

What is driving the e-commerce surge in SA?

By 2026, South Africa's e-commerce sector will catch up with more established markets. Despite the decline of retail trade sales in 2023, e-commerce revenue is projected to hit R119bn this year. "However, e-commerce wasn't always the big deal it is today," says Christian Oberhofer, co-founder and director of onedayonly.co.za.



E-commerce growth in SA was inevitable. Source: Andrea Picquadio/Pexels

He explains that when he and fellow co-founder and director Maurits Vermeulen established the company in 2010, there were only a handful of other e-commerce companies operating, which is unsurprising seeing that there were only five million internet users at the time.

"Additionally, as only 48% of all citizens had ever used the internet, it's understandable that they weren't too trusting of this still somewhat new technology, with many South Africans being afraid to part with their money while online for fear of being scammed," shares Oberhofer.

"That year, they spent R2bn buying goods online – a drop in the ocean compared to the R59bn that was forked out last year. There was also a misconception that their orders would be delivered via the South African post office which most weren't all that keen about."



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"Brands shared the same scepticism," adds Vermeulen. "For example, it took some convincing in the early day to get suppliers to list products on our site. Fortunately, though, we had a vision of what was possible and somehow convinced them to come on board. We went from selling one Weber braai within a matter of weeks, to hundreds of various products from local and international brands daily."

The changing face of e-commerce

As internet penetration in the country grew - propelled largely by mobile operators slashing the cost of data and the roll-out of network accelerating - so too did the number of e-commerce users, albeit slowly. In 2013, for instance, there were about

six million online shoppers, whereas today, there are approximately 27 million.



Christian Oberhofer

Oberhofer points out that this growth has also been aided by technological advances such as cloud computing, artificial intelligence, and predictive analytics. “This, for example, has enabled us to tailor deals for approximately three million individual consumers on a daily basis.”

He continues, “The proliferation of payment options has also played a role with e-commerce platforms not only increasingly offering more choices but also letting customers decide which payment method works best for them. While debit and credit cards are used in the majority of online transactions, and some e-commerce sites still offer the option of paying by traditional EFT, a number of emerging digital payment methods like QR payments, instant EFT and buy now, pay later (BNPL) are being progressively used and preferred.”

Into the future

The dawn of online shopping initially saw consumers being drawn to tech products (hardware and software), electronic media, and home and garden.



Maurits Vermeulen

“This reflects the limited categories available online at the time. But, over the years, e-tailers’ offerings have evolved, especially in the wake of the pandemic and its accompanying lockdown restrictions which made it harder to trade their standard products,” explains Vermeulen.

“This was the inspiration behind us introducing our Everyday Essentials category which has remained on our site ever since. Nowadays, according to our data, the most popular product categories include home and garden, apparel and accessories, and electronics.”

A 2011 MasterCard global e-commerce report found that online shoppers were driven by convenience. “Not much has changed over the years,” notes Oberhofer.

The latest OneDayOnly online consumer behaviour index (ODOmeter) revealed that 61% buy online for the convenience factor. With 53% of South Africans going online for the price and 70% for deals and bargains.

Looking ahead, the cofounders believe that the future of e-commerce in South Africa looks promising, with further technological innovations set to shape the industry.

“We cannot wait for what the future holds and the possibilities that these advances will unlock,” says Vermeulen.

“From exploring the possibilities of using emotion sensing AI to further personalise the shopping experience, through to deliveries via drone – we are excited to be a part of shaking up the e-commerce landscape,” concludes Oberhofer.