



COMPETITION COMMISSION OF SOUTH AFRICA

In the matter of

ONLINE INTERMEDIATION PLATFORMS MARKET INQUIRY PUBLIC INQUIRY (OIPMI)

held at

***DTI Building
Sunnyside and virtually via MS TEAMS***

on

9 November 2021

PANEL: *James Hodge – Chairperson
And Doris Tshepe*

TECHNICAL TEAM

<i>Hariprasad Govinda</i>	<i>CCSA Internal Team</i>
<i>Rahma Leuner</i>	<i>CCSA Internal Team</i>
<i>Stabiso Mkwanzazi</i>	<i>CCSA Internal Team</i>
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COMPANY: NEXT BUY



Gauteng Transcribers
Recording & Transcriptions

PROCEEDINGS ON 09 NOVEMBER 2021

CHAIRPERSON: So our next participant in the public hearing is Mark Wise from Next Buy who is also a marketplace seller and will give his experience and I suppose Next Buy's experience of being a seller on some of these online platforms. I think we are just waiting for Mark to get into the virtual room. Good afternoon, Mark. Thank you for joining us.

MR WISE: Afternoon.

CHAIRPERSON: Mark, you are from Next Buy. I do not know if you
10 want to briefly introduce your business and what it does and then also just traverse some of the reasons why you wanted to participate in the public hearing and your comments on the issues that we are dealing with.

MR WISE: With pleasure. So firstly, thanks very much for the opportunity. My name is Mark Wise and I am the Managing Director of Next Buy. We are a small business which is a provider, a service provider for allowing stockists to be able to get online. So we are a digital on-ramping business. We take stockists stock and we go through the process of specification, obtaining digital images and correct I
20 suppose data specs and getting them onto various marketplaces, one of which is Takealot.

So to answer your second question is, the reason why we are participating is Takealot is a very or was a very large contributor to our revenue and subsequent to all the issues that we have experienced, a lot of my stockists have delisted their items through Next Buy, which

was onto a Takealot platform and it is severely impacting my business and when it was – I was requested to I suppose air my views regarding these experiences I have had with Takealot, I took the opportunity to explain how the practices or business practices that I have experienced have impacted my business negatively.

CHAIRPERSON: And Mark, maybe if you can just expand on what are the business practices that you are concerned about or maybe it is your stockists are concerned about.

MR WISE: Yes, so the nature of my business is a – there is a part
10 revenue from sales through these various marketplaces. So I handle the listings, I handle the payments and I handle the deliveries and the returns in terms of inbound and outbound logistics on behalf of my stockists. So essentially they are consigning stock to me and then obviously I list and then fulfil. So therefore the entire supply chain happens through my business, right. So if there are hiccups in a supply chain, whether they be financially or margin related, both inbound and outbound, there is an impact to the business behind me.

CHAIRPERSON: And what are the hiccups you are concerned about?

MR WISE: How much time do you have? So, we formulated or I
20 formulated a list that I am going to read out and again they are not in any really particular order to which we have gone through a series of in some cases, and I am saying in some weeks, whether it is in silly season or out of silly season, we have had more or less success, but on the whole these issues have I suppose not been resolved to any type of adequate – adequacy at all.

The biggest reason is – the biggest issue we are having is returns. So I have got an issue that as per what I am understanding of the Takealot's SLA is that when a – when an online consumer has bought let us say a mobile phone case and then they decide for whatever reason, no reason is necessary actually to return the item. Because Takealot is a market maker they put buyer in touch with seller and I am a seller on the marketplace. So I list people's stock on the marketplace and there are fees charged to me for that. So there is a handling charge and a success fee.

10 Now in the event that there is a return, Takealot is saying that they will put back in their commission their success fee, but they will not put back in the returns fee in terms of the costs incurred for handling millions and millions of items. So we incur a second charge, okay, on the return. So there is a separate charge which is obviously removed from us and then on a return our account is credited, right.

 So what happens is if that happens on the first day, Takealot have 14 days within which from the date of which they credit my account to return the good. So it is not necessarily mine, but I will say it is Next Buy's. So it is my stockist's stock. So as per the SLA they have 14
20 days. On the 15th day what is process, and this was vetted by both my Account Managers and their Head of Operations, was that I can take all the items, raise a ticket with all the items that I have not received back yet within those 14 days and send it into the Takealot machine, getting a ticket and saying hi guys, please return these items and then we wait a week.

And then on day 22 which is the start of the fourth week if any of these items subsequently have still not been returned, I am able to generate an invoice. So essentially if they are taking – they are taking the money back because they are crediting the customer because he did not want the cell phone case and they have not given me – they have taken my money and they have not returned the stock, I am sitting in a double negative and that list has grown to a considerable amount of money.

Now this issue that I am tabling has been taken up with many of
10 Takealot's internal team members. So it is not as if this is the first time they are hearing about it and this issue has been dragging on for a very long time and the Rand value and the number of units owed is considerable. So this platform for me is – I am very appreciative of it and hopefully it does go to resolving this issue. That is the biggest – that is my biggest issue and a lot of my stockists have delisted their items to me saying, Mark, why must I – why must you be the custodian or list these items which is my money into Takealot if you actually cannot get a heads up or resolve for products back. So that is the fundamental biggest problem that I have and I am about to list some of the others.
20 So we also have... [intervenes]

CHAIRPERSON: Sorry Mark, can I just ask a question of clarity?

MR WISE: Yes, please.

CHAIRPERSON: Sorry, you say on day 22 you can raise an invoice to say to Takealot pay me for the product because you have not returned it. So I am just trying to understand the problem. Is it that the invoice is

not paid or... [intervenes]

MR WISE: At a certain point when we have sent an invoice into the machine nothing comes back and then we have sent it to Account Managers, we have sent it to Head of Operations and Head of Marketplace and they do not get back to you. There is not good communication. Some of the invoice gets paid. It actually starts to end up being a very difficult tracking device, because when you ask where is your ticket, when did you raise it and then the – and I would say at some point when one item comes back over the delay, then you have to
10 reamend. So then payment necessarily gets finally resolved.

And another component to whether or not these invoices have or have not been completely resolved or paid are the fact that we only get notified to come and collect a return via an email. So if – let me explain it. So when online customers decide to return things they go into a cube and then the way Takealot works is that they would for a one week period they say that these sales happening within these periods, either sales or returns we're going to either deduct or pay you for and there is a net offset and they list all the items of returns. So they tell you exactly what is going on. Amazing. And in that week, let us say that is day one,
20 you know what is coming back and then you wait.

So you have to have a rolling process to manage all these items that are essentially coming back to you for whatever reason, for damage, for changing mind, whatever the reason is. And then you have to track whether or not those items did or did not. But so you know that an amount of money for an item which gets provided its own specific

unique returns number is tracked. So then you wait for a mail.

So now you know that item has not been paid for. Great. Then you have to wait for an email. At some point someone within the Takealot machine generates an email and saying great, I know that you have 15 or 17 items that you are due and it could be from three months ago, not just one week ago. These are now due to be collected.

So in some instances we have had an email that stipulates come collect 25 items. So we get an email, we raise it to our transporter and they know that each of these items with each RON number must go to
10 the back door and go collect, okay. They go collect, they arrive.

Now the paperwork that the dispatch gentleman at the end of Takealot is sitting with only has a list of 23 items. So each collection document has a valid number, whether it is an MPJHB for Joburg and an MPCPT for Cape Town. Now if I am holding a 25 item document and the dispatch gentleman is only handing me 23 units of stock, that means there is a two item discrepancy. That has gone on the system.

So when you put all that data back into our tracking number and you know that there are two items, the status of all our returns that either flip between – so there are lots of different statuses where you
20 now can track moving parts and money. They would say no, no, Next Buy has collected these 20 – all these 23 items on this number, when I know it is not the correct data. There is two missing items, which is someone else's money, and this table tennis game has been playing for a very long time where it is in principle a he-said, she-said component, of which we have made certain data administration errors on our side

and we have noticed data administration error on Takealot's side.

Of what we have got back we have been validating and communication has come on, but we have not got good financial resolve. Further to that point is sometimes when a returned stock is returned to the customer we are expecting it, but it actually goes back into goods stock in the Takealot warehouse, which everyone is fine for because now I can sell it again, but there is not a communication to me.

There is no decent reporting tool. I have requested on numerous occasions to please communicate to me where my and my
10 customers' stock is and then, I do not know, every six to eight to 10 weeks it is oh no, those 90 items are actually back in goods stock and you can see it again. So there is no fire, but we do not have visibility of this system. We just do not have it, so therefore there is a lot of very intensive labour tracking of other people's money for this process.

CHAIRPERSON: Thanks, Mark. I mean, maybe if you can move to other issues... [intervenes]

MR WISE: With pleasure.

CHAIRPERSON: ...and if we can try limit it to the next sort of 10
20 minutes and then we will have questions. I know you said your list was long, but let us see if we can be to the point.

MR WISE: It was fairly extensive. So often times when we have to use the – and I am saying the Takealot seller compliance portal, when we raise a ticket or we send something in to be disputed, at certain points we do not get a ticket back. So we do not know when we are sending it in to arrive at a ticket, we do not have something to fight back with. That

is one issue. So that does happen.

Going back to returns, what we discovered as well is that, and again I have tabled this with the Head of Ops at Takealot, is that there is a very – what I believe to be a very poor returns vetting process. So as per CPA and as per the online returns process we have received the return without the actual item. So I will give you an example. We sell a kettle and then we get a return. When we eventually open the box the kettle is missing but the kettle plug is back. Now Takealot should never have entertained that return payments to a customer. So we had tabled
10 that there is a very poor quality returns process.

There is another issue on collection for returns. When the email comes through to collect the returns we go out to collect 50 items and there are only five available. So the others get lost in translation and it is cost of ours to send a truck to collect 50 items, we get an 8 tonne truck and we only get five items. It happens a lot. Same to Cape Town. We send a truck. Takealot put some or other supplier's goods in my truck. I come back. Now I have got to send another truck. This cost recovery process is very intensive. It is also very burdensome to a small business.

20 Other items on returns. We get an item so for example like facemasks and sanitiser during COVID. These items are flagged as non-returnable, but we still get them back. So it is an administrative process to say hold on guys, we got it back and then we start arguing because they charge fees for each of these returns, okay. Now the new returns process which is vital in order to track this spend is that Takealot

is not providing us a return number for every single box that comes back to my warehouse, which means I cannot validate whether or not this item was connected to a credit on week three or week 13 previously. So that process needs to be ironed out, okay. So those are my returns issues.

Another item is gating. There are certain items that as a market maker Takealot have prevented from – any seller from selling, one of which is Apple and we were also wanting to list Beyoncé perfumes. We had to provide a proof or a permission that we were allowed to sell the
10 item and again a marketplace is a marketplace in terms of listing items.

And then we were recently sent a document by a trademark holder of a particular product that we had bought and listed on the marketplace to say that we were infringing on a trademark, which after seeking legal counsel at our cost, we are not infringing on their trademark, we are not passing it off as anything else.

And what we did discover is that Takealot also have this particular item in stock and it appears that because their item is in stock and as they were selling the stock, it appears to be somewhat of a bullying tactic when we have understood from our own legal counsel is
20 that we are not infringing on any trademark. So preventing me from selling a product does not seem to be fair and it does not seem to be – ja, in terms of legal market rules, if I have bought something and I want to sell it, I should be able to do so on Takealot's marketplace.

We have also had other issues with seller compliance failures. This is the biggest one we have had. We have been given as Next Buy

the ability to sell a product under a brand called Bear, which was a PPE facemask and we moved many, many, many units. But throughout its sale cycle during COVID what happened is inside Takealot Seller Compliance Department who validates all of these issues, they have given, and I say that, given our branded listing to other people selling Bear, which is almost impossible, and kicked us off which is making us unable to sell it, causing us loss of revenue.

And I am telling you, I have got slues of mails proving why has our listing been given to somebody else and it is ours. We presented
10 documentation from the brand owner inside Hong Kong and it is ours and our loss of revenue is tremendous. It even went so far as that we were given – we were discounted a daily deal by dropping that price when it was not even us selling it.

And we have – and again of which I am saying I actually have proof of. So that is a massive, massive issue and we have taken it to Account Managers and I tell you, very, very little result. And the last finality on that was well, Takealot are not liable for any – when I say any trademark disputes. That is why they introduce trademark holder owner to seller, which is me, and then they must fight it out. So it has
20 negatively impacted my revenue on that particular item.

Almost done. Daily deals. Sometimes the daily deal listing we get told we will get a daily deal at the end of the month and we do not. So I am not sure what that rule set is and the communication has dropped so far that you have to send it into the backend of a screen and then you wait three or four weeks, you miss your window, you sit on the

stock and nothing happens. So that is the one.

We are also – my other issue is Takealot's fees have also been increasing quite drastically. As of I would say pre-August last year there was no inter-DC transfer and there were now uplift fees and as of two months later now there is additional charges that we as a seller are being subjected to and again, costs are creeping in all over the place. We are now all of a sudden the expected margin like on a – and I would say like on a macro which is like eight to 9%, Takealot is in excess of in some cases 20 to 27%. So those fees just start to eat away at my
10 margin and in order to be competitive on the marketplace it just starts to become very, very, very, very difficult to trade.

And then you get one or two returns and not get your box back, you are now operating at a loss. And that is the hole that Next Buy has found itself in at this particular point. Even though I am wanting to trade with Takealot because we have done phenomenal business through them, but when it comes down to some of these issues unresolved it starts to – it has negatively affected my business.

And then lastly we have had one or two shrinkage issues where – shrinkage is obviously when an item just finds legs and it is either lost
20 at delivery at the receipt or it gets lost on the return. And when we have raised these issues to various team members we get no resolve at all. And since June, since 5 June we still have these missing tablets that we have not found back. So these issues, we follow all these rules, we abide by the processes and tickets and we are still sitting here in 9 November and I am coming here and complaining.

CHAIRPERSON: Thanks, Mark.

MR WISE: I hope that was concise enough.

CHAIRPERSON: Ja, thank you for being concise there. I mean, maybe just to start with a question about the stockists who use you and the delisting.

MR WISE: With pleasure.

CHAIRPERSON: So those stockists, I mean maybe give us an indication of sort of how many have delisted and... [intervenes]

MR WISE: Two of my biggest have and they are importers. They
10 import stock and we are the service provider on their behalf listing their items on various marketplaces.

CHAIRPERSON: So it is on various marketplaces. Can you indicate – so they just delisted from Takealot? I will ask you to delist from Takealot or just taken their business out entirely?

MR WISE: Take it out entirely. They believe they can do it better than me and because of the fact that I have not been able to get – and again, when I take a look at comparative marketplaces the returns within a Takealot environment, I will tell you Takealot allows almost anything back for no reason. And again, you have something called the
20 professional shopper. I am not sure if you are familiar with that. Maybe you have heard of such a term.

CHAIRPERSON: No, I... [intervenes]

MR WISE: It is a very, very clever and shrewd individual that is going – I will give you two examples. One, we sold a Samsung tablet. The shopper has that tablet, buys it through Takealot and let us say it has an

issue with it, buys it, buys my one, puts their one back and then returns it two days later, but there is not a vetting to see that the serial number on the box and the serial number on the device was actually congruent. I get the device back. Now I have got to fight with Takealot. And again, it is a three month turnaround between who was that, where is that and again millions and millions and millions of transactions later I am left with a non-reconciled item. That is one.

Two, another example. We sold, and again this is quite a common one apparently. So you are having a party on the weekend.
10 You buy a speaker system on Monday. Takealot delivers a couple of days later. You have a ripper on the weekend and then you return it on Monday. No problem. And again it is either broken or busted and then you complain and then maybe Takealot give you 20 cents to the Rand if you are lucky, otherwise it is just your return you must sort out and lose.

So those are professional shoppers. It is few and far between. It is not all the time and Takealot manages in the event that your returns exceed a certain percentage they will switch that particular item off, which has happened and my suppliers have had to improve the quality of their products. So that is managed right. And again it is few and far
20 between, but the vetting process is very, very detrimental to margin.

CHAIRPERSON: And the stockists, have they then listed back on Takealot?

MR WISE: So, it is a good question. One of them has done it himself and cut me out completely. So I have not actually followed up if whether they are getting success or not or experiencing the exact same issues.

Insofar as exceptions, I have heard that it is going well. In terms of the number of returns, I do not have that data and I do not want to speak out of turn at all. I can tell you that when we sold on Makro and we sold on other platforms the return rates were almost negligible. Takealot does allow a lot of items just to be sent back, which affects the business. You cannot price for that [indistinct 00:23:16] properly.

CHAIRPERSON: I mean, obviously some of your stockists have maybe gone back, some not, but I mean the question we have asked the other buyers is – sellers is, you know, if it is costing you, why do you continue
10 to operate with them?

MR WISE: So the answer is volume. The answer is volume. When we have gone to the cost and the – I suppose the mission to get listed on various other platforms, some platforms have worked better than others, but Takealot has worked the best. So in light of some of the other marketplaces which we had gone to and it has been – and again, we have attempted to – we deal with every shop. We deal with Makro. We deal with Snatcher and other markets. Takealot is a true marketplace, but their fees and sometimes their frequency of returns start to erode margin.

20 So they do create sales and I am saying when you have Takealot as a marketplace you must understand it is a retailer. So when you deal with other retail stockists you put stock on shelf in order to create sales, right. Now, you hope that they sell based upon quality, based on brand and based on price. So Takealot does deliver on the sales side, but there is a tremendous amount of volume of margin

coming back to you that is almost uncontrollable. So the transaction sizes are fantastic, but after you have worked out if you got the product back and you have recouped your margin, you are at a net loss. So what we have now been able to after being delisted by many a stockist, you start to see that the numbers were not what they appeared in the beginning. Does that make sense?

CHAIRPERSON: It makes sense. And for the other platforms, I mean you said returns are limited. I mean, what about your interactions in terms of just I think a number of your complaints are really about the
10 lack of responsiveness.

MR WISE: In some cases, yes.

CHAIRPERSON: So your experience with the other platforms?

MR WISE: So they are not nearly as big as Takealot and I understand – and again, I must praise Takealot’s Account Management Team. The guys that deal directly with me with all of my issues, they are brilliant. And I will tell you, before we had the two current Account Managers we have had we were literally floundering in the dark and the two people placed in charge of my account helped us tremendously in terms of
20 resolve. But the figure of returns just kept creeping and they were powerless to assist. But unbelievable individuals. Great and very responsive in terms of getting back to me. So praise, praise there.

But the issue still resolves is that we are still owed either product or money and then the margin creep is just obviously the cost of doing business online and a lot of times one does not understand exactly how much this thing costs unless it starts to move. So as our transactions

increased during the COVID of last year, we had to scale to manage this influx of online sales. And I am saying Takealot went through it. Amazon hired I think in the region of 100 000 people just to manage this online. And again, Takealot almost trebled in turnover as far as I understood last year.

So everyone experienced this same really need to increase overhead in order to manage demand and keep our service levels high, but as things started to curve this overhead maintenance, and again it is not the easiest thing to let go of people in this country, so we have had
10 to manage an increased overhead and an increased expenses coming from Takealot's side.

So I understand that there is a reason. So the reason why I have kept with Takealot is because they have been able to deliver the sales. They have been able – so when you list on Makro's site nothing will happen for a while and you list on Takealot and then there are sales. So people are shopping at Takealot without a shadow of a doubt and that is why we have stayed.

CHAIRPERSON: And Mark, can I just ask on that, I mean the issues you have presented to us, are these recent? So could this be ascribed
20 to the COVID surge in orders or is it more longstanding?

MR WISE: So the answer is not a simple one insofar as I joined Next Buy to drive it and clean it up. So some of these issues around returns are pre-dated me sitting where I am sitting. And then as the influx of COVID came, so did the volume of transactions and thus the directly proportional increase in returns and then direct increase in proportion of

fees. So it was not just COVID.

And also what we have been trying to do is to marry data. So we have been taking our data systems and Takealot's data systems. We have improved – we got a data management system and we have also had an API link with Takealot which has its own limitation. So now you are kind of running two or three systems in parallel. So to answer your question, because of the influx of transactions during COVID there have been an increase in these issues.

So we have had some resolve and then it is almost like one step
10 forward which is good and then two steps back. So and again, unfortunately this house of cards tumbled when – as of about – and again, go to the numbers about a month and a half ago my stockists delisted from me, which is terrible.

CHAIRPERSON: I just want to I think understand from you these fee increases you have talked about. So you seem to suggest they are more recent, but maybe if you can just indicate what the additional fees or changes in fees have been.

MR WISE: Sure. Last year August there was an inter-DC transfer between Joburg and Cape Town and there was I think October, I think it
20 was late October last year there was an upliftment fee. So if you – so the way in which it works is that Takealot charge – if you want to put a product and store it in their DC they will charge you based upon a metric. They will charge you I think it is 35 days no storage, right. And if on day 36 you have not sold anything, that is when a fee will be incurred based on your volume metrics and quantity.

But if you have had sale throughput and you sold an X value over a certain number of days, because you are selling Takealot is making money, they are not going to charge you because stock sitting in Takealot is fine. But come silly season what happens is if you are overweighted on stock and you are now in excess of your – there is a further calculation and I will give it to you like this.

So if you sold two and now you are carrying eight, you have 120 days stock holding. And again, it is only eight units and again let us say it is a car radio. You are now in excess of 120 days of stock carrying
10 which you do not need. You only need 30 to 50 days. So now you have to uplift that item in order to balance the stock because Takealot only has such a big warehouse and now you are going to be charged extra in additional storage of six units when you should not have the six units.

And again when you request a removal, your charge, but you do not get it timeously. There is no go in, you get a ticket and all these boxes are moving back and forth, so you do not know where it is. And if you sold those two, now you have got to do another booking to cancel the removal order and now deliver again at your cost. It ends up being this administrative nightmare which is highly onerous on a business.
20 And again, I am not talking 200 pieces, I am talking eight and you have to be balanced in both the Cape Town DC and the Joburg DC and a lot of times you do not necessarily have fantastic visibility of where your stock is when you have made the request. You do not have it. You just do not get it.

I mean, and again just running through the SLAs, they say that

they send metrics weekly. We do not get metrics weekly. We get them as and when we are getting close to red lines, which is courteous but we do not get weekly metrics in terms of infringements where you get exceptions and you can get switched off, which I understand why they are there. We have made mistakes. We have undelivered. We have made mistakes because there is a margin for error in transactions.

So the visibility and management of where we are at as a business and I know – it just is not – it is not there. I cannot push a button and see where my return stock is in this process. And even
10 Takealot have admitted that they also have disparate systems. They cannot give it to me.

CHAIRPERSON: And Mark, any other fees or changes in terms?

MR WISE: The handling fees have gone up slightly for bulkier items, even if they are lightweight. So the handling fees have also hit us slightly. So I do not know if that is labour costs or it is – and again, I do not know if it is diesel costs. I am not entirely sure, but those fees have gone up. And again, as a retailer I cannot comment for their rule sets on being able to charge what they charge, but essentially there has been margin creep. It does not go down, let us put it that way.

20 CHAIRPERSON: Anything else?

MR WISE: Anything else? I mean, I actually have said quite a bit. I suppose the ability for me to be able to supply product let us say like a branded iPhone is one issue we have not necessarily dealt with. And again, it is not free market. It is this particular product you are not allowed to sell this and you will be delisted from it. So that is not free

market at all.

And again, another time what I discovered is that if Takealot are creating a marketplace but they own the stock, they are going to hold the stock at a better price, they are going to flush it at their price plus not allow you to sell it. And if you are able to sell it, they are going to charge you and then charge you on the return. It is an imbalance of free market. It is not entirely free and fair, just to labour the point. I mean, I do not want to carry on, but I have tabled all my items and... [intervenes]

CHAIRPERSON: Thanks, Mark. Let me just check with the panel if
10 there is other questions. We have a question from Ms Leuner.

MS LEUNER: Hi, Mr Wise.

MR WISE: Hi.

MS LEUNER: I just wanted to ask a bit about the returns issues and what you think should be – would help. I know that there is something called unboxed deals that Takealot has at its disposal. So they can if they themselves have returns where the packaging is damaged, they can potentially then sell them as unboxed deals. Ja, I was just throwing out what kinds of things would help with the returns policy.

MR WISE: So I have two suggestions. So I was afforded the ability to
20 make the suggestions to Takealot themselves. The major one is, and again it is interesting that you juxtaposed those two suggestions, one with open box and how to handle the returns side of it, is that I would like my own warranty. I would like to handle my own warranty, right.

So I will give you an example where you buy a Bosch dishwasher, okay, from Makro and it is brand new and now something

happens. You do not go to Makro, you go to Bosch, right. Same with the iPhone, same as Samsung. The OEM or the seller of the product now maintains the warranty. So they have national service centres depending on the warranty. You do not necessarily have to go through to Makro.

So some of the items that I attempted to list, I as Next Buy would love to be able to have that warranty. Now what that does is it ensures that I own my product, I handle my customer, because they – in theory in this particular instance in a Takealot environment, they are the market
10 maker, bringing a buyer and a seller together. So therefore if there is a dispute, buyer and seller need to resolve. So what that does is it creates less handling fees at Takealot's back door. There is less possibility for shrinkage. I can liaise with my customer as opposed to – and I promise you given – just a complete aside.

I know this distracts from our story. I had a customer who was badmouthing me online. They were super, super upset regarding a particular product that Takealot just would not provide feedback for and it was not even my product. So I – it was a gaming chair. So when a person has an issue and Takealot has not resolved it because it is just
20 there are so many returns, customer service fails. So if now if it does not have to all go to one particular place and the warranty is now handed to those, obviously better.

So there is a white goods policy that Takealot has issued in order to ensure that I honour the warranty, because now it falls outside of Takealot's responsibility. So they have that policy and we are in the

process of completing it. So I believe giving me or sellers their warranty and trusting that the customer or the seller is treated fairly. So Takealot I do not think are doing a good job to manage that and it also reduces their fees holding onto sellers' money and customers' money who do not see the product or the money back for some time. So it does ease burden in a lot of different places provided it is managed properly. So that is one suggestion.

And the second suggestion is to actually have a very hard and fast returns process. So for example, when I get a kettle back but no
10 kettle, how did that get through? It should never. So those are my two. There has to be a far more stringent process. I mean, when a returns good comes back to our back door there is a massive question there whether or not it can or cannot be. We process the return and then we deal with the customer. You do not just accept things back free willy. You just cannot. It do not happen. So that is my input there.

MS LEUNER: Okay, thanks.

MR WISE: You are welcome.

CHAIRPERSON: Thank you, Mark, for coming and participating in the public hearings... [intervenes]

20 MR WISE: Thank you.

CHAIRPERSON: ...and for bringing your insights and input to the panel and to the public as well. Ja, I think we do appreciate that, you know, you take time out of your business and I believe it is coming up for a busy part of the year. So good luck with that and... [intervenes]

MR WISE: Thank you.

CHAIRPERSON: ...thank you for coming forward.

MR WISE: Thank you. I just hope that the input today has a very positive resolve on I suppose the way in which our interaction with Takealot and other platforms just gets improved in the future. So thank you.

CHAIRPERSON: Thank you, Mark.

MR WISE: Thanks everyone.

CHAIRPERSON: Our next participant is Makro. We will just check if they are in the room yet.

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