How to build and sustain the trust of the online consumer

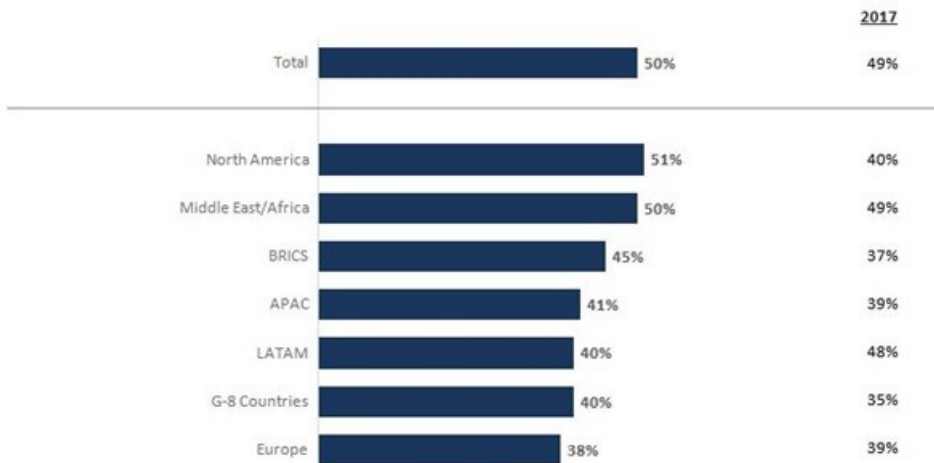By Maroefah Smith   25 Mar 2019

The key to building and sustaining the trust of the online consumer is to focus your business entirely on them, says Platinum Seed's Bradley Elliott who spoke at the recent E-Commerce Africa Summit in Cape Town.

Growing distrust in e-commerce

According to a 2018 _CIGI-Ipsos Global Survey on Internet Security and Trust_, 50% of those surveyed do not purchase online because of issues with trust.

Reasons for Not Purchasing Goods or Services Online -"I Do Not Trust Online Shopping" – By Regional Economy

		2017
Total	50%	49%
North America	51%	40%
Middle East/Africa	50%	49%
BRICS	45%	37%
APAC	41%	39%
LATAM	40%	48%
G-8 Countries	40%	35%
Europe	38%	39%

Q16. Why do you not purchase goods or service online?
Base: Never Buy Goods or Services Online 2018 (n=3,942)

Ipsos   12

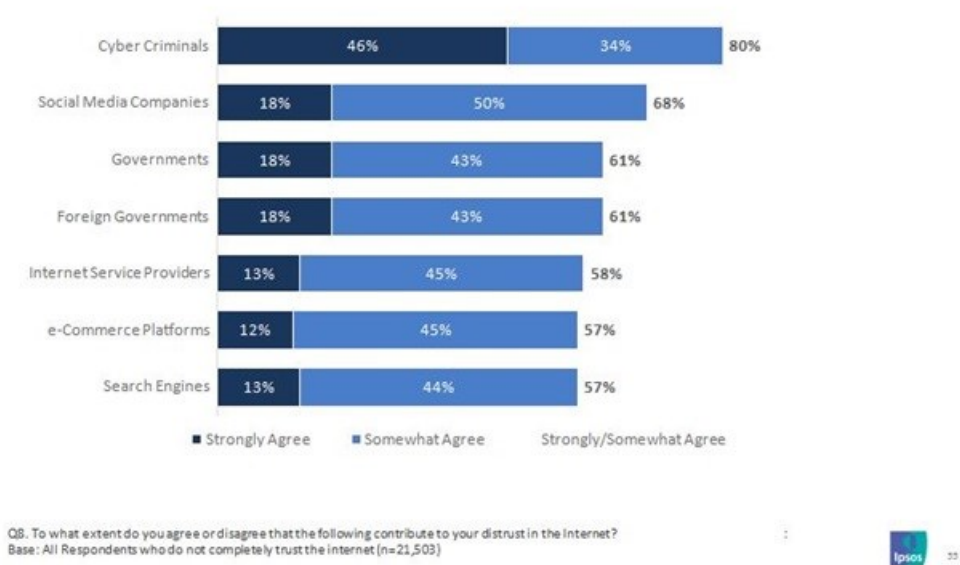In the same year, the E-Commerce Foundation identified six big worries consumers have when they shop online:

• Will I receive what I ordered?
• Is the product real or fake?
• Can I return the product?

• Is my private data safe?

• Is the system secure?

• Is this web-shop real?

"Consumers are clearly worried about being conned. And rightly so," says Elliott. The world's most wanted cybercriminal, Paul le Roux, comes from South Africa. Conversely, data breaches on social media companies are another driver behind consumers' increasing distrust in transacting on the internet.

Elliott says that, interestingly, e-commerce companies themselves add to this growing distrust: 57% of the respondents in the *CIGI-Ipsos Global Survey on Internet Security and Trust* said that they don't trust the internet because of an e-commerce platform.

Cybercriminals contribute the most to the distrust of the internet. However, there is a lot of blame to go around, with a majority saying each of these entities at least somewhat contributes to distrust.

	Strongly Agree	Somewhat Agree	Strongly/Somewhat Agree
Cyber Criminals	46%	34%	80%
Social Media Companies	18%	50%	68%
Governments	18%	43%	61%
Foreign Governments	18%	43%	61%
Internet Service Providers	13%	45%	58%
e-Commerce Platforms	12%	45%	57%
Search Engines	13%	44%	57%

Q8. To what extent do you agree or disagree that the following contribute to your distrust in the Internet?
Base: All Respondents who do not completely trust the internet (n=21,503)

Ipsos 22

While the statistics may paint a bleak picture for online shopping, Elliott says there is hope in redressing the issue. "Research shows that once you win someone's trust and they start shopping online, they trust shopping online more. The more they shop online, the more they trust shopping online," he says.

Consequently, this may also contribute to a country's overall economic growth. Elliott refers to Nigeria, which overtook South Africa as the continent's biggest economy in 2014 when it started accounting for all its e-commerce sales. "Once countries reach or exceed that magical 2% of online sales as a percentage of total retail sales, things begin to scale quickly," he adds.

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It's all about the customer

When looking at ways of rebuilding trust in online consumers, Elliott suggests we look to African-based online marketplace Jumia – which he reckons is one of the most customer-centric businesses on the continent. "The customer is the absolute be-all and end-all to them," he says.

And if you want to make comparisons, Elliott recommends looking east and not west and calls Jumia the Alibaba of Africa, not the Amazon. He considers these two companies and the regions they operate in the following context:

• China's population is five times bigger than that of the United States.
• Its internet base is thus also bigger, which results in a competitive advantage in data, machine learning and AI.
• While the US may have a bigger economy, China's is growing faster.

Online sales in China contribute to 13% ($1.6trn) of the country's GDP in one year in comparison to the USA's 4.4% ($500bn). Elliott says that China's exponential online sales boil down to what Alibaba founder Jack Ma calls the 'new retail'. The concept integrates online, offline, logistics and data across a single value chain and places the consumer at the centre of it all. New retail's counterpart is 'uni-channel', in which everything is tightly integrated, seamless and fluid says Elliott. "The big uni-channel epiphany is about meeting your customer, wherever they are," he adds.

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"To understand how to build trust, you need to know your customer as well as you know your employees and business. In fact, I'll go as far as to say, you need to know your customer better," says Elliott. He adds that your order of business should be as Ma puts it: "Customers first. Employees second. Shareholders third."

Elliot's four tips on building trust are:

1. You must be customer-centric at the heart of your being
2. You need the right technology
3. You need 'smart' data
4. You need smart analysis to derive insight

"Trust is the entry point to being customer-centric. If you understand your customer, you can transcend verticals and industries you might not have thought you could operate in," he says. And points to Discovery as an example – although it started off as a health insurer, it has now entered the financial services sector by using data and being customer-centric. "Trust is your entry point to customer centricity. Customer centricity seals more sales," he adds.

Additionally, he points to Amazon which does four things to be customer-centric:

1. It offers a hassle-free delivery
2. Uses data to personalise offerings based on previous purchases
3. Going out of its way to help customers get the best deal
4. Empowering customers to make informed choices by publishing user reviews on the product page

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Back home, he cites Yuppiechef as the ideal customer-centric online business because:

1. It focuses on the range and quality of the product
2. Built its software from the ground up
3. Every single person who works in the company has a view on the product

4. Took the decision to be the most customer-centric company it could

"Think about how you can add value at every single touchpoint that a customer has with your business. And make it as frictionless as possible," he says in conclusion.

"Once you've built the trust, the cycle will repeat itself."

ABOUT MAROEFAH SMITH

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