Webinar Highlights: 3 Best Practices for Grocery Retailers in the Coming Digital Evolution

FlyBuy's Executive Vice President of Global Partnerships, Jeff Baskin, recently took part in the third of three Winsight Grocery Business & Incisiv webinars, this one titled, "2020 Grocery Digital Maturity Deep Dive: Commerce Leaders and Best Practices." Also participating were: Steve Paro, Co-founder and CTO, ShopperKit; Sylvain Perrier, President and CEO, Mercatus; and Amar Mokha, Co-founder and Chief Operations Officer for Incisiv.

Like the first two webinars this last in the series also illuminated some of the findings from the 2nd Annual Grocery Digital Maturity Benchmark Report, which studied 195 attributes from the top 90 grocery retailers in the US, Canada, and Western Europe.

This final webinar focused on the implications of the digital shift grocery retailers have seen since COVID-19 quickly recalibrated the adoption of online grocery. Digital capabilities in research/discovery, ordering, fulfillment, and customer service exploded nearly overnight. Now - with the digital grocery genie out of the bottle and many customers conditioned to the online shopping experience - grocers need to evolve these capabilities and the digital platforms driving them in order to better align with their operating models, meet customer expectations, earn market share, and increase sales.

How? Differentiate and enhance the customer experience.

At the start of the COVID-19 pandemic, most retailers struggled to meet customer expectations when there weren't enough delivery/curbside slots, products were out of stock, and product returns weren't possible. But because shoppers ultimately just needed their groceries, many shoppers were willing to tolerate a lesser experience.

During this time, 48 percent of customers reported satisfaction with online ordering, which sounds good but actually leaves the other 52 percent going somewhere else to have a better online shopping experience.

In order for online grocery to continue to grow, customer engagement and service is one area where investment would need to scale significantly. And yet, this is the one area where we've seen a lag in investment. Where should grocers focus?

Refine Fulfillment
With a 60 percent jump in digital grocery adoption, the focus so far has been on fulfillment. When grocers see order volumes significantly fluctuate like this, the natural tendency is to throw labor at it. It's the easiest thing to do, especially if you aren't using the right technology.

To move forward, however, grocery retailers need to evaluate their KPIs so they can bring in the right technology partners to pave a smoother path toward maintaining or creating profitability.

Working with partners like FlyBuy for curbside pickup technology and BOPIS technology, and ShopperKit for its best-in-class fulfillment platform goes a long way to making that a possibility.

Communication, Communication, Communication
Absolutely critical to becoming profitable in digital grocery is offering multiple types of communication between grocers and consumers, and these technologies are game-changers.

On the staff side, a curbside pickup solution like FlyBuy keeps employees aware of customer location at all points along their journey. This allows employees to prioritize picking so customers experience little to no wait time upon arrival. When we know customers are 4x more likely to return if they wait less than two minutes for their order, this advantage can't be ignored.

A two-way line of communication between store associates and shoppers is also highly advantageous. Staff can offer substitution options in real time when something requested isn't available. Plus, customers can ask questions/get answers while creating orders, as well as make last minute additions and changes, which can capture some of the lost revenue from those impulse buys now that fewer people are actually shopping in-store. These direct lines of communication are proven and effective ways to increase basket size.

Enhancing your communication through chat functionalities, email support, BOPIS technology, and curbside solutions can also allow you to capture higher touch consumers (often seniors 70+) who may instinctively want to call for help because they aren't familiar with building a basket, entering a credit card, or searching online.

There isn't a one-size-fits-all solution to online grocery communication, but addressing them head on provides for a highly frictionLESS experience customers are likely to repeat.

Expand Search
The Grocery Benchmark Maturity Report showed a strong correlation between search/discovery and conversion: those who've searched for certain products are 33 percent more likely to purchase them. Given this strong connection between search and a great customer experience, more investment needs to be made in this area.

Grocers should ensure the search functionality on their digital grocery shopping platform aligns with what customers expect, like intuitive search that offers autocomplete and understands misspelled words. Today's ideal digital grocery search experience should also provide advanced filters like ripeness, weight, promotions, availability, dietary restrictions, and pickup/delivery options. Product and shopping ratings and reviews are also highly valued.

With customers more open than ever to trying new services and even willing to pay more for what they perceive to be a white-glove experience, investment in digital capabilities is now a must for grocery retailers that want to capture customer loyalty that can no longer be taken for granted. Luckily regional and small grocers have already been innovating well before the big players thanks to their secret weapon - the ability to iterate much faster.

Their path forward starts with prioritizing how they're going to provide a best-of-breed experience in a high-touch manner that's going to keep customers coming back, not just be price shopping. By aligning with the right partners it's not as costly or complicated as it may seem.

To watch webinar 1 in this series, go here.
To watch webinar 2 in this series, go here.