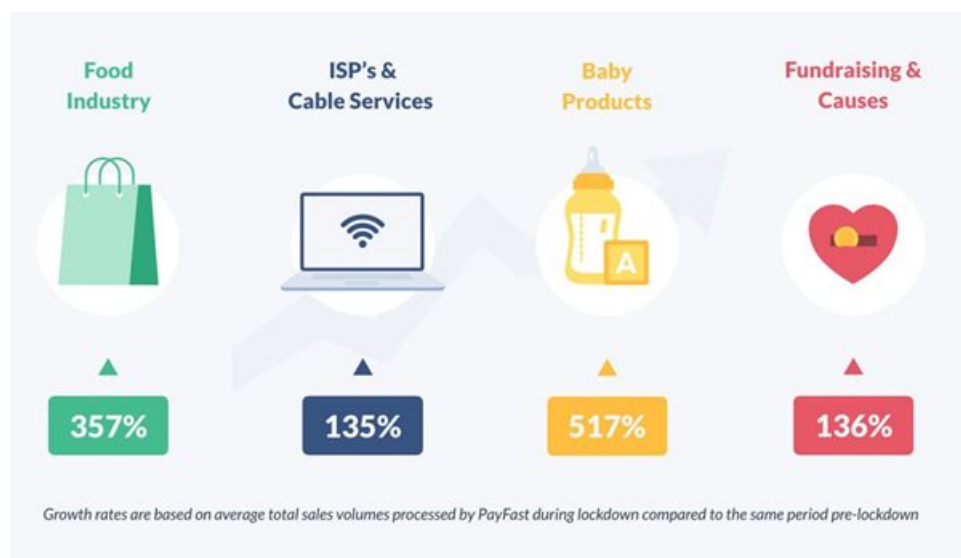


PayFast reports significant spike in business account registrations

Online payment gateway PayFast has seen a 226% year-on-year increase in new business account registrations in the food industry since Covid-19 restrictions were put in place in mid-March. In order to continue trading during the lockdown, many businesses have pivoted their product offering to provide essential goods, resulting in a significant spike in the food sector.



Source: PayFast

“Our payment data supports this spike, showing that grocery stores, supermarkets and bakeries are among the retailers who have benefited the most during the first two weeks of lockdown with a 357% increase in sales,” says PayFast managing director, Jonathan Smit.

The lockdown has spurred further growth in the online purchasing and home delivery of pet-care products and essential goods for babies.

“We’ve seen a three-fold and six-fold increase in the number of accounts registered in each industry compared to 2019,” says Smit.

Keeping revenue streams flowing

Overall, PayFast has seen an 83% year-on-year increase in new business account registrations since the lockdown began. “These figures provide insight into how local businesses are evolving and leveraging the e-commerce space, to ensure they aren’t put out of business by the economic impact of Covid-19,” says Smit.

“The increase is a combination of brick and mortar stores selling essential goods online and e-commerce stores, who are still processing purchases and payments for delivery after the lockdown ends,” says Smit. “The online arms of businesses are keeping revenue streams flowing during this period.”

To accommodate increased data use at home, consumers have increased their packages with internet service providers. “We’ve seen a 135% uptake in payments within this sector, since the lockdown began,” says Smit. “We’re expecting this to increase with the additional two-week extension and uncertainty on when schools and universities will return to physical campuses.”



SA's surge in online shopping expected to continue beyond lockdown

Nielsen 29 Apr 2020



Emergence of voucher platforms

More than ever, South Africans are giving back to their communities and supporting those in need. “We’ve seen a 47% increase in cause account registrations since the announcement of the lockdown on 15 March. Additionally, our payment data shows a 136% increase in fundraising for charitable and social services,” says Smit.

While amusement and entertainment facilities have seen an 83% decline since the beginning of the lockdown, many South Africans are still supporting their local restaurants by purchasing vouchers to be redeemed for future appointments on purpose-built platforms such as Voucher Plan, Fund It Forward and Rally for your Bar and Restaurant.

“Through strong client relationships and brand reputation, they’ve found an innovative way to be able to support their staff while their doors are closed,” says Smit.

Smit says that verifying new accounts is a priority for PayFast at this time. Their designated integration hotline is available to assist new merchants set up online payments quickly on their e-commerce platform over the lockdown period. “We want to help our clients get back on their feet as quickly as possible.”

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