

# Industry experts share insights ahead of eCommerce MoneyAfrica 2017

Ahead of eCommerce MoneyAfrica 2017 in Cape Town at the CTICC on 22-23 February 2017, Manuel Koser, founding partner of Silvertree Capital and Chris Folayan, CEO of MallforAfrica share insights and tips for fellow e-commerce vendors...



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Meeting the demands of the unbanked, consumers in East and West Africa are quickly adopting several fintech products and services. East Africa's mobile money transfers are currently at over \$45bn and some analysts predict the Nigerian mobile money market will exceed the \$10bn mark in remittances.

Conversely, when it comes to online purchasing, South Africa leads the pack. According to Statista, 'E-commerce revenue amounts to US \$2,333m in 2016. Revenue is expected to show an annual growth rate of 15% resulting in a market volume of US \$4,697m in 2021.' The country has proven a worthwhile market for many global brands including worldwide accommodations leader, Airbnb. "As we close out a very successful 2016, with incredible growth for Airbnb in South Africa we are already looking forward to the next year and we have a couple of really great things in the pipeline," said Velma Corcoran, general director at Airbnb South Africa.

## Global readiness and expansion

Koser sees the key areas of investment potential in the e-commerce space in Africa in 2017, as niche e-commerce, vertical classifieds disruptors, B2B lending and factoring, digital services and mobile."

Folayan adds, "The key area of growth is centred around two main themes: global readiness and expansion. These two related yet very dissimilar factors are mandatory to perfect one's business and succeed in 2017. The outcome of how this is handled and executed is what will determine success for most online companies in 2017 and beyond."

In terms of potential challenges to investing in the local market or in other territories on the continent, Koser states, "Macro economic headwinds, the brain drain and talent shortage and an in-experienced ecosystem due to the small size of the market are issues."

"With global expansion being a main goal of ours, we face what most companies face when dealing with global expansion growth. Advertising, culture, language, local market trends and product market acceptance. Gaining comprehensive insight into all these aspects is vital in expanding across territories, regions and countries," says Folayan

Koser adds, "It's tough to raise money, as the funding supply chain is broken and the four big investors in African tech have lost some interest. Value correction will keep happening and businesses need to focus on profitability and unit economics over just growth. It is now that the resilient and best companies will be founded."

Terry Southam, joint MD of Kinetic (the key sponsor), concludes: "The event acts as a business facilitator between e-commerce vendors, retailers, banks, payment specialists and fintech innovators. The show presents an opportunity for thought leaders and innovators in the e-commerce space to network and share ideas on this ever-evolving industry."

For more information, go to [www.ecommerce-africa.com](http://www.ecommerce-africa.com).

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