

Knowledge and emotion are central to the service industry

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The services industry forms an important part of South Africa's economy and it provides many jobs. Service excellence is a core element of brand reputation and is rooted in customer satisfaction, which can only be achieved if a company truly understands its customers and their expectations.

On the whole, South African customers are not happy with the service they are receiving – and one of the core service drivers that emerged from the 2018/19 Ask Afrika Orange Index service performance benchmark survey was the need for employees to have more knowledge in order to assist customers effectively.

According to Brand South Africa, South Africa's economy has traditionally been rooted in the primary sector of mining and agriculture. Since the 1990s, the focus has been shifting to the tertiary sector, which includes wholesale and retail trade, tourism and communications, and it is fast becoming a knowledge-based economy, with a greater focus on technology, e-commerce and financial and other services.

Among the key sectors that contribute to the gross domestic product (GDP) and keep the economic engine running are manufacturing, wholesale and retail trade, financial services, transport, mining, agriculture and tourism.

After being manufactured, products need to be sold to consumers, and this is where the services industry comes in. However, year on year, the finance and business services industry lost 39 000 jobs from the second quarter of 2017 to the second quarter of 2018, according to Statistics South Africa.

There is an interesting correlation between the services industry and the manufacturing industry – the automotive industry was the best-performing industry in terms of its service rating in this year's Ask Afrika Orange Index awards and the automotive industry is a top performer in manufacturing sector.

The automotive industry is one the largest in South Africa's manufacturing sector, which accounted for 13% of South Africa's GDP as at Q3 2017, according to Brand South Africa.

The food and clothing retail industries were also top performers at the Ask Afrika Orange Index awards and textiles, clothing and footwear also form a significant part of the local manufacturing sector.

The retail and automotive industries dominated the top 10 winners of the recent Ask Afrika Orange Index awards as detailed below:

Company	Industry category
1. Woolworths Food	Food Retail Stores
2. Burger King	Fast Food Outlets
3. Woolworths Clothing	Clothing Retail
4. BMW	Automotive
5. Clicks Pharmacy	Pharmacies
6. Audi	Automotive
7. Mercedes-Benz	Automotive
8. Beares	Furniture Shops
9. Checkers	Food Retail Stores
10. Foschini	Clothing Retail

The Ask Afrika Orange Index benchmark has a 18-year history and measures best practice in service not only within, but

across, different industries. This year, 167 companies were measured across 29 industries.

More than 12 000 interviews were conducted with South African consumers using the Target Group Index (TGI) and Ask Afrika random-digit dialing sample – about 6 000 were telephonic and 6 000 face-to-face interviews. This sample was randomly selected and no credit or sample lists were used. The results were independently audited by auditing firm BDO and statistical consultant and sampling specialist Dr Ariane Neethling to ensure the robustness of the methodology and data.

Companies are not getting the basics in service right

According to the Customer Service Benchmark Report 2018, 92% of customers indicated they would stop purchasing from a company after three or fewer poor customer-service experiences. Customers expect zero repeats, which means that first-call resolution is more important than ever before, but they also want personalised service and don't want to be "case numbers".

The Ask Afrika Orange Index survey showed that, apart from the winners, on the whole, companies are not getting it right. This is also clear from the Customer Service Benchmark Report 2018:

62% of companies do not respond to customer-service emails

90% of companies do not acknowledge or inform the customer that an email has been received

97% of companies do not send follow-up emails to customers to see if they are satisfied with the response

Only 20% of companies are able to answer questions in full on the first reply

The average response time to handle a customer service request is 12 hours and 10 minutes

The importance of knowledge in the fourth industrial revolution

The service industry is transforming as we enter the fourth digital revolution and it is important for companies to get the correct synergy between technology and the human beings.



The Ask Afrika Orange Index revealed that when comparing human versus self-service touchpoints, the human interface performs better, because customers feel important and there is an emotional element. However, customers expect the ease,

speed and convenience of self-service options.

Interactive voice response causes frustration if not personalised. As artificial intelligence (AI) advances, the service industry will transform, with machines being able to provide personalised service, but this has a number of implications.

In her Ask Afrika Orange Index awards opening address in Melrose Arch, Johannesburg, on 4 October 2018, Ask Africa CEO and founder Andrea Gevers quoted a passage from 21 Lessons for the 21st Century, one of the books reportedly on former US president Barack Obama's top 10 reading list.

She said the excerpt painted a picture of a future where, if society continued on its current course with AI, it would end up with "a superclass" based on access to knowledge, with those outside this untouchable class living in "ghettos" and being "paid not to have children and to die".

While this is an extreme example, it emphasises the importance of knowledge. "In order for our service industry to remain competitive, we all need to make an effort and start investing in the industry and increasing our knowledge base," Gevers said. "We also need to remember our humanness and that what customers are really looking for is an emotionally satisfying experience in their service encounters."



Andrea Rademeyer, CEO and founder of Ask Afrika, speaking at the Ask Afrika Orange Index awards.

Are South African customers satisfied?

The consumer landscape is becoming increasingly complex. With more channels, consumers have more access to information, choice and convenience and as a result they are less loyal.

"Consumers know and expect more in terms of both service performance and relationship. Consumer expectations change on a 12- to 18-month cycle. The two things that are most important in the service landscape in 2018 are the knowledge that employees have to resolve queries or requests, and their level of professionalism," said Ask Afrika director: client experience Sarina de Beer at the Ask Afrika Orange Index awards.

"The concern for the service industry is that the 2018 service drivers are less complex than in previous years – last year, the primary service driver was the ability of employees to make customers feel confident in their ability to be of assistance, and in 2016 it was the overall interest shown by employees to the customer as an individual," she noted. "This is an

indication that customers are not getting the kind of service they would like and so they are starting to ask for the basics again. Despite a steady improvement in service excellence between 2014 and 2017, satisfaction levels decreased in 2018 and are currently in line with 2013 ratings.”



Sarina de Beer, director: client experience at Ask Afrika presenting at the Ask Afrika Orange Index awards

“There was a drop in all the service dimensions from last year. The biggest drop this year was in emotional satisfaction levels, which decreased by 10% year-on-year and in every industry measured,” said De Beer.

“To perform well in the service context a company needs to build its reputation and garner trust from customers in order to have a good service relationship. The biggest contributors to this were fairness, effort and responsiveness in interactions with the customer,” she added.

“In contrast, the biggest detractors to companies scoring well in service ratings were values that were misaligned with customers, not giving back to the community through corporate social responsibility, and a lack of effort, empathy and emotion,” De Beer said.



For the first time this year, Ask Afrika will conduct Orange Index workshops, which will take the place of reports. These workshops will include discussions around company and industry shifts over time, ranking of companies per industry, net

promoter score (NPS), customer experience (CX), customer effort score (CES), treating customers fairly (TCF), first-call resolution (FCR), emotional consistency (ESat), trust and reputation (TR), call-centre satisfaction (CCI), actionable insights and strategic recommendations.

The workshops will also include another first: uniquely defined “industry personalities”, which outline the most important service dimensions per industry.

For further information and workshop bookings, please contact Mashudu Ndopu () or Monique Pienaar () or call +27 (0)11 428 7400.

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