

Understand customers as people, not numbers - Alex Genov of Zappos

 By [Lauren Hartzenberg](#)

3 May 2022

As retailers double down on data science in a quest to understand their customers, they must be mindful not to lose sight of the fact that shoppers are in fact humans, and not numbers.



Alex Genov, head of customer research at Zappos. Source: Supplied

That's according to Alex Genov, head of customer research at US-based online fashion retailer Zappos, who holds the opinion that "the average customer doesn't exist", despite what the spreadsheet may say.

Genov will be speaking on the topic 'Giving Customers a Voice in a World Full of Numbers' at the hybrid [Ecom Africa conference and expo](#) in Cape Town this week, a talk that will highlight that the fundamentals of nurturing consumer relationships still hold true despite the data deluge.

Bulgarian-born Genov feels that there exists room for businesses to make more meaningful, emotional connections with customers by incorporating more qualitative research. His advice is to actively invest in a feedback loop that lets customers tell you what they want and how they feel about their experience of your brand.

Finding the balance

"We live in this age of numbers and analytics, and data science and algorithms. A lot of companies believe that's the panacea that's going to propel the business. Numbers are very manageable, because you can average them, but you must understand that your customers are real people," Genov told *Bizcommunity* in an online interview.

He acknowledged however that being too focused on the individual complicates running a business. That's why to deliver a meaningful online customer experience, e-tailers must balance data analytics with understanding customers on a psychological level. "When these two groups work together that's where the magic happens," he said.



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Genov, who holds a PHD in Experimental Social Psychology, leads the customer research group at Zappos, working alongside the data science and analytics teams to deliver a more holistic view of customers. Genov and his team focus on understanding Zappos shoppers as people and use psychology to help design meaningful customer experiences and interactions. The "small but mighty" customer research arm at Zappos is able to advise on how data insights apply to human lives to help the company make more emotional connections with its shoppers.

Digital tools and algorithms are only a good investment if they actually serve the customer and their needs. Illustrating how an algorithm may not be optimised for human behaviour, Genov used the example of an online shopper who's added a lawnmower to their cart being prompted on the confirmation screen to buy yet another lawnmower because they've displayed interest in the product.

On a related note, Genov explained that chatbots are best executed when they emulate human interaction. If a shopper logs into Zappos, for example, the chatbot may greet them, mention that it's raining in the city the customer is located in, and perhaps suggest an umbrella or some rain boots. "It's about creating digital experiences in a meaningful way," said Genov.

Customer service as a differentiator

Superior customer service was a core component of the Zappos DNA when it launched in 1999 and has remained a key differentiator for the retailer beyond Amazon's 2009 acquisition of the company. "The brand was built on customer service and that's where the big investments were allocated," Genov said.

Before expanding into apparel, Zappos was focused solely on footwear. Tony Hsieh, Zappos co-founder and former CEO, recognised that people could buy shoes anywhere and so he propagated the idea that customer service would be the unique value proposition for the retailer.

The customer service hook went beyond just interpersonal communication between shoppers and sales/service agents, but extended to flexibility around returns policies, for example.

Zappos boasts a 365-day return policy and covers the cost of return delivery costs. The latter may seem pretty commonplace today, but considering the e-tailer launched during the nascent stage of e-commerce, "that generosity helped people to start trying e-commerce and trusting the online experience", Genov said.

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Almost two years after the late Tony Hsieh stepped down as CEO, and a few months after the retailer's most recent CEO Kedar Deshpande resigned, Zappos announced this month that it has appointed Scott Schaefer to the CEO role, who aims to expand on the e-tailer's service-focused value proposition as other brands catch up in customer experience delivery.

"Tony used to say Zappos is a customer service company that happens to sell shoes. Our current CEO Scott Schaefer builds on that and says Zappos is a customer experience company that happens to sell shoes," added Genov.

Asked which investments e-commerce businesses should be making to ramp up customer experience in meaningful way, Genov said, "Invest in psychological understanding. Invest in good service. Invest in understanding your customers because they're not all the same."

Ecom Africa returns to the CTICC in Cape Town from 4-5 May as a hybrid event, with two full days of in-depth keynotes, panel discussions, networking and live Q&A sessions. For more information and to purchase an Expo Pass or All-Access Pass conference ticket, visit the [Ecom Africa website](#). Bizcommunity is a proud media partner of the event.

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