

Rise of a new age in retail has begun

Delivery times are an integral part of online shopping. Even in South Africa, retailers offer 24 hour (or even same day) delivery on many goods. Recently, Makro announced a partnership with Sasol to send purchased goods to secure lockers at forecourts, with customers simply typing in a code to get access to their goods. In the digital world, the retail experience has evolved to consist of multiple channels that serve consumers on their platform of choice. The unsung hero in all of this is delivery, without which online shopping could not have become the success it is today.



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However, can this vital component ever evolve into a point of retail itself? Mark Collin, head of the European Retail Practice at ThoughtWorks, takes a closer look.

"An essential part of retail is the value-add provided to the customer. In a competitive environment, this becomes even more important as the product is not always the differentiating factor when deciding on a retailer. The emergence of Delivery 2.0 is a great way to offer something unique," says Collin.

"Another example is SF Express, the largest logistics company in China, which we are currently working with. Its focus has been on improving the customer experience through digital so that a customer can self-serve online, or call a call centre and be served face-to-face in a totally seamless way."

This strategy is resulting in a reversal of their traditional business model to change from a delivery service to a retailer. SF Express is acquiring a physical presence through offices that are both a delivery hub and a local convenience store.

"However, they are not operating on a basis where the store has to be stocked full of goods. Instead, they have a core range of goods supplemented by an endless aisle concept."

Amazon takes control of its delivery

In addition, despite the focus being on drone delivery (whether practical or not), the service to watch from Amazon.com is its own network of trucks and vans. This sees the e-tailing giant taking control of its delivery network and guaranteeing a 'cradle-to-grave' approach when it comes to the customer experience, a la Delivery 2.0.

"But what does this mean in a South African context? Are retailers really expected to take control of all aspects of the consumer experience? Not necessarily. On a most simplistic level, there needs to be better integration between the online retail environment and the fulfilment level. This is especially important when it comes to clothing and related products that customers could not try on before they purchased online. There are examples of some e-tailers requesting the courier to wait a few extra minutes following delivery in order for the customer to try on the clothes."

This, he says, not only creates a positive brand experience but also saves the company additional courier costs in returns and exchanges.

"As with anything, there is no Silver Bullet. Retailers need to ensure they stay ahead of the curve and follow international trends closely. As a customer-focused entity, a retailer cannot afford to be playing catch-up. This is even more so the case in the real-time world in which we live thanks to social networking and the constant connectedness of customers. Delivery 2.0 will change the way the retailing environment operates. Are South African retailers ready to innovate to stay ahead?" concludes Collin.

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