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## Practitioner Perspective

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### E-Commerce from Ghana



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Although eShopAfrica.com is based in Ghana, we are marketing to the rest of the world so the fact that credit cards are hardly used in Africa does not affect us. Until there is an easy-to-use digital cash solution, any e-commerce in Africa would only be aimed at a very, very small minority. A possible solution to this is through mobile phones—which are already very popular in Africa.

I think all of us face the same problems when it comes to getting onto search engines these days—you have to pay to get to the top. We are considering paying to



be listed, or paying to target advertise, but we have many doubts about how many serious purchasers would actually use search engines to find the kinds of products we have. We think a well-targeted, real-world marketing campaign may be a more effective use of our funds.

I have developed and run eShopAfrica in Ghana using dial-up phone connections since 1999. Connectivity in Ghana is really not at all bad—I used to live in Ethiopia where being connected was a big challenge! Since I took an office at BusyInterenet ([www.BusyInternet.com](http://www.BusyInternet.com)), which has a VSAT and a 56k connection speed, I have been able to do much more online marketing. Dial-up speeds were often too slow or there was too much local congestion for online marketing to be worthwhile time wise before.

I think the main challenge we face is with perceptions of product prices. We find that those we target fall into two categories—either they know African products (or are African) or they don't. Those who know African products want to purchase from us at the same or less than they would pay if they came and bought it themselves. They seem very unwilling to recognize or pay for the costs of running the Web site or connectivity and just want rock bottom prices. Those who don't know Africa have a perception that Africa is very poor and expect to see our items cheaper than artifacts from other poor areas (such as India). However, if you know Africa, you know that in fact it is expensive here and that things are not cheap. Also, there are many Indian and Chinese copies of African products (particularly textiles) that make our genuine products look expensive. Many people outside have little idea of quality, and so again, just think we are overcharging.

Another problem that we have faced is that local artisans see the dollar prices on the Web site and then increase their own prices in expectation of getting that amount themselves. They have little understanding of the costs of running and maintaining a Web site. We have to take a lot of time and trouble explaining to them that the prices on the Web site include our overhead. Our heaviest cost is that of the payment service provider (in our case Worldpay). Being based in Africa puts us in the high-risk category so we pay the heaviest premiums. We can offer a further discount to people who don't mind paying by ordinary bank transfer in the old fashioned (non-e) method.

I think e-commerce in general is going through the doldrums—maybe it's disenchantment, or maybe a reality call. Who knows?