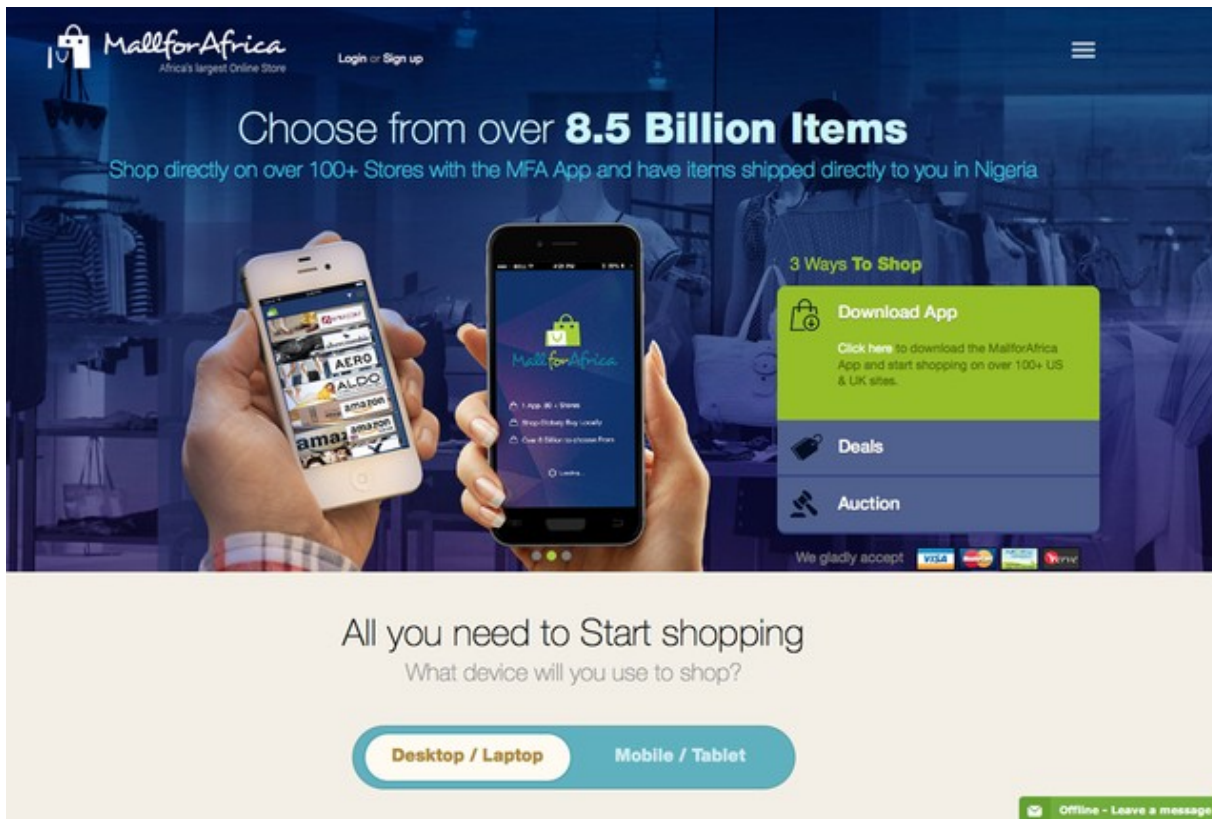


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# Site Aims to Spur E-commerce in Africa

By DAVID MOIN



The Web site for Mall for Africa.

Photo By Courtesy Photo

With their dot-com expansions, retailers usually steer clear of Africa.

“Over 95 percent of U.S. and U.K. e-commerce sites do not ship to Africa,” said Chris Folayan, the Nigerian-born founder and chief executive officer of the Mall for Africa. “The three biggest concerns are people using stolen credit cards, administrative issues involving clearing merchandise through customs and customers finding their merchandise.”

Mall for Africa, which was started in 2011, is now being rolled out to help retailers cope with those issues. Folayan described the site as a vehicle to circumvent cyber fraud and an online solution for millions on the continent who view Web sites but are frustrated that in the vast majority of cases, they can't be shopped.

“We tell retailers, ‘Look, you don't have to have this tunnel vision about Africa. We are opening Africa up to you, at no expense to you. No liability to you. You ship to us and we will ship to Africa,’” Folayan said. “We basically created a platform that allows people to do transactions and actually receive products from sites that do not ship to Africa.”

Folayan is an entrepreneur, software designer and digital marketing consultant whose first business venture came at age seven, when he started reclaiming old tires and reselling them to vulcanizers. He landed in the U.S. to attend San Jose State University, where he earned a degree in business administration and marketing, though he's a self-taught computer programmer. He founded the OCFX software and Web design agency in 1996 in Modesto, Calif. When he was working in Silicon Valley, friends and family pleaded with him to bring Western

products whenever he traveled home, so the obvious demand motivated him to start MFA. Folayan is the majority owner; Helios Investment Partners took a minority stake in 2013.

Though still a small player on the Web with annual revenues of between \$10 million and \$20 million, MFA this year will grow beyond Nigeria, where the business first launched. “We are expanding to Ghana and Kenya this quarter and hope to have five pickup locations in each country to start with,” Folayan said. Currently, there are 150 pickup locations in Nigeria, including many run in partnership with Red Star Express, a licensee of Federal Express. Over the next two years, Folayan intends to have a presence in 18 countries.

On average, it takes three to 15 days for a package from the U.S. or the U.K. to reach an MFA pickup location. A 2 percent fee, covering airfreight, duty and currency conversion, is charged to consumers although there is no cost for retailers or brands. Macy’s, Marks & Spencer, Selfridges, Carters, Amazon, Aldo, Neiman Marcus Last Call and Maurices are among the 120 firms listed on the Web site. The average cart is \$260. Women’s apparel is the category most in demand, followed by children’s wear, women’s accessories and men’s wear.

MFA acts like a middleman, connecting African consumers with U.S. and U.K. retailers and brands. Here’s how it works: Consumers in Africa download the Mall for Africa.com app, select an American or U.K. site — such as macys.com or Net-a-porter.com — off the MFA app, shop directly from the site and add items to their cart. When shoppers are ready to order, they click the MFA “buy now” button and pay MFA. Purchases are made through two methods: MFA debit cards, which consumers load with funds from local banks, or the Mall for Africa Visa card. Then MFA pays the retailer or brand, which ships the orders they receive to MFA’s 17,000-square-foot Portland, Ore., warehouse, where products are inspected and then shipped to pickup locations in Africa. Shoppers designate the pickup location they prefer. MFA also operates a smaller warehouse in Feltham, a suburb in West London.

MFA handles the entire fulfillment process, from ordering, to payment, to delivery, so retailers don’t have to worry about getting paid, experiencing credit fraud, or dealing with the logistical and administrative hassles of overseas shipping, tariffs, verifying whether products were properly received, and returns.

“Cyber security is important because the entire continent of Africa, specifically Nigeria, has been viewed as the fraud capital of the world,” Folayan said. “Many Americans and non-Americans have experienced e-mails soliciting various forms of personal information and in many cases, have become victims of a scam.”

Most e-commerce sites, Folayan added, don’t want to handle the stress and strain of conducting e-commerce in Africa, but people there want products. “There are over 172 million people in Nigeria. The continent has 1.1 billion people. Imagine opening the market up and saying to Macy’s, BCBG, Nordstrom, Neiman Marcus, ‘you have this huge market to sell and you can do it without opening shops there or shipping to customers. We are figuring it all out for you. Just use our system.’ People in Africa are willing and able to afford and buy high-quality products from the U.S. and the U.K. and have been unable to do so.

“There is a lot of misconception about Africa. Africa has skyscrapers and Bentleys and people doing really well. One time I was asked if I saw lions on the streets. I realized then there was no need to continue talking to that person.”



Chris Folayan  
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