

# Tech innovation ushering in new era of retail in South Africa

Already, South African retailers and shopping centres have openly embraced the technological boom but more is on the cards. Technologies of the imagination will soon become innovations of today - it is only a matter of time.



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Menlyn Park, a super-regional mall in Pretoria is one of many that have welcomed this evolution. Tech advancements such as dedicated charging stations for electric and hybrid vehicles, license-plate recognition and developing an analytical parking app for mobile devices that will allow users to locate their vehicles are among the many plans Menlyn Park has in the pipeline. The centre does head counts as opposed to foot counts, which also tag an individual with a unique number to prevent 'double-counting'.

It has installed 'smart-metering' systems, which ensures accurate and billings that are on time for tenants. GM for Menlyn Park, Olive Ndebele, said that the mall's tenants are embracing the change. "Most of our tenants offer online shopping platforms for customers and this motivates others to follow suit. Energy efficiency is also important, so we have improved our technology regarding air-conditioning, lifts and escalators. Currently, we are in the process of partnering up with Google for further technological advancements."

Amanda Dilima, the retail leasing consultant for the V&A Waterfront, Western Cape said that they too are embracing the technological age. "We have recently embarked on a project that involves voice-guided location screens in the centre, which are supplemented by the mobile app. This voice guides the customer to where they wish to go in the mall in real time. The app also provides interesting information to the user about their current location, as they navigate to their destination."

Bedford Centre in Bedfordview, Germiston has launched the Johannesburg's first virtual reality arcade, which opened its doors in October 2016. Food and consumer goods retailers Pick n' Pay and Woolworths along with clothing retailers TFG and the Mr Price Group have also jumped on the technological train, successfully offering online-shopping platforms for consumers.

Dion Chang and Sue Morris from Flux Trends agree that technology is paving the way to a retail future that we have not even begun to imagine yet. Chang has been at the forefront of trends and innovations, not only in South Africa but globally. According to him, 2017 is the year of the drone among other things. He further added that if retailers and brands do not find themselves among the ones that have evolved, adapted and elevated themselves into the technological spheres and the booming e-commerce realm, they may find themselves on the back foot.

## Drone technology

"When it comes to technology, drones are definitely as hi-tech as they come. This year, drone technology will be rolled out more intensively. In Rwanda for example, blood samples are being delivered to hospitals via drone technology. Due to the rough terrain and inaccessibility, the only answer was drone technology. The samples are dropped via parachute to the location. Drone commerce is happening."

Head of the Retail Laboratory at Flux Trends, Sue Morris, added that drone technology is taking retail to the consumer - no matter the location. "Amazon has just applied for a patent to have charging stations on top of street lights to charge its drones. According to the patent, drones will be making deliveries and land on top of the light poles to charge. Amazon is known for applying for many patents - some of which work and some do not. The bottom line is that we are very close to this being a reality in South Africa. Drones are making deliveries already and we don't have to look very far, I mean, we have a fantastic drone factory here in Pretoria."



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## E-commerce

Chang added that the e-commerce market is growing at a rapid rate and in terms of technology, retailers need to 'up their online game' in order to remain relevant. "Customers can now interact with your brand without having to leave their homes. People are more connected than ever. Nowadays, I can search for items on my smartphone or tablet and once I have researched them, I can simply click and purchase the item without having to drive to a store. It is simple, quick and convenient and that is the way shoppers are headed.

"Retailers everywhere need to offer online facilities for their customers. E-commerce has evolved into easy access to information. This allows customers to do comparative analysis on products with the option to purchase online or walk into the nearest retailer with the decision to purchase already made while researching the product on e-commerce platforms."

2016 was the year e-commerce saw huge development. The integration of social media allowed it to push boundaries and make significant moves forward resulting in a \$220 billion growth in 2016 for the US alone. This year will see more e-commerce integration in apps such as Instagram and Snapchat. Instagram, a photo-sharing app, will allow users to swipe a photo to order items of interest. Snapchat, the video sharing and messaging app is taking e-commerce in its stride with new advertising strategies becoming more widely available in 2017.

According to Morris, e-commerce is going to be one of the biggest disrupters in South Africa. "Shoppers are looking at convenience and cost. E-commerce gives people up-to-date trends and fashion at their fingertips, allowing them to purchase as they see it. In India for example, e-commerce is taken even further - the poor are able to have e-commerce deliveries made directly to their cellphone location. That means that you don't need to have a physical address or structured residential areas to have e-commerce."



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## Omnichannel

Omnichannel, the cross-channel business model that companies use to increase customer experience flourished in 2016. Bridging the gap between physical shopping and online is a huge trend - with Google local inventory ads to show online shoppers product availability in nearby physical stores, it is clear that retailers are now finding new ways to link both their bricks-and-mortar stores with their e-commerce offerings.

Retailers in South Africa have begun to embrace technology. The possibilities that come with technology are endless.

CEO for the South African Council of Shopping Centres (SACSC), Amanda Stops, said. "There are a number of South African retailers who have embraced technology in all its forms. They are as resilient as they come. Even through tough economic times, many have soldiered on successfully. Now, with the advent and constant advances in technology, South African retailers and shopping centres have begun to explore and maximise this technological surge. It is exciting to see that both retailers and shopping centres have embraced technology.

"It is not a matter of technology or online stores replacing the physical counterparts but rather how the two can complement each other in a harmonious way. The retailers and shopping centres of the future will be those who get the balance just right and who maximise technology and most importantly understanding the ever-changing needs of the customer," she concluded.

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