

Be mindful of need for instant response

Retailers looking to go online must note customers' need for speed and not distinguish between offline and online arms

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According to Infocomm Media Development Authority's surveys, Internet usage has risen from 59 per cent of individuals in 2006 to 84 per cent in 2016.

This movement towards a digitally infused lifestyle forms the impetus for numerous digital transformation initiatives.

Even traditional industries such as banking and insurance are changing the way they interact with customers through revamped Internet portals, mobile apps and even chat bots.

Brick-and-mortar retailers are no exception. With the rise in online shoppers and increasing competition from e-commerce companies, traditional retailers are increasingly adopting these technologies to defend their market share.

Typically, this involves the development of an app or intro-

duction of an online store.

Customers used to messaging their friends and getting immediate responses may find it hard to accept digital replies that take three to five working days.

This demand for speed was seen in the launch of Amazon Prime Now in Singapore last year. During its debut, an overwhelming number of customers seized the chance to receive their goods in just two hours.

Companies that adopt digital channels will need to be mindful of rising expectations fuelled by the need for instant gratification or risk dissatisfaction and aborted transactions.

Traditional retailers should be aware that customers see the online and offline arms as one big store. From our research and observations at the Institute of Service Excellence, customers do not necessarily distinguish between the two.

For example, if loyalty programmes are offered, customers expect the benefits to apply to both channels.

Workers also need to be trained to know processes and policies for both platforms so that they are able to resolve any customer queries or requests.

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Customers expect a seamless experience across touchpoints, making the challenge to integrate imperative.

In our last year's study of the retail sector, attributes that drive satisfaction and loyalty for traditional retailers tend to be staff-oriented. These include factors such as staff availability, knowledge and helpfulness.

For e-commerce platforms, attributes related to areas such as product comparison, information, indication of special requests and feedback channels

were key differentiators.

Traditional retailers that move online need to learn to compete on a different set of differentiators. Potentially, this would require different hardware, processes and skills that need time and resources to build. Traditional retailers that may not be confident of building up such capabilities should partner with established e-commerce platforms aligned with their brand image and value proposition.

Despite the challenges, technology can be extremely useful in improving customer engagement and loyalty regardless of the touchpoint customers prefer to interact with.

Companies can leverage on the use of customer data and feedback to understand their interactions. Feedback through SMS or periodic e-mail surveys can be integrated with data to

better understand points on which to improve.

Data and analytics could be used to create greater loyalty.

While analytics could help improve the online customer experience, companies will find themselves with an increasingly larger volume of data about their behaviour.

This can be utilised on several levels to create more meaningful engagements.

While the challenges to go omnichannel for traditional retailers are real, the opportunity to create deeper and meaningful relationships with customers through the technology should not be overlooked.

The writer is head of research and consulting at Singapore Management University's Institute of Service Excellence. This article appeared in The Business Times last Friday.