

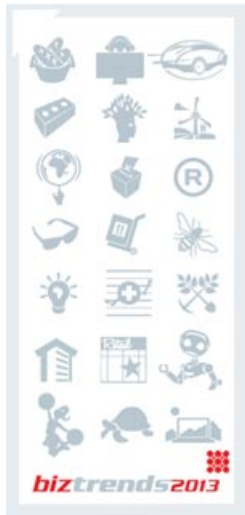
# Cheaper, better, faster

By  Gillian Rightford

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The biggest change in South Africa will be the continued growth of mobile and online, and how this affects everything we do - all of our buying habits, from deodorant to cars, and how, when and where we do it.

We are still some way behind a number of areas internationally and these are the areas in which I see the potential for leapfrogged growth.



However, we are behind because of challenges that we face in this country (delivery/distribution/market size/economics) and we have to address those before we lose out to any retailer, anywhere in the world.

Basic synopsis of 2013 in retail? Cheaper, better, faster? Sound familiar? To break it down, and avoid awkward Standard Bank analogies:

1. Cheaper
2. Better
3. Made for me
4. Faster
5. More buys for less
6. Goodbye to the middle man
7. Blur between brick and digital
8. Really build relationships and communities.

In more detail:

## 1. Cheaper

- Growth in price-comparing apps on mobile will lead to being able to compare the prices as you shop, and literally walk across the mall passage to get a better deal.
- Buying online will mean that you only buy what you need and save money on the gondola end temptation. That's the theory anyway. But see trend five.

## 2. Better

- Being constrained to the merchandise at the shop that you can drive to is oh-so-last-season. You as the customer can get anything you want, usually overnight, for a few dollars extra in shipping (the extra cost canceled out by the enormous import tariffs and markups that retailers place on specialised goods), delivered to your door. Sometimes you can get better AND cheaper. What's not to love?

## 3. Made for me

- It's not just off the shelf; it's customised, as I want it. Blue stripe there, pink star there. Thank you.
- This will also play into the 'made how I like it' territory - without preservatives, hand-made, enriching a community. What I buy can do good and make me feel good.

#### 4. Faster

- Here's the real duzi for SA online retailers: the distribution side. It's expensive and slow. I just ordered school labels, from Canada, printed with my kids' names, delivered to my door in two days. The local competitor: delivery time 5-6 weeks?
- There are a few (Nespresso and Takealot.com) which are completely cracking this - Takealot.com the result of a genius marriage by agency M&C Saatchi Abel, which partnered the downtime of client Mr Delivery with the delivery challenge of the online shop client. Brilliant. This is an area of huge challenge and huge growth for SA online retailers.

#### 5. More buys for less

- Collaborative buying: we all club together - schools in a suburb; houses in an area; apartments etc - and we negotiate better prices for our annual buy of anything - lettuce, Handy Andy, whatever. Cheaper, value added.

#### 6. Goodbye to the middle man

- Well, if we're going to Unilever and negotiating our suburb's annual buy for household cleaning materials, what happens to the places we normally buy them from? Yip, you guessed it - read about the demise of travel agents as people buy direct, and join the dots for the impact on traditional retail.

#### 7. Blur between bricks and digital

- The traditional retail space as we know it has to drive more of their customers online; and draw the online customers into the store. But the change will come in what happens in the real-world store - not business as normal. How do we celebrate that relationship face to face? A real-life customer, we can talk to? That's the challenge. And the opportunity.

#### 8. Really build relationships and communities

- Retailers, wherever they are - here, there, online, real world, a combination - really need to build relationships with their customers. Not just say they do. But really, really do. Because that way, they will be able to answer some of the above trends.

People want what they want - whether it's organic and sold in a market and they buy one, and they know the farmer; or whether it's a bulk buy - a year's supply of household cleaning products for 100 households.

So this year, the customer will have even more power in their hands to shop around, which turns into power to get what they want, how and when and where they want it.

The simple option of a retailer providing a "this is what we've got, take it or leave it" offering will result in a simple equation. They'll leave it and get it elsewhere, even if it's from the tundra in Canada.

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Gillian's CV is a mix of marketing, strategy, advertising, and leadership. She obtained a Business Science (Honours) degree in Marketing from UCT, worked in marketing strategy consulting, then headed into the creative world, doing account management and strategy for below and above the line agencies, before becoming co-founder and managing director of Hercules/DMB&B, and then group managing director of Lowe Bull...

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