

Will South African e-commerce take the step up in 2019?

 By [Kevin Tucker](#)

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We've been sitting on the cusp of a huge wave of growth in online retail for many years now. The deluge of new customers has still not arrived, but consistent organic growth has been relatively good.



Kevin Tucker, Pricecheck.

E-commerce is growing faster than traditional retail though it still makes up [less than 2%](#) of total retail, so what has to give to lead to mass-adoption?

We've improved a lot

Over the last 3 to 4 years, we've solved many of the fundamental issues that were hindering rapid growth in e-commerce adoption in South Africa.

When it comes to payments online, that's been solved. You can pay any way you like: by EFT, credit card, SnapScan, and many other technologies.

Payment integration, though hindered by a poor 3-D secure implementation, is relatively seamless and payment options are easy for merchants to deploy.

Logistics infrastructure has come a long way with many opportunities to ship deliveries around the country. It's still not cheap to subsidise deliveries for merchants,

and margins take a knock, but it's generally accepted that this is a necessity in SA where the postal service is dysfunctional.

User experience has improved significantly. Online merchants have invested time and resources into improving user experiences (UX) on their platforms. While there is always room for growth when it comes to UX, it can be generally accepted that many online retailers have a fairly good experience.

Look West and East

To improve we must cast our eyes to the West (USA, UK) and to the East (China, Japan, South Korea) and find opportunities to improve our online retail offering.

Product range

We're still hamstrung by the lack of variety and range of products available online in South Africa. The psychology of Amazon and Alibaba are such that a consumer is guaranteed to find availability online when searching for a particular product (if not available, they are advised when it will become available). That is not the case in South Africa.

At PriceCheck, we are acutely aware of the lack of range in certain popular product categories. Making more products available online, even if on backorder will instil a sense of confidence in consumers and will help shift them to e-commerce.



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Promotions

Promotions are huge business for AliExpress, for example, and, basically every US retailer. In South Africa promotions are normally exclusively reserved for traditional, brick and mortar retailers. As soon as online retailers work out how to run effective online promotions (coupons, buy one get one deals, brand-subsidised discounts, etc.) they will have an effective tool to entice shoppers.

Bundles

Bundles can also be run as promotions, but the traditional forms of dynamic bundling, upsells and cross-sells are a significant element to retail that should be seen as a focus on their own. Effective bundling helps retailers create price opacity and increase basket size – two very important upsides in the highly-competitive and transparent world of e-commerce. Walmart's jet.com offers the most incredible dynamic bundling system I've seen.



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Answer users' questions

Replicating the in-store experience is one sure-fire way to attract new consumers to e-commerce. In China, for example, livestreaming, chatbots and very rich content solve many users' queries. In South African e-commerce we are still content-poor. We're still only offering a single product image, and a supplier-provided description for most products. A lack of clear, rich product content leaves the consumer with more questions than they had originally.

Those retailers who provide detailed reviews, multiple product images, technical specifications and compatibility, will stand head-and-shoulders above the rest.

Build on good

I'm confident that with a concerted effort and industry-led competition, online retail in South Africa will see the growth opportunity of an improving economy and larger-scale user adoption.

ABOUT KEVIN TUCKER

Kevin Tucker launched PriceCheck, an online product comparison platform, in 2006 with the aim of changing the way consumers are able to access and sort through big data to make informed purchasing decisions. With more than 20 years' experience in coding and a deep understanding of successful entrepreneurship, Kevin brings a wealth of business and software development knowledge to his role as CEO.

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