

New payment methods show signs of growth

By [Danette Breitenbach](#)

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While card payments and EFTs are still dominant when it comes to online payments, making up 63.7% and 31.5% of payments respectively, the pandemic has seen consumer online payment habits change, with QR Codes carving out 3.5% - an increase of 178% - and mobile usage growing 55% growth in 2021



Source: ©Andriy Popov [123rf](#)

This is according to PayFast's second annual Ecommerce Performance (PEP) Index, which launched online.

The report is based on insight from a selection of PayFast's expert partners, including Mastercard, SnapScan, TymeBank, Ecwid, Xero, and Retail Capital, as well as key industry, payment and buyer data sourced from PayFast platforms over the past year.

At the launch, Colleen Harrison, head of Marketing at PayFast, explains that this year's index analyses the long-term impact of the pandemic on consumer behaviour and offers extensive insight into the ecommerce landscape heading into 2022.

"One of the key takeaways of this year's PEP Index is that payment innovation is removing barriers for consumers to transact online, allowing more people to participate in the growing digital economy," says Harrison.

Online payment methods

The pandemic forced consumers to move outside their comfort zone from ordering prescriptions and groceries online to contactless payments.

Mobile payments, which were viewed as a gimmick a few years ago, are now being used more and more by consumers.

This change in behaviour is here to stay. "E-commerce consumer habits have survived after lockdown, showing higher volumes and year on year growth in the period following the lockdowns," says Harrison.

Growth of e-commerce

In South Africa this translates to a share of 2.8% from 1.4% of total revenue for e-commerce at a time when total retail revenue dropped by four percent over the same period. Going forward it is expected that e-commerce will grow to four percent of total revenue.

"While this is still far behind the rest of world, we are slowly catching up," says Harrison.

Merchants have contributed to this growth, with 25% having launched an online store last year (87% of these respondents have 10 employees or less).

Social platform economies

Social commerce is also being recognised as an e-commerce path.

Among PayFast's merchants, 52% are already selling goods or services directly within a social media platform, and 70% make use of multi-vendor marketplaces. Of these, 92% use Facebook, and 76% use Instagram.

"More than that, next year we will see the arrival of large social media channels adopting their own currency, setting themselves up as their own economy, organic to their platform," says Bronwyn Williams, a marketer, trend researcher and writer at Flux Trends, and a speaker at the Index launch.

"In the future your username and password will not only be your identity but your payment method," she adds.

The 2021 edition of the PEP Index is available [here](#)

ABOUT DANETTE BREITENBACH

Danette Breitenbach is a marketing & media editor at Bizcommunity.com. Previously she freelanced in the marketing and media sector, including for Bizcommunity. She was editor and publisher of AdVantage, the publication that served the marketing, media and advertising industry in southern Africa. She has worked extensively in print media, mainly B2B. She has a Masters in Financial Journalism from Wits.

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