

Kantar BrandZ lesson 3 of 7: How customer obsession and tech have powered the Takealot growth story

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Time and again, the [global Kantar BrandZ data](#) has proven those brands that continue to invest in building a strong brand are the ones that grow faster. With digital no longer just a nice-to-have but a must-have for brand growth, technology is the biggest gamechanger at play today. It's what's kept certain brand names in consumers' minds and their products in consumers' hands, driving the innovation that saw Takealot emerge as one of this year's stand-out South African brands...



No brand shows the global trend towards tech-enablement brands better than local ecommerce giant Takealot. High on the Kantar BrandZ radar for many years as one of the most different brands outside the ranking, Takealot grew its meaningfulness massively in the past year, with people finding the brand fulfils their new needs in a way that increases both trust and relevance. After all, Takealot was integral to South Africans' rapid adoption of ecommerce, helping them become increasingly comfortable with and even dependent on ecommerce for shopping. Ensuring contactless deliveries during the pandemic therefore saw the brand enter the ranking at #23 in 2021 as the year's only newcomer – with a value of \$446m.

This growth streak is set to continue as the Potential Index from the Kantar BrandZ equity study shows that among retailers, Takealot has a high likelihood of increasing share in the next year.



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Digital-first brands dominate the 2021 Kantar BrandZ's Most Valuable South African Brands

Kantar 1 Sep 2021



Julie-Anne Walsh, chief marketing officer of Takealot, commented at the Kantar BrandZ Most Valuable South African launch that it's an honour to have a voice among local champion brands that Takealot has always looked up to. "Takealot is the ultimate South African brand story, and we love to talk from a point of where we began, to appreciate where we are now and what our lofty goals are for 5 to 10 years' time: We started out at a little rented house in Goodwood in Cape Town, with 25 staff members and a couple of hundred delivery drivers that delivered directly to the



door. Everyone was doing everything. Over time, we've grown into a solid business trusted by 2.5m happy customers, with strong executive leadership that has a defined vision and mission that hasn't changed over time." *Julie-Anne Walsh, chief marketing officer of Takealot*

That vision is to provide the most customer-centric online shopping experience in Africa, with the mission to offer the widest range of products and best prices, while serving customers, enabling business partners to prosper, and employees to thrive. It's a true South African disruptor brand, especially when it comes to customer experience.

The power of customer obsession in the age of experience

South Africans now live in an age of experience, looking for something beyond value-for-money. Smart brands are therefore putting their customers at the centre of what they do and trying to understand them better. That's the starting point to create the memorable moments that ultimately lead to loyalty and growth. But successful brands do more than get more people to actively desire them. It's also about exposing them to ideas, impressions, and feelings that influence how they shop in a category.



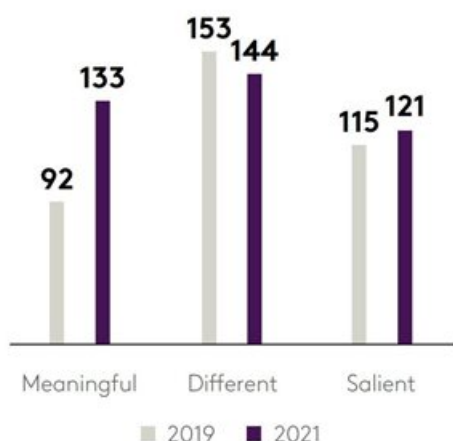
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Takealot's Meaningfulness soars



Takealot is a great example of a brand getting this right. While still small compared with some of South Africa's more traditional retailers, Amazon started out even smaller, so it's little surprise then that Takealot was also largely responsible for driving category growth in retail, with revenue soaring 65% last year to R8.7bn.

Retailers were therefore among the best-performing brands in terms of value in the most recent Kantar BrandZ ranking of the most valuable South African brands, growing 16% overall. Much of the growth of this category was indeed driven by the inclusion of Takealot in the rankings, which highlights a broader trend towards the digitisation of shopping in the country.

But as South Africa warms to online buying, with not only the number of people buying groceries online but also their basket size increasing, customer experience has become more important than ever before.

Only 31% of consumers say that buying groceries and household products online is a preferred way to shop, with just 39% of consumers reporting 'mostly good experiences' buying groceries online. If retailers want to keep this new class of consumers, they obviously need to improve the experience they are delivering. The category can learn from Takealot.

Building and maintaining trust: the online customer experience opportunity

Charlie Stewart, CEO of Rogerwilco, comments in the Digital Customer Experience Report, based on the annual OvaToYou study among 2,000 online South Africans: "The opportunity cost is pretty clear: consumers expect a higher level of experience from brands that they buy online from. This could in part be because they have become used to the CX of an Amazon or Takealot. These brands have set a high bar and local retailers need to up their online game if they are to convert the huge appetite among consumers for online shopping into rands and cents."

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26 Aug 2021



Stewart adds that this heightened expectation of digital customer experience means online brands in particular need to focus on building and maintaining trust, because while it is an intangible, it can make or break a sale. He notes experience is the first factor of building that trust, with “large stores like Amazon and Takealot” having gotten this journey right.

Kantar’s own [CX+ 2020 retail ranking](#) study backs this finding, offering an understanding of the new customer landscape across different retail sectors, both in COVID-19 times and into recovery.

The only sector-specific study to analyse customer-centricity holistically across general and fashion retail, it pinpoints how to bridge the gap between customer experience and brand promise by revealing brand pressure points. Informed by research in 17 countries including South Africa, across over 1,300 brands with feedback from more than 140,000 people, Takealot stood out as one of South Africa’s top three CX+ 2020 general retailers.



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CX+ Retail 2020. The South African and global ranking

Mark Mbenaar, Kantar 20 Oct 2020



Digital decisions streamline Takealot’s real-world brand promise delivery

Walsh confirms, “We wouldn’t be here if it wasn’t for you, our customers. You are our inspiration, our focus, our obsession, and we do everything we do just to make sure that you get what you need, to your door when you need it. So, every decision we make around how we spend our budget for marketing and every call we make around what we do with technology and where we put our focus and effort, is based on our strategy of driving brand growth by better satisfying our customers’ needs. That moment of joy when you get a Takealot delivery is one of the fun things I am so super-excited about. Our steely focus, understanding our customers and putting our money into brand building, will yield long-term brand awareness, while keeping the lights on with performance marketing, being quintessentially South African in our make-up and every story we tell, will drive our brand growth over time.”

New Takealot group CEO Mamongae Mahlare comments on that focus: “The opportunity to lead a technology-centric, innovative, South African champion that has created thousands of jobs and enabled so many SMMEs over the past 10 years is both exciting and humbling. I look forward to working with the teams to take this great company to even greater heights.”



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Mamongae Mahlare named new Takealot group CEO

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About the Kantar BrandZ Most Valuable South African Brands Ranking

Kantar BrandZ is the global currency when assessing brand value, quantifying the contribution of brands to business' financial performance. Kantar's annual global and local brand valuation rankings combine rigorously analysed financial data, with extensive brand equity research. Since 1998, BrandZ has shared brand-building insights with business leaders based on interviews with 4 million consumers, for 18,000 brands in 51 markets, including opinions from 31,335 South African consumers on 660 brands in 47 categories.

The ability of any brand to power business growth relies on how it is perceived by customers. Grounded in consumer opinion, Kantar BrandZ analysis enables businesses to identify their brand's strength in the market and provides clear strategic guidance on how to boost value for the long-term. The eligibility criteria are:

- The brand must originally have been created in South Africa and be owned by an enterprise listed on JSE or a credible stock exchange.
- For private brands originated in South Africa, their complete financial statements must be available in the public domain.

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