

South African retailers can leapfrog advanced omni-channel retailing

Speaking in Stellenbosch this week, Lee Gill, JDA Group VP Retail for retail strategy globally, said South Africa's traditional retailers had to face the fact that change was coming and that they had little time left in which to change from traditional models to next generation 'me-commerce' models.



Picture: JDA.com

“There’s no standing still for traditional retailers. Traditional retail models cannot deliver on the way today’s customers want to shop. They are demanding extended choice, convenience, and they want orders fulfilled their way – whether that means delivery to their home the same day or collection at a store. Most UK and US retailers are moving towards same day delivery now, with some aiming for delivery within hours or even minutes.

“While online retail makes up a relatively small percentage of overall retail sales in South Africa now, things are set to change fast. Fortunately, South Africa’s traditional are in a position to leapfrog the learning curve retailers in the US and Europe went through, and move right into advanced omni-channel retailing.”

Key to moving toward this new age of retail was moving away from the old approach to expanding into online retail, whereby traditional retailers tended to add on online in a siloed way. This, however, does not support the new need for an omni-channel, seamless shopping experience.

Gill notes that in the latest annual survey of retail and consumer goods CEOs, conducted by PwC on behalf of JDA Software, only 18% of executives said they had eliminated operational silos and were delivering seamless omni-channel shopping experiences for their customers. These companies expressed greater confidence in future revenue and profit growth than their peers, while achieving significant competitive advantage through lower costs and increased investments in customer-centric services. The research also found that emerging markets are investing heavily and are actually ahead in providing certain customer-facing options. The report highlighted the fact that CEOs said 26% of their investment capital is being spent on omni-channel readiness, with a sense of urgency to invest now to meet omni-channel imperatives.

Adoption curve could be rapid

“The end game is to ensure that consumers can shop when and how they like, with a seamless experience across any channels they choose. All customer touchpoints must be presented in a consistent way, or else you will get a disconnected journey. While more mature markets took longer to get this right, the adoption curve in South Africa will be a rapid one, and local retailers need to look to overseas experience to put in place the strategies and systems needed for them take advantage of this coming growth.

“Anyone in the business of retailing must understand they are serving a different customer with a different shopping journey now. Within this journey, there are five important steps: brand awareness; research – which makes online presence critical, anywhere anytime shopping, convenient order fulfilment and loyalty.”

Bringing with them the benefit of hindsight, JDA is helping local retailers cherry-pick from the lessons of international retailers and leapfrog into the next generation of shopping.

“JDA has been doing this for years – provide the building blocks and expertise to take retailers into the future,” concludes Gill.

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