

E-COMMERCE: PRECIOUS CLICKS

Thought Leadership Piece



The way we make decisions about our shopping has changed drastically over the years. Customers can order their groceries with one click from their couch and find the cheapest prices within a blink of an eye. People are looking for easy, convenient and fast ways to purchase what they need. And E-commerce is all about this.

Online users are becoming more conscious about the marketing gimmicks they are bombarded with and irresponsive to pop-ups and banners. One second of an online shopper's attention has emerged to be ever more valuable. We, as 21st Century consumers are multitasking, avoiding ads and sceptical about massive sales discounts. So how can a company successfully exploit the potentials within E-commerce and effectively draw the attention of a customer?

When a company decides to extend its operations to the online world the two key questions it needs to ask are 'where to play' and 'how to win'. Regarding 'where to play' the main focus is on which pure players, online stores are the most attractive ones, who should we target. Because of the limited resources a company possesses, somehow it should create a prioritisation between the potential business partners. 'How to win' refers to the way the supplier should engage with pure players in order to create an easier, faster and more convenient shopper experience.

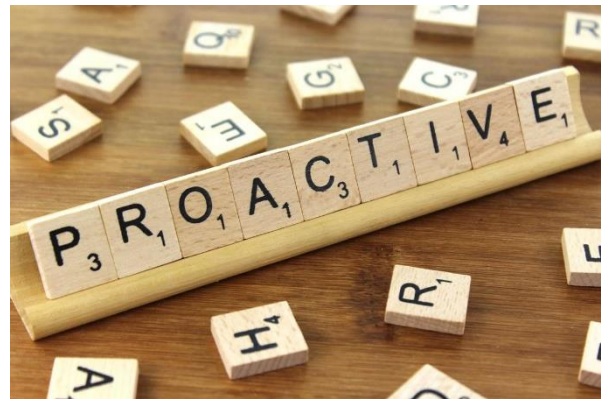
Traditional marketing is outdated

One of the key takeaways from a comprehensive analysis of the E-commerce market is that the old, conventional segmentation of shoppers – online vs. offline – and the channels – bricks & mortar vs. online stores is outdated. In fact, companies should apply a more holistic approach,

where they optimize the integrated online and offline shopping journey. We cannot differentiate purely online or offline customers, since they might check out a product on their phone, however, purchase it in an actual physical store or vice versa. The shopping journey of a customer, from awareness, through consideration, purchase, service until loyalty expansion, should be thoroughly scrutinized and the firm must decide which relevant digital and physical touchpoints within these stages it should engage with its customers and in what way.

Be proactive, think strategically

An imperative learning is that in today's era of digital transformation, a firm cannot have the luxury of being reactive, but must plan ahead, operate proactively and think strategically, in the long run. Moore's law states that the available technology doubles annually. The variety of smart devices, IoT technologies and gadgets accessible today is truly remarkable and it grows exponentially. Corporate decision-making has to somehow keep up with the reckless speed of technology and give its best shot at forecasting what will happen in 5-10 years and make decisions according to that today.



The winner takes it all

“There has been a fundamental paradigm shift. Today’s customer expectations are ‘If I can imagine it, it simply has to be there; if not, I’ll invent it myself’.” — Kim Williams, AFC Commissioner

If we examine Amazon's US website and take the laundry and home care segment as an example, we can see that Tide is winning the category by a landslide. They were one of the firsts to introduce the Dash Button, they are in Amazon's Prime program and there are several coupon and promotion options connected to the brand. It is featured as a top result when searching for laundry and has a precious “Amazon's choice” tag next to all Tide products.

Due to the high brand awareness more people click on it, purchase it, try it out, write reviews about it, rate it, and the circle goes on and on. Therefore, in order to win, a supplier needs to have an “all-in” attitude and invest in its online presence to become a top of mind brand within

the category and drive sales while enhancing the shopper experience via various features and promotions.

Provide inspirational, relevant and two-way content

In order to grab the attention of an online visitor's attention a company should somehow stand out from the strident commercial clamour.

“There's no better way to help a customer than to be there for them in the moments that matter.”

— Lucinda Barlow, Google

The perception mechanism of online advertisements and other content must commence with the emotional phase. It has to be funny, shocking, moving or

adventurous in pursuance of evoking the viewer's interest. If a commercial is not able to drive any of these feelings in the viewer, then the clicking away, bouncing off is inevitable.

Another possible way is to provide relevant content for the shoppers. Let's take a glance into another FMCG segment, the Oral Healthcare. Still several consumers have no idea how to clean their teeth properly, so the toothpaste and toothbrush brand Parodontax created an educative “how to brush” video that depicts the correct angle and circular movement we should apply.

The third imperative lesson is to establish a permanent dialogue with your customers. In case of a complaint, reply to them as soon as possible and ensure them of your empathy. Follow their ratings, reviews and comments on online stores, social media, blogs and forums. Create a customer support platform where shoppers can ask questions about your product.

Offset the disadvantages of virtuality

Online platforms still have one huge disadvantage compared to physical stores: you cannot touch, feel, smell and try out the products. This is an even bigger problem if our brand competes in a category where fragrance, tangibility or colour play an important role in making a decision. In this case we have to come up with innovative solutions to offset the limitations of the virtual stores. One excellent example is providing samples. Buying a smaller quantity of a product reduces fiscal (is it worth paying for it?) and physical (how will it look on me, etc.?) risks, while enhancing tryouts. Another great resolution is to offer a money-back guarantee. If the customers are not satisfied with the product, they can simply send it back and redeem the price.

So think in the long run, with a holistic approach, be bold and engage with the customers on a daily basis.