

Beyond Covid: Top trends driving the evolution of South African retail

By [Gavin Lomborg](#)

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South Africa's retail sector was undoubtedly one of the hardest hit by the onset of Covid-19. Lockdown regulations, reduced trading hours and the sudden, unexpected limitation of face-to-face contact required retailers to rethink the rules in unprecedented circumstances.



Gavin Lomborg, chief commercial officer at RCS. Source: Supplied

The industry saw retailers entering new product territories, pivoting their business models and digitising their service offerings. These adaptations, believed by many to be temporary strategies to stay afloat, became the framework for a whole new industry.

Now, exactly three years after the pandemic hit, the retail landscape looks very different from what it did before. Arguably the biggest driver behind this change was the mainstream and rapid adoption of digital technology.

E-commerce platforms and mobile apps rose to serve changing consumer demands where brick-and-mortar retailers could not. Contactless, and even faceless, interchanges between retailers and their customers became the norm. The pace of digitisation, which had been on the steady increase for over a decade, went into overdrive. And retail was ready to ride the wave.

Rise of payment technology

During the pandemic years, South Africans turned to online and mobile platforms as these quickly became the safest solutions for shopping. Retailers rose to the challenge, supporting their technology with efficient customer service, speedy

order fulfilment, fast turnaround times and reliable delivery.

With time, as customers grew more accustomed to this greater level of convenience and wider range of choice, what began as a need gradually became an expectation.

Now, South African shoppers, much like their global counterparts, expect seamless convenience from start to finish. They expect to log on, shop and checkout in record time. Fortunately, driven by innovation and a hunger to evolve to meet the needs of an expanding market, payment technology startups and developers have helped to answer this call.

Technologies such as digital wallets are becoming increasingly more popular amongst South African shoppers. Furthermore, with dramatically increased smartphone penetration, customers want to transact more via their mobiles.

Shoppers want flexible payment options and credit plans – a trend we've witnessed with [RCS' acquisition](#) of leading digital credit provider, Mobicred. South Africans are also moving from credit, debit and store cards to virtual cards, and large retailers are investing in the technology to make that possible.



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Retail returns to pre-pandemic performance

Encouraging prospects abound in South Africa's retail space, despite a number of socioeconomic headwinds. On the whole, the sector is showing strong signs of recovery, driven by the return to brick-and-mortar stores, which has driven store expansion as shopping returns to pre-pandemic levels.

Having started to gain traction approaching the end of 2022, retailers were poised for a bumper festive season. Now, the sector is gaining momentum, but not in any way that directly mirrors how the sector operated pre-pandemic. Retail has shifted into the realm of the omnichannel experience, where stores reach their audiences at multiple touchpoints.

For some, this has necessitated a greater level of cross-industry collaboration. For others, it has materialised in the opening of e-commerce and m-commerce platforms as well as mobile apps to support their physical stores.

We're witnessing strategic partnerships like that of [H&M South Africa and online shopping platform Superbalist](#). Fashion followers of the H&M brand, who previously could only shop in store, can now buy fashion and homeware online, and pay in a number of ways. The future will undoubtedly see more of these alliances forming as retailers join forces and pool their resources to grow their businesses.

Shoppers embrace their ‘need for speed’

If anything, the pandemic years have taught South African consumers that local retailers have the technological capabilities to get things done and do it quickly. In the pre-pandemic world, shoppers had become familiar with the standard three-to-five-day delivery turnaround. But apps like Checkers Sixty60 and Mr D introduced shoppers to a whole new level of speed and convenience.

If consumers needed wine and snacks for their dinner party in the evening, they could order those items just an hour or two before the time and have them delivered to their doorstep. And so, we saw South Africa’s m-commerce capacity leapfrog over the next-day mindset into delivery on the hour.



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With other retailers following suit, customers soon realised that they could skip the queues and avoid the effort of store-hopping and enjoy quick, online fulfilment and delivery.

Add to this the rapid innovation in personalisation technology as well as more recently artificial intelligence and blockchain technology – and we have the first shoots of something both exciting and attainable for retail.

Put data in the driver’s seat

The chance to get to know consumers and create impactful customer experiences is the holy grail of retail. Data – respectfully tapped and empathetically delivered – is the way to do it. In it lies the insights retailers need to tap into the customer psyche, understand what drives purchasing behaviour and what keeps customers coming back. Unlock this level of intelligence and the possibilities are endless.

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