

# Tight budgets, customer demand and African pride driving retail competitiveness

 By [Lindy Lee](#)

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Budgets are tight, with rising electricity and petrol prices driving many households to tighten their purse strings. In response, the retail industry is becoming increasingly competitive.



Having explored ways to attract and retain consumers, retailers are ready to test the market with all the digital toolsets available to them, enhancing customer touch points at every turn. The result is an exciting, innovative time for retail - with customers reaping the rewards of increased choice, competitive pricing and attentive retailers.

## All about the customer

The customer has been driving the retail digital evolution for some time, however, most retailers are now in the full swing of providing enhanced customer experience - both in store and online. 2018 will see consumers receiving the benefit of this, inundated with an array of choices and services to enhance their shopping experience.

*“ Retailers are taking advantage of digital tools to offer unique and targeted solutions, or packages, that are tailored to the individual rather than the market as a whole. ”*

Loyalty programmes, direct social media and SMS marketing campaigns, artificial intelligence (AI)-backed retail applications and customised special offers are likely to continue with increased prevalence in 2018. They are driving customers to choose and use preferred retailers, whether online or in-store.

## The in-store customer

As retailers leverage social media, loyalty programmes and special offers to attract customers to their stores, they are challenged to provide an extraordinary in-store experience. We are also seeing more retailers creatively explore ways to keep customers interested and in their stores for longer once they arrive, a trend that is likely to extend to more industries than purely grocery stores in 2018.

The likes of appealing cafes, interactive digital labelling and free in-store Wi-Fi – with immediate links to the retailer's current or targeted promotions – will be used effectively to create inviting, relaxing environments for shoppers to linger longer. Retailers are also looking for ways to reduce queuing time and streamline the transaction process, and 2018 should

see more retailers equipping staff with iPads and mobile card readers, moving away from traditional checkout points.

“ Price is a top driver of shopping habits and shoppers are taking to online platforms to research brands before entering their chosen store. ”

Retailers are focusing strongly on adding value and rewarding customers by enticing them with in-store only offers advertised online, either via mobile or online platforms. Free beverages or meals for certain spend, digital coupons that can be used in store and “one-day-in-store-only” type promotions are directing consumer brand choices and will bring more feet through the doors in 2018.



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## The online customer

Online shopping continues to be a growing trend, despite connectivity challenges in South Africa. Whether as a standalone or tied into enhancing the in-store experience, online shopping is also shifting to become a more personal and user-friendly experience.

With a large rural and lower-income market in Africa, the local industry is ready for game changers to enter and cater to this space. An easily accessible, low-bandwidth demanding application or site that can answer the needs of the lower income consumer could disrupt the online shopping space entirely.

Continuing in the vein of catering to the African consumer, we are seeing a large focus on “africanising” retail. There is a growing trend of investing in African talent and leveraging corporate responsibility as a promotional tool.

Creating employment opportunities in rural communities to offer the likes of support services for online platforms, or proving locally produced only product ranges backed by social responsibility initiatives are just some of the many ways that African retailers will be showing that they are invested in Africa in the coming year.

## ABOUT LINDY LEE

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