E-Commerce Business Models and Deployment Strategies in Developing Countries

By: Martin Labbé, Adviser, Web Marketing & Digital Networks
Date: 8 April 2013
My presentation will deal with:

1. Recent e-Commerce trends
2. e-Commerce strategies and business models, which can be applied by SMEs
3. Possible measures to support the uptake of e-commerce by SMEs in developing countries
B2C e-Commerce Sales Topped $1 Trillion for First Time in 2012

http://www.imrg.org
Consumers are increasingly exposed to B2C e-commerce, with a direct impact on retail

Source: OECD
B2C is just the tip of the iceberg… B2B is where the volume is
Social Media is Massive
Is the Future of e-Commerce f-Commerce?
First Steps to Leverage Facebook
Mobile and Tablets enable e-commerce
Online Couponing: the Power of Email Marketing

Groupon - Club Lash Spa – Las Vegas
Lashion Ultra or DIVA Eyelashes with Optional Semi-Permanent Mascara on Lower Lashes (Up to 58% Off)

Value: $125
Discount: 53%
You Save: $66

Buy it for a friend!

Time Left to Buy: 2 days 17:17:43

3 bought
The deal is on!

In a Nutshell
Natural-looking or faux-mink lashes don't fall apart in shower, during workouts, or during sleep.

How far is this from home?

The Fine Print
Expires Oct 31, 2012
Limit 1 per person, may buy multiple as gifts. Valid only for option purchased. Appointment required, subject to availability. 24 hour cancellation notice required. Groupon customers get $20 off their next touch-up. See the rules that apply to all deals.
Groupon Clones

Desktop Computer Dhamaka
12 vibrant models of desktop computers
Starting from Tk. 6,500
Save Tk. 2,000

Vibrant Ladies Tops
Glow with Cotton's exteme of colored tops
Save 20%

Koral Gost
Food Fissio on Koral Gost
30% discount on ALL ITEMS
Save 30%

Tooth Planet
Glittering Smiles with Tooth Planet
Up to 50% off in 5 services
Save 50%

HR Development Training
Training on HR Development in Private Organization of Bangladesh
HR Development training at Tk. 2,400 only!
Save 20%

CRAVE-NX diet aid spray
Lose weight without exercise
1 Day Remaining
Innovation in Group Buying
The Sharing Economy as a Business Model
Getting a Job (done) through Online Marketplaces for Services

Professional iPhone & mobile app designers
Get a custom-made mobile app designed in 7 days, from $599

Host a “design contest” and our community of talented designers will compete to create a mobile app design you love, or your money back!

- You describe your exact requirements
- Dozens of designers submit concepts for review
- You only pay for the app design you like best!

As featured in...
- The New York Times
- WALL STREET JOURNAL
- Entrepreneur

Get started now
Visualizing the Development Potential:
Websourcing is Still Small, but Growing Fast

Source: oDesk
What Tools Can SMEs Use to Get Started?
An Increasing Number of FREE Tools

Source: Freelancer.com
… Or Very Cost-Competitive Tools
Large Internet Companies Support SMEs Willing to Go Online

Get your business online today. It's easy and it's free!

The internet is fast becoming the first place customers go to find information on products and services they want to buy from businesses like yours. Google and friends have come together to help Get Nigerian Businesses Online. We are providing a fast, free and easy end-to-end solution and all the support you need for creating a professional looking website.

Here's what you get:

- **Free** easy-to-build and maintain, professional website
- **Free** matching mobile website
- **Free** .gnbo.com.ng sub-domain
- **Free** website hosting

And when you purchase a customised domain name*

- **Free** email accounts (@yourdomain.com)

Learn more about us and read our terms and conditions.

*Custom domain names can be registered through Upperlink Limited for N650. You will have the option to purchase a custom domain name after your site has been created.
And e-Commerce Solutions Abound!
... With a Growing Number of Packages Provided by Domestic Players, like here in Morocco
Electronic Payment is the Key Enabler
Governments: Enable Electronic Payment
E-Learning Helps People Learn Remotely the Skills Required to Do E-Commerce
Welcome to ITC’s Learning Management System. ITC’s distance learning Programme offer you a series of online courses and access to pragmatic and topical self-study educational material on a wide range of trade related topics.

Login or register

TRADE INTELLIGENCE
Building awareness and improving the availability and use of trade intelligence

RECENT COURSES
Market Analysis Tools
Information Management Learning System
Researching and Analysing New Export Markets

TRADE SUPPORT
Mainstream inclusiveness and sustainability into trade promotion

RECENT COURSES
Foreign Trade Representation

EXPORTER COMPETITIVENESS
Building the export capacity of enterprises to respond to market opportunities

RECENT COURSES
Cotton Contamination Reduction
Supply Chain Management (SCM) Platform
With these tools, everything is possible:
The amardesheshop.com Office in Dhaka (2012)
At made-in-tunisia.net in Tunis (2011)
What Measures Can Be Taken to Support the Development of e-Commerce?
Facilitating the growth of e-commerce

- Legal & regulatory framework
- Interoperability & standards
- Security & trust
- Infrastructure
- Downstream logistics
- Culture & skills
- E-payment
- Finance

< E-Commerce Ecosystem >
<table>
<thead>
<tr>
<th>Country</th>
<th>Identify 3 Problems</th>
<th>Suggest solutions to address the problems</th>
</tr>
</thead>
<tbody>
<tr>
<td>El Salvador</td>
<td>Lack of confidence, connectivity, high prices</td>
<td>create legal framework, establish suitable infrastructure</td>
</tr>
<tr>
<td>Ecuador</td>
<td>Communication &amp; diffusion, lack of supply, security</td>
<td>continuous improvement of exporters directory, online shopping platform with video conference</td>
</tr>
<tr>
<td>Nicaragua</td>
<td>little habit to read the terms of use, legislation</td>
<td>improved platforms for better use of websites, implementation of legal frameworks</td>
</tr>
<tr>
<td>Uruguay</td>
<td>lack of trust, customs (different cash culture), supply</td>
<td>improve connectivity, security infrastructures &amp; digital government</td>
</tr>
<tr>
<td>Cuba</td>
<td>unilateral measures, discriminatory and limited access to public internet sites</td>
<td>refuse and eliminate discriminatory unilateral procedures which apply PEDs</td>
</tr>
</tbody>
</table>
Examples of support measures, which can be taken by a TSI

- Transactional marketplace
- Transactional website builder
- eMentoring (human)
- Business matching (human)
- Marketplace with trade leads (no transactions)
- Enhanced directory with catalogues

Directory
Case Study 1: USAID’s e-Biz Box II and IFC’s SME toolkit

+ Menu approach
+ Pragmatic
+ Easy to set-up
+ Comes with training

-Vendor issue

-BUT:
- great starting kit
- leverage private-sector support
Case Study 2: Donor-sponsored e-marketplaces

+ 4-year project with field workers to mobilize SMEs
+ Horizontal, 4 countries

- Not sustainable
- Not adapted to the local situation

-BUT:
- Alibaba.com
- Tijari.com
Case study 3: SMEDA’s IIN

+ Diversity of services
+ e-marketplace
+ Dedicated team

- Content monitoring

- **BUT:**
  -> Partnership-approach
  (Made-in-Tunisia.net)
What is ITC Doing to Support SMEs?
Helping SMEs and their TSIs to make the right decisions!
A Set of diagnostic tools to provide scalable advisory services

- Website Diagnostic Tool
- Web Strategy Diagnostic Tool
- Hospitality Web Strategy Diagnostic Tool
- E-Commerce Diagnostic Tool
Example of a Web Strategy Diagnostic in Morocco
Training Modules on web marketing and e-commerce

✓ Module 1 – Introducing Internet Marketing (Eng)

✓ Module 2 – e-Commerce Strategies (Eng, Fr)

✓ Module 3 – Making Deals on e-Marketplaces (Eng, Fr)

✓ Module 4 – Marketing Music Online (Eng)

✓ Module 5 – Le web marketing dans le secteur hôtelier (Fr)

NEW!
Example of capacity building in Algeria
An Experts Network to Support ITC in training and advisory

A group of experts from across the globe

- Future Trainers of Trainers
- Involved in R&D
- Involved in activities on an ad hoc basis
- Networked in a LinkedIn group
Join the session on e-business on 14 May at 4.15 pm
Martin Labbé
SME Adviser on web marketing and e-commerce
Geneva Area, Switzerland | Information Technology and Services
labbe@intracen.org

Thank you!