

# Local businesses must invest in AI to secure market share amid arrival of multinationals in SA

Issued by [Omnia Strategic Counsel & Communications](#)

29 Apr 2024

Like any tool or technological advancement, AI can be both destructive or transformative; but generally, the success or failure of technological advancements relies on a susceptible user base and an enabling environment in which it is to be deployed.



“Planes are great, but they become borderline useless without airports, control towers, and regulatory foresight. With that in mind, can we say that the South African economy is ready for AI? Have we built a foundation for local businesses to leverage or successfully adopt AI technologies?”

In short, we have not. Upsettingly, as an economy, South Africa is not yet fully ready for AI’s presence,” comments Jacques Jordaan, CEO and co-founder at Specno.

“Foreign companies and countries have already begun to lay solid foundations for the successful application of AI technologies within their respective economies and industries. Unfortunately, local companies in SA simply won’t be able to compete with the AI infrastructure of foreign companies operating in SA.”

“Amazon, for example, arrives in South Africa with a suite of AI tools and services that it is able to leverage for its own commercial endeavours. From the outset, this may not seem to be a problem – however, companies like Shein, Temu, and Amazon are able to leverage AI to offer more competitive pricing options to their clients, effectively squeezing out competitors who are unable to compete in terms of price. Given the size and scope of such companies’ range of goods on offer, this would be potentially disastrous for several local industries, leaving foreign organisations to absorb the lion’s share of demand,” adds Jordaan.

Among the many steps and interventions that we, as the South African business community, can take is to build our own foundations in AI tech so as to compete with multinational companies that are already leveraging AI to their advantage.

CEO at Empollo, Seth Fuchs, adds that: “individual businesses (and particularly SMEs) are unlikely to have the capacity to challenge multinationals such as IBM, Microsoft, and Salesforce in matters of AI; instead, businesses need to be both ready and flexible to adapt to integrate AI services on offer – this would give businesses the ability to leverage AI in the

same manner as their competitors, especially when it comes to improving efficiency.”

Fuchs specialises in marketing and sales strategies for multinational firms, and leverages the latest advancements in AI to categorise and manage data efficiently.

Many South African businesses (from SMEs to multinational enterprises) remain reliant on outdated, decentralised, and non-integrated systems.

“In that regard, digitising systems must be a priority – the first step towards ensuring your business can benefit from the untapped potential of AI technology. The tide of AI implementation can be as uplifting as it is potentially destructive; however, that entirely depends on readiness and proactive investments to ensure you remain afloat once the tide washes away those who have failed to prepare,” concludes Jordaan.

For more, visit: <https://www.bizcommunity.com>