

How SA retailers can deliver value for shoppers in 2019

In the last year, elevated household debt, higher fuel prices and an increase in value-added tax has squeezed consumer spending. And South African retailers have not been spared from the effects of this.



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However, South African value retailer Ackermans reported growth of just over 10% – three times more than the industry benchmark.

“2018 was a tough year for retailers, and the outlook for 2019 remains challenging. We face an environment where new entrants continue to disrupt the market. This, combined with sluggish GDP growth and a financially over-extended consumer, means that retailers remain under pressure,” says Charl Cronje, managing director of Ackermans.

In turbulent economic times, consumers will look to retailers for better value, quality, and convenience. Here, Cronje discusses how retailers can add value in 2019.

Functional fashion

With the cost of living steadily rising, consumers look to retailers to provide affordable, on-trend fashion that is also durable and functional. “Consumers want their clothing to do a number of things, for example, to provide warmth, offer more than one look (i.e. a reversible jacket), and to be hard-wearing. And they’re seeking this functionality in all garments - from schoolwear to jackets and shoes,” he says.

Cronje also explains that “as consumers are keeping a close eye on their spending, they’re also looking to retailers to provide added value in the form of multi-packs, 2-for-1 deals etc.”

Understanding and answering customer needs

Customer centricity is key – it’s not just about offering great customer service, it is about putting your customer at the core of your business.

"It is integral to pay attention and constantly re-assess customers' needs. We conduct a lot of extensive research to gain an understanding of our customers' evolving needs. It's a regular exercise to ensure that we're not guilty of making unfounded assumptions of our customers' shopping behaviour, " explains Cronje.

As an example, he says that Ackermans identified that the majority of its customers are working moms, who often have little to no time to travel long distances to get to the stores. In answer to this, the retailer made it their mission to offer customers greater accessibility, by opening stores closer or within their communities.

Cronje maintains that it is impossible for a retailer to be all things to all customers: "Decide where you want to lead. Know who your customer is – and then understand how you can consistently bring the most value to their lives."

Embrace global trends and adapt them to SA consumers

The rise of social media has increased exposure to different cultures and ways of life, which in turn has resulted in a global community that is better informed, connected and welcoming of diversity. This has led to inclusivity becoming an important theme.

Cronje believes that retailers need to consider global trends, but apply them in our local context. Body positivity is a global trend as is embracing diversity, so retailers need to think about how to apply this locally, to successfully resonate with shoppers.

"For example, Ackermans recently launched a range of lingerie for Valentine's day. We have learned from our customers that they want to see women who inspire them, but who they can relate to. For this reason, we picked five popular celebs and used minimal retouching, with only shadows and minor blemishes removed. The campaign imagery proudly displays stretch marks, curves and bumps, in all their glory, and this has been met with a resoundingly positive response by South Africans.



#NewCampaign: Ackermans celebrates self-love w/ #IAmMe lingerie campaign

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"We also [offer larger bra sizes](#) and lingerie in a wide variety of nude shades, to cater to our customer's needs."

However, Cronje cautions retailers to do their homework, "We have seen before how horribly wrong it can go when retailers don't take the time to understand how a certain global trend will be interpreted by a local audience."

Power of personalisation

Personalisation is a popular trend making a return, as consumers continue to use their fashion choices to express their

own style, self-image, and values.

It isn't only about personalising your favourite tee with a cool design or slogan. It's also about gathering intensive consumer research in order to provide a product that resonates with customers on a deeper, emotional level thus forming an intangible connection.

"2019 may be a difficult year ahead, but retailers committed to constantly engaging in dialogue with customers to keep pace with their evolving needs, stand a chance of successfully navigating the upcoming year," concludes Cronje.

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