

# The Touch-Feely Consumer

**Margaret Mentz**

*Deputy Editor Rondrits &  
Special Projects Media24*

Media24mentz@media24.com

## OPINION

Summary based on Sarina de Beer's market opinion based on Ask Afrika Orange Index®

Service levels are up, but that does not necessarily mean customers are more loyal to brands. This is according to Sarina de Beer, managing director at Ask Afrika, South Africa's largest independent market research company. In the Ask Afrika Orange Index® survey, which evaluates company and government department performance through national benchmarks on service excellence, 155 companies from 32 industries were measured this year. Overall, service has improved by 1.7%. The companies that did extremely well fulfilled most of the needs that consumers value from a service perspective.

These companies first and foremost get the basics right and are seen as reliable, having a good reputation and being responsive. Companies that are not performing well do not even succeed in meeting the basic aspects of service delivery. One of the key indicators of companies that do not do well is that it takes too much effort on the part of customers to engage with these companies.

Loyalty comes from multidimensional drivers. Good service alone will not necessarily translate into loyalty. "The research this year revealed that emotion is becoming increasingly important in how the service interaction is perceived or judged," said De Beer. "When a consumer engages with a company, they bring their current emotional

state to the service encounter, which is then impacted by the service experience. Service in itself contributes only 11% to loyalty. Emotional satisfaction, meaningful engagement and trust yield customer commitment.

"It is not only about how the transaction or complaint is dealt with, but also about the feelings that customers are left with after the encounter. "As a result, what the consumer will say about your brand comes from what he felt during the engagement with the brand. The extent of how loyal a customer is towards a brand is driven in part by how they feel about the brand. The emotional side to the service experience is starting to dominate the rational side," said De Beer. According to behavioural economists like Daniel Kahneman, "we are not thinking machines that feel. We are feeling machines that think."

The Ask Afrika Orange Index® survey showed that loyalty is driven by emotions, on the one hand, and trust, fairness and the strength of the relationship, on the other. The knowledge revolution means customers have the power to be advocates or to derail brands using social media and other public forums.

"Consumers are very comfortable to vent emotionally in real time during or immediately after an unpleasant service experience.

Businesses are under pressure to respond to emotional outbursts as well as rational logical customer feedback with immediacy,” said De Beer.

There is much innovation happening from a marketing and product perspective, but the improvements in service lag somewhat. Companies have instant access to customer information through loyalty cards and other customer relationship management databases, but when it comes to service engagement, the insights from this data are not being used optimally. For example, when passengers have to catch a flight, they can book online and check in online, but they still need to be at the airport two or three hours before a flight. The question customers ask is: “If technology is easing certain aspects of travel, why are other aspects left behind?” In July 2014, Dutch train operators ProRail announced plans to introduce LED displays – the length of the platforms – that provide real-time information to passengers. The LED strips show information on carriage congestion, as well as information on where carriage doors will open, which carriages are best for bikes and buggies, and where quiet carriages are located.

Innovations of this nature need to filter down to the service environment in order to make a sizable impact on the service experience.

Another important element to take into account is how things that go on in the world – called global corruption – have a knock-on effect on customer service here at home. De Beer explained that because certain individuals have abused or are abusing a system, consumers end up paying a penalty. For example, people have to go through rigorous security checks, be at airports for three hours before travelling, and endure strip searches as they pay the price for security breaches and failures that have had catastrophic effects.

In South Africa, due to the Regulation of Interception of Communications and Provision of Communication- Related Information Act – which is a crime prevention initiative instituted by the government – it is now compulsory for everyone to register a SIM card. For a customer, a simple, straightforward transaction has now been extended because all the

necessary paperwork has to be taken into account when purchasing a SIM card.

Problems that arise as a result of poor governance and corruption from both private and public sectors have become customers’ problems. The service context within which companies are operating continues to evolve.

The businesses that understand and respond to both the global and local context, and how it impacts their customers’ service expectations and perceptions, will be in a better position to deliver exceptional service. As consumers get more savvy, brands need to work ever harder to try to build loyalty through service.)

The Ask Afrika Orange Index® survey has been conducted annually since 2001. The research measures customer satisfaction across a range of industries and companies. This project is commissioned and paid for by Media24 advertising.



Source: City Press, 2014.