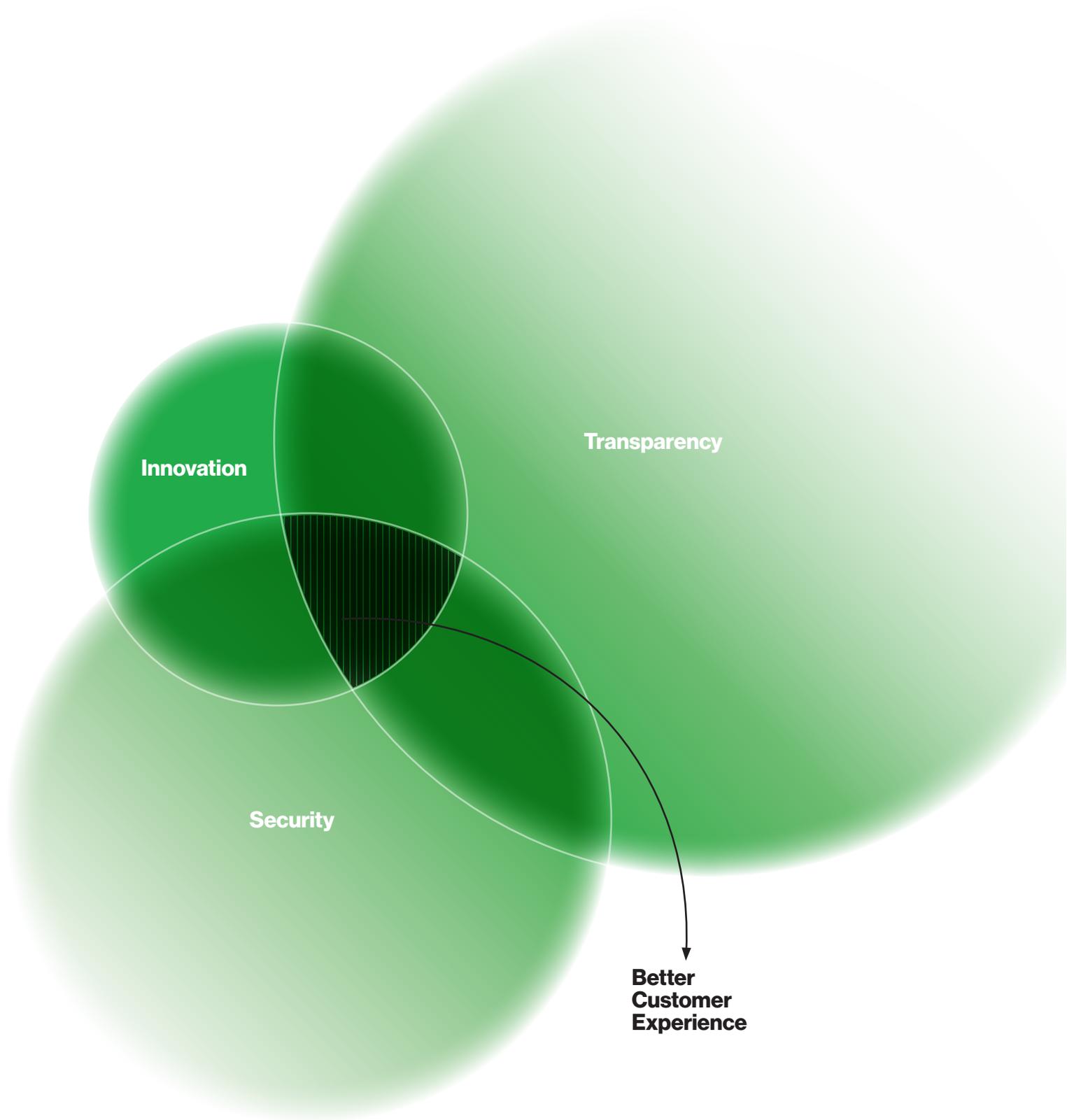


APAC: The CX Optimists



Forward thinkers.

If a customer experience (CX) expert were to imagine the ideal consumer for its products and services, what would this person look like?

They would be happy to share their personal data across a range of scenarios, they would trust the brands with whom they shared it, and they would be open to interacting with brands in a range of innovative ways.

But in a world where consumers are becoming smarter about the use of their data, does this ideal consumer really exist? If they do, they would probably come from Asia-Pacific (APAC). According to our recent research, the region's consumers are by far the most optimistic and forward thinking on CX, when compared to the rest of the world. In this report, we will assess the CX situation in APAC, and provide recommendations on the best way forward for the region's brand marketers.

About this research

The insights in this report are drawn from an extensive body of research. We surveyed 6,003 consumers globally, including 2,300 from the following Asia-Pacific (APAC) countries: Australia, India, Singapore, South Korea, Japan and China. All the consumers surveyed have had a customer experience in the past year. In addition, we carried out qualitative interviews with six global customer experience experts, including representatives from the APAC region.



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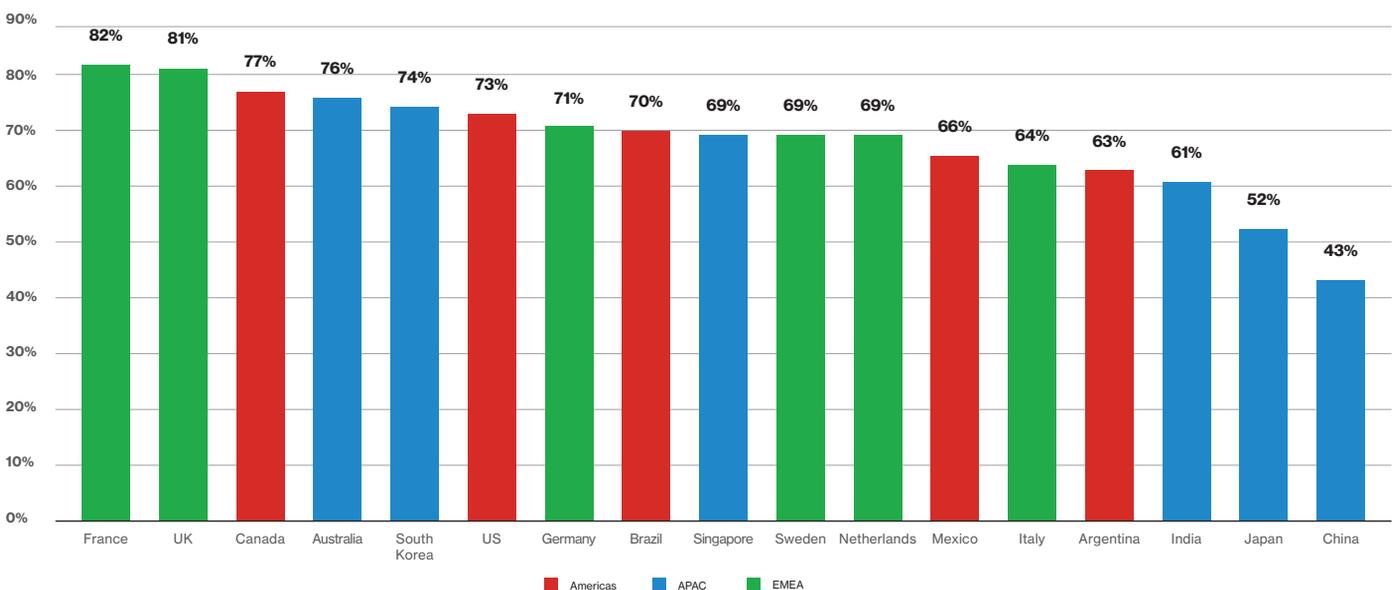


Figure 1: Chinese, Japanese and Indian consumers are the least skeptical in the world about how companies use their data

The data idealists

When it comes to sharing their data, consumers in APAC are extremely open – more so than in Europe, the Middle East and Africa (EMEA) and the Americas. 1 in 10 (9%) consumers in APAC would be happy to share their data without even needing to know in advance how it would be used (the highest rate globally).

In addition, consumers in APAC are the least skeptical when it comes to how companies use that data – fewer than two thirds (62%) of APAC consumers think that companies are asking for their personal data for their own gain, rather than to serve consumers better.

By comparison, nearly three quarters of consumers think the same in Europe (74%) and the Americas (71%). As Figure 1 shows, on a country level, APAC is home to many of the countries which are least skeptical about companies' use of their data.

The sharing CX economy

Consumers in APAC may be the freest with their data – but they won't give it away for nothing. For example, 38% of consumers in APAC would allow car insurers to track their driving, so long as they received lower premiums in return. Some 43% would permit restaurants to track their location if it meant they got better discounts, and 31% would

even let retailers track their social media so long as it generated recommendations for them.

There are many examples of APAC brands delivering modern customer experiences, thanks to the combination of innovative brands and customers which are happy to share their data. For instance, in 2018, clothing retailer GUESS? partnered with Alibaba to deliver a data-driven retail outlet, including smart mirrors which understand users' preferences, recommends complementary items, locates them in store and alerts a staff member to bring them to the customer. This type of example demonstrates that APAC consumers are open to companies finding new ways to communicate with them, and our data backs that up. Almost half (47%) of APAC consumers would be open to companies interacting with them in new ways, compared to just a third in Europe.

Gordon Little, Managing Director of Verizon's Global CX Practice, said that this type of activity can help brands provide a more joined-up experience to customers. "There's this cross-industry opportunity for a CX ecosystem that improves the customer journey. So, if you just think about when I travel – I've got to travel to the airport, park and get on the plane. When I land, I've got to get to where I'm going and stay at a hotel. Think about how many companies own that transaction – I have to touch many different companies to do it. How do those companies create an ecosystem and integrate the experience so that it becomes seamless for me?"

Q15. If a company suffered a high-profile data breach, what impact would it have on your relationship with them?

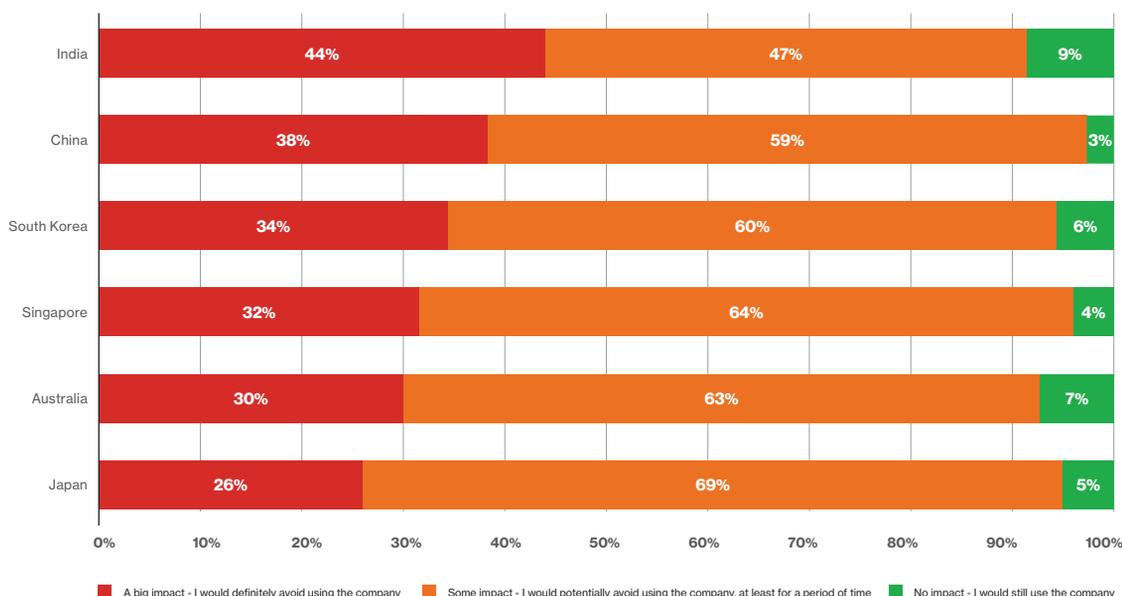


Figure 2: Indian consumers take a harsh stance on companies which suffer breaches

Breakout: Spotlight on India

When it comes to Indian consumers, 20% of them would share their data with companies without needing to know in advance how it would be used. This is more than double the global average of 8%. India is very familiar with the issues and complexities of data sharing – its government-led ID scheme, Aadhaar, is 10 years old and has prompted debate about the pros and cons of sharing data. An interesting nuance in the country's consumer preferences is that India is the only country in APAC which does not rate discounts as the main benefit it wants in return for sharing data. Instead, Indian consumers prioritize a more intuitive, personalized user experience.

This shows maturity, as does the fact that Indian consumers are the most open across the APAC region to being interacted with in different ways—69% of Indian consumers are, compared to just 47% across the rest of the region. However, although India is the most enthusiastic on CX, as Figure 2 shows, it's also most punishing to companies which misuse its data and suffer a breach, which is essential to bear in mind when operating in the country.

Problem-solving and privacy are paramount

APAC consumers may share their data more freely but this does not make them soft touches – they will still drop brands which do not satisfy their CX demands. The number-one thing which would make APAC consumers switch to a competitor is not being able to answer a problem or request the

first time around (43%). This is narrowly followed by companies failing to adhere to their data privacy preferences (41%). In addition, APAC consumers have a zero-tolerance approach to security breaches – more than a third (34%) would avoid using a company if it suffered a high-profile data breach. One Australian director told us that his company understands that privacy is paramount for consumers in the region, and globally.

“We operate in 30 countries globally and there are variations on data security breaches in all of them,” he said. “So, we've gone from the top: we have a privacy group within the organization which is made up of legal counsel, privacy officers and business owners. If there's an issue raised anywhere in the world, they go and investigate that, and quickly.”

Proceed with caution

The APAC region presents a ripe opportunity for brands wishing to increase their value to customers by leveraging their data. APAC's forward thinking on CX means that it's an ideal region for global brands to test out CX strategies, potentially trialing new methods of interacting with customers. This could be done to gauge success locally before considering a wider global rollout. Brands operating in APAC only can expect higher returns on their CX strategy and enjoy a more engaged customer base. But for every opportunity there is a risk. Brands operating in APAC must respect the privacy of their customers and keep their data secure – if they don't do this, they will destroy the major progress made so far.

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