

How can SA's online retailers ensure this Black Friday is their biggest yet?

By [Joel Bronkowski](#)

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Despite very clear economic challenges weighing down the pockets of most South Africans, there are signs that this year's Black Friday could be an incredibly significant one for the country's online retailers. Local appetite for online shopping has, for instance, kept growing post the Covid-19 pandemic. And after a year characterised by rising costs, many may be waiting for a good deal before buying a big-ticket item.

Even with those factors in mind, however, it's important to note that online retailers can't just put forward some good Black Friday deals, do a little extra promotion, and expect shoppers to appear in their virtual droves. Some may, of course, come for those deals but online retailers also have to provide an exceptional experience if they're to keep customers coming back time and time again.

That means getting everything from the look, feel, and speed of the website right through to customer onboarding and logistics. Especially critical to building that great customer experience, however, is ensuring frictionless payments for everyone buying from the site, regardless of their choice of payment method.

SA's big e-commerce growth

Before looking at how online retailers can provide the kind of great experiences that turn casual shoppers into loyal customers, it's important to understand why there's cause for optimism this Black Friday.

First, there's the fact that online retail has continued along the growth trajectory it started during the Covid-19 pandemic. According to the "Online Retail in South Africa 2022" study conducted by World Wide Worx with Mastercard, South African e-commerce grew 30% in 2022, with revenues now in excess of R55 billion. That continues a pattern of strong growth from 2021 when e-commerce expanded 40%, and 2020, when it grew 66%.



Joel Bronkowski, Paystack Country Lead - South Africa. Image supplied



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That this growth tapered off as Covid-19 restrictions fell is to be expected. There are some items that people just prefer to buy in-store. The fact that growth has remained as high as it has, however, shows that online purchasing habits have stuck and that more and more people are spending increasing amounts of money online.

This growth trend is further borne out in Black Friday data from the banks. FNB, for example, saw a 31% year-on-year increase in online Black Friday sales in 2022, compared with an 18% increase in physical sales. Nedbank, meanwhile, saw an 88% year-on-year increase in online sales, compared with a 30% bump in physical sales.

Building a great payment experience

As I've already noted, however, individual stores can't rely on an increasingly e-commerce hungry South African public to drive their own Black Friday sales. They also have to ensure that they're providing the best possible experience to those

customers. And payments are crucial to that.



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Providing a great payment experience should make logical sense. The last thing anyone wants after browsing for the perfect items is to encounter difficulties paying. Think about it: how often have you abandoned your trolley in the supermarket when you find out the electronic payment systems it uses are broken?

If you're lucky, you might have the cash on you. Otherwise, you're probably just going to abandon your trolley and try your luck somewhere else. And if it's that easy to do in the real world, how much easier is it to do online?

In fact, we have numbers that give us a sense of exactly how easy it is to abandon a cart in the face of payment friction. A 2022 consumer-focused report, for instance, found that 70% of online consumers have abandoned a purchase at some point. Among the top reasons for doing so are payment failures and too many steps in the purchase process.



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Indeed, the survey found that the latter reason was almost as big a purchase disincentive as poor site functionality and deliveries taking too long. Each of those abandoned payments means potentially losing a customer forever too. How many times have you gone back for a purchase on a website where you've struggled to push a payment through?

There are other points of friction that can harm the payments experience. Not making a person's preferred payment method available is just one example of a potential friction point. It might not be a dealbreaker in the way that payment failures and overly complex procedures but it will make someone think twice before making a repeat purchase.

So, while there's absolutely nothing wrong with online retailers ramping up their server capacity in anticipation of Black Friday, it's even more critical that a good customer experience is at the heart of their payment experience.

Boosting sales, building loyalty

Ultimately, while Black Friday can provide online retailers with a significant sales boost, online retailers must remember that it provides a much bigger opportunity too. If an online retailer provides the ideal experience to its customers, the day is also a chance for it to build lasting customer loyalty. In the quest to provide those kinds of experiences, online retailers must always bear in mind how critical payments are.

ABOUT THE AUTHOR

Joel Bronkowski, Paystack Country Lead - South Africa

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