

The great retail powershift is here

 By Jonathan Cherry

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In 2005 a revolution happened in media and publishing that would later see some of the biggest names in the industry fall. This gigantic shift was also the catalyst for new players with names like the *Huffington Post*, Facebook and Twitter to emerge and replace the old power structures that had failed to see and react to the change.



Jonathan Cherry, futurist and founder of Cherryflava Media. Source: Supplied

The disruption was the rapid growth of what became known as social media and for the first time ever, ordinary, independent people were given the opportunity and access to the tools to have their own voice and build their own audience of followers without the approval of newspapers and magazines and the professional editors that acted as their gatekeepers.

Social media has changed publishing and has democratised the sharing of information and ideas.

In 2022 the same thing is about to happen to retail in South Africa.

An accessible route to market

Thanks partly to the pandemic, technology advances making the financial costs of powerful platforms increasingly cheaper and a brand new digitally welcoming mindset amongst consumers – you would be seriously foolish not to be considering opening up your direct-to-consumer business in 2022.

Just two years ago if you had a product and needed to get it into the hands of customers at scale, you would hope and pray that one of the bigger retailers would give you the chance at success by listing your product on their shelves.

It was literally your only real chance at success.

But lockdowns over the past two years have forced people to rethink their weekly trip to the mall and South Africans – [even older ones](#) – are now very comfortable shopping for all sorts of things online. In fact, the turnaround in the amount of retail that is now conducted online has probably tripled in just two years. That's at least a 300% growth in traffic...in just two years!



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So the market has moved online in a big way.

Technology-wise, platforms like Shopify and logistics firms of all shapes and sizes have made cheaper access to the tools for online shopping even easier to recruit and customise.

New thinking around customer data analysis and the dashboards that power this valuable insight are also now almost freely available, which means that a perfect storm of opportunity has radically changed the retail landscape for entrepreneurs.

Why would you even now bother to waste your time trying to navigate your way through the bureaucratic nightmare that is a traditional retail route-to-market?

Going the traditional route now means that you are volunteering to give up your financial margin as well as forfeiting the opportunity to build a valuable direct relationship with your customers. In exchange, you get to tear your hair out as just another supplier that serves this massive money-making machine.

Knowing this, Nike has now famously decided to build its own direct-to-consumer assets, so too have Frito Lay and many other well-known brands. What this means is that farmers can now build direct relationships with the people that want to consume their produce without having to go via middlemen.



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Entrepreneurs who make things can now empower themselves with the ability to fully control their own brand experiences; avoiding being regulated down into a dogfight for limited shelf space with other value creators.

2022 is the year that the 'great retail powershift' will pick up momentum.

The decentralisation of the marketplace is finally here. Let's get to work building a new network of empowered entrepreneurs that can really showcase the best of what we have to offer.

ABOUT JONATHAN CHERRY

Jonathan Cherry is a futurist and business strategist who works with organisations to design better strategies that effectively create a significant competitive advantage. Over the past 20 years he's worked with retailers such as Yuppiechef, Woolworths and Kitchen Warehouse (Australia), has an MPhil Futures Studies from Stellenbosch University and is a

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