

Paving the way for growth beyond Covid-19

Online retail remains a tiny portion of total retail sales in South Africa, but for many companies in search of sustainable growth going forward, online is likely where they'll find it.



By [Lauren Hartzenberg](#) 11 Mar 2021



Yaron Assabi

The Covid-19 pandemic has proven to be a shot in the arm for e-commerce, and consumer adoption rates have [soared across age groups](#) as they turn to the safety and convenience of online shopping and digital payments.

A diverse range of companies, from [Bos Brands](#) and [Massmart](#) to [Dis-Chem](#) and the [Spur Corporation](#), have all reported a significant boost in online sales over the past year.

So where to from here? Yaron Assabi, CEO and founder of Digitalmall.com and Digital Solutions Group (DSG), weighs in on the encouraging growth of e-commerce in SA and what's needed to take it to the next level.

■ We've witnessed the pandemic accelerate e-commerce adoption rates. What do you think its growth trajectory in SA looks like beyond Covid-19?

We have seen a shift in e-commerce from primarily high-end customers looking for convenience to all-round customers looking for safety, and therefore shopping online becoming a necessity to protect your health.

Apart from social distancing, every money note that you exchange is a potential health risk so we are seeing the "cashless" evolution also growing fast – where many online shopping platforms these days offer alternative payment methods that are no longer limited to credit or debit cards, but offer instant EFT, mobile money and electronic vouchers for closed-loop payments.

We believe that many "new" online customers will continue to shop online. As omnichannel payments and omnichannel commerce becomes more sophisticated, as well as payment options and delivery areas become more inclusive – we will see mass-market adoption.

Innovation is now driven by necessity and omnichannel commerce where support services will become more sophisticated and we will see high adoption continue beyond C-19.



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■ While consumers have been shopping comfortably online for things like clothing and electronics for a while, grocery retail has especially taken off over the past year. What other retail categories do you feel have untapped potential and are set for growth?

Grocery retail has grown phenomenally, and we are seeing exciting new categories such as certified “organic vegetables” delivered straight from the farm to the consumer. Big retailers partnering with many smaller logistics players so they can offer better fulfilment and focused on meeting consumer demand for quick delivery time within a few hours or at least the same day.

Consumers are looking to buy almost everything online, and even shoes which you would generally want to try on before you buy, have become a huge online success due to great exchange policies offered by online retailers. We have seen great innovation in the cosmetics category and even online sunglasses stores that offer augmented reality allowing consumers the ability to upload their face to the platform and virtually try on makeup or sunglasses, etc.

■ What, in your view, is the thing holding most companies back when trying to decide whether to sell online?

In the past online retail represented a small percentage of turnover but due to the pandemic, it is no longer an additional route to market but the only route to market required for survival.

Therefore, it is critical for business to consider how to re-invent themselves using technology and look at a digital transformation, where the biggest barrier currently is lack of in-house skills.

Omnichannel commerce is a complex environment. Apart from the right strategy, you need to have technological skills and ensure that your systems are integrated and that you build a user-friendly interface across all customer service channels, which include web, mobile and contact centre to offer great customer support.

The delivery component is most challenging especially for businesses that are used to doing most of their business in store.

Digital and mobile marketing is a critical success factor to ensure that you attract customers, convert their visit to a sale and have an omnichannel marketing strategy to retain them and grow the lifetime value of customers.

Data analytics and business intelligence are also vital for a digital business to ensure that you measure the correct business metrics and constantly improve.

Partnerships with companies that specialise in one or all the above are essential.



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■ Do you feel that the e-commerce landscape in SA is a level playing field for both small and large businesses? How can smaller businesses benefit from the e-commerce boom?

Every business should be focused on their customers and if the customers are shifting their behaviour to online shopping that is where your focus needs to be, whether a big, medium or small business.

Big business may have the budget but often lack agility whereas small business often lacks the budget but are far more agile so we emphasise the need to partner with experts.

All businesses need to find a partner that lowers the barrier to entry to online and has years of experience, and ideally a partner that is willing to share the risk and success.

■ ***What do you feel is needed to strengthen the e-commerce ecosystem in SA, and push it into the next stage of consumer adoption?***

We need to lower the cost of devices and connectivity to make the internet affordable to everyone, and there are many innovative ways this can be done in emerging markets such as “freemium” type models commonly used by Google and Facebook.

We need to support local businesses and make omnichannel commerce enablement easy for any business that has a unique customer value proposition whether it is a service that can be offered online or a product.

Focus on customer experience is essential to ensure that customers are encouraged to shop online and do not deflect due to a bad experience.

We ideally need to fix the logistics infrastructure as in most countries the Post Office was a big beneficiary of the e-commerce boom and unfortunately our Post office has many challenges, to say the least. So logistics is still a very expensive part of the online experience, especially the last mile.



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■ ***If you could give an online merchant one tip in terms of running their business, what would that be?***

If you do not have the expertise to do everything yourself look for the right partner to complement your skills and ensure that you can focus on your business and unique value proposition.

You can ensure success by focusing on great integrated customer experience by creating closed-loop business processes with your outsource partner/s by ensuring the right service level agreements are in place. But do not forget to make it fun and be different.

The inaugural [E-commerce Day](#) launches on 10 March 2021, with a [special editorial focus on Bizcommunity](#) for the week. E-commerce Day is an initiative by [ecommerce.co.za](#).

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