

Leveraging strategic partnerships to move from bricks to clicks

By [Jaqueline van Eeden](#)

23 Aug 2018

It is no new revelation that traditional retailers are having to revisit their business models as new, agile e-commerce stores are eroding the reach of 'in store' retail outlets. To mirror the success of newer, online stores, large retailers are looking to modernise by establishing parallel online presences.



©Diego Vito Cervo via [123RF](#)

Behind the curve of existing online players, it's increasingly important for retailers to fast track their own online initiatives in order to create an omnichannel experience for customers while remaining competitive, relevant and profitable.

However, legacy infrastructure, budget constraints and a strong focus on leveraging digital transformation to enhance in-store (rather than online) experiences, could be hampering these efforts. Retailers need to think outside the brown paper bag to move from bricks to clicks.

Challenges require a focus shift

Many South African retailers have experienced a few hiccups in their digital transformation journeys, specifically around inadequate bandwidth and less than successful in-store digital concepts.

Several retailers are highly focused on acquiring and retaining account holders, so this is predominantly where their digital efforts and budgets have been targeted. The likes of direct digital campaigns and in-store communication beacons have met with moderate success to gain new customers and drive in-store purchases, however, the challenge retailers face is to get these customers to return to the store and remain active purchasers.

Bandwidth remains a touchy subject in South Africa, where metropolitan areas are reaping the benefits of more bandwidth offerings and fast fibre networks. However, South African retailers are wide-spread, and connectivity outside of urban areas remains insufficient to effectively support both in-store digital efforts, as well as online experiences.

There are creative ways that retailers can move ahead with omnichannel strategies that relax the pressure on their budgets, leaving much of their capital to remain focused on enhancing their in-store experience, while extending their reach and increasing their customer retention.

It's not always feasible for cost-conscious retailers to fast track their digital or omnichannel strategies rather than remerchandising or overhauling their brick-and-mortar stores. Where they lack this capacity themselves, strategic partnerships provide the perfect opportunity for them to do so – sometimes, seemingly in the most unlikely ways.



The future of retail: Clicks, bricks and data-driven insights

Sarah Quinlan 13 Jul 2018



Partnerships for more clicks

Outsourcing non-core functions is not a new concept however, for retailers, outsourcing offers ways to re-invent and innovate without the risk. The outsource partner takes responsibility for the innovation, risk, ordering and delivering of product, and maintaining customer satisfaction, while the retailer benefits from a larger market and better customer retention.

Partnerships with central online platforms that sell many brand- or retailer-specific products offer retailers the opportunity to move product without any of the responsibility, beyond supplying whatever is ordered. Online shopping portals like Spree, Zando, Takealot and Superbalist showcase where retailers have partnered with platforms to widen their audience or, in some cases, use them as their only online route to market.

Retailers in niche spaces have created opportunities for startups to partner exclusively with them, or only a select few brands. Retailers benefit from an online space, while the startup takes ownership of the site, stock ordering and delivery, and customer relationship management – for a fee, of course.

Partnerships for more products and services

Other partnerships include partnering with financial services providers, leveraging their own communication and online platforms to engage with customers, and drive continued interest. Apart from credit providers, many apparel retailers are leveraging partnerships with service providers to offer customers funeral plans, or other forms of insurance. This maintains engagement levels with the customer, while ensuring ongoing revenue.

More interestingly are some of the partnerships that seem unlikely yet are providing winning combinations. The likes of grocery retailers who have partnered with ticketing vendors, such as Shoprite's partnership with Computicket, where customers who buy tickets online are necessitated to go into a physical store to collect tickets, often resulting in additional purchases as people decide to buy bread or milk while they're there.

Grocery retailers are now also offering financial services, such as withdrawals or account payments, in store, and Pick n'

Pay's recent trial of Bitcoin payments shows a shift towards retailers partnering with cryptocurrency operators, opening up a new paradigm for blockchain transactions.



#MobileCommerce: From search to checkout, the top 5 features likely to make your user tap "buy now"

Lynette Hundermark 20 Jul 2018



Partnership to deliver

Logistics and delivery is not a core focus of many retailers. Larger grocery brands offer delivery options, either through partnering with logistics companies or using their own, in-house delivery vehicles. However, a trend is emerging of partnerships between transport services who don't typically operate in the logistics space, such as Uber or Taxify, to partner with fast food brands, retailers and florists, to deliver product to the customer.

The result is that these brands are able to leverage a transport system for deliveries, while the transport businesses access new lines of business beyond human transportation. Entirely new businesses have emerged from these partnerships, such as Uber Eats, and OrderIn.

Unique partnerships of retailers and fuel stations are emerging, where shoppers can collect purchases made online from specially designated 'pods' at their nearest fuel station. This reduces logistics costs for retailers who are establishing online platforms, while also benefitting fuel companies by providing them with additional traffic to their stations.

Convergence

Ultimately, these partnerships are helping retailers to extend their reach and establish omnichannel routes to market while not having to move away much from their core focus of driving in-store sales, gaining new account holders, and retaining the interest and recurring business from existing account holders or customers.

These partnerships are blurring the lines between retail and other sectors, moving it slowly but surely towards a converged, technology-driven industry where bricks and clicks work in synchronicity.

ABOUT THE AUTHOR

Jaqueline van Eeden, Business Development Manager: Retail and Consumer Industry for Africa, Wipro Limited.

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