E Commerce and SMES

Leveraging the capacity of Least Developed Countries to benefit from E-Commerce

Seminar “Ecommerce for Development”
Friday 9 December 2016
Session II: 14:30 to 16:00
Room CRI, WTO
The concept of micro-multinationals

...after “Commerce 3.0” from eBay
Tripod of problems… and misconceptions about solutions

“I just need money”

“Payments”

“I will charge the client at cost”

“Logistics”

“I will impose my preferred payment solution”

“Marketing”
The map of problems

1. Wrong products
2. Poor photos & descriptions
3. Barred from accessing online market places
4. Uneconomic & unreliable transport
5. Unable to take international payments
6. Failure to anticipate duties & taxes
7. No visibility
8. Costly & painful returns
9. Disputes & damage to reputation

Management capacities

Financing (especially working capital)
Understanding root causes

By drilling down on the issues from the perspective of the SME, we come to a number of root causes:

- Why are some SMEs not allowed to list their products on certain platforms?
  - Because they do not meet the compliance standards of the platform
    - Which compliance standards?
      - Anti fraud and money laundering
        - Who sets these standards?
          - International financial oversight authorities
            - What issues do they have with SMEs in DC/LDC?
              - Local business registration bureaux are not internationally recognized
              - Most SMEs are informal
Understand the requirements they will need to fulfil to effectively sell online

TISIs & cooperative organisations own the means to sustain and develop the presence of SME’s in digital channels and market places

- Training / communication materials
- Technology
- Implement legal structures / agreements

SMEs implement changes to enable trade (marketing, branding, etc.) in international digital channels and market places

Policy makers are more aware and better understand practical barriers and opportunities to digital trade experienced by SMEs

Policy makers, partners and the private sector engage in a dialogue

Policy makers & regulators agree a prioritised set of actions to develop e commerce, including a review of how to reduce the practical barriers to its adoption

TISIs identify gaps and potential solutions to better support SMEs

TISIs agree on action plan to close gaps in access to digital trade for the SME’s they represent collectively

TISIs & cooperative organisations own the means to sustain and develop the presence of SME’s in digital channels and market places

- Training / communication materials
- Technology
- Implement legal structures / agreements

Partners actively support the programme by providing favourable access conditions or other technical contributions or promote awareness of SME goods and services

Partners jointly engage in the project with ITC (evidenced in papers, articles or conferences summaries)

Policy makers & regulators agree a prioritised set of actions to develop e commerce, including a review of how to reduce the practical barriers to its adoption

Increased awareness and interest

Increased knowledge, skills and exchange

Improved consensus and feasible plans to act

Action

Flow chart for “Theory of Change” – E Solutions

Increased trade through digital channels for SME’s from DC/LDC ***

Increased awareness and interest

Increased knowledge, skills and exchange

Improved consensus and feasible plans to act

Action

TISIs and SMEs aware of the opportunities for trade in digital channels and the solutions to overcome the barriers

TISIs identify gaps and potential solutions to better support SMEs

TISIs agree on action plan to close gaps in access to digital trade for the SME’s they represent collectively

TISIs & cooperative organisations own the means to sustain and develop the presence of SME’s in digital channels and market places

- Training / communication materials
- Technology
- Implement legal structures / agreements

SMEs implement changes to enable trade (marketing, branding, etc.) in international digital channels and market places

Partners have raised awareness of the ITC as a potential partner with which to work.

Partners jointly engage in the project with ITC (evidenced in papers, articles or conferences summaries)

Partners actively support the programme by providing favourable access conditions or other technical contributions or promote awareness of SME goods and services

Partners*
The map of solutions

1. Awareness raising
2. Digitization
3. eMall
4. Collaborative structure
5. eTrade Permit
6. Fiscal and legal strategies
7. ePayment
8. eLogistics
9. eCRM

E-Commerce Engineering
E Solutions Modules
E Promotional activities
Manage & adapt
Producer
Customer

ITC
TRADE IMPACT FOR GOOD
Solutions piloted in Côte d’Ivoire…

1. Mutualising access to a site and sharing the costs of its development and maintenance

2. Individual shops by brand can be replicated on market places (eBay, Amazon etc.)

3. Integrated payment solutions

4. Shipping and warehousing solutions

5. “Replication”
The focus is to allow articles for sale to be published on many e marketplaces… and managed in 1 place
…Made in Morocco: extending the approach to internationalisation

Made-In-Morocco.ma

- More than 300 SME’s sharing a common platform (developed by the FNEM – Moroccan federation of e-commerce)
- 400 000 SKU’s

=> In effect an E mall:
- Shared payment solutions
- Shared logistics
- Shared marketing

ITC helped the FNEM / Made in Morocco to:
- Set up fiscal and legal representation in Europe and the US
- Organise international logistics

In return FNEM has helped with:
- Developing admin interface
- Piloting solutions
Made in Morocco: a promotion underway!

Buy now! Free shipping in Switzerland

https://goo.gl/qvimdv
Digitisation: example from Côte d’Ivoire
Example: Made in Rwanda

ITC has designed the e-commerce portal and is supporting SMEs to list and sell their products online.

Logo and marketing campaign Initiative of the Ministry of Trade, Industry and EAST African Community Affairs (MINEACOM)
“E Commerce Bootcamp”

Skills of product description

Using admin interface

Photo studio
Behind the scenes: the admin module

Product name

Unique product identifier

Admin details
Example product listing

Imigongo Infiniti handmade wall hanging

Reference: CRAH-IMI1-S3

Manufacturers: Craft House

Made from dried cow-dung, baked into a solid form in the sun, this black and white wall hanging is highly decorative and easy to match with modern interiors.

The traditional spiral pattern was in common usage for centuries in Eastern Rwanda to decorate walls until the early 20th century.

15 Items

$35.00

ADD TO CART
Made in Rwanda: a gateway to international markets

Members can use foreign branches for cost effective market reach

Products on the eMall can be replicated & synchronized in multiple online market places
It will be possible to collect payments from anywhere

Members can receive multi-currency payments and their customers can pay in their local payment method.
Linking the physical and virtual

Immersing the customer into the entrepreneur's life
Eben Sermon
Vice President
eBay Greater Europe, Middle East, Africa

Working with ITC
to support small businesses
Stefano Arganese
Chief Executive Officer
DHL Freight Central Eastern Southern Europe & Americas, Middle East, Africa

Working with ITC to support small businesses
Recent ITC publications on e-commerce

International E-Commerce in Africa: The Way Forward
Dec 2015

Bringing SMEs onto the e-Commerce Highway
May 2016

E-Commerce in China: Opportunities for Asian Firms
Oct 2016