

Readying for retail saturation or a complete revolution?

 By Leigh Andrews

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While technological advancements and shifting consumer buying behaviour mean e-commerce is set for more uptake, traditional retailers need not worry about a loss of overall sales as a result. Here's how they can avoid extinction by keeping ahead of retail trends.

On Thursday, 13 October, Beyond Retail 2016 took place at The Bay Hotel rotunda in Camps Bay, hosted by UCS Solutions and Business Connexion. Bruce Whitfield of *The Money Show* closed out the day's discussions on whether retail can save the SA economy by further questioning the day's speakers.

In response to Whitfield's question of whether we'll ever reach retail saturation, [Dr Azar Jammie](#) of Econometrix spoke of our access to shopping malls in terms of transport. "The more we have traffic jams, the more we will make online purchases and retail sectors will turn their focus to entertainment," to attract the crowds. [Jacques de Kock](#), head of supply chain at Clicks Group, mentioned the need to preserve the bottom line in a tough top-line environment. "People will always have to eat and take meds", so while small businesses are crowded out, there's a tough competitive environment at the top. Jammie also reiterated that the retail sector does contribute to growth without a doubt, but how much it does so is open to question.



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While the fact that SA has one of the foremost retail sectors in the world does a lot, keeping up with technological and infrastructural trends also helps.

[Maryla Masojada](#) of Trade Intelligence then spoke of operating in a capitalistic world and the need to optimise collaboration between the formal and informal sector. As that split is roughly 70%/30% we focus on the big five retailers we see mentioned repeatedly in the press, forget about the spaza shops. She added that shopping malls are seen as empires of happiness and joy for many but there is pushback against that. "The number of empty shops in [Mandeni Mall](#) is breathtaking and we may see more white elephants than we're expecting."

This is just a small taste of what's really going on at the base of the pyramid, with many large corporations misunderstanding the market.

Uberisation of the world

Whitfield pointed out that few of the speakers had mentioned the impact of online retail, but that doesn't mean it's science fiction or in any way futuristic. [Netflorist MD Ryan Bacher](#) confirmed that [UberEATS](#) has just kicked off and soon [UberRUSH](#) deliveries will begin locally, so you'll be able to give a parcel to your Uber driver for [last-mile delivery](#). He said that after a few months of unease it'll feel like business as usual. Here's how it works:

Due to cost, same-day delivery is a rarity at the moment. This will enable retailers to deliver much faster. Whitfield asked what that will do to traditional commerce. De Kock responded that it's an exciting trend as it ultimately drives up costs and offers new opportunities for brick-and-mortar stores, like delivery to home.

Next, Whitfield said technology is the great enabler and what it does to economies is profound, but should retailers be scared of it? Jammie said there is polarisation between those who can access what's going on and those who are left out of the picture. Overall GDP is rising, but the benefits of what's going on accrue to a relatively small number of persons.

Whitfield agreed the reality in SA is that many are rural and poor and simply can't access a credit card for electronic payment. Masojada said that's where the power of mobile comes in, as smart phone technology means much of Africa has been able to leapfrog over desktop and feature phone internet connections to mobile wallet payment. Just think of the [Tshwane 'free Wi-Fi'](#) model, which has been in place for a good few months now. It definitely provides more access for more people, but will large corporates monopolise that? Only time will tell.

Click through to my overviews of the individual presentations by [Jammie](#), [Masojada](#), [Bacher](#) and [De Kock](#).

ABOUT LEIGH ANDREWS

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