

E-commerce, the commerce channel of the future

As globalisation continues to promote an electronically focused world, consumers in South Africa and abroad are becoming increasingly adept at navigating the e-commerce realm with confidence. Whether conducting purchases online, checking sites for the best deals or for price comparisons, e-commerce has become the commerce channel of the future.



Image credit: Supplied

According to the [South African E-commerce Report 2015](#), prepared by Effective Measure and IAB South Africa, a 94% increase in regular online purchases was experienced between December 2013 and December 2014. The availability of mobile data has further spiked online shopping statistics, and the report predicts that cheap mobile devices will result in even more e-commerce activity, as more people will now have the opportunity to shop online.

The report's findings were based on a survey of the online shopping habits of 11,000 internet users in South Africa. Of the population surveyed, it was found that: almost 8% of online shoppers made weekly purchases; females are the most prominent online shoppers (making up 55% of visitors to shopping websites); and the 25 to 29-year-old demographic are most active, with 30- to 34-year-olds coming a close second. The report also showed that almost 65% of all online shoppers chose to shop from local South African e-commerce merchants, rather than purchasing from international sites.

Eric Edelstein, CEO of Daddy's Deals, believes that people are becoming more comfortable with purchasing online due to an evolution that is akin to that of internet usage; at the onset people were sceptical but were slowly won over by the power of the World Wide Web. "In the past, in addition to the fact that either there weren't many people using the internet, or they hadn't been online long enough to feel comfortable with purchasing online, the variety of online shops was still limited. That has largely changed, with mobile internet access, a massive selection of products available online, and state-of-the-art security ensuring safe online purchasing."

Demand-driven market

Considering the immense growth in online purchasing shown in just one year, it is not surprising that e-commerce companies have emerged to service a demand-driven market. Online stores and deal announcers may abound, but Edelstein feels that there is more to it. "E-commerce businesses should focus on building real awareness and excitement around their client's brands in smart and creative ways. The result shouldn't be a purchase only, but rather the acquisition and long-term retention of loyal customers. This will create a sustainable e-commerce sector, scalable to the daily growth currently being experienced."

Airline tickets, books and hotel reservations were confirmed as the most purchased items online by the report. This indicates that the tourism and hospitality industries are leading the e-commerce trend, with 44.9% of purchases being for airline tickets, and 30.1% being for hotel reservations.

According to Manie Smith, Hotel Manager of the Daddy Long Legs Hotel, for example, the hotel received great exposure through listing a deal on the Daddy's Deals e-commerce platform. "The outcome was so incredible that the hotel had to remove the special offer from the site just two days after going live, in order to deliver on the demand created in a mere 48 hours," said Smith. The Zulu Nyala County Manor also sold over 2,900 vouchers online for a dinner, bed and breakfast stay. This gave the manor the opportunity to up-sell game drives and cultural shows to guests, further enhancing the brand exposure value received. Similar success has been achieved for restaurants such as Moyo, Blouberg, which rebuilt its brand and re-established repeat business through offering a deal on the e-commerce site.

As the e-commerce community continues to grow, a passion for excellence, real brand value and unprecedented exposure is what sets certain platforms apart from those that function to buy and sell only. By partnering the correct e-commerce business, merchants are given the opportunity to drive unprecedented awareness and growth for their businesses, while consumers are given greater buyer power.

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