

Big SA retailers move slowly to the Web

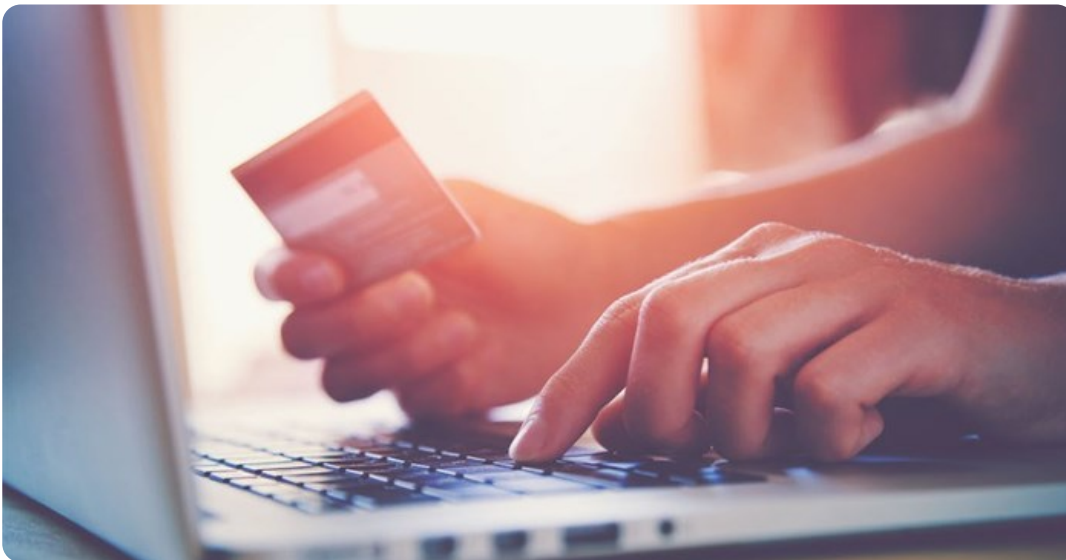
By [Colleen Goko](#) 9 May 2016

Consumers are clicking their way to new clothes and fashion accessories, and bricks and-mort stores would do well to catch on to the trend or risk becoming fashion has-beens.

Superbalist, Spree and Zando are just some of the well-known online stores selling fashion goods. All three were launched after 2012.

Global management consulting firm AT Kearney says that in the past decade, online retailers have become more popular as consumers have looked for convenience in a continuously connected world.

World Wide Worx MD Arthur Goldstuck says well-established local retailers have been slow to embrace e-commerce and have allowed new Web-based retailers to dominate and lead the sector in this regard.



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"Pick n Pay and Woolworths were for years the only standard bearers among the major retailers to take it seriously. Now you have the likes of Mr Price and The Foschini Group introducing innovative approaches and reaping the benefits; but even that hasn't seemed to spur on the major retailers as a category."

A quick stroll through Sandton City on any Saturday will show how popular shopping in person still is. Property developers continue to establish malls all around the country and just last week Mall of Africa, the largest on the continent to be built in one go, was opened in Midrand outside Johannesburg to thronging crowds.

At fashion retailer Zara in Sandton City, a shopper who asks not to be named browses through a selection of jeans.

"I was a big online shopper when I lived in America," she says.

"What I really loved about it there was that most stores had free shipping, and some sent return containers with the goods. So if what I bought didn't fit, I would just put it in a return bag and drop it off in the post. The retailers I tend to shop at here don't seem to offer shopping online. I have to go from store to store to find

what I want."

Goldstuck says SA is still five to 10 years behind the major Western markets in terms of online retail uptake and innovation. He says that though it is imperative for major retailers to move onto the online space, they can still afford to ignore e-commerce as the vast amount of shopping occurs offline.

"The shopping mall is still the major driver, especially for a group like Edcon. However, the group is also taking the huge risk of losing those customers who want to do more shopping online, which tends to be the higher-spending ones," he says.

"Edcon has for years been in a better position than most to go online in a big way, and to lead the market. It may not seem to matter now, but in the years to come, hindsight is going to prove a harsh teacher."

A report by World Wide Worx shows that online retail has maintained a growth rate of above 20%/year since the turn of the century. In 2015, the rate of growth was 26%, taking online retail to the R7.5bn mark. While the rate is expected to fall a little in 2016, to 20%, growth in rand terms is expected to remain the same as 2015, taking the total to above R9bn. Still, online retail is only about 1% of total retail sales in the country.

Spree.co.za was launched in April 2013. Marketing manager Kim Hawkins says growth has been phenomenal, especially among mobile phone users.

"Over the past 12 months we have seen a 135% increase in mobile users, a 288% rise in mobile page views and 484% growth in mobile orders.

"If we compare our festive period of trade (between November and January) of 2013/2014 to this past year's (2015/2016), we see about 250% more visits to the site, with almost 500% more orders."

Hawkins says the industry average for returns is about 20% to 30%.

"Spree is on the lower side of that, and in certain months [does] even better. But Spree sees returns as a sign of shoppers really leveraging the benefits of fashion e-commerce. The more at ease people feel about returning items, the more comfortable they are to shop online and from the comfort of their own home."

Zando.co.za, which is part of the African Internet Group (AIG), began operations in January 2012. MD Gra Brown says the return rate of goods is significantly lower than in the case of international fashion retailers.

Orders made on Zando are delivered through PostNet to selected branches. Delivery is free for orders over R250. A size guide is provided online. If a customer is unhappy, a return form can be downloaded.

Source: Financial Mail