



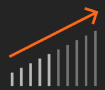
South Africa:
Helping small businesses
compete and thrive in
today's e-commerce world



E-commerce in South Africa



E-commerce is making steady progress in the South African retail environment, especially in remote areas where traditional distribution channels are too costly



South African online spend forecast projected annual growth rate of 15% through 2021. This accounts for 1% of the country's retail sector as a whole and indicates immense potential for growth and opportunity



Internet user penetration is at 47% – expected to reach 60% by 2021 – and mobile penetration is 65% and growing



South Africans purchase mostly from South African websites, but 27% purchase from the United States, and 14% from Europe. The US version of Amazon is the third most visited e-commerce website in South Africa



Social media platforms are becoming more pervasive as marketing tools in South Africa. More than 90% of South African major brands advertise on social media platforms



Credit card and debit cards are the most preferred payment methods. Consumers also use eWallet services for online payment. Due to the growth of credit card fraud, the Payments Association of South Africa mandated the use of 3D Secure in 2014. Merchants have reported that increased flexibility in the application of 3D Secure to online transactions in recent years has reduced cart abandonment by consumers



Most large retailers have already built their online presence to compete with mail-order companies



Challenge

- Being able to sell online has become a necessity in South Africa. However, the transition from traditional business to e-commerce has, until now, been a process that proved to be a step too far for small business
- **With many operators not having the knowledge, access to technology or resources needed to build digital trading sites, many business owners have been unable to take their operations to the next level**
- Standard Bank has identified several friction points that were hampering their merchants and decided to address them
- **The objective was to provide small/family businesses with an online tool that would allow them to benefit from the growing online commerce market in South Africa and compete with large retailers**
- Knowing that in-house development of a brand new digital service would be very cost- and time-consuming, the bank was on the lookout for an established and trusted product that could be easily integrated and branded as their own
- The solution needed to provide merchants with the ability to:
 - Build their own web stores quickly and easily with no IT/coding knowledge
 - Securely accept all relevant payment methods, including credit/debit cards and eWallets
 - Easily manage all e-commerce operations, including invoicing, integration to required online shopping carts and fraud management
 - Quickly promote their products via social media channels



Solution

After thorough research and evaluation Standard Bank decided to partner with Mastercard Payment Gateway Services and integrate its comprehensive online tool designed specifically for small and medium businesses called Simplify Commerce.

The integration, followed by full portal rebrand, went smoothly, and in June 2019 Standard Bank was ready to launch its new SMB product called [SimplyBlu](#).

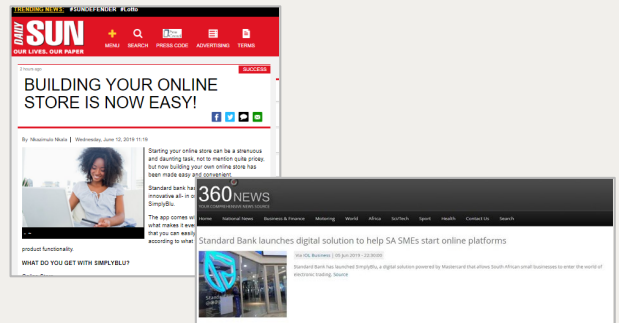
SimplyBlu is a simple, secure and feature-rich platform that makes it easier for businesses to trade online and accept electronic payments regardless of the payment brand. It is the first service of its type to be offered to small businesses by a financial institution in South Africa.

Launch & Marketing

SimplyBlu held an official launch event on the 4th of June 2019



The launch attracted local media attention...



...and was supported by social media influencer engagement

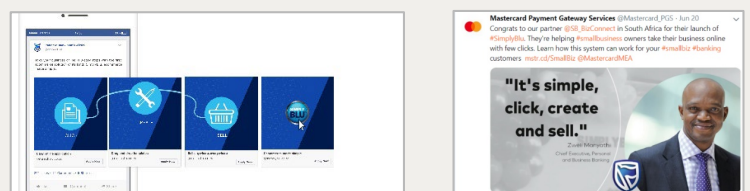


SimplyBlu has a powerful web presence and a comprehensive product collateral package, including tutorial videos

Email campaigns were launched informing all existing Standard Bank merchants of the new offering



SimplyBlu was also actively promoted externally via Facebook, Twitter and LinkedIn



SimplyBlu enables users to:

- ✓ Easily launch and manage their own online stores
- ✓ Accept domestic and international credit, debit and prepaid cards from Mastercard, Visa, American Express, Discover, JCB and Diners Club by integrating access to a payment gateway and the bank for webstore payment processing
- ✓ Accept digital payments through Masterpass, Mastercard's digital payment service
- ✓ Take advantage of same-day settlement, into a Standard Bank account. This settlement process solves the problems associated with cash flow that often cripple small businesses
- ✓ Accept secure payments 24/7, anywhere and everywhere
- ✓ Use customisable eInvoicing and eRecepting to send electronic invoices and receipts to customers
- ✓ Manage risk with fraud control tools
- ✓ Use the SimplyBlu app to view and manage their online store, issue eInvoices, and monitor fraud 'on the go' on either iOS or Android devices
- ✓ Use shopping cart plugins for all major shopping carts including Shopify and Magento
- ✓ Promote products listed on their web stores via social media channels

Results

Today many small South African businesses run their online operations with this exceptional digital tool. It allows them to build their own webstores with drag-and-drop functionality and built-in templates, whilst benefiting from a unique webstore address and webhosting. It is intuitive, requires no specialised IT knowledge and is a one-stop service. Once the account is opened online it has no restrictions regarding the number of services or products that can be offered to potential consumers.

Lincoln Mali, Head of Card and Emerging Payments at Standard Bank, commented: 'By leveraging our strategic partnership with Mastercard Payment Gateway Services, we were able to address problems that small businesses have been facing for years. We are excited for our customers who can now easily sell online, accept secure payments and grow their businesses.'

'SimplyBlu will make selling much easier. In the past our customers had to place orders via WhatsApp, send proof of payment and the address where goods had to be delivered. It will cut a lot of admin and also build trust.'

— Sphelele Chikowi from Ntozinhle Lifestyle, a SimplyBlu customer, offering handmade accessories, leather goods and handbags

Getting started is as simple as filling in a quick online form and submitting relevant documents. Once the look and feel of the online store is selected and products uploaded, businesses can start accepting secure digital payments from anyone, anywhere.

