

# Aramex Global Shopper growth mirrors rise in cross-border e-commerce

By  Lauren Hartzenberg

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Cross-border e-commerce is on the rise. According to a [PayPal report](#) released earlier this year, an estimated 1.4 million South Africans shopped internationally in 2016, spending an estimated R8.8 billion. The same report predicts South African online spend will exceed R53bn in 2018.



International express, parcel delivery and logistics company Aramex, and more specifically its Global Shopper service, is not only reaping the benefits of this trend, but acting as an enabler.

The service provides its lifetime members with 23 personalised local addresses worldwide, thus allowing local shoppers to purchase off international e-commerce sites that are often otherwise largely inaccessible due to a lack of delivery options.

Aramex forecasts 57% customer growth for its Aramex Global Shopper (AGS) offering in 2017. The company believes the growth of its e-commerce delivery service mirrors the rise of cross-border online shopping in South Africa and the greater African region, driven predominantly by people's desire for specialised products only available overseas.

Until recently, delivery concerns were a major obstacle hindering cross-border shopping growth. AGS's 47% shipment growth from 2015 to 2016 indicates that more people are turning to personalised shipping services to eliminate concerns. In the second quarter of 2017, AGS shipment's quarter on quarter growth was 12.6%.

"We've seen astonishing growth. Year on year we're growing at over 50% and quarterly growth we're looking at around 28%, and it doesn't seem to be slowing down," says Mark Mahoney, manager e-commerce services at Aramex Southern Africa.

AGS has been expanded into regions where Aramex is operating on the ground - mostly emerging markets. In terms of costs, the service has a once-off lifetime membership fee of \$45 and shipping charges are based on natural weight, which is "quite unique in the courier world as the global industry standard is to charge on volumetric weight," according to Mahoney.



Mark Mahoney

“We have competitors but nobody really offers the capability to ship from 23 countries.”

We sat down with Mahoney to sift through some of the e-commerce trends and insights he’s gleaned through the AGS service and its adoption in Africa.

***What are the main factors contributing towards the growth of online retail in South Africa and Africa?***

Aramex has seen massive growth in Ghana, which is in fact importing more online than South Africa. This, I believe, comes down to commodity. In South Africa we have lots of commodity available having one of the highest mall to consumer ratios in the world.

It’s not that you can’t find things in South Africa because you can. The South African customers using our service are purchasing niche items that they can get here, but perhaps they can get quicker or cheaper from overseas. Or they’re looking for very specialised products that are not available locally.

We’ve also noticed many small businesses use our service to import and resell products. Some of our busiest customers are bringing in roughly 100 shipments a month and selling the products on sites like Bidorbuy or OLX.

In countries like Ghana, Nigeria, Kenya and Sierra Leone it’s down to a lack of commodity. People there are using our service to obtain commodities they just can’t find locally, and within that there’s also definitely a small business component.

**■ *Do you think South Africans are still sceptical about shopping online? What do you believe are the main deterrents?***

I don’t think South Africans are sceptical about shopping online. I think the people that are shopping online are savvy enough to understand that there is encryption and that their credit card info is quite secure. I think it’s more down to disposable income. To shop online is still spending money at the end of the day. You need a computer and you need a credit card, so barriers to entry are still high in SA.

**■ *Where are most of your orders shipped from?***

About 70% of the products ordered are shipped out of the States and 12% to 15% comes out of the UK. But I’m seeing China starting to gain ground, taking share away from US.



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**■ *What do you believe South African customers expect from a personalised shopping service?***

They want visibility. They want to know that their order is on its way and they want to see the different stages of where their parcel is right through to delivery.

They also want to know that the customs clearance is being handled for them. We clear our customers’ shipments for them, so we pay any duties and taxes on their behalf so when the customer checks out with us they’re paying for everything all in one go.

We also have push notifications and a mobile app. The fact that they have their own personal courier is quite helpful, and the fact that it's not being injected into any postal system where risk increases.

### ▄ **How do you think online shipping in Africa is going to evolve in the next 10 years?**

I think it's going to grow steadily, but it will be ringfenced by disposable income. In Africa in general I think we're going to see a massive increase in shipping volumes. We've seen it in the Middle East where countries that traditionally you may not think would have large volumes of e-commerce, like Libya and Egypt, have become big markets for it. Countries like Nigeria are going to explode, certainly with the opening up of different payment methods online and virtual wallets.

## Shop the world for less

Aramex Global Shopper is giving *Bizcommunity* readers \$40 off the \$45 lifetime membership fee. The discount is valid until end November.

To claim:

1. Visit [Aramex Global Shopper online](#) and sign up.
2. Enter the promo code 'BIZCOM100' to apply the discount.

FNB customers are also eligible to get up to R75 off their shipping fee by simply entering the first six digits of their FNB card followed by the word 'SHIP' when checking out. E.g. 123456SHIP

To find out more about Aramex Global Shopper visit the [dedicated website](#).

## ABOUT LAUREN HARTZENBERG

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