

Retail trends 2023



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“Chatting to industry experts at the end of last year at the GIBS SA Retail Industry Conference – the general consensus was that innovation, flexibility and agility are in the driver’s seat this year. It’s about finding the balance in delivering value vs profitability as well as sourcing locally, bedding down omnichannel strategies and sharpening pencils to prepare for the ‘Amazon Effect’. Building meaningful customer relationships is a chart topper which includes amping up the shopping experience as well as finding the sweet spot in the split between instore and online,” said Mike Smollan, Chief Growth and Innovation Officer, Smollan.

2022 was indeed a transformative year in retail cementing the belief that ecommerce and omnichannel are the future (www.intelligence.com). That said, as we look ahead amidst the pressures of rising inflation and supply chain disruption, market players must figure out new and exciting ways to allow consumers to browse, buy and save – to meet them wherever, whenever, and however they prefer to shop.

From a global perspective the economic outlook for 2023 looks rocky, as reported in a recent Forbes article, with the retail industry traditionally being

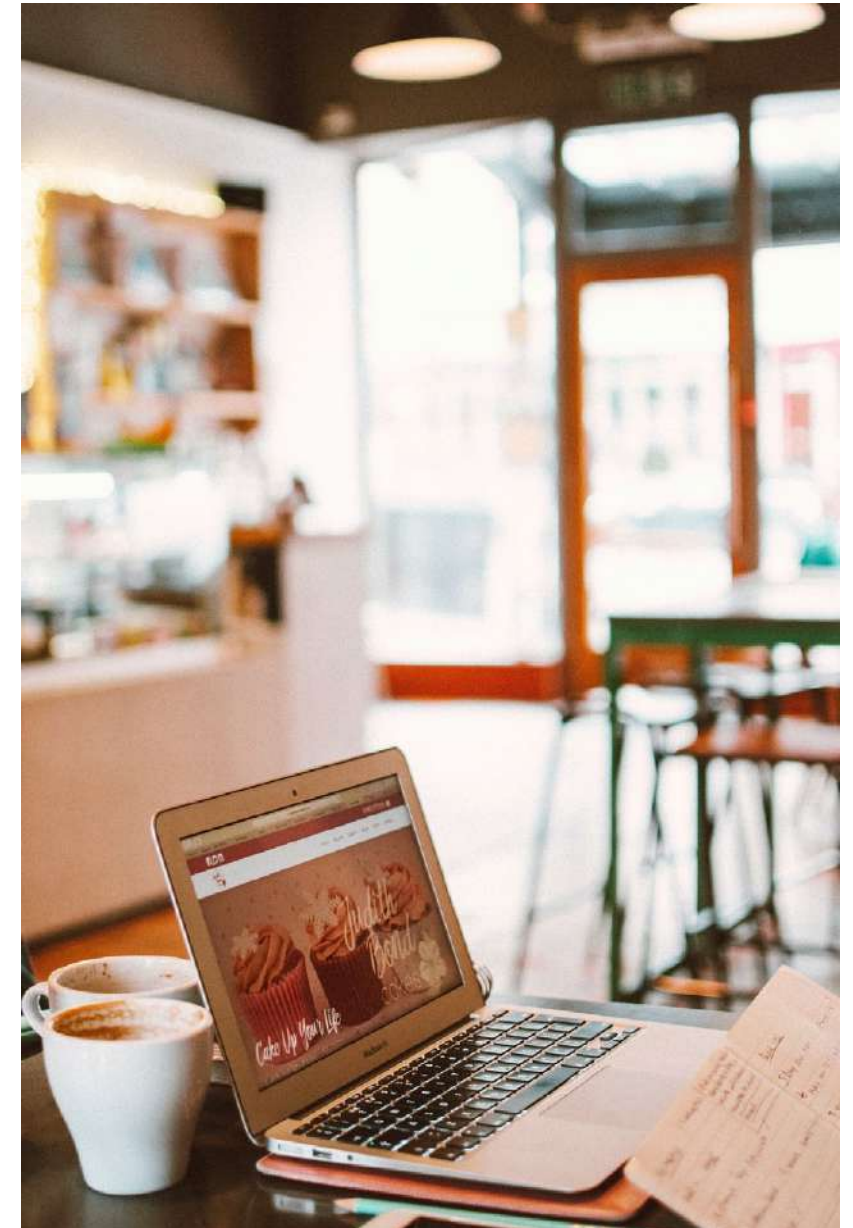
Top five trends tips

www.intelligence.com

- Social commerce will take the front seat as influencer marketing becomes one of the more sought-after marketing channels.
- Personalised experiences will go a long way as this is no longer considered to be ‘the cherry on the top’ of a shopping experience but instead, a vital component.
- Reviews and ratings will gain importance as seen in a recent LinkedIn poll, that found 41% of respondents specifying that consumer reviews and ratings are the most important factor when making purchases online.
- The circular economy will gain momentum stemming from today’s socially conscious customer psyche, valuing increased sustainability efforts from brands.
- Private Label brands will continue to grow offering on-trend, affordable, competitive options.

among the first to feel the bumps in the road. Closer to home, by 2025 the value of ecommerce transactions in SA is expected to reach R225bn as reported by IOL with the market itself estimated to reach R400bn the same year. www.mastercardservices.com monitoring the sweeping

Image courtesy of Lisa Fotios, Pexels



shifts to digital channels in Africa, attributed growth in this sector to South Africa’s ecommerce market becoming noticeable stronger each year. While in the bigger picture sub-Saharan context, Kenya leads the charge around mobile commerce.

Zeyad Davids, Africa Risk Advisory at Deloitte was reported in BizCommunity as saying that retailers





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and brands must lean into emerging consumer trends in 2023 to decouple business progress from economic constraints. He touched on the following key considerations –

- The importance of the buying power of Gen Z within the next ten years, particularly in Africa which has the youngest population in the world.

- Being open to collaborations and partnerships which will allow the industry to swiftly and economically, take advantage of emerging market opportunities e.g., Pick n Pay augmenting its online grocery delivery, within the Mr D Food delivery app.
- Green is becoming the new black as traceability and circularity will become imperative as consumers will expect businesses to be hyper-aware of the environmental and social impact across their value chains.

So too, knocking loudly on our door in Q1 is the launch of Amazon in SA with www.ventureburn.com slicing and dicing how the market should

ready itself, suggesting that businesses should perhaps not focus exclusively on the competitive angle but instead work with Amazon, instead of against them. This could take the form of selling product through their own Amazon-facilitated stores which will make online businesses more competitive as well as prioritising customer service, preparing for unexpected scenarios, getting customers to 'shop local' and improving their supply chain.

"Amazon is going to force the small online business sector to up its game. This isn't a bad thing, as customers are ripe for online shopping and the ecommerce environment holds big potential for our local retailers," said Dov Girnun, Merchant Bank. **SR**



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