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Integrated Connectivity for Africa's e-tailers (The Case of Company X)

By

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INTRODUCTION & BACKGROUND

- Online business is the future for any business in the world.
- We are experiencing an explosion in online business interaction
- In Africa, the rise is accredited to the constantly increasing Smartphone adoption.
- Between March 2017 and April 2018, Android had a 50.76% market share whilst iOS had a 4.47% market share in Africa (Statcounter, 2018).
- iOS is not doing as well as it should be because of the same mistake affecting most companies entering this market.

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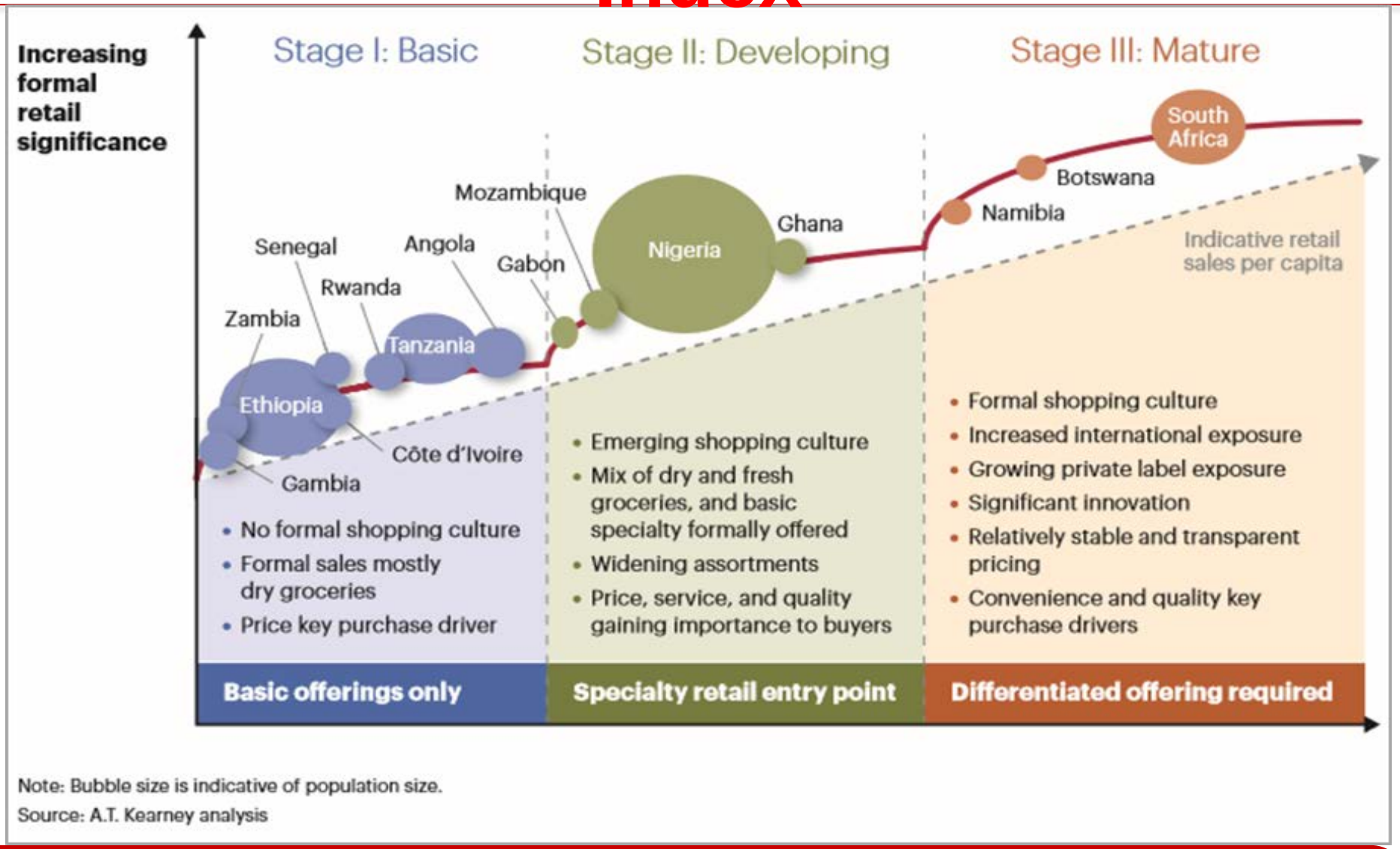
Failure to provide services and products tailored for this different, (emerging) market.

CHALLENGE

African Retail Development Index

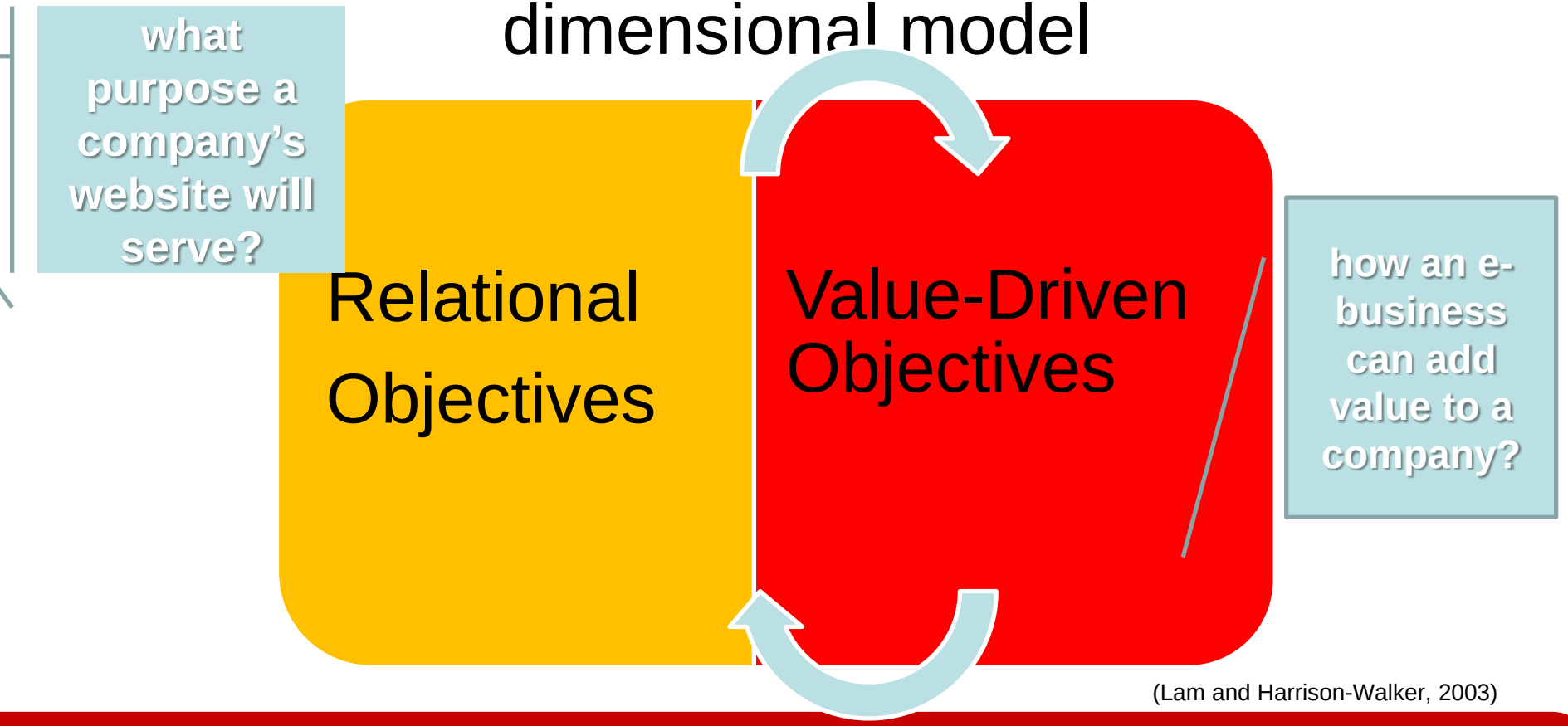


Note: Bubble size is indicative of population size.

Source: A.T. Kearney analysis

E-BUSINESS MODEL

Accepted, adopted online company strategies are narrowed down to a two dimensional model



(Lam and Harrison-Walker, 2003)

I. RELATIONAL OBJECTIVES	II. VALUE-BASED OBJECTIVES: Financial improvement	II. VALUE-BASED OBJECTIVES: Product/channel enrichment
Direct access	**CELL 1** **Internet merchants and portals** *User-paid* • Manufacturer • Subscription • Pay-per-use • Product line extension • Voluntary contributor • Public support *Provider-paid* • Free • Content sponsorship	**CELL 2** **Virtual product differentiation** • Online product enhancement • Bundling • Post-purchase support
Network development	**CELL 3** **Brokerage networks** *User-paid* • Online auction • Dutch auction • Reverse auction • Bounty broker • Online exchange *Provider-paid* (Not available) **Purchase assistance networks** *User-paid* • Buyer cooperative • Manufacturers' agent *Provider-paid* • Shopping agent **Retail networks** *User-paid* • E-tailer *Provider-paid* • Virtual mall • Retail alliance • Bargain discount • Metamediary • Catalog aggregator	**CELL 4** **Interactive networks** • Dealer support • Collaborative design • Community-building
Corporate communications	**CELL 5** **Internet promoters** *User-paid* (Not available) *Provider-paid* • E-coupon • E-contest	**CELL 6** **Image building** • Category-building • Brand-building • Free trial

Source: Lam and Harrison-Walker, 2003:17-26

Aim

In Nepal, a developing country, relational and value-based dimensions of the online model were heavily influenced by the environment (Ksheteri, 2007)

AIM

- Similar to the Nepal study, this study sought to find an e-business model for Africa that promotes and improves integrated connectivity.

Implications of integrated connectivity for Africa's e-tailors

- The Internet gives companies the ability to reach any consumer **regardless of distance**
- Network development aims to develop more efficient and effective **links among external stakeholders.**
- Commercial websites may also be built to establish **supplier networks** for industrial products
- Companies have the opportunity to **customise** their products to their consumers' needs, usually at a lower cost than traditional distribution channels

Africa's Reality

- What has worked for international e-commerce companies such as Amazon and eBay, for example, will not work in Africa, which is developing significantly differently in terms of infrastructure and economic growth (Murray, 2012)

- E-commerce companies that view Africa through a continent-wide perspective will miss the numerous opportunities and challenges that the continent with 54 countries and more than 2 000 dialects has to offer (Hattingh et al., 2013).

Africa's Solution



Build a responsive website experience across all devices (Hubbard, 2015).

STUDY FOCUS

FASHION ONLINE SHOP

COMPANY X

Successful South African based online fashion e-tail

Research Methodology

- This study used an exploratory research design of Company Z
- Inductive research approach. This study used the interpretivism research philosophy.
- The study was conducted at Company Z's head office, located in Cape Town's central business district in the Western Cape, South Africa.
- The target population (Census) of this study included a total number of 12 middle and top management employees.
- The top and middle managers because they are in a decision-making position, and as such, have the knowledge and expertise to answer the questions which were asked during the interview process.
- In depth Interviews
- Thematic analysis

FINDINGS & DISCUSSION

- Expand to markets with similar demographics
- Keep the business model the same however adjust to environmental fit
- Have a relationship and network with your stakeholder
- Purpose of website and online presence
- Post purchase support
- Importance of international trends
- Update the product offering to meet customer needs

CONCLUSION

AFRICA HAS NUMEROUS CITIES AND TOWNS WITH UNIQUE CULTURES

UNCONVENTIONAL INFRASTRUCTURE CHALLENGES THAT REQUIRE COLLABORATIVE STRATEGIES

INTEGRATED CONNECTIVITY FOR E-TAILING IN AFRICA IS A **THREE DIMENSIONAL MODEL**

