

# Unlocking global sales potential for local businesses

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The interconnected world of online marketplaces and efficient shipping services has ushered in a new era for South African retailers, facilitating access to global markets and driving sales beyond traditional borders.



Mark Mwongela Ngungi, sales development director of PayPal Africa. Image supplied

As technological advancements continue to shrink the globe, the prospect of venturing into international markets beckons local small business owners with promising opportunities.

South Africa's business landscape is characterised by its cultural richness and a spirit of innovation. A myriad of unique products, from exotic travel destinations to vibrant stoneware and home décor hold significant appeal in international markets.

*“ Expanding globally not only increases revenue potential but also fosters business resilience and stimulates innovation. ”*

If the projections prove accurate, South Africa's e-commerce sector is poised for substantial growth. According to FNB, the e-commerce market, valued at nearly R200bn annually in 2022, is expected to surpass R400bn by 2025. This represents a notable opportunity for South African retailers to broaden their reach and attract more customers.



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The crux of successful international expansion lies in meticulous market research and a nuanced understanding of country-specific regulations and export intricacies.

## Expanding horizons

These are essential considerations:

**Conduct comprehensive research:** The ideal market for expansion lies at the intersection of demand and where various logistical and economic environments are conducive. Consider consumer behaviour, cultural nuances, economic stability, and regulatory environments.

An in-depth assessment of the competitive landscape will inform how strategies should be tailored for maximum impact.

Don't forget to factor in financial and tax implications; businesses that export goods could be eligible for export duty rebates and although goods are generally zero-rated VAT in South Africa, customs duties, and excise taxes in the importing country will be incurred.

**Optimise logistics:** Navigating international logistics can feel like a maze, but it can become a secret weapon with careful planning.

Explore various shipment options, understand product classifications for efficient customs clearance, and ensure packaging meets regulations. Don't overlook the importance of after-sales service, including return handling and international customer support, to keep customers happy across borders.



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**Choose a payment platform that enhances operations:** The choice of payment partner can make or break an international venture. Globally recognised platforms such as PayPal, that have high penetration in your country of expansion will increase trust amongst potential customers and help result in higher and more seamless sales.



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Set up exploratory chats with various potential payment platforms to understand how the system works and what is offered.

A payment platform should easily integrate and connect to other business apps.

Fraud detection and risk management to safeguard your business is a must whilst added benefits like detailed bookkeeping to ease the load during tax season and shipping support in the form of courier discounts and tracking emails, will help you drive efficiency.

**Master digital marketing:** In the world of international business, digital marketing is a powerful tool in the marketing arsenal.

Audiences, however, differ and what works locally might not resonate abroad. Content should always be tailored to the audience and when translating, double-check the message with native speakers to ensure what is conveyed is done so in the intended way.

**Ramp up your customer support:** The importance of robust customer support cannot be overstated - especially on the global stage.

It impacts customer satisfaction and plays a crucial role in building trust and fostering loyalty. Invest in an omni-channel system that gives customers a variety of engagement channels to choose from in country-specific languages.

Although the use of AI can help reduce the resources required to service different time zones, human interaction should always be available during working hours.

Finally, ensure that your chosen payment platform echoes your commitment to customer support. Seller protection, a service offered by PayPal, covers sellers' eligible transactions in the event of goods-not-received issues or unauthorized transaction claims – a helpful benefit when trying to resolve disputes across borders.

"Embarking on global expansion may seem daunting, but it's an exciting journey filled with endless possibilities for both business growth and personal development. Through thorough preparation and strategic partnerships, the opportunities are endless," advises Nguni.

## ABOUT THE AUTHOR

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