

Major growth predicted for SA's e-commerce landscape in 2024

Andy Higgins, Bob Group's managing director, believes 2024 will be the year online retail in South Africa will start to accelerate and catch up with international uptake.



Andy Higgins, managing director at Bob Group. Image supplied

Higgins, who took the reins when marketplace giant bidorbuy (now Bob shop) and logistics powerhouse uAfrica (now Bob Go) amalgamated to form the Bob Group e-commerce ecosystem last year, fully expects online retail to grow its market share from 5% to 10% in the next few years.

According to the *Online Retail in South Africa 2023* report, online sales grew by 30% in 2022 to surpass the R50bn milestone. They were also significantly faster than total retail sales, which grew by only 1.7% in the same year.

Analysts are seeing emerging consumer needs and expectations that go beyond being able to shop online. The result is that growth in online retail comes not from increasing demand but from consumers shifting existing purchase behaviour from physical shops to online stores and apps.

“Buyers are embracing online shopping and using their mobile devices more and more,” Higgins notes.

Higgins and Bob Group Marketplace head Craig Lubbe pointed out that a number of trends emerged in 2023 that are expected to redefine this space going forward.



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Redefining the e-commerce landscape

One of the biggest was an increase in cross-border e-commerce, with buyers purchasing more from outside South Africa and having items delivered locally using services specifically set up for this purpose.

Another was the increasing use of lockers for e-commerce deliveries.

“Due to the lower cost and greater convenience, more buyers are making use of lockers and pickup points to have their orders delivered,” Higgins says.

Lubbe says as e-commerce matures and more South Africans become accustomed to buying online, so their expectations are likely to rise. This means that merchants have no choice but to invest in areas that will keep up with the demand for better e-commerce experiences.

“We’ve seen an increasing number of retailers and other sellers investing in better imagery and rich content for certain products.

“At Bob Group we’ve been fortunate to have the tools available to help merchants connect their e-commerce stores with our marketplace so their efforts can remain focused on running their businesses and maintaining their product information in one place.”

Partnering with the right courier has also become essential to building a brand, he says. Since these service providers are effectively an extension of the seller’s business, their performance is critical when it comes to offering customers an excellent shopping experience.

“At Bob Shop, we’ve used our Bob Go technology to connect all sellers to some of the most prominent couriers in the country,” Lubbe explains.

“Booking shipments through multiple couriers is done in one place and we’ve managed to offer pricing to merchants which few can access in their own capacity. We believe this has helped balance the need for reliable shipping at reasonable rates for both the buyer and the seller.”

In Higgins’ view, e-commerce merchants should subscribe to five key criteria to be successful: They should:

- Build their brand by establishing their own website but also sell on multiple online marketplaces to increase exposure;
- Offer multiple payment options to buyers;
- Give buyers a choice of shipping methods, including collection, express and standard courier delivery as well as pickup points/locker collection where appropriate;
- Offer where possible money-back guarantees and warranty support to build trust; and
- Make it easy for potential buyers to contact their business to ask questions and keep them informed throughout the fulfilment process once orders have been placed.

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