

Fabiani, Woolworths, H&M, Miladys, Markham, Cotton On, Mr Price score well on customer centricity

A recent survey, conducted by dunnhumby, the 'Customer-Centricity Index' (CCI) reveals that South Africa's most successful apparel retailers are those with a high focus on 'customer-centricity'. The local retailers that scored the highest on their overall customer-centricity score include Fabiani, Woolworths, H&M, Miladys, Markham, Cotton On and Mr Price.



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The dunnhumby CCI report scores retailers on seven 'pillars'. By identifying these key drivers behind a customers' likelihood to repurchase from a particular retailer and their desire to recommend the retailer to friends and family, the study also demonstrates a direct link between customer-centricity and improved financial performance. In the study, retailers were scored out of 100 for their performance against each of the seven pillars in order to determine the most customer-centric retailers.

1. Affinity - A strong connection between the store and the customer. Help customers to get everything that they need and having their expectations surpassed.
2. Range - Having the right products and a strong variety to meet customers' needs. The best companies do not try to carry every possible product but make sure to carry the products their customers want.
3. Service - Making the shopping experience easy, enjoyable and convenient. The best companies make customers want to share their positive experiences.
4. Promotions - Leveraging promotions on the items that are most appealing and often purchased by their current customers. The best companies promote the products that matter most to their customers.
5. Price - Providing prices that are perceived to be in line with what the customer is looking for, on the products they purchase most often. The best companies do not have to be the price leaders, but need to have pricing that customers see as fair.
6. Communications - Personalising the message to customers, based upon what they buy and delivering it in a way they like. The best companies provide tailored, relevant communications based on customer preferences.
7. Rewards - Rewarding and recognising customers in a consistent way that is relevant to how they want to be rewarded. The best companies reward customers in the ways they prefer for how they shop.

Top scorers

According to the latest CCI report, menswear store Fabiani topped South Africa's list for high scores on 'Affinity' and 'Service' pillars with Country Road ranking in second place for 'Affinity' and H&M following closely behind Fabiani on

‘Service’.

Woolworths took the lead in the ‘Range’ and ‘Communications’ categories with H&M and Foschini in second place respectively.

On the ‘Price’ pillar, Pep Stores ranked highest followed by Pick n’ Pay Clothing.

When it comes to ‘Promotions’ H&M led with Jet ranking second and for ‘Rewards’ based on their customer loyalty rewards programmes Pick n’ Pay Clothing were clear leaders with Edgars in second place.

The study found that, of all the pillars, ‘Affinity’ correlates most closely with high Customer-Centricity, indicative of the personal connection that is built by retailers when their offering genuinely reflects their values to drive long-term loyalty. The overall top retailers highlighted in the report consistently perform well on price, range, service and promotions, with attributes reflecting common themes such as good value, enjoyable shopping experience and satisfaction.

Majority fail to meet customers’ needs

However, amongst the 24 major South African retailers surveyed, over 70% of the retailers analysed do not currently meet the levels of customer-centricity required to deliver significant sales and market share growth showing huge potential for local retailers to focus on implementing more customer-centric strategies.

GM of dunnhumby SA, Graeme Tulloch comments, “Although most retailers understand and pay lip service to customer-centricity, we can see from our data that local retailers are mostly still product-centric. Our goal is to help identify gaps and implement effective solutions.”

The global version of the CCI study also shows that in the US, Asia and most of Europe, an enjoyable shopping experience has significant impact on customer perceptions. All highest scoring global retailers shared an emphasis on meeting customer expectations with clearly marked prices, developing trust and transparency, stocking a relevant range of well-valued products complete with an easy checkout process. Therefore, despite the changing, omnichannel retail landscapes the successful retailers here demonstrate that the fundamentals of getting the customer journey in-store right are still paramount.

Highlights

Tulloch highlights the trends revealed by their CCI surveys. “Looking at our data we are seeing trends that there are strong financial rewards to be enjoyed by the most customer-centric retailers. Our report shows that doing one or two things well will help retailers build a connection with shoppers and by focusing on the seven pillars from our CCI report will drive more sales for retailers. For retailers that can forge and protect a niche; the message is to build total clarity around their customer offering. Larger, more general retailers should harness their data assets to listen to customers and personalise key aspects of their proposition on a scale that only they have the power to do.”

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