

The rise of eCommerce

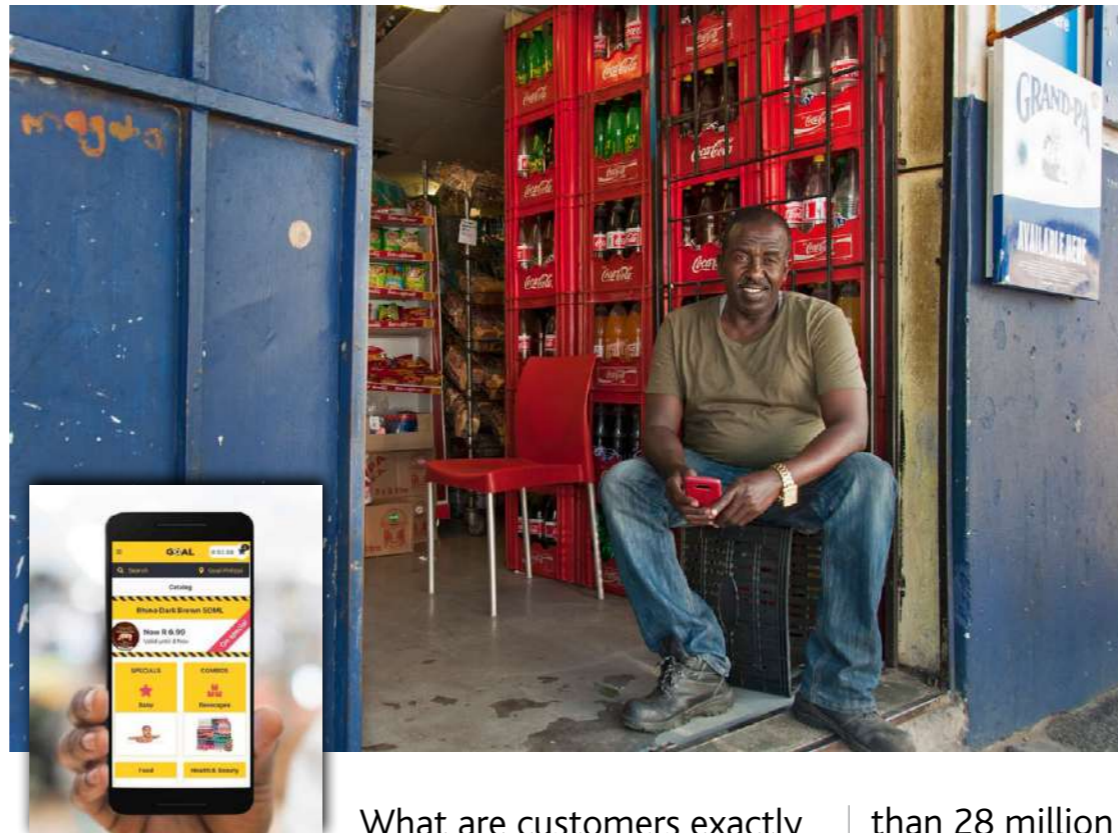
How your stores can benefit from it



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Online sales have skyrocketed over the last two years, boosted by the Covid-19 outbreak. Some retailers and wholesalers took advantage of it and grew their sales and market shares during lockdown thanks to their early adoption of eCommerce.

With the rise of new customer expectations shaped by ever more digital habits, eCommerce should remain a priority for store managers, especially if they are not yet offering a convenient online shopping experience to their customers.



What are customers exactly looking for? How can retailers and wholesalers adapt and benefit from the eCommerce trend? We will explore this topic in a series of six articles over the next six months.

Let's get started! We explore today why you should also get online

South Africa had a late start but is quickly catching up on the global eCommerce trend.

Online sales represented only 1,4% of SA retail purchases in 2019 but were already growing three times faster than in-store sales. The first Covid-19

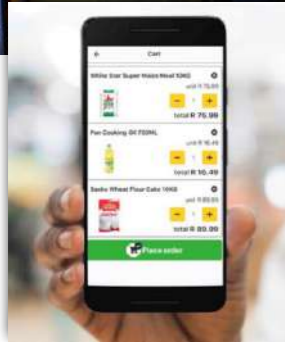
outbreak and its lockdown measures hurried this change. A survey conducted by Visa found out that 64% of consumers in South Africa bought groceries online for the first time because of the coronavirus lockdown. These new online behaviours will last as market researcher Urban Studies found that only 50–70% of customers returned to stores after the lockdown.

South African consumers are ready for the change: more than 28 million South Africans already have access to the Internet and over two third are online daily. Accenture found out that the share of digitally enabled South Africans grew to 70% in 2018. The data cost, still high in South Africa, is slowly dropping, as the prices of smartphones, allowing more consumers to get online, even in low-income communities.

Online retailers and wholesalers are winning market shares

During the Covid-19 crisis, some retailers quickly adapted and shifted their focus from primarily





brick-and-mortar store sales to convenient online stores. They were mainly large retailers that had initiated this shift before the pandemic.

Pick n Pay only needed a few weeks after the start of the lockdown to offer groceries on their previously liquor-focused Bottles app and Checkers aggressively rolled out their Sixty60 app. Both have largely benefited from their online stores: the Pick n Pay app has been downloaded over a million times and Sixty60 is said to be processing over 10 000 orders a day during lockdown.

The wholesale business is also quickly changing. The last two years have seen the rise of new African giants: Tradedepot in Nigeria, Wasoko in Kenya, or MaxAB in Egypt each raised over 100 million dollars to grow their business selling FMCG straight from manufacturers to informal grocery stores. They are replacing traditional wholesalers and provide stock to over a hundred thousand stores already.



eCommerce becomes the new norm for retail and wholesale, both in high and low-income consumer markets. Stores that did not adapt are starting to miss out on this market opportunity and could end up like Sears or Toys R Us in the United States that went down for missing this shift.

Customer expectations have changed and adapting is key

Adapting to this new online reality means answering new customer expectations. Shoppers now expect 24/7 availability, immediate response, personalized service, convenient delivery and return solutions, and a seamless experience.

To meet these new expectations, retailers must offer an omnichannel experience (both online and offline). Customers want to be able to order online and pick up in store or order in store and get a delivery. They expect a personalized experience using loyalty programs and data-based recommendations and rewards. They want automated and live conversations tools on their preferred media (SMS, Messenger, WhatsApp, etc.)

Stores should also boost their social media presence to meet their customers where they are and where they take their purchasing decisions. According to Accenture, "56 percent of internet users in South Africa say that when they buy online, their choices are influenced by social media".

Independent retailers and wholesalers can easily adapt and thrive

It might seem difficult for independent supermarkets and wholesalers to adapt to these trends. The digital transformation can appear to require large investments and a set of technical skills that retailers and wholesalers rarely have in their current team (like software developers).

But it does not have to be this way: managing a free Facebook page, operating some WhatsApp broadcasts, advertising promotions online, and getting a managed online store are easy first steps and it does not require initial investments.

Over the next six months in this series of articles, we will explain to you how to take your stores online with practical information and easy to implement action plans. We will share examples to show you what benefits it creates for supermarkets and wholesalers that have already gone online.

In the next article, we will focus on social media. What are the most interesting ones to use for retailers and wholesalers? How to set up your social media accounts correctly and what benefits to expect? **SR**

Shop-it offers turnkey and managed online stores to supermarkets and wholesalers in Africa, as well as digital marketing services to grow your sales.

