

# Loot, AYO and Volt.Africa announce new SMME-focused online marketplace

A new online marketplace to help small to medium enterprises (SMMEs) access the rapidly growing digital retail sector in Africa will launch by the end of March 2020. The marketplace is the result of a joint venture between South African online retail platform Loot.co.za, integrated digital services agency Volt.Africa and ICT investment company Ayo Technology Solutions (AYO).



From left: Samantha Naidu (CEO Volt.Africa), Khaya Gshe (Secretary General, Black Business Chamber), Howard Flaattjes (CEO, AYO) and Greg Le Roux (CEO, Loot).

In a joint statement released yesterday, the companies said that there is a desperate need to build the entrepreneurial baseline in South Africa to redress the country's shrinking economy. Going digital is one key solution that should be easy to implement, but it isn't always so, as the entry cost for individuals and small businesses to create a presence, trade online and be successful, is a barrier to entry.

Addressing this barrier to entry, and the lack of skilled resources SMMEs may have, AYO, Loot and Volt will team up on a solution that will allow these businesses to have a one-stop shop to penetrate the online retail market in the consumer sector. The SMMEs will also gain access to a support structure from each of the companies involved, to help them maintain and grow their respective businesses.

"The marketplace will give these businesses the ability to scale and effectively penetrate a previously inaccessible market by enabling them to transact directly with consumers through their digital shop window," stated the press release.

The new online marketplace will have a home on the Loot retail platform from which qualifying businesses can showcase their products and services. Loot, which already has a well-established presence in the digital retail sector, will create an online store for each business and further aid them with a host of behind the scenes practicalities, such as stock monitoring and marketing access to a pre-existing audience.

AYO, through a subsidiary with its skilled engineers and software developers, will create the supporting network and ICT infrastructure. The core services will include cloud computing, connectivity, as well as data management. Volt.Africa will provide the marketing know-how and wherewithal to reach more people and create a presence for the store – via multiple digital platforms (web, mobile, apps, etc), a range of integrated digital solutions and its network of publishers.

The partnership agreement was struck on 3 March 2020 and will be effective immediately with the first stores set to go live by the end of the month.

## Boosting SA's economic growth

Greg Le Roux, CEO of Loot remarked on the venture saying: “South Africa’s long-term economic growth will more than likely come from the entrepreneurial and SMME sector. With access to the right platforms, markets and tools, today’s small business could well be tomorrow’s superstore and we aim to be their economic architect of choice.”

While online marketplaces in South Africa currently represent only 2-3%, globally, figures show that upwards of 17% of retail transactions are conducted online. Consequently, as connectivity continues to be rolled out across South Africa and the continent as a whole, it is expected there will be a correlation in the number of consumers and businesses in the region transitioning to buying and selling online.



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Kirsten Dewar 8 Jan 2020



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Amazon and Alibaba currently generate 70% of their revenue from online marketplaces and not from B2C. Howard Plaatjes, CEO of AYO explains the business case for the partnership: “It makes complete commercial sense for Ayo and our associates to develop and implement an online marketplace that is specifically aimed at helping SMMEs grow. It contributes not only to the companies’ own upward trajectory but also enables sustainable contributions to the national fiscus. It is a win-win for all, and we look forward to realising its potential.”

The first phase of the marketplace roll-out is being done in conjunction with the Black Business Chamber (BBC).

Khaya Cishe, Secretary General of the Black Business Chamber (BBC) commented: “This digital marketplace is an exceptional opportunity for our more than 2,000 business-strong membership to potentially enter the mainstream market and grow. Not only that, but this is a call to action for other startups to show they can have the support of established digital operators to access a broader market. It inspires business confidence and we wholeheartedly support this.”