded, personalized, relational experiences at each and every touchpoint. This starts with understanding the overall customer journey in order to recognize their needs, interests, and pain points.

In an age of heightened importance on the customer, marketers use a number of tools to gain this understanding, including segmentation and personas, user flows and stories, and consumer decision maps (CDMs) to uncover audience motivations.

CASE STUDY: An experience built for the **customer**



Merkle's proprietary research technique, using cognitive psychology and behavioral economics, uncovered the data and insights that led to the re-imagining of the Exclusive Resorts messaging. **The study shifted how the brand understood its audience** and informed an all-new website experience.

Results

- **292%** quarterly increase in digital marketing leads
- **73%** year-over-year decrease in cost per lead



About Merkle's Digital Experience Services

Merkle designs, implements, and optimizes web, app, and emerging digital experiences that build personal customer relationships and deliver value. Our practice is built on audience research, strategic insights, user experience design, creative, technology, and optimization programs.

About Merkle

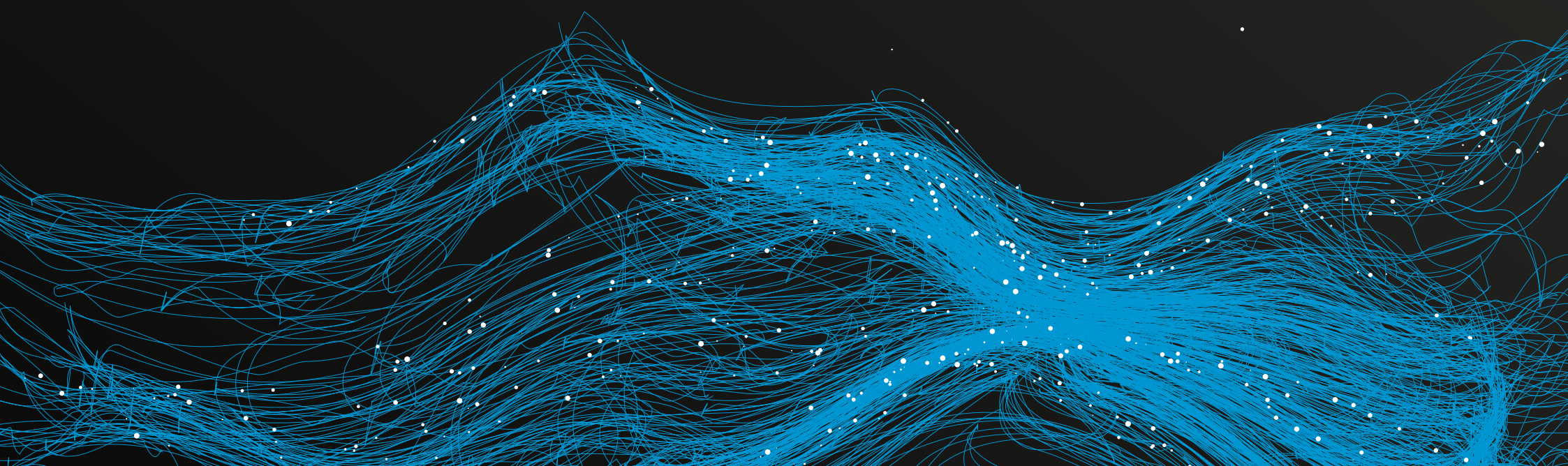
Merkle is a leading data-driven, technology-enabled, global performance marketing agency that specializes in the delivery of unique, personalized customer experiences across platforms and devices. For more than 30 years, Fortune 1000 companies and leading nonprofit organizations have partnered with Merkle to maximize the value of their customer portfolios. The agency's heritage in data, technology, and analytics forms the foundation for its unmatched skills in understanding consumer insights that drive people-based marketing strategies. Its combined strengths in performance media, customer experience, customer relationship management, loyalty, and enterprise marketing technology drive improved marketing results and competitive advantage. With 7,000 employees, Merkle is headquartered in Columbia, Maryland, with 21 additional offices in the US and 33 offices in Europe and APAC. In 2016, the agency joined the Dentsu Aegis Network.

Identify and prioritize your most critical customer experience improvements in just 2-3 weeks with Merkle's CX Assessment Tool. Contact marketing@merkleinc.com to get started.

RESEARCH OVERVIEW

N=500, All data collected on 3/22/19 by Merkle

- 66% of consumers say they care more about experience than price when making a brand decision.
- Over half (52%) of online shoppers reported having stopped shopping on a brand website due to poor site experience.
- Nike, Amazon, Apple were the top mentioned brands for delivering a personalized experience.
- Amazon, Nike, Apple were the top mentioned brands for delivering the best online experience.
 - Over half of respondents cited Amazon
 - Top reasons why: 1) Easy, 2) Customer Service, 3) Fast
- Unknown quality is the #1 hesitation for trying a new brand
- Recommendations from friends/family is the #1 way for new customers to trust an unfamiliar brand.



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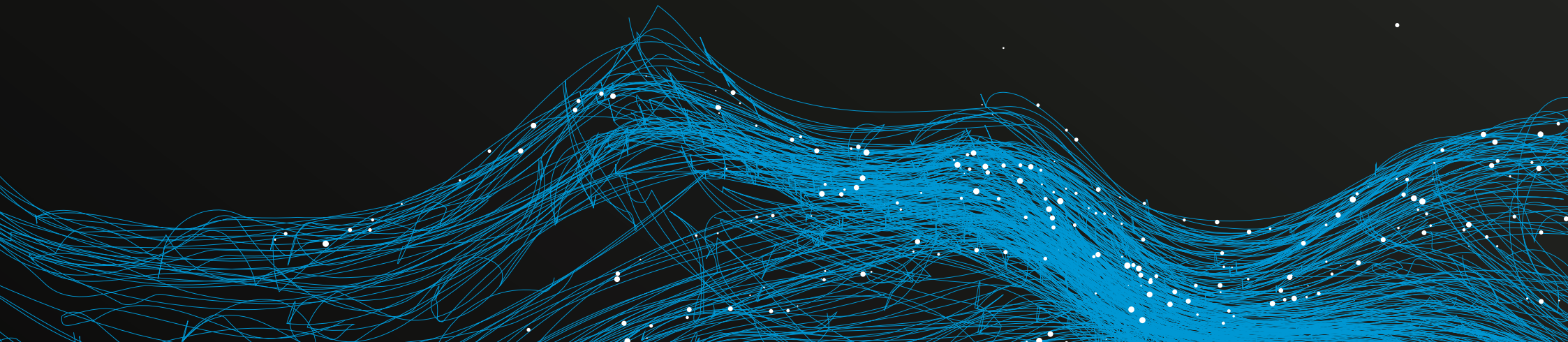
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