

Amazon layoffs could make its customer experience problem worse

Article

The insight: Shoppers are becoming increasingly dissatisfied with **Amazon's** customer experience. **The percentage of customers who report being "extremely" or "very satisfied"**

fell this year to 79%, down from a high of 88% nearly a decade ago, per Evercore ISI survey data reported by The Wall Street Journal.

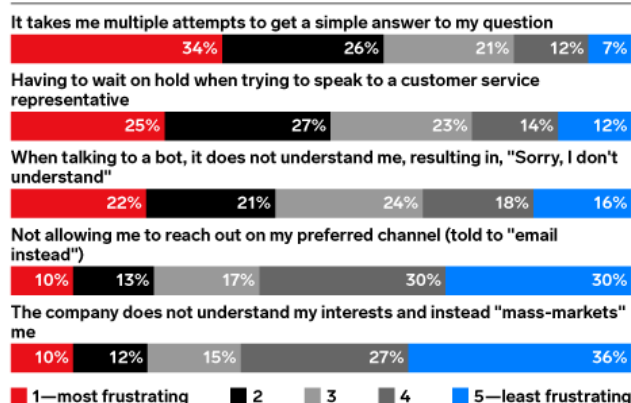
- Amazon's satisfaction rating hit a record low last year, per the American Customer Satisfaction Index, coming in below that of **Etsy, Nordstrom, and Macy's**.

How we got here: Customers have several areas of complaint, from delivery delays to poor quality items to subpar customer service.

- **Nearly one-third of US Amazon customers regularly get packages late or receive a product of poor quality**, per a Brooks Bell survey cited by The Journal.
- The company's decision to automate some of its customer service functions has made it difficult for shoppers to resolve order issues, adding to frustrations.
- Amazon's advertising expansion has also muddled search results, making it harder for shoppers to surface relevant, top-rated products.

Aspects of Poor Customer Experience According to US Adults, Feb 2022

% of respondents



Note: ages 18-75; numbers may not add up to 100% due to rounding
Source: Verint, "The 2022 State of Digital Customer Experience," June 15, 2022

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The bigger picture: Despite these issues, Amazon Prime's churn rate is incredibly low; 98% of those who subscribe for at least two years stay subscribed, per Consumer Intelligence Research Partners.

- But with layoffs and cost-cutting measures coming down the pike for Amazon's retail business, its ability to deliver the convenience and speed customers have come to expect is in

serious doubt.

- And while [Amazon's ad business](#) has become crucial to its bottom line, expanding too quickly could add to shoppers' frustrations if they're forced to wade through pages of sponsored listings before getting to their desired product.

With competitors like **Walmart** and **Target** making strides with their ecommerce businesses, Amazon can't afford to drop the ball.

*This article originally appeared in Insider Intelligence's **Retail & Ecommerce Briefing**—a daily recap of top stories reshaping the retail industry. Subscribe to have more hard-hitting takeaways delivered to your inbox daily.*

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