

# 5 digital innovation trends enabling better customer journeys

By [Leon Jacobs](#)

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Driven by the engine of the fourth industrial revolution (4IR), digitisation was already gaining significant traction before the onset of the Covid-19 pandemic. However, it accelerated faster in two years than it had in almost a decade.



Leon Jacobs, chief information officer at RCS. Source: Supplied

The transition to a more digitised reality affected industries across the spectrum, with the rapid pace of change being felt acutely by players in the retail sector. This transition necessitates a substantial investment by retailers in technological innovation in order to get ahead in the 'next normal'.

Several trends have emerged in the retail space, where technology is revolutionising the customer experience, bringing with it more choice, more convenience and more control. These are the five most prominent trends that are reshaping the retail industry, and with it, the customer experience.

## 1. The 'democratisation' of digital payments

Up until very recently, the digital payments landscape in South Africa was relatively inaccessible to the mass market. Some of the reasons for this included the prohibitively high price of mobile devices as well as high monthly fees. With the proliferation of a new generation of fintech companies and financial services startups, the digital payment space is becoming more inclusive and has opened this space up to small and micro businesses.

This democratisation will serve to broaden the horizons for South African retailers who have not had the capacity to provide consumers with the wide range of payment options that larger retailers have leveraged over the last few years. Fintech pioneers like Yoco are disrupting the digital payments market and empowering both retailers and consumers to choose how

to pay and when to pay.

## 2. The expansion of e-commerce

The South African retail industry has changed beyond recognition in a very short space of time. In the earlier years of e-commerce, fashion dominated the online space. Today, e-commerce is for everyone, and everything.

We've seen major grocery retailers like Checkers enter the market with its Sixty60 app, followed closely by Pick n Pay's Asap!. Woolworths has also recently entered the space with its app, Woolies Dash. And existing e-tailers like Netflorist have branched out into fresh produce.



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The latest research indicates that South Africa's e-commerce market has grown exponentially in a very short space of time, with e-commerce's share of total card payments almost doubling during the pandemic. Given the breakneck speed of digitisation, spurred on in the African context by a dramatic increase in smartphone penetration, e-commerce has gone from being a 'nice to have' to a 'must-have'.

## 3. Tech advancement spurs new wave of product innovation

Retail in today's context is characterised by the proliferation of choice, convenience and control for consumers. For decades, cash was card payment technology's only viable contender. Now, consumers have a range of payment options at their disposal, including tap and go, buy-now-pay-later, split payments, retail loans, virtual cards and mobile payments.

This newfound level of choice is driven by technological innovation and has far-reaching benefits for the customer experience journey.



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## 4. Customer experience is king

Millennials and Gen Zs have been born into a world in flux, characterised by the decline of the cash economy and the

advent of a more diversified payments landscape. This emerging generation demands an unparalleled degree of control. For this new generation of customers, payment needs to be seamless and frictionless.

Added to these expectations is the need to offer, store and exchange value – reward programmes that allow consumers to amass value as an added offering are a key way in which the most innovative brands are putting customer experience first.

## **5. Data as a business enabler**

Big data has taken the guesswork out of retail strategy and enabled digital marketing strategies that are driven by personalisation at scale. Retailers can now target their market strategies down to the finest detail.

And for today's consumers, personalisation is about knowing who people are; and by extension, what they want, when they want it and the manner in which they want to procure goods and services.

What this means for retail credit providers like RCS is that data has become a critical component of business strategy. As a result, we have needed to prioritise data as a way of understanding consumer spending patterns and their relationship with credit.

To keep up with the pace of personalisation, retailers and credit providers are turning to collaboration as a way of enhancing their capabilities. Going forward, collaboration between retail partners and with tech specialists will continue to provide businesses with the impetus they need to iterate and pivot according to changing customer expectations.

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