

eCommerce in South Africa: Data-Driven approach to getting ahead

6th Jun, 2022



BY PRASHANT

What an exciting month we've had at DataWeave! Our team flew down to gorgeous Cape Town, South Africa to attend the 8th edition of [#EcomAfrica](#)! After months of Zoom calls and virtual events, it was a refreshing change to see our customers in person and meet some of the movers and shakers in eCommerce and some of the top South African brands.



Checkers
better and better

Pick n Pay

everyshop.

makro
BIG on life

Waltons
All your business needs

SHOPRITE
HOLDINGS LTD

Dis-Chem

Incredible
CONNECTION

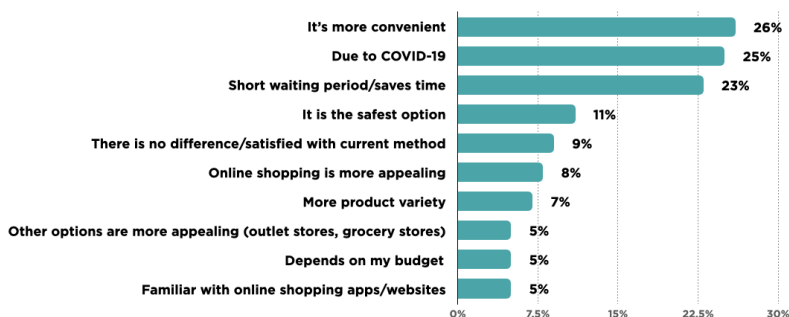
Top eCommerce Companies in South Africa



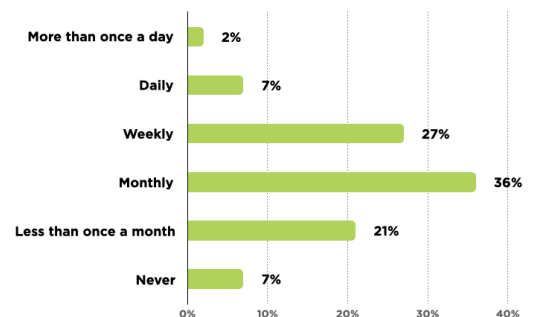
My last visit to South Africa was before the pandemic. Things have changed since then, & the difference was stark! The eCommerce landscape had a paradigm shift during Covid-19 and grew exponentially. My customers spoke to me about the new opportunities, growth potential as well as challenges that came in because of this boom. For one, eCommerce in South Africa has become more competitive than ever – from online retail to grocery and **food delivery** to even alcohol delivery! All retail businesses seem to have jumped onto the eCommerce bandwagon.

A recent **Deloitte report** found that over 70% of South Africans shop online at least once a month & 2 out of 3 respondents said they plan to increase their frequency of online shopping. 65% said they know what they want, search online & check all stores that stock the product to **compare prices**. **Price is one of the key factors that influence consumer purchase decisions**. Other critical factors include **delivery fee, delivery time, promotions & discounts & product assortment** to name a few. In order to stay ahead in this highly competitive arena, both retailers and brands need to make data-driven **decisions about critical KPIs like pricing to stay ahead of the competition**.

Reason for increased online shopping



Online Shopping Frequency



Over 70% of respondents indicated that they shop online at least once a month.

Source: Deloitte Africa, 2020.

Increased Online Shopping & Online Shopping Frequency

We've been working with customers in South Africa for over 4 years now, even before the pandemic. So on Day 2 of the event – S.Krishnan Thyagarajan “Krish”, President & COO, Dataweave had a chance to share our learnings and experience from all these years and how user data is critical to getting ahead & winning the eCommerce race in South Africa.

For the purpose of Krish's keynote address, we tracked pricing insights for a finite set of categories across key South African retailers like Checkers, Pick n Pay, EveryShop, Incredible, Makro, Waltons, Shoprite & Dis-Chem to name a

few over a period of 16 months from Dec 2020 to April 2022. We highlighted price increase and decrease opportunities and how each retailer reacted in order to stay competitive, increase sales and protect margins.

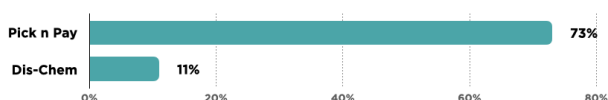
BATTLE of the eCommerce GIANTS!

Key Highlights from the Keynote

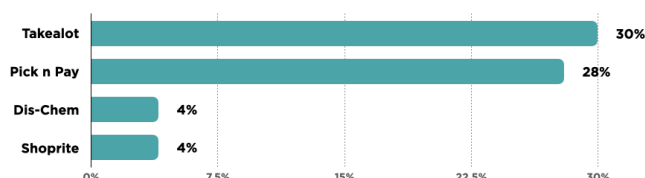
- Increasing prices where an opportunity exists helps retailers increase their margins exponentially. Pick n Pay had the highest action rate (73%) when it came to capitalizing on price increase opportunities v/s Dis-Chem at 11%.
- When it came to price decrease opportunities (in order to stay competitive with rival brands) Takealot was the most responsive retailer – they capitalized on 30% of the opportunities, followed by Pick n Pay at a close second (28%) and Shoprite & Dis-Chem at just 4%.
- Most retailers took between 1 – 5 days maximum to make price changes which means responsiveness to the market among all retailers is high making it more important for online retailers to always be on their toes.
- The 2 categories where most retailers capitalized on Price Increase Opportunities were Sauces & Condiments and Crackers & Biscuits.

Want to watch the Keynote video on Demand? [Click here to register & watch.](#)

Price Increase Opportunities



Price Decrease Opportunities



Most retailers took **between 1 – 5 days maximum** to make **price changes**
 The **2 categories** where most retailers **capitalized on Price Increase Opportunities**
 were **Sauces & Condiments and Crackers & Biscuits.**

Source: DataWeave.

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Price Increase & Decrease Opportunities

Bonus video content!

- Watch the Impact of price increase & decrease opportunities on Private Label brands!

- See how product stock availability impacts price changes over a 16-month period.
- Find out which brands are in the lead in the Skin Care, Pet, Baby, Laundry & Cleaning Aid categories

If you're an online retailer in South Africa & need insights on staying competitive with the right pricing, product assortment, delivery time, delivery rates, and the other key influencers that affect customers' choice of online retailers, [sign up for a demo](#) with our team at DataWeave to know how we can help!

- Prashant Dixit

Prashant Dixit is Vice President Business Enablement at DataWeave & works with our Global Brand, Marketplace & Retailer customers to help them improve their eCommerce sales & revenue. He can be reached at prashant.dixit@dataweave.com, 6th Jun, 2022

