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Breakout I: The Alliance's Approaches to Promote Ecommerce Ecosystems

Unveiling the eCommerce landscape

Shannon Gaffney, Director, Nextrade Group moderated the panel, noting that the success and sustainability of ecommerce relies on its ecosystem - an interconnected network of entities, technology, infrastructure, and processes. The Alliance aims to cultivate a robust e-commerce ecosystem to foster collaboration among stakeholders and support the growth of micro, small and medium enterprises (MSMEs). At a panel discussion during the Evidence Summit, industry leaders shed light on the intricacies of developing ecommerce ecosystems, unraveling both challenges and opportunities. The discussion also underscored the need for partnerships that are thoughtful, creative, and evidence driven.

Navigating the Challenges of Fostering an Ecommerce Ecosystem

Erica Libertelli, Executive Director of the eCommerce Institute, highlighted the surge in ecommerce volumes, primarily catalyzed by the COVID-19 pandemic. With this uptake of ecommerce comes a set of challenges, notably the imperative to professionalize the online channels for MSMEs. There is also a need for increased government funding to bolster MSME growth particularly for resources, tools, and skill development. While strides have been made to reduce gender disparities, more need to be done for women-led MSMEs who require broader access to new markets, networking opportunities, resources, and funding. Despite the opportunities presented by digital data for close monitoring, governments have growing concerns about data privacy.

The ecommerce ecosystem plays an important role in enabling MSMEs to scale, however an ecosystem is only as effective as its accessibility and many startups are not aware of resources available to them. One of the roles of the Alliance is to enable MSMEs to tap into their ecosystem of investors, suppliers, agencies, associations, and more.

Roger Libby, Vice President and Head of Corporate Public Affairs and the Americas for DHL, underscored opportunities for public-private partnerships to foster supportive policies that would allow for optimal utilization of existing digital and physical infrastructure. For example, policies expedite cross-border processing, thus unlocking fast border clearance for those MSMEs who need it most. DHL Express, a key logistics player, emphasized its commitment to inclusivity by identifying MSMEs for sustained partnerships.

Inclusive Approaches to Address Rural Challenges

One of the roles of the Alliance is to help lessen the risk of expansion and diversification to different market segments by offering a development perspective and insights on said market segments.

Jehiel Oliver, CEO and Founder of Hello Tractor, discussed creative and human-centered approaches, such as "inclusion in the cove", to address challenges in rural areas of Kenya. The goal is to ensure that



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the benefits of digitization are equitably distributed among all consumers. As technology advances and evolves, certain groups tend to get left behind in terms of accessing new technology thus creating a disparity in the market. Hello Tractor takes an inclusive approach to product design informed by data (e.g., analysis of geographical trends) and employs creative strategies to educate consumers with accessible content through social media while reducing the cost of capacity building. Currently, Hello Tractor is partnering with the Alliance to understand the journey and impact for small farm holders once they have access to digitization.

Panelists collectively underscored the need for intentional and innovative partnership strategies, continuous engagement, and affinity-building for digital tools in rural areas and overlooked communities in the age of ecommerce. The inclusive approach could trigger a ripple effect and later drive demand for other digital services such as digital payments and mobile banking.

Brett Johnson, Director of Inclusive Growth and Natural Capital at Palladium, stressed the importance of tailoring digital solutions to diverse populations. Co-investment involves meticulous considerations of marketing and communication strategies, adapting them to suit different market segments. Drawing from experiences in the West Bank, successful collaboration with partners from the gig economy and digital service providers included the administration of focus groups which captured perspectives often overlooked in surveys, further informing effective approaches to digital solutions. A similar approach was taken by Cargill in multiple countries in the agricultural sector, where Cargill engages with farmers on an ongoing basis through focus groups and interviews to identify needs and inform outreach efforts.

Conclusion

While it proves to be difficult to assess the impact of an entire ecosystem for ecommerce, the Alliance is exploring methods such as focusing on the growth of digital payments and fintech. It also stresses the importance of logistic partners such as DHL who can provide meta data to identify where ecommerce is working and why. There are also signals in the market system that can be treated as proxies such as identifying players who can provide services that MSMEs need. Highlighting the convening power of the Alliance, different partners of the ecosystem met to reflect on ways they can effectively reach different customer segments given their varying needs. It is important to understand the limitations of digitization across various groups to inform a nuanced approach to outreach and engagement.