South African Retail Sentiment Index

2023

In collaboration with

Contents

01 | Foreword

PwC is delighted to partner with DataEQ on the release of the first Retail Sentiment Index. In the context of pervasive load-shedding, growth in the on-demand delivery channels, a stabilisation in returning to in-store shopping and an increased focus on cost-saving measures, this Index showcases customer sentiment towards South African retailers.

Further research has shown increased pressure on consumers' retail spending behaviour as personal financial circumstances are further strained by tough macro-economic conditions. However, through these headwinds arise opportunities to drive customer loyalty like never before.

With retailers driving highly competitive pricing strategies, it is evident that consumers are placing greater expectations on the integration of in-store and online experiences and how enabling technology can be used to drive retail personalisation.

Bad experiences — even just one — can cost you customers. More than half (55%) of respondents said they would stop buying from a company that they otherwise liked after several bad experiences, and 8% said they would stop after just one bad experience. It doesn't just have to be 'bad' experiences for some to leave, as 32% said they would drop a company if it provided inconsistent experiences[1].

Although automation is a key consideration in driving further efficiencies in the retail industry, consumers still seek human interaction and place high levels of importance on the customer service associated with both physical and digital engagement. With a disappointing industry customer service Net Sentiment, it is critical for retailers to determine how to balance investments in human interaction with offering an engaging digital experience.

Key to this is reimagining and redesigning the service operating model to empower front-line staff with the right skills, visibility and access to integrated technology in order to efficiently and effectively resolve customer queries across multiple channels.

Most interestingly, a number of PwC surveys have indicated that consumers are more willing to share their personal data with retailers for a better, more personalised customer experience. The effective use of this data will enable a greater understanding of changing consumer behaviour, appropriate and more relevant customer segmentation and the ability to drive effective engagement and stronger individual connections with customers[2].

[1] *PwC's 2022 Customer Loyalty Survey*

[2] *PwC's 2022 Customer Loyalty Survey*
PwC's 2022 Payments and Open Banking Survey
PwC's 2022 Global Consumer Insights Survey

02 | Introduction

Recent years have been riddled with uncertainty for South African retailers. Amid economic turbulence, dubious consumer demand and unpredictable supply chains, it's been a challenge to forecast anything with confidence. This is why now, more than ever before, it is critical for local retailers to tap into the latest trends and listen to what consumers are saying.

In a quest to gain deeper insights into the current state of South Africa's retail sector, PwC has partnered with DataEQ to gauge how satisfied local consumers are with their grocery chains. The result is the South African Retail Sentiment Index – an annual analysis of consumer sentiment on social media towards the country's six major retailers.

Having tracked over one-and-a-half-million public social media posts about Woolworths, Shoprite, Checkers, SPAR, Pick n Pay, and Food Lover's Market for the period 1 January to 31 December 2022, the index addresses consumer sentiment, key performance analysis, and industry risks.

Given the growing public awareness around sustainable retail practices, the index also includes a dedicated analysis of the key public concerns related to environmental, social and governance (ESG) issues affecting retailers specifically.

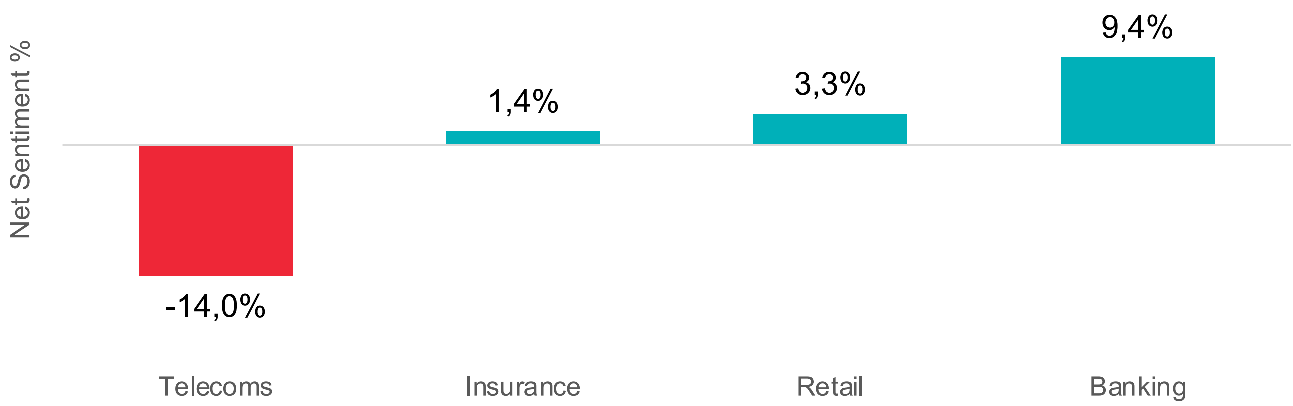
03

Industry overview

South African retailers ranked second in industry comparison

Achieving a positive overall score of 3.3%, South African retailers outperformed local telecommunication and insurance companies, but underperformed banks in a cross-industry Net Sentiment comparison[1]. Net Sentiment is an aggregated customer satisfaction metric that is calculated by subtracting negative sentiment from positive sentiment.

Cross-industry view: Public Net Sentiment



PwC insights snapshot

The banking sector drove large volumes of positivity towards their product offerings, as well as reward and loyalty programmes, as the message that banks were giving back to customers during tough economic times, where the basic cost of living is on the rise, was well received. They also made significant improvements in their branch experience as the channel came out net positive for the first time in eight years.

The insurance industry saw positivity towards engaging and consistent experiences for its customers, citing staff competency, staff feedback and staff conduct as among the most positive. The industry also saw noticeable improvements in the ease of use of their digital platforms as consumers could complete simple tasks through apps. The telco industry was once again the lowest performing, with an average Net Sentiment of -14%, which was heavily impacted by poor customer service.

Certain telcos drove positivity in their investments to maintain network connectivity during load-shedding, and their influencer strategy of driving acquisition campaigns online resulted in purchase interest and conversations about switching operators.

[1] Average public Net Sentiment for the banking industry references results reported on the 2022 South African Banking Sentiment Index, which analysed conversation about eight banks over the 1 August 2021 - 30 September 2022 period.

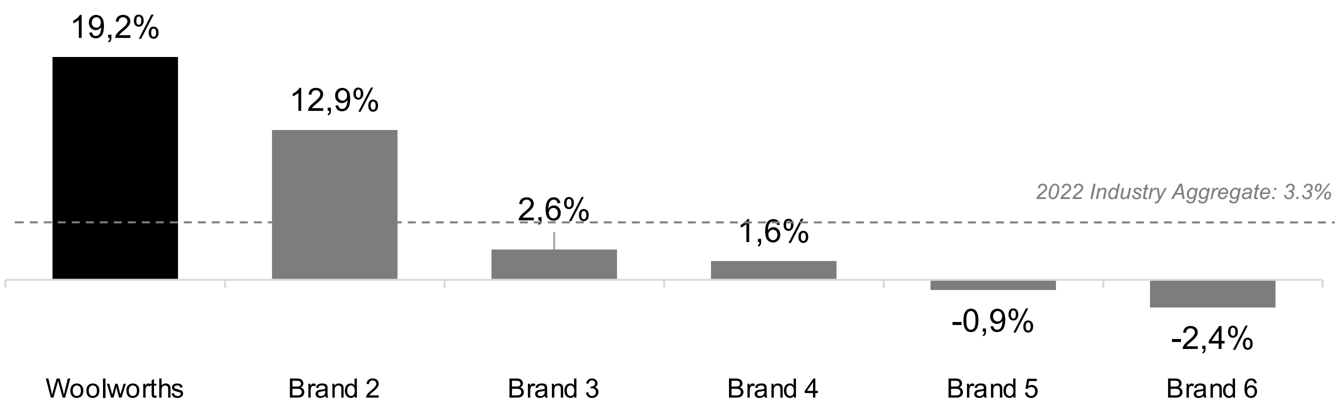
Average public Net Sentiment for the insurance industry references results reported on the 2021 South African Insurance Sentiment Index, which analysed conversation about fifteen insurers over the 1 April 2021 – 30 March 2022 period.

Average public Net Sentiment for the telecoms industry looks at conversation about South Africa's largest telecom service providers over the 1 January 2021 – 31 December 2022 period.

Woolworths came out tops in overall Net Sentiment

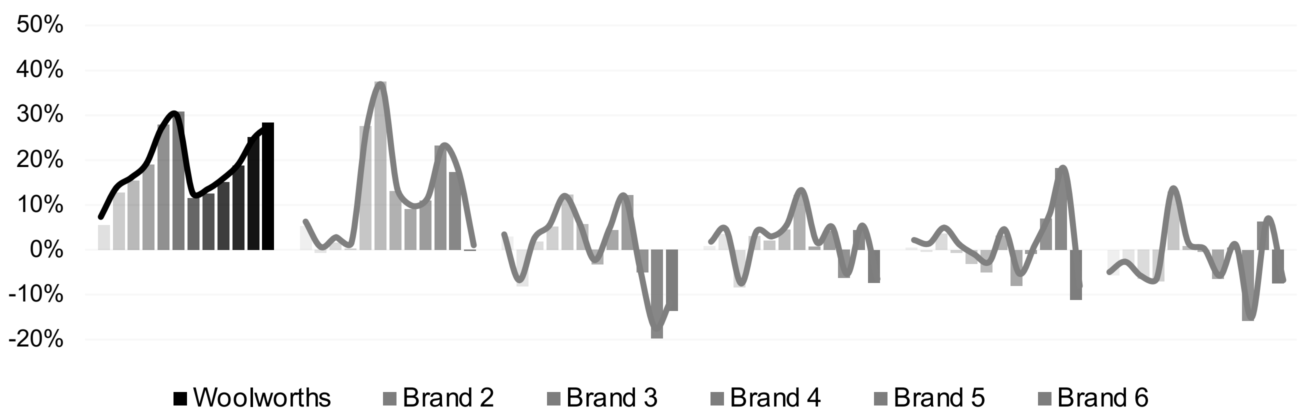
Having outperformed the other retailers across the three identified areas of customer satisfaction in this report - namely service, pricing and product offering - Woolworths achieved the highest overall Net Sentiment score of 19.2%.

Public Net Sentiment



Woolworths was also, impressively, the only brand to maintain a positive Net Sentiment score throughout the year.

Monthly Net Sentiment: 2022

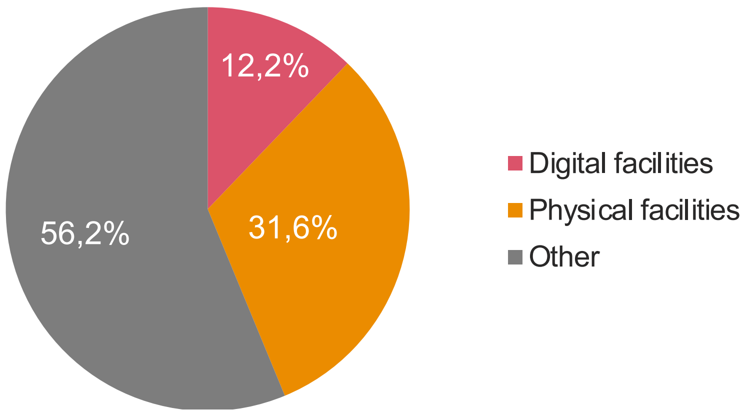


The retailer successfully leveraged off its key partnership with the Expresso TV show on SABC 3 to bolster not only its online presence but also its key campaigns and special offers. Through this partnership, Woolworths gained valuable promotion for its Christmas and Easter campaigns, which featured prominently in positive conversation.

Consumers spoke more critically about physical facilities than digital facilities

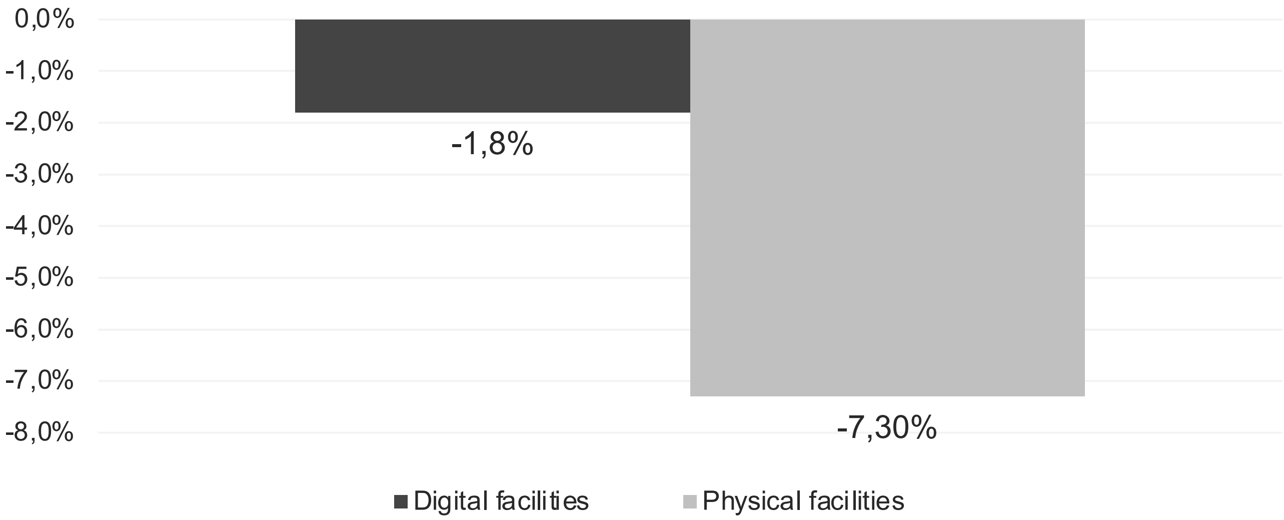
On an industry level, consumers shared feedback on in-store experiences - such as cashiers, tills, kiosks and ATMs - more than they did digital facilities like apps, online delivery platforms, websites and digital financial service offerings. This, however, was largely due to the fact that not all retailers are offering a large array of digital services yet.

Volume distribution



While garnering a higher volume of conversation, retailers' physical facilities received more criticism than their digital facilities, as shown by the sentiment distribution. For retailers that have successfully shifted focus to the digital space, the conversation around digital facilities was overall positive, indicating that these services and the campaigns around promoting digital retail offerings resonated well with customers.

Sentiment distribution



This sentiment trend is likely an indication of a broader shift in shopper behaviour towards digital retail experiences. That said, consumer sentiment towards digital facilities is still net negative, showing that the overall experience being created by online and delivery services has room for improvement.

PwC future watch: Consumers are showing an increased desire for a more holistic in-store shopping experience

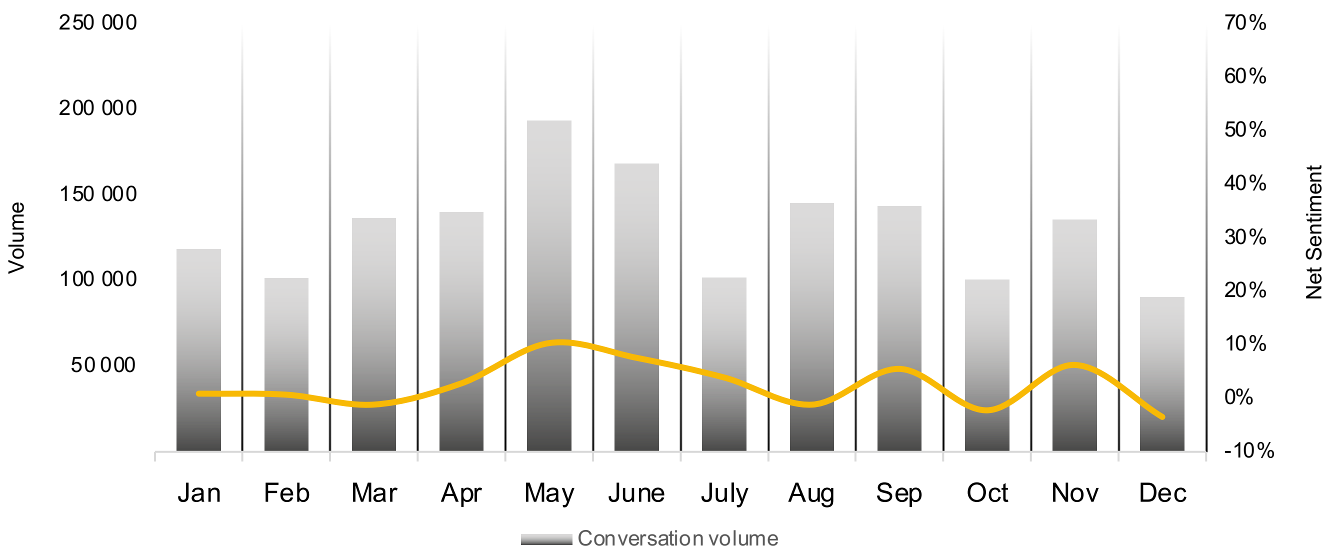
Although engagement with digital service offerings continues to steadily grow, the experience of the physical store is a critical touchpoint for how consumers feel about the retailer. Consumers expect the basics to be done and to a high standard in an environment that should be driving a customer-centric, high-touch and consistent experience.

According to *PwC's Global Consumer Insights Survey*, consumers are seeking a seamless blend of digital and physical shopping experiences and shoppers are increasingly drawn to digital features that enhance their in-store shopping experience. These features include a deeper integration of physical stores that provide customers with the ability to touch and examine products as well as access to knowledgeable and helpful sales associates combined with the convenience and personalisation of digital capabilities.

Banking partnerships identified as a key opportunity for retailers

Considering the positive sentiment being driven by South African banks, it is unsurprising that retailers' partnerships with banks garnered positive conversation on social media.

Industry Volume and Net Sentiment: 2022



Both industry volume and Net Sentiment peaked in May as the #AbsaRewardsBDay campaign garnered positivity, particularly for Pick n Pay and Woolworths. Consumers engaged with the campaign by stating which retailer they would spend their Absa cash back at. Other sources of positivity in May included the launch of Shoprite's money market account.

PwC future watch: *PwC's Open Banking survey* indicates that consumers may become more reliant on financial services provided by retailers.

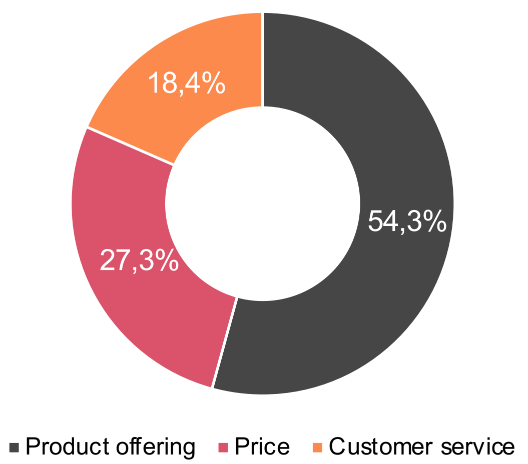
As consumers embrace digital payments, they are moving away from incumbents as their only payment service providers. The convergence of industries and evolving customer willingness to engage with non-bank financial services players is providing retailers with an opportunity to expand their offering. According to *PwC's Open Banking survey*, respondents placed significantly more trust in retailers for operating their accounts than any other non-bank institution.

04

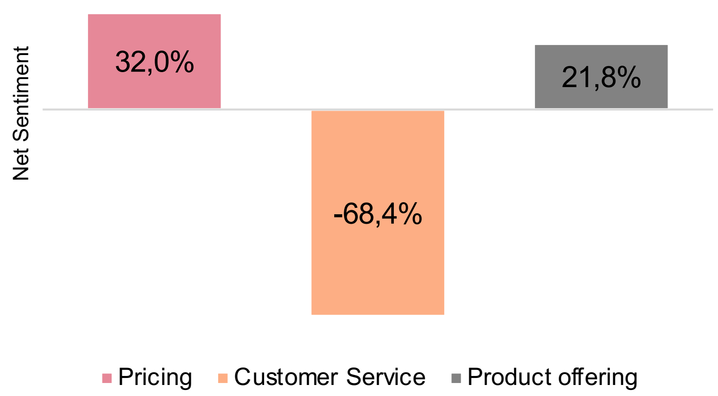
Customer satisfaction drivers

This section serves as a deep dive into three identified customer satisfaction drivers through which retailers can offer value to customers, namely customer service, pricing and product offering.

Volume distribution



Net Sentiment

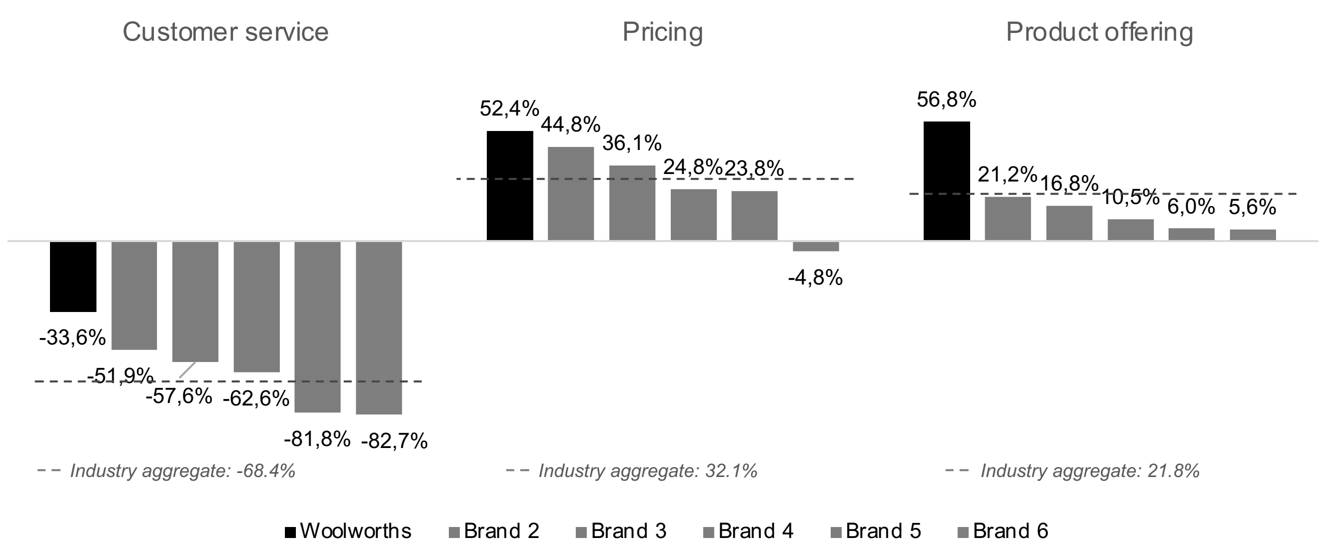


Notably, consumer conversation around customer service was overall negative, whereas pricing- and product-related conversation drove positivity across the industry.

Woolworths dominated across all three satisfaction drivers

As the leader in overall Net Sentiment, Woolworths outperformed the industry in customer service, pricing, and product offering.

Net Sentiment per retailer



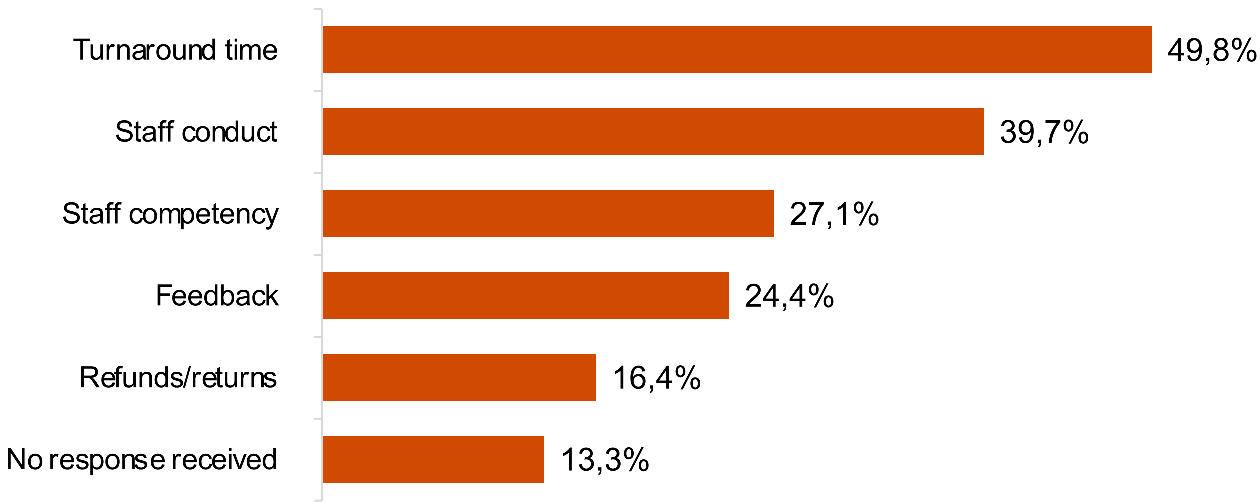
In pricing conversation, consumers debated the affordability of Woolworths, with many saying that the retailer was relatively less expensive than some of the other brands. Under product-related mentions, Woolworths was lauded for its house brands and high-quality goods.

When it came to customer service, however, even the top performer saw an overall negative Net Sentiment. That said, Woolworths did experience significantly fewer customer service complaints than the rest of the industry, with positivity stemming from compliments towards service received from staff such as cashiers and floor staff.

Customer service was the most prominent pain point across the industry

While customer service conversation comprised a lower stake (18.4%) of sentiment-bearing mentions than product (54.3%) and pricing (27.3%) conversation, it carried by far the lowest Net Sentiment, scoring -68.5%.

Drivers of service complaints comparison



Staff conduct and competency both contributed significantly to this negative conversation, as consumers raised concerns about the service they received from cashiers at some of the retailers.

The biggest driver of complaints across the industry, however, was slow turnaround time, which comprised almost half (49.8%) of all negative conversation around customer service. This highlighted consumers' high expectations for fast and efficient service both online and in-store.

Customers expressed frustration on social media

Shoppers often turned to social platforms to voice their frustration when queries weren't resolved via other channels, with the expectation that social service agents would be equipped to answer them or be able to communicate with other service teams quickly to resolve the issues at hand.

Unfortunately, in many instances, unanswered mentions and delayed responses on social platforms further compounded consumer frustration. When analysing response rates across the industry, it emerged that retailers only responded to a third (33.4%) of public Twitter mentions that cited a customer service request of feedback, leaving the majority of consumer posts unanswered. And for the mentions that did receive a response, retailers took on average 12.8 hours (within a 24-hour period) to respond.

PwC future watch: Addressing customer service complaints will require technology integration and rethinking retailers' traditional operating models.

PwC and DataEQ have developed a customer service assessment, providing an assessment of the current vs future capabilities needed in order to service customers across multiple platforms and resolve those queries efficiently through integrating technology and multi-skilled teams.

This often requires a change in the traditional operating model and moving towards a target operating model that is omnichannel-led, empowering staff with visibility of the customer at each touchpoint.

The price was right

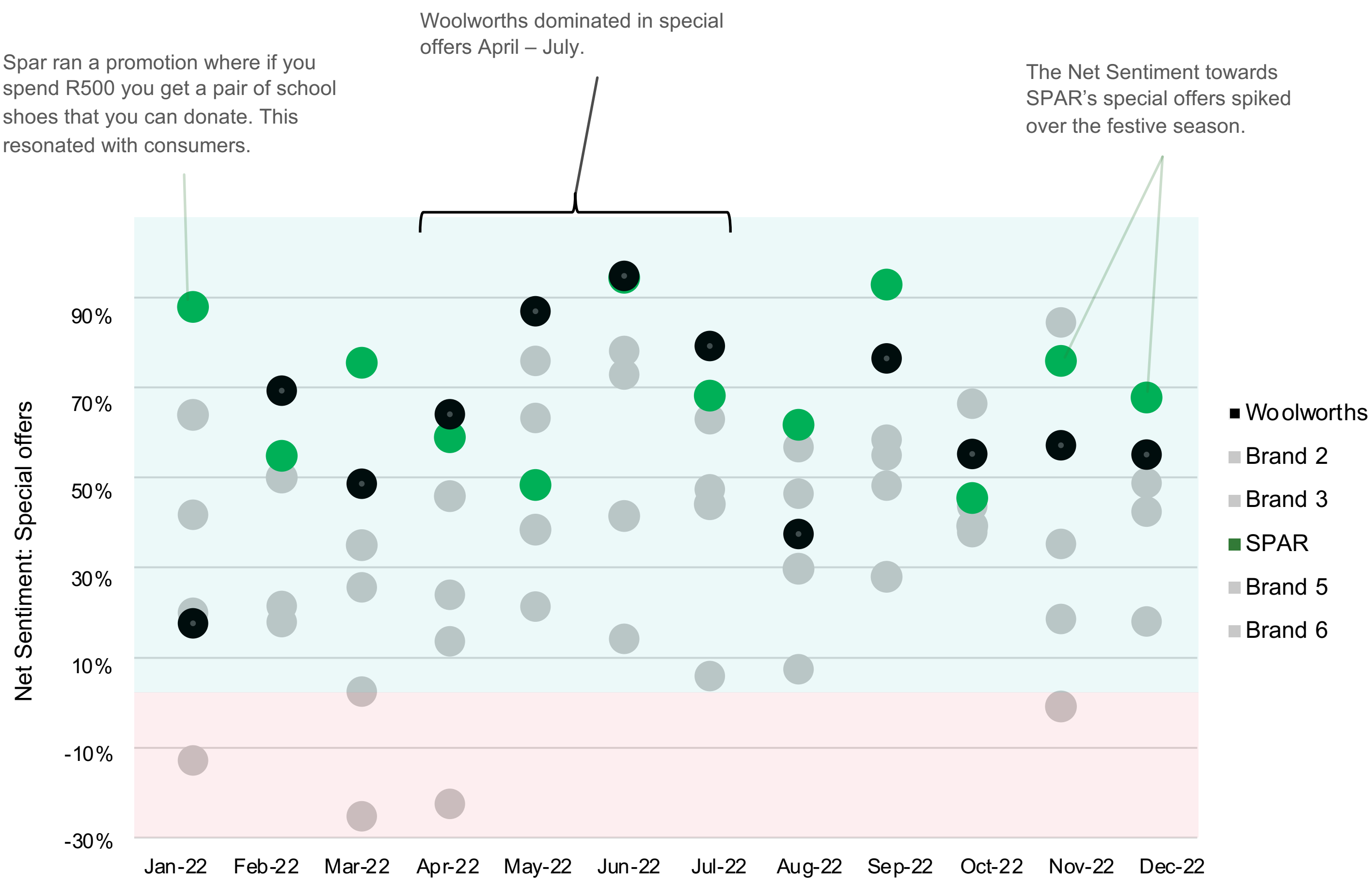
Against a challenging economic backdrop of elevated inflation and rising interest rates, consumers' positive experiences and perceptions around pricing may seem surprising. When delving into this conversation, however, it emerged that retailers leveraged special offers and promotions - especially relating to essential items - to shape their narrative about pricing.

One retailer's promotion on Canola oil, for example, drove a surge in positive sentiment. This highlights the impact of turbulent pricing during 2022 as a result of the Russia-Ukraine war, and the desire of consumers to save money on essential grocery items.

SPAR and Woolworths went head to head on special offers

Throughout the year, SPAR and Woolworths were both consistent in launching a number of enticing special offers that drove engagement and positive Net Sentiment.

Net Sentiment: Special offers



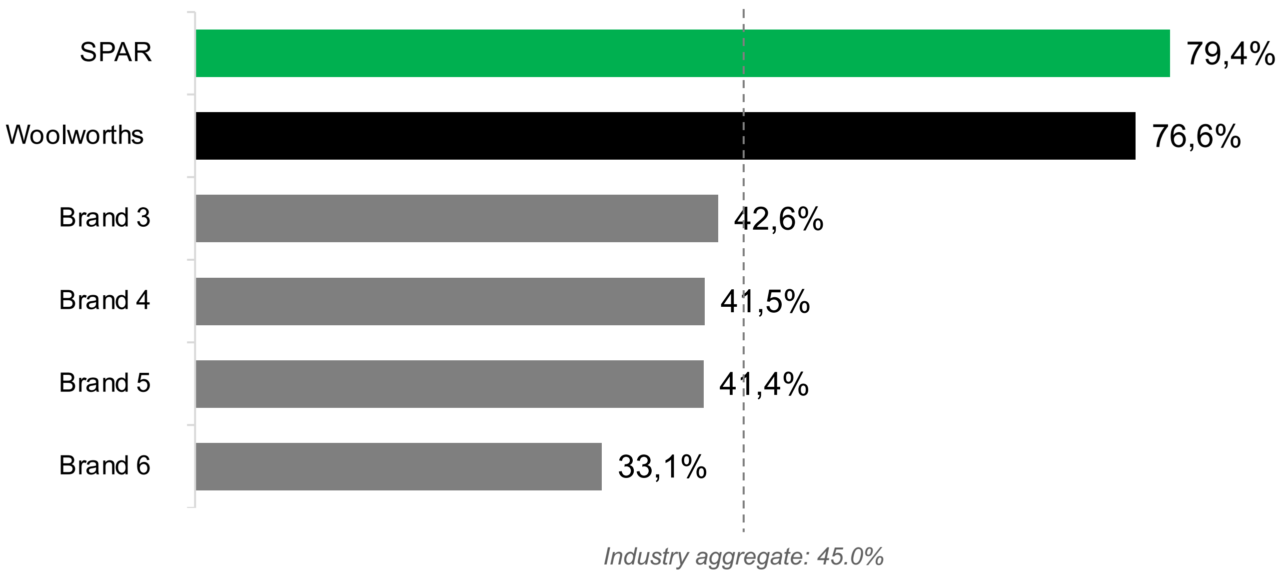
While SPAR dominated in the first quarter with promotions on school shoes, Valentines Day sales and various food and drink specials, Woolworths took the lead between May and July with offers ranging from wine and food items, to nappies and homeware. Woolworths' Mother's and Father's day campaigns also drove high engagement levels over this period, as they were promoted by the Expresso TV show.

SPAR ended the year off strong with promotions such as #3DaysOfDeals in September, followed by Black Friday specials in October and festive season offers going into November and December.

SPAR won on special offers, but Woolworths took overall pricing Net Sentiment

Overall, SPAR managed to nab the highest Net Sentiment score towards special offers, but Woolworths was able to better control their pricing narrative through key partnerships and financial services, which resulted in their overall lead for pricing Net Sentiment.

Net Sentiment towards special offers



While special offers played a key role in driving positive sentiment around pricing, it should be noted that consumers still value the general affordability of products over special offers and campaigns.

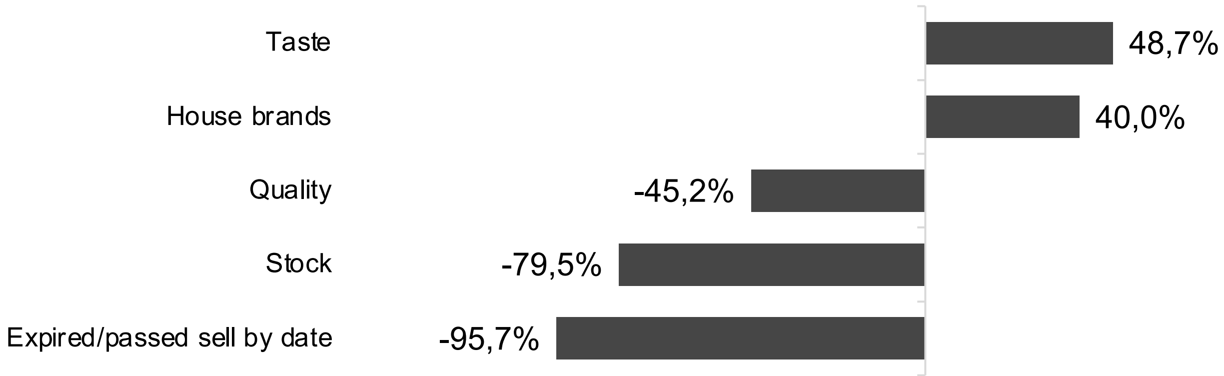
PwC insights snapshot:

PwC's Global Consumers Insights Survey points to South Africans having growing concern toward. affordability - nearly 99% of respondents indicated that they are adopting behaviours that help them save money. This includes delaying purchases until the items are on promotion and buying in bulk to save over time. A significant decrease in spend across all retail categories is expected, likely to exert additional pressure on retailers who are already grappling with constrained margins.

Product feedback was overall positive, but complaints around quality and freshness drove negativity

Over half of all sentiment-bearing conversation was related to products or product feedback, referencing elements such as taste and product ranges, as well as produce quality and freshness.

Net Sentiment towards themes within product feedback



Consumers were mostly positive in their feedback towards retailers' house brands, with the industry conversation around house brands scoring an impressive aggregate Net Sentiment of 40%. Major drivers of negativity, on the other hand, were food quality, stock and expired produce. These areas of concern around quality and freshness were especially prevalent in the first six months of 2022, as the incidence of load-shedding was on the rise.

PwC future watch: Expansion of dark stores and last-mile delivery infrastructure is critical in mitigating lost sales through stock availability

Consumers often expect instant order fulfilment even when the product is out of stock, resulting in a constant switching between retailers. This includes fulfilment via home delivery or collection from the store. Expansion of dark stores and last mile delivery to enhance the fulfilment experience is fast becoming a critical execution point for retailers to save those sales. Some retailers are opting for a digital wall in store for customers to browse the entire range. This requires a different supply chain and inventory must be held in a different location or in a dark store. A key consideration of last mile delivery and dark stores is that visibility must be in one place, and speed-to-customer must increase.

Investment into these capabilities for grocery retail will be a differentiator, but the introduction of on-demand delivery of fashion and homeware through dark store expansion will provide the opportunity to corner that segment of the market.

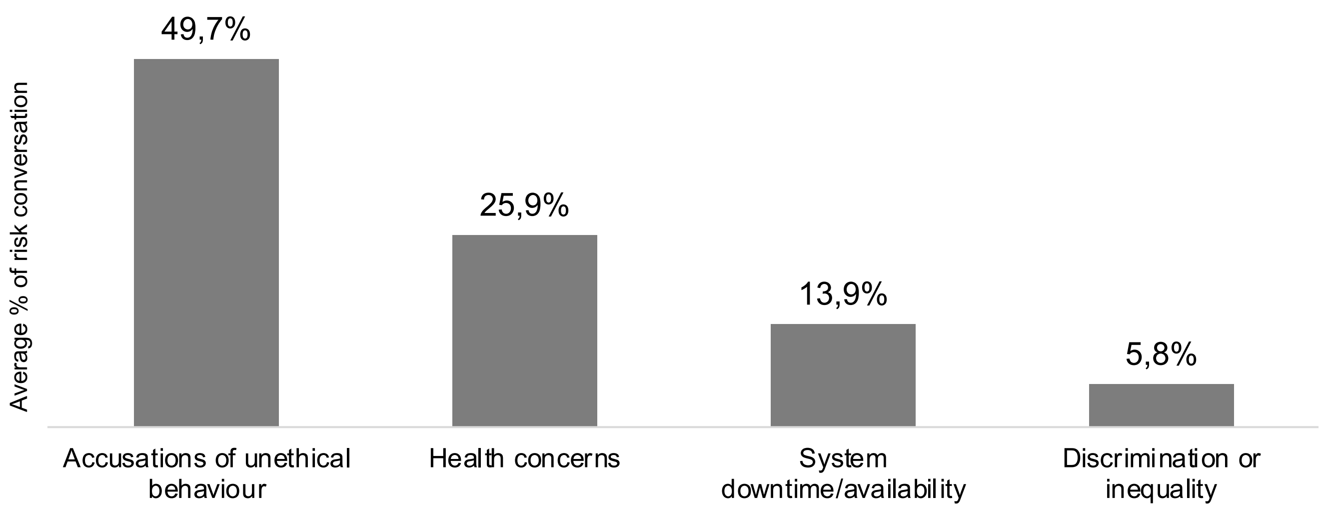
05

Risk and reputation

Retailers faced accusations of unethical behaviour due to poor food quality

Mentions containing accusations of unethical behaviour drove the largest proportion of risk across the industry. These mentions frequently related to health concerns as customers complained about the quality of food products.

Industry view: Contribution to risk conversation per risk driver



Users reported buying meat and vegetables that were rotten, perishable goods past their expiry date, and dry goods such as flour and cereal that had worms in them. Consumers often posted pictures of these products, likely persuading many against purchasing from the retailer in question.

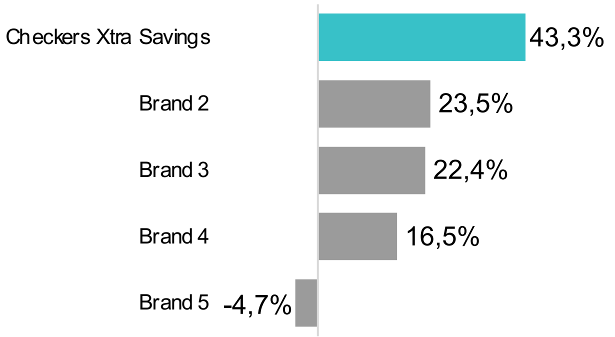
As mentioned, Eskom's load-shedding could have potentially impacted the cold chain management process, contributing to the risk of spoiled goods. Over the year, many retailers reported massive monthly operational costs due to the energy crisis. This signifies a committed investment into measures, such as diesel-powered generators, to prevent food from spoiling.

In light of this considerable operational investment from retailers, risk conversation remained relatively low, indicating that these measures are perhaps effective, albeit having a negative impact on headline earnings. There is also possibly a higher level of understanding from consumers who are living the load-shedding experience themselves.

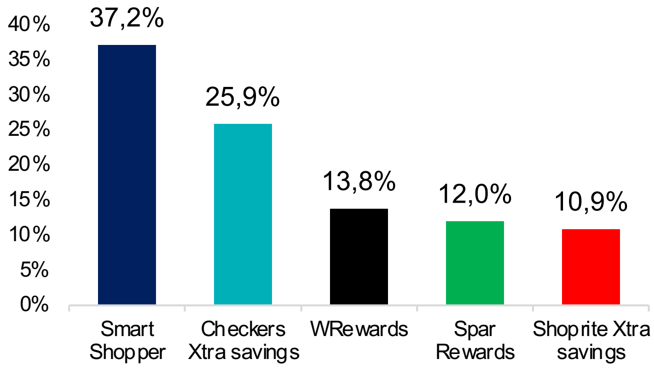
Rewards and loyalty programmes boosted retailers' reputations

Conversation around retailers' rewards programmes was generally positive, with only one loyalty programme scoring negatively in Net Sentiment.

Net Sentiment



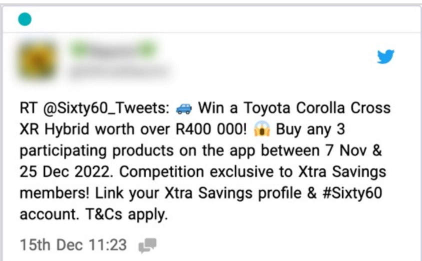
Volume distribution

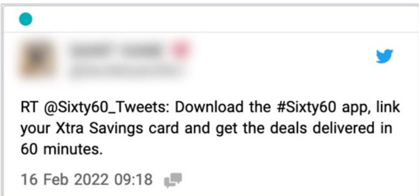


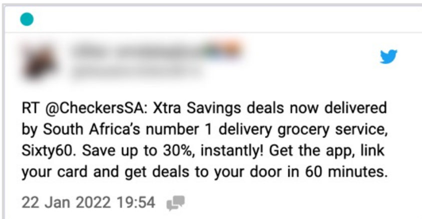
Pick n Pay's Smart Shopper loyalty programme garnered the highest volume of conversation, followed by Checkers Xtra Savings. High-volume posts about the Smart Shopper programme shared information about earning double points on selected products, switching partners to save up to 75%, and getting cash back when shopping with Absa. Many of the posts also promoted specials and deals available in-store, such as Black Friday and Christmas promotions, and some mentioned the convenience of using the Smart Shopper card for discounts and rewards.

Despite Smart Shopper's volumetric lead, Xtra Savings achieved a higher Net Sentiment. Checkers saw general positive sentiment regarding the various benefits of the Xtra Savings programme, such as discounts on products, exclusive promotions such as the Little Shop collectibles, and the ability to link the loyalty card to other services, such as the Sixty60 delivery app. This positivity was further bolstered through competitions and highly influential users.

Example mentions







PwC future watch: With economic constraints on the consumer and an increasing desire for personalisation, it will become more important to evolve loyalty programmes to prove substantial value over and above points that can be redeemed

According to *PwC's 2022 Customer Loyalty Survey*, 43% of respondents referenced flexibility and personalisation in reward programmes, citing "reward me my way" as a top priority. This offers retailers the opportunity to experiment more with experiential loyalty programmes to improve customer retention. The PwC research cited above points to the future of loyalty being experience based.

Retailers scored the second highest when compared to other non-banks when indicating who they would share their data with, giving retailers the potential to operationalise the data and personalise their product offerings. Some of these change drivers include time-driven, emotion-driven, gamification-driven, consumer-segment driven and core-value driven, ultimately resulting in an experience-led loyalty programme with more sustainable benefits.

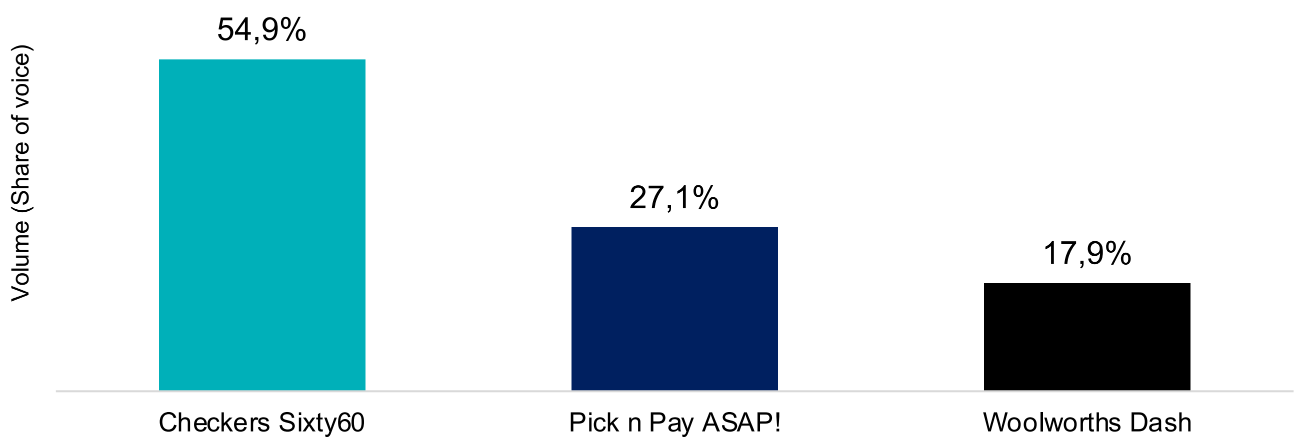
06

Delivery

Only three of the six retailers included in the index offer delivery services, namely Checkers Sixty60, Pick n Pay ASAP! and Woolworths Dash. Consumers' experiences with online orders and deliveries varied across these retailers, with some receiving significantly more conversation volume than others.

Rewards and loyalty programmes boosted retailers' reputations

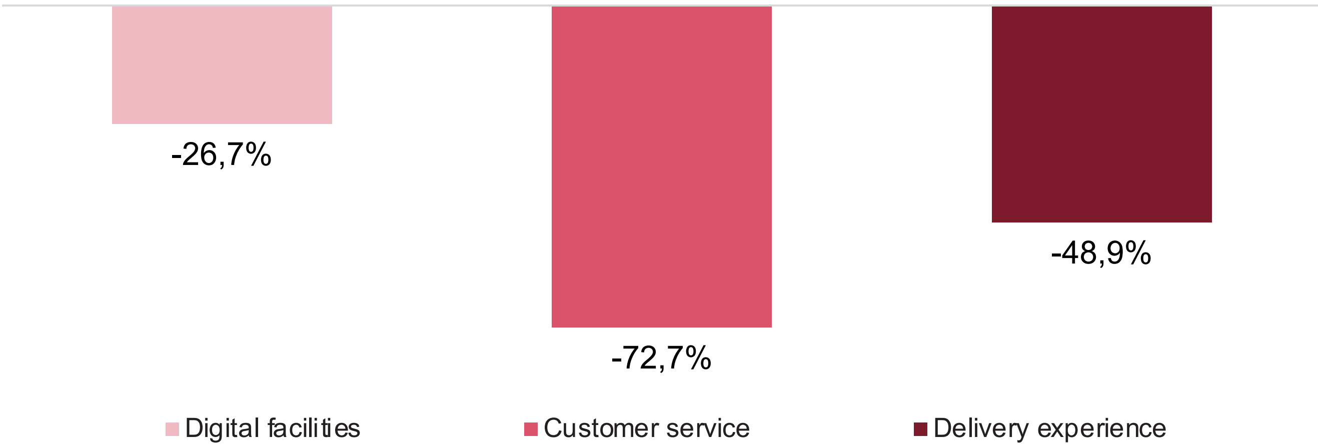
Share of voice across delivery service offerings



Based on the volumetric analysis of conversation, Checkers Sixty60 emerged as the most spoken-about delivery service, which indicates that it had the highest number of active users over the reporting period. In terms of Net Sentiment, however, consumers were either neutral or negative about all three delivery apps, highlighting a need for industry-wide improvement in this area.

Customer service was the most prominent pain point for online shoppers

Topics driving delivery Net Sentiment across the industry



Looking at the drivers of Net Sentiment around retail delivery, the data revealed three prominent topics, namely digital facilities, customer service, and delivery experience. All three topics were negative on an industry level, with customer service being the most prominent pain point for online shoppers, scoring a Net Sentiment of -72.7%.

PwC insights snapshot:

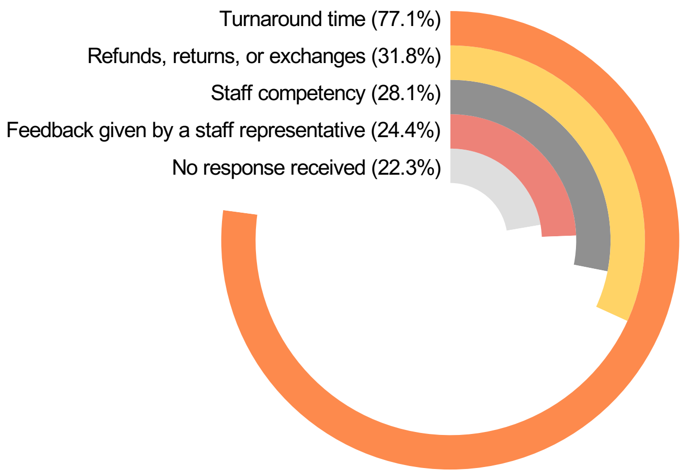
Delivery experience and customer service complaints compounded when communication across service teams was delayed, fragmented or inconsistent, suggesting a need for smoother omnichannel experience.

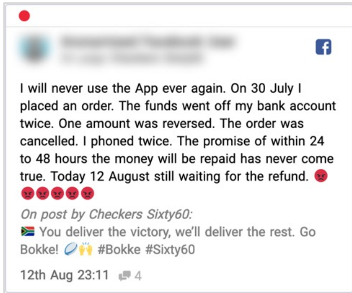
The introduction of on-demand grocery delivery has been paramount to driving positivity in the market, but this has applied pressure to many of the retailer's customer service operations, resulting in consumer frustration. Consumers negatively cited multiple contacts and multiple interactions with the brand to resolve an issue, pointing to a lack of visibility for both the servicing agent and customer in their journey.

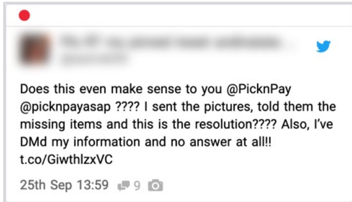
Customers have the same expectations from the digital experience as they do with the physical one, resulting in requiring a fully integrated, consumer-first approach, providing customers with a seamless-shopping experience throughout their customer journey, across all channels.

Slow turnaround time drove the bulk of customer service complaints

Customer service: Drivers of complaints



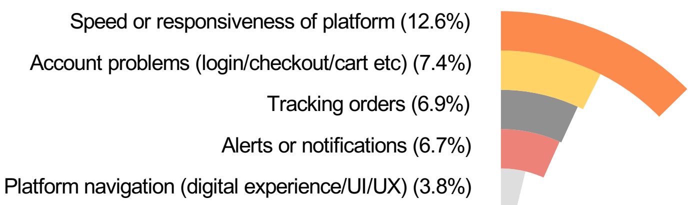


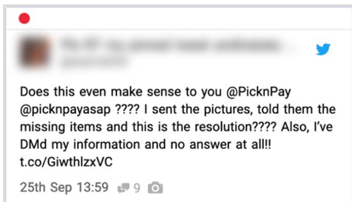


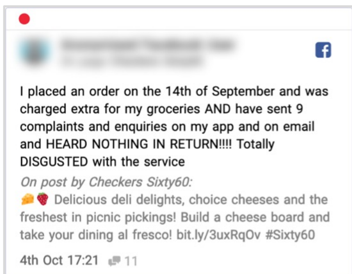
Turnaround time comprised three quarters of complaints as consumers were particularly sensitive to any delays in communication and service. The theme permeated all other complaint drivers, such as the refund and exchange process, staff competency and waiting for feedback from customer service teams.

Platform issues drove the bulk of digital facility complaints

Customer service: Drivers of complaints







Issues around platform speed and responsiveness drove the most complaints around digital facilities, comprising almost 13% of industry conversation. Consumers also raised concerns around account problems, such as logging in, checkouts and issues with their cart. Others complained about tracking orders, alerts or notifications and issues around platform navigation.

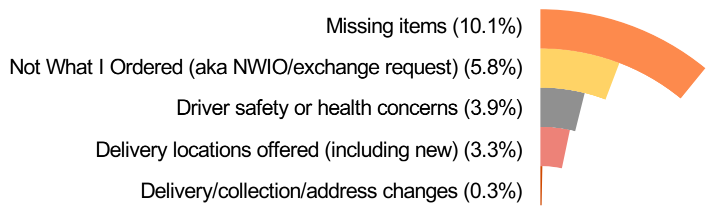
PwC insights snapshot:

Digital facilities saw consumer pressure mounting on the ability to service the needs of the customer in near real-time, particularly when linked to an issue with on-demand deliveries and being able to resolve this quickly and efficiently.

The digital platforms and their functionality are being compared to the best standard of apps, regardless of industry and this is driving high expectations for the speed and responsiveness of the platform, its user experience and an always-on capability, particularly when comparing it to the likes of UberEats, Spotify and Netflix.

Missing items drove the bulk of delivery experience complaints

Customer service: Drivers of complaints



When it came to the retailers' overall delivery experience, shoppers noted that their deliveries were often missing items and when they logged their complaints with service teams, tickets went unanswered, or they experienced delays in feedback and reimbursement.

Some shoppers also complained about being charged twice or being charged for orders that never arrived. When seeking assistance, consumers were upset that follow-up promises of delivery were often unmet, leading them to cancel their orders.

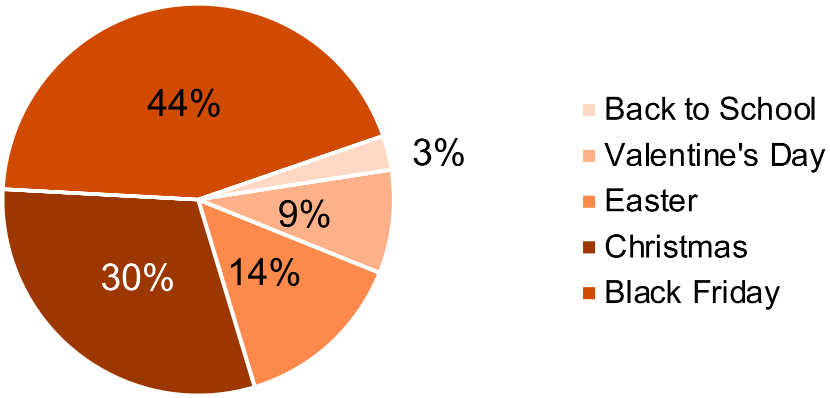
Although the retailers outline their refund processes on their respective websites, consumer feedback revealed that refund procedures which fall outside the remit of regular terms and conditions weren't always clear, and more communication on social platforms was needed. This customer journey, once again, highlights how shoppers are desperate for a more consistent customer experience, one which expedites issues to prevent delays in service.

07

Campaigns

When looking at the various seasonal campaigns across the industry, Black Friday comprised the highest share of voice, followed by Christmas, Easter, Valentines and Back to School.

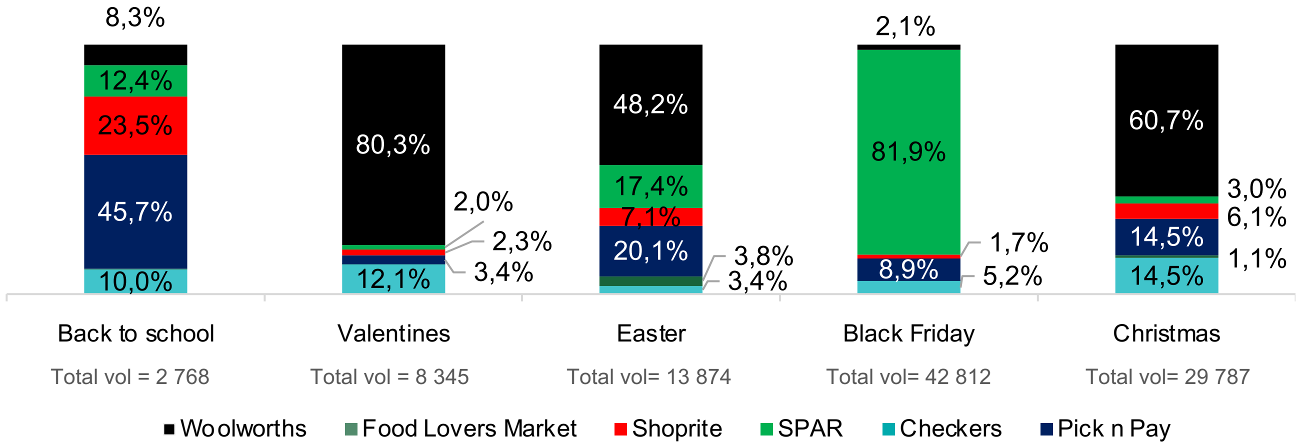
Industry conversation about key retail events



SPAR owned Black Friday, while Woolworths dominated Valentines Day and Christmas

Across the retailers, SPAR had great success in driving general awareness and engagement on their campaigns, but this engagement was often neutral in sentiment. Woolworths, on the other hand, was more successful in driving positive sentiment through their campaigns.

Share of voice for campaigns covering key national days

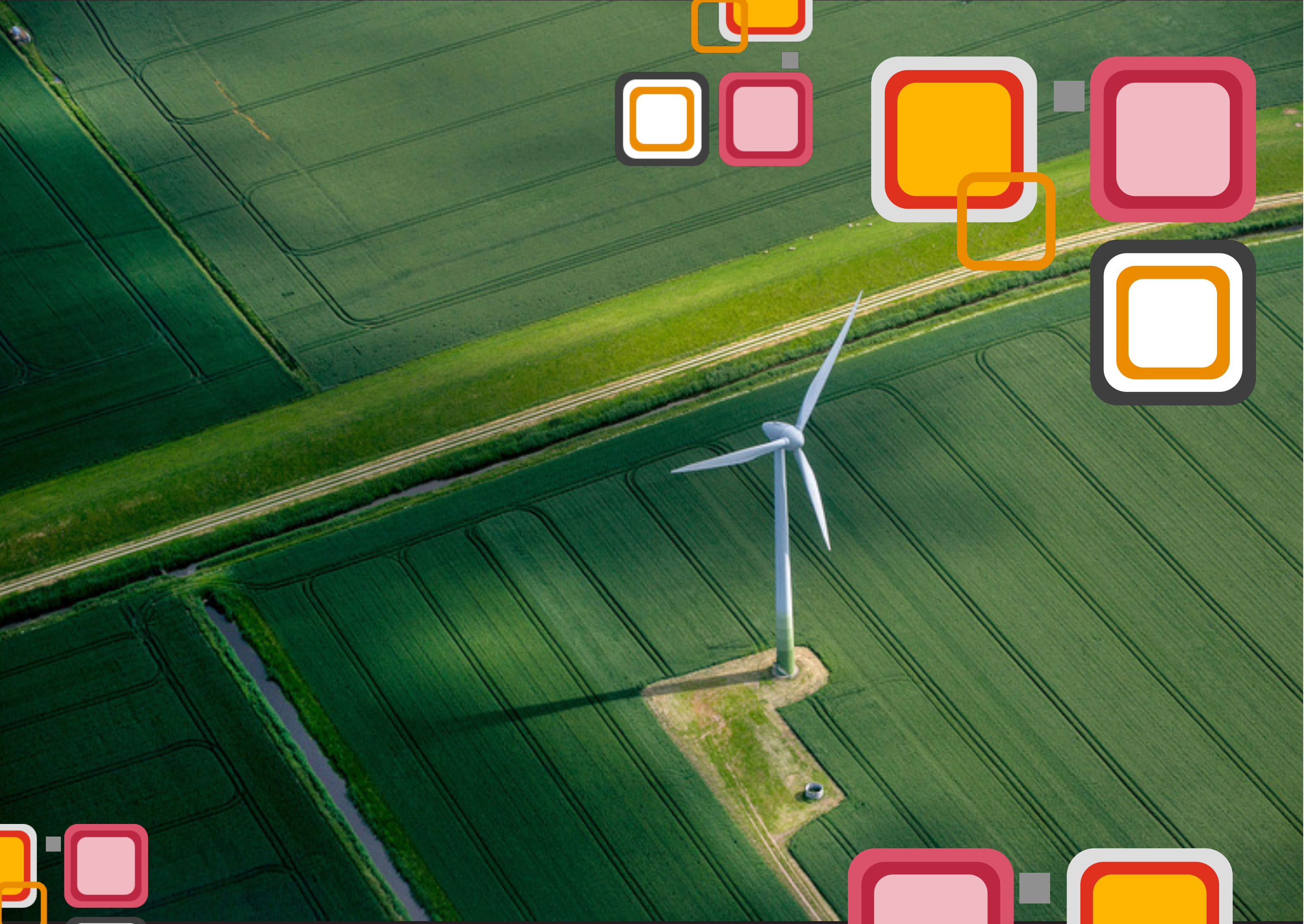


Campaigns surfaced through phrase matching.

While SPAR's Black Friday deals drove the most traction, seeing almost 82% share of voice, Woolworths' campaigns dominated over the Valentines, Easter and Christmas periods. Due to the more emotive quality of engagement, however, Woolworths saw both the highest Net Sentiment towards its campaigns, as well as the biggest overall impact of campaigns on Net Sentiment performance.

PwC future watch: Translating Net Sentiment and associated marketing measurements into a tangible return on marketing effectiveness across retention, revenue and reputation

Economic strain and increasing pressure on budgets provides an opportunity to prove marketing's value through effective measurement of impact and experience. The 'Marketing Diagnostic Framework' is PwC's proven approach that scores an organisation's current state of maturity against what is seen across markets and across different sectors as good practice in order to increase return on spend.



08

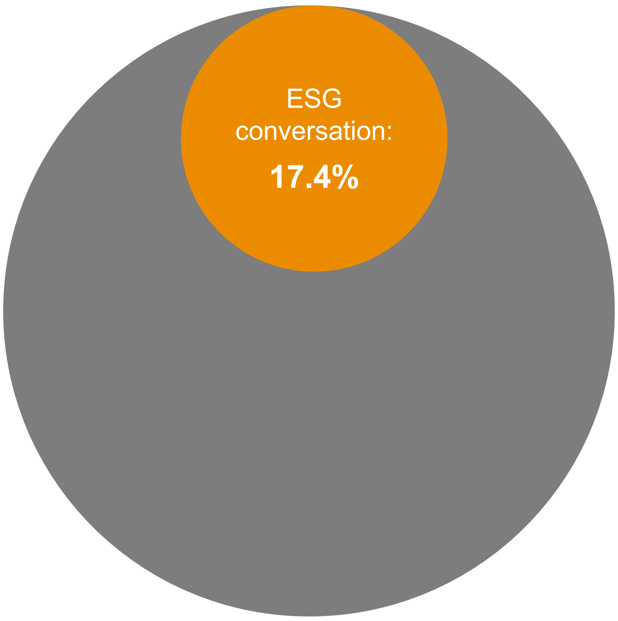
ESG

As ESG (refer to methodology for defined ESG segments) factors continue to have a growing impact on consumers' decision-making, retailers are becoming more transparent about their sustainability strategies. Although this is an emerging theme and remains more prevalent for retailers catering towards higher living standard measure (LSM) groups, it could have a growing impact on brand loyalty in the future, as savvy consumers seek to compare sustainability practices across retailers.

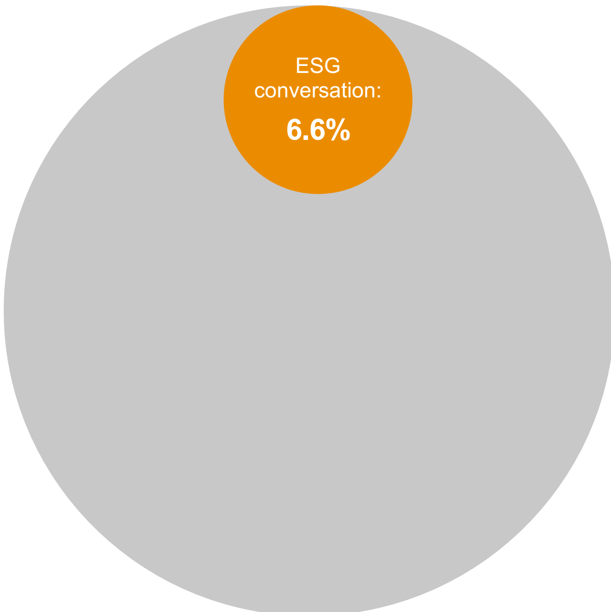
Almost a fifth of all conversations spoke to an ESG theme

ESG was a budding topic of conversation across the industry - one that is expected to grow as consumers become more conscious of sustainability trends. Compared to the South African telecommunications industry, where less than 7% of overall conversation about telcos on social media related to ESG themes, the retail industry saw over 17% of ESG-related conversation.

Industry view: Proportion of ESG retail conversation



Industry view: Proportion of ESG telco conversation



ESG conversation was predominantly negative

Across the industry, most retailers saw similar proportions of ESG-related conversation, with significantly more negativity tied to ESG themes than positive sentiment. On average, over 80% of negative ESG conversation consisted of reputational complaints. Shoprite stood out with the highest proportion of positive ESG conversation, largely driven by multiple corporate social initiatives (CSI).

Industry view: Sentiment split in ESG conversation

Staff treatment was a prominent theme in ESG conversation

Staff treatment accounted for just over a fifth of ESG conversation and mainly consisted of complaints. Negativity often stemmed from consumers being unhappy with the low level of pay and potential exploitation of retail employees.

ESG segments by volume and sentiment

ESG Segments	Volume	Positive	Negative	Net Sentiment
Staff treatment	23.7%	5.5%	91.9%	-86.3%
Social responsibility	21.5%	30.3%	66.2%	-35.9%
Governance	19.2%	34.6%	63.6%	-29.1%
Environmental consideration	18.0%	11.3%	87.9%	-76.6%
Societal impact	9.2%	3.7%	93.1%	-89.4%
Consumer protection	8.4%	0.6%	96.1%	-95.6%

The second-largest volume of ESG conversation was around the broader theme of social responsibility. Despite conversation being predominantly negative, there was some positivity that stemmed from reputational conversation which mainly highlighted CSI initiatives.

Conversation around governance was a stand-out segment, recording the highest Net Sentiment. Within this theme, the topic of retailers' financial performance was the most prevalent driver of positive conversation.

PwC future watch: Focused ESG campaigns and messaging can turn existing ESG efforts into differentiators. Retailers will lead by finding ways of using ESG to create customer value.

ESG related conversation highlights consumer awareness and pressure placed on perceived corporate responsibilities, particularly for retailers.

Visibility into how retailers are proactively addressing those factors builds trust with consumers as retailers can connect their environmental and societal efforts with on-going awareness in order to create more emotional connections with customers.

Campaigns and initiatives that address societal needs resonated with insurance consumers and led to reputational sentiment gains and lasting impact.
Retailers need to critically monitor ESG-related threats and seize ESG opportunities and capitalising on them. This is why monitoring and improving communication campaigns are essential.

09 | Conclusion

“In my years of working across both the client-facing and consulting environments, organisations often design services, products and processes with an internal lens, focussing on actuarial or system-based outcomes and not on what the end customer experiences.

Technology advancements are pushing us to think beyond how we engage and service customers in today’s world, into how we seamlessly blend the digital and physical to create experiences that strengthen relationships, increase customer lifetime value and reduce the likelihood that they’ll leave. In order to do so, it is imperative that the customer remains at the heart of decision making.”

– *Riaan Singh*

Contact us

Riaan Singh

South Africa Digital Transformation Leader
PwC
riaan.singh@pwc.com

Courtney Tuck

Manager: Experience, Data Insights & Technology
PwC
courtney.tuck@pwc.com

Suki Pieterse

Associate Director: Experience Consulting Africa Advisory Chief of Staff
PwC
susan.pieterse@pwc.com

Nomtha Notshe

Manager: Customer Led Transformation
PwC
nomtha.n.notshe@pwc.com

Melanie Malherbe

Managing Director
DataEQ
melanie.malherbe@dataeq.com

Elzane Dougall

Account Director,
Client Service
DataEQ
elzane.dougall@dataeq.com

Shannon Temple

Lead Analyst
DataEQ
shannon.temple@dataeq.com

pwc

www.pwc.com/za

DataEQ

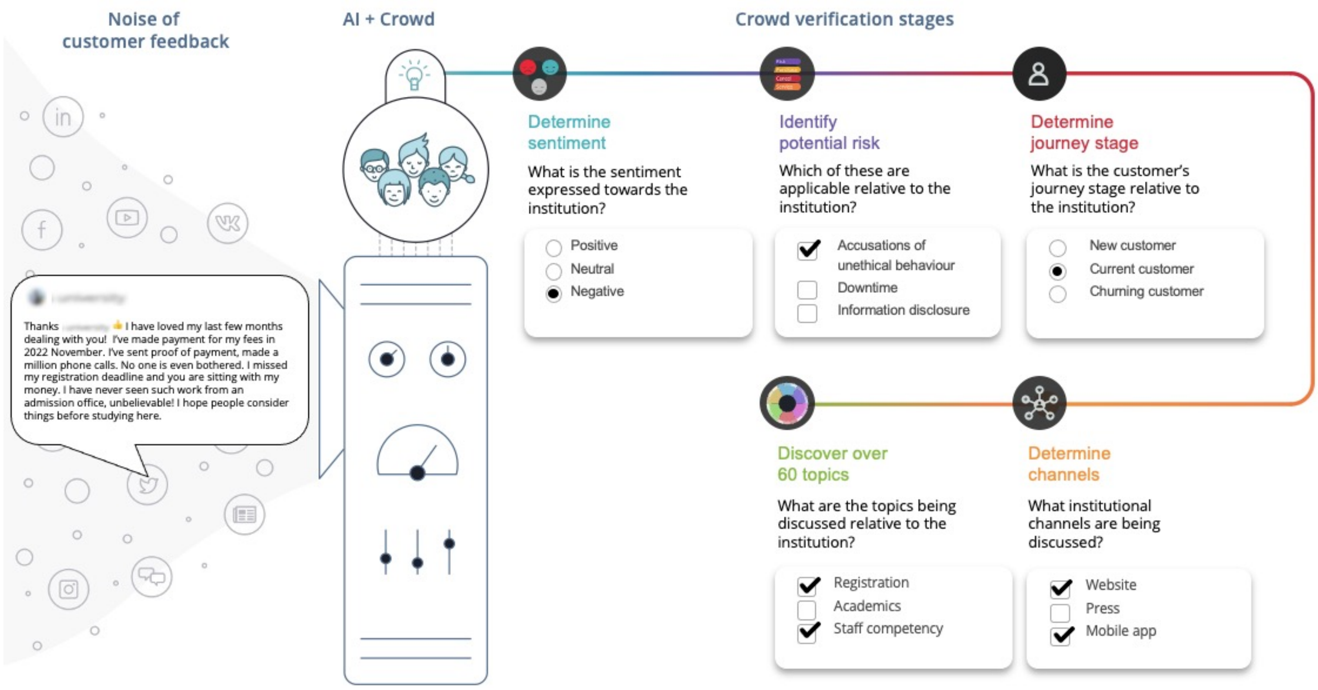
www.dataeq.com

10

Methodology

DataEQ tracked 1 650 081 public mentions about South Africa's six largest retailers, namely Woolworths, Checkers, SPAR, Pick n Pay, Shoprite, and Food Lover's Market from 1 January 2022 to 31 Dec 2022. Data sources were mainly Twitter and Facebook, but also included multiple other online sources.

The Crowd process



Sampling

All volumes shown here exclude mentions posted by the network providers in review, to avoid skewing results.

	TOTAL MENTIONS	VERIFIED FOR SENTIMENT	VERIFIED FOR TOPICS	MARGIN OF ERROR ON PUBLIC NET SENTIMENT
Woolworths	365 304	48 996	20 715	±0.3 pp
Checkers	326 817	68 105	19 391	±0.3 pp
SPAR	323 266	90 712	13 360	±0.3 pp
Pick n Pay	321 781	91 519	35 679	±0.3 pp
Shoprite	271 556	80 596	24 829	±0.3 pp
Food Lover's Market	41 357	23 489	12 178	±0.8 pp

Sentiment methodology

To carry out sentiment analysis with a 95% confidence level and a margin of error of up to ±0.3 percentage points on public Net Sentiment, a random, representative sample of consumer and press mentions were processed through DataEQ's Crowd of human contributors for evaluation and verification. The Crowd assigns these mentions with positive, negative or neutral sentiment tags.

Topics methodology

Topic analysis enables a granular understanding of the specific themes driving consumer sentiment. A sample of 120 760 sentiment-bearing (i.e. positive and negative only) mentions were sent to the Crowd for topic assignment.

The Crowd identified which pre-defined retail-related topics were contained in each mention. Thirteen major topic themes encompass the 113 subtopics. Mentions can be assigned more than one topic, allowing for a more detailed analysis of issues influencing consumer sentiment. This means that totals on topic graphs can be larger than 100%.

Retail topic wheel

ESG methodology

A sample of over 120 000 consumer mentions was processed to ascertain the prevalence of ESG factors in the retail industry, as well as understand public perceptions of how retailers are performing in this area.

DataEQ's Crowd of human contributors coded these mentions with one or more of the eight defined segments related to ESG.

SEGMENT	SUB-SEGMENT	DEFINITION
Environmental Impact	Environmental considerations	The brand is mentioned in connection with the environment and related issues
Social Impact	Social responsibility	The brand is mentioned in connection with social responsibility, human rights or community outreach
	Staff treatment, hiring practices or employment	References to how staff are treated by their employer/company (the brand) and its hiring practices/treatment of potential staff
	Consumer protection	The brand is mentioned in connection with practices of safeguarding buyers of goods and service
	Societal impact due to products/services	The brand is mentioned in connection with the social or societal impact of its product/services features
Governance	Governance	Mentions about how the company is run by its leadership

Thank you

DataEQ, formerly known as BrandsEye, specialises in providing large organisations with high-quality, actionable data from unstructured customer and public feedback. Using a unique blend of AI and human intelligence, the company offers various tailored solutions that range from customer service and experience, to market conduct and risk management.

Founded in South Africa in 2007 and headquartered in London, DataEQ continues to expand internationally. Today, the company supports enterprise clients across four continents covering a range of business sectors, including financial services, telecommunications, automotive and retail.