

Delivering value in a dynamic retail environment



By [Brett Kaplan](#)

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The South African retail landscape has undergone massive change and is becoming increasingly dynamic with the influx of new local and well-known international brands. In response, retailers have to adapt their strategies to meet the demands of their savvy consumers who are part of an increasingly global, inclusive retail market.

At Woolworths, our approach to retail has always been built on the foundation of offering quality, innovation and value. We need to marry this approach with the need to remain at the cutting edge of global trends. At the same time, these trends need to be locally relevant. The following principles will remain top of mind for our Woolworths team as we assess 2014 trends:

1. Speed to market is essential

Speed to market has taken on a whole new meaning and as the world gets smaller, consumers are demanding immediate access to on-trend ranges. Increasingly, we need to be able to nimbly adjust to changing consumer demands. For retailers like us, this creates the need for a different type of planning, which extends into all areas of our business, including our supply chain. For example, we have initiated Woolworths "fabric banks" in order to give ourselves flexibility. We will place an order for a fashionable fabric, even before we have a design planned, to ensure that we are able to quickly turn around the item for the season in our stores within the shortest possible time.

2. Localising global trends

With more international retail available in South Africa and consumers' ability to view ranges online as they hit the catwalk, South Africans are developing an even stronger appetite for clothing which is in line with global trends.

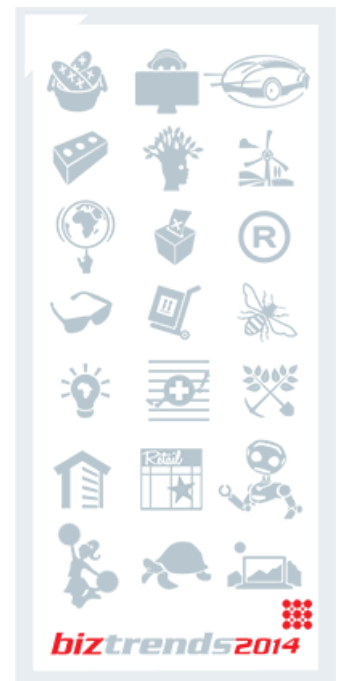
As a South African retailer, our focus is on ensuring that we provide this access in time, while remaining mindful of and guided by local preferences. Our ultimate priority is to interpret global trends in a way which makes sense for our local market. We have an in-house team whose job is just this - to find trends that translate best to our market - perhaps that the New York runway look translates well to the clean, sophisticated look that South Africans are looking for in their work wear. Similarly the Spanish runways feature colourful items that appeal to the more casual South African market.

3. Through innovating, we can create a trend

Our approach to innovation is grounded in the principle of offering a differentiated product experience for our customers. For example, the exclusive Stay New™ fabric technology used in our range of t-shirts keeps clothing looking newer for longer. Combined with the added benefit that the bio-blasting enzymes used in the technology do not adversely impact the environmental footprint of the production of our garments, we continue to lead the local trend of sustainable retailing.

4. In today's marketplace, the search for value is a trend in itself

An over-riding trend in 2014 will be the search for value, and we place great emphasis on ensuring that there is range



in our product lines where customers can clearly perceive a difference in value and understanding the price tiering.

Our Good - Better - Best approach to pricing ensures we meet our customers' expectations by offering a range of options for different budgets, while at the same time providing tangible value for our upper tier products.

5. Multichannel is coming

While we're not yet at the stage of more advanced markets such as Europe or the United States, consumers in South Africa are increasingly shopping across a number of retail channels. A retailer's ability to capitalise on the full benefits of multichannel retailing involves much more than simply replicating a traditional in-store product assortment within a digital format and assuming that consumers will click and buy.

Understanding the relationship between the consumer, technology and factors which influence the purchasing decision has become paramount. Retailers need to be ready for the shift towards online. Currently in South Africa, multichannel retail is primarily focused on food, but we are beginning to see an increasing number of younger customers doing more research through online and digital platforms in relation to fashion, even if they don't shop online.

We do a vast amount of research in trying to better understand our customers, as their demands will drive much of what we consider important from a trend perspective. Ultimately, we try to never lose sight of what makes us different. In an increasingly cluttered market, our focus on quality and value is paramount.

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ABOUT BRETT KAPLAN

Brett Kaplan became MD of Clothing and General Merchandise business in July 2013 after joining Woolworths in 1978 as a trainee manager and starting retail life in Adderly Street. Over the years he held various merchandising and buying management positions throughout the Clothing & GMBusiness. Three years ago Brett was promoted to divisional director of Clothing and GM. In 2010 he joined EXCO as director of Clothing and GMBuying reporting to CEO Ian Mbir. www.woolworths.co.za
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