

ONLINE BUSINESS PRACTICES TO ENABLE CONSUMER PROTECTION IN THE AFRICAN CONTEXT

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Abstract

This paper explores African online business practices that enable consumer protection. The intention is to identify possible fraudulent, deceptive and unfair conduct. As e-commerce continues to grow, businesses are using a variety of practices to attract and secure potential consumers. For many businesses, online transactions bring greater efficiency, increased responsiveness and reduced costs. In addition, consumers gain from wider choices, increased availability of specialised products, greater comprehensive product information, lower costs and more responsive services. However, it is important for online businesses to ensure ethical business conduct, which guarantees consumer protection. Thirteen theoretical online business practices were identified and applied to reported data of 235 online websites. These practices related mainly to disclosure of terms and conditions and problematic areas of conduct were identified. Any business and consumer should be empowered to make informed choices when transacting online and participating in e-commerce. The results show that even though consumer protection is afforded to online consumers, this is not necessarily as comprehensive as it could or should be.

Keywords: Online business practices, consumer protection, disclosure terms and conditions, privacy policies

1. Introduction

As e-commerce continues to grow, businesses are using a variety of practices to attract and secure potential consumers. Online businesses bring many benefits to both businesses and consumers such as greater efficiency, increased responsiveness and reduced costs. Consumers gain from wider choices, increased availability of specialised products, more comprehensive product information, lower costs and more responsive services. However, consumers are often not sufficiently aware of risks created by the online environment and need protection. It is important for online businesses to act in ways that ensure ethical business conduct and consumer protection. In the African context, these practices are even more important considering the unique circumstances of African consumers. This paper outlines an overview of African online business practices that ensure consumer protection. The paper starts by outlining African consumers and their characteristics. Thereafter, consumer protection is discussed with emphasis on how it is applied in the online environment. A brief summary of online business practices is provided before the online practices of some African online businesses are discussed. To conclude, the paper outlines lessons learned and makes recommendations.

2. Theoretical Background

The paper's theoretical background discussion is based on the characteristics of the African consumer, consumer protection in the African context and online business practices.

2.1 Characteristics of the African consumer

Westbrook and Angus (2020) identify emerging trends that provide insights into changing consumer values and how consumer behaviour is shifting in the global context. The two main themes identified are convenience and personal control. Westbrook and Angus (2020) further indicate that consumers are starting to embrace robots and artificial intelligence, want flexible and personalised transportation, require more content in less time, choose tailored experiences and may opt out of digitally-manufactured experiences that do not add value to their lives and increasingly prefer not to leave home. In addition, consumers are open to other consumption possibilities, often put accessibility at the core of new product development, want to go back to their roots, use their resources better, fight for clean air and focus on mental needs.

In the African context, Best, Struwig and Muthwa (2019) explain that there are both similarities and differences between urban consumers, who increasingly have greater buying choices as progressively more retail outlets open in African cities, with rurally-based consumers increasing. An important difference found was that rural consumers were less inclined to trade with businesses that they did not know, because there was a trust-deficit. There was uncertainty that they would have redress in the event of dissatisfaction with goods procured because the supplier was unknown to them. This requires businesses expanding into rural markets to develop adaptive marketing strategies, whilst simultaneously requiring policy advances in formal consumer protection policy mechanisms to encapsulate and address this.

Despite the growth in the formal economy in Africa, where consumers transact with corporate businesses and franchises, African informal consumer markets thrive alongside this.

Within economic segmentation, poor consumers, with limited cash resources, are located at the bottom-of-the-pyramid, where markets are complex and heterogeneous. Lappeman, Ransome and Louw (2018) identify that country specific bottom-of-the-pyramid consumer profiles showed some specific consumer characteristics for the African context such as significant buying power, a life under pressure, high rates of functional illiteracy, community and partnership, connectivity and community engagement, dignity and self-esteem, brand consciousness, lack of trust in big firms, familiarity in a hybrid economy, income stability, high dependence on government, unique township and spatial planning as well as middle class links.

Petzer and De Meyer (2013) find that although South Africa has experienced a major growth in the black middle class, most people are still living below the poverty line. Petzer and De Meyer (2013) further explained that cultural diversity was key and consumer loyalty should not be underestimated.

In describing the base-of-the-pyramid characteristics for African emerging markets, Adegbile and Sarpong (2017) indicate that developing economies exist in extreme poverty under a variety of governance structures as well as under the anarchy of kleptocratic governments. In addition,

African emerging markets exhibit income disparity, which remains a major challenge, are geographically dispersed with a very poor rural segment who are inexperienced with consumerism.

Considering data from Statistics South Africa (2018) South Africa has a youthful population, with relatively low levels of formal education. More than half of the households are headed by women with people living in informal dwellings, which have very limited access to basic services. Access to electricity is significantly more widespread, which suggests that electronic devices, such as mobile phones can be functional and can be a means to interact online, provided that there is network connectivity. Commercial nodes are found in small rural towns dotted around the district, each with a few retail outlets and service facilities such as banking and micro-loan lending, petrol stations and funeral businesses. Informal trading stalls can also actively conduct business in the streets of the towns. Cellular network coverage is relatively good in the towns, particularly on arterial roads leading to the towns, but decreases noticeably across the outer-lying rural areas.

Consumers in rural areas often follow the bi-market consumption patterns reflective of consumers at the bottom-of-the-pyramid. For example, they would shop at formal stores when they travel into nodal towns, while on trips to towns, they would shop at informal outlets and stalls, such as spaza shops. Economic activity around rural homesteads tends to be limited owing to the dispersed spatial configuration of dwellings. As e-connectivity increases, more and more consumers living rurally could begin to explore participation in e-commerce, to expand their access to products, goods and services. However, limited connectivity, high data costs, lack of delivery mechanisms with reach into rural areas, and consumer caution owing to unfamiliarity with this market may inhibit the immediate uptake of online shopping.

Consumers in the African context also face uneven market terrains, with consistency of supplies dependent on prevailing political circumstances. As a result, market access can be severely constrained in times of economic collapse. However, under such circumstances, supplier agility also rises and brings products to market for consumers, either through formal business outlets and shops or through informal channels. Consumers remain discerning, seeking value for money and quality, while transacting in the hybrid formal-informal market formations for purchasing of products, goods and services.

Purchasing choices are more constrained for consumers in rural areas owing to the difficulties faced by sellers to bring a variety of goods into these markets at affordable prices, without spoiling the quality of products. In the African context, many consumers experience income poverty and would be regarded as low-income consumers, located at the bottom-of-the-resource pyramid. Globally, this market segment comprises the four billion people who make up the world's poorest consumers. Its size has attracted businesses to try to do business by offering products according to a "low price, low margin, high volume" model. Marketing and distribution models to activate this segment have had to be re-thought in relation to rurally-based consumers, which has met with mixed success. The advent of e-commerce and online shopping has opened up new avenues to expand markets and provide products and services for bottom-of-the-pyramid consumers. While this is good for consumer choice, a number of difficulties remain, such as

effective, efficient and affordable product delivery. Consumer protection mechanisms also need to be re-thought.

Consumer markets in the African context present an array of complexities and challenges, but also opportunities to re-think business models to provide goods and services to consumers, particularly lower income consumers living in rural areas.

2.2 Consumer protection in the African context

Howells, Ramsay, Wilhelmsson and Kraft (2010:122) describe the emergence of consumer law and, by inference, consumer protection policy as a relatively modern phenomenon, arising from the confluence of the development of a consumer society, on the one hand, and the regulatory state, on the other. Round and Sporer (2003:43) note that with the globalisation of markets, consumers in different countries have started to face similar problems. This increasing global scale of markets has prompted the search for common approaches to consumer protection. This is particularly pertinent in relation to e-commerce, which is geographically boundary-less and accessible to consumers around the world, irrespective of which country they live in and where the online business is based.

Consumer policy has two primary dimensions, these being consumer protection and consumer empowerment. Although interlinked, consumer protection is more pertinent to this study. Consumer protection policy deals with economic issues such as combating market irregularities and ensuring consumer access to goods and services, while also incorporating social dimensions such as protecting the health and safety of consumers (OECD Good Practices, 2008).

Although consumer policy lends itself to play a key role in shaping the choices that consumers make, consumer protection policy is at the nexus of business, government and consumers (Jacobs, Stoop & van Niekerk, 2010:452). Brown (2012:126) argues that while public policy domains generally overlap, consumer policy has more overlaps than other areas, as depicted in Figure 1.



Figure 1: Consumer policy overlaps with public policy domains
Source: Brown (2012:126)

Figure 1 shows that consumer policy incorporates consumer empowerment and consumer protection. The inter-relationship between government and business in relation to the development and implementation of consumer policy is evident. The inter-connectedness of consumer policy with other public policy domains such as environment, health, social and transport policy is also depicted. This suggests that government joined-up-ness, in the sense of inter-departmental and inter-sphere co-ordination, is critical to ensure sound policy development as well as effective implementation of consumer policy.

Historically, consumer protection policy has developed in the context of developed economies where consumers transact with large retail outlets, banks and financial institutions, which take the form of franchises and conglomerates. Under these circumstances, consumers trade with anonymous entities, interacting with employees who have no knowledge of and contact with the business owners. The concept of a business owner is essentially fictitious as business entities are “owned” by shareholders, located very distant from the individual consumer. In this economic environment, there is no interface between the business proprietor and the consumer. As a result, owing to the imbalances in economic terms and bargaining power in relation to businesses and corporates when buying goods and services, consumers are dependent on policy to regulate their transactional relationships and need to resort to legislative and policy compliance tools to secure redress.

In the case of informal markets, where the producer/seller and buyer/consumer live as neighbours and are often known to one another, a direct transactional inter-face between buyer and seller exists. This allows for an informal regulatory system based on quick redress for consumers who can return with immediacy to the seller and point out the deficiencies of the product. The seller faces “reputational pressure” as failure to attend to the concerns of the consumer is likely to spread rapidly through informal communication networks, which may result in an immediate withdrawal of trade with the seller in question.

Conversely, sellers transact with pride in their businesses and with their products and would not wish to disappoint members of the immediate community who make up their customer base, striving to be known as the best seller or trader in the marketplace. In these African and other informal market economies, consumer protection is socially-regulated, owing to the social proximity of sellers and buyers. Thus, informal markets have inherent built-in consumer recourse measures, which may be more powerful and effective for ensuring redress for consumers. For Alcock (2015:22), this is because *“doing business in African marketplaces requires an ethos uniquely suited to the informal, to the invisible, to the intangible”*.

Foster, Oikawa, Spanjaard, Huet, Kimani and Niavas (2016:np) identify that the outlook of the African consumer market is changing rapidly, based on projections that the African consumer base will expand significantly to total more than 1.1 billion consumers by 2020. This is larger than the combined populations of Europe and North America. Foster et al. (2016:np) researched Africa’s diverse and growing consumer base with a view to exploring trends that could inform business responses to this environment. Foster et al.’s (2016:np) findings are instructive for consumer protection policy advances, showing that African consumers are overwhelmingly

optimistic about the future. This should translate into a positive inclination to spend and, in-so-doing, drive economic growth.

A third feature of the African consumer market lies in the exponential year-on-year growth of e-commerce, with an anticipated growth of 40% in the next ten years, fostered by the use of mobile devices and connectivity (Hamid, 2017:np). Sperling (2016:np) describes Africa as a mobile-first, and largely unbanked economy. With mobile penetration reaching close to 70% on the African continent, technology has shown extraordinary advances in bringing new markets to consumers. A growing number of individuals and businesses are using social media platforms to sell goods and services. Social commerce, therefore, combines e-commerce features with the rich social interaction that social media fosters. Social commerce is a growing phenomenon, but to expand its reach, trust in online platforms and the processes used to transact is essential. Yet, there is emerging evidence that social media sites are increasingly used by fraudsters for e-scramming, a fact that could rapidly undermine consumer confidence.

While participation in the digital economy has introduced more choices, consumption options and convenience to consumers, it has also brought new consumer protection policy challenges. These challenges include unfair commercial practices, online payment security, data protection and privacy, dispute resolution and redress as well as cross-border online transactions (OECD, 2016:np). This requires the development of policy instruments applicable to transactions in the digital economy, both in Africa and in other parts of the world.

The African consumer thus transacts in a multiplicity of markets, namely, formal, informal and digital. Each of these has different implications for consumer protection policies. The result may be a duality or multiplicity of consumer protection mechanisms, only some of which will be reflected in legal policy frameworks, such as laws to regulate transactions in the formal sector. Social relationships and community norms prevail to provide consumer protection in informal markets, while cross-border, inter-country and co-operative agreements may be necessary to protect consumers active in e-commerce.

The South African Consumer Protection Act, No. 68 of 2008 is a piece of legislation enacted with the main objective to provide protection for consumers. However, the Act was drafted before the real lift-off of e-commerce in the country. The provisions of the Act that relate to e-commerce need to be taken in tandem with the provisions of the Electronic Communications and Transactions Act 25 of 2002, as this is the core piece of legislation regulating e-commerce in South Africa. Jointly, these pieces of legislation regulate the relationship between businesses and consumers when transacting online. Similar to South Africa, in African countries such as Kenya and Tanzania, legislation relating to consumer protection in e-commerce straddles multiple policy domains and so is found in more than one law, for example, consumer protection law and electronic transaction legislation.

Thorun and Diels (2019) show that new digital technologies have the potential to improve consumer policy outcomes in the following ways:

- Consumer protection: The technologies have the potential to improve product safety and product quality as well as protect consumers against counterfeit products. In this context, blockchain technologies and their applications play an important role.
- Consumer empowerment: The technologies can also be used to improve the quality of consumer information both in offline as well as in online contexts and throughout the different steps of the purchasing process. Here, a wide range of technologies come into play, ranging from Augmented Reality and blockchain technologies, machine learning and Natural Language Processing. Also, independent consumer advice can potentially be improved by robo-advice services, chat-bots and digital personal assistants.
- Consumer law and rights enforcement: The technologies can improve collective consumer law enforcement by public and private entities, particularly in providing new tools for market monitoring and the automated analysis of terms and conditions as well as privacy notices. Furthermore, the technologies can make it easier for consumers to assert their individual rights, using blockchain-based smart contracts.

Although the South African e-commerce market is still in its infancy, the African e-commerce environment is evolving rapidly, with the continent seeing a surge in the adoption of e-commerce. In order to ensure effective consumer protection, the time is ripe to consider policy integration by developing policy on the digital economy holistically. This would bring policy clarity and would help to ensure that the consumer is protected in the e-market. This is essential if e-commerce is to expand and thrive as well as be a vehicle for economic inclusion for poorer consumers. New digital technologies should also be utilised to extend consumer protection as consumers increasingly begin to transact and shop online.

2.3 Online business practices

An online business is any kind of business that does their commercial transactions over the internet. Superfast business (2020) identified 15 best practices for online businesses, which included building a website where a business's content is linked to its own domain as well as other websites. In addition, online businesses should ensure that email lists serve to bring visitors to their sites, focus on customer relationships, value customers and ensure recurring income, which is key to a profitable business. Finally, it should consider subcontracting where necessary, have a good team culture, build a good database, use shareable content, make the most of the business's material, use content that will resonate with target audience, share client success stories to build credibility, have a routine, reduce stress and ensure good business working hours.

Peng, Cui, Zhuang and Li (2016) indicated the impact of online reviews on product sales. As a result, businesses have strong incentives to monitor and manipulate their online product reviews. With the advent of e-commerce, the potential of new internet technologies to mislead or deceive consumers has increased considerably.

Quicksprout (2020) lists 21 practices for running a successful e-commerce website. These practices include a simple design for the website without unnecessary content, good menus that are organised and a search bar. The website should also employ a premium web-hosting service

to ensure speedy downloads and transactions, provide a simple checkout process, not force customers to create a profile but encourage it, send emails that a shopping transaction was not completed, list website priority on google, have other social media such as blogs, build an email subscriber list, have various payment options available, have good product descriptions, not include too many advertisements, provide easily accessible customer service, analyse data on your site, ensure that your site can be accessed on mobile devices, offer free shipping, partner with brand influencers, display high quality product images, give video demonstrations as well as feature customer reviews and testimonials.

These business practices need to be adapted and (re)designed to be applied successfully in the e-business African context. While not all these practices relate to consumer protection, those that do, provide useful pointers in this regard. Thirteen online practices in relation to disclosure of information as regulated and managed by means of terms and conditions were identified and are shown in Table 1.

Table 1: Online business practices

Online Business Practices
1. Refund policy
2. Fine print
3. Drip pricing
4. Discount claims
5. Subscription catches
6. Social media influencers' endorsements
7. Misleading advertisements
8. Privacy notices
9. Country of product origin
10. Delivery
11. Quality issues
12. Counterfeiting
13. Cancellation, termination and automatic rollover

Source: Own compilation

These 13 online business practices as shown in Table 1 were explored in this research.

3. Empirical Research to Explore Online Business Practices

In this study, a qualitative research approach was adopted. More specifically, a case study approach by re-use of data was employed. Zuiderwijk and Spiers (2019) explain the benefits of data sharing.

3.1 Data collection

Emerging e-commerce business practices need to be monitored by government agencies that have the responsibility to oversee and ensure consumer protection. This is relatively new terrain for many agencies. Co-operation among agencies is important, given the cross-border nature of e-commerce, but also to share lessons learnt in enhancing consumer protection in the online environment. As a deliberate collaborative initiative, consumer protection agencies and regulators that participate in the African Consumer Protection Dialogue Network, undertook a voluntary initiative to visit online business sites to examine online business practices (African

Consumer Protection Dialogue Sweep, 2019). The intention was to identify potentially problematic practices and fraudulent, deceptive and unfair conduct emerging online that harm consumers. The target was ecommerce, mobile commerce and other purchases. Specifically, business conduct and practices concerning terms and conditions for online purchases and transactions were examined. Terms and conditions are particularly important for consumers as these protect consumers from improper business practices and create the basis for redress if contract terms have not been adhered to by a business. As such, terms and conditions are the foundation of the implementation and achievement of consumer rights. For the study, a total of 235 websites were searched and analysed and flagged for follow-up. The data collected was then tested against the 13 identified online business practices.

3.2 Research results

Table 2 outlines the results of the exploratory studies, which identified the most problematic online business practices.

Table 2: Results of the most problematic online business practices

Online business practice	Found on the websites
Privacy policies	<ul style="list-style-type: none"> • No privacy policies disclosed or unclear and hard to find • Consumer registration required before privacy policy disclosed
Return policies	<ul style="list-style-type: none"> • Restrictive return policies
Information	<ul style="list-style-type: none"> • Misleading information on pricing • Inconsistent information about product delivery • Lack of repair, refund or replace policies
Terms and conditions	<ul style="list-style-type: none"> • Not accessible • Hidden and obscure • Absent • Very long and detailed • Not updated • In a foreign language • Applicable in another country • Denying liability • Permit charges without prior notice to consumers

Source: Own compilation

The online business practices as outlined in Table 2 are all problematic and impact on consumer rights to participate in e-markets that are fair, accessible, efficient, sustainable and beneficial to consumers. A more in-depth assessment by participants revealed that a number of the terms and conditions may have been insufficient with respect to privacy issues, including the technology used by the website, such that consumer data provided on e-commerce websites was not adequately protected. Consumer rights were infringed in certain instances where terms and conditions were deemed accepted by mere use of the website. For example, the website placed a link to terms and conditions at the bottom of an obscure section of the website thereby creating the opportunity for a consumer to transact before s/he knew the obligations imposed by the terms applicable. Some websites further excluded liability for errors and incorrect information, while other websites provided information, which was incomplete and required consumers to follow links or go to other websites for the specific information. In some instances, consumers were required to call to access complete terms and conditions.

Even though the research targeted various economic and retail sectors, many common issues relating to disclosure of terms and conditions were identified across all sectors (African Consumer Protection Dialogue Sweep, 2019). Hidden terms and conditions were a commonly identified problem and this business conduct was associated with all sectors covered in the research. Major concerns included non-disclosure loan facility defaults, non-disclosure on cancellation of debit card from monthly deductions, discount claims, restrictive return policies as well as lack of terms and conditions on hotel bookings and other sites. In addition, contract renewal terms and general unclear terms and conditions leading to subscription traps appeared to cause significant concern.

To improve online business practices, it is important to consider the five most cross-cutting problematic conduct identified, namely, unclear and inaccessible privacy policies, pop-up registration before privacy policies disclosed, restrictive return policies, misleading information on pricing and hidden terms and conditions. Taking action to correct some of the false or misleading information being disseminated online is one of the core benefits at the domestic, regional and international levels. Table 3 outlines potential areas for future analysis and future collaboration as well as what can be achieved in this regard.

Table 3: Future potential, collaboration and way forward for analysing online business practices

<p>Potential areas for future analysis</p> <ul style="list-style-type: none"> • Creating a comprehensive list of detrimental disclosure practices, which are misleading so that authorities can judge if they are too strict or lenient with traders in their jurisdiction • Developing research papers that further examine the effect of these practices on consumers’ decision-making and measure consumer detriment because of using such practices • Producing comparative summaries of legislation or regulations as well as national and international organisation guidelines on disclosures, including privacy policies • Sharing best practices information on disclosures and privacy policies
<p>Potential areas for collaboration</p> <ul style="list-style-type: none"> • Developing (and enforcing) good practice guidelines for e-commerce. For example, with regard to discounts and timing, some countries have set guidelines on how long online promotions should last and what reference prices can be provided • Promoting joint work on mobile payments, returns guidelines and privacy policies • Running a consumer outreach campaign, raising consumer awareness and educating consumers by providing examples of fair conduct and unacceptable practices • Working to promote good disclosure practices and raise awareness on social media platforms • Producing a toolkit with pro-forma templates, for example, of warnings to be sent to businesses about inadequate disclosure practices
<p>Way forward</p> <ul style="list-style-type: none"> • Educating consumers on how to use online platforms • Developing minimum standards as guidelines for business, about minimum requirements for ethical and fair practices for online businesses • Prescribing to websites the contents and display zone for terms and conditions to ensure customer awareness • Displaying product pricing in a uniform manner to eliminate confusion • Ensuring that businesses provide information to cater for all countries where they do business • Updating terms and conditions on websites regularly • Limiting technical information and simplifying terms and conditions without losing the essence of the information

Source: Own compilation

Table 3 shows there is a need to continue working to increase consumer awareness of disclosure practices and consumer rights in this regard. It is also essential to make businesses aware that

these practices may be problematic. Given that e-commerce stretches beyond national borders, governments and regulatory agencies in different countries will need to work in co-operation with one another.

The analysis of websites showed that the disclosure practices of businesses, regarding terms and conditions and in relation to privacy were central to consumer protection, and businesses should be aware of this. This is particularly important in the context of African consumers, given the surge of participation in e-commerce and the fact that many will be first-time users of online shopping and transactional platforms. Rurally-based consumers may be especially vulnerable owing to lower literacy levels and lack of familiarity with the technicalities of e-commerce. These consumers may be further disadvantaged owing to difficulties with delivery and return mechanisms, which may have been designed for an urban context. Capacity building on becoming an e-consumer and consumer education about e-commerce are essential if rurally-based consumers in the African context are to be empowered to participate in e-markets.

3.3 Lessons learnt

E-commerce has vast potential to impact positively on economic development, particularly in rural areas that have been shut out from mainstream opportunities. In these circumstances, local government will need to play an enabling role, which may be different from the role of government in urban areas. Government may also wish to offer some of its own services online. The good practices advocated for businesses operating online are as applicable to government.

The role of local government in relation to e-commerce and consumer protection for residents transacting online include:

- As more municipal services become available online, the municipality's own business practices need to be sound, with fair and transparent terms and conditions as well as clear policy on privacy and how personal data will be managed by the municipality. This will be applicable across the board of increasing municipal online transactions with residents and businesses to whom services are provided, such as basic services like water, property rates and taxes, business licences, for which these customers/clients are contracted and billed online by the municipalities.
- Local government needs to integrate e-services into all community services, such as e-health, e-mental health services and e-social services.
- Local government needs to empower businesses that drive the local economy and transact with customers from outside the municipality, to explore e-commerce as a way of growing business. Local government needs to then actively engage business to put into place sound and fair online business practices, for example, tourism and hospitality establishments. This will build a good reputation for the areas and attract customers to these businesses.
- Local government needs to drive consumer awareness and education initiatives in the municipality to inform residents and ratepayers about the pitfalls of e-commerce and online shopping. There should be a focus on youth and young future-consumers who are

more likely to be early adopters of online activities and would be vulnerable to unfair terms and selling practices.

- Local government policy, such as local economic development policy, should be embracing and inclusive of e-commerce. Municipalities servicing rurally-based consumers need to provide an enabling environment for residents to benefit from e-commerce. For example, providing a collection and onward distribution facility for products purchased online where business delivery models fall short of delivery in rural areas owing to costs and other logistical considerations.
- Local government needs to create an enabling environment for e-commerce by partnering to ensure fast and reliable connectivity for all residents, creating public free Wi-Fi zones, starting in public facilities such as clinics, schools, community centres and libraries. Rurally-based local government must be at the forefront of negotiating for lower data costs.
- Local government should promote and drive innovation for expanding the uptake of participation in the e-economy globally, including subsidising access to e-learning platforms and encouraging participation in open online learning.

There is much that local government can initiate and facilitate to make it possible for residents, including those in rural areas, to be active as e-commerce users. This can initiate local economic development and can bring consumers in these areas closer to global markets. At all times, and particularly with in-house online services, local government must play an active role in ensuring that business practices respect consumer rights and offer fair participation opportunities to all consumers.

4. Conclusions and Recommendations

Consumers in the African context have a unique profile which positions them well to transact with ease in tri-market configurations, straddling formal and informal markets, and increasingly, making use of e-commerce channels. Consumer markets in the African context present an array of complexities and challenges, but also opportunities to re-think business models to provide goods and services to consumers, particularly lower income consumers living in rural areas. Irrespective of the market characteristics, all consumers have the right to fair, accessible, efficient, sustainable and responsible business practices as well as redress if business conduct does not comply with consumer protection regulatory frameworks.

Whilst participation in the digital economy has introduced more choices, consumption options and convenience to consumers, it has also brought new consumer protection policy challenges, including unfair commercial practices, online payment security, data protection and privacy, dispute resolution and redress. E-commerce is also global, and consumers can transact and shop with businesses located in any part of the world. This is a challenge for consumer protection and the enforcement of rights owing to the cross-border nature of online transactions. This requires an integrated response and co-operation among consumer protection agencies in different countries. There is also a need to develop policy instruments and best practice guidelines. Consumer education and awareness is also needed, as many consumers, particularly in the

African context, are transacting in the digital economy for the first time and need to be sensitised to the business practices and malpractices in this market environment.

E-commerce is an important economic development opportunity and can be a catalyst for economically-depressed rural markets. Local government is well poised to create an enabling environment for both businesses and consumers in the municipal area. Initiatives can be specifically-crafted in support of rurally-based consumers, to open up new markets. This will require a deliberate strategy and action plan that the municipality develops and implements in collaboration with business, all spheres of government and consumers themselves.

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