

Woolworths forges ahead with digital strategy

Woolworths is investing confidently in its digital strategy, as global retail trends reveal steady growth in online shopping and tech-savvy instore customer experiences.



Online sales in South Africa contribute approximately 1% to total retail sales, while in USA and Europe online contribution to sales is at 8.2% and 16% respectively. South Africa is still a nascent market when it comes to e-commerce but this is changing rapidly.

Woolworths has experienced this first-hand with their online clothing sales increasing over 100% between July 2016 and June 2017. “Results such as this demonstrate a fundamental shift in consumer behaviour, specifically for Woolies. This kind of growth in a strained trading environment is remarkable. We’ve recently invested in a “dark store” for fashion, a dedicated warehouse from which to fulfil online orders. This helps us increase availability against increasing online demand,” says Liz Hillock, head of online at Woolworths.

The retailer was recently ranked the best online shopping platform in *The Times/Sowetan* 2017 Shopper Survey and has just launched new navigation and functionality on its site to improve the online shopping experience for its customers.

Mobile growth

Within this evolving digital retail environment, mobile is experiencing the strongest growth. Mobile and related technologies are enabling consumers to interact with each other and with global retailers directly. Strong mobile phone penetration and access to the internet via mobile, is an opportunity for South Africa.

“Mobile is an important part of our digital strategy. More than 50% of the traffic to Woolworths.co.za is already coming from customers browsing on their mobile phone and this year alone we have also seen over 100% growth in mobile transactions,” says Hillock.

To leverage on the dominance of mobile, Woolworths recently launched its updated app on Android and iOS with new functionality and added security benefits. At launch, it trended in the top 10 for over a week in App stores and resulted in a 166% growth in app registrations for this year.

“This is the start of our app journey, but we already have seen a significant increase in active users on this latest version of our app. The app provides our customers with daily inspiration for food and fashion which influences their on- and off-line purchasing behaviour. There is no doubt that mobile will lead the way towards an omni-channel retail experience,” adds Hillock.

In-store experience

“However, our technology investments are not focused only on the e-commerce experience, but also to the in-store experience. Woolies has launched free Wi-Fi to over 175 stores around the country. Plus, we’re trialling an in-store stock locator in our latest app upgrade. Our customers want to be connected on-the-go and this investment helps to create a shopping community that is connected, with easy access to products and information,” adds Hillock.

“This total retail experience is becoming more important to customers, which is why we offer a range of quality shopping experiences to cater to those needs, be they online or in-store. Woolworths was one of the first brick and mortar retailers to embrace e-commerce in South Africa. The investment has resulted in a strong food and fashion business online, and one which continues to grow rapidly,” concludes Hillock.

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