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A Virtual Gathering for Business Support Organisations
25th of November 2020

How BSOs can assist small
firms to address opportunities
and barriers for e-commerce

Handbook



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ecomConnect

How BSOs can assist small firms to address opportunities and barriers for e-commerce

By introducing your organisation to the success factors in e-commerce for small firms, helping them to consider the typical stages from evaluating market potential, preparing their offer and successful online marketing will help to structure a support toward SMEs in ways that are relevant for the development of e-commerce.

Is your organisation ready to offer tailored online and face-to-face training with focus on:

- Market research good practice
- Development of an e-commerce pricing strategy
- Creation of digital content
- Set up and management of online payments
- Inventory management
- Shipping and customs
- Promotion of products and services through digital channels

How do you plan to develop your knowledge in e-commerce?

What kind of expert training will you develop to build your support offer?

Is your organisation ready to provide advisory and research services in the following areas:

- Support in e-commerce development and expansion
- Help to access payment solutions
- Help to access logistics services

How can you identify innovative solutions in your country to give access to payment and logistics services?

What initiative does your organisation need to develop to be able to offer support in e-commerce market research and technical development?

Is your organisation ready to create promotional events to connect e-commerce businesses in:

- Online campaigns
- Trade fairs
- Exhibitions

How does your organisation plan to develop your online and offline promotion?

Which one of the following statements about e-commerce are true?

- Once my e-commerce site is live, it will start generating traffic and sales.
- Little to no business experience is needed to succeed online.
- Everybody speaks English nowadays. It's fine for to just display your international e-commerce store in one language.
- Running an e-commerce business is much cheaper than a "brick-and-mortar" business
- Product data is easy to create and manage.
- Gaining the trust of online customers is difficult and requires continuous efforts and meticulous attention to detail.

Answers

Once my e-commerce site is live, it will start generating traffic and sales. (False)

Successful e-commerce businesses use digital marketing techniques such as search engine optimization (SEO) and SEM (Search Engine Marketing) to generate traffic. They also adopt consistent marketing strategies to promote their brands and attract online buyers.

Little to no business experience is needed to succeed online. (False)

Building an online business is the same as building an offline business. You need a business strategy, a marketing strategy (4Ps: product, price, place and promotion), a business plan, and a skilled workforce.

Everybody speaks English nowadays. It's fine for to just display your international e-Commerce store in one language. (False)

If you are looking to get a global clientele, you will need to translate your website in multiple languages. Research has shown that around 30% of consumers are not willing to buy from online stores that are not in their native language. That said, if you are targeting a certain restricted market or geographical area, it may be fine to keep your website in a single language only.

Answers

Running an e-commerce business is much cheaper than a “brick-and-mortar” business. (False)

E-commerce is not a miraculous recipe to make easy money. Succeeding in e-commerce is not very different from succeeding with a “brick-and-mortar” business; it requires a lot of work and investment, and you have to go through a long process to improve your offering and customer experience before seeing tangible benefits.

Product data is easy to create and manage. (False)

Creating effective product data requires good product information, good site design, and high quality photos and/or videos. In addition, you have to manage product databases and update them regularly.

Gaining the trust of online customers is difficult and requires continuous efforts and meticulous attention to detail. (True)

Trust is not something that can be earned overnight. However, there are several elements that you can leverage to affect your customers' levels of trust in your e-commerce offering. These include having high quality content, effective marketing, attractive prices, believable customer testimonials, responsive customer service, comprehensive warranties, trust seals (website, payments, etc.) and respecting the sales terms and conditions.

Potential consequences of embarking on an e-commerce venture without proper planning

- The majority of visitors will quickly leave a website
- Facing unforeseen financial charges
- High product return rate
- Too many inquiries regarding your product quality and specifications
- Complaints from customers, potentially leading to the closure of your online marketplace account
- Problems with your inventory management system
- Website might have problems with mobile compatibility

Types of e-commerce websites

- Starter website builder: Cost effective and easy way to get online “hosted” or “in the cloud” for a monthly fee. E.g. Wix, Squarespace
- Hosted e-commerce websites: E-commerce websites, where online store is hosted by a software company with a monthly fee. E.g. Shopify, BigCommerce
- Own e-commerce website: An online store that is hosted and maintained by your company. E.g. WooCommerce, Opencart, Prestashop, Magento
- Enterprise level e-commerce system: Full e-commerce systems for larger companies and organisations. E.g. Deamware, SAP Hybris, Shopware, Oracle Commerce

Tips for selling on an e-commerce website

- Ensure that the website can correctly handle multiple currencies, languages, and local content.
- Consider the costs and margins very carefully to make sure that you can make your website profitable in a reasonable amount of time.
- Determine if you are going to be able to fully cater for international customers with, for example, a payment option that is recognised by international customers.
- Make sure you have put together good quality content such as detailed descriptions of your product or services, as well as a strong brand story.
- Ensure your website contains all the regulatory information needed for an international customer base such as terms and conditions and a privacy policy.

Tips for selling on online marketplaces

- Before creating an account, consider the costs and margins very carefully to ensure that you can achieve profitability on that marketplace.
- Select a balanced portfolio by choosing products that will sell well on a marketplace, and consider listing on more than one marketplace.
- Check the registration requirements, fees, and payment methods needed – sometimes it is very difficult or expensive to list products, and you may have restrictions based on your country of origin.
- Determine if you will be able to fully comply with the marketplace's requirements.
- Make sure that you have excellent product or service descriptions and photos.

Facts about e-commerce payments

- The five main types of payment options are credit cards, bank transfers, e-bank transfers, digital wallets, and cryptocurrencies.
- When choosing which one to use, you should consider the fees, length of the contract, the reputation of the provider, settlement time frame, security, and preferences of your customers.
- There is a strict regulatory framework surrounding payment systems for online vendors.
- Make sure you are aware of any chargebacks and account limitations that might apply once you start trading.
- If you are selling internationally, be mindful of how your payment provider will manage currencies.

Reasons why businesses choose to sell via e-commerce channels

- Expand customer reach
- Sell more and earn more money
- Provide better customer support
- Generate more brand recognition
- Lower set-up and running costs
- Sell at any time: 24 hours a day, 7 days a week

E-commerce costs

- Independent e-commerce website: hosting, domain registration, monthly website management costs, integration, etc.
- Marketplaces: commission per sale, subscription fees.
- Product digitization: product photography and videos, product content creation.
- Operational costs: inventory management, customer service, order fulfilment, product return processing.
- Digital marketing costs: SEO, email marketing, content creation and marketing, PPC.
- Payments: processing costs, etc.

Challenges when it comes to inventory and shipping management

- Expensive shipping costs
- Poor inventory visibility
- Delays in order delivery
- Issues with returned products

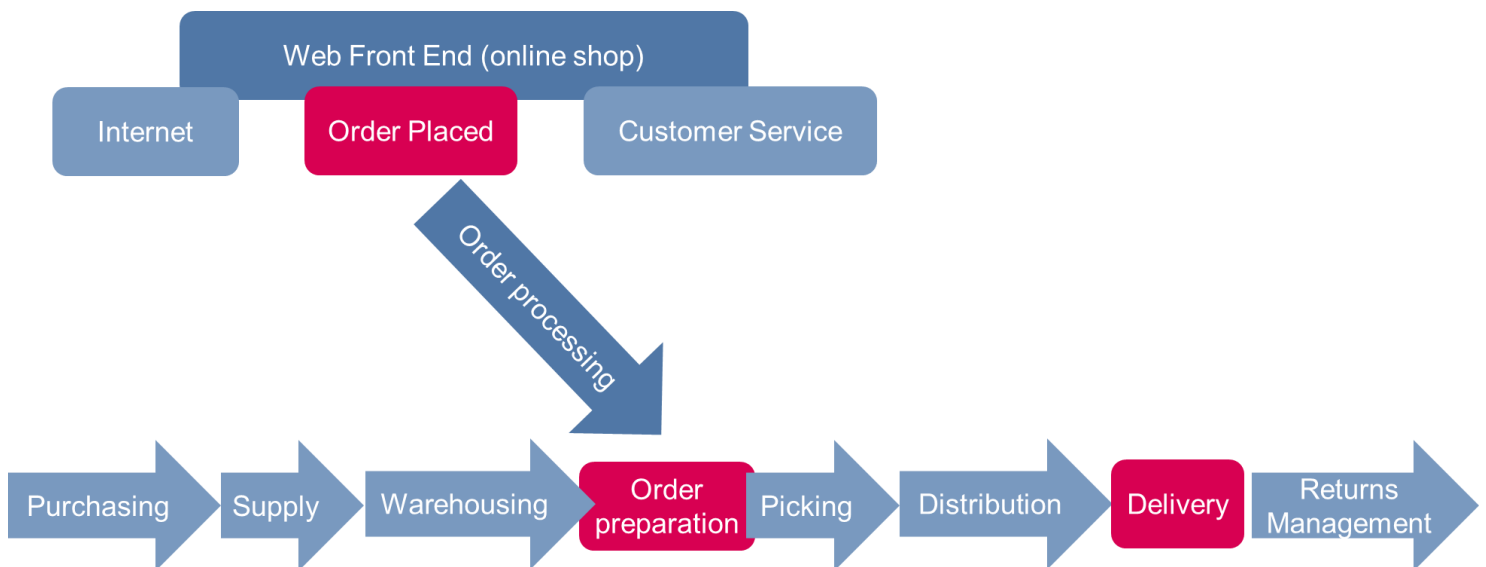
Advantages of digital marketing

- Measurable results
- Flexibility
- Low barrier to entry
- Reach larger audiences
- Easy to optimise
- Improved conversion rates

Common digital marketing techniques

- Search Engine Optimisation (SEO)
- Content marketing
- E-mail marketing
- Pay-per-click (PPC)
- Social media
- Display or video marketing

Understand the e-commerce value Chain



Key areas of a digital business where BSOs should develop their knowledge to offer support

- Digital Marketing including SEO and social media
- Web Design and development
- Logistics, fulfilment and returns management
- Customer service
- Sales channels optimisations including E-Marketplaces and Social Medias

FIND MORE RESOURCES ON THE TOPIC

ecomConnect Community Engagement Platform:

<https://ecomconnect.org/>

E-commerce **tools**:

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

- E-commerce Readiness Quiz
- E-commerce Cost Calculator
- Africa Marketplace Explorer

E-learning courses:

<https://learning.intracen.org/>

- Introduction to E-commerce
- Creating Quality E-commerce Content
- Using Virtual Marketplaces for your E-commerce Initiative
- E-Commerce for your B2B Business
- E-Commerce for SMEs: An Introduction for Policymakers
- Internationalization of Digital Businesses

BSOs who participated in the session

APEN, Association of Producers and Exporters of Nicaragua

<http://apen.org.ni/>

BASIS, Bangladesh Association of Software & Information Services

<https://basis.org.bd/>

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