

Playbook for Creating Contactless Experiences

Insights to guide your contactless strategy

Executive Summary

It was not that long ago that everyone could walk around freely, spend quality time in their favorite restaurant or drop into the local mall to pick up a pair of new shoes. COVID-19 has changed everything, including consumer behavior, not only in the U.S. but across the globe.

The crisis has triggered economic innovation and accelerated technology trends that had already been gaining momentum but have now become mainstream more quickly than could have ever been anticipated.

As a result of the restrictions placed on businesses, customers have turned to online ordering not only for convenience but with the expectation it will lower the spread of COVID-19.

“Contactless” is now something every business needs to not only understand, but implement throughout their customers journey. But most brands find themselves wondering where to start.

IN OUR PLAYBOOK YOU WILL LEARN THE FOLLOWING:

- Learn about the three pillars required for a seamless contactless experience
- How technology is critical to the contactless order experience
- What to expect with a contactless journey in the future

76%

of consumers have started using online order for pickup since the COVID-19 crisis started

73%

of consumers expect to continue ordering online after the COVID-19 risk eases

Source: Rakuten Ready Contactless Consumer Survey, April 2020

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Change in Consumer Behavior Came Quickly

Brands have had no choice but to find a way to operationalize their business in a contactless manner. The spike in demand in such a short period of time has spawned not only rapid innovation but forced businesses to accelerate the implementation of new technology solutions across their entire customer experience, to keep pace with customers' needs and government regulation.

In April 2020, Retail, Grocery and Restaurant Pickup Orders grew 201% over February and jumped 119% against the 2019 Holiday peak, typically the heaviest season for Pickup Orders.

ORDER FOR PICKUP GROWTH TREND ACROSS TOP RETAIL, GROCERY AND RESTAURANT MERCHANTS

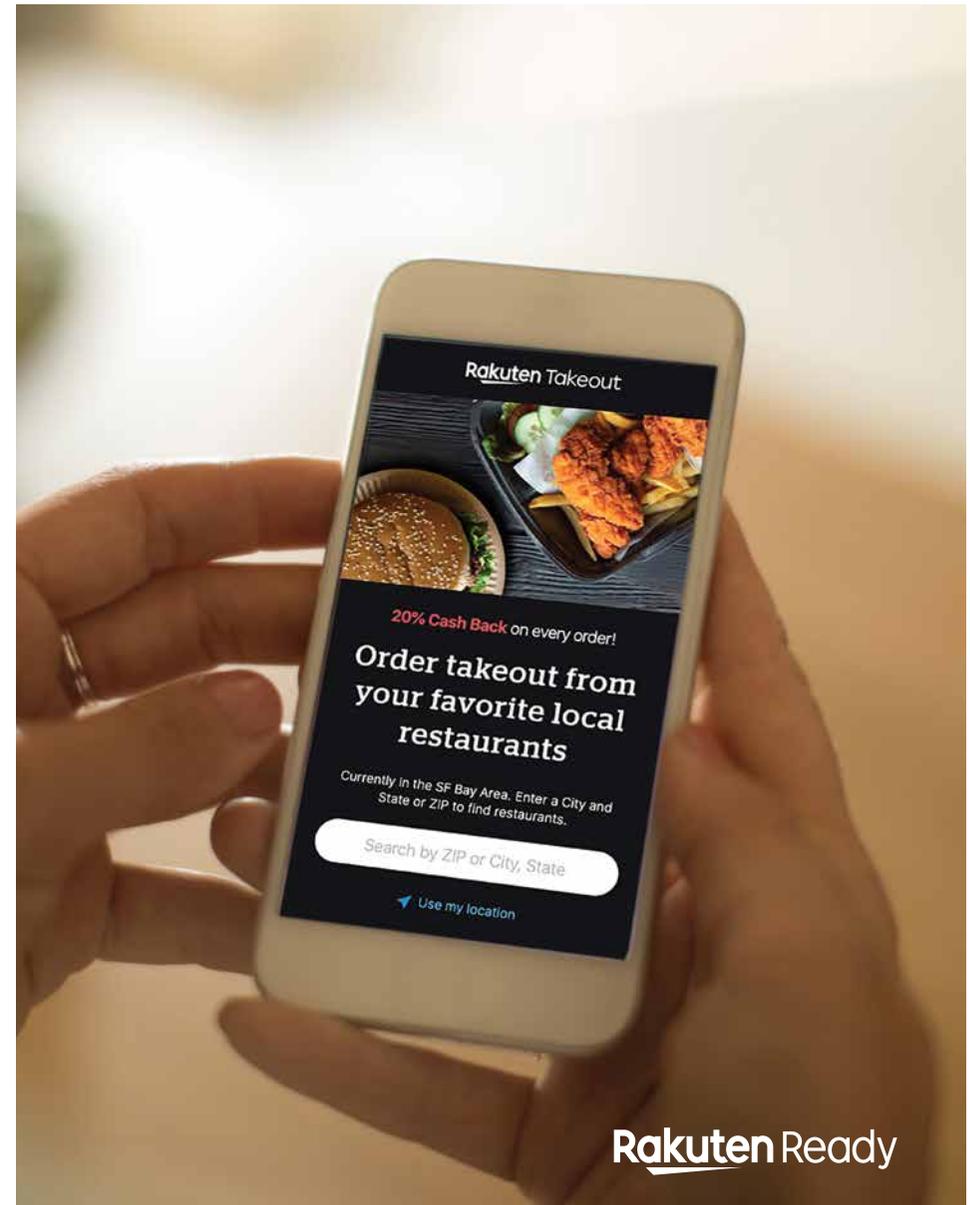


SOURCE: RAKUTEN INTELLIGENCE

Consumers want a seamless, safe order experience

Technology to support online orders, whether for pickup or delivery, is not new. However, safety requirements are new, as is consumer demand for transparency around a brand's contactless protocols. Brands who are not moving fast enough to integrate technology and process improvements to meet these needs, run the risk of losing valuable customers.

Consumers are now gravitating towards online ordering because it provides the comfort of a contactless ordering and payment experience, while also decreasing the amount of time spent in-store.



The new reality is an expectation that the contactless experience will cover the entire customer journey from contactless payment options, to optimized order prep, to allowing customers to show an order confirmation from their car when picking up their order.

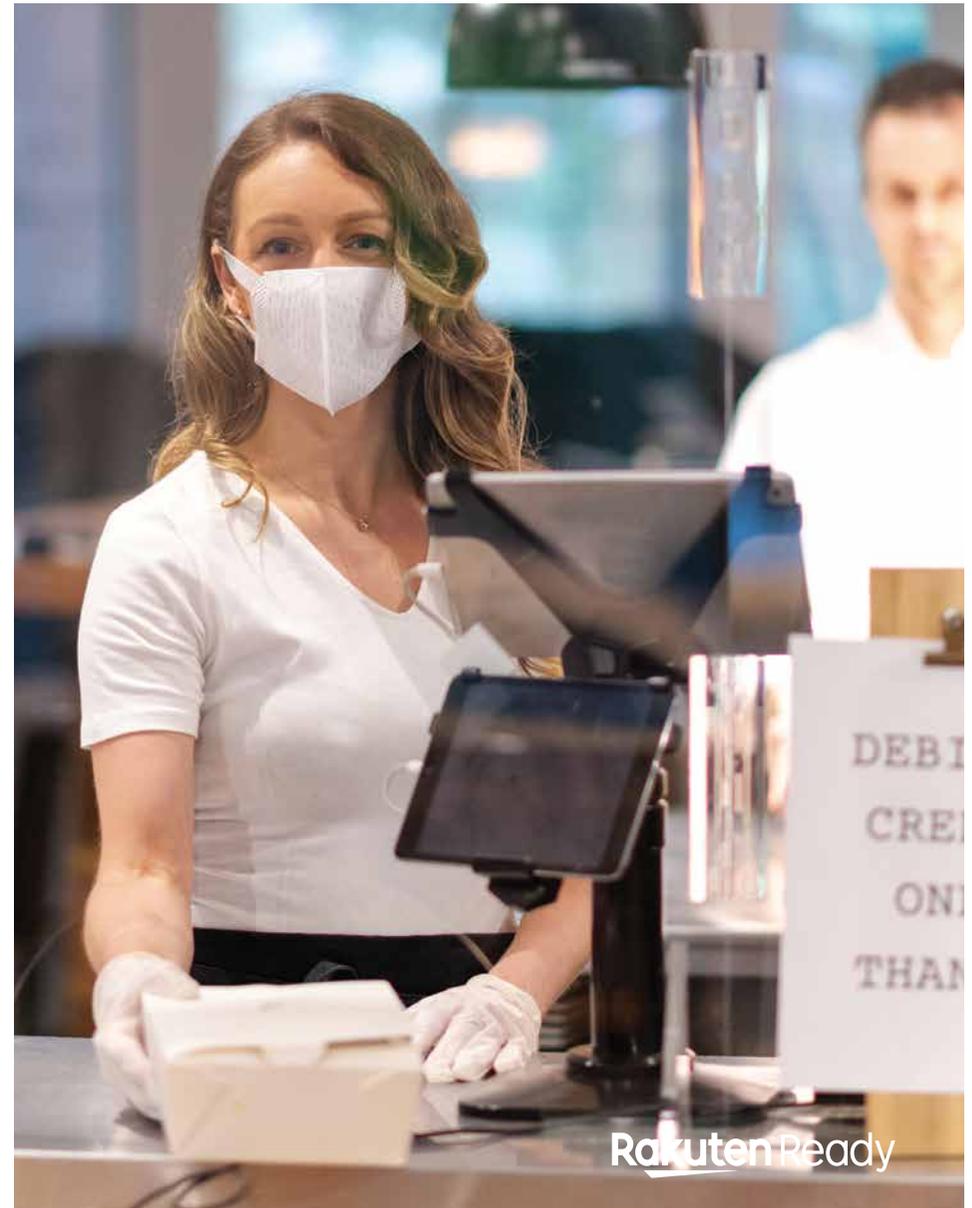
It is the focus on prioritizing a contactless experience that will build customer loyalty and help businesses thrive in this new economy.

**Contactless
Protocols
ranked #1**

by consumers as most
important to feeling
safe while shopping

“Contactless commerce could become the permanent norm for consumers as enforced behavioral change becomes an everyday habit.”

— McKinsey & Company, April 2020 article



The Contactless Order Experience is Here to Stay

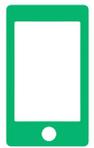
For this study, we will focus on how the contactless customer experience can leverage technology and innovation to meet the needs of stakeholders.

We call this our Contactless Playbook v1, as we expect protocols to evolve with time. **Contactless is now the method in which businesses provide their goods and services to customers by eliminating human contact, throughout the customer journey, from ordering to fulfillment.**

The Contactless experience offers many benefits:

- Lowers risk by limiting human interaction
- Offers a seamless online to offline order experience
- Improves the safety of employees and customers
- Builds trust with defined social distancing and safety protocols

Our Playbook includes 3 pillars



1. DIGITAL
FIRST



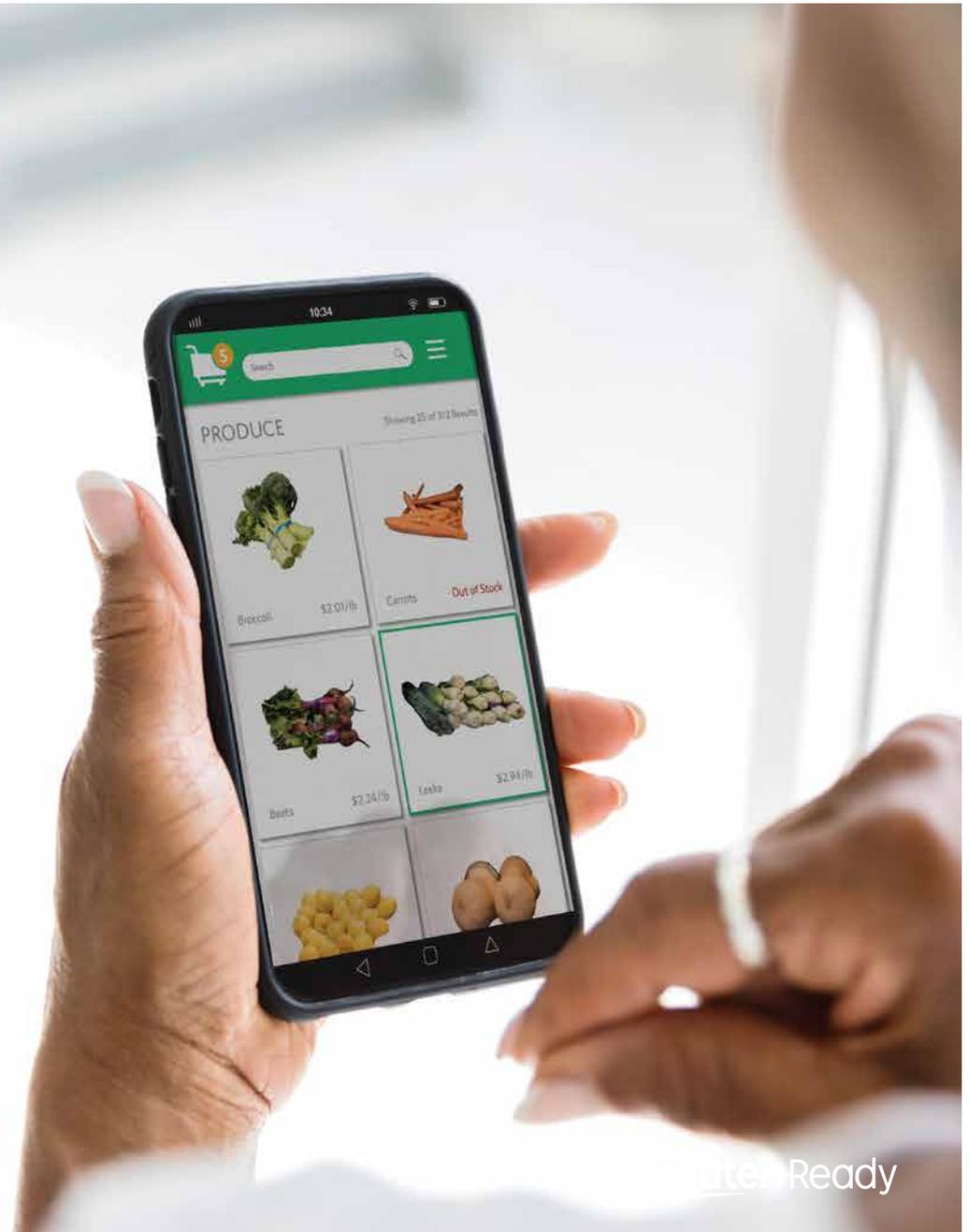
2. CUSTOMER-
CENTRIC
PREPARATION



3. CONTACTLESS
HANDOFF

“Contactless ordering is here to stay. The focus on hygiene will be front and center in ways we have never considered before and communication is beyond critical to put minds at ease. Customers will be looking for reassurance and if they can’t trust your brand then they will go elsewhere.”

— Allan Hickok, Senior Advisor,
Boston Consulting Group



1. Digital First

Is your digital strategy contactless, end-to-end? **Brands today need seamless digital experiences –Simple online ordering and payment, and consistent, engaging digital outreach will define the brands who lead.**

Ecommerce Ordering: Is all your inventory linked, in real-time, to all your mobile/online ordering channels? Now is the time to ensure every digital channel is optimized to drive demand, whether it is for pickup or delivery orders.

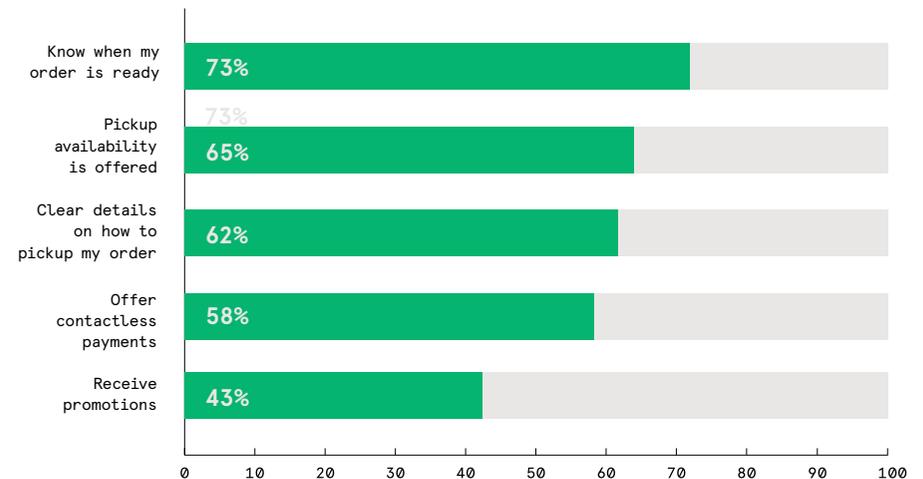
Contactless Payments: If mobile and web ecommerce is set up, so should contactless payment. But with more demand for contactless transactions, now is the time to consider accepting additional payment methods, such as SNAP (now redeemable online) and popular contactless payment apps, like Venmo, Apple Pay, Google Pay, etc.

Marketing Communications: While digital marketing is nothing new, it's time to audit all of your tactics. Are you providing details on your contactless pickup protocols during the order experience? Do you leverage social, email, texts, direct mail and Yelp? Consumers are more demanding than ever for frequent, honest and engaging communication. The businesses that can put their customers at ease are going to set themselves apart from the competition.

73%

of consumers want to know exactly when their order will be ready for pickup

WHAT IS IMPORTANT WHEN PLACING AN ORDER ONLINE?



SOURCE: Rakuten Ready Contactless Consumer Survey, May 2020

Example #1

Checking out at Walmart will be completely contact free on any register. Previously, customers had to select a payment method by touching a screen on the self-checkout. Now, all customers can simply scan a QR code using Walmart Pay, allowing customers to pay completely free of contact.

“We’re in unprecedented times. The way we’re all living and shopping is changing rapidly. We’re moving quickly to adapt to those needs.”

**- Janey Whiteside, Chief Customer Officer,
Walmart**

2. Customer-centric Preparation

Is your order preparation process built around your customer, or around your business' existing operations? **Contactless requires us to rethink order preparation and places the customer at the center of how and when we prepare orders while keeping employees safe.**

Safety First: When order preparation is timed perfectly, you will have time to stage orders for contactless pickup, seal packages with safety stickers, and be prepared (with masks and gloves on) for safer fulfillment — curbside or in-store pickup.

Order Prep Timed to Customer Arrival: With the right technology, you can pick and pack or start preparing orders based upon when you KNOW customers will arrive (vs when the order pops into the queue). Whether it is timing destaging of items by temperature or cooking meals timed to perfection... **customer arrival is the most important milestone to time order preparation against.**

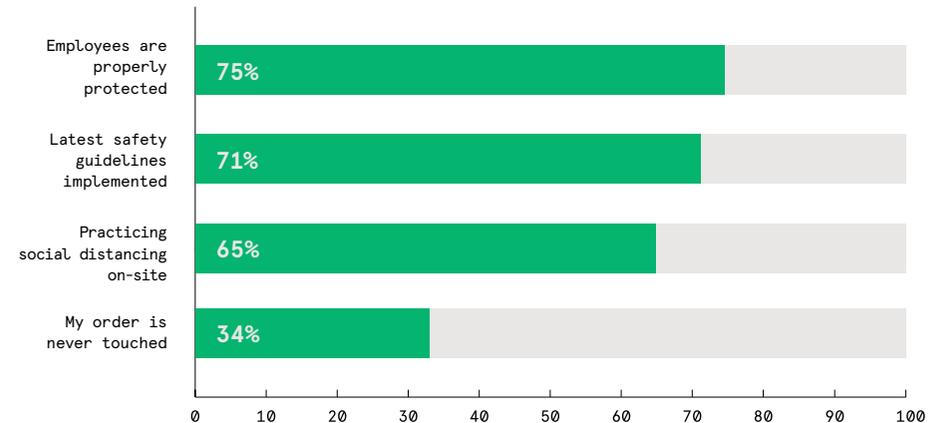
75%

of consumers rank “employee safety” as most important during order prep

71%

of consumers give importance to “Implementing the latest health and safety guidelines” during an order prep

What is important when your order is prepared?



Source: Rakuten Ready Contactless Consumer Survey, May 2020

Example #2

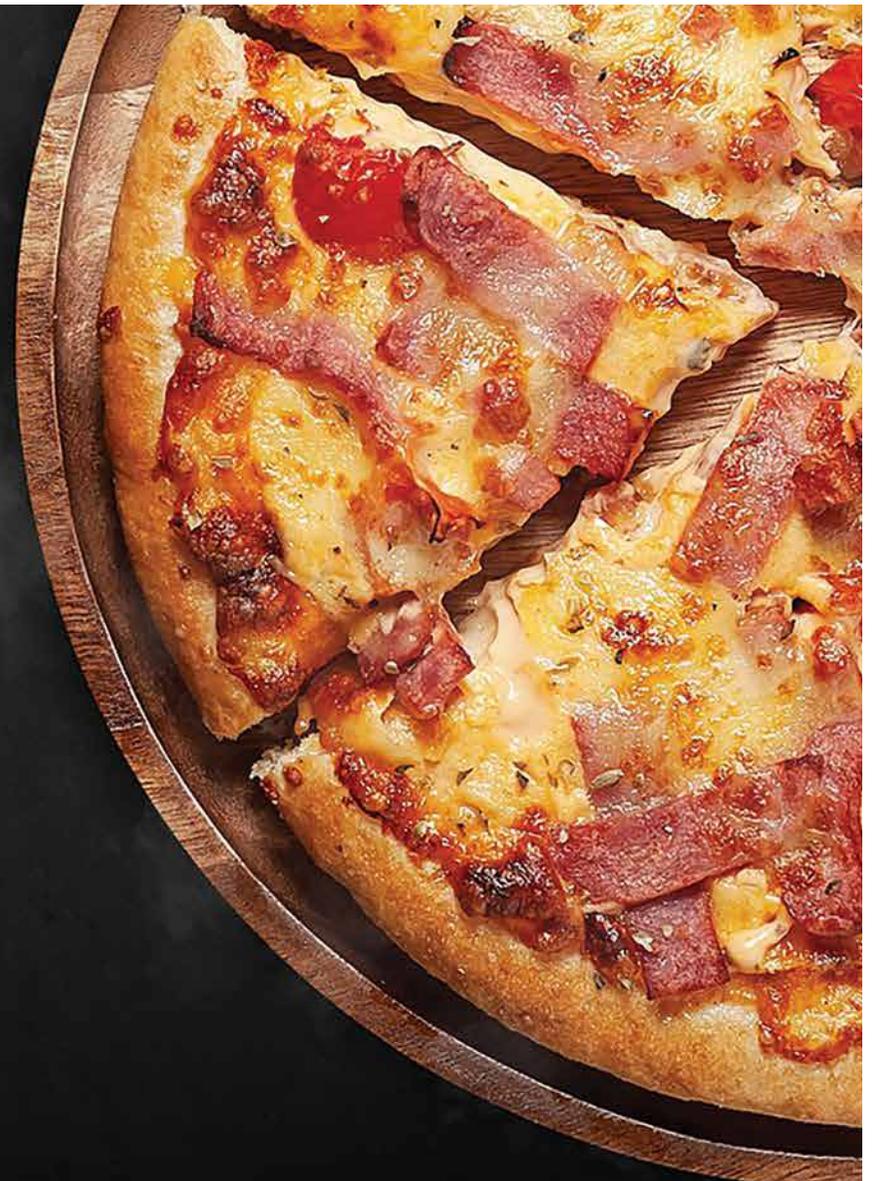
Pizza Hut has launched a contactless program that is prepared with multi-layered safety protocols with food that comes in a sealed package to reassure diners their hot meal hasn't been touched by human hands.

HOW DOES IT WORK:

- Customers select "contactless curbside takeout"
- Employees prepare the pizza while ensuring proper social distance
- The pizza is removed from the oven using a "hands-free oven-to-box process"
- Each box is closed with tamper proof safety seals
- Pizza is then placed into the customer's vehicle by a worker wearing gloves

SOURCE: Pizza Hut

Rakuten Ready



3. Contactless Handoff

Most brands offer this now, but without customer-centric preparation in place, the third pillar, Contactless Handoff, will often fall short on customer expectations. Customers want minimal wait times with their orders when they arrive. They also want very clear contactless protocols like designated pickup parking spots or pickup areas, social distancing and contactless handoff.

Curbside Pickup: When timed perfectly to customer arrival time, brands can execute curbside order fulfillment, with zero contact. And Curbside Pickup has grown in demand as it's one of the most contactless manners in which to get goods.

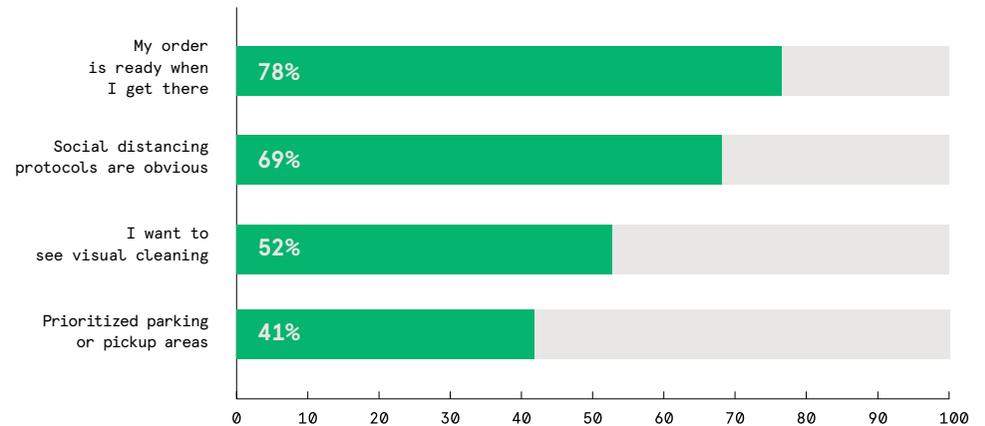
69%

of consumers expect social distancing protocols to be obvious on arrival

78%

of consumers want their order ready when they get there

WHAT IS IMPORTANT WHEN PICKING UP YOUR ORDER?



Source: Rakuten Ready Contactless Consumer Survey, May 2020

3. Contactless Handoff, cont'd

Designated In-Store or Outside Pickup Areas: Similar to Curbside Pickup, letting customers know what to expect is key. Communicate precisely where they need to go to pickup orders and how each step can be completed using contactless protocols.

Social Distancing: Even when we are out of the COVID-19 woods, consumers will continue to be cautious of social distance. Audit your handoff experience, across all your locations, to identify every step in which you can ensure 6+ feet of distance and when it makes sense to wear a mask and gloves.

FOR EXAMPLE, THE IDEAL CURBSIDE PICKUP PROCESS WOULD LOOK SOMETHING LIKE THIS:

- As the customer arrives, the employee walks out with the order.
- Employee confirms the order by viewing the receipt through the car window.
- No signing of receipts required
- Customer pops the trunk or the employee stands 6 feet back while the customer opens the applicable door/window, for the employee to place an order into the vehicle.
- Customer departs and the store employee completes the order in the system

Example #3

The Kroger Co. is testing a pickup-only store at an existing location in Cincinnati in response to higher demand for during the COVID-19 crisis.

Customers order groceries online as usual at [kroger.com](https://www.kroger.com) or via mobile app and then select the store as their preferred pickup location.

Once they arrive, they simply stay in their car and drive-thru a designated lane in the parking lot to confirm and pickup their order.

“This pickup-only model is ideal for all customers, especially for senior and higher-risk shoppers.”

**- Erin Rolfes, Corporate Affairs
Kroger**

In a Nutshell

Enabling the end-to-end contactless experience requires knowing when your customers will arrive so you can plan, prep, and execute every step of the process in the safest manner possible.

TOP INSIGHTS:



Prioritize digital ordering, contactless payments, and relevant, real-time marketing communications



Earn customers trust by ensuring safety throughout the ordering, preparation, and handoff experience



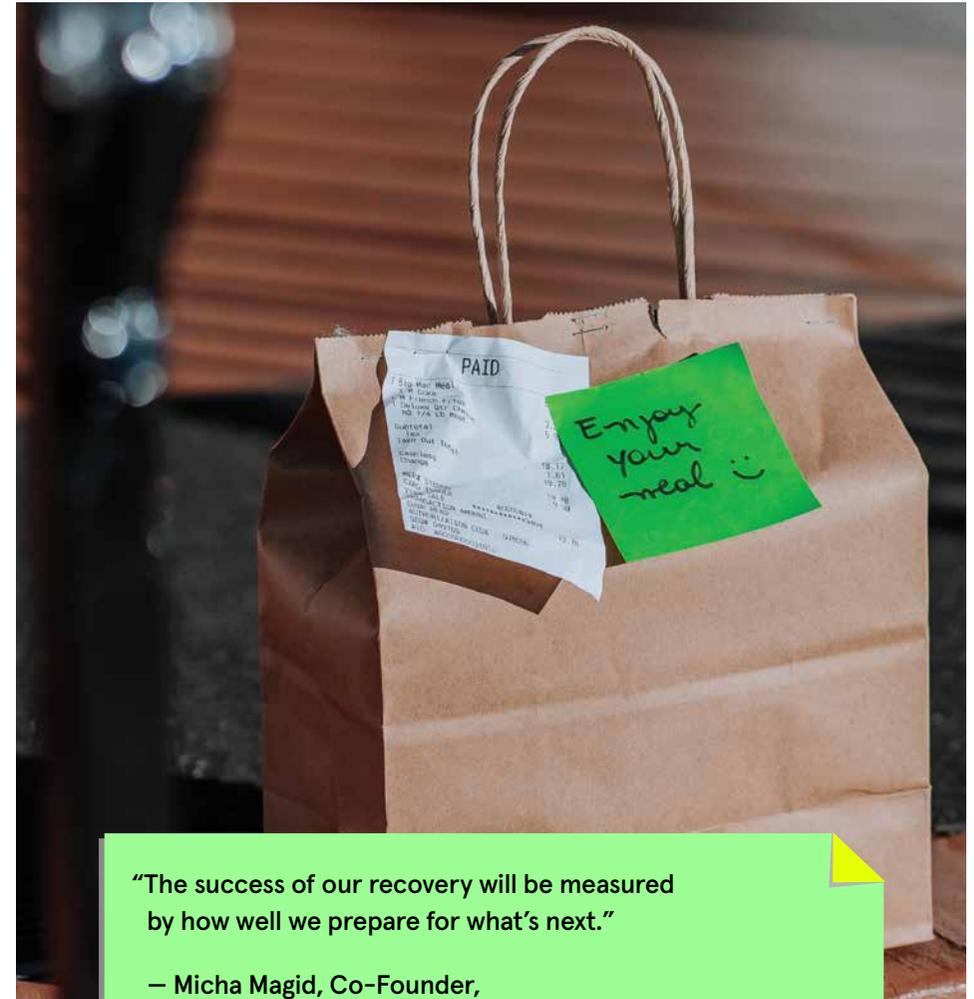
Keep customers happy by having orders ready when they arrive



Normal, is Not Normal Anymore

Moving forward, “normal” will look and feel very different as businesses recover from the impact of COVID-19. Brands that best recognize that we have entered into a new landscape, with an evolving set of rules and customer behaviors, will be the ones to endure over the long-run.

With a massive shift towards order for pickup and delivery, customers have made it clear they are not going back to their old purchasing habits anytime soon.



“The success of our recovery will be measured by how well we prepare for what’s next.”

— Micha Magid, Co-Founder,
Mighty Quinn’s Barbeque.

Rakuten Ready asked...

**“What technology are you willing to adopt
in the future if it lowers your risk?”**

(consumers could choose more than one)

The future is going to focus on how technology can improve the contactless experience for customers. It will require a complete rethinking of the customer journey to find opportunities to innovate and implement technologies that satisfy the high expectations of a post COVID-19 consumer.

As consumers start accepting predictive arrival, drone and autonomous vehicle technology, they have provided an interesting insight into what they expect and what they are willing to learn to trust.

PREDICTIVE ARRIVAL TECHNOLOGY

65%

Technology that will provide businesses key insights into when a customer is approaching so they can have orders ready when they arrive

DRONES

43%

Orders arrive by drone to your home or chosen location

AUTONOMOUS VEHICLES

40%

Orders delivered to you anywhere in a timely manner, by autonomous vehicles

SMART ROBOTS

37%

Robots that can deliver to a car or house to foster contactless ordering with automated fulfillment

Source: Rakuten Ready Contactless Consumer Survey, May 2020

Key Takeaways

1. EVOLVE YOUR DIGITAL EXPERIENCE

Contactless protocols are evolving rapidly. The focus should start with how to best implement a contactless strategy across digital platforms at the start of the customer journey.

2. PRIORITIZE CONTACTLESS HANDOFF PROTOCOLS

Customers are looking to ensure risk is minimized not only for them but also for employees and that safety is first and profits are second with merchants. It will require businesses to prioritize the order experience and make sure they are doing everything possible to lower risk for all stakeholders.

3. OPTIMIZE ORDER PREP FOR SAFETY AND TO SHORTEN WAIT TIMES

Optimizing order throughput to address customer needs is going to be a key strategy as expectations grow and the future comes into focus. Having orders ready when customers arrive will lower risk by shortening wait times and ensuring social distancing.

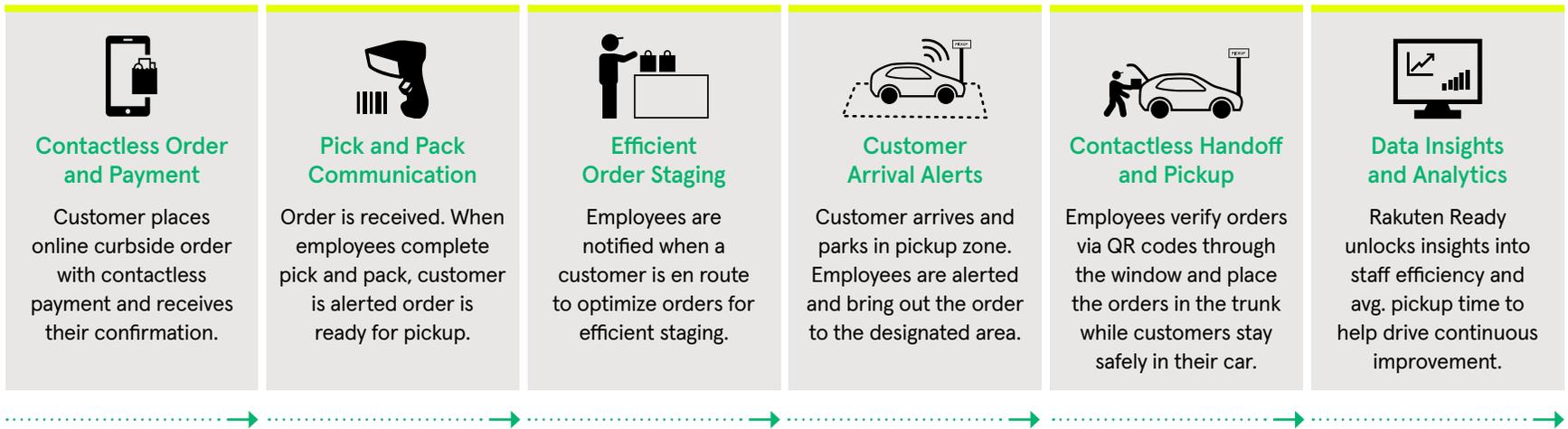
4. USE TECHNOLOGY TO IMPROVE THE CUSTOMER EXPERIENCE

Technology trends have accelerated faster than ever to meet customers needs of safety and speed. Merchants who are willing to innovate and test technology that meets those needs will do best as the new normal evolves.

Rakuten Ready, the leader in predictive arrival technology, has been focusing on mobile order for pickup since our beginning. Our **CONNECT** and **ARRIVE** technology platforms can assist your contactless experience right now.

Here is an example of a retail contactless curbside order for pickup experience powered by Rakuten Ready technology.

How does the retail contactless curbside experience work?



Which Rakuten Ready technology powers the journey?





Learn More at

RakutenReady.com

METHODOLOGY

→ Research Panel

An online market research panel was conducted with SurveyMonkey Audience. The surveys were conducted in April and May 2020. The adult respondents resided in the United States and represented a cross-section of the population across all demographic segments.

Survey #1 was conducted on April 30, 2020 with 192 respondents

Survey #2 was conducted on May 7, 2020 with 200 respondents

→ Rakuten Intelligence Dashboard

Rakuten Intelligence proprietary indexed order data was used to produce the chart. The chart represents order growth volume available to Rakuten Intelligence from select top Retail, Restaurant and Grocery brands during the period between August 2019 through April 2020.