



E-COMMERCE STRATEGY

Turning shoppers into brand loyalists in an evolving e-commerce landscape

Julio Lopez, director of strategy and global retail practice lead at Movable Ink, writes that as retailers re-invent themselves it will be customer-centric solutions which will set successful brands apart.



Photo by istock.com

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Over the last year, the pace of change for retailers has accelerated, bringing new meaning (and added fuel) to the concept of digital transformation. The retail landscape and its intersection with people's everyday lives have been reshaped — from what people buy and how much they spend, to how they shop and which buying experiences they prioritize. A recent study by McKinsey about consumer sentiment and behavior during the pandemic noted 40% of U.S. consumers are becoming more mindful of where they spend their money.

E-commerce is now seeing a range of challenges as brands try to reinvent themselves to increase brand awareness and loyalty. Change isn't new. Retailers have faced a sea of challenges in the last decade, from shifting consumer expectations and behaviors to technology-based innovations and a dramatically different and bifurcated competitive landscape, and they are now forced to reinvent themselves yet again. Now, more than ever, retailers are focused on building customer relationships that engender loyalty, all while investing in ways to deliver unique, relevant content experiences that span both the digital and physical commerce worlds.

As retailers look to overcome challenges, such as the increase in WISMO ("Where Is My Order?") inquiries, high return rates, and a declining full price mix, being able to overcome these hurdles by providing customer-centric solutions is what will set successful brands apart.

Bumps in delivery

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On [average](#), WISMO calls account for up to 50% of all calls to customer service departments, and they each cost approximately \$5 to resolve. This can be detrimental to long-term brand loyalty. Delivery mishaps are not easily forgiven. Even during the busiest season, consumers expect brands to be prepared, which means they won't be forgiving at any other times throughout the year. Moreover, 32% of shoppers are more likely to blame the retailer for a failed delivery during the holidays, not the carriers.

In order for retailers to avoid a mixed delivery message, it's best to set clear expectations pre-purchase by displaying relevant and timely information, such as time-targeting delivery options and counting down to a particular cut-off date, as well as realistic timeframes for delivery based on the customer's location, especially for international customers.

Additionally, retailers should proactively communicate post-purchase, including updates if a shipment is delayed as this transparency can salvage the brand relationship; 41% of consumers who received a notification after a delay were more likely to shop with the brand again.

High return rates

Experts [estimate](#) the global returns market costs retailers more than \$600 billion each year. The challenge with these high return rates is that the move from offline to online means that retailers are tackling an increase in returns as customers over-order and then return what they don't like.

While it's crucial for companies to make the return process an easy experience as 92% of customers who have a good experience will go on to make repeat purchases with the brand, there is more value in making the customer happy from the start. COVID has served as a digital bootcamp for retailers and digital purchasing habits are here to stay. Digital shopping means not trying on clothes to see if they fit, not feeling furniture materials before they arrive, not smelling scents before they are in the home, and so on. As the senses are removed from the upfront buying process, retailers need to create a bridge to close that gap.

In order to bridge the gap between online purchases and returns, retailers can embrace technology such as augmented reality (AR) to assist customers in understanding how the product meets their needs. For example, Shopify found that conversion rates increased 250% for products that were supported by try-on technology. Retailers can leverage AR at critical conversion points such as browse or cart abandonment to provide a deeper understanding of the customer's chosen product. Providing customers with "true-fit" information at conversion moments, recommendations based on recent site behaviors, and even samples can have a significant impact in reverse logistics costs.

Lastly, the need to pivot return customers into loyalists should always remain top of mind. If a customer decided to return an item, it's beneficial to offer the flexibility to return either in-store or at a third-party location. With [80% of shoppers](#) preferring to return their items in-store, brands can make returns easy and convenient by highlighting in-store drop-off locations in their emails, helping consumers avoid the many steps of a mail-in return, and perhaps securing a new sale in the process.

Decline in full price offerings

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order to make up for lost sales. However, regular discounting may actually be counterintuitive to ensuring customer loyalty as 25% of consumers have said they were less likely to shop regularly with a retailer who always has sales going on.

Retailers need to find other ways to reward and bring value to their customers by encouraging full price sales. As consumers are more likely to buy a product if they have a connection to the brand rather than if they just see something discounted, brands can use incentives such as loyalty points, free samples, or exclusive content to encourage customers to make a purchase. Retailers can also increase personalization through live appointment availability and add-to-calendar reminders via push or in-app messages for styling appointments, which will encourage customers to take additional actions with the brand.

In order to push through the noise of constant promotions, retailers also need to find alternative ways to add value to customers outside of a discounting cycle. Inevitably, promotions and sales will still be a valuable sales driver, particularly around key seasonal events including Black Friday and January sales. But in these instances, brands should be leveraging personalization tactics to make these incentives appear more relevant and tailored for each customer and preserve brand integrity.

As these e-commerce challenges continue to face retailers today, customers will continue to see how they're evolving to become more personalized and attentive to each customer's unique preferences and needs — which will result in an increase in loyalty over time.

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