

# Renewed focus on value in e-tailing levels the playing field

 By [Kevin Tucker](#)

11 Jan 2017

The online retail space in South Africa is often categorised as underperforming, but while there is plenty of room for improvement, this perspective might be a little shortsighted. In fact, 2016 saw records being broken, new innovative players entering the market and exciting predictions being made all of which bode well for the year to come.

## Picking up the pace

Although traditional retailers could be called sluggish in their progression from brick and mortar stores to the online shopfront, the transformation is gaining momentum, evidenced by the milestone of online retail reaching 1% of total retail in South Africa, according to the [2016 report](#) by World Wide Worx.

This number may seem low, but the significance becomes visible when considering where we started, as well as looking at it in context of the impressive 26% and 20% increase in online retail in 2015 and 2016 respectively, as revealed by the same report.

Continuing on this trend should be possible as more consumers become more comfortable transacting online, and as e-tailers focus on offering a seamless shopping experience. This includes ensuring that the full range of products available in their physical stores, is also available online.

## Price isn't everything

It's easy to assume that consumers' primary concern is related to cost. However, this is not necessarily the case.

With information being more freely accessible, and the advent of product comparison sites such as [PriceCheck](#) assisting in the research process, what we've seen over the years is that the ultimate deciding factor is, in fact, value - a more holistic criterion than price alone.

Increasingly, consumers expect a certain level of service and quality of product, and while a discount or lower price may be enticing, the final purchasing decisions are based on the individual consumer needs and the perceived value the product or service will add to their lives.

We believe that we'll see this trend continue as consumers are increasingly presented with service and product options by both local and international e-tailers.

## Forging ahead

Perhaps most notably in the online retail and services space, we've seen new and innovative players driving the market to think differently in order to offer consumers a better service and a better experience.

This is an exciting trend, as evidenced at the 2016 [Tech & E-Commerce Awards](#), and we expect to see more of it in the coming years as smaller players push the boundaries of what is possible in e-tailing.



© Nopparat Wannasuk – [123RF.com](#)

This will, in turn, be supported by the steady move to increased security resulting in increased consumer trust in transacting online. Despite claims that security concerns dissuade consumers from transacting on these e-commerce platforms, this is becoming less and less of a significant factor, and should continue to decline as banks and e-commerce platforms make the most of the tech available to protect customers.

With many creative and disruptive businesses driving the e-commerce industry and established retail giants seeing the value in online platforms, there is much promise for online retail in 2017.

## ABOUT KEVIN TUCKER

Kevin Tucker launched PriceCheck, an online product comparison platform, in 2006 with the aim of changing the way consumers are able to access and sort through big data to make informed purchasing decisions. With more than 20 years' experience in coding and a deep understanding of successful entrepreneurship, Kevin brings a wealth of business and software development knowledge to his role as CEO.

■ #BizTrends2019: Will South African e-commerce take the step up in 2019? - 7 Jan 2019

■ #BizTrends2017: Renewed focus on value in e-tailing levels the playing field - 11 Jan 2017

■ South African online retail reaches 1% of sales but needs innovative business models - 29 Jul 2016

[View my profile and articles...](#)

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