



E-Commerce for women-led SMEs in MENA

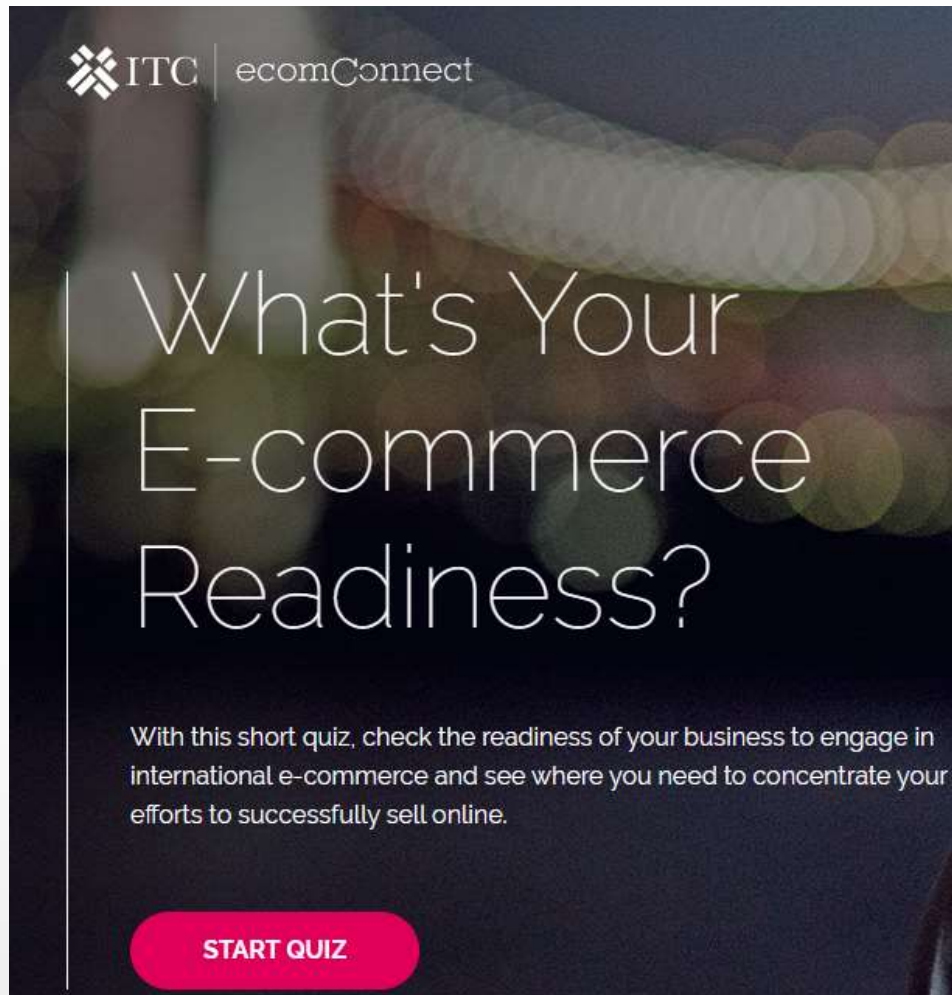
James Howe, Senior Adviser Marketing, Branding, and E-commerce

February 17, 2020
Dubai, UAE



Introduction to e-commerce clinic

<https://tools.ecomconnect.org/readiness/>

The advertisement features a dark background with a bokeh light effect. At the top left, the ITC logo is followed by the text 'ecomConnect'. The main title 'What's Your E-commerce Readiness?' is centered in a large, white, sans-serif font. Below the title, a short paragraph explains the purpose of the quiz. At the bottom, a bright pink button with the text 'START QUIZ' is centered.

ITC | ecomConnect

What's Your E-commerce Readiness?

With this short quiz, check the readiness of your business to engage in international e-commerce and see where you need to concentrate your efforts to successfully sell online.

START QUIZ

Areas assessed

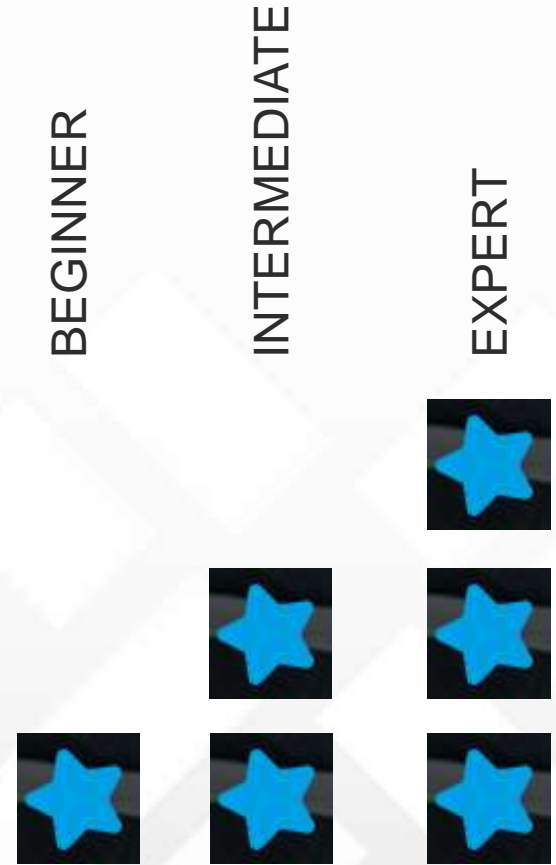
E-COMMERCE PLANNING

ONLINE PRESENCE

DIGITAL MARKETING

SHIPPING AND INVENTORY

CUSTOMER SERVICE (AFTER-SALES)





Your Ecom Maturity BEGINNER

You're at the beginning of your e-commerce journey. You have already come a long way but there are still a few areas that can benefit from your attention. To improve your knowledge on running a successful e-commerce business, join the online community [ecomConnect](#), where you can engage with likeminded business owners, share your experience and learn from the experts.

Global evaluation



Your Ecom Maturity INTERMEDIATE

You're familiar with most elements of running an e-commerce business, but there are still a few areas that can benefit from your attention. To further increase your technical expertise, join the online community [ecomConnect](#) - a platform of exchange and learning around the topic of e-commerce.



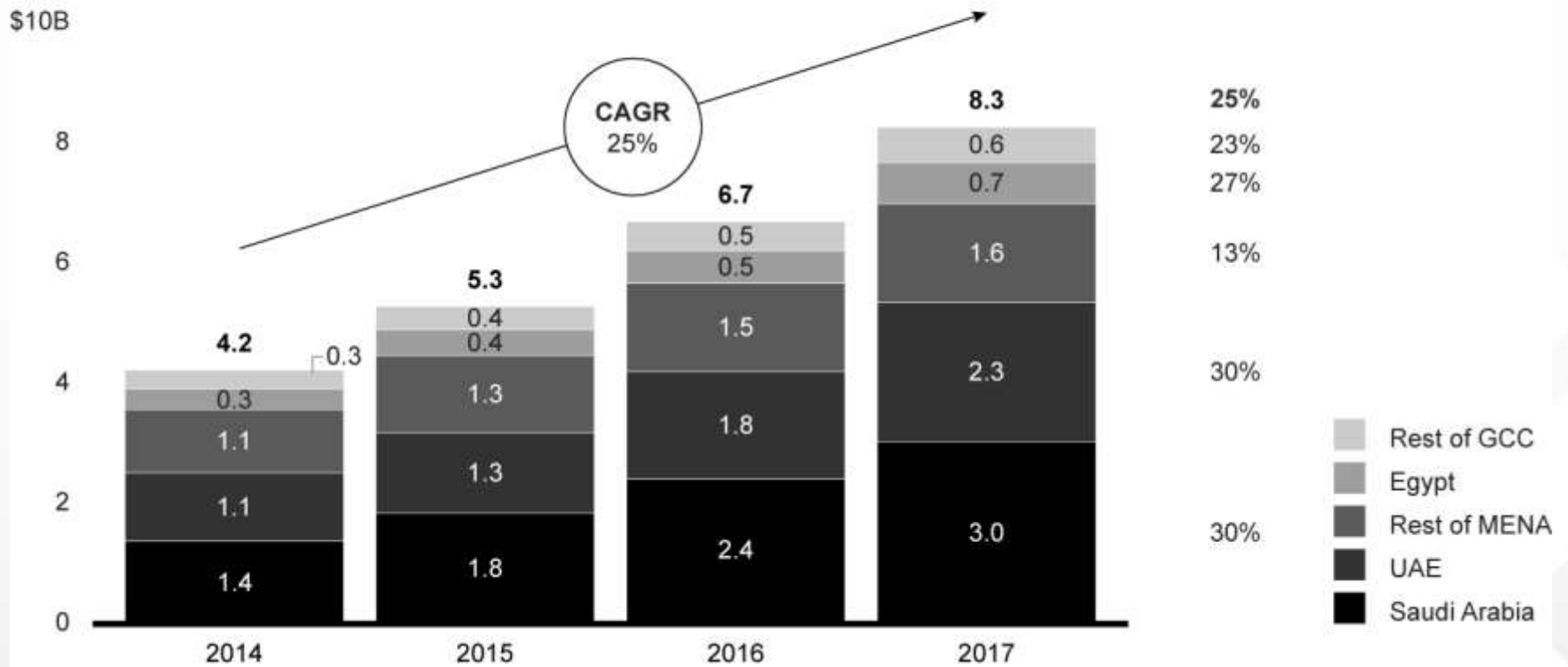
Your Ecom Maturity EXPERT

You've practically mastered running an e-commerce business. To further improve your technical knowledge on specific e-commerce topics, join the online community [ecomConnect](#) to share your success, engage with likeminded business owners and learn from the experts.

MENA ecommerce market growth

MENA e-commerce market size (in billions of US dollars)

CAGR
(2014–2017)



ITC E-commerce Connect Programme?

What is the ITC E-commerce Connect Programme?

- **What is the objective?**
It is to build the capability for **digital trade**
- **What is it?**
It is a **roadmap** to build the e-commerce eco-system and digital skills of a developing country
- **Who is it for?**
It is for **small and medium-sized enterprises** (SMEs) in developing countries



eComConnect platform



Search for people



News Feed

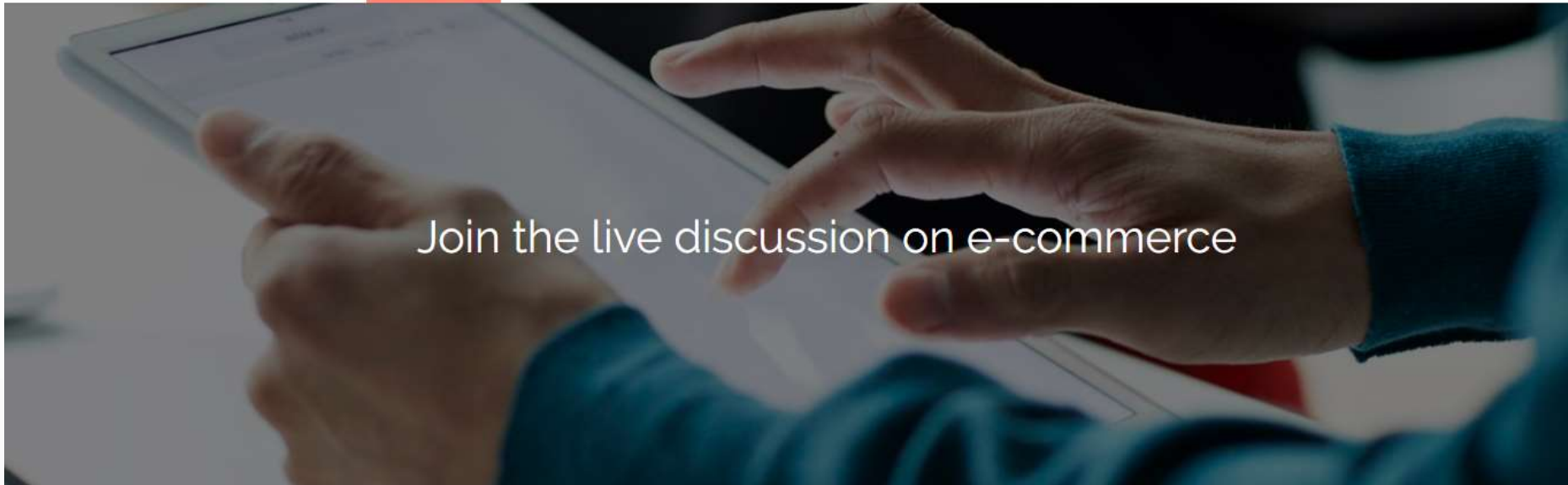
Articles

Learn & Explore

Projects

Members

Companies



Join the live discussion on e-commerce



Post



Check-in



To notify individual users, type '@' (ex: @Alex). To notify multiple users, click 'Notify people'.

Notify people

Publish

Recently active members



James Howe



Sigridur S



Melissa A



Jina G



TRADE IMPACT FOR GOOD

WHY SMEs & E-COMMERCE?

85% of business is predicted to be e-commerce

"In the next 30 years, 80% of small business will benefit from globalization. In 2030, more than **85% of business** will be **e-commerce**. 99% of trade will be online and less than one percent of trade will be offline"

*Jack Ma, Alibaba Group
World Trade Organisation Open Forum 2018, Geneva*

E-commerce is the future

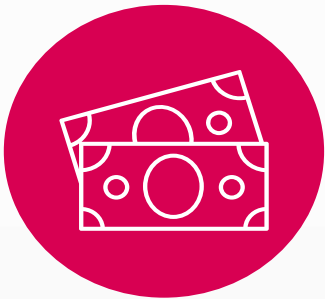
SMEs face several barriers to e-commerce trade



High cost and slow delivery and logistics



Lack of access to the internet and connected devices



Poor availability of payment solutions



Unfavourable government and business policies and environment



Low visibility and **lack of reputation** in international markets



Lack of digital, business and export skills

Success in e-commerce demands attention in different areas

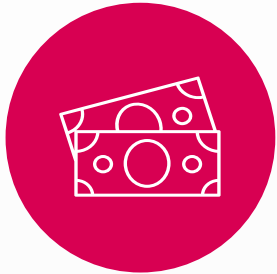


What the ITC E-commerce Connect Programme offers



1. INTRODUCTION TO AN E-COMMERCE BUSINESS

Why might having an e-commerce business be important?



Showcase your brand, product and services globally



Make a higher margin from online sales



Sell to billions of online customers around the world



It is the future of trade around the world



Can accelerate business growth in a planned way



Do business 24/7

E-commerce business model canvas

Business Strategy and Planning	Customers	Value Proposition	Online Sales Channels	Logistics
Resources Needed	Products and Services			Payments
		Competitors	Online marketing channels	Customer Service
Key E-commerce Costs		Key E-commerce Revenue Sources		

...E-commerce Business Model Canvas

<p>Business Strategy and Planning</p> <p>Business objectives</p> <p>How will you measure success?</p> <p>Market research</p>	<p>Customers</p> <p>What would be the best country to sell to?</p> <p>Who would be your perfect client who would buy through e-commerce? (B2C/B2B)</p>	<p>Value Proposition</p> <p>What is unique about us?</p> <p>What is different about us?</p> <p>What problem do we solve for our customers?</p> <p>What value do we offer our customers?</p>	<p>Online Sales Channels</p> <p>Digital Sales Channels</p> <p>E-commerce website:</p> <ul style="list-style-type: none"> ▪ Managed by you ▪ Hosted <p>E-marketplaces:</p> <ul style="list-style-type: none"> ▪ Amazon (FBA/Seller Central/Vendor Central) ▪ eBay ▪ Etsy ▪ Local 1 ▪ Local 2 <p>Social stores</p> <p>Chat stores</p>	<p>Logistics</p> <p>Which logistics model is suitable for us?</p> <p>Which provider should we chose?</p>																								
<p>Resources Needed</p> <p>What resources do you need?</p> <ul style="list-style-type: none"> ▪ Team ▪ Financial investment ▪ Skills ▪ Systems ▪ Processes ▪ Payment methods 	<p>Products and Services</p> <p>Are your products and services suitable for selling online?</p> <p>Products</p> <p>Services</p>	<p>Competitors</p> <p>What is their value proposition and positioning?</p>	<p>Online Marketing Channels</p> <ul style="list-style-type: none"> ▪ SEO ▪ Social ▪ E-newsletters ▪ Paid search ▪ Paid social ▪ Other 	<p>Customer Service</p> <p>Role of software and human resources</p>																								
<p>Key E-commerce Costs</p> <p>What are the main e-commerce costs to consider?</p> <table border="1" data-bbox="299 1125 909 1239"> <thead> <tr> <th>Type of Cost</th> <th>Set up costs</th> <th>Selling costs</th> <th>Export costs</th> </tr> </thead> <tbody> <tr> <td>Fixed</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Variable</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>		Type of Cost	Set up costs	Selling costs	Export costs	Fixed				Variable				<p>Key E-commerce Revenue Sources</p> <p>How much can you charge online for your chosen products and services?</p> <table border="1" data-bbox="956 1118 1638 1243"> <thead> <tr> <th>Products / services</th> <th>Proposed price</th> <th>How many can be manufactured?</th> <th>How many can be purchased?</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>			Products / services	Proposed price	How many can be manufactured?	How many can be purchased?								
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2. Introduction to e-commerce content and its importance

What is e-commerce content?

- The role of e-commerce content is not just to inform potential customers
- It is also required to comply with regulations, access logistics and payment solutions and ensure that a company is able to claim ownership of its intellectual property
- Having quality e-commerce content is a necessary stepping stone for companies that wish to engage in e-commerce activities

Why e-commerce content is necessary to sell online

- Absence of personal direct contact
- Each of the stages in online selling requires the creation of specific e-commerce content aimed at different stakeholders (this is crucial to build trust)



The different types of quality e-commerce content

Product e-commerce content



Company e-commerce content

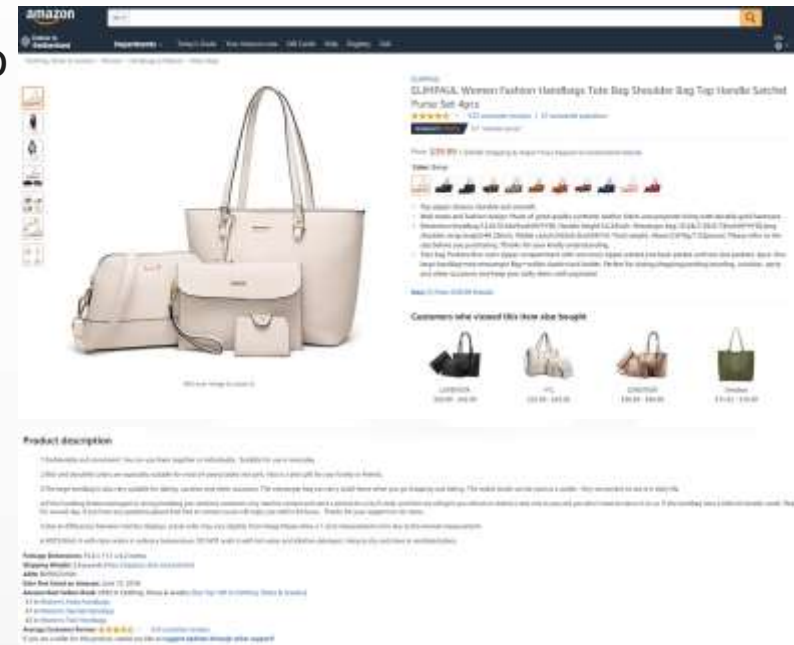
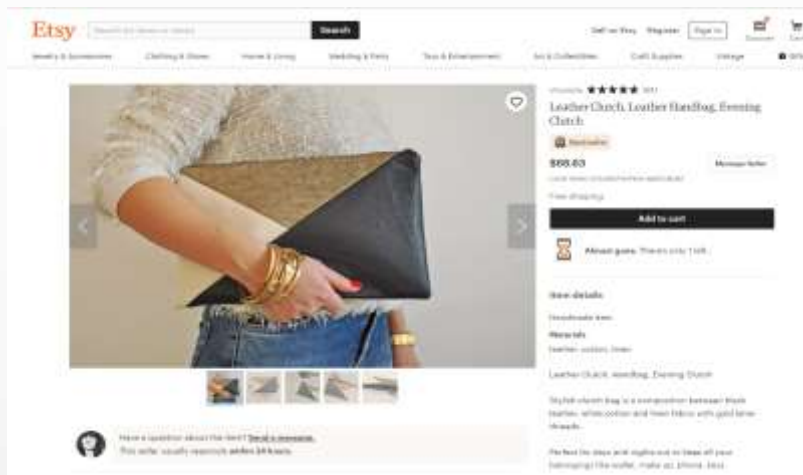


Different types of product content

Product description

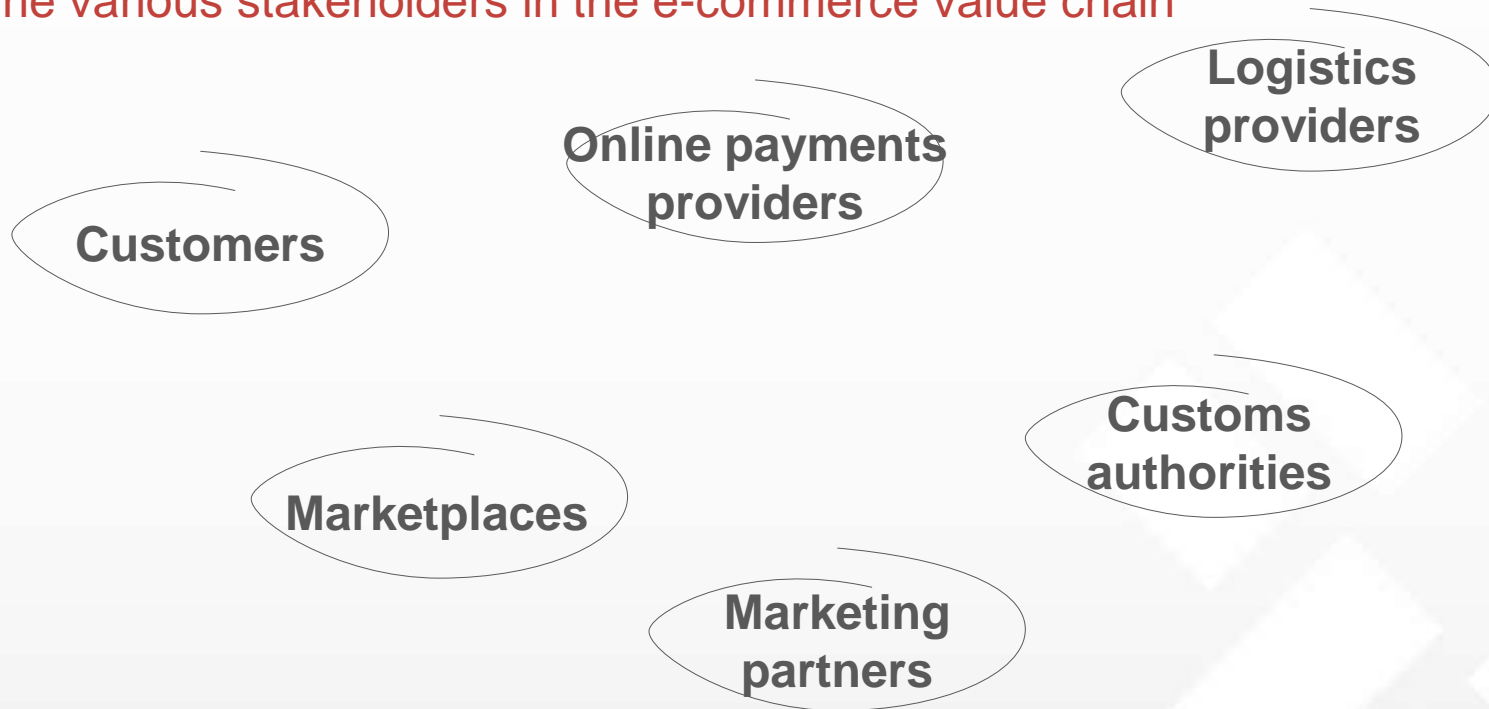
Product descriptions are usually divided into

- An emotional / persuasive text
- A list of technical details



The different types of quality e-commerce content

The various stakeholders in the e-commerce value chain



Selling requirements for e-commerce platforms

There are four main ways of selling online internationally

What are the potential digital sales channels?

Selling through e-commerce websites

- e.g. Shopify, WordPress, Magento

Selling through online marketplaces

- e.g. Amazon, eBay, Mercado Libre, Jumia

Selling through social stores

- e.g. Facebook, Instagram, Pinterest

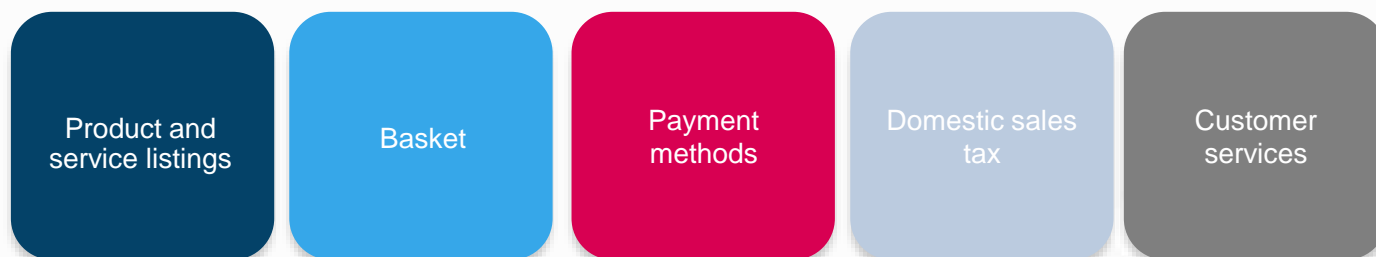
Selling through chat apps

- e.g. Facebook Messenger, WeChat

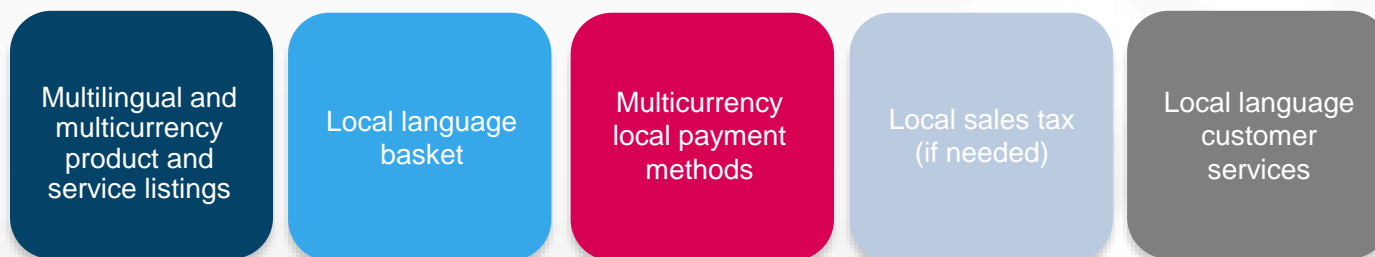
What do e-marketplaces offer sellers?

E-marketplaces can handle most of the purchasing process

Domestic online marketplaces



International online marketplaces



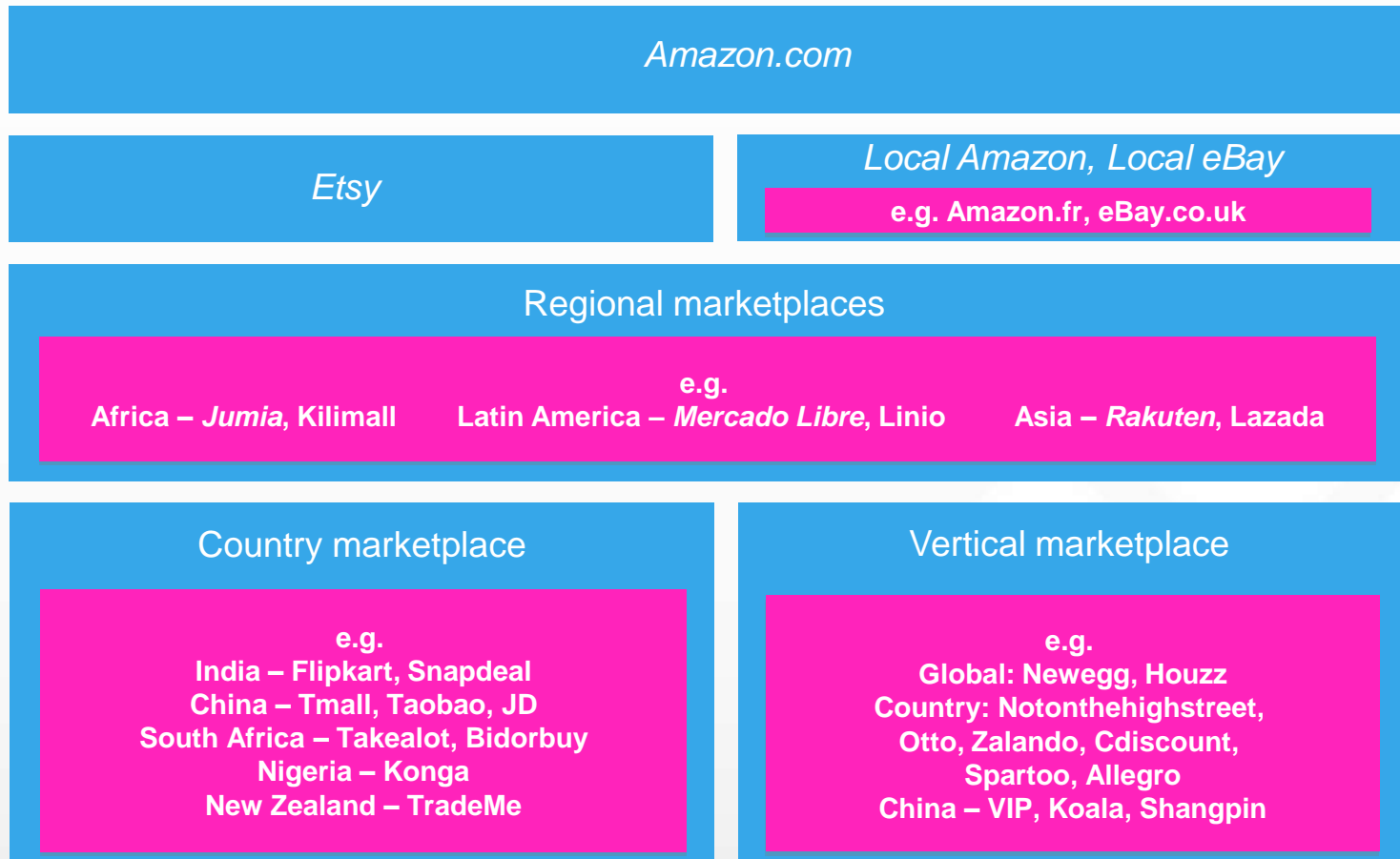
Costs of selling on e-marketplaces

Different costs apply to different online marketplaces

- Joining fee
- Membership fee (monthly/annual)
- Fixed listing fee e.g. \$0.30
- Transaction commission e.g. on sale 15%
- Payment fixed fee
- Payment transaction fee
- Currency conversion fixed fee
- Currency conversion transaction fee
- On site promotions
 - PPC
 - Promotions e.g. included in a speciality store
 - Discount and promotion days e.g. Black Friday, Cyber Monday, Prime Day, Singles Day

Online marketplace strategy

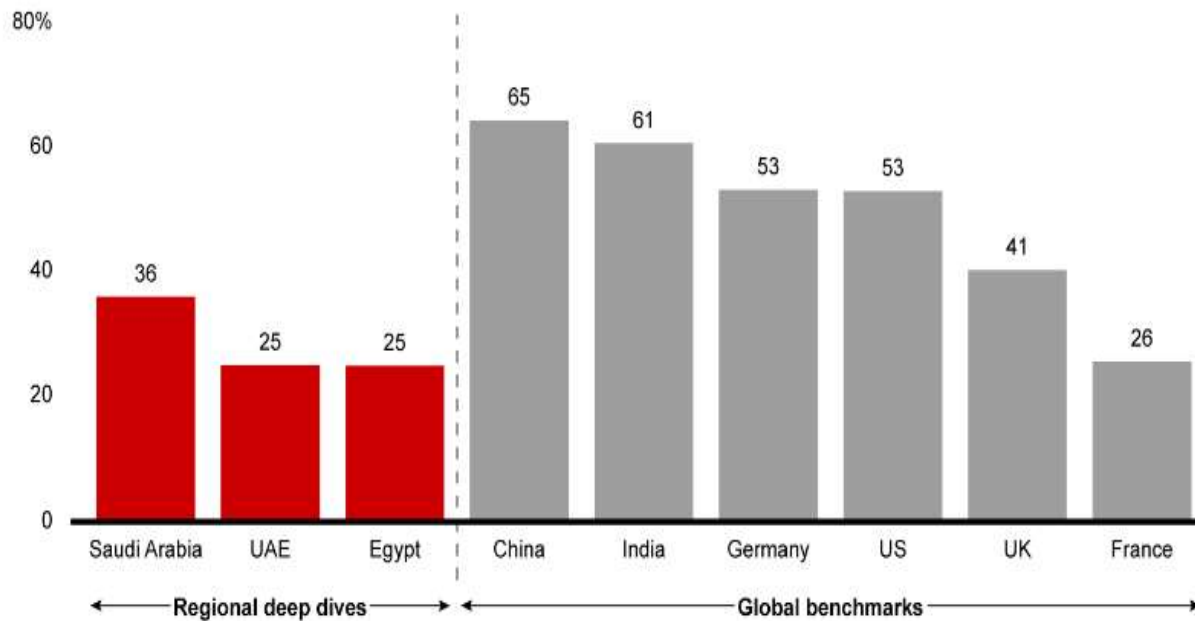
B2C for each target country



MENA ecommerce markets more fragmented

Middle East and North Africa's online market is fragmented vs. more mature international markets, where the top two players have more than 50% share

Share of top two players (2017)



SOUQ.COM RANKED AMONG THE TOP 3 E-COMMERCE WEBSITES IN THE UAE, SAUDI ARABIA AND EGYPT IN APRIL 2016.

MENA: TOP 3 E-COMMERCE WEBSITES BY WEBSITE RANK IN THE UAE, SAUDI ARABIA, AND EGYPT, APRIL 2016



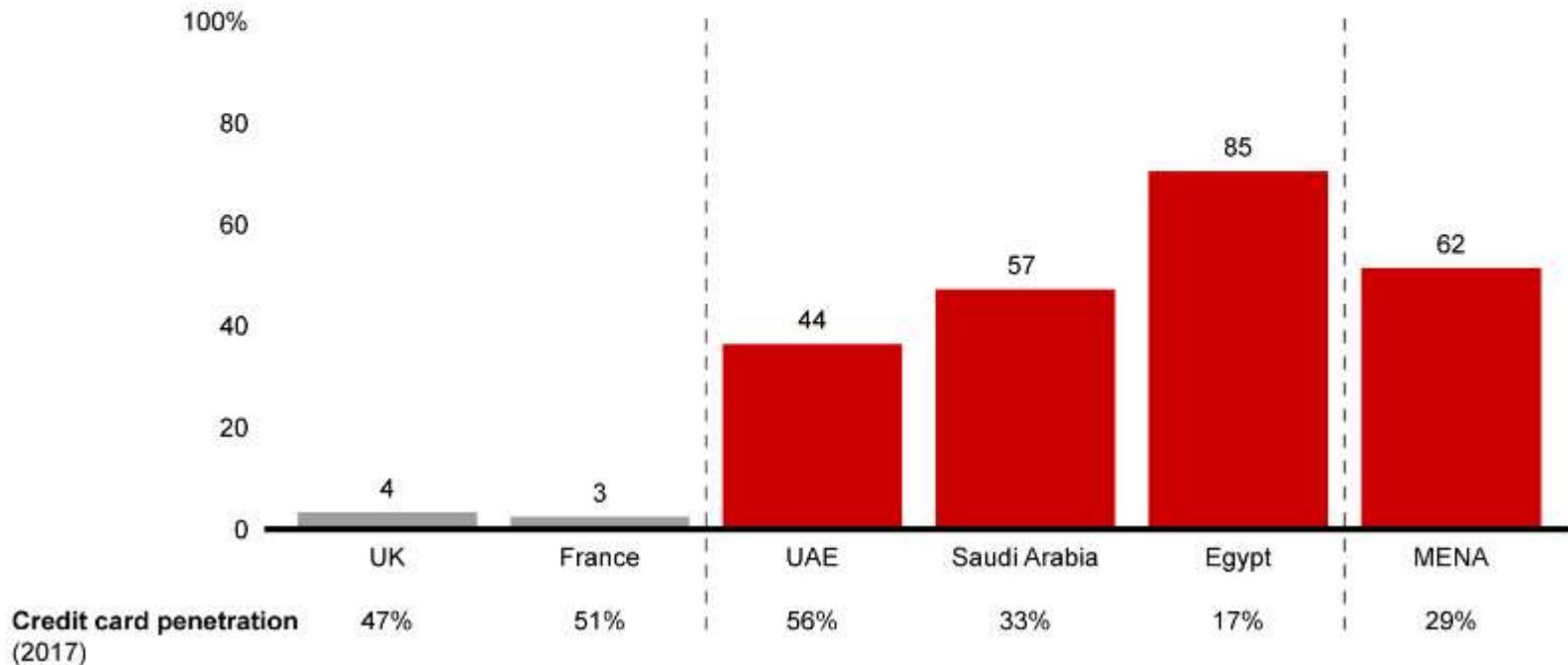
Map of the market research website, marketplace and classified portals and is based on the website traffic from the region. Data is for the period of April 2016. Source: compiled by yStats.com from publicly available sources. For more information see the report "Top Players in MENA E-commerce Market 2016" by yStats.com

yStats.com

Cash is still king in MENA e-commerce


While credit card penetration rates in the GCC are on par with mature markets, GCC consumers still prefer cash on delivery

Percentage of consumers who prefer cash on delivery (2018)



Top international e-marketplaces

Etsy

<p>Can ship worldwide</p>  <p>Alexa global ranking: 179 Alexa country ranking: 56 (USA)</p>	<p>Who?</p> <ul style="list-style-type: none"> • B2C • 35/54 million active users • 81% of sales are made via repeat purchases • Mostly English speakers 	<p>What?</p> <p>Handmade products Vintage products Craft supplies Food & Drink (new)</p> <p>55 million products listed 89% is handmade products, 11% is craft supplies, little vintage</p>
<p>Requirements:</p> <ul style="list-style-type: none"> • Etsy is a global website • International shipping possible • Etsy Payments, or PayPal account/credit card 	<p>Financials:</p> <ul style="list-style-type: none"> • Registration: none • Subscription: none • Listing fee: \$0.20 per listing • Transaction fee: 5% and Etsy Payments fee which varies worldwide (UK 4% + £0.20) • Other: Etsy Pattern stores & Etsy Shipping (US only) 	
<p>Customer Support <input type="checkbox"/></p> <p>Seller Support <input checked="" type="checkbox"/></p> <p>Logistics Service <input type="checkbox"/></p> <p>Storage Support <input type="checkbox"/></p> <p>Returns Support <input type="checkbox"/></p>	<p>On Site PPC <input checked="" type="checkbox"/></p> <p>Integrated Payments <input checked="" type="checkbox"/></p> <p>Translation <input type="checkbox"/></p> <p>Product Upload API <input checked="" type="checkbox"/></p> <p>Mobile App <input checked="" type="checkbox"/></p>	

Example: Etsy store



Etsy product categories

- **Handmade by you**
 - Items are items that are made and/or designed by the seller
- **Craft supplies**
 - Raw materials and tools used to create crafts and handmade products
 - 'Ready to use' items do not qualify as supplies
- **Vintage goods**
 - Must be at least 20 years old
 - Items in this category are not required to be handmade
- **Food & Drinks**
 - New category
 - Food and edible category now available along with a Food Market

Limitations of Etsy

- Poor awareness of Etsy by customers in some countries (lower Alexa ranking)
- Brand recognition for individual sellers is lower e.g. when people buy something from Etsy, they are more inclined to say 'I bought this from Etsy' rather than from the artist or shop owner
- Need a lot of promotion outside of the platform e.g. SEO not as good as other platforms, brand awareness through social media
- The countries which can use Etsy payments (mainly OECD countries), but PayPal can be used in the others
- The platform can shut down a store immediately and without warning if a rule violation is believed to have occurred
- Search engine visibility lower e.g. in Google, the listings on Etsy will come up at the bottom of the search results on Google (unless you have a very popular Etsy store) and lately, there have been a number of forum threads from Etsy sellers complaining about a big drop in views and sales
- The algorithm doesn't favour shops far from a customer's location and because of higher shipping costs
- The initial listing fee (\$0.20) only works/lasts for 4 months

Etsy Fees

- Each listing is \$0.20 and lasts for 4 months
- It can be renewed for \$0.20
- Payment processing fee which varies from country to country but is usually around \$0.30 and 4% of the transaction cost
- Subscription fees:
 - Standard – no monthly charge
 - Plus - \$10/month 2018, \$20/month 2019 (additional tools)
 - Premium – to be launched in 2019
- Etsy Pattern (website):
 - \$15/month

How to Get Paid on Etsy

You set up your shop, you made your first sale. Time to get paid!

There are several ways to get paid with Etsy:

- **Etsy Payments:** With Etsy Payments, buyers can use most payment methods to purchase from your shop. You get direct deposits to your bank account.
- **Payment by Mail:** The buyer mails you a check or money order after they purchase from your shop.
- **Other:** You can coordinate a different payment directly with the buyer.
- **PayPal:** If you're based in a country where Etsy Payments isn't available yet, you can have buyers pay you directly through PayPal.

3. Introduction to digital marketing

What is digital marketing?

Marketing has always been about connecting with your audience in the right place and at the right time. Today, that means you need to meet them where they are already spending time: on the internet.

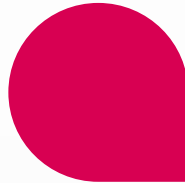
Enter digital marketing -- in other words, any form of marketing that exists online.

Why is it important?

Visibility & Trust!

Benefits of digital marketing

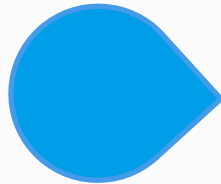
Low barrier to entry



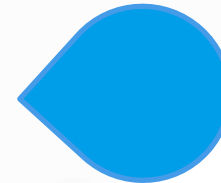
Reach larger audience



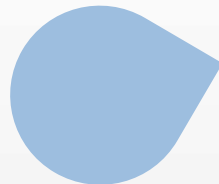
Easy to Optimise



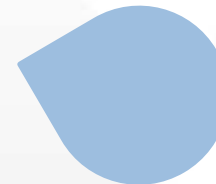
Flexibility



Measurable results



Improved conversion rate



Our objective



Reach the right audience



Engage with your audience



Motivate your audience to take action

Types of digital marketing

PPC

Email Marketing

Social Media



SEO

Content Marketing

Display advertising

Important elements to get right before engaging in digital marketing

- Ensure your digital channel is functioning and complete
- Define your marketing message
- Identify your audience
- Write down your objectives (KPIs)
- Set up tracking and establish your baseline

Payment solutions

What are e-payments?

- ✓ The term electronic payment or e-payments refers to a payment made from one bank account to another bank account
- ✓ e-payment systems allow the exchange of money for goods and services over the Internet as well as mobile payments at points of sale (POS)
- ✓ They connect millions of buyers and sellers around the world and enable the trade of goods and services without the need for direct or physical contact between the buyer and the seller

46% of abandoned carts
occur at the payment page

Source: Business Insider France

Types of e-payment systems

Card Payments



- Bank cards (VISA, MasterCard, Amex etc.)

Bank Transfers



- Payments made from one bank account to another : IBAN, SWIFT.BIC, SEPA

Instant Bank Transfers



- Instant bank transfer facilitated by a third-party PSP or by direct debit

Digital Wallets



- An electronic device or online service that allows an individual to make electronic payments

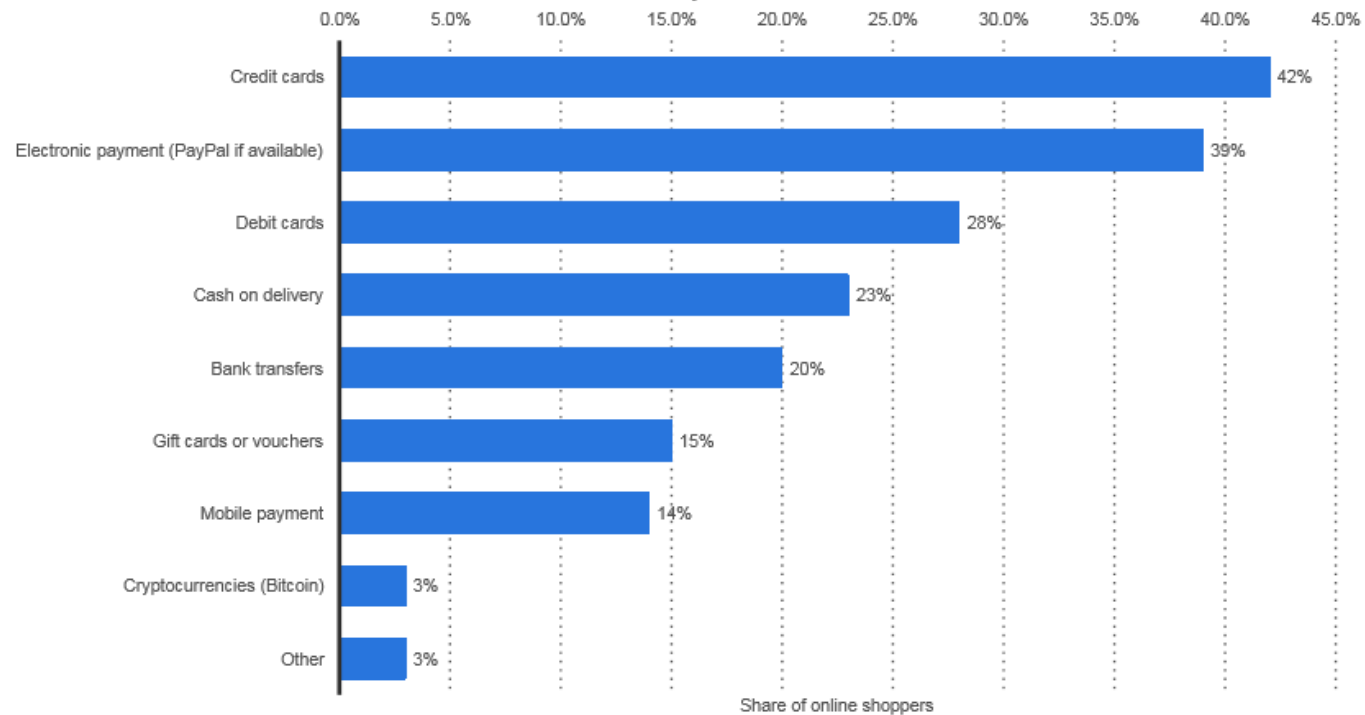
Crypto Currencies



- A digital or virtual currency designed to work as a medium of exchange using cryptography to secure and verify transactions

Preferred payment option worldwide

Preferred payment methods of online shoppers worldwide as of March 2017



Notes: Worldwide; December 23, 2016, and March 21, 2017; 18,551; online shoppers who buy goods or services online at least once per month

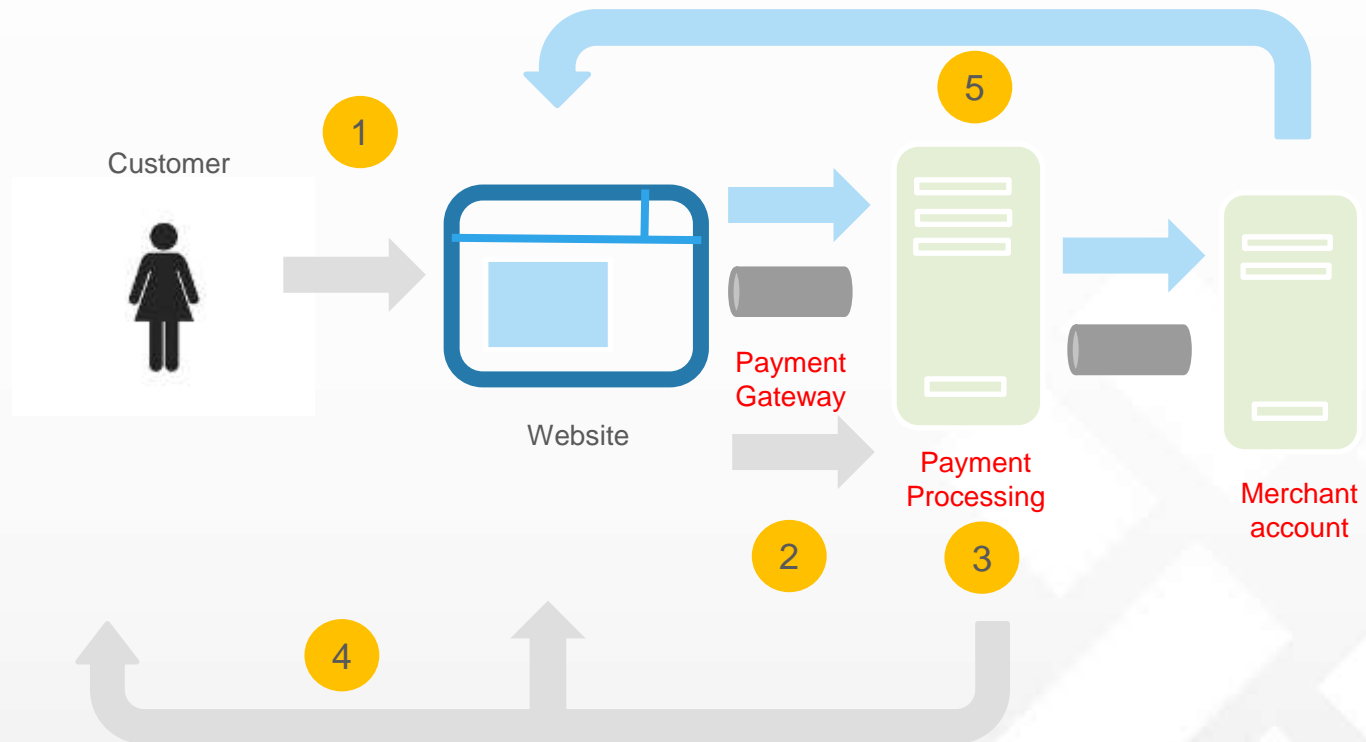
Understanding online payments

There are three elements that come into play for taking payments from customers online and getting them into your own account:

- A payment gateway
- A payment processor
- A merchant account / an acquiring account

All these elements work together to transfer money from the customer to the seller, but it helps to understand what each of them do throughout the process

Understanding online payments



Payment Gateway

What it does:

- It secures transaction data by encrypting it
- It works with your bank to determine if the payment is legitimate
- It connects the seller website to the different systems involved in the transaction
- It updates the seller and customer about the payment status
- It keeps records of transactions
- It facilitates access to more acquiring systems and partners

What it does not do:

- It does not collect or settle the actual funds related to the transaction
- It is therefore different from the acquiring institution

Leading Payment Service Providers (PSPs)



PayPal Payments Pro

- No start-up or monthly fees. Clear fee structure rates are 2.9% + \$0.30 per transaction (digressive based on volume)
- Relatively easy integration
- PayPal takes care of authorisation and security
- Usually takes the customer off your site, but can also offer to keep the buyer on your site with PayPal Payment Pro
- Accepts 26 leading currencies and is available in over 200 markets

Stripe

- Allows you to keep the buyer on your site for free
- More complicated to setup
- Similar fee structure to PayPal
- Sends money to your bank account

2checkout available in MENA countries

Subscription: <https://www.2checkout.com/pricing/2subscribe/>



■ Accepted Arab countries:

- ✓ Bahrain
- ✓ Djibouti
- ✓ Egypt
- ✓ Lebanon
- ✓ Jordan
- ✓ Kuwait
- ✓ Morocco
- ✓ Oman
- ✓ Saudi Arabia
- ✓ UAE
- ✓ Western Sahara

2checkout available in MENA countries

Sell Worldwide Without a Hassle

Compare Plans and Choose the Best Commerce Solution for You

Most Popular

2SELL

Easy and simple way
to sell globally

3.5% + 0.30 EUR
per successful sale

[SIGN UP for FREE](#)

*No credit card required.
You'll only pay when you start selling.*

What You Get

- ✓ Sell instantly in 200 countries / territories
- ✓ Integrate quickly with any of 120+ carts
- ✓ Scale up for international growth
- ✓ Sell any type of product
- ✓ Access to recurring billing

2SUBSCRIBE

Develop & Boost your
subscription business

4.5% + 0.40 EUR
per successful sale

[SIGN UP for FREE](#)

*No credit card required.
You'll only pay when you start selling.*

What You Get

- ✓ Includes all 2Sell benefits
- ✓ Retain more customers & reduce churn
- ✓ Smart subscription management tools
- ✓ Manage renewals and upgrades
- ✓ Cover entire subscription lifecycle
- ✓ Insights through subscription analytics

2MONETIZE

All in one solution to
sell DIGITAL GOODS globally

6.0% + 0.50 EUR
per successful sale

[SIGN UP for FREE](#)

*No credit card required.
You'll only pay when you start selling.*

What You Get

- ✓ Includes all 2Subscribe benefits
- ✓ Global tax & regulatory compliance
- ✓ Invoice management
- ✓ Reduce backend internal work
- ✓ Access to 45+ payment methods
- ✓ Optimize conversion rates
- ✓ Help for shopping carts customization

What else? Internationalisation of SMEs

E-Residency program

<https://e-resident.gov.ee/>



REPUBLIC OF ESTONIA
E-RESIDENCY

What is e-Residency

E-Residency enables digital entrepreneurs to start and manage an EU-based company online

- Estonia is the first country to offer e-Residency, a government-issued digital identity and status that provides access to Estonia's transparent digital business environment
- E-Residency allows digital entrepreneurs to manage business from anywhere, entirely online

LEARN MORE



E-Residency program

Additional information

- EERICA: Estonian e-Residents International Chamber Association <https://eerica.ee/blog/>
- Wissem Oueslati (independent e-Residency consultant) <https://www.wissemoueslati.com/>

ESTONIE
DEVENIR E-RÉSIDENT DE L'ESTONIE ET
CRÉER VOTRE ENTREPRISE
EUROPÉENNE À DISTANCE



Le premier e-book dans le monde pour Obtenir votre statut de e-résident en Estonie. Lancer votre entreprise en Estonie à distance. Démarrer officiellement votre entreprise européenne à distance ! Tout gérer depuis Internet (Tout sans exception) Détenir un ou plusieurs compte(s) bancaire(s) professionnel(s) en Euro € (€.S.I.V.). Obtenir votre PayPal Business vérifié et illimité! Et bénéficier de plusieurs autres services de grande valeur. Sans aller en Estonie Commander votre E-Book Complet ICI Utiliser code promo (blogWissem) pour avoir REMISE de -15% Cette E- nation électronique qui s'appelle TE-Estonie créée..

Stripe Atlas

<https://stripe.com/atlas>

Turn your idea into a startup

Stripe Atlas is a powerful, safe, and easy-to-use platform for forming a company. By removing lengthy paperwork, bank visits, legal complexity, and numerous fees, Stripe Atlas helps you launch your startup from anywhere in the world.

START YOUR COMPANY

Stripe Atlas

HOW LONG DOES IT TAKE?

With Stripe Atlas, your company can be set up within days. We help with all the paperwork.



Submit your application

DAY 1



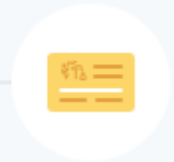
Sign documents and access bank account

DAY 2



Company formed in Delaware

DAY 4



Receive a tax ID number from IRS

DAY 11



International Trade Centre

ecomConnect@intracen.org

<http://www.intracen.org/ecommerceconnect/>

ecomConnect.org