

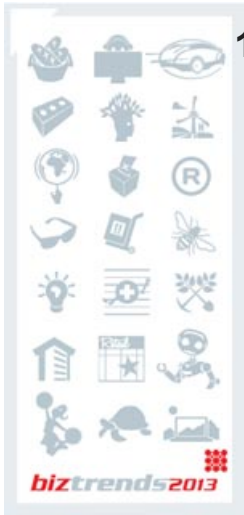
Looking ahead at retail, shopper marketing in SA



By Bernard Mathaga

24 Jan 2013

The following are my thoughts on trends that will emerge in the retail and shopper marketing space in South Africa.



1. Retail growth via digital technology

There is no doubt that technology has had a massive impact on retailers globally and South Africa is no exception, to the extent that it is actually shaping the future of retailing in SA. While e-commerce is still relatively limited in SA, compared to global standards, we are, however, starting to see a steady increase in online retail sales due to a growing number of tech-savvy consumers taking to the net.

According to [Mastercard's Worldwide Online Shopping Survey](#) conducted in 2012, there has been a steady increase in the number of South Africans shopping online over the past two years - from 53% in 2010 to 58%. 2013 will be no exception!

2. Shopping convenience

Contrary to many beliefs, we will not as yet witness the death knell of bricks-and-mortar stores in SA as a result of e-commerce. Instead, we will see some integration of retailers' online operations and bricks-and-mortar stores in an attempt to attract customers and increase sales. This integration will enable consumers to shop online but pick up their goods in a retail location [*this already started happening, with Mr Price and its [Mr Price Online](#) in 2012 - Biz Trends Report editor*]. This will also enable them to return any unwanted goods to the same location, thus eliminating shipping costs and offering greater convenience to consumers.

Currently in the US, more than half of the sales from Walmart's online store, [Walmart.com](#), are now picked up at Walmart stores. Here in SA, about 3.9 million Edcon customers are able to purchase music, books, games and movies from [www.cna.co.za](#) [*see my point above regarding Mr Price Online - Biz Trends Report editor*]. Customers can return products to a store without incurring any shipping costs. I see a future trend emerging here for the likes of Woolworths and PnP to follow Edcon.

3. Mobile innovation and domination

Now that smartphones are outselling PCs and even feature phones, South African shoppers will become more dependent than ever on their mobile devices, which means that these will continue to be an integral part of shopping experiences. Tablets will continue to make inroads and we can expect to see even more innovation in the form of apps aimed at providing consumers with greater shopping convenience.

4. 'Show-rooming'

According to research conducted by [World Wide Worx](#), online retail is becoming increasingly popular in SA, growing at a rate of 30% pa. So as consumers become more techno-savvy and their propensity to shop online increases, 'show-rooming' (when consumers view products in-store, then make purchases online) is another trend I believe will emerge in 2013.

This implies that we need to find the right mix of mobile-to-life connectors that ensures the brand is extended into

every aspect of the increasingly fractured path to purchase. And, for me, the trick lies in how we as advertisers 'create purchase behavior' to ensure we convert that propensity to shop.

5. Smarter mobile shopping experiences

Given that retailers may battle to retain consumer loyalty within their stores, another trend I suspect we may see in 2013 is retailers starting to focus on ways to enhance their mobile experiences with richer, more interactive user interfaces that are very channel- and device-specific.

Experiences will emerge, such as "in-store mode" for mobile websites that detect when a shopper is in a retailer's store (through geo-fencing and the device's GPS) and offers up a store-specific experience that is different from when they are not in the store. [Walmart's In-Store Mode](#) is a good example of the type of experience we can expect to see more of this year.

6. Sophisticated data sharing and usage

As retailers and brands get smarter about collecting shopper data and using it to create a more personal experience, I suspect shoppers will become more demanding and expect something in return for sharing their personal information.

Even in this age, shoppers are still protective of their privacy and are becoming more discerning about what they share on their social networks. In 2013, the trick will be seeing how retailers and brands use data to achieve greater shopper loyalty and compromise with shoppers on sharing data in exchange for reward.

7. Pervasive shopper marketing

Globally, [shopper marketing](#) is the fastest growing advertising category and, while it's still a relatively new concept in SA, it is likely to be one of the biggest growth areas in 2013 and beyond. There will be renewed interest in [shopper marketing](#) by retailers as a comparatively untapped means of achieving a competitive edge.

8. E-tailing

The battle for market share is definitely on among SA retailers and is further exacerbated by increased competition from international retailers such as Walmart, Zara and Topshop, as well as international online portals. Significantly, these online services have started offering cash-on-delivery, as well as credit payment options, making the lure so much more enticing for consumers. This trend will continue in 2013 and the winner at the end of the day is the couch shopper [*and the courier companies - Biz Trends Report editor*].

For more:



- Bizcommunity Download: [2013 Biz Trends Report](#) (pdf: 3MB)
- Bizcommunity Special Section: [Biz Trends 2013](#)
- Bizcommunity Search: [2013 trends](#)
- Bizcommunity: [Biz Trends 2013 twitterfall](#)
- Twitter Search: [#biztrends2013](#)

ABOUT BERNARD MATLHAGA

Appointed in 2012 as Ogilvy & Mather South Africa MD of Brand Activation, Bernard Matlhaga is a specialist in his field who brings 20 years of multinational marketing experience - spanning trade, channel, category, customer, consumer and shopper - to further reinforce Ogilvy & Mather South Africa's competency in these areas. For more, go to [brandactivation.tumblr.com](#) and Facebook, and follow @BA_Joburg on Twitter.
■ [2013 trends] Looking ahead at retail, shopper marketing in SA - 24 Jan 2013

View my profile and articles...

For more, visit: <https://www.bizcommunity.com>