

Ecommerce Trends for 2022



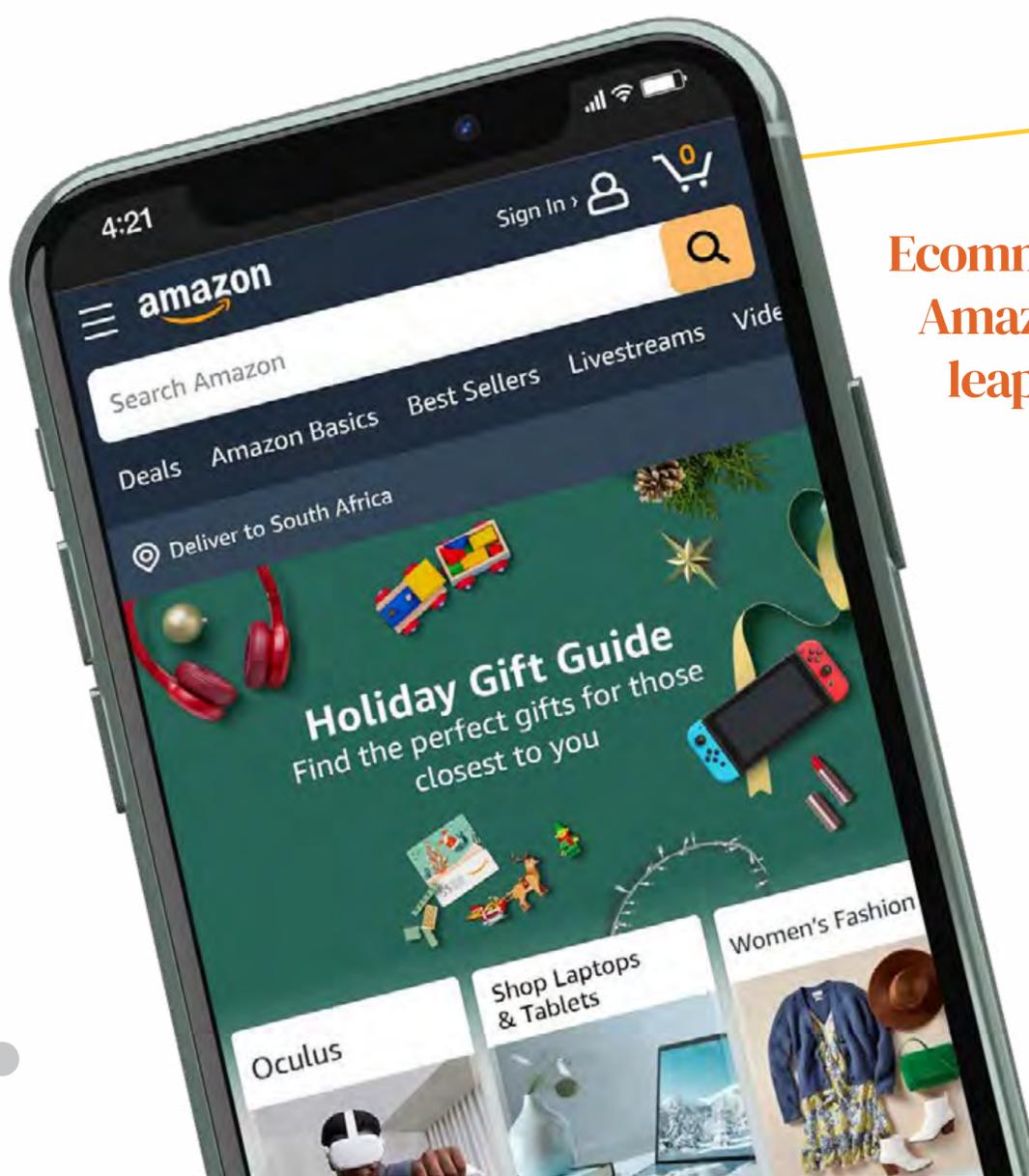
Our lives have changed considerably since the end of 2019. We've lost businesses, we've started businesses, and entire industries have sprung up over the last two years.

Today's world is a different place from the one we left behind at the end of the last decade. While the ongoing pandemic has impacted all aspects of life, some industries have flourished in this new and restricted world.

Ecommerce is one industry that experienced exponential growth over the last 24 months. As COVID-19 restricted shoppers' movements, they turned to their screens to fulfil their needs.

And with the increased demand came the long-awaited step change for online shopping.

On a global stage, ecommerce giants Amazon and Alibaba leapfrogged Walmart, the world's largest brick-and-mortar retailer, for the first time in their history.



**Ecommerce giants
Amazon and Alibaba
leapfrogged Walmart**

66%

Ecommerce growth in South Africa

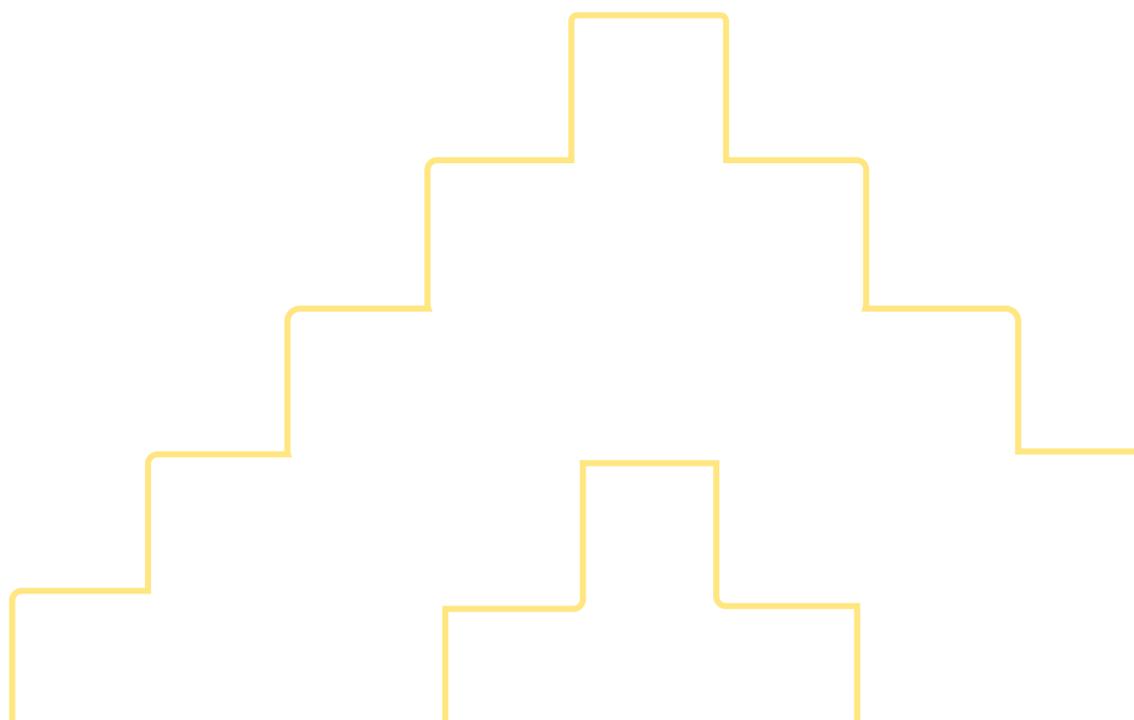
In South Africa, ecommerce grew by 66% during 2020. Our largest online retailer Takealot grew by nearly 80% and broke into profitability for the first time, according to former CEO and current chairman Kim Reid.

The future looks bright, according to the Head of Merchant Service and Growth at RMB & FNB, Aluwani Thenga. In an interview with 702's Bruce Whitfield, Thenga noted that he expects online transactions in South Africa to surge by 150% in the coming years as South African ecommerce is forecasted to reach R225 billion by 2025.

So, online shopping isn't going anywhere. But with more shoppers looking to support direct-to-consumer stores, it's not reserved for the big brands. The year ahead promises plenty of growth opportunities for small businesses that are willing to play their cards right.

That's why we're here. To help you make the most of a rapidly growing industry and take your online store to the next level.

Here's how you can accelerate your business growth in 2022.



Trend
01 **VOICE SEARCH**



GOT SOMETHING TO SAY?

As a small business owner, you already know that it's the little things that make a big difference. That's not to suggest that voice search is an unimportant trend, far from it. According to Think with Google, 72% of people who own voice-activated speakers use them as part of their daily routine.

While emerging markets like South Africa may not have the same voice-activated device penetration as other countries, businesses cannot ignore the power of voice search.

Alexa may not be in every home, but with South African smartphone penetration sitting at over 90%, Siri, Bixby and Google Assistant have the potential to be in just about every pocket.

Voice-based commerce is projected to grow to \$80 billion by 2023. And, while that stat may be out of the UK-based Juniper Research house, South Africa's similar ecommerce adoption rates when compared to international trends suggests that our growth trajectory may follow the same path.



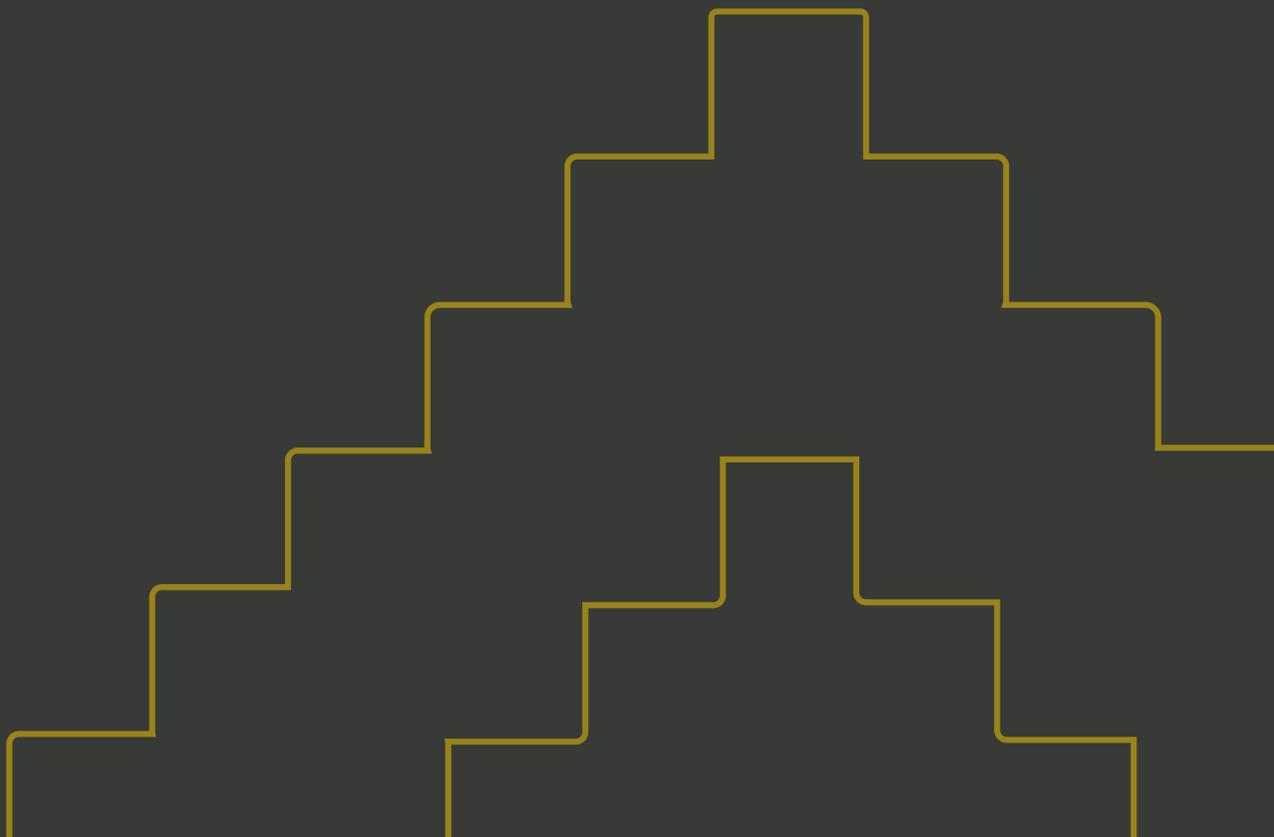
55%

Increase in voice shoppers in 2022

– Entrepreneur.com

So, how can small online businesses capitalise on this? Being an early adopter is an excellent place to start. While our voice-activated search market is not on par with more mature markets, we soon may be.

Your play? Aim to rank for keywords that are suited to voice search queries. Businesses that do this stand the best chance of capitalising on the imminent growth of this rapidly developing tech.



Trend

02



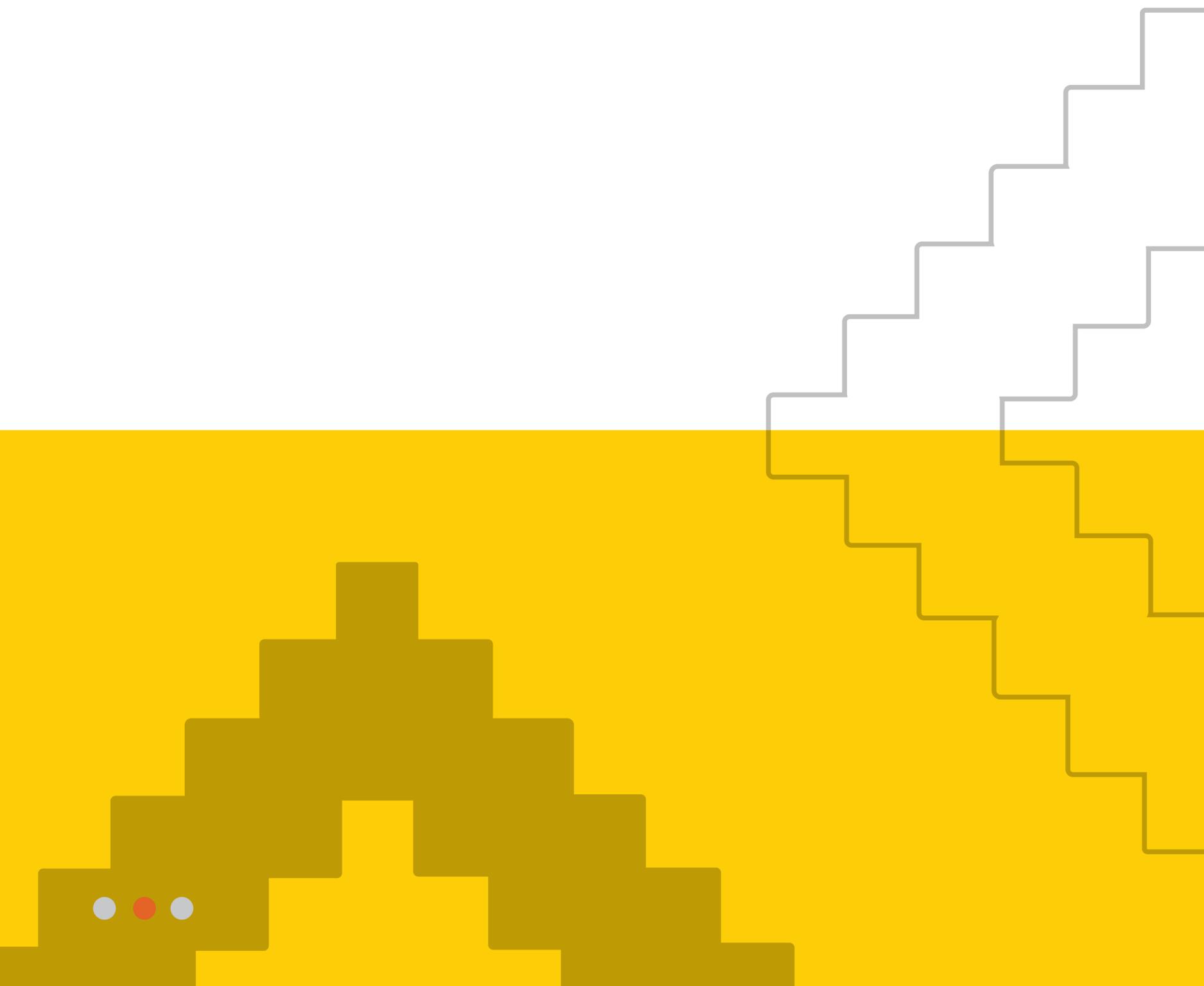
PERSONALISATION

TAP INTO CONSUMER CREATIVITY

In mid-2019, Nike launched Nike By You, an online offering that lets Nike fans customise their favourite kicks. With Nike By You, you could design a pair of the iconic Nike Air Force 1 for the first time. The result? Nike's share price hit an all-time high in the middle of the pandemic.

Bear in mind that Nike, like most other businesses, was forced to close their retail outlets during this time. So too were their wholesale partners. So, how did Nike hit an all-time high when the world was at an all-time low?

As with most business success, it was the result of a clever strategy. Nike stayed in the game while many others were forced onto the sideline by building an approach around content, community, and customisation.



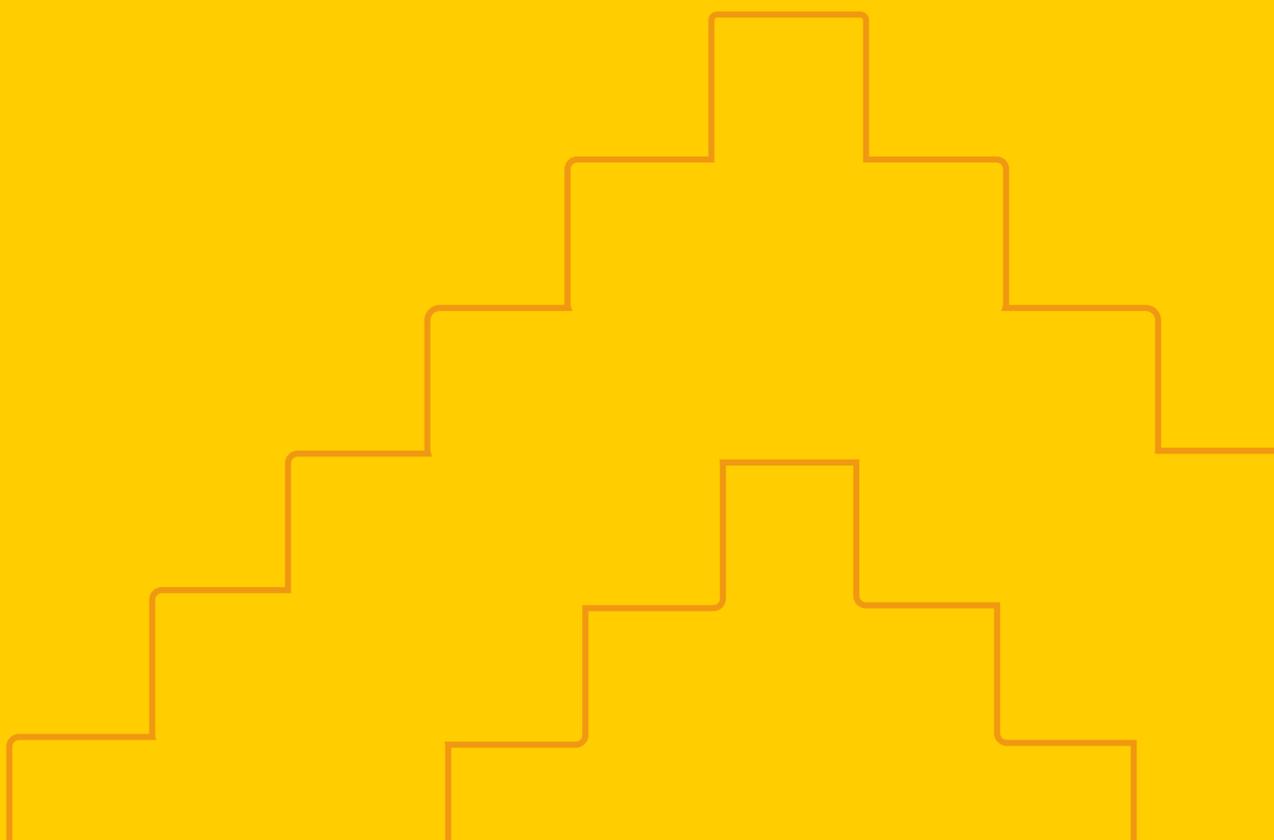
“It was definitely architecting a new retail, and a bold, retail vision for Nike. But it started with our consumer.”

– Heidi O’Neill, President of Consumer and Marketplace at Nike

What did Nike see that others missed? The need to create a deep connection with their customers.

Now, you might not be able to offer that level of customisation. That’s next level Nike stuff. But what you can do is make your customers feel special.

In 2022, personalisation will be more important than ever. So, ask yourself, what can your business do to connect with your customers? How can you make their online interactions with your brand unforgettable? Beyond dropping their name into the subject line of your next email, how can you make them feel like you care?



Trend

03

AUGMENTED REALITY



REALITY OR FANTASY?

Not long ago, augmented reality (AR) seemed like a gimmick or a future tech reserved for big brands and elite retailers. Not anymore. According to Statista, the global augmented reality market is valued at over \$30 billion with over 800 million active users.

But what does AR have to do with ecommerce, and how can it improve conversions on your online store?

The challenge for online retailers has always been the 'feel factor'; the inability to touch and see a product or visualise it in your immediate environment. AR bridges that gap. With AR, shoppers can digitally try on clothing and make-up, position furniture in their homes or splash a new colour of paint on a wall before purchasing.



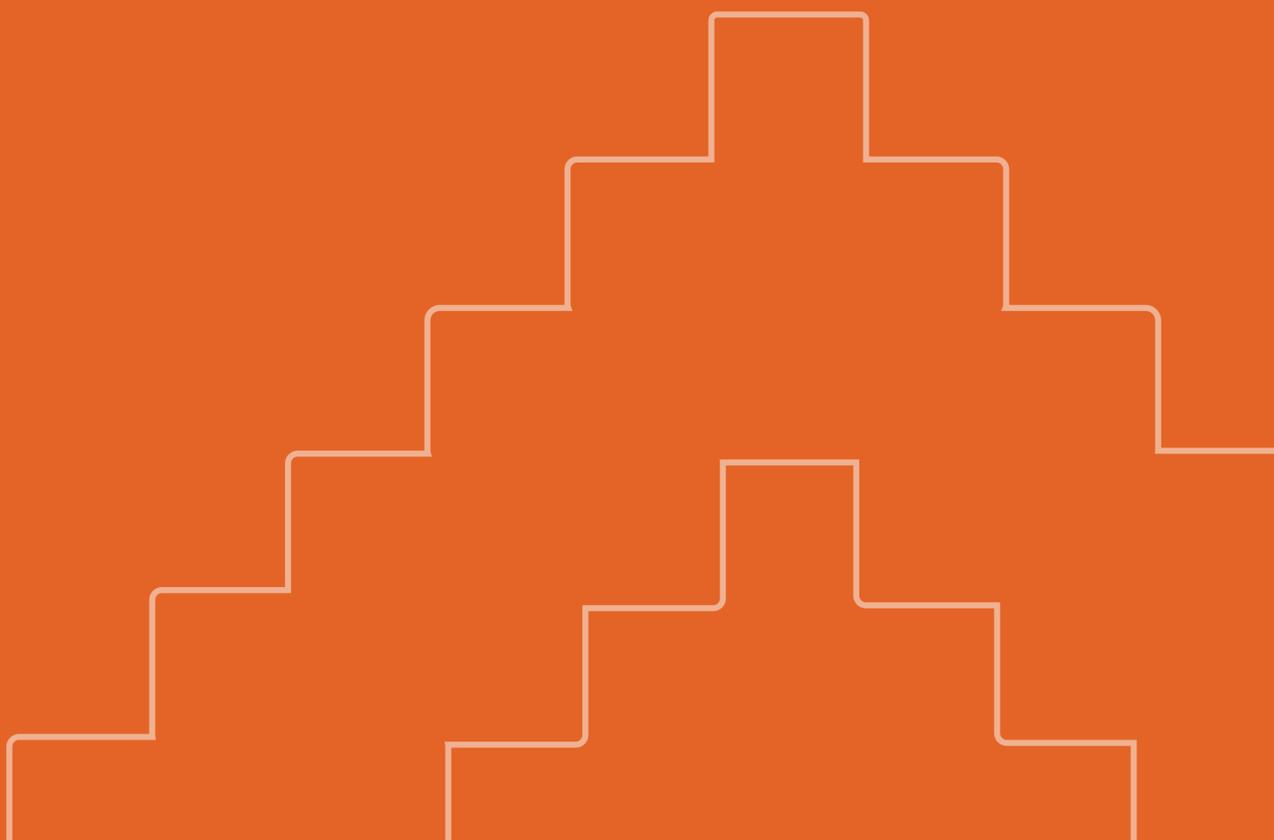
66%

of people are interested in using AR to make purchase decisions.

– Google’s AR Survey

Furthermore, Shopify reports that while video lifts conversions by 60% compared to images alone, 3D content (AR) has lifted merchant conversions by 94%.

Yes, AR isn’t cheap. There’s a considerable investment upfront to plug AR capabilities into your online store. But if it’s within reach, it fits your product offering, and it will increase conversions, it may be worth it.



Trend

04

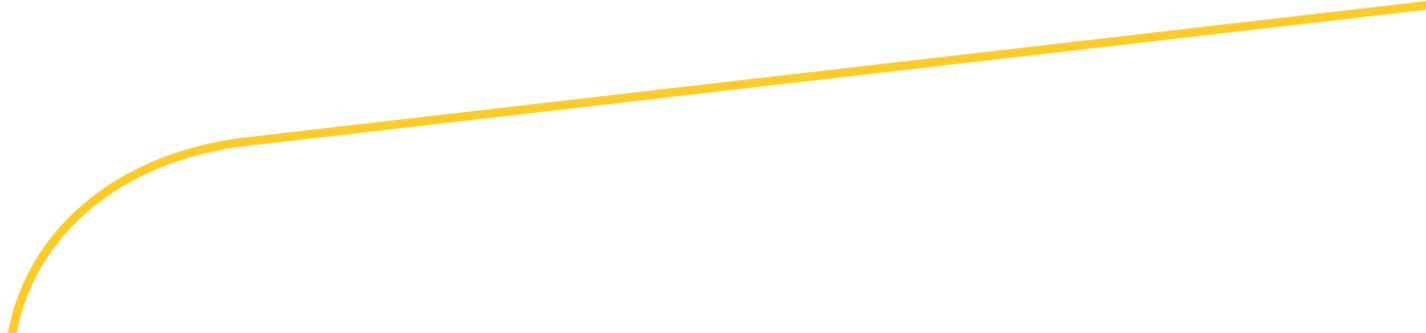
MULTIPLE PAYMENT OPTIONS



Luckily, there are other ways to bump up your conversion rates. And thankfully, some solutions are more affordable than others.

So, if you intend to ramp up conversions, you should consider offering multiple payment options in the year ahead.

In the ecommerce battlefield, there's one currency that trumps all – user experience (UX). Seamless UX comes in many shapes and sizes. Enabling your customers to pay in the way they choose is just a piece of the puzzle, but it's an important one.



72.8%

Global shopping cart abandonment rate

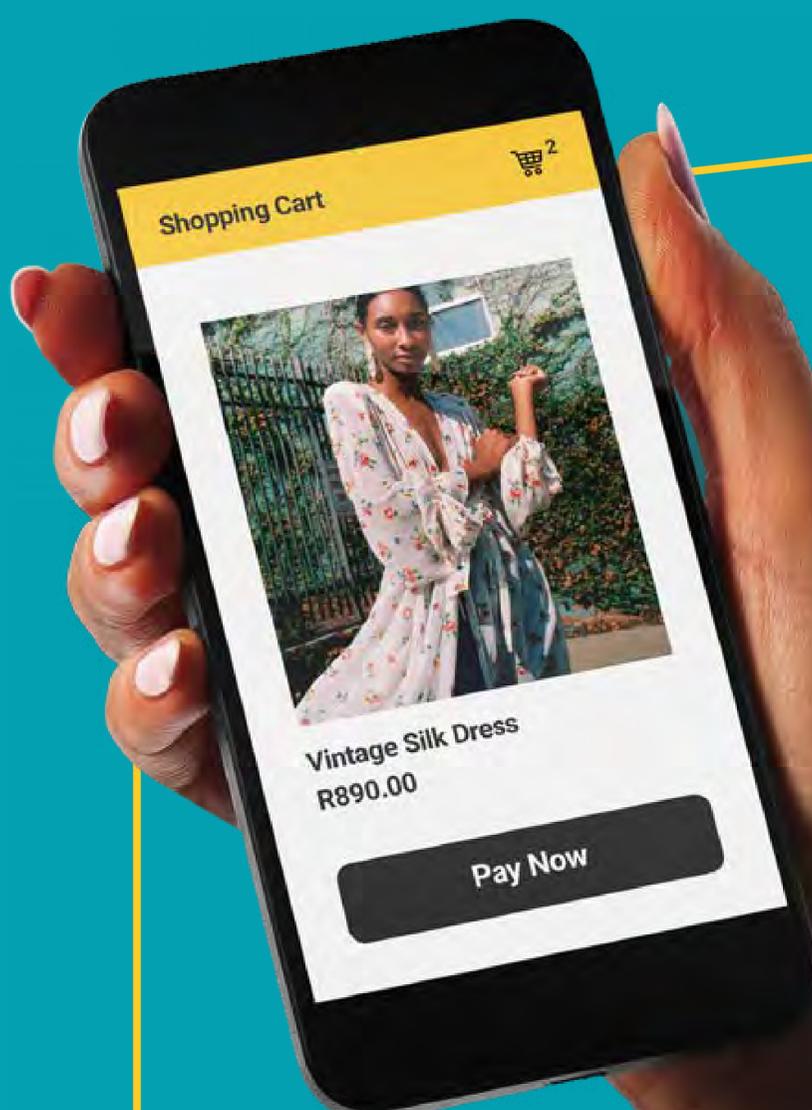
– GoDaddy



Everyone is different, so unless you have data that points unequivocally towards a single payment method of choice, you'll want to add as many methods as possible to maximise every opportunity. It'll attract a wider audience and give you the best chance of getting that cart through checkout.

Add these options to your site in 2022:

- Debit and credit card contactless payments
- Instant EFT
- Google Pay
- Apple Pay
- Crypto Payments

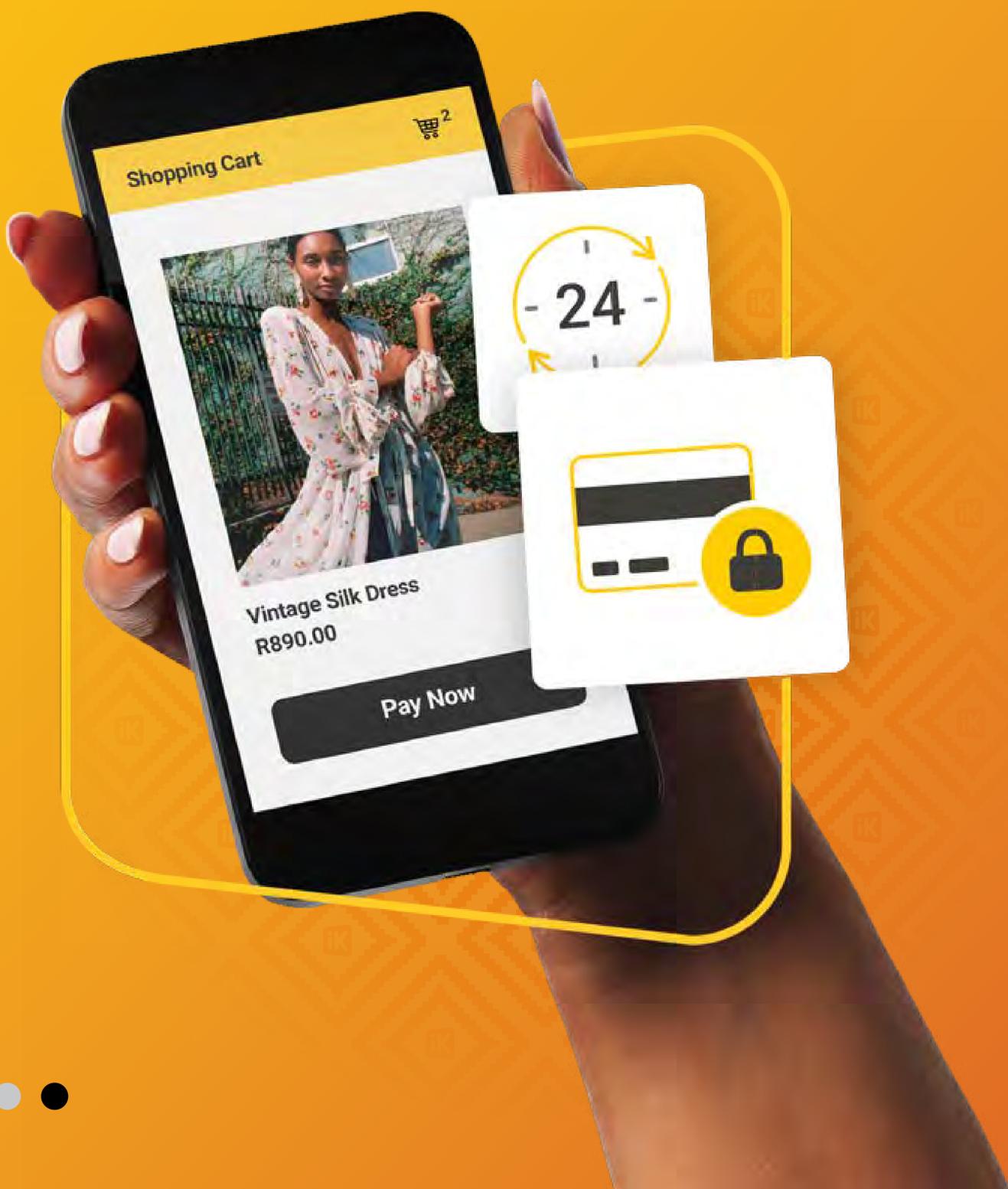


Did You Know?

iKhokha now has the iKhokha Payment Gateway for WooCommerce.

Take contactless card payments at the lowest starting rate available in South Africa – 2.85% Excl. VAT.

Visit www.ikhokha.com/pay-online for more information



Trend

05

SUBSCRIPTIONS



NOT JUST THE FLAVOUR OF THE MONTH

It isn't enough to make sales alone. To build a profitable online business, you'll want to make sure that your customers keep coming back for more. One of the easiest ways to do this is through subscriptions.

The ecommerce subscription model isn't new. However, as ecommerce continues to grow, subscription offers will increase.

There are two primary plans: monthly and annual subscriptions. Monthly works well for product orientated box-based offerings made popular by startups like The Dollar Shave Club, a subscription-based business that delivers shiny sharp new razors to your door every month.

Annual subscriptions usually include media or service-based offerings. That said, there's no reason why you can't flip the script to find the solution that works for your business.

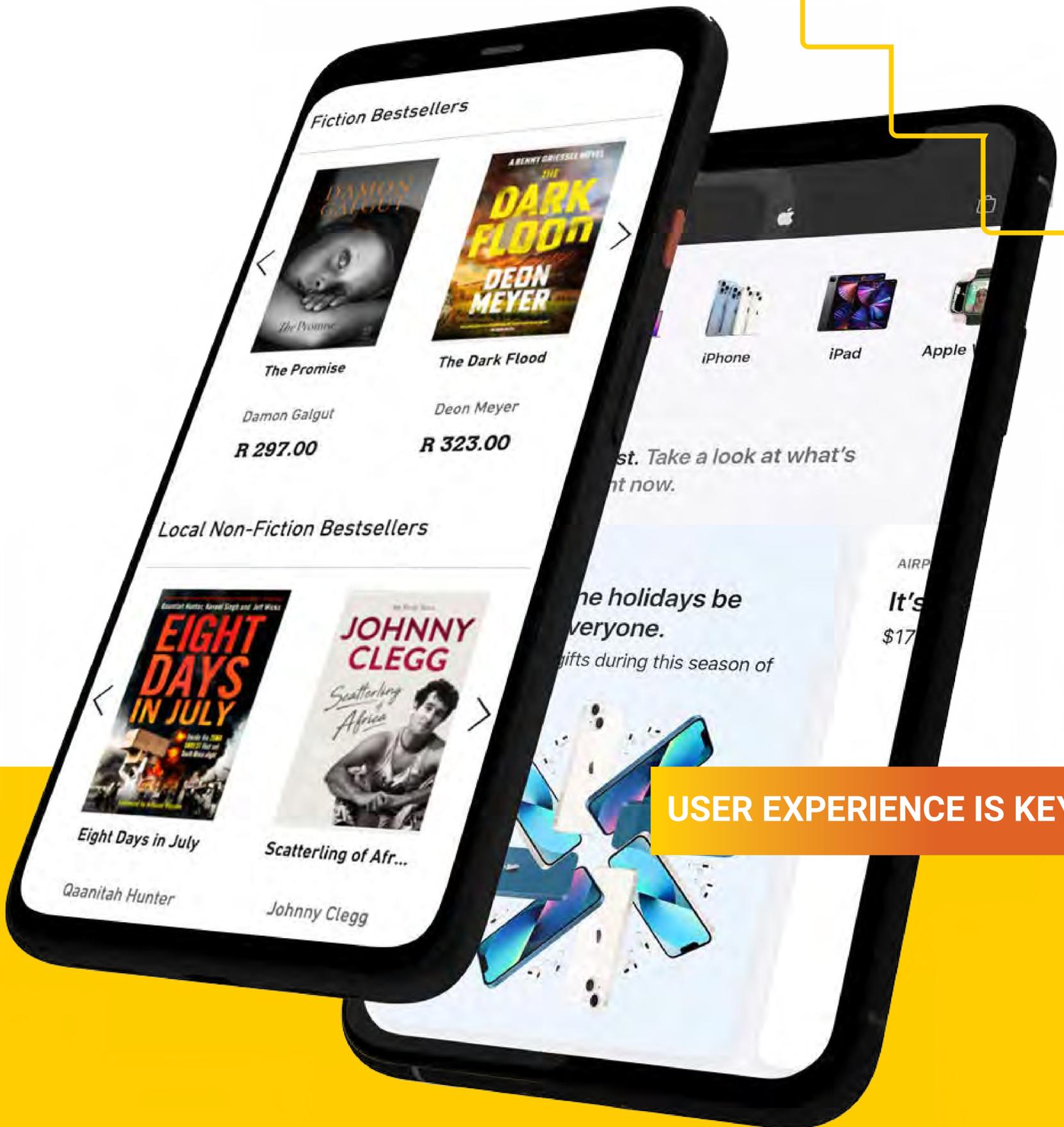




Trend

06

MOBILE FIRST



USER EXPERIENCE IS KEY

Mobile First

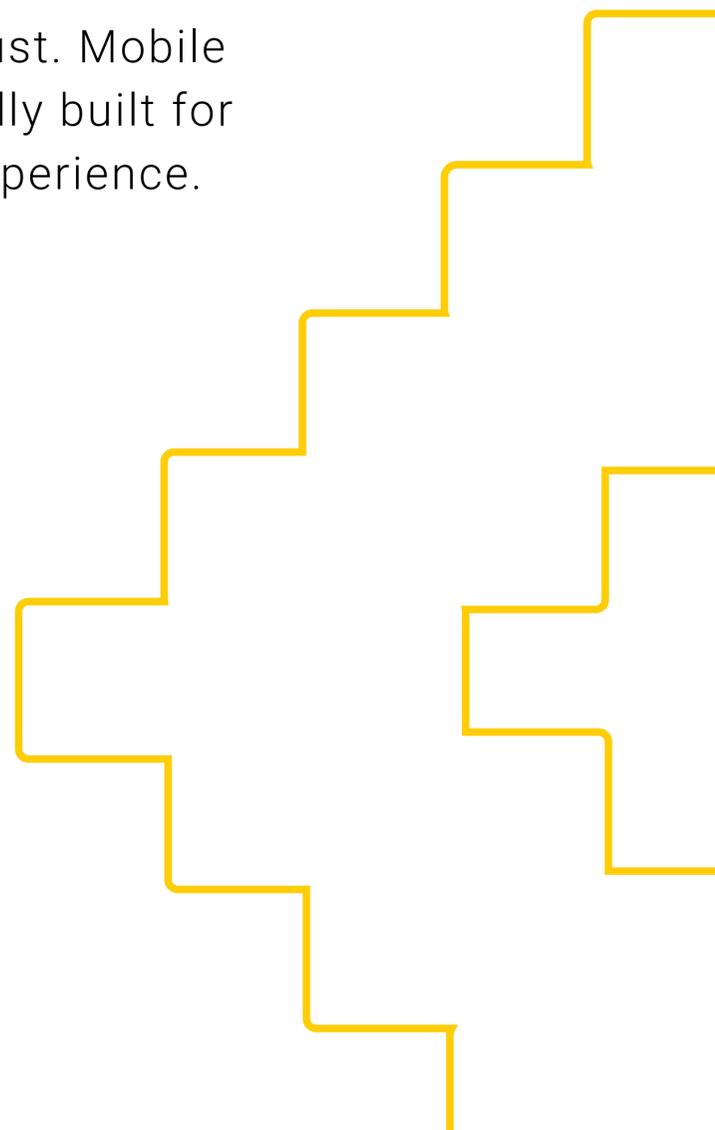
Earlier, we mentioned the prolific mobile penetration in South Africa. As consumers become more confident in ecommerce environments, smartphones become smarter, and the user experience becomes slicker, more transactions will happen through mobile.

72%

Total retail commerce transactions made through mobile

– BigCommerce

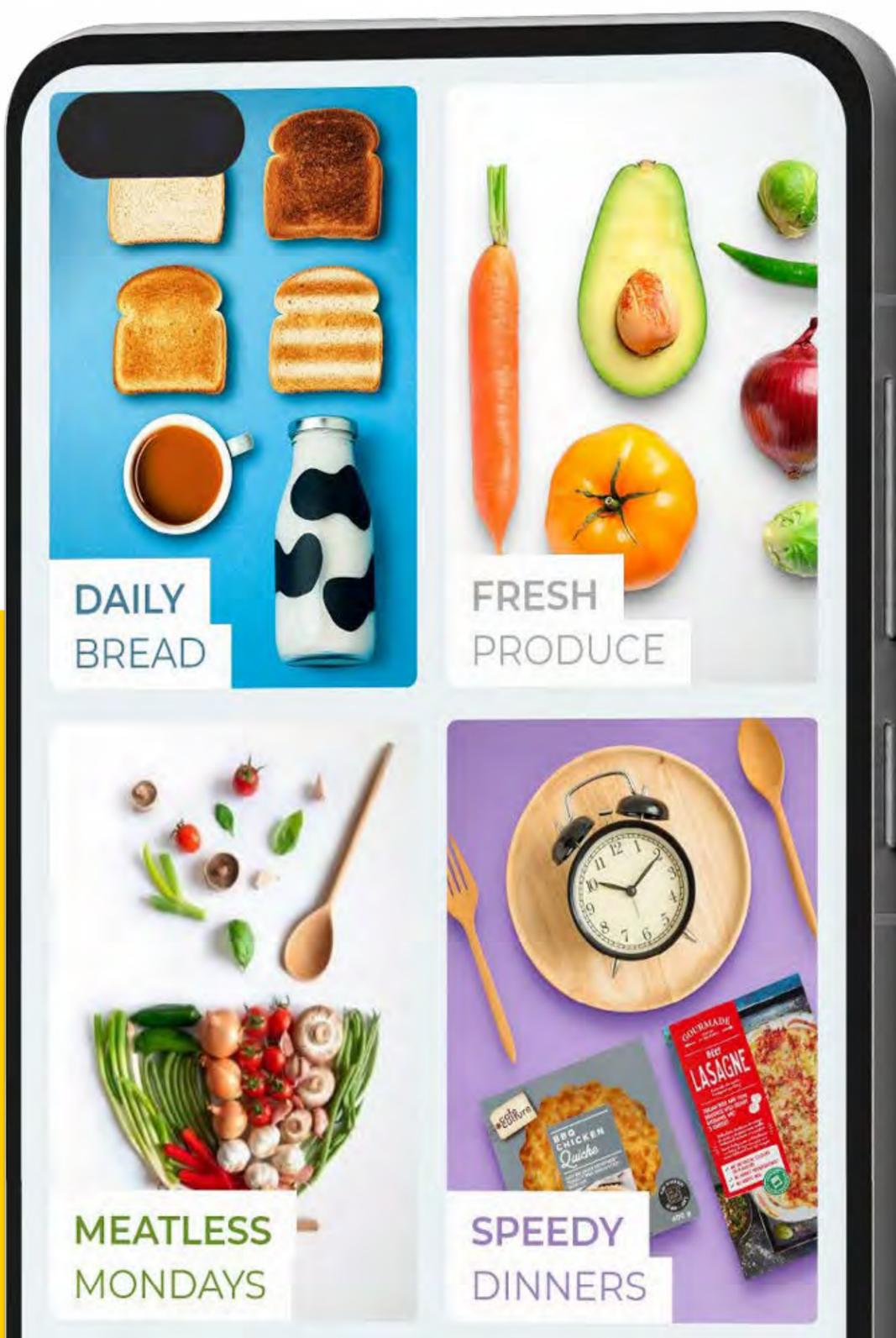
Having a mobile optimised website is a must. Mobile first is a concept where websites are initially built for mobile and then scaled up as a desktop experience.



Over 28% of South Africa’s internet traffic originates from mobile.

And with global internet trends predicting mobile traffic to climb to well over 50% in the next year, a desktop site is no longer enough.

According to GoDaddy, shoppers abandon over 70% of ecommerce transactions due to a poor user experience. So, the data suggests that ecommerce success in the coming years is dependent on a seamless mobile experience.



Trend

07

SUPER-FAST FREE DELIVERY



GRATIFICATION AT A CLICK

Super-Fast Free Delivery

Shipping can make or break an online business. And as a small business that's still finding its feet, you must get it right.

Fast, free delivery is still the yardstick for success in the ecommerce game, and possibly now more than ever. Granted, most consumers are more understanding, considering the inevitable delivery delays resulting from the pandemic.

Nevertheless, the customer experience is still paramount with 58% of shoppers refusing to shop with a retailer after a negative shipping experience, according to BigCommerce.

It isn't easy for smaller online operations – many of which handle their shipping – compared to sprawling online retailers like Takealot and Superbalist. These businesses have set the delivery standard and consumer expectations of acceptable delivery lead times.

58%

of shoppers refuse to shop with a retailer again after a negative shipping experience.

While you may not be able to go toe-to-toe with Takealot for delivery convenience on a national scale, you can control how you package your shipping costs.

Studies show that 84% of global online shoppers will add items to their cart to secure free shipping. Savvy business owners can use this to their advantage.

When put together correctly, the shopper feels like they're getting a deal and the business owner makes up their shipping costs on additional merchandise. It's a win-win. And if you focus on next-day delivery in your city or province, well, you might even get one up on the big retailers in 2022.

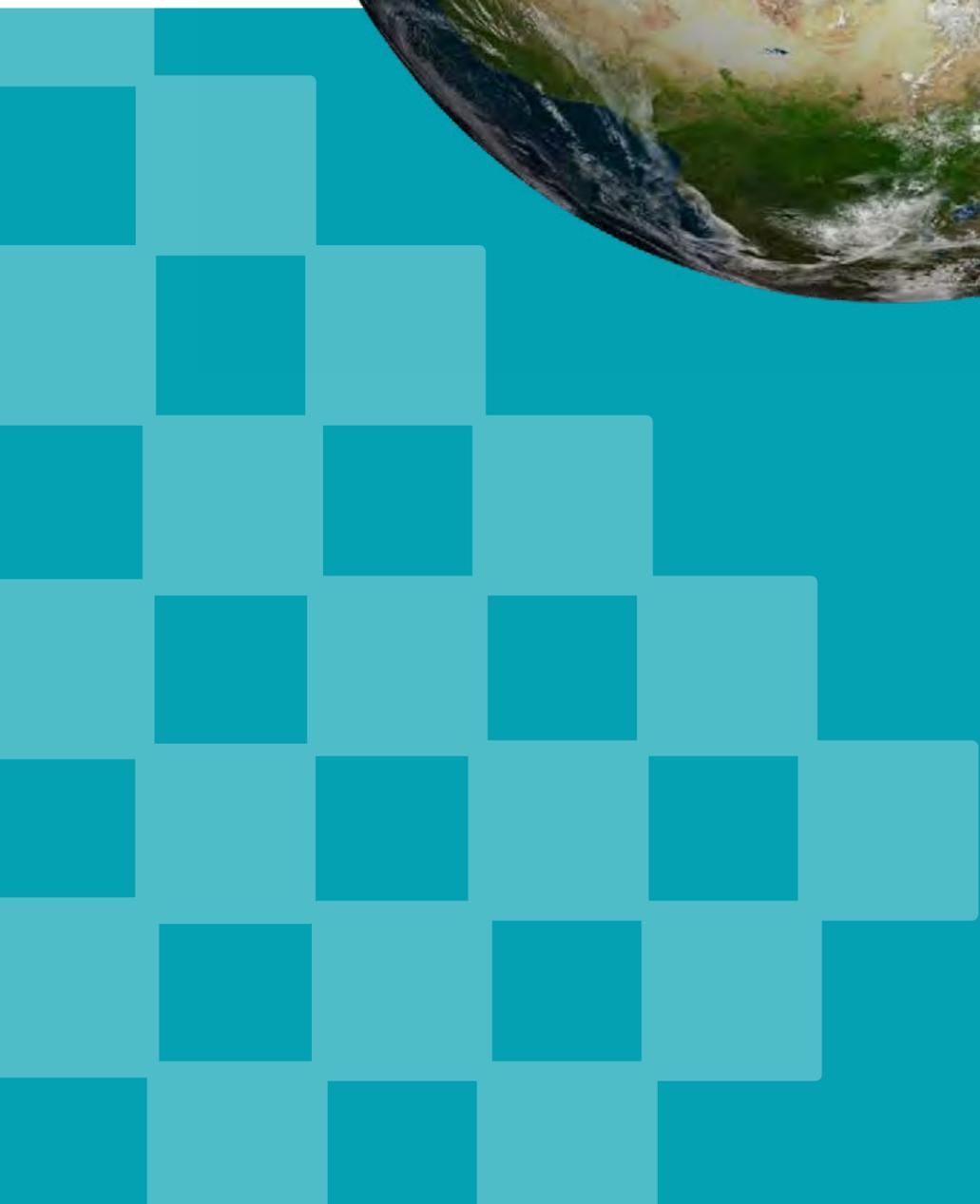
Trend

08

SUSTAINABILITY



THERE'S NO PLAN(ET) B



Look at any trend report going into the new year, and you'll probably find that health and wellness is a constant feature. But it's not only our physical and mental well-being that has captured consumers' imaginations. It's the well-being of our planet.

It's no surprise then that sustainability is set to be another popular trend in 2022. Investing in recyclable packaging may not take a shopper from consideration to conversion alone. Still, when combined with the other ideas in this ebook, it just might move the needle and make a sale.

Sustainable doesn't only mean 'recyclable'. Some online retailers have turned to innovative reusable packaging to meet their shoppers' sustainability needs.



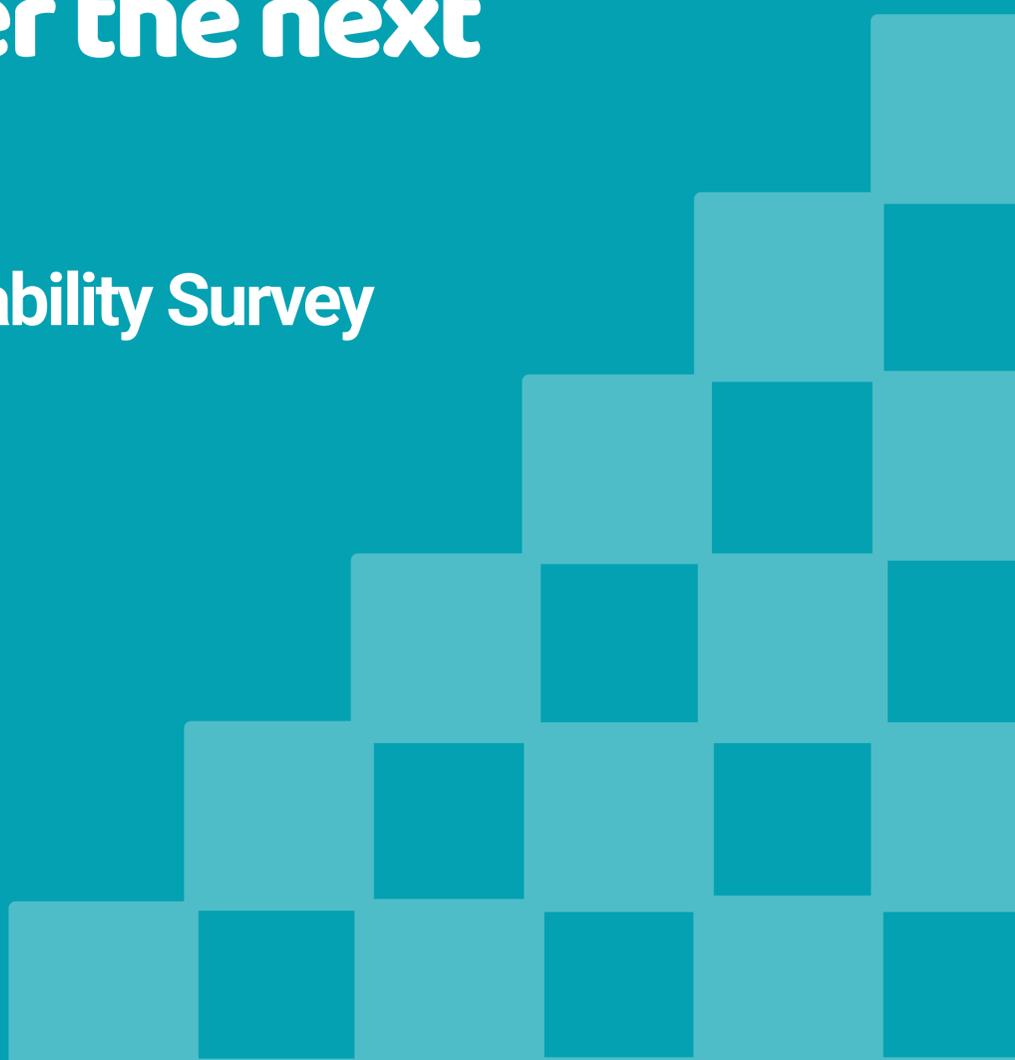
For example, international clothing brand H&M created a packaging option from 80% recycled paper that doubles as a clothes hanger after delivery. While it may not be the most aesthetically pleasing or practical coat hanger out there in the big wide world, consumers appreciate the effort.

Consider your product. Consider your packaging materials. Can a touch of innovation establish your business as a champion for the future of our planet? The brand-building results might just put your business in the green next year.

81%

Consumers who plan to buy more sustainable products over the next five years

– Consumer Sustainability Survey





Trend

09

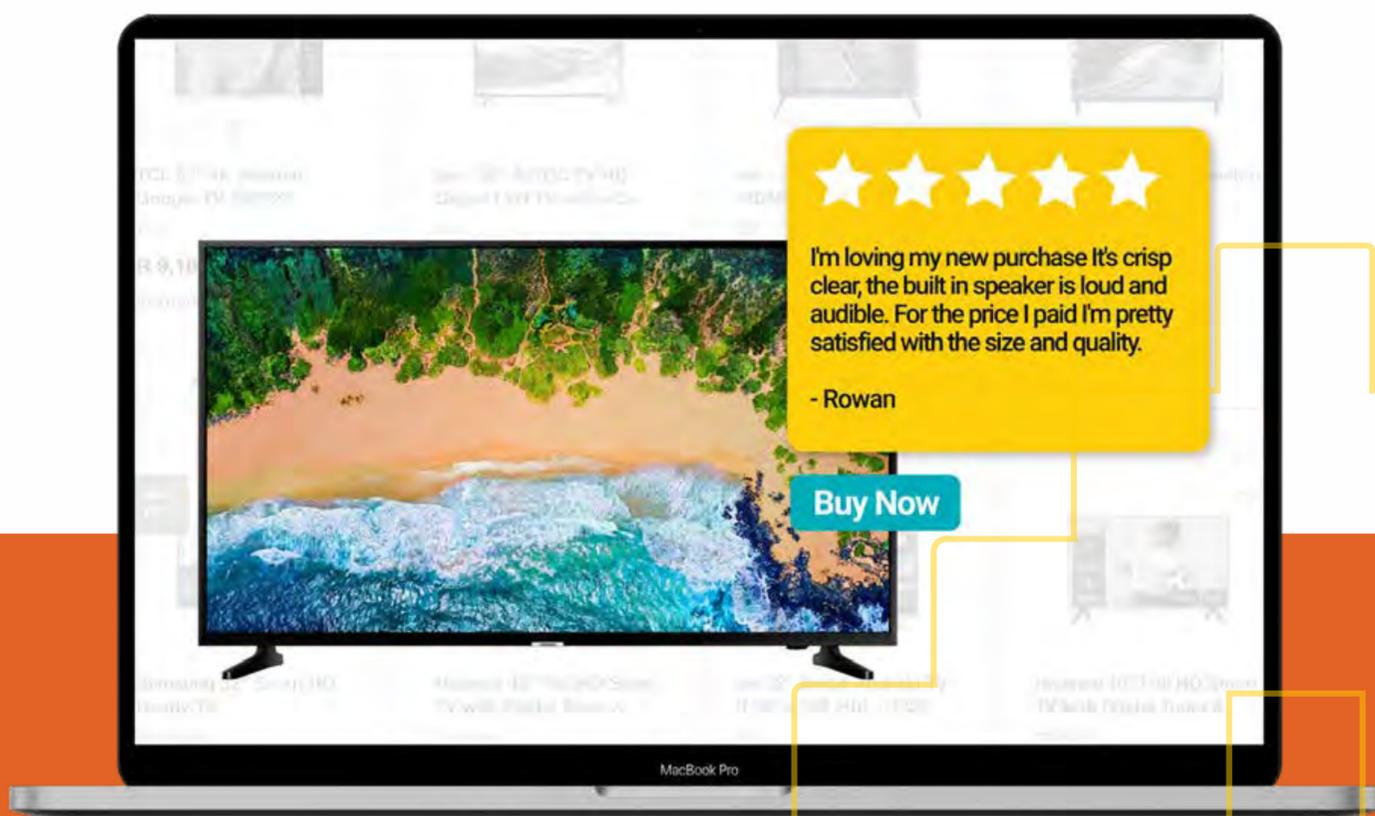
**SOCIAL
PROOF**

THE POWER OF PERSUASION

Ever heard of social proof? The term has been out in the world since 1984 after Robert Cialdini published his ground-breaking book “Influence: The Psychology of Persuasion”. So, while the term may not be news to those who have spent any time in marketing, how it’s used in 2022 is set to be of vital important to online businesses.

Social proof is the phenomenon where people copy the actions of others to reach a desired outcome. In ecommerce, social proof takes the form of online reviews. Reviews which, if favourable, can swing sales in your direction.

According to a Bright Local study, 91% of millennials use online reviews to help them make purchasing decisions. As online shopping continues to grow, businesses that can harness the power of reviews and the subsequent social proof that goes with it will reap the rewards.



Speaking of rewards, some retailers are turning to incentive programmes to drive reviews – which shows how important they are in the ecommerce world.

Clothing e-tailer SHEIN rewards shoppers with points for reviewing products. Shoppers can redeem these points for discounts. The better the review, the higher the discount!

Investing in your review strategy is essential for every online business in 2022, regardless of your size. Our recommendation? Leverage the passion of your loyal customers. Ask them to share their experience for others to see. And, if you can, reward them for doing so!

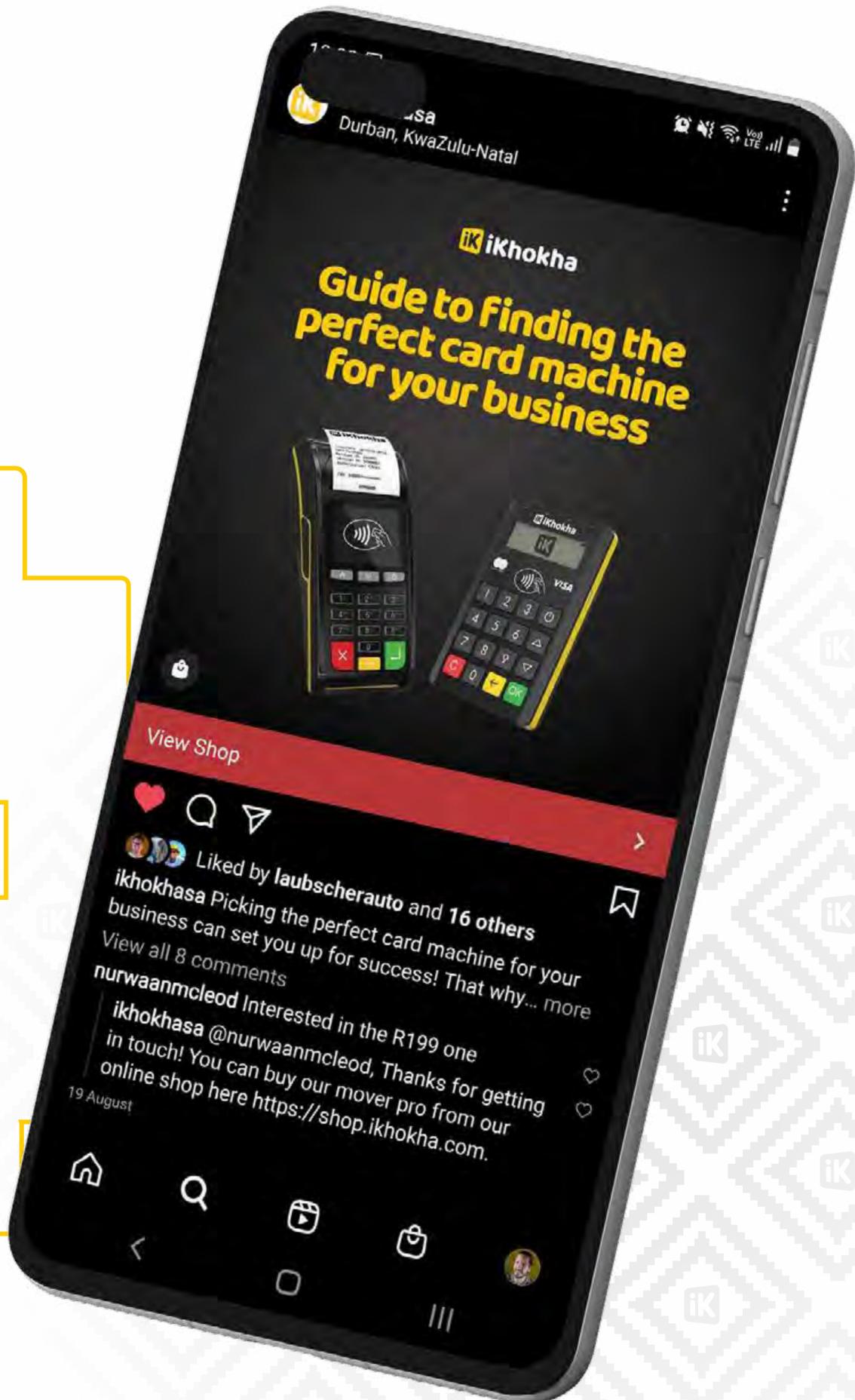
91%
**of millennials use
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– Bright Local

Trend

10

SOCIAL COMMERCE



SELL SEAMLESSLY ON SOCIAL

Social media is no longer for entertainment purposes. Sure, there's still a glut of lip-sync dance videos and cat memes out there but expect to see more brands making sales on your favourite platforms in 2022.

And it's exciting news for small businesses, especially if you're already on social media with established followings.

Social commerce is the meeting place between ecommerce and social media. In 2022, your favourite channels – be it Facebook, Instagram, or TikTok – will be lucrative sales channels.

40%

Surge in global social commerce sales in 2020

– INC

Among Gen-Z consumers, 97% say that social media is their primary source for shopping inspiration. Social commerce enables brands to move these shoppers from inspiration to conversion without leaving the platform.

It's an exciting opportunity for businesses of any size that are willing to engage with customers on social media. CX experts TELUS International notes that 72% of millennials are more likely to become a customer if a brand engages with them on social media.

We suggest creating two-way conversations with your customers on social media in 2022, if you aren't already. From there, creating social commerce offers can take them from consideration to conversion in a frictionless journey there and then that will serve both your needs.



FINAL WORD

Growth is exciting! But it doesn't mean it'll be easy for online businesses.

As consumer confidence grows and transaction volumes increase through online channels, it's safe to say that fierce competition will follow. The inevitable spending war and paid media scramble will put more pressure on small businesses if they try to go head-to-head with bigger brands.

Our advice is to leverage the trends in this ebook, along with innovative problem-solving, to deliver a seamless and enjoyable user experience for your customers.

It won't be easy. But, if you get it right, the possibilities are endless. Now is the time to stake your claim.

Good luck!



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