

E-commerce forecast for 2013

What 2012's stats tell us about trends for online shopping in the New Year... How consumers' confidence and trust in e-commerce is growing, and how reviews are the coming wave.



In the lead-up to the festive season shopping period at the end of last year, e-commerce experts were optimistic about the number of online shoppers who would forego the crowded malls in exchange for buying gifts online. The statistics show that the experts were correct in their predictions.

CEO of Loot.co.za, Gary Hadfield, comments: "We saw significant growth over the Christmas shopping period, most notably in areas like toys and electronics, the latter of which showed exponential growth of over 80%."

Devices such as tablets are particularly fast sellers - a fact which is interestingly mirrored by the fact that 10% of the company's traffic over the Christmas period came from mobile devices.

So, what do the 2012 online shopping statistics tell us about trends to watch in 2013?

Growing confidence, trust in online shopping

For one thing, the increase in online shopping indicates a growing confidence amongst consumers in the whole online shopping experience. A big part of that customer experience is delivery of purchases. South Africa has seen vast improvements in last mile delivery, with the bar being raised in this area particularly during 2012.

"One of the reasons that people have been reluctant to shop online in the past has been the worry that their purchases will not be delivered on time," says Hadfield. "Successful delivery across the board is proving to customers that online shopping is an increasingly attractive and hassle-free option. At Loot, we achieved a 98% on-time delivery record throughout the Christmas period."

Another trend that is predicted to have an increasing impact on e-commerce is a growing reliance on peer

recommendations via social networking and reviews.

Reviews on a roll

"Consumers are increasingly using reviews to assist them in making purchase decisions," notes Hadfield, "And this will gain a lot of momentum in the coming year."

This trend does not yet have the same kind of sway in South Africa as it does in the United States, where over 70% of purchase decisions are informed by reviews on social networking sites like Facebook and Twitter, as well as customer reviews on blogs or e-commerce sites themselves. However, trends indicate that that is all about to change as internet penetration and participation increases in South Africa.

"The role of social media in e-commerce is something which cannot be underestimated," says Hadfield. "Our Facebook page allows us direct and instant contact with customers on a daily basis, and has now reached over 21 000 fans. We have also recently launched some Pinterest competitions, which have been very successful."

As more and more people are enticed into the World Wide Web - and the world of online shopping - e-commerce is becoming an increasingly interesting space in which to play, and definitely a space worth watching.

For more information, visit www.loot.co.za.

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