



RETAIL IN THE TIME OF CORONAVIRUS

Innovation and out of the box thinking is needed to keep retail commercial tenants secure in uncertain times, writes Anthony Sharpe



The first thing to acknowledge is that we're in uncharted territory here. "For the first time in modern history, the entire global retail machine has essentially come to a stop," says

Doug Stephens, founder of consultancy firm, Retail Prophet.

"I don't know if anyone out there understands how long it will take to get that machine going again once we find ourselves on the other side of this pandemic. The delays that may be involved in getting that global supply chain going again may be so long that companies don't have a chance to recover," he says.

Those that do survive are those that adapt quickly. While retail has steadily been moving more and more online, the pandemic has shifted this into overdrive. "All of the things we've been talking about for more than a decade in

terms of e-commerce and the importance of companies being ready for this new future have been accelerated as a consequence of COVID-19," explains Stephens.

The implications of this are pretty severe: the future is here, and you're running out of time to catch up. With this massive shift, traditional offline retailers have been forced into the online space, and even those with e-commerce platforms in place are being forced to re-evaluate their offerings, both from a technological standpoint and a branding one, in order to offer a unified omnichannel experience.

CHANGING CHANNELS

But is omnichannel the be-all and end-all of the new retail experience? Stephens thinks not. He sees what's happening now as rather a fundamental trading of roles going on between

digital and physical commerce. "Not long ago, we were using media broadcasts to consumers to drive foot traffic to distribution, whether online or in store. Now, media is becoming the store.

I can buy directly from an Instagram post, a Facebook

page, a text message, my smart TV, from my connected appliances. Every form of media around us has the potential to be in a place where the consumer actually consummates the purchase."

So does this mean the bell is tolling for brick-and-mortar retailers? What is the role of a physical store in a world such as this? Stephens believes the store is itself becoming a form of media for brands: "It's a physical, immersive, powerful, community-based form of media that brands can use to bring consumers into their ecosystem."

This signals a significant change in the way we think about real-world shops moving forward, as even in a post-pandemic world, consumers will likely be much choosier about their traditional shopping experiences. "We need to stop thinking about physical stores as a distribution arm for products," says Stephens. "They're actually distribution arms for experiences."

UNDER PRESSURE

The message is clear: now is the time to innovate. The irony is that most businesses are battling just to keep their heads above water, let alone devote time and resources to innovation.

The pressing need to develop online solutions under such trying circumstances is spurring companies, particularly less digitally developed ones, to enter into partnerships with established e-commerce retailers, says Stefan Terblanche, retail solutions consultant at Argility. "We're seeing retailers shift towards parties who can present the brand in their searches – take Amazon or Takealot. Retailers who don't yet have mature e-commerce functionality are running for those kinds of environments, because it's one of the quickest ways to develop an online presence with searchability."

THE ESSENTIAL OF NON-ESSENTIAL RETAIL

Clothing retailers are among those who



Stefan Terblanche

will have to be the most flexible and the most resilient, because they are going to take a hammering. "We're seeing all the indicators, in the statements from the likes of Edcon, Foschini Group, Mr Price, Game," says Terblanche. "It's a terrible time for retailers of non-essential

consumer goods."

For many of these brands, digitalisation represents not merely a competitive advantage, but a strategy for survival. "The biggest noose around any retailer's neck is the staff salary bill, and the rental of physical retail space," says Terblanche.

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Another common sentiment is that the COVID-19 crisis may prompt an upswing in social and environmental values. "People are going to be more conscious of where retailers are sourcing their products," says Mariette Frazer, of the University of Johannesburg's College of Business and Economics.

"There's growing support for local products and smaller retailers."

Frazer believes this will tie in with the rise of the circular economy, where products are built to be repaired or recycled. Financial and environmental considerations may lead people not to buy products if they can't be repaired. Put simply, it may well pay to do the right thing.

DO THE RIGHT THING

Of course, telling your customers you're doing the right thing in a time of crisis walks a fine line. When people are accustomed to being bombarded with news of genuine global importance, it's easy to see brand messages as opportunistic or glib.

Stephens asserts that this situation will test

WHICH REALITY IS RIGHT?

It's tempting to envision the future of e-commerce as fully realised digital environments that you can explore, à la a video game, in virtual reality (VR). "VR has been slow on the uptake in terms of finding credible business cases for it," says Terblanche. "These are evolving technologies that are under pressure in times of economic downturn; we're going to see more focus on making sense of traditional channels without pushing up costs."

As far as retail goes, there's the possibility that adaptations made during the COVID-19 crisis might circumvent VR. "We've seen skyrocketing usage of social platforms like Zoom, Facebook and Periscope. I think what we're going to see in the aftermath of this is retailers asking, could we leverage a platform like this to create a social shopping experience for customers?"

Could we merge video conferencing and e-commerce to allow two friends to go on a virtual shopping trip together? We're going to see a lot of interesting combinations of technology that might leave much of our thinking about VR headsets behind, because we've found platforms that allow us to create a more immersive and social shopping experience online."

the moral compass of every company in the marketplace. "I think consumers are watching, whether consciously or subconsciously, the decisions that companies are making and the messages they're putting out there," he says.

The key to branding oneself in a post-COVID-19 world lies in fundamentally rethinking one's business prerogatives. "You don't suddenly start branding in the middle of a crisis," says Stephens. "You brand your business every single day, through every decision, memo, internal communication, customer interaction. You do that as insurance against times like this. Consumers in a crisis situation don't begin surveying the landscape for brands they feel they can trust; they revert immediately to the brands they know they can trust from prior experience. Doing the right thing is the best form of advertising since forever." ■



Mariette Frazer