

A SURVEY OF E-COMMERCE STRATEGIES AND MODELS IN KENYA

BY

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
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DECLARATION

I hereby declare that this is my original work and it has not been submitted for any award of degree in any other university

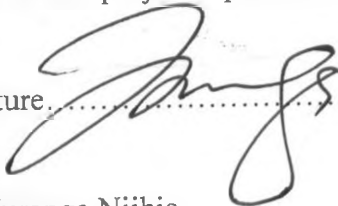
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To write this project was not easy, it was time consuming, needed a lot of hard work and determination, all these needed the grace of God, I want to sincerely thank the Almighty God for the strength and the courage he gave me.

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A special word of appreciation to my daughters Maya, Chantelle and Tatianna for their continual question 'when are you finishing so that you can be coming home early?' kept me on track to finish. You were patient with me when I was busy doing the research and to many others that I have not mentioned their names, thank you and may the Lord bless you all.

DEDICATION

I dedicate this work to my parents. My dad Henry Dinda and my late mother Alice Dinda for the pressure they put on me to do this. They were a great source of encouragement to me and provided a lot of moral support

ABSTRACT

The potential value of e-commerce has received extensive coverage in research and trade publications with reportage of several successful e-commerce stories. With e-commerce, firms increase their market performance by extending the firms market reach through entry into global commodity chains and access new customers and enter new markets. This offer opportunity to the firms to be more visible hence enhancing relationships and forming closer ties with trading partners and customers.

E-commerce will open fresh sources of revenue and opportunities for firms, it will bring more dialogue between business and consumer on a number of levels within the supply chain that will result in greater revenue generation.

With e-commerce information on a firm's product and services can be published on the web site in detail which would make it relatively available to interested trading partners and customers in a timely manner, all these benefits from e-commerce were the forces behind the study.

The study therefore seeks to establish the strategies and models that the Kenyan online companies have employed, the challenges they encounter and how to solve them so as to enjoy the e-commerce benefits and use them as a tool for strategic management of the organizations, by use of both quantitative and qualitative research approach. Web analysis and interviews were done to get data of all online companies.

The study made several suggestions and recommendations. There is still more to research on this, because the business world is very demanding and dynamic, ideas and technologies keep on changing very fast, so there is need for research of new strategies and better payment systems for the future of e-commerce. Government should solve the problem of poor internet infrastructure to enhance good internet penetration

TABLE OF CONTENT

Declaration.....	i
Acknowledgement	ii
Dedication.....	iii
Abstract.....	iv
Table of Contents	v
List of Table	vii
List of Figures	viii
CHAPTER ONE: INTRODUCTION.....	1
1.1 Background of the study.....	1
1.2 E-Commerce in Kenya.....	2
1.3 Statement of the problem.....	3
1.4 Research questions.....	4
1.5 Research objectives.....	4
1.6 Significance of the study.....	5
CHAPTER TWO: LITERATURE REVIEW.....	6
2.1 E-Commerce	6
2.2 E-Commerce Strategies	7
2.3 E-strategy	8
2.3.1 Creating e-value.....	8
2.3.2 E-commerce business models.....	10
2.4 Factors affecting e-commerce adoption.....	11
2.5 Web maturity	13
2.6 E-commerce Case Studies in Kenya.....	13
2.7 E commerce strategies and models in Kenya	15
CHAPTER THREE: RESEARCH METHODOLOGY	17
3.1 Research design	17
3.2 Population	17
3.3 Sampling.....	17

3.4 Data collection procedures.....	17
3.5 Data analysis method	18
CHAPTER FOUR: DATA PRESENTATION, ANALYSIS AND	
PRESENTATION	19
4.1 Findings.....	19
4.2 Business models used the firms	21
4.3 Revenue models used by the firms	24
4.4 Payment systems used by the firms	25
4.5 Discussion.....	28
4.5.1 E-commerce strategies	29
4.5.2 Business models	30
4.5.3 Revenue models	30
4.5.4 Payment systems.....	31
4.5.5 Challenges faced by the firms	31
CHAPTER FIVE: SUMMARY OF THE FINDINGS, CONCLUSION AND	
RECOMMENDATIONS.....	32
5.1 Summary of the findings.....	32
5.2 Conclusion	32
5.3 Recommendations.....	33
5.4 Limitations	34
5.5 Suggestions for further research	34
REFERENCES.....	35
APPENDICES	
Appendix 1.....	39
Appendix 2.....	62
Appendix 3.....	63
Appendix 4.....	65
Appendix 5.....	66

LIST OF TABLES

		PAGE
Table 3.1	Conceptual framework	18
Table 4.1	Business strategies	20
Table 4.2	Business models by Laudon and Laudon	21
Table 4.3	Business models by Marr	23
Table 4.4	Revenue models	24
Table 4.5	Payment systems	26
Table 4.6	Types of payment systems	27

LIST OF FIGURES

		Page
Fig 2.1	Porter five forces model	10
Fig 4.1	Business strategies used by firms	20
Fig 4.2	Business model adopted from Laudon and Laudon	22
Fig 4.3	Business model adopted from Marr	23
Fig 4.4	Revenue model used by the firms	25
Fig 4.5	Payment systems	26
Fig 4.6	Types of payment systems	28

CHAPTER ONE: INTRODUCTION

1.1 Background of the study

Electronic commerce (e-commerce) use to conduct business transactions is gaining popularity in both developed and developing countries, Kenya not left behind. Its benefits have generated a lot of successful stories in both socio-economic and academic field development (Boateng et al 2004). Several studies shows that E-commerce and its related facilities can be integrated into business processes to improve the quality of products and services in a company, hence promoting market performance that includes strategic, informational and operational (Fearson and Philips 1998)

Pare (2003, Moodly 2002, 2003) argues that e-commerce enhances several opportunities for businesses that enable them maximize on their profits. First firms can use e-commerce technologies to reduce cost of operations because it influences firm's operational processes when integrated into their business processes. According to Moodley (2003), strategic benefits enables firms gain opportunities that can enable them enlarge their market performance by gaining access to a large pool of customers and meet other traders in the business environment. This also makes the firm become popular within the market place hence creating trust and customer loyalty which enhances good business relationships with the trading partners and customers, making a firm capture a bigger market share than the competitors.

Market place information and communication is another benefit from e-commerce. This will help create awareness of the firm's product and services. For example a firm's product or services can be posted on the firm's web site, making it available to the interested trading partners and a wide range of customers who browse over the internet to check and compare available products and services over the net, hence capturing the firms customer and others who might be potential customers attention (Evans and Wurster 1999).

Zhu and Kraemer (2002) argue that e-commerce and its related facilities can be integrated into the firm's business processes. In their argument, this enables reduction of costs and efficiency in operations, by enhancing fast, accurate and reliable procurement and delivery operation procedures. Infrastructure is an issue that needs to be considered in e-commerce, since it brings together groups of users from the two sides, the sellers and the buyers.

The internet which is the advent of e-commerce has changed the ways people buy, sell, hire and organize business activities more rapidly, than any other technology in history of business. There are a number of sub environments within e-commerce that includes Electronic Fund Transfers (EFT), also called wire transfers which are electronic transmissions of account exchange information over private communications networks. Electronic Data Interchange (EDI) which occurs when one business transmits computer readable data in a standard format to another business (Schneider 2007).

1.2 E-Commerce in Kenya

The arrival of The East African Marine Systems (TEAMS), fiber optic cable in Kenya has enhanced a new era and faster internet connection and penetration in Kenya. This has lead to high business expectations. The Kenyan government has proposed the ICT incentive package in the 2009/10 budget, it's willing to launch the one million laptop / computer campaign that will double or triple the number of users and enable them to take advantage of the cheaper broadband. With all these plans in place, it will make it possible to create content and have online tool of trade which will act as a competitive advantage in the Kenyan market. Gone are the days in Kenya where people had to walk to travel agents or even call to get a holiday quotations or even a booking because ecommerce has made it all easy. The I&M bank opened a gateway payment system, making it easy for people to shop online. KCB has also opened an online payment solution targeting tourist. I & M in partnership with Nakumatt has unveiled a travel card that will enable travelers to earn smart points at any supermarket outlet. (Atul Shah 2010)

Mobile banking (m-banking) as one of the newly developed form of e-commerce involves the use of a mobile phone or another mobile device to undertake financial transactions linked to a client's account. M-banking is one of the newest approaches to the provision of financial services through ICT, made possible by the widespread adoption of mobile phones even in low income countries, and this has witnessed explosive growth in markets such as Kenya. M-banking solutions, such as Zain's ZAP money transfer and Safaricom's M-PESA has clearly demonstrated a lot of potential benefits to both buyers and sellers making them attractive modes of payment in Kenya (katz and Shapiro,1994)

1.3 Statement of the problem

E-commerce and its related facilities are new technologies for commercial transactions that may open up new opportunities to firms and may lead to more revenue generation, that is, if a firm carefully structures and uses its strategies and models effectively. Dealer (1999) argues that not all firms have incorporated e-commerce and its related facilities into their business processes, he predicts that not trading electronically within six to 18 months may make such firms loose out in business, because the business world has become very competitive that calls for strong measures to be taken, which includes a system that will enhance a lot of innovation that will be flexible enough to go with the current business technology

The Kenyan Government is promoting the use of Internet for improving competitiveness and development of e-commerce as it has encouraged majority of the firms to adopt ICT in order to gain competitive advantage, in fact it is exploring a possibility of acquiring some space in Nairobi in order to set-up an ICT base. With the fibre optic connection in place it is hoped that connectivity to the rest of the world and even locally will be faster and cheaper thus enabling more firms and individuals to adopt e-commerce as the mode of doing business. Clearly, e-commerce is making an impact on the way business activities are being conducted. Local studies have been done in Kenya regarding e-commerce, for example Kiyeng (2003) who did a survey of the impact and challenges of business E-commerce in Kenya

a case of E-Sokoni and found out that majority of the suppliers joined E-sokoni in order to reduce operational costs, access more customers and to reduce sales and distribution costs. On the other side, buyers joined E-sokoni to reduce both operational costs and procurement expenses. Services offered by E-sokoni include Electronic market exchange, Business process re-engineering, Supply chain management consultancy, Inventory management advisory and Web marketing. For the buyers, joining E-sokoni has resulted into elimination of intermediaries resulting in delivery of purchases in the right time, quantity and quality. Sellers pointed out that staff requires training to enable implementation of B2B , buyers pointed out slow connectivity speeds, poor electronic payment systems and poor infrastructure as the main obstacles. This research therefore seeks to establish the e-commerce strategies and models that will enable the researcher establish the landscape of ecommerce in Kenya.

1.4 Research questions

1. What e-business strategies have Kenyan ecommerce firms employed?
2. What e-commerce business models are Kenyan firms using?
3. What challenges are encountered by companies in the changing e-commerce landscape in Kenya?

1.5 Research objectives

1. To establish e-commerce business strategies that the Kenyan firms using e-commerce have employed.
2. To establish e-commerce business model that the Kenyan firms are using.
3. To establish the challenges encountered by the firms doing business online in Kenya.

1.6 Significance of the study

The study will aid various stakeholders in the telecommunication companies' managers to obtain details on the benefits of e-commerce to the industry and the details of responses to the challenges in the adoption of e-commerce in Kenya. In addition the study will provide the justification to the responses adopted depending on the success obtained.

The policy makers will obtain knowledge of e-commerce dynamics and the responses appropriate; they will therefore obtain guidance from this study in designing appropriate policies that will regulate the industry. It will also be influential to policy makers especially towards promotion of e-commerce and attainment of vision 2030 on increment of the firms, the government and individuals who use e-commerce.

For academicians, this study will form the foundation upon which other related and replicated studies can be based on. Investors can also gain an insight on the usage of e-commerce and its benefits, which can assist them in switching to e-commerce usage.

The scholars may use the results of this study as a source of reference. The findings of this study can be compared with e-commerce usage in other sectors to draw conclusions on various ways an organization can respond to the challenge migration to e-commerce. It will also benefit consultants who endeavor to provide assistance to firms who want to use e-commerce but do not have any basic idea.

CHAPTER TWO: LITERATURE REVIEW

2.1 E-Commerce

Electronic commerce (e-commerce) is the process of execution of commerce transactions electronically with the help of leading technologies like Electronic Data Interchange (EDI) and Electronic Fund Transfer (EFT) which give opportunity for users to exchange business transactions. Ecommerce has had an interesting history, from the humble beginning of dot-com boom where e-commerce performance was not well recognized because it was still very weak and it was not appreciated by many, followed by the dot-com bust or dot-bomb where e-commerce started showing some sign of life, it grew rapidly until now where its reporting a lot of successful stories and being used a lot by organizations as a competitive advantage (Schneider 1998).

Various authors have defined e-commerce. According to Daniel et al (2002), e-commerce is the sharing of business information, maintaining business relationships and conducting business transactions by means of telecommunications networks. Duffy and Dale (2002) consider this definition too wide, they urge that it considers some activities which e-commerce do not or should not be doing like sharing of business information and maintaining business relationship, they look at e-commerce in a narrow scope as transacting business transactions only.

E-Centre Score Research (www.scores.com) defines e-commerce as a means of enabling people work together, share information and transact electronically, making organization much more effective in creating and delivering value. However, while critiquing the definition, Path (2003) observed that it is too market oriented, trying to sell a product or service with its focus on employee empowerment and partnerships.

In addition to critiquing Daniel et al definition of e-commerce, Duffy and Dale (2002) suggests that e-commerce is where a company has integrated all of its business processes and functions electronically so that information can be shared amongst all users, partners and systems. Johansson (2001) argue that though most companies have already integrated

e-commerce and its related facilities into their business processes, they still don't get desired results because they don't utilize e-commerce capabilities fully. In his research findings, situations would be encountered where a customer purchases a product or a service online, their credit cards debited then a few days later they realize that the stock which they purchased online cannot be delivered due to stock unavailability

2.2 E-commerce categories

Schnider (2007) categorizes e-commerce into four groups, Business to Consumers (B2C) where businesses sell products and services to consumers, Business to Business (B2B) where businesses sell products or services to other businesses, Consumer to Customer (C2C) where participants in an online market place buy and sell goods to each other and Business to Government (B2G) where businesses sell goods and services to Government and Government agencies. Goodley *et al.* (2000) observed that B2B mode represents the largest percentage of the e-commerce market, and the majority of the predicted future growth. B2B incorporates: logistics and cash flow; channel harmonisation; and junction box or "info-mediary" models from (Marr 2007).

Torris *et al.* (2000) argued that B2C represents the public face of e-commerce, in his research findings, many firms doing business fall under (B2C). B2C incorporates the three e-commerce business models: logistics and cash flow; channel harmonisation; and junction box or "info-mediary" by Marr (2007). Duffy and Dale (2002) on the other side argue that the sites using this mode are primarily the auction sites. In their findings, there are no sign of growth in this mode because of lack of trust among the traders and secure payment systems for traders in auction sites.

2.3 E-strategy

E-strategy has been discussed by various scholars in different dimensions. At the strategic level, research has focused on issues such as business re-engineering for e-success Reynolds, (2000), new opportunities for strategic marketing Evans and Wurster,(2000) and the development of successful e-business plans Van Hooft and Stegwee, (2001). At the operational level though, work has ranged from analyzing the specifics of e-marketing and online customer relationship management Feinberg et al, (2002) to a discussion of the nature of e-procurement and negotiation Johansson, (2001) and an investigation of the dynamics of e-quality management (Wolfenbarger and Gilly, 2003).

2.3.1 Creating e-value

Porter's (2001) value chain provided a framework that proposes a set of activities that a firm can adapt to effectively create and deliver products and services effectively and in good time at an affordable cost. He noted that firms that use value chain reduces their cost of operation hence maximize their revenues In his findings, Porter (2001) argues that competitive advantages can be achieved by enhancing the firm's ability to deal with customers, supplies, substitute products and services, new entrants to its market, which in turn may change the balance of control between firm and other competitors in the industry in the firms favour. However He argues that businesses can use five basic competitive strategies to deal with their competitive forces.

A firm can use product differentiation where it can develop brand loyalty with its customers by creating new products and services that can easily be distinguished from those of competitors, and that existing competitors or potential new competitors can't duplicate, the firm can at the same time use focused differentiation competitive strategy for developing new market for specialized products and services where a business can compete in the target area better than its competitors. The company can also become the low cost producer to prevent new competitors from entering their market, businesses can produce without sacrificing quality and level of service.

Firms can use growth as a strategy to be always ahead of their competitors, it can create ties to customers and suppliers that “padlock” customers into their firm’s products and the suppliers into delivery timetable and price structure shaped by the purchasing firm, this will make a firm retain its customers hence gain a bigger market share than the competitors. For the growth strategy to work well the firm must be very innovative, it must come up with out of ordinary strategies that other firms can never duplicate.

Firms can also do mergers or alliances with other firms to serve their customers better, for example Safaricom’s MPESA has merged with banks like equity for M-kesho, Consolidated bank for E-cash and Cooperative bank to provide their banking services even better, all these strategies are supported by e-commerce because firms integrate use of IT to their business processes to provide products and services which cannot be duplicated or that serve highly specialized market, this alternatively can raise the market entry costs for competitors. Another way is that of sending data through the internet to improve sales and marketing technique, such systems treat existing information as a resource that can be mined by a firm to increase its profitability and market penetration. Firms have computerized data on its customers and target customers by mining the data and sending an advertisement to them on the same product or its maintenance contract, this is innovation and it enhances growth of the firm by making it capture bigger market share. The cost of acquiring a new a new customer has been estimated to be five times that of retaining an existing customer (Saleemi 2009). By carefully examining transactions of customers purchases and activities, firms can identify profitable customers and win more of their business and develop flexible pricing products and services to defend from competitors, likewise firms can use these data to identify non profitable customers.

Below is a diagram adopted from Porter (2001) and Laudon and Laudon (2007) illustrating the competitive forces and competitive strategies that firms can use to counter the forces.

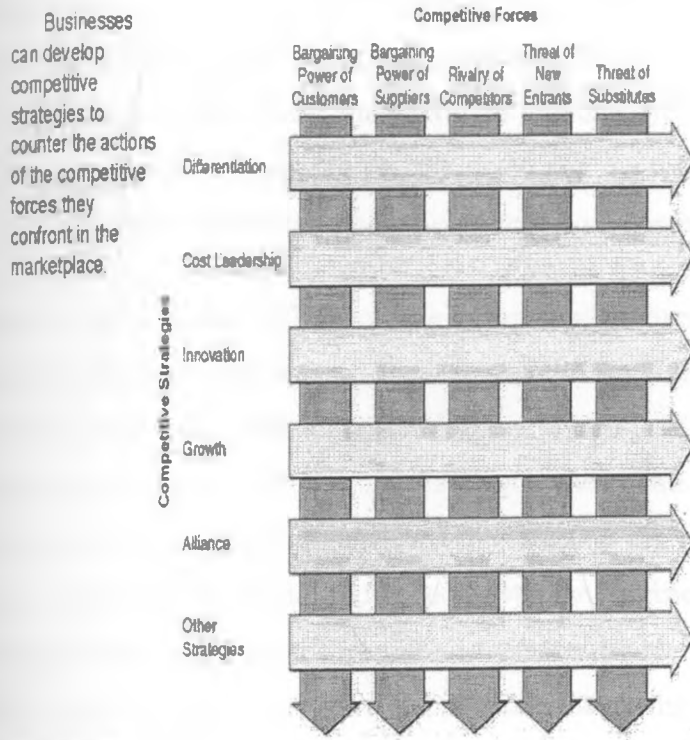


Figure 2.1

Source: O'Brien, J.A. (2002) Management Information system: Managing information Technology in the E-Business Enterprise

2.3.2 E-commerce business models

Business model is a set of planned activities designed to result in a profit in a market place. According to Marr (2000), there exist five models of e-commerce that a firm can benefit from namely: the logistics and cash flow model that an organization looks to use the benefits of e-commerce to modify the rules of engagement and use the new technology to reduce stocks, increase cash flow, maximize choice by increasing the available sourcing options, and to reduce the accounts receivable risk, customer lifetime

value model with this an organization seeks to develop long-term loyalty-based relationships with its customers, customer aggregator model used by an organization seeking to create a virtual community around an area of interest, the organization's main asset then becomes the customer aggregation, Channel harmonization model that companies use to reconcile the opposing forces between their traditional business and an on-line service and junction box or "info-mediary" model an organization which wants to be info-mediary seeks new markets with lots of buyers and sellers and then provides a Web-site where business can be conducted and overseen by the independent third party provider that strengthen the up-and-coming e-commerce culture.

Laudon and Laudon (2007) on the other hand argues that there exist seven business models that firms can employ: E-tailer which is an online version of traditional retailers, this are firms that sell their products and services online for example the virtual marchants,clicks and bricks and catalogue merchants. Content Provider who are the information and entertainment firms that provide digital content over the web, one can buy and download music and videos over the internet. Transaction broker is another business model which process online transactions for customers, market creator which uses internet technology to create markets that bring buyers and sellers together for example the nsoko for the Nation media group, community provider are sites that create a digital online environment where people with similar interests can transact, communicate and receive information and the service provider which are companies that make money by selling services rather than a product.

2.4 Factors affecting e-commerce adoption

Several people have done research on factors that hinder e-commerce adoption. Archer et al (2008) noted that there are five barriers to e-commerce adoption. They argue that many organizations have risk perception on new and untested technologies, associating them with high risk all because of fear of unknown. Dewan et al (2000) noted that many firms fear adapting e-commerce and its related facilities because they fear that it may fail, urging that if a firm incorporates e-commerce into their business process and then it fails, it will be a big loose hence becoming a liability to the firm.

Jap and Mohr (2002) noted that integrating e-commerce and its related facilities bring conflicts and confusion to the normal way of doing business to a firm, he argues that change into business operations of a firm may need to be done in a careful and a strategic way to avoid disruption.

Archer et al (2008) says that some small and medium sized enterprises (SMEs) lack the knowledge on e-commerce and its related facilities, they argue that some of such firms wait to see and learn from others by copying. Gullledge (2005) on the other hand noted that some firms prefer using their old traditional ways of doing business as long as they continue making profit and never see any need of trying any new technology. According to his finding such firms always fear the expense of integrating a new technology which they are never sure of its capabilities.

Trust is another burning issue in e-commerce adoption. Firms fear virtual communities, where business transactions are done between two parties that don't know each other, unlike the traditional way where there is a physical market place where buyers and sellers can meet. (Gounaris 2005, p.127). Some firms do not have the finances to adopt such technologies because they small and still struggling to survive in the stiff world of business (Cullen and Webster 2007). Organizational culture and change issues can also affect the adoption of e-commerce (Archer et al 2008).

2.5 Website maturity

There are various stages or levels of maturity that e-commerce websites follow as they grow to maturity. Most of them have identified the stages of growth in wide and/or strategic terms from customers and or business enterprise perspective.

This study looks at various stages/phases of website maturity levels that could lead to the research of maturity of electronic businesses at various stages of growth and providing a technique that be used to categorize Kenyan ecommerce firms and websites and their capabilities in providing enhanced online services.

The Bronchure is the first phase, which is usually considered as the home page or welcoming page. It's static with limited content. The Catalogue then follows, which is a navigating product catalogue and or services offered with simple order form and offline payment options. It's basic for email capabilities. Transactional is the next and it a fully developed phase with shopping cart,checkout online ordering and a payment via credit card. Registration is also another phase that contains the part for customer registration, it contains alternative payment options. The last stage is the personalization stage that shows innovation use of emerging technologies for future research.

2.6 E-commerce case studies in Kenya

For companies to survive in the competitive business world ICT and its related facilities become a key success factor, Kenya is not left behind on these. Korir (2005) did impact of e-commerce as a facilitating tool for business on tour operators in Nairobi and found out that many Tour Operators have embraced e-commerce and they are applying it as a tool for business. From the response it showed that Tour Operators enjoy the benefits of e-commerce as a tool for business. However there are factors that are influencing the operations of Tour Operators while transacting business through e-commerce. These problems are lack of privacy, insecurity in payments and information abuse and complexity of use. The researcher clearly shows from the results that benefits surpass the problems that are faced by Tour Operators.

Nyaanga (2007) did the effects of e-commerce adoption on business process management in commercial banks in Kenya and found out that most banks have embraced use of e-commerce and focused their businesses in collaborating with business partners and this has improved the image of the banks besides profit making. The results also showed that the major barriers encountered by banks in the increased use of e-commerce in business process management are conservative organizational cultures and lack of industry standards and there are many issues of e-commerce which have implications on banks business process man agent such as retail transfers e-payments, use of electronic ID, security of operations, internet banking, electronic signatures and sharing of a lot of mobile applications.

Ojung'a (2005) did a survey of e-commerce services in banks in Kenya and found out that banks use automated clearing through EFT, electronic transfer payment facility and settlement of payments real time. The E-commerce services by commercial banks in Kenya has been influenced by the need to increase customer base, expand geographical reach, meet customer demands and keep pace with rapid technological changes. The impact of use of technology has been improved customer service, reduction of customers from the banking halls, increased revenue, reduction of operation cost and increased market share. However the use of E-commerce services has brought a number of challenges. These include, ensuring desired levels of security and privacy, dealing with security breaches, Integration with banks' other back office systems, Unreliable telecommunication as well as lack of legislation governing E-commerce transactions. None of the studies had covered the changing landscape of e-commerce in telecommunication industry in Kenya. No two organizations are perfectly similar and thus whatever changes are taking place in one company may not work for the other. This is because the managerial and innovation processes at the telecommunication companies operating in the country vary as the companies tries to attract more subscribers to its network.

2.7 E-commerce strategies and models in Kenya

E-commerce in the past years (2000-2009) period in Kenya was very dormant mostly because of lack of affordable internet service providers and lack of facilities to make payments over the internet. The only companies that existed in this industry during that period were companies which focused on the Diaspora. This was because countries like the US, Europe and Asia was fully integrated with e-commerce technologies, they had easier access to the internet, good infrastructure among many other advantages (When and Mansell, 1998). Kenya E-Commerce firms appear to be challenged e.g. Companies like Biashara.biz and Watuwetu were operating using ecommerce, they both closed down because of poor internet penetration and lack of payment Gateways and insecure transactions that made their clients lack trust in them (Schneider 2007).

Kenyan online firms use various models and strategies for generating revenues for example Mama Mikes site has been designed to be interactive with the shoppers, it allows clients to navigate around online store and pick out specific items of interest, order them online then wait for home delivery. The firm uses web catalog revenue model, where they display various goods and services for people who have access to their site, customers then place orders through the website or by telephone lines. Research shows that many successful Web catalog sales businesses are the firms that were already operating using the ancient ways of doing business like the mail order business where people write letters and post using the mail boxes at the post offices, these were quite slow and very expensive, then the firms simply change and expand their operations to the web with discovery of internet. (Montgomery 2001)

The Kalahari.com which is a firm that sells books online, has embraced the web as a new and highly distribution channel. The firm uses digital content revenue model, their site offers customers a customized digital clipping service that provides subscribers with a daily e-mail message of news on topics of interest to them which in turn they can order online. The Kenya Airways firm provides its clients with a fast search, online booking and easy retrieval of information. This strategy differentiates them from other companies. it

has stayed ahead of others because of its approach to developing technology as a commercial venture. .

These firms use strategies in addition to the models for example strategic alliances where one firm merges with another to provide better services to their clients. Safaricom's Mpesa has merged with the banks to provide better M-commerce services, Corporative bank has merged with mpesa to provide customers with additional services like balance enquiries, cash deposits through the phone.

Another strategy firm's use is joining websites with channel distributions management companies. Where the companies will just paste their products over the internet and the distribution channels search for them customers, these together with using web portals to capture more and more customers (Schneider 2007)

CHAPTER THREE

RESEARCH METHODOLOGY

This chapter highlights research design, target population, sampling method, procedure, data collection method and analysis technique that was used.

3.1 Research design

The study adopted both quantitative and qualitative research approach. Descriptive research is those studies that are concerned with specific predictions, with narration of facts and characteristics concerning individuals, groups and situations (Kothari 2005).

Survey design is a report of study which requires the collection of quantifiable information from the sample. This study obtained information from companies that engage in online business.

3.2 Population

The target population of this study included all companies that do online business in Kenya.

3.3 Sampling

No established/authoritative list of online firms in Kenya, hence the researcher used snowball sampling. Judgmental sampling was used to choose for in depth interview, for example owners and senior managers of the Kenyan e-commerce firms. This was done till no new information was emerging from the interviewees.

3.4 Data collection procedures

The study used two methods to collect data. First Website analysis to get the models and an indication of strategies these companies use, plus targeted interviews with managers for a deeper understanding of key issues on strategy and e-commerce in Kenya. The interviews used both closed and open ended questions where necessary.

3.5 Data analysis method

The study used descriptive statistics to tally and classify strategies and business models. Mean median and mode was used. Content analysis was used for interview data to add more insights into descriptive findings.

Descriptive statistics enable the researcher to summarize and organize data in an effective and meaningful way. (Nachmias and Nachmias 2004)

The figure below shows a typical framework adopted from Porters(1998) five forces model and Laudon and Laudon(2007) that was used to analyze the data because it analyzed both the competitive forces these firms face giving us the challenges that the firms face and suggested the competitive strategies the firms used to counter their competitive forces, since the study was to establish and analyze the strategies and models used to gain competitive advantage over other firms hence answer our research objectives.

Co. Description	TYPE(E-commerce category)	Strategies	Business Models(Laudon and laudon)	Business model(By Marr)	Revenue Models	Payment system used
	B2C	Differentiation	Portal	Logistics and cash flow	Advertising	Credit cards
	B2B	Cost Leadership	E-tailer	Customer lifetime value	Transactional	Mpesa
	C2C	Innovation	Content provider	Charnel harmonization infor-mediary	Subscription	Zap
	B2G	Growth Alliances	Market creator Community provider	Customer aggregator	Affiliated Sales	Cheque
		Others				Others

Table3.1

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

This chapter highlights data presentation, analysis and interpretation of data that was collected. The researcher used the framework in Figure 3.1 adopted from Porter (2001) and Laudon and Laudon (2007).

Website analysis

The researcher listed the companies, gave a brief description of what the firms do in online business, categorize them using e-commerce business modes or categories and analyzed them. Lists of the strategies, models, revenue models and the different payment systems used by the firms were shown in the framework as in appendix 1, for example website analysis of company number two, the Kalahari shows that it is an online retailer, selling books, music and games online, it uses B2C mode of e-commerce, e-tailer model by Laudon and Laudon (2007) and logistics and cash flow model by Marr (2000), it uses sales revenue model and MPESA as its mode of payment system.

Interviews

Interviews were done to three heads of the firms to gain more insights on the strategies and models till no more new information was emerging from the interviewees.

4.1 Findings

Business strategies used by the firms

The figure presents all business strategies used by the firms hence addressing the first research objective, to establish e-commerce business strategies that the Kenyan firms have employed.

STRATEGY	NO. of BUSINESSES
Low Costs	1
Differentiation	4
Innovation	29
Growth	20
Alliances	6

Table 4.1

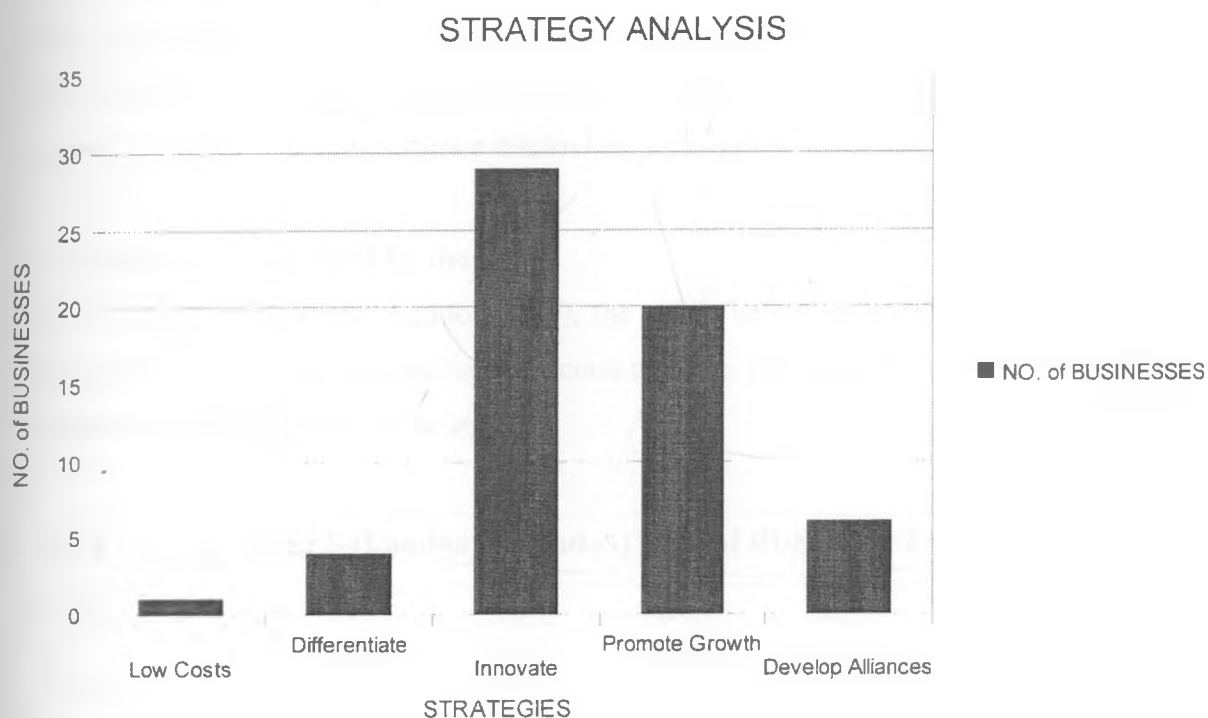


Fig 4.1: Strategies used by the firms adopted from Porters five forces model

From the bar chart the most commonly used business strategy is Innovation. Most companies are coming up with ways of introducing e-commerce to their clients in addition to the already existing traditional means of doing business, Clients are still familiarizing themselves with e-commerce as new ideas are coming up that enables companies generate more revenue than before because of ecommerce business strategies and models that facilitates new business ideas. These firms have integrated the strategies

and models into their business process to enhance the online orders for products and services from clients, payments, to how these clients receive their products after online purchase. E-commerce in Kenya is still in its introductory state, most companies are still trying to come up with ways on how to work with the strategies to reduce the cost of production and provide affordable products and services to their clients and that's why the Low Cost Business Strategy has not yet found a footprint in e-commerce hence performing poorly. Interviewee number one and two gave more insight on the strategies, they both urged that innovation and growth are the most preferred strategies because the business world has become very stiff and competitive that firms are looking for any way that would make them gain competitive advantage over their competitors and capture a big market share to maximize on the revenue generation, they both added that customers have become more enlightened than before, their tastes and preferences keep on changing as well as new technologies, hence demand for innovation.

4.2 Business models used by the firms

According to Laudon and Laudon(2007), the table below shows the business models employed by the firms, answering the second research objective, to establish the business models the Kenyan firms are using

BUSINESS MODELS (Laudon & Loudon)	No. of BUSINESSES
Portal	6
E-Tailer	18
Content Provider	5
Transaction Broker	0
Market Creator	6
Service Provider	14
Community Provider	2

Table 4.2

BUSINESS MODEL (Laudon and Laudon)

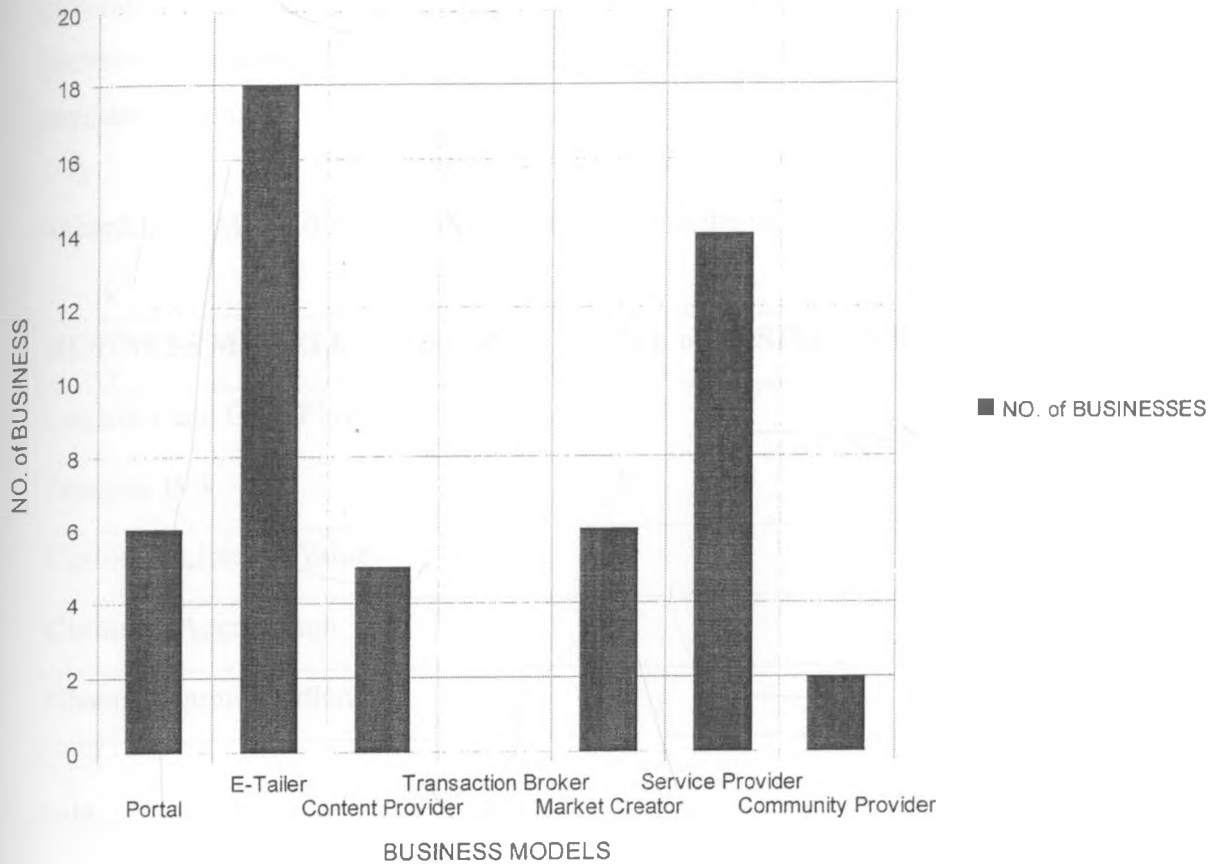


Fig: 4.2: Business models adopted from Laudon and Laudon(2007)

E-Tailor is the most commonly used business model. The reason being the business owners know their target market, tastes and preferences of their customers. They specialize on the goods and services that they know will satisfy the needs and wants of their target market, this enables them maintain the loyalty of their market hence maintain a bigger market share giving the firms a competitive advantage over their competitors. Service providers are preferred because they sell services rather than a product to people and services are part of the peoples needs for example airtime from safaricom or Zain.

Transaction Broker is the least used business model because the stock brokerage firms still lack trust from most of their clients and Integration between the Brokerage firms and online payment systems that can serve a wide pool of client in spite of their location is

another major issue. The current payment systems can only be used within the same geographical location and it's prone to delays because of network connectivity. Interviewee number three argues that most customers like a fast and reliable mode of payment system.

According to Marr (2000), the models presented in the table are also used by the firms.

BUSINESS MODELS (Marr)	NO. of BUSINESSES
Logistics and Cash Flow	13
Junction Box	11
Customer Lifetime Value	7
Customer Aggregation	11
Channel Harmonization	8

Table 4.3

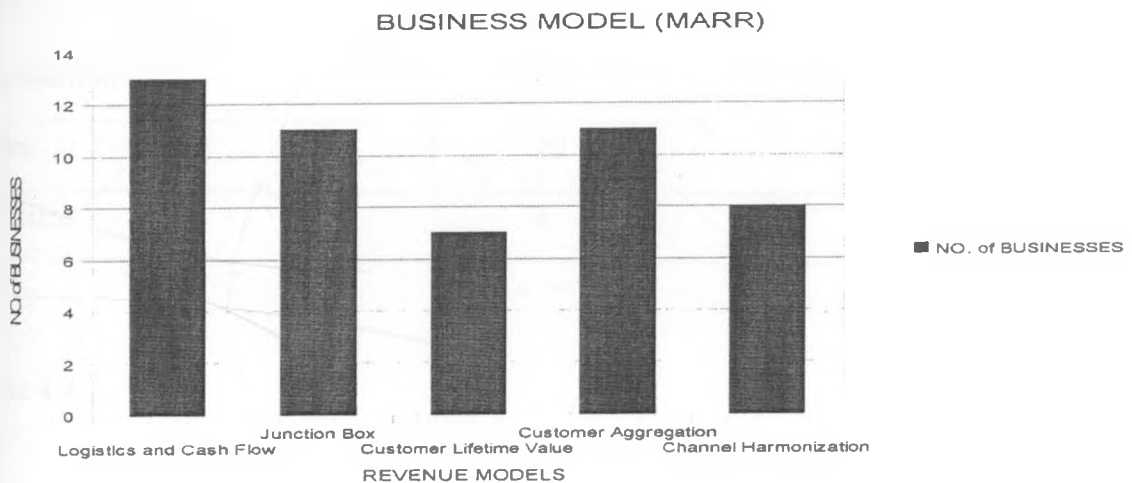


Fig 4.3: Business models adopted from Marr (2000)

The Logistics and Cash Flow model is favored to other models because the most well established e-commerce sites maximize on revenue generation at a reduced cost but provide quality products to their customers. They use the e-commerce platform to reduce stocks levels, increase cash flow, maximize choice by increasing the available sourcing options, and to reduce the accounts receivable risk hence maximize on revenue. The least used model is the Customer Lifetime Value model because most e-commerce sites concentrate more on market expansion rather than customer retention when the cost of acquiring a new customer has been established to be five times that of retaining an existing customer Saleemi (2007)

4.3 Revenue models used by the firms

Most companies have gone through transitions in their ways of generating incomes, they have learned how to do business successfully on the web. As more people use the web to buy and sell goods and services and the behavior of web users changes firms found it wise to incorporate these revenue models

REVENUE MODELS	NO. of BUSINESSES
Advertising	15
Subscription fee	11
Transaction fee	11
Sales	22
Affiliate	4

Table 4.4

REVENUE MODELS ANALYSIS

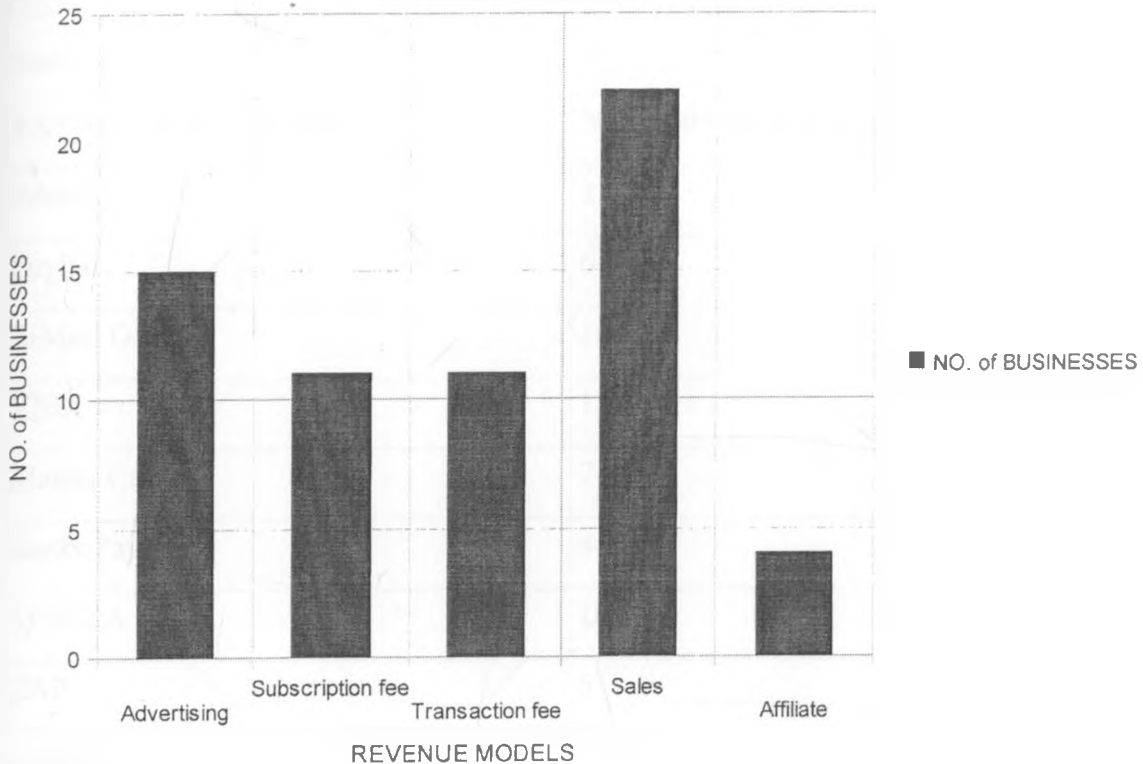


Fig.4.4 Revenue models used by the firms

Revenue is generated through sales. Meaning that most contemporary shop owners have established that e-commerce can generate income similar to the normal retail shops. Sales revenue model is the most used by the e-commerce firms because of its convenience, fast and reliability, this is because one gets the payments almost immediately. The Affiliate Model is Least used because there are less middleware companies linking businesses to customers, internet has taken the position of the middlemen, so its upon the firm to strategize using e-commerce on how to capture a big market share.

4.4 Payment systems used by the firms

Handling of payments over the internet is an important function of e-commerce sites. This involves exchange of money for some products or services. According to

interviewee number three many firms in Kenya use electronic fund transfers (EFT) and Electronic Data Interchange (EDI) to make online payments.

Table 6

PAYMENT SYSTEMS	NO. of BUSINESSES
PesaPal	1
PayPal	6
E-Mail Order	10
VISA	12
Master Card	7
JamboPay	4
M-PESA	18
ZAP	6
YUCash	1
American Express	1
Cash on Delivery	2
PesaPay	2

Table 4.5

PAYMENT SYSTEMS ANALYSIS

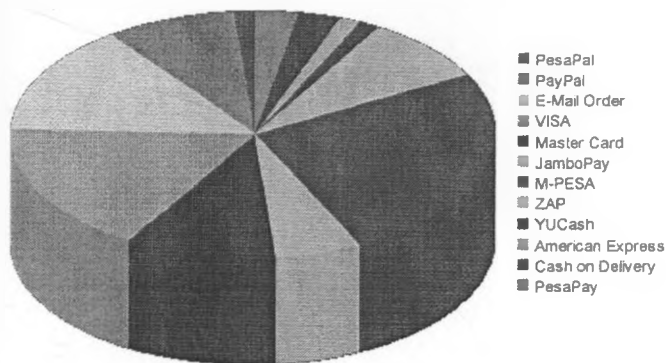


Fig 4.5: Payment systems

M-PESA is the most preferred Payment System because of the trust Kenyan people have in it, it's fast, reliable and most convenient to use, it has been tried and tested on mobile devices making it the most preferred system. Other Payment Systems are least used because of lack of trust, people like working with technology that has been tried and tested, that's why fewer people would transact using PesaPal as opposed to M-PESA.

Types of payment systems

Online payment systems are still evolving, a number of proposals and implementations of payments systems are competing for dominance. According to interviewee number three, electronic payments are far cheaper, faster and convenient to use for most consumers. There are four basic types of payment systems, cash, credit cards, debit cards and cheques

PAYMENT SYSTEM	NO. OF BUSINESSES
Cash on delivery	2
Digital cash	36
Credit cards	19
Debit cards	7
Cheques	0

Table 4.6

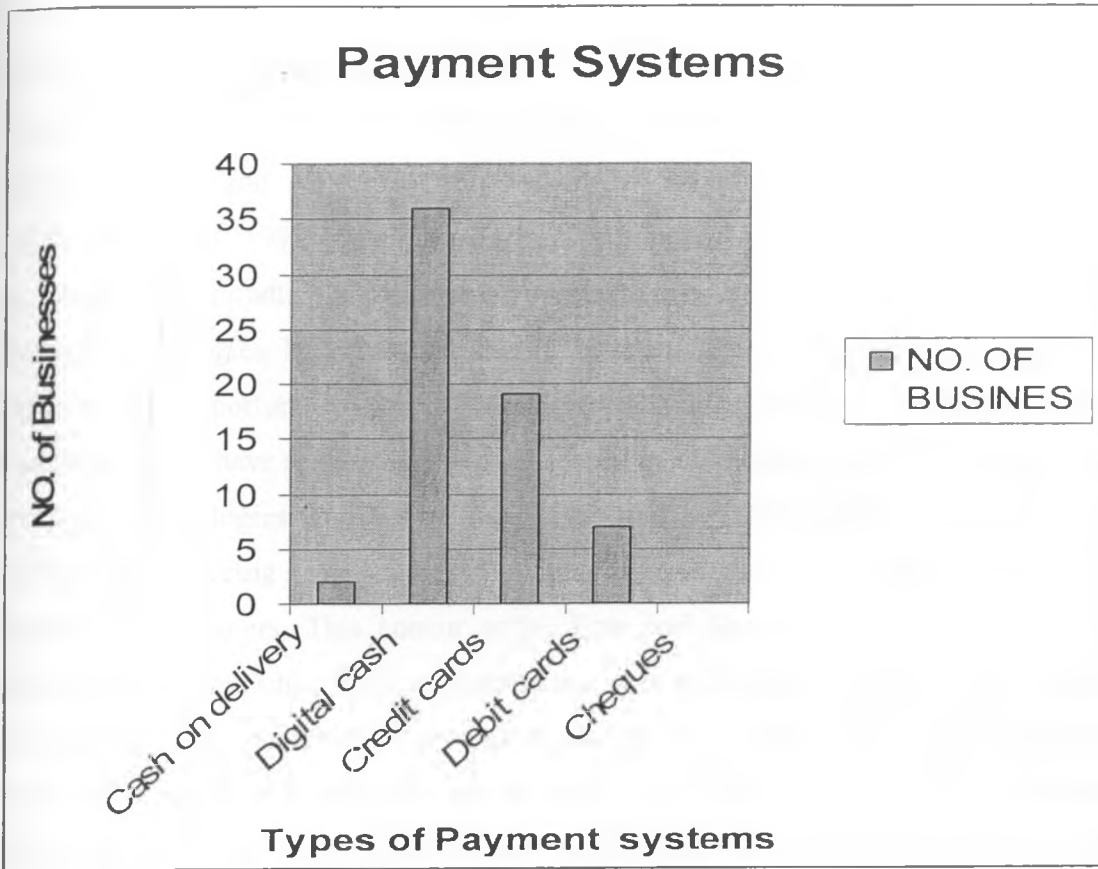


Fig 4.6

Digital cash is the most preferred payment system in Kenya because of Safaricom’s MPESA and Zain’s ZAP, their technologies have been tried and tested on mobile devices hence gaining peoples trust and confidence. Credit cards and debit cards are used but not so much because of lack of payment gateways that would support the transactions and poor internet infrastructure is another cause of drawback in their usage. Cash and cheques are reality used because they have been outdated with the arrival of internet and the computers.

4.5 Discussion

The purpose of this study was to establish business strategies online firms in Kenya have employed, business models and payment systems they use and why and also establish the challenges they encounter. The findings of the study provided several insights.

4.5.1 E-commerce strategies

According to the findings, most firms in Kenya prefer innovation and growth strategies which cover 48 and 33 percent respectively of the total firms studied. The findings confirms Dealer(1999) who found out that one of the biggest opportunities and challenges facing trading organisations over the coming years will be deployment of web enabled technologies, he argues that the use of ecommerce will open up fresh sources of revenue and opportunities for organisations that have carefully structured business strategies. Firms have realized that customers are much more enlightened because of new computer technologies than before, their tastes and preferences keep on changing at an alarming rate forcing firms to be innovative to meet the ever changing needs of the demanding customers. This concur with Katz and Shapiro (1994) that firms have witnessed increased innovation on ecommerce in order to gain competitive advantage as the company with increased innovation of ecommerce facilities attracts more customers thus making more profits than the competitors. Integration of the strategies and business processes of the firms is costly hence making the products and service cost go higher than expected making low cost strategy a challenge for the firms to use.

In the findings alliances did not work well for firms, this is contrary to Nyaaga (2007) who did a survey on ecommerce adoption on business process management in commercial banks in Kenya and found out that most banks have embraced use of ecommerce and focused their businesses in collaborating with business partners, in his findings firms improved their business image besides profit making which is contrary to the research Figure 4.1 presents all business strategies used by the online business firms. It concurs with Porter (2001) who argues that competitive advantages can be achieved by enhancing the firm's ability to deal with customers, suppliers, substitute's products and services, new entrants to its market, which in turn may change the balance of power between the firm and other competitors in the industry in the firms favour. He argues that businesses or firms can use five basic competitive strategies with their competitive forces.

The findings in figure 4.1 confirm Porters preferred strategies used by the firms, which answers the first research objective to establish business strategies used by the firms.

4.5.2 Business models

According to the findings transaction broker is the least used model because it still needs good infrastructure and security measures, this confirms Tao et al (2007) who suggests that trust, privacy and security issues are still interrelated in the online environments and had evidence using the US congress study of major corporations admitted that three quarter of executives indicated that they lacked confidence in ecommerce due to vulnerabilities arising from trust. Service provider is also commonly used because they sell services rather than products they do so well because services are also part of the needs of customers.

Sales revenue model is the most commonly used model, because they follow the traditional ways of revenue generation. Research shows that many successful web catalogue sales businesses are firms that were already operating using ancient ways of doing business like mail order business then simply changed to and expand their operations to the web with discovery of internet Montgomery (2001), it's also a fast, reliable and convenient way of generating revenue.

Affiliate model is the least used because there are less middleware companies linking businesses to customers, internet has taken the position of the middlemen. This concurs with Johnson (2001) who argues that many ecommerce companies, although they have a creditable web presence, are poorly integrated in their other business I.T systems. Transaction and subscription fee are also not well used because they need good infrastructure.

4.5.3 Revenue models

Sales revenue is the most popular revenue model. According to the findings it is fast, convenient and reliable. Advertising is used a lot because most firms reach their clients

through adverts of the products and services over the net. Subscription and transaction fee is equally being used.

4.5.4 Payment system

Our system have more digital cash than credit cards because most people have confidence on the Safaricom's Mpesa and Zain's Zap, their technologies have been tried and tested on mobile devices making it the most preferred system of payment. According to Katz and Shapiro (1994) consumers are most attracted to the platform that has the highest number of other consumers with whom they can transfer airtime credits, pay bills or money and are also attracted to the platform through which they can reach the highest number of commercial partners on the other side of the network like MPESA. Credit cards and debit cards are not mostly used by consumers because of the few payment gateways in place that supports them. According to Atul Shah (2010) I & M bank has opened a gateway payment system that has made it easy for people to shop online in Kenya, KCB and Nakumatt has also unveiled a travel card, cheques are not used at all because they are out dated by the modern methods.

4.5.5 Challenges faced by the firms

There are many challenges that face the firms as they continue to buy and sell over the internet in Kenya. Poor internet penetration is one of the problems they face, most people are not yet connected to the internet due to various reasons that includes illiteracy and some parts of the country like in the Northern part of Kenya, people have to walk long distances in search of network or climb hill to find network. Poor internet infrastructure is another challenge because of lack of resources to put it in good shape, making most firms not integrate their business processes with e-commerce and its related facilities well. There is lack of good, reliable payment systems, so far I&M Bank and KCB are the only firms that offer the required mode of payment systems. Most clients do not trust the use of e-commerce, first because they are used to the old traditional way of doing business and second e-commerce and its related facilities is still a new technology in the market.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary of the findings

The Research aimed at showcasing the different business strategies and business models that have been used by different e-commerce firms in order to reach out to their intended target customers. Innovation is the best business strategy because the business world has become very sticky, Kenyan are not left behind in this, e-commerce firms go for a strategy that change the old goals, operations, products and services, environmental relationship to help the firm gain competitive advantage over the competitors, all this is because the customers are more enlighten than before, they dictate the business world unlike before, they have different tastes and preferences that keep on changing year in year out, the strategy used by a firm must be very flexible because the business world is very dynamic.

E-tailer business model works so well because most companies that have embraced it work with it as a marketing strategy, they integrate it into their business process and use it to tailor made products and services that would meet their customers' needs and wants within a very short time Sales revenue model is most preferred because of its reliability, fast and the trust Kenyans have gained on it overtime, the name MPESA sounds local and Kenyan, people feel some sense of ownership (Mwaniki 2010)

5.2 Conclusion

According to the findings professional young people within the ages of 25 to 35 years are embracing e-commerce in their daily lives in Kenya. This is because of the increase in bandwidth by the Internet Service Providers through the arrival of fibre optic cable, the young professionals have become more aware that they can use the Internet platform for shopping, expanding their businesses, selling and buying at their convenience, and even communicating with relatives, friends and business partners at any location of their choice. This means that Kenya is developing in e-commerce technology, many people are running away from the old traditional ways of doing business to the modern ways, with

new technologies being accepted and put into practice, giving higher business expectation in the future. The key issues of the research were to find strategies and models employed by the Kenyan ecommerce firms, revenue models, payment systems and the challenges that face the online firms, characterize them according to their performance capability to enable grading according to their performance capabilities. This was to give an insight to the e-commerce strategies and models Kenyan firms have employed and why, hence find an indication on the landscape of ecommerce in Kenya.

As evident in the data analysis in Figures number 2,3 and 4 leading firms employ the best strategies and models to stay ahead of competitors or as a strategic weapon to competition, capture bigger market share, customize management control and to provide high quality products and services at an affordable prices to their customers, these strategies and models change the firm as well as its product and services, internal procedures, driving the firms into new behavior patterns that will be appreciated by its customers hence gaining a big market share and competitive advantage over other firms.

5.3 Recommendations

To realize the full potential of e-commerce strategies and models, many stakeholders within the industry will have to work together, the Government and the firms concerned will have to work together to make sure the Payment Systems are trusted by the people, the shipping/ courier companies will have to be efficient in delivering products to their intended destinations without any troubles to gain customer's confidence in delivering of products and services ordered through the net. E-commerce companies will have to come up with better ways to secure the internet transactions, the Government needs to find ways of coming up with payment systems that are trustworthy and affordable to all.

5.4 Limitation of the study

1. Some managers were refusing to be interviewed; I had to persist on seeing them which was not also very easy.
2. There is no one better way of gathering information about the online business firms so I used snowball sampling for web analysis.

5.5 Suggestions for further research

There is still more to research on this because the business world is very demanding and dynamic, ideas, technologies keep on changing very fast, so there is need for research of new strategies and better payment systems for the future of e-commerce. Government should solve the problem of poor internet infrastructure to enhance good internet penetration

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APPENDICES

Appendix 1 Website analysis

1	COMPANY	Mzoori (www.mzoori.com)
	DESCRIPTION	Mzoori is an e-commerce company specializing in the Integration of Businesses which do not have capacity to maintain their own e-commerce websites. Mzoori provide businesses with an enabling system and environment to carry out their various activities. Businesses are able to easily create and manage custom independent Kiosk just like they do in real life. They can then promote, sell and keep their clients and probable customers informed on anything that is related to their businesses or that which can raise their sales. Billing is done online via international and local payment settlement procedures
	TYPE	B2B- Mzoori to other Businesses B2C- Mzoori to Customers
	STRATEGY	Innovation
	BUSINESS MODEL (Laudon and Laudon)	<ul style="list-style-type: none"> • Market Creator- Mzoori offers a platform that enables Businesses to sell their goods and Services. • E-Tailer- Sell goods and services to customers.
	BUSINESS MODEL (Marr)	junction box model- Mzoori acts as an Intermediary between Businesses and intended Customers
	REVENUE MODELS	Affiliated- Mzoori gets revenue through a percentage of the selling price.
	PAYMENT SYSTEM	Mzoori integrates it's system to an online payment gateway called JamboPay- Online payment Gateway that accepts Credit/ Debit VISA Cards as well as mobile money transfer services(ZAP, M-PESA, and YUCash)
2	COMPANY	Kalahari (www.kalahari.co.ke)
	DESCRIPTION	kalahari.co.ke is an online retailer, offering books, music, DVDs, and games at the click of a mouse. Kalahari.co.ke offers top-selling products, local payment options which include M-PESA , door-to-door delivery, wish list facilities, vouchers, and free gift-wrapping, kalahari.co.ke offers convenient shopping! And if you're living outside of Kenya,

		kalahari.co.ke offers you a platform to shop for your family back home.
	TYPE	B2C
	STRATEGY	Innovation
	BUSINESS MODEL (Laudon and Laudon)	E-Tailer- Kalahari provides an online shop for their customers who are then able to use the platform to buy goods.
	BUSINESS MODEL (Marr)	logistics and cash flow model
	REVENUE MODELS	Sales Revenue Model
	PAYMENT SYSTEM	M-PESA and Credit Cards
3	COMPANY	The New Stanley Hotel (www.sarovahotels.com/stanley)
	DESCRIPTION	The New Stanley Hotel is part of the Sarova chain of Hotels. The Hotel has embraced e-commerce when it comes to making online bookings. It provides for different payment options including Credit Cards and Mobile Money transfer services
	TYPE	B2C and hybrid(chicks and bricks)
	STRATEGY	Growth and Innovation
	BUSINESS MODEL (Laudon and Laudon)	Service Provider- The Hotel specializes in providing services to its customers
	BUSINESS MODEL (Marr)	customer lifetime value model and Logistics and cash flow model
	REVENUE MODELS	Sales- The Hotel generates revenue based on the services that they provide for their clients.
	PAYMENT SYSTEM	Credit Card (VISA, Mater card, American Express), and M-PESA
4	COMPANY	Mama Mikes (www.mamamikes.com)
	DESCRIPTION	The Website facilitates people Kenyans living in the United States to buy airtime, get shopping voucher, buy roses as well as buy success cards for their friends and family Living in Kenya. They also facilitate in buying Christmas presents for their families
	TYPE	B2C
	STRATEGY	Innovation

	BUSINESS MODEL (Laudon and Laudon)	Market Creator- They facilitate people to buy for others goods that would have been more expensive for them to buy and ship.
	BUSINESS MODEL (Marr)	logistics and cash flow model
	REVENUE MODELS	Transaction fee- They get their revenue based on the transactions that they facilitate for their customers
	PAYMENT SYSTEM	Paypal, Mastercard, Visa(credit cards)
5	COMPANY	Kenya Airways(www.kenya-airways.com)
	DESCRIPTION	Kenya Airways is Kenya's National airline carrier. It provides online booking services to it's passengers. More and more travelers, particularly among the younger generation that has grown up with the Internet, are turning to online reservation systems to make their flight arrangements. The reason is that online booking is faster and more convenient, gives you more freedom for comparison and is usually a little cheaper than the traditional methods
	TYPE	B2C and hybrid
	STRATEGY	Promote Growth- The airline uses the web presence to create new market for their airline services
	BUSINESS MODEL (Laudon and Laudon)	Service Provider
	BUSINESS MODEL (Marr)	customer lifetime value model and customer aggregated model
	REVENUE MODELS	Sales Revenue Model- By selling their Tickets online, the airline is able to generate revenue.
	PAYMENT SYSTEM	M-PESA, VISA, and Master Card
6	COMPANY	Fabguru (www.fabguru.com)
	DESCRIPTION	FabGuru is a Kenyan online fashion and beauty retailer with branded products from around the globe. FabGuru incorporates payments via Mobile money transfer services so that clients are able to own products at the click of a button or on mobile phone. FabGuru is aimed primarily at fashion forward women of class in Kenya and around the world.
	TYPE	B2C

STRATEGY	Innovation
BUSINESS MODEL (Laudon and Laudon)	E-Tailer- Customer can shop on at their convenience and make orders for the delivery of those goods.
BUSINESS MODEL (Marr)	Channel harmonisation model
REVENUE MODELS	Sales Revenue Model
PAYMENT SYSTEM	Fabguru uses PESAPAL payment platform. The platform facilitates mobile money transfer services.

7	COMPANY	Totallytoto (www.totallytoto.com)
	DESCRIPTION	The website provides a shopping platform for children's product. The products range from clothings, toys, party items, mothers maternity clothes and cards. The children's product is meant for children- from newborns to 12 year olds.
	TYPE	B2C
	STRATEGY	Innovation and growth
	BUSINESS MODEL (Laudon and Laudon)	E-Tailer- Parents can shop for their children's clothings in the comfort of their homes. It mostly convenient for busy parents,those who do not have time to go shop in the retail shops, instead they shop online in their offices as they work.
	BUSINESS MODEL (Marr)	Channel harmonisation model
	REVENUE MODELS	Sales Revenue
	PAYMENT SYSTEM	M-PESA and credit cards

8	COMPANY	Bagalicious (www.bagalicious.co.ke)
	DESCRIPTION	Bagalicious is an e-commerce website specializing in the sale of female handbags, jewellery's, purses and Wallets, and Umbrellas
	TYPE	B2C
	STRATEGY	Innovation
	BUSINESS MODEL (Laudon and Laudon)	E-Tailer- Customer can shop on the website and goods delivered on their door steps
	BUSINESS MODEL (Marr)	logistics and cash flow model

	REVENUE MODELS	Sales Revenue
	PAYMENT SYSTEM	M-PESA and credit cards
9	COMPANY	n-soko(www.n-soko.com)
	DESCRIPTION	N-SOKO is an online portal that offers various services keen to make the customer's life easy. They have a range of products; customers can be able to search for vehicles, property and jobs. They can also be able to subscribe to tenders and have them delivered to their inbox.
	TYPE	<ul style="list-style-type: none"> • B2B- Provides a Portal for other Businesses to sell their products and services • B2C- Sell to customers
	STRATEGY	Develop Alliance- N-SOKO supports strategic business relations with customers, businesses, Suppliers and others(they do merge with other companies)
	BUSINESS MODEL (Laudon and Laudon)	Portal- Offers an Integrated package for product and service provision.
	BUSINESS MODEL (Marr)	junction box model
	REVENUE MODELS	Advertising Revenue Transaction fee Subscription Revenue
	PAYMENT SYSTEM	M-PESA, Cash on Delivery
10	COMPANY	<u>Home.co.ke</u>
	DESCRIPTION	Home is a Website gateway to Kenya's lifestyle information website, and covers every aspect of Kenyan health, home, leisure, sports, culture, jobs, events and holiday information — spanning listings, features and news. Advertising on Home brings businesses closer to their target market: <ul style="list-style-type: none"> • You can interact with the consumer through promotions! • You can capture client information as they click on your advert • You can change your message as often as you like! • You will get up to date and reliable statistics on exactly how your advertising is performing and have the freedom to change it when necessary!

	TYPE	B2B and B2C
	STRATEGY	Promote Growth and Innovation
	BUSINESS MODEL (Laudon and Laudon)	Portal
	BUSINESS MODEL (Marr)	junction box model
	REVENUE MODELS	Advertising Revenue
	PAYMENT SYSTEM	E-Mail Orders, M-PESA
11	COMPANY	Umba Online(umba.co.ke)
	DESCRIPTION	Umba Online an E-Commerce Website that provides affordable, modern house wares for apartments, lofts and homes in Kenya. Umba commits to offering its customers greater value, a wider choice and excellent service across every area in which we trade. Umba's online shop aims to provide shoppers with outstanding value for time and money.
	TYPE	B2C
	STRATEGY	Differentiation- Umba uniquely identifies itself by providing it's customers' with unique ways through which they can pick the designs to their house wares instead of the conventional way of visiting a showroom.
	BUSINESS MODEL (Laudon and Laudon)	E-Tailers
	BUSINESS MODEL (Marr)	logistics and cash flow model
	REVENUE MODELS	Sales Revenue
	PAYMENT SYSTEM	M-PESA
12	COMPANY	Patauza
	DESCRIPTION	PataUza is a free to use online marketplace for Kenyans. It offers an easy-to-use web portal that allows Users/ Businesses to browse and post advertisements in three main categories: Jobs, Property and Motor Vehicles. Patauza was designed to connect people who are offering or requesting for Jobs, Property and Motor Vehicles.
	TYPE	B2B

	STRATEGY	Promote Growth
	BUSINESS MODEL (Laudon and Laudon)	Market Creator
	BUSINESS MODEL (Marr)	Logistics and cashflows
	REVENUE MODELS	Transaction Fee
	PAYMENT SYSTEM	Credit Cards
13	COMPANY	I&M Bank
	DESCRIPTION	Provides an Online Payment Gateway that connect Businesses to Payment methods like VISA
	TYPE	B2B
	STRATEGY	Innovation
	BUSINESS MODEL (Laudon and Laudon)	Service Provider
	BUSINESS MODEL (Marr)	customer aggregator model
	REVENUE MODELS	Subscription Fee Transaction Fee
	PAYMENT SYSTEM	Debit/ Credit cards
14	COMPANY	Ernie's Delivery Man
	DESCRIPTION	Provides home delivery service for Restaurant foods. When customers make orders on food to be delivered to their homes, Ernie's Delivery provides the shipping services.
	TYPE	B2B- Affiliates with the Restaurants to know the deliveries to make B2C- Delivers Food to the Customers
	STRATEGY	Promote Growth- Restaurants are able to reach to clients who can not physically reach the restaurant and therefore expanding their businesses
	BUSINESS MODEL (Laudon and Laudon)	E-Tailer- Offers a Distribution channel for companies
	BUSINESS MODEL (Marr)	logistics and cash flow model
	REVENUE MODELS	Transaction Fee
	PAYMENT SYSTEM	ZAP, M-PESA, YUCASH(paypal),credits cards

15	COMPANY	Ravenzo Trading
	DESCRIPTION	Ravenzo Trading is an online Trading Company in Kenya and East Africa. Their product brands like HP, Dell, Toshiba, Samsung, Acer, APC, Mecer, Epson, Canon, Microsoft, Kaspersky Anti-Virus Software and many more.
	TYPE	B2C
	STRATEGY	Innovation
	BUSINESS MODEL (Laudon and Laudon)	E- Tailer
	BUSINESS MODEL (Marr)	logistics and cash flow model
	REVENUE MODELS	Sales Revenue
	PAYMENT SYSTEM	M-PESA
16	COMPANY	Jumuia Resorts
	DESCRIPTION	Jumuia Resorts offers hospitality services with a great focus on customer satisfaction. They provide Customers with a booking platform from which they can also make payments easily.
	STRATEGY	Innovation
	BUSINESS MODEL (Laudon and Laudon)	Service Provider
	BUSINESS MODEL (Marr)	customer lifetime value model
	REVENUE MODELS	Sales Revenue
	PAYMENT SYSTEM	M-PESA and Credit cards
17	COMPANY	Career Directions (CDL) Ltd
	DESCRIPTION	Career Directions (CDL) Ltd is a proactive Human Resources Management consultancy firm, specializing in Strategic Labour-force Outsourcing, Recruitment, Training, Payroll systems and Total Human Resource Management.

	TYPE	B2B- Offers consultancy service to other businesses
	STRATEGY	Alliance- Their strategy is based on building long term business relations with its strategic Partners
	BUSINESS MODEL (Laudon and Laudon)	Service Provider
	BUSINESS MODEL (Marr)	Channel harmonisation model
	REVENUE MODELS	Affiliate Revenue
	PAYMENT SYSTEM	M-PESA and Credit Cards
18	COMPANY	Kenyangospel.com
	DESCRIPTION	Kenya Gospel provides a platform where Kenyan Gospel Artists advertise their music on the site.
	TYPE	B2B
	STRATEGY	Growth
	BUSINESS MODEL (Laudon and Laudon)	Service Provider
	BUSINESS MODEL (Marr)	Logistics and Cashflows
	REVENUE MODELS	Advertising Revenue
	PAYMENT SYSTEM	M-PESA
19	COMPANY	Nonini Music
	DESCRIPTION	Nonini is a Kenya Music Artist who has a Website that showcases his Music. People can listen and Download the Music Online. Revenue is generated through Advertisements placed on the Website.
	TYPE	B2B- Advertisements by other musicians and artists B2C- Downloads of music to Customers
	STRATEGY	Innovation and Growth
	BUSINESS MODEL (Laudon and Laudon)	Content Provider
	BUSINESS MODEL (Marr)	logistics and cash flow model
	REVENUE MODELS	Advertising Revenue Sales Revenue
	PAYMENT SYSTEM	M-PESA

20	COMPANY	Family Media
	DESCRIPTION	Family Media is a dynamic multi-media broadcasting station comprising of Radio 316 and Family TV. They also sell CDs and DVDs of various Christian music, online, through their online shop.
	TYPE	B2B- Businesses can place Advertisements on the website B2C- They sell to individuals or groups as their customers
	STRATEGY	Innovation
	BUSINESS MODEL (Laudon and Laudon)	E-Tailer
	BUSINESS MODEL (Marr)	customer aggregator model
	REVENUE MODELS	Advertisement
	PAYMENT SYSTEM	M-PESA
21	COMPANY	Juju (juju.co.ke)
	DESCRIPTION	Juju offers spy software solutions that turns regular GSM smartphone into a high end surveillance device. The customer simply installs the spy software on a phone they wish to spy on (Target Phone) and the software is ready to start to secretly record events that happen on the target phone and deliver the information to your mobile phone via SMS.
	TYPE	B2C
	STRATEGY	Innovation
	BUSINESS MODEL (Laudon and Laudon)	Service Provider
	BUSINESS MODEL (Marr)	Channel harmonisation model
	REVENUE MODELS	Sales Revenue
	PAYMENT SYSTEM	M-PESA, ZAP(paypal),Cash on delivery
22	COMPANY	Bid and Buy
	DESCRIPTION	Bidorbuy offers a platform for customers to buy anything,

from brand-new products to second-hand items and difficult to find collectibles.

When you buy on bidorbuy, you are buying directly from sellers registered on the site. That means that you are more likely to pay less for the same or similar item than you would normally pay anywhere else. That also means that you are responsible for your transactions.

People sell on bidorbuy to earn extra cash or to generate a regular income. Businesses sell on bidorbuy to capture a big market share

There is no risk involved. Listing an item for sale on bidorbuy is free. You only pay a small selling commission (or Success fee) once your item is sold.

TYPE	B2B B2C
STRATEGY	Innovation Promote Growth
BUSINESS MODEL (Laudon and Laudon)	Portal Market Creator
BUSINESS MODEL (Marr)	junction box model
REVENUE MODELS	Transaction fee Revenue
PAYMENT SYSTEM	PayPal Payment Gateway

23	COMPANY	Kenya Softnet (kenyasoftnet.com)
	DESCRIPTION	Kenya Softnet is a web hosting and domain registration Company. Customers can reserve their domain(s) within the website and make payments online.
	TYPE	B2C
	STRATEGY	Innovation
	BUSINESS MODEL (Laudon and Laudon)	Service Provider
	BUSINESS MODEL (Marr)	Channel harmonisation model
	REVENUE MODELS	Sales Revenue
	PAYMENT SYSTEM	JamboPay

24	COMPANY	Beauty Tribe (beautytribe.co.ke)
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	DESCRIPTION	Beauty Tribe specializes in cosmetic distribution, Wedding cosmetic makeup, wedding flowers supply, Office flower arrangements and wedding arrangements
	TYPE	B2C
	STRATEGY	Innovation
	BUSINESS MODEL (Laudon and Laudon)	E-Tailer
	BUSINESS MODEL (Marr)	logistics and cash flow model
	REVENUE MODELS	Sales Revenue
	PAYMENT SYSTEM	JamboPay
25	COMPANY	Green Africa Foundation Shop (shop.greenafricafoundation.com)
	DESCRIPTION	Green Africa Foundation is an African organization founded to support ecological and environmental conservation with a particular focus in arid and semi arid lands of Africa. In order to generate funds to fund project, the organisation has an online shop that facilitates their endeavors in exchange for gifts.
	TYPE	B2C
	STRATEGY	Develop Alliances
	BUSINESS MODEL (Laudon and Laudon)	Community Provider
	BUSINESS MODEL (Marr)	customer aggregator model
	REVENUE MODELS	Affiliate Revenue
	PAYMENT SYSTEM	JamboPay and Credit Cards
26	COMPANY	Katchy Clothing (katchyclothing.com)
	DESCRIPTION	Katchy Clothing is an online Kenyan clothing label that manufactures high quality designer women's clothing as well as handbags and accessories.
	TYPE	B2C
	STRATEGY	Innovation and Growth
	BUSINESS MODEL (Laudon and Laudon)	E-Tailer

	BUSINESS MODEL (Marr)	logistics and cash flow model
	REVENUE MODELS	Sales Revenue
	PAYMENT SYSTEM	Cash on Delivery, Mpesa and credit cards
27	COMPANY	Online Duka (www.onlineduka.com)
	DESCRIPTION	Onlineduka provides a superior platform for corporate(s) and individuals to promote advertise market and sell their brands, products and services.
	TYPE	B2B
	STRATEGY	Innovation
	BUSINESS MODEL (Laudon and Laudon)	Portal- They provide a platform for businesses to showcase their products
	BUSINESS MODEL (Marr)	junction box model
	REVENUE MODELS	Advertisement Revenue Subscription Revenue
	PAYMENT SYSTEM	Mpesa
28	COMPANY	gadgets guru.com
	DESCRIPTION	Gadgets Guru is Kenya's technology and Information e-commerce site. Gadget guru offers the opportunity to pay by bank transfer.
	TYPE	B2B
	STRATEGY	Promote Growth
	BUSINESS MODEL (Laudon and Laudon)	Portal
	BUSINESS MODEL (Marr)	customer aggregator model
	REVENUE MODELS	Transaction Fee Revenue
	PAYMENT SYSTEM	VISA and MasterCard
29	COMPANY	kenya.zeezo.com
	DESCRIPTION	This website provides you with the means to search and/or advertise any retail shops, stores, and shopping related: events, services, websites, classifieds, and businesses for targeted visitors in Kenya

	TYPE	B2B
	STRATEGY	Promote Growth
	BUSINESS MODEL (Laudon and Laudon)	Service Provider
	BUSINESS MODEL (Marr)	customer lifetime value model
	REVENUE MODELS	Advertisement Revenue Subscription Revenue
	PAYMENT SYSTEM	Credit Card (VISA)
30	COMPANY	whereis.co.ke
	DESCRIPTION	Whereis is an E-business company started with the aim of developing and building personal career, promoting new entrepreneurship and re-establishing the existence of growing companies.
	TYPE	B2B
	STRATEGY	Promote Growth
	BUSINESS MODEL (Laudon and Laudon)	Service Provider
	BUSINESS MODEL (Marr)	customer aggregator model
	REVENUE MODELS	Subscription Revenue Advertising Revenue
	PAYMENT SYSTEM	E-Mail Order
31	COMPANY	maduqa.com
	DESCRIPTION	Maduqa offers it's clients; <ul style="list-style-type: none"> • Open online shops and manage them as they want; they can also have a chance to run promotions of your choice. • Stock as many products in your shop as you wish. • Place classified adverts. • Sell, buy, chat, review products and services and exchange business tips with other business people and your clients. • Connect with the business community.
	TYPE	B2B

	STRATEGY	Promote Growth
	BUSINESS MODEL (Laudon and Laudon)	Portal
	BUSINESS MODEL (Marr)	junction box model
	REVENUE MODELS	Advertising Revenue Transaction fee Revenue
	PAYMENT SYSTEM	PesaPay

32	COMPANY	whive.com
	DESCRIPTION	Whive.com is a Social Media Platform that is Connecting Africa. It enables it's clients to share their information Content with the World including: <ul style="list-style-type: none"> • Chat with friends anytime anywhere. • Meet new people on the net • Store and share your music, videos & photos. • Learn of new events, parties and announcements • Develop applications & distribute them widely. • Blogs & public literature for all to read.
	TYPE	B2B
	STRATEGY	Innovation
	BUSINESS MODEL (Laudon and Laudon)	Content Provider
	BUSINESS MODEL (Marr)	customer aggregator model
	REVENUE MODELS	Subscription Revenue Advertising Revenue
	PAYMENT SYSTEM	PesaPay

33	COMPANY	Kenya Online Auction (kenyaonlineauction.com)
	DESCRIPTION	Kenya Online Auction is an online auction for Kenya that accepts fee payment by credit or debit card
	TYPE	B2B
	STRATEGY	Develop Alliances with other companies
	BUSINESS MODEL (Laudon and Laudon)	Market Creator
	BUSINESS MODEL (Marr)	junction box model

	REVENUE MODELS	Advertising Revenue Subscription Revenue
	PAYMENT SYSTEM	M-PESA, VISA,PAYPAL
34	COMPANY	Eziki (eziki.tv)
	DESCRIPTION	Eziki enables you to share videos, express yourself with a custom profile, and so much more! EZiki provide services of scale independently produced Web shows and music. Our services include technology, workflow automation, business development, distribution, marketing and advertising sales.
	TYPE	B2B
	STRATEGY	Innovation
	BUSINESS MODEL (Laudon and Laudon)	Content Provider
	BUSINESS MODEL (Marr)	customer aggregator model
	REVENUE MODELS	Subscription Revenue Transaction Revenue Advertising Revenue
	PAYMENT SYSTEM	M-PESA,ZAP
35	COMPANY	Click Afrique
	DESCRIPTION	ClickAfrique.com has been set up to become the ultimate web reference for Africa. Our primary goal is to build the most comprehensive resource on Africa on the Internet.
	TYPE	B2B
	STRATEGY	Innovation
	BUSINESS MODEL (Laudon and Laudon)	Content Provider- Provides information about events happening in Africa through News and Magazines
	BUSINESS MODEL (Marr)	customer aggregator model
	REVENUE MODELS	Advertising Revenue
	PAYMENT SYSTEM	E-Mail Order
36	COMPANY	dukawala.com
	DESCRIPTION	Dukawala.com is a customer focused online shopping mall, providing their customers with only what they need and the

		ease of shopping. The online shop has evolved after signing contracts with local book suppliers and Music labels to a more comprehensive database offering a variety of products to the end users
	TYPE	B2C
	STRATEGY	Alliance and Innovation
	BUSINESS MODEL (Laudon and Laudon)	E-Tailer
	BUSINESS MODEL (Marr)	logistics and cash flow model
	REVENUE MODELS	Sales Revenue
	PAYMENT SYSTEM	PayPal(Mpesa,zap,Ucash,Ecash)
37	COMPANY	Uzanunua
	DESCRIPTION	uzanunua.com enables members to Sell and Buy Products online. It also provides for an Auction function where Customers can bid on the products on display.
	TYPE	B2B- Providing a platform for Sellers to display their products B2C- Connecting Businesses to Buyers
	STRATEGY	Innovation
	BUSINESS MODEL (Laudon and Laudon)	Market Creator
	BUSINESS MODEL (Marr)	Channel harmonization model
	REVENUE MODELS	Transaction Fee Revenue Subscription Revenue model
	PAYMENT SYSTEM	ZAP, M-PESA
38	COMPANY	Standard Media (standardmedia.co.ke)
	DESCRIPTION	standardmedia.co.ke provides users with content on News, Business, Sport, Health, Editorials, and blogs. Businesses can advertise on the website in order to expand and create awareness.
	TYPE	B2B
	STRATEGY	Promote Growth
	BUSINESS MODEL (Laudon and Laudon)	Content Provider

	BUSINESS MODEL (Marr)	customer aggregated model
	REVENUE MODELS	Advertising Revenue
	PAYMENT SYSTEM	E-Mail Oder
39	COMPANY	Rachel's Bargain Corner (enrakenya.com)
	DESCRIPTION	Rachel's Bargain Corner is an online market for books targeted towards the Kenyan market. New and used books are offered for sale through Rachel's Bargain Corner website from leading publishers and booksellers. Readers will find appropriate books as per their reading preferences and students will find textbooks suited for their respective curriculum.
	TYPE	B2C
	STRATEGY	Growth and I nnovation
	BUSINESS MODEL (Laudon and Laudon)	E-Tailer
	BUSINESS MODEL (Marr)	logistics and cash flow model
	REVENUE MODELS	Sales Revenue
	PAYMENT SYSTEM	M-PESA, ZAP
40	COMPANY	YAYA Center (yaya-centre.co.ke)
	DESCRIPTION	YAYA CENTRE is a modern multifunctional shopping mall, it houses over 100 shops and offices. yaya-centre.co.ke provides a platform that links shops within the premises to their intended clients
	TYPE	B2B and B2C
	STRATEGY	Develop Alliance and Promote Growth
	BUSINESS MODEL (Laudon and Laudon)	Community Provider
	BUSINESS MODEL (Marr)	customer lifetime value model
	REVENUE MODELS	Affiliate Revenue
	PAYMENT SYSTEM	E-Mail Order
41	COMPANY	Victoria Furnitures (victoriafurnitures.com)

	DESCRIPTION	Victoria Furnitures are well known for their Furniture, Designing, Building and Construction Industries for their quality workmanship and dedication to detail. They also import quality furniture products to meet the various requirements of our clients.
	TYPE	B2C
	STRATEGY	Differentiation
	BUSINESS MODEL (Laudon and Laudon)	E-Tailer
	BUSINESS MODEL (Marr)	logistics and cash flow model
	REVENUE MODELS	Sales Revenue
	PAYMENT SYSTEM	M-PESA and Cash on delivery
42	COMPANY	eastaffricanized.com
	DESCRIPTION	eastaffricanized.com is East Africa's largest shopping mall. It allows users to place unlimited adverts absolutely free!! Obtain shopping tips & news right from their home or office. It offers a platform for Businesses to place their products on the website mostly Kenyan firms.
	TYPE	B2B
	STRATEGY	Promote Growth
	BUSINESS MODEL (Laudon and Laudon)	Service Provider
	BUSINESS MODEL (Marr)	junction box model
	REVENUE MODELS	Subscription Revenue
	PAYMENT SYSTEM	E-mail Order and Mpesa
43	COMPANY	Banana Box Craft (bananaboxcrafts.com)
	DESCRIPTION	Banana Box Craft is a trading company offering a dynamic range of carefully selected handicrafts, arts, textiles, table ware, interior décor collections, jewellery, stationery, children's items and accessories. They buy exclusively from Kenyan artisans, many of products made to our personal specifications.
	TYPE	B2C
	STRATEGY	Growth

	BUSINESS MODEL (Laudon and Laudon)	E-Tailer
	BUSINESS MODEL (Marr)	Channel harmonisation model
	REVENUE MODELS	Sales Revenue
	PAYMENT SYSTEM	E-mail Order and Mpesa
44	COMPANY	shop4mama-kenya.co.uk
	DESCRIPTION	shop4mama-kenya.co.uk is an e-commerce site that enables Kenyans living in the United Kingdom to shop for their relatives and friends in Kenya. Shopping can be in terms of vouchers, airtime, or even doing back to school shopping. The products are then delivered to their Kenya recipients.
	TYPE	B2C
	STRATEGY	Innovation
	BUSINESS MODEL (Laudon and Laudon)	E-Tailer
	BUSINESS MODEL (Marr)	customer aggregator model
	REVENUE MODELS	Transaction fee revenue
	PAYMENT SYSTEM	PayPal
45	COMPANY	Norfolk Hotel (www.fairmont.com/norfolkhotel)
	DESCRIPTION	The hotel offers fine luxury accommodations in its 165 guest rooms and suites. It has three conference rooms, with a capacity to seat 175 delegates, a heated outdoor swimming pool, health club with gym, sauna and steam room. The Hotel allows for online reservations and bookings
	TYPE	B2C
	STRATEGY	Differentiate
	BUSINESS MODEL (Laudon and Laudon)	Service Provider
	BUSINESS MODEL (Marr)	customer lifetime value model
	REVENUE MODELS	Sales Revenue
	PAYMENT SYSTEM	VISA, Master Card

46	COMPANY	DHL Easy Shop
	DESCRIPTION	DHL Easy Shop gives customers a personal mailing address in the US enabling them to shopping with US online retailers without the complications and high cost of shipping. Customers pay for their online purchases using their credit cards and provide the given US personal address to their online retailers. The online retailers deliver all items to the provided customer personal mailbox in the US, at which point DHL sends the items to the customers' selected DHL Service Point in Kenya for collection.
	TYPE	B2C
	STRATEGY	Innovation
	BUSINESS MODEL (Laudon and Laudon)	Service Provider
	BUSINESS MODEL (Marr)	Channel harmonisation model
	REVENUE MODELS	Subscription Revenue
	PAYMENT SYSTEM	VISA, Master Card
47	COMPANY	Box999.com
	DESCRIPTION	Box999.com is an online shop that offers thousands of products for people who value quality and want to avoid clearing hassles. All products purchased here are delivered to the customer's door after 9 days. At Box999.com, customers can buy products and services from business publisher in Kenya, quickly and securely.
	TYPE	B2C
	STRATEGY	Growth
	BUSINESS MODEL (Laudon and Laudon)	E-Tailer
	BUSINESS MODEL (Marr)	logistics and cash flow model
	REVENUE MODELS	Sales Revenue
	PAYMENT SYSTEM	VISA,Cash on delivery and Mpesa
48	COMPANY	2nu.co.ke
	DESCRIPTION	2nu.co.ke is an internet online shopping store for smart career

		women, that specialize in offering unique and fashionable clothing. The website is designed to provide easy, accessible shopping.
	TYPE	B2C
	STRATEGY	Differentiate
	BUSINESS MODEL (Laudon and Laudon)	E-Tailer
	BUSINESS MODEL (Marr)	customer aggregator model
	REVENUE MODELS	Sales Revenue
	PAYMENT SYSTEM	E-Mail Order and Mpesa
49	COMPANY	Capital FM (capitalfm.co.ke)
	DESCRIPTION	The Capital FM Digital Division offers online users an insight into the capital fm family allowing them to access vital information all over the world ranging from entertainment, Local News, Business News and entertainment at the click of a button. The Capital FM website is also a grand marketing tool for clients who would like to reach the millions and millions of people who visit our website.
	TYPE	B2B- This is through Advertising of Businesses
	STRATEGY	Promote Growth
	BUSINESS MODEL (Laudon and Laudon)	Service Provider
	BUSINESS MODEL (Marr)	customer lifetime value model
	REVENUE MODELS	Advertising Revenue
	PAYMENT SYSTEM	VISA
50	COMPANY	The Kenya Shop
	DESCRIPTION	The Kenya Shop stocks a wide range of homemade produce from a variety of sources. They concentrate in Kenyan cottage industry by collecting, showcasing and selling the very best craft products available.
	TYPE	B2C
	STRATEGY	Low Cost

BUSINESS MODEL (Laudon and Laudon)	E-Tailer
BUSINESS MODEL (Marr)	Channel harmonisation model
REVENUE MODELS	Sales Revenue
PAYMENT SYSTEM	PayPal

Appendix 2

WILKISTER A. DINDA
P.O. BOX 2135 -00202
KNH – NAIROBI.

THE MANAGER
Nsoko
NAIROBI.

Dear Sir/Madam,

REF AUTHORITY TO CARRY OUT ACADEMIC RESEARCH IN YOUR ORGANISATION.

As per the above subject, I am a student at the University of Nairobi, pursuing masters degree in business administration and doing a research on the a Survey of e-commerce Strategies and Models in Kenya with focus on your organization because of the use of ecommerce in Nsoko.. The information you shall avail will be aggregated with total confidentiality.

Your kind support and authority hereby sought is essential to assist me complete the research work. A copy of this research paper will be made available to your organization upon your request

Yours Sincerely,

Wilkister A. Dinda

Appendix 3

Interview Guide Questions

1. What is the name of your company?
2. What strategies is the company using and why?
3. What business models is the company using and why?
4. What challenges is the company facing when using these models and strategies?
5. Why do u think a customer should visit your site and not the others?
6. By using the strategies and models you have adopted, how do you expect to get your revenue?
7. What special advantages does your organization give customers that other firms do not or cannot?
8. What skills, knowledge and experience should one poses to work with these models and strategies.

List of E-Commerce Companies in Kenya

1. Mama mikes
2. Kenya Airways
3. Kalahari
4. Uzanunua
5. Fabguru
6. Totallytoto
7. Bagaliciouse
8. Ensoko
9. Nakumatt
10. Home.co.ke
11. Umba.co.ke
12. Fly540
13. Opinions.com
14. About.com
15. Patauza
16. KCB
17. I&M Bank
18. Ernies deliveryman
19. Ravenzo
20. Jumuia
21. Career Direction
22. Music Kenya
23. Nonini
24. Family media
25. Masai mara
26. Cheating spouses

Appendix 4

QUESTIONNAIRE

1. Name of your organization (optional).....
2. Position of respondent in the firm.....
3. What is your firms mission statement.....
4. What is your firms vision statement.....
5. How many branches does your firm have within Kenya.....
6. How many branches does your firm have outside Kenya.....
7. What E-commerce business strategies are your companies using and why?.....
8. What E-commerce business models have your companies employed and why?.....
9. What challenges do your companies face when using these strategies and models?.....
10. How do you intend to gain competitive advantage over other companies using these strategies and models.....
11. In your own views. Do you see any future for e-commerce in Kenya?
12. What problems do you see facing the use of these e-business strategies and models mentioned above in the future?

Problem	Suggestion on how to overcome the problems

Appendix 5

List of interviewees

1. Interviewee number 1 of Mama Mikes Company. The Managing Director
2. Interviewee number 2 of Nation media group (nsoko).The Manager
3. Interviewee number 3 of Nakumatt chain of supermarkets. The Manager