

September 2020

RESEARCH & INSIGHTS

Author: Murad Salman Mirza

Contributor Feature: Building Trust to Enhance Customer Loyalty in Ecommerce Operations *(A Humanistic Perspective)*

Loyalty in the Digital Age is becoming harder and harder to secure due to the intense competition from savvy competitors and the lurking danger of becoming marginalized by disruptors, especially, those who are generally unforeseen or routinely dismissed as serious contenders for market dominance. Additionally, the average life of organizations used to be 60 years in the 1950s; it is less than 20 years in the Digital Age (<https://lnkd.in/f9T8bei>). This presents tremendous challenges and wonderful opportunities for innovation to facilitate sustainable productivity, growth and profitability.



Consequently, the key to success in the respective context is to firmly establish, progressively grow and judiciously facilitate a sustainable ecosystem around an organization's products/services that raises the barriers of entry for new competitors and opportunistic disruptors while also presenting a lucrative M&A (Merger & Acquisition) option for industry behemoths with a ravenous appetite for devouring promising startups/businesses to perpetuate their own relevance in the Digital Age. There are several examples that attest to the resilience of a well-established organization buffered by a strong ecosystem that enabled their successful transition to being an important part of a much larger and better resourced global concern rather than be confronted by a competitive product/service to threaten their strong presence/dominance in the market, e.g., WhatsApp acquisition by Facebook, YouTube acquisition by Google, Zappos acquisition by Amazon, LinkedIn acquired by Microsoft, Siri acquisition by Apple, etc.

There are three key dimensions of building trust that organizations need to focus on to enhance customer loyalty in ecommerce operations, i.e., Gaining Trust, Maintaining Trust, and Regaining Trust. Unfortunately, majority of the organizations overly concentrate on their efforts to gain trust and often fail on maintaining trust while very few are able to regain trust after faltering significantly in delivering on their promise. Following are some of the measures that can be undertaken to excel in each of the three key dimensions of trust:

Gaining Trust (You can believe in us)

- **Know Your Customers**

This refers to having a keen sense of the following:

- Demographics (age, gender, location, etc.)
- Preferences (brands, next best alternatives, fashion conscious, deal seekers, etc.)
- Likes & Dislikes (products, process, placement, positioning, pricing, etc.)
- Sensitivities (social causes, environmental concerns, behavioral triggers, religion, ethnicity, gender, privacy, security, health advisories, etc.)
- Habits & Frequencies (how often they shop, what time they shop, seasonal surge, buying small or bulk, etc.)
- Personalities (prone to criticize, mostly silent, easy to delight, positive mindset, prolific reviewers, etc.)

- **Positive Corporate Reputation**

This refers to having a strong corporate brand that reflects integrity, transparency, sensitivity and ownership of evolving customer needs/expectations, e.g., reinforcement of the 3Ps (People, Planet & Profits) principle. It should be complemented by a viable risk management plan that can activate effective operational measures to timely counter any mishaps/missteps on behalf of the ecommerce provider.

- **User-Friendly & Fully-Operational Ecommerce Technology**

This refers to taking appropriate measures for assuring and ensuring that the most suitable technology is efficiently and effectively deployed in the provision of products/services. A checklist to facilitate the respective process can be used from the following link with minor modifications: <https://lnkd.in/fpWWMj9>

- **Feasible & Effective Service-Level Agreements (SLAs)**

This refers to the presence of written documents that clearly identify the rights, responsibilities, authorities, and mechanisms for dispute resolution between various parties involved in the ecommerce operations. Such parties could be internal and external to the organization. Periodic reviews and timely modifications of SLAs should be done to assure and ensure their relevancy to the evolving nature of relationships between the parties.

- **Astute Talent Management**

This refers to institutionalizing progressive and judicious talent management practices that complement and boost organizational performance while tenaciously protecting the rights and privileges of the employees. Such initiatives should be in full compliance with the relevant labor laws, accommodate progressive Diversity & Inclusion measures, and be equitable in practice, especially, for effectively managing a multigenerational workforce.

- **Commendable Customer Reviews**

This refers to the prominently visible and easily accessible online postings of customer feedback that authenticates the promise being pledged by the ecommerce provider. It can be different formats, e.g., personal comments, survey results, audio files, video interviews, holographic presence, etc.

- **Authentic Products**

This refers to the provision of promised products that are being shown on the ecommerce website. It includes the care taken to assure and ensure that the customers are not being misled in terms of what is being promoted and what is actually delivered to them. A key aspect in the respective context is the effectiveness of the product return/replacement/recall policy and the validity/equity of the associated compensation measures.

- **Seamless Delivery Service**

This refers to the optimum integration of the supply chain elements that results in being routinely able to meet/exceed the customer expectations. It requires an ingrained understanding and profound appreciation for the parties involved in each other's functional role with a consistent penchant for improvement based upon the lessons learnt from customer feedback and other sources.

- **Efficient & Friendly Customer Service**

This refers to the ability of the members of the customer services team to respond in a timely and resourceful manner to solve problems/issues with product/service shortcomings. It requires proper training and development coupled with the empowerment to take resolution initiatives by the front end employees for upholding the sanctity of the organizational brand.

Maintaining Trust (We will uphold your faith in us)

- **Timely Updated Website (Functional, Appearance, Products)**

This refers to assuring and ensuring that the online information is current and positively projects the strengths of the ecommerce provider in delivering a smooth user

experience. The respective website should include a cordial invitation to the customer for providing feedback and suggesting ways to innovatively increase its quality.

- **Consistent Fulfillment of Promises**

This refers to being dependable in terms of the promises given to the customer with respect to the seamless provision of products/services. It requires evidence of the unwavering commitment that boosts the customer confidence in terms of doing repeat business with the ecommerce provider.

- **Maximizing Ownership of the Supply Chain Journey**

This refers to the ability of the ecommerce provider to exert significant influence on each element of the supply chain journey in terms of providing a positive customer experience. It includes being in sync with the supply chain partners and holding them accountable for the quality of products/services provided on behalf of the ecommerce provider.

- **Visible Refinement/Enhancement of Customer Experience According to Evolving Customer Expectations**

This refers to the noticeable agility of the ecommerce provider to pivot its customer experience elements/processes to match the transforming customer needs/expectations. It requires an astute understanding of the market dynamics and the humility to make timely improvements by recognizing and embracing the 'need' and 'urgency' for change.

- **Periodic Communication of improvement**

This refers to being in touch with the customers to apprise them of the initiatives that have been undertaken to enhance the efficiency and effectiveness in the provision of products/services. It is imperative that such a 'bonding experience' should explore and utilize all forms of current media options that have a high probability of reaching the customer base of the ecommerce provider.

- **Delighting Customers by Rewarding Loyalty**

This refers to formulating a method for recognizing and appreciating customer loyalty that is peppered with 'Delight Factors'. Such an initiative needs to be clearly defined, easily understood and easily implementable to avoid confusion or mistakes. Examples in the respective context include, automatic discounts on additional purchases without the need for inserting a code, providing an additional item free of cost based upon recognition of repetitive buying, sending a birthday gift with a singing messenger, etc.

- **Dependable & Empathetic Customer Service**

This refers to assuring and ensuring consistency in the quality of customer services for resolving concerns/issues faced by customers. It demands the ability to incorporate lessons learnt from past interactions and providing timely training and development to frontline employees who should be carefully groomed and guided, especially, for soft skills in terms of relaying the message of 'being an effective customer advocate' while addressing any shortcomings on part of the ecommerce provider.

- **Benchmarking Competitors**

This refers to ascertaining the strength of inherent capabilities by comparing them with industry/practice leaders. Such a study should be led by an experienced and influential senior manager assisted by capable team members (if required). The subsequent report should be reviewed with an 'open', 'inquisitive' and 'reformatory' mindset by the organizational leadership for authorizing and supervising effective remedial actions.

Regaining Trust (You are important to us)

- **Sincere Ownership and Apology for Service Lapse(s)**

This refers to taking responsibility for shortcomings in an honest and forthright manner. It should be done in a 'personalized' manner without a significant delay in response by a person who has the authority to take effective remedial actions. It should also serve as a valuable lesson and become part of the 'knowledge bank' for avoiding future lapses in the provision of products/services.

- **Transparency & Timeliness of Corrective/Preventive Actions**

This refers to the visible and judicious formulation and execution of appropriate corrective/preventive actions to alleviate/eliminate the cause(s) of concern experienced by the customer. It includes active and timely communication with the 'hurt' customer on effective resolution to provide assurance for future interactions.

- **Reinforcement of Service-Level Agreements (SLAs)**

This refers to revisiting the SLAs and reviewing them for relevancy/suitability in the context of the recent shortcoming(s). Such an exercise could be converted to an audit if significant inadequacies are found in terms of keeping up with the evolution of the supply chain as it caters to change customer needs/expectations. Subsequently, robust and effective corrective/preventive actions should be undertaken in view of the findings to elevate the SLAs in their compatibility with operational imperatives that are geared towards further enhancing customer focus.

- **Increasing Voice of Customer (VOC) in Improvement Initiatives**

This refers to actively seeking the assistance of customers in enhancing the quality of services and the range of desired product lines. It could be done by providing incentives in the respective context, e.g., gift vouchers, discounts on future purchases, invitation to social cookouts, increasing the customization of services, etc. Such an initiative should actively assess and deploy the most effective means of communication to assure and ensure that customer responses are in sufficient numbers to provide statistically-significant evidence in terms of initiating improvement measures that will have the maximum probability of success with the customer base.

- **Dedicated & Pleasant Customer Service**

This refers to carrying out a careful examination of current customer services processes and identifying areas that can be further refined for enriching the customer experience. It includes the detailed scrutiny of the skill set of the frontline employees, especially, through recorded/observed interactions to realize the gaps that need to be filled and the areas of excellence that need to be reinforced. A key indication in the respective context is the gap between the best-performing and the lowest-performing customer service personnel since that will reflect the extent of the challenge involved, especially, in a multigenerational workforce and between new/experienced employees.



Food for thought

Quality of interaction matters more than the number of transactions in terms of building trust for enhancing customer loyalty. Technology should be an enabler, rather than, a decider in the respective quest. Service standards should not be blindly subservient to dazzling metrics that often mask the 'actual' fissures within an organization by instinctively gravitating towards 'all is well' scenarios to placate fidgety decision-makers. Consequently, it is prudent and wise to be 'humanistic', rather than, 'mechanistic' in terms of garnering trust for enhancing customer loyalty by adhering to the following two simple principles:

Principle #1 (Commitment to Yourself)

Don't promise what can't be delivered feasibly

Principle #2 (Commitment to Customers)

Once promised; deliver at all costs

**For more news and features connect to us by
subscribing to our regular newsletters - [click here](#)**

Contact the author

Murad Salman Mirza - <https://www.linkedin.com/in/muradsalmanmirza>

e: msmirza@yahoo.com

Phone: +971 55 3285081

Logistics Executive Group | www.LogisticsExecutive.com