

Actionable Insights: How the shopping experience is being reshaped by h-commerce and RMNs

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The past decade of marketing, specifically traditional advertising, has undergone a rapid transformation — from newspapers, television and billboards to blogs, apps, connected TV (CTV) and programmatic ads.



(Image supplied) In partnership with Bizcommunity, Actionable Insights, examines how h-commerce and RMNs are reshaping the shopping experience

Within retail specifically, hybrid commerce — or h-commerce — allows marketers to reach and influence consumers at various touchpoints in their shopper journey, including websites, billboards, marketplaces and even the physical retail space.

This is what's known as a retail media network (RMN); a highly targeted advertising infrastructure that comprises several digital and/or physical channels and is offered by retail companies to third-party brands for their advertising needs.

Globally, a huge emphasis has been placed on innovations in digital technology for an enjoyable consumer or user experience.



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Seamless digital user experience instore

Post the pandemic, as more consumers re-enter the physical space, the question retailers and marketers working within the retail space are now asking themselves is how to make in-store or physical points of contact as seamless and as relevant as digital spaces.

According to PYMNTS.com, three out of four shoppers prefer researching products online and then visiting a physical store to check the product before purchasing it, while four out of 10 consumers leverage curb-side pick-up services, where they can transact online before picking up their items in-store.

The latter became especially prevalent with fast food takeaways and grocery stores during the pandemic lockdowns.

Although more people are now turning to online for their purchases, physical retail remains a primary revenue source for brands, with PYMNTS.com citing that more than 85% of all retail sales in the US still occur in-store.



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In South Africa, online sales account for a mere 6.8% of the retail volume, expected to increase to 8.8% by 2027 (ECDB).

These figures demonstrate the importance of physical presence, a fact that has not gone unnoticed by direct-to-consumer (D2C) brands, with many international D2C retailers opening physical stores in the last couple of years.

The latest h-commerce technology is bringing a seamless user experience of digital to these physical locations across the globe, transforming store changing rooms into digital control centres and supermarket aisles into social media studios.

Retail media

Known as the third wave of digital media (the first and second were search and social, respectively), Insider Intelligence forecasts retail media to be the biggest wave at an estimated \$45bn market this year, growing by approximately \$10bn in 2024.

Importantly, retail media provides a marketing solution that benefits all parties: the retailer, brands and consumers.

Brands receive highly targeted advertising opportunities, which opens a new high-margin revenue stream for retailers while consumers get more relevant content.

Further, retail media offers the ability to close the loop with sales data that proves the ad changed the customer's behaviour and nudged them towards making a purchase.

This data then allows brands to optimise their strategies to drive better results.

Understanding this space

Flexibility and a willingness to learn are key to success in this new marketing environment.

Most integral to forming a full understanding of the space and how it will evolve is the mastering of data, which goes beyond impressions to attributes such as footfall traffic and buyer preferences.

Moreover, technology and data that are not aligned can impede progress so ensuring datasets are organised can assist retailers and agencies to have a single view of their consumers.

Local marketers must also be cognisant of the unique profile of the South African consumer, keeping in mind that RMN solutions that have worked internationally may not adapt well within the local landscape.

Next frontier

The penetration of digital media has revolutionised the shopping experience for consumers and, with innovation in technology happening at a rapid pace, retail media is poised as the next frontier to become a prominent presence in South Africa's media landscape.

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