

The Impact of E-Commerce on Company's Performance: The Case of Sino-Africa Company

Samuel Mansaray-Pearce*, Mohamed Saidu Kanu

Population Resources and Environmental Economics Huazhong University of Science and Technology, China

Finance Department School of Economics Huazhong University of Science and Technology

***Corresponding Author:** Samuel Mansaray-Pearce, Population Resources and Environmental Economics Huazhong University of Science and Technology, China, Email: mansaraysamuel192@gmail.com

ABSTRACT

The flourishing of e-commerce has led to a new trend of establishing entrepreneurship: starting up an e-business. However, the course of a new business rarely runs smoothly. The aim of this dissertation is to study e-commerce opportunities to enlarge the business after the start-up phase, especially for small e-business companies with limited resources. The study will also try to answer questions on how social media can help to grow the online market, moreover, trying to find out the potential of e-commerce in Africa. At the same time it also evaluates the benefit of e-commerce for Chinese companies.

The need for this research comes from S-A company's desire to find new market possibilities in their selected marketplace-Africa. To accomplish this desire, the company needs economical but effective marketing means that can reach their potential customers in Africa. S-A company is a young company that is yet to really define its market position and marketing means, so the aim of this study is to give them ideas how to market their company in Africa through online resources.

The author chooses the multiple linear regression models for the empirical study of the selected company (S-A company). It gives logical and objective ways to analyze the current position of the company with the target market, and to develop the business-enlargement plan for the company.

Keywords: E-commerce, E-business, Social media, Africa's e-commerce market China's e-commerce market, S-A Company.

INTRODUCTION

It is indeed a truism that, The traditional friendship between China and Africa started an age long ago in the early 50s that cut across social infrastructural ties, economy, bilateral trade, Investment, culture, Security and Diplomatic Cooperation etc. China has become a major economic partner of Sub-Saharan African countries.

Total merchandise trade between China and Africa increased from \$9 billion in 2000 to \$166 billion in 2012, making China Africa's largest trade partner (UN Comtrade, 2014). In terms of foreign direct investment (FDI), Chinese FDI flows to Africa increased from just \$200 million in 2000 to \$2.9 billion in 2011, turning China into the largest developing country investor in Africa (UNCTAD, 2013; MOFCOM). Additionally, Chinese aid initiatives in Africa in the form of economic or technical cooperation have also increased remarkably in the last

decade. According to China's National Bureau of Statistics (NBS), the turnover on economic cooperation projects in Africa reached \$29 billion in 2011 compared to \$1.2 billion in 2000. China's strategic position in Africa's development, especially in the last two decades has been extremely beneficial, especially in strengthening the Sino-Africa relationship and in giving it a new life. Africa's quest to achieve stable and sustainable development and more investment in the fields of trade, infrastructure and a host of others has taken center stage in the continents strategic thinking framework and in this vain, China has been a leading player in engaging Africa for trade and investments. The beginning of the 21st century has been seen as the insurrection of information technology. At the beginning, the Internet was only for scientific, military and academic uses. However, as information and communication through the Internet goes beyond the geographical limits, people get contact to virtually all information

and resources on the Internet and it is a common phenomenon nowadays to see people read, study, socialize and shop online. This inevitable digital trend rapidly became commercialized. Therefore, the farsighted entrepreneurs saw the boundless prospective in doing business in this borderless environment. Hence, it leads the new trend of establishing entrepreneurship: starting up an e-business, which is doing business using electronic intermediaries especially the Internet (Gunawardana 2006). Just think before the Internet existed, entrepreneurs needed to invest a lot in rent, advertising and printing. Thanks to the Internet, small businesses and organizations now have lower entry level to start up the business. (Martin 2012)

Unluckily, the course of a new business rarely runs smoothly, the failure rate of new start-up enterprises has never fallen. Therefore, it requires an entrepreneur to conduct much more research and implementations besides the business plan in order to maintain and enlarge the business after the start-up phase. As the number of people connected with the Internet is growing fast, the value of the industrial market is also increasing. Big companies and corporations invested more in e-commerce to seek new markets, this tighten the competition for the small start-up company-businesses.

S-A company at present has got two branches, one in china and one in Africa and the company intends to establish another new branch in Africa.

Thus, the purpose of this research is to help the Company's managers find solutions to solve the problem of low business performance with a particular focus on the effective use of e-commerce. Therefore this research aims to:

- Evaluate the effective use of e-commerce on the S-A Company performance.
- Find solutions regarding the problems that hinder S-A Company performance.

LITERATURE REVIEW

E-commerce or electronic commerce commonly refers to trading products and services through any electronic media such as the Internet. The concept "e-commerce" was first introduced in the late 1970s. Nevertheless, it only became possible in 1990s after Tim Berners Lee invented the world-wide-web and became available for commercial purposes. Therefore, the Internet transferred from the scientific network to a globally everyone daily

communication system. Since then, the Internet has been opened to commercial use and companies are brought online. At first, e-commerce was only related to electronic transfer and business information sharing. Until the end of 1994, security protocols developed and Pizza Hut had the first-recorded Internet sale. From 2000, increasing amount of companies in the United States and Western Europe offered their products through Internet. At that time, people started to describe "e-commerce" as the purchasing possibilities of various products over the Internet using electronic transaction services under the secured environment.

Significance of E-Commerce

The Internet and computer technologies have significantly changed the way of doing business, and to establish a business in particular. The amount of Internet based e-commerce grew rapidly during the last one decade. Many of the world's biggest companies started to put the Internet as a vital part of their business strategy. This has been typified by the experiences of General Electric and Microsoft with their new net strategies. (Turner 2002) Moreover, there are increasing evidences that viable online business models are emerging. Business models appear more flexible after adapted their Web sites to support, enhance and improve all segments of the business.

Instead of continuing the analysis of the value of e-commerce, it is important to point out the risk an online start-up company might face in e-commerce age. Many economists today claimed that newly public start-up companies have fallen even more than the rest of the sector on renewed dot-com bubble concerns. (Pepitone 2011) A decade has passed since the dot-com bubble happened in 1995-2000. As the enormously large investment values for hot Internet companies could presage a dot-com bubble rife with unprecedented risks. There is little assurance that today's highflying tech companies can sustain breakneck growth, says Alex Daley, chief investment strategist at Casey Research. Once the e-commerce environment collapse, a start-up company could hardly remain running. To make effective use of e-commerce instead of being affected by the big environment, companies should focus on the preponderance of Internet based business operation. E-commerce is not about total digitalization of the company operational environment. It is more

The Impact of E-Commerce on Company's Performance: The Case of Sino-Africa Company

about utilizing the peculiarity of the Internet to improve profit creation through enhancing company competitiveness and developing a pragmatic attitude towards the business.

E-Commerce in China and Africa

The development of e-commerce varies greatly in different areas due to multiple reasons, such as different technology development and Internet accessibility. For the benefit of the Manager's company, the author chose China and Africa as the studied area in this dissertation.

Current Position of Chinese E-Commerce

According to a report released by China Internet Network Information Centre (CNNIC) in

January 2012, the number of Internet users reached 513 million, which is more than residents who are online in the United States. During 2005 to 2010, the average growth rate of China's e-commerce sales is 250 percent each year, and reached 4.5 trillion RMB by the end of 2010.

(China daily 2012) Moreover, the 12th (2010 to 2015) five-year plan of e-commerce released by the Chinese government, China aims to increase e-commerce sales to 18 trillion RMB (€2.177 trillion) by the end of 2015.

Thus, China will become the leading e-commerce market in global stage.

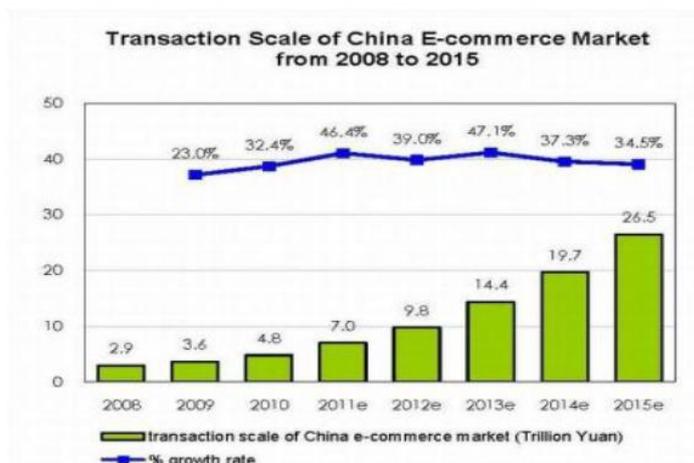


Figure 2. Transaction scale of China's e-commerce market (Fresh trax 2012)

Currently, only a small percentage of Chinese people do their shopping online, which means the potential growth is huge. Forecast usage and purchasing power in China will grow in all product categories. (BCG 2011)

Current Position of African E-Commerce

The current status of Africa's readiness for e-commerce was prepared in a report by UNCTAD "Building Confidence: Electronic Commerce and Development" and identified possible strategies for improvement. Conferring to the report there are over 550,000 dial-up Internet accounts for the over 750million people in Africa. Numerous obstacles are affecting the Internet and its diffusion in Africa, namely, a shortage of telephone lines, lack of power supply, lack of access to computers, prices charged for access, slow speed and quality of service, content and language, etc.

Although so far participation by African nations in many of global forums and treaty organisations (as listed above) has been limited, some African countries and regional formations are already

showing interest in the adoption of ecommerce and have initiated e-commerce-related activities. Africa's infrastructure initiatives/ strategies for e-commerce include:

- National Information Communication Infrastructure plan (NICI),
- African Connection – aimed at supporting the development of the underlying infrastructure required, the target is to lay 50 million lines in Africa over the next 5 years
- SADC (the Southern African Development Community) has begun to lay some of the groundwork for an e-commerce policy in its "Theme Document – SADC in the Next Millennium – The Opportunities and Challenges of Information Technology
- (World Trade Centres Association) Trade Centres in Africa – aimed at promoting trade.
- Telkom SAFE (South Africa-Far East) cable, in collaboration with Malaysia Telecom, which will lay fibre between South Africa and Malaysia

- SAT-3/WASC (South Atlantic Telephony/ West African Submarine Cable)-has been combined with SAFE
- Africa-One – aims to put an optical fibre necklace around the entire continent.
- RASCOM – to launch its own satellite
- Other related initiatives/plans include COMESA (Common Market for Eastern and Southern African), ECOWAS (Economic Community of West African States), and EAC (East African Co-operation).

The African continent, SADC region in particular, will have to work on a coherent e-commerce strategy that would help the region to leapfrog not only the infrastructure, but also the implementation of e-commerce.

Social Media in China and Africa

The growth of the popularity of social media undoubtedly has made social media as a natural part of people's daily life. Scott has defined social media features as "provide the way people share ideas, content, thoughts, and relationships online. Social media differ from so-called 'mainstream media' in that anyone can create, comment on, and add to social media content. Social media can take the form of text, audio, video, images, and communities." This definition states the uses of social media and

how they benefit online users. Antony described social media as "a group of new kinds of online media." Antony summarised five main characteristics of social media, which are:

- Participation
- Openness
- Conversation
- Community
- Connectedness

These five components of social media are strongly related to each other. The **openness** means social media is open and free opened to everyone; hence users' **participation and conversation** (including feedback) are encouraged. While traditional media are more about "broadcast information", social media focus on creating conversation between individual users. And in the way, create the **connectedness** people, resources and sites together and form up **communities** quickly and effectively. Moreover the features of social media are also the key value of social media.

Moreover, Antony has divided social media into seven types as shown in the Table 1 based on different usages. To give a better understanding, the examples are given in each type.

Table1. Seven types, usages and examples of Social Media

Type	Usage	Example
Social network	Allow people to build up/ expand personal relationship	Facebook; LinkedIn
Blog	Provide users own page to write online journals or share personal information	Word press
Wiki	Allow users to create/ edit contents about specific knowledge, communal build database	Wikipedia
Podcast	Allow people to subscribe for online digital files updated by other users	iTunes podcast
Forum	Provide online discussion about special area/ topics	forums.coolest-gadgets.com
Content community	Communities that provide and organise particular contents	Youtube
Micro-blogging	Combination of social networks and blog, which allowed users to update their status quickly	Twitter

Differences between China and Africa

Companies desiring to apprehend opportunities online must modify their strategies to account for the unique behaviours, demands, and challenges of the online ecosystem in Africa. (BCG 2011)

Google, Face book, Twitter, LinkedIn and YouTube are the most well-known social media platforms used in South Africa. Organisations and companies frequently use these tools in

African e-commerce. However, most of these websites are not permitted into China due to the different online environment and government regulation. Companies wishing to use social media as tools to expand their business into Africa need to understand the different situation in the African social media world. Companies need to know platforms like Face book, Twitter and LinkedIn. By appreciating the diverse demand of Africans, it aids the company to vary communication method in order to reach the

target customers. To have a better picture of the different plat e-commerce platforms using in Africa, the author makes a comparison of

different social media platforms between China and Africa.

Table2. Comparison of social media platforms in China and Africa

Types	In Africa	In China
Blogs	Blogger.com	Sina.com, Tencent.com and Soho.com
Content communities	Youtube.com	Youku.com , Tudou.com , Ku6.com
Podcasts	ITunes.com	Xiami.com
Wikis	Wiki.com	Baike.baidu.com , Hudong.com
Professional social network sites	Linkedin.com	Ushi.com , Welink.com
Micro-blogging	Twitter.com	Weibo.com , t.qq.com , t.soho.com
Social Network sites	Facebook.com	Renren.com , Douban.com , Kaixin.com

Social media platforms are established in very diverse forms with a spectrum of unaccustomed names in Africa. When using social media as a communication tool, it is imperative to comprehend local differences between social media channels and perception. The Chinese social media sites are mostly not common in Africa; therefore, local sites are favoured and have grown rapidly and are adapted by the online community.

If the company wants to benefit from the rise of Africa's online market, it needs to be aware of the different e-commerce environment in Africa. Also, the e-commerce trend and online users' behaviour are different than it is in Africa. Thus, if a company wants to create brand awareness through social media in Africa, the company needs to do it in the African way.

RESEARCH DESIGN

The **research design** refers to the overall strategy that you choose to integrate the different components of the study in a coherent and logical way, thereby, ensuring you will effectively address the **research** problem; it constitutes the blueprint for the collection, measurement, and analysis of data. Research design may also refer to the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in the procedure (Babbie, 2002).

This study used a descriptive research design that involves gathering data that describe events and then organizes, tabulates, depicts, and describes the data (Babbie, 2002). The research design is ideal for this study because it portrayed the variables by answering who, what and how questions. According to Cooper and Schindler (2004) descriptive statistics discover and measure cause and effect relationships among variables.

Sample Frame/Size and Methods

A sampling frame is a list of all the items in your population. **It's a complete list of everyone or everything you want to study.** The difference between a population and a sampling frame is that the population is general and the frame is specific. A study population encompasses the entire groups of individuals, objects, items, cases, articles, or things with common characteristics existing in space at a particular point of time (Baker, 1999). The study used the company in question that is currently operating in China with a branch in Africa as the target population. The study population comprise of 50 staffs of S-A company. The total sample size was therefore 50.

Mathematical and Statistical Applications

Percentages

Percentage (%), *p* is defined by $p = \frac{x}{N} \times 100$

Regression Analyses

Simple **Regression Analysis** provides a measure of the average relationship between two or more variables in terms of the original units of the data. They also involve bivariate data, in which there are two pairs of variables each with its set of data values. Multiple linear regression models were used to assess whether company performance is a function of the variables indicated on the specific objectives. It provided information on impact of an independent variable while simultaneously controlling the effects of other independent variables. Thus the study has adopted the following model:

$$Y = F(X_1, X_2, X_3) \dots \dots \dots (1)$$

Equation (1) can also be rewritten as:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 \dots \dots \dots (2)$$

From equation (2),

Y= Company's Performance which is measured by the annual revenue growth of S-A company.
 β_0 = Constant (Y-Intercept-The predicted value of Y when all the X values equal 0)

$\beta_1 - \beta_3$ = coefficient parameters of the Independent Variables.

X = E-commerce Social Media marketing interaction which will be measured using three data points namely; X_1 , X_2 and X_3

X_1 = Sales volume; the quantity of products and/or services sold over a specific time period. This is measured by the number of new customers gained using social media marketing since the adoption of social media marketing strategy by S-A company.

X_2 = Customer Acquisition Costs (CAC); refers to the resources that a business need to allocate financially in order to acquire an additional customer. It is expressed by dividing the sum total of CAC by the number of additional customer acquired by S-A company as a result of the e-commerce social media customer acquisition strategy.

X_3 = Risk Mitigation and Management and is measured by the number of risks that S-A company is exposed to through usage of e-commerce social media marketing interaction. The above model is formed in view to find out the impact of e-commerce on company's performance.

DATA ANALYSIS AND RESULTS DISCUSSIONS

This section presents the data analysis and discusses the results. The data, extracted from the responses in the questionnaires administered to the company's officials, as well as some related information extracted from various publications and the Internet, and the literature review provide the basis for the results and discussions in this study. Out of the 50 questionnaires administered by the researcher, 37 filled questionnaires were collected translating to a 74% response rate. According to Babbie (2002), any response of 50% and above is adequate for analysis and therefore, the response rate of 74% is adequate.

The empirical data were initially presented in tabular form, and the tabulated data were then illustrated in a graphical form and we at the end use regression analysis with the aid of SPSS software. These presentations are subsequently analyzed and interpreted with reference to the stated research questions.

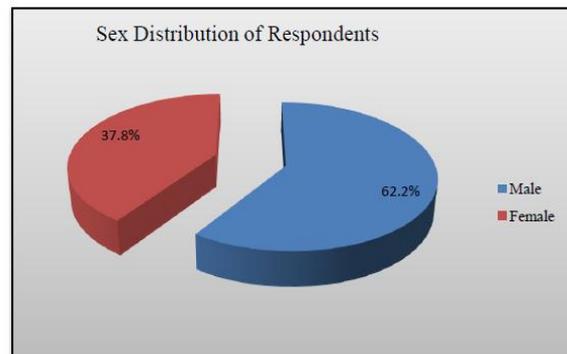
Personal Information of Respondents

Sex Distribution of Respondents

Table4.1. Sex Distribution of Respondents

Responses	Frequency	CF	Percentage
Male	23	23	62.2%
Female	14	37	37.8%
Total	37	100%

Source: Author's own calculation from questionnaire

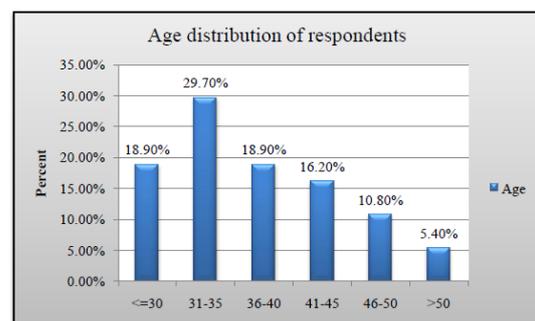


The above results show that 23 out of 37 respondents are male and this constitutes 62.2% of the total respondents while 14 out of 37 respondents are female and this constitutes 37.8% of the total respondents. We can therefore conclude that there are more male than female respondents in the survey outcome.

Age Distribution of Respondent

Table4.2. Age Distribution of Respondents

Age Group	Frequency	CF	Percentage
<= 30	7	7	18.9%
31-35	11	18	29.7%
36-40	7	25	18.9%
41-45	6	31	16.2%
46-50	4	35	10.8%
>50	2	37	5.4%
Total	37	100%



The table 4.2 and the graph above reveal that 7 out of 37 respondents are less than or equal to the age of 30 years and this represent 18.9% of the total respondents, 11 out of 37 respondents are between the age 31-35 years and this represent 29.7% of the total respondents, 7 out

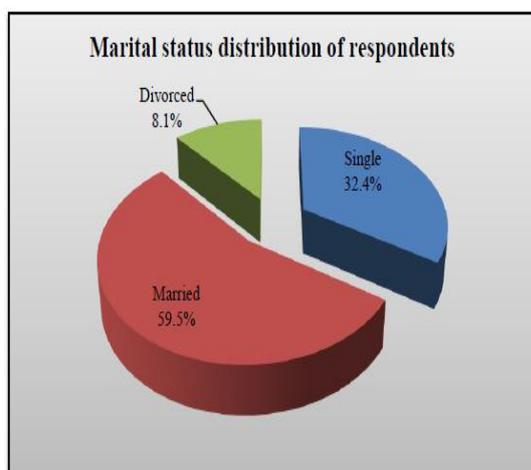
The Impact of E-Commerce on Company's Performance: The Case of Sino-Africa Company

of 37 respondents are between the age 36-40 years and this constitute 18.9% of the total respondents, 6 out of 37 respondents are between the age 41-45 years and this constitute 16.2% of the total respondent , 4out of 37 respondents are between the age 46-50 years and this constitute 10.8% of the total respondents while only 2 respondents are above 50 years of age and this represent 5.4% of the total respondents. We can therefore conclude that there are more respondents between the ages 31-35 years in the survey outcome.

Marital Status of Respondent

Table4.3. Marital Status Distribution of Respondents

Responses	Frequency	CF	Percentage
Single	12	12	32.4%
Married	22	34	59.5%
Divorced	3	37	8.1%
Total	37	100%



The table 4.3 and the graphs above show that 12 out of 37 respondents are single and it account for 32.4% of the total respondents, 22 out of 37 respondents are married and this account 59.9% of the total respondents while 3out of 37 respondents are divorced and this as well account for 8.1% of the total respondents. We can therefore conclude from our analysis that there are more married than single and divorced respondents in the research outcome.

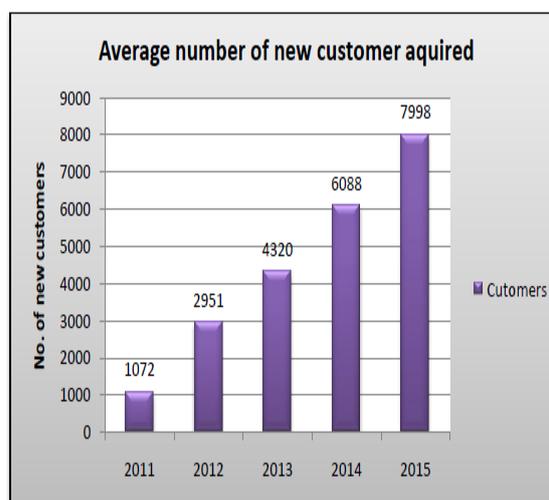
E-Commerce Social Media and Sales Volume

Table 4.4 and the figure below show a summary of the findings on the average number of new customers acquired by the company over the last five years. The findings show that the number has been increased from 1,072 in 2011 to 7,998 in 2015. The company is therefore gaining new customers through social media marketing interaction in addition to the traditional ways of marketing and interaction with its customers.

Table4.4. New customers acquired through social media

Year	Average number of customers acquired through social media
2011	1,072
2012	2,951
2013	4,320
2014	6,088
2015	7,998

Source: Author's own calculation from the questionnaire



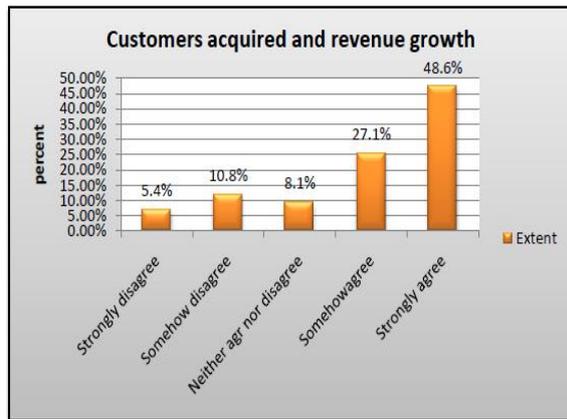
Subsequently, table 4.5 and the figure below show the findings on the level of respondents' agreement and disagreement that new customers acquired contribute to revenue growth through increased sales volume. 48.6% strongly agree while 27.1% somehow agree. Only 5.4% strongly disagree. This implies that, in general, acquisition of new customers increases revenue growth in the company.

Table4.5. New Customers and Revenue Growth

Extent	Frequency	CF	Percentage
Strongly disagree	2	2	5.4%
Somehow disagree	4	6	10.8%
Neither agree nor disagree	3	9	8.1%
Somehow agree	10	19	27.1%
Strongly agree	18	37	48.6%
Total	37	...	100%

Source: Author's own calculation from field survey 2016

All the respondents noted that following the adoption of social media interaction, their company has experienced a decrease in the cost of customer acquisition. Table 4.6 and the figure below show a summary of the findings where social media interaction has reduced customer acquisition cost (CAC) to either a great extent (40.5%) or very great extent (29.7%).



E-Commerce Social Media and Customer Acquisition Cost

The average cost of acquiring a new customer ranges between \$ 0.5 and \$ 1 in the company. Further, the respondents indicated that the cost of running a social media site ranges from \$ 500 to \$ 800 per year.

This could be attributed to the fact that company has department running its social media sites.

Table Nyambu (2013) established that social media interaction is much cheaper compared to other forms of marketing available especially with the improvement in technology in recent times

Table4.7. Social Media and Major Risks

Response	Reputational risk		Operational risk		Data & information regulatory risk	
	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
Yes	27	72.9%	25	67.6%	22	59.5%
No	10	27.1%	12	32.4%	15	40.5%
Total	37	100%	37	100%	37	100%

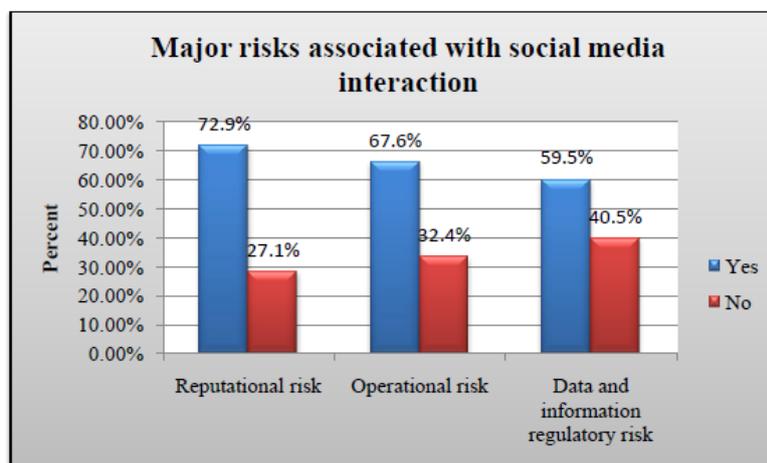


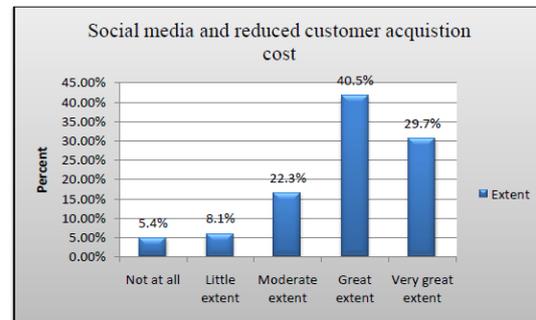
Figure4.15. Social Media and Major Risks

The strong concerns on reputation risk could be associated to the fact that the performance of the company is affected by its reputation. A bad reputation on social media could lead to

Table4.6. Social Media Interaction Reduced Customer Acquisition

Extent	Frequency	CF	Percentage
Not at all	2	2	5.4%
Little extent	3	5	8.1%
Moderate extent	6	11	22.3%
Great extent	15	26	40.5%
Very great extent	11	37	29.7%
Total	37	100%

Source: Author's own calculation from questionnaire



Moreover, all the respondents indicated that the company has experience risk management concerns associated with the adoption of social media interaction. Table 4.7 and the figure below show a summary of the research findings on the major risks brought about by e-commerce social media usage.

The Impact of E-Commerce on Company's Performance: the Case of Sino-Africa Company

posts on social media; setting up social media risk management department and full time monitoring and quick response to queries raised on social media.

REGRESSION ANALYSIS

The illustration in Table 4.8 has demonstrated that, the three independent variables that were studied explain 97.7% of the revenue generation

Table4.8. Model summary^b

Model	R	R square	Adjusted R square	Std. error of the estimate	Sig. F change (p-value)
1	.990 ^a	.980	.977	1.1123	0.00

Source: SPSS output

The P-value of 0.000 (Less than 0.05) implies that the model of performance of the company is significant at the 5 percent significance level. As

Table4.9. ANOVA^a

Model	Sum of squares	df	Mean square	F	Sig.
Regression	30.844	32	15.836	10.804	0.048 ^a
Residual	83.196	131	5.846		
Total	114.04	163			

Source: SPSS output

A summary of the analysis of the model is shown in Table 4.9. The critical F value at 5% level of significance was 23.482. Since the calculated F is greater than the critical F (value = 10.804), it implies that the overall model was statistically significant. Table 4.10 illustrates results of a linear regression analysis determining the effect of the independent variables X₁, X₂, X₃ (sales volume, customer acquisition cost and

Table4.10. Coefficients

Model	Unstandardized coefficients		Standardizes coefficient	t	Sig.
	B	Std. Error	Beta		
(Constant)	18.316	6.248		2.932	.033
X1	1.631	.511	.761	3.192	.024
X2	.286	.074	.248	3.882	.000
X3	.124	.093	.317	1.330	.241

Source: SPSS output

Given the regression equation established, taking all factors into account with constant at zero, performance will increase by 18.316 units. The data findings analyzed also show that the performance of S-A company is greatly affected by sales volume followed by reduced customer acquisition cost and risk mitigation and management. Taking all other independent variables at zero, a unit increase in sales volume will increase revenue by 1.63 units while a unit decrease in customer acquisition cost will result in a 0.286 units increase in revenue generated by the company. Finally, a unit increase in risk management and mitigation will result in 0.124 units increase in revenue generation.

as represented by the adjusted R-square value. This by implication means that other factors not studied in this research contribute 2.3% of the performance of S-A company.

Therefore, further research should be conducted to investigate the other e-commerce social media interaction related factors (2.3%) that affect the company's performance (Table 4.8)

illustrated in table 4.8, the significance value is 0.000 which is less than 0.05 thus the model is statistically significant.

risk management and mitigation) on the dependent variable Y (performance). Using the results, we have the regression equation as:

$$Y = 18.316 + 1.631X_1 + 0.286X_2 + 0.124X_3$$

Where Y is the dependent variable (performance in terms of revenue), X₁ is sales volume, X₂ is customer acquisition cost and X₃ is risk management and mitigation.

CONCLUSION

This chapter rounds off this research study. It condenses the findings and results of the research, draws up conclusions and makes recommendations for future improvements or initiative on the issues discussed. The study in essence sought to unearth the impact of e-commerce on company's performance. E-commerce as we know it today, has not changed significantly, but has become more sufficient, more advanced, and secure. The first websites were very simple because of technology and speed limits, but today there are so many possibilities that actually almost everything

happens in internet. The study also found that the implementation of social media marketing has led to a decline in the cost of customer acquisition to a great extent by the company. This can be attributed to the fact that e-commerce social media marketing is much cheaper compared to other forms of marketing available especially with the improvement in technology.

Furthermore, an additional discovery of this research is that all operations related to e-commerce social media marketing are undertaken and guided by a social media policy that ensures the company exercise discretion when collecting, processing and sharing customer information and consider privacy issues.

Finally, the analysis of the regression shows that the use of e-commerce social media interaction has a great impact on the financial performance of the company in terms of revenue. All the aspects (sales volume, customer acquisition cost and risks management and mitigation) were found to increase performance in the company.

POLICY RECOMMENDATION

Findings from this study have important policy implication, Firstly; the study recommends that for the company to have a wide e-commerce network, they should place some measures to encourage wide participation of the customers in social media marketing interaction within their sites. Secondly, the study recommends that management to embrace social network as a way of marketing and interacting with customers who may not be reached in any mean other than in social sites due to their fixed schedules. Information technology (IT) should be adopted in order to enhance the company's performance since through IT innovation is brought via ideas and relevant information.

Similarly the study recommends that nowadays without adoption of IT, commercial companies may not perform as per expectations due to competition in the market thus it is a vital tool for competitive advantages and better performance.

Companies that have absorbed the information they get from the customers do extremely well in their performance particularly in sales volumes which in return contributes to more revenue generation and profit.

Accordingly, the study recommends that feedbacks information from the customers

should be strictly accesses so as to sort out the information that aims at improving the company's performance since some of the information that may flow in to the company may be provided by the competitors to mislead the company hence failure to realization of their goals.

Finally, based on the analysis from the previous chapters, the company should pursue the following online marketing strategies:

- Use the Internet to develop new products and services.
- Help the consumer choose an online grocer by encouraging standards and disseminating information.
- Prepare itself to operate in an increasingly price competitive marketplace.
- Emphasize those brands that relate to experiences over facts.
- Develop customer centered marketing practices

REFERENCES

- [1] Boyd, D. M. & Ellison, N. B. Journal of Computer-Mediated Communication, Article 11. 2007.
- [2] Chaffey, D. E-business & E-commerce Management. 2012. Ediburgh Gates: Pearson Education Limited. Pp 389-434.
- [3] Charles worth, A. Key Concepts In E-commerce.2007. New York: Palgrave Macmillan.
- [4] Chen, C. H. E-Distribution. 2001. USA: Spokane.
- [5] Chesbrough, H and Rosenbloom, R.S. The Role Of The Business Model In Capturing Value From Innovation. 2003. Boston: Harvard Business Review Press.
- [6] Kekalainen, H. E-business Logistics, Visions, Innovations and Research. 2006. Helsinki: Tekes.
- [7] Grefen, P. Mastering E-business.2010. USA: Routledge.
- [8] Koen Pauwels. 2008, Estimating The Dynamic Effects Of Online Word-of-Mouth On Member Growth Of A Social Network Site. Working Paper, University of Maryland.
- [9] Kraemer, K. L. and Dedrick, J. European E-commerce Report. 2000. California: Center for Research on Information Technology and Organizations.
- [10] Martin, G. Z. 30 Days To Online PR& Marketing Success. 2012. U.S.A: the Career Press Inc.

- [11] Nwankwo, S. and Gbadamosi, A. 2011. Entrepreneurship Marketing: Principles and Practice of SME Marketing. USA: Routledge.
- [12] Scott, D. M. The New Rules Of Marketing And PR: how to use news releases, blogs, podcasting, viral marketing, and online media to reach your buyers directly. 2nd edition. 2010. Hoboken, New Jersey: Wiley.
- [13] Strauss, J. and Frost, R. E-Marketing.2012. USA: Courier Companies, Inc.
- [14] Turner, C. The Information E-economy, chapter 2. 2002. London: Kogan page limited.
- [15] Vignali, C. McDonald's: "think global, act local"- the marketing mix. 2001.
- [16] Walsh, B. The Web Startup Success guide.2009. New York: Springer- Verlag
- [17] Acohido, B. and Krantz, M. 2011. Is Another Dot-com Bubble In Danger Of Bursting? [viewed 29.02.2012]. Available: http://www.usatoday.com/tech/news/2011-07-26-dotcom-bubble_n.htm
- [18] Allen, K. 2012. EU Points To Cross-border Ecommerce Is A Future Growth engine. [viewed 02.03.2012]. Available: <http://resources.pbcomm.com/blog/eu-points-to-cross-border-ecommerce-is-a-future-growth-engine/>
- [19] Centre for Retail Research. 2012. Online Retailing: Britain and Europe 2012. [viewed 02.03.2012]. Available: <http://www.retailresearch.org/onlinetailing.php>
- [20] Deloitte China. 2010. China E-Commerce Market Analysis Report. [viewed 09.03. 2012]. Available: http://www.deloitte.com/view/en_CN/cn/ind/tmt/14a85f14fa791310VgnVCM3000001c56f00aRCRD.htm
- [21] Drupal. 2010. Get Clicky- web analytic in real time. [viewed 06.04.2012]. Available: <http://drupal.org/project/getclicky>
- [22] Dvorak, J. 2006. E-commerce Strategy For Companies. [viewed 29.02.2012]. Available: www.leidykla.vu.lt/fileadmin/Vadyba/12-13/14-17.pdf
- [23] Ecommerce-land. 2004. History of Ecommerce. [viewed 03.03.2012]. Available: http://www.ecommerceland.com/history_ecommerce.html
- [24] Eisingerich, A.B. and Kretschmer, T. 2008. In E-Commerce, More Is More. [viewed 28.02.2012]. Available: <http://hbr.org/2008/03/in-e-commerce-more-is-more/ar/1>
- [25] Encyclopedia of Small Business. 2002. Distribution Channels. [viewed 26.03.2012]. Available: <http://www.enotes.com/distribution-channels-reference/distribution-channels>
- [26] Eurocloud. 2010. A 16-point Action Plan for Cloud Computing in Europe. [viewed 02.03.2012]. Available: www.pcxvs.com/eurocloud/16PointPlan.pdf
- [27] European Union. 2012. E-commerce Directive. [viewed 02.03.2012]. Available: http://ec.europa.eu/internal_market/e-commerce/directive_en.htm
- [28] European Union. 2012. Stimulating Growth and Employment: an action plan for doubling the volume of e-commerce in Europe by 2015. [viewed 02.03.2012] Available: <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/12/10&format=HTML&aged=0&language=EN&guiLanguage=en>
- [29] Fact Finder. 2011. E-commerce in Europe: trends and outlook 2011. [viewed 02.03.2012]. Available: <http://www.fact-finder.com/blog/>
- [30] Freshtrax. 2012. Chinese E-commerce Market Over \$1 Trillion in 2011. [viewed 10.03.2012]. Available: <http://blog.btrax.com/en/2012/01/26/chinese-ecommerce-size-over-1000-billion-in-2011/>
- [31] Hostip. 2001. Global E-commerce: Europe- e-commerce efforts in the United Kingdom, Germany and France. [viewed 02.03.2012]. Available: <http://ecommerce.hostip.info/pages/500/Global-E-Commerce-Europe.html>
- [32] Growglobally. 2011. Behind China's Great Firewall- a social media platform primer. [viewed 10.03.2012]. Available: <http://growglobally.org/?p=754>
- [33] Gunawardana, K.D. 2006. The Impact of firm-based characteristics on Adoption of E-commerce in SME in Sri Lanka. [viewed 22.02.2012]. Available: <http://www.sjp.ac.lk/research>

Citation: Samuel Mansaray-Pearce, Mohamed Saidu Kanu, "The Impact of E-Commerce on Company's Performance: the Case of Sino-Africa Company", *International Journal of Research in Business Studies and Management*, 6(6), 2019, pp.23-33.

Copyright: © 2019 Samuel Mansaray-Pearce. This is an open-access article distributed under the terms of the Creative Commons Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original author and source are credited.