

Overcoming the Nigerian e-commerce payments hurdle



By [Robin Philip](#)

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Nigeria is not "business as usual" for new entrants to the market - but for global e-commerce providers there are many opportunities if you have the right supporting network of partners and suppliers.



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Setting up in Nigeria has proven to be extremely challenging for online retailers in particular. As in most African markets, Nigeria has a complex and atypical payments environment. Credit cards are rare, and there is a wide range of branded and proprietary debit cards and payment methods available on different networks which must be brought together cohesively.

No unified payment switch

To make matters more complicated there is no unified payment switch or local equivalent of South Africa's Bankserv where online payments can be cleared. Anybody setting up to take online payments has to configure their payment offering from scratch and make multiple links and integrations to different networks.

This creates an opportunity for payment services providers to play an important facilitating role.

Online retailers from outside the continent will find that going direct for their payments is extremely expensive, time-consuming and difficult to manage. It makes sense for us, as a payment services provider, to knit those multiple integrations and relationships together into a single package that works.

Challenging but not impossible

The task is challenging but by no means impossible. The Nigerian environment on the whole is challenging, and visiting Lagos (the New York of Africa) is an interesting experience, not for the fainthearted - but when it comes to business, there's a difference. Once the personal contact has been made and there's an agreement to do business together, things move fast. They are very driven.

With 170m connected consumers it makes the extra effort worthwhile. Lagos and Nigeria are really starting to take off as a global business destination. We believe there's a window period of three to four years to establish a strong presence in the Nigerian market.

ABOUT ROBIN PHILIP

Robin Philip is an advocate for service excellence at PayGate. A people-centric leader with a strong financial background and sound understanding of business. Robin champions the service excellence ethos that makes PayGate such a special experience for customers and partners. His motto: "create a culture of people-people in a complex technological world".
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