

Drivers and fears of SA's online consumers

By  Lauren Hartzenberg

28 Oct 2019

Local representatives from market research and consulting firm IPSOS recently shared a preview of some of the key insights gleaned from its yet to be released global trend survey for 2019.



Hendrik van Blerk and Tasnim Kolia from IPSOS presenting at the Google Cloud for Retail event in Cape Town.

The study was conducted among 22,000 respondents across 33 countries, including South Africa, and sought to unearth consumer sentiment towards technology and online retail, and the key drivers behind brand choice.

“What are consumers’ views on technology and what are their anxieties and fears? And how can those be harnessed and turned into strategic views for retail,” posed IPSOS account director Hendrik van Blerk.

Van Blerk, along with his colleague, account manager Tasnim Kolia, kicked off the first Google Cloud for Retail event in Africa, hosted by Google in Cape Town earlier this month.



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SA consumer trends

Presenting the key takeaways from the South African results, Van Blerk said that South Africans are driven by an innate **hunger for success**, and experience tension balancing the fulfillment of their ambitions with what they’re able to afford.

South Africans also expressed an urgent **need for simplicity**, even more so those survey respondents in the US, China and the UK. "There's a lot of complexity in our lives driven by technology. Companies must look at how they can make things easier for customers – make their choices easier and make their lives easier."

At the same time, local consumers are searching for new **positive sources of inspiration** from unexpected places. Survey responses signalled a shift away from the humdrum, in exchange for products, brands and experiences that will inspire them and make a meaningful difference in their lives.

Any kind of strategy or communication should be built with the above insights in mind, Van Blerk said.

Attitudes towards technology

When looking at attitudes and daily interactions with technology, IPSOS found that South Africans expressed the feeling that they **can't imagine their lives without technology**. "It's enriching people's lives but it also ties into keeping up with fast-paced lifestyles and having access to efficiencies," Tasnim Kolia said.

Afraid of being left behind, South Africans are driven by the constant **need to keep up to date** with and try new technology, ahead of their survey counterparts in the US, UK and even China.

Importantly, technology is enabling local consumers to be a part of the global community. It's allowing them to feel **integrated into the global ecosystem** and be "citizens of the world", instead of feeling restricted to a particular country.



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What's driving brand choice?

According to Van Blerk, the main themes that emerged when IPSOS analysed the main drivers behind brand selection in SA were: online credibility, convenience and online advertising.

Credibility and convenience are especially important in the online retail environment, he said. Overwhelmed with almost endless choice online, consumers are turning to brands that they trust and that deliver the best customer service.

South African survey respondents expressed a desire for **relevant online advertising** that can assist in navigating and aiding brand choice. In line with this, Van Blerk stressed the importance of ensuring your brand is top of mind for shoppers.

"Consumers have a set of salient brands that they would buy – we call it a consideration set – brands in a particular category that they have used, and those that they are open to using in future.

"You have to communicate your brand's values correctly through the online platform. It's not just about pricing, it's about brand education."

Trust in online retailers

In terms of **online privacy and protection**, South Africans value upfront transparency. Local consumers are aware of the increasing loss of privacy and they're seeking to understand how information is being collected about them and how companies – and the government – are using that data.

“This is exacerbated by people not really understanding their rights, but it's definitely something companies need to be aware of,” said Kolia.



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According to the IPSOS study, South African consumers feel the most resigned in the expected and inevitable loss in future privacy as technology continues to rapidly progress.

But as much as they have concerns around privacy, there's also a willingness and comfort share information for personal exchange, driven by the need for more tailored experiences.

“We see that consumers are desiring more **personalisation**, and there's now an understanding that there would need to be an exchange of information.”

Essentially, South Africans are becoming increasingly more comfortable with parting with their information if retailers and brands can satisfy their growing need for superior convenience and customer experience.

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