

4 trends shaping shopping in 2024: Are retailers ready?

In the last quarter of 2023, South Africa's consumer confidence dipped to the lowest in two decades. This, coupled with consecutive quarterly decreases in household final consumption expenditure (HFCE), may see 2024 starting off on a sour note. With this in mind, retailers must pay attention to these trends which will impact shopper behaviour in the new year.



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Laurian Venter, sales director at OneDayOnly.co.za, explains that following consistent declines in retail trade sales over the bulk of 2023, retailers must adapt their operations in line with today's purchasing patterns if they are to avoid a similar fate in 2024.



SA's consumer confidence drops in fourth quarter - survey

Prema Bedi 8 Dec 2023



"With South Africans feeling more financially stressed this past year, the way we shop has changed. And, with further economic uncertainty expected in the coming year, it will continue changing. But if retailers don't change too, they will be left behind by consumers who choose to spend their money with those that do."

Below, she unpacks four trends that could give retailers a competitive edge in 2024:

1. Shoppers are set on saving

Consumers are planning to reduce their spending across all retail categories with the exception of groceries. This tracks

with expenditure trends which have seen an uptick in the outlay on food, along with a decline in payments for furnishings, alcohol, and tobacco.

That said, South Africans are currently still spending on non-alcoholic beverages, clothing, and footwear.

Therefore, retailers that should consider diversifying their offerings. This is particularly pertinent for those selling big-ticket discretionary goods which, according to the latest Consumer Confidence Index, households are eschewing.

Additionally, they could try offering discounts to move more products as 49% of consumers say they are prepared to buy these items when on promotion.

2. A budget-friendly way to pay

Shoppers are trying to stretch their Rands even further with payment methods like Buy Now, Pay Later (BNPL) which allows customers to purchase products and pay for them in interest- and fee-free instalments, usually spread over four to six weeks, while receiving the goods immediately.



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Although the advantage for consumers is obvious, retailers also benefit from increasing the affordability of their goods, with more sales, fewer abandoned carts, and repeat purchases following positive experiences using the BNPL option.

3. The growing appetite for apps

With 98% of South Africans accessing the internet via their mobile phones and spending an average of nine hours and 38 minutes daily on their devices, it's no wonder that apps have become the go-to method for users to do their shopping.

Apps for retailers are now among the 25 most downloaded on both the Apple App Store and Google Play, with some being even more popular than Netflix, Facebook, and Uber.

The convenience of being able to shop anywhere and at any time has added to the appeal of apps for frugal consumers wanting to save petrol and cut down on shopping trips.

In their quest to further cut costs, 56% of shoppers also use apps to conduct pre-purchase research, comparing competing retailers' prices and searching for deals.



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Retailers therefore need to enhance their apps to cater to the needs of this expanding consumer segment, ensuring that their apps provide engaging experiences and are worthwhile for the user.

Not only should these platforms be convenient and user-friendly but could also include features such as personalised offers and app-only deals and competitions.

In doing so, retailers can connect and foster relationships with their customers while also rewarding their loyalty.

4. Bye-bye to the one-size-fits-all approach

South African shoppers are sick of being treated like they're just a number, with 63% being willing to share their personal data if it means that they get offers and product recommendations tailored to their preferences, purchase history, and browsing behaviour.

Not only does this enhance the shopping experience and make it more efficient, but also drives higher conversion rates, encourages customer loyalty, and ultimately, fosters future spending.

In 2024, personalised interactions will become less of a luxury and more of a standard with the emergence of increasingly sophisticated technologies and AI systems capable of collecting and analysing extensive customer data.

The more data they have about their customers, the better the value retailers can provide. Additionally, a tailored approach to discounts and content has been proven to heighten purchasing temptation amongst consumers.

"In the ever-changing retail landscape, adaptability is key. Even more so, in the face of uncertainty, the readiness to evolve will define those that merely survive and those that thrive," concludes Venter.

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