

# South African retailers slacking on customer experience strategy

South Africa's struggling retailers are significantly lagging behind other sectors and their international counterparts when it comes to appointing customer experience officers (CXOs) to their top teams.



Debbie Goodman-Bhyat

“With the rapid increase in the range and availability of the data that informs business strategy, the role of CXO has been gaining prominence and traction since about 2014,” says Debbie Goodman-Bhyat, CEO of Jack Hammer.

“Since then, when we started noticing an increase in companies searching for senior CXOs, the role has increased exponentially in terms of seniority to its current position where it is now a key leadership and strategic role for businesses looking to survive into the future.”

Previously, customer experience teams were tasked with staffing help-desks and making sure customer queries were suitably addressed. However, in the past few years, customer experience has evolved from a soft focus to a core strategic one, requiring analytical prowess underpinned by high-level business and process improvement skills.

## Metrics and analytics understanding

“The role that CXOs now play, or should be playing, is to be able to understand the market based on the right metrics and analytics and, most importantly, to respond rapidly where action is required.”

In practical terms, this equates to the ability to:

- ensure sufficient stock in stores
- develop sensible delivery systems that allow customers to purchase items from a store and then take them home, instead of having to use home-delivery services at additional cost
- ensure that when items are not in stock for an online grocery delivery, they are sourced elsewhere immediately
- offer inter-store transfers and home deliveries within 24 hours
- adapt product offerings within days or weeks instead of months or years
- change business models and services when it becomes clear that the market or consumer behaviour has changed
- enable someone who wants to purchase something to do so before losing interest – or moving to a competitor - because a business is unable to deliver the right product at the right time in the right way



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“Now, most of this seems basic. Yet, despite the access to data and the insights derived from the analytics, retailers are still struggling to get these basics right.

“Most sectors realise the importance of this relatively new and evolving role and that it is a niche role whose duties cannot be divided between or passed around among existing senior leadership roles. However, despite its failing fortunes, local retail still seems stuck in business structures and processes that worked in the past but are no longer sufficient.

“The retail sector’s slow response in implementing high-level customer experience structures became evident in our recent search for a top tier CXO. Out of 56 local and international heads of customer experience (or similar), identified as potential candidates during the search, only 11% were currently operating in retailers in South Africa.

## **Cross-functional role**

“Every retailer and consumer facing business already has access to the data or the ability to access the data, to be able to analyse their market and performance. However, most important to understand, is that the data and insights are only as good as the ability to effect change.

“This is where the power of the CXO comes to the fore, or not. As a cross-functional role, the CXO must be in a position to influence all areas of the business – from product to marketing, to communication and training – everything. If a CXO does not have the ability to action and influence effectively and efficiently, it is all a waste of time.

“It is clear that now, more than ever, retailers have to invest in CXOs and ensure their roles are clearly defined, focused and empowered. These leaders must be willing and able to move with speed, based on what the data show about customers and their purchasing behaviour, if retail is to embark on the road to recovery,” concludes Goodman-Bhyat.

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