

# Online retailers continue to face challenges that undermine the customer experience

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A study evaluating the consumer experience of online shoppers has highlighted the challenges that continue to face online retailers including ensuring sufficient stock, transaction and delivery issues and unclear refund practices.



The study, conducted by research and insights company BMi Research in 2020, surveyed six online e-commerce stores with each store evaluated by 10 experienced online mystery shoppers. The study forms part of the company's launch of an online customer experience solution that measures and provides insights to help companies improve their customer's online shopping experience. BMi Research will be one of the first to launch an online customer experience solution.

South Africa's e-commerce market has traditionally lagged global trends. The Covid-19 pandemic, however, accelerated the growth of online shopping in South Africa with more consumers willing to try online shopping. According to Nielsen, online shopping has jumped 9% to 44%. In order to capitalise on this trend, a growing number of retailers have introduced an e-commerce offering with varying degrees of success.

BMi Research's CX Online tool takes traditional mystery shopping solutions focused on in-store evaluations a logical step further given the accelerated penetration of e-commerce and online shopping. It measures the overall experience from the perspective of the online customer including the online shopping experience, the transaction process and the delivery experience, allowing retailers to adapt their offering in order to ensure an optimal customer experience.

"Same-day delivery is key to remaining competitive in the online shopping space," says Jenni-Ruth Coggin, general manager for consumer behaviour and business insights at BMi Research. "To be successful online platforms need to meet the expectations of customers. Consumers that have a disappointing online experience tend not to give those retailers or brands a second chance, which is why it is so important to ensure a positive overall experience each and every time."

The registration process new shoppers must complete could be a barrier as this is their first experience of the brand in an online shopping environment. "When it comes to online shopping first experiences count," says Coggin. "Registration should be as simple as possible both to lower the barrier to entry and in order to make the barrier lower than the next competitor."

Encouragingly, most shoppers found the registration process easy to moderately easy to navigate, while 60% of shoppers found the websites easy to navigate.

In terms of the visual appeal of websites, and how engaging and user friendly they were, shoppers reported that there was room for improvement in the pharmacy sector. Only 70% of shoppers in pharmacy and retail sites were shown the correct product after a search, indicating an area that needs to be addressed.

While overall promotional offers were easy for shoppers to find, only 55% of promotional items were in stock. A third of shoppers on retail sites were informed that items were out of stock only as they were checking out. “Ideally, this information should be given during the shopping process,” says Coggin. All the online shopping sites reviewed do well at communicating payment options and order confirmations. However, the study found that all categories need to provide shoppers with more assurances that their transactions are safe and secure with email and sms communication that is sent immediately at payment.

Coggin adds that once the order is placed and paid for, trust in the online shopping experience is either built or lost at the point of delivery. However, the study revealed that online delivery booking systems are weak with just over a third of respondents not receiving their delivery at the arranged date and time, while 20% did not receive the correct items they had ordered. There also appears to be confusion over the refund process for products missing from the order. Ultimately, only 50% of shoppers found the overall delivery experience to be excellent.



Jenni-Ruth Coggin

Dean McElwee, the integrated commercial lead of e-commerce for Europe at The Kellogg Company, points out that speed is of the essence when it comes to online shopping. “The customer wants to get the product as soon as possible so the whole online process needs to be speeded up,” he says.

McElwee, an e-commerce expert with more than 18 years of experience across both emerging and developed markets across multiple channels, was the guest speaker at the launch of CX Online.

“Succeeding in the online space is very different to succeeding in the offline space,” he added. “The reality is that online shopping utilises different spaces and has different constraints to an offline shopping environment. Not only does it have eyeball constraints given that search narrows the number of items seen, it also has resource constraints, and it has size relativity constraints.”

Online, he concluded, is significantly more complex than anticipated requiring businesses to get all three components right: convenience, price and speed of delivery. Critically important is to test your online offering in order to refine and improve the online shopping experience.



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The CX Online pilot study was conducted in Q3 in 2020, by experienced BMi Research mystery shoppers who were

also active online shoppers. The study included 60 mystery shops across four industries.

For further information regarding CX Online please contact Jenni-Ruth Coggin on 076 170 6989 or visit <https://www.bmi.co.za/cx-online/>

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