

2021. 10

HEAVY CHEF REPORTS

# e-commerce entrepreneur education

in partnership with



[heavychef.org](https://heavychef.org)

# ON THE MENU

---

01

Welcome

02

Entrepreneur  
Education

03

E-commerce  
Entrepreneurs

04

Trends  
& Insights

05

Women  
Entrepreneurs

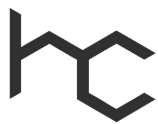
06

Moving  
Forward

## 01 WELCOME

---

# The long-predicted shift of the tectonic plates has finally taken place. E-commerce has gone mainstream. Are South African entrepreneurs ready?



HEAVY CHEF  
FOUNDATION

There is no shortage of data on the adoption and growth of e-commerce in South Africa. Yet, very little is known about the knowledge and skills required of entrepreneurs to start an online business.



**Only 18% of e-commerce entrepreneurs know of or have attended a training programme about building an online business.**

Heavy Chef's non-profit, the Heavy Chef Foundation in partnership with leaders in web hosting xneelo, sat down with 298 e-commerce founders to find out, first-hand, what the skills demands are of running an online business.

The Heavy Chef e-commerce education report is the first of its kind to research and map out the learning needs of e-commerce entrepreneurs.

"Empowering South African entrepreneurs to take their businesses online and successfully build e-commerce sites is one of xneelo's great passions. It is why we are excited to share the results of this report with the entrepreneur community at large." says xneelo's brand manager, Athena Turner.

In the spirit of serving entrepreneurs, this report has identified five insights relevant to contextual trends unique to the world of e-commerce. Based on these insights, Heavy Chef and xneelo have made three recommendations to support the development of e-commerce entrepreneurs in South Africa.

# The foundations of educating entrepreneurs in South Africa

Since 2019, Heavy Chef has researched the learning habits and needs of South African entrepreneurs. The goal is to provide nuanced data that paints a picture of the lifestyle of an entrepreneur. Here are five insights about the different ways entrepreneurs learn.

---

### HABITS

---

1

#### Learn Solo

*Entrepreneurs are masters at self-directed learning, preferring to create their own learning pathways.*

2

#### Learn Local

*Entrepreneurs value hyper-local interactions and content relevant to the people and places they know.*

3

#### Learn Micro

*Entrepreneurs acquire knowledge in short, intense bursts in-between working on their business.*

4

#### Learn Critical

*Entrepreneurs prioritise learning that has an immediate measurable impact on their business.*

5

#### Learn Real

*Entrepreneurs prefer immersive learning that matches real world experiences over any other.*



#### Download Habits Report

Scan to visit:  
[heavychef.org/2019-annual-report](https://heavychef.org/2019-annual-report)

## 02 ENTREPRENEUR EDUCATION

---

With an understanding of the learning habits of South African entrepreneurs, the question moves to how to teach entrepreneurship that best serves their needs. Here are five insights that learning and development programmes can adopt when engaging with entrepreneurs.

---

### NEEDS

---

1

#### Teach Personal & Peer

*Entrepreneurs seek learning that is personalised and allows for sharing knowledge among their peers.*

2

#### Teach Accessible & Credible

*Entrepreneurs are increasingly accessing e-learning platforms and vigorously assessing their credibility.*

3

#### Teach Cash & Community

*Entrepreneurs rank learning about financial controls and new ways of attracting customers as a priority.*

4

#### Teach Useful & Beautiful

*Entrepreneurs yearn for educational content that is beautifully crafted, that they can apply in easy steps.*

5

#### Teach Depth & Discipline

*Entrepreneurs are looking to learn more about improving their strength of mind and wellbeing.*



#### Download Needs Report

Scan to visit:  
[heavychef.org/2020-annual-report](https://heavychef.org/2020-annual-report)

# On the brink of a new era.

- The Covid-19 pandemic has accelerated e-commerce by up to 5 years.
- There's been an exponential increase in the number of micro to small e-commerce businesses.
- The majority of these online stores are less than 2 years old, started by people older than 30 years and female.
- We can expect a continued surge in e-commerce startups coming online.
- The unique demands of running an e-commerce business require insights into the knowledge and skills needed by e-commerce entrepreneurs.

”

**The story of e-commerce in South Africa goes way beyond the success of a handful of early innovators.**

It is predicted that the Covid-19 pandemic has accelerated local e-commerce adoption in South Africa by as much as three to five years. Some 68% of South African consumers are shopping more online and it is estimated that the 1-2% hold the sector had in the retail space almost doubled in 2020, if not more. This shift has permanently altered entrepreneurs' appetite to start, run, and grow online businesses.

The story of e-commerce in South Africa has predominantly focused on the success stories of early e-commerce innovators like Takealot, Yuppiechef, WooCommerce, Wantitall, Superbalist – to name a few. Then of course most large retail brands have also now become

## 03 E-COMMERCE ENTREPRENEURS

---

dominant players in the local e-commerce industry. But, the real story of e-commerce over the last year and a half has been the growth of the long-tail of micro to small online shops going live. Between March and October 2020, payments specialists PayFast registered over 25, 000 new merchants, far surpassing any previous peak periods. From research done within the Heavy Chef community, 72% of online shops in South Africa generate a turnover of less than R500, 000 per year, of which 59% are less than two years old.

”

**72% of online shops  
generate a turnover  
of less than R500, 000  
per year.**

These micro- to small 'mom-and-pop' online shops generally operate full-time (64%) or as side-hustles (36%). The age group of people who start them are older than some would expect (71% are older than 30 years old) and most are female founders (63%). We know they typically use social media – in particular Facebook (69%), their own websites (53%) and Whatsapp/SMS (48%) – as their main channels for selling their products online, and that they rely heavily on 3rd party technology vendors to set up, market, transact, deliver and service their customers.

These are some of the things we are starting to learn about the profile of e-commerce startups coming online. With unprecedented growth in online shopping and new e-commerce shops being started, South African e-commerce still only accounts for 4% of total retail spend, 14% less than the global average. Thus in a context where we can expect a further surge of e-commerce activity – especially among informal and micro businesses – we have to ask how we are preparing entrepreneurs to build online businesses?

It is clear that there are demands unique to the world of e-commerce that entrepreneurs will face. How are we supporting e-commerce entrepreneurs to best navigate starting and running an online shop? What are the skills they need and the barriers they face?

Drawing from data from the 2020 Heavy Chef Entrepreneur Education Survey, the Heavy Chef report on educating e-commerce entrepreneurs has identified five insights into their learning needs, relevant to the contextual realities of competing on the brink of a new era.

# Trends & Insights

---

The skills and knowledge needs of e-commerce entrepreneurs.



## INSIGHT #1

---

In the past, online shops could organically grow their brands by creating and nurturing an audience without paid promotion. Today, the business models of social networks – and their innovation in advanced targeting tools in particular – demand that you have to pay-to-play if you want to increase your reach.



**E-commerce entrepreneurs with limited budgets are investing in marketing and sales skills to attract clients and ensure that they get the best bang for their buck.**

**85%**

Of e-commerce entrepreneurs say they find it moderate to hard to attract new clients.

**46%**

Rate their marketing and sales skills as poor to average.

**52%**

Wished they invested earlier in their ability to use digital tools and innovate to market their products better online.

**”**

*"It's harder than ever to attract and retain customers online; it requires effort and a strategic skill set."*

**Andrew Smith**  
Co-Founder Yuppiechef

## INSIGHT #2

---

The pandemic has driven more businesses online, in many instances out of necessity. This has meant that an increasing number of online shops are being run as full-time gigs raising the stakes of ensuring success as livelihoods now depend upon it more than ever.



**E-commerce entrepreneurs are realising more than ever that their skills in the fundamentals of running a business are just as important, if not more important, than their technology skills.**

**62%**

Of e-commerce entrepreneurs rate their general knowledge of running a business as poor to average.

**46%**

Have not focused on developing their operational skills prior to starting their online business.

**43%**

Struggle with the daily planning as part of managing their business (38% with long-term planning).

**”**

*"It still comes down to being obsessed with the basics: customer service, quality and managing your money."*

**Annette Muller**  
Founder Flexyforce

## INSIGHT #3

---

On almost all fronts the quality of platforms and support services on which e-commerce businesses are built have improved substantially. Choosing the right partners and fostering a productive relationship with them has become crucial to the success of any online business.



**E-commerce entrepreneurs are recognising the power of partnership and are investing in skills to network and collaborate with others.**

**52%**

Of e-commerce entrepreneurs say that access to operational and funding partners are currently a top priority for them.

**71%**

Say they have limited access to networking opportunities to find new partners to help their business.

**68%**

Say they had no exposure to other e-commerce entrepreneurs when they started out.

**”**

*"It really is the heartbeat of your brand. Partnerships will make or break your business."*

**Tshepo Mohlala**  
Founder TSHEPO Jeans

# Special focus

---

Supporting women  
in e-commerce.

written by  xneelo™

Around 40 years ago, the idea of women managing their own business would have seemed ambitious at best. Today, this is no longer the case – the effects of rising equality, technology, and in particular, e-commerce are making it possible for women entrepreneurs to not only start their own businesses, but also design them in ways that fit the lifestyle they desire.

Women are unstoppable! They are ambitious and want to build beautiful and meaningful things while also providing for their families – and e-commerce offers them the opportunity to do so. This sentiment is reflected in data from the Heavy Chef Entrepreneur Education Survey which showed 63% of the e-commerce founders surveyed were women.

”  
**63% of  
e-commerce  
businesses are  
started by women.**

For this potential to be fully realised in South Africa though, it is essential that women be given plenty of opportunity to access the necessary skills, knowledge, and technology to build online businesses.

“If we can include more women in the ecosystem, we’ll see a much broader range of solutions coming out of it, that address issues at all levels of our economy,” says Aisha Pandor, CEO and Co-Founder of SweepSouth.

Marie De Wet, Founder of Examsta.co.za highlights the resilience and sense of responsibility shared by women entrepreneurs: "Starting out is never easy but I taught myself basic programming, built the prototype and never looked back."

As a brand that is passionate about empowering entrepreneurs, xneelo is excited about the story of women in e-commerce unfolding before our eyes and we want to do everything we can to honour and contribute to it.



### **Leadership Recipes**

Scan to watch xneelo CEO,  
Philip Delpont at [heavychef.com](http://heavychef.com)

## INSIGHT #4

---

In the face of competing with large-scale e-commerce brands and lack of support from formal institutions, increasingly e-commerce entrepreneurs are collaborating with other entrepreneurs in order to increase their influence, save on costs and have more negotiating power as a community.



**E-commerce entrepreneurs are searching for opportunities to connect, learn from and share with their peers.**

**72%**

Of e-commerce entrepreneurs say that their peers have had the biggest positive impact on their business.

**42%**

Rate the effectiveness of formal education – traditionally a source of networking and support – as poor.

**56%**

Regularly share their learning with other entrepreneurs, mostly one-on-one and in-person.

**”**

"Team up to ship in bulk, co-promote, cross sell – you have to work together to survive."

**Justin Drennan**  
Founder ParcelNinja

## INSIGHT #5

---

Many of the technological functions of starting an e-commerce business have been made easier and more cost-effective. At the same time, e-commerce entrepreneurs' ability to compete on pricing and discoverability has become harder, thus increasing their reliance on crafting a unique value proposition.



**Entrepreneurs are investing in their ability to build a unique brand and create a culture that is creative and people-centric (for their team and customers).**

**74%**

Of e-commerce entrepreneurs rate creativity and critical thinking as their most important skills asset as an entrepreneur.

**58%**

Identify their people management skills as most important to develop over their technological skills (43%).

**62%**

Rate their ability to create value in innovative ways as their most important skill to develop looking towards the future.

**”**

"Our best features came from listening to our customers, iterating and then repeating that cycle."

**Aisha Pandor**  
Co-founder Sweepsouth

## 06 MOVING FORWARD

---

The modern demands of the e-commerce industry require entrepreneurs to develop a unique set of skills to increase their chances of success.

Based on the insights from this report, Heavy Chef and xneelo have identified 3 ways various stakeholders in learning and development can support the development of e-commerce entrepreneurs in South Africa.

1

### Mentorship

Create more opportunities for startup e-commerce entrepreneurs to meet with and learn from the founders of early e-commerce innovators.

### Money

Allocate budgets to design learning programmes tailored to the unique needs of e-commerce entrepreneurs – in particular in areas of online sales and operations.

2

3

### Measurement

Create a central data hub to track the effectiveness of e-commerce learning programmes and communicate insights back to the industry.



## Acknowledgements

---

It is said that the best kind of work is done with a small dedicated team of passionate individuals. A special word of gratitude to the following super human beings:

Athena, Fred, Louis & Lukhanyo for **kickstarting the collaboration**.

Kim for your countless hours of **research, writing & editing**.

Jenna for your contributions to the **concept and coordination** of the report.

Shannon, Mark and Mwabi for **soundboarding and suggestions**.

And last but certainly not the least: our community of **Heavy Chefs**.

---

We thank you for your continued support in our efforts to serve entrepreneurs.

## Contact

HEAVY CHEF  
[www.heavychef.com](http://www.heavychef.com)  
[reports@heavychef.com](mailto:reports@heavychef.com)

XNEELO  
[www.xneelo.co.za](http://www.xneelo.co.za)  
[support@xneelo.com](mailto:support@xneelo.com)