

Relevancy the new frontier for retail growth



4 Aug 2022

Retail has always been about understanding the customer, but now it's nothing short of imperative, according to international retail guru Ron Thurston, who believes that we are in "an important stage in the history of understanding customer expectations and customer relevancy."



Ron Thurston, author, podcaster, retail thought leader and advisor. Source Supplied

Thurston was a keynote speaker at the virtual Nedbank Integrated Marketing Conference (IMC), held on 26 July.

He's the bestselling author of the book *Retail Pride*, and has more than 25 years of leadership experience working for some of America's most prominent retail brands, including Tory Burch and Apple.

Thurston is currently on a year-long, 20-city retail tour of the United States, engaging in conversation with frontline retail workers. Living and live streaming from an Airstream trailer for the duration of the tour, he tuned in to the conference from New Mexico to deliver his keynote presentation.

Market relevance

Is retail dead? Are stores even relevant anymore? These questions are often bandied about and call into question the future of the traditional retail industry. Thurston's stance on the matter is this: as we become more technology entrenched, we will all crave better physical store experiences.

"Are stores dead? Absolutely not. Are they critically important and need transformation to provide differentiation and growth? Absolutely yes," he said.

With e-commerce still contributing less than 10% to total retail sales in South Africa, physical stores still generate the bulk of profits.

Physical shopping, particularly in malls and shopping centres, is an important part of the culture and community in South Africa, with some families travelling far distances to make a day of it. As a <u>Reuters report</u> points out, high crime rates and a scarcity of safe public spaces have long driven both retailers and shoppers into commercial complexes.



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Thurston referenced the PWC *Total Retail: Retailers and the Age of Disruption* study, which surveyed 19,000 respondents globally, of which 1,000 were from SA. The report revealed that the physical store remains the retail touchpoint with the highest frequency, driving retailers to transform in-store experiences with differentiated storefronts that turn stores into ultimate shopping destinations.

He noted that retail business models, both in South Africa and the US, are largely still driven by stores, but customers expect to shop online and for brands to invest in their e-commerce presence.

Acknowledging that the growth of e-commerce continues to climb, Thurston said that retailers should certainly have an online strategy in place, but urged companies to "never forget about the investment in stores where the majority of business is coming from and where relevancy truly lies in South Africa right now."



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Employee relevance

Thurston refers to himself as a "champion for store teams", and has dedicated his life to inspiring people to take pride in their retail careers.

In the context of South Africa, the retail industry is among the most prominent private sector employers in the country, with Shoprite Group taking the lead with more than 145,000 employees.

As a key contributor to a retailer's success, Thurston spoke about the importance of hiring the right employees. To those punting the myth that "it's harder than ever to hire great people", he advised they put effort into identifying what individuals are good at, and amplify it.

"Every role is different, every company has different expectations, every brand has a unique culture, and very few candidates excel in every aspect of a position. Few candidates excel in every aspect, but when it works it's magical," he said.

He put forward the following hiring best practices for retail employers to ensure that their brands' relevance is communicated through their talented workforces:

- 1. Be part of your community, and represent your company with who you hire.
- 2. Be open to non-traditional work histories and experiences.
- 3. Don't just settle for 'okay', but look for different competencies and experiences that add value.



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Customer relevance

Thurston listed empathy, curiosity and focus as core pillars of retail success, and unpacked how they're woven into modern customer expectations.

Customers want personalised interactions, and empathy reveals itself in these exchanges. Secondly, customers want to be heard (curiosity). "They want you to know who they are, and know how they shop. Their relevance to you comes through in how curious you are about who they are and how you deliver on what they expect," Thurston said. And thirdly, customers want you to be proactive in your relationship and they want it fast (focus). "Speed of delivery is important," he added.

Thurston went on to note that brands are engaging with their customers and employees more often than they think. That ad campaign, a meeting request, your website, signage, phone calls, conversations in stores, visual merchandising, online reviews... every single moment matters when you're building relevancy for your brand, said Thurston.

Be clear about what you intend for the perceived value of your brand to be, because all those touchpoints influence that perception among your current and potential customers. Based on this, they pre-evaluate the merits of your product or service, and its ability to meet their needs and expectations, especially in comparison with your competitors.

To sum it up, Retail is not dead, it is thriving! Keep the customer in the focus point and identify all of the touch points they have with your brand!

Thank you Ron Thurston

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Thurston added that displaying a commitment to your brand means that you'll be delivering the same message each time you have an interaction with your customer. "If done consistently over time, customers will come to know what they can expect from your business."

"Where are you winning or losing on those touchpoints? You must aim to win at every moment that can delight customers. These moments create loyalty and future business through relevancy, and relevancy is the new frontier for growth," Thurston said.

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