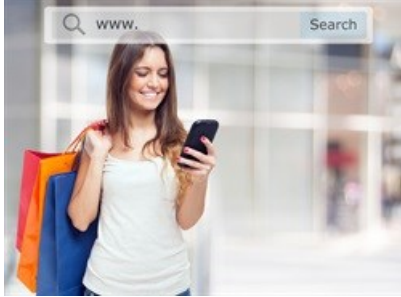


SA shoppers' online interest grows, research finds

A recent study conducted in South Africa by Ipsos, a global market research company, on behalf of PayPal and FNB, showed a growing interest by South African internet users to shop online. The study showed that 22% of South Africa's internet users have made purchases online and 48% expect to do so in the future...



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The online shopping trend is not limited only to local purchases. According to the research results, up to 46% of South African online shoppers have actually said that they already shop outside the country and, with 33% of online shoppers saying they haven't yet, but are looking to shop across international lines in the future, as many as 79% of online shoppers in South Africa could be cross-border shoppers in the coming years.

"The advancement of technology is helping to open up commercial opportunities for everyone - across borders, anywhere, anytime and via any device" said Efi Dahan, Regional Director for Africa and Israel of PayPal. "Our aim is to make it easier, more secure and more affordable for people to shop online than ever before."

Where do South Africans buy from?

Europe and North America are the most popular regions for cross-border purchases, with the US being the most popular individual country from which to buy goods. Fifty-one percent of South African cross-border shoppers have purchased goods from North America, followed by 39% having purchased goods from Europe (mainly the UK, Germany, Italy, and Austria) and 24% from Asia - 18% of which is from China alone.

These findings on SA's international purchasing patterns are comparable to the global trend. In a similar study conducted by Ipsos across 22 countries globally, the US was also the most popular destination for cross-border online purchases with 26% of online shoppers purchasing from the States. The US was followed by China, the UK and Germany with 18%, 17% and 16%, respectively.

Looking ahead, the study shows South Africa's expected online cross-border spend in 2015 shows a nett increase, with 22% of cross-border shoppers expecting to spend more, 65% expecting to spend the same and only 14% of buyers expecting to spend less.

Main barriers to cross-border shopping

As with local online purchases, when asked what the main barriers to cross-border purchasing were, many respondents expressed concern about the security of their online payments. 75% of online shoppers who currently do not shop cross border mentioned concern about security of payments as a key barrier to cross-border shopping. However, this concern did come second to the fear that delivered goods would not come as described when ordered, an area where 81% of non-cross-border online shoppers expressed worry.

"Online security matters. This is why PayPal provides a simpler, easier and more secure way to shop and pay on millions of websites around the world," said Dahan. "The fact that PayPal does not share financial information with the seller when authorising a transaction reassures consumers that their financial details are more secure. PayPal also offers buyer protection for eligible purchases and can help protect consumers in cases where the purchased goods didn't reach them or are not as advertised - a big concern amongst South African consumers."

South Africa and Nigeria

The research's findings in South Africa depict what could be a regional trend. According to the same study conducted in Nigeria, South Africa's potential for online cross-border purchases is quite similar to Nigeria's. The study found that in Nigeria, 47% of online shoppers already shop cross border, and 37% have expressed the desire to do so in the future, which is similar to the South African results.

Interestingly, South African e-commerce sites have proven to be popular international destinations for shoppers from Nigeria. The research shows that 30% of Nigerian cross border shoppers have purchased goods from South Africa, the third largest market behind North America (38% of shoppers) and Europe (mainly the UK and Italy) at 41% of shoppers.

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