

A Study of Technology Based E- Commerce in Tanzania

Dr. A. Alphonse John Kenneth ^[1], Mrs. J. Mary Amutha ^[2]

^[1] Senior Lecturer, Department of Computer Science, DMI-St. Eugene University, Lusaka.

^[2] Lecturer, Department of Computer Science, DMI-St. Eugene University, Lusaka - Zambia.

ABSTRACT

As the World Wide Web (www) has grown so is the number of e-Commerce merchants has also grown. The Internet has become an important channel for business victory, and as such it is becoming the path for communications and transactions. This has led to growth in e-Commerce; and as this has grown so has the concerns about security. The paper proposes to study the capability of consumers to purchase online, the available motivation to do so, and the opportunities for Internet access. We argue the Government and central bank to maintain modern latest hi-tech developments by pre-regulating electronic money to familiarize itself with electronic money schemes commonly.

Key words: - E-commerce, e-business, eBay, Tanzania.

I. INTRODUCTION

Tanzania has one of Africa's fastest growing economies with nearly 7 percent annual national GDP growth since 2000[1]. E-commerce is not broadly used in the Tanzanian market. In the private sector, e-business is increasing, but is still in its infancy. Very a small amount of private sector companies have recognized business-to-business websites, secure credentialing is still nascent, and very few buyers have internationally accepted credit cards.

E-commerce (electronic commerce) is the buying and selling of goods and services, or the transmitting of funds or data, over an electronic network, primarily the internet [2]. E-commerce has helped businesses launch a wider market presence by providing cheaper and more efficient distribution channels for their products or services. These business transactions are Business-to-Business (B2B), Business-to-Consumer (B2C) , Consumer-to-Consumer (C2C), Consumer-to-Business (C2B), Business-to-Administration (B2A, Consumer-to-Administration (C2A)[3]. For example, the mass retailer Target has supplemented its brick and-mortar presence with an online store that lets customers purchase everything from clothes to coffeemakers to toothpaste to action figures. Individual sellers have increasingly engaged in e-commerce transactions via their own personal websites. Finally, digital marketplaces such as eBay or Etsy serve as exchanges where

multitudes of buyers and sellers come together to conduct business [4]. The main purposes of this study are to impose the value e-commerce adoption in Tanzanian SMEs and to suggest some recommendations for applying e-commerce successfully.

II. TECHNOLOGY BASED DEVELOPMENT FOR THE E-COMMERCE

During 1971 - 80

- 1971 Or 1972: The Arpanet Is Used To Arrange A Cannabis Sale connecting Students At The Stanford Artificial Intelligence Laboratory And The Massachusetts Institute Of Technology, Later Described As "The Seminal Act Of E-Commerce" In John Markoff's Book What The Dormouse Said.

- 1979: Michael Aldrich Demonstrates The First Online Shopping System.

During 1981 - 90

- 1981: Thomson Holidays UK is the first business-to-business online shopping system to be installed.

- 1982: Minitel was introduce nationwide in France by France Télécom and employ for online ordering.

- 1983: California State Assembly holds first hearing on "electronic commerce" in Volcano, California. Testifying are CPUC, MCI Mail, Prodigy, CompuServe, Volcano Telephone, and

Pacific Telesis. (Not permitted to testify is Quantum Technology, later to develop into AOL.)

- 1984: Gateshead SIS/Tesco is first B2C online shopping system and Mrs Snowball, 72, is the initial online home customer
- 1984: In April 1984, CompuServe launch the Electronic Mall in the USA and Canada. It is the first broad electronic commerce facility.
- 1989: In May 1989, Sequoia Data Corp. introduce Comp market The first internet base system for e-commerce. Sellers and buyers could post things for sale and buyers could seek the database and make purchases with a credit card.
- 1990: Tim Berners-Lee Writes The First Web Browser, Worldwideweb, Using A Next Computer.

During 1991 - 2000

- 1992: Book Stacks Unlimited In Cleveland Opens A Commercial Sales Website (Www.Books.Com) export Books Online With Credit Card Processing.
- 1993: Paget Press Releases Edition No. 3 Of The First App Store, The Electronic Appwrapper
- 1994: Netscape release The Navigator Browser In October Under The Code Name Mozilla. Netscape 1.0 Is introduce In Late 1994 With Ssl Encryption That Made Transactions Secure.
- 1994: Ipswitch Imail Server Becomes The First Software accessible Online For Sale And Immediate Download Via A Partnership Between Ipswitch, Inc. And Openmarket.
- 1994: "Ten Summoner's Tales" By Sting become The First Secure Online Purchase Through Netmarket.
- 1995: The Us National Science Foundation Lifts Its Former Strict Prohibition Of Commercial Enterprise On The Internet.
- 1995: Thursday 27 April 1995, The Purchase Of A Book By Paul Stanfield, Product Manager For CompuServe Uk, From W H Smith's Shop Within CompuServe's Uk Shopping Centre Is The Uk's First National Online Shopping Service Secure Transaction.
- 1995: Jeff Bezos Launches Amazon.Com And The First Commercial-Free 24-Hour, Internet-Only Radio Stations, Radio Hk And Netradio Start Broadcasting. Ebay Is Founded By Computer Programmer PierreOmidyar As Auctionweb.

- 1996: Indiamart B2b Marketplace Established In India.
- 1996: Ecplaza B2b Marketplace Established In Korea.
- 1996: The Use Of Excalibur Bbs With Replicated "Storefronts" Was An Early Implementation Of Electronic Commerce Started By A Group Of Sysops In Australia And Replicated To Global Partner Sites.
- 1998: Electronic Postal Stamps Can Be Purchased And Downloaded For Printing From The Web.
- 1999: Alibaba Group Is Established In China. Business.Com Sold For Us \$7.5 Million To Ecompanies, Which Was Purchased In 1997 For Us \$149,000. The Peer-To-Peer Filesharing Software Napster Launches. Atg Stores Launches To Sell Decorative Items For The Home Online.
- 2000: Complete Idiot's Guide To E-Commerce Released On Amazon
- 2000: The Dot-Com Bust.

During 2001 - 2010

- 2001: Alibaba.Com Achieved Profitability In December 2001.
- 2002: Ebay Acquires Paypal For \$1.5 Billion. Niche Retail Companies Wayfair And Netshops Are Founded With The Concept Of Selling Products Through Several Targeted Domains, Rather Than A Central Portal.
- 2003: Amazon.Com Posts First Yearly Profit.
- 2003: Bossgoo B2b Marketplace Established In China.
- 2004: Dhgate.Com, China's First Online B2b Transaction Platform, Is Established, Forcing Other B2b Sites To Move Away From The "Yellow Pages" Model.
- 2007: Business.Com Acquired By R.H. Donnelley For \$345 Million.
- 2009: Zappos.Com Acquired By Amazon.Com For \$928 Million. Retail Convergence, Operator Of Private Sale Website Ruelala.Com, Acquired By Gsi Commerce For \$180 Million, Plus Up To \$170 Million In Earn-Out Payments Based On Performance Through 2012.
- 2010: Groupon Reportedly Rejects A \$6 Billion Offer From Google. Instead, The Group Buying Websites Went Ahead With An Ipo On 4 November 2011. It Was The Largest Ipo Since Google.

During 2011 - 2015

- 2012: Zalora Group Was Founded And Started Operations Around Asia.
- 2014: Overstock.Com Processes over \$1 Million In Bitcoin Sales. India's E-Commerce Industry Is Estimated To Have Grown More Than 30% From 2012 To \$12.6 Billion In 2013. Us E-Commerce And Online Retail Sales Projected To Reach

\$294 Billion, An Increase Of 12 Percent Over 2013 And 9% Of All Retail Sales. Alibaba Group Has The Largest Initial Public Offering Ever, Worth \$25 Billion.

- 2015: Amazon.Com Accounts For More Than Half Of All E-Commerce Growth, Selling Almost 500 Million Sku's In The Us. [5][6]

E-Commerce technology Usage in Business Processes in Tanzania: 2C E-commerce index, 2020, with other selected countries:

Table 1

Country	Rank 2020	Rank 2019	Rank 2018	Rank 2017	Rank 2016	Rank 2015
Switzerland	1	2	3	2	9	14
Netherlands	2	1	1	4	15	11
United States of America	12	13	14	6	8	15
Japan	20	21	24	8	5	12
United Arab Emirates	37	28	33	23	25	66
India	71	75	80	83	90	83
Egypt	109	107	113	116	82	68
United Republic of Tanzania	110	99	110	119	107	122
Zambia	120	125	126	121	110	93
Malawi	141	139	133	131	129	123

Source UNCTAD [8]-[10]

In the year of 2020:

Based on the category of Share of individuals using Internet (2016), Share of individuals with an account (15+, 2014 or latest), Secure Internet servers per 1 million people (normalized, 2016), UPU postal reliability score (2016), Index Value (2016 data), and Index Value (2015 data) by UNCTAD B2C E-COMMERCE INDEX United Republic of Tanzania is listed as 110 rank .

In the year of 2019:

Based on the category of Share of individuals using Internet (2016), Share of individuals with an account (15+, 2014 or latest), Secure Internet servers per 1 million people (normalized, 2016), UPU postal reliability score (2016), Index Value (2016 data), and Index Value (2015 data) by UNCTAD B2C E-COMMERCE INDEX United Republic of Tanzania is listed as 99 rank .

In the year of 2018:

Based on the category of Share of individuals using Internet (2016), Share of individuals with an account (15+, 2014 or latest), Secure Internet servers per 1 million people (normalized, 2016), UPU postal reliability score (2016), Index Value (2016 data), and Index Value (2015 data) by UNCTAD B2C E-COMMERCE INDEX United Republic of Tanzania is listed as 110 rank

In the year of 2017:

Based on the category of Share of individuals using Internet (2016), Share of individuals with an account (15+, 2014 or latest), Secure Internet servers per 1 million people (normalized, 2016), UPU postal reliability score (2016), Index Value (2016 data), and Index Value (2015 data) by UNCTAD B2C E-COMMERCE INDEX United Republic of Tanzania is listed as 119 rank

In the year of 2016:

Based on the category Share of individuals using Internet (2014 or latest), Share of individuals with

credit card (15+, 2014 or latest) , Secure Internet servers per 1 million people (normalized, 2014) , UPU postal reliability score (2013- 14) , UNCTAD B2C e-commerce Index value 2015 United Republic of Tanzania is listed as 107 rank .

In the year of 2015:

Based on the category Share of individuals using Internet (2014 or latest) , Share of individuals with credit card (15+, 2014 or latest) , Secure Internet servers per 1 million people (normalized, 2014) , UPU postal reliability score (2013- 14) , UNCTAD B2C e-commerce Index value 2015 United Republic of Tanzania is listed as 122 rank .

III. CONCLUSION

The business users are still balancing the benefits and possibility of e-commerce technologies in business processes in Tanzanian. Tanzania needs to do more on e-commerce usage for enhanced absorption. Businesses in Tanzania need to identify and employ the Internet to handle every business expansion competitively and boldly. Need to move away from general knowledge towards specific support and expand trade activities using e-commerce stage. That need to understand that some boundaries are self-made by the organization themselves; can be beat by the organization themselves through better training and coaching. Government policy can co operates a vital role to minor the perceived risk and the require to investment in ICT infrastructure.

REFERENCES

- [1]<https://www.usaid.gov/tanzania/economic-growth-and-trade>., **Agricultural trade drives Tanzania's economy**, *Megan Johnson/USAID*
- [2] <https://searchcio.techtarget.com> ›
- [3]<https://www.indiafilings.com/learn/types-of-e-commerce/>
- [4]<https://www.investopedia.com/terms/e/ecommerce.asp>
- [5]S.Sridhar*et al. (IJITR) INTERNATIONAL JOURNAL OF INNOVATIVE TECHNOLOGY AND RESEARCH Volume No.5, Issue No.3, April – May 2017, 6183-6198. 2320 –5547 @ 2013-2017 [Http://www.ijitr.com](http://www.ijitr.com) All rights Reserved.
- [6] Abbott, ed. by Lewis F. (2003). Industry and enterprise : an international survey of modernization and development (2nd rev. ed.).

Manchester: Industrial Systems Research. ISBN 0906321271.

- [7] https://unctad.org/system/files/official-document/tn_unctad_ict4d07_en.pdf
- [8] https://unctad.org/system/files/official-document/ier2015_en.pdf
- [9] https://unctad.org/system/files/official-document/tn_unctad_ict4d17_en.pdf
- [10]https://unctad.org/system/files/official-document/tn_unctad_ict4d14_en.pdf
- [11] E-Commerce Technology Usage in Business Processes in Tanzania: Is There a Significant Gap in Perceived Value and Perceived Risk? 1 2 Fatuma ABDALLAH NANTEMBELELE, Sagaran GOPAL 1, 2 Binary University of Management & Entrepreneurship, Malaysia