

Internet disrupting in-store shopping

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Customers still prefer to shop in bricks-and-mortar stores in SA, but this pattern of consumption is being disrupted and reconfigured by the internet.



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Innovations in the information and communication technology (ICT) space, as well as the accessibility of cellphones and data, are forcing businesses to be more dynamic and fluid when catering to their customers.

Speaking at the Consumer Goods Forum conference in Cape Town this week, Deputy President Cyril Ramaphosa said new technologies and social media were affording more freedom and greater power to customers all over the country.

Ramaphosa said ICT allowed for the emergence of a new generation of entrepreneurs, who could compete with well-known businesses, some of which have been slow when it comes to the uptake of technology.

"At a time of persistent difficulty in the global economy as well as our own, consumer-focused businesses must be responsive to the financial pressures under which consumers find themselves.

But, we also know that times such as these also produce new opportunities that arise from often deep-seated changes in consumer behaviour," he said.

"Ultimately, it is about remembering that informed, satisfied consumers are the most important stakeholders in any enterprise," Ramaphosa said.

Few well-established domestic companies in the fashion retail sector have an interactive web offering or an online store. New entrants have seen a gap in consumers looking for the convenience of online shopping.

Web-based fashion retailers that now dominate online include Superbalist, Zando and Spree. All three were launched after 2012.

The share of internet users in SA who plan to make purchases online is nearly twice as high as the share of those who already buy over the internet, according to a report prepared by Research and Markets.

In 2016, e-commerce sales in SA are predicted by several sources to grow at a double-digit rate and break the threshold of 1% of total retail sales.

While only about half of SA's population has internet access, and just one-third of internet users made purchases online in 2015, the demand for online shopping services is growing, the report shows.

Source: Business Day

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