

South African retailers should prepare for a predominantly online Black Friday

There's been a massive shift from all things physical to the digital space given the Covid-19 pandemic, and this year's Black Friday will be no different.



Image credit: rupixen.com on Unsplash

Over the past decade, Black Friday deals have seen sales skyrocket for both brick-and-mortar retailers and their e-commerce counterparts with a 2019 GeoPoll study showing a 16% increase in reported Black Friday shopping between 2017 and 2019.



E-commerce should buoy SA's Black Friday 2020 sales

30 Sep 2020



In 2020, online retailers can expect a bumper sales period over Black Friday and Cyber Monday (BFCM) as shoppers avoid physical retail stores and shopping malls over Covid-19 fears. Many cash-strapped South Africans will also be looking to capitalise on welcome specials and pre-Christmas deals over the period.

This represents a massive opportunity for online sellers in South Africa to step up and deliver to a market which, until the surge in Covid-19 online spending, was sitting at just 1.4% of total retail sales in 2018, according to World Wide Worx's Online Retail in South Africa 2019 study.



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30 Jun 2020



Contactless, seamless, online

Taking a cue from the US - where big names like Walmart and Target have already said they will be closing their stores on Thursday, 26 November and are considering contactless pickup options, touchless shopping and in-store safety measures for the Friday - South Africans can expect a muted offering at malls and stores in 2020 and a stronger online push.

This represents a golden opportunity for South Africa's e-commerce players – both large and small, says Warrick Kernes, founder of the Insaka E-Commerce Academy.

Certainly, the likes of Aluwani Thenga, executive head: merchant services growth at FirstRand, believes that e-commerce in South Africa will be worth R225bn by 2025 – a 150% surge over just five years, thanks to the impact of Covid-19. Data and insights company Nielsen is already pointing towards a profound shift by consumers towards e-commerce. Nielsen found in May 2020 that 65% of South Africans shopped less at physical supermarkets as a result of Covid-19 while, among existing online shoppers, 29% increased their online shopping and 21% continued as before over this period.



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Nielsen 1 Oct 2020



While Kernes urges online retailers to grab this moment and make the most of huge consumer interest and uptake, he also warns that success can only be achieved by planning with precision. “BFCM are no longer single-day events, they have become more of a week-long retail moment and my prediction is that, in 2020, we are more likely to see a full-month, Black Friday November,” says Kernes. That means being on top of your game for a full 30 days, rather than a long weekend.

Be prepared

For e-commerce sellers keen to capitalise on the buying frenzy, Kernes advocates launching “BFCM campaigns a month prior to the big day at the end of November”, as was the case in 2019 when big retailers drove the buzz around the legendary buying opportunity. “This level of planning will be essential in 2020 as e-commerce companies must do everything possible to stand out above their competitors and make the most of this sales-rich period,” says Kernes.

Kernes stresses that planning, clarity of purpose and action are critical in the lead up to November. This view is shared by Jonathan Smit, PayFast MD, who believes the big BFCM spike will be even more pronounced in 2020. This makes preparation of the utmost importance to handle the ‘massive volumes’ expected this year.

From managing client expectations to careful inventory management, getting a jump on early marketing, ensuring the robustness of your site and server and bringing in temporary staff to help, it is critical that e-commerce companies put in

the work now to ensure a smooth November. One particular area of attention for all e-commerce sellers must be to continually gauge the operational preparedness of their chosen courier network to ensure they have the necessary capacity to meet the hike in demand.

“We are facing a huge shift to online sales,” says Kernes. “At a time when old school retailers are struggling to keep up with online sellers, and when many consumers will be actively avoiding crowded malls, it’s essential that the e-commerce community puts our top tips into action to ensure a successful Black Friday.”



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13 Aug 2020



Here are Kernes’s top tips for this year’s Black Friday

Brace for higher advertising costs

With big retailers focusing more heavily on online channels, smaller players must expect higher advertising costs in 2020. This makes it essential to be smart and innovative.

Build and warm up your marketing channels

“Start warming customers up now by telling them you’ll be running BFCM deals and tease about those deals,” says Kernes. “Lean heavily on remarketing, which is more cost-effective than many other options during a competitive time like BFCM.”

Ensure your logistics are primed for action

“Couriers are already gearing up, especially after being put on the back foot earlier in the year by Covid-19. But, with a bigger surge in sales, they will be under pressure. So communicate. Consumers are understanding that deliveries take a bit longer, but you can ease the process by understanding what couriers need from you and how to make their lives easier,” says Kernes.

Be smart about promotions

According to Smit: “Doing promotions shouldn’t mean that you lose money needlessly; it is a tool for ultimately growing your business in the long term so, ideally, try and break-even if you can when considering all costs.”

Prepare your staff

Allen Jaffe, the founder of eComplete, recommends: “Staff up on customer service agents and make sure you go the extra mile and work on weekends.”

Communicate. Communicate. Communicate

Jaffe adds: “Monitor feedback on social media and be quick to respond.” And, where necessary, “process refunds as quickly as possible”.

Do a thorough debrief

“Black Friday is a big event, but online sellers also need to be ready for Christmas. So it’s important to do a team debrief after BFCM to see what worked and what didn’t, and what stock sold and did not. There is no room to breathe until Christmas is over,” concludes Kernes.

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