

How digitisation is shaping retail finance

By [Jason Sive](#)

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Greater levels of digital adoption and the increasing sophistication of technological tools have ushered in a new era for shoppers – one characterised by choice and convenience. Empowered by evolving demands, retail finance leaders have the exciting task of shaping the future of the retail landscape.



Jason Sive, CEO, Mbicred (and Strategic Partnerships Executive at RCS). Image supplied

Tech trends in the world of retail

The wave of digitisation has been both progressive and pervasive, changing the dynamics between retailers and their customers. Technology, as the main enabler of this change, has introduced new levels of efficiency to the retail experience. This has become even more apparent over the past two years, with the launch of generative artificial intelligence (AI).

The popularity of tools like ChatGPT has highlighted the ability of generative AI to create new and original content. Its real superpower, however, lies in its ability to analyse advanced and extensive datasets. Retailers now have the means by which to leverage the value of this data in a way that allows them to uncover and understand unique customer behaviours, preferences and purchasing patterns.



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Equipped with these insights, retailers can personalise the shopping journey, boosting satisfaction and loyalty. By

integrating this capability with smart, third-party technologies, retailers can automate and refine experiences, and in turn, reduce operational costs and maximise margins.

This level of efficiency has spilled over into the back office of the retail world, with retailers deploying smart technology to manage stock levels and optimise ordering systems based on trends and seasonality. In the long term, these kinds of innovations will undoubtedly have a profound effect in terms of waste reduction, cost saving and sustainability.

The role of retail finance leaders

One of the most noticeable shifts in the retail landscape as a direct consequence of these kinds of technological innovations, has been exponential growth in local e- and m-commerce. The Covid-19 pandemic and subsequent lockdowns, put this steadily progressing trend into overdrive.

Today, South Africa's e-commerce market is booming, and with the growth of the local online customer base comes a unique opportunity for retail finance players to lean into these ground-breaking changes.



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Mobicred's value proposition centres around providing a simple and convenient credit facility that enables more people to shop using credit online. It was a forerunner in bringing the worlds of financial services and technological development together in a way that reflected the same level of progression seen on the global market.

During its formative years as a business, Mobicred was laser-focused on demonstrating what fintech integration could do for retail. Today, driven by the increasing pace of technology and the power of data, it has evolved beyond providing just a digital credit solution, to becoming a curator of retail deals.

Via Mobicred Mall, users can browse and shop the latest deals from its shopping network of over 4000 stores. Through the app and website, customers can view special offers, access promotional deals and view the monthly repayment on each product. After making their purchases, they are then able to pay off the balance of their account in one, consolidated monthly repayment.

With innovations such as these, online shopping and using store accounts/virtual credit are no longer seen as being part of two different customer service spheres.

This has simultaneously provided shoppers with a higher level of convenience, while also giving them more choice by introducing them to new, unfamiliar retailers. In turn, Mobicred's virtual mall has also given retailers free exposure to a

broader customer base who can easily compare their prices and discover their products.

The challenge at hand

The challenge for retail finance providers is striking the all-important balance between introducing third-party technology such as chatbots, predictive analytics, and recommendation engines in a way that inspires customer confidence and trust.

Within the South African environment, rising levels of cybercrime and fraud have put a damper on the trust levels of online shoppers. Areas of concern include identity theft, impersonation crime and phishing scams. Many shoppers may not yet be comfortable with taking a 'selfie' as a form of identification or inputting their bank details when authorising a payment via a third-party app.

Retailers and finance players should monitor industry trends and customer behavior metrics to create secure, frictionless retail experiences that anticipate fraud risks.

Biometric tools may very well provide the middle-ground needed to solve this challenge. Along with these kinds of market developments, ensuring robust data security measures and compliance with privacy regulations will become ever more critical in winning the trust and loyalty of customers of the future.

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