

## TDMC's Cheryl Ingram explains how Covid-19 has fast-tracked the adoption of ecommerce for both consumers and retailers

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As a predominantly e-commerce focussed business that started in 2013, it's fair to say that the first four years of our existence often felt like we were swimming upstream. Why? Because the South African retail sector was relatively slow in adopting e-commerce - largely as a result of the high cost of entry and the challenging associated logistics.



Cheryl Ingram

Towards the end of 2017 we started to see a shift – albeit a relatively slow one. And by the start of 2019, it felt like the market had woken up to the realisation that in retail an Omnichannel offering was essential to staying relevant.

The tech giants have responded so positively to the plight of small business with Google announcing recently that they would be making parts of Google Shopping free to retailers.

Looking back at 2018/2019, we pushed almost 70 new retail businesses online. What's quite interesting is that around 70% of these were start-ups or entrepreneurs who had identified an opportunity to level the playing field – competing with large footprint brick and mortar retailers who still hadn't got their act together online.

It would be amiss for me to say we started 2020 slowly. On the contrary, our e-commerce pipeline leading into the new decade was healthy from the get-go, but what we've seen over the last 8-10 weeks is something none of us could have predicted. The impact of the COVID-19 pandemic has been stark.

It has changed retail in South Africa forever, fast-tracking the adoption of e-commerce for both consumers and retailers in the space of just a few short months.

For eight weeks, stores that were forced to close and who did not have an e-commerce offering were given no option but to rethink their future. They say it takes 21 days to change a habit. Well, for almost 60 days, while in hard lockdown, the South African consumer has had very little to do besides surf the web, and for the uninitiated, familiarise themselves with the convenience of shopping online. So, as the country prepares to shift to this new post-lockdown world, traditional retailers and small businesses alike have scrambled to adapt to this new world of "order and delivery".

Necessity is the mother of invention and many traditional businesses have been given no option but to adapt – or die.

Looking specifically at our retail portfolio, we can segment our managed accounts into two distinct groups. There are those who panicked and pulled their marketing spend, and then there are those who simply changed their strategies – realising that lockdown presented opportunities for reaching consumers across multiple devices, in the comfort of their own homes.

Let's be honest, besides baking banana bread, taking part in a fitness challenge, or going green with a veggie garden, the

options for passing time during hard-lockdown were relatively slim. TV on repeat offered little respite and as a result, what we saw was a huge surge in digital media consumption and a massive spike in online shopping.

While many of us anticipated a drop in consumer spending, what we identified as an opportunity was to leverage lockdown and the increased attention that consumers were paying to online channels and use this to deliver strong offer-led messaging.

In fact, for those advertisers that braved holding their marketing budgets strong, running lockdown deals and promotions resulted in a significant upside – in some instances with revenues breaking Black Friday numbers in what was essentially the darkest trading month of our lifetime. With people unable to visit malls or stores, many consumers made an enthusiastic switch to online shopping, undeterred by the fact that items purchased would not be delivered until after lockdown was lifted.

These challenging times have not only forced us to Reinvent, Renew & Revive our small businesses, but also to give serious thought to our life choices and priorities. We are looking for like-minded pioneers to join us in building an intentional, off the grid, selfsustainable Eco Village – whilst still enjoying the privacy of your own home and garden. Sound interesting? Send us an email for more details on info@umzimkuluriverlodge.com

What has also been very interesting over this period is the fundamental switch in how brands and businesses engage with their audiences. Instead of expecting the customer to come to them, businesses that adapted quickly converted to a mindset of bringing their brand to the customer. This is especially true of small businesses who moved to WhatsApp groups to take orders and confirm deliveries. Equally, businesses that had always been averse to a marketplace environment like Takealot quickly realised that having an online presence is a far greater need than owning the customer outright.

What's been exciting for us is how the tech giants have responded so positively to the plight of small business with Google announcing last month that they would be making parts of Google Shopping free to retailers; Facebook announcing an overhaul of their shopping offering and integrating all parts of their ecosystem to better facilitate transactional commerce; and Shopify identifying the need to enable functionality like gift cards (previously restricted to certain account thresholds) across all Shopify merchant plans.

As a team of accredited Shopify Experts, TDMC are excited by the opportunities that are available to our existing client base and also well positioned to help merchants without an online strategy navigate this new world.

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## TDMC



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