

Online revolution changes retailing

 By Robyn Cooke

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Modern day shopping is faster paced and often spans multiple channels, with half of all shopping transactions now influenced by online. Therefore, whether people are shopping online entirely or using online stores to research products before shopping, there is a shift in the habits of consumers...



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This shift is bringing new demands and South African retailers are meeting the challenge by overhauling their online presence. Traditional websites are being replaced by online stores featuring functionality that provides a seamless experience for consumers, whether browsing and shopping in-store, or online via a tablet, smart phone or laptop from the comfort of their lounge or favourite coffee shop.

The focus is on convenience with fast and affordable delivery to the home, while millions of consumers can now access online shopping for the first time by using existing store cards rather than credit cards.

Shopping styles

Essentially, there are now four distinct shopping styles:

- shopping in store entirely
- browsing online to research products and then shopping in store
- shopping online from beginning to end
- browsing in store to touch and feel the product and then shopping online

Whether consciously or unconsciously, customers are adopting an omni-channel approach to shopping, increasing the demand for better service and product offering and in an omni-channel world a retailer must cater to all four styles of shopping.

Variety and convenience

Offering customers an online store in addition to bricks and mortar stores has a variety of benefits, including customers often having access to a wider variety of products online and the benefit of home delivery. Customers can also research items online and plan their in-store shopping sprees.

The group's response to shifting shopping habits is focused on choice and convenience - enabling consumers to shop online and not just one store at a time, but multiple stores. Therefore, consumers are effectively entering an online TFG mall.

The group will continue to roll out its 'online mall' in 2015 with additional stores coming online, offering a diverse choice of product across electronics and accessories, sportswear, outdoor gear, sneakers, men's and women's leisurewear and homeware - all from one platform - all in one bag.

Customers could proceed to @home online and add linen to their bag, then decide they need a new pair of running shoes and visit the Totalsports website. Having added their shoes of choice to the bag, they head for the single checkout point and have all the items delivered to their chosen address. It is all about choice and convenience. Like visiting an actual shopping mall, but from the comfort of their couch and without having to lug around heavy shopping bags.

Store cards democratise online shopping

Access to credit card and concerns about online security are barriers to the growth of ecommerce. Generally, the group's 3 million account holders did not shop online, so it took a decision to allow account holders to purchase online using their existing store cards instead of credit cards. This has paid off, as we have found that account holders purchasing with their account cards now make 67% of online sales.

Challenges and education

Mostly South African retailers match the standards of leading international online retailers, but there is a need to focus on educating consumers to assist in the move to the online space and to do so in a way that they feel safe.

Many consumers may not know that online shopping is safe and accessible on their phones, or that they can use their account card to pay. We need to communicate broadly and often, constantly evaluating new and innovative ways to make online shopping accessible to our customer base.

There are also distribution challenges to ecommerce. We need to find innovative solutions to make online shopping more convenient for the masses of South Africa and not only the elite. We need innovative ways to manage logistics for delivery. This may mean partnering with a supplier rather than trying to do it ourselves.

Even with online sales booming, this does not mark the death of physical stores. The online stores are adding value and contributing to overall revenue, rather than taking away sales from physical stores. The two entities work hand in hand to bring the customer the best possible shopping experience.

The annual PricewaterhouseCoopers survey: Total Retail: Retailers and the Age of Disruption was released in February 2015 and found that 49% of respondents had used their mobile, smartphone, tablet or PC to research products and 49% had used these to compare prices with competitors. The survey was of 19,000 respondents globally, but this included about 1,000 from South Africa.

ABOUT ROBYN COOKE

Robyn Cooke is head of e-commerce at TFG. She has worked as a marketing leader in the technology and internet field for over 20 years for some of the globe's largest companies based out of London. Robyn returned to Cape Town to merge this experience with her first love, fashion and was South Africa's first fashion blogger, commentator and stylist, and

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