



Using big data for big impact in South Africa's main consumer market

Great marketing is an art, but big data has introduced a scientific element to marketing campaigns and smart marketers are relying on data more and more to inform, test and develop their approach. While data and analytics will never replace the creative minds behind the most inspiring campaigns, they do provide marketers with the precision tools to hone their strategies and brand positioning.

Big data analytics is now being applied at every step of the retail process: from predicting popular products to identifying the customers who are likely to be interested in these products and what to sell them next. Consumers, in turn, expect a certain amount of guided selling. They want to know about products that interest and appeal specifically to them, and they are used to being presented with products and promotions uniquely tailored to their preferences and habits. Catering to that individuality has been proven to increase revenue, customer satisfaction and brand loyalty.

This is especially true for big data collected from customer loyalty and rewards programmes, as it yields unsurpassed insights by providing a detailed, comprehensive picture of a customer, including their likes and dislikes, gender and location, their social media presence, their preference for being rewarded, and much more. These insights are invaluable for brands that seek to increase revenue, improve the customer experience and shape their brands for the future.

A case in point in the South African context is Retail Engage, a division of fintech and customer engagement group, AKELO, which owns and operates one of the largest 'main market' shopper rewards programmes called bonsella. Targeting more than 10 million consumers, bonsella enables brands to connect with a large proportion of the economically active main market consumer base in South Africa.

AKELO Group CEO, Andrew Weinberg, says, 'The main market comprises the majority market, or the 'base of the pyramid', making up a significant portion of consumer FMCG spend. Comprising of LSM's 3 to 7, this market moves between formal and informal retail spaces shopping for value, convenience and trust. Brands find it challenging to communicate with this market because of the lack of measurable media and communication platforms available. But by connecting retailers, shoppers and brands and providing instant gratification rewards – instant airtime to their mobile phones – for purchases of goods on promotion, bonsella delivers more value on the purchase, which is a vital motivator for this portion of the market. In addition, participating retailers benefit from increased footfall and products on campaign to attract more spend in store.'

Weinberg says that, now more than ever, this consumer is looking for added value and tangible rewards in real-time. 'We have seen a shift in the needle for as little as 10% of the value of the product and we regularly undertake research to ensure that our understanding of what motivates this market is relevant at all times.'

An example of how this system can drive brand awareness, sales and loyalty is a recent hair product promotion that yielded a 210%-plus increase in sales over the three-month campaign period. Retail Engage was also able to provide the brand with in-depth analysis of who these shoppers are and what do their baskets consist of. The client then applied customer analytics to uncover, interpret and act on these meaningful data insights.

'Because of our immersion and the level of trust we've established in this market, we also regularly undertake market research for our stores and clients, which leads to enhanced understanding of their target audience and how to market their brand,' says Weinberg.

Based on the 10 years of experience that Retail Engage has had in this market, Weinberg shares some nuggets of advice to guide brands seeking to target South Africa's main market customer:

1. Sometimes less is more

High volumes bring with them higher costs of sale and less visibility, as shelf space is in higher demand and there is more 'noise'. There are better gains to be had in focused areas that may not offer as high density but provide the advantages of loyalty and engagement.

2. Shopper engagement and point of sale are key influences

Main market consumers generally place more trust in traditional advertising. This is a great opportunity for brands to leverage in-person activations and instore displays to reinforce the brand message and convert shoppers to buyers.

3. Tailor price points and promotions for each retail channel

Shopper purpose and frequency by channel can vary widely, so understanding shopper behaviour is key in determining the correct pack size, price point and promotion for a spaza shop versus a hypermarket or a wholesaler.

4. Great experiences

Main market consumers are more likely to talk about their experiences – both positive and negative. Winning them over is more likely to result in a brand being advocated across social media platforms and in person.

5. It's not the amount of data that matters but the way an organisation uses it

While promotions provide significant short-term gains in sales, the real winners in this market are those brands that use the data they glean from their promotions to further build brand awareness, trust and loyalty among their target audiences.

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