

# Why customer experience is critical during the online retail transition

By [Meghan Taylor](#)

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It is now months into the Covid-19 pandemic and South African consumers are adapting their shopping behaviour with patterns starting to emerge. Locally, we saw a sudden shift to online shopping, in particular the fresh food category at the beginning of lockdown.



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Our [Covid-19 Consumer Sentiment survey](#) in emerging markets shows a significant growth in first-time online shoppers compared to pre-Covid levels. It also shows that the number of new users is rising when it comes to the adoption of other digital activities, such as video-on-demand, e-learning and e-payments compared to pre-Covid-19 levels.

Locally, pre-Covid e-commerce penetration was just over 2% of total retail sales, so this shift to online shopping is giving e-commerce a significant boost. With Black Friday only days away and the holiday season fast approaching – are there lessons to be learnt from the past few months and how much of this change in consumer behaviour is going to remain after the pandemic?

## Lessons learnt

At face value, Covid-19 has fuelled development in the e-commerce space, with many retailers adapting quickly to meet consumers' preferences to avoid physical stores during the earlier lockdown levels. However, there is a downside to this sudden shift and retail businesses and consumers need to be aware of the shortcomings.

Many retailers were not prepared for this rapid surge in e-commerce as it is still a developing sector locally that is beginning to show signs of future potential. Businesses were caught off-guard with infrastructure falling short to deliver on customers' expectations of what e-commerce entails, including ease of completing the transaction online and efficient delivery.

Retailers were also faced with the challenge of not having the IT infrastructure in place to enable them to understand where their inventory is and whether they have stock available.

Unfortunately, some consumers who were transacting online for the first time were left disappointed. They made purchases, only to be notified that items were out of stock, resulting in the retailer having to cancel the order. Consumers who did not receive the service they were expecting, will think twice about buying online in future.



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One of the ways in which retailers adapted quickly was to use their stores to fulfil online orders, as opposed to fulfilling them centrally from a warehouse to shorten the delivery lead-time to the customer.

However, the challenge with this approach was that most retail stores were not set up for e-commerce fulfilment – for example having a staging area where store associates can lay out boxes to fill orders. There were some fundamental structural and organisational elements that were not in place for many businesses at the beginning of lockdown.

## New ways of reaching customers

Many brick and mortar retailers have perfected their in-store experience and their value proposition to the customer is clear; as a customer you know what you are getting when you walk into that particular store. Being able to translate a similar experience to online is difficult.

The online value proposition includes everything from being able to successfully find the merchandise on the website, making the purchase and completing payment. It also entails that customers receive their order when they expect to, that they receive the correct order, and if it is incorrect, that their engagement with the retailer about the return is smooth and effortless.

It is about making sure that the retailer's in-store value proposition translates into how customers experience the business online throughout the entire customer journey.



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Established retailers are now thinking about how they can translate the online experience and combine it with offline to offer new services such as click-and-collect. This enables customers to make the purchase online, and then physically pick up their purchases, without having to wander through the store. This can be an option that bridges the gap between the online and offline experience.

We also see interesting and creative partnerships emerging, specifically with startups already playing in this space working with the larger, incumbent retailers. Startups are generally nimbler and can help entrenched retailers make the shift – the key will be to get the partnerships right.

Covid-19 accelerated digital behaviour in [emerging markets](#) by up to five years and many businesses had to adapt quickly and in a short amount of time. This is shining a light on the need for them to invest more and quickly to be able to have an online presence that can deliver the same customer value proposition that they are able to deliver in store.

Getting the customer experience right is critical – it needs to be seamless and quick – and this is going to be the differentiator going forward.

The world is going through a shared experience that is shaping consumers' attitudes and shopping behaviour. Companies need to keep these patterns in mind to cater to consumers and deliver on the online experience in this new normal.

## ABOUT THE AUTHOR

Meghan Taylor, partner at Boston Consulting Group, Johannesburg.

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