

Overcoming the challenges of power and connectivity in retail

The retail sector is constantly fighting for its consumer base. This has underlined the importance of retailers in all sectors of differentiating themselves from their competitors and ICT is one of the primary disrupters that is enabling this.



Andre Du Plooy, Acting Managing Executive, Retail & CPG, BCX

Brainstorm spoke to Andre du Plooy, BCX's acting managing executive of retail and consumer packaged goods (CPG) ahead of a roundtable to probe digital disruption in retail, to get his perspective on where retail is at and what he's seeing as the biggest challenges, opportunities and how these are being overcome.

What he makes very clear is that every single vertical sector has a retail component and that any enterprise not paying enough attention to how it manages its ICT

needs will be at a disadvantage.

"As an ICT provider to the retail sector, a focus area of ours is cloud, regardless of what platform a retailer uses and when it comes to cloud, every variation of it is being used. However, we're seeing that with it being consumption-based, cost has become a significant factor driving cloud decisions. It has also become vital now for retailers to use their data to get insights from it through analytics, keep it secure and use it for their marketing strategies for differentiation and competitive advantage. Data is the new gold."

Asked whether digital disruption in the retail space is a pro or a con, Du Plooy says that it's a pro, but cautioned not to disregard the cons, saying: "Not having access to technology, such as the right phone that will enable the desired user experience, creates a problem. South Africa has a huge cash base of client power and there are certain sectors that are alienating this base because they are deploying sophisticated technology and diminishing the potential digital experience.

"Among the challenges we have providing ICT to the retail sector is that nothing can be fast enough or cheap enough. Fast enough, for example, in terms of constraints in the delivery cycle to get new branches up, such as the processes involved in installing connectivity - digging trenches for fibre or seeking permissions from landlords to install satellites. Cheap enough, because while the retail sector

has massive revenues, it has extremely thin profit margins. We constantly have to consider the pressure of time-to-market for new branches, the need for cost-efficiency, and enticing solutions that fit the spectrum of requirements."

Viable alternate energy

South Africans are recognised for being among the most resilient nation in the world, says Du Plooy, constantly having to overcome demographic, geo-demographic, race, gender and other issues - and now the economic knock of loadshedding.

"Power is a huge challenge," he adds. "Consumers will walk out of dark shops into lighted ones and retailers are spending hundreds of millions on fuel for generators, with this cost passed on to consumers. This is supporting the argument for alternative power and we are seeing and enabling the turn to solar and, where workable, wind, to reduce dependency on the grid. A top BCX focus is on investigating and deploying every viable energy alternative to cut back on fuel costs.

"Dependence on the grid impacts on connectivity and communications, so another focus is on presenting fibre, wireless and satellite solutions to keep in-store retail devices and ecommerce sites working seamlessly and in real-time, without drops in transmission. Retailers having the edge are those that mitigate the power issues, keep the lights on and have point-of-sale devices functioning," he concludes. ■