

Key considerations for retailers accelerating e-commerce

With the value of online retail in South Africa topping R30bn in 2020 - and [projections of R42bn](#) in 2021 - retailers across the country are gearing up to accelerate their e-commerce and m-commerce efforts.



While this is the prudent thing to do, there are a few considerations to be aware of beforehand to avoid disappointment, says Quentin Barnard, technical director at retail enterprise software and IT specialist RedPanda.

He says the number one mistake retailers and other businesses make is to see e-commerce as an add-on or a business unit in isolation. “We see a lot of retailers who, for example, build their e-commerce solutions in disconnect to their on-premise point-of-sale. This causes massive stumbling blocks because when you take that approach, you need to manage two ecosystems which creates a lot of complexity,” he says.

The complexity he refers to is the potential for large amounts of duplication and product vetting, not to mention the intensive task of enriching the data to be fit for online retail, such as uploading photos and extended product information. “The two worlds need to be knitted together. There are cases where online stores sold products at below cost or where the retailer sold all stock in-store without updating the e-commerce platform precisely because these two ecosystems are working in isolation,” he says.



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Legacy systems were designed with a single purpose in mind. The ideal approach for the future, he says, is investing in an omnichannel environment. RedPanda software defines omnichannel as a fully integrated approach to commerce, which provides consumers with a unified shopping experience across all channels or touchpoints.

“The ultimate vision is an endless aisle, so to speak, where a customer can start a purchase on mobile, move to the web, stop at the store, and physically choose a few items, all in a seamless interface, and check out in one go, all in one place. The marketing omnichannel has come a long way in South Africa, but broadly speaking, the full buying experience needs work across sectors,” Barnard says.

While off-the-shelf e-commerce and m-commerce platforms serve a purpose and offer a useful entry into the online retail market, there comes a time when custom-built platforms make more sense for growing businesses, he says. This is when a business finds its niche and wishes to interact with its customers in a unique manner.

“Ready-made platforms are built for specific scenarios, and while they may be cost-effective in the short term for smaller businesses, they can hold a retailer back. As the business grows and it develops customer insights that require it to move in a certain direction, a custom solution becomes a better investment because it provides the flexibility to design a bespoke experience, as opposed to trying to adapt an off-the-shelf solution,” says Barnard.



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The rapid growth of e-commerce in South Africa because of the Covid-19 pandemic has likely changed people’s shopping behaviour for good. As a result of this, many businesses are planning a move into online shopping.

Barnard says there are five things every business must consider before starting their e-commerce and m-commerce journeys. These are:

1. Get everyone’s buy-in

It is imperative to include everyone in the online retail strategy. This is the board, IT, sales, operations – the business must be unified in embracing the strategy because the online store is not going to live in isolation but be a fundamental arm of an integrated business.

2. Integration of systems

Analyse all the backend systems and see how well they can be integrated. This includes the financial systems, merchandise, loyalty programmes and everything in between. Take into consideration the cost and implications of the integration of current systems.

A business may be used to a fixed number of transactions, but once it is online and Black Friday comes along: can it handle the volume, and can it keep track of inventory in real-time? Choosing the right IT partner, with the right experience across systems and technologies is vital.

3. Build towards the vision

Build a strategy and then understand what the big picture is and where you want to go with the customer journey. Build

towards this vision – start now, start small and deliver in an integrated fashion. Build your ecosystem so it is scalable.

Choose the correct technology fundamentals. Containerisation of applications in the cloud, for example, provide rapid ability to scale up and down to match demand. Artificial intelligence and machine learning will become ever more prevalent as retailers make provision for smarter automated capabilities along the buying journey.

4. Integration of stakeholders

Traditional brick-and-mortar stores have work hours, whereas e-commerce is 24/7. This means you don't have the luxury of lengthy after-hours data and order processing, among other considerations. Everything must happen in real time, so ensure there is integration between your business and the logistics partner, merchandise suppliers, IT service providers, and every other stakeholder.

5. Strong logistics partner

The way an order is fulfilled plays a large role in customer satisfaction and retention. When choosing a logistics partner, ensure they can handle changes in volume that you would likely experience, are reliable, fast and have effective order tracking capabilities. In the eyes of the customer, they are still dealing with you.

Barnard says with the fundamentals solidly in place, retailers can start their journeys to being able to deliver a true omnichannel buying experience across mobile, web and physical environments.

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