

Mobile culture fertile ground for online retail growth

South Africa has a population 56 million, but the number of cellphones in the country exceeds the number. 22.5 million of these mobile owners are online users, according to research by World Wide Worx, and many of them shop online using their cellphones.



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From a nascent industry a few years ago, South African online spend is forecast to grow to over R53bn by 2018 and mobile online shopping is set to take the lion's share.

According to Efi Dahan, GM of PayPal in Israel and Africa, "because of the high rates of penetration in South Africa, online shoppers are increasingly opting to make purchases on their mobile devices – resulting in an estimated 65% growth in online spend via mobile device (smartphone or tablet) in the last two years.'

This provides an immense opportunity for online retailers. It's a mobile boom which makes it fertile ground for growth amongst shrewd online retailers. One of whom is RunwaySale – a market leader in the ecommerce retail space.



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Online fashion retailer RunwaySale's CEO Karl Hammerschmidt comments: "We believe the exponential growth is because: Smartphones and tablets are far more affordable, consumers are more tech-savvy, they have become comfortable with online shopping, mobile applications are increasingly user-friendly and customer-centric and financial transactions are secure. This makes it easier for people to do pretty much anything, including shop 'on the go'."

Hammerschmidt says that when they launched just over five years ago the South African marketplace was still relatively untapped in terms of e-commerce offerings, especially local retail sites. "Since then more online retail sites have been introduced and we have doubled in size, year-on-year. We currently have over 1 million members with 60% of our shoppers being repeat purchasers, some members who have been with us from the beginning have shopped 300 times in the five years."

Mobile first

In keeping with the growth in e-commerce and the emergence of m-commerce, RunwaySale says it has dedicated signihas developed a robust mobile site, one example is the more compact view of events to reduce the scrolling. "Our mobile sales have increased from 10% two years ago to nearly 50% today. In addition, our mobile traffic has increased from 5% three years ago, to 60% of total traffic today,' says Hammerschmidt.

"The fact is mobile overtook desktop just over a year ago and is continuously growing, we expect it to be at 75% by the end of the year."



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Mobile users are proactive and always connected. They use their mobiles in exactly the same way they used to use PCs – from communicating and entertainment to news and looking for deals, shopping and always, always posting about their activities.

But Hammerschmidt warns that if an online retailer moves to mobile, you cannot disappoint your users. "The challenge for any retail store – whether bricks and mortar or online – is getting a shopper to buy a product. During an online purchase, be it on a desktop, tablet or cellphone, the focus must be on creating simple navigation to ensure every step is easy to follow, from joining and logging on through to the selection process as well as checking out and paying.

"Providing shoppers with payment options also enhances the customer experience and helps the conversion process. Besides EFT and credit cards we have a strategic partnership with the RCS Group, one of the first 'traditional' retail cards to become an accepted online payment option."

"E-commerce is becoming more and more 'shop as you go' and the mobile boomers are leading the way."

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