

Kantar BrandZ lesson 5 of 7: Clicks on the power of personalisation to enhance convenience

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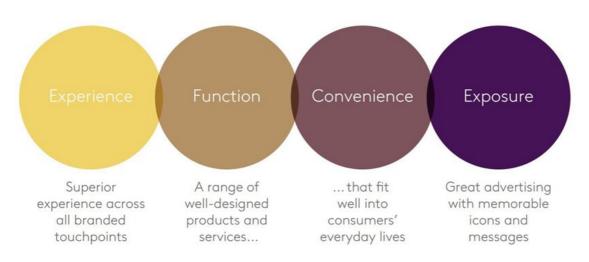
24 Feb 2022

With so much choice in the realm of retail, convenience has become king, with difference-driven brands raking in the rewards. Clicks is a prime example. Known for its 3-for-2 promotions, find out how the Clicks ClubCard loyalty programme reaches over 9m active members, providing personalised engagement and rewards for members, while remaining simple, free, and easy-to-use...



Clicks came #22 in the Kantar BrandZ Most Valuable South African Brands of 2021 with a brand value of \$449m, also standing out for convenience, one of the four fundamental areas of brand building that drive consumer demand in the digital-first era. Because in a consumer-led environment, brand choice should be habitual and easy, without the need for conscious thought from busy consumers.

The four fundamentals



Melanie Van Rooy, head of marketing at Clicks Group, sets the context: "As South Africa's leading pharmacy, health and beauty retailer, we offer our customers in the middle- to upper-income market (LSM 6 to 10) exceptional value for money in convenient and appealing formats."

So, while the brand has certainly kept up with the times in becoming the largest private Covid-19 vaccine provider in South Africa, with an online booking portal for the 500+ operational Clicks vaccination sites with the capacity to administer 555,000 vaccinations per month, the Clicks' 'Pay Less' tagline hasn't changed in over 50 years.

It is just as relevant today as it was when Jack Goldin opened the first Clicks store in St George's Street, Cape Town in 1968.



Clicks reflects on 50 years in the retail business 6 Aug 2018

Putting a personalised spin on digital differentiation



Melanie Van Rooy, head of marketing, Clicks Group

Clicking through to 2022, with a national footprint of 784 Clicks stores, 620 Clicks pharmacies and 192 Clicks clinics, Van Rooy says value, convenience, and differentiation remain front and centre, with digital convenience boosted through heavy investment in technology and digital innovation. The Clicks ecommerce online store is an example of this. Launched in 2016, it has become the largest and fastest-growing Clicks store with the largest range of products, including ranges that can only be found online and allowing for home delivery or click-and-collect from any Clicks store nationwide, with smart, high-tech pick-up boxes now available in-store.

The Clicks app has also been downloaded by over 2.5 million customers, allowing ClubCard members to check their points, submit a pharmacy script or locate their closest Clicks store, while also accessing personalised ClubCard deals, Tap 'n Go functionality and QR payments for a contactless experience. This taps into the launch of the vertical digital card for better visibility on smartphones, and a new digital WhatsApp enrolment channel.



Digital-first brands dominate the 2021 Kantar BrandZ's Most Valuable South African Brands Kantar 1 Sep 2021

Van Rooy adds that the convenience of their extended pharmacy network has played an integral role in creating access to affordable pharmacy, healthcare, and essential services to customers during the pandemic, as well as a state-of-the-art queue management system in its pharmacies a repeat prescription service/chronic medication management through Clicks direct medicine.

Clicks has also partnered with Vodacom to offer customers access to an enhanced online shopping experience and personalised digital engagement as the first health-and-beauty retail partner in the VodaPay Super App.

This future focus has led to constant improvement of the Clicks website, with personalisation of its e-commerce experience through world-class search functionality. This includes pharmacy services, the Clicks ClubCard portal, digital vouchers, bill payments and the new online portal for SMME suppliers.

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Rationally redefining the value-price equation

That's important because today's consumers make purchase decisions based on value and difference, but value is more than a price point. The global Kantar BrandZ data shows consumers have increasingly adopted brand ecosystems – choosing products that work well together and fit seamlessly into their everyday lives, where people prefer simple choices. In terms of what they're buying digitally, South African consumers favour online services followed by groceries, clothing, electronics, cosmetics, and personal care products. They also have different reasons for shopping for different categories, ranging from 'convenience' for food and beverages, to 'promotions and discounts' for clothing and accessories.



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As a value-led retailer with a rich heritage, Clicks covers all the bases in realising that value is about more than price, with consumers seeing the brand as making a fair exchange for the prices charged, which is welcome at a time when wallets are stressed.

J Walker Smith, knowledge lead, Consulting Division, Kantar <u>explains</u>: "There is some premium of cost or loyalty that consumers are willing to pay for risk reduction. This is the context of inflation – unfamiliarity, anxiety, vulnerability, uncertainty. It adds up to inflation as a risk – an unknown, adding to apprehension, affecting people at their most vulnerable, amplifying uncertainty about the future. Consumers are reacting with risk reduction, not just with value-seeking."

On the value angle, Van Rooy elaborates: "Established in 1995, ClubCard remains one of the most generous retail loyalty programmes in South Africa, delivering a 2% discount on purchases and the opportunity to earn more cashback through double points programmes. Partners include Engen, Discovery HealthyCare, Sorbet, ARC, The Body Shop, SpecSavers, Execuspecs, City Lodge Hotel Group, Europcar and Netflorist.



SA's most popular loyalty programmes revealed for 2021 17 Sep 2021

Consumers of all ages are valued, with the <u>Clicks BabyClub</u> offering 4% cashback on most baby and toddler products, including access to exclusive BabyClub competitions, vouchers and other special benefits. Over 60 Seniors Club customers earn double points on Wednesdays.

In terms of private label, Van Rooy says customers want affordable products from brands whose quality and expertise they trust and are aligned to their ethos. The Clicks My Earth eco-friendly range, therefore offers sustainable everyday essentials aligned to Clicks' commitment to building a healthier planet while Clicks Expert is a range of dermatologically approved specialised skincare products for adults and children alike.

Healthy brand purpose to promote a sustainable future for all

Explaining the long-term importance of brand-building and the contribution of brand to Clicks' financial performance, Van Rooy says: "Clicks is an iconic brand that consumers trust. Clicks' value proposition continues to resonate with consumers,

who relate to this, along with Clicks' brand purpose, which is to help South Africans build a healthier future. This is the ethos that underpins all Clicks' initiatives and the foundation to their sustainability focus areas of building a healthier life, planet, economy, and community. As part of building a healthier economy, for example, Clicks is committed to job creation by opening 40 new stores and 40 new pharmacies annually and supporting local brands, such as Khayelitsha Cookies, Marshalls Traditional Healthcare, Native Child, Perfect Hair and AfroBotanics, among others."



Clicks launches store-in-store beauty format in Cape Town 6 Dec 2021

Van Rooy confirms that customers can expect even more value, convenience, and innovation in future, along with an enhanced customer shopping experience both in-store and online. "Look out for more exclusive and private-label offerings across health and beauty; more personalisation; more special offers and promotions; and more loyalty affinity partnerships that provide enhanced value to ClubCard members."

What is your brand's growth formula for 2022?



<u>Learn more</u> from South Africa's most valuable brands, with a focus on <u>how to build strong brands and</u> <u>engineer for growth</u> in 2022 and beyond. Also <u>reflect</u> on SA's most valuable brands from 2018 to date and what the top brands have been up to in the last year.

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Bonus lesson: Download our comprehensive guide to brand equity and growth.

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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