Online sales: lessons learned

29 May 2020

www.globaldistributorscollective.org
Agenda

1. Objectives and scene-setting
2. Different online sales models: how to choose?
3. Discussion with panelists
4. Open Q&A
5. Next steps and close
Why this topic and why now?

• Today LMDs primarily use sales agents/retail outlets/partners to distribute beneficial products

• Online sales an increasingly attractive option for LMDs, accelerated by covid19 crisis

• E-commerce has its own challenges but also offers clear benefits for LMDs as well as end-consumers: choice, affordability, data
Our panellists

Nthabi Mosia
Easy Solar

Arnaud Blanchet
ShopIt

Jackie Stenson
Essmart

Ajaita Shah
Frontier Markets

Eloi Le Rudulier
Jumia
Structuring questions for last mile distributors

#1 Should I develop an e-commerce offer?
- Do I have a strong business/impact rationale beyond COVID response?

#2 How can I do so cost-efficiently?
- Should I run customer acquisition offline or online (or both)?
- Should I build my own platform or leverage an existing one?
- Should I operate payment and logistics in-house or outsource?

- Reach new market segments?
- Reduce acquisition and operations costs?
- Enable cross-subsidies to lower income users?
- Other?

- Is my target audience tech-savvy?
- Does my product require demonstration?

- Does the opportunity justify the investment?
- Can I leverage internal tools and capabilities?

- Does my product require installation?
- Does my product require credit?
Depending on their value proposition, assets, and priorities, distributors can develop very different online sales models.

<table>
<thead>
<tr>
<th>Customer acquisition &amp; marketing</th>
<th>Ordering</th>
<th>Payment</th>
<th>Delivery</th>
<th>Installation/training</th>
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<td><strong>easy solar</strong> Beneficial goods</td>
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Online + can be delivered in-house or outsourced to providers such as JUMIA.
Order from a rural shop today so that they can feed their family tomorrow.

Each product comes from a small shop in rural South India that is struggling to make ends meet amidst the COVID-19 nation-wide lockdown. Your purchase puts money directly in the pockets of those who need your money the most.

Support rural shops through Essmart

Shop here to help small retailers during the lockdown and through the recovery period. Every purchased product directly benefits rural shops:
1. Margin and profit sharing: each product here represents a product in a shop that is unable to be sold due to the lockdown — YOU help it move and put rupees in shopkeepers’ pockets!
2. Flexible credit: each sale helps us extend credit periods to shops experiencing low footfalls during these months, so there is more focus on recovery and less stress about repayment. No one less bills!

Choosing Essmart stores over Amazon supports local economies across South India with ethical policies, not of transnational e-commerce without profit-sharing policies.

BUY PRODUCTS & SAVE LIVELIHOODS

- TATA Screw Driver Set (8 Blades)
  - Rs. 294.00

- TATA Pruning Cutter Sescator
  - Rs. 322.00

- SunKIng Pro 300
  - Rs. 1,699.00

- BOSCH TrueMixx Pro 1000 W Black
  - Rs. 1,900.00
Connecting the informal economy
Leveraging Jumia to sell online: two options

The case of Jumia Ivory Coast

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<th>(1) Opening a shop on Jumia</th>
<th>(2) Using Jumia 3PL</th>
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<td><strong>E-commerce</strong></td>
<td>Social Networks</td>
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<td>WhatsApp, Facebook, Instagram</td>
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<td>Dropshipping / Jumia Express</td>
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* Cash on delivery payments are conditioned to the area of delivery

**Jumia does not serve every location in Ivory Coast, but has a strong presence with over 80 cities covered - to get more information go to www.jumia.ci
Q&A with panellists

Q1: Customer acquisition

How do you acquire customers?

Are the consumer segments you’re reaching via online sales different from the ones you were previously reaching?

What have you learned in adapting your customer acquisition strategy?
Q&A with panellists

Q2: Value chain partnerships

What components of the value chain have you decided to outsource vs manage in-house, and why?

If you were to do it again, would you do it differently?

What partnership options do LMDs have along the value chain?
Q&A with panellists

Q3: Lessons learned

What is the main unexpected challenge you have faced?

What single recommendation would you make to LMDs contemplating the e-commerce opportunity?
Open Q&A
What next?

- Summary document and recording
- Check out our COVID-19 resources hub:

www.globaldistributorscollective.org/covid-19-resources
Thank you

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