

The future of e-commerce is now

South Africans have been reluctant to throw themselves into online shopping. Many of us would rather spend a leisurely Saturday wandering through shopping malls and buying on whim, but the Covid-19 coronavirus has forced essential businesses to offer delivery options and pushed consumers to buy online.



Warrick Kernes, founder of the Insaka eCommerce Academy.

Businesses that never considered an e-commerce platform necessary are now scrambling to position themselves for a delivery-centred retail reality.

This need not be an intimidating transition, says Warrick Kernes, founder of the Insaka eCommerce Academy.

“ The monumental shifts we are seeing around the world as a result of the coronavirus have proved a game-changer for the e-commerce sector. So many industries are struggling, but ours is not. Ours is the solution. ”

Kernes, who founded online store Action Gear in 2010 and sold the venture in 2018, is South Africa's "go-to guy" when it comes to establishing a successful e-commerce platform. Over the years his academy has taught thousands of South Africans how to start, grow and scale their own e-commerce businesses.

He predicts that under government's necessary, but challenging, five-level lockdown exit strategy, e-commerce will be the fastest way to inject life back into the thousands of small businesses that are now tittering on the brink of bankruptcy.

“The sooner we allow delivery sales – not only online sales, but also email and telephone orders – the better,” he says. “This would enable these companies to carry on with business, to pay their staff and get the economy working again.”

Not a quick fix

Kernes warns, however, about regarding an e-commerce strategy as simply a band-aid which can be discarded when the current crisis ends. “This really is a seminal moment for e-commerce and for the industry,” he says. “The secret is to position your business to take advantage of the exponential acceleration in e-commerce over the long term.”

For two decades e-commerce has thrived despite facing some significant challenges, something which Alibaba founder Jack Ma discussed during a panel discussion at the World Economic Forum in 2018. “For the past 20 years, with poor logistics, terrible payments, terrible connection of the internet in the world, astute e-commerce has grown like this [gestures up],” said Ma.

“My belief is that e-commerce is the future, and [that] e-commerce is going to replace a lot of traditional ways of doing business,” Ma said at the time.

Africa was already hovering around an e-commerce surge before the coronavirus pandemic, having passed the R14bn mark – or 1.4% of total retail sales – in 2018, according to World Wide Worx’s Online Retail in South Africa 2019 study. With online sales growing at around 20-35% annually, it was projected then that the 2% mark would be reached by 2022.

E-Commerce to sky rocket

Even before the coronavirus effect, Statista Market Forecast was projecting that 2020 would be a key year for South African online sales, with expectations of the market hitting R60bn in sales.

“As things stand, the South African e-commerce space has just been accelerated by two to three years,” says Kernes. “Right now, for anyone who has been retrenched, for professionals looking to set up a secondary income, for stay-at-home mothers looking to create an income source or any South African with a drive to succeed, the e-commerce space is hugely exciting.”

Jonathan Smit, MD of PayFast, agrees that e-commerce will continue to be an exciting place for a long time to come. “The impact of the lockdown and the anticipated lengthy return to ‘normal’ are going to fundamentally change the way many people shop,” says Smit. “Businesses have to adapt and embrace e-commerce either as a sole distribution channel or to augment their existing physical channels.”

PayFast and other leaders in the e-commerce space have partnered with the Insaka e-commerce Academy to host the free PayFast e-commerce Virtual Summit from 25-28 May 2020. To register, go to <https://www.insaka.co.za/e-commerce-virtual-summit-sa-2020>.

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