

Using digitalisation to bring relationships back to main market retail



By [Andrew Dawson](#)

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Digitalisation often goes hand-in-hand with disintermediation within the retail space, and while removing the middleman can be beneficial, in the case of the South African main market, it can lead to damaged relationships and a lack of trust between spaza owners and wholesalers.



Source: [Pexels](#)

While digital has undoubtedly become a commodity and it can be hugely beneficial throughout the value chain, it should never replace personal relationships.

E-commerce platforms need to enhance these relationships, help to build loyalty, facilitate value-adds like cashless payments, and generally be mutually beneficial for both wholesalers and retailers, including those within the main market.

People do business with people

One thing that has become clear is that mobile apps and digital platforms will never be pervasive within the main market if the traditional business-to-consumer model is followed. By cutting out the middleman, this tactic also cuts out the relationships that distributors have worked hard to cultivate with their main market retailers and assumes a blanket approach to what is an incredibly diverse marketplace.

People do business with people, not apps, and technology should never be used to replace people, but rather to enhance the offering to deliver additional convenience, value, and efficiency. Customisations and tailored offerings are critical, and digitalisation is well-positioned to deliver this, but maintaining relationships is key.

A new approach is necessary that empowers distributors and bulk breakers to deliver individualised digital catalogues for spaza owners to select products from, combined with teams on the ground to provide the personal relationships that are so vital. Spaza owners can thus be empowered to place orders, make payments, and receive discounts through a digital app, while personal relationships are still in play.

Building robust loyalty

Often, loyalty is fickle within the main market as it is purely price-driven and based on short-term incentives. If another supplier can offer a product cheaper, this highly price-sensitive market will inevitably opt for the lesser-cost option. However, if there is a strong relationship of trust in play, built by using data such as purchasing patterns and bolstered by innovative offerings like trade finance, the conversation becomes very different.

Spaza retailers are often the hub of communities and can be powerful in driving enhanced engagement. If we use the power of data to deliver real intelligence on the ground, we have the power to also do things like improve corporate social investment spend based on actual need within communities. It is also possible to improve product offerings and availability based on insight gained from data analytics, down to a highly granular level per individual spaza or areas, based on sales in and sales out.

Relationships underpin success

While technology is key, because data and analytics are essential, relationships are incredibly important to success in the main market. These retailers are massively price-sensitive, so unless there is a strong relationship to offset slight differences in price, loyalty in this market can easily sway. However, if we can effectively harness data and insight to ensure availability, improve delivery, add value, and better service communities, this dynamic can completely shift.

Digitalisation is the key to building a stronger purchasing layer between communities and spazas and the wholesaler/retailer layer, but relationships should always remain at the heart because they underpin success. Using technology to both deepen relationships and drive digitalisation can make all the difference.

ABOUT ANDREW DAWSON

Andrew Dawson is the Managing Director of MAOnline.

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