

5 key tactics for your small retail business this festive season

 By [Lara Du Plessis](#)

14 Nov 2022

South African retailers are needing to adapt to the needs of a fast-paced, tech-savvy and empowered consumer. This behavioural shift has meant that SMEs have to remain relevant through innovation, payment integrations and by continually meeting the needs of their target audience.



Lara Du Plessis, head of partnerships at FundingHub | image supplied

As the year's end nears, so does the ever-so-busy festive season. Here are five tactics SMEs can follow to get a step ahead:

1. Online and in-store innovation

Black Friday, Cyber Monday and the festive season period should be permanent fixtures in your marketing calendar.

Your online presence and physical store experience need to be sleek, attractive and as easy as possible for consumers to purchase products.

In addition to making sure your website and social media channels are updated regularly, you'll need to make sure you are thinking out of the box during the busier periods.

Collecting email addresses before the busier periods is a smart move, where you'll be able to incentivise consumers with

exclusive access to sales and new product launches.

A cost-effective way to create brand hype online is through social media campaigns and competitions. If you've launched a new product, encourage your customers to post photos of them using the product, and incentivise them either with a discount or prize.

For SMEs and larger physical retail stores, in-store innovations will keep their customers coming back for more.

Experiential marketing tactics like free samples, in-store classes and workshops, virtual reality try-ons or festive gift wrapping – if executed well create an a-class brand experience. According to *Forbes*, 73% of consumers are willing to spend more if they love the brand experience.

2. Prepare for load shedding

With no plans of slowing down, load shedding has once again become the norm in South Africa. According to economist Hugo Pienaar, the cost to the economy of an hour of Stage 6 load shedding during business hours is about R500m.

While Eskom scrambles to fix this shortfall, it's vital for SME retailers to take action and come up with a game plan themselves. For retailers, alternative power solutions should be top of your list before the festive season.

If budget and time allow, look at installing an inverter or generator, this will be a great long-term solution for your physical store or offices. A basic UPS system, is a great cost-effective short-term solution to get you through the busy season. Laptops, WiFi and payment systems all need to stay powered up, so ensure your UPS can at least run the essentials.

3. Integrate payment technologies

As a business owner, you want to make sure you are catering for varying customer payment preferences, especially during busier periods. Retailers that provide customers with more control over how they shop and pay for items are more likely to reduce the volume of abandoned payments.

Mr Price aims to service their clients' needs where and when they need it most, in-store customers are able to pay with a card at Mr Price's mobile POS systems without having to go to a till. For the retail group, this means shorter queues and faster checkouts – leading to more sales.



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Integrating your POS and payment solution will free up employee time, without needing to reconcile transaction information. Depending on the type of physical store, a retailer should offer everything from QR code payments and buy-now-pay-later (BNPL) to cash and card payments. The same can be said for your e-commerce stores - instant EFTs, Mobicred and card payments should also be available to the consumer.

4. Get the business funding you need

Whether you are running low on stock and don't have the funds right now to order more, or you are looking to hire seasonal staff for your retail store. Either way, business funding might be the ideal solution to get you through the festive season and ensure you turn a profit.

SME retail funding remains elusive, according to the World Bank, Sub-Saharan Africa faces a huge finance gap of \$330bn. A merchant cash advance is the ideal funding type for retailers who don't necessarily have collateral to put up but can use their monthly transactions to secure funding.

For a lender, the value lies in the income-generating transaction, whether that be collected via a POS or EFT. A merchant is essentially buying early access to their expected turnover so that they can use the finance they need. If you are unsure about the type of funding you can qualify for, marketplace platforms like FundingHub compare business finance offers from multiple lenders.

5. Manage your inventory

For retailers, your product is your lifeblood. Managing stock and choosing the right suppliers before the festive season is crucial elements in generating a significant profit. The relationship you have with your suppliers plays an important role in the success of your business.

Even more so if you are an SME who doesn't have much bargaining power. Carefully selecting your supplier could enable independent retailers to gain a competitive advantage. If a supplier is able to offer competitive prices, the cost-saving can be passed onto the consumer and the products can be sold at a lower retail price.

Although the busier periods are all about pushing products off the floor, quality should still remain a number one priority as this is what turns your seasonal customers into loyal ones. Ensure the suppliers you are working with provide quality products and services from the get-go and throughout your relationship.

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