

Customer experience is at an all-time low

Article



The insight: Customer experience is at an all-time low, according to Forrester’s annual [Customer Experience Index](#).

- 2024’s reading fell to 69.3, down from 70.9 last year—the third-straight year of declines, and the lowest point since 2016, when Forrester introduced its current methodology.
- Roughly four in 10 brands (39%) saw their CX scores drop significantly, up from 17% in 2023.

Paying more for less: Customers' satisfaction with their retail experience is falling even as pandemic-era annoyances like supply-chain delays and product shortages have largely dissipated, due to growing frustration with paying higher prices for what consumers feel are smaller products and worse service.

- This perceived lack of value is most apparent in the grocery aisle, where nearly two-thirds (61%) of consumers noticed shrinkflation on multiple products this year, per CivicScience.
- More than half (52%) of US adults say they would stop buying an item or switch brands if faced with either higher prices for the same-sized product or the same price for smaller packaging—a sentiment fueling the [rise of private label products](#) at the expense of name brands.
- The prevalence of shrinkflation and junk fees means that while consumers are paying more, “they’re not getting a better experience that they think should accompany that higher price,” Forrester principal analyst **Pete Jacques** told The Wall Street Journal.

I'd like to speak to a representative: Consumers are frustrated with companies' growing use of AI and automation for customer service, preferring live representatives who they believe solve problems more effectively.

- While businesses like [Best Buy and Klarna](#) see AI-enabled chatbots as an opportunity to save money on labor without sacrificing service, consumers feel differently.
- Just 9% of online shoppers think that using AI for customer service improves their ecommerce experience, per a survey by [Bizrate Insights](#), while 14% believe it makes the experience worse and 56% think it depends on how the technology is used.
- Consumers overwhelmingly prefer to speak to customer care representatives on the phone or through live chats, per [McKinsey](#)—even famously phone call-averse Gen Zers, which should cause retailers to think twice about leaning too heavily on generative AI.

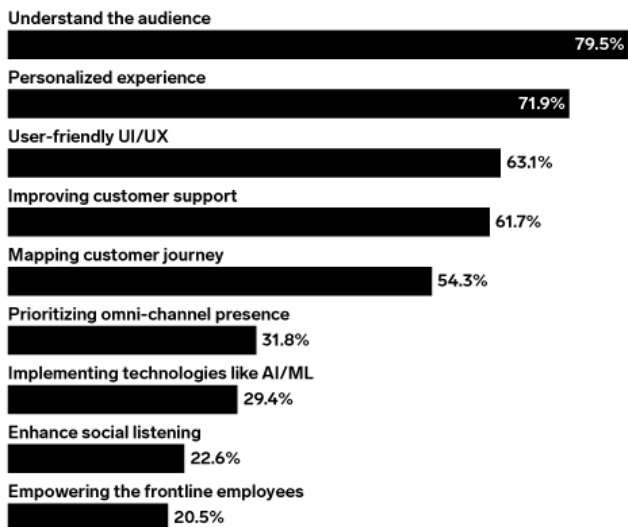
The big takeaway: At a time when consumers are on the hunt for value, brands and retailers have to focus on improving the customer experience to avoid alienating shoppers who already feel they're getting less for more.

- Brands that can't—or don't want to—compete on price should think about how they can offer value to consumers in other ways, such as through convenience, loyalty programs, or personalized service.

- That could mean upgrading stores to offer shoppers a more high-touch, personalized experience, or at the very least investing in resources to hire and train workers to deliver top-notch customer service.

Top Customer Experience (CX) Strategies Adopted by Companies According to Businesses Worldwide, Oct 2023

% of respondents



Note: n=485

Source: GoodFirms, "Customer Experience Management Survey," Dec 19, 2023

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