2021 Trends in *Ecommerce*

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With more South African consumers using online services in the wake of the Covid-19 pandemic and subsequent lockdowns, ecommerce adoption is certainly set to stay. We are seeing a growing number of retailers expanding their online offering and investing in an end user online experience that delights and retains their growing online customer base.

10 interesting trends that we are watching unfold:

1. Contactless is here to stay. From digital wallets to QR technologies and declining popularity of cash, customers are demanding accommodation from retailers for contactless checkout. "This is a technology that Ecentric are especially passionate about," says Ecentric Payment Systems Marketing Manager, Mia Odendaal. Retailers are eagerly awaiting upcoming developments from the Ecentric team, who are soon to release its dynamic QR code payment software solution into the South African market.

2. Social customer service cannot be ignored. Leading retailers like Checkers with its Sixty60 grocery app, have trailblazed technology integration into operating and customer models, making it the number one grocery app in South Africa. South Africa is still lagging its international counterparts in the social customer service space, however. While technology will differentiate in the short term, digital customer service will win in the longer term. Those retailers that successfully master both elements will unequivocally control the market.

3. South African consumers are embracing online, with up to 54% now shopping online as a routine event according to Julia Ahlfeldt, CCXP, Customer Experience Strategist. With that growth, consumer expectations of more competitive shipping costs, greater convenience, data security and online safety are growing. Retailers are expected to deliver improved customer journeys or face growing cart abandonment.

4. It's all about the customer experience. Online shoppers that find it too hard to shop with any one retailer will simply move onto the next. Delivering UX in the checkout is going to prove divisive in retaining customers. From securely storing customer account information, to multiple alternative payment methods, the pressure is on retailers to reduce keystrokes and deliver a stellar checkout. Ecentric is supporting a number of its retail customers through effective

tokenization and secure retention of customer person and payment information, to support reduced-click checkout for returning online shoppers.

5. Technology is driving food delivery. According to Nakampe Molewa, general manager for Uber Eats sub-Saharan Africa, the app showed superb growth in both food and essential items delivery, spurred on by consumer reluctance to be in-store and exposed to the coronavirus. As a sunrise industry, its potential for development and expansion across the South African and Kenyan territories where it currently operates, is phenomenal.

6. The impact of social media on ecommerce is profound. Over the past 12 months, total daily conversations between individuals and businesses on Facebook Messenger and Instagram grew by over 40% globally according to Elizma Nolte, Regional Marketing Manager for Facebook in Africa. She goes on to say that in South Africa, 60% of shoppers reveal they are more inclined to purchase from a business that they can message. For retailers, this means that the pressure is on to reimagine online engagement, embrace online chat and get into the customer conversation online.

7. Target customers now extend beyond "near me". Whereas a traditional retailer will typically service its local community, online is everywhere! Target audiences are now far bigger and there is now no limit to how far and wide a retailer can sell. The flip side of that, is a much larger competitive landscape. The pressure will be on retailers to deliver a superlative customer experience, great value and outstanding service.

8. UX in the checkout is fundamental to driving customer conversion. Retailers that understand that the harder it is for a customer to transact with that retailer, the less likely it is that the customer will become a returning customer.

9. Delighting customers keeps them loyal. It sounds painfully obvious, but many retailers are ignoring the time gap between the online transaction and the eventual delivery. Regular communication updates while orders are processed for delivery are going a long way to keeping customers loyal, encouraging repeat transactions. Those retailers that are going the extra mile to keep the conversation flowing are capitalizing on the lower acquisition cost of the returning vs new customer. Sixty60 is an excellent example, providing regular conversational updates in the ordering to delivery process, via both the app and SMS.

10. Internet Retailing reveals that more than 40% of global post-Covid online spend is occurring on marketplaces. Many of these platforms offer a 3rd party service whereby sellers leverage the tech and logistics infrastructures of the marketplace to connect their products with new customers. Takealot, Bid or Buy and Facebook Marketplace are all examples of these platforms.

Research by World Wide Worx confirms that pre-Covid, the South African online retail sector accounted for less than 2% of retail sales. Fast forward 18 months, ecommerce is set to stay, with double-digit growth year-on-year. With this exciting pace of development, trends today will be tomorrow's norm.

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