

4 niche e-commerce stores driving innovation in online shopping

By  [Graham van der Merwe](#)

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At the 2018 MyBroadband Conference, head of Telkom's consumer division, Serame Taukobong, summarised what 75% of successful online retailers in South Africa have come to appreciate: "service is the new selling". This dedication towards offering great, tailored service is what differentiates mass from niche online retailers - we're no longer selling things, but the experience of buying them.



Graham van der Merwe, Outdoorphoto.

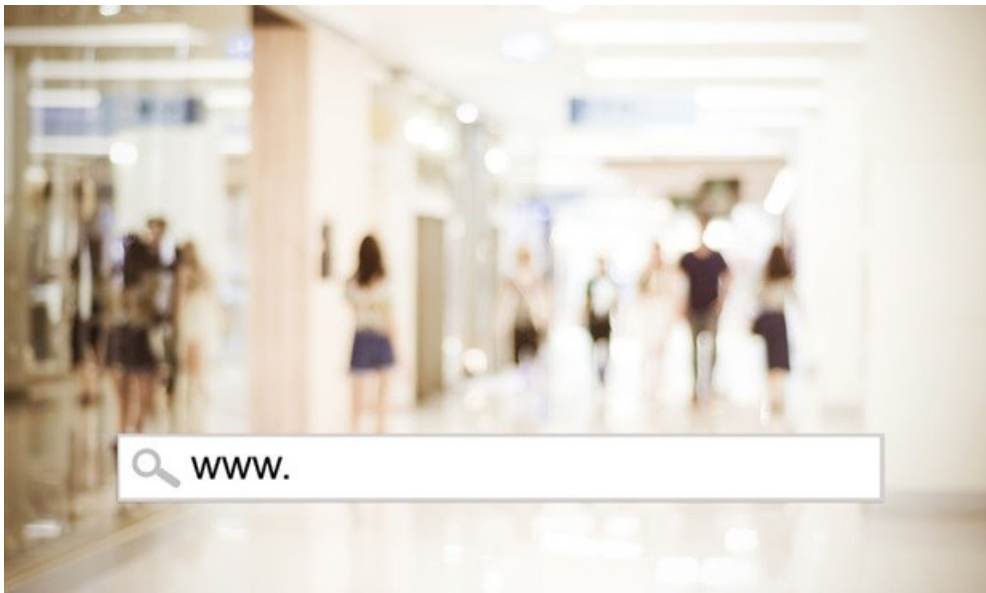
E-commerce giants like (global) Amazon, Alibaba and (local) Takealot ([12.5% of SA retail market share](#) in 2017) drove some of the earliest innovation on the web and still hold most of the market share.

[Brian Solis explains](#) that by disrupting the traditional brick-and-mortar store, mass online retail commoditised price, service and returns - ultimately convenience. But, as customer expectations evolved, these became everyday and online retailers needed to start seeking new value propositions.

Next came a fundamental shift in marketing where strategists started looking from the outside in – marketing for (not to) people. This customer-centric approach inspired retailers to really get know their customers and personalise their offering, paving the way for niche retailers (who were already involved within their consumer communities) to enter the fray. There was room for disruption.

A niche brand often shares their customer's passion and as such are able to curate experiences for specific products and services. This experience-based retailing results in having a type of "empathy" for how their customers would like to be treated, enhancing customer satisfaction and fostering loyalty.

Whereas mass retailers offer a catalogue-selection of products to the general audience, niche retailers offer a narrower product selection that may be the key to success. By implementing strategic, segmented marketing, niche retailers are able to spend less money converting their audience, ensuring a high return on investment (ROI). Essentially, a tailored service may experience less competition, thus higher conversion rates.



That said, niche retailers do not merely drive innovation based on their own expertise. By utilising modern technologies such as smart beacons, artificial intelligence, augmented and virtual reality, and scientific and crowdsourced algorithms, they are able to gather data on and prioritise human insights that increase customer engagement.

This manifests in customer experience (CX) strategies that seek to identify the customer (1) journey and (2) moment. Sandeep Sharma, vice president of Global Enterprise Business at Nokia Software, coins this the “digital moment”. Personalisation needs to be real-time, which means getting the right message at the right time on the right device. The next step is to borrow a page from Amazon CEO Jeff Bezos’ playbook by tying automated operations in CX for even faster service delivery (as customers are making faster purchasing decisions).

Niche retailers are at the forefront of the retail evolution in the online marketplace, as relate to these case studies:

1. Nic Harry

[Nic Harry](#) is a sock brand that styles the environmentally-conscious customer with funky, comfortable socks, shirts and underwear.

Nic Harry excels at fusing retail with entertainment to enhance the shopping experience. A 2017 study found that more than three in four Millennials (born 1983-1994) choose to spend money on an experience over buying something. By 2019, [Millennials are projected to outnumber](#) Baby Boomers as America’s largest generation, and [a 2016 entry for South Africa](#) shows that Millennials make up the largest population in the country. Catering to an experience-driven generation with serious buying power is crucial to Nic’s success.



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From funky socks to quirky one-liners scattered across the website and marketing material, Nic Harry utilises retailtainment as an extension of e-commerce. It transforms the mundane sock buying experience into something unusually fun. Through exclusive discount offers to customers who sign up for newsletters, and staff that is as unpretentious and bold as Nic himself, he then establishes a personal connection with customers that keep them coming back for more.

Other tactics, like a charismatic company culture, clever branding, a well-designed and mobile-friendly website, bold remarketing strategies, and local-first and environmentally sustainable practices all support his triple bottom line, but Nic gets customer experience right by offering something unique, and apologetically so.

2. My Bro Tie

[My Bro Tie](#) makes trendy, handmade- and crafted soft and wooden bow ties accessible to the South African public, nationwide.

Founded by the Franken mother-son duo, My Bro Tie’s retro, vintage products appeal to Millennials’ love of all things artisanal... homebrewed, handmade/handcrafted, custom... these are all buzzwords that hit them right in the feels, which is why My Bro Tie extends this sentiment to the moment of unboxing. It’s online retail’s most direct touch point with its customers.

Through thoughtful, premium packaging design, My Bro Tie delights customers with a memorable, shareable experience – it’s an interesting juxtaposition of modern technology (e-commerce) and old-world chic (packaging) that makes bow ties accessible without losing its charm.



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3. James Benson

[James Benson](#) lets you try on trendy, prescription glasses from the comfort of your own home.

It's not a new concept – American online retailer Warby Parker is doing it and so is Spec-Savers – but it remains the best example of marketing for an audience of one. It cannot get more personal than this. James Benson lets you find the perfect pair of prescription glasses for your lifestyle by letting you try on a selection of five glasses from their online catalogue at home over a period of five days. International eyewear e-retailer, Frames Direct, has even incorporated augmented reality technology that enables customers to try on virtual glasses at home.

Personalisation brings many benefits to business such as increased user retention and loyalty, a higher conversion rate, and improved brand experience, but online retail has barely even scratched the surface of what e-commerce personalisation can do.

4. Yuppiechef

The 2018 retail apocalypse has had numerous casualties - in America alone, over 3,800 stores closed down. Even though South African malls [continue to expand](#) at a rapid rate, high-end brands like [Mango](#), [Nine West](#) and [River Island](#) closed their shop fronts in 2017 due to rising online competition. [Anchor stores](#) are closing down and we're seeing [increasing consolidation](#).

Why would it then make sense for the veteran online kitchenware retailer, Yuppiechef, to embrace physical retail? The future of retail requires seamless integration between brick-and-mortar and online retail. Omnichannel takes the best of both in creating a brand that customers can interact with on their own terms. It's both accessible and convenient, shaping a new, holistic customer experience that blurs the barriers between in-store and online shopping.



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Yuppiechef's retail showroom employs smart digital tags that allow customers to look up product information and reviews, and make price comparisons on their mobiles in-store. A custom-designed electronic point-of-sale (EPOS) facilitates high-speed checkout; a further delight to the customer's in-store experience. Essentially, smart technological integration catapults a one-dimensional brick-and-mortar store into the 21st Century which, furthermore, is a powerful tool in pushing offline customers to shop online.

The run-down

Modern e-commerce is not about the niche store, but about meeting niche consumer needs. "Innovate or die" rings true, and online retailers have the opportunity to change how people discover and purchase products.

ABOUT GRAHAM VAN DER MERWE

Graham van der Merwe is the Marketing Manager at Outdoorphoto, the largest photographic retailer in South Africa, serving the local market with expert advice and quality service.
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