

## More shop online as familiarity improves in SA

By <u>Andiswa Maqutu</u> 11 Dec 2013

Online shopping in South Africa is growing as increasing familiarity with the internet means more people are willing to make at least one purchase online this festive season.



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A significant increase in the number of online shops available, convenience and perceptions of security are also contributing to consumers making more purchases online.

Typically, it takes three to four years before someone starts using the internet to perform transactions according to the CEO of online marketing research company Columinate, Henk Pretorius.

"As the internet population becomes more familiar with the internet, online shopping is more likely," said Pretorius on Tuesday, 10 December 2013.

"The total basket bought this festive season will not be 100% purchased online, but the amount of people making at least one purchase online is increasing. They might be spending the same as last year, but there is a shift of about 5% of purchases to online stores."

According to the <u>eBucks Rewards Festive Season survey</u> conducted by First National Bank and Rand Merchant Bank, 9.5% of online shoppers will be doing all their festive season shopping online, up form 8% last year.

With the festive season fast approaching, people are <u>increasingly choosing to buy gifts online</u> from both local and foreign retailers due to the ability to select from a wide range of products at competitive prices, without being limited by geographical location or time constraints, according to DHL Express sub-Saharan Africa head of retail, Fatima Sullivan.

Two of South Africa's online fashion and furniture retailers, Style36 and 5rooms, offered customers an opportunity to buy top local and international brands at up to 80% off for 24 hours only. The two sites saw sales of close to R4m in one day.

Convenience continues to be the "major motivator" for shopping online, as well as improved perceptions of security. Online shopping outlets such as Amazon and Kalahari, with increased exposure over the years, have also become "household names". Consumers are thus more trusting when supplying personal information to buy online.

However, low internet penetration rates in South Africa still remain a challenge for the e-commerce industry.

"The bulk of people either do not have access to the internet. So many of them still prefer to do some shopping at physical stores," said Pretorius.

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