

Why online is now an essential part of retailers' offline strategies

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In the past, a retailer's online strategy consisted largely of a website, possibly with some e-commerce functionality. It was the next frontier in the digital space and everyone who was anyone in the retail world had one.



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That approach is no longer sufficient as we now understand so much more about how the digital channel is used in the path to purchase. Though websites and apps still lead in terms of channels to shop, shopped by 67% and 63% respectively, they are being joined by other, less expensive online channels — such as social selling via Facebook and Instagram - making it easier for more businesses, especially smaller ones, to get in on the commercial game.

A quarter of physical sales are made through online discovery and research

In the “[2022 SA Digital Customer Experience Report](#)”, we stress that brands should no longer be thinking in silos but rather become channel agnostic. Their customers are. In fact, our report revealed that a significant 25% of all physical sales made across retail categories of groceries, fashion, medicine/toiletries and furniture/hardware were enabled because of consumers' online research. In rand value that equates to R294bn in physical sales, a figure not to be sneezed at.

We now know that social selling, app usage and even WhatsApp or other instant messaging platforms play a pivotal role in the offline experience and purchase. But what we are not (yet) seeing is retailers who are taking advantage of this new consumer behaviour and bringing digital into their stores.

“ Brands need to ensure their product catalogue is always available online, and updated, so that consumers can find what they like and want, without having to leave the house ”

Using mobile in the moment

Consumers are using their phones in store to look for recipes to help them decide what's for dinner, or are viewing products in store to check the quality or try an item on, only to buy it online, through their phone, at a later stage and possibly get a discount. We are also using our phones in restaurants and cafés to view menus through QR codes, a behaviour that has become entrenched - this would have been unheard of before Covid.

These examples aside, there are so many more online opportunities available to brands to bring their stores and products to life, to create truly memorable or useful experiences. Given that 50% of our respondents said they'd tell their friends and family about a poor experience (43% are posting this online), it is in every brand's interest to get the on- and offline experience right.

Consider, for instance, how an offline brand can make its stock levels in store, and at which store, viewable online, in real time. This could be anything from a clothing item to an appliance or a food product. Being able to see what's available where, from your phone, before you get into your car, would be a boon for shoppers and brands, and those that implement this will reap loyalty; I hope to see this type of integration in the future.

Online research an essential part of the purchase pathway

Researching online is not just a fun pastime or fad but has become a key component of the purchase pathway. While about 23% of respondents used online to search for groceries, food, beverages and tobacco, 41% surfed the web to research travel options, 34% looked at household furniture and appliances and 28% researched clothing, footwear and leather goods.

What this means is that brands need to ensure their product catalogue is always available online, and updated, so that consumers can find what they like and want, without having to leave the house.

Another opportunity for retailers is to provide in-store digital interactions with their products. Food retailers could quickly win the hearts of their shoppers if they had virtual stations that shared which aisle a product was in - there is nothing more frustrating than walking up and down the aisles looking for the jam. Or they could offer recipes and shopping lists to make the grocery shopping experience that little bit easier - just as they do online. While not yet on our shores, the US brand Target has started rolling this out in its stores to much consumer acclaim.

Of course, we have seen the massive increase in online grocery shopping since Covid started, but many people still go into, and prefer, a store - this is where the next opportunity lies.

Online retailers can learn a thing or two from offline peers too

Looking at this the other way around, online retailers can also do better, especially when creating moments for impulse buying. Online it's easy to choose what you want, check out and that's that. In store, we are more likely to pick up some confectionery while waiting in line to pay or grab a smaller clothing item in addition to what we went into the store for originally. In my view, this is the next online opportunity: create more demand for those little extras to bump up basket sizes, and increase the bottom line.

Whichever way you look at it, on- or offline, consumers are dipping in and out of both as they please to fulfil a particular function. Online, research, including looking at reviews, is a key behaviour, making it important to get reviews of your product online. The bare minimum now is a complete product catalogue with all information needed to make the purchase decision. Offline, retailers need to bring digital into their stores, add QR codes to products, offer online discounts for offline purchases and provide useful information such as recipes, where relevant, as well as use digital to aid store navigation.

We no longer live in a binary world of off and on; they have merged and each influence the other in myriad ways. If 25% of all physical sales made across core categories are made through online interactions, it is essential for physical retailers to link their digital to their in-store to capitalise on how the new consumer shops and meet them everywhere they are. Retailers need to break down legacy barriers and allow digital channels to support offline shopping and vice versa, allowing the best

of both worlds.

The big take-out: Retailers need to break down legacy barriers and allow digital channels to support offline shopping and vice versa, allowing the best of both worlds.

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