

# E-commerce up the Covid creek without a paddle

By [Laurian Venter](#)

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Before Covid-19, online retail in South Africa was on the rise. While estimated to make up just 1.4% of total national retail sales in 2018, the industry was on track to doubling this contribution by 2022, according to the [Online Retail in South Africa 2019](#) study conducted by World Wide Worx.



Laurian Venter, director at OneDayOnly

The future looked bright for online retailers with promise of a broader range of businesses in terms of category, size, turnover and employee numbers.

Then came Covid-19 and the national lockdown – leaving South African online retailers up the proverbial creek with only a miniature essential services paddle.

## **If online shopping as a whole is a ship, e-commerce is just the rudder**

E-commerce has a much wider reach than one often thinks. In the first two years of operation, OneDayOnly.co.za had four employees, less than 20 regular suppliers, and made use of one courier company. Eight years later, we now have 220 employees on the payroll – and scores more people who are financially dependent on our success.

Our list of repeat suppliers grew to 450 (more than 1,300 suppliers in total) and the number of couriers we partner increased to six, including Pargo, a click-and-collect service that in turn partner with Clicks and Caltex outlets nationwide.

What I'm getting at is that our virtual stores can't operate without stock or a method in which to deliver to their customers. As such, e-commerce always supports three industries: small and medium (and sometimes large) businesses that do not sell directly to the end-user or supply any one retailer; a subsection of the transport industry in the inherent business offered to courier companies; and the e-commerce industry itself.

So, in addition to our own staff, we have a very large supplier base – each of whom we support through selling their products on our website. This allows them to keep their businesses going and pay their employees. In addition, there are courier companies that we use to deliver our goods directly to customers' front doors.



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## Throttling an industry that can stimulate a stagnant economy

By disallowing unfettered e-commerce, the risk of irreversibly damaging those businesses that cannot survive without the influence of unrestricted online sales skyrockets. The courier industry, SA's only real answer to the postal service, is also adversely affected with a substantial portion of all courier goods handled directly related to the e-commerce industry.

In addition, and most pressing of all, is that the limits on e-commerce came in the wake of South Africa's unceremonious degrading to junk status, thereby consciously throttling the one industry that can stimulate an otherwise stagnant economy.

We understand the sentiment behind wanting to limit unfair competition, but that is not, nor ever was, the main issue at hand. For most South Africans, long-term income protection comes top of their priority list. And for the country as a whole, active regrowth of the economy in very trying and uncertain times is the matter at hand. The current restrictions on e-commerce under lockdown regulations fail to add anything of substance to the former, and completely squander the latter.



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## So what should we do instead?

In short: turn into the wave. The nationwide lockdown is going into its eighth week in effect, but South Africa is not the first country to reach this point. Some Asian and European countries have been locked down since early March, yet continue to show an increase in online sales.

According to an analysis by [ACI Worldwide](#), global e-commerce sales in April experienced a 209% growth compared to the same period last year.

With many people making an effort to stay home, a conversion to online shopping is a natural transition. Taking our cues from global case studies, South Africa can harness the power of e-commerce in a similar fashion.

This is of course made possible by the fact that the existing infrastructure is already there – albeit for the sale of only

essential and Level 4 goods at the moment. So, e-commerce companies are fully operational already, and are adhering to best-practice hygiene protocols.

At OneDayOnly, we have as many staff as possible working from home, while all essential staff in our warehouses have been provided with masks, face shields and sanitiser at each station. They are all temperature checked before entering the warehouse, and then checked again throughout the day. Social distancing is implemented at all times.

Once the parcels are packed, they are transferred over to the couriers, who are doing contactless deliveries. Couriers can and have been issued with Personal Protective Equipment (PPE) and non-contact delivery instructions. By adjusting those goods permissible from "essential" to "everything", technically very little changes – except the economic impact.



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## Safe trade e-commerce the paddle we so desperately need

E-commerce is still in its growth phase in SA. By utilising what the industry can offer now in terms of safe trade, the local economy can stand to win in both the short and long run. By opening up unfettered e-commerce trading with very clear safety guidelines for sanitation and contact, salaries can be paid and countless more families can be provided for.

And we can't see the downside. E-commerce means far less exposure and contact than physical retail, so shopping for items that are very much in demand can be done in the safety of your own home.

Instead of putting energy and resources into backing a flawed decision, we need to become creative, agile and responsive if we are to breathe life back into a broken economy amidst the most uncertain of economic times. Online sales is, in our opinion, the safest way to do this.

### ABOUT THE AUTHOR

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