



## What Makes an Online Customer a Repeat Customer?

**A**s the growth of technology rages on in today's online marketplace, retailers have the opportunity to harness its many benefits to provide shoppers with cutting-edge customer service tools, a variety of fulfillment options and the ability to connect directly with customers. The key for retailers is not to implement every feature and offering that new technology affords but to understand how consumers want to shop, transact and connect with them in the modern fast-paced environment of online shopping. Radial and CFI Group recently surveyed over 500 online shoppers to measure their preferences surrounding methods of connecting with retailers, fulfillment options, specifically buying online for an in-store pick up, and the effect of transactions mistakenly identified as fraudulent. The resulting feedback equips retailers with the knowledge of what matters most to customers and the effect experiences, both good and bad, are likely to have on the goal of turning customers into repeat customers.

### How Customers Connect with Retailers

Today's on-demand culture has conditioned shoppers to expect options and convenience when connecting with retailers on a variety of topics, including asking for information or checking on the status of an order. When asked how they normally contact a retailer to check the status of an order, 40% of survey respondents cited the self-help section of the company's website, while 33% said they typically email the retailer directly. The prevalence of these online options underscores the importance of having an intuitive and well-staffed infrastructure in place for customers looking for help.

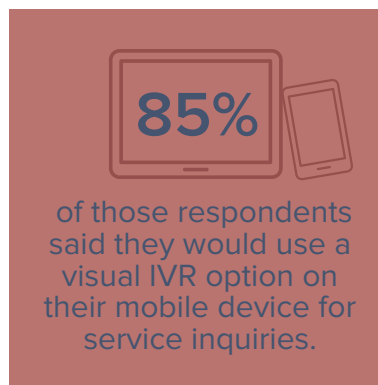
The survey results found that shoppers are more than willing to use self-service resources a retailer offers them to get questions answered, with 83% of respondents indicating they use self-service options when available. This is great news for companies looking for efficiency in providing answers to questions and other information to shoppers, but it is critical that the self-serve resources offered are concise. Otherwise, tools that are intended to help shoppers turn into barriers to information, causing confusion and frustration. IVR systems have traditionally been common offenders on this front but recently developed mobile-based visual IVRs bring a new option to the self-service landscape. This progressive option combines the efficiency that benefits the retailer with the convenience shoppers are looking for when seeking answers or following up on a recently placed order. The appeal of such an option is evident as 85% of respondents said they would use a visual IVR option on their mobile device for service inquiries. Providing a mobile-based visual IVR

caters to shoppers' growing utilization of smartphones and tablets while gaining the benefit of collecting relevant information from the caller before connecting him or her with a live representative.

### The Importance of Social Media

With so many choices for directly accessing retailers, many shoppers opt to take their questions or feedback to social media. Sixty-two percent of those surveyed said they use social media to interact with retailers, stressing the need to have social media accounts actively

monitored and representatives at the ready to answer questions or direct inquiries to the necessary resource. Expectations for a



response are high as 76% of those posting to social media said they anticipate a response within the same day of reaching out. Another 22% said they give the retailer until the next day, leaving just 2% who said they do not have an expectation of hearing back. Shoppers perceive retailers' social media accounts as a forum for customer service that involves active dialogue rather than a parking lot for feedback. The directive coming from customers is clear—respond to our questions on social media, and do it promptly.

### Picking Up Online Orders in Store

The need to offer choices extends beyond channels of communication and includes fulfillment options of online orders. There is a growing demand for picking up online orders in store as over half (54%) of those surveyed reported taking advantage of this option for at least a quarter of their online purchases, a 26% increase from a year ago. Once an order is placed, retailers need to be sure the order is prepared promptly and the customer receives a notification that it is ready for pick up as soon as possible. Customers will be waiting for this pick up notification as 37% said they expect to hear that their order is ready the same day of the purchase and another 30% expect the notification to come no later than the day after the order. Receiving a product quickly is a primary motivator of using the buy online/pick up in store option, making it essential that the process is efficient and the customer is notified without delay. The delivery method of the notification itself should be customizable based on the preferences of the shopper, but email and text message options can be expected to dominate as 57% said they generally prefer to be notified by email and 31% cited text message as their preferred channel. While prompt notifications are important, it is even more crucial that a systematic process be put in place to avoid premature notices. If a customer is notified of an order ready for pick up but arrives at the store to find their purchase is not yet ready, the convenience of the in store pick up transforms into a reason to shop elsewhere in the future. When asked how arriving at a store to find their order is not ready would affect future purchasing behavior, 74% said they would be more likely to shop competitors or discontinue purchasing with the offending retailer altogether. Giving online shoppers the ability to save time and money by eliminating shipping costs is an attractive offering to many, but the benefits of the buy online/pick up in store perk will only be realized by prepared retailers that have a methodical and effective process in place.

### Data Breaches and Fraudulent Charges

With a new data breach in the news seemingly every month, our survey also examined shoppers' feelings towards stolen credit card

information and the effect of having legitimate orders mistakenly identified as fraud. The study found that 33% of shoppers are Extremely Concerned with having their credit card information stolen and another 50% said they were *Somewhat Concerned*. The heightened sense of electronic data theft has companies on alert to quickly flag purchases that seem out of the ordinary but blocking valid purchases can also have a negative effect on customers' willingness to return. Nearly a quarter (24%) of respondents said they have had a purchase incorrectly identified as fraud. Of these individuals, 62% claim that this has made them shop elsewhere for subsequent purchases. Retailers are faced with the difficult task of protecting their customers' information without being overzealous in sounding the alarm of a fraudulent charge. Those who are successful in managing this balance preserve the trust and confidence of their customers that is essential in building shopper loyalty.

### Takeaways

The omnichannel shopping experience gives customers options—from researching products to following up with a company, post purchase. To meet the expectations of shoppers, it is important to offer innovative solutions for contacting retailers, including visual IVR platforms, catering to the growing preference of using mobile devices for this type of interaction.

Having an active social media presence has become a fundamental component for successful retailers. A majority of shoppers are now interacting with retail companies through social media and expect a prompt reply after contact is made.

Offering in-store pick up for purchases is a valuable fulfillment option to many online shoppers. The value can be offset, however, by an inefficient process that causes delays in getting the purchased items into the hands of customers or triggering premature notifications that an order has been pulled and is ready for pick up. High customer satisfaction with a buy online/in-store pick up platform comes from

having a physical location in sync with the online store and a systematic process in place that involves efficient customer notifications and comprehensive quality assurance procedures.

Finally, stolen credit cards obviously carry a tremendous cost to retailers, but so does overaggressive detection of fraudulent purchases. Retailers must take full advantage of the latest technology available that effectively screens all purchases, accurately separating the illegitimate from the legitimate. This keeps customers satisfied and satisfied customers are repeat customers.



### About CFI Group ([www.cfigroup.com](http://www.cfigroup.com))

Since 1988, CFI Group has delivered customer experience measurement and business insights from its Ann Arbor, Michigan headquarters and a network of global offices. Using this patented technology and top research experts, CFI Group uncovers the business drivers and financial impact of customer experience.

### About Radial ([www.radial.com](http://www.radial.com))

Radial is the leader in omnichannel commerce technology and operations, enabling brands and retailers to profitably exceed retail customer expectations. Radial's technical, powerful omnichannel solutions connect supply and demand through efficient fulfillment and transportation options, intelligent fraud, payments, and tax systems and personalized customer care services.