

The role of EFT payments in enhancing online retail revenue

According to Effective Measure's 2017 E-commerce Industry Report, 54% of South Africans have not yet shopped online. Just like consumers who already shop online, shoppers sticking to in-store retailers say that a payment method they can trust would encourage them to shop online.



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Karen Nadasen, PayU South Africa CEO, says that online retailers – particularly those looking to launch their websites – should recognise that consumers are likely to remain hesitant for some time to come. “Rather than a risk to online retailers this is simply a good reason to offer alternative payment options such as electronic transfers (EFT) to encourage consumers to shop online,” she says.

“EFTs are fast, easy, and completely secure,” she says, “ideal for South African consumers who do not wish to use their cards online, or who do not have cards at all, but still want to enjoy the convenience of online shopping.”

Payment advancements to benefit consumers

Thomas Pays, CEO of i-Pay explains that as e-commerce has become more popular, payment technology – particularly around the security of online payments – has advanced alongside to benefit consumers, including EFT payments.

“Consumers who are online demand shopping experiences that are less hassle than getting in the car and driving to the store, and the new generation of EFT payment integrations offer exactly that,” he says.

“No longer must consumers open their online banking portal in a second window, and then hopefully copy account details correctly. Merchants do not need to wait for customers to email proof of payment, and then wait some more for the payment to clear.”

According to i-Pay, online retailers offering payment options like i-Pay alongside Visa and MasterCard allow their customers to make instant transfers on any device. “In our experience, merchants and consumers alike appreciate a platform that comes with real-time instant payment notifications and as payments are always matched and easy to track, there is no additional administrative burden on the merchant,” adds Nadasen.

Last year, the value of transactions made through i-Pay, increased by over 200% compared to the year before, suggesting the increasing popularity of EFT as a payment method.

“In today’s competitive business environment, online retailers cannot afford for consumers to abandon their carts, or not visit their sites at all, because they cannot pay in the way that they want to, because payment is too complicated or because of mistrust the payment methods offered,” says Pays.

While e-commerce is still in its infancy locally, Nadasen believes that the sector is set to grow. “This is particularly true as online retailers help consumers realise that there are secure payment methods like EFT available,” she continues, “and that it’s not only credit card holders who can enjoy shopping online.”

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