

Grocery retailing: The digital onslaught

Grocery and other retailers in South Africa are still dramatically underestimating the impact that the onslaught of digital is having on the industry. The in-store expectations of consumers are evolving faster than retailers are delivering on those expectations - a gap referred to as the 'digital divide' - and unless retailers step up to the plate and capitalise on evolving consumer behaviour, they will struggle to stay relevant in today's marketplace, said Tim Bishop, director of Deloitte Digital Africa.



Tim Bishop, Director at Deloitte Digital.

Image credit: [LinkedIn](#)

Bishop says the most important aspect of crossing the digital divide is engagement with individual consumers. “South African retailers seem set on doing all the clever tech stuff as quickly as possible, such as creating special apps, but forget that the crucial factor is reshaping their relationship with their customers. We may be in the era of digital, but we have never left the age of human beings.”

He said that the use of digital devices over the past few years has completely transformed the shopping journey of South African consumers, who are using smartphones, laptops, desktop computers, tablets and feature phones to assist their purchases. They are using these devices before entering the store (for research, comparison and information), in-store, as well as afterwards (sharing their purchase experiences with friends for validation, for example).

SA has not followed the traditional route

“While most countries are heading in the direction of increased digital adoption and usage, South Africa has not followed the traditional route of migrating from laptops to mobile – we have skipped some of the adoption stages experienced by developed markets and gone directly to mobile. And we’re not just talking smartphones – feature phones are also being used extensively in this process.”

Bishop said that South African shoppers are increasingly using digital access to tailor the way that they shop, and are creating their own 'path to purchase'. "Retailers have lost control of the conversation. Shoppers are more informed than ever, and the information they access most easily and trust the most is often no longer coming from retailers. This means retailers must think broadly about how product information is communicated to today's consumers – the old methods of retail marketing are long gone."

He added that crossing the digital divide does not mean putting up an e-commerce version of the store on the company website. "Far more important is having the right information online – from extensive product information, peer reviews and prices, to the availability of products. And providing a full range of online tools consumers can embrace. Taking them from online to offline in the store must be a seamless, easy process."

Embracing the challenges

Bishop said as part of embracing the challenges and opportunities of digital disruption in the retail industry, retailers need to in turn, 'disrupt' shoppers and redefine their entire shopping experience. They need to take a step back and really understand who their shoppers are, using big data and digital enhancements to determine the shopping journeys of individual shoppers. Offers relevant to individual customers can then be proactively driven to them in a contextual way.

"We need to use predictive analytics to give our customers the tools and information they don't yet know they want. Retailers need to see the micro-moments in the customer's shopping journey where they can sprinkle the pixie dust."

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