

YOUR CUSTOMERS ARE UNDER ATTACK

THE COMPETITION FOR CUSTOMERS IS IMMENSE. RICHARD SHAPIRO ANALYSES HOW TRADITIONAL RETAILERS CAN NOT ONLY MITIGATE THREATS TO THEIR CUSTOMER BASE BUT THRIVE WELL INTO THE FUTURE AS WELL.

Wake up! At no point in history has your customer base been more vulnerable than today. Competition is everywhere. It's instantaneous and hiding behind every mobile device, third-party seller, and easily funded start-up. Here are just a few competitors threatening jewellers and other retailers today:

E-commerce – Retailers are reducing their physical store presences and selling a greater percentage of their products electronically. It's convenient for customers and reduces a large outlay of capital; however, it's more difficult to establish personal relationships.

Third-party sellers – Third-party sellers like Amazon and Google have become the first stop for many buyers.

Mobile – The explosive growth of mobile devices and connectivity has allowed customers access to more information, more quickly. Consumers are being pitched to 24 hours a day, any time, anywhere, and they have more price and product information at their fingertips than ever before.

Global economy – While it's not a new phenomenon, the expanding global market is just one more threat to your existing business model.

Millennials – The largest generational group has been brought up with technology. They are impatient and they want it now. Millennials are making less money than their parents did at the same age and usually have a higher education debt so they're accordingly price-conscious and will go online first. The good news is that Millennials are willing to pay more for better customer service.

Start-ups – Money to invest in start-ups is easily available. Every day, companies like Uber are popping up. Uber started in 2009 and is now valued at \$50 billion. Tomorrow, the next Uber might put you out of business.

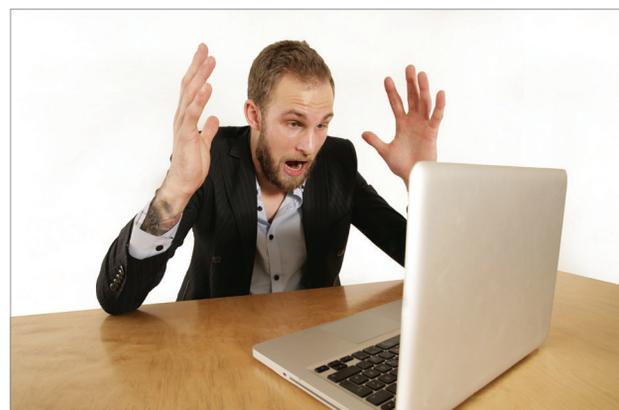
Customer control – A large percentage of customers are potentially more knowledgeable than your associates about competitive products and services. They want to deal with businesses that can provide them with the right products for their personal needs at the right price. They can easily spot incompetence and take their business elsewhere.

Reviewers – Businesses are making it so easy to provide feedback that almost all customers are either leaving ratings or comments online or relying upon them.

Speed – Same-day delivery will become the new norm. Not only are Millennials impatient but their expectations have been set in stone too. One and two-week delivery times will put any business in a precarious situation. Drones will be dropping packages off daily, so one-week delivery times will hurt businesses.

Artificial intelligence – Amazon's Kindle Fire tablet and voice-activated Echo speaker, and Apple's virtual personal assistant, Siri, are now touted

TRADITIONAL RETAILERS CAN PROTECT THEIR CUSTOMERS BY BUILDING A COCOON OF HUMAN INTERACTIONS AND EMOTIONAL CONNECTIONS TO ENHANCE THEIR CUSTOMER EXPERIENCE AND THEIR RELATIONSHIPS



TRADITIONAL RETAILERS NEED TO ADDRESS NEW COMPETITORS NOW

for entertainment and information. These applications are the greatest threat to any business. Soon, consumers will be asking their televisions for product advice, using the same televisions to connect to online stores and arranging shipping for tomorrow. There'll be no need to go to a manufacturer's site or physical store, and no need to even leave your couch. These devices will know their users' entire histories, including music, sport and film preferences, upcoming milestones and gifting occasions, and more. They'll even know how much money is available and will search for deals that meet their users' budgets. This fully customised shopping experience will be difficult to top.

When business is conducted electronically, customers don't go to physical stores, meaning there is less opportunity for a connection with another human being, even if it's an accidental one.

Traditional retailers can protect their customers by building a cocoon of human interactions and emotional connections to enhance their customer experience and their relationships.

This is the secret of generating repeat business and an opportunity to avoid massive customer attrition. It's more critical than ever for businesses to focus on what steps to take in order to create personalised experiences either online, in-store or through mobile devices.

Knowing your customer and creating that human bond will help secure your business long into the future. Each business owner just has to figure out how to achieve that goal. Don't take too long though – for those who wait, it will be too late. I guarantee it. ✱



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