

OneDayOnly director unpacks 5 key e-commerce market trends

South Africa's e-commerce sector risks getting left behind if it fails to adapt to trends shaping the global e-commerce landscape, says Laurian Venter, sales director at OneDayOnly.co.za.



Laurian Venter, sales director at OneDayOnly. Source: Supplied

Last year, the South African e-commerce market grew by 30% - [surpassing the R50bn mark](#). Now, in 2023, growth is projected to be about 25%, which could see online retail exceed 5% of total retail activity in South Africa for the first time ever.

To retain and grow this foothold, the local sector needs to be agile and respond to key market shifts. “With [57%](#) of South Africans saying that they will be increasing their use of online shopping channels going forward, and [spending more online](#), can the industry afford to stagnate especially with [household consumption expenditure](#) being a major determining factor in the country’s growth?” she says.

Below, Venter outlines five market trends impacting e-commerce locally and globally as well as how the industry could respond.

1. Curtailed consumer spending

With rising inflation, interest rates and fuel prices, South Africans are feeling the pinch. In fact, [72%](#) are either extremely or very concerned about their personal finances. What this means is that many consumers will be looking for ways to save money such as by putting off purchases until they are on sale and by buying in bulk to reduce costs over time.

This is where e-commerce companies can find creative ways to help such as by offering discounted deals more frequently and Buy Now Pay Later (BNPL) financing.



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Lauren Hartzenberg 20 Mar 2023



2. Demand for sustainable and locally sourced items

Even though there is a general tendency towards decreased spending, [85%](#) of consumers are still willing to pay above the average price for locally produced or sourced products, while 83% will do so for those made from recycled, sustainable or eco-friendly materials and produced by businesses with a reputation for ethical practices.

Stocking these items could not only result in more sales, but it could also help to alleviate some of the supply chain challenges that have been experienced over the past couple of years. More importantly, it could help to support the livelihoods of locals, aid small business development and enable job creation, according to Venter.

3. Sales from social media

Social media offers innovative ways to inspire shoppers. Brands that can connect with their audience through social media can only but grow, especially as there are [25.8 million](#) social media users in the country, the majority of whom are on Facebook, YouTube and TikTok.

The [Digital 2023: South Africa](#) report has revealed that platforms like Facebook are responsible for driving 63% of web traffic to third-party websites, with 11% from Instagram and 10% from Twitter. With these figures growing year on year, a vibrant social media presence is not only essential for social proof but leads too.

4. The push for personalisation

According to [McKinsey & Company](#), 71% of consumers expect companies to deliver personalised interactions and 76% become frustrated when this doesn't happen. Getting this right can influence consumer behaviour and drive sales.

These days, customer relationship management (CRM) technology has advanced to a point where e-tailers can now know their customers' purchase history, search history and demographics, and use this to recommend products that are more likely to be of interest to them, leading to higher conversion rates and customer satisfaction. This information can also be used to tailor communications.



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5. The data deluge

E-commerce is a powerful source of consumer intelligence, backed by limitless real-time data. When analysed properly, this data can uncover precise insights that can drive innovation and growth. For instance, Google Analytics can be used to compare sales volumes across various promotions which in turn allows retailers to more accurately forecast sales, while also pinpointing the most successful discounts and promos for their consumers.

More than just being useful for shaking up marketing strategies, data analysis can be used to improve the user experience on e-commerce websites, increase conversion rates, and ultimately boost revenue.

“South Africa’s retail activity took a knock earlier this year, but perhaps by tapping into and responding to these and other trends, the e-commerce sector could help boost this – not to mention household consumption expenditure - going forward,” concludes Venter.

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