

# E-commerce: a problem and a solution to Africa

E-commerce, also known as electronic commerce or business on the internet is basically any form of business transaction or the exchange of products and services via electronic media and the internet. In many parts of the world, e-commerce is far advanced and is being used to cause astronomical changes in profit and development. In Africa, e-commerce is not fully established yet and many e-commerce platforms and start-ups are building rapidly here to infiltrate the market and make the most of the already existing resources. Jovago takes a closer look at e-commerce being both a problem and a solution to businesses in Africa.



It is usually said that e-commerce is a two-edged sword that cuts both ways. This is mainly because, aside from the many advantages and solutions, it also brings with it quite a wide range of problems or disadvantages.

Experience and empirical research has proven that, unlike traditional business transactions, e-commerce lacks the personal touch. There is less or no human relationships involved when businesses are done via e-commerce platforms. Just by clicking on 'buy now' on an e-commerce website, customers skip the process of actually relating with the seller before buying. Generally, seeing the face of the seller ensures a certain level of trust for the buyer. There is also the issue of delay in the delivery of goods and services. Ordering pizza or fast food may be immediate or may arrive after a few minutes. However, for e-commerce, even with express shipping, the earliest one can get a delivery is 'tomorrow'. Therefore, if you order a pen to write now or a printer cartridge to print now, you may not want to buy it via an e-commerce website when you can actually walk into a shop and buy it instantly.

## Buying on the blind side

When using e-commerce platforms, you also buy on your proverbial 'blind side'. This is mainly because you cannot touch, feel or properly examine the item before you buy. For instance, if you are buying a piece of fabric, you cannot feel the texture. All you have is the beauty of it from the picture you saw on the website. Similarly, when buying a music system, you cannot test it or check the sound quality because the item is delivered in a sealed box. On the other hand, if you bought from a shop or store, the machine is usually tested to ensure it is functioning properly. The issue of security in any business entity cannot be underestimated. With e-commerce, buyers are usually required to provide credit card information, mailing addresses and other personal information. This makes them liable to credit card fraud and identity theft, whereas the physical buying and selling from a shop usually involves cash, cheques and other forms of physical payments.



A critical look at the many positives of e-commerce also gives a clear indication that, no matter how many disadvantages we can identify, e-commerce actually looks like the way to go in business. With e-commerce, there are absolutely no limitations on the geographical area of shops and items. The whole world is actually your playground when you use e-commerce platforms. Just by opening an online portal, you get access to millions of shops without having to travel physically to any of them.

### **Shop from Paris, London...**

E-commerce makes it possible to shop from Paris, London, Nairobi, Lagos, or Accra without flying over. In the business sense, e-commerce allows you to acquire new customers regularly as the number of reachable people online far outnumbers the number of people offline marketing may reach. Another major advantage that e-commerce holds over other types of businesses is the ability to tweak prices and reduce them to attract more customers through competitive discounts. Being online gives sellers and shops the ability to change prices with seasons or per requests and immediately convey the message to existing customers and potential customers.

With e-commerce, managers do not need to acquire large office spaces because most of the work can be done remotely. Also, there is less need for more manpower as cash collection, ordering of goods and other facets of the chain can be done with just a few automated systems. E-commerce saves time and reduces cost. Customers are able to compare prices much quicker as well. Take the booking of hotels for instance. When a guest needs a hotel to stay in in a particular city, he doesn't need physically to visit eight or nine hotels to compare prices. He also doesn't need to call all the hotels one after the other to make enquiries about the type of facilities and other information. A hotel booking website readily has all this information with just a few clicks. The convenience is just overwhelming.

Although we are so excited about the many advantages and benefits of e-commerce, we must also appreciate the fact that

there are many disadvantages that come with it. It is only when we acknowledge these problems that we can work towards finding adequate solutions to them.

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