

Four reasons customers are still reluctant to shop online

By Donovan Marais

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E-commerce is on the rise in South Africa. According to recent research conducted by Ipsos on behalf of FNB and Paypal, 22% of South African Internet users have made purchases online, and 48% expect to do so in future...



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This is clearly a growing and potentially lucrative market for small businesses that are able to give customers the convenience and flexibility of doing business online. But what about the 30% of people who are not shopping online? What's holding them back and how do can they be persuaded to make the big leap?

Here are a few of the reasons some people are still reluctant to shop online, and a few ideas about how you, the small business owner, can change their minds.

1. Concern about delivery times

Especially as we enter the festive season, people are shopping for gifts for their friends, loved ones, or business contacts. Many of them are anxious about whether an item they order online will be shipped in time to reach the recipient for Christmas. According to Ipsos, 58% of those who have not shopped online say that concerns about not receiving items they have ordered is the reason they don't do so.

Be sure that you work with a reliable courier company or have a good driver to handle your deliveries at this time of the year. Speak to your couriers and suppliers to find out about their lead times and don't make any promises that you can't keep. If you miss a Christmas shipping date, you'll probably lose the customer forever.

Tip: Post your cut-off dates for Christmas orders and shipments prominently on your website, marketing emails, and other communications so that customers are aware of the deadlines and stick to them.

2. Fraud and security fears

Some 67% of non-online shoppers in the Ipsos survey voice concerns about the security of online payments. With a flood of seasonal spam, many consumers are especially nervous at this time of the year. Payment providers, banks, and merchants clearly all have a lot to do to promote public awareness of the many scams and threats out there, while reassuring customers that online shopping is generally as safe as a visit to the mall.

You'll need to offer an easy and trustworthy way for customers to pay online when they shop on your site. Be sure to tell your customers how you process payments on your site to give them peace of mind about its security. Also, detail your privacy and your refunds policy on your site.

Tip: Payment providers such as Sage Pay offer secure payment gateways that allow customers to pay easily using different payment types such as bank EFT, credit card, cashier payments at major retail stores and mobile payments via a QR code. These solutions mean you do not need to approach multiple service providers.

3. Lack of awareness

Your customers might not know that you have a full e-commerce site in place. Be sure to promote your digital presence on your marketing materials and in the advertisements that you place in the press.

Tip: Your online customers might have a different profile to the people who visit your physical store, and hence may not read the papers or listen to the radio stations where you usually advertise. Use paid search ads, social media, and other digital channels to market to them in a measurable and cost-effective manner.

4. Testing the goods

Depending on what you sell, people might want to see the product or handle it before they buy it. Few people are happy to buy a car without a test drive or clothes without trying them on. But, in most cases, they'll be doing a lot of their research online. Here's your opportunity to entice them into the store and convert the sale.

Tip: Offer a voucher for a small discount to entice web visitors into your store if they have been researching a product you sell. Or allow them to fill in an online form to book a test drive or ask for a sales rep to contact them.

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