

THE SOUL OF THE NEW CONSUMER

The Attitudes, Behaviors and
Preferences of E-Customers

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MAIN IDEA

What are the new consumers of the Internet economy like, and how do they differ from the traditional consumers?

To answer this question, a 3-year study was carried out among thousands of Internet users and customers. The result of that analysis showed just how empowered consumers have become in the New Economy, and how much they enjoy the balance of power being in their favor. In short, the Web has created an entirely new dynamic between buyers and sellers.

Consumers today are smarter and more savvy than ever before. They have the power to search out alternative suppliers without even leaving the comfort of their chairs, and without incurring any expense, regardless of where the vendor is located. They also understand how to get a firm to buy the right to their business with exceptional deals, and demand that those exceptional deals continue if they are perfectly willing (and capable) of going elsewhere.

In total, the Web has shifted the balance of control permanently and irretrievably from the business to the consumer.

1. Who Are the “New Consumers”? Page 2

New consumers have more choices available to them through the Internet than consumers of any previous era. As a result, they know more, act more decisively and ignore geographic constraints.

2. The Six Emerging E-Customer Market Segments Pages 2 - 3

Increasingly, e-customers are starting to arrange themselves into six distinctive market segments:

- 1. Convenience shoppers
- 2. Price-sensitive shoppers.
- 3. Comparison shoppers.
- 4. Brand loyal shoppers.
- 5. Focused shoppers.
- 6. Storefront-averse shoppers.

3. Customer Loyalty in the Online World Pages 3 - 4

New consumers believe an e-business has to “buy” their business by making them some a spectacular offer – creating unsustainable expectations. Thus, the challenge facing every e-business is to find an effective way to generate repeat purchases which does not involve a price-related incentive.

4. The Very Real Concerns About Customer Privacy Page 4

The key challenge to the growth of online commerce – from the consumer’s perspective – is the privacy of their personal information and the avoidance of that information being used by aggressive e-marketers. More and more consumers are going to demand total control over all use of confidential information.

5. Improving the E-Customer’s Experience Page 5

The greatest barriers to the continuing growth and of the e-commerce marketplace are e-businesses that:

- 1. Fail to advise immediately if a product is not in stock.
- 2. Have Web sites which are slow to load.
- 3. Use unreliable shippers.
- 4. Take a long time to respond to service inquiries.
- 5. Make it too hard to buy online.
- 6. Have return policies which are impractical.

6. The Internet’s Impact on Other Consumer Preferences Page 5

As consumers do more business online, less business is being done in the existing channels of distribution. But there will still be some industries for which the online shopping experience will have significant disincentives. In those situations, presenting an alternative may be a business opportunity.

7. An Overview of the Business E-Customer Page 6

Business e-customers want:

- 1. Seamless interfaces between the Web and legacy systems.
- 2. Automated and sophisticated procurement processes.
- 3. The ability to interact with real people as needed.

8. Developing an E-Business Strategy. Page 7

Approach e-business development as if designing a new product or service, taking into account an understanding of the needs and preferences of the new consumer. By integrating customer feedback directly into the strategy, a better service will be developed.

9. The Coming Wave of E-Business Development Page 8

As the late majority and the laggards start getting active on the Internet, the most successful companies will be those that think globally (serving the international marketplace) yet act locally to make the Web site experience relevant to the needs of individual consumers. In all, e-business success in the immediate future will require listening carefully to the customer, knowing what competitors are doing, continually enhancing the value proposition, thriving on the dynamics of change and acknowledging the soul of the new consumer.

