

## **Irish SMEs must move online to benefit from Brexit**

**With the possibility of import tariffs placed on goods bought online from the UK, Irish SMEs have the opportunity to win back sales, but they need to get online.**

The Irish e-commerce industry is worth more than €12 billion to the Irish economy every year, but up to now, the majority of that has ended up in the wallets of international retailers.

With Brexit looming, the Government is warning of the addition of import tariffs and customs on goods bought online from the UK, which has the potential to make everyday goods unaffordable for the average online shopper.

This will create an opportunity for Irish SME retailers with full e-commerce web sales ability, however, the latest IE Domain Registry Digital Health Index shows that less than a third of all Irish SMEs can take sales orders through their website, with even fewer actually able to process sales online.

Consumers that buy online from these Irish SMEs can continue to avail of speedy delivery times and free return services that the UK's exit from the digital single market will take away. There may also be a billable opportunity – a PWC survey found that 95pc of 18-24 year olds would be willing to pay for same day or next day delivery.

Speaking about this, David Curtin, CEO of IE Domain Registry, said: “This presents a huge opportunity for Irish businesses to step in, fill the void, and win back lost sales. For SMEs that sell locally – there is an opportunity to offer a click and collect service, to generate sales and footfall in-store. Consumers will benefit too, by continuing to shop online.

“From a digital perspective, our research shows that SMEs were reluctant to build out an e-commerce presence before Brexit. Taking advantage of the opportunities that can come from Brexit requires courage, trust in digital services providers’ ability to deliver and financial investment by SMEs.”

While SMEs are reluctant to move online, research consistently shows that SMEs are fully aware of the benefits to sales, cost reduction, productivity and growth that can be generated by a digital presence and websites, but continue to have no online presence.

“We believe part of the explanation is tied into the ‘fear, uncertainty and doubt’ or the ‘FUD’ factor”, says Curtin. “Anecdotally, we know that SMEs are scared of the perceived uncommercial

activities of the e-commerce internet giants, like handling a large volume of returned products and refunds. Others are scared of the risks arising from chargebacks, credit card fraud, and contested proofs of delivery.”

To speed up digital adoption, IE Domain Registry strongly recommends that SMEs begin with smaller steps. This can include adding a ‘click-and-collect’ service on their websites. This gives consumers what they’re looking for (range of choice and convenience of ordering online from the couch 24/7) and simultaneously eliminates the risk for SMEs from credit card fraud and contested proofs of delivery and reduces the volumes of product returns.

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