

First Black Friday and festive season since Covid-19 - what can we expect?

By [Yaron Assabi](#)

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Black Friday has undoubtedly become a global frenzy - and understandably so because the concept which started as a great American retail success, was quickly adopted across the world for its benefit to both consumers and retailers.



Yaron Assabi, CEO and founder of DSG and digitalmall.com

This year we saw many macro-outlets promising to start their deals earlier on online platforms. The same goes for the festive season. This speaks volumes to not only much of the financial recovery many businesses have to make up for during this time, but the growing competition where e-commerce is playing a significant role.

The important question then becomes: what will the first Black Friday and Festive season since lockdown look like?



Heightened customer service expectations this Black Friday

24 Nov 2020



Recovery

Like many economies across the world, lockdown has been almost crippling for South Africa, especially as the pandemic hit our shores during a technical recession. While evidently hitting the pockets of consumers hard and diminishing disposable income, this has resulted in many businesses having to shut down.

Black Friday and the upcoming festive season is an opportunity for businesses – small and large – to recover from the economic turmoil. Yet for true recovery, many of these businesses would have to shift to a much stronger online presence and offer an integrated customer experience approach with brick and mortar stores.

E-commerce

As millions of people in South Africa brace themselves for the Black Friday shopping bonanza, the Covid-19 pandemic has meant that a lot more people will choose to look for their deals online – avoiding the shops for health reasons and optimising the use of their time. In fact, this year, the number of people who shop online has increased dramatically. We have seen 100% month on month growth since April this year for the online grocery segment.

There are many new online shoppers and the good news is that many businesses geared up to use digital platforms during stricter levels of lockdown, which will put them in good stead for better results. This affirms not only that many more consumers will enjoy the online experience, but that platforms will need to ensure that they are prepared to cope with the increase in demand from consumers, as online shopping becomes more of a social norm.



Why customer experience is critical during the online retail transition

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Omnichannel approach

For retailers in the online space, the omnichannel approach is a very important element of establishing access for consumers, especially in an environment like South Africa where there is still a large digital divide. Consumers may browse the internet looking for deals, pick up the phone to place an order or use the app to complete the purchase.

Today consumers are spoilt for choice of channels and retailers understand that they need to meet their customers at their preferred channels. This means that retailers need to make as many channels as possible available to make the shopping experience more customer-centric, and convenient. Additionally, consumers want many payment options and may use different applications like WhatsApp, FB Messenger, live chat applications and social media to communicate with the brand.

Small businesses

The sad reality is that in South Africa, digital adoption is still in the early stages for many due to a high barrier to entry and lack of technology skills. In rural areas, many small businesses will miss out on the potential revenue from online shopping. There is a great need for digital enablement platforms and support services for the small and medium enterprises. According to BankServ Africa, last year South Africa alone raked in about R6bn in online shopping, doubling the R3bn that was spent in 2018.

The value of e-commerce in South Africa is said to reach [around R225bn](#) – driven by changing consumer behaviour. Small businesses are the largest contributor to employment and the national GDP, which is why they form an important part of recovery strategies at national level. Therefore, we need to find ways to use technology as an enabler of their growth by providing support and technology offerings that make sense for the continued growth of entrepreneurship in this space.



Online FMCG shopping leapfrogs 5 years amidst Covid-19 pandemic

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Many wonder what the future will be for retail in SA – especially as we have been slow to adopt online shopping. The pandemic forced us to adapt and we are busy catching up with the rest of the world but the innovation from local business is very encouraging. It is safe to say that consumer behaviours have changed significantly where technology and e-

commerce will definitely continue to play a key role in developing the retail segment.

We will see small businesses mobilising store in store options from an e-commerce perspective, traditional large retail malls gearing towards bringing the physical and online experience together digitally and a very real need for technology partners that are able to do this for them.

While interest in online shopping in South Africa was very limited and almost non-existent in 1998 when I first launched digitalmall.com, we now live in a world of 'digital natives' where consumers have an appetite for efficient platforms that not only meet their needs in terms of services, but also provide a sense of community and great service.

It is still tough to launch a successful online business in South Africa due to logistics and a relatively low base of online consumers and credit cards in use, but it is growing fast with alternative payment options and lower cost of internet.

Those who partner with the right solution providers and pay close attention to detail on customer service, logistics and will offer consumers not only choice but unique options based on location and preference will most certainly succeed. The growth of e-commerce in South Africa is evident and we hope to see it flourish finally .

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