

# SA Digital CX Report: The R1bn lesson in customer advocacy

The results of the 2020 South African Digital Customer Experience (CX) Report reveals that with the growth in digital channels, customer expectations have evolved, making it necessary for brands to adopt new strategies to engage, acquire and retain their customers.



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The [2020 South African Digital CX Report](#) is the second annual survey carried out by digitally-driven marketing and advertising agency Rogerwilco, market research company ovatoyou and certified customer experience professional Julia Ahlfeldt.

Survey responses from 2,000 consumers revealed that digital customer experiences have held steady since 2019. This is promising given that globally there's been a significant decline in satisfaction as customer expectations have evolved. The report also outlines vital behavioural changes that took place during Covid-19, habits that are believed will endure.

Global research suggests that acquiring a new customer is anywhere from five to 25 times more expensive than retaining an existing one. And with competition expected to intensify and as markets continue to be disrupted in the current economy, those brands that fail to deliver exceptional customer experiences will see their hard-earned customers switch to a competitor.

## Earn consumer advocacy through good CX

One of the most profound insights gleaned from this year's research shows that consumers become advocates of a brand that they have a positive encounter with, happily sharing their experience with family and peers. Further, it's estimated that only 50% of programmatic advertising reaches its target audience.

"This suggests that local brands are wasting over R1bn on failed acquisition – money that could have been spent on building a better understanding of existing customers and creating experiences that foster loyalty," said Charlie Stewart, CEO of Rogerwilco.



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## 61% of respondents cited social distancing as a driver for online use

Naturally, Covid-19 has accelerated online behaviour. The big online category winners were grocery shopping, health and fitness, and education. One of the commentators reported that their online payment service grew the number of merchants using its platform by 400% in April and March 2020. The biggest influx of new customers was SMEs that pivoted their business models to launch e-commerce platforms as demand for online shopping exploded under lockdown regulations.

### Where online fails

For consumers, however, the overall digital experience fell flat as inefficiencies in underlying business models continued to interfere in the delivery of consistently good experiences. Sadly, many of these frustrations are due to simple oversights. Common deterrents included slow sites/apps, nobody to help online, limited product information and sometimes products falling short of expectations.

Delivery is one of the leading causes of consumer disappointment. Areas of concern were high delivery fees, items being damaged en-route and delivery taking too long. E-commerce sites were guilty of promising delivery dates that they were unable to meet. Frustrations led to cancelled orders and cancelled orders led to negative sentiment towards the brand.

Ahlfeldt described the delivery as a moment of truth. She explained, “Customers take late delivery very seriously and losing them could not only cost brands revenue but also damage brand reputation. When it goes wrong, a consumer’s faith in the entire online experience can falter.”



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### Customer satisfaction in the last mile is key to retaining customers

19 Jun 2020



The CX study found that unreliable payment solutions were a major pain point for consumers, as were their concerns about security. In addition, respondents said that payment options were limited and that not all banks were represented.

A recurring theme amongst those surveyed was that consumers expect better communication from online businesses. Unanswered enquiries, rude call centre agents, and/or a lack of information around the order progress were listed as some of the challenges. At the same time, 49% prefer real-life interactions with online service providers.

Stewart emphasised the need for brands to improve communication. He expressed, “The current state of brand communication is akin to running the first 42km of a marathon and giving up in the final 200m,” adding that “poor communication leads to poor customer service, which leads to lost customers.”

## Rise of the self-sold customer

Consumers who spend significant time online comparing products, reviews and prices are being dubbed the 'self-sold customer'. These individuals are invaluable to brands because they are already ready to buy instore following research online. Almost two-thirds of respondents (63%) gather information online but prefer to transact in a physical brick and mortar environment.

Customers know when they're not being prioritised and will go elsewhere. Amanda Reekie of ovatoyou said, “Many of the issues that stood in the way of a great experience related to the way the offering had been designed. No amount of online finesse and functionality can hide weaknesses and a lack of customer-centricity at the heart of an offer. Customers have to be at the core of the design of a business from the start, and this means including them in testing both business concepts and the end-to-end experience itself.”

Ahlfeldt agrees and stated, “Until businesses start making strategic decisions with the customer in mind, we can expect to see experiences that miss the mark.”

## Bigger online grocery stores' CX did not fare well under Covid-19

Forty-nine percent of respondents said that the items they were looking for were out of stock. In comparison, 34% abandoned transactions because of lengthy delivery timelines.

Customers expressed frustration that fresh produce had passed its expiry date, that they were charged for out stock items, that substitutions were made without their consent, that sites were slow and that customer service was poor. Convenience, speed and ease-of-use are the primary reasons for going online to get things done. Those that offer a process that is less than convenient, or fails to deliver on time, will not meet expectations, ruining the overall customer experience.



### Covid-19 driving fundamental shifts in Africa's consumers

27 May 2020



From the results of this year's 2020 SA Digital CX Report, it's evident that a good experience engenders a high level of advocacy.

Stewart said, “While senior marketing practitioners and business leaders from a range of industries have reviewed the survey insights and shared their professional commentary around the impact on local brands and the digital CX community, we hope it will result in some serious reflection by all marketers. We anticipate a potential restructuring of marketing campaigns to ensure sufficient emphasis is placed on translating this intent into action.

"Our expert panel of commentators includes exclusive input from representatives at Gumtree, Nestlé, Nedbank, Wesbank, Sanlam Investments, Multichoice, RMB, Woolworths, Zulzi, Cape Union Mart, Peach Payments, Nissan and Old Mutual. If ever evidence was required to support the need for continued investment in digital CX, this report provides it."

*Research methodology: The 24-question survey was served to ovatoyou's panel of more than 18,000 online South Africans during May 2020, with a total of 2,000 consumers completing it. The study's key findings have been supported by qualitative interviews with experts across the country's CX and marketing fields.*

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