

# Reimagining South Africa's Path to Digital Commerce and Seamless CX by 2035

 Whitepaper





The digital commerce landscape is undergoing a dramatic transformation—driven by mobile-first behaviours, AI-powered personalization, immersive experiences, and evolving expectations of convenience and trust.

South Africa stands at the edge of a retail revolution. The confluence of mobile innovation, creator culture, digital platforms, and social buying has created a launchpad for digital commerce transformation.

This point of view outlines a strategic vision for how South African retailers can lead this transformation—embracing Digital Commerce and delivering a truly Seamless Customer Experience (CX) by 2035.

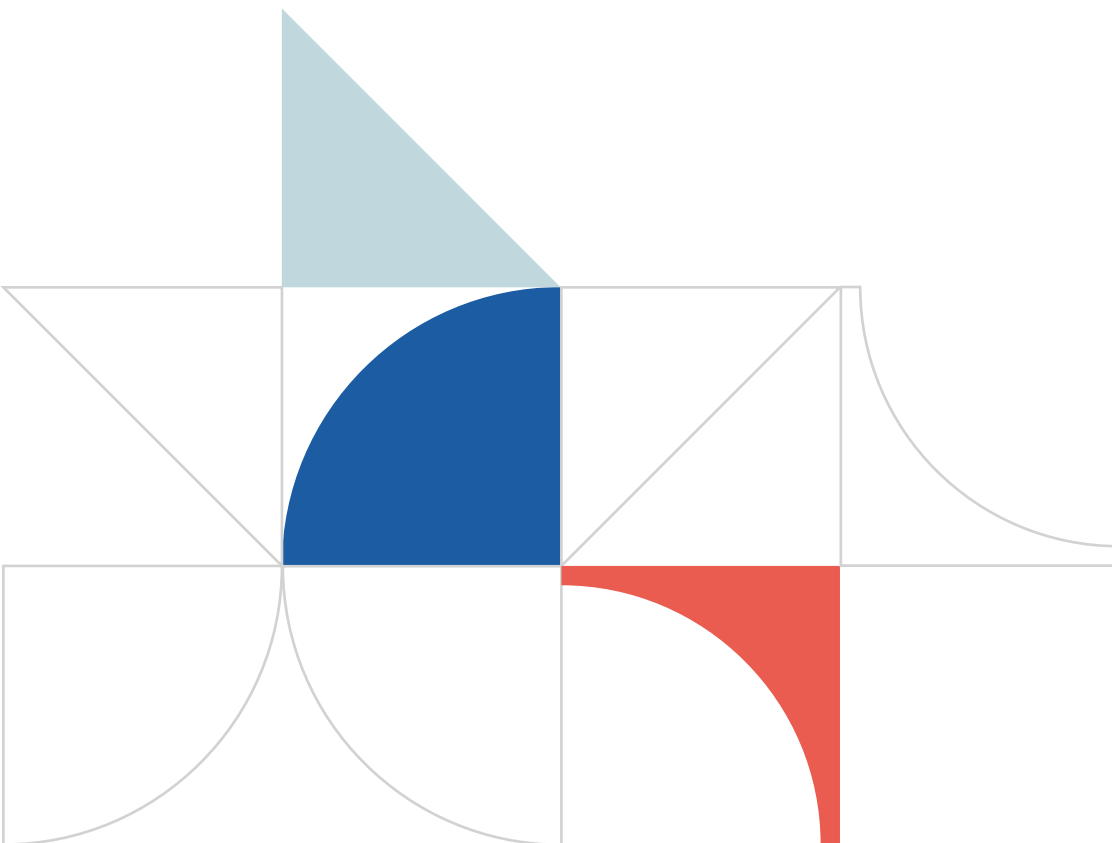


## The Global Shift in Digital Commerce

Across the globe, digital commerce is evolving beyond traditional transactions to become embedded in everyday life. Influencer-powered video commerce, real-time personalization using agentic AI, and super app ecosystems are defining the future of retail.

### Emerging global trends include:

- **AI Personalization Surge:** Retailers like Amazon and Zalando use AI to offer hyper-personalized product suggestions that boost loyalty.
- **Social Shopping Boom:** TikTok Shop and Instagram Checkout are revolutionizing how people shop via creators.
- **Voice Commerce Rise:** Walmart and Ocado enable hands-free reordering via Alexa and Google Assistant.
- **Buy now pay later (BNPL) Expansion:** Klarna and Afterpay drive flexible payments embedded into CX journeys.
- **AR Shopping Tools:** IKEA and L'Oréal deploy AR for virtual try-ons and contextual product previews.
- **Sustainable Commerce Push:** Patagonia and The Body Shop lead with eco-packaging, carbon-light shipping, and traceable sourcing.
- **Q-Commerce:** Hyperlocal delivery from Instacart, Getir, and Meituan caters to instant gratification.





## South Africa's Digital Commerce Landscape

### 3 key stat callouts



R70B  
market by  
2025



>90%  
smartphone  
penetration



70% online food  
orders via fast  
delivery apps

The local e-commerce market is projected to exceed **R70 billion in 2025**, with over **90% smartphone penetration** and a youth-dominated consumer base fueling mobile-first growth.

Local platforms like Takealot, Superbalist, and Checkers Sixty60 are already setting benchmarks with 60-minute delivery models, app-first strategies, and AI-personalized shopping experiences. Social commerce, influencer-led discovery, and hyper-personalization are driving the next wave of growth.

### 1. AI-Powered Personalization Is Becoming Table Stakes

E-commerce players are investing in smart algorithms and real-time behavioral data to personalize the end-to-end customer journey. Platforms like **Takealot** are leveraging AI to tailor product feeds, while others have integrated tools like **Dynamic Yield** to deliver bespoke experiences across channels—from homepage to checkout.

Consumers now expect intuitive navigation, curated recommendations, and timely nudges that reflect their preferences and intent. Personalized pricing, bundles, and content are not just enhancing conversion—they're becoming essential for brand differentiation.



## 2. Mobile-First Optimization as a Growth Driver

With smartphones being the primary digital access point for most South Africans, **mobile-first optimization** is a strategic necessity. Apps like **Zando** and **Woolworths' mobile commerce platform** are delivering frictionless user experiences with streamlined navigation, visual search, and native checkout.

In a market where bandwidth and data costs are still a concern, platforms that offer **lightweight, fast-loading mobile apps or PWAs** are capturing deeper engagement. The mobile screen is no longer just an entry point—it's the primary storefront.

## 3. Social Commerce Is No Longer Niche—It's Mainstream

South African shoppers are increasingly influenced by creators, micro-influencers, and peer communities. Platforms like **Shein** have successfully harnessed **viral TikTok campaigns** to drive discovery and conversion among Gen Z shoppers.

As Instagram and TikTok refine their in-app commerce tools, local brands are exploring influencer storefronts, shoppable livestreams, and WhatsApp-based conversational commerce. For categories like fashion, beauty, and wellness, social is emerging as a critical path to purchase.

## 4. Augmented Reality (AR) and Immersive CX on the Rise

Retailers like **Superbalist** have begun offering virtual try-ons, enabling users to preview products in real-world environments via their phones. This reduces return rates and boosts buyer confidence, especially in fashion and home categories.

As metaverse elements gradually enter mainstream awareness, immersive commerce—such as 3D shopping environments, product visualization, and gamified loyalty—is likely to gain traction among younger, digital-native shoppers.

## 5. Sustainability Is Gaining Mindshare—and Market Share

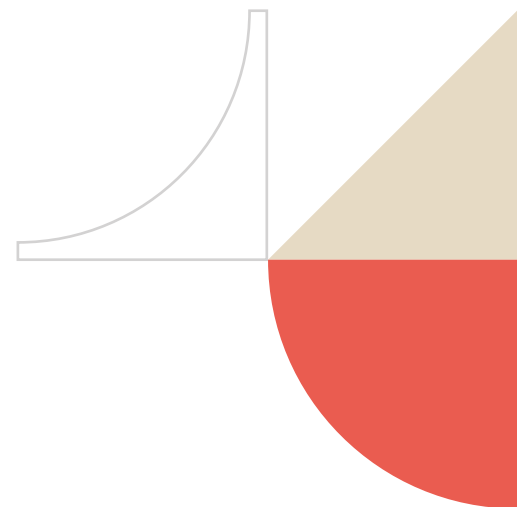
Conscious consumerism is growing. Brands like **Faithful to Nature** are promoting **eco-friendly, ethical shopping**, attracting purpose-driven buyers who prioritize values alongside value.

Initiatives like **carbon-neutral delivery, zero-waste packaging, and locally sourced inventory** are becoming differentiators. Retailers that can transparently embed ESG into product, fulfillment, and packaging stand to win trust and loyalty.

## 6. The Rise of Quick and Hyperlocal Fulfillment

Speed is becoming a competitive advantage. Services like **Woolies Dash** offer **next-hour grocery delivery**, contributing to over **70% of total online food orders** in some urban clusters. Similarly, Checkers **Sixty60** delivers groceries in under an hour.

This reflects a broader shift toward **hyperlocal micro-fulfillment**, enabled by dark stores, AI-powered inventory, and route optimization. As infrastructure improves, these models will expand beyond metros to peri-urban and township regions.



## Learnings from Global Super App Models

One of the most disruptive shifts globally is the emergence of **super apps**—integrated platforms that unify commerce, finance, and lifestyle under one digital ecosystem.

- **Tata Neu (India)** blends retail, groceries, travel, and finance into a unified app with a cross-category loyalty program (NeuPass). This drives ecosystem stickiness and monetizes data across verticals.
- **WeChat (China)** revolutionized mobile behavior by merging messaging, payments, government services, and live commerce in one platform. The secret lies in social commerce, trust-driven communities, and seamless CX.
- **Grab (Southeast Asia)** evolved from ride-hailing to a multi-service super app with embedded fintech, regional logistics, and personalized delivery.

## Strategic Takeaways for South African Retailers

To replicate similar success, South African retailers should:

- **Create Lifestyle Ecosystems, Not Isolated Journeys:** Build a single platform that integrates various lifestyle services—groceries, fashion, wellness, financial tools—rather than offering fragmented digital touchpoints.
- **Unify Identity, Loyalty, and Payments:** Drive frictionless CX with one login, one cart, and one loyalty system across services. This unified experience encourages habitual use and simplifies the customer journey.
- **Leverage Social, Community, and Financial Layers:** Embed live shopping, peer reviews, influencer marketing, and embedded finance options like BNPL or micro-lending to increase relevance and engagement.

- **Adopt Modular Growth Paths:** Launch with a core offering (e.g., food or fashion), then scale horizontally into adjacent lifestyle verticals using microservices and composable architecture—ensuring future-proof extensibility.

## Learning from Comparable Markets: Evolutionary Patterns That Inform the Future

Comparable markets such as India, Southeast Asia, and parts of Latin America offer strategic insights into what South Africa's future retail model could look like:

- **India:** Super apps, ONDC's open digital commerce, and fintech-led loyalty.
- **Southeast Asia:** Grab's logistics-finance convergence with localized CX.
- **Latin America:** Mercado Libre's fulfillment and fintech integration shows how to scale a regional platform.
- **UK and US:** Mature omnichannel ecosystems, AR-enhanced shopping, and headless CMS architectures lead the way.

## These markets reinforce the value of:

- Modular commerce architecture
- Mobile-first customer journeys
- Embedded finance and rewards
- Fulfillment and supply chain innovation





## Macro Trends Shaping South African Retail

### Political & Regulatory

- AfCFTA presents cross-border growth opportunities.
- New e-commerce regulations focus on data privacy and consumer rights.
- Entry of global players like Amazon, Temu, and Shein raises the innovation bar.
- Growing support for African-made products via localization and "Africanization."

### Economic

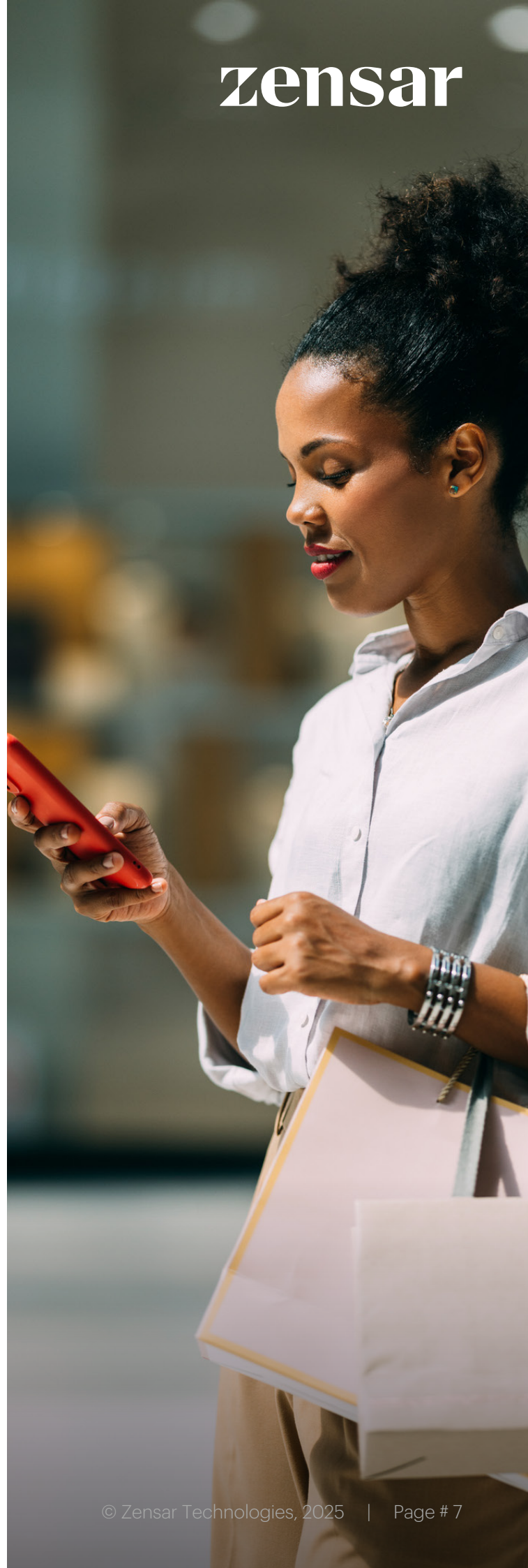
- A weakening Rand is driving demand for affordable, local alternatives.
- Stokvels and informal commerce channels like WhatsApp are powerful retail engines.
- Luxury and premium e-commerce segments are growing in beauty, wellness, and pet care.

### Social & Cultural

- Emerging middle class and Gen Z adoption are driving digital demand.
- Exergaming, wellness trends, and creator-driven content shape new retail formats.
- The creator economy is projected to hit \$17.8B in Africa by 2030.

### Tech, Sustainability & Supply Chain Shifts in SA

- AI-led personalization and voice commerce are on the rise.
- Lab-grown meat and zero-waste packaging are gaining traction.
- Solar-powered warehouses, dark fulfillment hubs, and drone delivery are addressing infrastructure gaps.
- Blockchain in supply chains adds traceability for food, fashion, and pharma.



## Smart Commerce & Seamless CX:

### The Vision for 2035

To meet evolving consumer demands, South African retailers must architect their future commerce model around four pillars:

#### 1. Hyper-Personalization at Scale

Move beyond segmentation to individual-level personalization driven by AI and first-party data. Use real-time signals, purchase history, and preferences to deliver tailored offers, bundles, search results, and content that anticipate needs and increase conversion.

#### 2. Unified Super App Ecosystem

Develop a single platform that combines shopping, finance, wellness, and entertainment. Enable cross-service personalization and rewards while consolidating customer data to reduce friction and increase retention. The future lies in having one login, one cart, and one integrated loyalty journey.

#### 3. Commerce Anywhere, Anytime

Enable shopping to occur naturally through various surfaces—voice commands, chatbots, AR mirrors, livestreams, social reels, and smart assistants. Allow consumers to transact during discovery, not just at checkout, and integrate shopping triggers into everyday digital behaviours.

#### 4. Composable Commerce Architecture

Shift to API-first, microservices-based systems that allow rapid experimentation and scalability. Composable platforms empower retailers to plug in best-of-breed services—whether for payments, search, loyalty, or content—and modernize operations without disruptive overhauls.

## Bold Futures: Glimpses of 2035



The bold future is not a distant dream—it is within reach, if built with intentionality, inclusivity, and innovation.



South Africa's Digital Commerce future will not merely be a digital replica of today's systems—it will be a convergence of hyper-personalized technology, sustainable innovation, inclusive platforms, and culturally rich experiences. Here are a few glimpses of what this future could look like, through the lives of everyday South Africans:

### Zanele –

#### Empowered by AI and Sustainability

Zanele, a 47-year-old teacher from Soweto, lives with a chronic heart condition. Her AI-powered pacemaker is connected to her healthcare provider and pharmacy. It continuously monitors her vitals and automatically reorders medication when required. But what's revolutionary is how she pays—with "solar points" earned from contributing surplus solar energy back to the grid through her rooftop panel system.

Zanele's daily life showcases a future where **healthcare, commerce, and clean energy converge, where smart medical devices integrate with e-commerce platforms, and where sustainability becomes currency**—literally.

### Lindiwe –

#### The Cross-Border Digital Entrepreneur

Lindiwe, a 35-year-old artisan from Eastern Cape, owns a blockchain-enabled online marketplace selling handmade crafts. Through her platform, she sources ethically from local creators across South Africa, Kenya, and Ghana. Smart contracts ensure transparent payments, fair-trade certifications, and digital proof of authenticity for her customers around the world.



Her store is not on Amazon or Etsy—but on a **pan-African decentralized commerce network**. She receives payments via **crypto-wallets linked to mobile money**, and uses **green-certified, last-mile fulfillment hubs** to deliver across continents.

Lindiwe is part of a generation where **borderless, ethical commerce is powered by trustless technology** and rooted in community heritage.

### **Busi – The Immersive Shopper and Digital Athlete**

Busi, a Gen Z creator in Cape Town, shops for clothes in the **metaverse**. She tries on outfits via AR mirrors, attends virtual runway events by African designers, and earns digital rewards for sharing style reviews. She's also an avid gamer—and her fitness routine involves **exergaming**, where she competes with friends while staying active in immersive environments.

Busi is guided by her **AI wellness coach**, who tracks her health vitals, recommends hydration and nutrition tips, and nudges her toward balance. Her shopping, entertainment, and wellbeing are all **interconnected through intelligent platforms** that adapt to her rhythm.

Her life reflects a future where **commerce becomes culture, and wellness becomes gamified**.

### **Simon – The AI-Enhanced Coach in the Township**

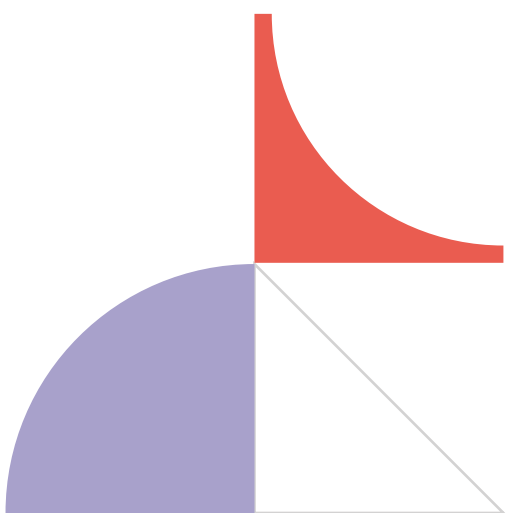
Simon, 52, is a retired athlete coaching a padel team in a peri-urban community. He uses **AI-powered multilingual training apps** tailored to his players' strengths, language, and fitness goals. The team's expenses—from racquets to uniforms—are funded via **Stokvels that now invest in clean-energy retail bonds**, creating a circular economy within their community.

Simon shares performance analytics on group dashboards, coordinates practice slots with smart scheduling bots, and livestreams their matches on community platforms—driving both participation and sponsorship.

Simon's story shows how **grassroots sports, community finance, and intelligent tech** can reshape lives—uniting purpose and progress.

These stories may sound futuristic—but they are grounded in technologies already available today: AI, blockchain, immersive platforms, drone logistics, and solar microgrids. The bold future is not a distant dream—it is **within reach**, if built with **intentionality, inclusivity, and innovation**.

South African retailers, technologists, and policymakers have the chance to shape this future—not by catching up to global trends, but by creating a **distinctly African model of smart commerce**—resilient, equitable, and deeply human.



## Strategic Imperatives for South African Retailers

### To realize the 2035 vision:

#### **1. Double Down on Mobile-First and Omnichannel Retail**

Design for mobile-first with seamless transitions between physical and digital stores. Mobile UX should be frictionless, app-centric, and optimized for local relevance.

#### **2. Build Ecosystems That Drive Retention**

Create interconnected platforms that combine groceries, fashion, finance, and more. A unified ecosystem increases stickiness and deepens customer relationships.

#### **3. Embed ESG into Commerce as a Differentiator**

Use sustainability as a brand asset. Embed eco-friendly options into product filtering, delivery, and returns to align with emerging conscious consumerism.

#### **4. Create Curated Marketplaces and Innovation Labs**

Build marketplaces that reflect brand purpose and values. Use innovation hubs to test and iterate AI, AR/VR, blockchain, and new business models.

#### **5. Invest in Last-Mile and Micro-Fulfillment Infrastructure**

Meet rising delivery expectations with local fulfillment hubs, temperature-controlled delivery, and on-demand partnerships.

#### **6. Turn Loyalty into a Personalization and Engagement Engine**

Make loyalty programs dynamic, contextual, and behavior-based using AI—turning every touchpoint into a personalized moment of value.

#### **7. Align Early with Regulation and Digital Trust Standards**

Lead on compliance. Proactively align with data privacy, digital ID, and ethical AI standards to build long-term trust and differentiation.



## The Role of Strategic Technology Partners

The successful realization of Digital Commerce and seamless CX by 2035 will rely heavily on **strategic partnerships**—not merely with vendors, but with **technology orchestrators** who bring deep industry understanding, scalable platforms, and future-forward thinking. These partners will serve as catalysts for innovation, operational agility, and customer-centricity.

Here's how strategic partners must differentiate themselves:

### 1. Experience in Retail Transformation and Composable Commerce

South African retailers need partners who have a **proven track record of delivering end-to-end digital retail transformation**—from legacy modernization to omnichannel rollout and supply chain digitization.

Most importantly, they must enable the shift from rigid monoliths to **composable commerce platforms**—built on modular, API-first,

microservices-based architecture. This allows retailers to:

- Rapidly plug and play best-of-breed capabilities across personalization, search, loyalty, OMS, and content.
- Scale new business models like social commerce, subscriptions, or contextual commerce with minimal disruption.
- Enable multi-brand, multi-geo expansion while maintaining brand consistency and infrastructure efficiency.

By embracing composability, retailers unlock agility, extensibility, and resilience, which are critical to staying ahead of shifting consumer expectations.

### 2. Expertise in Data-Driven Customer Experience and Headless Architecture

Modern commerce hinges on the ability to **capture, analyze, and act on data in real time**—to personalize, predict, and deliver seamless experiences across every touchpoint. Strategic partners must bring:

- **Deep capabilities in customer data platforms (CDPs)** that unify first-party, behavioral, transactional, and loyalty data.
- Tools and strategies for **dynamic experience orchestration**—adjusting content, offers, and navigation based on real-time intent.
- Integration of **AI and machine learning** to drive product recommendations, search relevance, next-best actions, and intelligent targeting.

To support this, partners must also offer robust headless commerce frameworks that decouple front-end experiences from back-end logic. This allows retailers to:

- Design and deploy omnichannel, pixel-perfect experiences across web, mobile, in-store displays, voice, and emerging interfaces like AR/VR.
- Shorten go-to-market cycles and enhance experimentation without disrupting core systems.
- Support localization and personalization for diverse user segments, geographies, and device types.



### 3. Proven Thought Leadership in Digital Retail Innovation

The pace of change in digital commerce demands more than technical competence—it requires **vision, foresight, and industry-specific innovation leadership.**

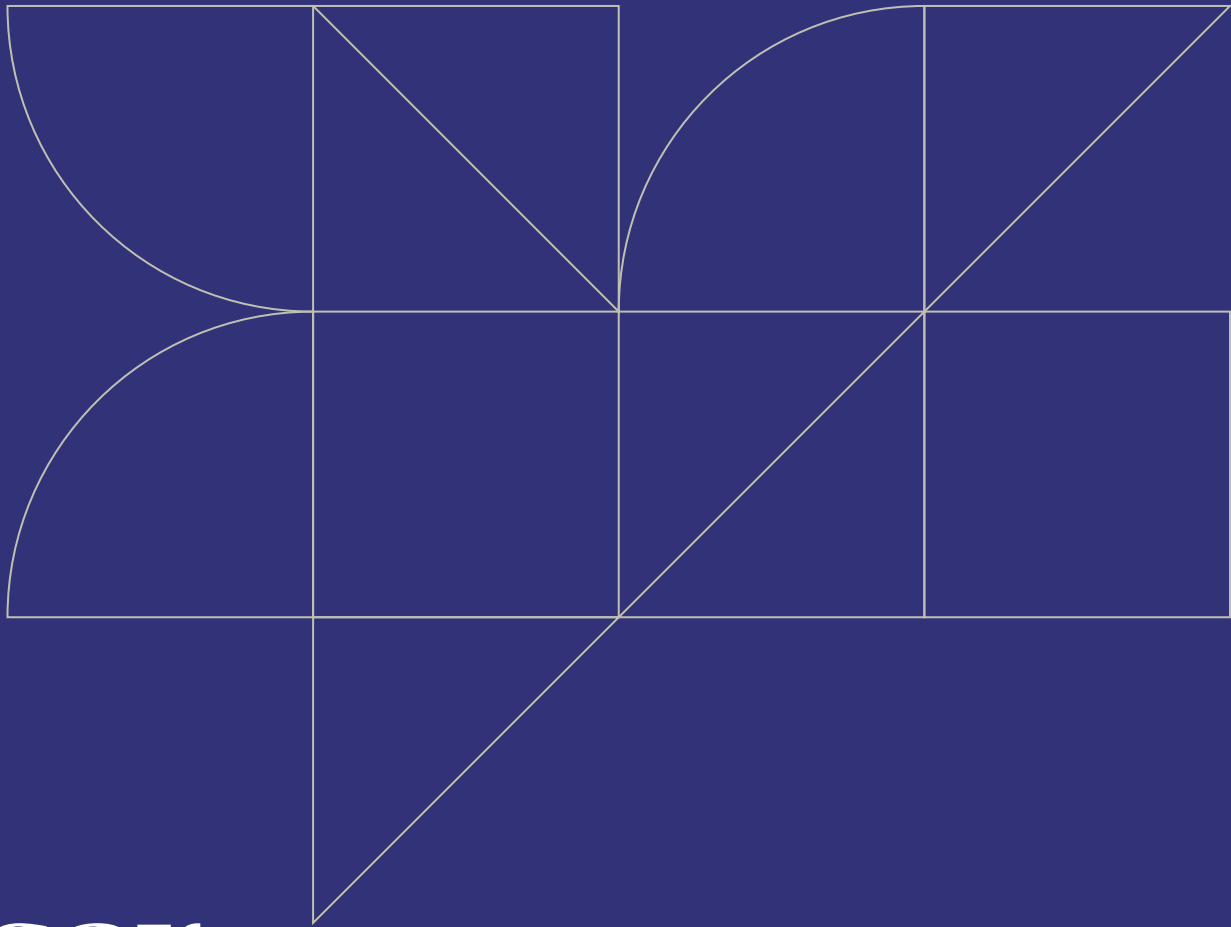
Strategic partners should:

- **Publish trend insights, CX benchmarks, and innovation roadmaps** tailored to the retail domain—helping business leaders plan proactively.
- Host or co-create **innovation labs, design sprints, and pilot programs** with retail stakeholders to incubate and scale new ideas.
- Bring **proprietary accelerators, AI/ML models, and reference architectures** that reduce time-to-value and de-risk transformation.
- Actively participate in **global retail ecosystems**—from MACH alliances and Adobe Experience Cloud forums to headless commerce consortiums—bringing back best practices and lessons learned.

In short, the right partner isn't just building for today—they're **shaping the playbook for tomorrow**, helping South African retailers leapfrog global standards and create their own benchmarks in digital commerce.







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