The R159 billion opportunity for South African retailers



A recent report revealed an online retail boom in South Africa, with revenue expected to grow 22.5% to R159 billion in 2026, accounting for 10% of the total national retail turnover.

However, it also shows that while 79.1% of South African adults have internet access, participation in online shopping is 34.2%, down slightly from 36.6% in 2024.

The Online Retail in South Africa 2026 report was produced by World Wide Worx in partnership with Mastercard, Peach Payments and Ask Afrika.

Consumer findings are drawn from Ask Afrika's Target Group Index, which comprises 23,910 interviews conducted through the end of 2025.

The report indicated that total revenue is increasing because existing shoppers are spending more, primarily among higher-income, urban, and well-connected South Africans.

Over 60% of adults in households earning R40,000 or more shop online, compared with only 23.9% of lower-income consumers. 70.4% of these lower-income consumers have internet access.

Mastercard Division President for Africa, Gabriel Swanepoel, said that the barrier to broader participation is no longer access but confidence.

“South Africa has a highly connected population. Nearly four in five adults are online, yet only a third of adults shop online,” he said.

“That gap is no longer about access; it is about confidence. People hand over their card details when the experience has earned that trust, while merchants need secure and reliable tools that work across different devices, income groups and locations.”

He explained that as digital commerce continues to grow, secure and accessible payments can help turn connectivity into participation, giving more consumers the confidence to transact and more businesses the opportunity to grow.

The report shows that factors such as delivery fees, minimum-order thresholds, and unreliable last-mile service outside major urban areas all contribute to practical obstacles that limit consumers’ ability to shop online.

In addition, the reports highlight factors such as data costs, lack of shopping knowledge, payment security concerns, distrust in delivery service providers, and limited support for South African languages as barriers to online shopping.

South Africa’s online retail boom



The recent report shows that online retail continues to grow faster than the broader retail sector, outpacing it more than fivefold.

Findings showed that retailers are actively using marketplaces, fulfilment services, subscriptions, loyalty programmes and advertising to improve the economics of digital operations.

World Wide Worx Managing Director Arthur Goldstuck said that South African online retail has grown significantly over the last decade, from less that 1% of retail turnover to a tenth of the market.

“It is adding almost the value of the entire 2020 online market in a single year, and several major operations are now profitable,” said Goldstuck.

He said that retailers are no longer funding digital commerce as a side project and are taking steps to enhance their operating systems.

He also highlighted that the report makes it clear that competition among online retailers is increasing.

The report shows that Takealot remains the most-used platform, used by 35.3% of online shoppers, followed by Shein at 21.5% and Checkers Sixty60 at 15%.

Amazon was used by 12.7% of online shoppers before the South African launch of Prime in June 2026.

For the coming year, the report suggests that subscription and delivery economics will play a major role in shaping competition among retailers.

Traditional retailers that have entered the online commerce space, such as Shoprite, are offering competitive delivery packages.

For example, Amazon Prime costs R59 a month in South Africa, while Shoprite’s Xtra Savings Plus offers unlimited free deliveries for R99 a month.

Takealot’s delivery subscription programme, TakealotMORE, accounted for more than 25% of Takealot Group’s gross merchandise value within two years of its launch.

Online retailers Amazon and Takelot both offer pickup options, where customers can order online and then pick up their orders at a designated pickup location near them.

In addition, traditional retailers are using their physical store locations as local pick-up centres to mitigate the high costs of courier services and the delivery challenges in areas beyond major urban centres.

For example, over 55% of Mr Price’s online orders are collected directly from their stores.