

Revolutionise the informal retail space with intelligent tech

By [Andrew Dawson](#)

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The Covid-19 pandemic has been the catalyst for an enormous amount of change across the globe, driving the acceleration of digital transformation in unprecedented ways.



Andrew Dawson, managing director of MACmobile. Source: Supplied

The retail sector is no different, yet South Africa faces a unique challenge here, in that a large proportion of the industry is made up of informal traders, also known as the main market.

Intelligent technology has the potential to revolutionise the entire main market ecosystem, not only helping to improve the safety of salespeople during the ongoing health crisis but enhancing efficiency and profitability across the chain.

From feet on the ground to technology

The pandemic has highlighted the need in the informal sector and the main market to automate the order generation process, enabling salespeople to move from order takers to brand influencers. Minimising physical contact between people is only one of the drivers of this, however. The more important one, from a business perspective, is the ability for salespeople to add value rather than performing manual processes simply to fulfil orders.

The deployment of smart applications will enable traders to generate their own orders, with underlying analytics that provides recommendations on future orders based on their historical rate of sale. The concept brings the e-commerce model to the main market, not only adding convenience and intelligence, but providing a route directly to the supplier, whether this is a wholesaler or a distributor.

Technology solutions also offer a platform for wholesalers to advertise to traders, with special offers and promotions, which will prove to be beneficial for all parties involved. Digital transformation is an essential step in moving from feet on the ground to technology-based sales. This is a critical consideration given the state of the economy, the pandemic, and multiple other factors affecting the South African market.



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Consolidation is key

Currently, there are multiple players operating in this space, and there is a massive drive and focus on helping the main market to go digital. This has created something of a hotbed of new fintech startups with significant investment, aimed at opening up the volume of trading that resides in this market.

However, while the technology on offer is well thought out in terms of practical application and usability, it does not

necessarily take the end consumer into consideration. To be successful, solutions need to 'converge' sales, advertising and fintech, and the market is evolving in this direction.

There will likely be a substantial amount of churn in this space, as with any disruptive technology, and a strong push toward innovation. Consolidation of various players seems to be on the cards, as stakeholders seek to leverage additional capabilities to deliver more complete offerings.

However, one question currently under discussion is how to positively influence communities that main market retailers serve. There needs to be a focus on improving the communities that technology serves, otherwise innovation will be short-lived.



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It comes down to cost

Simple effective solutions that enable retailers to generate orders is the ultimate aim. However, the main market is also extremely price sensitive. Whether orders are generated via data or an SMS, this comes at a cost to the trader, which may reduce their desire to take up the technology. It is essential for technology providers to mitigate against the perception that digital solutions will make it too expensive to generate orders.

While digital transformation in the main market is well underway, there is still a lot of work to be done to engage the end retailer and the consumer community that is serviced by that retailer. From the call centre to the order generation platform, the wholesaler to the distributor, there needs to be line of sight across the chain. This requires a single platform, which will also work to ensure ease of use and minimise the cost to serve.

The more separate solutions needed to perform this function, the more costly the end result will be. The time is ripe for a larger platform that provides a single solution across this market with real cost benefits – a holistic solution to bring economies of scale to the market.

ABOUT ANDREW DAWSON

Andrew Dawson is the Managing Director of MAOmobile.

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