

PayPal upbeat about digital sales

PayPal expects sales from SA of R53bn in 2018 as more and more South Africans use their cellphones as digital wallets.



On Monday online payment platform PayPal released a report showing that more than half of all South Africans who had smartphones were using their devices as their preferred method of transacting. Of the people surveyed, 46% said that being able to shop on their cellphone has made them buy more, while 52% said that in the past month they had left the house without their wallet at least once, instead making payments using their phones.

According to the report, the majority of South Africans would rather leave home without their wallets than without their cellphones, and three of the top seven most used apps were related to e-commerce.

Speaking from the Seamless Africa Conference, which started in Cape Town on Monday, PayPal GM for Africa Efi Dahan said they were expecting online sales in SA to reach R53bn in 2018, "up from R37bn just two years ago".

E-commerce growth was much faster in SA than in the rest of Africa and Europe. "The main reason for the increase is the high level of mobile penetration in SA," said Dahan.

"Retailers have realised this and have started to develop solutions for users that are faster, cheaper and safer. Greater variety and cheaper prices are the two main drivers for users to shop online. You can buy food, book a movie and order transport from your mobile phone, so people need their wallets less and less."



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Efi Dahan 12 Jan 2018



South African online sales surpassed the 1% mark of total retail sales for the first time. But while the achievement was a milestone, SA remained behind developed economies.

"The 1% problem is as much an intriguing opportunity as it is a daunting task," said the MD of IT and telecoms provider Kinetic, Terry Southam. "The potential for growth and rapid acceleration is real."

MallforAfrica CEO [Chris Folayan](#) said the e-commerce landscape in Africa was evolving so fast that it was "almost impossible to keep up".

According to Dahan, data from PayPal found that there was a huge opportunity for local businesses to reap rewards and grow, "if they embrace mobile e-commerce and provide the convenience consumers all over the world crave".

The survey also quizzed participants on stressful scenarios and found that 60% of South Africans ranked losing their phone or having it stolen as a scenario that would cause them the most anxiety and worry. It tied with a home robbery for the highest response, and more South Africans are worried about having their phone stolen than getting fired from their job.

Source: Business Day

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