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Digital Platforms, Fintech and Market Access for African Small and Medium Enterprises: A Theoretical Framework of Intermediation, Dependence and Value Capture

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ABSTRACT

Digital platforms and financial technology (fintech) services promise African small and medium enterprises (SMEs) access to customers, payments and credit that traditional intermediaries rarely provided. Existing research, however, is largely empirical and adoption-oriented; it documents access gains but seldom explains who captures the value that access creates, and platform-strategy theory has rarely been applied to settings in which platforms also supply payments and credit and offline markets remain large. This study aims to develop a theoretical framework explaining when platform and fintech participation raises or lowers the share of value captured by African SMEs. It adopts a conceptual, theory-building design that combines an integrative review with propositional theorising. The evidence base comprises 57 peer-reviewed journal articles published between 2023 and 2026, drawn from platform economics, digital intermediation and ecosystem governance, and research on fintech adoption and SME outcomes in Africa, each verified against its Crossref publisher record and screened for retractions; the sources were coded thematically and synthesised through resource-dependence and bargaining logic, with the Nigerian payments and e-commerce landscape as the anchoring case. The analysis distinguishes three functions platforms perform for small firms (matching, trust provision and financing) and shows that each creates a corresponding dependence: algorithmic dependence on ranking, reputational dependence on non-portable ratings, and informational dependence on the platform's data about the firm. A bargaining model specifies SME bargaining power as decreasing in multi-homing cost and increasing in data portability and the value of offline alternatives, and yields seven testable propositions, including a rise-then-compress trajectory for SME margins as platform-specific assets accumulate and a bundling effect whereby super-apps combining commerce and finance capture a larger share of SME surplus. Nigeria's 2023 cash shortage illustrates how a collapse in offline alternatives shifted bargaining power toward digital intermediaries. The study recommends payment and wallet interoperability, portability of firm-level transaction and reputation data, proportionate competition rules on self-preferencing, parity clauses and fee transparency, and deliberate multi-homing and collective organisation by SMEs.

Keywords: digital platforms; fintech; small and medium enterprises; market access; platform dependence

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1. INTRODUCTION

Small and medium enterprises (SMEs) dominate employment and enterprise counts across Africa, yet most of them sell into thin, fragmented markets and finance themselves from retained earnings, family and informal lenders. Two structural constraints recur in the literature: the cost of finding and convincing distant customers, and the cost of obtaining payment services and credit from formal intermediaries that cannot observe the firm's cash flows. Digital platforms and financial technology (fintech) promise to relax both constraints at once. Marketplaces and social-commerce channels lower search costs; ratings, escrow and dispute rules supply trust between strangers; and mobile money, agency banking and app-based lending turn a firm's digital transaction history into a basis for payments and credit (A. Agarwal & Assenova, 2024; Avom et al., 2023). Firm-level studies report that digital payments improve informal business performance and widen trade credit (Abdulai et al., 2024; Hassan, 2024), and cross-country evidence associates fintech growth with greater digital finance for SMEs and entrepreneurs (Sanga & Aziakpono, 2025).

The optimistic account, however, mostly answers the question of access. It says much less about who captures the value that access creates. Research on platform ecosystems shows that platforms arise to cure market failures but then generate their own distributional failures (Jacobides et al., 2024), that orchestrators hold economic, technological and regulatory power over complementors (Simone et al., 2025), and that control over the algorithmic allocation of attention allows platforms to extract rents from sellers (O'Reilly et al., 2024). African evidence points in the same direction: reviews of mobile money find that its benefits flow disproportionately to strata above the poorest and to external stakeholders (Osabutey & Jackson, 2024), while ethnographic work in Nigeria documents coercive enforcement and "algorithmic extortion" in app-based lending (Jalal-Eddeen, 2025, 2026a). Nigeria's 2022–2023 currency redesign, which created acute cash scarcity, accelerated small firms' migration into fintech-mediated payments and credit and thereby deepened their reliance on private digital intermediaries (Jalal-Eddeen, 2026b).

Three gaps follow. First, the African fintech literature is predominantly empirical and adoption-oriented; a recent systematic review of 91 studies identifies a theoretical deficit and calls for frameworks that explain processes and outcomes rather than antecedents of use (Kansheba et al., 2025). Second, the platform-strategy literature theorises complementor dependence richly but almost entirely in the context of app stores, video platforms and large Western marketplaces (Abolfathi, 2026; Kapacinskaite & Mostajabi, 2024), with little attention to settings where platforms also supply payments and credit and where offline markets remain large. Third, the emerging African competition-policy debate (Bietti et al., 2026) lacks a firm-level theory that links specific platform functions to specific forms of SME dependence and, through them, to policy instruments.

This paper addresses these gaps with a theoretical framework. Its objective is to explain when participation in digital platforms and fintech services raises or lowers the share of value captured by African SMEs. It asks three questions: (i) What distinct intermediation functions do platforms perform for small firms? (ii) What form of dependence does each function create? (iii) Which conditions determine SME bargaining power and hence the evolution of SME margins over time, and how can public policy alter those conditions? The paper answers them by developing a matching–trust–financing framework, a dependence-and-bargaining-power model, seven testable propositions and a set of policy implications, using the Nigerian payments and e-commerce landscape as the anchoring case.

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2. LITERATURE REVIEW

2.1 Conceptual Review

Digital platforms are digital infrastructures that enable interaction between two or more groups of users and that govern those interactions through rules, interfaces and algorithms. Their value rests on network effects, but the value of network effects in turn depends on the quality of matching, which is determined by the platform's algorithm and its data-driven learning (Chen et al., 2026). In this paper the term covers e-commerce marketplaces, social-commerce channels, ride-hailing and logistics platforms, and the payment and wallet "super-apps" that increasingly bundle commerce and finance.

Fintech refers to technology-enabled financial services provided by non-bank firms, banks or platform owners, including mobile money, agency banking through point-of-sale (POS) agents, instant payments and digital lending. Fintech overlaps with platforms when payment providers become multisided intermediaries that certify users through data and aggregate distributed services (A. Agarwal & Assenova, 2024).

Market access is the SME's ability to reach customers, suppliers and financiers on terms that allow profitable exchange. It has a demand-side component (being found and chosen), a trust component (being believed) and a financial component (being paid and financed).

Platform dependence is a condition in which an SME's revenue, reputation or financing relies on a platform for which it lacks adequate substitutes. Following resource-dependence reasoning applied to platforms, dependence is power-imbalanced when the platform is a necessary gateway while the individual firm is substitutable for the platform (Ciaburri et al., 2026).

Value capture is the share of the surplus generated by platform-mediated exchange that the SME retains after commissions, advertising and visibility fees, payment charges and credit costs. Platform rents are not homogeneous: some reward innovation, while others reflect monopoly positions (Simone & Laudando, 2025). The concern of this paper is the portion of SME surplus that the platform can appropriate because the firm cannot credibly exit.

2.2 Theoretical Review

Platform economics and ecosystem theory. Platforms coordinate interdependent actors whose complementarities a market or hierarchy would coordinate poorly. Jacobides et al. (2024) show that such structures resolve particular externalities but create endogenous functional and distributional failures. Theories of platform power extend this point: orchestrators' economic, technological and regulatory power reinforce one another through feedback loops (Simone et al., 2025), and platform owners act as rule-makers and beneficiaries at once, which can weaken sellers relative to consumers (Tang & Yin, 2026). The theory of algorithmic attention rents locates a key source of power in the platform's ability to allocate user attention algorithmically and to monetise that allocation (O'Reilly et al., 2024).

Resource-dependence and bargaining theory. Resource-dependence theory predicts that power accrues to the party controlling resources that the other party needs and cannot easily replace. In bargaining terms, each party's share of joint surplus rises with its outside option. Applied to platforms, the SME's outside option is determined by its ability to multi-home, to carry its assets (reputation, data, customer relationships) elsewhere, and to sell offline. The economics of switching costs and compatibility shows that incompatibility can be chosen strategically to soften future competition and lock users in, and that data portability lowers switching costs but does not by itself guarantee better outcomes (Jeon & Menicucci, 2024; Jeon et al., 2023).

Institutional-void theory. In emerging economies, platforms partially substitute for missing market institutions such as credit bureaus, contract enforcement and quality certification (A. Agarwal & Assenova, 2024). Platform governance in such voids may be enabling or coercive (Ciulli & Saka-Helmhout, 2024). The implication is double-edged: the more a platform fills a void, the more valuable it is to SMEs, but the fewer alternatives the SME has. This theoretical tension anchors the framework developed below.

2.3 Empirical Review

Matching and algorithmic visibility. Evidence from large marketplaces shows that the platform's choice

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architecture decides which sellers win. The introduction of an algorithmic "buybox" increased orders and reduced search frictions for sellers but concentrated the marketplace (Gallino et al., 2025). Platforms use promotion and endorsement strategically to shape which complementors grow (S. Agarwal et al., 2023). When a platform owner enters with a private-label substitute that its own search and recommendation systems can promote, third-party sellers subsequently reduce participation and investment (Zheng et al., 2026). Listing independent restaurants on delivery platforms without contracts raised their takeout revenue, showing how strongly visibility drives small-firm market access (Mayya & Li, 2025). The welfare effects of self-preferencing remain contested, however (Etro, 2024).

Trust and reputation. Reputation systems lower adjudication costs and raise buyer trust, but the benefits accrue mainly to consumers and the platform while negative externalities fall on providers (Christiaens, 2025). Ratings are subject to strategic manipulation, reciprocity, selection bias and noise (Sterner, 2026). Seller ratings depend partly on platform-provided services: adopting platform fulfilment raised short-term ratings, with larger sellers gaining most (Etumnu & Foster, 2026). Where the platform enforces its rules inconsistently, sellers' trust erodes and misconduct spreads (Gawer & Harracá, 2025).

Financing and fintech in Africa. Mobile money adoption raises financial inclusion across African countries (Avom et al., 2023) and fintech is associated with greater access to loans (Olaoye et al., 2024). A randomised trial with Kenyan SMEs found that e-payment adoption increased access to mobile loans and reduced sales volatility but did not raise sales or profits (Dalton et al., 2024). In Ghana, digital payment use raised the probability of giving and receiving trade credit (Abdulai et al., 2024), and mobile money and QR-code payments improved SME performance, conditional on firms' dynamic capabilities (Ledi et al., 2023). Physical agents remain the trust and onboarding layer for digital finance (Johnen et al., 2023). Alternative credit from fintech and BigTech lenders substitutes in aggregate for bank lending in Sub-Saharan Africa (Mashamba & Gani, 2024). Digital credit carries risks: many Malawian borrowers did not understand loan terms and paid substantial late fees (Brailovskaya et al., 2024), although local digital lending has also been associated with reduced deprivation in Kenya (Tetteh, 2023). Open-banking regimes, by contrast, enable small firms to form new lending relationships by sharing their data with entrants (Babina et al., 2025).

Multi-homing and outside options. Complementors with an outside option on another platform shift effort away from a platform that enters their segment, whereas single-homing specialists cannot (Kapacinskaite & Mostajabi, 2024). Multi-homing also produces learning that improves performance on the home platform (Polidoro & Yang, 2024) and allows complementors to move from mutualism to commensalism, escaping platform governance (Gastaldi et al., 2024). Multi-homing is not costless: when competition between platforms intensifies, multi-homers may reduce investment (Abolfathi, 2026). Where exit is costly, complementors have used collective, non-market strategies to force changes to platform rules (Huber et al., 2026).

Synthesis of the gap. The empirical record shows clear access gains, persistent distributional concerns and a strong role for outside options, but these findings sit in separate literatures. No framework yet links the specific functions platforms perform for African SMEs to the specific dependencies they create and to the bargaining conditions and policies that govern value capture.

3. MATERIALS AND METHODS

Research design. The study adopts a conceptual, theory-building design. It is non-empirical: no primary data were collected and no statistical tests were performed. The design combines an integrative literature review with propositional theorising, in which constructs are defined from the literature, relationships among them are reasoned from established theory, and the resulting relationships are stated as falsifiable propositions. The Nigerian payments and e-commerce landscape serves as an anchoring case that illustrates the mechanisms and grounds the policy discussion; it is used illustratively rather than as an empirical test.

Evidence base and population of sources. The population of interest was peer-reviewed journal literature on (a) platform economics and platform–

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complementor relations; (b) digital intermediation, reputation systems, ecosystem governance, data portability and digital competition regulation; and (c) fintech, mobile money, digital credit and SME outcomes in Africa, with emphasis on Nigeria. Candidate articles were identified through the OpenAlex and Crossref databases, RePEc/IDEAS and general web search, using combinations of terms such as "complementor", "multihoming", "platform dependence", "self-preferencing", "reputation system", "data portability", "open banking", "mobile money", "digital credit", "SME" and "Africa/Nigeria".

Inclusion and exclusion criteria. Articles were included if they (i) were peer-reviewed journal articles; (ii) were published, in print or online, between 2023 and 2026; (iii) addressed one or more of the three themes; and (iv) could be verified against their Crossref publisher record. Preprints, working papers, conference proceedings, book chapters and items in outlets of questionable editorial standing were excluded, as were articles whose abstracts could not be retrieved and assessed. Each retained record was checked for authors, title, journal, volume, issue, pagination or article number and DOI, and screened through Crossref's update and relation metadata for retractions, corrections and expressions of concern; none of the cited articles carries such a notice. Fifty-seven articles satisfied these criteria, of which those cited in the text form the reference list. Three Nigerian legal and regulatory instruments are cited as primary sources for the case description.

Analysis. Retained articles were coded thematically against the three platform functions (matching, trust provision, financing), the corresponding forms of dependence, the determinants of outside options, and outcomes for value capture. Relationships were then reasoned through the bargaining logic summarised in Equations (1)–(3), and propositions were retained only where (a) at least one theoretical mechanism and (b) at least one strand of empirical evidence supported the direction of the relationship. The bases of judgement were theoretical consistency, empirical plausibility, parsimony and testability.

Trustworthiness. In lieu of instrument reliability and validity, the study relies on transparency of the source-selection rules, verification of every reference against publisher metadata, triangulation across three literatures, and explicit statement of boundary conditions. The constructs and suggested measures in Table 1 are offered to support future operationalisation.

AI usage disclosure. Generative AI tools were used to assist with literature searching, metadata verification, structuring and language editing. All sources were checked against publisher records, and the author(s) reviewed, revised and take full responsibility for the arguments and content.

Table 1. *Constructs, definitions and suggested measures*

Construct	Definition	Suggested measure
Algorithmic dependence	Reliance of SME demand on platform search, ranking and recommendation	Share of orders arriving via platform search or recommendation; visibility spend as % of sales
Reputational dependence	Value to the SME of platform-held, non-portable ratings	Rating count and tenure on focal platform; sales lost when relisting elsewhere
Informational dependence	Platform's exclusive observation of SME transaction data used for credit	Share of SME credit from the platform lender; whether data can be shared with other lenders
Multi-homing cost (c_m)	Cost of operating on, or switching to, an alternative platform	Number of platforms used; set-up, listing and integration costs
Data portability (φ)	Degree to which ratings, sales and transaction data can be transferred	Scope of export/API rights; legal coverage of firm-level data
Offline alternatives (R_{off})	Net revenue available from offline or direct channels	Share of sales through offline or direct channels
SME value capture	Share of platform-mediated surplus retained by the SME	Net margin after commissions, advertising, payment and credit costs, by tenure

Source: Author's synthesis.

4. RESULTS AND DISCUSSION

4.1 RESULTS

The "results" of a theory-building study are the framework, model and propositions it derives. They are presented in four steps: the three intermediation functions, the dependence each creates, the bargaining-power model, and the propositions, followed by the Nigerian anchoring case. Figure 1 summarises the framework.

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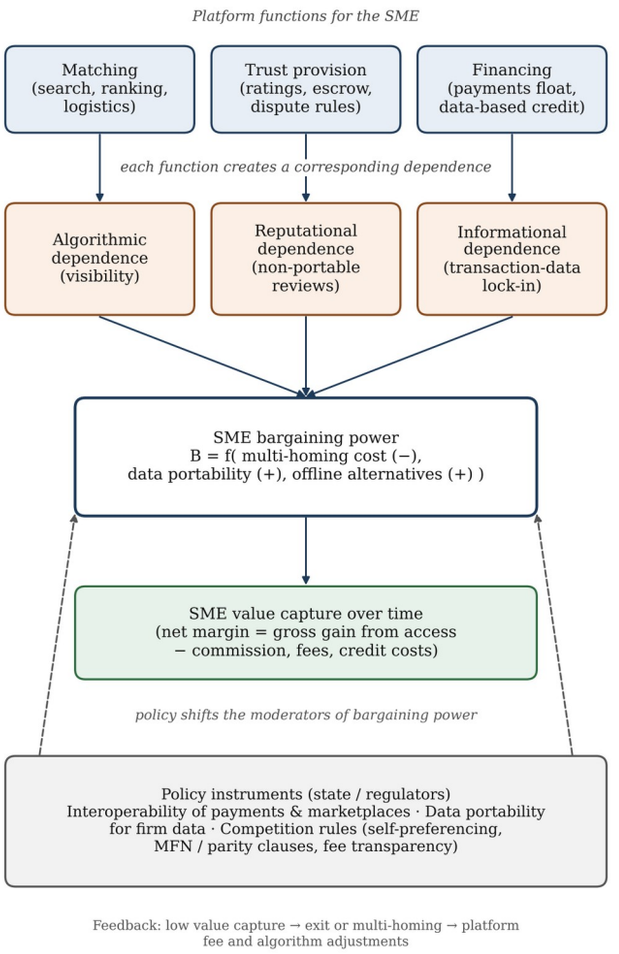


Figure 1. *The matching–trust–financing framework of platform intermediation, dependence and SME value capture.*
Source: Author's conceptualisation.

4.1.1 Three intermediation functions and three dependencies

Matching. Platforms reduce the search costs that keep SMEs confined to local buyers. Search, ranking, recommendation and integrated logistics give the firm visibility it could not buy individually. The corresponding form of dependence is *algorithmic dependence*: once a growing share of demand arrives through the platform's ranking, the firm's revenue becomes a function of a rule it neither sees nor controls. Control of attention is precisely what enables platforms to charge for visibility through advertising, promoted listings or preferential placement (O'Reilly et al., 2024), and to redirect demand toward their own offerings (Zheng et al., 2026).

Trust provision. Platforms make strangers willing to transact through ratings, escrow, buyer protection and dispute resolution, substituting for weak contract enforcement (A. Agarwal & Assenova, 2024). The corresponding dependence is *reputational dependence*. A firm's accumulated ratings are a valuable asset, but one held on the platform's servers and usually non-portable. The longer the firm trades, the larger this sunk asset becomes and the costlier exit is, because a rival platform or offline buyers do not recognise it. The platform also writes and enforces the rules by which reputation is earned and lost (Christiaens, 2025; Tang & Yin, 2026).

Financing. Payment platforms convert transaction flows into data that certify the firm's creditworthiness and support working-capital loans, merchant advances and trade credit (Abdulai et al., 2024; Dalton et al., 2024). The corresponding dependence is *informational dependence*. Because the platform alone observes the firm's full transaction history, it acquires an informational advantage over competing lenders. This is the logic of informational hold-up: the firm's creditworthiness is visible only to the incumbent intermediary, which can therefore price credit above the competitive level. Where data cannot be shared, the firm's "credit identity" is locked in (Babina et al., 2025).

The three dependencies reinforce one another when a single platform bundles them. A super-app that hosts the storefront, processes the payments and extends the loan sees the firm's demand, reputation and cash flow simultaneously, so that leaving it means losing visibility, reputation and credit at once. Table 2 sets out the framework.

Table 2. *The matching–trust–financing framework*

Function	SME benefit (access)	Dependence created and value-capture lever
Matching	Visibility to distant buyers; lower search and logistics costs	Algorithmic dependence: visibility fees, promoted listings, self-preferencing
Trust provision	Credibility with strangers through ratings, escrow and dispute rules	Reputational dependence: non-portable ratings raise exit costs and sustain higher take rates
Financing	Payments, float management and data-based working capital	Informational dependence: hold-up, with credit priced above the competitive level
Bundled (super-app)	One-stop access to demand, trust and credit	Complementary dependencies: exit forfeits visibility, reputation and credit at once

Source: Author's synthesis.

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4.1.2 The dependence-and-bargaining-power model

Let V denote the joint surplus generated when an SME transacts through a platform, and let the SME and platform divide it by bargaining, either explicitly or implicitly through the platform's take rate and fees. In a generalised Nash bargain, the SME's payoff is

$$u_S = d_S + \beta\,(V - d_S - d_P) \tag{1}$$

where d_S and d_P are the disagreement (outside-option) payoffs of the SME and the platform, and $\beta \in (0,1)$ is the SME's bargaining weight. Because a platform with many substitutable sellers loses little when any one seller leaves, its disagreement payoff d_P is high relative to the surplus at stake and β is small for an individual SME; the SME's payoff therefore depends principally on d_S. The SME's outside option is

$$d_S = max\{R_{off},\, R_{alt} - c_m - (1 - \varphi)K(t)\} \tag{2}$$

where R_{off} is the net revenue from offline and direct channels, R_{alt} the revenue available on an alternative platform, c_m the cost of multi-homing or switching, $\varphi \in [0,1]$ the degree to which the firm's platform-held assets (ratings, transaction data, customer lists) can be carried to rivals, and $K(t)$ the value of those assets, which grows with tenure t on the focal platform. Bargaining power thus decreases in multi-homing cost and increases in data portability and in the value of offline alternatives:

$$\partial u_S/\partial c_m \le 0;\;\; \partial u_S/\partial \varphi \ge 0;\;\; \partial u_S/\partial R_{off} \ge 0 \tag{3}$$

The model's dynamic implication is central. Early in a firm's platform tenure, $K(t)$ is small and the access gains included in V are large, so participation raises margins. As tenure lengthens, $K(t)$ accumulates; unless φ is high, the term $(1 - \varphi)K(t)$ steadily erodes the platform alternative, leaving R_{off} as the binding outside option. The platform can then raise commissions, advertising requirements or credit spreads up to the point at which the firm would prefer to exit to offline channels. Value capture therefore follows a rise-then-compress path whose slope is governed by c_m, φ and R_{off}.

4.1.3 Propositions

Proposition 1 (matching). Platform participation raises SME gross sales most where offline search frictions are highest; but as the share of demand arriving through algorithmic ranking increases, the share of the SME's gross margin spent on platform visibility (commissions, advertising and promoted placement) also increases.

Proposition 2 (trust). The longer an SME accumulates reputation on a single platform and the less portable that reputation is, the lower its outside option and the higher the take rate the platform can sustain without inducing exit.

Proposition 3 (financing). Platform-based credit priced on proprietary transaction data expands SME access to finance in the short run; but, in the absence of data sharing, the credit spreads paid by long-tenured SMEs will exceed those available to comparable firms whose data are observable to competing lenders.

Proposition 4 (bargaining power). SME bargaining power, and hence the SME's share of platform-mediated surplus, decreases in multi-homing cost and increases in data portability and in the value of offline alternatives.

Proposition 5 (dynamics). SME net margins from platform participation follow a rise-then-compress trajectory when platform-specific assets accumulate faster than outside options improve; the compression is attenuated where portability and interoperability are high.

Proposition 6 (bundling). When matching, trust provision and financing are bundled within one platform, the three dependencies are complementary, so a bundled platform captures a larger share of SME surplus than separate providers of the same services would capture in combination.

Proposition 7 (policy). Interoperability mandates, firm-level data portability and competition rules against self-preferencing and parity clauses raise SME value capture by lowering c_m and raising φ; the effects are largest for small, single-homing firms.

4.1.4 The Nigerian anchoring case

Nigeria illustrates all three functions and their dependencies. In matching, small firms sell through general marketplaces, social-commerce channels and delivery platforms, alongside dense offline markets that remain a meaningful R_{off} for many traders. In trust provision, buyers' reluctance to pay in advance has made escrow, pay-on-delivery and in-app ratings key features of platform commerce. In financing, wallets, agency banking through POS terminals and

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app-based lenders now serve millions of small merchants.

The currency redesign announced by the Central Bank of Nigeria in October 2022 functioned as a natural shock to outside options. Cash scarcity in early 2023 collapsed the value of cash-based offline transactions, so that fintech applications filled the gap with payments and quick loans, while consolidating a hybrid financial realm dominated by fintech firms and intensifying surveillance and extraction (Jalal-Eddeen, 2026b). In the terms of Equation (2), the shock lowered R_{off} abruptly, shifting bargaining power to digital intermediaries. Ethnographic evidence on app-based loans shows the downside of informational dependence: lenders use behavioural and contact data for coercive enforcement, with severe costs to borrowers (Jalal-Eddeen, 2025, 2026a).

The state's own attempt at a public alternative, the eNaira launched in October 2021 as Africa's first central bank digital currency, has not reached critical mass, owing to questions about its legal-tender status, privacy and acceptance (Omotubora, 2024), although it reflects a quest for infrastructural autonomy from externally controlled payment systems (Dafe, 2026). Nigeria nevertheless possesses several of the policy levers the framework identifies: the Central Bank of Nigeria's (2023) operational guidelines for open banking, a statutory basis for personal-data portability in the Nigeria Data Protection Act 2023, and a general competition statute administered by the Federal Competition and Consumer Protection Commission (Federal Competition and Consumer Protection Act, 2018). Each lever, however, was designed for consumers or for general competition enforcement rather than for the bargaining position of small business users.

4.2 DISCUSSION

The framework reconciles two strands of evidence that otherwise appear contradictory. Studies that find substantial access and inclusion gains (Avom et al., 2023; Hassan, 2024; Sanga & Aziakpono, 2025) and studies that find extraction and uneven distribution (Jalal-Eddeen, 2025; Osabutey & Jackson, 2024) can both be right, because they observe different moments in the rise-then-compress trajectory predicted by Proposition 5 or firms with different outside options. The Kenyan trial in which e-payments raised loan access without raising profits (Dalton et al., 2024) fits the model: access to finance rose, but the surplus did not visibly accrue to the firm.

The framework also extends platform-strategy theory into an African setting. The finding that complementors with outside options respond differently to platform encroachment (Kapacinskaite & Mostajabi, 2024) and gain autonomy through multi-homing (Gastaldi et al., 2024) is generalised here into an explicit outside-option function. The setting adds two features largely absent from studies of app stores: the large residual value of offline channels, which can protect SMEs (consistent with the "frictions" that limit platform power; Popiel & Vasudevan, 2024), and the bundling of finance with commerce, which multiplies dependence. In institutional-void terms, the framework clarifies why coercive governance (Ciulli & Saka-Helmhout, 2024) is more likely where the platform fills several voids at once.

The framework is consistent with, but more cautious than, the argument that platform rents are uniformly extractive. Some platform returns reward real innovation and matching efficiency (Gallino et al., 2025; Simone & Laudando, 2025), and the welfare effects of self-preferencing are ambiguous (Etro, 2024). The model locates the concern specifically in the portion of surplus captured *because* the SME's outside option has been eroded by non-portable, platform-specific assets.

Policy implications. Table 3 maps policy instruments to the model's moderators. Interoperability of payment systems and wallets lowers c_m in financing. Portability of firm-level data, covering ratings, sales histories and transaction records, raises φ; open-banking regimes show that shareable financial data help small firms form new lending relationships (Babina et al., 2025), but such regimes require continuous multi-stakeholder standard-setting rather than a single legal act (Dinçkol et al., 2023). Portability and interoperability reduce switching costs but can raise data-security risks, which calls for appropriate liability rules (Kim, 2026; Rubinfeld, 2024). Competition rules addressing self-preferencing, parity clauses and fee transparency target the matching dependence directly and echo the within-platform fairness rationale of the European

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Digital Markets Act (Bostoen, 2023). African regulators are adopting sector-specific pro-competition approaches for digital markets (Bietti et al., 2026; Gumede & Manenzhe, 2023), but transplanting interventionist European models into less mature markets carries the risk of chilling entry (Murgatroyd et al., 2023), and regulation is most effective when it targets platform governance practices directly (Degen & Gleiss, 2025; Heimburg & Wiesche, 2023). Finally, where individual exit is costly, collective action by SME associations can substitute for individual bargaining power, as complementors' campaigns against app-store rules demonstrate (Huber et al., 2026).

Table 3. *Policy instruments, targeted moderators and expected effects*

Instrument	Moderator targeted	Expected effect and trade-off
Payment and wallet interoperability	Lowers c_m (financing)	Low-cost switching among wallets, POS and lenders; needs common standards
Firm-level data portability (ratings, sales, transactions)	Raises φ	Reduces reputational and informational lock-in; security and liability risks
Open banking / open finance	Raises φ (financing)	Rival lenders can price SME credit; requires continuous standard-setting
Competition rules (self-preferencing, parity clauses, fee transparency)	Limits extraction under algorithmic dependence	Protects within-platform fairness; over-broad rules may chill entry
Support for SME associations and offline markets	Raises R_{off} and collective voice	Counterweight where individual exit is costly

Source: Author's synthesis.

Boundary conditions and future research. The framework applies most strongly to small, single-homing firms selling standardised products in concentrated platform markets. It is weaker for firms with strong brands, direct customer relationships or high offline revenues. Each proposition is testable. Propositions 1 and 5 can be examined with seller-level panel data on take rates, advertising spend and margins by tenure; Proposition 3 can be tested by comparing credit spreads before and after open-banking adoption; and Proposition 6 by comparing SMEs on bundled super-apps with those using separate providers. The Nigerian cash shock of 2023 offers a quasi-natural experiment for testing the effect of R_{off} on bargaining outcomes.

5. CONCLUSION AND RECOMMENDATION

Digital platforms and fintech do expand African SMEs' access to customers, trust and finance. But each function that delivers access also creates a corresponding dependence: matching creates algorithmic dependence, trust provision creates reputational dependence, and financing creates informational dependence. Whether SMEs keep the value that access creates depends on their bargaining power, which falls with multi-homing cost and rises with data portability and the availability of offline alternatives. Because platform-specific assets accumulate with tenure, SME margins tend to rise and then compress unless outside options are preserved.

Four recommendations follow. First, central banks and payment regulators should extend interoperability across wallets, POS networks and instant payment systems so that merchants can switch providers at low cost. Second, data-protection and financial regulators should extend portability from personal data to firm-level transaction records and ratings, building on open-banking frameworks such as Nigeria's, with security standards and liability rules. Third, competition authorities should monitor self-preferencing, parity clauses and opaque fee changes affecting small business users, using proportionate, governance-focused rules rather than wholesale transplantation of foreign regimes. Fourth, SMEs and their associations should multi-home deliberately, maintain direct and offline customer channels, and organise collectively when platform terms change.

6. CONTRIBUTION TO EXISTING KNOWLEDGE

The paper makes three contributions. First, it offers a matching–trust–financing framework that disaggregates platform intermediation for SMEs into distinct functions, each paired with a specific form of dependence, moving the African fintech literature beyond adoption toward a theory of outcomes and distribution. Second, it formalises SME bargaining power as a function of multi-homing cost, data portability and offline alternatives, and derives seven testable propositions, including a rise-then-compress prediction for SME margins and a bundling prediction for super-apps. Third, it links these firm-

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level mechanisms to concrete policy instruments (interoperability, data portability and competition rules), giving African competition, data and financial regulators a theoretically grounded basis for shifting value capture toward small firms.

DECLARATIONS

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