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IT in retail is more complicated than it sounds



A study by MasterCard found that eight out of 10 consumers now use a computer, smartphone, tablet, or in-store technology while shopping. The reality whether you're a retailer based in South Africa or in the US, physical and digital systems are merging to provide shoppers with multichannel experience.

A study by McKinsey also found that the IoT (Internet of Things) in retail could have an economic impact of \$410-billion to \$1,2-trillion per year in 2025. A massive amount and a bona fide over the horizon prediction but indicative nonetheless.

The above undoubtedly make a strong case for the planning and subsequent longevity of retailers in the next few years. However, retailers and their partners should be aware that whilst the digitisation of this industry is a given there are still a few elements to consider.

Robbie Johnson, retail manager at Drive Control Corporation (DCC), comments: "A fundamental issue is that not all products are made to be multichannel. In our experience with retailers offering multichannel shopping that some products simply perform better in-store while others are perfect for online.

"There is therefore not a cookie cutter solution for going multichannel. Products should be judged on a per item basis and then rolled out accordingly. It is seldom that online buyers will purchase fresh goods like bananas for example whereas a new phone that has numerous reviews to back it up will sell online.

"Also, buyers should always have the option to view items in-store even if

there's only demonstration stock which can then be purchased online. A lot of people still enjoy the physical shop browsing experience and will then often buy more than one product. Human nature is often unchanged despite advances in technology."

Johnson's sentiment is also echoed by a move of some international retailers to bridge the different shopping channels. For example, some now offer a click-and-collect service. "Customers can therefore browse the inventory at their local store on then either purchase a product and pick it up right away, or arrange for delivery" he says.

Technology does however have a major part to play in the overall performance of retailers irrespective of their shopping channels. In South Africa, ICT distributors form a crucial part of the value chain and offer services that simplify retailers' stock holding and selling process.

Johnson explains: "Distributors are investing in systems that assist retailers in numerous ways; insight into what products are selling well, for example, ensures that retailers have the stock to meet demand. Importantly, we can also assist retailers with slow moving stock, analyse why it is not performing well and offer advice on how to overcome these challenges.

"Technology undoubtedly provides us with the tools to ensure that our retail partners continue to perform well. Retailers have tremendous pressure to entice customers and sell products particularly in an industry where shoppers are spoilt for choice; distributors can provide them with an important competitive advantage" ■