

How will SA business handle the digital commerce crush?

Covid-19 is a global pandemic, evolving at unprecedented speed and scale. It is creating a universal imperative for governments and organisations to take immediate action to protect the people. Self-quarantine. Social distancing. Community spread.

By [Vukani Mngxati](#) 12 Jun 2020



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These formerly obscure terms are now everyday words. New habits and behaviours are forming that in many cases are not likely to go away after the crisis passes.

And while the impact on the economy is not fully known, both direct-to-consumer (D2C) and business-to-business (B2B) organisations are scrambling to meet the immediate needs of their marketplaces.

In particular, those who have viewed digital commerce as a secondary channel now need to reorient every aspect of their business towards a digital commerce mindset. There exists an opportunity to double-down on digital commerce, augmenting existing offerings and creating new lines of service.

While this represents an opportunity to grow revenue, attract new customers and drive channel shift, it depends on digital channels and capabilities having appropriate scale and stability to handle the crush.

Reassure your customers and employees

There is unprecedented confusion on what, where and how to buy things, as customers are concerned about who to buy from, whether they are paying a fair price or even whether they will be able to find the essentials they need.

Unfortunately, some businesses who proved to be opportunistic and exploited customers by loading price of critical items contributed to this issue. This may have yielded profits in the short term, but in the long term they will lose market share as customers are increasingly gravitating towards companies that are truthful, transparent and driven by a clear purpose.

These principles extend through customer channels and their engagement with retailers, as well as into B2C

relationships and how companies work with their distributors, wholesalers, or manufacturing direct supplier

This is amongst other confirmed by a study that was released in collaboration between the World Economic Forum (WEF) and Accenture in January 2020, which indicates that companies who execute stakeholder-centric leadership, display stronger financial performance.

If this was the case then already, this pandemic that currently affects the whole of mankind, has no doubt brought the need for human-centredness to the fore. Companies who can demonstrate these attributes will deliver a differentiated level of customer service and make themselves more relevant and connected to their customers - old and new - on an ongoing basis.

Stabilise your digital channels, platforms and infrastructure

With the closure of cafés, restaurants, bars and hotels and the grounding of airlines, much of this demand will need to be met by the grocery sector, online. That's the new reality as mass quarantines and unpredictable retail stock availability cause online commerce to skyrocket.

While this represents an opportunity to grow revenue, attract new customers and drive channel shift, it depends on digital channels and capabilities having appropriate scale and stability to handle the crush. Businesses must flex quickly to capture the opportunity, and systems must be prepared to withstand the increased loads.

Reconfigure and extend your offering for seamless online delivery

With the closure of retail establishments and the disruption of supply chains, the rules for merchandise and inventory have fundamentally shifted. Historical data on what sells online vs. offline is out the window. Companies now have a lot of inventory that they are sitting on in retail outlets that they need to figure out how to get online.

Businesses that have historically invested in digital commerce sales tools will likely have an easier time adjusting to this new, digital-first economy, while those that have only made moderate strides will be more greatly disrupted.

For example, traditional auto auction houses are shutting down, while on-line auctions are fast becoming the norm - even in a reduced volume business, those that are digital-prepared are seeing increases. As businesses are realising the value of e-commercialising, this will in all likelihood also lead to a decline in the need for brick and mortar operations.

Power up your value proposition through power networks

All evidence points to the fact that the economy will continue to decline and that there will remain a requirement for social distancing for time to come. For this reason, customers will keep on abandoning brands they've been loyal to and migrate to companies who can deliver what they need in the fastest, easiest and most cost-effective manner.

Better yet, if they can get it all from one single, service provider. This will require businesses to move beyond just creating ecosystems, to establishing power networks through symbiotic partnerships and collaborations to collectively expand their value proposition all together. At the same time, it is an enabler to

establish lean and mean operations in an uncertain economic climate, whilst accelerating growth exponentially.

Leverage new behaviours for new growth

Naturally, the national lockdown forced business and society to start doing things differently. Gyms are helping their customers to stay fit through online fitness programmes. The healthcare industry is using virtual assistants and hotlines to respond appropriately to the Covid-19 crisis. Restaurants are providing online cooking classes.

Consulting businesses and academies are providing information and counsel through webinars, online learning tools and systems. Businesses are enabling their staff to work remotely and are using online platforms such as Microsoft Teams to conduct meetings. Parents are using online mechanisms to educate their children, and tertiary students are tapping into online learning.

All these new behaviours can be leveraged for new business growth. For example, as South Africa has just moved to level 3 of the national response to the Covid-19 pandemic, only a portion of our children are able to return to school, and only some tertiary students are able to return to their educational institutions. This necessitates an extreme acceleration of the virtualisation and digitalisation of education, supplemented by substantially increased access to the internet, especially for those learners in disadvantaged and rural areas.

Unlock the potential of emerging trends

There is a myriad of trends that are emerging in this Covid-19 world, that present businesses with new potential avenues for growth. Health and safety are for example currently the first and foremost priority for both business and society and will in all likelihood not just remain a trend but become part of the new norm. Whilst discretionary spend is generally bound to decrease significantly, people on the higher end of the market who have been robbed of the pleasure of travelling for leisure, may be more likely to spend money on luxury items such as jewellery, to spoil themselves.

In addition, every single person now requires enhanced access to the internet, more efficient technology and mobile devices to live, work and play from anywhere, at any time. This is a time to conceptualise novel solutions for at-home activity, at-home education, at-home entertainment and at-home workspaces.

Reassess relevance and reframe your strategy

Some of our industries that have been hit the hardest by the Covid-19 pandemic are the tourism, entertainment and beauty sectors. Businesses in these sectors have no choice but to reassess their relevance and adjust their strategies accordingly. While people are no longer able to go out and explore the whole wide world, the tourism sector will have to innovate ways to bring the whole wide world to them, by i.e. creating virtual tours or expanding their offering to include entertainment such as gaming.

Entertainers can leverage online platforms to create worldwide events and distribute their material digitally. Hairdressers and beauty salons can provide 'how to' channels on a subscription basis and develop e-commerce channels for their customers to get the necessary products quickly and effortlessly.

Unlock the value of data to engage consumers optimally

As the landscape we find ourselves in is changing faster than ever before, the wants and needs of

customers are also evolving at unparalleled speed. The businesses who will be able to successfully deliver on these wants and needs are the ones who are ever attuned to exactly who their customers are, what their preferences are, and what they may also need in future, before they even know it themselves. To this end, it is critical to acquire the most suitable technology to intelligently collect and interpret client data.

However, in this ultra-competitive online race, it is no longer sufficient to simply deliver what customers want and need, it is also important how you deliver it. The businesses who will grab and retain their target audiences' attention, will be the ones that leverage high technology to create immersive virtual spaces and continuously deliver the most engaging digital experiences.

Embrace e-commerce as a necessity, not just a priority

In conclusion, in this brave new Covid-19 world, digital commerce is no longer a priority, it is a necessity for the very survival of a business. But whilst establishing their e-commerce facilities, a business should never lose sight of what is first and foremost for their customers: Trust, relevance, convenience and economy.

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