

Local e-commerce sites need to up their game if they hope to retain customer loyalty

By [Jenni-Ruth Coggin](#) , issued by [BMi Research](#)

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There is no question that the Covid-19 pandemic has accelerated the trend towards online shopping even in South Africa where the uptake of e-commerce has traditionally lagged global trends. Last year, Nielsen reported that online shopping jumped from 9% to 44% in South Africa.



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In response to the growing demand for the convenience of online shopping during the lockdown, many businesses quickly amped up their e-commerce platforms in order to capitalise on this increased demand. However, what is becoming increasingly apparent is that many of these businesses have not made sufficient investments into their e-commerce platforms, with the result that they are leaving online shoppers frustrated and disappointed.

Not only is this eroding brand loyalty but it is also potentially driving previously loyal customers to competitors.

In the third quarter of 2020, BMi Research conducted the CX Online pilot study – which surveyed online e-commerce stores with each store evaluated by 10 experienced online mystery shoppers. The study was part of the launch of our CX Online solution which measures and helps companies improve their customer's online shopping experience.



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Amongst the most frustrating elements that our mystery shoppers reported are poorly executed search and navigation engines, promotional items that are out of stock and inadequate distribution mechanisms.

Most stores don't realise how bad their e-commerce sites are or the fact that their search engines are woefully inadequate. This is because, in many instances, they have made a once-off investment and believe that is sufficient. However, their sites fail to take the entire online customer experience into account. If a shopper can't find the item, they are looking for it quickly and easily, they will soon try a different store.

Many South African consumers, particularly those on the lower end of the socio-economic scale, shop for bargains. It's not too hard to imagine the disappointment when an online shopper clicks to select a particular promotional item only to be informed that it's currently out of stock.



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Our mystery shoppers reported that although promotional items were easy to find, only 55% of promotional items were in stock. Shoppers were informed of this out-of-stock status at different stages of the shopping cycle depending on which site they were on. Some informed the shopper from the outset that the item was out of stock while others only informed the shopper when they were trying to put the item in their basket. An alarming third were only informed at check-out that an item was out of stock. One platform – much to the chagrin of the shopper – only revealed that an item was out of stock when delivery was made, long after the item had been paid for.

The reason so many items are frequently out of stock is that online retailers are battling to reconcile their offline and online distribution chains. In the offline space, the items are scanned at the till and the system automatically recounts available stock – updating the data on a daily basis. In the online space, consumers are able to shop 24 hours a day but systems have not been adjusted to update stock data more frequently.

When products – particularly promotional items – are consistently out of stock it not only erodes brand loyalty but also dilutes trust in the store and reduces customer loyalty.

Currently, the number of shoppers who continue to support brick-and-mortar stores outnumbers online shoppers. This is a trend that is set to change as more consumers embrace the ease and convenience of shopping online. However, those stores that have not made sufficient investments in their e-commerce platforms and stock control systems are likely to experience eroding market share as online shoppers migrate to those e-commerce sites that offer a more satisfying consumer experience.

BMi Research's CX Online tool takes traditional mystery shopping solutions focused on in-store evaluations a logical step further given the accelerated penetration of e-commerce and online shopping, measuring the overall experience from the perspective of the online customer including the online shopping experience, the transaction process and the delivery experience, allowing retailers to adapt their offering in order to ensure an optimal customer experience.

For further information regarding CX Online, please contact Jenni-Ruth Coggin on 076 170 6989 or visit <https://www.bmi.co.za/cx-online/>

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