

New opportunities for Kenyan entrepreneurs in ecommerce

Kenya's electronic commerce market is primed for major growth in the next five years as mobile internet performance continues to improve, a proposed national addressing system comes into existence, and people become more comfortable with digital transactions.



Dr Rutendo Hwindingwi

That's according to Dr Rutendo Hwindingwi, divisional director for [Sage East and West Africa](#), who says that Kenya's enthusiastic adoption of person-to-person mobile payments creates a solid base for the growth of mobile and electronic commerce. "We're seeing more and more Kenyans go online, thanks to cheaper smartphones and mobile data. Combine that with Kenyans' comfort with electronic transactions after years of using mobile data, and we can expect to see digital shopping and commerce really start to take off."

According to the [Communications Authority of Kenya](#), the e-commerce market in Kenya was worth around Ksh.4.3 billion in 2014. But with internet penetration of 82.6% and 35.5 million users (according to the authority), Kenya is one of the African countries best placed for a digital commerce explosion, says Hwindingwi. Sh3billion in mobile transactions already take place in the country each day, according to statistics from the Communications Authority.

Mobile-first

Hwindingwi says that most digital transactions in Kenya will take place via smartphones and mobile broadband because of low fixed-line and PC penetration. However, the mobile experience has improved dramatically in recent years and it has become simple and enjoyable to shop from a smartphone. With mobile money providers like M-PESA now adding APIs for smartphones to their products, they are opening up a range of new m-commerce applications and services.

"This is particularly significant given the low penetration of credit and debit cards in Kenya – a factor that has inhibited e-

commerce. Kenyans excluded from the formal banking system have lacked safe, easy and convenient ways to pay and be paid,” he says. “We hope to see mobile wallet solutions come to market that make it easy for customers to make digital payments.”

Another significant factor is the Communications Authority of Kenya’s commitment to creating a robust national address system in the short to medium term. Up until now, the lack of an efficient address system has made it difficult for couriers to deliver goods bought online to their customers’ hands.

Kick-starting e-commerce ventures

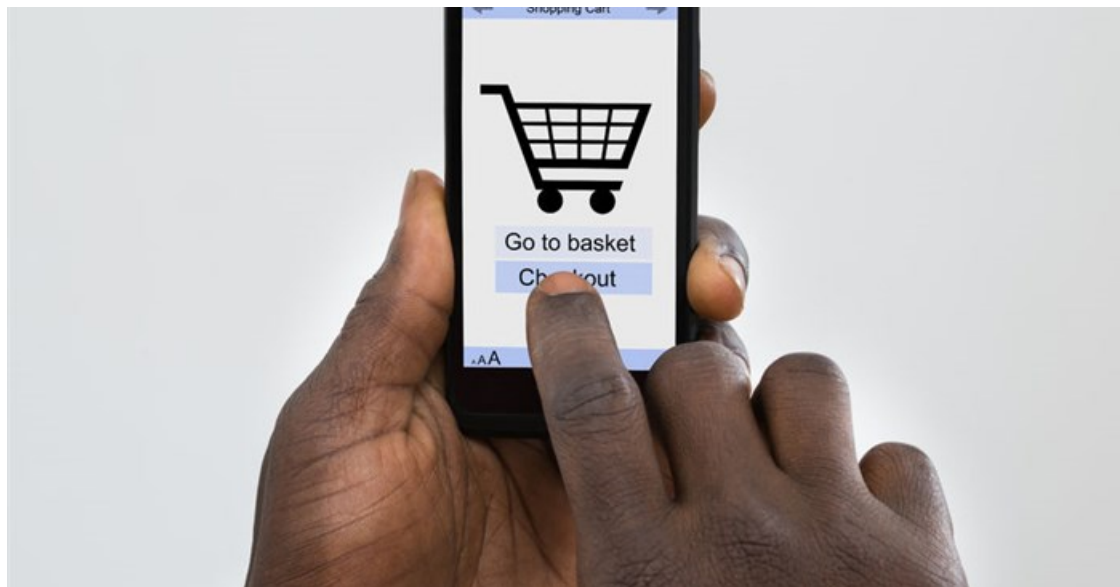


Image by 123RF

Hwindingwi says that small and medium businesses are as able to take advantage of the digital commerce wave as larger businesses. Platforms such as Facebook make it easy for entrepreneurs to interact with customers, while affordable, packaged offerings like Sage Online Tools make it easy to construct and launch a marketing and mobile-ready e-commerce site.

What’s more, mobile functionality on iOS, Android and Windows smartphones for Sage solutions can empower small and medium businesses to mobilise their business processes. These mobile applications put customer and employee information in the palm of a sales representatives’ hand and enable him or her to take customer facing processes truly mobile - anytime, anywhere.

For example, visualise being able to immediately check stock levels while standing next to a customer who found the business online, from a mobile device, then placing an order, running an invoice and accepting a payment - with all of these functions happening simultaneously via the cloud to sync with the accounting package.

“The future is mobile and at Sage we are giving our customers the power to grow and manage their businesses from the palm of their hand. Consumers are mobile ready and want to use convenient mobile services to pay and interact with the companies they do business with,” says Hwindingwi. “Given the incredibly high mobile readiness of Kenyans, e-commerce and m-commerce are bound to grow in leaps and bounds in the next few years.”

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