

How technology is transforming the retail business

By [Andre Rosslee](#)

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The world is in a grip of an entrepreneurial revolution, and with African startups raising in excess of \$200 million in 2017, it's clear that the culture of innovation is alive and well on our continent.



Digital tools lower the barriers to entry and help small business owners overcome obstacles and to seize opportunities. But how exactly is technology doing this? Let's take a look.

The rise of online shopping

As e-commerce and online shopping continue to grow, the potential for alternative business models in retail has increased dramatically, democratizing the world of retail. Convenience is king in the retail space, and those who don't listen up are bound to be left behind.

Setup costs for an online business are minimal as there is no need for physical presence or real estate. Small business owners can now set up shop on Amazon, Etsy and many similar platforms, or launch their very own branded e-commerce business using a service like Shopify or a Wordpress plugin like WooCommerce. For an e-commerce business owner, the world is their oyster – they can source from anywhere in the world and distribute to anywhere as well!

Stock management can be easier and more efficient with e-commerce because products can be stored inexpensively and no longer need to be displayed in a shopfront or on shelves, lowering the risk of damage or theft. In a drop-shipping model, the business itself never even carries or manages the stock – it is sent to the customer directly from the supplier once the order is placed.

Social marketing is also cheaper and possibly more efficient than more traditional channels. Often, digital marketing methods are often free or very close to free and the audience can be tailored and targeted.

When it comes to the sourcing side of online retail, e-commerce has opened up a world of possibilities for new business owners. E-commerce platforms exist for global product sourcing, and these are no longer deep, dark and scary places. Users can now verify sites, review products and rate their experiences, adding that social element to product sourcing and giving buyers peace of mind.



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Web analytics makes market research easy

In a sector where customer satisfaction is paramount, client data and market intelligence have always played an important role in the success of a business. Whether it's understanding sales trends in order to improve inventory management or analysing the effectiveness of campaigns in order to know where to allocate future spend, data makes the retail world go around.

In the past, business owners often had to rely on market research in order to understand their customers, their competitors, their marketplace and business cycle. With the rise of smart analytics, this is no longer necessarily the case.

Web analytics, which combines powerful computer processing power with advanced big data analytics, now offers extraordinary data mining, customer intelligence and visitor analysis tools to even the smallest business. This increases their ability to be agile and responsive to changes in their environment, and helps business owners capitalise on opportunities as they come.

Even competitor information is available to business owners if they know where and how to look for it. Thanks to tools like Similarweb and SpyFu, entrepreneurs can perform competitor research at very little cost.

And thanks to tools like Mixpanel, Google Analytics and Kissmetrics small business owners can now understand their website users in real time, and can judge the effectiveness and relevance of their own ecommerce or blog content, as well as the effectiveness of their online advertising efforts.

Customers are changing the way they pay

Many financial services experts have pointed out that we are fast approaching the end of buying as we know it, which could spell chaos for small businesses that have traditionally only accepted cash. When it comes to mobile and online shops, cash and even traditional wired payment terminals are becoming less and less viable, often due to logistics and cost implications. Digital payment gateways and even card-not-present technologies are fast becoming the norm in a new seamless, effortless retail experience.

Fortunately, the rapid changes and developments in technology are also addressing this potentially chaotic situation. Mobile Point-of-Sale solutions, or mPOS, comprise a suite of technologies that have been specifically designed to help smaller retailers accept card payments, without imposing the often prohibitive fees or fixed terminal network of a traditional payment

system.



mPOS transactions to represent 24% of all POS transactions by 2023

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Absa's Payment Pebble, for example, plugs into a compatible smartphone or tablet turning it into a secure card machine. It accepts both MasterCard and Visa chip-and-PIN credit and debit cards. Due to the risks in the digital environment, it is important to find a reputable partner for digital and non-cash payments.

Although technology is changing the way we think about retail and revolutionising the way businesses operate, it's important to remember that an omnichannel approach is still the most successful way to run a business. E-commerce is growing robustly, although off a relatively small base compared to traditional retail, thanks to the modern customer who responds very well to a multichannel experience where shopping becomes a fluid, seamless journey instead of a disconnected one.

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