

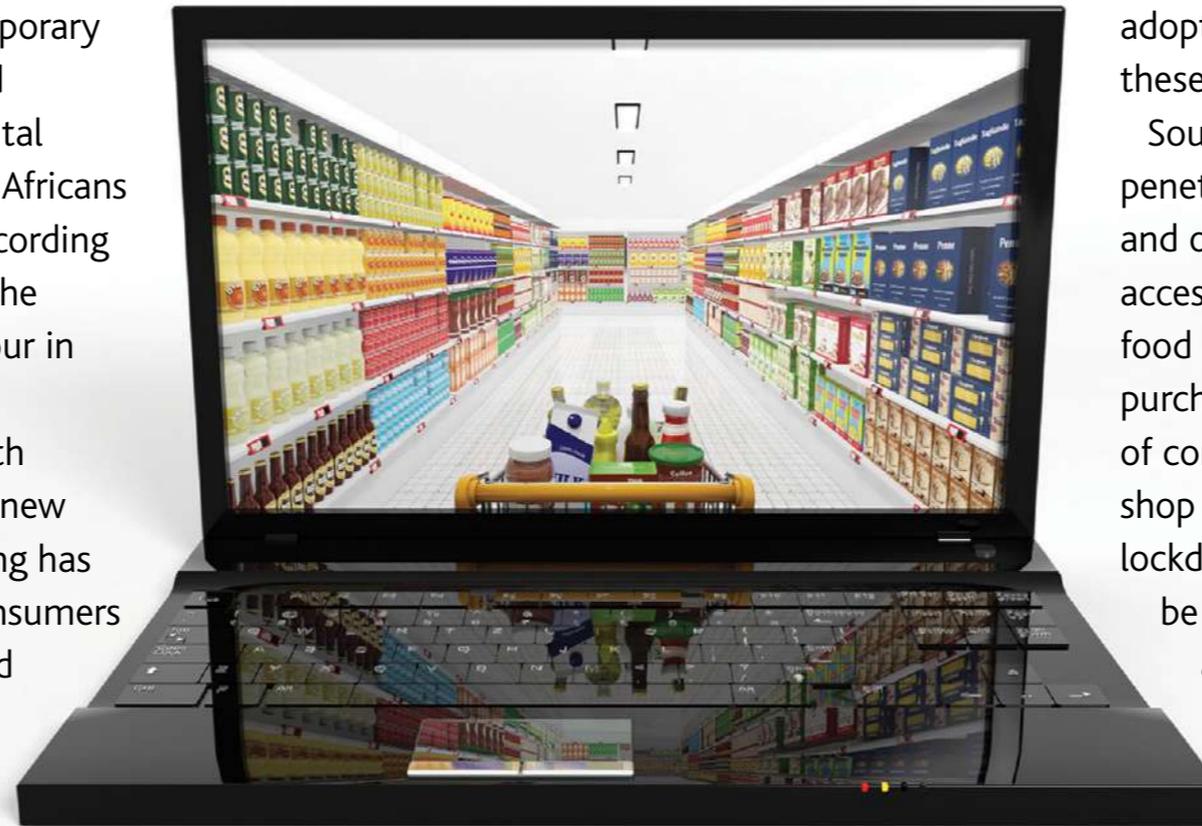
# 37% of South Africans say they are shopping online more

**W**ith the current lockdown and temporary ban of non-essential products and services, consumers have switched to digital shopping alternatives with 37% of South Africans saying they are shopping more online, according to a recent Nielsen syndicated study on the impact of Covid-19 on consumer behaviour in South Africa.

Nielsen South Africa Retailer Lead Gareth Paterson comments; "Amidst the strange new world of Covid-19, online grocery shopping has been a lifeline for many South African consumers who have desperately sought out safe and secure shopping alternatives amidst the uncertainty of lockdown living. As a result, available online shopping platforms, especially for groceries, medicines, and other necessary items, have seen a surge in usage over the last few weeks as consumers prefer not to venture into stores and have increasingly opted for these reduced touchpoint alternatives."

## New affinity for online shopping

This development points to an interesting shift in shopping behaviour. Where previously fashion, travel and entertainment categories have been



## Permanent uplift in online shopping expected

the frontrunners for consumers to enter the online retail sphere, with grocery categories, particularly packaged and fresh goods, being slower to gain traction; the lockdown has now accelerated

adoption of online shopping for some of these categories.

South Africa's online grocery shopping penetration and usage has also been quite niche and of the 58% of South Africans with internet access, only 1–2% had regularly purchased food and groceries online and only 8–10% have purchased in the past year. However, one-third of consumers had expressed a willingness to shop online. This coupled with the current lockdown scenario means there is likely to be prolonged behavioural changes in in-store and online shopping, with services like click and collect, automated online subscriptions, and the personal shopping all having the potential for growth.

## Meeting demand

Unfortunately, this rapid rise in popularity has also highlighted constraints in current online offerings, for example, extended delivery timelines for online shopping options, as retailers have had to boost their online capacity to match the increasing online shopper traffic and maintain their ability to fulfil the demand from consumers.



It is important to note though, similar challenges have been faced around the world, and retailers that have managed to scale up their supply and delivery logistics have seen exponential growth in online retailing. For example, Spain and Australia, where penetration of online shopping for grocery goods has previously been lower, have shown sizeable increases in online retail sales, a clear sign that online retail shopping is starting to yield benefits for consumers.

### Permanent uplift in online shopping

Paterson says what this rapid evolution in online makes clear is that technology adoption in the current situation is paving the way for a sustained development of online shopping, in terms of infrastructure and consumer acceptance.

"We can therefore expect a permanent uplift in online shopping numbers – albeit off a small base in South Africa – even after the pandemic has ended, since many behaviours adopted during the COVID-19 period are likely to translate into more permanent long term habits."

## ACCELERATED INNOVATION



- Another outcome of the current situation is the emergence of local innovations to fill the need gap. For example, services where consumers place an order with a retailer and have their order delivered to their car in a pre-arranged parking bay have emerged, ensuring not only increased health and safety but speedier fulfilment of online orders.
- Existing online retailers have also quickly shifted their existing product offering to supply essential goods, such as a large eCommerce gifting platform now delivering fresh produce and former Uber Eats drivers who are maintaining an income through the delivery of groceries for retailers.

However, Paterson cautions; "Retailers will need to quickly address the main barriers or hesitations that non-users had expressed in the past – be it freshness guarantees or free delivery. It will be critical for retailers to make the migration from offline to online as seamless as possible by communicating potential stock outages, advising of delayed delivery timelines, and providing additional online navigation tools and support to first-time users on their platforms will be key to keeping consumers online once stores reopen their doors." **SR**

\*ONLINE STATS: Source: Nielsen's Connected Commerce, Shopper Trends, and COVID-19 syndicated surveys.

