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## THE 2022 SOUTH AFRICAN DIGITAL CUSTOMER EXPERIENCE REPORT

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**The impact that online – in all its facets – has on offline sales is much greater than perceived**

This year the fourth 2022 South African Digital Customer Experience Report reveals the phenomenal impact that the combination of social selling, reviews and online browsing – in all of its facets – has on offline sales: collectively they influence a significant 25% of physical retail sales across the economy’s top categories of groceries, fashion, medicine, toiletries, furniture and hardware. So say the three co-authors of this year’s report, Charlie Stewart from Rogerwilco, Amanda Reekie from ovatoyou[RC1] and Julia Ahlfeldt from Julia Ahlfeldt CX Consulting.

The 2022 report is based on responses from 2 000 South Africans. Among key findings is the fact that more people are shopping online than ever before – with no less than 87% (vs 82% in 2021) of the sample saying they do so. This is especially noteworthy given that 54% of the sample have a household income of less than 10k per month, and that 55% (vs 50% in 2021) of the respondents have shopped online in the last 3 months. SA retailers’ websites and apps are the top online shopping destinations, with 67% and 63% respectively, claiming to purchase through these channels.

**Online discovery and browsing results in a massive increase in offline sales.**

Brands need to consider that many consumers are simply using the internet to browse for products, and then buying them in store later or when discounts come around.

With this in mind, the latest report extrapolates that online product research and discovery influences as much as R294-billion (or 25%) in physical retail sales across the economy’s top categories. This is a massive shot in the arm for offline sales and goes a long way in demonstrating the true impact of all of consumers’ online activity, and which should not be ignored.

“This should be nothing less than an urgent call to action to business leaders to rethink their definition of e-commerce so that they understand the holistic customer journey across the online ecosystem and which then influences their bottom line,” says Julia Ahlfeldt of Julia Ahlfeldt CX Consulting one of the three authors of the report.

**Social selling is catching up to traditional ecommerce and web and brands need to take cognisance.**

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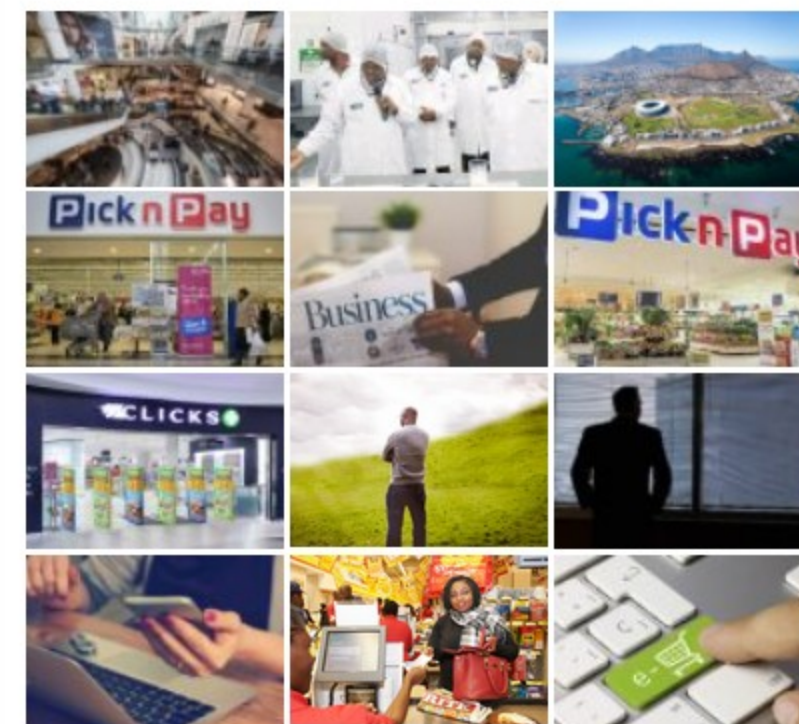
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Consumers are more and more buying directly via Instagram, Facebook Shops and WhatsApp. These portals are as much online pathways to purchase as a now 'old-school' ecommerce website. Brands need to acknowledge that online is far more complex than previously understood – and that selling can come from almost anywhere online.

“Brands need to understand that new channels of trade are on the rise, and even if purchases don't happen online, that's where many customer journeys begin. Brands may be missing valuable opportunities by limiting the channels that they trade through. 48% of consumers now purchase through Facebook and Instagram,” says Amanda Reekie.

#### Reviews by others can make or break a sale

South Africans are using reviews now more than ever, and they need to be seen for what they are – a critical part of the research process. Demonstrating this, the importance of product reviews on the company website has increased significantly with 63% of people turning to these to inform purchase decisions in 2022, versus 54% in 2021.

While previously brands may have dismissed a Google review potentially leading to an in-store purchase, it is imperative that they now take note of the value of reviews – and the role they play in driving engagement, enhancing the customer experience and incentivising a sale. In fact, the value of reviews to South African e-commerce spend could be as high as R35.81bn this year extrapolate

Whether these are reviews on third party platforms like TripAdvisor, Google and HelloPeter or reviews and comments posted on e-commerce sites themselves, there is no disputing that reviews are one of the primary influencers of a sale being made or not.

“The hard facts are that consumers – when they are unhappy or disgruntled – will tell others about it: 43% take their grievances to social media while exactly half tell their family and friends. Brands need to encourage a healthy ecosystem of customer reviews and use insights in customer feedback to continually improve their products and services,” advises Julia Ahlfeldt.

#### The Metaverse is here and is making incremental inroads. Brands need to jump on board early so that they are not left behind

While consumers are starting to interact with the Metaverse, 53% claim to have never heard of it, and only one percent have bought something through the Metaverse. However, a whopping 79% of consumers say they would engage with it in future, demonstrating that there's clearly an eagerness to do so.

We see the first signs of commerce from the Metaverse emerging with 8% of retailers saying they have shopped within a game. Brands who want to stay ahead of trends and of consumer activity, would do well to start incorporating the Metaverse into their mix of platforms/experiences.

“While still a very new and emerging trend, we can be sure that in time, once consumers better understand the Metaverse, that there will be an uptick in consumer knowledge, engagement and purchasing. Some brands are already active in the Metaverse and it's only a matter of time before consumers enter into this virtual world too,” says Charlie Stewart.

#### Getting demand delivery right is the new commercial battlefield

The brands/companies that deliver purchases made online the fastest and at the best price will win the commercial battlefield – particularly as consumers insist on next or same-day deliveries – despite this being a high cost to company. But on-demand is the new normal and brands have little choice but to make their deliveries accessible, seamless and affordable – while still finding ways to be financially sustainable.

“Customers have all the power and can turn on a dime to switch brands instantly and spend elsewhere from the palm of their hands through their mobile phone,” says author Charlie Stewart. Given switching is so easy, brands need to ensure that the entire CX experience is seamless. In particular, consumers are mostly frustrated by payment failure, high shipping fees, clunky sites and slow delivery. Given this, this year the authors extrapolate that the cost of cart abandonment could be as high as R26.621 billion.

“It's clear from this fourth year of research that consumers are savvier about how to use all of online, from social media to chat platforms, in addition to web and app, all the while expecting better service and delivery. They are beginning to dabble in new technologies while holding brands to account on their promises by reviewing products and services online before they buy offline. The single most important thing to do to improve sales is to tackle customer experience,” concludes Charlie Stewart.

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