

URL: <https://stvp.stanford.edu/clips/marketplaces-operate-on-trust>

Jumia Nigeria chairwoman Juliey Anammah explains that in Jumia's early days, the biggest challenge the company faced was gaining the trust of both buyers and sellers. She describes some of the measures — including cash on delivery, offline engagement, and recourse mechanisms — that the company used to gain trust.



Transcript

- The hardest thing was, 00:00:07,070 gaining the trust of consumers from the beginning, okay.. I still remember that so...That was the hardest thing.. As you recall we offered and we still offer to some extent a cash on delivery as one of the ways to gain consumer trust, yes.. We invested a lot in offline engagement, we have a JForce agent network, also to educate consumers and win their trust on the fact that look, if you order it online, it's gonna be safe, your money isn't going anywhere, and Jumia has the systems and policies in place to handle any problem that you have.. So that was number one.. The second one was also convincing sellers, of a marketplace model.. I mean, they've been used for decades to retail.. So you come to me, you pay for it, I give it to you and that's it we're done, right? But here's a marketplace model that I say, list the products and I'll pay you as you sell, that's a completely different mindset.. So those were...(laughs)I would say the tougher areas, but over time we built that trust also on the seller side, and now we have a very vibrant marketplace..