E-COMMERCE

24 NOVEMBER 2016

Speakers

Ms. Kelly Dolan, Social Commerce Strategy Lead, UK Department for International Trade
Ms. Christine Gitau, Business Development Coordinator, Craft Afrika
Mr. Roman Lyadow, Board of Directors, Russian Trade and Economic Development Council
Ms. Kwanapa Phivnil, Director of International Trade Promotion Strategy, Department of International Trade Promotion, Thailand
Mr. Patrick Sagmeister, Head of Operations, Advantage Austria
Mr. Fabian Staechelin, Business Development Mobile Manager, eBay

Moderator

Mr. Marcos Vaena, Chief of Sector and Enterprise Competitiveness Section, ITC

CONCLUSIONS

- Digital tools must be part of the organization internally and e-commerce services for small and medium-sized enterprises (SMEs) must be embedded in the services offered by trade promotion organizations (TPOs).
- Online platforms are tools to expand businesses to present a company internationally and reach desired communities.
- Regulation is a major challenge in e-commerce. TPOs need to bridge the gap between SMEs and the public sector.
- Online commerce and online tools facilitate data collection and analysis, and help understand customer needs.
- There is a transition from traditional to online channels. The inclusion of e-market solutions in events or trade shows is a successful strategy to reshape TPO services.
- Social media platforms are playing an important role in e-commerce, engaging with communities, advertising, and as online selling platforms.

QUOTES

- ‘Micro and medium enterprises are going to take developing countries to the next level,’ Christine Gitau, Business Development Coordinator, Craft Afrika
- ‘E-commerce has led to data-driven exports,’ Kelly Dolan, Social Commerce Strategy Lead, UK Department for International Trade
- ‘E-commerce enhances traditional ways of doing trade promotion: in China for instance, face-to-face meetings with distributors are now complemented by listings on the B2C platform,’ Kelly Dolan, Social Commerce Strategy Lead, UK Department for International Trade
‘We have been very successful on crowdfunding platforms: our fastest campaign allowed us to raise $10,000 in just eight days,’ Christine Gitau, Business Development Coordinator, Craft Afrika

‘E-commerce brings great opportunities, but has also raised a whole range of new issues for SMEs, in particular in customs formalities,’ Roman Lyadov, Board of Directors, Russian Trade and Economic Development Council

SUMMARY

Advantage Austria explained how digital tools enable TPOs to bring customized contents to the right target groups or ‘communities.’

The Russian Trade and Economic Development Council (RTEDC) described their partnership with Alibaba and their launch of the “Made in Russia” platform. Despite benefits in terms of visibility and cost-competitiveness, the e-commerce channel was challenged by customs formalities, an issue SMEs frequently face. RTEDC works with stakeholders on this and will set up a new Russian online trade promotion platform that will cover customs formalities to simplify online transactions for SMEs.

The SME experience was exemplified by Nairobi-based Craft Afrika, which sells handicrafts domestically and to foreign markets. Craft Afrika has been very successful in using crowdfunding to raise funds for their suppliers. Crowdfunding enabled the SME to underline that artisans cannot mobilize collaterals, limiting their access to finance. Crowdfunding has challenges, as suppliers must be prepared to face online interactions with a large number of funders, who need to be addressed by appropriate messaging.

Craft Afrika noted that Kenyan e-commerce development requires better framework conditions, especially for intellectual property rights protection. Successful domestic e-commerce ventures need to be supported in their internationalization, as the business models vary substantially.

The UK Department for International Trade (DIT) launched their social e-commerce programme in 2014, building formal partnerships with e-commerce platforms across the globe. Great.gov.uk lists these sites with country and sector filters. One example is their recent launch of UK technology products on NewEgg, a US e-commerce site, with a ‘GREAT Britain’ branding campaign. The programme offers reduced fees and special deals such as ‘free trial for the first three months’ to participating UK companies.

DIT observed the social dimension of e-commerce. Successful bloggers and YouTubers are targeted in view of their referral power. Facebook and Instagram have added effective e-commerce functionalities.

eBay emphasized inclusive e-commerce, as the platform gives access to global markets for the smallest companies. With one billion listings, eBay outperforms the largest Walmart’s. The ongoing partnership between eBay, DHL and ITC is building on its experience and increasing access to e-commerce for SMEs in developing countries.