

Cross border trade set to grow e-commerce in SA

 By [Efi Dahan](#)

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More and more, consumers in sub-Saharan Africa are looking beyond their borders to get the products and services they need. According to the recent KPMG ['The Truth About Online Consumers'](#) report, the African/Middle Eastern markets import 50% of all online purchases from other regions, making them the number one online importer worldwide.



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This certainly shows the importance of international e-commerce not only worldwide, but here in South Africa. Let's look at a few trends that are set to grow the South African e-commerce industry in 2018.

Consumer behaviour

A recent global [digital report](#) produced by We Are Social and Hootsuite indicated that more than half the world now uses a smartphone. This, coupled with 2.56 billion global mobile social media users, indicates that consumers and social media users are increasingly exposed to a larger variety of products that are available on international shopping websites.

Additionally, it's also been said that 67% of consumers who shop abroad are buying because prices are lower outside of their own country.

But what really drives online shopping? Today, consumers can shop from anywhere, at any time they want, as well as from multiple shops at the same time without having to stand in long queues or manage your time around

limited shopping centre trading hours. This consumer behaviour is forcing merchants and manufacturers to rethink their online strategy. When international shoppers are buying from an online retailer in another country, they look for reassurance that everything will be ok with their purchase. Trust can be built through offering local language websites, different currency options, and payment methods that are universally recognised and trusted, like PayPal for example.

Over the years online shopping has been slow to take off in South Africa. However, recent research indicated that 58% of online adults in South Africa shopped online over the past 12 months. This is also forecasted to continue, which shows that South African consumers are growing more and more comfortable with digital technologies. However, there are still consumers and merchants that have concerns about shopping and selling online due to certain pain points.



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The rise of new technology and services that address pain points

With advances in technology and the growth of the global digital economy, consumers are realising that cross-border shopping isn't as out of reach as it used to be in the past. Cross-border payment enablers are now offering consumers and merchants enhanced services that address some of the most frequent pain points South Africans mention when participating in e-commerce. Consumers should make sure to check if the payment provider they are using has programmes in place to address their key concerns.

For example, some of the programmes offered by these service providers, are designed to make sure consumers have peace of mind when shopping online. Many people have heard stories about purchasing something from an overseas website and having the wrong item arrive, or worse, having nothing arrive at all. Consumers are much more likely to shop with a payment provider who has mechanisms in place for managing if an item never arrives or if the item you received is not what you were expecting.

Additionally, some payment providers have services to help you if you simply change your mind about a purchase. One of the most common reasons why consumers try and avoid online shopping is the fact that you can't try on that dress or pair of shoes – so what if it doesn't fit or isn't flattering? Many people fear the schlep of returning something they don't like, especially if they purchased it from overseas. Consumers must look for payment providers that ensure the cost of returning an item, especially to an overseas vendor, is minimal.

Some service providers even go as far as support South Africans who wish to sell internationally as well. They have programmes that are designed to help guard South African merchants from losing money to fraudulent buyers' claims, chargebacks and reversals, so that they feel more confident about taking advantage of the opportunities offered by global e-commerce. This is an important quality to look for when looking for a payment partner when selling online.



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Look ahead

As consumers in sub-Saharan African countries have increased access to mobile phones and exposure to products and services they can't normally get from local providers through online shopping, cross border payment enablers have a huge opportunity to expand their service offering and empower consumers and business owners in the region.

The African continent is making substantial strides in technology and e-commerce, but many are still unsure of the risks associated with selling goods and services online. Cross-border payment enablers today are providing the solutions, so consumers and merchants can embrace the digital economy without fear, and realise the immense opportunity global e-commerce provides.

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