**E- Commerce website for African fashion**

**(Sahara Fashion Home, Benin, a case study. )**

**TABLE OF CONTENT**

**CHAPTERS**

* 1. Introduction
  2. Background of study
  3. Statement of problem
  4. Aim(s) and Objectives
  5. Significance of the study
  6. Scope of the study
  7. Limitations
  8. Definition of terms

1. Literature review
2. Design and Methodology
3. Implementation

5.1 Summary  
5.2 Conclusion

5.3 Recommendation

List of references

**Chapter one**

**Introduction**

**E- Commerce** consists of the buying and selling of products or services over electronic systems such as the Internet and other computer networks.

The amount of trade conducted electronically has grown extraordinarily with widespread Internet usage. Modern electronic commerce typically uses the World Wide Web at least at some point in the transaction's lifecycle, although it can encompass a wider range of technologies such as e-mail as well.

A large percentage of electronic commerce is conducted entirely electronically for virtual items such as access to premium content on a website, but most electronic commerce involves the transportation of physical items in some way.

1.2 **Background of study**

The number of internet users globally has been growing rapidly over the last fifteen years with recent statistics showing that one third of the world’s population is now online.

(ITU: 2011.)

This progression has supported the development and exploitation of e-commerce globally. Besides introducing new ways of transacting,

e-commerce promises economic growth for many developing and least developing countries.

(Nafziger: 2006.)

Trade in Africa has the potential to be revolutionized by Information Communication Technologies(ICTs), which have led to the development of e-commerce. These technologies have the capacity to boost intra-country and inter-country trade and subsequently promote economic development in African countries. However, many African states are yet to reap the full benefits of e-commmerce, as it has not penetrated the continent to the extent experienced by western countries. The lack of adequate ICT infrastructure, lack of basic ICT knowledge and threat of cyber crimes have created a significant barrier to the adoption and growth of e-commerce in many African countries.

(Ndonga: 2012.)

The nature of e-commerce has evolved since its inception in the mid 1990’s and is presently in a new phase referred to as the ‘second wave of e-commerce’. The new phase is characterised by ﬁve features that were not present during the developmental stages of e-commerce.

Firstly, the perception of e-commerce has transformed from being viewed as a predominantly Western world phenomenon to a global resource incorporating sellers from developing regions and websites constructed in diﬀerent languages.

Secondly, the eﬃciency of e-commerce technologies has greatly improved with the introduction of broadband connections that are much faster than the former dail-up connections.

Thirdly, elec-tronic mails (e-mails), previously used as a tool for sending moderately unstructured communication, have taken a more predominant role in e-commerce with sellers and advertisers using them as a marketing strategy.

Fourthly, the second wave has revolutionised the sale of digital products by introducing new technologies capable of supporting the legal distribution of electronic books, music, movies and related products like healthcare products, household items, consumables and fashion products with Amazon, Netflix, Konga, Alibaba and Jumia being merchants in it.

This has enabled direct transfer of purchases by cutting out intermediate entities from the sales equation thereby reducing costs.

Finally, the second wave of e-commerce has seen the development of mobile commerce(m-commerce), which refers to the use of mobile phone and wireless PDAs to conduct business transactions. This became possible with the global development and spread of smart phones that allow internet access; unlike the first wave of e-commerce which witnessed very limited online sale of digital products since the technology available could not adequately safeguard these products from digital piracy and breach of intellectual property.

(Stewart: 2006.)

1.3 **Statement of Problem**

In human endeavor, there is a lot of development which helps to maximize production, income and operation of businesses, using Sahara Fashion home as a case study. These have brought increase in complexity of marketing system like B2B (Business to Business) and B2C (Business to Consumers) and its operations.

Based on these, a number of problems are facing the Sahara Fashion home system which include:

1. Day-to-Day pressures of selling
2. Coping with customers
3. Solving basic business problems
4. Competitions (a new player enters, market conditions changes, sales drops, the company introduces new products or services
5. Availability of market (sales and services) to the whole parts of Nigeria and Africa.

**1.4 OBJECTIVE OF THE STUDY**

The aims and objectives of this study include the following:

1. To design a better pricing mechanism
2. To solve the problem of geographical location
3. To maximize sales
4. To help improve customer relationship
5. Increase management of stock items
6. Easy shopping
7. To improve quality delivery system
   1. **SIGNIFICANCE OF THE STUDY**

The following are the significance of this study:

1. The secured site for electronic commerce will help people get rid of risk in carrying cash around and the convenience of shopping anytime of the day.
2. It will reduce the risk of transportation, since the customer does not have to travel far to shop for any item or goods.
3. It will reduce the risk of authentication of the product and improved business transaction as customers are now sure of the originality of the product they purchase.
   1. **SCOPE OF THE STUDY**

To design and implement an e-commerce website that performs marketing or commercial activities like sales, pricing and management of stocks of African fashion.

* 1. **LIMITATION OF THE STUDY**

1. **Power:** Availability of stable, efficient and reliable power supply was also a major limitation of this project as it had to be suspended several times during design and testing stages.
2. **Financial constraint**- Insufficient fund tends to obstruct the efficiency of this research in sourcing for the relevant materials, literature or information and in the process of data collection.
3. **Time constraint**- This research was at the same time engaged with business work and other academic work. This consequently cut down on the time devoted for the research work.
   1. **DEFINITION OF TERMS**

**E-commerce:** Generally refers to exchange of goods or services over electronic system such as the internet.

**B2B:** Refers to selling of products or services to other businesses.

**B2C:** Refers to selling of product or services to end consumers.

**Credit card:** It is a card entitling its holder to buy goods and service from certain establishment.

**Merchant:** Refers to an organization accepting credit card payments for the goods or services they provide.

**Order:** A record of a request for goods or services initiated by a customer.

**Order ID:** A unique identifier assigned to a customer’s order.

**Banner:** An advertisement or image displayed on one or more websites to attract visitors to your site.

**Shopping cart:** A wheeled cart for purchase of goods in a store or supermarket.

**CHAPTER TWO**

**2.1 REVIEW OF RELATED LITERATURE**

Electronic commerce is about doing business electronically. It is based on the electronic processing and transmission of data, including text, sound and video. It encompasses many diverse activities including electronic trading of goods and services, online delivery of digital content, electronic fund transfers, electronic share trading, electronic bills of purchase, commercial auctions, collaborative design and engineering, on-line sourcing, public procurement, direct consumer marketing, and after-sales service. It involves (e.g. consumer goods, specialized medical equipment) and services (e.g. information services, financial and legal services); traditional activities (e.g. healthcare, education) and new activities (e.g. virtual malls).

(Lincoln: 1997.)

Electronic commerce is the exchange of information across electronic networks, at any stage in the supply chain, whether within an organization, between businesses, between businesses and consumers, or between the public and private sectors, whether paid or unpaid.

(Edward: 1999.)

E**v**ery one of the definitions is quite expansive, including not only the actual commercial transaction between buyer and seller but also the upstream and downstream activities that made that transaction possible. The need for such an expansive definition is a reflection of the embryonic state of electronic commerce today, where it is difficult to quantify the contribution of electronic commerce totally separated from the traditional activities. Most analysts include only transactions actually carried out on the Internet; but many consumers research their purchases online and then buy in some other way.

As a result of different definitions of electronic commerce, the forecasts presented by various analysts are very widely spread. “Only 3% of business-to-business Web sites is designed for direct sales, rather than for marketing and customer service, says (Benjamin: 1997). Even for consumer businesses, only 9% of sites offer online transactions.” Another survey carried out by (Nielsen, 1997) found that “whereas 53% of Internet users in the United States and Canada had used the Internet to reach a decision on a purchase, just 15% carried out the final transaction on the Internet”

Despite the slowing penetration of regular Internet users, the number of consumers using the Internet to shop for consumer goods and services is still growing (Forrester, December 2001).

**2.2 ELECTRONIC PAYMENT SYSTEM IN B2C AND C2C**

**Electronic cash:**

Electronic cash is a method of payment in which a unique identification number is associated with a specific amount of money. Electronic cash is often referred to as e-cash or cyber cash (Jewson: 2001.) This method was developed as an alternative to the use of credit cards for internet purchases of goods or services. For using this payment system, customers purchase electronic digital-cash from the issuing company (Abrazhevich: 2004.) The cash may then be transferred through computers or other telecommunications channels (Hsieh: 2001.) The digital-cash method involves a single organization for the issuance and redemption of cash. The low cost characteristic of electronic cash makes it one of the most promising methods.

**Credit card:**

Credit card payments originate from offline credit card mechanisms (Lawrence: 2002.) Credit cards are the most frequently used form of e-payment (Hsieh: 2001.)

Two important issues associated with the credit card method involve an irreducibly complex transaction- structure (Hsieh: 2001.) Compared to other EPS, it is not appropriate for small-value transactions, i.e., transactions involving less than a dollar (Kalakota and Whinston: 1996.)

**Debit card:**

Debit card is one of the most widely used systems for e-payment. The debit card method combines the features of the Automatic Teller Machine (ATM) card with internet banking. When customers pay with a debit card, money is automatically deducted from their bank accounts. In contrast with credit cards, the expended money comes directly from a bank account. Many banks issue a debit card that can be used in places where credit cards are not accepted. When users pay with a debit card, the payment is processed as a debit transaction (Abrazhevich: 2004.)

**2.3 ADVANTAGES OF E-COMMERCE:**

Electronic commerce is defined simply as commerce that is transacted electronically, as over the internet (The American Heritage Dictionary of the English Language, fourth Edition). While technology, consumers and organizations are increasingly moving in this direction because of the many advantages such as: time saving, access to wider range of goods and services for the consumer and access to wider markets for the company.

One of the most obvious advantages of e-commerce is that it is time saving, (Rutter & Southernton: 2000.) Studies show that time saving is the number one reason for using electronic commerce. People now have access to their money from home and work all from a desktop computer, paying monthly bills to large organization that implement electronic transactions no longer requires you to stand in lines or withdraw large sums of money from your account to carry around in your wallet and pay at a point of sale. Not only can bills be paid, you can shop online for groceries, clothing and hobbies, the work is endless as most things these days can be purchased right from a store by engaging yourself onto an internet site from your home computer.

Another advantage of e-commerce is that consumers have access to a wider range of products, now that companies can use internet sites as shop fronts, the consumer can browse and buy from many different sellers, making it easier to find and buy what they are looking for.

(Keeney: 1999.) argues that consumers are no longer restricted to what is available in their local area; they now have access to a wider range of goods and services through electronic commerce that also provides them with more competitive prices and greater value. No longer can a company hold a monopoly with pricing on a region just because it is remote and there are no competitors near. E-commerce gives the remote consumer an option to shop somewhere else therefore driving prices down and quality of goods up in the local region.

Electronic commerce also has its advantage in that it allows small businesses to mix with the big business online, for a relatively small cost, a new business can set itself up to conduct transactions online. (Wood: 2004.) explains that for as little as $2000 a new business can start trading online, the website also goes on to say that by trading online smaller businesses are often preferred over the larger well established organizations just because of the level of personal service the smaller organizations provide.

Another advantage of e-commerce is that organizations can now target a wider variety of consumers even take the product or service international, allowing them a means of supplying their goods to places that were before unreachable. An example of a company using this method is the computer store cyberian Outpost. (Peck: 1996.) explains how this computer store was able to double its business every 90 days, where it used to make only $400 a day it was able to make that in twelve seconds in the online market place.

Although there are still a great number of disadvantages of electronic commerce, of most concern are those associated with crime, fraud and scams.

**2.4 E-COMMERCE SECURITY**

“The unique nature of the threats to e-commerce companies requires new technologies and systems to provide a secure transaction environment.” (James: 2004.) Trying in with many payment issues, the security of websites can never be 100% assured, however several technologies can be employed to help reduce the risk of information being compromised when conducting e-commerce transactions.

1. **Passwords:**

Password protection is the most common form of security found online. There are passwords for email accounts, bank accounts, store account, eBay account and more. Passwords are used to protect information which is stored online, and allows or prevents access to secured areas by asking users for a Username/ID and password before entering the site. By setting up accounts, customers can store personal details and information to avoid having to enter it in for every single transaction. The main disadvantage of this is that passwords are often not protected, people tell others their password, write them down or choose ones that are easy for others to guess (birth date, name spelt backwards, etc). Even if the person trying to hack into your account doesn’t know you that well, clues like Hotmail as a secret question it can make it easier to obtain or change the current password.

1. **Encryption:**

To ensure information is kept private whilst it is being transferred across the internet, the data is encoded or encrypted into another language (some form of mathematical formula usually) and is then decoded at the receivers end. Most encryption software uses formulas so complex that it would take most powerful computers years to decode the messages. (James: 2004.)

1. **Public key infrastructure:**

PKI is an added form of security which prevents a third party who steals encrypted information from decrypting it with any type of software. Encryption software uses pieces of additional software known as keys to ensure that only the creators and recipients of information are able to access it. A set of two keys, a public key and a private key are required to transmit encrypted data from one computer to another. Firstly the public key encrypts the data, and it is sent to the computer with the corresponding private key for decryption. In e-commerce, these keys are installed on web servers and then sent to users of websites (browsers) automatically. The only involvement the user has in the process is agreeing that he or she trusts the web server. A tunnel is established between the browser and the server (called the secure sockets layer, or SSL) and the user can then confidently send encrypted information that only that server can decrypt. (School of International Business, 2004, p. 87)

1. **Securing Companies from External Attack:**

It is not only consumers that potentially suffer from fraud or viruses online and through e-commerce. Companies need to protect themselves against a host of criminals, hackers and virus makers to name a few. To prevent against these threats, companies use several tools like firewalls.

1. **Firewalls:**

A firewall is a computer and a software combination that is installed at the entry point of networked system. The firewall provides a defense, sometimes the first line of defense, between a network to be protected and the internet or other network that could pose a threat, all corporate access to and from the internet flows through firewall. The network and computers being protected are inside the firewall. Firewalls are computers that have the following characteristics:

* Only authorized, as defined by the local security policy is allowed to pass through it.
* All traffic from inside to outside and from outside to inside the network must pass through it.
* The firewall itself is immune to penetration. Those networks inside the firewall are often called trusted, whereas networks outside the firewall are called untrusted.

Many African fashion homes still operate using the obsolete models of commerce rather than leverage on these advantages of e-commerce. I strongly recommend e-commerce for The Sahara Fashion home.