

# 68% of SA consumers shopping more online since start of pandemic

As the global Covid-19 pandemic continues to spur e-commerce, a Mastercard study has revealed the rapid growth of online shopping, with 68% of South African consumers shopping more online than they did before the pandemic.



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The study provides significant insights into how shoppers are rapidly moving away from cash and opting for contact-free and digital payment experiences. These insights are helping e-tailers and businesses in South Africa, and across the region, to leverage the shift towards online shopping and to deliver fast, convenient and secure transactions.

## Surge in spending across sectors

According to the survey, the majority of South Africans (81%) have shopped online for data and airtime, 56% for clothing, 54% for groceries and 51% for beauty and haircare products since the pandemic started. As e-commerce increasingly becomes a part of everyday life, consumers are moving other aspects of their financial management to digital, with 76% of respondents having learnt how to bank online.

Consumers are also supporting their favourite local small businesses, with 63% of respondents saying that they are making a conscious effort to shop online at these stores. With fewer opportunities to browse in the stores or on the high-street, social media has emerged as the main platform for finding the most attractive products and offers, with 64% and 41% of respondents saying they had discovered new sellers through Facebook and Instagram respectively.



### Online FMCG shopping leapfrogs 5 years amidst Covid-19 pandemic

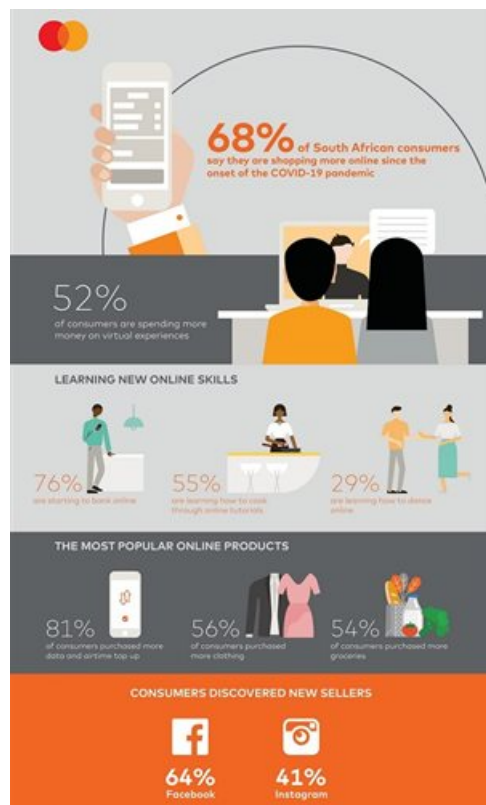
Nielsen 25 Nov 2020



Mastercard has been working with businesses, financial institutions and other stakeholders to advance digital payments in South Africa, and the pandemic has reinforced the necessity to continue evolving the safe and secure consumer payment experience. From a simplified online checkout experience to an in-store tap on a contactless terminal, it is evident that being able to respond to the rapidly evolving consumer expectations is a critical priority.

“We have all been adjusting to a new way of living and are understandably shopping more online. What’s more, this trend appears to be here to stay as 71% of South Africans say they will continue to shop online post-pandemic,” says Suzanne Morel, country manager at Mastercard, South Africa. “Now more than ever people need access to the digital economy and all of us at Mastercard are constantly working with our partners, retailers and SMEs to make the online shopping experience more inclusive, simple, seamless and secure for everyone.”

## The rise of virtual experiences



While adapting to the ‘next normal’, people have been changing the way they consume entertainment and learn new skills. In fact, 68% of South African consumers said they used the time during the pandemic as a positive learning experience.

More than half of the respondents said they had taken a virtual cooking class (55%) or learnt Do-It-Yourself online (51%). Around 39% of respondents enrolled in an online university or educational course, 29% learnt to dance and 28% learnt to do make-up.

As people spend more time at home, the demand for online entertainment has also surged, with 52% of respondents saying they have spent more money on virtual experiences than before the pandemic.

The vast majority (88%) of consumers have participated in video calls for work or leisure, three quarters (75%) have watched TV or films through an online subscription service, three in five (60%) have watched comedy online and nearly half (47%) have taken part in a virtual cooking class.

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3 Nov 2020



## Securing new shopping habits

With the rapid rise in online shopping, consumers are also becoming increasingly aware of the associated risks. More than half (64%) of consumers surveyed said that a secure checkout was fundamental for a good shopping experience.

Mastercard states that this is a key priority for the company as it is working to reduce online fraud and protect retailers from data breaches, while ensuring that consumers still enjoy a convenient and hassle-free payment experience.

To advance these efforts, the company recently rolled out its patented tokenization technology across the region. Tokenization encrypts consumer data by replacing card numbers with digital tokens. This prevents improper usage at any other location and provides additional security and peace of mind for consumers and merchants alike, resulting in higher approval rates while minimizing online fraud.