

You need a good e-commerce strategy and online store processes

While somewhat easier than 2020, 2021 has been another difficult year for South African retailers seeking to build continuity and grow their businesses. Black Friday and the days preceding and following it, offers hope for those retailers that wish to kick start their sales going into the festive season.



Source: www.pexels.com

Black Friday, which is of US origin, has not been a mainstay in South Africa and has only gained traction in the last decade. However, it has become an exciting time for consumers who hunt for specials, and an important time for retailers to increase their volumes and build brand loyalty. While it does exist in brick and mortar format, because of changed behaviour as a result of the pandemic and possible fears of a fourth wave, it is the e-commerce space that's likely to enjoy the biggest wins, says Rean Bloem, general manager at Retail Capital.

"Black Friday is widely seen as an opportunity for retailers to increase their sales volumes, and if last year - the first of the pandemic - is anything to go by, where online transactions increased 60% off a low base and in-store Black Friday sales shrunk by 2-million transactions compared to the year before, the retailers with solid e-commerce strategies will be the ones who benefit the most," says Bloem.



Online retailers need to up their game this Black Friday

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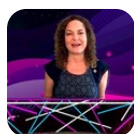


Colleen Harrison, head of marketing at PayFast, says that the pandemic has definitely sped up online commerce but, compared to the rest of the world, South Africa has a long way to go. "This is exciting, because if you consider that online sales made up just 2.8% of all retail in South Africa last year compared to the global average where online retail accounted for 19% of all retail, and China leading the way where e-commerce is expected to account for more than half of all retail sales in 2021, the potential for growth on these shores is exciting and all the more reason for retailers to invest in solid e-commerce strategies sooner than later," says Harrison.

Bloem agrees, saying that Retail Capital noticed a sharp increase in finance being used to drive e-commerce strategies and growth. “The businesses that were able to pivot and build solid online propositions, which include the store and the back-end investment in inventory management and logistics, have dramatically improved their prospects. Even during the harder lockdowns, these businesses have turned good numbers. As the online market grows, they expect to benefit significantly,” he says.

South Africa's economic potential

As strategic partners, both Retail Capital and PayFast believe that entrepreneurship and small and medium enterprises (SMEs) hold the key to South Africa achieving its economic potential. Bloem shares tips for South African SMEs seeking to fast-track their digital sales strategies, while Harrison offers tips on how to make the most of e-commerce during events such as Black Friday.



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Tips for a good e-commerce strategy

1. Choose the right online store platform

Digitisation has enabled businesses to lean on off-the-shelf platforms that greatly reduce the amount of development time needed. “There are very good online store platforms available. My advice would be to choose the right one for your business that is compatible with your systems. As you grow you can tailor the store for your customers' specific needs,” says Bloem.

- **Choose the right payment gateway**

Your first port of call is partnering with a payment gateway provider such as PayFast that is respected in the market and has a solid track record, says Bloem. It is important that whichever gateway you choose integrates seamlessly into your existing website, he says.

“An interesting option, especially in times where consumers may be feeling a cash flow pinch is to partner with payment platforms that enable the customer to pay off goods over a period of time, while the platform carries that risk and settles your account.”

- **Build security**

Bloem says you need to secure your online store the way you would secure a physical store. Instilling trust and protecting customer information is vital. “Cybercriminals are increasingly savvy and so you cannot afford to

skimp on securing your website and store. In addition to this, online stores need to be available 24/7 and so it is important to have suitable support teams on standby,” he says.

- **Invest in systems to manage inventory**

Cloud-based solutions have allowed for a paperless and automated environment. If your business has not made the shift to a paperless environment yet you risk being left behind.

“Once you are in the cloud, you should consider investing in software that controls and tracks your stock. As you scale, you’ll need to consider warehouse management software,” says Bloem.

- **Choose a good logistics partner**

The online environment is more competitive than ever, meaning end to end customer service is vital, says Bloem. “You need to work with a logistics partner that has the network and capacity to deliver on the promises you make.”

- **Marketing**

“You can’t open an online store and expect people to just find it. Your digital marketing is a very important tool in the growth and success of your online store. Social media, content marketing, SEO, and email campaigns are crucial to support your online sales performance. If you don’t have the capacity in-house, then look at outsourcing to a skilled agency,” he says.

“Ultimately, a successful e-commerce strategy is about far more than just setting up an online store. We have seen first-hand how SMEs that have used our funding to build a solid e-commerce gameplan have benefited from the rapidly growing online retail environment plus have more stability during the more challenging trade conditions. No doubt it will continue growing in South Africa as we are still somewhat behind many countries,” says Bloem.



Insights on starting a successful e-commerce business

27 Oct 2021



Tips to make the most out of Black Friday and online sales in general

1. Start planning today

“Start planning early and let your customers know that you are going to be participating in Black Friday,” says Harrison. “This doesn’t mean that you must give your competitors an advantage by giving away what’s up your sleeve, but if customers know that there will be deals for them, they’re likely to browse your online store during the Black Friday week. Build excitement.”

2. Black Friday is not just a day

Black Friday is not just a single day. If you decide to partake, prepare deals or value adds that last the entire week. “It usually starts gaining momentum on the Monday before Black Friday and we see steady increases in payment volumes each day of the week in the run-up to Black Friday. While online sales surge on Black Friday, we also see another peak in volumes on Cyber Monday,” she says. Start the deals early to capitalise

on spending when customers still have money to spend on or after payday!

A clever tip if you are planning specials on particular days during the period is to entice your customers to add items to their wishlist, which will bring them back to your online store.

3. Be creative with your specials

“It doesn't have to be a 50% or more discount. Your offer could be a value-added special, such as free shipping if you don't normally offer this or a free gift with their purchase. Find a way that works for your business and add value for the customer seeking the deal.”

4. Enable more than one payment method

Beyond catering to different people with different preferences, enabling multiple payment options acts as a failsafe if one method were to give a customer issues when checking out. To prevent customers from abandoning the cart, offer them a range of trustworthy payment options.

“A seamless checkout process is critical to converting sales online, this also goes for the payment process. By offering shoppers a way to pay that they are most comfortable with, whether it's by card, scan to pay or Instant EFT, you're empowering your customers and catering to their individual needs,” says Harrison.

5. Communicate with your customers

“There's a risk that if you get a sudden surge of sales, that you could struggle to fulfil orders, especially if you are still new in the e-commerce space. Communicate delays as they happen, and if you anticipate potential difficulty, communicate that from the beginning. If you can already anticipate that you're going to struggle fulfilling Black Friday orders before the event starts, including expected delivery dates on your product pages so that customers are aware of potential delays before they checkout and can avoid disappointment if they have to wait longer than usual,” says Harrison.

6. Include trust badges on your website

“If you haven't already, make sure you've got trust badges on your website. For example, a Google reviews rating is great. If you offer free shipping, make that a badge on your website header or footer. Many shoppers also look out for payment method logos, security badges and money-back guarantees. Include these badges to instil trust at checkout or before,” says Harrison.

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