

The state of e-commerce in South Africa



By [Warren Harding](#)

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South Africa's e-commerce market, although still in its infancy, is gaining size and momentum...

Consumers are becoming more comfortable with e-commerce, SA traditional retailers are joining the party, the big players are marketing aggressively and drawing in new customers and sales are increasing year on year. A large portion of the increase in e-commerce is linked to the number of people visiting online shopping sites via their mobile phones (46,5% of traffic), an increase of 100% from 2013. The availability of cheaper mobile phones suggests that this trend will continue well into the future. So, while I think e-commerce is doing well in South Africa, it has not exploded yet, but it surely will...

Effective Measure in South Africa recently released their e-commerce report, which surveyed over 11,000 SA internet users in December 2014, to uncover some of their online shopping habits. Online sales in SA are up 94% from 2013 for people making regular purchases online of at least once a week.

The three leading retail sites visited by South Africans in December 2014:

- [Kalahari.com](#)
- [Amazon.com](#)
- [Takealot.com](#)
- [Makro.co.za](#)

(I know I listed four sites here, but last year October, [Takealot & Kalahari announced they are merging operations](#), which was [approved](#) in early 2015. So my guess is that by the end of 2015 there will be no more Kalahari.com and only a bigger, more powerful Takealot.com - together with their [\\$100m investment](#). That's why I kind of see Takealot and Kalahari as one entity).

Some of the key insights from the report:

- Females were the more prominent visitors to shopping sites, making up 55% of all visitors.
- Johannesburg and Cape Town have the most active visitors of online shopping sites, with 24% and 20% respectively.
- 8% of online shoppers were making a purchase at least once a week, an increase of 94% from 2013.
- Credit cards are the most widely used methods of buying online, at 35%.
- 48% use their mobile phone for online banking, up 10% from 2013

The two leading causes of people not choosing shopping online are:

- They don't trust the online payment systems (32%)

- They want to touch and feel the product before buying (48%)

I think with the ease at which returns are now implemented by most online retailers, the 'touch and feel' element affecting online shopping will start to drop. It's up to the online retailers to make this returns process as easy as possible to help ease this negative perception.

Retailers in South Africa are uniquely positioned to tap into the online shopping world, grow sales and expand brand footprint in a very cost-effective way in 2015.

Now is the time for e-commerce in SA.

If you want to get your hands on the Effective Measure e-commerce report, you can get it here: [E-COMMERCE REPORT](#).

**Warning: it's not free.*

ABOUT WARREN HARDING

Warren Harding is a public speaker, event Emcee and the presenter of BizTakeouts, the marketing and media show on 2oceansvibe radio. Each week Harding chats to the industry leaders and newsmakers from the African and South African marketing, media, digital and advertising industries. He is also the Business Development Director at John Brown South African, a branch of the world leading content marketing agency, John Brown Media.

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