

Strategies to unlock retail growth in 2020

By [Gareth Hawkey](#)

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As the year comes to an end, it is clear that the role and function of brick and mortar stores has fundamentally changed. Increasingly, physical stores have to become a seamless extension of an overall customer experience that blends the best of the online and offline worlds.



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Indeed, savvy and forward-thinking retailers understand that the lines between online and offline are blurring, and the question is not so much around whether to have a physical or online presence – the fundamental question is how to deliver the most value to your customer.

In South Africa, retailers should take their cue from the global shift and find local solutions that speak to the fundamental shift that is happening. Arguably, many decision-makers within local retail are stuck in 'traditional' thinking that is purely focused on cost savings and efficiencies (the low hanging fruit) – with little vision of a fundamental transformation that puts the customer first.

Understanding where value lies

To keep up with the lightning-fast pace of change in global retail, most of which is technology-driven, SA's retail decision-makers have to embrace a new mindset that is less risk-averse, more experimental and that is entirely centred on providing value to the customer.

Looking ahead, we believe that three things will define retail success in the years to come: convenience (for example, easy online payment options); brand strength (are you a premium brand?); and customer experience (is your buying experience seamless and easy?). In order to remain relevant in a highly competitive retail landscape, every retailer has to fulfill these three functions.

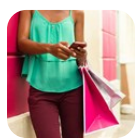
In South Africa, we currently risk losing ground on all three.

So, where to begin?

Ask the right questions

In order to better understand how to deliver value to your customer, you need to be equipped with the right knowledge. This knowledge can be extracted from data – credit card data, buying patterns, location data, stock trends, customer feedback, etc. Once you explore and analyse the data at hand, you can better understand what is working and what is not.

Remember, unless this knowledge can impact in-store operations, it is probably irrelevant. Everything has to come back to delivering more value to the customer as they move through the purchasing journey. To guide your thinking, ask questions such as: Who are we? Who are our customers? What do we do very well? What do customers come to us for?



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Leveraging technology to drive value

Once you have real insight into these key elements, you can then start exploring various technology solutions to ensure that you will be able to deliver unique value to the customer. If you start with the customer in mind – not the technology – you will undoubtedly make decisions that reflect the true nature of your brand and business.

With regards to technology investment and innovation, the most important thing is just to get started – there is no need to have full and expensive solutions in place right away! With that in mind, here are our top seven technology strategies that every retailer should be looking at.

- 1. Enable payment flexibility:** Allow customers to pay via mobile for example, and place the emphasis on security as well as convenience.
- 2. Create an omnichannel offering:** Today, every retailer has to have an e-commerce presence of some kind that links seamlessly to the in-store environment.
- 3. Transition into the cloud:** move your data and certain key services into the Cloud. The major providers such as AWS and Google will ensure both data security and reliability. Once in the Cloud, you can slowly start to explore more bespoke services.
- 4. Explore the IoT:** Although the Internet of Things (IoT) is still maturing in South Africa, networks are getting stronger and businesses can start to experiment with different use cases.
- 5. Find collaborative partners:** More and more retailers are harnessing collaborative partnerships to draw in foot traffic

and leverage key resources, such as a global brand, to boost growth using the “store within a store” concept.

6. Look at voice-enabled technologies: Many experts are hailing the beginning of a ‘voice’ revolution, whereby consumers will increasingly make use of voice-activated devices and services. Savvy retailers should look to become first movers in this space.

7. Find ways to apply AI to your customer database: AI and machine learning, whilst still in their infancy, can be hugely transformative by creating questions that you would never have thought to ask. Start implementing data analytics and begin to mine customer data for key insights.

While many of these strategies may appear daunting, the key is to get started and to begin to explore where you can unlock value. Success will depend on finding the right partners and specialists, who can guide you along the way. Looking ahead, retail growth and sustainability will be the domain of those who prioritise experimentation, and are able to think differently about delivering value in-store!

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