

MasterCard reveals South African online shopping habits

MasterCard Worldwide has released the results of its 2009 survey on South African online shopping habits, showing a 3% decline from the 2008 survey - now 77% of South Africans who have access to the Internet are shopping online and have done so in the past three months.



This is the third survey on online shopping habits conducted by MasterCard. It covered 8000 respondents across 14 markets: Australia, China, Hong Kong, India, Japan, Malaysia, New Zealand, Philippines, Singapore, South Africa, South Korea, Taiwan, Thailand and UAE. The inaugural survey was conducted in December 2007.

According to South African research company World Wide Worx, the number of South Africans with access to the Internet has increased by 15% to 5.3 million users in 2009 and it expects a similar growth rate for 2010. Its further research states that the country now has about 930 000 wireless broadband users compared with 630 000 ADSL users. It predicts there will be almost 11 million South Africans online by 2015.

Local survey findings

- CDs and DVDs - 49% of respondents bought these online (down from 58%)
- Airline tickets - 44%
- Home appliances and electronics showed an increase from 30% in 2008 to 43% of online purchases
- Ladies' clothing and accessories - 12% in 2008 to 22% in 2009
- South Africans feel making purchases online is more convenient, user-friendly and easier than walking into a shop or ordering from a catalogue or over the phone.
- 83% satisfied with their overall online shopping experience
- 72% of active online shoppers intend to make an online purchase in the next six months
- Internet access - more people are making use of broadband access technologies
 - ADSL 55%
 - 3G/HSDPA 49%
 - GPRS/Edge 25%
 - Dial-up 16%
- Reasons for accessing the Internet
 - Sending or receiving e-mail 90%
 - Browsing for study material 69%
 - Reading the news 69%
 - Checking bank balances 67%
 - Online shopping 42% of users

- 87% of South African online shoppers plan and research their online purchases in advance
 - 74% conduct research about their purchases on the Internet before buying
 - 69% use the merchant or company's website for their research
 - 46% speak to family or friends beforehand
- 36% of online shoppers cited themselves as impulse shoppers when browsing the Web
- Reasons for buying online
 - Low prices or substantial discounts 59%
 - Unique products only available online 48%
 - Advertisements and promotions 42%
 - 28% will also make an impulse buying decision if they find a product online that will be available or delivered quicker than going into a physical shop - instant gratification plays an important role in any buying decision
- Online payments
 - credit cards 52%
 - debit cards 26%
 - electronic transfers 10%

Reasons for not shopping online

- 63% said that they were not sure that making transactions online was secure or safe, a substantial increase from previous year's score at 44%
- 55% said they prefer to shop in-store in order to look at the physical product
- 36% said that they did not own a credit card, which reduced their ability to shop online

"While a number of online retailers do offer alternative payment methods, such as direct bank deposits, using virtual currency or bank loyalty programmes, the perception is that 'to be able to shop online, you need a credit card', which in many cases is true," says Anthony West, senior vice president and general manager Africa: MasterCard Worldwide.

Online tips from SA consumers

South Africans who do shop online were also quick to offer advice on how online stores can improve their current offerings. At the top of their list of recommendations were:

1. Enhance payment security and improve users' confidence in online transactions,
2. Don't charge additional service charges on purchases and
3. Make websites easier to use.

International highlights

- Top websites - retailers selling home appliances, books & arts, airline, ladies' clothing and accessories, with each of these categories registering between 36%-38% of the respondents saying they often shop from these sites
- 84% do plan when it comes to making purchases online, particularly in Australia, Japan and New Zealand, with about 9 in 10 respondents claiming they would plan before purchasing an item online. Japan, has seen the most significant increase (84% to 94%) in the number of people claiming that they would do advanced planning prior to purchasing online.
- High tendencies of impulse shopping triggers were observed in India for home appliances (52%) and CDs/DVDs (53%), in China for books/arts (52%) and groceries (51%) and Thailand for ladies' clothing/accessories (55%) and South Africa for CDs/DVDs (50%)
- Top reasons for visiting merchant websites include checking the latest information on products (79%), checking promotional deals (62%) and the intention to make a booking/purchase (60%).

"Online shopping has come a long way in South Africa and this latest survey reflects this change. As online shoppers become more savvy and are increasingly satisfied with their online shopping experience, they are purchasing not just lifestyle items such as airline tickets, online games and music downloads, but also basic necessities including home appliances and groceries," West concludes.

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