5 Drivers of eCommerce Success That Will Never Grow Old

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BY KIRTANA

Retail has undergone a dramatic transformation over the last decade. Once dominant retailers are today being given a run for their money amid a gradual decline in mall traffic and sharply growing consumer preference for shopping online.

Surfing this online retail wave is Internet behemoth Amazon, which is **raking in 43%** of all new eCommerce dollars, leaving other retailers floundering in its wake.

As it unfolded, this transformation has unleashed changes across many areas of retail, a phenomenon that's been well documented by industry commentators in the media. Some of these shifts include:

Customer preferences: Customers today are spoilt for choice, both in terms of being able to quickly and easily compare product prices across websites, as well as consistently driving the demand for new and unique products from retailers.

Hyper-personalization: With shoppers increasingly relying on mobile apps, highly personalized shopping experiences are becoming the new normal.

Delivery: e-Retailers are competing on faster home deliveries, stretching themselves to guarantee same day delivery, or even (as in the case of hyper-local grocery retailers) within a few hours. Drones, anyone?

Payment Modes: Even the more tactical aspects of retail, like payment modes, have been forced to evolve. Starting with cash-on-delivery, this trend quickly spread to embrace card payments and digital wallets. These initiatives have posed significant technological and security challenges for retailers.

As with a forced move in chess, traditional retailers have had to evolve and embrace changes like the ones listed above, in order to survive the incredibly cutthroat world of modern retail. Similar challenges exist for up-and-coming eCommerce companies as well.

However, many pundits and retailers alike often forget that doing even simple, time-tested things correctly can go a long way in forging an effective competitive position, helping win both market share and customer affections. While digital transformation has altered how these strategies were routinely executed, the fundamentals remain as relevant today as they ever were.

1. Smarter Pricing

With **80 percent of first-time shoppers** comparing products prior to buying, the need for an eCommerce website to offer competitive pricing has become a mandatory cost-of-entry capability. While dynamic pricing poses a challenge for e-retailers to stay competitive, it also presents them with an

opportunity to track their competitors' pricing and exploit that information to optimize their own pricing.

However, e-retailers today are frequently forced to perform millions of price-changes every day in the eternal quest to either offer the lowest price or entrench a calculated premium price perception among shoppers.

For instance, as far back as Christmas season 2014, Amazon is **estimated** to have made a total of 80 million price changes per day. Similarly, today's hyper-local grocery retailers offer differentiated and targeted prices for shoppers living in specific zip codes.

To achieve price controls on this level of scale demands sophisticated automated tracking of competitor pricing to facilitate timely, data-driven dynamic pricing decisions. This has, today, become a table stakes requirement.

2. Variety and Depth of Product Range

If customers cannot find what they are looking for on a website, all other aspects of how an eCommerce operator optimizes their retail strategy falls by the wayside.

A website's success remains dependent largely on it being able to cater effectively to the needs, wants and desires of its target audience. Simply put, a website offering a mammoth product range may still end up failing compared to a small niche website with a limited but highly targeted assortment that understands closely its customer's sweet spot.

However, with millions of products on offer online all day every day, gathering and harvesting deep insights into a competitor's assortment mix can appear daunting. Include dynamically changing product assortments and different product taxonomies into the standard research mix, and many who lack access to automated competitive intelligence systems find themselves struggling to find the expertise required to gather and summarize this information in an actionable form.

3. Customer Centricity

Today, customers demand to be heard. As competitive pricing becomes an expected cost of doing business, retailers will need to place greater support resources and more effective processes to resolve customer problems and complaints in a timely fashion at the heart of their customer service model.

Following the online social revolution, **9 out of 10 retail customers** now expect a consistent response across all social media channels.

Successful companies like Zappos, Best Buy and Amazon have been quick to understand this significant shift in customer preferences. These retailers have

demonstrated their willingness to go the extra mile by establishing a robust, scalable omni-channel support structure.

The level of this commitment can be seen in Amazon's recent vision statement announcement, "Amazon today boasts of one of the most responsive omni-channel customer support and Zappos takes pride in sending a personalized response to customer queries. We seek to become Earth's most customer centric company." This aggressive customer centric sentiment drives a stake in the ground for all competing eCommerce companies' to match via their customer service strategy.

4. Superior Customer Experience

While bricks and mortar retail stores continue to attract customers by enabling shoppers to touch, feel and test items before they purchase, online and omni-channel retailers have channelized their efforts into increasingly refining their web user experience.

Several studies reveal it takes only a couple of seconds for a website visitor to decide whether to stay on or leave a website. Aspects such as visual design, ease of use, content attractiveness, website loading time and pervasive calls to action (CTA) are a few of the key user experience parameters that influence visitors to stay on a website.

eCommerce sites such as Zara, Graze, Asos, and Amazon offer attractively organized and clutter-free designs, which are visually engaging and easy to navigate. While these design elements help them keep their customers engaged, it's their disciplined focus on content that stimulates visitor conversions.

Detailed product descriptions and high-quality images are helping these eCommerce sites educate their customers about their products while simultaneously boosting their website's SEO ranking, helping it attract and engage still more online visitors.

Complementing the online retailing revolution are substantial efforts by omni-channel retailers to optimize O2O (online to offline) strategies designed to bring together the best of both worlds — the discoverability of online, with the touch-and-feel of an offline environment.

5. Optimized Promotional Strategies

With so many options for a shopper to choose from in an increasingly cluttered and competitive online retailing environment, attracting new customers and entrenching customer loyalty is an ongoing challenge. Strategic online promotions are emerging as an effective technique in solving the customer recruitment and retention dilemma. Online promotions if executed effectively are doing wonders for generating inbound website traffic.

However, for online promotions to be effective, it is critical for e-retailers to understand their competitor's strategy if they are going to be able to sustain

their competitiveness. Key questions to answer in this context are, what brands are they promoting more than others? For how long? At what frequency?

Keeping a keen eye on and reacting to competitors' promotions is a key aspect to designing effective online promotions. Being able to exploit this competitive intelligence not only boosts their own sales volumes but erodes that of their competitors as well.

Competitive Intelligence As A Service

Having understood the far-reaching impact of these evergreen drivers of eCommerce success, we at DataWeave work with omni-channel and online retailers to provide Competitive Intelligence as a Service and help them evaluate and optimize their strategic approach across the eCommerce landscape.

If you're interested in DataWeave's solutions and would like to learn more about how we help retailers and brands optimize their retail strategies, **visit our website**!

- Kirtana Suri

Customer Success Manager at DataWeave, 17th Oct, *2017*

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