Linking SMEs to the world of e-commerce

Lessons from the field

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Stuck outside the shop window
Consensus for action
About the barriers
Angry Birds
My sister, who lives in Paris
United, we are stronger
We have never heard of you
The e-Commerce Caravan
Building the bridge between the physical and digital worlds
Physical catalog

- The products are available for physical interaction and purchase
Digital Catalog

- Interactive touch screen totems for browsing/buying products
ePayments & POS

- Orders can be paid in cash or using cards & wireless payments tools
Why B2C is important, even for African e-commerce retailers
A new strategic initiative for ITC: the “eSolutions Programme”
Appendix
SMEs in developing and least developed countries do understand the potential of developing their exports through electronic channels. However, they encounter great barriers at different levels of the transaction cycle.
The “e-commerce chain”

Establishing online business → International e-payment → Cross-border delivery → Aftersales

Many things need to be in place for the chain to function (4 checklists)
Replication on Marketplaces

Mutualizing access to eMarket Places

Members can use the Coop to legally and technically reach international e-Market places for physical & digital goods
Bringing SMEs onto the e-commerce highway: examples of elements on the checklists

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<td><strong>Firm-level capabilities</strong></td>
<td>✓ Technical knowledge and skills</td>
<td>✓ Sign up for encryption solutions</td>
<td>✓ Effective warehouse organization (handling multiple small orders)</td>
<td>✓ Deal directly with customers abroad</td>
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<td><strong>Immediate business environment</strong></td>
<td>✓ Access to e-commerce platforms</td>
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<td>✓ Effective consumer protection</td>
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The e-commerce chain: many things need to be in place for it to function (4 checklists)

**Checklist: Establishing online business**

**Firm-level capabilities**
- Device to connect to Internet
- Technical knowledge and skills
- Business knowledge and skills
- Language skills
- Ability to create a secure online presence

**Immediate business environment**
- Affordable access to Internet
- Access to registration as vendors on online e-commerce platforms
- Access to skilled labour market

**National environment**
- Simple business registration process with the local authorities
- Easy intellectual property (IP) registration and policies addressing IP infringement
- Solid ICT and electricity infrastructure
- Successful implementation of e-signatures and e-contracts laws

**Checklist: International e-payment**

**Firm-level capabilities**
- Bank account and online banking
- Sign-up for encryption solutions, e.g. SSL certificate
- Knowledge of e-payment solutions

**Immediate business environment**
- Availability of third-party e-payment services provider
- Links between third-party e-payment services provider and local banks to enable local withdrawals

**National environment**
- Functional financial market in line with international standards
- Foreign exchange system allowing free convertibility of currency and regulations on the free flow of currency (current account)
- Adoption of internationally recognized standards
- Regulations on prevention of online fraud and combating cybercrime

**Checklist: Cross-border delivery**

**Firm-level capabilities**
- Effective warehouse organization
- Secure packaging for delivery of goods
- Capacity to handle surges in sales during peak periods
- Access to postal and express delivery services with tracking ability
- Access to warehouses and delivery services at destination

**Immediate business environment**
- Increased transparency on cross-border e-commerce-related customs procedures and rules on the application of duties and taxes
- Application of simplified customs procedures and expedited customs clearance for small parcels
- Increased de minimis threshold for import duty exemption to reduce the burden on the customs authorities
- Mechanisms to ensure freedom and security of cross-border data flows
- Increased efficiency for connectivity infrastructure (for delivery of goods: road, air transport; for delivery of services: encryption technology, Internet bandwidth)
- Modernized national postal services to increase efficiency of delivery

**National environment**
- Consumer rights and rights enforcement
- Adequate infrastructure for implementing and enforcing consumer protection policies
- Appropriate policies for ensuring firms’ adherence to national and international standards on consumer protection
- National initiatives for developing effective online dispute settlement schemes
- Elimination of duties on returned products

**Checklist: Aftersales**

**Firm-level capabilities**
- Effective customer feedback mechanism and customer relations management
- Return or cancellation policies
- Provision of sufficient information to enable consumers to make informed choices, including information on available forms of redress

**Immediate business environment**
- Availability of dispute settlement procedures
- Mechanisms for recognizing the validity of transaction-related records, including delivery records, chat records with salespersons, etc.

**National environment**
- Consumer rights and rights enforcement
- Adequate infrastructure for implementing and enforcing consumer protection policies
- Appropriate policies for ensuring firms’ adherence to national and international standards on consumer protection
- National initiatives for developing effective online dispute settlement schemes
- Elimination of duties on returned products
Emerging international cooperation

- Trends and figures

- International rules for e-commerce (WTO, WIPO, UPU, OECD, ICANN, UNCITRAL, etc)

- Capacity building and sharing best practice
A starting point

• More needs to be done

A starting point for public-private dialogue on what, where, when and by whom
More reading