

Trends paving the way for the future of retail in Africa

 By [Lauren Hartzenberg](#)

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In a climate of high inflation, unemployment and global uncertainty, retailers and brands must lean into emerging consumer trends in an effort to decouple business progress from economic constraints.



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This was the message from Zeyad Davids, Africa risk advisory consumer industry leader at Deloitte, who presented a talk on African retail trends at the annual South African Council of Shopping Centres (SACSC) conference held in October.

Here are our top takeaways from his trend talk.

The rise of Gen Z

The buying power generated by Gen Z within the next 10 years needs to be recognised, Davids said, particularly in Africa which has and will likely continue to have, the youngest population in the world. Having grown up in the most technologically connected era and now entering the workforce, Gen Zers have prominent voices and are mobilised to raise awareness on issues they care about.

In the retail business landscape, social commerce has emerged as a burgeoning trend, and brands have taken notice of Gen Z's engagement on platforms like TikTok and are working to extend online customer journeys into this space.

Davids pointed out that Gen Z is also embracing the concept of social commerce at a grassroots level, tapping into the commercial benefits of social platforms for the purpose of microtrading - selling their wares and pre-loved goods.



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He noted the growing popularity of second-hand marketplaces or thrift e-tailers among Gen Z. "The concept of marketplaces within a digital context and that of Gen Z is playing out with an interesting notion around the exchange of value that is based

off a socially-conscious driven motive.

“Motivating factors don't just stem from the commercial aspect, but there's a social aspect that speaks to recycling and reusing. They're saying ‘something that I have which may not be of value to me anymore probably has value to someone else.’”

Gen Z consumers on our continent are also proudly African, Davids noted, adding that this connectedness to the continent means that it's increasingly important for brands to bring African products and narratives to this generation.

Partner to prosper

The famously competitive retail fraternity is opening itself to greater collaboration and partnership, which was a dominant theme throughout the SACSC conference.

Recently, we've seen retailers such as Pick n Pay partnering with Mr D Food, which now hosts a dedicated Pick n Pay grocery service withing the food delivery app.

In this way, Pick n Pay can augment its online grocery delivery offering by leveraging an existing fast delivery network, thereby saving on the operating and overhead costs incurred had the retailer built up the network itself.

It's a “useful trend”, Davids said, allowing companies to swiftly and economically take advantage of emerging market opportunities.



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Green is the new black

“Consumers are increasingly looking at business to really be playing a role in making sure that what they're bringing to the table has got genuine sustainability credentials,” Davids said.

Over the years, many prominent retailers and manufacturers have committed to corporate responsibility goals. Davids highlighted the Woolworths Good Business Journey initiative as leading the way locally in this regard.

In the coming years, traceability and circularity will become imperative for retailers and consumer packaged goods companies. While the traceability concept hasn't quite landed in Africa yet, it's taking root in Europe, and sees businesses having to take complete accountability for sustainability along the full product life cycle - from raw material to end of life.

Businesses and brands will increasingly be expected to be hyper-aware of the environmental and social impact across their value chains, and if it's apparent that there isn't a genuine concern for sustainable progress, consumers will gravitate to brands that authentically embrace this value.



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In line with this focus on developing responsible businesses, Davids highlighted the rise of localisation, and commended the growing number of retailers helping to reestablish and rebuild local manufacturing.

Having grappled with supply chain disruptions during the Covid-19 pandemic, multiple retailers - including TFG, Pick n Pay, Cape Union Mart Group and Woolworths - have committed to boosting local sourcing efforts.

Davids described the localisation trend as a positive move for our economy and yet another strategy for businesses in Africa to buffer themselves against global hindrances.

ABOUT LAUREN HARTZENBERG

Managing editor and retail editor at Bizcommunity.com Cape Town apologist. Dog mom. Get in touch: lauren@bizcommunity.com

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