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## The Zappos Effect On Your Brand



A funny thing about consumers, they are actually people, often cleverly disguised as demographics, or target groups, or organized by complex algorithms into "savvy shopaholics" or "sales savants."

The reason this nagging point is important is that people, when they are wearing their consumer hat, don't silo brand experience. This is a nuance that is critical for brands to understand as they engage with customers, and can easily get lost as marketers and brand managers get deeper inside understanding what customers really want.

As we say often, people don't buy shoes the way they buy shampoo, or anything else, for that matter, and understanding how a category is viewed by people is the only hope a CMO has of being able to create the kind of brand experience that delights. Having said that, an experience with one brand in one category doesn't stay put. It "leaks" into how that person sees the experience of consumption of goods and services overall – the retail apparel brand Zappos being a case in point.

Findings from The Brand Keys 2011 Customer Loyalty Engagement Index are enlightening; the top 10 categories where "customer service" is a relatively high driver of consumer expectations, from highest to lowest, is as follows:

- 1. Coffee (out of home)
- 2. Insurance
- 3. MFP Office Copier
- 4. Car Insurance
- 5. Luxury Hotels
- 6. Parcel Delivery
- 7. Printers
- 8. Retail Apparel





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9. Car Rentals
10. Netbooks

Interestingly, the category "Retail Apparel," where Zappos competes, is not at the top of the list for the importance of customer service. Other things are more important, such as the goods themselves. However, the contribution that service makes to the total customer experience is important enough to have put Retail Apparel on the short list of categories where it really matters.

And, when we look at the top 10 brands across categories when it comes to the delivery of customer service, we see that Zappos reigns supreme:

- 1. Zappos
- 2. Expedia
- 3. Apple (Computers)
- 4. Acer /Samsung
- 5. Kindle
- 6. Discover/ American Express
- 7. Apple (Smartphones)
- 8. Fed Ex
- 9. McDonald's
- 10. HP/ Samsung

It is not hyperbole to say that Zappos has revolutionized the online ordering experience. While other brands in other categories may have addressed ordering and returns through a marketing, and not just a process lens, Zappos has turned it into a unique selling position, actually encouraging shoppers to try things, making it painless in both process and payment to return them. Free shipping, free returns, easy-peasy – it all came to equal a cultural position of the brand.

And though we are not privy to the statistics on the Zappos customers who order two pair of shoes with the intention of returning one, that never seems to make it out of the house (they are both so cute!), we suspect this strategy has paid off from a sheer sales perspective. But, what is critically important is the message it has sent to customers: your experience matters more than ours.

And so we return to the original point: consumers have been zapped, and it's been a pleasant feeling, one they are going to measure every brand against. The data, and our experience, shows that Zapposfication has begun. And that's one shoe that better fit your brand, no matter how different it may look in your category mirror.

## By Guest Contributor, Amy Shea

Amy Shea is the Executive VP, Global Director of Brand Development at Brand Keys.

## Published July 5, 2011

POSTED UNDER MARKETING, TOP STORIES TAGS BRAND FANATICS, BRANDING, CUSTOMER SERVICE, CUSTOMERS, MARKETING, REPORT, ZAPPOS BOOKMARK PERMALINK FOLLOW COMMENTS RSS FEED FOR THIS POST A COMMENT COMMENT HERE LEAVE A TRACKBACK TRACKBACK URL.



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