

Local retail's shift towards customer-centricity through tech

South Africa's retail trade contracted by 1.8% in July 2023, marking the eighth consecutive month of decline, primarily due to tighter monetary conditions. However, businesses harnessing the potential of artificial intelligence (AI) stand to boost their profitability by an estimated 38% by 2035, offering a glimmer of hope.



Laurian Venter, sales director at OneDayOnly.co.za. Image supplied

This is according to Laurian Venter, sales director at OneDayOnly.co.za, who emphasises the need for retail businesses to embrace modern strategies that reshape customer loyalty and experience, with a particular focus on data analytics and AI.

"Consumers are more cash strapped than ever with reportedly 32% of South Africans shopping online to find better deals and save on petrol by minimising shopping trips, with 41% saying they are in a worse financial position than they were a year ago," she points out. "This is why more and more consumers are leaning on loyalty programmes and discounts to make ends meet."

However, she says that in a saturated market, loyalty cards or points are not enough. "It is important to ensure the customer journey encompasses every touchpoint they encounter and that their expectations can be aligned with reality. This can be done through technology which plays a pivotal role in enhancing the customer experience which then needs to be balanced with customer-centric values for the best outcomes and improve customer engagement."



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"Today, personalisation is key with 72% of consumers saying they only engage with marketing messages tailored to their interests," notes Venter. This is reflected in PwC's 2022 Customer Loyalty Survey which revealed that 43% of respondents referenced personalisation in reward programmes with the same research citing the future of loyalty being experience-

based. Retailers scored the second highest when compared to other non-banks when indicating who they would share their data with, giving them the potential to operationalise the data and personalise their product offerings.

With this in mind she highlights that utilising AI is a successful strategy to accomplish this goal. "By analysing consumer behaviour and preferences, businesses can tailor marketing and deploy relevant ads through AdTech platforms that target consumers based on their interests leading to improved return on investment, and overall better customer experiences. This also helps them to predict future interests."



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Beyond personalisation, Venter says that data analytics offer invaluable insights into customer preferences, pain points, and shopping habits. "This can be captured through surveys, reviews, and social media making these valuable resources not only to fine-tune strategies but to boost customer engagement widening the brand's reach."

Going forward, she advises that staying ahead of trends in customer experience is paramount. "Embracing AI-driven technologies is key to future-proofing retail. By optimising supply chains, implementing dynamic pricing, and offering personalised web and app experiences based on customer data, retailers can stay agile and competitive."

"The South African retail sector is undergoing a profound shift in how it approaches customer loyalty and experience. By embracing digital transformation, the sector can redefine the very essence of customer loyalty and experience. As retailers continue to adapt, one thing remains clear: customer-centricity will remain at the heart of their strategies, making every customer feel like a valued partner in their shopping journey," Venter concludes.

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