



SAP Hybris [x]

The 2017 SAP Hybris Global Consumer Insights Report

## **The dating game Love and loss in the modern era**

# Introduction



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Life in the ever-evolving digital age has delivered a lifestyle few could have imagined a decade ago. As an example, look at how the dating scene has changed. To meet someone, we used to go to bars, get set up with friends of friends, or go on blind dates. Now it's as easy as downloading a dating app for your smartphone. But even if finding a date is as simple as swiping right, developing a meaningful relationship is harder, requiring a strong foundation of trust, communication and the ability to overcome challenges. Navigating the path of love can be overwhelming, even if it's worth it in the long run.

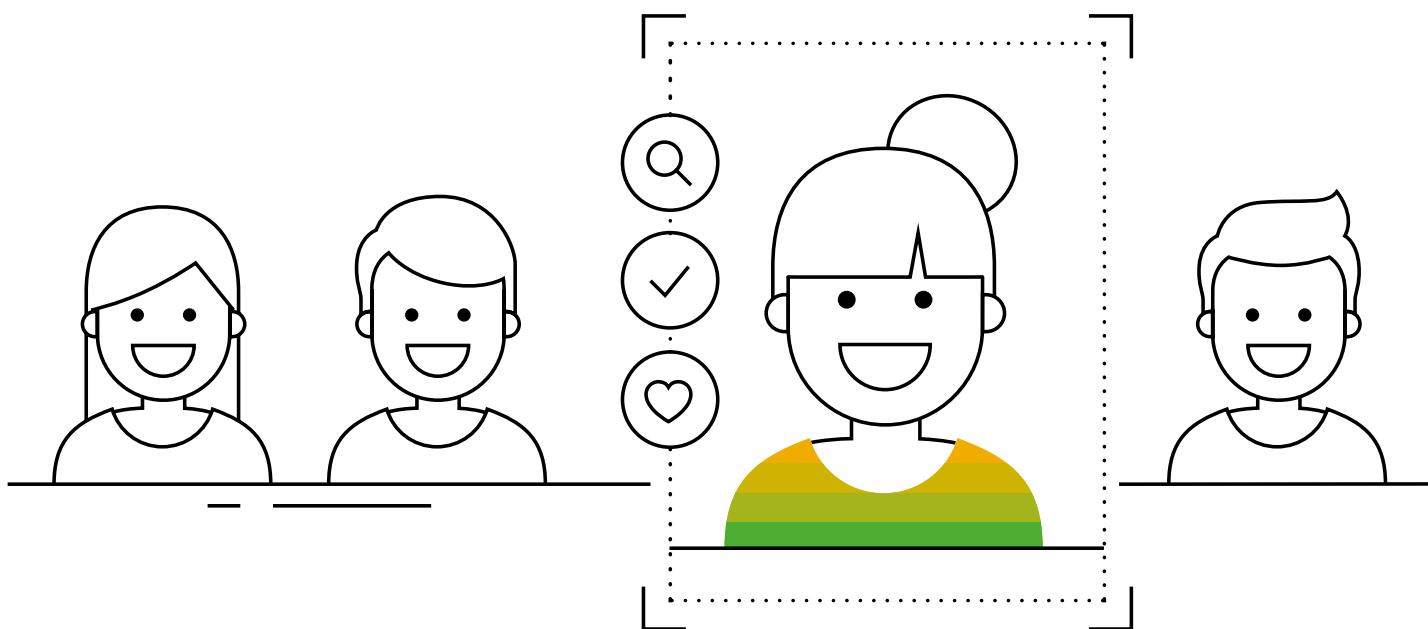
It's easy to see the parallels in the relationship between brands and consumers. Brands want meaningful, long-term relationships with loyal customers, but in the digital economy all the power rests with the consumer. Online forums, social media, review websites and more mean it's increasingly simple to research a prospective purchase without ever visiting a store or listening to a marketing message.

Interactions with brands are also evolving, thanks to tools such as instant messaging and chatbots. As a result, consumers have much higher standards of what they want brands to deliver, and they won't flinch about breaking up with a brand that doesn't meet these expectations. Sending flowers to woo them back isn't really an option.

That's why SAP Hybris commissioned a survey of over 20,000 consumers worldwide: to better understand what consumers look for when engaging with brands. The survey was developed to see what makes a relationship tick from the customer's perspective—and what makes or breaks a customer experience.

Questions were asked among a wide subset of ages and nationalities in 20 countries across Europe, Asia, Latin America, the Middle East and North America. The results have been collated to help provide relationship counseling to brands in their relationships with customers.

**We hope you enjoy this paper and benefit from the insights derived from the study. Let's get started.**



## Love around the world

Who we surveyed:

USA	Russia	Singapore
Canada	United Arab Emirates (UAE)	India
United Kingdom (UK)	Saudi Arabia (KSA)	Thailand
France	Colombia	China
Germany	Brazil	Japan
Netherlands	Mexico	Korea
Poland	Australia	

Note: Countries located in Asia Pacific (Australia, Singapore, India, Thailand, China, Japan and Korea) participated in surveys conducted in Q1 2017, remaining countries were surveyed in Q3 2017.

# Love, digitized

Disruption is an overriding theme in both love and commerce. Consumers can easily find everything they want about a brand without looking up from their smartphones, drastically altering interactions between brands and consumers. It's up to businesses to do a bit of hard reflection and ensure they're ready to meet and exceed the expectations that consumers now have. The purpose of the SAP Hybris Consumer Insights Survey was to identify these expectations, and to give brands the information they need to identify how to build a long and trusting relationship with customers.

The survey's questions concentrated on how consumers expect to be treated by brands with which they have a relationship. How do they feel about sharing their personal information, and what kind of information does this include? It also asked how they expect that data to be treated by brands, as well as what brands should and should not do in return for the privilege of access to personal information.

The results show two main themes. First, consumers expect companies to be transparent about how they use their data, and not to abuse their trust. Second, consumers expect to be rewarded for sharing their data through giveaways and rewards, as well as high-level and contextual customer service. They say it takes two to make a relationship, but these days consumers hold the balance of power, and brands need to prove themselves worthy.

Just as consumers have more ways to choose when and how they interact with brands, from social media to forums to chatbots, brands have new ways to provide the level of service potential customers seek. Big data, artificial intelligence and machine learning are improving the service experience and helping brands to get closer to being the perfect partner. We'll talk about those capabilities in more detail later on. For now, let's take a closer look at what customers really want.

## LOVE (AND THE INTERNET) MAKES THE WORLD GO ROUND



**51%**

of the global population is online.<sup>1</sup>



More than half of the world's population now use a smartphone.<sup>1</sup>

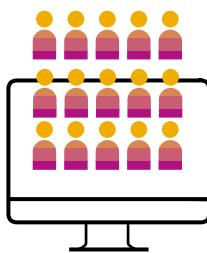


**39%**

are active social media users.<sup>1</sup>

**3.5 million**

additional people will come online per week in 2017.<sup>2</sup>



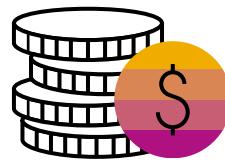
**\$2.3 trillion**

expected retail e-commerce sales globally in 2017. 69% coming from China and the US.<sup>3</sup>



**\$40 billion**

amount consumers spend each week.<sup>2</sup>



**Over 51%**

of web traffic comes from mobile phones, compared to 43% from laptops and desktops.<sup>1</sup>



# Sharing is caring Establishing trust in a relationship

Finding love prospects is easier these days. Brands such as Match and Tinder have become cultural colloquialisms. Finding someone online has lost its stigma and is now a popular way for people to meet others, with 5% of Americans in relationships saying they met their significant other this way.<sup>4</sup>

And so it goes for consumers. As social media and email have grown to overtake traditional forms of communication, the willingness to share information has become something brands have enjoyed. SAP Hybris' survey found that overall, 80% of respondents were willing to share some information with brands, with those in Japan being the most reticent at 52% compared to Colombia and India (both at 92%).

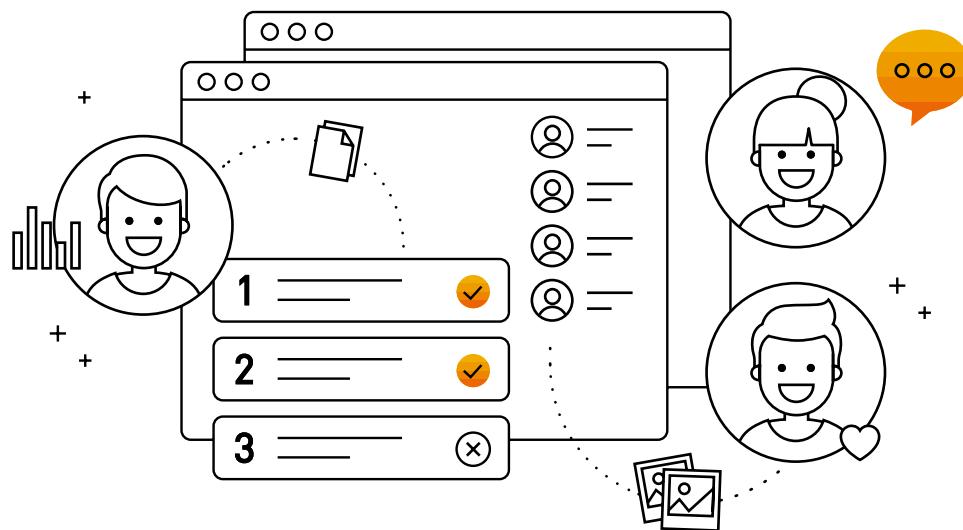
When comparing different regions, Latin America was the most willing at 91% to share while Western Europe was the most conservative at 67%.

Every country's results rated email addresses as the information they are most willing to share, except for Russia. Although globally more than half of the respondents were most willing to provide email, it's important for brands to take a localized approach. In India, over 68% are happy to provide emails, but in Japan and the Netherlands, less than four out of ten are willing to do so.

Other than email, consumers are most willing to share shopping history and preferences. But not always: Middle East based consumers would rather share their mobile number.

## INSIGHT

The results point to a difference between those in developing countries and their developed counterparts: consumers in the developing world are happier to provide their email addresses. An average of 61% of those surveyed in Brazil, Mexico, Thailand, India and China are willing to share email addresses, compared to an average of 54% of consumers in the US, Canada, France, UK, Germany, Singapore, Japan and Australia.

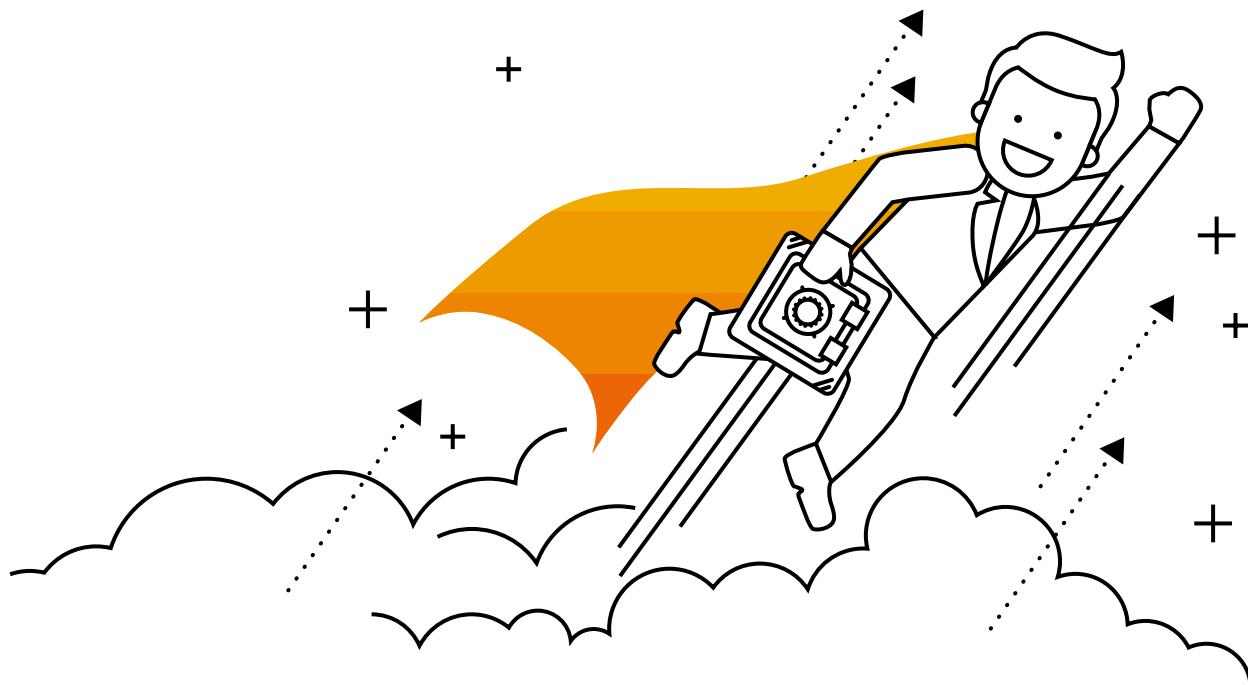


# The perils of a long-distance relationship

Consumers are less willing to share if a brand is going to provide personal data across international borders. Even though seven out of ten were still happy to share, across the board results go down, signifying the trust that brands need to build with customers when it comes to moving information across borders.

Consumers in countries that showed a preference in survey questions that focus on value tend to be happier to share information internationally. Consumers in India, China, Saudi Arabia and Colombia, where over half expected brands to ensure consistent offers online and in-store, were more willing to share their data across borders. In Colombia, responses showed that people there are more willing to share across borders (94%) compared to locally (92%).

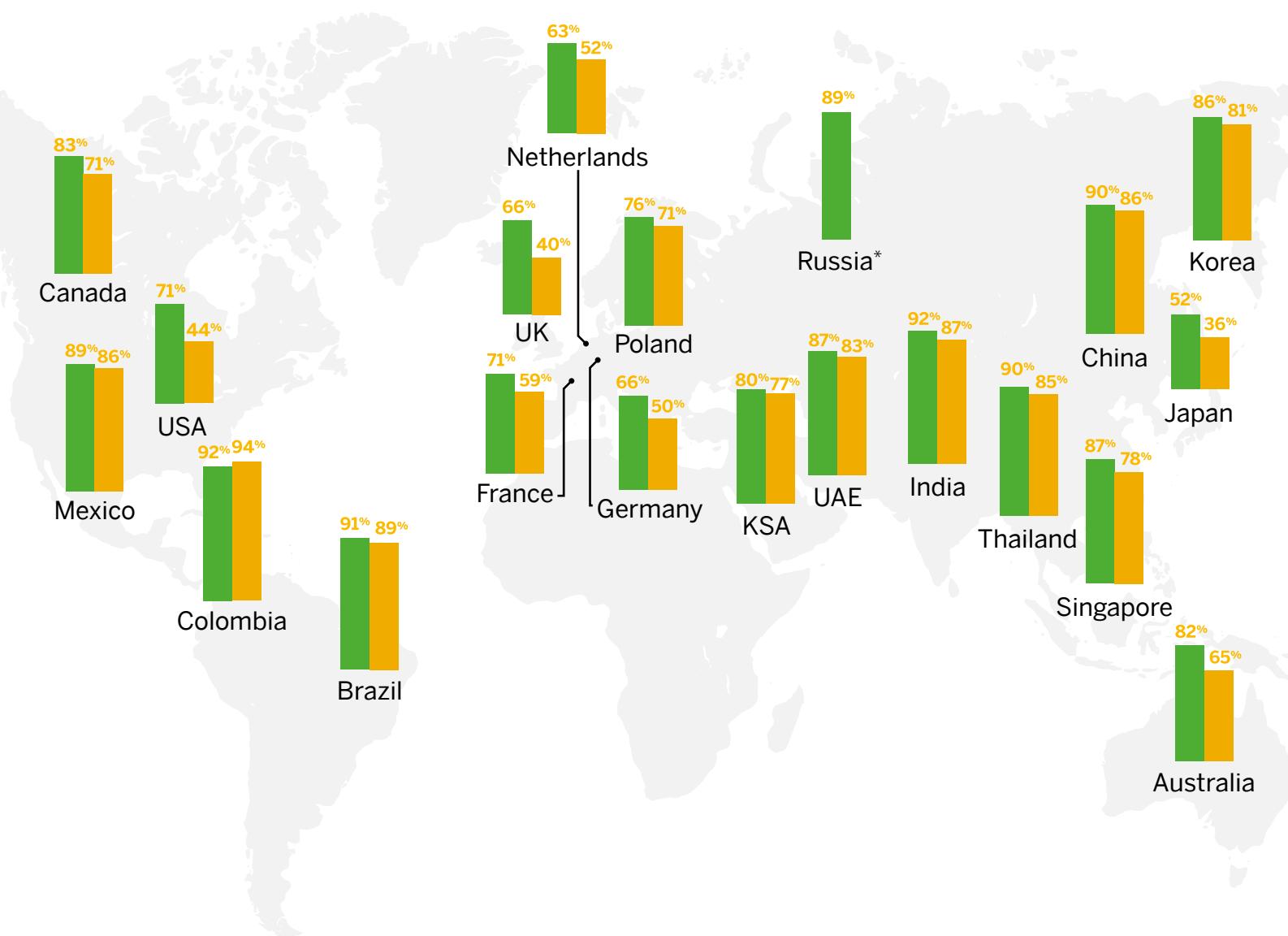
**INSIGHT:** The results show that brands should personalize what data they collect to reflect the expectations of local consumers and strengthen trust. The good news is that overall, consumers around the world understand that brands need to collect personal data in order to provide them with value and rewards, even across borders.



# Consumer love by the numbers

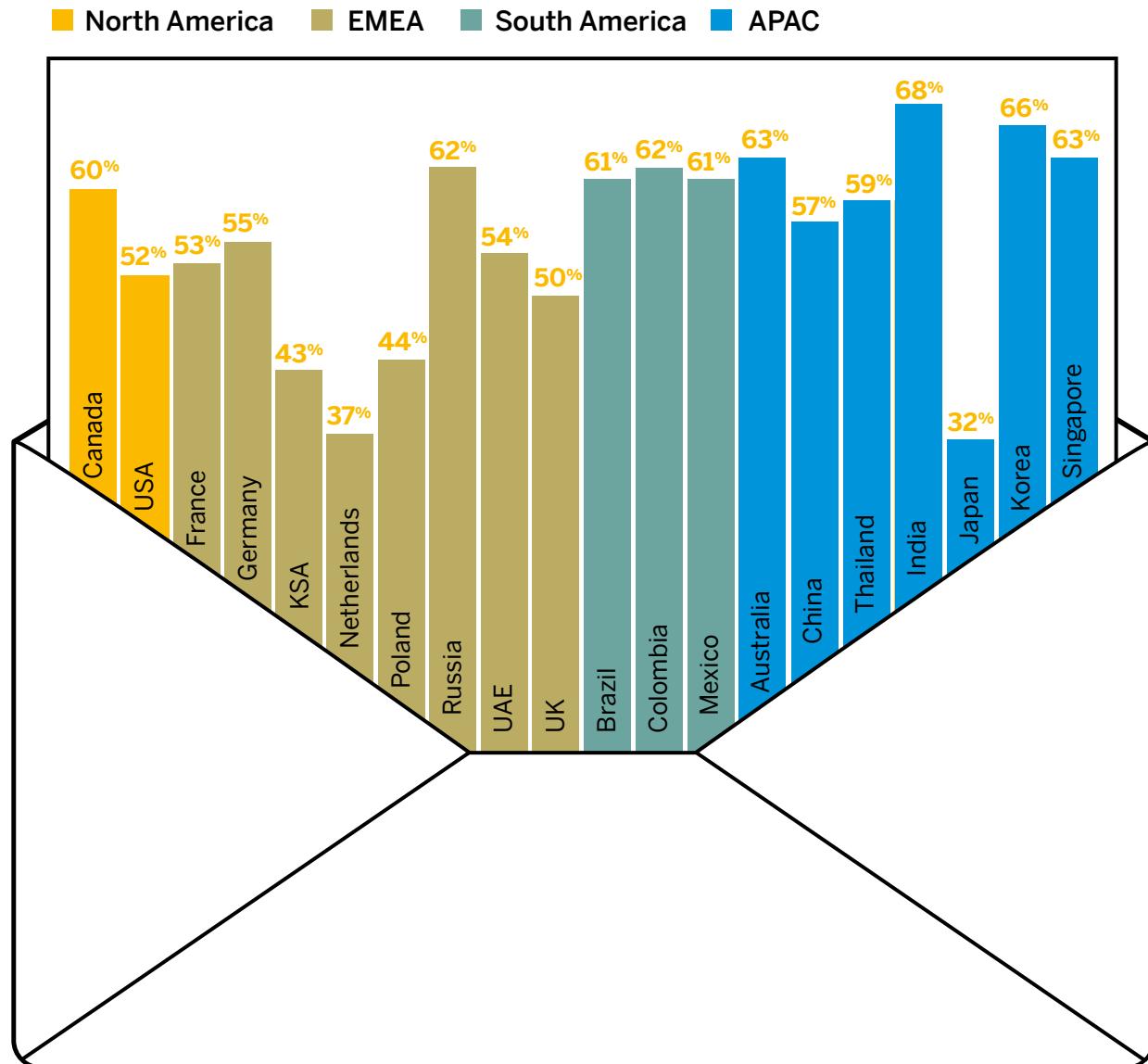
WHO'S WILLING TO SHARE THEIR PERSONAL INFORMATION?

■ Local sharing ■ International sharing

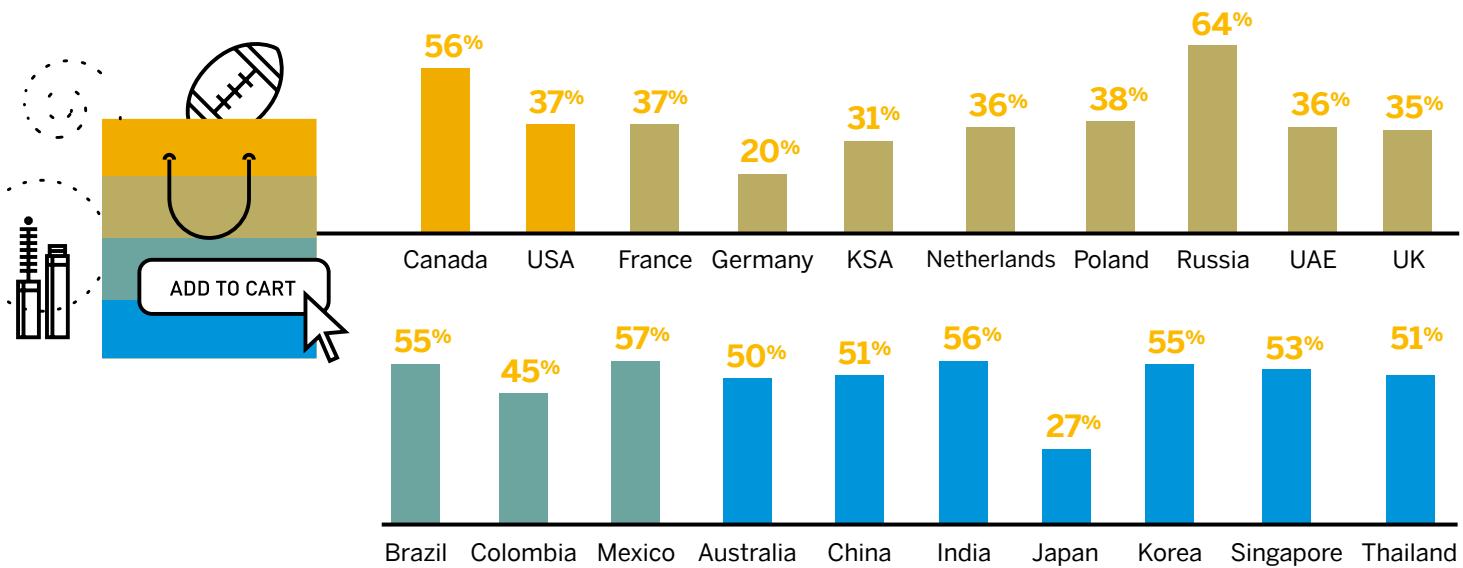


\* Data unavailable

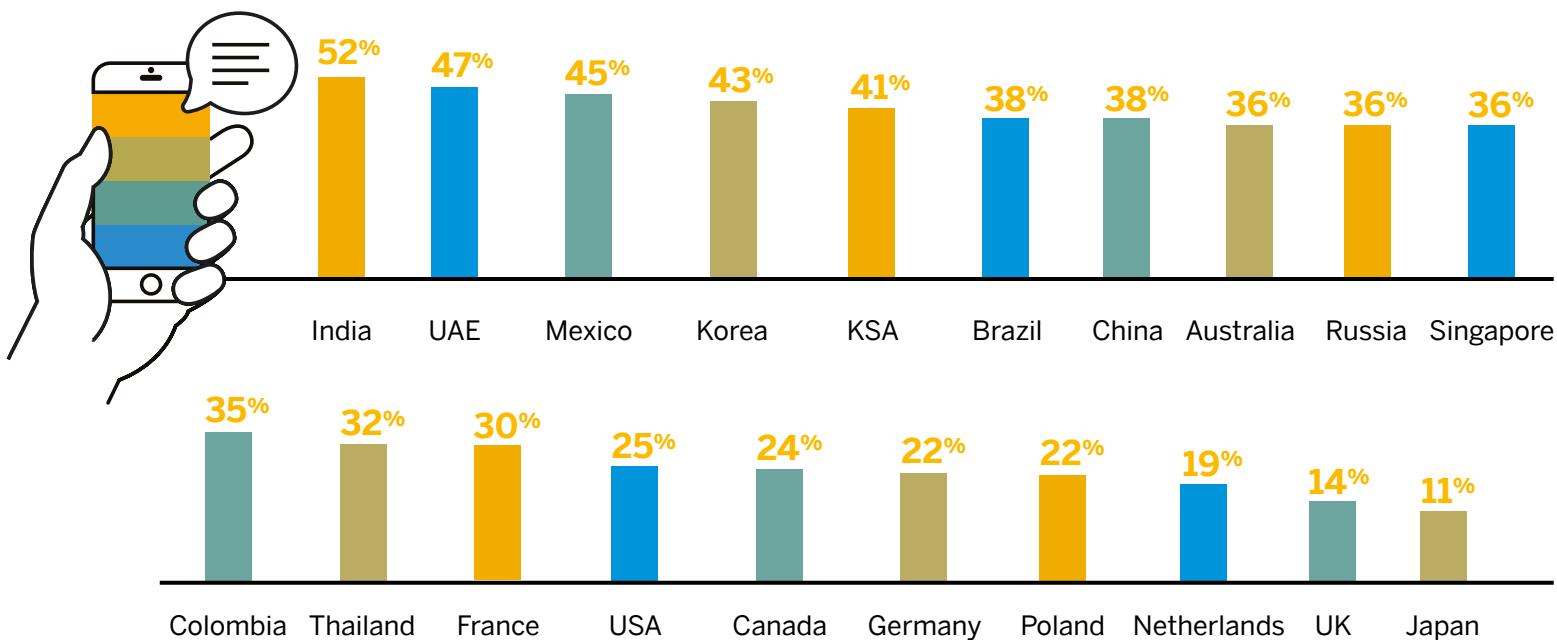
## OK, LET ME GIVE YOU MY EMAIL ADDRESS



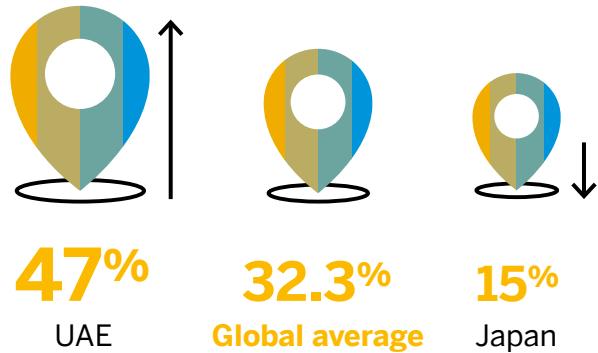
## I'LL SHARE MY SHOPPING HISTORY AND PREFERENCES



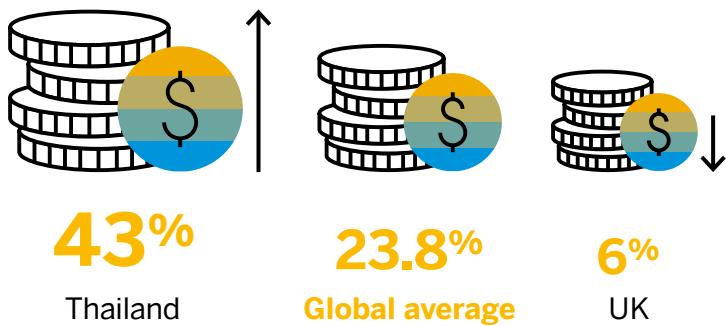
## YOU CAN HAVE MY MOBILE NUMBER



## I'LL SHARE MY REAL-TIME LOCATION WITH YOU



## I'LL TELL YOU MY MONTHLY INCOME



## KEY TAKEAWAYS

- ✓ Regularly review and localize what data you collect to reflect preferences.
- ✓ Develop a services-model approach, even if you sell products.
- ✓ Look at ways to personalize your engagement with consumers.



# Don't leave them hanging

It's easier to meet someone online now, but one of the roadblocks in every relationship is understanding if both parties feel the same way about each other. This awkward stage is when you're getting to know and understand each other. Likes and dislikes, interests, hobbies and preferences are all being analyzed and digested.

As well as learning about each other, it's also about communicating clearly and often, and letting them know you care. There are more ways than ever for a consumer to contact a brand, whether it's through Twitter or Facebook, online communities, calling customer service or visiting a store in person. Not providing a quick response is detrimental to keeping the love alive with customers. They can easily switch to a competitor product or service if they feel they're not getting the attention they deserve.

This is reflected strongly in the survey results. Expectations regarding response times were consistently high: 89% of consumers want to hear back within 24 hours regarding a query, ranging from 82% in Russia to as high as 96% in Colombia. Yet surprisingly, 56.6% of businesses still can't be contacted by social media, illustrating a gap between consumer expectations and brand readiness.

Brands must align their business model with what consumers are looking for. They need to equip themselves with the ability to respond quickly across all channels — and the faster, the better. The best way to achieve this is through a cloud service that offers omnichannel support. Customers want brands to respond quickly as well as relevantly, so that queries and service calls can be streamlined. For example, when a customer chases delivery of an order, the service team can see their shopping history, current and past orders and preferences, and can provide a meaningful response without the customer needing to provide specific details.

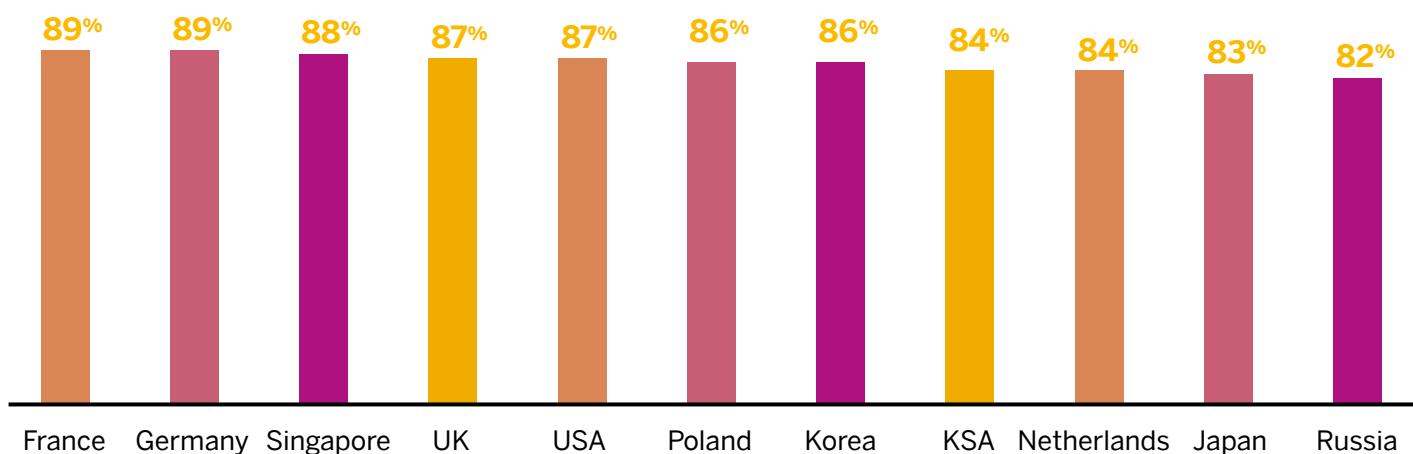
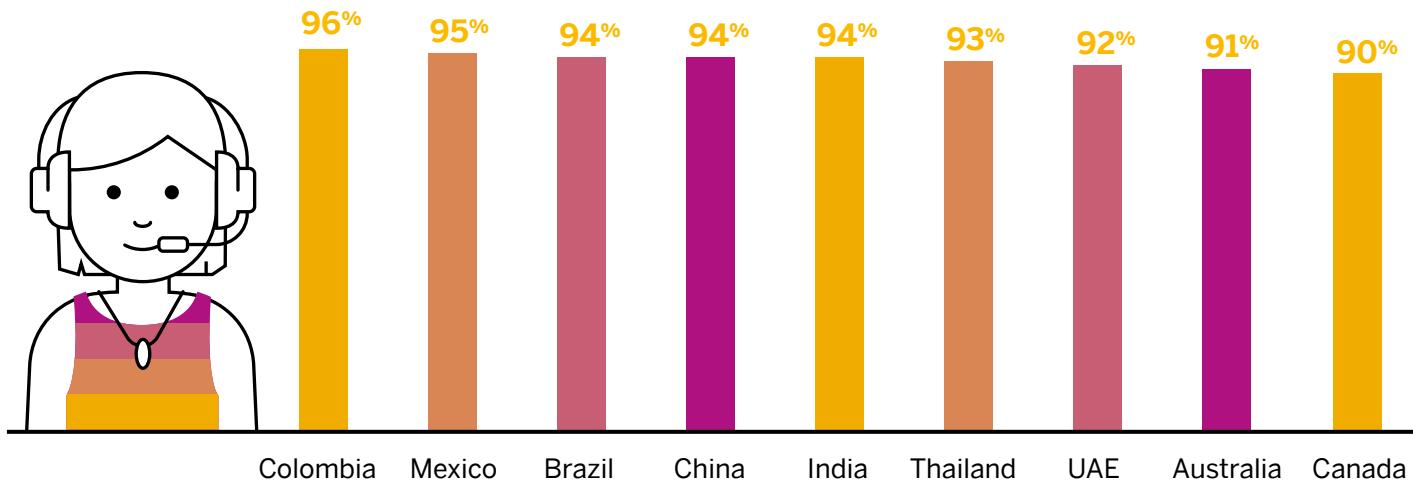
## INSIGHT

Brands need the agility to meet the high expectations customers now have. It's important that brands respond not just quickly, but with a personalized approach.



# Consumer love by the numbers

## CALL ME BACK, PLEASE (CONSUMERS EXPECTING RESPONSE WITHIN 24 HOURS)



## KEY TAKEAWAYS

- Make sure your business model meets consumer expectations.
- Offer personalized customer service across all available points of contact.
- Make sure customers' experience across all touchpoints is exemplary.

# Every relationship is built on trust

Now that brands are able to collect data about consumers, how they use that data becomes critical. Just like in relationships, you expect that your information will be used responsibly and treated with respect. The results from the SAP Hybris Consumer Insights Survey show that over two thirds of consumers expect brands to protect consumer interests when using their personal data. It's also the top reason chosen for dumping a brand: eight out of ten people surveyed globally would leave a brand if it used their data without their knowledge.

When looking at the results worldwide, one thing is universal: privacy regarding data collection is a high concern for all consumers. Privacy and protection of data is expected, as well as transparency in how it's used. But consumers in some countries are looking for value, and expect brands to offer the same promotions online as in-store. This is especially the case for over half of those surveyed in the Middle East, China and India.

It's up to brands to prove themselves worthy of a trusting relationship with consumers by collecting and using data responsibly and transparently. They should also reward this trust by offering value-added experiences at all points of the customer journey, such as discounts on repeat purchases, free workshops or exclusive event invites.

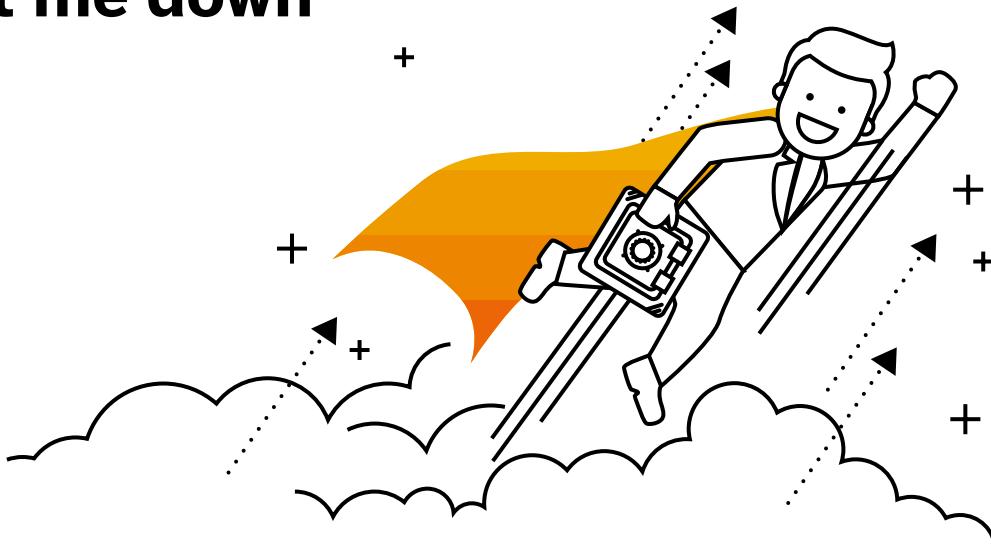
## INSIGHT

Organizations should use the information across all their channels, from pre-sales to customer service. A proactive approach in a relationship is one that grows stronger with each interaction. Neglect leads to disappointment and heartbreak.

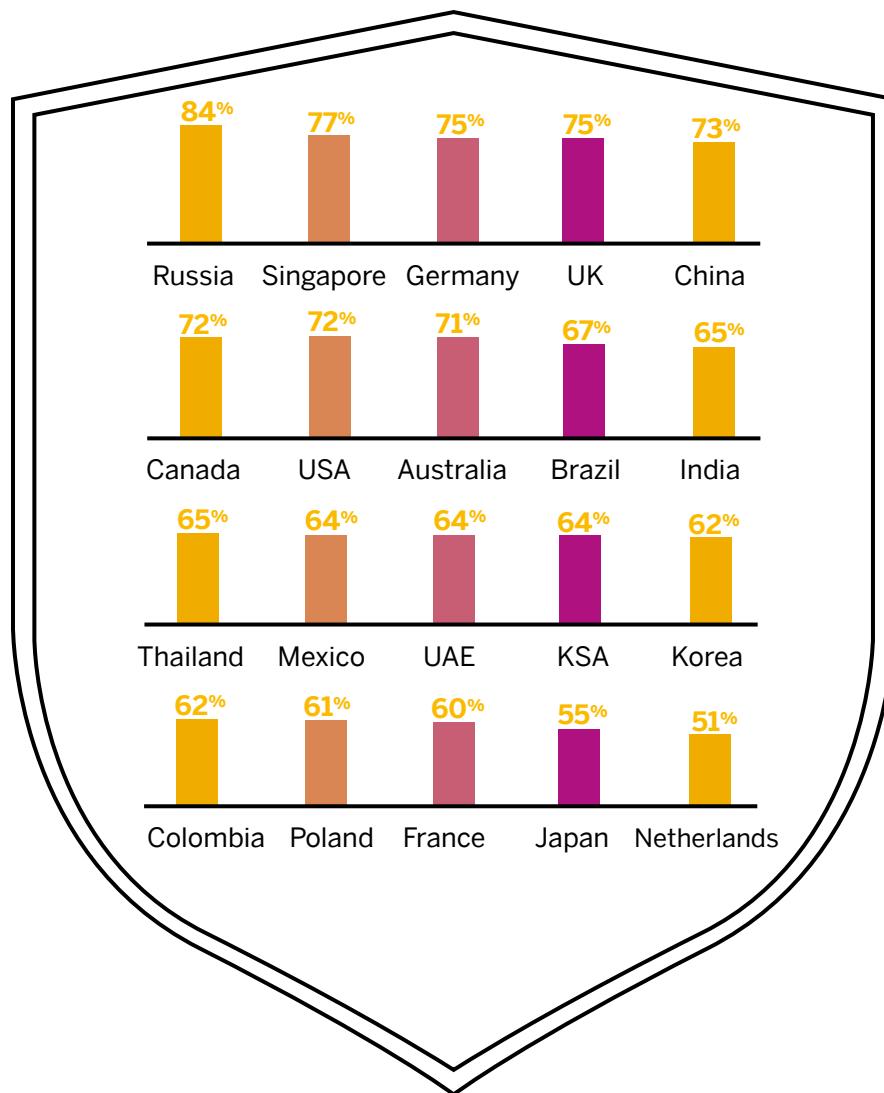


# Consumer love by the numbers

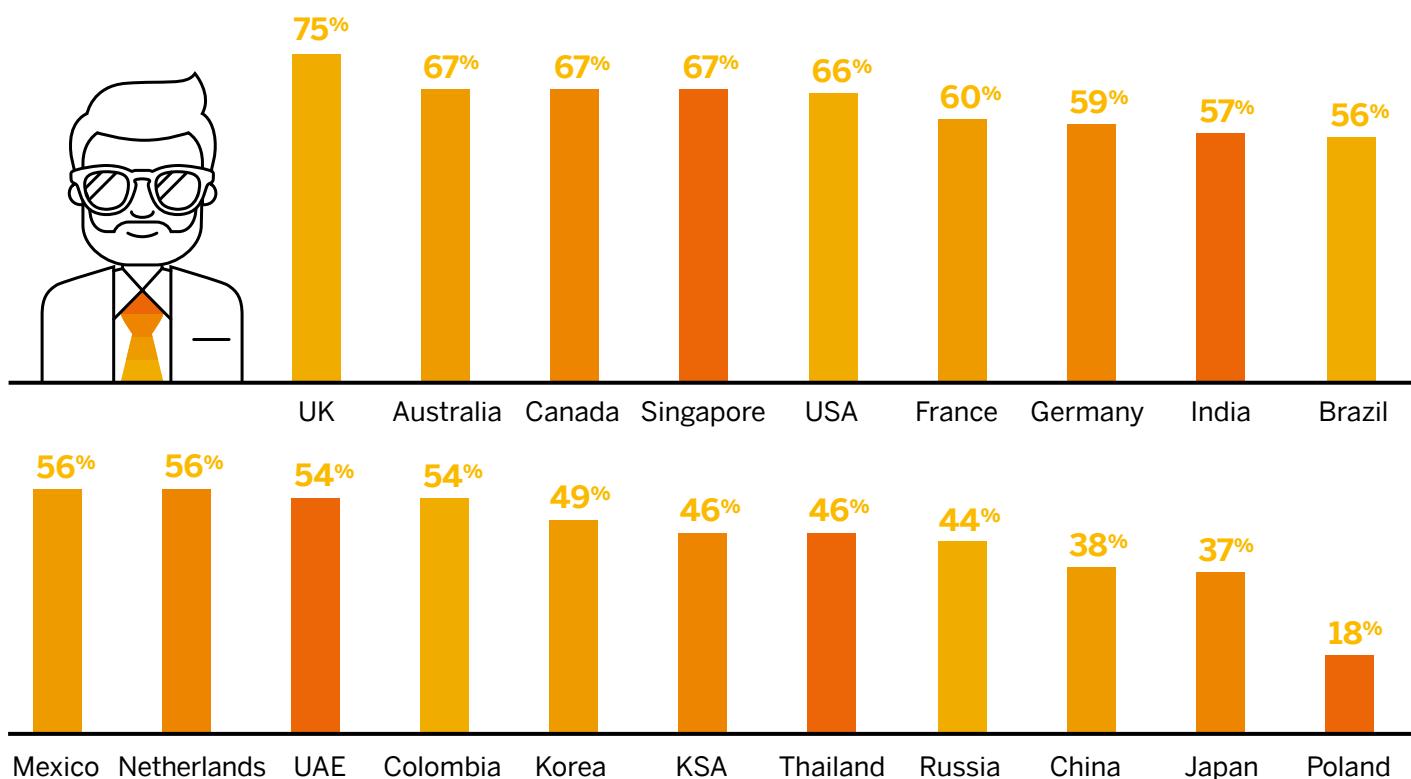
## Don't let me down



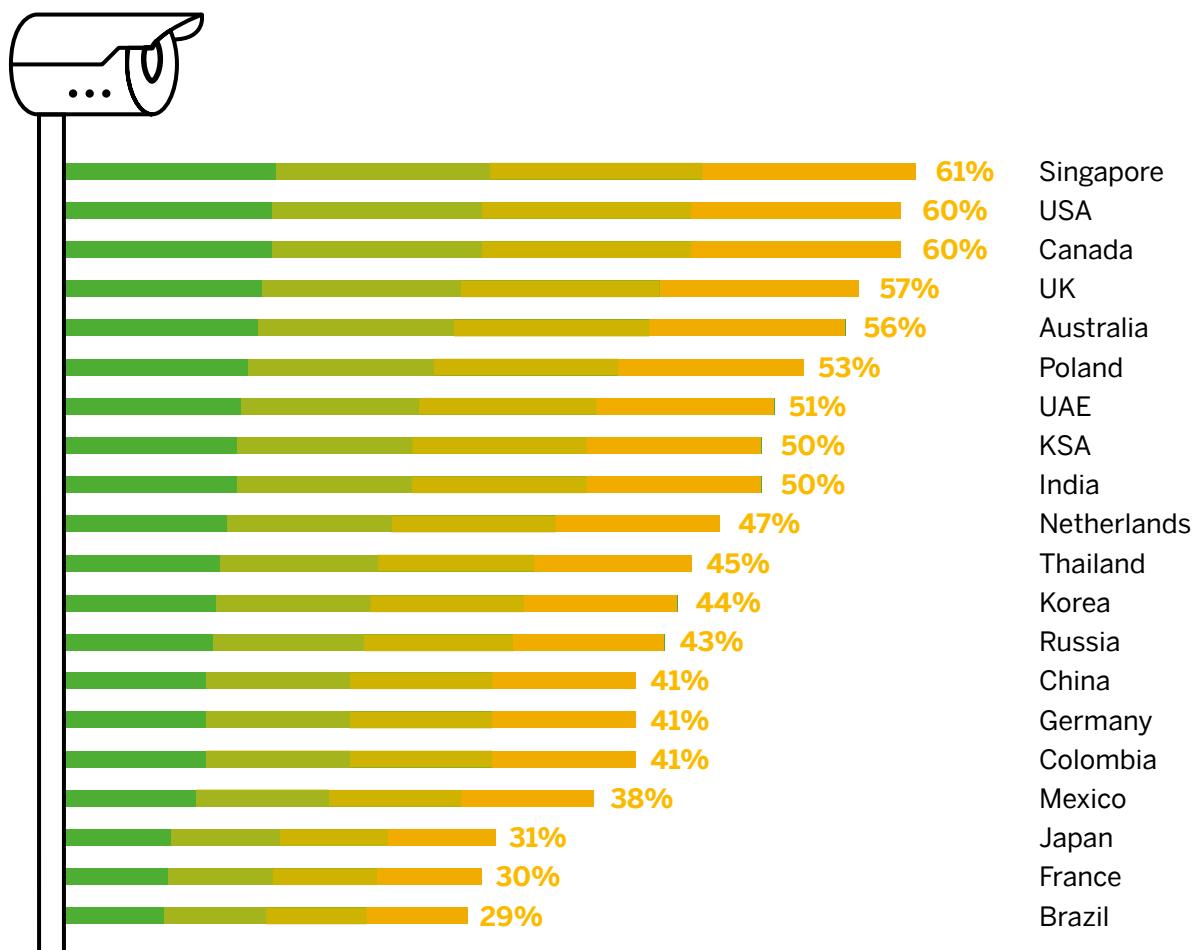
### I EXPECT BRANDS TO PROTECT CONSUMER INTERESTS WITH PERSONAL DATA



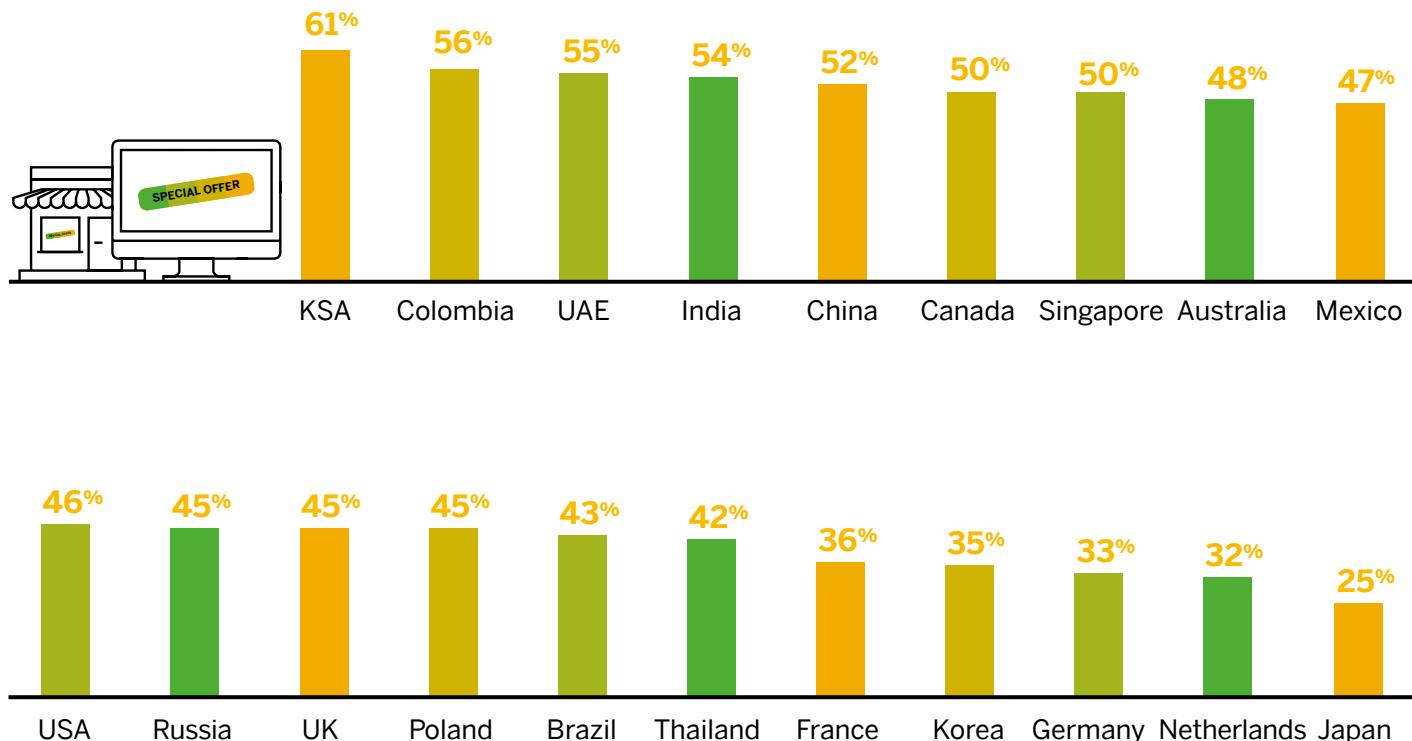
## BE TRANSPARENT WHEN USING MY DATA WITH PARTNERS



## PROTECT MY CONSUMER PRIVACY IN THE EVENT OF A CRIMINAL INVESTIGATION



## ENSURE ONLINE AND IN-STORE PROMOTIONS ARE CONSISTENT



## KEY TAKEAWAYS

- ✓ Provide customers with the ability to control what information they share.
- ✓ Be transparent in how collected data is used.
- ✓ Use customer data to improve brand interactions, each and every time.



# Keeping the love alive

## What consumers expect in return

It's natural in a relationship to sometimes feel insecure: to look for clues and indicators of feelings and affection. A bunch of flowers or a surprise birthday party are all signs that the magic is still there. Consumers are no different. If they invest their time and money with a brand, they hope for gestures that reward and gratify.

The survey asked consumers for the top three activities that they feel give them a personalized experience. Overwhelmingly, everyone loves it when a brand gives them surprises, such as perks, discounts and freebies. France was the only country to not rank this as the most important activity (but it was only 1% behind the most popular response). Instead, French consumers value brands who respond

appropriately to queries that reflects their account history. Every country ranked this attribute in their 'top three', except Poland. Russians love surprises the most, with seven out of ten selecting this response.

Incentivizing customers in the forms of gifts, discounts and a satisfying customer service experience is now a must-do for businesses. It's as simple as using collected data to create customer profiles and establishing methodology for personalizing interactions across all channels. This could translate into providing customers with recommendations based on their purchasing history, or sending them small gifts on their birthday that reflect their interests.

### INSIGHT

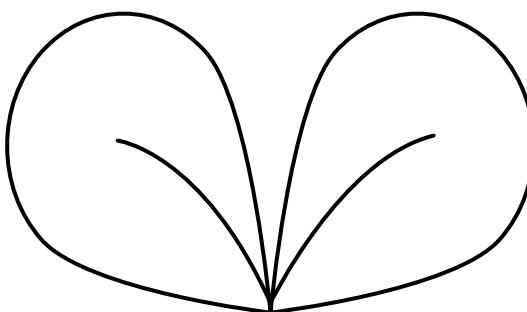
Incentives should be a part of the entire customer journey, particularly after purchase, to maintain a strong and healthy relationship. Accomplishing this means investing in systems that learn from interactions to build an understanding of consumers. If you want to woo a prospective love interest, make the time and effort to get to know them, what they like and don't like. They expect to be treated like an individual.



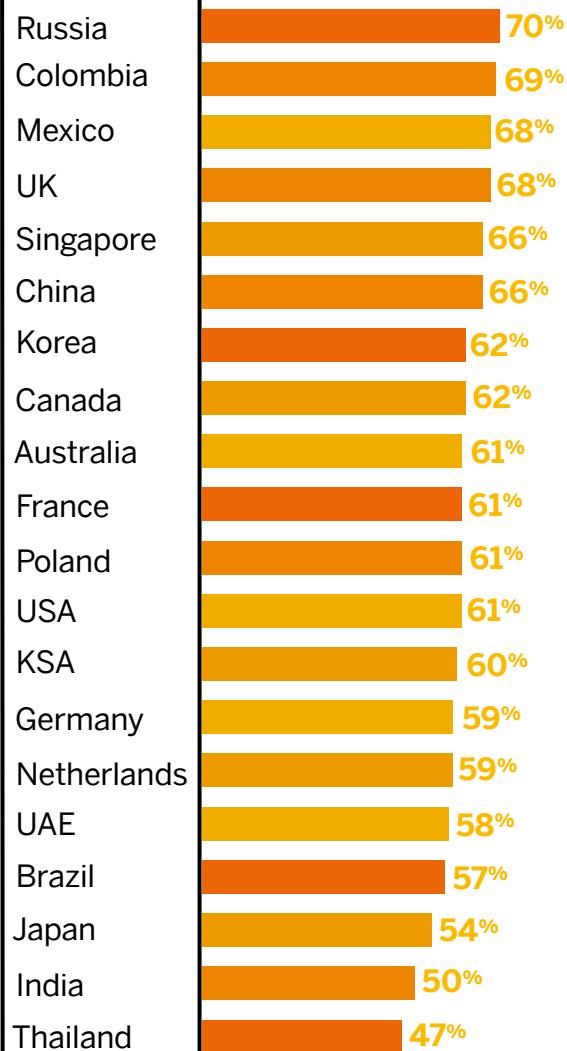
# Consumer love by the numbers

## Keep the romance alive

SHOW ME THAT YOU CARE  
WHAT PERSONALIZED  
SERVICE MEANS TO ME

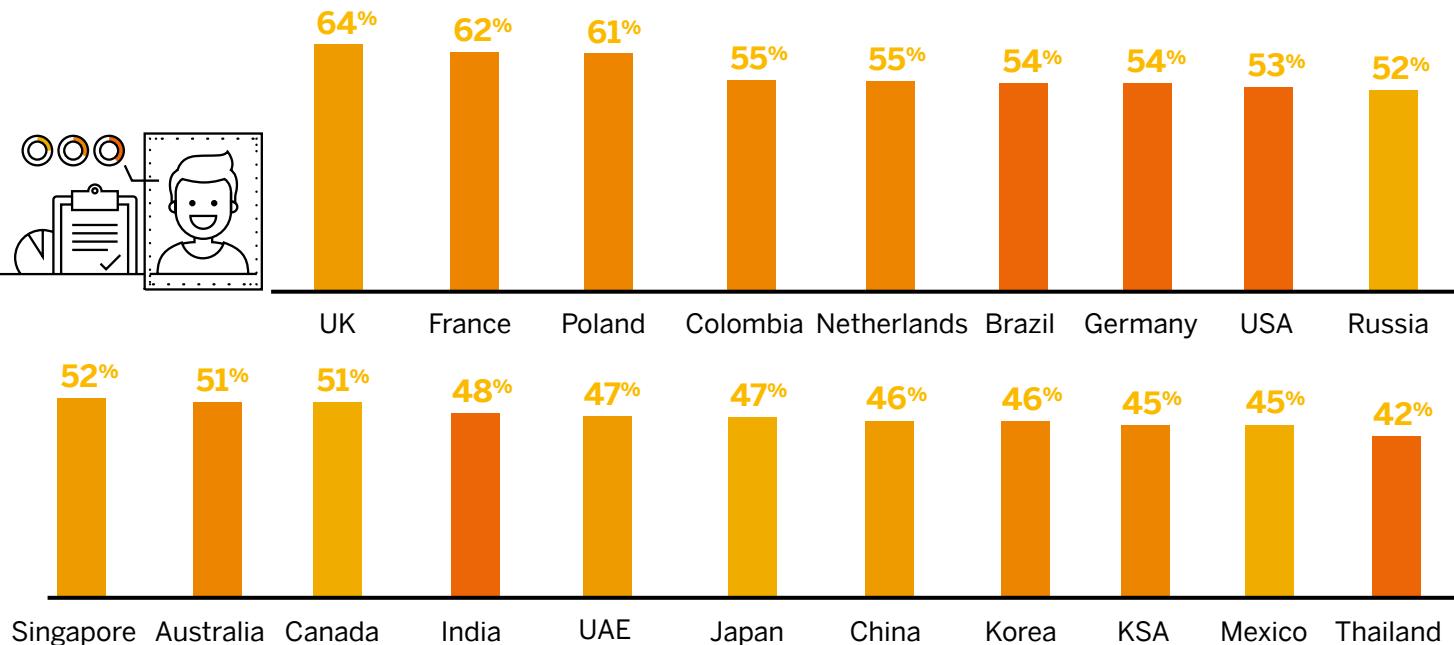


SURPRISE ME!



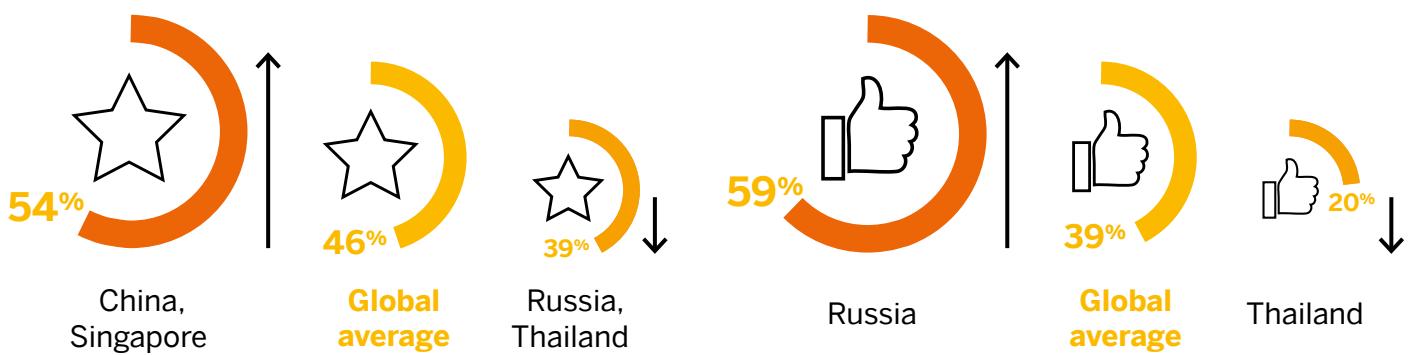
## UNDERSTAND MY NEEDS

Getting appropriate responses to queries with a full understanding of my history with the brand



## I WANT VALUE-ADDED SERVICE

## I'D RATHER RECEIVE RELEVANT PRODUCT RECOMMENDATIONS



## KEY TAKEAWAYS

- Use collected data to build customer profiles.
- Develop incentive programs and offer rewards for loyalty.
- Be proactive across all customer service channels to provide a contextualized experience.



# Breaking up is easy Getting back together is hard

The keystone to every relationship is trust. As much as everyone is used to sharing their details online and with brands, people still feel strongly about how that information is used. Just as trust is important in any relationship, it's vital for brands. And today, with the increasing use of data collection, the theme of trust enters the conversation between brands and consumers more often.

## Give me space

When asked what brand behavior bothers them, consumers around the world agree that they don't like receiving too many direct marketing and sales calls, with six out of ten saying this is an annoying brand behavior. Receiving too many marketing and sales emails was the second choice for most surveyed, although this varied by country and region. Differing from every other country was France, where over a third of those surveyed find it annoying when staff aren't aware of their complete history with a brand, further highlighting a consumer base that values personalized customer service.

## It's not you, it's me

Being annoyed and bothered by unsolicited advances is one thing, but breaking the bond of trust will push a customer to leave a relationship with a brand. Overwhelmingly, survey results demonstrate that using a consumer's data without their knowledge is the number one reason they'll not use a brand again (80% globally).

Being neglected was the predominant runner-up at 71%, followed by sending spam or making multiple mistakes.

- More than 83% of those in Europe and Latin America said they would break up with a brand if they used consumer data without their knowledge.
- Those in the US and Canada find breaches in consumer data use and unresponsive customer service almost equally unforgiveable.

Trust, followed by neglect, are the two pain points in many relationships, in love and in business. Saudi Arabia, Colombia, Poland and China were the only four countries that ranked 'inconsistent online and in-store promotions' in their top three responses, further highlighting that brands in these countries can keep customers coming back by offering consistent value.

Artificial intelligence, machine learning and big data are offering an evolving service for businesses. Employing cloud-based systems that can store and analyze will be the differentiator for brands in the marketplace. Performance is based on providing prompt and personalized experiences that reward consumers, and a delivery model that equates to one that services rather than just sells products. These same systems need to ensure that consumers feel their information is protected and accessible to them at all times.

## INSIGHT

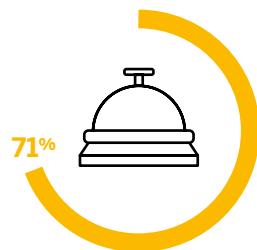
Breaking your consumer's trust risks losing their love, as does leaving them out in the cold. And there are many competitors out there with sexy reward programs, savvy chatbots and cool social media communities ready to swoop.

# Consumer love by the numbers

## TOP REASONS CONSUMERS BREAK UP WITH BRANDS (GLOBAL AVERAGES)



Used consumers' data without their knowledge



Unresponsive customer service



Spammed unnecessarily



Made mistake more than twice

## BRAND BEHAVIORS THAT BOTHER CONSUMERS MOST (GLOBAL AVERAGES)



Receiving too many direct marketing and sales calls



Receiving too many direct marketing and sales emails



Irrelevant content push



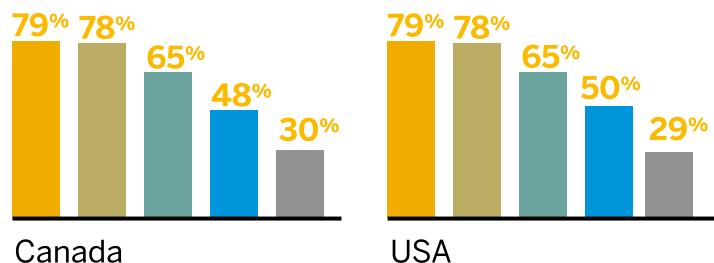
Lengthy customer support processes

## THE BREAKING POINT, COUNTRY-BY-COUNTRY

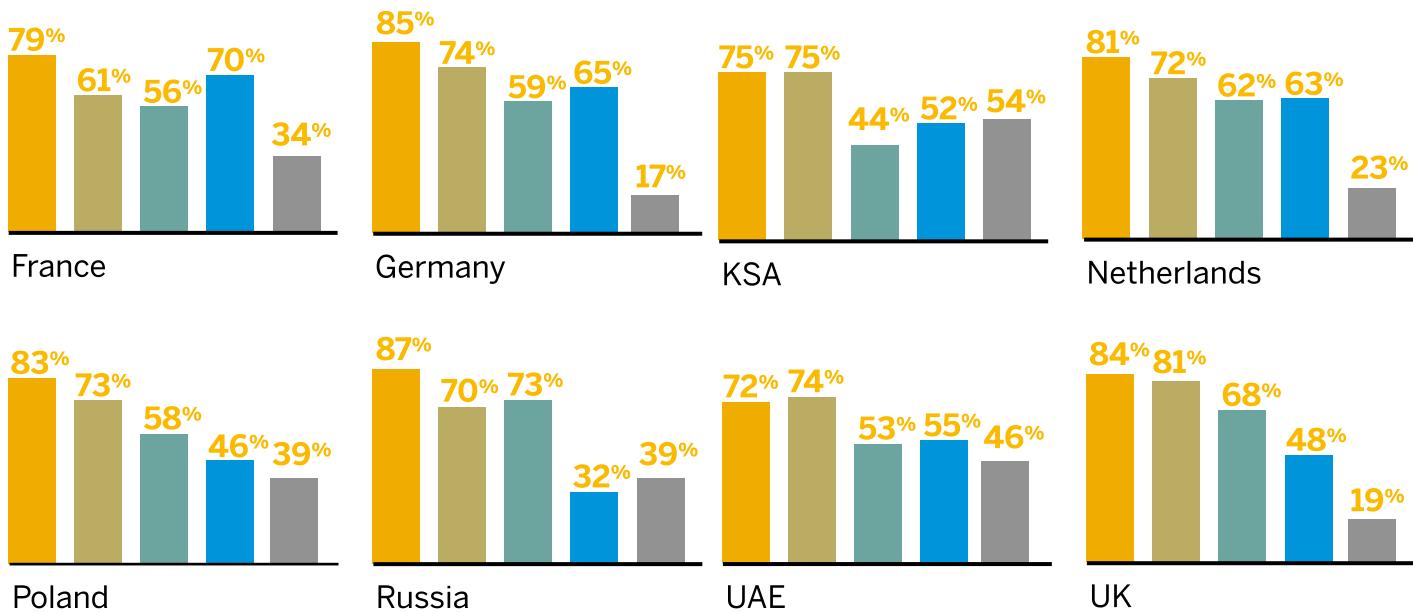
█ Unknown data use    
 █ Unresponsive customer service    
 █ Spamming    
 █ Makes mistakes more than twice    
 █ Inconsistent online and in-store promotions



### North America



### EMEA



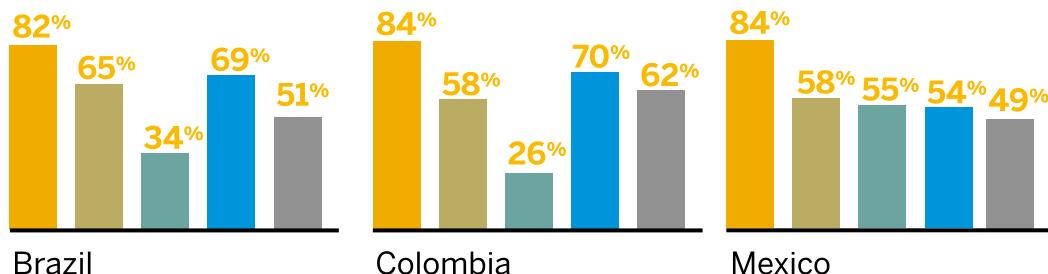
### KEY TAKEAWAYS

- ✓ Invest in AI and big data capabilities for scalable, omnichannel solutions.
- ✓ Deliver reliable information that's customized across all channels and touchpoints.
- ✓ Protect information and enable customers to access it online.

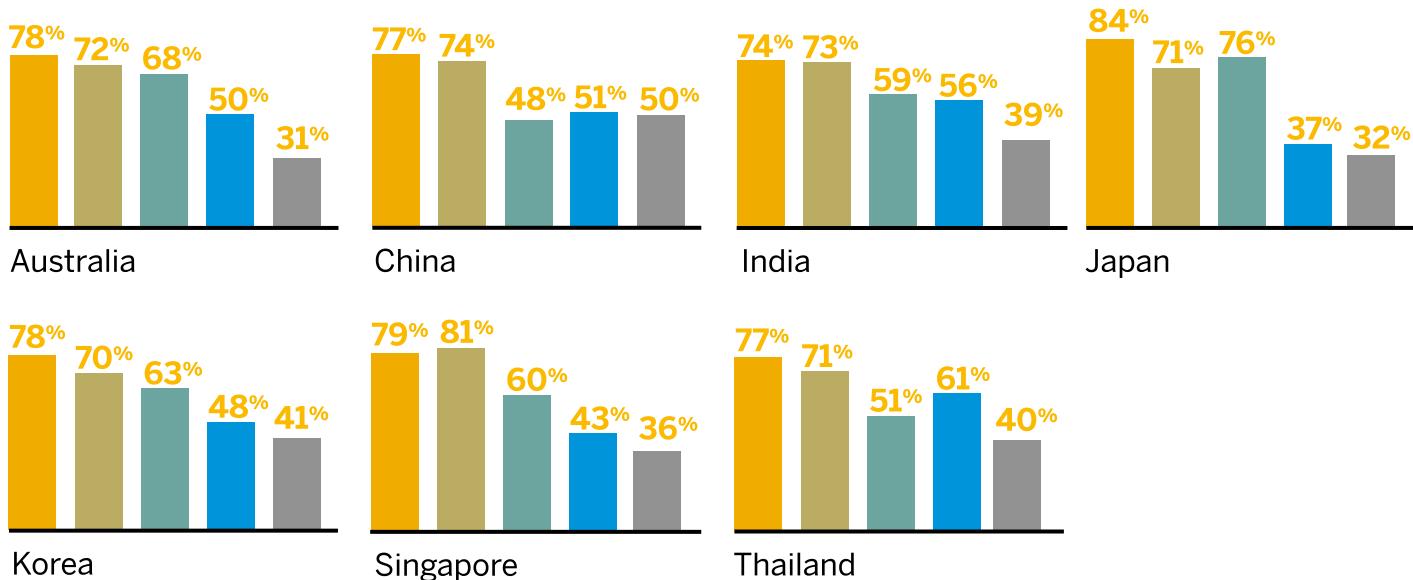
## THE BREAKING POINT, COUNTRY-BY-COUNTRY

█ Unknown data use    
 █ Unresponsive customer service    
 █ Spamming    
 █ Makes mistakes more than twice    
 █ Inconsistent online and in-store promotions

### South America



### APAC



### KEY TAKEAWAYS



Invest in AI and big data capabilities for scalable, omnichannel solutions.



Deliver reliable information that's customized across all channels and touchpoints.

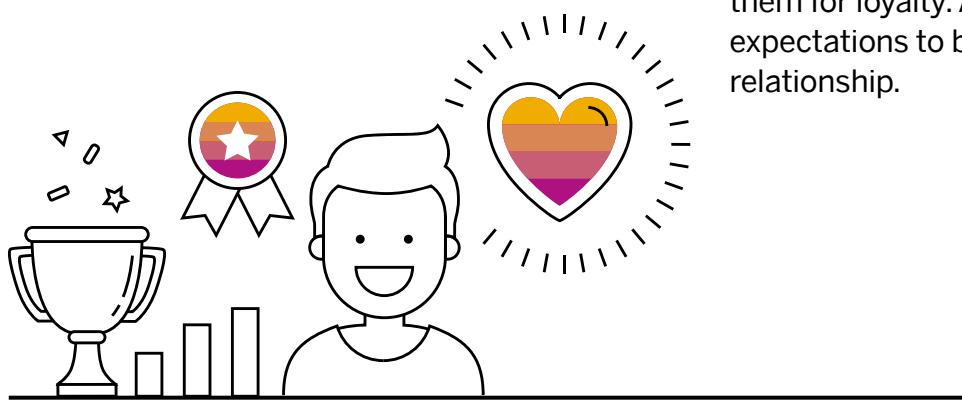


Protect information and enable customers to access it online.

# All's fair in love and war

All relationships take hard work, but in the case of consumers, the pressure is squarely on brands to deliver. The first step is to develop a business model that supports a customer-centric perspective. The second step is building a backbone for your business that's comprised of a scalable and agile cloud service.

All interactions with consumers now present brands with opportunities to collect data. Not using that data to deliver excellent services to consumers can be the undoing of a promising relationship. Consumers are looking for a personalized approach that supports them when they're looking for help while also rewarding them for loyalty. Aim to overshoot their expectations to be rewarded with a long-lasting relationship.



## How to find love with customers

Customer engagement is the key factor in driving results for brands. Examining every part of the customer journey and how a business interacts at each of these points needs to be incorporated into a business strategy that covers the entire business. From sales calls to invoicing, the systems behind all these departments must create a seamless journey for customers.

An end-to-end omnichannel solution such as SAP Hybris provides solutions to help brands manage this digital transformation to a customer-centric approach. And omnichannel cloud solutions provide a connector for the many business divisions that interact with customers. SAP Hybris delivers a data-driven service that is agile, scalable and flexible, no matter the size or scope of a business. At the end of the day, it's about delivering a worry-free, rewarding customer experience.

**Help your brand transform how you engage with customers, innovate how you do business and simplify the technology landscape. Then ride off into the sunset.**

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Run Simple