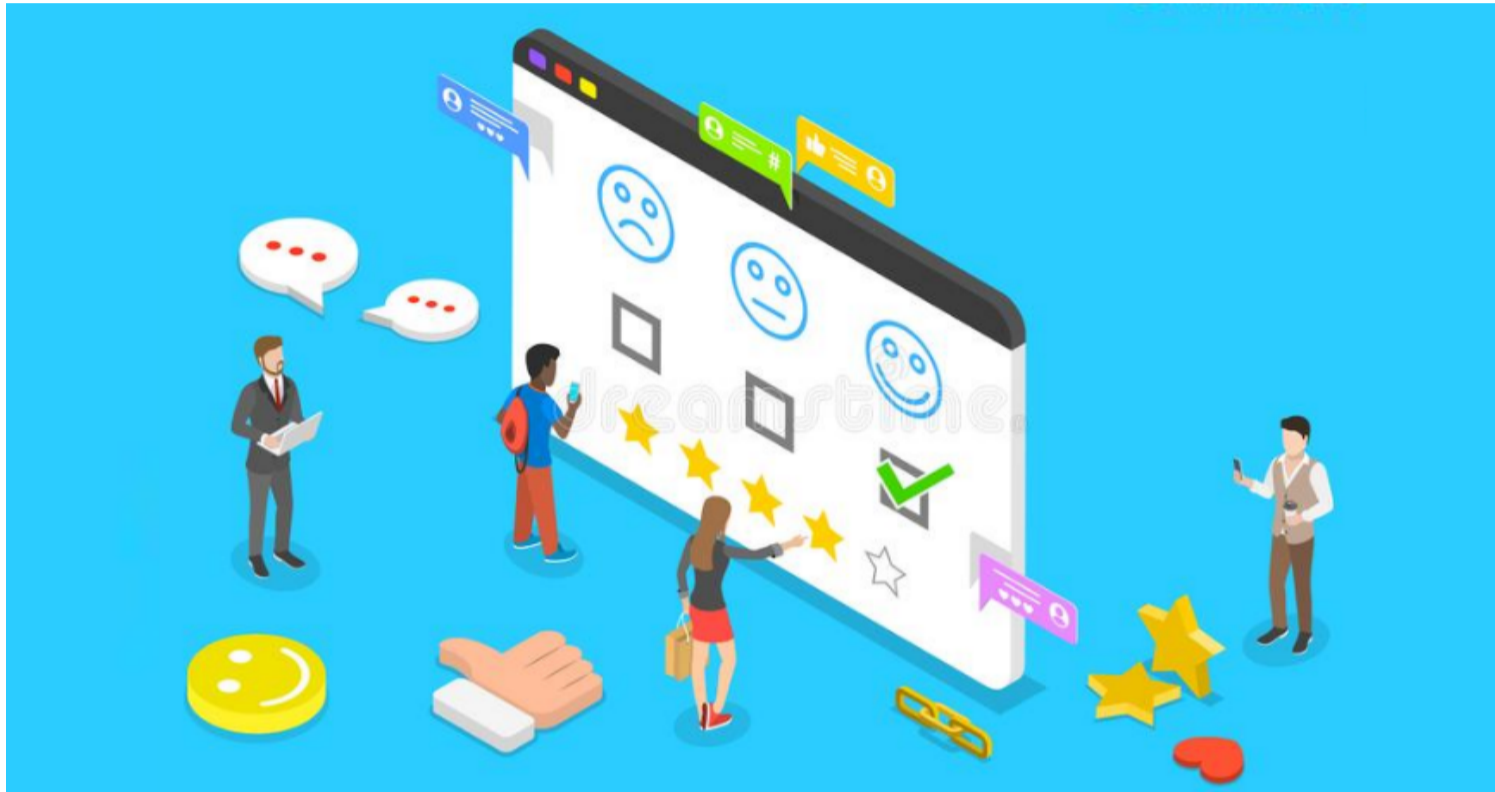


Innovative Customer Experience: Need Of The Time

The retailers and brands which have been able to face the pandemic effects boldly are the ones that have quickly adapted to the new business dynamics with flexible strategy



28 January, 2021

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Despite major changes in business dynamics over the years 'customer experience' continues to be the core of all business outcomes. Covid-19 has prompted the retail industry to change its way of doing business and move into a new era. Barbara Khan, professor at Wharton stated "This is the ideal opportunity to build a combination of digital and physical shopping". Exploring new revenue opportunities but at the same time continuing with existing revenue options could be made possible if retailers have a clear strategy. The retail sector has undergone a dramatic transformation during the last decade from digitalization to technological advancement. Though pandemic has caused significant financial losses to almost all retailers it has also opened up a few interesting business opportunities.

The retailers and brands which have been able to face the pandemic effects boldly are the ones that have quickly adapted to the new business dynamics with flexible strategy. Despite being uncertain about the emerging business scenario in the foreseeable future they have tried to respond by building agility in the business model as an organizational differentiator where being flexible is the key. Precautionary measures announced during the pandemic have changed the way consumers behave. Easy pickup and home delivery are now the 'New Norm' in the retail business. Adopting customer experience under the post coronavirus is the need of the hour for all types of go-to-market models such as B2B, B2C, and B2B2B2C. Both B2B and B2C customers have found better ways of getting connected with organizations either physically or digitally. Agile organizations are coming out stronger with an ability to provide a unified Omnichannel experience. Other businesses should also look at all possible touchpoints as a strategic opportunity to connect with customers and with a holistic approach to meet changing customer expectations in 360°-view.

Light at end of the tunnel is a lesson worth following by all pandemic affected retailers as customers started looking for the required products through both physical stores as well as e-commerce portals. It is an ideal situation for organizations to understand consumers' preferences in both online and offline formats especially, concerning their attitude towards brands and experiences through multichannel shopping. It is time to utilize accumulated rich reservoir of data to transform the challenges faced in the post-pandemic retail business. This would help in strategies to be designed for future products, channel integration, and outstanding customer experience. And thus to implement the same, Omni-channel demands overall redesigning of retailing from supply chain to delivery at each stage- focusing on demand-driven processes.

Every organization may have its own objectives and ways and means to increase store footfall and creates an omnipresence through programs such as "buy online and pick up in-store." Brands coming up with ideas like a curb-side pickup, where on one side organizations can continue to employ their staff on the other side customers can continue to shop without fear for their health. Additional efforts initiated by a few retailers like BOPIS have been well appreciated by customers which in turn also helped in establishing a trustworthy relationship leading to a surge in demand.



Besides retailers, organizations involved in logistics and supply chain also got adversely affected by Covid-19. Continuous demand for one category has brought about a shortage in supply and made suppliers discover an effective approach to meet customer expectations. For many B2C communications, like applying for a credit card/MasterCard/home loan customers trust the companies which provide a completely online process to fulfill their needs. Besides, the health sector is also focusing on providing a seamless care delivery experience through innovative means. In an era, where the online platform has been embraced by consumers, innovative forms of online marketing and social networking have become accepted norms and popular. Thus, under the current scenario which compels us to think in terms of temporary or permanent closure of physical stores as consumers are hesitant to visit the stores, retailer sentiments are down and out with no hopes about a revival of economic growth soon.

It's time to diagnose the Omni-channel capabilities and draw a roadmap to facilitate this transformation. As stated in the report by McKinsey in July 2020, globally there has been an increase in online sales for apparel, beauty segments, and staple categories by approximately 10% on average, since the outbreak of the virus. For food and grocery, e-commerce penetration has increased from 2-3% before the pandemic to 8-10 % during its peak time. The anticipation is that it would settle at twice the previous "normal" level i.e. 5-7%, by year-end.

To remain relevant under the current fast-changing situation retailers may incorporate the following changes in business strategy:

1. Promotion of digital portals

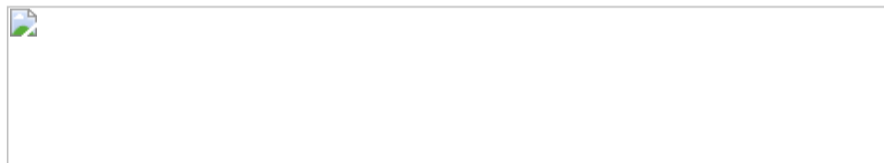
In the present context of consumers being hesitant to venture out for shopping due to social distancing psych retailers may provide the digital mode of connecting. Brands like Nike China have seen a rise in their active users' numbers by activating their digital community and offering virtual workouts. Services related to digital channels should be consistent with high-function landing pages (100-millisecond delay in load time can reduce the conversion by 7 percent).

2. Innovative Customer Relation

Retailers may try to provide a feel of in-store experience even through online shopping through the personal touch. Retailers should develop an alternative engagement model as it was found that the conversion rate increase by 250 percent when consumers view 3-D display in AR. Apart from in-store experience, delivery methods need modification. For instance, curb-side pickup and aggregator delivery. It is an opportune time to empathize with changing consumer behavior and understanding the importance of safe delivery modes. Re-assessment of store format is also required to support third party delivery services along with strategic partnerships to enhance convenience.

3. Strategize Capabilities

Organizations should assess current efficiency in terms of the 3Ps of marketing i.e. product, place, and people, and accordingly, determine the direction for future transformation. A structured effort is required to focus on operational needs as consumers have drawn a line between want and need. In today's changed circumstance, buyers try to defer non-essential purchases. Thus, pricing ceased to be the factor impacting every demand. In today's changed market dynamics sales incentives like a free ticket for a concert or discount sales no more make any impact on consumers.



4. Demand-based forecasting

Organizations have to build data infrastructure as it will help to forecast demand. By understanding, real-time data retailers can reformulate their business model to ensure that it meets consumer expectations. To be ahead of the competitors, it is quite essential to comprehend the market signals and interpret the same appropriately to re-strategize based on the interpretation well in time.

As per the recent Google Mobility Index, a likely contraction of 52% is expected in retail and recreation activities as consumers do not feel safe in visiting places like shopping centers, restaurants, specialty food shops. Today customers avoid longer stay in stores and instead, opt for online shopping. As per Statista, even a consumer of age 65+ reported having increased spending on goods through the e-commerce platform. Thus, retailers should take this pandemic as a chance to transform the tide in their favor with innovative practices keeping its long-term implications in mind for all stakeholders i.e. customers to suppliers.



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