# Post-Pandemic eCommerce Playbook

Mitigate Customer Crises
with Transparency and
Communication

convey

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# Early Impacts Of COVID-19 Cause Retailers To Pivot

It will come to the surprise of no one that COVID-19 has disrupted many aspects of how retailers do business. Brands have had to put more emphasis on eCommerce as customers do more of their shopping online to avoid crowds and maintain social distancing. Those with brick-and-mortar stores had to get creative – for example, offering online ordering with curbside pickup at their local store and turning dark stores into fulfillment centers.

Almost overnight, eCommerce orders spiked. After the initial panic, grocery store shelves are well stocked with food and most essential items except paper products. In fact, **consumer packaged goods sales, both in-store and online, jumped $8.5 billion** for the first two weeks following a nation-wide shutdown due to COVID-19, compared to the prior period.[1] **That's 15X the average rate of change.**

## During the pandemic, online order volume spiked, causing special challenges for retail brands.

Retailers providing essential products (like groceries, CPG, and fitness items) have had the added challenge of handling big increases in the number of orders. Many brands had to dust off their peak season processes for increased capacity, only to have to navigate supply chain shortages and tight carrier capacity as consumers started hoarding cleaning supplies and toilet paper.

With a surge in online orders, we wanted to understand how COVID-19 affected already sky-high expectations from consumers. Would they be understanding of the situation? Or would it be one more opportunity for Amazon to swoop in?

# Methodology

Using SurveyMonkey, Convey asked 1,000 consumers 12 questions about their buying habits, expectations about communication from brands, and support for shopping locally.

# Order Delivery In The Time Of COVID-19

Over the last twenty years, Amazon has been conditioning consumers to expect fast and free delivery times. Amazon's enormous supply chain and delivery network put the retail giant at the front of the charge, making other retailers change their delivery processes to keep up.

But COVID-19 put a strain on the supply chain that forced even Amazon to adjust customer expectations for delivery. Driver shortages, always a pinch point in the supply chain when they occur, became a major concern during the pandemic crisis. With drivers getting sick, retailers and carriers had to scramble to find replacements, and keep warehouse teams staffed and healthy. Adding to the logjam, especially in the beginning of the pandemic, was the number of consumers stockpiling various necessities.

According to our survey on consumer behavior during the pandemic, more than 42% of consumers stockpiled hand sanitizer and toilet paper. Over 40% of consumers instantly wiped grocery store shelves clean of canned and frozen foods, followed by 32% stockpiling paper goods like toilet paper, and 31% focused their attention on buying pantry items like pasta and rice. Stores scrambled to keep these items coming in to meet demand, while scarcity drove even more hoarding behavior.
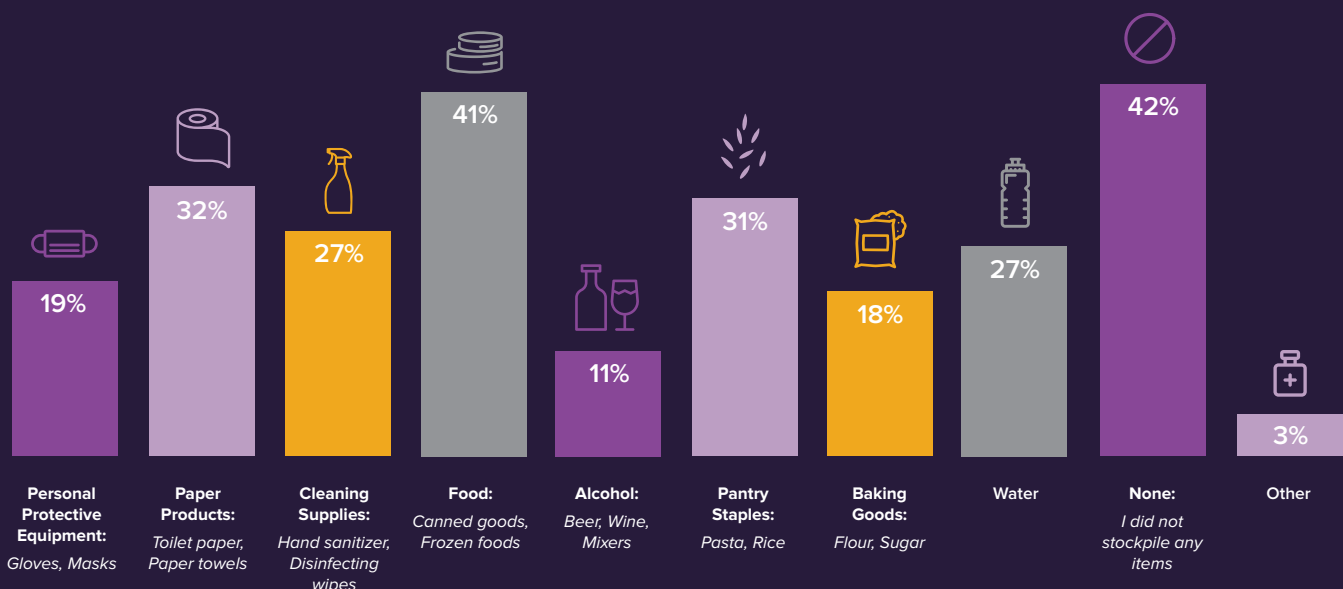
**The eCommerce Play**
Sync digital and physical channels to provide a smooth customer experience.

And while most consumers are willing to cut stores some slack when it comes to supply chain shortages, **nearly 40% of those we surveyed still expected to find all items in stock when they shop online.** All of this put a strain on retailers to keep customers happy while finding ways to mitigate the effects of supply chain shortages on their businesses and their customers.

## COVID-19 Stockpiling Trends

*Items purchased in excess of normal buying habits during the initial onset of COVID-19*

| Personal Protective Equipment: *Gloves, Masks* | Paper Products: *Toilet paper, Paper towels* | Cleaning Supplies: *Hand sanitizer, Disinfecting wipes* | Food: *Canned goods, Frozen foods* | Alcohol: *Beer, Wine, Mixers* | Pantry Staples: *Pasta, Rice* | Baking Goods: *Flour, Sugar* | Water | None: *I did not stockpile any items* | Other |
|---|---|---|---|---|---|---|---|---|---|
| 19% | 32% | 27% | 41% | 11% | 31% | 18% | 27% | 42% | 3% |

# 'Shop Local' Sentiment High, But Big Brands Still Rule

Most of the consumers we surveyed (87% overall and 79% of Millennials) felt it was important to shop at local retailers who may have been affected by store closings. But with social distancing concerns and a desire for a one-stop shopping experience, COVID-19 managed to drive these consumers online despite their support for local businesses.

*With **58% of shoppers open to buying online or over the phone and picking their order up curbside**, BOPIS has become a standard delivery option for many retailers.*

When we asked why shoppers chose to shop online instead of locally, free shipping topped their list of reasons. **More than 64% said this would convince them to shop at an online retailer.** This might explain why **over 80% still rely on Amazon for everyday supplies**, with mass merchants like Target and Walmart coming in a close second at 55%. Only 22% said they were also adding local retailers with online storefronts into the mix.

So how could local brands successfully compete with Amazon and other big online retailers? It may take some creative solutions, along with excellent communication with shoppers.

For example, retailers who have had to shutter brick-and-mortar stores temporarily could use those spaces as staging areas for pick-up of online orders. Curbside delivery has become a major selling point for many local businesses, giving consumers the ability to shop locally without going into crowded stores. With 58% of shoppers open to buying online or over the phone and picking their order up curbside, BOPIS ('buy online and pick-up in store') has become a standard delivery option for many retailers.

## 64%
of consumers said **free shipping** would convince them to shop at an online retailer.
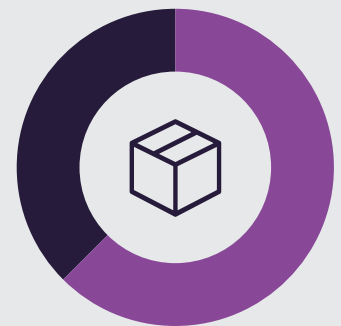
# Transparency Turns The Tide For Consumers With Big Expectations

At the beginning of COVID-19, shoppers were willing to be forgiving, understanding that supply chain challenges are affecting all retailers. **Nearly all of the consumers we surveyed (95%) said they would give retailers more time to deliver their orders.** In fact, **60% of shoppers are willing to give retailers 3-4 additional days to ship their orders.** Another 18.8% are willing to wait 5-6 days for their delivery, and 16.6% said they'd give retailers 7+ days or longer to deliver. Even Amazon, known for its two-day, free delivery, let customers know they should expect longer wait times.

There was one big caveat, though: While customers are willing to give retailers more time to deliver, customers still want a reliable delivery. They want to know when and how their deliveries will arrive. **Almost all of our respondents (98%) said it's at least somewhat important for retailers to indicate the delivery date**, and 53% consider it very important. And if you're having trouble with cart abandonment, it might be time to add the delivery date to your cart page—more than 75% of shoppers said that increases the possibility that they'll buy the item.

According to our survey findings, communication was key to improving the last mile delivery experience

for customers. Communication has always been an important factor in encouraging sales and repeat business, but in times of general stress and uncertainty, 69% of shoppers prefer more communication.

> **The eCommerce Play**
> Add the delivery date to your product or cart page to increase cart conversion for more than 75% of shoppers.

This is particularly true if their delivery encounters an exception. Almost 70% of shoppers say they're less likely to shop with your brand again if they aren't notified of a delivery delay — **and 12.5% said they definitely wouldn't return.**

Many brands got creative in this step. They started reaching out to their auto-ship clients to ask if they wanted to make their order renewals sooner and cut down on delays, improving customer loyalty for subscription customers. Other retailers put banners on their websites, notifying shoppers of longer shipping times.

**7** out of **10**
consumers uninformed of a delayed delivery are less likely to shop with that retailer again.

## Communication Best Practices During COVID-19:

**Notify shoppers that deliveries may be delayed due to COVID-19 as early as possible**
Many retailers, especially in beauty, apparel, and more, have opted to put this notice on the home page so shoppers can expect to see changes in their carts. According to our survey data, the practice of putting the EDD (estimated delivery date) in the cart actually increases conversion rate during this time.

**Be transparent about your delivery date, and make promises you can keep**
In our survey, almost all shoppers (97.8%) said that it is at least somewhat important for retailers to indicate the delivery date that their items will arrive.

**Send alerts to let the shopper know when their delivery or deliveries will arrive**
After the shopper hits the "buy" button, the shopper journey is far from over. When it comes to delivery communication in times of stress and uncertainty, the more the merrier. Alerts can be sent through track and trace mechanisms such as the branded tracking page, email, and SMS.

**Have a plan of action in place if you can't keep your promise date**
Proactive action and empathy go a long way in avoiding spikes in WISMO calls, and even worse, lost customers. To keep consumer confidence high, alert customers immediately if the EDD (estimated delivery date) changes, and let them know if they have other options to receive credit or loyalty points.
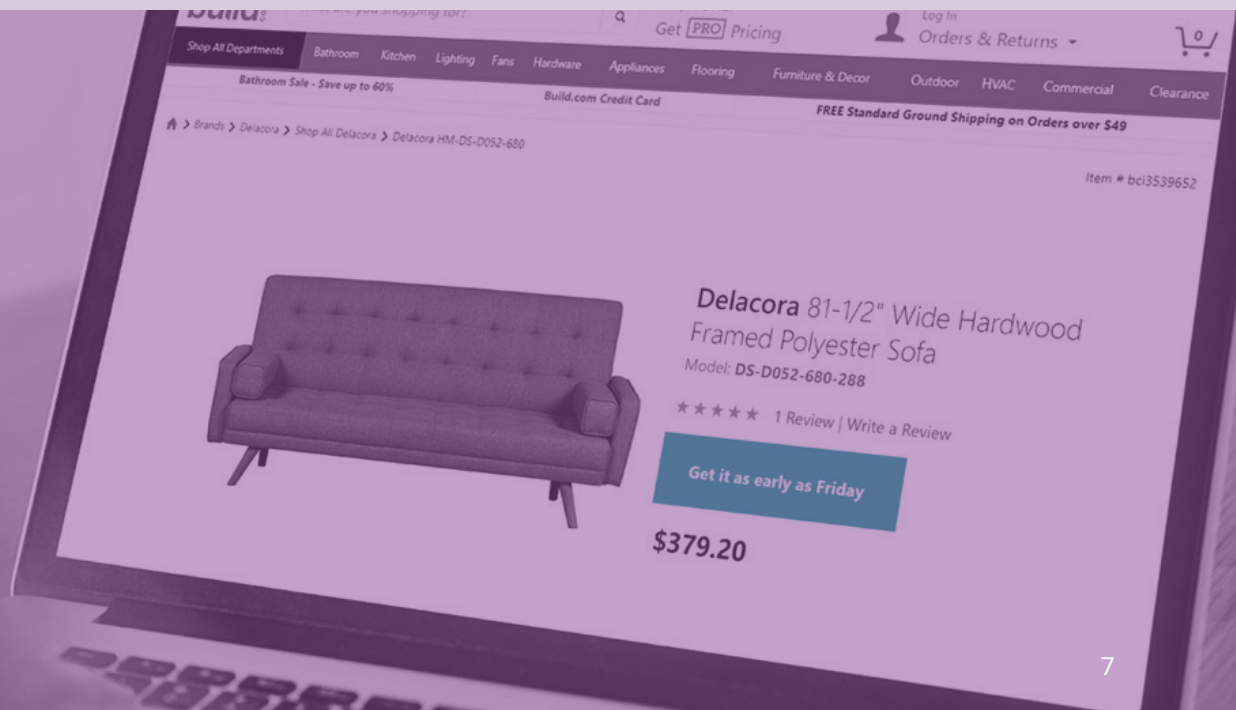
# Converting Shoppers With A Reliable Customer Journey

While a lot has changed during the pandemic, shoppers still want their retailers to provide delivery they can rely on. Before the pandemic began, we found that as many as 49% of consumers would abandon their cart simply due to a mismatch between their expectations for the delivery date and the actual delivery date.

This hasn't been helped by lagging fulfillment times. According to our data of over 4B shipping events, fulfillment time increased by almost 40% during March alone. The same parcel order that used to take 15.1 hours to fulfill took 21.2 hours to fulfill. During this same timeframe, delivery exceptions, such as delays and damaged packages, increased by 98%, compared to the month before.

While shipping dates or the estimated delivery date may seem trivial, shoppers make it clear throughout our survey that delivery transparency at every stage of the journey is crucial to keeping their trust, no

**The eCommerce Play**

When fulfillment times lag, set delivery date expectations early on. Indicate that deliveries may be slower to arrive with a site-wide banner or a notice in your shopping cart.

matter what externality occurs. 75% of shoppers in our survey said that putting the delivery date increases the possibility that they'll buy the item. According to our data, **consumers are 162% more likely to buy if they can schedule their large-item delivery at checkout.** Not only does this trust increase the likelihood that the shopper will press the 'buy' button in the post-purchase experience, but it also makes them more likely to come back and buy more over time, increasing their lifetime value (LTV).

## 3 out of 4

shoppers say that putting delivery dates on product pages or in-cart positively influences the purchase decision.

# The New Normal: Managing Peak Season Capacity Until... Peak Season

While no one knows when it's safe to open physical retail locations again, it's safe to say that eCommerce has changed consumer habits, creating a **40% jump in first-time online shoppers.**[2] While shoppers were forgiving of slower shipping times early on in the pandemic, COVID-19 is having an unprecedented impact on supply chains.

Unexpected events will continue to affect our supply chains, like hurricanes, tornados, carrier strikes, and truck accidents. Supply chain resiliency is the new normal and it is more critical than ever to be prepared. Those who can efficiently see and understand what is happening in their network can make quick decisions, keep their goods moving and preserve brand loyalty.

Many brands are using this as an opportunity to connect to their customers in new ways, using automation and

AI to detect and measure trends that may negatively impact customers, or automating their customer service responses—segmenting out specific customer demographics, such as VIP shoppers, with additional help. We have also seen some brands re-train their customer service agents to drive more business, rather than just leveraging them to answer reactive questions or requests.

**The eCommerce Play**

Automate WISMO support tickets into your CRM and drive agents with freed up time toward revenue-building initiatives.

## Questions to consider as you balance cost, speed, and experience in your 'New Normal:'

**Improving Delivery Speed:**

- ✓ How many distribution centers do you need, and how close should they be to your customers?
- ✓ How can you invest in warehouse automation to fulfill items faster?

**Improving Delivery Costs:**

- ✓ How can you build speed and flexibility in your last mile delivery processes so you can pivot quickly?
- ✓ Can you proactively manage delivery issues, effectively reducing WISMO calls, and turning customer care into a profit center?

**Improving Customer Experience:**

- ✓ How can you enable faster and more communication to keep customers apprised of when delivery is on the way?
- ✓ Can you segment customer service alerts to different customers who may expect more care?

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[2] Bloomberg Intelligence, https://bit.ly/3e9Nk3T

# Maintaining Strong Brand Loyalty With Customers Beyond Peak Season

As eCommerce continues to leapfrog sales expectations and skyrocket, it will only become more critical to get your eCommerce operations right, and ensure your customers have a smooth customer journey.

The bottom line, as far as our survey respondents are concerned, is that consumers want their retailers to bring them certainty in a time of uncertainty. That means placing emphasis on transparency, making promises you can deliver on, and keeping customers informed at every stage of their purchase journey—not just before they click the 'buy' button. By building this trust with your customers, you increase your chances of bringing them back for repeat purchases, increasing their lifetime value and building your brand reputation. Those who can do this will come out the other side of the pandemic even stronger.

**The eCommerce Play**

With eCommerce exploding, the time to digitize your store experience is now. Those who do will reap the rewards of continued customer loyalty, those who don't will face higher hurdles in the future.
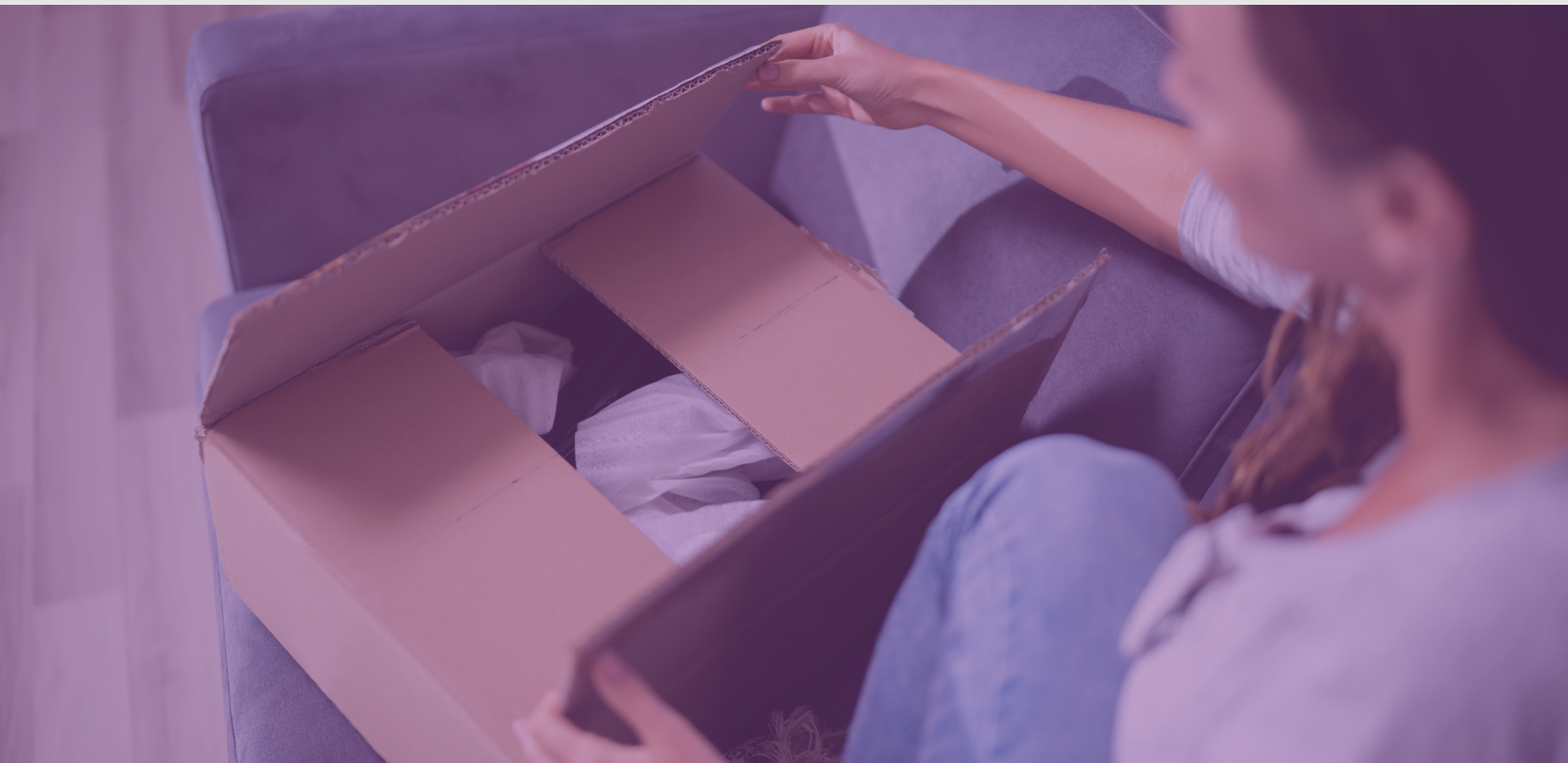
# Audience Demographics
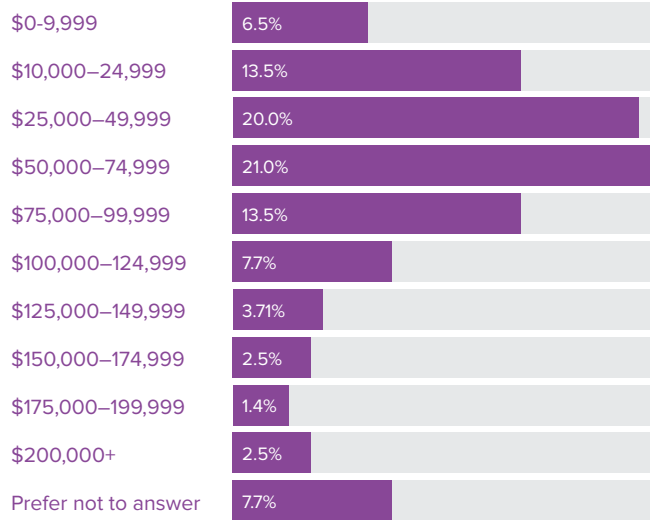
### PERCENTAGE OF EACH AGE GROUP REPRESENTED

- ● 18-29 years of age: 23.38%
- ● 30-44 years of age: 23.11%
- ● 45-60 years of age: 36.51%
- ● >60 years of age: 17.01%

### PERCENTAGE OF EACH GENDER REPRESENTED

- ● Male: 44.81%
- ● Female: 55.18%

### HOUSEHOLD INCOME

| Income | Percentage |
| --- | --- |
| $0-9,999 | 6.5% |
| $10,000–24,999 | 13.5% |
| $25,000–49,999 | 20.0% |
| $50,000–74,999 | 21.0% |
| $75,000–99,999 | 13.5% |
| $100,000–124,999 | 7.7% |
| $125,000–149,999 | 3.71% |
| $150,000–174,999 | 2.5% |
| $175,000–199,999 | 1.4% |
| $200,000+ | 2.5% |
| Prefer not to answer | 7.7% |

# About Convey

With delivery expectations skyrocketing, brands cannot leave the critical last mile to chance. Convey's Delivery Experience Management platform combines real-time visibility, post-purchase experiences, and advanced insights and analytics to create a solution uniquely capable of perfecting last mile delivery. Supply chain and customer experience leaders including Neiman Marcus, Jet.com, and Eddie Bauer rely on Convey's software and expertise to take action to ensure shoppers get their orders how and when they want, resulting in happier, loyal customers and a lower cost to serve. Founded in 2013, Convey is backed by Silverton Partners, Techstars Venture Group, RPM Ventures and based in Austin, Texas.

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www.getconvey.com

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