

Overcoming customer aversion to innovative retail technologies

By [E van Tonder](#) and [DJ Petzer](#)

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In a dynamic business world, characterised by shorter product life cycles, growing customer demands and intense competitive rivalry, innovation is increasingly being considered a key element in a business's strategy to attract and maintain customers.



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Retailers are therefore continuously striving to offer customers “the latest thing” to avoid them losing interest and switch to competitors. Innovation can take on many forms, including the introduction of new products, new services or digital technologies with the aim of providing customers with more convenience by allowing them to shop online or to search for more information online.

Converting innovation-averse customers

Although some customers embrace these innovations as they may enhance their overall retail experience, retailers are often struggling to convert a significant number of customers who oppose change and who prefer the old traditional methods of doing business. These innovation-averse customers, for example, tend to be reluctant to interact with retailers' digital technologies, despite its benefits of greater convenience and flexibility. They typically avoid uncertain situations, where perceived disorder and confusion may result from attempting to engage in activities that are not familiar to them, and which they cannot control.

Fortunately, all is not lost for this untapped but innovation-averse segment of the market that has the potential to contribute to greater profits and market share for a retailer. To effectively reach these customers and to profit from them would require the retailer to be patient and to focus on establishing trusting relationships over time. Trust is fundamental to a relationship and is seen as the cornerstone of any good relationship. Customers conduct business with retailers they can trust. As such, inculcating trust is critical for retailers aspiring to convince risk-averse customers of the benefits of the innovations and that the retailer has their best interest at heart.

Instilling trust

Several strategies can be employed to inculcate trust. Retailers need to keep the following four principles in mind when doing so.

First, these customers should be convinced that the retailer is competent in delivering the innovation and have the necessary skills and infrastructure in place to deliver the service. Competence trust may lead to customers enjoying the service more, while appreciating its usefulness.

Second, customers do not want to feel that profitability is being pursued to their detriment. It is thus imperative for retailers to establish benevolence trust by ensuring customers of their goodwill intentions, to provide a good service, and ensuring them that they are not only interested in the customers' contribution to the retailer's bottom line.

Third, retailers must act with integrity and keep their promises to customers. This is especially important since these customers will closely monitor the retailer's behaviour and retailers need to know that their actions speak louder than words. Pro-active steps should be taken by the retailer to ensure a good reputation and the impression should be created that the retailer always acts in fair and honest manner.

Lastly, retailers should keep in mind that customers are social human beings who are likely to interact with other customers and that they will have conversations about the retailer and its services.

Trusted recommendations

Retailers can take advantage of these situations, as especially innovation averse customers will be more inclined to listen to the recommendations of trusted friends and family as opposed to the message from the retailer. Customers believing in the trustworthiness of a fellow customer are likely to adopt the opinion of the fellow customer, without giving much thought to the content of the conversation. Hence, interestingly, innovation-averse customers who trust fellow customers are more likely to place their faith in a retailer's service offering.

The ultimate question retailers would need to ask themselves is to what extent do they truly adhere to these trust principles in their current business practices? In a dynamic and competitive business world, the final test for success may not be for retailers to offer the latest product or service innovations, but rather whether they can be trusted and are able to conduct business in an honest and fair manner. These principles may be important for both customers embracing change, as well as those who are more innovation averse.

ABOUT THE AUTHOR

Prof Evan Tonder, School of Management Sciences, North-West University. Prof DJ Petzer, Gordon Institute of Business Science, University of Pretoria.

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