

Cross-border e-commerce offers boundless growth opportunity for African business

Cross-border e-commerce continues to provide significant growth opportunities for retailers and manufacturers with an international online product offering. According to a 2017 DHL report, cross-border retail volumes are predicted to increase at an annual average rate of 25% between 2015 and 2020 (from \$300billion to \$900billion) - twice the pace of domestic e-commerce growth.



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Steve Burd, vice president of sales for DHL Express sub-Saharan Africa, says that this highlights a boundless opportunity for African businesses looking to take a piece of the cross-border e-commerce pie.

Burd says that DHL Express works with thousands of e-commerce customers around the world, with a lot of them at start-up phase. "We are therefore well aware of the perceived hurdles involved when considering to trade across borders."

He points to five common areas which domestic e-commerce customers consider to be a challenge when deciding where to trade internationally.

1. The cost of express shipping

There is no risk at offering your customers an express delivery option, says Burd. "Customers want choice, not only in their product selection, but also when and how they receive it. In our experience, customers are willing to pay a fair price for a faster, more efficient service."



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Mark Mahoney, Aramex 8 Jan 2018



2. Returns rates

"We've found that the return rates are actually much lower on international shipping. Businesses could always do it on a

trial basis and measure the benefits over losses and adjust their strategies accordingly.”

3. Basket values

“We have found that basket values often increase with the introduction of express shipping. Customers tend to buy more to justify the premium shipping costs.”



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6 Oct 2017



4. The customer’s business is doing well locally

Evidence shows that international customers will spend significantly more than local ones, says Burd. “So even if international traffic to your website is small, it can be worth a lot for limited effort. There are free online tools available which will give you an indication of your international traffic on your website – this will provide an idea of which countries to focus your efforts on. There is no risk in opening doors to the international market – only the risk of getting left behind.”

5. Unfamiliarity with customs procedures and processes

“This is where your choice of delivery partner comes in. If your paperwork has been done correctly, there shouldn’t be any customs delays or worries. Collaborating with an experienced partner that has extensive knowledge and know-how of customs procedures on the African continent will assist the business’s e-commerce offering to evolve.”

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