A (CX) lesson in **customer advocacy**

Brands that can up their online game have the opportunity to gain powerful brand ambassadors.

The 2020 South African Digital Customer Experience (CX) report was published in July, undertaken by digitally-driven agency, Rogerwilco, market research company, ovatoyou and certified customer experience professional, Julia Ahlfeldt.

The key findings of the report provides valuable insights about South Africans' online behaviour, and where brands are falling short. CX and marketing experts have provided additional commentary and actionable advice for ecommerce brands and SMEs looking to pivot, outdo the competition and grow their online businesses.

THE ADVOCACY OPPORTUNITY

Strikingly, the study shows that when consumers have a positive encounter with a brand, they will become powerful brand advocates. 75% of respondents stated that they would share news of their positive experience with friends and family, and 43% said they would post about their experience on social media (up from 37% last year).

Whilst a good experience is likely to elicit an action, so is a bad one, and the brand damaging effects can be profound. More than half the audience acknowledged that they had received poor online service from a brand, with 56% stating that they would share their negative news with friends and family. A third (32%) would post about it on social media and 39% said they would never use the brand again.

The inference is clear, says Charlie Stewart from Rogerwilco: "Delight your customer, and your customer will delight you. Disappoint your customer and risk permanently damaging your brand."

Key insights

• Consumers wield considerable power as potential brand advocates. To earn that advocacy, businesses must deliver good customer experiences.

• Loyal customers deliver value to the business' bottom line, but with that in mind, marketers may not be investing their time, energy and money in the right places. Too much focus on acquisition, followed by a fraught experience, will not create advocacy. It will do just the opposite.

Actionable outcomes

• Understand your customer's journey. Measure, monitor and manage this to ensure you are delivering on your promise, especially after the customer acquisition.

• Regularly monitor customer satisfaction metrics to better understand your customers' sentiment towards your brand.

• Review your loyalty and reward programmes - today's consumer is more inclined to be loyal to a brand that shares its values and delivers relevant, personalised communications than one that simply hands out rewards.

• Encourage customers to rate your service/offer and make it easy for them to share news of their experience with you.

• Reduce your dependency on third-party data and develop a single view of the customer through the deployment of technology like a customer data platform.

QUALITY OF EXPERIENCE MORE IMPORTANT THAN PRICE

Warren Buffet made famous the adage that "Price is what you pay. Value is what you get." And it appears that South African consumers agree with his sentiment by making it extremely clear that poor experiences erode online's primary benefit - that of convenience.

Of those who had abandoned an online purchase, 60% claimed to have 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. Interestingly, household income had no bearing on this, with lower earners just as likely to place a premium on the quality of experience as their wealthier counterparts.

Key insights

• It's easy to switch - consumers are more loyal to experiences than they are to brands.

• Switching can be as easy as tapping the screen of a phone.

• Retailers can charge more if they deliver consistently good online experiences.

• Sites providing a poor experience erode the key benefit of convenience.

• Making small improvements to CX improves checkout rates, bolstering profits.

Actionable outcomes

• Work on the friction points that break digital experiences and make them less convenient or appealing - site speed, product/ service descriptions.

• Dig into your analytics data and run experiments across audience groups to identify behavioural differences/ triggers.

COVID-19 CATALYSES ONLINE BEHAVIOUR

With the survey conducted during the Covid-19 pandemic, the report also draws out interesting behavioural changes. There is no doubt that ecommerce has received a shot in the arm with large numbers of consumers making online purchases for the first time. 61% of respondents cited social distancing as a driver for going online. This indicates that these consumers were likely to increase their online engagement or ecommerce spending in the future.

Payment provider, Peach Payments, also reported a 400% increase in new merchant acquisition in March and April, with the vast majority of new customers being SMEs who pivoted their business models to launch ecommerce plays.

Key insights

• Uncertainty creates opportunity - Covid-19 has pushed more South Africans online, exposing brands to new audiences and reaffirming the importance of delivering great online experiences.

• Some categories have won, perhaps in spite of themselves. Grocers saw significant demand, but feedback suggests they may have left money on the table and may not hold onto their new online customer base unless they address fundamental CX issues.

• The agility and customer-centricity demonstrated by many of the new entrants shows brands that their online competition is often very different from their traditional rivals.

• Brands need to ensure all parts of the experience, from browsing to fulfilment - are consistently strong.

Actionable outcomes

• Understand the needs and map the journeys of new 'digital converts'. Design journeys that will help retain these customers in the months and years to come, even as social distancing eases.

• Ensure inventory management systems are aligned to highlight out of stocks automatically.

• Segment databases to identify new customers and monitor their activity in the coming months - consider special offers to encourage continued engagement.

THE CO-EXISTENCE OF DIGITAL AND PHYSICAL

Almost two-thirds of respondents (63%) gather information online, but prefer to transact in a physical brick and mortar environment. This is the rise of the 'selfsold' customer; i.e an individual who has spent significant time online comparing products, reviews and prices, and then walks into a store and is ready to buy. To cater to the self-sold customer's needs, organisations must stop thinking about customer journeys in terms of operational silos, as it is evident that customers have a multi-channel path to purchase.

Key insights

• The internet will not replace the physical shopping experience - instead, the two will work in tandem.

• Online is an important channel for product awareness and discovery, as well as preparation for purchase.

• Self-sold customers should be cultivated.

Actionable outcomes

• Regularly refresh your product and service descriptions, ensuring they are authentic and accurately represent what's on sale.

• Fix website and app speed issues.

• Focus more effort and resources on the experience after purchase to keep the customers that you have acquired.

• Understand and manage how your organisation supports its digital offering through the entire journey or risk losing out to competitors and/or damaging your brand.

THE DELIVERY PROBLEM

Logistics is one of the primary causes of consumer disappointment, with a combination of high delivery fees (cited by 63% of respondents), items being damaged in transit, and delivery taking too long (34%) impairing the customer experience.

Julia Ahlfedt reminds us that the digital customer experience doesn't end at checkout. "This merely marks the start of a new chapter in the same journey, where delivery is a key moment of truth. When the delivery goes wrong, a consumer's faith in the entire online experience might falter."

Key insights

• Product delivery is a 'moment of truth' for customers; a third-party may control it, but it reflects on the retailer's brand.

• Supply chain management is difficult when necessary infrastructure has not been geared for it.

• Outsourcing deliveries will likely be the best solution for small businesses for the time being, but delivery alternatives based on international best practice may improve customer experience.

• Customers take late delivery very seriously and losing them could not only cost you revenue but also damage your brand.

Actionable outcomes

• Seek ongoing feedback as to how your customers' experience of your delivery service matches their expectations of what delivery should look like - it's your moment of truth.

• Change your delivery model completely or change your logistics company.

• For outsourced logistics, work with delivery partners as an extension of your brand's digital experience.

COMMUNICATION BREAKDOWN

Poor communication during the shopping process was an obstacle for 47% of those surveyed, with many noting that there was no-one to turn to for help if they were struggling with their online experience. Customers want clear visibility during the shopping process.

Brands have to up their communications, says Rogerwilco's Stewart. "The current state of affairs is akin to running the first 42km of a marathon and giving up in the final 200m."

Key insights

• Consumers expect better communication from online businesses.

• When consumers need assistance, they want it available quickly, through their channel of choice.

• The problem extends beyond help desk support and is reflected in the information on the product and logistics information.

• Poor communication leads to poor customer experience, which leads to lost customers.

Actionable outcomes

• Assess the root cause of inbound customer queries. Can the underlying issue be addressed to avoid unnecessary hassles and communication?

• Evaluate your current communication standards; is there a strategy in place to align them with your customers' expectations?

- Be prepared to support quick and effective communication through various channels on and offline

- Do your agents work off a script? Are there communication guidelines? Do you need to implement voice analytics or call recording to maintain quality?

PUTTING THE CUSTOMER FIRST

Several factors hold the online experience back - almost half of our respondents (47%) chose to abandon their carts due to lack of online help. In comparison, 44% walked away because the site was too slow, and 31% switched to a rival site because there was not enough product information.

Do 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?

"Absolutely," says ovatoyou's Amanda Reekie "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."

Key insights

- Locally, customer-first culture is not a prevalent approach to customer retention, despite being one of the key strategies for customer retention.

- Customers know when they're not being prioritised and will go elsewhere.

Actionable outcomes

- Align your business goals and your CX goals, drive CX strategy from the top.

- Develop customer personas to understand who your customers are.

- Identify their needs and priorities.

- Map user journeys and determine failure points.

- Build a road map to a more customer-centric business model.

PAYMENT ISSUES

The study found that the most common reason for abandoning online purchases was an issue with the payment process. To encourage more online shopping, brands must support the user's choice of payment method while also recognising where and how they purchase.

Key insights

- Payments can be a significant hurdle in the customer's path to purchase, and a major source of cart abandonment (lost revenue) for online brands.

- The reliability of payment solutions was a major pain point for consumers, as were concerns about security.

- Consumers without credit cards may be left out of ecommerce until other options are widely adopted.

- The majority of Africa's ecommerce transactions happen on mobile devices. Think mobile-first!

Actionable outcomes

- Improvement of current payment options.

- Minimise offsite redirects to payment gateways.

- Work to enhance the mobile payment experience.

- Educate the consumer, with a focus on recognizing fraudulent ecommerce sites and fostering awareness about security payment enhancements.

CONCLUSION

So, where does this research leave South African brands and the digital CX community as they look to the future? It's evident that the Covid-19 pandemic has encouraged greater levels of online engagement between organisations and their customers - particularly in the ecommerce space. However, many pain points in the overall digital experience need to be addressed if these new-found audiences are to become long lasting customers.

What is clear is that competition will intensify and markets will continue to be disrupted. If brands fail to deliver exceptional customer experiences, they will see their hard earned customers go elsewhere.

Download the full 2020 South African Digital Customer Experience Report here.

Charlie Stewart is CEO of Rogerwilco, a digitally-driven marketing and advertising agency.