

# Leveraging customer touchpoints in retail - why context matters



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It's hardly accurate to say the world has achieved a state of normality post-pandemic - one only has to read the news to understand that we are in turbulent and changing times. But then again, during the pandemic there was a lot of talk about the "new normal", remember that?



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Many predictions were made during the pandemic - some have come to pass, while others have been politely forgotten.

The world of retail has changed forever. Some of these changes were precipitated by the pandemic, while others were merely accelerated by the pandemic. It's fairly obvious that in the absence of crowds in physical stores that there would be great developments in the realms of artificial intelligence (AI) and e-commerce. In other words, the digital customer touchpoints.

Before we go further, let's unpack what a touchpoint is. A touchpoint is essentially every time a customer interacts with your brand, and this is either physically or virtually. Touchpoints are vital moments because they can have a direct impact on various customer behaviours - for example, deciding to continue engaging, deciding to purchase a product, or choosing to leave - never to return.

It could be tempting for retailers to want to throw everything at customers, hoping it would make for more loyalty and higher turnover. This would be a futile exercise, and another iteration of an important theme: technology can solve problems and improve efficiency and competitiveness exponentially, but an investment in technology for technology's sake, is fairly futile.

A partner should work closely with a business and uncover where and how technology can help it achieve its goals.

## Context and the customer

Touchpoints start before the purchase and include advertising, social media, reviews and more. They occur during the purchase process, which includes point of sale, store employees, digital interactions in-store, e-commerce store and more, and then again after the purchase, which includes fulfilment, marketing emails, support and more. There are innovations in each of these realms, and as with all things tech, some are unbelievably innovative, leveraging AI and machine learning.

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But it is important to realise that context and customer matter - this should determine the types of investment that are right for each retailer or brand. By way of analogy, we have a customer that launched during the pandemic. Due to circumstances, they launched as an e-commerce retailer - and so we built the e-commerce store and did the relevant integrations. As people started going back into retail centres, they started adding small stores as windows into the brand, whose purpose was to send customers onto the website.

However, the product is made to be handled, touched and smelt. And so, as social distancing came to an end, it became clear that brick-and-mortar retail would play an increasingly more important role in the business. The digital DNA through our integration was there, and so in-store experiences, with human sales consultants and digital devices - roaming POS terminals with other functionality - have shaped the in-store experience to one with seamless payments and improved customer in-store experience - because they choose to be in the physical stores.



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The point is that leveraging touchpoints to increase value depends on unique factors relevant to each context, although there most certainly are trends that will play out across retail in South Africa.

A 45-year-old and a 16-year-old will expect different retail experiences. As an extreme example, a colleague offered takeaways to her four-year-old son, and the opportunity to go into a store to see what he'd like. He chose UberEats instead - in his young, digital world, there is no need to smell the food and experience the ambience before deciding what to choose.

Similarly, a Gen Z, who was born into technology and interacts with her friends and brands digitally, all the time, will see far more value in a digital avatar being decked out with the digital equivalent of whichever new branded hoodie she wishes to purchase. If she's your customer, this matters. If your customer is a middle-aged farmer, then not so much.

## Delight retail customers

Retailers should work closely with partners to develop customer touchpoints that will delight their customers and keep them coming back for more. Whether this is in the form of interactive screens in-store, offering a variety of what's on display on the shelves - such as colour and model - and then fulfilling the order digitally, or whether it is a purely online application that uses AI to demonstrate what a certain lipstick will look like when worn, any investment must be made to improve customer experience... and this must be unique to each context.

All this being said, and perhaps a surprise to some who believed during the pandemic that we would hurtle into the metaverse never to return, the in-store experience in South Africa is more important than ever and will continue to rebound. Brick-and-mortar retail has a long, healthy future ahead in South Africa. How individual retailers work with partners to fuse digital innovation into these in-store touchpoints could well turn into differentiators and a competitive advantage.

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