

Online shopping growth shaping business strategy

By [Claire Herman](#)

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When lockdown hit at the end of March 2020, we all felt completely cut off from the outside world, only being allowed out of the house to get essential services like medical attention and food. And even when we did venture out, we were terrified of catching the coronavirus, making sure that we had a plan to "get in and out" as quickly as possible, clad with our face masks and smeared with copious amounts of hand sanitiser... It wasn't a pleasant experience at all.



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One good thing that did come out of lockdown though was my introduction to online shopping, and more specifically, the Checkers Sixty60 app. At that stage, it was still in its testing phase, but luckily, I fell within their catchment area and soon became a pro.

I will admit, being in my mid-forties and a bit of a techno-phobe (and despite being married to a software developer) my previous online shopping experience had been limited to the occasional Netflorist purchase. But now, my eyes have been opened to the wonderful world of online shopping convenience and there is no stopping me!

Woolies, Takealot, Nifty Gifts, Yuppiechef, you name it here I come, and in my opinion, there is no better way to shop. Now that we are in lockdown Level 1, I do feel a bit more comfortable going to the shops, even if it is just to get out of the house and see other human beings, but ultimately my shopping habits have shifted forever.



Mobicred looks at Q4 spending patterns as lockdown eases

23 Oct 2020



I am not unique – according to a recent IOL article '[2020 sees boom for online shopping in SA](#)', stats from Mobicred, South Africa's largest digital credit facility, show some interesting trends pre- and post-lockdown:

1. Monthly online transactions grew by 40%;
2. The 60+ years age group grew by a massive 90% (granted it is off quite a small base);
3. Average purchase size is up by 25%; and
4. Transaction frequency sees an increase of 30%.

The bottom line is that more people are buying more, more often. This is great for the bottom line for online retailers, which is why Mobicred has also seen a 50% increase in the number of new online retailer sign-ups, and thanks to Covid-19, the definite winners have been the food, alcohol and pharmacy retailers.

According to the PayFast Ecommerce Performance Index (PEP Index), beer, wine and liquor online sales have [grown by a massive 1,787%](#) this year and e-commerce will double its retail market share this year from 1-2% to 2-4%.



PayFast reveals first Ecommerce Performance Index

3 Nov 2020



But who else is winning? Despite the enormous blows for the fashion industry in the real world, the online fashion sales space has emerged from the ashes and is set to grow in leaps and bounds.

I for one have a tough time shopping for clothes online – shout out to all the short girls out there – but several examples over the past few months are a testament to this rapidly evolving space, where virtual change rooms and size guide tables are the order of the day.

Zara plans to close 1,000 of its smaller stores around the world, saying that it expects virtual sales to account for more than a quarter of its business by 2022, and H&M is following suit and will be [closing 250 stores worldwide](#) in 2021 in favour of its online platform.

Woolworths is also actively relooking at its business strategy to accommodate the massive shift to online sales that it is experiencing, which is [up by 41.3%](#) in the second half of this year. And then, following in the footsteps of the two largest fashion e-tailers in South Africa, Zando and Superbalist, a new kid on the block, StyleMode.co.za, [has just been launched](#).



Smart African retailers are rising from the ashes. Here's how

Lee Naik 13 Oct 2020



But online growth isn't only limited to these select industries. A year ago, I would have argued that clothes purchases wouldn't have been impacted so severely, but I was wrong. A more logical online purchase for me is home décor and household appliances (which has been very helpful in setting up my home office space), but the usual suspects of high-end furniture stores are now also being challenged, with JD Group's pending launch of Everyshop.

Not only will you be able to continue to access Incredible Connection and HiFi Corp through its new shopping portal, but also Russells, Bradlows, Rochester and Sleepmasters. A whole new market will be opened up here for online furniture and appliance purchases in the mass market – watch this space to see if it gains traction...

What about cars? It is important to note that even if the final purchase doesn't happen online, the decision-making process definitely starts online, and more dealerships are bringing more of the dealership experience home for potential buyers. Seeing as, at the point of sale, most of the time actually spent inside the dealership is on paperwork and finance, surely most of this can be done online too?

In addition, according to the Google/Kantar US Automotive Path to Purchase 2020 study, [63% of purchasers](#) would consider ordering a new car online and having it delivered to their homes, and 65% expect more online purchase options in the future.

And travel? Sure, you can make bookings and payments online, and organise flights and accommodation, but did you ever think that you would buy a virtual travel tour? WildEarth is a case in point here, with daily live safari tours brought into the comfort of your own home in real-time, and you can now even add virtual travel to [your Amazon Shopping cart](#).



Don't mistake having an online store for true omnichannel retailing

11 Nov 2020



So as we enter the highest retail peak of the year, with Black Friday 2020 and Christmas fast approaching, and following on from this increasing trend of online shopping, spend on e-commerce sites is “[set to soar](#)”, with brands taking advantage of the increased site traffic close to the point of purchase. And brands that have not considered this shift need to start gearing up for this change in consumer behaviour, otherwise they will be left behind.

This shift not only impacts how brands sell to consumers, by either enabling their online platforms for e-commerce or partnering with the likes of Takealot, but there is a knock-on effect for the entire supply chain ecosystem and the resultant marketing strategy that will need to be adopted.

Stock availability, safe payment options, delivery options and timeframes, client query facilities, return policies and consumer communication strategies, to name a few, will all need to be considered and adapted.

Is your brand ready to be added to my shopping cart?

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