#### **CUSTOMER RETENTION CASE STUDY**

Customer satisfaction has emerged as one of the most important factors that guarantee the success of online store; it has been posited as a key stimulant of purchase, repurchase intentions and customer loyalty.

A comprehensive review of the literature, theories and models have been carried out to propose the models for customer activation and customer retention

. Five major factors that contributed to the success of an e-commerce store have been identified as: service quality, system quality, information quality, trust and net benefit.

The research furthermore investigated the factors that influence the online customers repeat purchase intention.

The combination of both utilitarian value and hedonistic values are needed to affect the repeat purchase intention (loyalty) positively.

The data is collected from the Indian online shoppers. Results indicate the e-retail success factors, which are very much critical for customer satisfaction.

What are the key success factors for e retailing?

Image result for e-retail success factors

8 Key Factors for Success in Ecommerce

Brand name. ...

Design of the store. ...

Search Engine Optimization (SEO) ...

Multichannel marketing. ...

Personalized buying experience. ...

Multiple payment methods. ...

Easy check-out process. ...

Customer service:

E-commerce seems to be eating up the retail world right now.

We're seeing longtime brick-and-mortar retail brands closing or going bankrupt that we never would have expected to see disappear ten years ago.

Take Toys"R"Us for example. After more than 60 years in business, they are liquidating and closing all of their remaining U.S. stores.

On the other hand, the digital world is an exciting place to be, with business owners starting their very own digital brands and competing in the digital marketplace.

Most brick and mortar stores have been forced into creating an online presence.

Why many e-commerce businesses struggle

There are many common reasons for the e-commerce struggle, and stores in different industries will face different hardships.

But there are some general battles that all e-commerce businesses have to fight.

Around 80% all e-commerce businesses fail. And there are three common reasons why customers are likely to leave you in the dust:

- 1. Customers don't know how to use your site
- 2. Product value isn't clear
- 3. Navigation is difficult

Have no fear. The solution to solving these problems may be simpler than you think.

For starters, people aren't judging your business initiatives or products on their own merits. Customers simply want what they want when they want it.

And sometimes, their expectations can be pretty high. Especially online.

If you have too many shipping options on your site, you'll deter customers who want their products quickly.

As many as <u>80% of American shoppers</u> say that shipping price and speed are very or extremely influential in determining where they shop.

That's why you should offer fast and <u>free shipping</u> when you can, like apparel brand <u>Shongolulu</u>, which offers free shipping on orders that are \$30 or more.

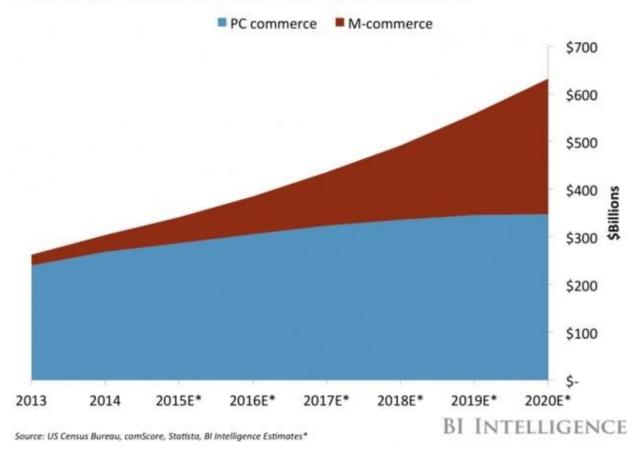


When customers don't have to pay for shipping, they'll be more likely to pull the trigger on a purchase that they can't touch, feel, or try out because there's less risk involved.

Customers don't want to wait forever to get what they ordered, either, so if you're willing to provide free shipping, choose a fast option.

At the beginning of 2017, the <u>National Retail Federation speculated</u> that online retail would grow 3x faster than the rest of the retail industry, with mobile e-commerce sales soaring.

# FORECAST: Mobile Share Of US E-Commerce Sales



The <u>rise of online shoppers</u> has also shortened consumers' patience. Online shoppers are looking for convenience.

They don't want to deal with difficult return policies or long waits for orders.

Aside from long wait times and tricky shipping options, struggling businesses fail to take the following into account:

- Branding
- SEO
- User Experience
- Transparency
- Engagement

But the good news is that starting an e-commerce business in 2018 is perfectly doable. And so is taking each of these factors into account, which can help you stand out from competitors.

The first step is building your brand with some great values behind it.

## 1. Your brand is your purpose

Your e-commerce business has a brand at the core of its identity, whether you know it or not.

To find out what it is, you have to think about what you do and why you do it.

Your brand embodies a set of values related to your business's central endeavors. Some older brands aren't aging well, because they don't really have a clear mission.

Or they do, but they don't disclose it.

In 2017, Enso's World Value Index analyzed 150 brands according to how Americans identify their purpose and how well their purpose aligned with customer values.

1. Goodwill	14. Colgate	27. CVS Pharmacy	40. NIKE
2. Girl Scouts of the USA	15. Kraft	28. Lipton	41. eBay
3. Amazon	16. Johnson & Johnson	29. Proctor & Gamble	42. Ben & Jerry's
4. Save The Children	17. Lowe's	30. Sony	43. Intel
5. Google	18. UPS	31. General Electric	44. Panera
6. World Wildlife Fund	19. PayPal	32. LAY'S	45. Pepsi
7. YMCA	20. FedEx	33. Coca-Cola	46. Hewlett-Packard
3. Microsoft	21. McDonald's	34. Whole Foods	47. Trader Joe's
9. Dove	22. Newman's Own	35. Target	48. Ford
10. Subway	23. Disney	36. Apple	49. Petfinder
11. Home Depot	24. Samsung	37. AAA	50. TOMS
12. Kellogg's	25. Nestlé	38. Yoplait	
13. Walmart	26. Wikipedia	39. Facebook	

The research also looked at the extent to which each company motivates brand advocacy and purchase.

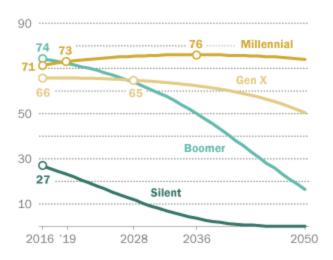
The results were vastly different for different demographics. Baby Boomers rated <u>Newman's Own</u> to be number seven on the list, while millennials rated the company to be number 81.

The brand could lose it's allure if they fail to appeal to millenials since their generation is much larger than the Baby Boomers and three times the size of Generation X.

And by 2019, millennials are expected to outnumber Baby Boomers are America's largest generation yet, <u>according to the Pew Research Center</u>.

## Projected population by generation

## In millions



Note: Millennials refer to the population ages 20 to 35 as of 2016.

Source: Pew Research Center tabulations of U.S. Census Bureau population projections released December 2014 and 2016 population estimates.

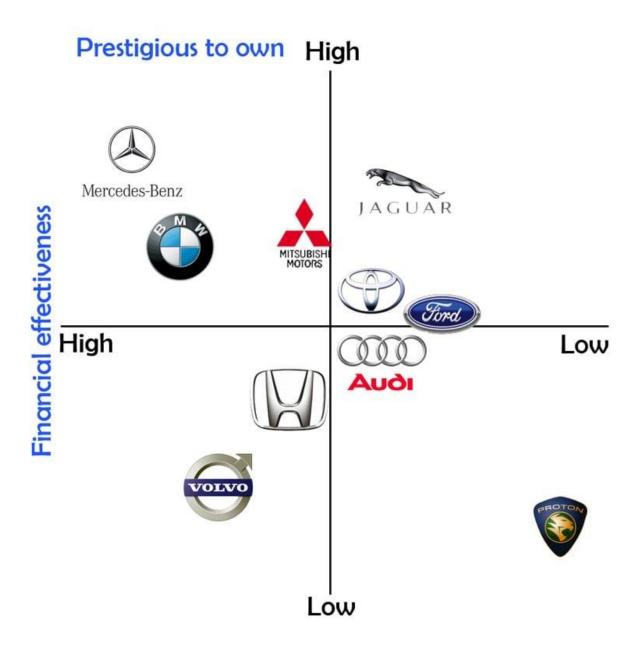
#### PEW RESEARCH CENTER

AAA, Pfizer, and Samsung were also ranked much lower by millennials than Boomers:

- AAA: millennial rank: No. 92; Boomer rank: No. 26
- Pfizer: millennial rank: No. 136; Boomer rank: No. 65
- Samsung: millennial rank: No. 74; Boomer rank: No. 19

The bottom line? Deviating from your brand hurts your message.

And when you hurt your message, you hurt your brand. Your brand persists on your customers' unique perceptual map.



They build assumptions about your brand's identity based on interactions with your company, and they aren't likely to forget their first impression.

This means that <u>they remember you</u> when choosing to make another purchase. How they remember you impacts how they will review you.

As many as <u>31% of consumers</u> are likely to spend 31% more on products and services from businesses with excellent reviews, while negative reviews can drive away 22% of customers.

A whopping 85% of customers trust online reviews as much as they trust personal recommendations.

Dissatisfied customers are more likely to share bad stories to friends & family than satisfied customers are likely to share good stories.

While happy customers might tell a few friends, unhappy customers will tell even more.

That means you'll have a whole lot more "anti-referrals" on your hands than positive recommendations.

When you aren't establishing your brand as the go-to, your competitors are.

In the digital era, your competition is no longer confined to the shop across the street.

If a stronger brand offers the same type of product that you do, they will gladly eat your market share.

That's why you need a unique selling proposition, or USP, to win them over.

The point of a USP is to differentiate your product. The value of your USPs only come into play after your prospects enter your funnel.

When your brand is weak, competitors with better brands will absorb customers. Marketing is more effective in conjunction with a strong brand.

Good marketing takes the brand's voice and extends it outward to reach qualified leads.

If the brand doesn't expand its core identity, it will struggle to reach its target audience.

And saturation from <u>marketing campaigns</u> may expose weak spots on a poor brand's armor to a higher volume of people.

That's why you always have to match good marketing with brand values.

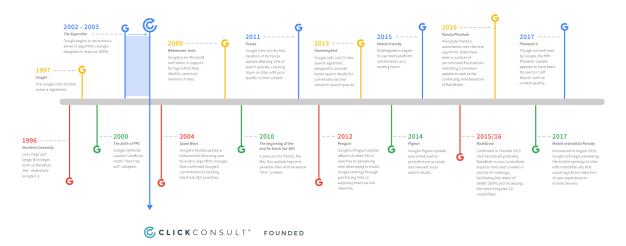
You'll need to do some SEO, too.

#### 2. SEO brings in traffic

<u>Google is sort of like an usher</u> that decides which websites get to mingle near the top of the organic search engine results.

But with constant algorithm updates, it can be pretty hard to keep up.

# Google Algorithm Timeline



<u>The Fred algorithm update</u>, which launched on March 8, 2017, targets websites violating Google's webmaster guidelines.

Most sites affected are ones with low-quality posts that were created solely to generate ad revenue.

So if you have any of these posts on your site, you could risk messing up your current rankings (or worse – losing high rankings altogether).

Review <u>Google's Search Quality Guidelines</u> regularly and avoid posting too much content that is adcentered.

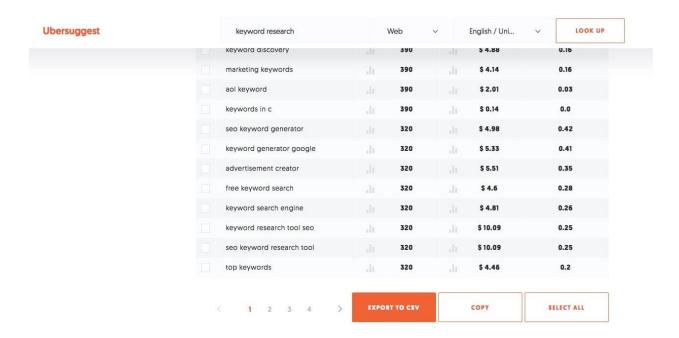
If you do show ads or affiliate content on your site, make sure that the pages you run them on are relevant and high-quality, like this Buzzfeed post sponsored by Adidas:

If you try and trick Google into thinking your page is about something valuable but it's really just scattered with affiliate links, you'll risk your rankings.

Landing pages with relevant keywords will receive a higher Google ranking and be more likely to show up during relevant searches, too.

<u>Keyword research</u> can help you learn how to position your page content.

<u>Use a tool</u> like <u>Google Adwords Keyword Planner</u> or <u>Ubersuggest</u> to get started. Just enter a keyword to uncover related words to target for.



Remember that your brand is also a keyword. Highly qualified traffic will be searching for your brand name, so you want to rank for that.

But if you "hack" SEO to bring additional, potentially unqualified traffic to your site, you won't like what happens next.

The idea of <u>SEO is to give searchers the most qualified</u> results for their queries. Pages that use exploitative or lazy tactics <u>get penalized by Google</u>.

All in all, SEO is something worth spending extra time strategizing around. <u>Use this beginner's manual to get started</u>.

Once you've mastered SEO, turn your attention over to user experience (UX).

#### 3. Customers love a great user experience

If you want to funnel traffic toward a desired action, like making a purchase, you need to optimize UX.

If site visitors get confused, they'll leave. Site navigation should always be easy.

On your website, you have to make it clear what your business does. For example, <u>Scott's makes it clear</u> that they sell lawn care products.



Reinforce what your brand does on your site. What's obvious to you might not be obvious to someone else.

How did they get to this landing page? Why is the landing page content relevant? Use a clear, concise <u>call to action</u>.



You should also make sure the shopping cart is easy to view and access. The checkout process must be straightforward.

Nobody wants to deal with a checkout process that makes purchasing your product harder than it needs to be.

Embed interactive content into your website (if appropriate). This includes:

- Videos
- Animated images
- Games

Always use A/B testing to figure out what works best.

<u>Employ a tool such as Unbounce</u> to weigh 2 or more page designs against each other for effectiveness in maximizing sales.



Pick whichever design version wins.





**JOCELYN** 

MICHAEL

4.78%

Don't forget to optimize UX for mobile, too, since more and more consumers are <u>shopping over mobile</u> in 2018.

Ensure that your print is large, that load times are <u>three seconds or less</u>, and that the mobile version of your site is easy to navigate via touch.

Basically, the mobile version of your site shouldn't look exactly like your regular website.





If you want to succeed in the e-commerce world, you have to be transparent with your customers, or they might not trust you.

## 4. Transparency builds trust

One of the easiest ways to come across as transparent is to make your contact information visible right on your website.

Your traffic should be able to find your email address and phone number <u>at the bottom or top</u> of every page on your site.