

Digital retail and its relationship with data

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With more South Africans shopping online than ever, retailers have had to rethink their digital strategies, especially when it comes to data analysis and optimising the supply chain. Consumers can buy just about anything from anywhere, resulting in disrupting the traditional concept of what a retail store should look like.



Source: Getty

Companies must therefore adapt and drive a more integrated customer experience between the physical and virtual worlds. The key to doing this is gaining a better understanding of the data at hand.

In many respects, this has seen retail shifting back to improving service levels. It is not new as decades ago everyone knew the family grocer; your grocer knew your favourite vegetables and even knew what day you preferred to shop in-store.

Even though product quality and selection are still essential elements, people in a connected environment expect a more tailored experience not dissimilar to the model of the family grocer. Those retailers best able to provide this familiarity and connection with their customers will get the competitive advantage needed to create much-needed differentiation.

Customer experience

It comes down to making it easy for consumers to engage when and how they want. So, whether it is from a mobile device or in-store, today's retailers must create fluid, omnichannel experiences by connecting all customer touchpoints.

Injecting much-needed technology at a store level becomes essential as it enables the lines between physical and digital to blur. Take, for example, the recent growth of click-and-collect due to lockdown conditions. This has seen many retailer stores transform into fulfilment and return centres for online orders.

And with consumers expecting the same experience online as they do in the store, or even vice versa, retail is now about creating a seamless, coherent environment. As such, analysing data and delivering something more tailored on an individual customer level becomes critically important.



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Overcoming legacy

But many large retailers are saddled with legacy systems and large real estate footprints where the digital portion of the business is totally separate from everything else.

Implementation of more agile technologies like artificial intelligence (AI), the internet of things (IoT), and big data requires as much a change in mindset as it does in the general structure of the organisation. Such core re-workings are exactly what digital transformation calls for. It is a new way of thinking and turning a business into a full-fledged, digital retailer.

By embracing change, providing customers with what they want when they want, by helping improve inventory and creating experiences that customers remember and want to interact with, that is how retailers will survive.

Enhancing the supply chain

Of course, it is not only the customer experience that is important but also optimising the supply chain. The recent violent protests in parts of South Africa have highlighted just how vital this part of the business is. No retailer can ever assume that operations will always run smoothly and without incidents, whether this entails managing stock levels or black swan events like the Covid-19 pandemic.

Building greater resilience in the supply chain becomes a non-negotiable. This requires retailers to embrace a smart, data-driven supply chain management solution capable of delivering continuous data, streaming artificial intelligence, early warns, risk predictions, advanced analytics, and collaboration. Furthermore, all this must be driven behind a single pane of glass to provide the retailer with complete visibility of its environment.



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In effect, this more modern supply chain becomes the digital nervous system of the retailer, effectively combining the likes of visual analytics, data science, streaming apps, data virtualisation, metadata, and integration. Inventory and operations planning are some of the most data-driven processes in the retail supply chain as they use a range of inputs from enterprise resource planning (ERP) and supply-chain management planning solutions.

But whether it is servicing the customer better or optimising a rapidly evolving supply chain, retailers must be willing to

change and embrace their data analysis in more innovative ways. Their future success and relevancy depend on it.

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