

E-commerce automation and personalisation ushers in new era of retail in SA

By <u>Chad Fichardt</u> 1 Mar 2018

2017 was a pivotal year for e-commerce and one that saw its continued rise as a global industry. With the ceaseless advancement of technology and new concepts such as artificial intelligence and augmented reality poised to alter the landscape for good, the retail sector is inescapably looking down the barrel at change. Serious change.



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The great news is that 2018's retail focal points are wholly consumer-centric. In other words, they're all about making the customer happy. The bad news (or the opportunity, for the optimistic) is that it's only the dynamic brands that will remain ahead of the pack.

Personalisation in retail

A fundamentally different audience is driving a paradigm shift towards customisation, not only in the arena of marketing and advertising, but also in products, services and payment methods.

"Retailers are coming to the realisation that their main target demographics - millennials and, increasingly, Gen Z - connect with brands that are proactive in engaging them," says Bob Glazer, managing director of affiliate marketing company Acceleration Partners, in an interview with <u>e-Commerce Times</u>.

Amazon, for instance, has managed to make its conversations with customers engaging and interesting, and its personalisation of shopping experiences isn't unsettling (how do they know I love Stephen King?), it's helpful. How much easier would it be if you could visit your favourite bookshop online and have it list all of your preferred authors and then let you know if new books are available? And you can get the book you want delivered to your front door using your mobile phone and the payment platform of your choice.

Swedish retail furniture company, Ikea, recently launched a virtual reality showroom where you can wander around their store without getting up from the couch. And Pick n Pay's Smart Shopper uses information from its Smart Shopper cardholders to send personalised discount coupons every month, based on what you usually buy as well as general discounts off your next purchase.

These are the kinds of personalised retail experiences that 2018 is establishing as an expectation, rather than a luxury. Therefore, in order to compete and cultivate more fruitful relationships with consumers, businesses need to provide options for customisation, as the above-mentioned brands have demonstrated. E-commerce stores should deliver unique experiences that are tailored to the individual's lifestyle, which means product suggestions, ads and payment solutions that are relevant to their desires, needs, interests and geographical location.

According to Karen Nadasen, PayU South Africa CEO, "Personalisation is an important part of the industry in 2018 and one that companies cannot afford to ignore. The challenge here, of course, lies in understanding the customer behaviour that determines whether or not they hit the 'buy' button and their loyalty to that brand. Thankfully we have huge amounts of available data for that."

Automation in retail

Another arena seeing change in 2018 is automation and, in particular, payment automation. One of the desirable traits of ecommerce is that payment is seamless or frictionless. The e-commerce site that "remembers" and panders to customers' buying decisions and payment method preferences, practically lays out the red carpet for customer loyalty, putting them within a single click of making purchasing decisions.



"A holistic customer experience, whether online or offline, is already in play in SA. Whereas, payment whilst shopping will soon become completely frictionless, to the point where you will simply move through the store or e-commerce site and walk out or click away without going through checkout. This is now a reality in Seattle, where the first Amazon Go store opened recently, ironically, to throngs of interested shoppers standing in long queues," adds Nadasen.

E-commerce automation streamlines and optimises a brand's selling process and the customer's buying experience, which is why its adoption in 2018 and moving forward will become so important for businesses wanting to remain competitive. This, coupled with e-commerce personalisation are two major shifts that, with the introduction of the Internet of Things, machine learning, artificial intelligence and voice shopping, are already making waves in South African and global retail.

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