

Black Friday done, all eyes now turn to Christmas

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The rhythms of the retail calendar were as predictable as the tides, that is until South Africa caught the Black Friday bug, which has been growing every year as a key retail shopping occasion. In 2019, an estimated R6bn was spent over Black Friday in South Africa. But that was last week and now it is early December and retailers shift into an even higher gear, trying to get their share of the biggest shopping season after a long and very trying year.



Results from a recent survey conducted by <u>ovatoyou</u>, entitled *What's next*, *South Africa?*, conducted amongst 2,000 online South Africans showed that 71% of respondents predicted that they are going to be spending between 25-50% less this Christmas.

As ever, the question remains, is your business suitably positioned to take the best advantage of a reduced consumer spend this festive season? And does your customer experience and marketing strategy reflect the shift in consumer buying behaviour due to the Covid-19 crises?

The second major annual study, *The 2020 South African Digital Customer Experience (CX) Report* provides some key insights into the South African consumers' behaviour and expectations online which is important as a context for this festive season.

Undertaken by market research company, ovatoyou, digitally-driven marketing and advertising agency Rogerwilco and certified customer experience professional Julia Ahlfeldt. The question posed was: "How are businesses doing in delivering a seamless online experience?"

And the survey results speak for themselves, download the full report here (www.ovatoyou.africa)

Four ways to have a better Christmas

1. Wise up about wasting: your existing customers are where the real value lies

A recent study commissioned by PriceWaterhouseCoopers (PwC) in the UK found that only half of programmatic advertising spend reaches its intended audience. In a South African context, this suggests brands are wasting over R1bn on failed acquisition, which translates into a very expensive lesson in customer advocacy. It is easy to argue that this money could be better spent perhaps on building a better understanding of existing customers and on providing experiences that foster their loyalty.

The 2020 South African digital CX research has shown that when consumers have a positive encounter with a brand, they become advocates. At least **75%** of the sample said they'd gladly share news of their experience with friends and family and **58%** would post about it online on social media.

2. Give consumers a genuine shopping choice: make it an omnichannel Christmas

South African consumers have made it extremely clear, they are seeking convenience and want the option of shopping across different channels. A Mobicred report, published in June 2020, reported an increase of over 40% in monthly online transactions.

But a poor experience online erodes that channels primary benefit - that of convenience. And the data supports this. Of those surveyed, 67% had abandoned an online purchase. While 60% had switched to a rival retailer's website because it made it easier for them to buy the product they wanted, even if it was more expensive than their first-choice e-tailer.

Michael Walker, head of marketing at Gumtree, echoes this sentiment. "Our data shows that the most successful sellers rarely have the best-priced product - what they do have though is an ability to fulfil buyers' needs and to deliver a superior sales experience," he says.

3. It's the season of giving: give the gift of a site that does what is promised

Perhaps most tellingly, respondents cited several factors that held their online purchasing experience back. Almost half chose to abandon their carts due to lack of online help, while **44**% walked away because the site was too slow. At the same time, **33**% switched to a rival site because there was not enough product information.

These numbers reflect a lack of a customer-centric business model that empowers self-service, which is, after all, why most people go online in the first place. What the study clearly showed was that many of the issues that stood in the way of a great experience related to the way the offering had been designed in the first place.

4. Smart sell not hard sell: what if your products could sell themselves?

At least 63% of respondents still prefer to gather information online, but follow through with their transaction in a physical bricks and mortar environment. But whether they convert online or purchase in store, self-sold customers do their homework before they purchase.

Product research, comparisons and social proof influence purchase. Sales success comes down to a combination of user experience and content. Easy-to-navigate, quick websites are only half of the equation. Product descriptions, features, benefits, comparisons and reviews will get your products through checkout.

Covid-19 and the extended lockdown have accelerated a trend to switch to online or multi-channel behaviours of which shopping is only one. What this means for businesses and CMOs within those businesses is that, you need to test both how these consumer behaviour shifts will translate in your category as well as how best to position and communicate your offering in this new context.

Understanding and managing how your brand supports its digital (and real world) offering through the customers' varied touchpoints is more essential than ever in these changing times and most importantly will allow businesses to capture more

share of consumer spend over the festive season.

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