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Contribution by

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1. What do developing countries need in order to build competitive advantages through e-commerce and the digital economy?

From a recent study carried out by the National statistics in Kenya, the penetration of e-commerce for B2C and B2B stands at 39.0 per cent. Most businesses, however still prefer to sell the goods using the old-fashioned methods such as ordering goods through telephone and conventional emails. This means that even though there is available ICT infrastructure in place and affordable internet services, most businesses are yet to take the full benefits that come with internet such as e-commerce. In addition, even though few companies have implemented e-commerce in their business model, some have noted that there is no additional benefit that has been reported. This is mainly in terms of increased sales or number of customers. In most cases, implementing e-commerce to businesses involve incurring costs in ensuring goods are delivered to the customers, as is most preferred, investing in ICTs such as applications, websites etc. Affordable systems in place would attract business people to buy them, and smooth transportation would encourage a buy in from them to ensure goods ordered are delivered on time.

Availability of accessible payments to all such as the mobile payment has also helped in the uptake of e-commerce in Kenya. Most individuals prefer to trade with this type of accounts followed by cash on delivery for the goods bought. The use of credit/ debit cards is low because most individuals don't have bank accounts vis a vis mobile payment accounts, and those with bank accounts don't have credit/ debit cards. However, payment options is not the main hindrance to the uptake of e-commerce. According to the study, most businesses preferred mobile payments as safe mode of transaction for online sales.

In order to have a competitive market, businesses have to be able to sell their goods online and offer competitive prices. Most internet users use it to look for places to buy or sell items, book services, request for a taxi, check and compare places to visit and prices. For the few who sell goods online, they attract more customers from online than those who do not have presence in the internet this is more noticeable in the taxi sector, where majority of individuals prefer to order these services from online platform. Most goods can be sold online, from farming products to construction, arts, clothes etc. One of the local enterprises in Kenya sells crafts online market by connecting online customers with offline craftsman. What is mainly needed to increase the uptake of e-commerce and capacity building among sellers. Media advertisements also reach big audience in informing buyers on the products sold online and how they can buy. Competition among businesses by reducing the prices of goods sold online can act as attraction to majority of customers.

2. What can developing countries do in order to strengthen their physical and technology infrastructure?

From the study carried out, most businesses reported that their products are not suited for sale over the internet and having no reason of not selling the goods online. This represent lack of knowledge on what is needed, and how firms engage in e-commerce. Since developing countries have majority of businesses coming from small-scale enterprises especially in agriculture and retail sector, capacity building is key to them. Simple technologies can be used such as taking photos with mobile phone and uploading them in certain application to reach buyers online could be adopted. Delivery of agricultural products for example can be done within short time especially with the using public transportation that offer courier services, or motorcycles which are easily available and affordable for short distances. Payments methods such as mobile money could be used in these transactions. For e-commerce to thrive, trust must be ensured between the buyer and the seller. In most cases, goods online sometimes look more flashy than what maybe delivered. Such issues may keep customers from buying online and prefer to buy goods they first see physically.

There several initiatives that small-scale enterprises and other groups such as women and the youth groups who do businesses through funding from the banks, Non-governmental organizations, charities etc could use. Such organizations should adopt and share the skills of e-commerce in addition to financial skills they already give these groups. The organizations could also collaborate with ICT companies, universities who may assist these groups in implementing e-commerce in their businesses. These will help get large audience since these groups are already established.

3. How can developed countries partner with developing countries, in the most impactful way, to maximize opportunities and address challenges relating to e-commerce and the digital economy?

Developing countries are a step head in the use of ICTs in businesses. China for example is one of the leading countries in the uptake of e-commerce. Experience sharing from these countries with developing countries is very significant. Business leaders would learn on how to have their products sold online through these experience sharing. Service sector would also come up with innovative ways on offering more services through the internet.

The government would also benefit from other countries by implementing necessary policy to safe guard buyers and sellers from online fraud especially in the payment systems, ensuring goods bought online are of the same quality and standards as expected and so forth. Capacity building is also necessary to the countries to put in place best policies that steer the growth of e-commerce.