

# South African e-commerce continues to thrive

By [Lauren Hartzenberg](#)

27 Mar 2023

The Covid-19 pandemic proved to be a shot in the arm for e-commerce, and, logically, we expect the growth curve to flatten as consumers resume their regular lifestyles and shopping behaviours. But South African online payments gateway PayFast is still seeing strong double-digit online sales growth in both volume and value.



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"E-commerce is definitely not on a decline ... The growth is here to stay," said PayFast's chief commercial officer David Adams during the recent [Payfast eCommerce Virtual Summit](#), hosted by Insaka eCommerce Academy.

Adams attributes the ongoing growth to a few factors, including residual pandemic awareness around online shopping and an increase in trust among consumers.



## Nurturing the growth of e-commerce in South Africa

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## Winning product categories

In terms of product categories that are experiencing the most growth, according to PayFast data, household goods and necessities are performing especially well, while the home improvement and hardware category, which saw massive growth during the pandemic, has stabilised, Adams said.

Health and wellness is also among the top-performing categories, Adams said, with subscription-based meal plans and exercise programmes experiencing significant uptake.

Perennially popular e-tail categories electronics and apparel also continue to see growth, but Adams said consumers are becoming savvier in these categories and tend to wait for big events in the online shopping calendar, such as Black Friday, to make purchases.



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### Emerging e-commerce trends

Adams unpacked the [emerging trends](#) impacting e-commerce that online sellers should pay special attention to.

"Experience has shown us that the trends that seem to gain the most adoption are the ones that are delivering convenience and choice to customers," he said.

**Biometric authentication** was listed as a top trend to watch, as it's delivering increased security for consumers and a more frictionless checkout experience. "Biometrics as an authentication method in the online and in the offline space will continue to gain traction," Adams said.

Next, he pointed to the rise of **alternative payment rails**, such as crypto acceptance and sophisticated bank transfer methods developed on the back of open banking. Adams expects these to become more mainstream as they offer consumers more choice.

Lastly, a trend of **unified commerce** is emerging as shoppers increasingly expect a consistent experience across both physical and online spaces.



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### Overcoming hurdles to adoption

Despite increased e-commerce adoption, the local industry is lagging behind international counterparts, with online retail still comprising under 5% of total retail sales in South Africa.

Adams said the barriers to adoption are not all that unique to SA, and he listed security, trust and limited payment options (particularly among consumers who prefer cash) as factors hindering e-commerce progression. Notably, many consumers still value tactility and prefer to touch and feel products before making a purchase.

To overcome these hurdles and build greater trust in e-commerce, online merchants need to deliver a seamless experience throughout the online customer journey - from product discovery to checkout and delivery.

"The cost of [customer] acquisition is so high, and you only get one chance to make a good first impression, so make sure their journey is simple and seamless," Adams said.

## ABOUT LAUREN HARTZENBERG

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