

# Fulfill SA's growing e-commerce appetite with a seamless online experience

By <u>Gareth Hawkey</u> 12 Oct 2020

In South Africa, and indeed, worldwide, e-commerce has been turbo-charged by the newfound reliance on technology and digital tools in almost every sphere of life.



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Although the protracted ban on local e-commerce during lockdown initially dampened the steady and inevitable adoption of e-commerce platforms, the release of that ban saw a surge in demand for fast, reliable and safe online shopping options in South Africa.

While many customer experiences have been less than ideal, local shoppers have clearly become more comfortable with the concept – with less fear around fraud and credit card safety, for example – and are becoming increasingly willing to shop for a wider array of goods and services online.

Now, as Black Friday and Cyber Monday approach, retailers would do well to prepare for an uptick in demand on online platforms, particularly as cash-strapped consumers will be looking for discounts and deals on everything from DIY tools and household products to affordable Christmas gifts and home entertainment additions.

The expectation of bargain hunting is being reflected amongst both physical and online retail strategies, with both Makro and Game, for example, <u>planning to extend</u> Black Friday deals throughout November 2020 (instead of their previous strategy of only releasing deals for a restricted three-to five-day period from 27 November).

In the online sphere, the demand for e-commerce sales and bargains will naturally be fuelled by the unwillingness to stand in long queues at physical outlets – and deal with the many social distancing and Covid-19 safety regulations that are still in place (along with the lingering health risks of social contact).



With this in mind, what lessons can be gleaned from the initial e-commerce 'experiment' of lockdown; and similarly, how can retailers be prepared for a surge in demand for compelling e-commerce experiences and offers?

From a technology and digital perspective, one of the major lessons learned was that shifting to e-commerce cannot be a rushed exercise. It's a long journey, and one that has to be taken step by step, with an e-commerce 'utopia' – or clear vision – guiding each step.

Fundamentally, retailers need to understand what success in this realm looks like, and then plan and invest accordingly. Customer experience, and the all-important 'brand stickiness', is what makes or breaks e-commerce success. To achieve a friction-free and seamless customer experience online, retailers need to plug existing holes and assess weaknesses.

Here are 3 guiding steps to shape and guide this journey:

### 1. Move away from legacy technology

When many retailers scrambled to get e-commerce platforms up and running when the lockdown was announced, there was a clear misconception amongst many providers that an online offering simply meant creating a website with a payment gateway.

Moreover, many retailers tried to build ad hoc online platforms as an 'add on' to existing legacy IT infrastructure - most of which still sits on-premise and is written on older technology and software. This immediately blocks the pathway to interactive and engaging e-commerce offerings which almost by default, need to harness Cloud environments and new, sophisticated applications and software.

In essence, by sticking with legacy infrastructure, retailers are simply unable to create e-commerce sites and applications that can be scaled, and that can be integrated into new applications that allow for advanced functionality, customisation, and security.



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# 2. Embrace a more agile, e-commerce mindset

In addition to resisting a fully Cloud-based approach and relinquishing hold of legacy IT, many retailers are also sabotaging their e-commerce strategies by seeing online sales as a separate part of the business.

As we have seen with major retailers abroad which have transitioned to e-commerce and enjoyed massive growth and

adoption, e-commerce needs to be viewed as integral to the overall growth strategy – which requires the physical store experience to match and integrate with the online store experience, and vice versa.

For instance, loyalty programmes and points need to be carried over into the e-commerce experience, and both sides of the business need their own supply chain lines to ensure that in-store stock isn't simply being fed to meet online demand. Sadly, many SA retailers with online offerings have placed the supply chain emphasis and investment on their physical stores only - and have failed to apply the same logistics rigour to ensuring that e-commerce supply chains are just as robust and reliable.

In practice, this means, for example, keeping e-commerce stock in a designated DC or warehouse and therefore being able to fulfil orders with the same reliability as is applied to ensuring shelves are stocked in brick and mortar stores. If anything, e-commerce requires even more of a focus on disciplined logistics – and an agile approach to planning in order to meet the fast evolving needs of e-commerce shoppers.



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## 3. Win (and maintain) trust by fulfilling your entire brand promise

In the world of e-commerce, consumer trust is arguably the biggest defining factor of success or failure. Unlike with physical stores, whereby location and travel times often determine footfall, e-commerce represents a different set of dynamics.

Arguably, consumers turn to e-commerce because they want to reduce the friction points involved in shopping and prize convenience and reliability above all else. This means that e-commerce providers have to fulfil any promises or guarantees they make – if not, it only takes one or two poor experiences to lose that customer to online retail rivals.

Today, many local retailers are doing a solid job up until the purchase is made – but then fail to ensure that the post-purchase elements and engagements are just as robust.

For instance, once the purchase is complete, are you regularly communicating with customers as to the progress of their order and informing them of every step? Are you maintaining your promise of delivering the goods within 48 hours – and if not, have you communicated why (and perhaps provided a discount on the cost of delivery)? Have you provided a professional and timely invoice for the purchase?

These post-purchase engagements (which are necessarily supported by smart tech integrations) are what separates the 'ok' online retailers from the excellent ones...and as the online sphere becomes more and more competitive, brands and businesses that can't keep their promises will quickly fall by the proverbial wayside.

#### ABOUT THE AUTHOR

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