

5 significant shifts in customer behaviour and expectations

By [Dori-Jo Bonner](#)

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Almost every area of our lives has changed dramatically in the previous two years. And it's no different when it comes to how we behave as retail customers. Not only have we changed where and how we shop, but we've also changed what we buy.



As a result, today the proximity of a retailer to your location is less significant than the speed with which they can deliver your purchase. In addition, the e-commerce customer of 2022 is significantly more digitally sophisticated than they were only a few years earlier.

Access to online buying is significantly more prevalent than it was previously, regardless of age or demographic. Of course, e-commerce and delivery are only one facet of a retail landscape that is substantially different from what it was at the start of 2020.

With that in mind, it's worth considering some of the most significant shifts in customer behaviour and expectations over the past two years, as well as what retailers can do to guarantee they're met.

1. E-commerce establishes a firm foothold in the retail landscape

While we've already discussed the growth of e-commerce, it's important highlighting the magnitude of the shifts over the last two years. Globally, e-commerce sales passed [\\$26.7tn in 2020](#) and made up 19% of all retail sales.

In South Africa, e-commerce went from making up [just 1.8%](#) of total retail sales in 2018 to just over 4% in 2021. While there are signs that growth is slowing a little as restrictions around the globe are eased, it's an incontrovertible fact that e-commerce is far more of an entrenched force than it's ever been.

If retailers are to remain competitive, they must ensure that their digital retail experiences are not simply as appealing as

their in-store ones, but much better. Additionally, it's critical to remember that experience encompasses everything from the initial encounter with an ad to browsing, payment, and delivery tracking, as well as transactional and marketing communications.

Today's online shoppers are in search of an experience. Whether a potential customer is perusing your store on social media for the first time or a returning customer is logging in, retailers can begin building personalised online experiences for each individual consumer by leveraging data and communications.

The experience is what will keep customers coming back time and time again, often even overlooking higher prices or longer turnaround times. Of course, the retailers that will really succeed are the ones that can offer their consumer both.

2. Privacy becomes a legal requirement

South Africa's Protection of Personal Information Act (PoPIA) took effect in July 2021. The act safeguards ordinary persons' personal data and mandates organisations, websites, and businesses to adhere to certain basic standards for the lawful processing of that data. While it has not yet had a significant impact on consumer behaviour, consumers will increasingly demand businesses to demonstrate that they value their privacy and are responsible with their data.

Worryingly, a poll conducted in the run-up to the implementation of PoPIA found that only 22% of South African businesses are aware of the privacy laws that regulate their marketing efforts. Given the large amounts of consumer data retailers have accumulated through loyalty and direct marketing programs, they will need to be extra cautious with compliance.



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3. Value increases in importance

While the previous two years have seen a lot of economic instability around the world, South Africa has undoubtedly been affected harder than others. The country's already shaky economy took a huge hit, with crucial businesses like tourism practically shut down. A range of factors, including persistent Eskom troubles, have delayed recovery.

With the country's unemployment rate at record highs and inflation biting, value is more important than ever. Here, we will likely see an amplification of global trends where, as [McKinsey points out](#): "Given consumers' price sensitivity, value remains the primary reason for consumers to try new brands as well as new places to shop."

However, value is more than just a matter of price. It's also about retailers displaying quality and purpose, as well as convenience and availability. Retailers will have to make sure that every interaction with a customer demonstrates value.

A well-thought-out digital and communications strategy makes shopping easy and convenient for all consumers. Offering the

same service level and experience on multiple channels is vital today.

Value is created from a customer's very first interaction with a brand. While we know that the "abandoned cart" email generates the highest ROI for retailers we should not underestimate the power behind a good and informative welcome series.

Digital communications have the ability to change and influence behaviours and this is evident in retail more than in any other industry

Email is definitely one of the best marketing channels for retailers. Not only does it allow brands to advertise deals and sales, but it also helps you build lasting relationships with consumers. These relationships aid in customer retention, brand loyalty, and creating brand ambassadors.

4. Multi-channel and mobile shopping

With the high rate of smartphone ownership in South Africa, it should hardly be surprising that most e-commerce purchases [around 63%](#) are made on mobile. But it's also important to realise that they aren't simply doing so on websites and apps.

Over the past couple of years, 'non-traditional' shopping channels including instant messaging and social media have proliferated. It's therefore pivotal that retailers not only adopt a multi-channel approach to ecommerce and also embrace alternative payment methods.

5. Make customer engagement a top priority

Ultimately, the best way for retailers to adjust to these behavioural changes and expectations is to focus on customer engagement. By using the data available to them, retailers can ensure that they meet customers with the right message, on the right channels, at the right time. That's just as, if not more, important than it's ever been.

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