

Retailers...listen to your customers but stay within the law

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Since the global pandemic, customer demands have evolved. It has become even more important for retailers to listen to the voice of the customer and understand the factors that influence customer experience.



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Retailers typically focus on brand experience and customer experience to analyse their relationships with their customers. To measure these factors, Net Promoter Score (NPS) and Customer Satisfaction (CSAT) are the two most significant and commonly used customer metrics.

NPS measures the extent to which individual customers would recommend a product or service and CSAT measures individual customers' satisfaction with a product or service. While these metrics are popular and have provided retailers with valuable information about their customers, they often fall short in identifying truly actionable customer feedback and insights.

This is where Voice of the Customer (VoC) comes in. VoC involves gathering and analysing customer data about a brand or its products and services to improve the retailer's products and services, and overall brand and customer satisfaction.



Retailers using AI should be aware of personal privacy issues

Wendy Tembedza 12 Jul 2022



Transformative power of VoC data

By capturing how customers feel about a product or service and providing a detailed understanding of the customers' requirements, VoC provides insights that can help retailers retain their customers, build better products and services, and create a stronger brand and customer experience.

Accessing, understanding, and utilising VoC data can help to transform a retailer's operations and brand – from sales to delivery to service. VoC can transform a retailer's operations and brand in the following ways:

- enhanced brand perception through understanding the end-to-end customer journey and improving the customer experience;
- increased revenue through data driven sales and service offerings, and the ability to attract new customers;
- improved customer satisfaction by analysing the customers' demands and expectations, identifying issues with the customers' experience and proactively responding to them; and
- managing costs by making more efficient decisions that benefit customers and reduce operational costs.

Gaining insight to improve brand and customer experience calls for the use of artificial intelligence (AI) in VoC programmes. Retailers such as the Shoprite Group have introduced AI and machine learning to predict sales at its stores and avoid unnecessary wastage.

The AI model that the Shoprite Group has implemented considers various parameters, including what products to stock and when, so that replenishment orders are placed automatically to ensure that stock is always available for customers while simultaneously reducing food waste. Not only does this enhance the Shoprite Group's brand and customer experience but it also has significant environmental and economic implications.



How Shoprite uses AI, machine learning to tackle food waste

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PoPIA compliance

Retailers implementing VoC need to ensure that their VoC programme is compliant with the Protection of Personal Information Act, 2013 (PoPIA). PoPIA protects customers from retailers unlawfully processing their personal information. The definition of personal information under section 1 of PoPIA includes information relating to the "personal views, opinions or preferences of the person... and the views or opinions of another individual about the person."

To ensure compliance with PoPIA, retailers should ensure that the VoC software they use de-identifies data collected from

customers. This would exclude the personal information from the application of PoPIA.

To the extent that the personal information collected from customers cannot be de-identified, the retailers must ensure that the customers are aware that their personal information will be used as customer feedback to enhance brand and customer experience, and the use of the customers' personal information must be compatible only with that purpose. If not, the retailer must obtain the customers' consent before using the customers' personal information for any other purpose.

Although focusing on NPS and CSAT has provided retailers with a valuable sense of how their customers feel about their products and services, by listening to VoC and embracing the wealth of data available, retailers can understand and then meet their customers' needs and deliver a holistic, transformative, and innovative brand and customer experience.

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