

South African retailers excel in promotions, customer service lags

South African retailers are excelling in driving positive consumer perceptions through special offers and affordable product promotions, but their customer service capabilities are leaving much to be desired.



Source: www.unsplash.com

This is according to the *South African Retail Sentiment Index*, conducted by DataEQ in collaboration with PwC South Africa, which measures Net Sentiment across three identified customer satisfaction drivers: pricing, customer service, and product offering.

While consumer sentiment around pricing (32%) and products (21.8%) was positive, customer service (-68.4%) drove negativity across the industry. The full index includes data and analysis for the top 6 retailers.

Woolworths leads the pack

Ranking first in consumers' eyes, Woolworths topped all three satisfaction drivers in the index to achieve an overall Net Sentiment score of 19.2% — 15.9 percentage points above the industry average.

With regards to pricing, South African shoppers argued that the premium retailer was at times less expensive than other stores, while product-related mentions saw Woolworths lauded for its house brands and high-quality goods.

Price-sensitive consumers respond positively to promotions

On an industry level, South African retailers leveraged special offers and promotions — especially relating to essential items — to shape their narrative around pricing. “In this tough economic climate, shoppers are always on the lookout for good deals. So, while the positive consumer sentiment towards pricing may seem surprising, this was largely driven by feedback around well-priced promotions and specials,” says Riaan Singh, PwC South Africa experience consulting leader.

Retailers battle a customer service bottleneck

Customer service was notably the most prominent pain point for both in-store and online shoppers, with turnaround time issues driving almost half (49.8%) of all service-related complaints. This highlights consumers' high expectations for fast

and efficient service across physical and digital channels.



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To meet these expectations, Singh says that retailers must assess the capabilities needed to service customers across multiple platforms and resolve those queries efficiently through integrating technology and multi-skilled teams. “This often requires a change in the traditional operating model and moving towards a target operating model that is omnichannel-led, empowering staff with visibility of the customer at each touchpoint.”

Omnichannel service extends to social media

In many instances, unanswered mentions and delayed responses on social platforms further compounded consumer frustration. “This is understandable, considering that the retailers only responded to a third (33.4%) of public Twitter mentions citing a customer service request, and took over 12 hours on average when they did respond,” notes Melanie Malherbe, DataEQ’s MD.

Emphasising the importance of a truly omnichannel service experience, Malherbe warns local retailers against omitting social media from their customer service strategy.

“Customers typically reach out on social media when their queries aren’t being resolved through other channels, with the expectation that social service agents will be equipped to answer them or be able to communicate with other service teams quickly to resolve the issues at hand. This points to a growing need for retailers to integrate their social agents into their broader customer service teams,” Malherbe concludes.

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