

PayGate partners with Retail Capital to offer merchants short-term working capital

South African payment service provider, PayGate has teamed up with Retail Capital to launch Easy Advance, a short-term finance product that allows merchants to cash in on the approaching Black Friday and festive season sales opportunities.





Easy Advance is pre-qualified funding that leverages a merchant's existing transactional information to craft a personalised finance solution suited to their specific requirements.

"Over the last few years we've seen a shift in the nature of our customers. Before, our online merchants were mostly mid to large e-commerce-only outfits. Now we have brick-and-mortar companies who have added an online channel, as well as a healthy percentage of micro-enterprises made up of entrepreneurs who are running start-up online businesses," explains Brendon Williamson, CSO at PayGate.

“One of the biggest obstacles for a growing business is access to finance. We want to make sure our customers have the capital they need to really compete when it comes to the big sale days later this year.”



Small e-commerce companies ideally positioned to weather the slowdown

Brendon Williamson 25 Apr 2019



Overcoming challenges with traditional lending

According to Business Unity South Africa, the SME sector employs 47% of South Africa’s workforce and contributes more than 20% to the country’s gross domestic product and pays around 6% of corporate taxes.

“The economic malaise is making it harder for start-ups to get funding from traditional lenders. When providing funding to help business owners grow, we look at their track record and financials, not at their collateral. We are able to optimise their budget and resource strategies and overcome the other practical obstacles they are facing, allowing them to grow,” says Karl Westvig, CEO at Retail Capital.

“We understand the needs of entrepreneurs who need to move quickly to increase stock or launch an aggressive marketing campaign ahead of the big sale days. Working with PayGate we can deliver the most flexible product possible, based on real-time trading data of the company seeking the finance.”

“We know that our merchants are gearing up for the approaching year-end sale days. However, access to finance remains one of the biggest challenges facing businesses today. Traditional finance has very strict criteria, some which simply can’t be met by companies that have only been trading for a short period of time. Easy Advance’s criteria takes daily online transactions into account, enabling younger companies to scale up quickly with the security of two reputable institutions backing the product,” says Williamson.



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Payment terms can be taken over a one-, three- or six-month period, depending on the preference of the company and can be deducted from the payments being processed over the PayGate gateway in a flexible repayment schedule.

PayGate has begun the rollout to qualifying merchants and will be regularly assessing transactional data to provide funding offers ahead of the holiday sales.

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