

2020 presents a Black Friday unlike any other

It's that time of the year again, when retailers attract their biggest share of customers and increase in-store foot traffic as the festive season begins.



Credit: Karolina Grabowska via Pexels

"As we have seen, this year is like no other, and there is no doubt that Black Friday and Cyber Monday will be too. Already we have seen the changes begin with the extension of special offers starting from the beginning of November leading up to Black Friday and inevitably Cyber Monday as well. This overlap of shopping holidays has given rise to the name 'Black November'," says PwC in its Black Friday report.

The month of November 2020 will be a good one for shoppers and retailers alike, says PwC, but who will walk away the happiest?

With R2.9bn spent on Black Friday in 2018 and R6bn [in 2019](#); together with almost a third of millennials (30%) planning to spend more this holiday than they did [last year](#), it presents a great opportunity for companies that can capitalise.



SA retail brands offering deals for Black Friday 2020

Lauren Hartzenberg 23 Nov 2020



Online competition hots up

This year, many customers have not done all their regular shopping in-store out of fear of contracting Covid-19. This has put pressure on retailers that have typically relied on foot traffic.

"As a result, there may be more competition online and retailers will need to find ways to attract customers to their websites and away from the larger well-established online stores like Takealot – which is one of the most popular online platforms among South Africans – or even Amazon. This is no easy feat, as these companies have a strong and trusted online presence, and others will have to offer extremely compelling deals if they wish to compete," says PwC.



68% of SA consumers shopping more online since start of pandemic

26 Nov 2020



Previously, [67% of Black Friday shopping](#) was done in-store with only 11% taking place purely online, with 37% of the online consumers reporting issues while shopping online on Black Friday. This year, there is expected to be a significant increase in online shopping with many new customers who are not as familiar nor comfortable with shopping online.

They are being forced to go online in order not to miss out on the many bargains and online deals. But, says PwC, these 'new' customers will not tolerate websites that are not user-friendly and will likely respond negatively to the slightest inconvenience. This may also drive them to another store, even if the product costs more there.

With the expanded unemployment rate increasing to 41.3% in the third quarter of 2020, the increasing costs of utilities and the value-added tax (VAT) increase to 15.0% in 2018, are all putting pressure on already strained budgets. The average South African will have less money to spend on luxury goods and an increasing need for discounts on items and the likelihood of staple items being the most sold items during the Black November 2020 period.

"There is also a lack of trust in newly created online stores which has stemmed from the number of fraudulent online stores and scams that plague the internet. In order to avoid this, companies need to build trust in their customers through transparency, ensuring that their websites are user-friendly and that customers are reassured that their personal information is secure," says PwC.

Customers now have time on their hands, whereas previously they had to run from one store to another to compare products and prices, as well as the fear of the product selling out. Customers now can have multiple tabs open on numerous devices to compare and take their time in deciding what the best option is for them.



Why customer experience is critical during the online retail transition

Meghan Taylor 25 Nov 2020



Customer value and experience

It is no longer sufficient to just discount products, PwC states; companies will have to give customers a meaningful experience and true value in their purchases.

As consumers do more of their shopping online [this festive season](#) (61% v 39% in stores), return policies and delivery will also rise in importance ([66% of consumers](#) expect free delivery).

With SA's smartphone penetration reaching 91.2% in 2019, up from 81.7% in 2018, retailers need to ensure that all product information is available on all platforms; providing a seamless experience and avoiding frustrating or even potentially losing consumers. According to [international reports](#), 84% of companies that work to improve their customer experience reported an increase in revenue.

"At PwC, our perspective is that organisations that put the customer at the heart of what they do, will succeed in the 'new now'. Using PwC's [Adapt framework](#), we have identified what we see as the top five elements for organisations to achieve success. The framework identifies a set of urgent, interdependent and accelerating challenges confronting the world, which organisations can use to help them be more relevant to their customers.

Top 5 customer experience aspects that can differentiate online retailers

1. Creating immersive experiences

With so many options to choose from and time saved from not having to visit stores, customers are looking for an easy shopping experience such as one that allows them to compare products and almost have the in-store experience online. This is especially true for those customers who are reluctantly shopping online due to fear of Covid-19 and who under normal circumstances would prefer being in-store.

2. Gamification

With an increase in online stores, companies need to find new ways of bringing customers to their stores. It is estimated that online retail sales grew by around [40% during lockdown](#). Gamification enables companies to attract customers to their stores without having to make the customer feel like they are going through a hard sell. Common techniques include early sign ups for bigger discounts or competitions, all of which have an influence on the customers experience.

3. Digital capabilities

Omnichannel experience is no longer a want but a need in the 'new now'. The experience in each channel needs to be as seamless as the other and withstand the strain that comes with the high influx of customers at the same time. Customers also expect fast delivery with online tracking when purchasing and the ability to pay via their preferred method.

4. Personalisation

PwC's Adapt framework highlights the fact that modern customers demand that businesses deal with them [on their terms](#). Customers want to be made to feel important and be given an experience that is tailored to them.

5. Transparency

With the vast amount of information at the tip of our fingertips, lack of information around a product or process is unforgivable. Customers demand information and want justification (now more than ever due to budget constraints for some) of why they should spend their money.

"There is no telling what the outcome will be in the long run, but it is clear that retailers that adapt and innovate to set themselves apart are most likely to come out ahead and persevere through these unprecedented times," the company concludes.