

The digital horizon: Small businesses embrace global expansion through e-commerce

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Thanks to the possibilities of the digital economy, e-commerce is the ideal way to do this.

E-commerce is made possible by the coming together of four innovative industries: retail; the internet; finance and logistics. And, ultimately, e-commerce is the channel that enables small businesses to take their operations to the global stage.

Across the world, many small businesses are grabbing the opportunity. The World Economic Forum predicts that e-commerce will drive small business recovery in the coming years. But going global via e-commerce is a completely different proposition to running your business at home. When is the right time to take the plunge? How do you know your business is ready for the next step onto the world stage? Here's a quick guide to help you make the call.

There is a new market. But is it profitable?

As a business with an online presence, you may already have seen enquiries from overseas. Perhaps you've even made some international sales. But how do you know if that interest can grow into a sizable part of your business?

To be able to make that call, you need to gain some insights into your audience. This cannot just be a hunch – it must be informed by data. Data analytics can tell you where your customers are coming from, and what the growth trends are.

Consult the data, and if your business is seeing significant numbers of impressions, engagement, or orders from another country, look into the potential of that market.

Next, do some surveys among that audience. Get to know why they buy from you. Research the new market, their language and culture, and their likes and dislikes.

This will give you an understanding of why they prefer your product and also how you might tailor your messaging to appeal to this new market.

When is the right time to expand?

The ideal time to expand your business is when you have saturated your current market. When that happens, you can either diversify your offering of products and services, or you can expand your geographical footprint.

Look at the existing market players in the territories you are looking to enter. Assess if your product or service meets an urgent customer need in the new market.

If you identify gaps in those markets, or opportunities to meet consumer needs, then this is your time. You need to start thinking seriously about expanding your marketing in the new territory, and you need to understand the nuts and bolts of what it takes to do business there.

What are the regulations?

What kinds of laws will you need to comply with if you want to do business in the new market? This is where the rubber hits the road.

You need to find out about the import and export requirements, governing policies of the market, and much more. Assess how easy it is to get permits and customs clearances, the local tax structures and other factors key to doing business.

Logistics providers, such as FedEx, for example, often possess extensive experience in this area. It's advisable to collaborate with your trusted shipping and delivery provider, as they have the expertise to efficiently manage a substantial portion of your compliance requirements on your behalf.

Get social

When it comes to international markets, you're aiming to do almost all of your sales online. So that's where you should focus your marketing efforts.

Digital marketing has the advantage of minimal cost and lower risk. Social media platforms also offer a range of ready-made marketing solutions you can tailor to your needs, and which also provide useful for data-analytics insights.

In South Africa, 38% of adult South Africans shop online according to a recent survey, whereas 68% of Europeans do. For the US, the percentage is around 76%. It is therefore clear why taking your online business global is such a good idea.

It opens up a world of possibility.

Ultimately, the decision to expand into global markets will vary from one business to another. The decision to do so – and when – must be informed by concrete, data-driven insights, and supported through a network of partnerships with established market operators.

It's challenging, and it's not to be taken lightly. But in the era of e-commerce, it's achievable for every small business, and every entrepreneur should consider it.

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