

SA consumers plan to spend much less this festive season - SAS

Elevated customer expectations and tighter budgets will make 2020 holiday shopping more competitive than ever for retailers, as nearly 90% plan to spend the same or less than last year according to [new research](#) conducted by analytics company SAS.



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Nearly three quarters (74%) of South African citizens reported they plan to spend less on end of year expenditure this year. This included nearly one in four (24%) who said they would be spending less than half their usual amount.

Heightened service expectations

As well as smaller customer budgets, retailers must prepare for high expectations when it comes service quality. A quarter of customers would ditch companies after just one poor experience, while 63% would abandon companies after just two-to-five poor examples of customer service, before moving to competing brands.

The shift to online shopping is a further hurdle for many traditional high street retailers. One in seven (15%) customers started using a digital retail service or app for the first time since lockdown, while 20% used a grocery app for the first time. In each case, at least 10% expect to continue using online services in the future.

High street stores must quickly adapt to understand this new online customer base, so they can optimise online experiences and manage high volumes of orders through digital channels as the holidays approach.

Retailers must listen to customers if they hope to secure not only a profitable season but long-term loyalty: nearly 87% of citizens said they would pay more to buy and/or use products and services from businesses that provided them with a good customer experience during the pandemic.



Consumers gear up for a festive season like no other

Nielsen 6 Nov2020



Predict customer needs, grow profitability

"This season will be a new experience for retailers and shoppers alike. Customer expectations are forcing retailers to digitally transform faster than many are comfortable with, and this highlights the opportunity in using data analytics to predict customer needs and grow profitability," commented Andrew Fowkes, Global Retail Practice, SAS.

"With budgets extremely tight, retailers must remain competitive by ensuring they have the right technologies to keep online stores, call centres and home deliveries working smoothly. Optimising these processes for truly personalised customer experiences is not possible without a deep analytical understanding of the customer. The reward is not only a profitable holiday season, but long-term customer loyalty to see businesses through the oncoming recession," Fowkes concluded.

Research methodology: Research was conducted and statistics compiled for SAS by 3Gem. Consumers completed an online questionnaire in August 2020 across a number of markets – including UK, Germany, Italy, France, Spain, Netherlands, Poland, Sweden, Greece, Saudi Arabia and South Africa – adding up to a global sample of 10,000 adults over the age of 18.

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