Reading the success of Jumia, an African Unicorn.
An exploratory study using a business model approach.

Franck DUQUESNOIS
Assistant Professor, Bordeaux University, France

Introduction

"*Only entrepreneurs can create the millions of jobs we need to power Africa's economies out of poverty. A vibrant, African-led private sector with significant participation from entrepreneurs is the key to unlocking Africa'economic and social potential*" said Tony Elumelu, founder of United Bank for Africa, a pan-African financial institution. The Tony Elumelu Foundation was committed to spending $100 million over ten years to identify, train, and fund thousand African entrepreneurs. His goal is that these entrepreneurs between them realize $10 billion in revenue and create 1 million jobs (Leke *et al*., 2018 : 27). However in Africa, the marketplace is both complex and increasingly competitive, there are huge differences in performance between the most successful companies and the rest (Leke *et al*., 2018 : 27). For instance, in Africa, e-commerce business is risky business. Konga, Nigerian e-business was taken over by Zinox Technologies in 2018 after firing 60% of its staff in 2017. The South African group Naspers, after selling its shares in Konga, also withdrew for the second time from the Kenyan market. By 2016, Cdiscount, leader in e-business in France and subsidiary of the French supermarket group Casino, had already closed the curtain in Cameroon and Senegal. Another French retailer, CFAO, has suspended its Africashop website to rethink its strategy. In fact CFAO Retail and Majid Al Futtaim (MAF) - two Carrefour franchisees - made an agreement with Jumia in order that in 2019 Jumia distributes products of the brand Carrefour in four countries in Africa. Obviously still exists Jumia this e-business African "unicorn" with a valuation of over $1 billion. Jumia, like many young, fast growing e-commerce business worldwide, has not met yet a profit. Jumia registered a loss of €165.4 million in 2017 and €170.4 million in 2018. At December 31, 2018, Jumia had cumulated loss for a total amount of €862 million. Nevertheless "*Jumia itself is proof that African technology firms can achieve real scale and attract the funding they need to do so*" (Leke *et al*., 2018 : 76). In 2012, this start-up was launched in Nigeria by Rocket Internet, Germany's leading digital incubator (known to have launched the websites Zalando or Foodora), and two French founders Sacha Poignonnec and Jeremy Hodara. In 2017, Jumia had over 2 million active customers in Africa and its sales reached $600 million having roughly doubled each year since 2013. Jumia is much known in Africa as it operates in 2019 in 14 countries across this continent. While the two founders are French and among main shareholders many of them are also French – such as Pernod Ricard, Axa, Orange – or strong partners such as Decathlon, Carrefour, Jumia is not known at all in France. Hopefully Jumia is now much internationally known as Jumia Technologies since it had launched its Initial Public Offering on NYSE on April 12, 2019. Today in Africa where even major companies fail, a question remains: how to succeed in Africa?

Synopsis of the central thesis: Whereas some authors such as Bruton *et al*. (2013) report a shift in the geographical center of gravity for wealth creation from developed countries to emerging and developing countries, more academic researchers are focusing on Africa.

Looking on the long run for specificities to define a potential “African management” we rather firstly focus on what it works in Africa. At this stage of our research but also according to our perspectives of research, we propose to discuss the following research proposal: if African organizations start as transposed artifacts, the ones that are sustainable over time are those that tend to evolve toward stability and become constructs marked by in situ actors within a chain of trust.

Methodology: We decide to use a qualitative approach and to focus on a single case study: Jumia. The exceptional achievement of Jumia since 2012 led us to conduct an intrinsic case study. At this stage of our research, our methodological approach is mainly exploratory. According to Stake (1994) the case study is not a methodological choice, but a choice of object to be studied. It draws attention to the question of what specifically can be learned from the single case. It also emphasizes designing the study to optimize understanding of the case rather than generalization beyond. We seek both what is common and what is particular about Jumia, but the end result regularly portrays something of the uncommon (Stouffer, 1941). For months, we have studied each step of the development of Jumia in Africa. According to Stake (1994), the case is a system. Jeremy Hodara himself described Jumia as an ecosystem: “*In these countries – in Africa - you can’t delegate and expect to achieve this high level of service. So as a result we decided that we had to become fully vertically integrated*” dixit Jeremy Hodara in 2014 (Babej, 2014). Later Jeremy Hodara explained: “*We build an ecosystem, we don't try to control everything. We did it at the beginning, because nothing existed, but it is not our vocation*”. Jumia is a dynamic object of study but still a specific, unique, bounded system. Jumia is complex to analyze as the largest e-commerce company on the continent with operations in 14 countries: Nigeria, Morocco, Egypt, South Africa, Tunisia, Kenya, Algeria, Uganda, Cameroun, Senegal, Ghana, Rwanda, Tanzania, Ivory Coast. Firstly we gathered secondary data from business books, 63 online newspaper and business articles, social networks, 176 minutes of online interviews in French and English languages mainly of the two founders Sacha Poignonnec and Jeremy Hodara, but also of Country CEO, business analysts, TV adds, TV documentaries, websites of shareholders and partners. Secondly, we have interviewed 4 businessmen dealing on a day-to-day basis with African realities. We include 20 hours interviews of a managing director for Africa and Middle East from the French Group Les Grands Chais de France operating in Africa and selling their products thanks to generalist retailers in 44 countries but also thanks to Jumia. We use GRP business model (Verstraete and Jouison-Laffitte, 2011) to analyze data and uncovering the business model of Jumia. The three components of the Business Model GRP are: **G**enerating Value (Entrepreneurs, Value proposition, Value manufacture); **R**emunerating Value (Revenue sources, Volume of remuneration, Performance); Value **P**artnerships (Stakeholders, Conventions, Ecosystem). GRP business model is used for diagnosis, design, redesign of business model but also for idealization, prospective and benchmarking. GRP business model is mainly used to raise awareness concerning entrepreneurship opportunities, education and support for new firm creation. We also use GRP Storyteller. It is a free and secure tool aimed at project leaders and their advisors, to tell the story of their business to be convincing. We use this tool to structure our data and finally uncovering the business model of Jumia.

Findings: Our findings are twofold. **Firstly**, we propose results from the analysis of the business model of Jumia. For instance the analysis of *Generating Value* highlights: *Entrepreneurs*: Concerning Jeremy Hodara (JH), after his studies in HEC Business School in Paris, he was hired by McKinsey, the strategy consulting firm, where he soon specialized in distribution and digital. He had stayed there 7 years in Paris, in India then in New York. Concerning Sacha Poignonnec (SP), after his studies in EDHEC Business School where he obtained his specialization in finance in 2002, he worked from 2002 to 2004 for the audit firm Arthur Andersen. From 2004 to 2007, he became manager at Aon-Accuracy, focusing on the media and retail sectors. Between 2007 and 2012, he joined Mc Kinsey in the Paris and New Jersey offices. As Associate partner, he serves its clients on strategic, growth, operational and organizational matters in most European countries and North America. He developed extensive expertise in the consumer goods and retail sectors. In January 2012, Rocket Internet, a German incubator known for launching Zalando or Foodora, whose business model is based on the adaptation and development of successful e-commerce concepts, mandated JH and SH to lead the commercial development of start-up in the manner of a "*Blitzkrieg*". Objective: "*one site per month*". From Paris in France, they created Africa Internet Group (AIG) and started to manage a dozen companies and among them Jumia. These companies were Kaymu, Jovago, Hellofood, Vendito, Lamudi, Everjobs, Carmudi and AIGX whose names have been changed in Jumia Market, Jumia Travel, Jumia Food, Jumia Deals, Jumia House, Jumia Jobs, Jumia Cars and Jumia Services. Since 2017, including Jumia they are parts of the application Jumia One.

Value proposition: *The big business opportunity*: not a lack of demand, but to a lack of supply. Nothing met the needs of a middle class in Africa that "*gained in purchasing power but for which the offer was limited to very expensive, difficult to access and of poor quality*" dixit JH. *The service:* originally, in 2012, Jumia was a "classic" shopping website, which bought merchandise from suppliers, stored it and resold it at retail to its customers. In 2015, Jumia's business model radically evolved towards a marketplace, connecting sellers and buyers without carrying stock. Jumia limited its activity as a pure e-merchant to the most popular offers such as mobile phones. In 2019, 14 million products are available thanks to Jumia in 14 countries (representing 80 to 90% of Africans connected to the web). Thanks to Jumia One, more than 29 million products, hotels, restaurants and other services are already available. This is possible because in 2018, more than 81000 African local companies and entrepreneurs entered into agreements with Jumia. These thousands of salespeople make it possible to provide a stable offer in terms of price and assortment (with limited stock shortages). They use e-commerce to reach new consumers and grow their business. SP says it helps them to save money because the Internet is cheaper than running a traditional store. Jumia offers programs to improve their accounting and marketing management. Therefore, a completely different challenge is now emerging for Jumia: to help these thousands of entrepreneurs to manage their growth and gain in professionalism. With the Chinese giant Alibaba's model in mind, a strong percentage of revenues are now generated by these services, Jumia now offers these entrepreneurs more and

more services in logistics, packaging and marketing. ***Building trust to pay online:*** cash on delivery, global quality level and anti-counterfeiting warranty, liberal return policy, next day delivery in larger cities such as Lagos, and delivery within seven days in all the county, and to anchor Jumia in the real: street marketing, call center, education of potential consumers thanks to a Jumia Sales force in the streets teaching potential customers how to order with mobile phones or tablets. In 2016, in Nigeria, Jumia employed sixty thousand people who offer their friends and family web access to Jumia. Half of the people recruited are housewives, the other half students for whom it is an opportunity to supplement their salaries. SP explains that these agents can become entrepreneurs by creating their own business by inviting potential consumers to come and order online from home. As early adopters, the student population is targeted. JH says "*the more people we are to educate the consumer to buy online with confidence, high-performance services, the more we increase the size of the cake, so ultimately it is not competition, I think we are structuring a market, the market is large, so in fact if there are several of us to educate the consumer it is good*". In Africa, habits are being formed. For the first time, people are buying mobile phones, but simultaneously they are also doing it for the first time on the web. In 2017, 80% of orders on Jumia were placed from a mobile phone.
<u>Value manufacture</u>: The e-commerce in Africa is *"a long-term opportunity that cannot be built in one or two years. It is necessary to have warehouses, develop a delivery activity to individuals that does not exist on the continent, give confidence to consumers..."* says JH. In June 2014, Jumia already owned 6000 motorcycles and vans in order to control delivery to customers on a continent where there is no reliable partner. *"We don't try to control everything. We did it at the beginning, because nothing existed, but it is not our vocation*" dixit JH. Today, 80% of its deliveries are made by independent companies, often created by former employees. "*These are often former employees to whom we have lent money to buy their motorcycles. Some of them have more than twenty of them and offer their services by connecting to our platform*" explains JH. Moreover, for instance in Cameroon, Jumia signed a public-private partnership agreement with Campost, Cameroon's public postal operator, which has a network of 234 post offices spread throughout Cameroon and a delivery fleet. In 2019, while strengthening its control of the commercial chain, it now integrates a logistics platform, an information system and its own payment system *JumiaPay*. *JumiaPay* has been recently launched in Nigeria and Egypt, its two largest markets, which aims to facilitate the act of purchase (you also can obtain 5% discount if paying with *JumiaPay*). For sure, Payment On Delivery (POD) in Africa has become popular like in other emerging markets such as India, Indonesia and Thailand, but is still uncertain (what are the real number of unconfirmed orders?) and therefore potentially not economically sustainable. We understand why Jumia have taken steps to encourage prepayment thanks to *JumiaPay*. Concerning operational marketing: "*Depending on the country, the channels diverge, but we use radio, television, Google and Facebook*" confirms JH. Jumia is also running Black Friday promotional campaigns on its 14 African markets, with discounts up to 75%. Inaugurated by Jumia in Nigeria in 2013, this operation inspired by American business tradition has become one of the drivers of online sales growth in Africa. Its duration has extended so much that people sometimes no longer talk about Black Friday, but about Black

November. These are expensive investments in advertising, which betray a real dependence on these campaigns. "*As soon as Jumia reduces its advertising budget, its sales decline*" says a financier who participated in the last capital increase. The analysis of *Remunerating value* highlights: <u>*Revenue sources*</u>: "*We are in markets where people are in the first equipment. People want to have a mobile phone, a TV, an air conditioning, a refrigerator. And so we really see what we call ourselves in our jargon of fairly high shopping baskets. After that they are very attentive to the price. They know what the price is and are not willing to pay a premium because they are in Africa. Their cousin explains that the same product costs 20% less in New York. But they are willing to spend money on quality, on products that are guaranteed, durable*" says JH. People come to Jumia for variety of choices and best prices (including delivery cost). Front door is electronic products. With e-customers maturity comes real needs for products such as baby diaper, non-perishable food product, fashion products (clothing, shoes, bags, accessories). As Jumia can also serve as both B2C and B2B marketplaces, Jumia plays the role of intermediaries and takes a commission on the goods or services sold. For instance since 2016, Jumia distributes Decathlon sport products. Jumia receives on each sale a variable commission of 10 to 30% of the purchase amount, depending on the type of products and the number of items. <u>*Volume of remuneration*</u>*:* In 2017, the average basket was around 61 euros. The result remains in deficit but the volume of transactions increased by 63% in 2018 to €828.2 million. While Jumia is not yet profitable, this website registered 8 million orders in 2018, and plans to reach 15 to 20 million in 2019 while targeting 1 billion euros in business volume in 2019. <u>*Performances*</u>: These results reflect a strategy of rapidly gaining market share at the expense of profitability. In 2015, despite the 111.3 million euros in losses experienced by Jumia, JH said: "*some of our businesses are profitable and our model can be profitable as a whole. But we have made the choice to invest massively*". "*Kenya, Ivory Coast, Uganda, Cameroon are good surprises in terms of market opportunities*". "*All markets are operating at their own pace, marketing investment is based on growth, so when it is slower, AIG invests less*".

The analysis of *Value Partnerships* highlights: <u>*Stakeholders*</u>: Before the IPO, shareholders of Africa Internet Group were numerous. According to the data we have gathered, the main shareholders were the following: Mobile Telephone Networks (30%), Millicom International Cellular (9.6%), Rocket Internet (21%), Axa (7%), Orange (6%), Goldman Sachs Group (5%), Pernod Ricard (5%), CDC Investment Works, Master Card, BGN Brillant Services GmbH, Investment AB Kinnevik, Summit Partners. According to JH, these Jumia stakeholders belong to two types of investors: i) "strategic investors" as they have business in Africa and ii) "financial investors" that are waiting for financial Return On Investment. Concerning "strategic investors", we notice the pragmatism of these shareholders very much imbricated in the business model of Jumia. For instance, concerning Millicom and Mobile Telephone Networks (MTN): "*The rule in ecommerce is that it's always easier to get people to shop online if they're already online. So we emphasize online channels for marketing. Another aspect is that of our largest investors are telecommunications operators Millicom, which owns the Tigo brand, and MTN. Together - in 2014 - they have more than 250 million subscribers in Africa. This gives us a point of differentiation, because we market through with them to give their customers* *access to our Website*" dixit JH. Among them shareholders such as Pernod Ricard, Mastercard, Orange or Axa have also directly imbricated their activities with Jumia businesses. For instance, Jad Aris, Managing Director of Axa in the Middle East, Gulf and Africa, said about Jumia:"[...] *We want to leverage its large customer base [more than 1 million in West Africa] to distribute insurance products through Jumia's various platforms*". Since 2016, Jumia has been distributing Axa's mobile phone insurance. Moreover Pernod Ricard has tested successful operational partnership with Jumia such as *Jumia Party* before becoming a shareholder. Jumia and Mastercard first partnered in 2016 with the successful launch of Mastercard Payment Gateway Solutions in several markets. Mastercard had also supported Jumia in the launch of *JumiaPay*. Mastercard became a shareholder of Jumia in March 2019. This investment highlights the strategic synergies between the two companies, as both seek "*to develop the payments ecosystem and drive financial inclusion across Africa*" dixit SP.

<u>*Conventions*</u>: Across Africa, Jumia, Uber, Souq, Thundafund, Travelstart and many marketplaces are beginning to create jobs, offer new opportunities for workers and generate higher incomes. The question of whether such platforms cannibalize the income of traditional physical stores and minimize the social protection of workers remains a source of heated debate in many countries around the world. However, in Africa, where both the trade sector and the labour market remain largely informal, numerous economic actors say the potential disadvantages of the rapid expansion of online markets are negligible and the potential gains significant. <u>*Ecosystem*</u>: The first obstacle to the development of online sales remains the low Internet access of the African population (only 26%). Jumia notes that different users may be registered and have access to Jumia from a unique mobile phone and also from their workplace. Huawei has built more than 70% of the continent's 4G networks and is already testing 5G technology with MTN group, Vodacom and Maroc Telecom. Transsion, also a Chinese company, is flooding the African continent (30% market share) with mobile phones designed for emerging markets. In 2017, Transsion was already adapting its strategy and offer to local markets with designed but cheap mobile phones, long-lasting batteries, very durable displays, several SIM cards to access several networks and possibility for different SD cards to optimize storage. By 2020, according to Deloitte, 660 million Africans are expected to be equipped with a smartphone, representing more than half of the continent's population. The digital practices of Africans are therefore ahead of schedule. In Ivory Coast, almost all water and electricity services are paid by telephone. In Kenya, 50% of financial flows go through telephony, a world record. "*Mobile banking is perhaps one of the most notable cases of African technological leap*" says Le Moci in his special series on Africa in December 2018. Jumia is the first e-commerce website in Africa, a continent from which Amazon (only present in Egypt through its subsidiary Souq, based in Dubai) and the Chinese giant Alibaba are both absent. In fact, Jack Ma, leader of the Alibaba group, and P. Kagame, President of the Republic of Rwanda, jointly launched the first e-commerce platform for electronic products on October 2018. Will Alibaba go to Africa? **Secondly**, by deciphering this business model of Jumia we decide to propose our own interpretation of this business model by describing its advantages and its limits.

Advantages of the Jumia business model: Globally, the Jumia business model "born" in Nigeria has reduced risks with a veloce pan-African approach. Firms that have bet on a specific market such as Nigeria lost all when sudden drop in oil price in 2014 sent Nigeria's economy and currency into a tailspin. Locally, the Jumia business model is anchored in the social and economic realities of African people. Previously we have already shared two examples: i) Jumia tries to educate potential consumers to order on-line thanks to Jumia "the online shop you can trust". With the « JForce sales program » built by Jumia, housewives or students can generate complementary revenues by helping people in the street to order products online thanks to mobile phones or Wi-Fi connected tablets. ii) Jumia used to recruit its own drivers and deliverers for the delivery. Today, 80% of its deliveries are made by independent companies, often created by former employees Jumia can trust. Former employees become independent business owners. This is important as in 2019, 50% of products sold on Jumia are delivered outside big cities and up to 30% in isolated areas.
Limits of the Jumia business model: - The business model of Jumia is based on a "blitzcaling" model. This model of growth based on an obsessional growth at any cost is looking for monopoly. This "winner-takes-all" approach is today much put into question. At December 31, 2018, Jumia had cumulated loss for a total amount of €862 million. Will Jumia be really profitable on the long run? According to Citi bank that had coordinated its IPO, Jumia will need to rapidly grow gross merchandise volume while controlling expenses to be able to break even by 2023. Morgan Stanley had also coordinated its IPO and predicts that Jumia will only post a profit at the EBITDA level (earnings before interest, taxes, depreciation and amortization) in 2024, and will have positive free cashflow in 2027. - MTN Group Limited, its largest shareholder, said early 2019 that it will divest soon its stakes. MTN has said that a planned IPO of its Nigerian unit is on hold until a $ 2 billion tax dispute with the Nigerian authorities is resolved. That's why Jumia IPO on the NYSE has been qualified as unusual. One of the strengths of Jumia business model was that Jumia was able to find shareholders especially in the telecoms sector, that were willing to put a lot of money into it and give themselves time before they could see profitability. For a telecom operator, waiting ten, fifteen, twenty years before receiving profits is not shocking, it is also what happens when they have to develop telephone networks, they are used to it. Still there are potential fragilities of the Jumia business model if MTN decides to divest its stakes. - IPO in NYSE means to be linked with the US markets. But economic experts such as Nouriel Roubini, Robert J. Shiller, Nassim Taleb warned since late 2018 for a US economic fragility and potential recession in 2020. To be economically linked with US markets is to forget why western economies had looked at African economies mainly since 2010 confirmed by McKinsey Global Institute (2010). - In May 2019, Citron Research, a financial analysis firm, accused Jumia - on the basis of a "*confidential publication*" obtained by the firm - of having presented the stock exchange authorities results that did not conform to reality in order to access the NYSE. "*In order to raise more money from investors, Jumia inflated its active consumers and active merchants figures by 20-30%"* (Citron Research, 2019). In 2019, May 7 Morgan Stanley estimated that only 50% of currently active Jumia buyers return to the platform within 12 months. Fraud may be possible but interviews we made

of business actors in Africa confirmed that highest reactivity in markets in the world are in Africa and potential exponential sales exist since the need is real and loyalty to brand they can trust is high. On March 2019, you can read on the website https://group.jumia.com that "*e-commerce is nascent in Africa and accounts for less than 1% of total retail volumes. However, there are over 400 million internet users across the continent – amongst the largest in the world – which highlights the vast potential for growth"*. This may appear unreal for those who have never met business in Africa. Still it is interesting to have a look on these accusations of fraud. "*The most disturbing disclosure that Jumia removed from its F-1 filing was that 41% of orders were returned, not delivered, or cancelled"*. Instead, Jumia disclosed in 2018 :*"orders accounting for 14.4% of our GMV (Growth Merchandise Volume) were either failed deliveries or returned by our consumers*" (Citron Research, 2019). On one side, these numbers have to be confirmed but if they are verified this may question the major difficulties for Jumia to be profitable even on the long run. On the other side, the founder of Citron Research - Andrew Left, a controversial analyst - has been quoted in several short selling cases, a technique used to make interesting capital gains by selling falling shares. In 2016, a Chinese court had banned him from operating in Hong Kong for five years because of "*false and misleading*" allegations (Monnet, 2019). This is not the first time Jumia's reputation has been attacked. In Nigeria, in the city of Port Harcourt on 2017, Chukwuma Eleje was delivering for Jumia as a third-party logistics partner. He went out on what seemed like a routine delivery trip but he never returned home. Unable to pay for items ordered under the payment on delivery option, three persons allegedly killed Eleje. "*Eleje's gruesome murder has highlighted security challenges delivery men face and has kicked off a debate about the payment on delivery option for online retail businesses in Nigeria. Asides the murder in Port Harcourt, there have been other reports of delivery men involved in incidents of robbery and intimidation by customers. For businesses, there's also the risk of incurring the cost of delivery trips for unconfirmed orders*" (Kazeem, 2017). Another e-business owner offering free delivery service in Nigeria explains the dark reality that e-commerce businesses are facing: "*Outside of that, traffic, accidents, LATSMA, area boys, we face all of that. Because of them, we had to rip our branding off our vehicles. We've had situations where police have impounded our vans for no real reason and some even taking our drinks, on duty. I know Konga and Jumia face the same things*" (Matuluko, 2015).

Implications for theory and/or practice and how the findings can be implemented

We provide recommendations for Jumia. But concerning entrepreneurship and small businesses in Africa, some experts in Europe would say that to export in Africa is not for small businesses except for intrapreneurs coming from major companies. For instance, small businesses may be dependent on particular market. Lacking of resources they may have difficulties to sustain a pan-African approach. Moreover major companies may obtain insurances to face uncertainties. Obviously it cannot be the same for small firms. But according to Leke *et al*. (2018 : 26) small businesses may grow quickly: "*if you are a big thinker and a risk taker, and if your business plan is compelling enough, you'll find a legion of investors and supporters ready to help you grow*". But still "a chain of actors you can trust" is much recommended.

Limits of the research

The purpose of a case report is not to represent the world, but to represent the case (Stake, 1994). The main criterion why we have chosen Jumia as a case is the opportunity to learn. Still Jumia is a dynamic object of study evolving rapidly now in 14 countries. Therefore, at this stage of our research, our research has many limits. First, if we have contacts with Jumia employees in order to meet them in the next few months in Paris, we haven't yet met directly any employees of Jumia. We haven't yet met the two founders JH and SP themselves even if we watched numerous interviews of SP and JH given to on-line media. Secondly, even if according to us the quality of information on internet in Africa is increasing, mainly of our gathered data are based on secondary sources with 63 articles from online newspapers and books. Therefore it is a challenge to continuously update our information and at the same time reinforce triangulation of these information. The validity of the case will be reinforced only thanks to even more redundancy of rigorous data gathering and access to primary sources. A the same time we are looking for a theoretical framework.

Conclusion

We have suggested to discuss the following research proposal: if African organizations start as transposed artifacts, the ones that are sustainable over time are those that tend to evolve toward stability and become constructs marked by in situ actors within a chain of trust. What we have specifically learned from this single case Jumia appears relevant to discuss this research proposal. If the Jumia story started with Rocket Internet duplicating Alibaba and Amazon on the African continent, Jumia has since evolved from a transposed artefact to a unique African unicorn. JH explains that at the beginning "*we believed we need to control the value chain from A-Z*", because nothing was existed and because they also believed they could not delegate to independent actors out of Jumia the responsibility to offer the requested high level of service. For instance in Nigeria – with in 2018 a pool of people connected to the web larger than in the USA - Jumia started in 2012-2013 a fully vertically integrated approach as they had built everything from scratch: their own door-to-door delivery fleet, their own call center, their own IT team, their own online marketing team and so on. But still the Jumia approach has evolved over time. They don't try to control everything anymore as they did it at the beginning, "*it is not our vocation*" insists JH. In 2016, a General director of Jumia in Paris explained: "*When you start a new business like e-commerce in a country, some skills do not exist locally in the beginning. We therefore need to inject external skills into the country. These logistics skills or commercial skills do not exist in Senegal, Ivory Coast or any other African country. But today what we are trying to do is to increase the skills of local teams and local set-ups. The long-term goal is to achieve continuity and stability. We have more stability with local people than with expatriates. […] The strategy is for Jumia to be led by the best person possible, I don't care if it's a local or an expatriate. It is a pure meritocracy criterion. And coupled with this meritocratic criterion, there is a second criterion of stability and sustainability. This second criterion favors the locals, as an Ivorian can spend the next 20 years in Abidjan*" (RTI, 2016). According to JH, the Jumia marketplace model is now opened to more and more independent local actors - thousands of sellers providing a sufficient stable offer in terms of price, assortment (stock), and per country pickup stations and more than one hundred small local firms - including family firms - for delivery (including “very last mile delivery”). While providing these local actors technology to operate across Africa, Jumia is now building an ecosystem that brings and self-reinforces stability of business. Within a virtuous circle, trust goes both ways all along of what we could call a whole “*chain of trust*” or “*trust network*”. The more Africans trust Jumia the more Jumia trusts independent actors. In this paper, we consider Jumia as an interesting case as we want to highlight business practices that work in Africa. As an exploratory research, our research work suffers from many limits mostly inherent to a single case study. Therefore we must improve the numbers of case studies dedicated to African firms. We actually work to analyze separately successful pan-African business models from different sectors (among them wine, beer and e-commerce) in order to generate results and some may appear as specific to “African management and practices”. For sure, these ones will have to integrate parameters such as trust building, global level new business skills training, high loyalty for brands, and paradoxically high markets reactivity.

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