

Africa shifts to online shopping

The impact of Covid-19 on the global supply chain on Africa has led to a shift to shopping online becoming more pronounced on the continent.



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In this extract on Africa and South Africa from the World Retail Congress end of year review report it found that in sub-Saharan Africa, where retail is more fragmented, informal and largely import-dependent, the effect of the global supply chain crisis was more marked in the early part of the year.

But with the promise of contactless shopping and contactless payments coupled with established customer support processes, this led to consumers making the shift to shopping online easily.

Buying everyday staples online

A key trend was the shift from buying discretionary items to more everyday staples, such as food and groceries, online.

A survey by Statista in Q1 2021 showed that 17% of Nigerian consumers say they purchased staples such as food and drink online.

In 2015, a similar study by BCG indicated this number was around two percent.

Food and consumer goods brands have noticed, with several partnerships with ecommerce companies all relying on them for product listings as well as last-mile logistics deliveries to consumers.

On 30 November, 2021, Unilever announced it had awarded Jumia Nigeria Best Logistics Partner for its last-mile logistics services to consumers in Northern Nigeria, a particularly challenging environment for any logistics operations.

A young and mobile-first population means more and more consumers are comfortable with shopping and engaging in many other activities online.

Informal sellers and mom-and-pop stores are increasingly digitising their front-end and back-end operations either through integration with ecommerce or as standalone initiatives.

All these trends will push savvy retailers to offer consumers a seamless, boundaryless experience and leverage partnerships to expand into more services where retailers' brand equity positions them well.

Newness, newness, newness

In South Africa, where modern trade and hypermarket formats dominate and there is a strong local supply base, retail was less exposed to the global supply chain crisis.

Despite the additional disruption to stock levels and supply lines caused by the unrest in KwaZulu-Natal and Gauteng in July 2021, South African retail was relatively resilient to supply shocks due to well established market concentration and maturity.

Simon Susman, honorary chairman, Woolworths, says in the report that retailers looking ahead to 2022, must have “being even better about what we do” as a key priority.

“It is about going where your customers are going, simplifying digital shopping and all processes. It is about great store design.”

He says it is about “newness, newness, newness”.

“What I have seen and experienced is that having “newness” is more important than ever before. We need new formats and concepts coming in because that is what shoppers are looking for and attracted by,” he explains.

“It is also about knowing what you stand for in your customers’ minds. Don’t confuse them and be even more true to your brand and your values,” he adds.

South Africa, because it is less advanced in online sales, it is going to be even more critical that the focus on both the on and offline offer as well as understanding the consumer needs retailers serve.

“Many of the best pureplay retailers exist to “save me from doing X”, whilst I firmly believe that great stores exist to “excite me to do Y”,” he says.

The World Retail Congress will take place in Rome, Italy in April 2022.

Read the full report [here](#)