

New generations, new retail habits

People in South Africa are spending more time online and this leads to more online consumption and the rise of the online consumer. Younger generations are also more at ease with online retail. Africa has the world's youngest population - more than half its inhabitants are under 20 years old, compared with only 28% in China. In the urban centres alone the 16-34 age group already accounts for 53% of income.

Retail spend in South Africa is increasing year on year and the value of online retail sales in South Africa was R5.3bn for 2014, which is still just 1% of total retail sales in the country (PwC online survey). According to [Internet World Stats](#), South Africa had 2.4 million internet users in 2000 and this has increased to 24.9 million in 2014, giving the internet 51.5% penetration of the entire population. Internet usage in South Africa accounts for 8.4 % of the total internet usage on the African continent.



According to Sarina de Beer, MD of Ask Afrika, the Ask Afrika Icon Brands research survey shows that, "As our lifestyles are changing, our needs are changing. We now eat on the go, and we have historically filled our engagement needs or sense of family by eating together in South Africa. This is happening less and has created an emotional void. A way of compensating and filling this void is through technology and social media."

Gen Z

"Generation Z or 'screenagers' multi-task between a variety of screens, they follow generation Y (millennials) are 17 years-old and younger. According to flux trends, there is evidence to suggest that Generation Z's influence, fuelled by an innate and constant connection to the world around them, will outstrip their size."

Global statistics from Target Group Index (TGI) show that Generation Z, who have grown up being 'connected' with a global consciousness being innate, have an attention span of 8 seconds and 73% check social media within an hour of waking up. Only 3% of time that they spend communicating via technology is talking on the phone. They are socially conscious and 60% want a job with social impact, 70% want to start their own business and 56% say that they are savers and not spenders. There were 3.4 million views of 16 year-old Andora Svitak's TED talk 'What adults can learn from kids'.

Gen Y

TGI shows that Millennials or Generation Y are somewhat different, they are immersed in technology, but they still have a more localised outlook than Generation Z and were old enough to experience the mood and shift caused by the global recession. About 70% say they will change jobs when economy improves and 37% (nearly 2 in 5) say they do not trust big

businesses. This group's top priorities are being 'connected', having a flexible work schedule, and the opportunity to make a difference. Having said this, 70% are positive about their future. Compared to the entrepreneurial outlook of Generation Z, only 9% say they plan to open a business within the next five years.



Both Generation Y and Z are very comfortable online and do not have the same restrictions to online consumption as older generations do. According to [an article](#) on [hxtt.africa](#) in January 2015, "the number of active internet users in South Africa grew steadily in the past year, according to a report released by social media marketing and communications agency, We Are Social, there are now 24% more internet users, bringing the total number up to 24.9 million. The number of active social media accounts grew by 20% to 11.8 million users. A survey conducted by the Global Web Index indicates that social media topped the list for the activity that most users spend their time on their mobiles and that of all the social platforms available in South Africa, users spent most of their time on WhatsApp, followed by Facebook."

"In the last year, mobile connections saw a 16% increase bringing the total number up to 79.1 million 83% of those connections are pre-paid, 17% are on contract and 36% of the total mobile connections are on 3G or 4G. Survey-based data also revealed that after using social media, most of mobile users' activity is divided up between watching videos, playing games, shopping and making location-based searches."

The article shared some interesting statistics from [We are Social](#) about online shopping; according to the Global Web Index in December 2014 23% of the South African population bought something online via a PC and 11 % bought something online via a mobile phone. Many people also went online to research a product before buying it, 31% of the SA population used a PC for this purpose and 17% used a mobile phone.

"The Ask Afrika Icon Brands survey holds value in understanding which brands are getting it right and also can provide marketers wishing to target the entire population with the requisite tools to track trends and to gain greater insight into the South African consumer mind-set and behaviour. However, the survey also provides insights into a diversity of product categories that are targeted at only a portion of the South African demographic," concludes de Beer.

For more information, go to www.askafrika.co.za.

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