

Readying retail for the festive season

As the festive season approaches, the retail industry in South Africa is preparing for the record sales and increased demand that are characteristic of the season. While this might be the first order of business, retailers also need to prioritise and focus on providing a positive experience for their customers, which is no easy feat, says Merchants South Africa's customer experience expert, Sandra Galer.



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Research conducted last month by [Wonga SA](#) revealed that South Africans between the ages of 18 and 65 are set to spend an average of R5,706 each, over the festive season. Based on Statistics SA's mid-year population size estimates, this means that working-aged South Africans are set to pump R204 billion into the economy.

The Festive Spending Survey found that just over 70% of the respondents plan on buying Christmas presents this season, with 81% of respondents planning to head to traditional brick and mortar stores for their shopping; only 12% of respondents plan to shop online for gifts.

"When strategies are executed successfully, retailers can certainly benefit from the increased sales opportunities that the festive season offers, both in their physical and online stores. However, if they fail to execute their strategies successfully, this can result in lasting reputational damage for retailers," explains Galer.

Five risks retailers face during the festive season:

1. Customer demand

It is near impossible to predict the levels of customer demand during the run-up to the festive season – which includes important days like Black Friday. This ranges from the number of people who plan to visit the physical store, to those choosing to shop online or call the contact centre for further assistance.

“One local retailer received around 8,000 calls on Black Friday last year – that equates to five calls every 60 seconds during a 24-hour shift,” says Galer.

Reviewing previous years' analytics of sales per customer, average contacts per sale and contact per channel, one can start to forecast trends that will assist with staff planning and what to train the staff on. Additionally, by reviewing the types of calls and reasons for calls that relate to after-sales service, such as deliveries or stock issues, retailers can start to fix broken processes and improve the overall customer satisfaction levels.

2. Availability of staff

Dealing with increased customer volume means not only having enough staff to manage the various consumer channels, but also ensuring the staff are knowledgeable and can assist consumers effectively - no matter the enquiry or channel type.

This is where analytics from previous years come into their own as they are able to give an indication of where, when and which channel requires additional staff to be trained up to provide the necessary support. “We also recommend looking at extended operating hours for all consumer contact channels, as typical behaviours change during this time,” explains Galer.

Another aspect to take into consideration is staff turnaround and negative public comments post the festive season as this can jeopardise the public image of the retailer, as well as have a negative effect on the customer experience.

3. Stock availability

In the run-up to the festive season, consumers are continually marketed to, resulting in increased product demand and consumers listing products they intend to purchase – especially when it comes to gifting. One could say that consumers often go into their festive season shopping prepared and with high expectations, which can lead to retailers running the risk of not having enough stock to satisfy the demand created.

“In situations like this, contact centre customer service can turn a potential problem into an opportunity for retailers, by offering a solution around alternative products or the opportunity to upsell stock post the festive season frenzy,” says Galer.

4. Delivery

In terms of those choosing to shop online, retailers can spend months after occasions like Black Friday and the festive season resolving delivery issues and dealing with customer complaints in this regard. As it takes place at the end of November, consumers will typically use Black Friday to purchase their Christmas gifts and can become viciously disappointed if the goods don't arrive in time.

“Using data collected through their consumer channels and touchpoints, retailers can better understand the source of their customer interactions (online, in-store, etc) and use this information to adequately plan for the upcoming season's sales cycle, thus avoiding disappointment and possible reputational damage.”

In terms of understanding the source and channels of the retailer's drivers, insights shared by the Merchants team for a specific retailer in 2018 revealed that 45% of all Black Friday queries came from the retailer's online store, while 55% originated from in-store website enquiries – for example. This data pointed to some key opportunities for service

improvement for the retailer.

5. After-sales support

Once festive season goods have been ordered, the retailer's responsibility does not end there – since the consumer journey continues until delivery of the goods. Consumers might have questions or concerns while awaiting or after receiving their goods, and will reach out to the retailer in this time for aftersales support and guidance.

When it comes to gifting, there can also be a post-festive season period where consumers will have an increased number of items for exchange or return, and retailers need to be prepared for this.

“This is where effective training of contact centre staff comes in. Consumers will be looking for effective service and support from staff who are knowledgeable about their issues and concerns as consumers – and are providing a high-quality service that demonstrates their understanding of the business, its processes and its products,” explains Galer.

“While the festive season presents a real opportunity for retailers to bolster sales, they also need to consider and prioritise the customer experience they are providing, in order to ensure lasting loyalty,” concludes Galer.

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