

# Customer experience is key to survive the e-commerce onslaught

Traditional brick-and-mortar retailers have no chance of surviving the onslaught from e-commerce unless they invest in their customer experience. This is according to redPanda Software group CEO Gareth Hawkey, who explains that traditional retailers must compete with e-commerce providers by gathering insights and learning about their customers and their behaviour.



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"They will have an ace up their sleeve, because in addition to capturing the customer online they can offer the customer a compelling reason to visit the physical store - exactly where the e-commerce retailers cannot compete," Hawkey says.

With redPanda Software being an enterprise retail software developer with operations in South Africa and the UK, Hawkey says that there are definitely themes of similar frustration with their customers, the most common being that e-commerce is eating away at their market share.

## Seamless integration

"We find that many retailers have created an online presence, but they are battling to convert current customers into online customers. The problem is that the online space and physical store are treated as separate businesses, if you will, as if the retailer is just trying to plug a gap. There is no real omnichannel yet," he says.

Retailers need to provide a true omnichannel experience where there is seamless integration between online and physical retail. This creates a holistic view of the customer, Hawkey says, and South African retailers haven't yet properly jumped on board.

"The only way brick and mortar retailers will survive is by giving their customers a better experience online as well as inside their store – there are tools that can enable them to know their customers better. All retailers say they know their customers, but imagine a big grocery store – I can go into their store, shop and leave, and they won't know that I was there or what I personally spent, and on what.

"If they were collecting this data, they could turn it into value for themselves and for me as the shopper. We have moved away from needing to know your average shopper to knowing your specific shopper – it is an individual experience. Retailers can target customers specifically around the analytics the customer has generated."



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## Investing in customer experience

Hawkey says retailers have to invest in the right technology to create this kind of integrated customer experience, and the commitment has to come from the top. "This has to be driven from executive level."

"Companies don't have to be spending massive amounts, but there most certainly should be a research and development budget in place. Technology, such as facial recognition software, doesn't have to be rolled out at once across all the stores. By analysing the progress and finding the right technology to get to know customers better, retailers are able to start moving in the right direction. It is less about money and more about commitment," Hawkey says.

South Africa may not have fully embraced e-commerce yet compared to the pace of some developed economies, but the effect is certainly being felt, disruption is certain and mass uptake is inevitable. Hawkey says that many companies are running proof of concepts, but from the wrong mindset – they are thinking about cost-cutting and not investment in customer experience.

"That saddens me a bit. Instead of asking 'how much can I save?', it's time to start asking, 'how will this improve the customer experience?' Because ultimately that will result in them spending more and the retailer will make more money."

The technology is there, says Hawkey, meaning that there is no reason to give customers a compelling reason to go to other e-commerce sites at the expense of your own retail business. "It is quite possible to have an offering so full that you not only retain your own customers, but you also give them a compelling reason to get into your store. E-commerce cannot compete with that."