

South Africans have embraced online shopping

The latest Wonga.com South Africa device usage data indicates that 44.64% of its customers use traditional computers or laptops when applying for a short-term loan, followed by Android-powered smartphones (17.69%) and BlackBerry devices (17.06%).



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Craig Whittaker, head of Product at Wonga.com South Africa, explains that the country has a long way to go before reaching saturation when it comes to accessing financial services via mobile devices, such as smartphones and tablets. "However, when compared to other emerging economies, the multi-device success seen in the local online shopping sector has laid a strong foundation for the future growth of digital finance.

"South African consumers have embraced the convenience of secure online shopping and are becoming accustomed to its associated online payment channels. Simultaneously, companies are adapting their product offerings and improving the user experience to cater for this increasing consumer appetite. The next big shift in South Africa will be the growth in accessing finance digitally via multiple electronic devices.

Sales figures

According to sales figures from the country's largest mobile phone retailer, Pep Stores, there has been a tremendous shift towards consumers purchasing and using smartphones. The company figures revealed that in the year to the end of June 2014, it sold no less than 6.7 million prepaid phones.

The company experienced a tremendous growth in sales of smartphone devices, contributing 1% of the company's sales in the half-year to December 2013. This figure jumped to 7% by the end of June 2014 and in March smartphone sales attributed to 23% due to special offers and new low-cost handsets.

"As mobile devices and access to data becomes more affordable, coupled with a maturing online shopping and payment

market, millions of South Africans will progress to accessing financial services online ranging from short-term loans to more complex financial products, such as insurance or brokerage accounts," says Whittaker.

Quick and convenient

He adds that quick and convenient access to digital finance services will also become increasingly popular as more and more South Africans look outside of mainstream financial institutions to meet their financial needs.

Whittaker says that the Generation Y factor will also drive digital finance services in South Africa. "As early adopters, this generation is not only more tech-savvy, but also more accustomed to convenient and transparent self-service digital channels, preferring to take more active control of the transaction process. Mobile, smartphones and tablet devices are increasingly this generation's preferred means of online engagement."

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