

Manufacturing Indaba 2019: Embracing the 'Amazon effect'

On the 25th and 26th June 2019, South Africa will host one of its most influential conferences that is forecasted to uncover novel ideas to assist African manufacturers to adapt to the rapidly changing online business environment. The Manufacturing Indaba will host esteemed economists, policymakers, academics and industrialists who together, can carve out a regional and international strategy to explore Africa's untapped potential in its manufacturing sector.



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The technological revolution has introduced a new level of innovation in the way business operations are conducted. A decade ago, it may have seemed inconceivable that manufacturers would one day have the propensity to market and sell their product to far-flung countries with the mere support of the internet. With this said, the 'Amazon effect' is a concept that an increasing number of manufacturers are becoming acquainted with as it describes the rampant disruption in the retail market that has dynamically connected both buyers and sellers online.

Increasing the visibility of African products

Veteran industrialists argue that markets associated with traditional business-to-business selling methodologies are fast becoming obsolete. Many retail giants around the world have been forced to abandon their brick-and-mortar stores as their customer base has increasingly become more inclined to make purchases online.

It is projected that by 2020, more than 50% of the planet's web consumers will purchase across borders. By 2020, in South Africa alone, the total spend of online shopping is predicted to be R61.9bn, demonstrating a 36% increase from 2018. Technological advances, such as mobile technology and access to data, have made it easier for South Africans to play catch up with the rest of the world and make online purchases.

In order to respond accordingly to these radical changes, African manufacturers must revise all facets of their businesses. The opportunity for increasing the visibility of African products in global markets is not imminent, it is here. Conventional distribution channels are being superseded by e-commerce which not only allows manufacturers to capture new customers but retain them.

Moreover, experts are of the opinion that online sales have presented small manufacturers with a multitude of opportunities. Previously, these businesses lacked the capacity to influence a larger customer base owing to constraints, amongst which were the heavy costs incurred in the supply chain. Online distribution channels now empower small and medium-sized manufacturing units to seize a larger portion of the market. The elimination of physical boundaries has enabled African manufacturers to sell their products to customers the world over.

Manufacturers more accountable

Amazon is currently the biggest e-commerce player and is a leading platform from which businesses can sell their products. Today's customers are resolute in being well-informed about who manufactures the product, how the product is processed and how and when it will be delivered to them. Henceforth, manufacturers are now more accountable to their customers than ever before and it remains essential that they incorporate this knowledge in every step of their manufacturing operations.

There remains an urgent necessity for manufacturing utilities to develop comprehensive business strategies to familiarise themselves with the intricate workings of this modern game and to capitalise on the opportunity to market products online. Such a strategy will assist manufacturers to align their business objectives with contemporary trends, where online business markets are fast developing.

The Manufacturing Indaba 2019 will equip ambitious manufacturers with the essential tools and techniques to survive in this unavoidable and challenging online market, where competition is undoubtedly fierce. Only those manufacturers who embrace the prevalent 'Amazon Effect' will be able to not only keep abreast of but outpace local and global competitors. If you are an eager manufacturer, seeking to unlock your business's potential and harness your share of the global online market, then don't miss out on this year's dynamic event.

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