



5 WAYS TO COMPETE IN THE AGE OF AMAZON

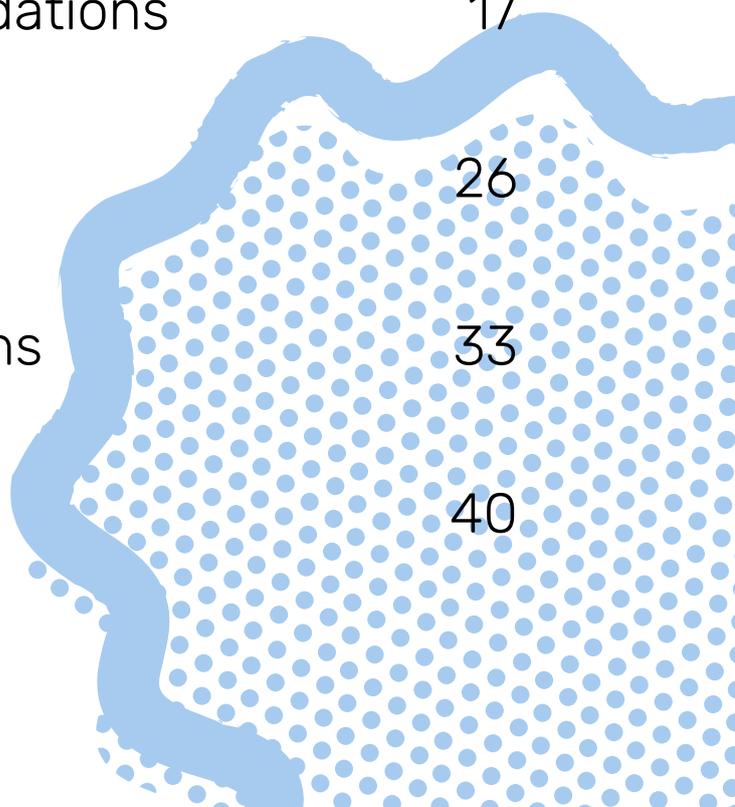
FROM FULFILLMENT TO INSURANCE, LEARN HOW
TO WIN AND KEEP CUSTOMERS IN THE HYPER-
COMPETITIVE WORLD OF ECOMMERCE



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INTRODUCTION

At times it can seem as if Amazon's grip on consumers is too tough for retailers to break. However, studying Amazon's playbook can reveal strengths and weaknesses that are essential to a retailer's ability to compete and win.



In this ebook, we'll look at five areas in which retailers can compete and win in the age of Amazon:

1 Fulfillment

Faster shipping means fewer abandoned carts, increased revenue, and high customer satisfaction. We'll show you how to raise your fulfillment game, even with limited resources.

2 Consumer Financing

As we see consumer demand for payment flexibility increase, creative financing can be a good place for independent retailers to excel.

3 Personalized Recommendations

In today's retail environment, product recommendations account for up to 31% of ecommerce site revenue. Fortunately, there are many ways to leverage or improve recommendations.

4 Customer Care

Customer care is one area where bigger isn't necessarily always better. Independent retailers can often achieve stronger, more personal customer interactions, even without the global scale of Amazon.

5 Product Protection Options

A core Amazon offering but also one of the strongest ways retailers can differentiate is with extended warranties. These product protection plans can increase customer confidence, resulting in higher conversion rates and an improved customer experience at the same time.

Ideally, evaluating the state of your business in these five categories will provide you with many opportunities to win. We'll even help you with concrete next steps to implement -- including both short-term fixes and long-term strategies. Let's get started!

FULFILLMENT



As of 2020, there were more than 150 million Amazon Prime members, with 20% of them shopping on Amazon several times a week, and 7% ordering on an almost daily basis. About 89% of customers say they are more likely to turn to Amazon than any other ecommerce retailer.

At times it can seem nearly impossible to compete with the massive lifetime value Amazon is able to squeeze out of customers using Prime memberships and fast shipping. But the truth is that all retailers have the opportunity and ability to connect with customers, build loyalty, and deliver on their promises with both high-tech, algorithmic and human tools.

Here, we'll discuss how ecommerce retailers can increase purchases and lifetime value of customers in creative ways, starting with fulfillment.

HOW AMAZON WINS AT FULFILLMENT

When Amazon debuted its Prime membership, two-day shipping was unheard of and free two-day shipping was almost unbelievable, but Amazon set a new standard, guaranteeing it for almost every product.

Then Amazon upped the ante even further with one-day, and even two-hour shipping on some products, satisfying needs of even the most impatient consumers.

The company was able to reduce shipping times by placing unprecedented investment in supply chain organization and technology. One key to this was automation, with Amazon employing robotic solutions for inventory storage and pick and pack operations. Predictive analytics have also helped retailers like Amazon anticipate consumer needs in order to place the right inventory in the right place at the right time and speed up fulfillment.

Meanwhile, other retailers such as Target and Walmart are racing against the clock to streamline fulfillment and deliver at the same speed as Amazon. In fact, Target partnered with Shipt to provide customers an option for same-day delivery. Consumers have come to expect quick and affordable shipping from everywhere they shop.



WHY FULFILLMENT MATTERS



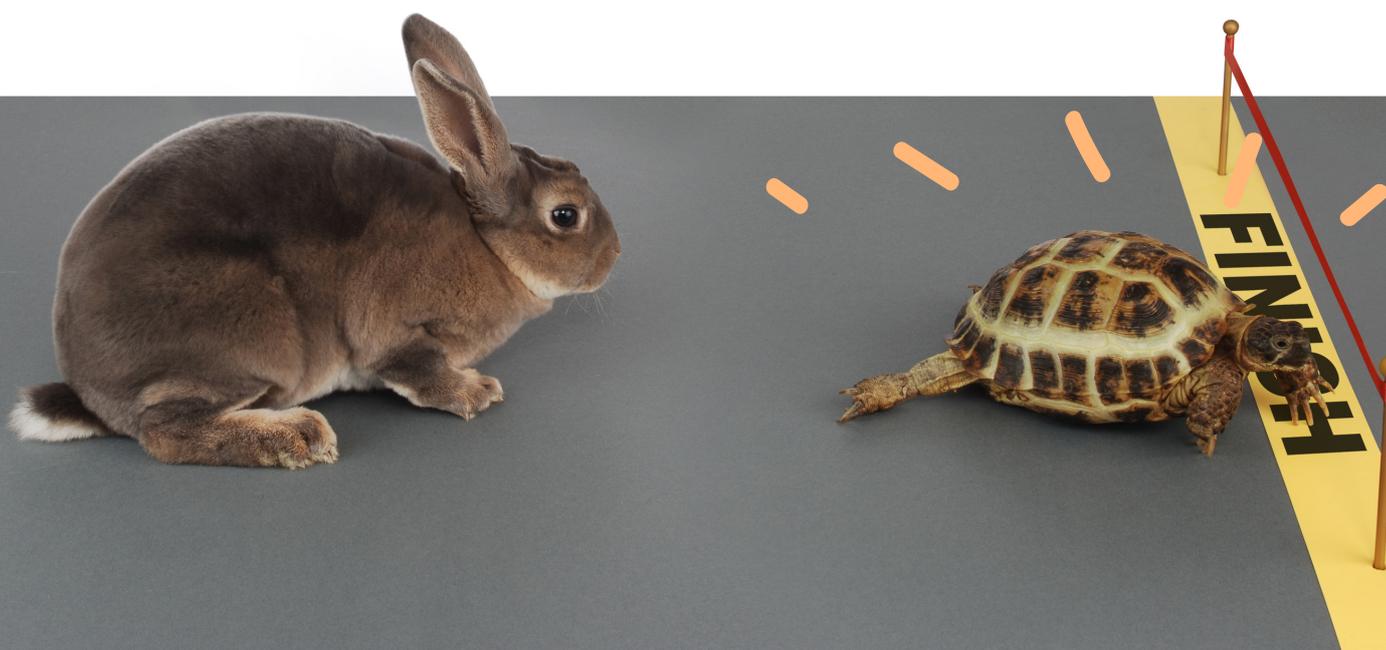
According to a [recent survey](#), 38% of shoppers will abandon their carts if delivery will take longer than 1 week, and 24% of shoppers say they would abandon if no delivery date is provided. So it's clear that, to compete, ecommerce companies need to streamline and speed up fulfillment wherever they can. Fortunately, there are numerous tools retailers can take advantage of in order to achieve desirable speed, even without Amazon scale.

SHOPIFY'S STEADY APPROACH

If [Shopify's plans to match Amazon](#) are any indication, leaders of the company have certainly heard the story of the tortoise and the hare. The slow and steady plan, intended to “add scale only at the rate at which service levels can be maintained,” is a great approach for both consumers and merchants as it means faster fulfillment but less bumps, mistakes, and possibly lost customers along the way.

Shopify's plans are already well underway; in 2019 the company launched its fulfillment network and acquired 6 River Systems for its fulfillment software and robotics experience. Now, [Shopify Fulfillment](#) offers streamlined shipping, order management, inventory control, and more for an end-to-end fulfillment solution.

For retailers on other ecommerce platforms or Shopify retailers looking for an alternative to Shopify Fulfillment, [ShipBob's 2-day express](#) offering may present a potential alternative. According to their site, “ShipBob's guaranteed 2-Day Express Shipping Program leverages ground shipping as an inexpensive alternative to expedited air shipping for stores built on Shopify Plus, Shopify, and WooCommerce.”



HOW TRADITIONAL SHIPPERS CAN BOOST FULFILLMENT OPERATIONS

Traditional shippers also offer solutions to improve fulfillment operations and shipping speed across all ecommerce platforms. For example, FedEx offers a multitude of resources to not only help retailers learn how to improve inventory management and optimize fulfillment, but also ensure they accomplish those goals. Retailers even have access to a more personal touch through phone consultations with in-house logistics experts. FedEx can be used to ship to most locations, even homes, seven days of the week and offer next business day shipping for those customers prone to choose the fastest level of shipping at checkout.

UPS eFulfillment offers similar resources. Retailers may find their inventory tracking and business insights features particularly helpful. Inventory tracking allows SMBs to control inventory, receive restocking alerts and use proximity routing from multiple locations to fill orders. The business insights offered allow retailers to manage sales and make use of inventory metrics. Additionally, UPS provides a wide variety of shipping speeds including one, two, and three-day services.

USPS also offers some business shipping solutions, including electronic postage payment for bulk shipping and the ability to do batch shipping. Their “Business Customer Gateway (BCG)” is a central hub to help companies, including ecommerce businesses, manage volume mailing. However, they do not offer inventory management or fulfillment services at this point.



THE BOTTOM LINE ON FASTER SHIPPING

At the end of the day, faster shipping means fewer abandoned carts, increased revenue, and high customer satisfaction. While it may seem Amazon has the tightest grip on this area, these recommendations can help retailers level the playing field.

One final thought is offering the addition of shipping insurance to consumers for added peace of mind. Consumers already spend enough time thinking about how fast their purchases will arrive, they shouldn't have to worry about what condition they'll be in upon arrival as well. This is a very real concern, considering 5% of ecommerce shipments are damaged in transit and 1% of ecommerce shipments are stolen.

When it comes to fulfillment, every effort put forth by the retailer to provide a more streamlined, successful process is noticed and appreciated by the consumer.



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OF ECOMMERCE
SHIPMENTS

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FINANCING



Abandoned carts result in \$4.6 trillion in lost ecommerce sales each year. This leads to the question: How do you get more consumers to follow through on a potential purchase?

For many retailers, the answer is giving consumers different ways to finance their purchases. In fact, more than one-third of US ecommerce brands plan to add new financing options to their stores in the next 12 to 24 months, and that's on top of the 32,000+ merchants already offering it.

Let's dive into how retailers can offer creative consumer financing options and why that can help drive more purchases and incremental revenue while competing alongside giants like Amazon.

CONSUMER FINANCING FLEXIBILITY

Offer your customers flexible options to pay for their purchases

01

**Fixed-interest
financing**

02

**Pay in
installments**

03

**Cash payments
option**

6 TECHNOLOGIES TO PROVIDE FINANCING OPTIONS

- **Affirm:** Fixed, low-interest loans available at checkout
- **ChargeAfter:** Instant approval for small personal loans
- **AfterPay:** Interest-free payment installments
- **QuadPay:** Split one credit card payment into four
- **Klarna:** Choose installment payments or low-interest loans
- **PayPal Cash:** Cash option for underbanked/unbanked customers

AMAZON'S CONSUMER FINANCING STRATEGIES

Amazon first began offering store cards in 2015, and now offers financing through those cards, with some special offers for zero-interest over a short period of time. Amazon has also taken steps to meet the needs of consumers who prefer to (or are limited to) cash-only by providing the opportunity to add cash to Amazon accounts at various brick-and-mortar locations.

For a tech giant, these offerings are somewhat limited. Some may argue that Amazon is a little behind the times when it comes to consumer purchase financing, offering little more than what's available from your average credit card. This is a great opportunity for retailers to take advantage of new and innovative financing options already popular with consumers and get a leg up on the competition.

FIXED-INTEREST FINANCING FOR LARGE PURCHASES

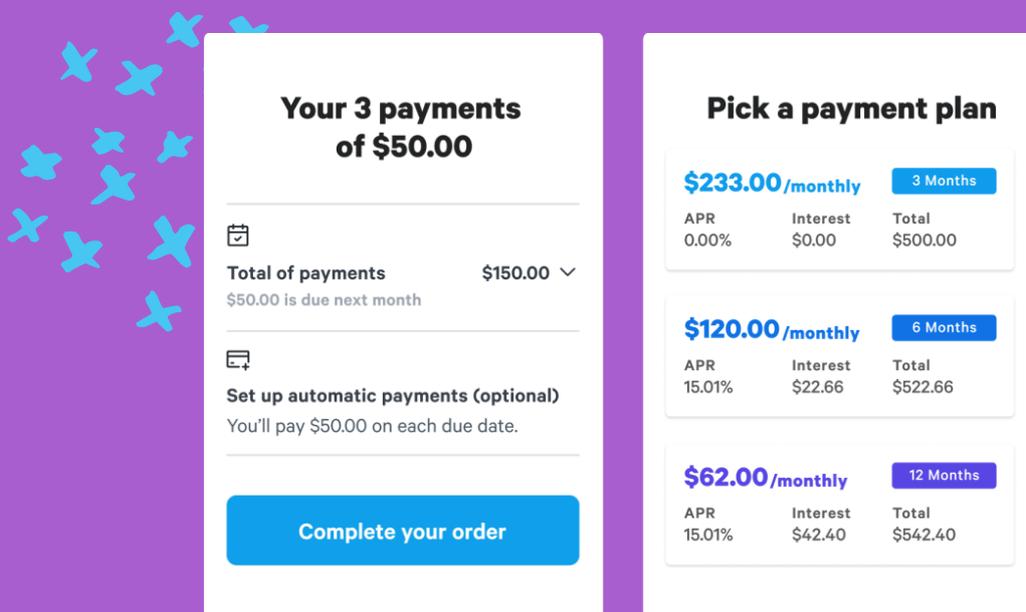
Offering the opportunity to finance a purchase at check out is ideal for consumers who want to make big purchases but aren't able to pay up-front or may struggle to pay it off on a high-interest credit card over time. In some cases, financing can even work for smaller basket sizes as well.

Many ecommerce players already offer options like this at check out. For example, upscale consigner Tradesy offers Affirm consumer purchase financing at check out, opening the door for customers to purchase a new designer bag and have it in their closet right away while paying it off over time at a fixed interest rate. The rate itself varies depending on how long payments are spread out.

How does it work exactly? Affirm grants the consumer a loan with a fixed, low-interest rate, which the buyer can then pay off over a time period of their choosing, generally three to 36 months, directly from their bank accounts. Shoppers can customize their payment schedule and be assured that the price quoted is the price they will pay. Affirm is committed to never charging penalties or late fees, unlike credit cards (though falling behind on payments will affect consumers' ability to get a future Affirm loan).

For ecommerce retailers looking for a marketing boost, Affirm features retailers on its app as a free marketing channel to help reach more consumers. While it's not yet the one-stop shopping destination Amazon has become, it's certainly gaining popularity for high-ticket consumer purchases.

Options such as this help retailers increase consumer purchasing power and reduce pain points and friction at checkout, especially around big-ticket purchases. Affirm has seen great results with its retailers. On average across all industries, average order value for retailers using Affirm grew by 92% and conversions increased by 20%.



The image shows two screenshots of the Affirm checkout process. The left screenshot, titled "Your 3 payments of \$50.00", displays a calendar icon, a total payment amount of \$150.00 with a dropdown arrow, and a note that \$50.00 is due next month. Below this, there is an option to "Set up automatic payments (optional)" with a sub-note: "You'll pay \$50.00 on each due date." A large blue button at the bottom says "Complete your order". The right screenshot, titled "Pick a payment plan", offers three options:

Monthly Payment	Term	APR	Interest	Total
\$233.00/monthly	3 Months	0.00%	\$0.00	\$500.00
\$120.00/monthly	6 Months	15.01%	\$22.66	\$522.66
\$62.00/monthly	12 Months	15.01%	\$42.40	\$542.40

Source: Affirm.com

ChargeAfter is another easy to integrate financing option, which offers different credit options for consumers with or without prime credit ratings. It integrates with ecommerce platforms including Magento, Shopify, WooCommerce, BigCommerce, Hybris, and more. Much like Affirm, ChargeAfter gives shoppers almost instant approval for small personal loans, meaning they're more likely to move forward on a purchase in the moment instead of having to wait for credit card approval.

In addition, ChargeAfter provides versatility in consolidating payment options from other platforms like Affirm and AfterPay. ChargeAfter's retail partners (such as Wayfair) have seen success, with a 45% increase in average order value (AOV) and a 30% average increase in sales.

But what about smaller purchases that don't take months to pay off? There are financing options for that too...

INSTALLMENT OPTIONS: SPREADING THE COST OUT

For smaller purchases, like a high-end pair of jeans or new kitchen appliances, solutions like AfterPay are growing in popularity. Instead of issuing a loan that comes with interest, solutions like AfterPay allow consumers to split a payment over multiple credit card charges, meaning smaller, easy to pay off balances.

Many retailers have already integrated this option into their ecommerce platforms with success. In fact, in 2019, adoption of digital interest-free payment programs grew from 24% of internet users in Q1 to 30% in Q3. When consumers are browsing online, they can see on each product page whether the retailer offers a split payment solution like AfterPay and exactly how much they would be charged at time of purchase. Typically, that amount is only one-fourth of the full price, with the consumer paying the rest of it off over time. Afterpay currently boasts more than 11 million consumers globally using their service.

QuadPay and Klarna operate in very similar ways, allowing shoppers to split one credit card payment into four, with each one charged every two weeks. Klarna is also expanding into Affirm's business case, offering financing for as few as 30 days and as many as 36 months, making it a great choice for retailers who offer products at a wider range of price points. Other than this difference, QuadPay and Klarna stack up similarly to AfterPay. Klarna has 200,000 total merchants on its platform along with 90 million end-customers making over 1 million transactions each day. QuadPay works with 7,200 retailers, reaching 4 million end-customers, and boasts a 20% increase in conversions and 60% increase in average checkout value by using this service.

The many offerings in this rapidly growing space are a testament to their popularity with consumers looking to lower monthly credit card payments while still purchasing the products they want.



BRINGING CASH-ONLY ONLINE

You may be surprised to learn that many US consumers still prefer to use cash for a lot of transactions. In fact, about 30% of all payments are made in cash. It's worth noting that this is not always due to simple preference, considering 25% of US households are unbanked or underserved by banks, meaning many consumers only have the option to use cash. This is a huge barrier for both ecommerce retailers and consumers who are restricted to shopping at the stores and products available in their area.

One solution for this on the market is PayPal Cash. This is a similar mechanism to Amazon's cash program. It lets users deposit cash into their PayPal accounts at a variety of US retailers. Retailers should consider offering this option to make their products available to the unbanked, underbanked, and those who simply prefer to pay with cash.

PAYMENT CHOICE IS THE FUTURE OF ECOMMERCE

No one option is likely to serve all of your customers' needs, so flexibility in payment options is what's important to support a wider range of consumers and increase their buying power. Ecommerce retailers are well poised to build consumer loyalty and trust by offering these varied financing options. As more options for third-party financing hit the market, now is the time to consider adding new payment options to your ecommerce site.



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RECOMMENDATIONS



When done right, recommendation engines can be a powerful tool for retailers. One study found that when shoppers engage with even a single recommendation, AOV increases by 369%, and just continues to climb (until around five recommendation clicks).

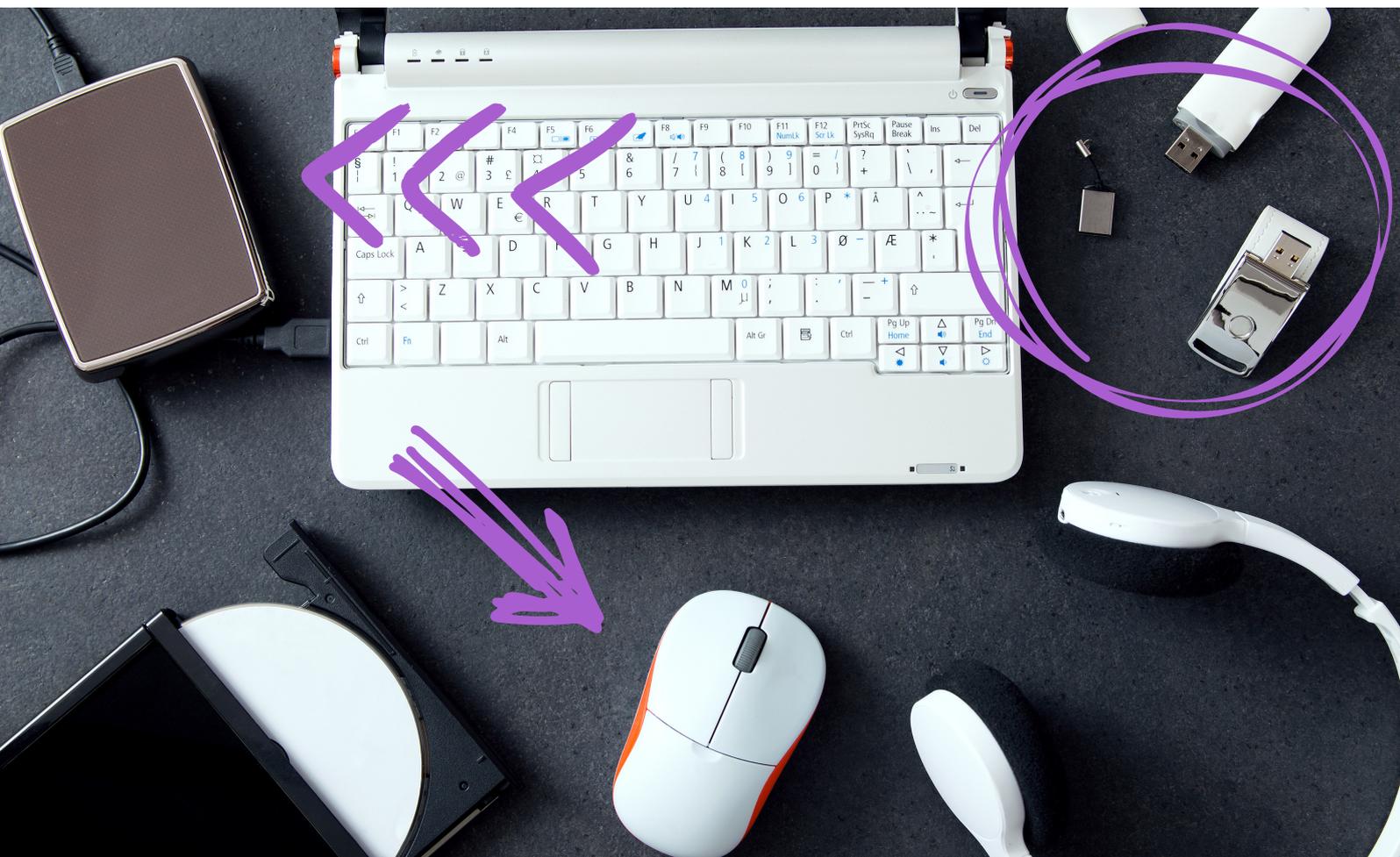
Another report by Salesforce came to similar conclusions, finding that shoppers who clicked on recommendations are 4.5x more likely to add items to cart, and 4.5x more likely to complete their purchase. In today's retail environment, product recommendations account for up to 31% of ecommerce site revenue, so the question is: how can retailers better leverage recommendations?

Let's examine how Amazon approaches product recommendations and how any retailer can leverage available tools to compete, and possibly do even better.

AMAZON TELLS YOU WHAT YOU WANT

Amazon offers sophisticated product recommendations on every page to help guide shoppers choosing the product that is best for them, as well as other products that may go well with what they already intended to buy. Some may even say that Amazon set the gold standard in product recommendations, using the latest technology to constantly improve.

About 88% of consumers research their intended products prior to making a final purchase. Relevant, tailored recommendations not only empower shoppers to make a purchase, but they help build loyalty and trust with a brand. This is one of the ways Amazon is succeeding in accomplishing its goal of being “the everything store.” Its recommendation engine leverages the mass amount of past purchase data at its disposal and highlights additional products at every price point, including items that complement past purchases or current items in their cart.



Amazon's product recommendations include:

1. Top Products

Amazon's Choice products that are highlighted on the search page, helping an item that's typically higher rated stand out to a shopper, reducing decision fatigue.

2. Related to Past Orders

New products based on previous orders, like the newest book from a shopper's favorite author, or a smaller set of organizational containers from the same brand previously purchased.

3. Complementary to What's In Cart

Items that complement products already purchased or in a shopper's cart. This can include suggested coffee pods and flavor syrups to go with an espresso machine the shopper recently purchased. Sometimes, Amazon will even offer a packaged "deal" on a product page to incentive shoppers to buy even more while feeling like they're getting a deal on additional items they need.

4. Viewed by Other Consumers

"You might also like" or "consumers also viewed" recommendations for those shoppers who need to do more research before making a final decision.

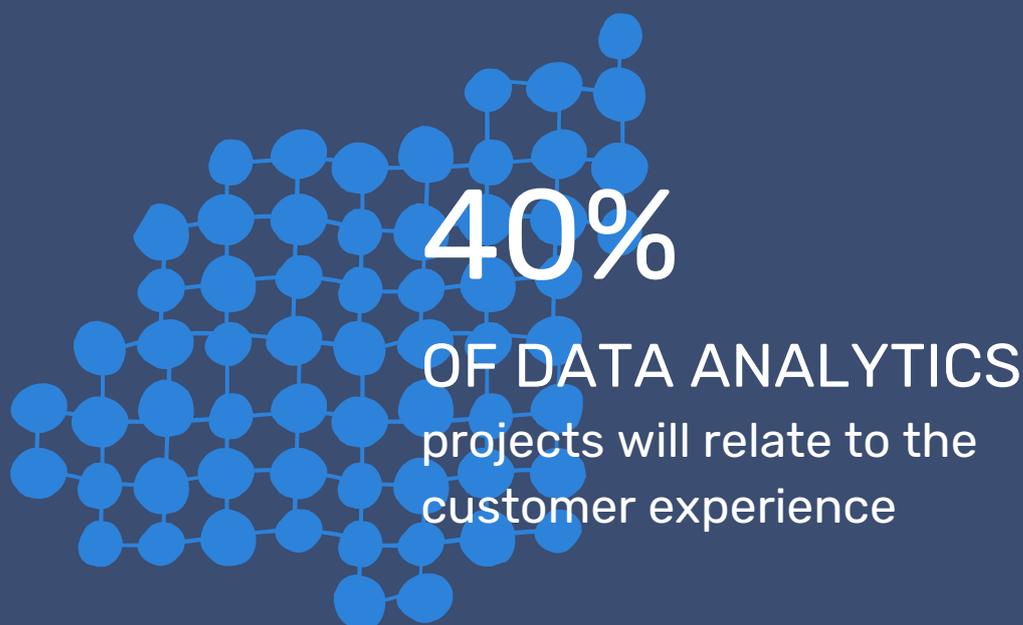
Fortunately for other ecommerce retailers, there are ways this can be accomplished without having access to every single purchase a shopper has made on Amazon.

MAKE YOUR DATA WORK FOR YOU

Consumer data is increasing at an exponential rate, with shoppers producing an estimated 1.7MB of new data points per second. As a result, the application of data to consumer recommendations presents a huge opportunity.

Gartner believes that, as of 2020, more than 40% of data analytics projects will relate to customer experience. So what could these projects look like for retailers? One example is to draw from the increase in remote work and education and aligning product recommendations with this trend.

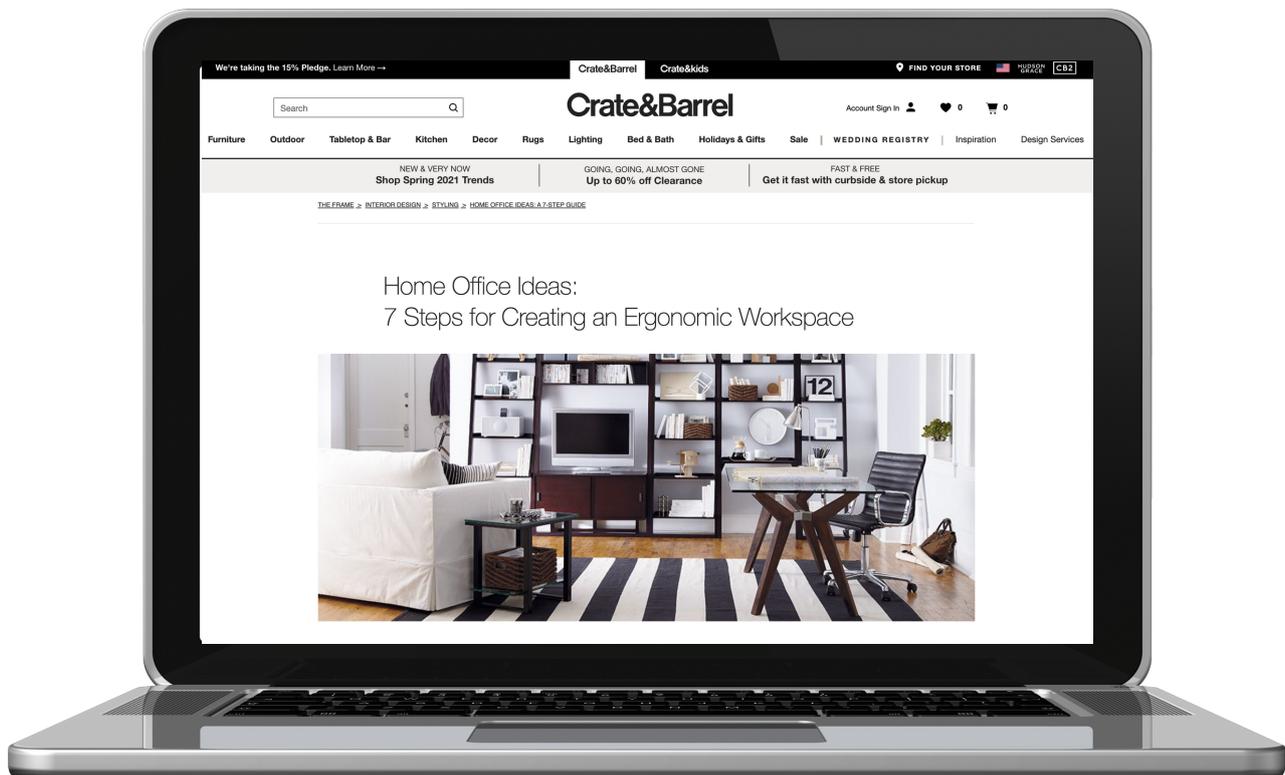
CB2 has adapted here by highlighting products like home desks and computer monitors. The retailer is also offering discounts on home organizational goods for those shoppers who are using this time at home to finally organize their closet or pantry. Easing search fatigue by pointing to these specific products in targeted ads and directly on the homepage helps shoppers who need to make a decision quickly and don't have time to browse.



Crate and Barrel is also applying a winning strategy to its Kids sub-brand. [C&B Kids](#) is offering discounts and showcasing toys that unlock the power of imagination and playing pretend, encouraging kids to dream of adventure regardless of their location.

Using data to inform what products to highlight and what sales to promote can help retailers adapt quickly to changing trends and shopper interests. Platforms like [Barilliance](#) and [CartStack](#) apply data science to the retail world in order to target the right consumers and the right time in their shopping journey.

No matter how much data you have, you can turn that into an opportunity to provide recommendations. With [CartHook](#), for example, you can build post-purchase funnels that are triggered and customized based on what your customers buy at checkout. And if you're not sure what offers are best to suggest, their internal team of experts can help craft effective flows most likely to delight customers.

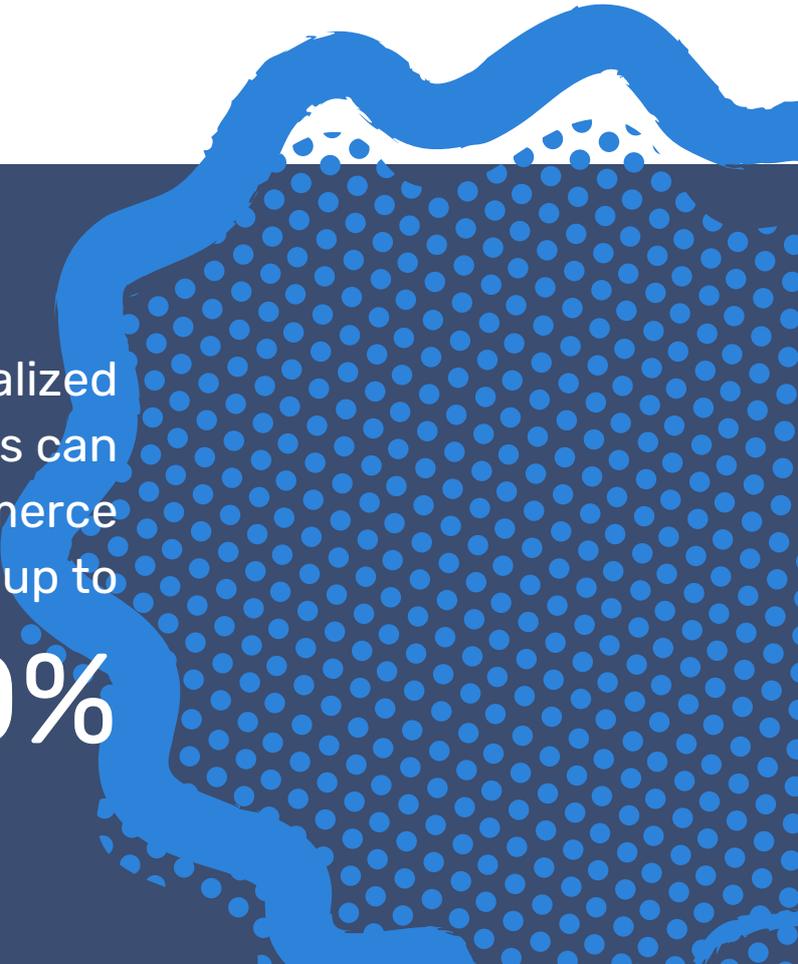


Source: [CrateandBarrel.com](https://www.crateandbarrel.com)

LEVERAGE AI FOR PERSONAL RECOMMENDATIONS

In a world of trillions of data points, it's not exactly realistic to use human power to sift through every point and determine trends. So how do retailers get to make data-informed marketing decisions like those mentioned above? They apply artificial intelligence technology to those vast stores of data.

Artificial intelligence is transforming the ecommerce industry in many ways, including offering better, more personalized product recommendations. Highly personalized recommendations have been proven to increase ecommerce conversion rates by up to 840%. Based on a shopper's online profile, ecommerce AI and machine learning derives important user insights across multiple touchpoints. The insights then enable retailers to make personalized recommendations and build a great customer experience.

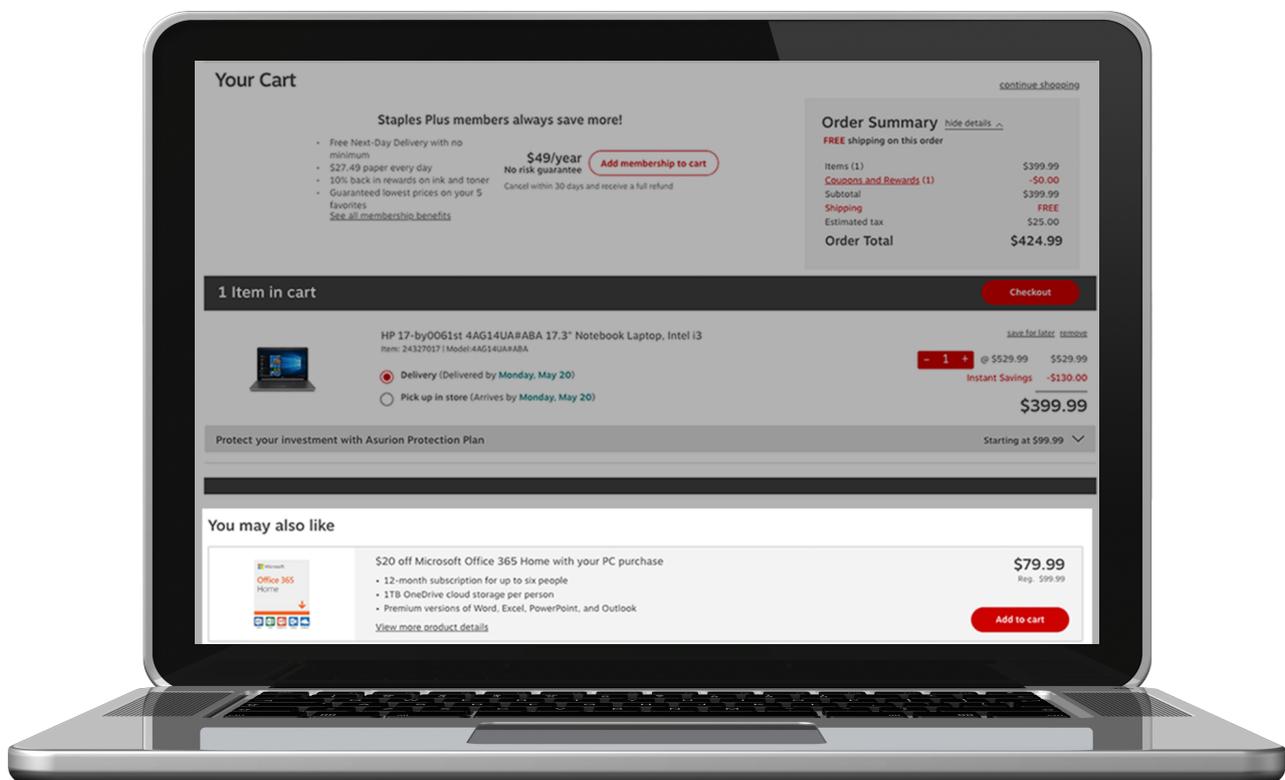


highly personalized
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While Amazon has an in-house AI-enabled inventory and recommendation system, retailers can get similar services by investing in outside tools. For example, Rokt automatically suggests additional actions - apps to download, products to check out - after a consumer transacts, taking advantage of a critical touchpoint in the customer journey. Their machine learning algorithms digest over one billion transactions per year to surface more and more relevant actions at the point of transaction, without the retailer needing to build these algorithms themselves.

Other companies like Nosto also leverage machine learning to offer customers personalized recommendations. Their AI-powered ecommerce intelligence engine can make suggestions based on new product additions, complementary products to those in cart, or make recommendations based on repeat browsing history.



Source: rokt.com

Many of these companies can combine their own data set with the retailer's, like how [Zeta Global](#) layers on their AI to inform business decisions that would be difficult or impossible to do by human analysis alone. For example, Zeta's AI machine can sift through trillions of data points to predict if a consumer is about to churn, then recommends tailored messaging (including product recommendations) to get them to stay.

While data can be used without AI and vice versa, combining the two gives retailers the tools they need for a winning product recommendation strategy.

MEET PEOPLE WHERE THEY ARE

Consumer experiences need to feel consistent across every platform to build trust in tactics like product recommendations. If you're going to foster a relationship with a consumer, you need to show them you can provide a high level of customer engagement across all the platforms they use. But consistency does not mean repetition. The experience across each mode of communication should be tailored to that platform and how consumers plan to interact with it. If messaging is too repetitive across each platform, then communication turns to spam, instead of a targeted message.

There are many ways to leverage recommendations in customer communications. For example, if a consumer has a product in mind they want to buy, it's in the retailer's best interest to get them to that product quickly. Creating an intelligent search that guides shoppers to the right product can help do just that. These searches take a shopper's past history into account and start populating pictures into the search bar after only a few letters are typed to help ease frustration and get them to checkout faster.

Another popular choice is mimicking one of the best parts of brick and mortar shopping, personalized recommendations from store associates. Retailers can use browsing history to deliver tailored suggestions directly to shoppers on every platform. This includes everything from personalized Instagram carousels that pop up as shoppers scroll through their feeds, to banner ads on the next site they visit. Of course, these ads need to be relevant if they're going to work. Stores like Nordstrom and West Elm do a great job of serving up recommendations that are closely related to browsing and shipping history, creating helpful recommendations for customers based on what they actually like, driving up both trust and sales.

Platforms such as [Dynamic Yield](#) take a "personalization anywhere" approach, creating customer segments that make it easier for retailers to take instant action, following the shopper as soon as they leave the site via personalization, recommendations, automatic optimization, and one-to-one messaging. This could mean a banner ad reminding the shopper of items left in their cart, an email sharing that a product they keep coming back to is now on sale, or an Instagram ad highlighting products that complement what was just purchased.

UNDERSTAND YOUR CUSTOMERS TO GIVE THE BEST RECOMMENDATIONS

Clearly, to compete in the age of Amazon, retailers need a sophisticated product recommendation strategy that can make sense of shoppers' web behavior and offer them the products they want or need, when and where they want them. The exact strategies that will work best depend on your business and your customers, but we hope these ideas will inspire you to expand your recommendations program.

CUSTOMER CARE



Cultivating customer loyalty is easier said than done. Retailers want to prove they'll be there day and night for their customers, but they need to do it in a way that doesn't put them out of business. Luckily, there are a lot of ways to use technology and human empathy in combination to improve customer-brand relationships, and this is something that ecommerce companies of all sizes can accomplish.

Now, we'll share how to level up customer care and customer service, using ideas from innovative retailers that you can implement today. Get ready to increase goodwill and loyalty among your customers.

NOTHING MATTERS MORE THAN CUSTOMER CARE

A great customer experience can be a major competitive advantage that drives new and repeat sales. With so many ecommerce vendors to choose from, retail consumers place a heavy emphasis on the quality of their interactions with a brand.

In fact, 73% of US consumers say that customer experience is a very important factor in their purchasing decisions, so much so that even if they love a company or product, 59% will walk away after several bad experiences, and 17% will walk away after just one bad experience.

Strong customer service also has positive impacts on ecommerce retailers' bottom lines, as research has shown satisfied customers are more likely to upgrade or add services and are less likely to cancel. It can help with organic growth, with 47% of consumers saying they'd recommend a business to others if it provided better customer service than the competition.

So while there are negative consequences to messing it up, let's focus on the positive: If you get it right, it's likely to have a direct positive impact on revenues.

59%

consumers will walk away from a brand they love after several bad experiences



HOW AMAZON SHOWS CUSTOMER APPRECIATION

The retail giant is primarily famous for being a one-stop-shop for just about any retail item you can imagine, as well as its fast shipping speeds. However, Amazon also competes on the customer service front too. Let's take a look at how the ecommerce giant attempts to connect with and please its customers, as well as identify some gaps where other retailers can step in and differentiate themselves with high-quality customer care.

Amazon monitors all social media channels seven days a week in seven languages, working to respond to the massive amount of inquiries they receive daily. This is important when you consider 72% of customers expect a response to a complaint in under an hour, no matter the channel it comes through. Yet, while they seem to have their approach to service down to a science, the sheer size of the company and focus on margins makes it increasingly difficult to offer consumers a personalized touch.

Until Amazon further builds out its ability for returns at local brick and mortar stores, they're having trouble managing the process with third-party vendors. The scale of products shipped every day is just too large to keep up with, frequently causing tension with consumers looking to be refunded for items too large to ship back themselves, like furniture.

Additionally, that scale—and their distributed seller network—can cause additional consumer headaches when packages are delayed or lost, with Amazon support only being able to offer limited help due to strict company policies. These issues can often drive consumers back to smaller or speciality retailers because they feel like they will be better cared for.

While Amazon does have an established customer service program, it's not a major way they differentiate themselves in the market. As a result, there are ways for other retailers to use Amazon's scale against them and apply a more personalized approach to gain the loyalty and trust of customers.

CASE STUDY

WHY PET PARENTS LOVE CHEWY JUST AS MUCH AS THEIR PETS



Chewy is a great example of how impactful customer service can make a difference when competing against a giant like Amazon. When Chewy founder Ryan Cohen set out to drum up funding for his company, one of most common questions he was asked was, “How will you compete with Amazon?” Luckily, Cohen had been studying Amazon for years, even basing his roadmap on the 1997 Jeff Bezos letter to Amazon shareholders. His answer? Chewy would put the customer first.

The team at Chewy has managed to perfect an equation for genuine customer appreciation, even through the digital screens on which a pure ecommerce business operates. They do this through more traditional measures, like a customer service line and easy return policy. But even with each of these traditional customer service policies, they strive to go above and beyond.

Their 24/7 telephone customer service is manned by well-trained staff who are passionate about petcare. In their 1,000-plus person call center in Florida, there's a scoreboard to help representatives keep on track with Chewy's policy of answering every call within four seconds or two rings. The goal is to avoid the "voicemail hell" so many customers find themselves in when they attempt to contact a large business.

They also offer a very customer-friendly return policy, with a 100% satisfaction guarantee and a 365-day window for full refund of both the product price and the shipping cost. To go the extra mile, Chewy has an even more personal approach to returns when there are special circumstances. A great example of this took place when a customer tried to return a bag of dog food after his pug had passed away. Instead of an automated email with instructions on how to return the food, he received a package from Chewy containing a pet portrait and a handwritten note letting him know they would refund his purchase, and that he should donate the unused food to an animal shelter.

Chewy is the gold standard for ecommerce retail customer care in many ways, and a good brand to emulate if you're looking to take your customer service to the next level. Let's take a look at some more examples of how retailers can make their customer service interactions better and more human.

CUSTOMER SERVICE BEYOND THE BASICS

Another shining example is Swanson Health Products. Founded in 1969 as a mail-order business, Swanson has withstood the test of time by building a phenomenal reputation for their customer service.

This is another company that proves rapid response time and a fair return policy can both go a long way with customers. For Swanson, response time standards are six to 12 hours on email and one to two minutes for phone calls. Additionally, like Chewy, the company also offers a rare 365-day return policy for most items and will cover return shipping.

Nordstrom also goes above and beyond, offering specialized customer support depending on the shopper's problem. For example, they offer 24/7 stylist support. This is a massive differentiator in the noisy world of fashion and beauty ecommerce. Nordstrom is particularly known for helping solve problems no matter what. Their representatives are active on Twitter, and when a complaint is brought to them, it's taken seriously no matter its origin. They help track down UPS packages, answer questions, and direct customers to the right support channel any time of day or night.

HOW ARE YOU GOING ABOVE & BEYOND FOR YOUR CUSTOMERS?

Response times

Special circumstances

Return window

Shipping issue handling

Variety of support channels

Personalized responses

Zappos is another ecommerce brand famous for its high-quality customer service. Sometimes a particular situation will arise with a single customer (as with Chewy's bereaved pet parent example), and the brand can use it as an opportunity to demonstrate its ability and willingness to take customer care to the next level. For example, a Zappos customer once forgot to pack her favorite shoes on vacation. She tried to order them online, but they were out of stock. She reached out to the brand via Twitter as a last resort. Not only did the representative track down the shoes at a competitor, but they purchased them and hand-delivered the product to the customer. There are many more examples of this in the Zappos customer service universe.

While not every brand can take customer service to this level every time, it's worth looking for opportunities to surprise and delight, and to find creative ways to set a high bar when building out your customer satisfaction strategy.

TREAT CUSTOMERS LIKE PEOPLE, NOT NUMBERS

There are so many different and creative approaches to great customer service. In an increasingly large ecosystem of ecommerce retail, it's a buyer's market and the shoppers have spoken on just how important appreciation has become. So no matter how you approach it, consider how even small gestures can make a big impact when building loyalty amongst your customer base.

PRODUCT PROTECTION



Perhaps the simplest and most impactful way to compete with Amazon is to offer extended warranty options. Extended warranties can both increase revenue and improve the customer experience, driving significant benefits across a retailer's business.

PROVIDE THE ASSURANCE CUSTOMERS WANT

Customers are increasingly looking for product protection, especially for high value items. As a leading platform for offering extended product protection, Mulberry has seen attachment rates upwards of 20% depending on the product category and offer placement. In some cases, customers may voice their desire for a retailer to offer product protection, but more often than not, they'll simply turn to someone else to get the product - with coverage - that they want.

By offering extended warranty options, not only are you addressing customer demand, but you're also setting yourself up to have long-term happy customers. If an issue were to come up with the product, and that issue is resolved because they purchased protection, they'll come out of the experience feeling positive about their customer service experience, rather than frustrated about their damaged product. And happy customers become loyal customers, returning again and again to make more and bigger purchases.

Partnering with a product protection company like [Mulberry](#) can further boost that customer experience by having instant access to a team that specializes in offering and servicing extended warranty contracts. Then, when there are any claims, the Mulberry team handles that process end-to-end, eliminating the customer service load on your internal teams. And with quick and helpful resolutions, customers leave that experience with a great impression that reflects positively back on your brand.



4 REASONS TO OFFER PRODUCT PROTECTION



ADDRESS CUSTOMER DEMAND

Customers are increasingly looking for product protection and expect to have coverage options for high value items.



INCREASE CONVERSIONS

Cautious shoppers are more likely to purchase high value products when extended warranties are offered.



DRIVE REVENUE

When customers add product protection plans, average order size increases and retailers benefit from high-margin sales.



OPTIMIZE PERFORMANCE

By investigating claims, retailers can make adjustments to their product lineup and solve potential supply chain issues.

AMAZON'S PRODUCT PROTECTION FOR SELECT PRODUCTS

Amazon partners with extended warranty companies to offer the option to purchase extra insurance with many types of purchases, such as electronics, home office equipment, and more general merchandise. Product protection plans can be added to your cart alongside those products in the normal checkout flow.

Amazon has seen not just the need to address customer demand, but also the significant revenue benefit of offering these protection plans. But they have only implemented these offers for certain categories so far. If you compete directly with Amazon in categories like consumer electronics, offering product protection plans is table stakes to compete with them. In fact, if you sell your products on Amazon as well, Amazon could be offering their own protection plans on your products and earning the customer loyalty and revenue. But if you sell products for which Amazon does not offer protection plans, you have a unique opportunity to offer differentiated value to consumers buying directly from your website.

The image shows a screenshot of an Amazon product page for Bose QuietComfort 35 II Wireless Bluetooth Headphones. The product is priced at \$299.00. A callout box on the right side of the page highlights the option to add a protection plan. The callout box contains the following text:

Add a Protection Plan:

- 3-Year Protection for **\$33.99**
- 2-Year Protection for **\$24.99**

Below the callout box, the product details are visible, including the price, shipping options, and the 'Add a Protection Plan' section with checkboxes for the 3-year and 2-year plans. A blue arrow points from the callout box to the 'Add a Protection Plan' section on the product page.

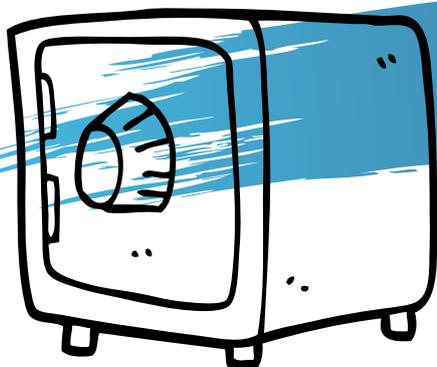
INCREASE CONVERSION RATES & DRIVE REVENUE WITH EXTENDED WARRANTIES

Offering extended warranty options for purchases of high ticket items—including rugs, electronics, furniture, appliances, and more—can make the difference between a shopper purchasing from you and going elsewhere. Cautious shoppers may indeed only go through with a purchase if they feel confident that they'll be covered in case something goes wrong with their product.

By offering protection plans on your high value products, conversion rates can significantly increase because you're addressing concerns of these cautious shoppers who would not buy without protection. But on top of that, extended warranties then increase the average order size because of the plan's cost. Not only are your customers purchasing their desired product, but they are purchasing a protection plan - a high margin service contract - that turns into significant revenue for your business.

So, not only are you able to tap into the segment of shoppers who would only make a purchase if they had extended protection, but you can also increase order sizes by having customers add those plans, and potentially even make more purchases with the comfort of knowing those purchases are protected. One study found that **48% of consumers would actually make more purchases if they were offered extended protection at checkout.** And 41% said they would pay more for those purchases if offered protection plans.

With revenue benefits across so many customer segments, an extended warranty program offers a real win-win for consumers and retailers.



48%

of consumers would make more purchases if they were offered extended protection at checkout

AN UNEXPECTED TYPE OF ROI: CONSUMER & PRODUCT INSIGHTS

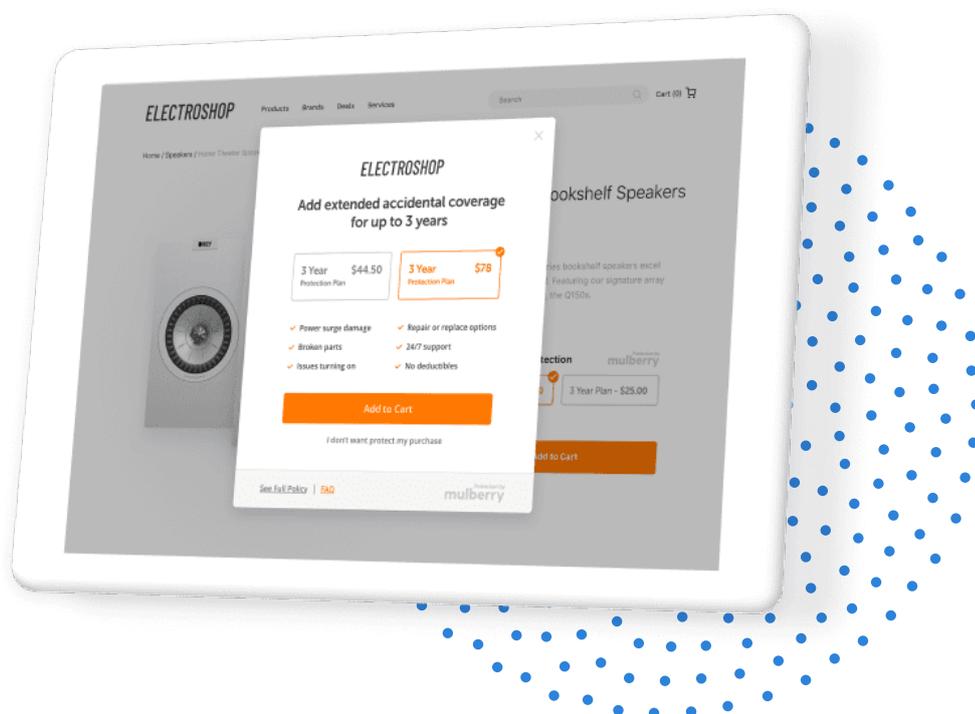
The best extended warranty platforms don't just provide protection, but also offer valuable insights on your customers and products. By analyzing attachment and claim rates by product, claim reason, price, and more, you can learn how to optimize your offerings to maximize revenue and customer satisfaction.

Insights on attachment rates can be used for everything from modifying prices to optimizing email alerts based on how shoppers are most likely to add protection and what type of protection. Insights on claims can provide valuable feedback on product line-up, and retailers can use that information to identify manufacturing issues or adjust which products are offered altogether. Conversion and claim details for extended warranties offer a unique perspective into your customer base and product line-up.

LAUNCH A SEAMLESS PRODUCT PROTECTION PROGRAM WITH MULBERRY

By providing extended warranty options, ecommerce brands signal to their customers that they care about their experiences. It shows that retailers are willing to go beyond the initial purchase to ensure buyers are happy for the entire lifespan of the product. This kind of approach goes a long way in winning over today's choosy and choice-inundated shoppers. When it comes to competing in the age of Amazon, this type of care can make all the difference.

Finally, there's the added benefit to retailers of driving revenue and increasing margins. There's no cost involved with launching a program, and your business can start seeing revenue from product protection offers immediately. All without adding to your customer operations team's workload, since supporting warranty customers' questions and claims is all handled by the [Mulberry team](#). That means the retailer sees benefits to both their bottom line and their customers' experience. We think that's a win-win, and it's a powerful way to compete in today's hyper-competitive ecommerce environment.



CONCLUSION

While it may seem like an insurmountable task to compete with the global resources of Amazon, smart, independent retailers can take advantage of the tips and tools in this ebook to develop winning ecommerce strategies.

Here are a few places to get started:

- In the absence of your own sophisticated logistics operation, partner with an independent fulfillment organization like Shipt or UPS to offer fast and affordable shipping options.
- Offer customers flexible financing options, including installments, low-interest loans, or cash-only payments. Tools like AfterPay and Klarna can help make big-ticket purchases easier.
- Implement an AI or personalization platform like Rokt or Zeta Global to take advantage of the benefits of recommendations on your site or application.
- Often, independent retailers have an edge on Amazon in the area of customer service. Take the time to train staff and prioritize personalized customer support.
- Partner with a product protection company like Mulberry to increase overall margins, improve the customer experience, and tip the scale on conversions.

Ultimately, being nimble in the face of big competition is a retailer's best asset. As customer behaviors continue to shift, so can your strategies to convert, delight, and retain them.

ABOUT MULBERRY

Mulberry is redefining how product protection is offered, understood, and serviced by putting people first. That means providing better coverage, more protection options, the smoothest claims experience, and genuine empathy that combine to give shoppers confidence when their purchases are covered by Mulberry. Mulberry partners with leading global retail businesses across every vertical to bring best-in-class protection directly to their customers.

Learn more about how Mulberry can help you grow revenue while delivering a best-in-class customer experience at www.getmulberry.com