ACF Digital Platforms Landscape Study

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FOREWORD

As the Chair of the African Competition Forum (ACF), I have the pleasure and privilege of presenting the Digital Markets Survey Report. First and foremost, I would like to acknowledge the leadership of the Competition Commission of South Africa (CCSA) in driving this project, and extend my appreciation to the staff of the Competition Authority of Botswana and the Competition Commission of Mauritius for their contributions.

Digital markets have redefined how marketplaces function across the globe, to the benefit of consumers, businesses and economies. Amongst other conveniences, consumers can shop from the comfort of their homes, and gain access to a wider range of products and services, including innovative payment solutions. Businesses can tap into the opportunities created by online platforms, both in terms of easier access to the marketplace, and a wider consumer base. Increased business activities with digital markets invariably contribute to employment and economic growth.

While digital markets can bring significant benefits to society, there are often challenges in promoting the development and adoption of online platforms. These include having adequate ICT infrastructure, and access to reliable and affordable internet connectivity. Competition regulation for digital markets is also a major challenge, given their distinguishing features – including multi-sidedness; direct and indirect network effects; and market tipping. Often, these

characteristics can give rise to the emergence of dominant platforms or gatekeepers; thus, the need to have safeguards and timely interventions against potential anti-competitive practices.

The ACF Digital Market Survey report attempts to provide an overview of the digital market landscape in Africa, in terms of level of adoption, opportunities and challenges. The findings of the survey can inform further discussions and research by ACF member agencies, in the pursuit of better regulating competition in digital markets.

With these few words, I wish you a good read.

Mr Deshmuk Kowlessur
Chair of African Competition Forum

EXECUTIVE SUMMARY

The African Competition Forum (ACF) commissioned this research study to assess the state of digital platforms' operations on the African continent. The study seeks to (i) identify key emerging digital markets and the firms within those markets on the continent, (ii) obtain an understanding of the type of competition concerns that exist regarding online platforms' markets in the different ACF member states, and (iii) identify opportunities for collaborative enforcement and capacity building between the ACF members, amongst other objectives.

The areas of focus for this study include seven platform categories, as follows:

1. Search engines;
2. E-commerce;
3. Travel and accommodation;
4. Food delivery;
5. Online classifieds;
6. Social media and social media advertising; and
7. Software applications.

The assessment in this report is largely based on information submitted by fifteen (15) ACF member states who responded to a survey that was designed for the purposes of this study. The data submitted by the participating countries is sourced from publicly available sources, as most of the participating competition authorities have not conducted any studies on digital economies and related services before.

The report begins with a general overview of the digital platforms operating in Africa, reflecting on the adoption levels thereof. The data shows that the African continent is still significantly behind in terms of adoption of digital platforms by consumers. In 2021 there were 631 business-to-consumer online marketplaces operating on the continent, which recorded 2.17 billion combined visits in consumer traffic. Although significant, these numbers are considered small by global standards. Consumer traffic to digital platforms on the continent is only 10% of that enjoyed by leading global digital platforms internationally. There are various factors that affect the digital platforms' adoption levels on the continent, but the most significant barrier is the lack of telecommunications infrastructure for high speed connectivity and cheaper internet prices.

The report further assesses the results of the survey per platform category, and makes several observations.

Search Engines

Search engines are an important gateway for platforms to access consumers. Google is a *de facto* monopoly in Africa, with more than 90% market share. Most of the participating agencies do not have data on digital advertising expenditure by firms in their respective countries. However, they indicate that Google is an important gateway to customers for many businesses. In countries where the data is available, namely South Africa and Kenya, search engine advertising makes for significant amounts of activity. It is further noted that some of the participating countries report how Google operates its Shopping and Travel Units in their respective jurisdictions. In Malawi, Mauritius, Mozambique, Namibia, Seychelles and Tanzania, it is reported that the Google search engine results page (SERP) does not contain Shopping Unit content. The same countries also report that the Google SERP does not contain Travel Unit content either, with the exception of Mauritius, Seychelles and Malawi.

Google's conduct in regard to the order of its SERP has been a matter of concern by competition

authorities in different jurisdictions. However, the participating agencies have not received any complaints nor initiated any investigations against Google, except for Competition Commission South Africa (CCSA). The CCSA, through its Online Intermediation Platforms Market Inquiry (OIPMI) found that Google's monetising strategies and conduct impede and restrict competition between small local platforms and large global firms that have enormous financial backing. The prominence of paid results at the top of the Google SERP, and lack of sufficient distinction from organic results, along with its monopoly status, materially restrict platform competition.

E-commerce platforms

In broader terms, e-commerce refers to all business activities carried out over electronic networks, and this includes the selling of goods and services; the transfer of funds; online marketing activities; and the collection and processing of data. However, for the purposes of understanding the adoption levels of e-commerce in Africa, this research study focuses on e-commerce for the selling and buying of goods or services by consumers.

E-commerce began to make inroads on the continent at the start of the 2010s. African entrepreneurs set up companies to import and sell high-end merchandise online. Subsequently, Amazon and later Alibaba entered the continent. However, after experiencing significant postal and logistics challenges, Amazon retreated from most African markets, preferring to offer its products through African indigenous e-platforms which operate their own logistics. This has resulted in a situation where most e-commerce platforms in Africa are owned and run by indigenous platforms. The adoption of e-commerce on the continent has been rapidly rising over the years, despite the fact that it still remains generally low. The percentage of populations that shop online is generally reported to be very low, save for countries such as

Kenya, Nigeria, Seychelles and South Africa, which reported 40.3%, 46%, 56%, and 70% respectively.

Due to lack of regularised survey data, it is currently challenging to establish reliable data on the revenue or value of e-commerce in Africa. Only half of the participating states were able to provide information on the estimated value or volume of e-commerce transactions in their respective countries. According to Statista, the revenue from the e-commerce market in Africa is estimated at 15.2 billion US dollars in 2024, and is forecast to increase by 42.2 % to 51.25 dollars in 2028.[1] According to the International Trade Administration, fashion and electronics account for the highest revenue sales among online shoppers in African markets. Fashion products are predicted to reach $13,4 billion USD in sales, while electronics are expected to reach $11,2 billion USD in 2025. The leading online marketplace in Africa is Jumia, with the number of visits estimated at 22 million per month. Amazon is the second largest with 15.9 visits per month, while South Africa's Takealot is in third place, with an average of 12,8 million monthly visits.

Travel and Accommodation Platforms

Online Travel agencies (OTAs) are aggregating platforms which group travel service providers offering travel and accommodation products and services such as hotels, flights, cars, tours and cruises, amongst others, and consequently, facilitate booking by end consumers.

According to the World Bank, the heightened adoption of digital tools has had a noticeable impact on tourism. A growing number of travellers planning their trips rely on online travel agencies (OTAs), digitally user-generated content (UGC) and other digital tools.[2] The survey results indicate that OTAs generally are moderately used by the population on the continent. The proportion of

1   https://www.statista.com/statistics/1190541/e-commerce-revenue-in-africa
2   Ernesto Lopez-Cordova, 'Digital Platforms and the Demand for International Tourism Services'. Accessed at https://documents1.worldbank.org/curated/zh/724941581621885483/pdf/Digital-Platforms-and-the-Demand-for-International-Tourism-Services.pdf

the population in the countries with medium levels of adoption rates ranges from 37% for Kenya to 73% for South Africa. Other countries reported that very few bookings were carried out through online booking platforms.

In most countries, the international OTAs seem to dominate the scene, with the exception of Nigeria and Mauritius, where local platforms command a strong lead. The largest platforms on the continent include Booking.com, Kayak, Marideal.mu (Mauritian local platform), Jumia Travel, and Touchdowns Travels Limited (Nigerian local platform).

Online Food Delivery Platforms

The Online Food Delivery services (OFDS) market in Africa can be classified as the delivery of prepared meals and the delivery of groceries. In this research report, however, we focus solely on dynamics that accrue from the delivery of prepared meals. The OFDS market in Africa generally comprises restaurants that directly deliver meals, or through Food Delivery Apps (FDAs) that provide customers with meals from partner restaurants.

According to the response by the participating countries, the most popular OFDS platforms present in most reporting countries include Jumia Foods, Uber Eats, Bolt Foods and Glovo, among other domestic food companies. The level of adoption of OFDS across the African continent is generally low. Most of the participating countries in this study (69%) reported that adoption levels in OFDS markets were low. Only South Africa reported a high adoption rate, while other countries (Namibia, Zambia and Namibia) reported medium levels of adoption of OFDS.

Online Classifieds Platforms

The main function of the online classifieds platforms, as two-sided markets, is to connect to two distinct sets of users: the sellers and the audience or buyers. However, there are no features enabling transactions between users, as classifieds platforms only facilitate interaction between the sellers and the audience. In this research report we focus on three (3) categories, including property, automotive and insurance classifieds.

In general, the adoption of online classifieds platforms in Africa seems to be moderate. The participating countries for this study also report medium to low adoption, except for South Africa and Cape Verde. Property classifieds seem to be the most popular category, with most countries reporting high to medium adoption. Malawi, Mauritius, and South Africa are the countries that identified the use of classifieds platforms as high. Zimbabwe, which has a medium level of adoption, reported that 25% of their population search online for properties, generating 1 million visits of traffic to property platforms per month. As for Gambia, online classified platforms for property are hardly accessed by its population.

Property24 is the only platform that operates in multiple countries, and is popular in five (5) out of the seven (7) countries, including Kenya, Namibia, South Africa, Zambia and Zimbabwe. Zambia reports that most of the property classifieds platforms operating in the jurisdiction are local platforms.

Concerning automotive classifieds platforms, as per the response of 6 countries, the consumer adoption level for Gambia and Malawi is low, while for Mauritius and South Africa it is high. Zimbabwe experienced a moderate level of adoption, with monthly traffic of 500 thousand views of automotive platforms. Moreover, 20% of the Zimbabwean population is searching for cars online. The majority of the automotive platforms operating in the participating countries are local platforms.

With regard to insurance classifieds, the level of adoption seems to be very low. In the survey responses, only two countries provided the requested information, South Africa and Zimbabwe. Both countries report low levels of adoption, and do not identify any possible competition issues with this category.

In relation to personal classifieds, countries such as Gambia and Mauritius report consumer adoption of these platforms to be low, whereas a moderate use of these platforms can be noted in Malawi and Zimbabwe. Particularly in Zimbabwe, 10% of its population uses online methods to make personal sales, leading to about 300 thousand visits of traffic per month.

Online Media

Online media, in this case, refers to the distribution of news over the internet. Before the advent of the internet, news was disseminated through the traditional media channels such as print media (newspapers, magazines, etc), radio and television. Since then, news is delivered through an array of channels online; for instance, through the print media's websites, news aggregation platforms, or social media platforms.

Based on the responses of 14 competition agencies, it can be observed that the majority of the participating countries have high to medium levels of adoption with regard to accessing news via online platforms. Four of the countries, Botswana, Cape Verde, Nigeria and Seychelles, reflect low usage of online sources by their respective populations to access news.

Social Media and Social Media Advertising

The term social media refers to forms of electronic communications (such as websites for social networking and microblogging) through which users create online communities to share information, ideas, personal messages, and other content. Social media boasts a vast population of users. The online statistics show that there were 5.04 billion social media users around the world in January 2024, equating to 62.3 percent of the total global population. Currently, the African social media landscape is comprised predominantly of foreign companies, with Facebook and WhatsApp dominating the scene. The number of

African social media users has risen continuously, amounting to over 384 million as at 2022. Social media penetration is considerably higher in northern and southern Africa, than in other regions. As of February 2022, 56% of the population in northern Africa used social media, while the share was 45% in southern Africa. Central Africa was significantly behind, with a share of 8%.[3]The social media market can be segmented into social media subscriptions (users) and social media marketing (which consists of online marketers and companies that advertise online). Social media advertising revenue in Africa was estimated at US$176.90m in 2022. The number of downloads in the social networking market was estimated at 140.00 million downloads in 2022. The average revenue per download was estimated at US$1.65.[4]

Over the years, there have been concerns by various competition agencies about Google's and Facebook's operations in the digital space. Some notable issues relating to Google and Facebook operations were made by several states in the United States of America (USA), United Kingdom (UK), and Australia. However, data collected from ACF member states shows that there are currently no such complaints in the social media market. In fact, only the Competition & Fair Trading Commission of Malawi (CFTC) reported instances of deceptive advertising of various goods and services through social media. However, these were dealt with by the Malawian Telecommunications regulator.

Software Applications

Application software (apps) are software designed for computers, smartphones, tablets and other smart devices, to provide a user-friendly interface for consumers to perform tasks. They encompass a wide range of services, from productivity assistance to game-based activities, shopping, delivery services, banking, etc. In this research study we focus on only two types of apps: free apps and paid apps.

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3   https://www.statista.com/topics/9922/social-media-in-africa/#topicOverview
4   https://www.statista.com/outlook/dmo/app/social-networking/africa

Of the countries that responded to the survey, the majority, eight (8) countries reported having high levels of downloads and usage for free apps. Mozambique and Namibia submitted that the consumer adoption rate for downloading free apps is medium, while Cape Verde and Nigeria reported it to be low. Facebook, Instagram, TikTok, WhatsApp and YouTube are among the most commonly used apps across the countries. Facebook appears to be the most widely spread application software, being commonly downloaded in 47% of the countries. It is noted that Facebook, Instagram, and WhatsApp fall under the common umbrella of their parent company, Meta.

Concerning paid apps, most responding countries stated that the consumer adoption rate for the download and use of paid apps is between low to medium. There is almost no common usage between the countries for paid apps; the list differs for each country. Mauritius, Namibia and Tanzania submit that the major share of the main paid apps used and downloaded in their countries are developed internationally.

In terms of application stores, the most popular among several countries include Google Play Store, Apple AppStore, Samsung Galaxy Store, Microsoft Store, Huawei App Gallery, Amazon Appstore, APK Mirror and Aptoide. Google Play Store and Apple Store are the most popular application stores among the nine (9) countries which submitted their responses.

CONTEXT

Rapid global digitalisation has placed the topic of competition in digital markets at the centre of policy debates, especially for competition authorities. The increased adoption of digital platforms creates both opportunities and threats for developing countries. The African continent in particular, with its young and fast-growing populations, stands to benefit the most from this digital era, if approached appropriately. In 2020, a World Economic Forum Report estimated that, by 2030, 70% of the wealth created in the world will be through digital platforms.[5] The African states have an opportunity to harness the digital economy as a driver of growth and innovation. However, such positive outcomes can only result from sufficient investment and suitable reforms. Africa may be able to accelerate economic growth, allowing the digital economy to influence all sectors of the economy and society, resulting in new-found inclusiveness; sustainability; growth; and poverty reduction. If the continent fails to harness these opportunities, many scholars have warned that these economies risk isolation and stagnation.

In order for Africa to realise all the promised economic benefits associated with digitalisation, competition law is part of the policy levers that the states ought to exploit for effective regulation. Although digital markets may not necessarily be new, the accelerated wave of adoption has propelled some level of innovation. Therefore, digital platforms business models are increasingly altering industry structures and the terms of competition in different industries. Digital platforms also introduce new sources of data that can be used to create new insights, products, and services. These are some of the

positive outcomes that present opportunities for present efficiencies and consumer benefits. However, there are also unique features of digital markets that make them prone to extreme 'winner takes all' outcomes due to several factors, including first-mover advantages combined with 'tipping' market dynamics. This often plays out on a global interconnected and virtual stage, resulting in tech giants dominating entire areas of global commerce such as social media, searches, digital advertising, mobile operating systems, and e-hailing. Digital markets, therefore, threaten a new era of global concentration, and the marginalisation of developing country businesses, unless purposefully regulated.

The major concern for competition authorities in relation to regulation of digital markets is the adequacy of the existing tools to sufficiently safeguard the markets from tipping and concentration. Most competition authorities globally have adopted different ex-ante regulation approaches, and are proactively studying the novel features of digital markets and the unique dynamics in their respective jurisdictions. The pro-active tactics seek to ensure that the authorities devise appropriate tools for effective regulation, to preserve contestability of these dynamic markets.

Over the past few years, competition regulation in Africa has been gradually improving. As of 2020 there were at least forty-three (43) African countries that had either a national competition law, or were members of a regional agreement establishing antitrust regulations.[6] However, there has been very limited focus on digital markets from the African authorities.[7] Competition

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5   World Economic Forum website. Accessed at https://intelligence.weforum.org/topics/a1Gb0000001SH21EAG.
6   ACF-World Bank II, 2022. 'The Institutional Gauge: Ensuring Sound Outcomes for Competition Policy in Africa.'
7   The World Bank, 2021 'Antitrust and Digital Platforms: An analysis of global patterns and approaches by competition authorities.'

Commission South Africa is the only authority on the continent that has concluded a market inquiry into the digital markets, although only focused on a limited scope on intermediation platforms.[8] The authorities in Kenya and Zimbabwe have also conducted advocacy initiatives focusing on mobile/digital financial products markets in their respective jurisdictions. There is also limited dedication by the African competition authorities on data-related competition issues, although they are an important part of the production process for digital platforms. The Nigerian authority, the FCCPC, is the only authority on the continent that is prosecuting an international firm for data privacy-related competition contraventions. The authority has recently found the global giant, META Platforms Inc, to have contravened their legislation in its handling of consumer data.[9]

The limited focus on digital markets by the African authorities poses a threat to contestability of these markets as they develop. Proactive competition regulation is imperative, in the context that it is hard to effectively instil competition once the market has tipped in favour of an incumbent. A World Bank study in 2021 found that many developing countries, especially in Africa, were more reactionary in their approach to analysing cases in the digital economy, while high-income authorities have been more proactive.[10] The lack of proactive competition regulatory means by the African authorities has also been acknowledged by the African Heads of Competition Authorities, and the threats that this poses to the development of the continent.[11] Given the lack of proactive

engagements of these markets, there is generally restricted knowledge of the marketplace' operations, the key players, their business models, and potential barriers to entry and expansion, by the African authorities.

This research is a joint study by fifteen (15) African Competition Forum (ACF) member states, including Botswana, Carbo Verde, Eswatini, Gambia, Kenya, Malawi, Mauritius, Mozambique, Namibia, Nigeria, Seychelles, South Africa, Tanzania, Zambia and Zimbabwe. The study seeks to map out the current landscape of selected intermediation platform markets on the continent, using data from the respective countries. This report forms part of the initiatives to gain insight into digital markets' operations in Africa, and ignite discussions around appropriate and necessary interventions by the African competition authorities.

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8   Ibid.
9   FCCPC v META Platforms Inc final order, accessed at https://fccpc.gov.ng/wp-content/uploads/2024/07/Investigative-Report-FCCPC-WhatsApp-13.11.23.pdf.
10   The World Bank, 2021 'Antitrust and Digital Platforms: An analysis of global patterns and approaches by competition authorities.'
11   Joint Statement of the African Heads of Competition Authorities Dialogue on Regulation of Digital Markets, 2023. Accessed at https://comesacompetition.org/wp-content/uploads/2023/02/Joint-Statement-of-the-Africa-Heads-of-Competition-Dialogue-08-Feb-2023-Cairo83561.pdf

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METHODOLOGY AND SCOPE

There are varying definitions for a digital platform which have evolved over the years. In this study we rely on the definition provided by the Organisation for Economic Co-operation and Development (OECD): *'a digital platform is a digital service that facilitates interactions between two or more distinct but interdependent sets of users (whether firms or individuals) who interact through the service via the internet'.*[12]

There are different categories of digital platforms, based on their business models, monetisation strategies, and service offerings. The scope of this study is limited to the provision of online intermediation platform services operating in seven (7) selected categories, including:

1. Search engines;
2. E-commerce;
3. Travel and accommodation;
4. Food delivery;
5. Online classifieds;
6. Social media and social media advertising; and
7. Software applications.

As indicated in the preceding section, most of the African authorities have not conducted any research on the landscape of digital markets operating in their respective jurisdictions. Therefore, in this study we relied on the findings of the CCSA's study on the most prominent platforms (in the context of South Africa) to identify the above categories for the focus of the study. The participating authorities were also invited to identify any other platform categories that may be significant in their respective jurisdictions.

Therefore, we conclude that the selected platform categories include most of the prominent platforms in the participating member states.

For each of the categories of the digital platforms considered, we begin by highlighting the business models involved, followed by an overview of the consumer adoption trends in the respective jurisdictions. We then examine the market structure and main players, followed by a discussion of competition-related concerns that have emerged in all participating jurisdictions.

The study largely relies on information provided by the participating countries, and the information is largely sourced from publicly available sources. The participants responded to a survey issued, and provided information accordingly. The survey is attached hereto as **Annexure 1.** The main limitation of relying on publicly available information from various sources is that the findings emanating from the study may be limited, in terms of the implications/inferences which may be drawn. However, the landscape study will identify the areas of interest and focus for the African competition authorities to engage with in a more pragmatic and proactive manner.

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12   OECD, 2019 'An Introduction to Online Platforms and Their Role in the Digital Transformation'

STUDY OBJECTIVES

The primary objective of this study is to map the current makeup of digital markets within the ACF, and rely on the results to:

1 Identify key emerging digital markets and the firms within those markets,

2 Identify current trends of growth and tendencies for dominance,

3 Outline consumer adoption trends in digital markets and online services,

4 Obtain an understanding of the type of competition concerns that exist regarding online platforms markets in the different ACF member countries, and

5 Identify opportunities for collaborative enforcement and capacity building between the ACF members in the near future.

DIGITAL MARKETS GROWTH AND ADOPTION IN AFRICA

Growth and adoption trends

The African digital economy has been rapidly growing over the past few years, although relatively in its early stages, compared to other more mature markets globally. In 2021 there were 631 business-to-consumer (B2C) online marketplaces operating on the continent, which recorded 2.17 billion visits in consumer traffic.[13] Although significant, these are considered small by global standards. Digital consumer traffic on the continent is only 10% of that enjoyed by leading global digital platforms internationally. In addition to that, another noted trend is the concentration of the digital platforms in selected countries on the continent. For instance, although every African country had at least one (1) digital platform operating within their bounds by 2019, only a few had many of them. South Africa and Morocco had the most (105 and 102 respectively), followed by Tunisia (92), Egypt (84) and Algeria (77).[14]

In terms of the adoption of digital platforms by consumers, there seems to be a wide variance by country. The larger economies on the continent seem to generate more consumer traffic for platforms operating in those countries. Digital platforms operating in South Africa generate the most traffic, with more than 560 million users in 2020, followed by Egypt and Nigeria with more than 330 million and 240 million, respectively.[15] The top 10 African marketplaces in 2019 were Jumia (Nigeria and Egypt), Ouedkniss (Algeria), Gumtree (South Africa), Souq (Egypt), OLX (South Africa and Egypt), Takelot.com (South Africa), JiJi (Nigeria), Avito (Morocco), Cars.co.za (South Africa), and Autrader.co.za (South Africa). Together, these platforms generated about 64% of all online traffic in Africa. Kenya has also shown significant progress over the past few years, and is considered part of the countries that have significant potential for the digital economy.[16] In 2022, 92% of Africa's investment in tech was ploughed into four (4) countries, Nigeria, Egypt, Kenya and South Africa.[17] Figure 1 and Figure 2 below show consumer traffic to digital platforms on the African continent, and the top 10 countries on the continent by total digital platforms' consumer traffic, respectively.

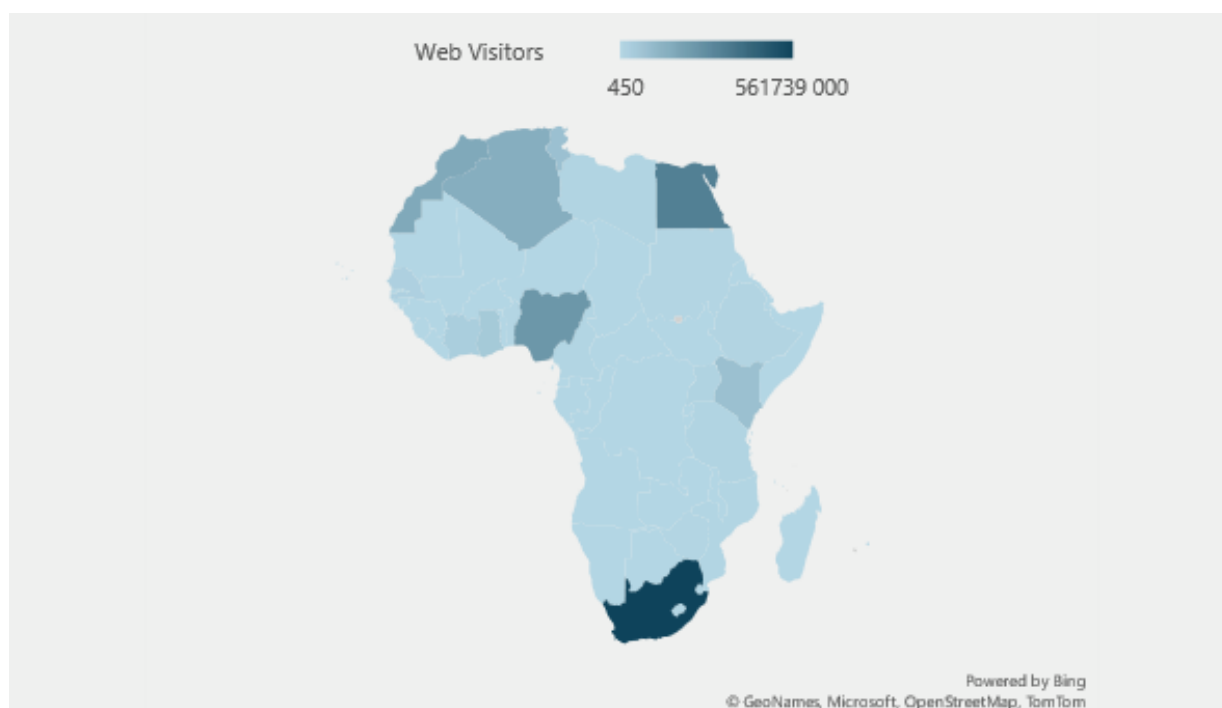13 International Trade Centre 'Africa Marketplace Explorer'. Accessed at https://intracen.org/resources/tools/africa-marketplace-explorer
14 International Trade Centre 'Africa Marketplace Explorer'. Accessed at https://intracen.org/resources/tools/africa-marketplace-explorer
15 International Trade Centre 'Africa Marketplace Explorer'. Accessed at https://intracen.org/resources/tools/africa-marketplace-explorer
16 World Economic Forum 'These four countries are leading Africa's start-up scene — here's why'. Accessed at https://www.weforum.org/agenda/2022/08/africa-start-up-nigeria-egypt-kenya-south-africa/
17 World Economic Forum 'These four countries are leading Africa's start-up scene — here's why'. Accessed at https://www.weforum.org/agenda/2022/08/africa-start-up-nigeria-egypt-kenya-south-africa/

Figure 1: Consumer traffic to digital platforms on the African continent

Source: International Trade Centre

Figure 2: Top 10 countries by digital platforms consumer traffic in Africa 2020
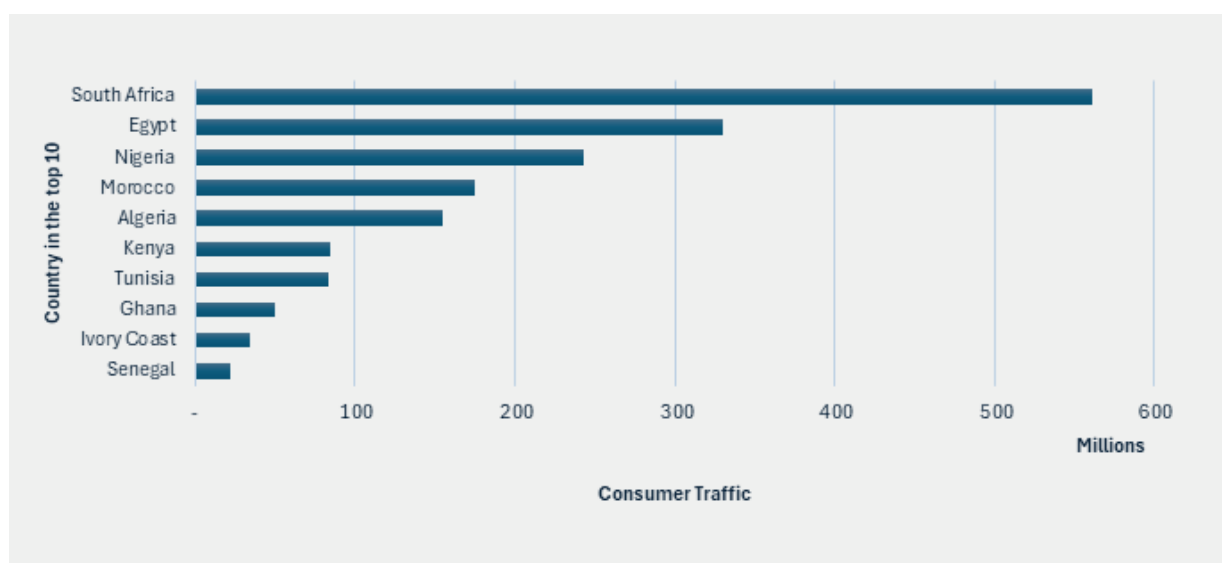
Source: International Trade Centre

There are other African countries that have high degrees of readiness for digital adoption, according to UNCTAD's e-commerce readiness index 2018, including Mauritius and Rwanda, although not in the top 10 in terms of consumer traffic.[18] With regard to the other participating countries, the levels of adoption vary. The countries with lower populations also have lower digital-platforms consumer traffic. Cape Verde and Eswatini had the lowest traffic flows in 2020. Figure 3 below shows digital platforms' consumer traffic for the participating countries.

Figure 3: Consumer traffic for digital platforms operating in the participating countries: 2020

Source: International Trade Centre

Internet penetration and data affordability

The key driver of the digital economy and adoption thereof is connectivity. Access to internet by the population directly affects the use of digital platforms. Despite significant infrastructure challenges, internet use on the African continent has been on the rise since 2010.[19] Between 2013 and 2023, internet penetration in Africa rose rapidly, from 16% to 37%.[20] However the continent still lags behind, and has the lowest percentage of individuals using the internet compared to other regions globally. The global average stands at 67%, with Europe and America standing between 87% and 91%.[21] Internet usage is particularly low in landlocked countries, where the necessary infrastructure is relatively costly, and access is also more dependent on neighbouring countries.[22]

Most of Africa's Internet activity and telecommunications infrastructure exists in South Africa, Egypt and Morocco.[23] However, the top three countries in terms of internet penetration in Africa include Nigeria, South Africa, and Egypt. According to the World Bank, achieving universal, affordable and good quality internet access in

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18   UNCTAD B2C E-Commerce Index 2018: Focus on Africa. Accessed at https://unctad.org/system/files/official-document/tn_unctad_ict4d12_en.pdf
19   African Union 'Internet Connectivity'. Accessed at https://auti.africa/industries/internet-connectivity/
20   ITU 'Facts and Figures 2023". Accessed at https://www.itu.int/itu-d/reports/statistics/facts-figures-2023/
21   Telecom Review Africa 'Assessing the progress of internet activity in Africa. Accessed at https://www.telecomreviewafrica.com/articles/features/4206-assessing-the-progress-of-internet-activity-in-africa/#:~:text=According%20to%20Statista%2C%20the%20internet,South%20Africa%20with%2041%20million
22   World Bank 'Internet Access in Sub-Saharan Africa'. Accessed at https://documents1.worldbank.org/curated/en/518261552658319590/pdf/Internet-Access-in-Sub-Saharan-Africa.pdf
23   African Union 'Internet Connectivity'. Accessed at https://auti.africa/industries/internet-connectivity/

Africa by 2030 will require an investment of US $100 billion.[24] The World Bank further notes that nearly 80% of all required investments are directly related to the need to roll out and maintain broadband networks, whilst the other 20% consists in building the user skills and local content foundations, and another 2% - 4% should be allocated to setting up the appropriate regulatory frameworks, the report notes. The levels of internet penetration in the participating countries are shown in Figure 4 below.

Figure 4: Internet penetration by population in the participating countries 2023
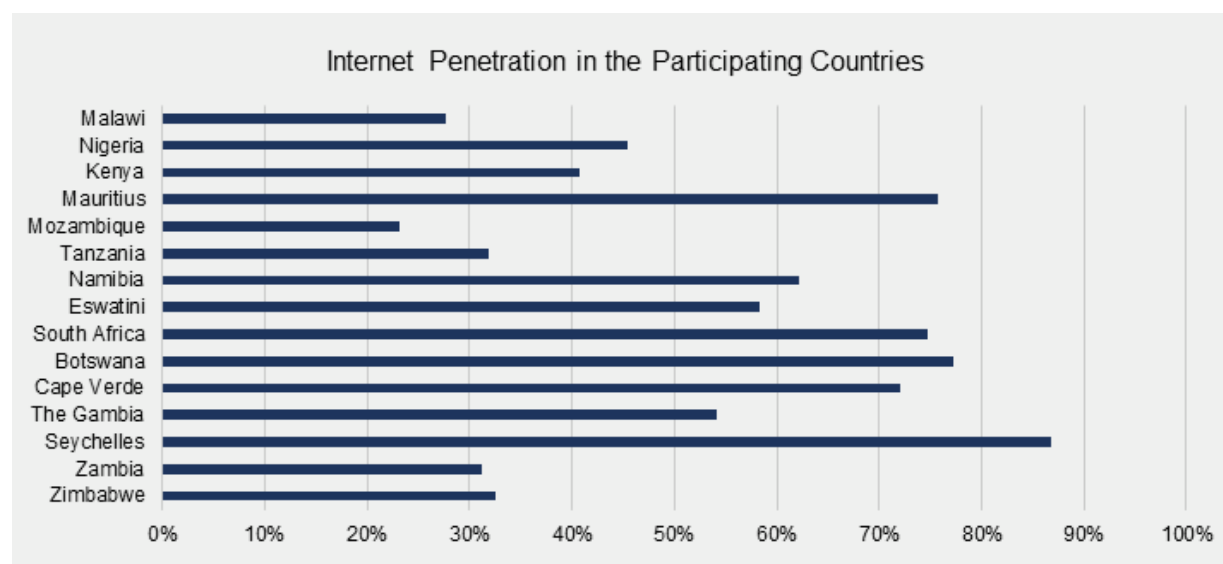
Source: Statista

Internet costs are another significant barrier to adoption of online services in Africa. The continent has the highest fixed broadband access rates in the world, costing an average of 14.8% of Gross National Income (GNI).[25] Globally, the average price of broadband Internet services represents 2.9% of the GNI per capita.[26] African countries are therefore stronger in terms of mobile subscriptions, compared to fixed line infrastructure and fixed broadband.[27] In 2023, fixed broadband penetration in Africa was 12%, compared with 63% globally, but the growth rate of broadband subscriptions on the African continent was one of the highest in the world, standing at 11% in 2022, compared with 7% globally.[28] In terms of mobile internet, Nigeria and Malawi have the cheapest data rates on the continent, with 1GB of mobile data costing just $0,38 and $0,39 on average, respectively.[29] Figure 5 below shows the average price of 1GB in the participating countries.

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24 World Bank 'Achieving Broadband Access for All in Africa Comes With a $100 Billion Price Tag'. Accessed at https://www.worldbank.org/en/news/press-release/2019/10/17/achieving-broadband-access-for-all-in-africa-comes-with-a-100-billion-price-tag#:~:text=WASHINGTON%2C%20October%2017%2C%202019%E2%80%94,investment%20of%20US%20%24100%20billion

25 Telecom Review Africa 'Assessing the progress of internet activity in Africa. Accessed at https://www.telecomreviewafrica.com/articles/features/4206-assessing-the-progress-of-internet-activity-in-africa/#:~:text=According%20to%20Statista%2C%20the%20internet,South%20Africa%20with%2041%20million

26 Ousmanne, 2024 'Africa: The Cost of Internet is 5 Times Higher Than the Global Average'. Accessed at https://powersofafrica.com/article/716/africa-the-cost-of-internet-is-5-times-higher-than-the-global-average.

27 Omdia 'Africa Broadband Outlook 2023'. Accessed at https://omdia.tech.informa.com/-/media/tech/omdia/marketing/commissioned-research/pdfs/africa-broadband-outlook-2023.pdf?rev=328d0b7a1f4c4ecc915e697453f32e3e

28 Omdia 'Africa Broadband Outlook 2023'. Accessed at https://omdia.tech.informa.com/-/media/tech/omdia/marketing/commissioned-research/pdfs/africa-broadband-outlook-2023.pdf?rev=328d0b7a1f4c4ecc915e697453f32e3e

29 Connecting Africa 'The state of mobile broadband affordability in Africa'. Accessed at https://www.connectingafrica.com/author.asp?section_id=761&doc_id=769241

Figure 5: Average price for 1GB mobile data in the participating countries 2024
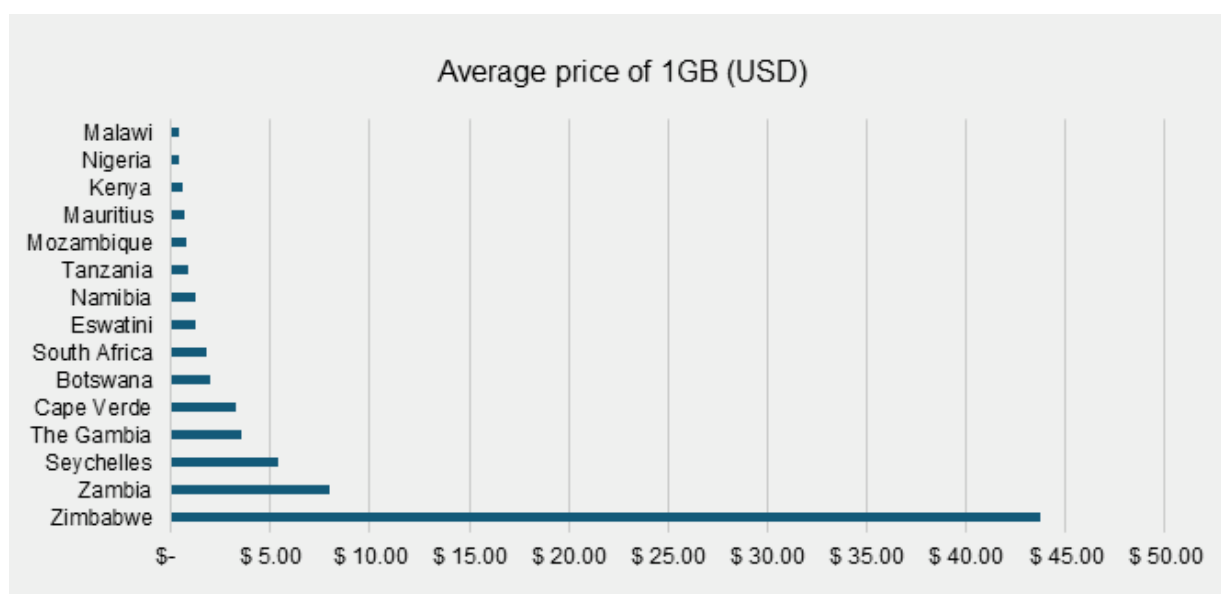

Source: Statista

The accelerated internet penetration in Africa over the last decade has also been coupled with increasing smart phone penetration, as the key entry point to online services for many citizens on the continent. GSMA estimates that smartphone adoption in Africa will reach 87% by 2030.[30] Most participating countries also reported that smartphone penetration as either high or medium in their respective countries, with at least 50% of the eligible population owning a smartphone. It is in Nigeria, Tanzania and Malawi where smartphone penetration is less than 50% of the population. Figure 6 below shows smartphone penetration in the participating countries.

Figure 6: Smartphone penetration in the participating countries

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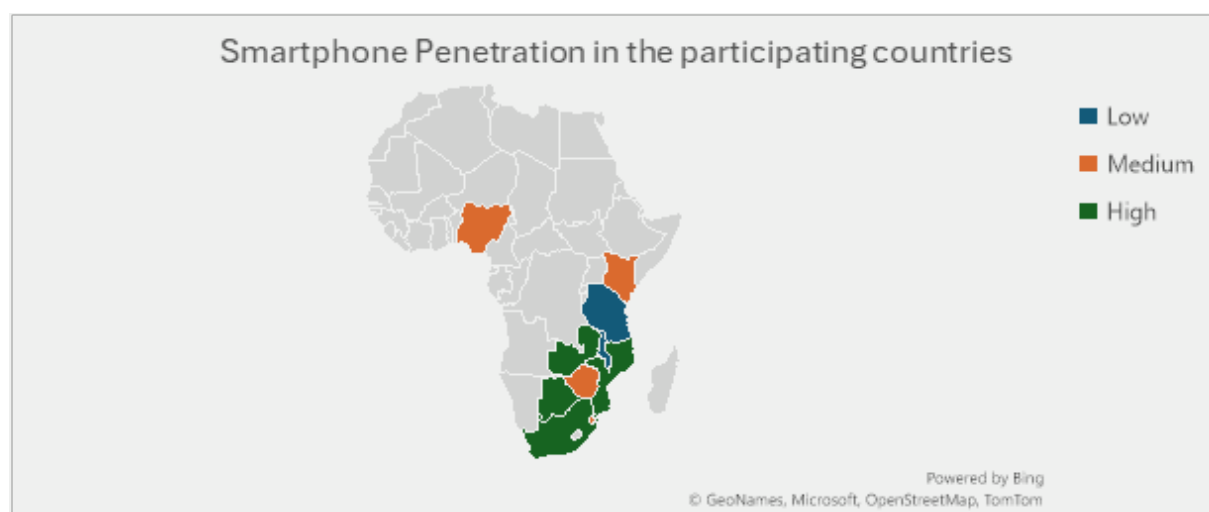
30 GSMA 'The State of Mobile Internet Connectivity 2023'. Accessed at https://www.gsma.com/r/wp-content/uploads/2023/10/The-State-of-Mobile-Internet-Connectivity-Report-2023.pdf
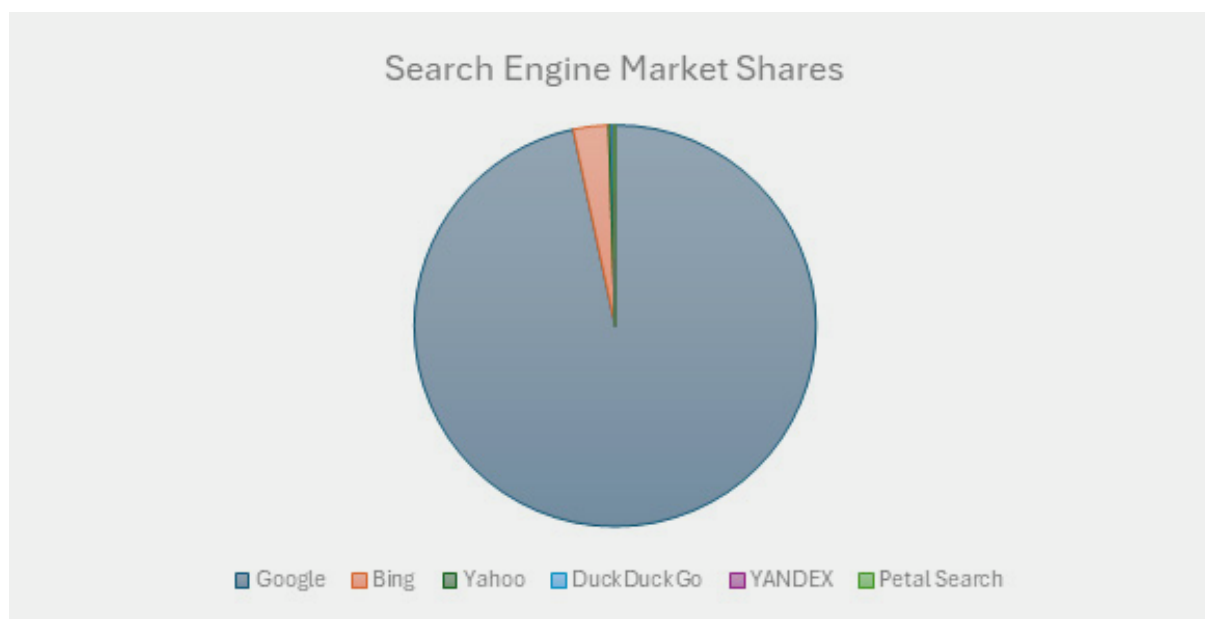
SEARCH ENGINES

Background

The two-sided nature of online intermediation platforms requires platforms to compete for business users on the one end, and consumers on the other. Search engines are the main platforms where competition for consumers takes place for most platform categories, including e-commerce, travel, classifieds and comparator sites, amongst others. Most consumers begin their search journey on the search engines as a main source of digital information.

In most countries worldwide, Google is the dominant player in the search engines market; there are only a few countries where it is not dominant. All the participating countries in this study report Google to be the dominant player in their respective countries, with more than 90% market share. In Africa, Google is a *de facto* monopoly, with a market share of 97%.[31] The other search engines operating across the participating countries include Bing, Yahoo, and DuckDuckGo amongst others. Figure 7 below shows search engines' market shares in Africa.

Figure 7: Search Engine Market Shares in Africa 2024

Source: StatCounter Statistics

Given Google's market share, digital platforms have become highly dependent on its search engine for consumer traffic. However, in pursuit of rents, Google has over the years implemented changes that influence the order of its search

engine results page (SERP). As a result, access to consumer traffic through Google has become expensive over the years. It is well-documented how the Google SERP has evolved over the years to (i) provide more space to prominently placed

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31   StatCounter Statistics, accessed at https://gs.statcounter.com/search-engine-market-share/all/africa.

ads, and (ii) to reduce the distinction of paid searches (i.e. where the placed result is based on payments as well as relevance) from organic (or natural) search results (i.e. where the result is based on relevance alone). This is because ads are the only source of revenue for Google Search.[32]

Changes in algorithms for organic search results ranking

Achieving visibility and prominence are the main goal for advertisers on search engines. When Google first entered the search market, it allowed for simple and inexpensive ways for businesses to reach their customers. The firm has since developed its software and, currently, it uses web crawlers to discover publicly available web pages.[33] When a user enters a search on Google, the software uses algorithms to provide the most relevant information from the webpages, based on the search terms, and ranks the information on the SERP accordingly. It has been reported that the first ranked search results in organic search on Google earn the highest clicks at 33%, while the second and third ranked earn 15% and 9% respectively.[34] As a result, platforms engage in search engine optimisation (SEO)[35] to improve their ranking and prominence on Google. The SEO algorithm developments ultimately influence ranking on organic search, and limit the discoverability of platforms without financial resources and expertise to exploit SEO.

Changes in paid search results

Another way to gain prominence on Google SERP is to engage in search engine marketing (SEM),[36] where competitors bid on key terms, and the advertiser with the highest bid for a particular term gains higher ranking each time a user searches

that particular key term and pays the rate for each click. The continuous developments in the algorithms affecting ranking on Google amplify the need for advertisers to attain the highest rank in paid search, as paid search results appear in the top four (4) slots of the Google SERP landing page.

Google Shopping, local area search and Google Travel Units

Over and above the paid search features, Google organic search has also been pushed further down the SERP due to the addition of Google's own specialist search units, which compete with comparator sites and metasearch engines to feed leads to platforms (including Google Shopping, local area search and Google Travel). Before 2016, Google SERP would allow a maximum of eleven paid search results, with a maximum of three results on top of the organic search result, and eight on the right-hand side of the search results.[37] The search engine removed the right-hand side results and added an additional slot for paid search results on top of the organic ones.

Survey results

Most of the participating countries indicate that search engine advertising is an important route to customers for digital platforms operating in their respective countries. In countries such as Tanzania and Zambia, where the levels of adoption are low, search engine advertising is reported to be relatively less significant. However, a majority of the participating countries also have no reliable data sources for the total expenditure by firms in their jurisdictions of search engine advertising. In those countries where the data is available, search engine advertising makes for significant

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32   United States Department of Justice, 2020. Case 1:20-cv-03010. Accessed at https://www.justice.gov/opa/press-release/file/1328941/download on 17 March 2023.
33   United States Department of Justice, 2020. Case 1:20-cv-03010. Accessed at https://www.justice.gov/opa/press-release/file/1328941/download on 17 March 2023.
34   Vu, 'Globetrotting in a Google run world: Google takeover of travel market risks stifling competition and consumer experiences.' (2020) Harvard Journal of Law & Technology, Volume 34.
35   SEO is a technique by which websites are optimized to achieve the highest ranking on SEPR for selected keywords.
36   SEM is a technique where marketers participate in a bidding process on keywords for their websites to appear on top of organic search results on SERP on the search of those keywords, and pay for clicks
37   The OIPMI Provisional Report (2022), 82.

amounts. For instance, in South Africa and in Kenya, spending in the search advertising market is standing at US$258.4 million[38] and US$28 million,[39] respectively.

Some of the participating countries further report that Google operates its Shopping and Travel Units in their respective jurisdiction.[40] In Malawi, Mauritius, Mozambique, Namibia, Seychelles, and Tanzania it is reported that the Google SERP does not contain Shopping Unit content. The same countries also report that the Google SERP does not contain Travel Unit content either, with the exception of Mauritius, Seychelles and Malawi.

Cases investigated

The participating countries also report that they have not received any complaints in relation to Google's conduct in their respective countries. However, the CCSA, through its Online Intermediation Platforms Market Inquiry (OIPMI), found that Google's conduct impedes and restricts competition between small local platforms and large global firms that have enormous financial backing. The prominence of paid results at the top of the Google SERP, and lack of sufficient distinction from organic results, along with its monopoly status, materially restrict intermediation platform competition.

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38   Statista data, accessed at https://www.statista.com/outlook/dmo/digital-advertising/search-advertising/south-africa.
39   Statista data, accessed at https://www.statista.com/statistics/616216/kenya-internet-advertisingspending/#:~:text=In%20 2020%2C%20internet%20advertising%20revenue%20in%20Kenya%20stood,percent%20until%202025%2C%20to%2- 0reach%204.93%20trillion%20shillings.
40   Eswatini and Namibia reported limited data and could not provide the relevant data.

E-COMMERCE PLATFORMS

Background

E-commerce is the activity of buying and selling of goods or services online, conducted through electronic networks or electronic platforms.[41] In broader terms, e-commerce refers to all business activities carried out over electronic networks, and this includes the selling of goods and services, the transfer of funds, online marketing activities, and the collection and processing of data.[42] For purposes of understanding the adoption levels of e-commerce in Africa, the focus of this section is on ecommerce for the selling and buying of goods or services by consumers.

Africa's ecommerce has been rapidly growing over the years, with its users forecast to exceed half a billion by 2025, from 388 million in 2022.[43] E-commerce began to make inroads on the continent at the start of the 2010s. African entrepreneurs set up companies to import and sell high-end merchandise online. Subsequently, Amazon and later Alibaba entered the continent but, after experiencing postal and logistics challenges, Amazon retreated from most African markets, preferring to offer its products through African e-platforms such as MallforAfrica, Jumia and Takealot, which operate their own logistics. This has resulted in a situation where most e-commerce platforms in Africa are owned and run by local players.[44]

E-commerce platforms have enabled consumers to shop online by simulating a physical store or marketplace, aggregating products and services from a number of sellers. They facilitate many sellers and individual buyers or consumers to congregate virtually, and exchange information on products or services they want to buy or sell. It takes just a quick browse or search to visit the website of a store and select the items a consumer wishes to buy. Online shopping also helps in the comparison of prices and features of a wider range of products, without having to move around physically. It provides for payment systems that allow consumers to make purchases and have products delivered to their homes. Its convenience increased online purchasing, and consequently there are a growing number of online retailers and marketplaces across the world.

This section discusses models of e-commerce platforms, and their monetisation strategies. It then highlights the nature and adoption levels of e-commerce platforms in Africa, and revenue by segments, as well as the leading or dominant marketplaces. It concludes by flagging complaints or concerns investigated by competition authorities in Africa that arose from e-commerce.

Business Models of E-commerce Platforms

E-commerce has ushered in different business models, which have a bearing on the competitive dynamics of goods and service providers. According to literature review, there exist two types of business platforms in e-commerce. The first is the online retail business platform, whereby the online retailer owns inventory, and directly sells to consumers through its own platform and delivery mechanisms. The second is the marketplace platform, which may operate solely as an intermediary by providing a platform for third-party sellers to list their products on the platform, or

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41   OECD (2018), *Implications of Ecommerce for Competition Policy:* www.oecd.org/daf/competition/e-commerce-implications-for-competition-policy.htm
42   The Digital market landscape scoping study, 2020: Competition Commission of South Africa.
43   Who Owns Whom 'Transport and Logistics Trends in South Africa' (2023).
44   Alistair Tempest 'The Digital Economy and Ecommerce in Africa – Drivers of the African Free Trade Area?' 2020.

operate a hybrid model whereby the retailer owns an online store, and at the same time provides a platform for third party sellers. According to the findings of CCSA's Digital Markets Landscape Scoping Study, some e-commerce platforms not only provide marketplace intermediation to connect sellers and consumers, but also provide supporting services such as warehousing facilities, transactional support services, promotion and advertising, centralised payment processing, logistics, packaging and delivery, as well as refund and replacement services.

Monetisation strategies by e-commerce platforms

The literature review shows that the most common revenue-generating avenues by marketplace platforms are commission charges and transaction fees. Whenever a transaction is made on the platform, the marketplace owner takes a fixed percentage or variable rate, based on the value of the product. This fee is usually charged to the seller for the convenience and customer reach the platform provides. Commissions can vary widely, depending on the type of product sold. In e-commerce, once the rules of calculating a transaction fee are set, they can be easily followed. Algorithms can precisely estimate the amount of money that should be paid to the marketplace owner.

Another way of revenue generation is the offering of subscription services and premium features. These services are designed to provide continuous value to platform users, and to ensure a stable flow of income for the platform. Subscriptions can take many forms, including monthly access to special discounts, or deals to premium membership that offer exclusive content. The continuous updating of premium features can enhance loyalty, and ensure that sellers see the value in maintaining their subscriptions.

Advertising and sponsored listing is another source of revenue for e-commerce platforms. Users of the platform pay the marketplace owner for advertising and listing their products and services. The strategic placement of adverts across the site, and high traffic pages or along related products, maximises the potential for click-throughs and sales.

E-commerce platforms can also monetise by harnessing their databases. They can provide valuable targeted data to sellers, who can then optimise their product offerings and inventory to better meet consumer demand. They can also sell aggregated data or insights to third-party companies interested in market research. The data base is also a valuable 'asset' to the platform itself in that it can inform decisions that can impact on its profitability, such as costs reduction, inventory management, informing pricing algorithms, etc.

Other value-added services used to generate revenue are complementary services necessary for the smooth operation of online transactions, such as packaging, order tracking, payment processing, and delivery services.

Even though the above-mentioned monetisation strategies are crucial for continuous innovation and growth of e-commerce platforms, they may be used discriminately and favourably for certain platform users, thereby creating competition concerns. It is therefore necessary that the implications of such monetisation arrangements on competition policy are scrutinised carefully.

Online marketplaces in Africa, just as is the case across the world, utilise different monetisation strategies to diversify their revenue sources. According to data collected from websites and annual reports of the leading e-commerce platforms in Africa, the most prevalent

monetisation avenues are advertising fees,[45] commissions, delivery charges and store selling fees[46] - as shown in Table 1 below.

Table 1:Monetisation Models applied by leading online market places in Africa

	Ebay	Amazon	Aliex-press	Alibaba	Shein	Jumia	Kilimall	Take a lot
Advertising	x	X		x	x	X		x
Affiliate Marketing		x				x		x
Collaborations					x			
Commission			x	x		x	x	x
Data Monetisation					x			
Delivery Charges	x					x	x	x
Listing Fees		x						
Selling/Store Fees		x	x		x		x	
Subscriptions	x	x						
Value Add Services				x				

Source: Competition and Consumer Authority of Botswana data collection

E-commerce adoption and forecasted growth

The adoption of e-commerce in Africa is generally low, according to the response by fifteen (15) African countries[47] that participated in the ACF Digital Market Survey of 2023. Table 2 shows that few countries have a medium to high adoption level (Cabo Verde, Kenya, Nigeria, South Africa and Zambia). The percentages of populations that shop online is generally reported to be very low, save for countries such as Kenya, Nigeria, Seychelles, and South Africa, which reported

40.3%, 46%, 56%, and 70% respectively. Although Zambia reported a high adoption rate, the percentage of the population that shops online is only 5%, according to their submission.

The statistics were however reported for different period of times, ranging from the year 2019 to 2023, which status might have significantly changed due to the continuous growth of online retail, as well as the growing penetration of the internet, driven by use of smartphones and mobile devices on the continent.[48]

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45   Advertisements run on the online market place interface by other companies at an agreed upon fee
46   Fees charged by the online market place upon sale of a listed product.
47   The following countries responded to question 3.14 which asked "Is the level of adoption of e-commerce by consumers in your country low, medium or high?": Botswana, Cape Verde, The Gambia, Eswatini, Kenya, Malawi, Mauritius, Mozambique, Namibia, Nigeria, Seychelles, South Africa, Tanzania, Zambia and Zimbabwe.
48   The international Trade Administration estimates a 50% internet penetration rate as at 2024, and a projected rate of 57.6% by 2020.

Table 2: Level of e-commerce adoption in 15 African countries as at 2023

COUNTRY	LOW	MEDIUM	HIGH
Botswana	X		
Cape Verde		X	
Gambia	X		
Eswatini	N/A[49]		
Kenya		X	
Malawi	X		
Mauritius	X		
Mozambique	X		
Namibia	X		
Nigeria			X
Seychelles	X		
South Africa			X
Tanzania	X		
Zambia			X
Zimbabwe	X		

Source: ACF Digital Markets Data collection exercise 2023

E-commerce in Africa, while at an early stage of development, has been growing (on the basis of the data from Statista and International Trade Administration). Even though obtaining information on Africa's e-commerce market size is currently challenging, the International Trade Administration estimates the number of online users to be 476,5 million in 2024, with a projected estimate of 519.8 million by 2025. Figure 1 depicts e-commerce users in Africa, and shows a growing number of users, at accelerating annual rate of 17%(CAGR) from 2017 to 2025. The trends also indicate an increasing penetration rate, which is estimated at 37% in 2024, and projected to reach 40% in 2025.[50]

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49   Not answered
50   https://www.trade.gov/rise-ecommerce-africa

Figure 8: E-Commerce users in Africa (in millions)

Source: International Trade Administration

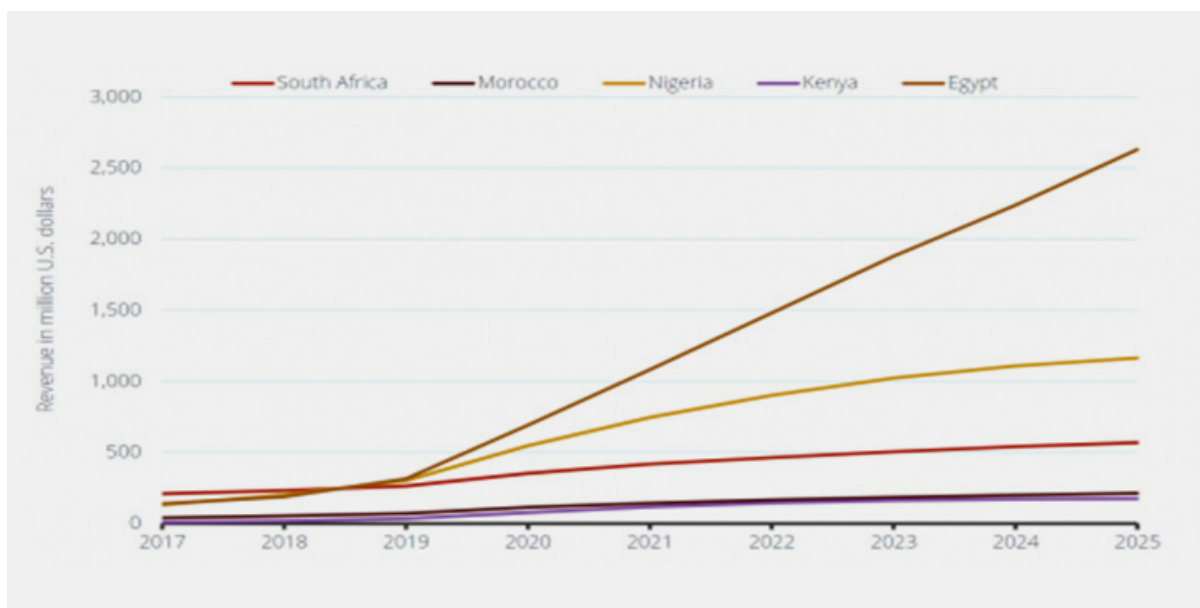### Revenue and Segment of E-Commerce in Africa

Due to lack of regularised survey data, it is currently challenging to establish reliable data on the revenue or value of e-commerce in Africa. Only half of the 15 ACF member states that participated in the survey on digital markets provided information on the estimated value or volume of e-commerce transactions in their respective countries. According to Statista, the revenue in the e-commerce market in Africa is estimated at 15.2 billion US dollars in 2024, and is forecast to increase by 42.2 % to 51.25 dollars in 2028.[51] Figure 2 compares e-commerce revenue for some African markets between 2017 and 2025.[52] The comparison shows that Egypt recorded the highest amount of revenue since 2019, followed by Nigeria, and South Africa taking the 3rd position. The increase in revenue from 2019 is primarily attributable to the Covid-19 pandemic, which resulted in the acceleration of the digitalisation of many economies across the world, and a massive shift of the world's population to online purchasing of goods. E-commerce has thus seen dramatic growth, and is increasingly becoming a new normality in the purchasing of goods and services across African markets.

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51   https://www.statista.com/statistics/1190541/e-commerce-revenue-in-africa
52   https://www.trade.gov/rise-ecommerce-africa

Figure 9: Revenue on ecommerce of selected markets in Africa between 2017-2025
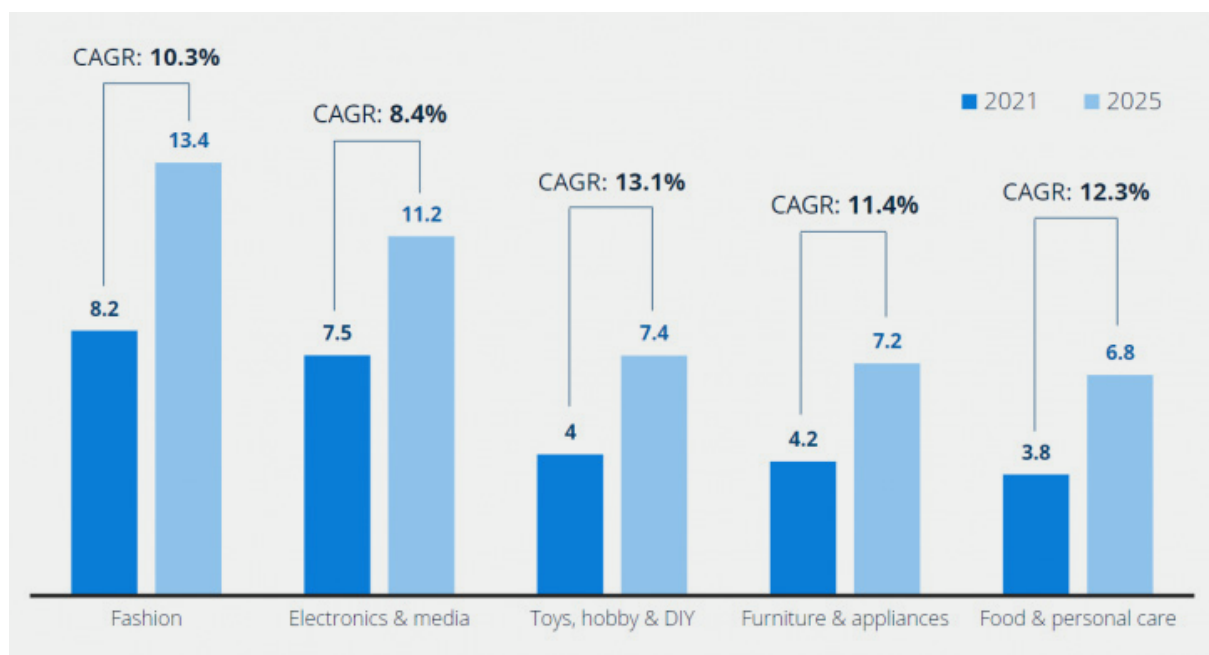

Source: International Trade Administration

There is currently limited information on the segments of e-commerce in Africa, as per submissions by member states. Nonetheless, Mauritius' e-commerce market's largest segment in 2020 was Fashion, with a market volume of $48.6 million, followed by electronics and media ($27.4 million), food and personal care ($14.3 million), furniture and appliances ($7.3 million), and toys, hobby, and DIY ($5.5 million).[53]

According to the International Trade Administration, fashion and electronics account for the highest revenue sales among online shoppers in African markets. Fashion products are predicted to reach $13,4 billion USD in sales, while electronics are expected to reach $11,2 billion USD in 2025. Figure 3 compares e-commerce revenue by segments, between 2021 and 2025, and shows a growing trend of revenue in the various segments.

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53   https://www.trade.gov/country-commercial-guides/mauritius-ecommerce

Figure 10: Figure 3: Revenue on E-commerce by segment[54]

Source: International Trade Administration

E-commerce platforms and e-commerce companies in Africa

Table 3 shows the local and international platforms operating in some African countries. While there are many local companies operating online retail services in ACF member states, there are a handful of international platforms that operate across Africa countries, notably, Jumia, Amazon, Takealot, Bidorbuy, Kilimall, eBay, Aliexpress, Alibaba and Shein. Almost all these international companies own websites to sell their own products, as well as marketplace platforms to be used by third parties. However, some local companies (although very few) also operate online retail for their own products as well as marketplace platforms for third parties. Examples are Price Guru in Mauritius, and Takealot, Loot.co.za, and Makro in South Africa. Such business setups are conducive to anticompetitive conducts, and warrant concerted enforcement efforts by African competition authorities.

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54   Egypt, Kenya, Nigeria, Morocco and South Africa.

Table 3: Top 8 e-commerce platforms in Africa by Country

| Ebay	Amazon	Aliexpress	Alibaba	Shein	Jumia	Kilimall	Takealot
Botswana	Gambia	Botswana	Botswana	Cabo Verde	Gambia	Kenya	South Africa
Cabo Verde	Mauritius	Cabo Verde	Gambia	Gambia	Kenya	Nigeria	Zimbabwe
Gambia	South Africa	Eswatini	Tanzania	Mauritius	Nigeria		Botswana
Mauritius	Seychelles	Mauritius	Zambia	Zimbabwe	Zimbabwe		
Zimbabwe	Tanzania	Zambia					
Zambia	Zambia	Zimbabwe					
South Africa	Zimbabwe						
Nigeria							
Tanzania							

Source: ACF Digital Markets Data collection exercise 2023

Leading market places in Africa

According to the Statista, the leading online marketplace in Africa was Jumia, with the number of visits estimated at 22 million per month as at 2023. Amazon registered 15.9 million visits per month, while South Africa's Takealot followed with an average of 12,8 million monthly visits. Others, as shown in Figure 4, also had insignificant market shares.

The 2021 statistics presented the market shares as follows: (Jumia (32%), Takealot (10%), Amazon (10%), Konga (3%), Bidorbuy (1,5%), and Kilimall (0.5%).[55] This shows that there has been a shift in market shares between 2021 and 2023, as shown by changing of positions – which might be a signal of increasingly healthy competition and market growth.

Figure 11: Leading Online Marketplaces in Africa (2023) based on the number of visits (in millions)
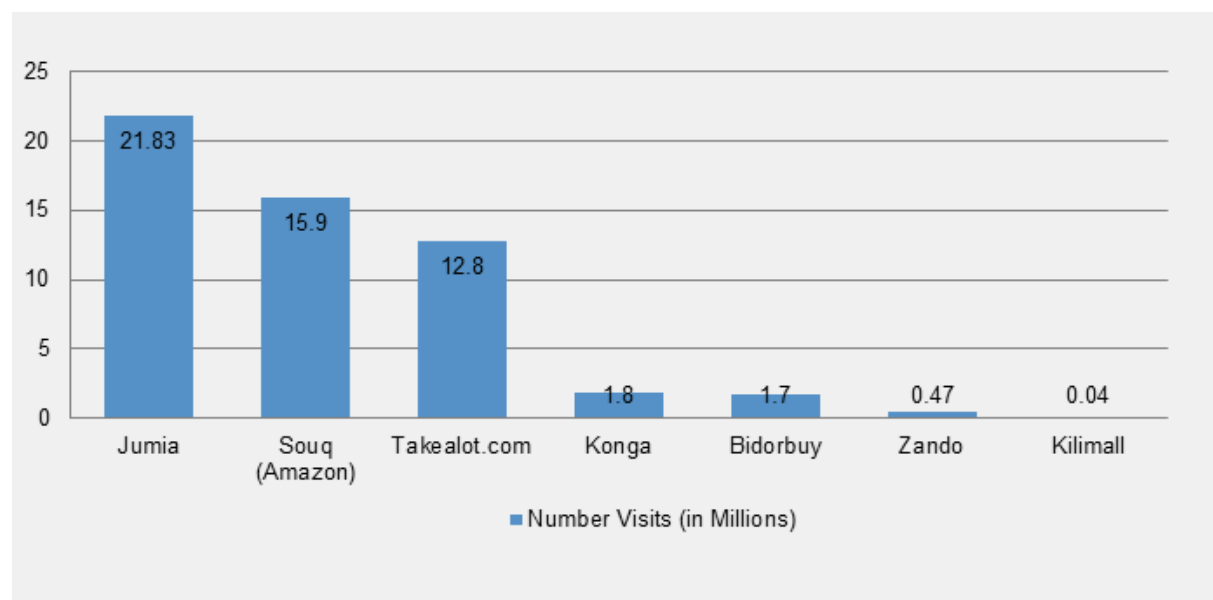
Source: Statista

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55   Source: webretailer via Statista DossierPlus

Competition cases in e-commerce

It is perhaps still early for African competition authorities to receive complaints pertaining to e-commerce, as the industry is still developing and growing. Out of the 15 countries that completed the ACF questionnaire on digital markets, only Kenya and South Africa reported having received complaints relating to e-commerce.

Details of the complaints as outlined by reporting countries are as follows:

Kenya

The complaints reported by the Competition Authority of Kenya (CAK) are generally consumer protection-law related. The Authority reported that it recorded a sharp increase in complaints from the local e-commerce space in 2023. The reported complaints ranged from false and misleading representations, to selling of defective and counterfeit goods. Other reported unfair business practices include failure to deliver purchased products, drip pricing,[56] unconscionable and one-sided online purchase terms and conditions, incidences of scams and fraud, data breaches, and lack of privacy for consumers' personal information.

South Africa

In its OIPMI the CCSA found that the conduct of the online retail giant Takealot impedes and restricts competition in the e-commerce market in the country. It was observed that, while Takealot was operating an online marketplace platform for use by third-party sellers, it was also owning an online Takealot retail store. This created a conflict of interest, as it sets the rules for the platform while at the same time competing with the platform users or sellers. The platform engaged in self-preferencing conduct. The CCSA ordered Takealot to segregate its retail division from its marketplace platform, and to prevent its retail services from accessing seller data, and unilaterally stopping sellers from competing for certain brands.

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56 Where the price is not disclosed at the beginning of the purchase. The price is only revealed later during the finalisation of the buying process.

9

TRAVEL AND ACCOMMODATION

Background

Online Travel agencies (OTAs) are aggregating platforms which group travel service providers offering travel and accommodation products and services, such as hotels; flights; cars; tours; and cruises, among others, and consequently facilitate booking by end consumers.

Travelers can have a smoother booking experience, given that OTAs act as a one-stop shop for a vast selection of travelling products and services to search, compare and choose from online, at their convenience. Comparison on these platforms can be made by filtering between the listed features, prices, location, reviews, availability, or special deals. This enhances price transparency, effectively supporting consumers to find the best deals. Consequently, OTAs attract a large crowd of users around the world to their platforms, which could otherwise be difficult for a particular travel service provider to attract individually. They subsequently represent an important distribution channel for travel and accommodation providers, especially for the smaller ones, enabling them to gain greater access and visibility to consumers globally through less marketing efforts. Moreover, OTAs handle various parts of the booking process and provide tools for touristic businesses, allowing them to gain greater insights and manage their business and consumers, as well as reduce their cost of operations.

Monetisation strategies

The primary source of revenue for OTAs is through commissions on the transactions facilitated on their platforms. The rate of the commissions may differ according to the agreements between the OTAs and the travel service providers. These agreements are subject to negotiation, and are influenced by a number of factors, such as the bargaining power and the needs of the travel service providers. In addition to booking commissions, OTAs may impose service charges on consumers. The quantum of the fees differs according to booking requirements, based on the type of service and geographical region. The service fee can be a fixed amount or percentage of the value of the booking. For instance, Airbnb relies considerably on the service fees model, and charges customers a percentage for additional services like customer support and cross-currency bookings.

Another stream of revenue for OTAs is through advertising spots and sponsored listings, paid by the travel service providers to gain more visibility on the platform. The advertising fees are usually determined based on factors such as the placement of the listing, the duration of the campaign, and the targeted parameters as set by the service providers.

OTA adoption in Africa

The global wave of digital adoption has ushered in an even more rapid adoption of OTAs globally. It is estimated that OTAs will account for 65% of all travel bookings, globally, in 2026.[57] However, the overall adoption on the continent remains behind the global average. According to Euromonitor International, the global average for online travel bookings represents approximately 50% of total travel sales, in contrast to 30% for Africa and the Middle East.[58] The levels of OTA adoption on the continent also vary largely by country, and mostly depend

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57   PhocusWrite Industry insights 2024, accessed at https://www.phocuswright.com/ .
58   Euromonitor International: Beyond Booking: How Technology is Reshaping Travel in the Middle East and Africa

on the appetite of the travel service providers to use the platforms. For instance, in 2021 the African Development Bank reported that hotels in countries like Nigeria and Ghana have seen a significant increase in online bookings through OTAs, whilst hotels in Sub-Saharan Africa have been focusing on direct booking strategies – to reduce dependency on third-party channels and increase profitability.[59] The survey results also show similar patterns, as the countries report between high, medium and low adoption.

Figure 12: Level of Adoption of online travel booking by consumers.

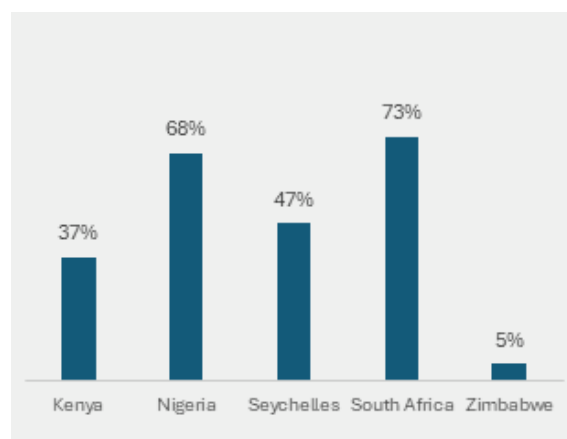**Figure 13: Percentage of population booking travel online.**
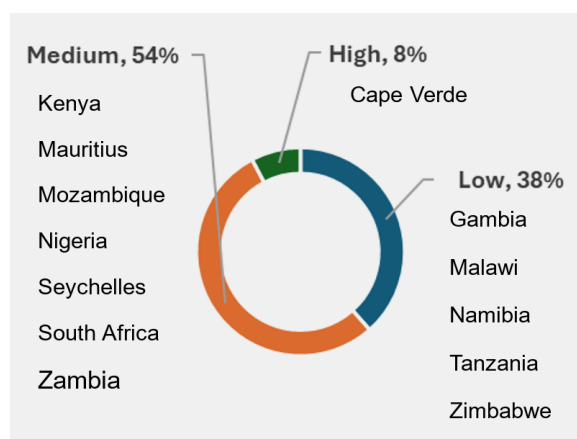
In the responses to this study survey, six countries – Kenya, Mauritius, Mozambique, Nigeria, Seychelles, South Africa and Zambia, book moderately to highly online, with levels of adoption ranging from 37% in Kenya to 73% in South Africa. On the other hand, five countries, including Gambia, Malawi, Namibia, Tanzania and Zimbabwe, reported low adoption of online travel booking platforms. For instance, Zimbabwe has a remarkably low adoption rate, with only 5% of its population using OTAs, which reflects approximately 70,000 bookings for hotels and flights, and a market value of $30 million. Conversely, Mauritius, being of smaller size, recorded a total value of e-travel of $10 million. Cape Verde stands out as an exception, with a high level of travel booked through OTAs.

Leading OTAs in Africa

The global OTA landscape is largely dominated by international giants such as Booking.com, Expedia and AirBnB. Booking.com is the most prominent OTA, active in 225 countries, listing hotels, taxis, attractions, flights and car rentals.[60] In 2023, Booking.com generated a total revenue of approximately $21.4 billion, whilst Expedia and AirBnB generated $12.8 billion and $9.9 billion respectively.[61] These platforms also have a presence in Africa, and are likely leading in most countries where they operate. For instance, in the OIPMI, the CCSA noted that Booking.com is the leading platform in South Africa, with more than 50% of the OTA market share in the country. The global platforms leverage their position in other jurisdictions, and through their large capital resources often engage in aggressive marketing strategies to remain ahead of their competitors.

In terms of the survey responses, indeed Booking.com emerges as the most widely used OTA, followed by Agoda, Airbnb, Expedia, and TripAdvisor, which are also widespread across the countries. Another notable trend is the prevalence

59   African Development Bank. (2021). Tourism in Africa - Harnessing Tourism for Growth and Improved Livelihoods
60   Booking.Com https://www.booking.com/country.html#:~:text=Booking.com%3A%20Hotels%20in%20225%20 countries%20worldwide
61   Statista https://www.statista.com/statistics/934995/revenue-of-leading-otas-worldwide/

of Kayak, which also is a part of Booking Holdings. In South Africa, Booking.com holds between 50-60% of the accommodation market, while Airbnb accounts for 20-30%. For flight bookings, Travelstart leads with a market share of 40-50%, followed by Expedia at 20-30%. In Zimbabwe, Jumia Travel leads a significant portion of the market at 50%, with Takealot Travel and Kalahari Travel holding 20% and 15% respectively. Jumia Travel is a Nigerian company founded in 2013.[62] However, in 2019, Jumia Travel partnered[63] and entered into an exclusive distribution and commercial agreement with TravelStart, a South African OTA. The agreement would direct visitors from Jumia Travel's website to Travelstart, which would in turn be responsible for the sales and customer service to the former.[64] Mauritius and Nigeria rely mostly on local platforms, Marideal.mu and Touchdowns Travels Limited respectively, for booking purposes. Overall, international platforms dominate the online travel services market in Africa. Nonetheless, the presence of local platforms is also acknowledged. Few travel and accommodation platforms specialise only in booking flights, as the majority offers booking services for both flights and accommodation. Table 4 below shows the OTA's presence in different ACF countries.

Complaints received by competition agencies with respect to travel and accommodation platforms

The use of Price Parity Clauses by OTAs has been found to have anti-competitive outcomes by different authorities in various jurisdictions. Most of the countries that responded to this study survey indicated that they have not considered any cases related to OTAs in their respective jurisdictions, except for the CCSA. In its OIPMI, the CCSA found that Booking.Com had a Price Parity Clause in its contract which negatively affected price competition. Booking.Com was therefore ordered to remove the clause in its existing and future contracts.

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62   Phocus Wire: Travelstart takes over rival Jumia Travel, plans to tap new customers
63   Why Book with Travelstart
64   Travel daily news: Travelstart to power Jumia Travel across Africa.

Table 4:

Main Travel and Accommodation Platforms

Botswana	Cape Verde	Gambia	Kenya	Malawi	Mauritius	Namibia	Nigeria	South Africa	Tanzania	Zambia	Zimbabwe
Stay Botswana	Booking.com	Gambia experience	Jumia Travel	Booking.com	Booking.com	Booking.com	Touchdowns Travels Ltd	Booking.com	Booking.com	Jumia Travel	Jumia Travel
Travelstart	Kayak	Booking.com	Booking.com	Expedia	Airbnb	Agoda.com	Quantum Travels	Airbnb	TripAdvisor	Booking.com	Takealot Travel
Skybeds	Skyscanner	Airbnb	Airbnb	Agoda.com	Marideal.mu	Airbnb	Wakanow.com limited	Travelstart		Airbnb	Kalahari Travel
TripAdvisor	Decolar.com	TripAdvisor	TripAdvisor	TripAdvisor	noudeal.com	TripAdvisor	FlinchGlow Travels	Expedia			Expedia
Info Botswana	Passagens Promo	Gambia-tours	Expedia	Kayak	Deals.mu	Trip Travel	Dees Travels and Tours Limited	TripAdvisor			Booking.com
Safari Bookings	MaxMilhas	Corendon	Kenya Airways Holidays		mauritius.com	Rennies Travel	Business Travel Management Limited	Hotels.com			Airbnb
Wilderness Safaris	ViajaNet	Tui			mauritiushotels.mu	Explore Namibia	Travelstart				Gateway Stream
	MOBLIX				ticketbox.mu	Expedia	Rewards Travels and Tours Limited				Cheapoair
Expedia	Expedia				Expedia	SafariBookings	City Travels and Tours				Agoda.com
	Google Flights				Agoda.com	Namibia Tourism Board					
	edreams.				Opodo.com						
	Voopter				bluesky.mu						
					shamaltravels.com						
					arcadiatravel.com						
Share of local platforms											
29%	0%	29%	17%	0%	67%	40%	67%	17%	0%	0%	11%
Share of platforms specialised in Flights											
0%	0%	0%	0%	0%	20%	0%	11%	0%	0%	0%	11%
Share of platforms specialised in Accommodation											
29%	0%	14%	50%	100%	47%	50%	22%	50%	0%	67%	33%
Share of platforms specialised in both Flights and Accommodation											
57%	100%	86%	50%	0%	33%	50%	67%	50%	100%	33%	56%

ONLINE FOOD DELIVERY SERVICES IN AFRICA

Background

The increasing significance of Online Food Delivery (OFDS) services and Food Delivery App (FDA) adoption in Africa, driven by changing consumer behaviours and urban population growth, brings both opportunities and challenges.[65] In the realm of competition and consumer protection, it is of paramount importance that competition agencies in Africa strengthen their regulatory and policy advocacy efforts – to effectively address concerns that may arise from such markets.

The OFDS market in Africa can be classified as the delivery of prepared meals and the delivery of groceries. This section however specifically discusses dynamics that accrue from the delivery of prepared meals. The OFDS market in Africa generally comprises restaurants that directly deliver meals or through Food Delivery Apps (FDAs) that provide customers with meals from partner restaurants.

Business Models in OFDS market

There are two main types of OFDS business models, the aggregator business model and the order and delivery business models.

Aggregator Business model

As the name suggests, online food delivery businesses based on the aggregator model allow multiple restaurants to register and function on a single food delivery platform. This business model aggregates services offered by various restaurants and conglomerates them into a single portal. The platform acts as an intermediary between consumers and restaurants in this model. Common examples in Africa are Mr D (in South Africa) and Jumia Foods (from Nigeria).

Order and Delivery Model

There are three major entities involved in this business model, i.e, admin or platform owner, merchants or restaurant owners, and a delivery service provider. In this business model, food delivery is taken care of by the third party. The delivery service provider is usually a courier or logistics company that collaborates with the platform owner to provide food delivery to consumers. The delivery charges on orders are set by the delivery service provider.

Figure 14: Standard Online Food Delivery Value Chain
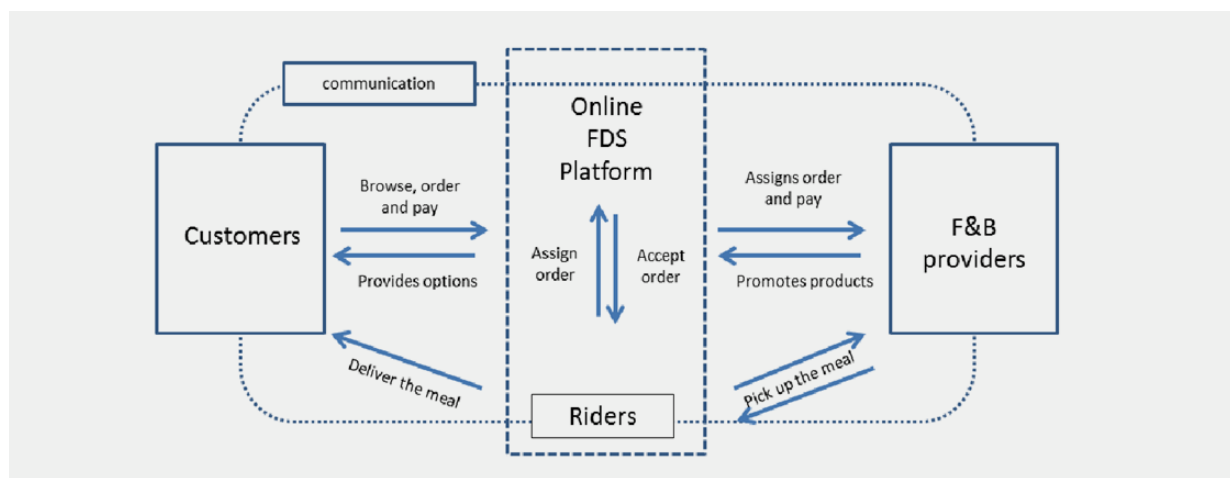
Source: Online Food Delivery Services: Make or Break the Halal Supply Chain - Nina Naquiah Ahmad NizarSiti Aimi Sarah Zainal Abidin

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65   How Online Food Delivery Influences Human Behaviour? -A Phenomenological Account of Urban Consumers

The OFDS value chain is comprised of food and beverages suppliers, logistics companies that pick up products from the suppliers and deliver them to the customers, and online food ordering websites or applications that customers interact with at point of sale.

OFDS Monetisation Strategies[66]

In Africa, OFDS operators apply different combinations of numerous monetisation strategies, in order to diversify their revenue sources and enhance their earning potential. Across the continent, OFDS apply different revenue models, which offer systematic ways of commercialising their offerings. These includes commission-based fees, subscription plans, in-app advertising, delivery service fees, surge pricing, up-selling, cross-selling, sponsored listings, and promotions.

The study shows that the most popular OFDS platforms present in most reporting countries, such as Jumia Foods, Uber eats, Bolt Foods and Glovo, utilised both commission-based fees and delivery service fees as their main monetisation strategies. Over and above this, Glovo[67] applies the use of dark kitchens[68] and mini markets, while Jumia[69] utilises app advertising to increase its revenue.

OFDS Market Structure in Africa

According to the response by fifteen (15) African countries that participated in the ACF Digital Market Survey of 2023, the most popular OFDS platforms present in most reporting countries include Jumia Foods, Uber Eats, Bolt Foods and Glovo, among other domestic food companies. The existing literature shows that Uber Eats is active in Kenya and South Africa (Uber Technologies Inc., 2023a, 2023b), while

Jumia Foods, the leader among Africa's Food Delivery companies, operates in North Africa (Morocco, Algeria, Tunisia), East Africa (Uganda and Kenya) and West Africa (Senegal, Ivory Coast, Ghana and Nigeria) {Benzitouni and Costa, 2020; Otoo, 2020}. The company also partners with well-known food brands in Africa such as KFC, Burger King, Chicken Inn and Pizza Hut – to deliver food to the major cities of these countries.[70] Glovo is available in Tunisia, Kenya, Uganda, Ivory Coast, Ghana and Nigeria, while Bolt Foods has presence in Egypt, Kenya, Mozambique, Ghana, Nigeria and Namibia.

The data collected from 15 African countries further shows that there are numerous smaller OFDS companies that still operate exclusively in their respective local markets, as shown in table 4. This trend is prevalent in countries that have smaller populations.

Revenue from OFDS markets in Africa

Revenue in the OFDS markets in Africa is projected to reach US$ 9.4 billion in 2024. The market is expected to show an annual growth rate of 15.12%, resulting in projected market volume of US$16.51 billion by 2028. According to Statista, South Africa contributed US$2.40bn (26%) to the gross continental OFDS revenue, followed by Nigeria at US$897.8 million, which cumulates 10% of the continental market. Another country that reported a substantial annual value of online food delivery service transactions is Kenya, which grossed US$374.9 million (4%) of the continental value. OFDS are emerging as the 'new normal' in the food industry, presenting new dynamics to look out for in terms of competition and consumer welfare.

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66   https://www.valueappz.com/blog/delivery-app-monetization
67   https://fourweekmba.com/glovo-business-model/
68   A dark kitchen is a fully-equipped commercial kitchen specialising in producing food exclusively for delivery, without dining areas or customer seating. https://bolt.eu/en/blog/what-is-a-dark-kitchen/#:~:text=A%20dark%20kitchen%20 is%20a,for%20food%20preparation%20and%20delivery.
69   https://group.jumia.com/news/africas-ecommerce-leader-has-also-become-an-advertising-and-logistics-company
70   The emergence of food delivery in Africa: A systematic review by Richard Kwasi Bannor *, Josephine Amponsah

Table 5: Food Delivery Platforms across ACF Member States

Food Delivery Platforms									
Botswana									
Yamee	Dijo	Food Chow	Foodie	Dash Deliveries	Square Eats	Desert Cart	Tikdi		
Cape Verde									
Food-chow	iFome	Bolt Food	Get Cari	Kumprali	Fazen Mandadu				
The Gambia									
1Bena									
Malawi									
Doorbell Services	OrderPro	Smart De-liveries							
Kenya									
Glovo	Uber Eats	Jumia Food	Bolt Food						
Mauritius									
simply-goodfood	order-manzer	delivery-dodo	nandos	hungry-dodo	Dominos	food delivery			
Mozambique									
Galaxy Restuarant									
Nigeria									
Jumia Foods	Chow-deck	Kiliman-jaro	Glovo	Areachops	Chop-nownow	Dominos pizza	Eden life	Gofood	Bolt Food
Namibia									
Steers	Mama's Kitchen	Nunu's Kitchen	Debo-nairs	Grill Addicts	Dial-a-Meal	Joker's Pizzeria	Chicken Inn	Sardinia	Cassia
Seychelles									
Manzaii	Wheelies Delivery	Wow Delivery							
RSA									
UberEATS	Mr D Food	Bolt Food	Delivery Ka Speed	Paarl Eats					
Tanzania									
Duka Direct	Piki	KFC	Subway	Food Sasa					
Zambia									
Yango Deli	Ulendo Eats	Afri-Delivery	Tigmoo Eats	Ubuntu Meal	Deliveries D'lish				

Source: ACF Digital Markets Data collection exercise 2023

Penetration Levels

The level of adoption of OFDS across the African continent is generally low. Thirteen (13) African Competition Forum (ACF) member states, as shown in Table 5, responded to a question on adoption levels of digital platforms in their respective countries, and nine (9) countries (69%) reported that adoption levels in OFDS markets were low. Only one (1) country (South Africa) reported a high adoption rate, while three (3) countries (Namibia, Zambia and Namibia) reported medium levels of adoption of OFDS.

Table 6: Adoption levels of Online Food Delivery Services in Africa

Penetration	LOW	MEDIUM	HIGH
Botswana	x		
The Gambia		x	
Malawi	x		
Kenya	x		
Mauritius	x		
Mozambique	x		
Nigeria	x		
Namibia		x	
Seychelles	x		
South Africa			X
Tanzania	x		
Zambia		x	
Zimbabwe	x		

Source: ACF Digital Markets Data collection exercise 2023

Possible Competition Issues

While digital platforms may provide significant benefits to consumers, the 'winner takes all' nature of competition in many platform-based markets tends to result in a small number of platforms with a significant degree of market power, with high barriers to entry due to data-driven network effects, economies of scale and scope, and control of user data. The potential for anticompetitive behaviour in such circumstances is clear.[71] Data collected and available literature shows that larger multinational OFDS companies are growing at exponential rates, and establishing footprints in multiple territories. This proliferation of multi-national OFDS across the continent may be a good thing, but may also present challenges of regulation for competition agencies.

Complaints in respect of food delivery platforms

Many digital markets exhibit certain characteristics, such as low variable costs, high fixed costs and strong network effects, that result in high market shares for a small number of firms. In some cases, these lead to "competition for the market" dynamics, in which a single firm captures the vast majority of sales. Firms in these concentrated markets may possess market power, gaining the ability to unilaterally and profitably raise prices, or to reduce quality beyond the levels that would prevail under competition.[72] **These distinct characteristics of** digital markets make the markets vulnerable to business activities that may be tantamount to anti-competitive behaviour.

In terms of complaints related to OFDS markets, there has been a minimal instance of reports across African states. Generally, complaints recorded by competition agencies across the African continent mainly reflect instances of collusion, and some form or other of anti-competitive pricing strategies. This behaviour may symbolise some level of coordination by firms, aimed at acquiring large continental market share, which may have some detrimental effects on competition and consumer welfare. It will be prudent for local and regional competition agencies to continually monitor the

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71   Competition in Digital Markets: Global Overview - Herbert Smith Freehills LLP
72   https://www.oecd.org/daf/competition/abuse-of-dominance-in-digital-markets.htm

dynamics and emerging trends in these markets, in order to be adequately equipped to address market distortive behaviour that may have the potential to harm competition. Cases reported by the responding countries are summarised below.

Kenya

The Competition Authority of Kenya (CAK) reported recording a complaint on excessive pricing and alleged collusion on commission prices charged, between Uber Eats, Glovo, and Jumia Food.

Egypt

The Egyptian Competition Authority (ECA) issued a ground-breaking decision on the abuse of a market dominant position by an online food delivery platform. The ECA particularly implicated exclusivity agreements, and tying business practices and restrictive contracts between applications and businesses. The decision indicates the ECA's increased focus on anti-competitive practices in Egypt.[73]

Nigeria

The Federal Competition & Consumer Protection Commission reported that they had received complaints in the OFDS, but did not elaborate on the details.

South Africa

The CCSA reported having made findings of conduct that impedes competition by leading platforms on the OFDS market. Uber Eats and Bolt Food had, in their contracts with restaurants, an obligation for restaurants not to charge other competing platforms, or restaurant's own website or in-store, menu prices that were below what they charge on the Uber Eats and Bolt food platforms (Price Parity Clauses). The practice eliminates price competition.

Moreover, other practices – such as lack of transparency in Uber Eats' and Mr D Food's pricing and commission fees, limited price competition between food delivery platforms. Uber Eats' and Mr D Food's pricing models discriminated between large restaurant chains and independent restaurants. This led to independent restaurants charging higher menu prices on the platforms. Larger restaurant chains were also reported to discriminate against small food delivery platforms by prohibiting their franchises from listing on small platforms.

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73 https://amereller.com/publication/the-egyptian-competition-authority-on-the-abuse-of-a-market-dominant-position-in-the-online-food-delivery-business/#:~:text=The%20Decision%20of%20the%20Egyptian,by%20the%20Competition%20Law%20No.

ONLINE CLASSIFIEDS PLATFORMS

Background

The main function of the online classifieds platform, as a two-sided market, is to connect two distinct sets of users – the sellers, and the audience or buyers. The main distinguisher for classifieds platforms is that there are no features enabling transactions between users, as the platforms only facilitate interaction between the sellers and the audience/buyers. The value proposition for sellers is increased visibility and exposure to potential customers. Usually, sellers are the ones charged by the platforms to list their products or services. The audience on the other hand enjoys the convenience of browsing services or goods from a single platform, often with the added benefit of filtering options that are available to facilitate search, tallying with the specific needs of the users. The audience are typically not charged for accessing the online classified platform.

Online classified platforms can be categorised as generalist platforms or specialist platforms. The generalist or 'horizontal' online classified platforms provide listing options for a broad range of categories of products and services. Specialist or 'vertical' classified platforms focus on a particular product category or consumer segment – for instance a classified platform with only property listings. Globally, the most visited online classified platform was avito.ru in August 2024, followed by craigslist.org, with 987.8 million and 515.2 million visits respectively.[74]

Monetisation strategies

The most common type of monetising model for classifieds platforms is the membership subscription, whereby the sellers pay monthly or yearly membership fees to post as many listings as their membership contracts would allow them to. The membership levels may differ within the platform, with each level offering several types of benefits, including a higher number of listings – or access to additional features such as analytics.

Another model adopted by online classified platforms is the Pay-Per-Listing or Pay-Per-Click model. With Pay-Per-Listing, a fee is paid for each listing posted. In contrast, the Pay-Per-Click is performance-based, where the fees depend on the number of times the listings or ads posted are clicked upon by the potential buyers from the platform audience. Advertisements are another revenue generating stream for these platforms, mainly through display banners ads, premium listings, or sponsored content. Some platforms may also offer affiliate marketing, where a link from the classified platform transports them to the buyer's website, and a commission is consequently earned by the classified platform – either for traffic to the website, or sales from the website.

Adoption of online classifieds platforms in Africa

The increasing penetration of smartphones and the internet has transformed the classification into online or digital. In 2024 the market size for online classifieds was valued at $100.96 billion globally, and is expected to grow to $741.47 billion by 2032.[75] In Africa, the levels of online classifieds adoption have also been growing, although at a slower pace than other global counterparts. The digital advertising spend on the continent is estimated to reach around $292.90 million by 2024, and to grow with compound annual growth rate of 3.86% between the years 2024 and 2029.[76]

74   Statista: Most popular classified websites worldwide as of August 2024, by visitors
75   www.marketresearchfuture.com/reports/online-classified-market-7555
76   Statista

In this research study, the online classified platforms have been broken down into four categories: Property, Automotive, Insurance and Personal Classified. This section lays out the level of adoption for each category of classified platforms, the main and largest platforms in each category, and competition issues arising from these platforms, if any.

Figure 15: Level of Adoption - Overall
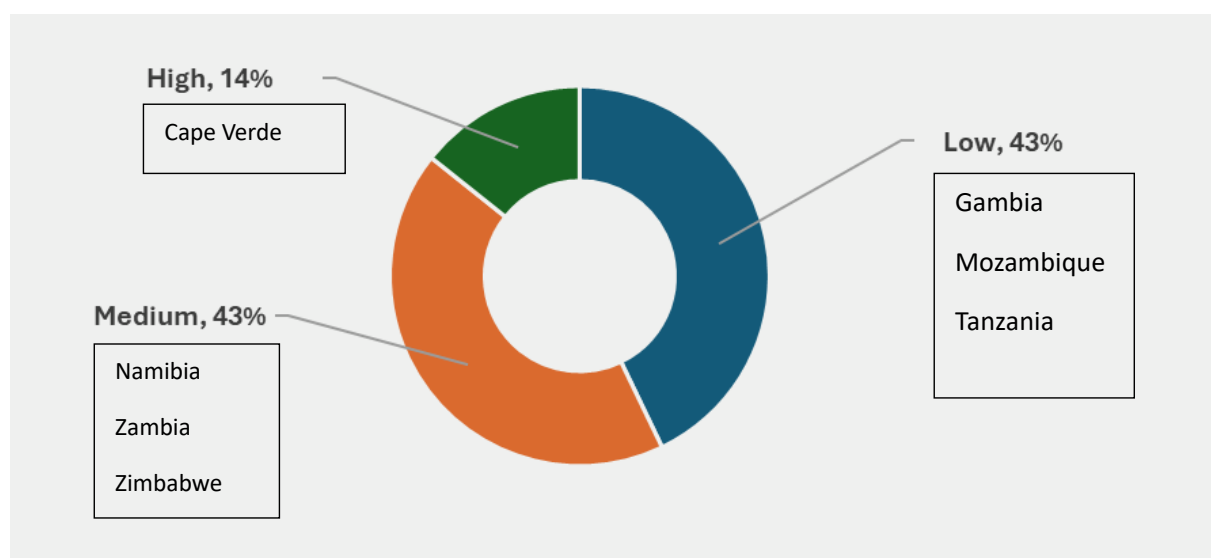
The above chart shows the consumer adoption for the use of online classified platforms in general across seven responding countries. Among these countries, only Cape Verde reported a high level of adoption, while the remaining countries exhibited medium (Namibia, Zambia, Zimbabwe) to low (Gambia, Mozambique, Tanzania) levels of consumer usage of online classifieds.

Property classifieds

In the case of online classifieds for property, three-fifths of the five responding countries stated that online classified platforms are highly used in their countries to search for properties. They include Malawi, Mauritius, and South Africa. In some countries, such as South Africa, the other types of property classifieds platforms have been rendered almost non-existent, as most property sellers and buyers have shifted to online

platforms. In Zimbabwe, which has a medium level of adoption, 25% of the population search online for properties, generating 1 million visits of traffic to property platforms per month. As for Gambia, online classified platforms for property are hardly accessed by the population.

A notable factor in this segment is the prominence of local platforms, as opposed to global players. With the exception of Zambia, most of the classified property platforms are reportedly local platforms within the concerned country. Even those platforms that operate cross-country, such as Property24 and MyProperty, are from within the African Continent. Property24 is the largest property classifieds platform in South Africa, while L'expressproperty.com and Classifieds.co.zw stand as the largest platforms in Mauritius and Zimbabwe respectively. Property24 is notably the most popular property classifieds platform, being

present in five countries – namely Kenya, Namibia, South Africa, Zambia, and Zimbabwe. Property24 is a South African property classifieds platform and part of the Naspers Group, a major conglomerate with successful portals such as Media24, Autotrader and Takealot. Table 7 below shows the main online property classified platforms from the countries that responded to the survey.

Table 7: Main online classified platforms - Property

Kenya	Mauritius	Namibia	South Africa	Tanzania	Zambia	Zimbabwe
Main platforms						
Property24 Kenya	lexpress-property.com	Property 24 Namibia	Property24 South Africa	Jiji [Jiji.co.tz]	Property24 Zambia	Property24 Zimbabwe
BuyRentKenya	Property cloud	MyProperty Namibia	Private Property	Kupatana [kupatana.com]	Be Forward Real Estate Zambia	Classifieds.co.zw
PigiaMe	property-map.mu		MyProperty South Africa	Dar Shopping Online Store [darshopping.co.tz]	Pam Golding Properties Zambia	ZimRealty
PropertyPro Kenya	expat.com		Property360		Zambia Property MarketPlace	
			Property Central		MyProperty Zambia	
Share of local platforms						
100%	75%	100%	100%	100%	40%	67%
Share of specialist platforms						
	75%	100%	100%	0%		67%

Complaints and competition issues emerging from property classified platforms.

Most participating ACF countries have not, as yet, considered any matters in relation to online classified platforms in their respective jurisdictions. It is only Mauritius and South Africa that report having considered competition matters in this segment.

Mauritius

An investigation was conducted into online advertising by real estate agents (INV40-Advertising for real estates), which concerned Mediatiz Ltd for allegedly coercing real estate agents into listing properties exclusively on its platform, L'Express property. Nevertheless, no evidence of such conduct was detected and therefore, no remedial action was taken.

Online property classifieds were considered in the OIPMI, and the CCSA noted that there are two (2) leading platforms in this segment – Property24 and Private Property. The CCSA found that the leading platforms had engaged in conduct that distorts competition. Private Property offered shares to the largest real estate agents, and formed a partnership with the industry body – to lock in the listings of those real estate agents, thereby limiting the use of smaller platforms by them. Property24 on the other hand also locked in the listings of real estate agents, by offering them multi-year contracts with discounted rates. The CCSA also took issue with the prices that were charged by Property24 to real estate agents.

South Africa

Automotive classifieds

Concerning automotive classified platforms, only six (6) countries had the requested information in relation to this market segment. The levels of adoption for this segment are not as high as in the property segment. Gambia and Malawi report low levels of adoption, whilst Mauritius and South Africa report high levels. Zimbabwe experienced a moderate level of adoption, with a monthly traffic of 500 thousand visits to automotive platforms.

Table 8: Main online classified platforms - Automobile

Kenya	Mauritius	Namibia	South Africa	Tanzania	Zambia	Zimbabwe
Main platforms						
Jiji Kenya	carmoris.com	M & Z website	Cars.co.za	Kupatana [kupatana.com]	CarYandi Zambia	Classifieds.co.zw
Cars45	lexpresscars.mu	Autohaus website	AutoTrader	Dar Shopping Online Store [dar-shopping.co.tz]	Zam Auto	Car Junction
Autochek Kenya	mauricar.mu			Jiji Tanzania	Be Forward Zambia	Car Mart
UsedCars					Auto World Zambia	
The Star					Zambiamarketplace.com	
Share of local platforms						
60%	100%	100%	100%	100%	80%	100%
Share of specialist platforms						
	100%	100%	100%	0%		67%

The online automotive classifieds market among African countries is diverse, with different platforms across the continent. With the exception of Jiji, which is mainly used in Kenya and Tanzania, the platforms for automotive classifieds differ across the countries. Founded in Nigeria in 2014, Jiji has grown to be one of the leading generalist classified platforms among the largest markets in Africa.[77] Over the past years, it has acquired several of its competitors, including OLX and cars45.[78] Moreover, the majority of platforms stated are local platforms. As submitted by Mauritius, Namibia, South Africa and Zimbabwe, most of the platforms specialise in offering automotive listings. As for Tanzania, the platforms are more of a generalist nature.

Insurance classifieds

The use of online classified platforms for insurance purposes is generally low as reported by Gambia, Malawi, Mauritius, South Africa and Zimbabwe. For instance, in Zimbabwe only 15% of their population look for insurance online, with insurance classified platforms' traffic amounting to 200 thousand visits in a month.

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77   Jiji Africa
78   Techcrunch: Jiji acquires Cars45 as it looks to build a future outside classifieds

Table 9: Main online classified platforms - Insurance

South Africa	Zimbabwe
Main platforms	
Hippo	Classifieds.co.zw ZimCompare Insurfy
Share of local platforms	
100%	100%
Share of Specialist platforms	
100%	67%

The above table lists the main online classified platforms offering insurance in South Africa and Zimbabwe, all of which are local platforms. As can be observed, insurance classifieds platforms are quite scarce in comparison to other categories. Classifieds.co.zw is the dominant platform in Zimbabwe for classified insurance. It is noted that the platform also encompasses broader classified services. As for South Africa, the leading platform is Hippo.

Personal classifieds

For personal classifieds, in countries such as Gambia and Mauritius the consumer adoption of these platforms is low, whereas a moderate use of these platforms can be noted in Malawi and Zimbabwe. Particularly in Zimbabwe, 10% of its population uses online methods to make personal sales, leading to about 300 thousand visits of traffic per month.

Table 10: Main online classified platforms - Personal Classifieds

Kenya	Mauritius	Namibia	South Africa	Tanzania	Zambia	Zimbabwe
Main platforms						
Locanto Kenya	lexpress-petites-annonces.mu	Facebook	Gumtree	Kupatana [kupatana.com]	Zambiamar-ketplace.com	Classifieds.co.zw
	astervender.mu	Instagram	Junkmail	Dar Shopping Online Store [darshopping.co.tz]	OLX Zambia	Gumtree
	mu.bazarafrique.com	Twitter		Jiji [Jiji.co.tz]	Facebook Marketplace	OLX
	Yelo.mu					
	petites-z-annonces-maurice.com					
Share of local platforms						
100%	80%	0%	100%	100%	67%	33%
Share of specialist platforms						
	0%	0%	0%	0%		0%

The participating countries have listed the different online classifieds platforms used by consumers for their personal sales. For Namibia and Zimbabwe, most platforms are of international background, while for the remainder five (5) countries – Kenya, Mauritius, South Africa, Tanzania, and Zambia – most platforms are local.

The entirety of platforms listed are of generalist nature, as such there are no specific platforms dedicated for personal classifieds. Furthermore, platforms with a dominant presence include Facebook for Namibia, Gumtree for South Africa, and Classifieds.co.zw for Zimbabwe.

ONLINE MEDIA

Background

Online media, in this case, refers to the distribution of news over the internet. Before the advent of the internet, news was disseminated through the traditional media channels, including print media (newspapers, magazines, etc), radio, and television. Since then, news is delivered through an array of channels online, for instance through the print media's websites, news aggregation platforms, or social media platforms.

Online news distribution provides the scope for media companies to broaden their audience circle, and allows immediate and readily available news to consumers. Online publishing is also relatively less costly than the traditional way of printing news. The digital shift provides an opportunity for consumers to access news in real time from a wider range of news providers. This has effectively increased competition for local media.

Over the years, a dependency by news websites has been developed on news aggregators and social media – as a source of referral traffic. The news aggregator platform searches and gathers information from various sources, and usually publishes the news in an organised manner, adding features such as updated information, categorisation, or customisation based on user preferences. This benefits users, who can access news from multiple sources on a single platform.

Monetisation techniques: Publishers

The source of revenue for publishers is from subscription fees collected from readers, for access to news content. Moreover, revenue is generated by running advertising campaigns for businesses to gain more visibility through display banner ads and sponsored content. Part of the revenue is further made through sales of content licensing to news aggregators. In some cases, there is a revenue-sharing agreement between the original content creators and news aggregation platforms.

Monetisation techniques: News aggregators

News aggregators monetise in two main ways. First, by buying content rights and subsequently publishing content on their platforms, and by attracting advertisers to their platforms to generate revenue. Additionally, some content may require users to subscribe for access. Second, aggregators earn revenue by driving referral traffic to the original content websites.
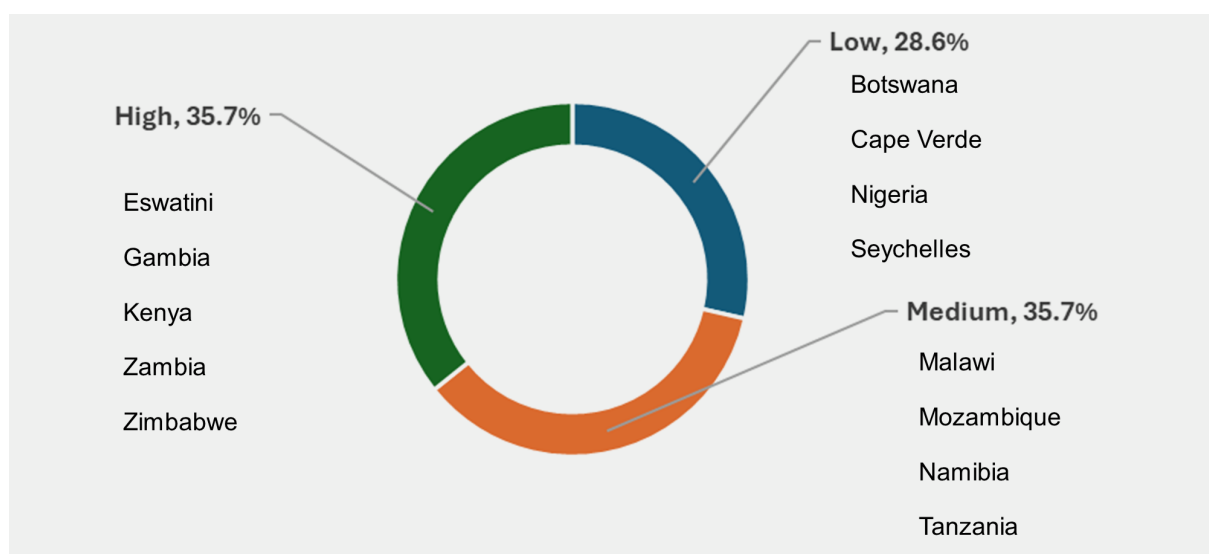
Online media adoption levels

The advent of digital media has inverted the media landscape globally. The news cycle moves at a high speed through online platforms. More people use their smartphones to receive digital content than ever before. As a result, in order to remain accessible, conventional media houses and practitioners in Africa are also adapting to a new media world that is time-sensitive and more interactive. In general, radio remains the most affordable and accessible source of news consumption in Africa, especially in rural areas.[79] However, digital media use for news is also growing quickly. Between 2014/2015 and 2019/2021, the share of Africans who get news from social media or the Internet at least a few times a week almost doubled, from 24% to 43%[80].

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79 Afrobarometer Dispatch No. 800
80 Afrobarometre No.509

Figure 16: Use of online sources for news consumption by the population

In the survey results, online media as news consumption source varies among the countries. Botswana, Cape Verde, and Nigeria reported having low levels of online news adoption, with access rates being 0.01%, 22%, and 28% respectively. Countries such as South Africa, Kenya and Namibia exhibit moderate to high levels of online news consumption, with 43%, 51% and 53% of their populations accessing news online respectively.

Key players in online media

While several print media outlets exist amongst African countries, the amounts of circulation are however declining. Decrease in revenues from advertising, and inadequate support from government hinder the ability of print media to be sustainable.[81] Newspapers are the least accessed source of news consumption in Africa,[82] and many print media outlets have also moved their publications online. In Nigeria, there are some 100 print media outlets, including The Punch, The Nation, Vanguard, The Guardian, and The Premium Times.[83] Major print media publications in Malawi

are The Nation and Daily Times, with 12,000 and 25,000 daily print circulation, while their online channels receive around 44,750 and 12,700 daily traffic. Popular print media in Zimbabwe are The Herald, The Chronicle, The Daily News, NewsDay, and Zimbabwe Independent – with between 10,000 to 40,000 print circulation and 200,000 to 1,000,000 monthly traffic. Defimedia, L'Express and Le Mauricien are among the major newspaper companies in Mauritius.

According to Statista,[84] globally, social media has become the primary choice of users as their news sources, with YouTube and Facebook topping the list of preferred social networks. Additionally, one of the main reasons for using social media is for accessing news stories, over and above that of networking. Social media also impacts the number of visits an online news website may receive through referrals, and the choice for ranking and display of the news content by these social media plays a role in determining the amount of traffic to these news websites.

81   African Media Barometer 2011/2021
82   Afrobarometer Dispatch No. 800
83   Reuters Institute Digital News Report 2024
84   Statista - Social media news worldwide - statistics & facts

The table below shows the responses of 11 countries on the main social media through which their residents access news content, placed by order of their penetration. Facebook, owned by the group Meta, has emerged as the most used social media platform to access news in Africa.

The popularity of Facebook in Africa may have implications for news publishers, especially in cases where they are dependent on the platform to reach audiences. Not long ago, Facebook removed Facebook News, a tab that spotlights news on its platform, in Australia, France, Germany, UK, and USA[85] – as part of its plan to reduce news content. While this decision has been explained by Meta as having been taken due to the drastic decline in news consumption on Facebook by users in those countries, it has been argued that it was based on Facebook's reluctance vis-a-vis the governments' demands to increase its ad revenue share with news publishers.[86] This gives room to reflect upon the ad revenue system implemented by Facebook for African publishers. WhatsApp, also owned by Meta, is the preferred choice for Mozambique and Zimbabwe. Other social media platforms used to access news include Instagram, LinkedIn, TikTok, Twitter and YouTube.

Table 11: Main social media platforms used to access news content.

Eswatini	Gambia	Malawi	Mozambique	Namibia	Nigeria	Seychelles	South Africa	Tanzania	Zambia	Zimbabwe
Facebook	Facebook	Facebook (50%)	WhatsApp	Facebook	Facebook (64%)	Facebook	Facebook	Facebook	Facebook	WhatsApp
WhatsApp	Twitter	WhatsApp	Facebook	Instagram	WhatsApp		Twitter	YouTube	Instagram	Facebook (36%)
TikTok	Instagram	Twitter (5%)		Twitter				WhatsApp	Twitter	Twitter (12%)
				LinkedIn				Twitter	WhatsApp	YouTube (9%)
				TikTok				Instagram		

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85   Facebook -An Update on Facebook News
86   The Guardian - Facebook shuts news tab after Meta vows to stop paying Australian publishers for content

SOCIAL MEDIA AND SOCIAL MEDIA ADVERTISING

Background

The term social media refers to forms of electronic communications (such as websites for social networking and microblogging) through which users create online communities to share information, ideas, personal messages, and other content (such as videos).[87] Generally, users do not pay to access social media platforms – they can interact and share information freely. Social media marketing (SMM), also known as digital marketing and e-marketing, is the use of social media platforms whereby users build social networks and share information – to build a company's brand, increase sales, and drive website traffic. In addition to providing companies with a means to connecting with existing customers and reaching new ones, SMM utilises built-in data analytics that allow marketers to track the success of their efforts, and identify even more ways to engage users.[88] Essentially, social media marketing in Africa aims at capturing the attention of users of online social networking and microblogging communities to market products and services.

The social media market can be segmented into social media subscriptions (users) and social media marketing (which comprises of online marketers and companies that advertise online). The key commodity being exchanged on social media platforms is social/influence currency. There is a monetary value attached to a brand's followers, likes, comments, shares and views. To simplify it, social currency is how consumers measure the credibility of one's brand, based on its social media presence.[89]

Social Media Monetisation

Social media monetisation is a social media marketing strategy where you generate income from your audience on your social channels.[90] This can be achieved in a number of different ways which vary based on the product, the social channel used, the technology available, as well as the most vital ingredient – the level of insight you have with respect to your audience. With an extension of web-based strategies to turn page views and clicks into revenue, social media has taken the idea of monetisation a step further. In addition to embedding ads, social media platforms like Meta and Instagram collect user information and data to create targeted advertising and marketing campaigns. In this instance, user data itself is monetised and sold to the highest bidder.[91]

Social Media Market Structure and Revenue in Africa

Social media boasts a vast population of users. The online statistics show that there were 5.04 billion social media users around the world in January 2024, equating to 62.3 percent of the total global population. Currently, the African social media landscape comprises predominantly of foreign companies. Table 17 reflects the most popular social media platforms in Africa, as per reports by 15 countries that participated in the ACF data collection exercise.

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87   https://www.merriam-webster.com/dictionary/social%20media
88   https://www.investopedia.com/terms/s/social-media-marketing-smm.asp
89   https://www.forbes.com/sites/theyec/2020/03/03/the-importance-of-social-currency/?sh=75e9d8571678
90   https://xperiencify.com/monetize-social-media/
91   https://www.investopedia.com/terms/m/monetize.asp

Table 12: Most Popular Social Platform in Africa

Country	Most popular social media	Number of Users
Botswana	Facebook	1 million
Cape Verde	Facebook	482 thousand
Eswatini	Facebook	602 thousand
Gambia	Facebook	N/a[92]
Kenya	Whatsapp	376 thousand
Mauritius	Facebook	745 thousand
Mozambique	Facebook	N/a
Namibia	N/a	N/a
Nigeria	Whatsapp	4.9 million
South Africa	Facebook	23 million
Seychelles	Facebook	N/a
Tanzania	WhatsApp	19 million
Zambia	Facebook	2.6 million
Zimbabwe	Whatsapp	570 thousand

Source: ACF Digital Markets Data collection exercise 2023

The number of African social media users has risen continuously, amounting to over 384 million as at 2022. Social media penetration is considerably higher in northern and southern Africa than in other regions. As of February 2022, 56% of the population in northern Africa used social media, while the share was 45% in Southern Africa. Central Africa was significantly behind, with a share of only eight percent.[93] Mobile devices are mainly used to access social media platforms in Africa. Mobile devices generated most of the web traffic on the continent, with a share of over 75% in July 2023. Laptops and desktop computers had a share of roughly 23%, while accessing the internet through tablets corresponded to just over 1% of the total traffic.[94] This implies that access to smart mobile devices is integral to access to social media in Africa, and in turn, to driving revenue amassed from these platforms.

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92 Information was not availed by reporting country
93 https://www.statista.com/topics/9922/social-media-in-africa/#topicOverview
94 Statista - Share of web traffic in Africa as of July 2023, by device

Figure 17: Share of Social Media users in Africa by region
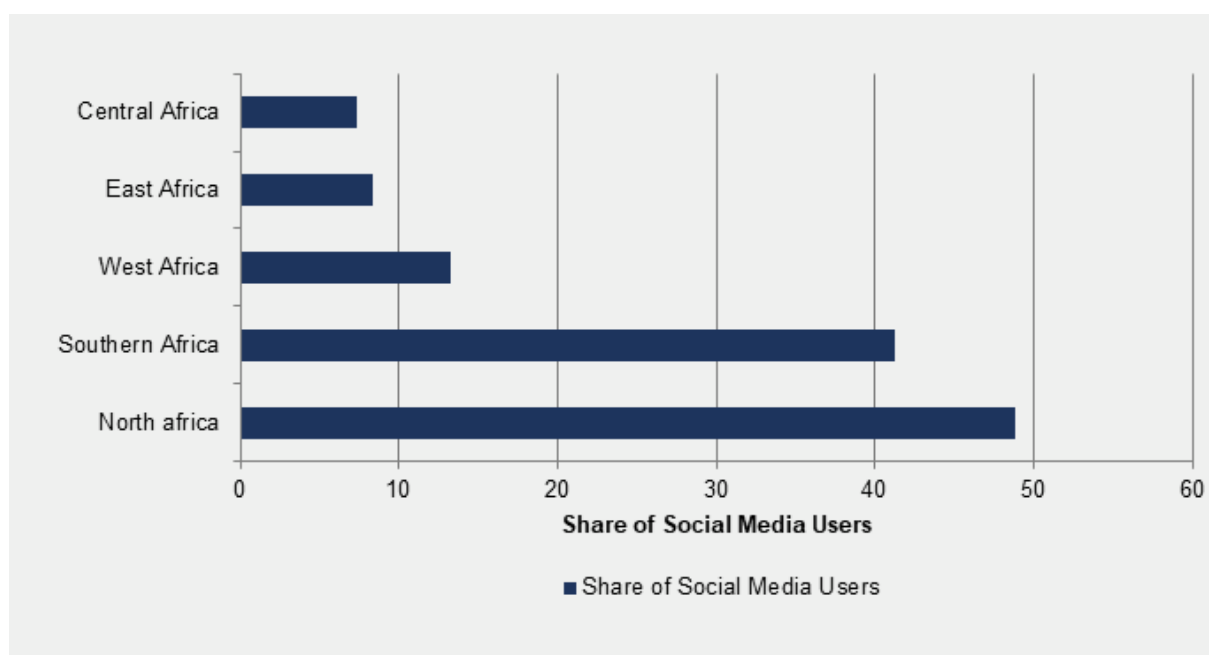
Source: Statista

SMM advertising revenue in Africa was estimated at US$176.90m in 2022. The number of downloads in the social networking market was estimated at 140.00 million downloads in 2022. The average revenue per download was estimated at US$1.65.[95]

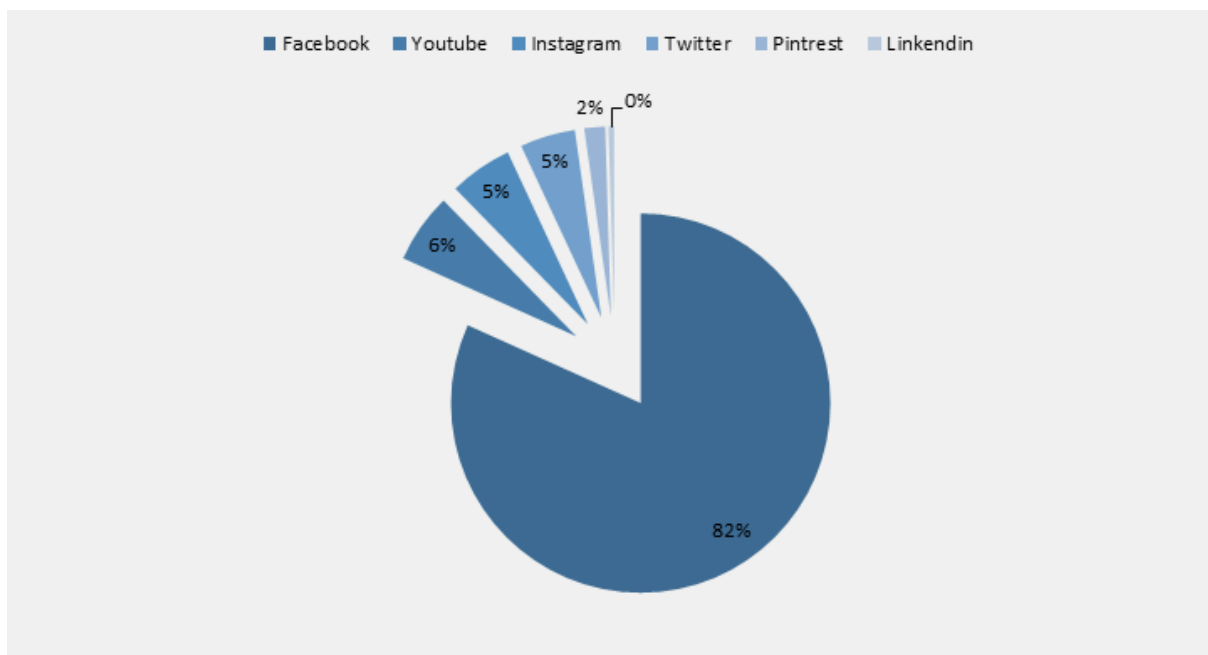**Penetration Levels of Social Media Platforms**

In July 2023, Africa unveiled its first social network, called Umojja. Umojja offers news feeds, video streaming, a market place, payment gateway, and social connect and communication with peers. Umojja is still at infancy stage and is yet to benefit from networks' effects. Prior to its arrival, all social network/media platforms available in Africa originated from international countries. The data collected from ACF member states shows that nine (9) out of thirteen (13) valid responses from countries reported that Facebook was the most popular social media platform in their respective countries. The second most popular platform was Whatsapp, which is popular in only four (4) countries.

The data shared by ACF member states is further supported by data published by Statcounter in January 2024, which shows that Facebook was the most popular social media platform in Africa, with 82% market share (see Figure 21).

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95   https://www.statista.com/outlook/dmo/app/social-networking/africa

Figure 18: Social Media market share by Platform

Source: Statcounter 2024 - https://gs.statcounter.com/social-media-stats/all/africa

Possible Competition Issues

Over the years, there have been concerns by various competition agencies about Google's and Facebook's operations in the digital space. Some notable issues relating to Google and Facebook operations were made by several states in the United States of America (USA), United Kingdom (UK) and Australia.

For instance, several states in the USA, led by Texas, brought an action against Google claiming that it unlawfully acquired, maintained, or attempted to acquire monopoly power on various sites and segments of online advertising, to the detriment of both advertisers and publishers. They also claim that Google entered into an agreement with Facebook to manipulate online advertising spaces. In April 2020, the Australian Government asked the Australian Competition and Consumer Commission (ACCC) to develop a mandatory code of conduct to address bargaining power imbalances between Australian news publishers

and Google and Facebook respectively, and their alleged exploitative conduct.[96]

However, data collected from ACF member states shows that there are currently no complaints emanating from the social media market. In fact, only the Competition & Fair Trading Commission of Malawi (CFTC) reported instances of deceptive advertising of various goods and services through social media. However, these were dealt with by the Malawian Telecommunications regulator.

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96   https://one.oecd.org/document/DAF/COMP(2021)16/en/pdf

SOFTWARE APPLICATIONS

Background

Application software (apps) is software designed for computers, smartphones, tablets, and other smart devices – to provide user-friendly interfaces for consumers to perform tasks. They encompass a wide range of services, from productivity assistance to game-based activities, shopping, delivery services, banking, etc.

Distribution of apps is usually done through a type of marketplace called application stores, from where they can be easily searched for, installed on, and removed from devices. App Stores can be operated by the device's mobile operating system (OS) such as Play Store for Android – or the device's manufacturer, for example, Galaxy Store for Samsung devices – or by third parties' marketplaces, such as F-Droid.

App stores provide a multitude of apps which make it easy and user-friendly for consumers to access and download, especially through filtering options. They are also assured of the security of those apps, as well as for payment being made, as these app stores usually have a system put in place for verification purposes. Developers can normally choose their desired app stores to distribute their apps. Nevertheless, their choice may be dependent on the network of the app stores.

Apps business model

Free Apps

Downloads of free apps are at no cost. Different pricing strategies are thereafter employed to monetise. Some apps provide in-app purchases, which may require the user to buy certain features for further use. For instance, game apps such as CandyCrush provide users the opportunity to buy additional features, to enhance their winning abilities.

The most popular way for apps to generate revenue is by selling advertising space. Another revenue stream is through sales of collected data to third party companies. Some free apps, moreover, charge a fee for users to unlock premium versions of the apps, which includes additional features or content. An example of such an app is Spotify, which charges a subscription fee to unlock more features. Some apps are portals which offer purchasing services, such as e-commerce apps or delivery services apps. These apps mainly earn money by selling their products and services on their platforms. In this case, app stores do not charge commissions for these types of services.

Paid apps

For paid apps, one-time payment is made to enable download and use. Nonetheless, they may also feature some in-app purchasing options.

Software adoption levels

The rapid smartphone penetration in Africa has facilitated an exponential growth of the app ecosystem. The ecosystem is largely driven by app developers and innovators, who rely on the app stores to reach their target customers globally. As a result, there is widespread adoption for software app stores globally. The chart above shows the level of free apps downloaded, and use across the participating countries. Of the 12 countries which responded, the majority, that is, eight (8) countries have high levels of downloads and usage for free apps. Mozambique and Namibia submitted that the consumer adoption rate for downloading free apps is medium while Cape Verde and Nigeria report it to be low.
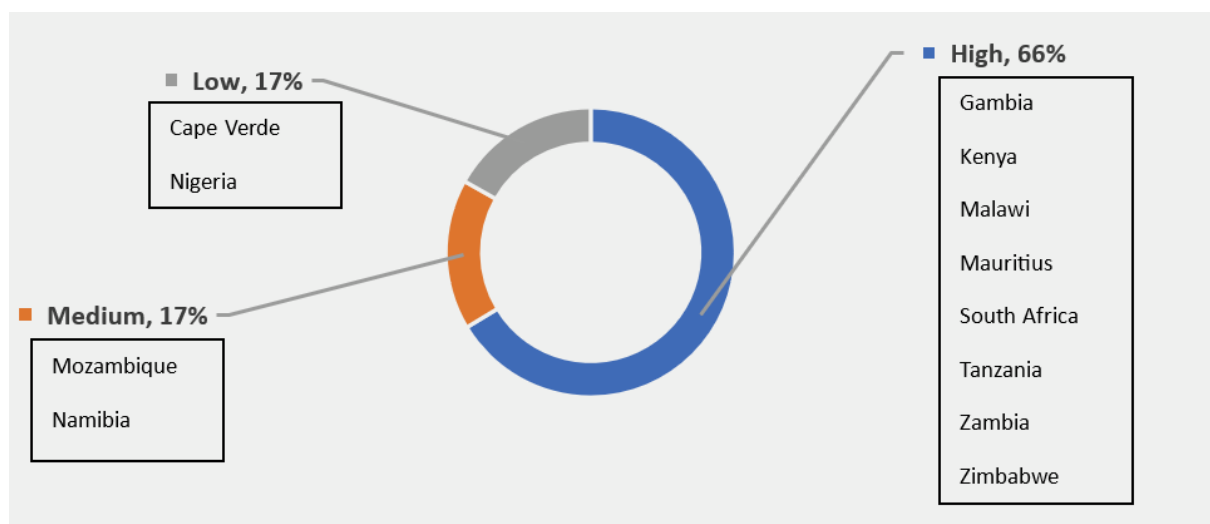
Key players in free software applications

The apps on which Africans spent the most time were social media apps, during the period October 2020 to March 2021, with an average of approximately 40.82 minutes per day. This was followed by gaming apps, with 13.77 minutes spent per day.[97] It is therefore not surprising to find social media apps such as Facebook, Instagram, TikTok, WhatsApp and YouTube among the most downloaded free apps across the African continent. Facebook is the most widespread application software, being commonly downloaded in 47% of the countries. Facebook's popularity is mainly attributable to the fact that access to the app is free on many African telecommunication networks.[98] It

is noted that Facebook, Instagram, and WhatsApp fall under the common umbrella of their parent company, Meta. The table below shows the main free apps by country.

With the exception of the above-mentioned application software, other main apps used and downloaded vary by country. Additionally, Namibia and Zimbabwe submitted that the free apps used and downloaded in their country are all internationally developed, while the contrary holds true for Seychelles and Tanzania. As for Cape Verde and Mauritius respectively, 60% and 40% of the main apps used and downloaded are developed locally.

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97   Statista- Average daily time spent by users in Africa on mobile apps from October 2020 to March 2021, by category
98   The Guardian- How Facebook took over the internet in Africa – and changed everything

Table 13: Main free apps .

Cape Verde	Gambia	Kenya	Malawi	Mauritius	Namibia	Nigeria	Seychelles	South Africa	Tanzania	Zimbabwe
Face-book	Whats-App	Movie-Box-Asian Dra-ma,HD Movies	Whats-App	Whats-App	Google Maps	Kuda	Taxi Sey-chelles	Whats-App	NMB Mkon-oni	Whats-App
Mes-senger	Face-book	Bible App Lite - NIV Offline	Insta-gram	Face-book	Bank-ing Apps	Up-work	Sey-chelles Trans-port	TikTok	Sim-bank-ing	Face-book
Insta-gram	Twit-ter/X	Lend-Plus - loan app Kenya	Tele-gram	Insta-gram		Ra-kuten	Sey-chelles Hotel Finder	CapCut – Video Editor	Tunzaa	TikTok
You-Tube	Snap-chat	Whats-App Busi-ness	Face-book	Google Maps		Offer-up	Book now Sey-chelles	Insta-gram	Sarufi	Insta-gram
tourCV	Sender	Whats-App Mess-enger	You-Tube	You-Tube		Airbnb	Ses-elwa Trans-late	Face-book	Bus bora	FM-Whats-App
Empre-gos de Cabo Verde	TikTok	Snap-chat	Twit-ter/X	Mes-senger		Swag-bucks	Sey-chelles Music	SHEIN	AZAM-PAY	Yo-Whats-App
Fila Sabi	Whats-App Busi-ness	Face-book Lite	TikTok	MCB Juice		Insta-GC	Sey-chelles Shop-ping	You-Tube	M-pesa	GB-Whats-App
Pagali Mobile	You-Tube	M-PESA		Blink		Ebates	e-purse	Capitec Bank	Tigo-pesa	OG-Whats-App
Ayo Game	GT world Gambia	TikTok Lite		Mari Deal		You-Tube	Mobi-Cash	Gmail	Airtel-money	Fouad Whats-App
Nha Bex	Insta-gram	TikTok				Hawkit	Sey-chelles Reci-pes	Spotify	Halo-pesa	FM Whats-App 2

Paid Apps

Figure 20: Level of paid app download and use by consumers.
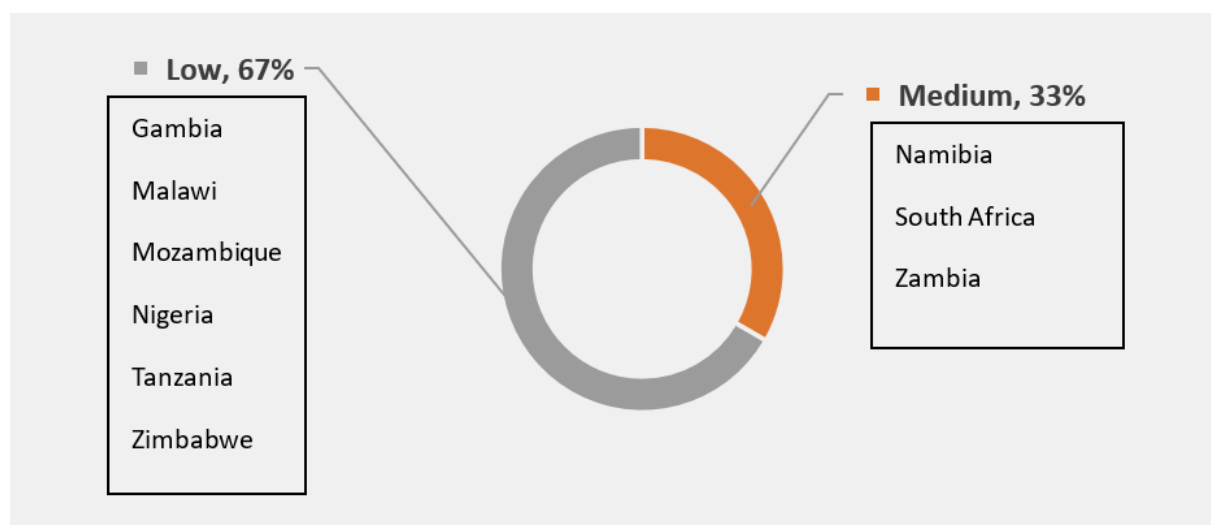
In 2023, total apps' revenue totalled up to USD 924.66, out of which 5% stemmed from paid apps.[99] The preference for downloads and use of apps inclined more towards free apps among African countries. Among the nine (9) responses received, Gambia, Malawi, Mozambique, Nigeria, Tanzania and Zimbabwe stated that the consumer adoption rate for the download and use of paid apps is low, while Namibia, South Africa, and Zambia reported a medium level of paid apps downloads. This is mainly due to economic constraints limiting the ability of African users to spend on paid apps. Moreover, some African countries such as Eswatini, Gambia, Malawi and Seychelles may have limited access to paid apps.[100]

Table 14: Main paid apps

Kenya	Malawi	Mauritius	Namibia	South Africa	Tanzania
Minecraft	Apple music	Netflix	WhatsApp	The Wonder Weeks	eGazeti
Five Nights at Freddy's	Flo	Spotify	Facebook	Voice Recorder – Audio Record	Minecraft
Five Nights at Freddy's 2	Spotify	Gaming And lifestyle	Instagram	Sasol eBirds Southern Africa	Akili's alphabet
Grand Theft Auto: San Andreas	Deezer	Fitness apps	Twitter	Shadowrocket	Fl Studio
Game Booster 4x Faster Pro	ChatGPT		Snapchat	Procreate Pocker	Terraria
Five Nights at Freddy's 4	Spamdrain		Uber	Forest: Focus for Productivity	Shadow rocket

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99 Statista - App - Africa
100 Google Play Help - Paid app availability

Kenya	Malawi	Mauritius	Namibia	South Africa	Tanzania
Wreckfest			YouTube	The K53 Learner's Test App	Cam scanner +
RFS - Real Flight Simulator			Weather Apps	e-Sword LT: Bible Study to Go	1Tl mini games
Ultimate Custom Night			TikTok	Difela Tsa Sione by ZolApps	Simple gallery pro
Refind Self				Pew-Pew	Hitman Sniper

The table above compiles the main paid apps used and downloaded among the six (6) mentioned countries. In the case of paid apps, there is almost no common usage between the countries; the list differing for each country.

Mauritius, Namibia and Tanzania further submitted that the major share of the main paid apps used and downloaded in their countries are developed internationally.

Application Stores

Figure 21: Main software application stores used by consumers.
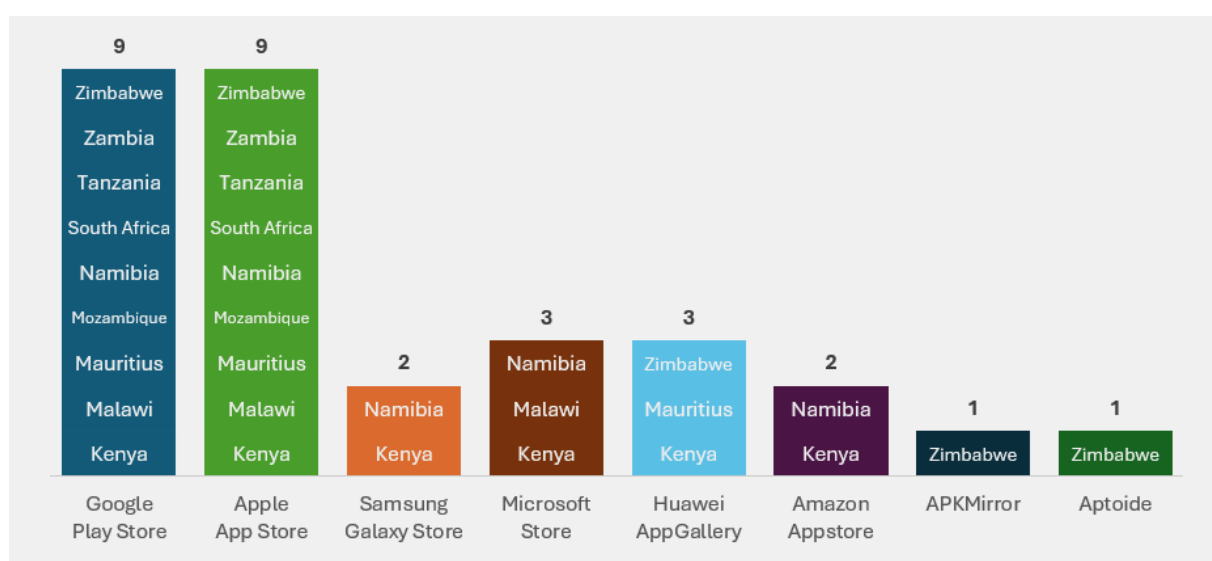
Google Play Store and Apple App Store emerge as the most popular application stores among the African countries. Other application stores include Samsung Galaxy Store, Microsoft Store, Huawei AppGallery, Amazon Appstore, APKMirror, and Aptoide are also used to access apps. Nevertheless, in comparison to Google Playstore and Apple App Store, their penetration levels remain extremely low.

By being an open-source project, Google's Android was quickly adopted by mobile manufacturers to become the leading mobile OS worldwide. In fact, in the first quarter of

2024, almost 71%[101] of global mobile devices were built on Android. Google App store also leads in terms of app volume, with around 1.68 million Android apps in June 2024.[102] Moreover, the availability of low-cost Android devices has enabled greater access to smartphones. This has eventually led to the dominance of the Google App Store worldwide, as well as among African countries such as Mauritius, Namibia, Tanzania, and Zimbabwe.

Conversely, with a closed source model for their mobile OS and a premium- positioning in the market, Apple App Store is the second largest application store worldwide, and is the dominant application store in South Africa.

App developpers

There is limited engagement in the paid apps development market in Africa. The barriers to the proliferation of paid apps developers are mainly the high cost of digital adoption, lack of necessary infrastructure, absence of skilled human capital, as well as shortage of funding in African countries.[103] In spite of these challenges, six (6) countries – namely Botswana, Gambia, Kenya, South Africa, Tanzania, and Zimbabwe – affirmed having local businesses which are actively engaged in the development of paid apps.

Complaints in the software application market

The CCSA, through the OIPMI, found some issues in the software application market. Firstly, it was uncovered that, due to lack of competition, Play Store and App Store were not facing any constraints on the commission fees they were charging app developers. Moreover, anti-steering policies required by the stores were restricting app developers from redirecting their customers to their own websites, a measure to limit the use of alternative payment methods. On top of that, the visibility of paid apps produced by local South African developers was found to be restrained, due to the business models and ranking methods of Play Store and App Store.

101 Statista- App stores - Statistics & Facts
102 Statista- App stores - Statistics & Facts
103 World bank group - International Finance Corporation Research Series -Digital Opportunities in African Businesses

CONCLUSION

In the wake of rapid digital adoption globally, African countries have also seen an accelerated pace of digitalisation. However, the continent still lags behind compared to its global counterparts. The infrastructure challenges and limited internet penetration in most countries continues to hamper the adoption of digital platforms. As a result, the digital economy is still in its infancy stages in most countries.

This research study reveals that most ACF countries have not conducted any research nor prosecuted any cases on digital platforms in their respective economies. Furthermore, most countries also have limited information and data on the landscape, key players and business models of the digital platforms in their respective economies. Given the characteristics of the digital platforms, African countries risk losing out on opportunities to foster inclusive growth through digital platforms. The study observes that, in most platform categories, there is at least one local platform in each of the participating countries. However, due to the lack of reliable data, the study does not make any conclusive findings on market shares.

The study further observes that international platforms tend to dominate where there is a global dimension, such as software app stores and travel & accommodation, but local platforms have done well where the customer base is mostly local (classifieds), or which require investments in last mile infrastructure (e-commerce and delivery). It has also been noted that the international platforms that have a presence in multiple jurisdictions operate the same business models, with some features that have been identified to distort competition by different authorities globally. It is therefore advisable that the ACF members intensify their efforts to play their role in the shaping and development of the digital markets in their respective jurisdictions.

BIOGRAPHIES

Botswana

1. **Bonyana Ndubiwa** is a manager responsible for policy and research in the Competition and Consumer Authority of Botswana. She joined the authority (by then the Competition Authority) at its inception in 2011 as a manager, policy, and international liaison. She worked for the Ministry of Trade and Industry from 1994 to 2010 and was the lead person in the development of competition and consumer policies and laws. Bonyana was appointed to establish the Competition Commission of Botswana (Board and Adjudicator) in 2010. She holds a Master's Degree in International Business from the University of Melbourne, a Postgraduate Diploma in Economics for Competition Law from King's College, London, and a Bachelor of Arts in Economics and Statistics from the University of Botswana.

2. **Christson Daman** is an analyst in the unit of Research and Policy under the Department of Investigation and Policy and Research at the Competition and Consumer Authority in Botswana. Prior to joining the authority in 2014, he worked as a research analyst at Statistics Botswana. Mr. Daman holds a Postgraduate Diploma in Economics for Competition Law from Kings College in London and a Bachelor Degree in Statistics and Economics from the University of Botswana.

3. **Aobakwe Ewetse** is on academic attachment as an analyst in the unit of Research and Policy under the Department of Investigation, Policy, and Research at the Competition and Consumer Authority of Botswana. He joins the authority from the Botswana Accountancy College, where he is a business intelligence and data analytics student.

Mauritius

4. **Sudesh Puran** is Head Investigations of the Economics, Research and Advocacy Department at the Competition Commission in Mauritius. Prior to joining the Commission in 2010, he has worked as Economic Analyst at the Ministry of Finance and Economic Development from 2004 to 2009. Mr Puran holds a Post-graduate Diploma in Global Competition and Consumer law from the University of Melbourne, an MSc Economics and Econometrics from the University of Nottingham, UK and a BSc (Hons) Economics from the University of Mauritius.

5. **Anusha Sumaruth Gunness** is a Competition Analyst in the Economics, Research and Advocacy Department at the Competition Commission of Mauritius. Prior to joining the Commission in 2018, Anusha worked in the financial services sector with exposure to different legal and compliance matters. Anusha holds an LLM in International Business Law from the University of Central Lancashire, UK and a Bachelor (Hons) in Law and Management from the University of Mauritius. Anusha is currently pursuing a Postgraduate Diploma in Economics for Competition Law from King's College, London, UK.

6. **Chessika Kedoo** is an Assistant Competition Analyst at the Competition Commission. She holds a BSc (Hons) Econometrics and Quantitative Finance from the University of Mauritius and is currently undertaking a postgraduate degree in Financial Economics.

South Africa

7. **Hariprasad Govinda** is a Principal Economist at the Competition Commission of South Africa in the Economic Research Bureau Division, and has been with the authority for more than 11 years. He holds a Doctor of Philosophy in Economics degree from the University of Jawaharlal Nehru University, in India. He is well versed in competition policy and has worked on various abuse of dominance cases, mergers and acquisitions and cartel conduct cases. He also acted as the technical head of the Online Platforms Market Inquiry by the Competition Commission of South Africa.

8. **Siphosethu Tetani** is a Senior Economist at the Competition Commission of South Africa in the Economic Research Bureau Division. She joined the Commission in 2017 as a Researcher in Market Conduct Division. She has worked on several abuse of dominance cases and market inquiries, including the recently completed market inquiry on digital markets. She holds a Master's Degree in Economics from the Nelson Mandela University. She possesses extensive knowledge of competition policy, as well as industrial policy and economic theories.

ANNEXURE 1

## ACF DIGITAL PLATFORMS LANDSCAPE STUDY

INTRODUCTION

1. The rapid global digitalisation has placed the topic of competition in digital markets in the centre of policy debates, especially for competition authorities. The increased adoption of digital platforms creates both opportunities and threats for developing countries. The dynamic nature of these markets challenges regulators to proactively study them in order to devise appropriate tools for effective regulation, to safeguard the potential opportunities and to also guard against entrenchment.

2. The purpose of this survey is for the African Competition Forum (ACF) to collect data from its members to determine the digital landscape and gauge the levels of digital adoption in the member states. This information will be used to identify opportunities for collaborative enforcement and capacity building between the ACF members in specific digital markets.

3. The ACF wishes to study the digital landscape by platform category, as the levels of adoption and competitive dynamics might differ with each segment. Accordingly, the ACF kindly requests that you provide the following information for each platform category that is currently present within your jurisdiction. Please provide sources for answers where available.

A.   GENERAL CONSUMER ADOPTION TRENDS IN DIGITAL MARKETS

3.1.   Is the level of smartphone penetration low, medium or high?

3.2.   If available, provide estimated smartphone penetration (% of population) and the estimated smartphone share of Android phones.

3.3.   If available, provide estimated internet penetration (% of population).

3.4.   Provide the average cost of 1GB of weekly and monthly prepaid data on the largest mobile network.

3.5.   Is daily data usage by the population low, medium or high?

3.6.   If available, provide the average monthly data use of subscribers to the largest mobile network.

B. SEARCH ENGINES AND SEARCH ADVERTISING

3.7. What is the dominant search engine in your country?

3.8. If available, provide the share of search by Search engine (Google, Bing, etc) (if available, separately by desktop and mobile)

3.9. Is search advertising an important route to reaching consumers for business?

3.10. If available, provide an estimate of the total search engine advertising spend, and the search advertising share of total online and all advertising spend.

3.11. Does Google Search operate a Shopping Unit in your country? Please see the image below for an example of Google Shopping Unit highlighted in red border lines.
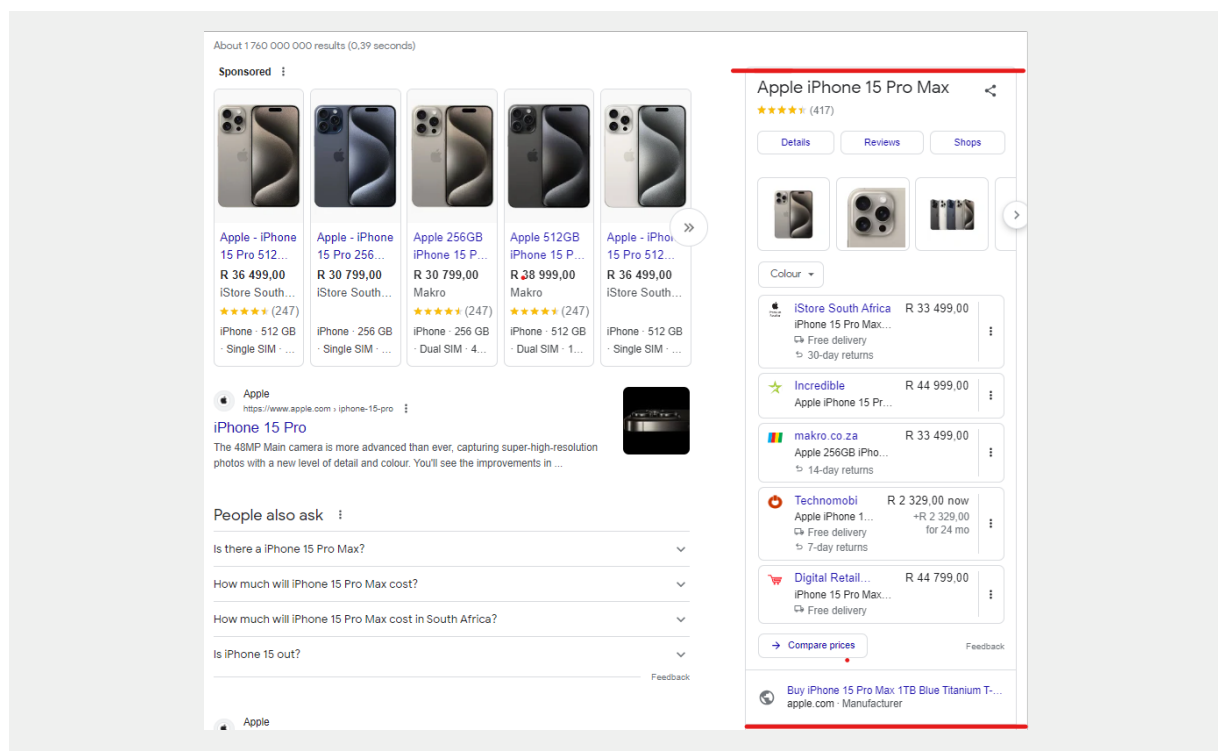
3.12. Does Google Search operate a Travel Unit in your country? Please see the picture below for an example of Google's Travel Unit with red border lines.
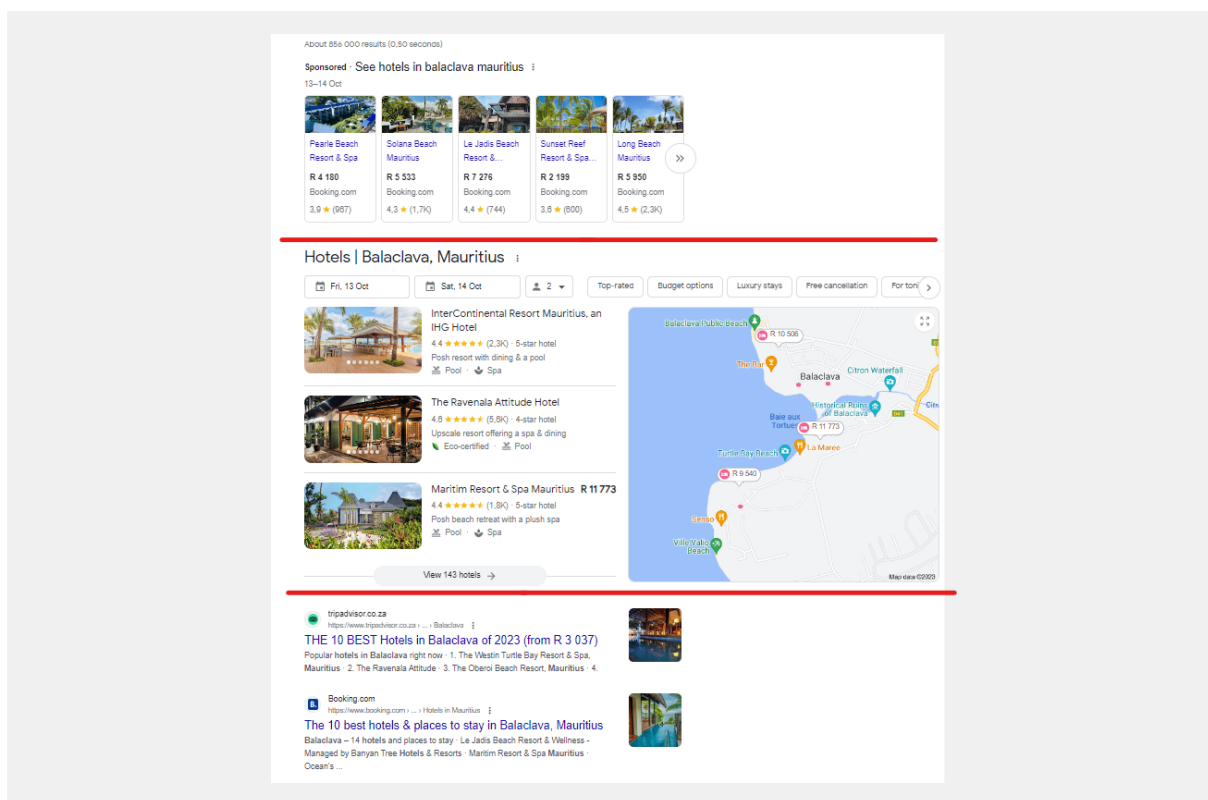
3.13. Has your agency received any complaints in respect of Search or Search advertising (either by online platforms or businesses that advertise on Search platforms), or have complaints been raised in the media? If so, provide details.

C. E-COMMERCE[1]

3.14. Is the level of adoption of eCommerce by consumers in your country low, medium or high?

3.15. Is eCommerce delivery restricted to the major cities or available in smaller towns and villages too?

3.16. If available, provide an estimate of the percentage of the population that shop online.

3.17. If available, provide an estimate of the total annual volume and value of online eCommerce transactions.

3.18. List the E-commerce platforms that operate in your country. For each of the major platforms please indicate:

3.18.1. If they are local or international

3.18.2. If they operate a pure online retail model (i.e. only retail products they source) or a hybrid model (i.e, they retail products they source but also operate a marketplace for third parties to use their platform)

3.18.3. If they trade primarily as a brick and mortar retail operation.

3.19. Is the eCommerce market dominated by one or two platforms? If so, give an indication of who is the largest and how the other platforms compare in size.

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1   These are the platforms that provide an online marketplace that facilitates transactions between sellers and consumers for the sale of consumer goods.

3.20. If available, provide market share estimates for the main eCommerce platforms based on either revenue, transactions or traffic.

3.21. Has your agency received any complaints in respect of eCommerce (either by smaller competitors or businesses that list on the platforms), or have complaints been raised in the media? If so, provide details.

D.   TRAVEL AND ACCOMMODATION[2]

3.22. Is the level of adoption of online travel booking by consumers low, medium or high?

3.23. If available, provide an estimate of the percentage of the population that book travel online.

3.24. If available, provide an estimate of the total annual volume and value of online travel booking transactions (separate for flights and hotels separately if available). Alternatively, provide the daily or monthly traffic to the most popular online travel agencies.

3.25. List the main travel and accommodation platforms that operate in your country. Please indicate for the major platforms
      3.25.1.   If they are local or international platforms.
      3.25.2.   If they specialize in hotel accommodation or flights

3.26. Is the online travel agency market dominated by one or two platforms? If so, give an indication of who is the largest and how the other platforms compare in size.

3.27. If available, provide market share estimates for the main online travel platforms based on either revenue, transactions or traffic.

3.28. Has your agency received any complaints in respect of online travel platforms, (either by smaller competitors or businesses that list on the platforms) or have complaints been raised in the media? If so, provide details.

E.   FOOD DELIVERY PLATFORMS[3]

3.29. Is the level of adoption of food delivery platforms by consumers low, medium or high?

3.30. Is food delivery restricted to the major cities or available in smaller towns and villages too?

3.31. If available, provide an estimate of the percentage of the population that use food delivery platforms.

3.32. If available, provide an estimate of the total annual volume and value of online food delivery transactions.

3.33. List the food delivery platforms that operate in your country. For each of the food delivery platforms please indicate:
      3.33.1.   If they are local or international
      3.33.2.   If they operate nationally or only in a specific city or town

3.34. Is the food delivery market dominated by one or two platforms? If so, give an indication of who is the largest and how the other platforms compare in size.

3.35. If available, provide market share estimates for the main food delivery platforms based on either revenue, transactions or traffic.

3.36. Has your agency received any complaints in respect of food delivery platforms (either by smaller competitors or businesses that list on the platforms), or have complaints been raised in the media? If so, provide details.

F.   ONLINE CLASSIFIEDS PLATFORMS[4]

3.37. Is the level of adoption of online classifieds by consumers low, medium or high? Please indicate separately for property, automotive, insurance and personal classifieds.

3.38. If available, provide an estimate of the percentage of the population that search for homes, cars, insurance and personal sales online. Provide for each separately.

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2   These are web-based marketplaces that allow consumers to research and book travel products and services, including hotels, flights, cars, tours, cruises, activities and more, directly with travel suppliers.
3   These are match-making platforms, connecting restaurants to customers for takeaway food orders.
4   These are the platforms used by businesses to list their product and services (for placing ads), in order to enhance the reach to consumers.

3.39. If available, provide an estimate of the monthly traffic for online classifieds, separately for property, automotive, insurance and personal classifieds.

3.40. List the main online classified platforms that operate in property, automotive, insurance and personal classifieds separately. Please indicate for the major platforms in each category:

    3.40.1. If they are local or international platforms.

    3.40.2. If they are specialized in that category or generalist

3.41. Is the online classifieds market in each category (property, automotive, insurance and personal classifieds) dominated by one or two platforms? If so, give an indication of who is the largest and how the other platforms compare in size for each category.

3.42. If available, provide market share estimates for the main online classified platforms in each category based on either revenue, transactions or traffic.

3.43. Has your agency received any complaints in respect of online classified platforms, (either by smaller competitors or businesses that list on the platforms) or have complaints been raised in the media? If so, provide details.

G.   SOCIAL MEDIA AND SOCIAL MEDIA ADVERTISING

3.44. Provide the list of social medial platforms that are most popular in your country?

3.45. If available, provide the number of users for each of the social media platforms.

3.46. Is social media advertising an important route to reaching consumers for business?

3.47. If available, provide an estimate of the total social media advertising spend, and the social media advertising share of total online and all advertising spend

3.48. Has your agency received any complaints in respect of social media advertising (either by competing publishers or advertisers that use the platforms), or have complaints been raised in the media? If so, provide details.

H.   SOFTWARE APPLICATION[5]

3.49. Is the level of free app download and use by consumers low, medium or high?

3.50. Is the level of paid app download and use, or in-app purchases, by consumers low, medium or high?

3.51. What are the main software application stores used by consumers.

    3.51.1. Please indicate which is the largest and how the other software application stores compare in size.

    3.51.2. If available, provide the number of users for each software application store

3.52. Please provide the top 10 free and paid apps for your country. Indicate if any of the apps are locally developed apps.

3.53. Is there a local paid app development industry emerging in your country aside from free apps for local businesses? If so, provide a rough estimate of the size of the local app development industry.

3.54. Has your agency received any complaints in respect of software application stores (either by local app developers or consumers using the application stores), or have complaints been raised in the media? If so, provide details.

I.   ONLINE MEDIA

3.55. Is the use of online sources for news consumption by the population low, medium or high?

3.56. If available, provide the percentage of the population accessing news media online (and by the specific social media, search and messaging sites if available).

3.57. If available, provide the daily or monthly online traffic to the websites of the major print media in the country along with their print

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5   These are digital distribution platforms dedicated to enabling users to download, install and manage a wide range of diverse apps from a single point in the interface of the smartphone.

circulation. For television news broadcasters, provide the daily or monthly traffic to their YouTube or TikTok channels.

3.58. List the main social media and news aggregaion platforms used by consumers to access news content in your country.

    3.58.1. Rank the platforms in order of importance to consumers.

    3.58.2. If available, provide the percentage of the population using each platform to access news content

3.59. Has your agency received any complaints in respect of media distribution online (by media companies or consumers), or have complaints been raised in the media? If so, provide details.

3.60. Are there any other established platform categories that are operational in your country which are not included in the categories above? If yes, please provide the following information:

    3.60.1. A brief description of the platform category and their business model.

    3.60.2. The leading platforms in those categories.

    3.60.3. Any competition concerns relating to any of the categories.

3.61. Provide a list of all mergers and acquisitions and investigations conducted by your authority in digital markets, including on-going cases. Kindly list each investigation with a brief description and outcome.

We kindly request that you provide your response on or before Friday, 17 November 2023.