

Rethink refunds for increased sales and loyalty

 By [Thomas Pays](#)

30 Dec 2019

Online retailers wanting to make the most of Black Friday should provide the fastest possible refunds - and offer a wide range of payment choices - to increase sales and keep customers coming back.

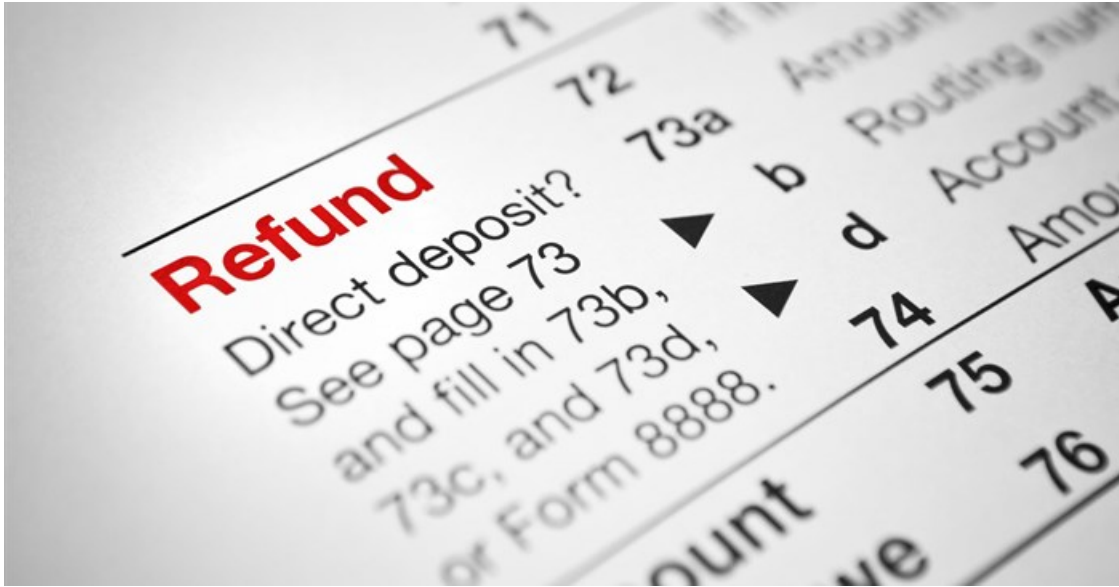


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Just as much as consumers want the easiest shopping experience and getting their goods quickly, they want their money back fast for returns. By giving consumers their refunds quicker, they're able to shop again sooner – and any retailer wants to ensure this money is re-spent with them.

The refund process has a stronger impact on how consumers feel about a brand than many merchants realise. It affects not only their initial decision to shop with that brand, but also their long-term loyalty. According to a 2018 report by European payments provider Trustly, nearly two-thirds of shoppers said the speed and ease of refunds affect where they choose to shop, while 95% said same-day refunds would make them more loyal to a merchant.

Digital payments solutions that are secure

In the Deloitte Future of Payments [report](#) from September 2019, it mentions that cash usage in the country increased by 6-10% per annum ahead of inflation. This may be because some retailers tend to refund in cash in-store, instead of doing card or EFT reversals. In an [article](#) published by Mastercard, it is mentioned that, this contributes to a cash-dependent economy which costs the South African consumer R23bn per year.

Today, offering only card payments is simply not good enough. You've got to be able to process every transaction quickly, reliably and securely. If you want to drive growth, you've got to offer consumers digital payment solutions that are secure, do not require credit cards or customer registration and are available even in the face of the heaviest traffic volumes.

In 2018, many major payment platforms in South Africa buckled under the transaction volumes and went offline even before stores officially opened for business, causing thousands of lost sales. People could browse online stores but could not checkout and pay for their orders. In the end, several retailers and e-tailers, like Takealot and Loot, encouraged consumers to use alternative digital payment platforms to complete their purchases.

This year, transaction volumes on Black Friday and Cyber Monday are expected to be a staggering 1950%¹ higher than an ordinary shopping day as bargain-crazed consumers descend on online stores. Having a shortened refund time can, therefore, have a direct impact on sales and profits, as it enables customers to spend more, and shop more frequently.

ABOUT THOMAS PAYS

In 2013, Thomas co-founded the Just Perfect digital agency, which provides integrated services to corporates. This gave rise to him, in conjunction with Mitchan Adams and Lyle Eckstein, forming i-Pay (now known as Ozow) at the end of 2014 to reinvent the digital economy market in Africa. In 2016, Thomas sold Just Perfect to completely focus on growing the digital payment platform

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