

E-commerce boom inspiring business transformation

On E-commerce Day, it is worth noting that South Africa was arguably too slow in initially adopting e-commerce, chiefly because it appeared to focus on the niche upper end of the market. Thus, many retailers did not view it as a necessity.



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However, the advent of Covid-19 a year ago and the subsequent lockdowns changed things rapidly and dramatically.

Organisations across the board were found wanting in their ability to provide products and services under these new restrictions, with retailers and restaurants particularly hard-hit. Suddenly, e-commerce was on everybody's radar, and in true SA fashion, organisations reacted quickly with unique and enterprising offerings for both consumers and business.

Yaron Assabi, CEO and founder of Digital Solutions Group (DSG) and digitalmall.com, explains that as more consumers experienced the convenience and personalisation of shopping online during this time, so an increasing number are adopting online shopping as their first choice. "Therefore, organisations across multiple sectors have now become more focused on e-commerce. With many now rationalising their physical footprint. Of course, this transformation is about much more than merely moving aisles to the cloud," he says.

"An online business is very different to physical retail and requires an understanding of technology, logistics, digital and mobile marketing, as well as online customer experience (CX). Perhaps the most critical success factor, CX requires attention to detail on every step of the journey."



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Amanda Reekie, imagineNATION Alliance 9 Mar 2021



Impact on QSR

A good example of putting the customer front and centre, while leaning hard into an e-commerce strategy, is KFC South Africa's launch of 'curbside collection' as a simple, safe and convenient way for customers to order their favourite KFC meal online and collect it without leaving their cars.

Nic Duminy, digital director at KFC South Africa, explains that with this service, customers order online and download the free KFC app, confirming their car details for easy identification, and complete payment online. Upon arrival at their chosen KFC, they check-in on the app, which notifies the kitchen to have the meal freshly prepared. Finally, a KFC team member delivers the order to their car.

“We believe that even after the pandemic is over, this will be significant layer for us. After all, it provides a convenient solution to customers in places where we cannot offer drive-thru, or even in drive-thru locations when queues get long over peak periods,” he says. “With curbside, we ensure that consumers still receive great customer service that embraces a contactless approach. In fact, we believe this approach will play a pivotal role in changing the way quick service restaurants (QSR) throughout SA operate in the future.”



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10 Mar 2021



Ecosystem partnerships

As for retail, another sector particularly hard-hit by the virus, Assabi notes that the challenge for businesses is to enhance the entire value chain to meet the changing and rising demands of consumers, and to do so in a personalised way.

What is needed to achieve this, suggests Mohammed Akoojee, Imperial Group CEO, is to build partnerships across the ecosystem, and to identify, pre-empt and integrate potentially disruptive technologies quickly and effectively.

“Our digital strategy is deeply focused on expanding our services into e-commerce, e-fulfilment and digital freight exchanges. This is why we recently acquired 60% of e-commerce logistics business, ParcelNinja,” he continues.

“ParcelNinja offers an outsourced warehousing and fulfilment business to local online shops, using its custom-developed best-of-breed warehouse system and fulfilment network to ensure that clients benefit from scalable infrastructure and an innovative costing model. This type of logistics offering is key to the long-term success of e-commerce.”



Imperial acquires SA e-commerce startup ParcelNinja

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Cybercrime risks

Of course, a rise in e-commerce transactions inevitably leads to a rise in affiliated cyber-crime, notes Kevin Hogan, fraud

risk manager at Investec. He points out that online fraud and phishing scams have grown significantly over the past year, as fraudsters try to take advantage of the impact Covid-19 has had.

“Fraudulent activity is increasing as criminals attempt to get victims to disclose personal or financial information. They also often attempt to intercept e-mails to get important information related to online transactions and both consumer and business communication on digital platforms,” adds Hogan.

“Across the banking industry, the number of fraud cases where the account holder transferred funds to an unintended recipient grew 69% within the last year - and given the new channels being used and more unpatched home networks being used for corporate communication, this could grow further.”

Thus, he points out, the value of a relationship with your banking partner. “In these out of the ordinary times, it is worth reiterating that extra vigilance is needed to safeguard your business and protect yourself from fraud.”

Having various layers of control, including prevention and deterrence, detection and mitigation, repair and recovery, investigation, and learning is critical, especially in the finance sphere.

“To do this, we use industry-leading real-time fraud detection systems to pick up potentially fraudulent payments. This, coupled with a team of experienced professionals who are active participants in numerous fraud-prevention forums and groups, and regularly attend events and conferences, help us to stay a step ahead. The threat landscape evolves every day, and we work hard to adapt our security architecture, so as to manage associated risks and work closely with business and private clients to ensure they are armed with the right information and tools to protect themselves,” adds Hogan.

Apart from this much stronger security focus, states Assabi, the key to the continuous development of a strong e-commerce sector lies in three key focus areas.

“Cross-industry partnerships, where large businesses partner with SMEs for agility and for a sustainable future; an omnichannel approach, since consumers want choice around the platforms, payment options and applications they use and so organisations must ensure a consistent customer journey across multiple platforms; and inclusion, as the existing high barriers to entry, and a lack of technology skills in certain sectors, means that digital enablement platforms and support services for the SME space are more vital than ever,” he concludes.

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