Beyond discounts: How tech can help keep customers happy all year round

By Robin Fisher   5 Nov 2020

In an era of connectivity and hyper-personalised engagement, shopping during the ongoing pandemic continues to evolve rapidly. Recent research highlights that 40% of South African shoppers will continue to shop online more beyond the pandemic, while 25% are buying from a combination of online retailers, brands and marketplaces.

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Shoppers are moving targets, jumping across physical and digital destinations as they browse, purchase and request service and support. For retailers, pinpointing the demands of their customers is increasingly challenging.

Black Friday has become a significant day for shoppers and brands alike, offering retailers a way to increase spend and brand awareness. This year, it has been predicted that global digital commerce will grow 30% year-over-year - an increase of 8% compared to the same period in 2019, demonstrating continued consumer appetite for the event.

Recent consumer trends have made one thing crystal clear: shoppers have higher expectations than ever before – and for brands looking to stay ahead, it's time to rise to the challenge of meeting them.

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Globally, an average discount rate of 28% was seen on Black Friday in 2019. Total digital sales over the coming holiday period are expected to reach a record high of $940bn and will likely result in an acceleration of digital commerce to 18% of total retail sales. Yet, despite this digital growth, overall holiday sales are anticipated to be flat, with an expected $5.1tn-worth globally.

SALE! SALE! SALE!

There is no question that discounting is an effective way of driving sales and general customer engagement. Over the last

few years, the duration of discount events has extended from single days to long weekends and even weeks of sales as retailers try to make up for weaker trading across the calendar year.

While this approach has shown positive results in the short term, there's no question that you can have too much of a good thing. Increasingly, discounting has become a double-edged sword, with sales growing stagnant when products return to full price.

Even more crucially, frequent discounts undermine building meaningful, long-term relationships with consumers. To counter this, brands are having to brainstorm creative ways to win customers through initiatives like sharing exclusive offers, hosting events, creating product tours, or even launching campaigns around social responsibility.

For example, this year a number of South African retailers have announced that they will be running month-long Black Friday specials, rather than a single-day shopping extravaganza, to maintain adequate distancing among shoppers at physical stores and encourage greater volumes of online sales.

In a highly saturated market, it's these noise-cutting initiatives that give brands a real competitive advantage.

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Using technology to go beyond discounts

In 2019, over half of all global purchases during Black Friday were made via mobile, with mobile traffic share monopolising almost three-quarters of all traffic, demonstrating how crucial ease of access is for consumers shopping on-the-go. Customer experience is no longer a nice-to-have – it has become a competitive necessity. More than ever, retailers are looking to technology to give them the leading edge.

Today's CRM systems enable brands to get to know their customers better than ever. They can answer key questions like: Is a demographic more likely to be found on Facebook or Twitter? Would they rather be reached through live chat, social channels, or by phone? What special offers would entice them?

Armed with this information, brands can build unified, 1:1 customer journeys with a precise focus on customer needs. They will know how best to reach out to customers, which products to recommend to them, what content to direct them to, and even when is the best time to offer assistance to clinch a conversion. Customers expect brands to know them and in turn, experience a fully personalised service. Retailers must act accordingly and deliver a tailored customer experience.

Brands willing to innovate and onboard the necessary technology will deliver a more personalised experience to match the

exact needs of their customers – keeping them engaged from the first click right through to purchase and beyond.

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The future of retail

The face of retail is changing at such a rapid pace that it's almost unrecognisable from how it was just 10 years ago. While discounts are undoubtedly useful – even essential in many cases – they aren't enough to enable retailers to flourish in the age of digital transformation.

Retailers must strike a balance between short-term sales and long-term success. While Black Friday will continue to be a key consumer event, that momentum should try to be sustained over the whole year. Customers save their loyalty for those that offer the deepest, most meaningful relationships. It's up to brands to equip themselves with the tools so that they can rise to the challenge.

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