

Why retail has changed forever

 By [John Watling](#)

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In 2021 consumers have adjusted to a new world of retail. As inflation began to bite and food and grocery prices continued to rise, the universal truths of retail were ever more evident.



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For instance, consumers are becoming increasingly budget-conscious, with 2 in 5 consumers stating that promotions and discounts influence what they buy, and over a third look out for reduced items when shopping.

What we may see in 2022 is that the sector will resettle post-pandemic with new consumer spending.

Furthermore, today's customers are highly conscious of what, how and where they buy – and they're aware of the impact of their choices.

After Covid-19, consumers were increasingly driven by preferences. They don't want just products.

They want hyper-personalised experiences and seamless interventions that fit naturally into their daily lives. But how do retailers cater to the fast-evolving needs and expectations of their customers?

Adapting to a new reality

Consumers have redefined their wants and needs for living, shopping and eating. Healthy eating, home cooking, and menu planning are top of mind. Over a quarter of consumers say being inspired with healthy meal solutions is essential when shopping.

Furthermore, post-pandemic consumers want to take a hybrid approach to grocery shopping. Fifty-one percent of consumers intend to do their grocery shopping in the future via a mix of in-store and online. These new ways will challenge long-held assumptions about shopping missions and value propositions. Clever use of tech can inspire in-store shopping.

Irrespective of the channel, consumers want grocers to step up. Eighty-five percent of consumers are interested in grocery retailers helping them change how they live, shop, or eat. They want retailers to help them drive the difference in their lives.

Retailers must accelerate the adoption of new tech to make data-driven decisions and build deeper bonds with their customers and their employees. This could mean a multi-fold transformation that covers the entire spectrum of how you reach your customers, how you collect and analyse your data, and how you meet the ever-evolving preferences. Retailers need to understand the individual's mindsets to realise untapped value.



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Consumers want convenience

Over 38% of consumers prioritise time-saving by shopping for food and non-food together. Less than a third spend time shopping around visiting multiple retailers. Sixty-four percent of consumers are interested in using features like contactless shopping, digital notifications, personal virtual assistants, or interactive elements to make their omnichannel shopping journey seamless.

Amazon, for example, is testing multiple innovative and highly tech-driven grocery store concepts like Amazon Go, Go Grocery and Fresh to understand customer mindsets and shopping missions. Through cashier-less shopping journey Amazon collects consumer shopping data and uses the insights across the business for online or advertising. An account-based structure allows members-only to try the hyper-convenient stores, and adding the stores to the ecosystem helps boost loyalty.

The specific benefits of grocery loyalty programmes are now less desired. Only 39% of global consumers are happy with the benefits from grocery retailers as part of their loyalty scheme. Over 51% of the retailers named in our survey are operating loyalty programs where the percentage of happy consumers falls short of this average.

Sustainability is top of mind

Almost 76% of consumers would switch spending to a grocery retailer who better understood and responded to how vital sustainability is to them. With sustainability top of mind, consumers are most enticed by food waste reduction, greener packaging, and local products. Research shows that consumers are willing to pay more and invest their time in more sustainable grocery options.

LØS Market practices a philosophy of zero-waste and has implemented a new, purpose-driven shopping culture and experience: a grocery store without any packaging. Customers can shop package-free by bringing their containers and shopping marketplace-style.



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Eight trends for 2022

At Accenture, we have compiled research and insights from leaders around the world on the macro and micro trends to look out for in 2022:

- 1. All-in Commerce:** A new age of digital retail has arrived – and all buyers and sellers are invited.
- 2. Social Point of Sale:** Social platforms' one-stop-shop for real-time interaction, entertainment, and inspiration is blurring the lines between app user and retail consumer
- 3. What's in Store:** The store is being redesigned to profitably meet the needs of the merged online and offline consumer journey.
- 4. The Greater Good:** Retailers have established purpose-driven initiatives across their value chains to emphasise transparent, ethical, and inclusive business practices.
- 5. Resale Rescaled:** Resale is fashion, not a fad; its growth has inspired a slew of new entrants.
- 6. Supply (Chain Reaction):** Industry turbulence has challenged global supply chains, urging retailers to double down on analytics, invest in automation, and vertically integrate.
- 7. Silicon Valley Shop Model:** Big tech set the bar for user experience; to deliver experiences of the same calibre, retailers are investing in people, processes, and technology.
- 8. The Elevated Employee:** New shopping experiences have heightened expectations of store associates, whose individual career development has become critical.

To sum up

Lives have changed. Mixed-channel grocery shopping is here to stay, and retailers must continue to reinvigorate their store experience whilst investing in technology to enable online sales and fulfilment.

Delivering on sustainability and conscious consumption requires end-to-end value chain collaboration, public-private action and consumer participation. Retailers should have more mature interactions with consumers about what it takes to achieve improved sustainability and how working together is critical.

Consumer demand for trusted and authentic relationships with their grocery retailer of choice drives the need for loyalty schemes to be more innovative, forcing retailers to examine the benefits and services they offer to build and maintain loyalty.

ABOUT JOHN WATLING

John Watling leads seven of Accenture's businesses in Africa. These businesses are retail, consumer goods, telco, media, banking, insurance and industrial. He supports clients in digital innovations and commerce, assisting them to resolve complex business challenges, drive transformation and growth in a rapidly changing business environment, and deliver real value.

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