

4 important factors influencing the retail landscape today

By [Jill Cicero-Titus](#)

5 Oct 2021

The retail industry has been in a transitional stage since before the onset of the pandemic. If anything, the pandemic has accelerated retailers' adoption of digitalisation.



Jill Cicero-Titus, marketing manager, Realm Digital

Simply put, digitalisation in the retail industry is a series of experiences that enable consumers to easily engage with your website and other digital entities at different stages of their purchasing journey.

The Covid-19 pandemic has altered consumer behaviour across all sectors, but probably most significantly in the retail industry.

Due to varying levels of lockdown and sectors of the economy restricted from trading in person, online purchases skyrocketed in 2020, and it seems the preferred platform to purchase has now tipped in online's favour.

Realm Digital unpacks four factors that are currently driving change in the retail industry, and what you should be doing to not be left behind.

1. Changing consumer behaviour

Covid-19 has permanently changed consumer behaviour; across industries, market segments and preferred platform choices. According to a recent report published by Accenture, research shows that 95% of consumers are making significant and lasting changes to how they live, work and shop.

In order to not be left behind, retailers need to reassess their product and service offerings to meet shifting customer needs. A great example of this is South African retail giant Shoprite Group, which embraced the scaling up of its digital offerings.

As a result, it have seen massive consumer adoption including over 1.5million Checkers Sixty60 app downloads, making them the most downloaded app in the on-demand grocery category, and their consumer rewards programme, Xtra Savings has had over 20 million sign-ups.

The pandemic brought on a 'consumer in crisis', where reservations around online shopping and transacting were forcibly removed as there were just no alternatives. Consumers then started to adapt to changes as new normals were embraced on all fronts. Retailers now need to rely on their ability to remain agile as the digitally-driven customer is essentially in the driving seat.



Source: Supplied

2. Technological advances

The advances in technology are taking retail phygital. You read right, that's not a typo. Phygital (physical plus digital) is a marketing term that describes blending digital experiences with physical ones. Essentially, taking omnichannel to the next level.

Technology is successfully bringing the online and offline world closer together and augmenting our everyday reality. The holy grail is a shopping journey in which physical experiences and digital technologies intertwine to enhance one another. We are seeing physical channels enriched by digital technology, while digital channels are becoming more human. The result is a more personalized and engaging customer experience.

Think IoT, facial recognition, cashierless stores, voice commerce and augmented shopping. All of this is being underpinned by the heavy-hitter, artificial intelligence.



Shoprite launches digital business unit and checkout-free concept store

18 Aug 2021



3. Fluctuating economies

A pandemic-driven recession has crippled economies across the world. From mass retailers to SMEs, the effect of ongoing lockdowns and restrictions on physical trade has left lasting damage.

It is now costing more and taking longer to replenish stock, which has a direct impact on the bottom line. Throw in a weak ROE, and a country still in the aftermath of riots and looting, many South African retailers are barely staying afloat.

In order to recover, retailers need solutions that allow them to sell products online at the same level of efficiency, system integration, and customer satisfaction as in physical stores.



Segmenting for the future: 5 emerging consumer types

John Watling 21 Jun 2021



4. Unstable supply chain

A tough economic climate isn't the only factor putting pressure on the retail industry. Disruption to global supply chains due to the Covid-19 pandemic has been devastating.

Stock shortages, material constraints and shipping delays have all put added pressure on an already strained supply chain. Now more than ever, investment in efficient supply chain management software is crucial.

Retailers who are willing to embrace and adopt digital transformation efforts will set themselves apart. While the pandemic has proven to be an incredible challenge for the retail industry, technology has brought a great deal of progress and improvement.

ABOUT THE AUTHOR

Jill Cicero-Titus is the marketing manager at Realm Digital. Jill is a passionate marketer who believes in the power of technology, and the written word, even if it is a well-thought-out Instagram caption.

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