

# How SA retailers can keep growing in a digital world

By Cecil Ungerer

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Not a week goes by without spotting more headlines about online shopping and the global shift to mobile connectivity. But despite this constant attention on digital marketing, retailers across Africa have a unique perspective, knowing they will largely rely on in-store experiences to drive sales far into the next decade.



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While it may be tempting to dive into parroting an American retail model, Africa has deep-rooted challenges to overcome first.

Brick-and-mortar shopping will prevail while we keep seeing high mobile data costs, the lack of reliable internet access, and unreliable infrastructure that makes delivering goods to remote locations difficult.

However, unlike many other retail markets on the continent, South African brands have had to stretch themselves to target a more diverse buying population.

Not many other countries are selling in 11 different languages, and catering to shoppers that span from the poorest of the poor to the richest of the rich.

Some South African areas have fibre speeds to rival South Korea's, others barely get cellular signal. This means South African companies have had to find more effective ways of balancing technological innovation with real-world shopping experiences.



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This has resulted in brands and retailers developing the most effective selling strategies to meet a multitude of target markets. For example, most mothers opt for disposable nappies. But selling those same nappies to single mothers struggling to make ends meet, as opposed to those mothers living in relative luxury with live-in nannies, requires vastly different marketing strategies.

This battle for targeted relevance is one that retailers like Dis-Chem Pharmacies have taken to heart. Increasingly, they are opening outlets in rural areas – what was once a strategy focused almost exclusively on large shopping centres has evolved to incorporate strip malls.



Credit: Getty

## Challenges become opportunities

Cynics might argue that the complexities of the local retail environment are putting it under pressure, and this might stagnate growth, yet the opposite is true. South African retailers are experiencing growth despite difficult economic conditions, with many excited by the opportunities 2020 will bring.

*“ The most significant challenges, such as data fees and delivering to addresses in townships, also provide the biggest opportunities for growth. ”*

As we head into the new year, the focus will continue to be on taking retail to rural communities.

Of course, this does not mean brands will ignore the more affluent suburbs and shopping centres. Instead, it's about building on existing successes by introducing agility to the business model, geared towards those unable to travel to cities and large towns.

Smart retailers will leverage trusted marketing tools such as broadsheets and community media to reach their target audiences. Using tried and true placements such as billboard and radio, thus creating messaging to fit those rural communities. These awareness drivers that are customised on such a micro level further differentiate South African retailers from their peers throughout the continent.

## Closing the sale with in-store innovation

*“ When customers enter the retail store, brands have the best possible opportunity to engage with them. ”*

From innovative window displays to optimising the shopper journey from arrival to point-of-sale, there are a myriad of brand engagement possibilities.

This is not to say that reinvention is not going to happen. The shift to mobile will happen once the cost of data has been addressed. While recent [announcements by the Competition Commission](#) plan to accelerate this, it is still going to be a waiting game on how best to embrace this shift.

But waiting and seeing is never a smart move in this fast-paced marketplace. Companies must adapt or die in the race to capture the ever-dwindling attention of shoppers. Increasingly, this is where partnerships with in-store retail experts will become critical as brands look for new ways to reach their target audiences, and close sales in the new year.

## ABOUT CECIL UNGERER

Cecil Ungerer is the Chief Sales Officer at in-store advertising innovators Smart Media.

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