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Pearson

Unit 51: E-Commerce & Strategy

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LO1: Examine the strategies employed and the impact of E-Commerce on business organizations

E-Commerce and Strategy Part-2



Contents

➤ Customer Exceptions

- Customer expectations are essentially a collection of behaviors that customers anticipate from businesses during each interaction.
- These expectations are based on the customer's previous experiences and will vary depending on the industry and company.

Free Shipping

- Customers have increasingly come to view free shipping as a key factor when deciding whether to make a purchase.
- Even if free shipping is only offered on orders over a certain amount, it's becoming a must-have to stay competitive as an ecommerce business.
- Studies consistently show that a high percentage of consumers rate free shipping as being very important to them.
- For example, in a Shopify survey, 75% of consumers said that it had a significant or very significant impact on their purchasing choice, while a BigCommerce survey found that 84% of consumers had bought a product mainly because the site offered free shipping.

Frictionless checkout

- Simple and quick checkouts are becoming the norm in ecommerce.
- 70% of shopping carts are being abandoned, often because of frustration felt by consumers who expect to checkout rapidly.
- A key sticking point for many consumers is the lack of a guest checkout option.
- According to Shopify data, an account being required was the second most popular reason for abandoning a cart.
- Consumers also increasingly expect to be able to pay in a frictionless way, using the likes of Apple Pay and Google Pay for one-click payments, a key trend in digital payments.

Personalization

- According to a McKinsey report, 71% of consumers expect brands to interact with them in a personalized way, with 76% getting frustrated if this does not happen.
- It is important, therefore, for ecommerce companies to gather data on the behavior of their consumers and use this to deliver targeted product recommendations.
- You can do this through emails and social media adverts, as well as something like a 'special picks' section of your landing page.
- Customers will return if personalization is used successfully, meaning that you can gather more and more data on their preferences and behavior, and deliver increasingly fine-tuned product recommendations in a kind of positive feedback loop.

- Reviews have become absolutely central to the online shopping experience, as they provide a vital indication as to whether a product lives up to its marketing hype.
- If a product has thousands of legitimate reviews raving about how good it is, it's hard not to be swayed by this.
- Equally, if a product has no reviews, we may feel that vital information is lacking, or even that something is being hidden from us.
- A [Dixa study](#) shows that 97% of consumers use reviews to decide on what to buy when shopping online, and 92% will be hesitant to purchase if there are no reviews, underlining just how much consumers expect them.

- It's no longer enough just to sell a product that fits the needs of consumers.
- Increasingly, people are looking to buy from brands that are aligned with their values on a range of different social and ethical issues.
- In the wake of scandals like Cambridge Analytica, consumers are looking for brands that can show they take an ethical approach to data privacy, with a Salesforce survey finding that 86% of customers want greater transparency.
- Sustainability is another key concern for the value-driven consumers of today, with brands needing to demonstrate that they are reducing their carbon emissions and plastic waste; according to a survey, 95% of consumers want eco-friendly packaging.

Product or Service Quality

- This refers to the level of performance that customers expect from a company based on their prior experience with the product or service.
- For example, if user have purchased a new smartphone from a specific brand and find it slow, you'll have low expectations for future purchases of smartphones from this brand.

- This is how customers perceive your brand, which is based on their past interactions with you or other people's opinions of brand.
- For example, if you're known for poor customer service, customers will have low expectations when contacting the helpdesk and having their issues solved.



- The price of products or services usually sets the bar for what customers expect from business.
- The more expensive the products, customers' expectations will be higher.



Speed of delivery

- Customers expect fast delivery on all orders.
- Customers have been conditioned to receive purchases instantly.
- In fact, 96 percent of customers consider fast delivery to mean same-day delivery.
- Keep in mind that consumer-facing features like ease of delivery scheduling, communication, order tracking and execution are just some of the areas that retailers must emphasize to elevate the customer experience.



Controlling Delivery Option

- Customers want to have full control over when, where and how their purchases are delivered.
- In fact, 77 percent of customers have abandoned their purchases because they didn't like their delivery options.
- Flexibility and convenience must be offered with every delivery.
- Retailers can satisfy customers by offering both same-day and scheduled delivery.
- This is especially true if the items being delivered are big, heavy or high value, as most customers want to be home when a delivery of this type is made.
- The ability to plan deliveries around work and other commitments is a major selling point, and consumers are more likely to move forward with a purchase if they can select exactly when it will be delivered.

- Customers expect products to work as advertised and deliver on their promises.
- Product quality refers to how well a product satisfies customer needs, serves its purpose and meets industry standards.
- When evaluating product quality, businesses consider several key factors, including whether a product solves a problem, works efficiently or suits customers' purposes.



- Customers expect to get good value for money when purchasing products or serving from business.
- Higher value translates into more customers, higher retention, and stronger brand loyalty.
- Absolute value describes how well the product satisfies user needs, while relative value depends on how it compares to competitors.



Why Customer expectation is important?

- Meeting customer expectations is the key to success in business.
- If you fail to meet customers' expectations, they will be less likely to buy from you again.
- Unfortunately, customer expectations are often not fully understood by businesses.
- Here are some examples:
 - A customer expects a high-quality product but receives one of poor quality.
 - A customer expects good value for money but receives a poor-value product at a high price.
 - A customer expects fast delivery but receives their order late instead.

Why Customer expectation is important?

- A customer expects efficient customer service for cable plans but has to wait too long for a reply or doesn't get their issue solved.
- If you don't meet the expectations of your customers, you'll struggle to retain customers, inevitably leading to a loss of sales and negatively affecting your business in the long run.
- It'll also force you to look for ways to acquire a higher number of new customers, which often means investing more money into paid advertising and marketing.

- Customer expectations have a significant impact on customer satisfaction.
- As customers, we have certain expectations from the businesses we interact with.
- If these expectations aren't met, we won't feel enticed to purchase from you again.
- So, it's essential to understand what they want and need from your company and products or services.

- Here are some tips to help you handle customer expectations better:
- **Find out what your customers want.**
- Ask them directly what they want by conducting surveys or asking questions via social media.
- **Determine how important each expectation is.**
- This will help you prioritize the various expectations by how much they affect your bottom line — both positively and negatively.

- Be transparent about services or products, delivery times, and other important information so there are no misunderstandings on the customer's end.
- This also helps you build trust in the customer's eyes.
- Provide a consistent experience. This will help you build trust and, as a result, solid relationships with your customers, which will lead to a higher customer retention rate.
- Handle complaints quickly and politely. When customers have issues or concerns about their experience, address them immediately. This will help you avoid damaging your brand reputation.

- The first thing that customers expect from businesses is fast customer service.
- Customers want their issues resolved as soon as possible rather than waiting hours to get a response.
- In fact, according to a survey by Arise, almost 40% of customers expect to get a response within 24 hours after submitting a customer support ticket via email.
- This shouldn't come as a surprise since most people have become accustomed to having everything delivered in just a few clicks or taps online.
- If customers feel like they're wasting their time when they reach out for help with products or services, they'll likely stop doing business.

- Customers expect to be able to find the information they're looking for quickly and efficiently, without the need to contact customer support every time they have a query.
- According to a study by Zendesk, 69% of customers try to find the answer to their questions independently before contacting customer service.
- Ensuring the information displayed on the self-service portal is always accurate.

- The user experience is a major factor in customer satisfaction.
- Customers expect rapid loading of websites and easy navigation.
- If your website and digital platforms are difficult to navigate and confusing, your customers will get frustrated and leave.
- The same goes for mobile apps.
- In fact, according to AI Website Builder, 90% of customers will stop using a mobile app if it offers a poor user experience.

- This proves that customers expect the apps to be simple and straightforward.
- A good user experience is essential for keeping customers engaged with your brand.
- It's not just about having a well-designed website but also about having a clear understanding of how customers interact with it.

- Here are some tips for improving the user experience to ensure better customer satisfaction:
 - Make sure that all your platforms work together seamlessly.
 - Ensure that your website is easy to navigate and doesn't confuse your visitors, this is where web designers in Tampa can help.
 - Provide accurate and up-to-date information about products and services.
 - Develop simple checkout processes that don't require too many steps or complicated forms.
 - Make sure your site loads quickly and doesn't crash frequently.

- Customers want to be treated as individuals and receive customized service.
- They want you to remember their names, preferences, and what they like.
- In fact, Segment has conducted a Personalization Report, which found that 71% of customers feel frustrated when their experience with a brand feels impersonal.
- This means that businesses need to be able to find out about customers' needs and preferences in order to provide them with the products and services they want.

- Here are some tips to offer a personalized experience to customers:
 - Be attentive to their needs and concerns.
 - Listen carefully to what they are saying and how they are saying it.
 - Ask questions about their preferences and interests.
 - Provide solutions that meet their specific needs.
 - Make them feel important by addressing them by name or using "you" instead of "we" in your communications.
 - Avoid making assumptions about them based on their demographics or other information you may have about them.
 - Leverage market research tools to know the customer persona.

Innovative Product or Service

- Customers not only expect companies to deliver quality products or services that work as advertised, but they also expect better and better offerings.
- They're always on the lookout for innovative products and services: something unexpected, fresh, new, and exciting.
- This means that companies must constantly innovate, and new features and functionality must be added regularly.
- The best way for companies to satisfy these expectations is by creating an internal culture where innovation is encouraged and rewarded.
- Companies should encourage employees from all departments — including the sales department — to submit ideas for improvement or new products or services.

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Next Lesson



E-Commerce and Strategy Part-3



Conclusion



**Thank you for your
attention.**