

# MOBILE SHOPPING

## The way of the future

**When will online retail seriously disrupt South African brand and retail marketing strategies?**

It is a huge question as the implications are so significant. Just look what is happening in the UK. An estimated 35 000 retail staff have/will lose their jobs this year, hundreds of retail stores are closing. It is the result of the ceaseless quest by shoppers to find lower prices is greatly facilitated by smart mobile. And in the UK, home delivery is much more efficient than it has been so far in South Africa.

Private labels are very significantly increasing market share because retailers are trying to protect profitability and as a result, traditional brand leaders are finding themselves squeezed. So, inevitably, they will join the online revolution with dedicated brands.

In South Africa, online retail is about 2% of total retail sales, while in the UK it is about 20% with projections that this will increase to about 40% within the next five years.

Why is the South African share still so low and what are the strategic blockages?

The results of the online retail survey being prepared by Arthur Goldstuck will be announced at the Marketing Mix Shopper Disruptions conference in September and

the panel discussion that follows will focus on overcoming the barriers.

Several come to mind. Payment insecurity is perhaps the first one, very closely followed by cumbersome and expensive delivery systems. In the UK the post office guarantees delivery within 24 hours and to beat that, Uber will do it in two hours. Maybe we will see drones doing it even quicker very soon? Our post office is woefully unreliable, and current courier services are expensive, but it will only be a matter of time before innovative entrepreneurs will find ways. For example, in all the new office blocks there are shops and it will be very easy for brands to deliver their goods for convenient pick-up. Another option is using the retail outlets at filling stations.

Five years ago, not one executive would have predicted the recent announcement by Marks & Spencer that it would close 100 stores. The legacy of the past and the present is a burden, the internet world facilitates radical thinking and that is exactly what South African brands and

retailers need to do right now.

Disposable income in South Africa is under enormous pressure. Consumers are willing to try new lower cost brands, and they are changing their shopping priorities to include more leisure and less durables.

We have a very high penetration of smart phones in our country, around 40 million, making shopping around via the internet is easier and easier. It does not necessarily mean everything will be bought via the internet, but it certainly means much of the selection process will be done that way.

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## New shopping centre in Soshanguve

**The Soshanguve South View Shopping Centre has been open for business since the end of June.**

Situated to the south of Hebron Road, Soshanguve South View Shopping Centre will serve the communities of Soshanguve South extensions 5, 6 & 7 and surrounding areas. The centre consists of 7 600m<sup>2</sup> of retail space with anchor tenants to include large retailers such as; Shoprite, Shoprite Liquor, Cashbuild, Pep Store, Ackermans, Russells and KFC.

"Soshanguve is Tshwane's largest township with a steadily growing population. Currently, there are more than 180 000 households within the area. It is an

under-catered area with a large amount of retail demand. This development alone is estimated to create around 250 permanent jobs for the community," says Andrew Honeyborne, development manager of Abland.

The centre was built with the immediate community in mind and is positioned just off Doreen Avenue and the newly constructed K63 provincial road, and perfectly located along the main bus and taxi routes which also lead directly to the Soshanguve South Station.

Abland has made provision for public transport bays at the centre for individuals travelling long distances in an effort



to make their shopping experience as seamless as possible.

"We wanted to build a shopping centre that the community of Soshanguve would be proud to have in their area," concludes Honeyborne.