ACCELERATING THE DIGITAL/INTERNET ECONOMY THROUGH E-COMMERCE IN RWANDA

In collaboration with
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**Rwanda Internet Governance Forum 2018**

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Introduction

The Rwanda Internet Governance forum (RWIGF) 2018 edition was held on the 20th December 2018 at Marriott Hotel Kigali as a half-day event. This year’s theme, “ACCELERATING THE DIGITAL/INTERNET ECONOMY THROUGH ECommerce IN RWANDA”, gathered the local Internet community and beyond, to discuss about the development of eCommerce in Rwanda.

Participation

RWIGF2018 was attended by 124 participants, coming from the private and public sectors. Among the organisations representing the public sector, we noticed the presence of:

1. The ministry of ICT and Innovation, MINICT;
2. The ministry of Commerce, MINICOM;
3. The Rwanda Utilities and Regulatory Authority, RURA;
4. The National Bank of Rwanda, NBR;

From the private sector, we noticed the presence of:

1. The Private Sector Federation - ICT Chamber;
2. eCommerce platform service providers;
3. Payment systems providers: Mobicash, etc;
4. Entrepreneurs in various sectors of activities.

NB: When compared with the 2017 RWIGF, the number of participants remained the same.

Opening remarks

Mr. Ghislain Nkeramugaba gave the opening remarks, and welcomed all participants. He recognised the presence of the Guest of Honour, Mrs. Paula Ingabire, Minister of ICT and Innovation, and Mr. Bienvenu Rukundo, IT expert in charge of eCommerce at MINICOM, duly representing the Director of Trade and exports at MINICOM, who could not participate in the RWIGF 2018 meeting.

He encouraged all the participants to participate in the activities related to the governance of the Internet being via emails, mailing lists and also participating in the annual meeting. He also encourage participants to take the conversation on the social media networks, and spread the word using the Twitter hashtag #RwandalGF2018.

He also encouraged the participants to visit the website of the Rwanda IGF, which is https://rwigf.rw in order to access the past forums’ meeting reports.

He also talked about the importance of eCommerce, and why RICTA had put a special focus on promoting eCommerce in its FY2018 activities. He shared with the audience about the DBO (Doing Business Online) campaign that was run by RICTA and its partners (DMM.HeHe, SPIDERBIT and GIZ/German cooperation), when more than 300 companies/shops were visited and informed about the benefits of eCommerce in general. The campaign was run for an entire week at CHIC, MIC, UTC, RDB, some common places where shops are found, but also where business owners get services (i.e. RDB).
Keynote Address

1. Hon. Mrs. Ingabire Paula, Minister, Ministry of ICT and Innovation (MINICT);

Hon. Mrs. Paula started thanking the organising committee for inviting the Ministry of ICT and Innovation (MINICT) to the Rwanda Internet Governance Forum 2018 on “Accelerating the Digital/Internet Economy through eCommerce in Rwanda”.

She started mentioning that, although a vast majority of the population is still trading using the traditional methods, it is equally important to adopt the new ways of trading online, this being eCommerce.

She mentioned that Rwanda has achieved some significant progress in ICT, in general, as well as in eCommerce. In the past years, beyond the national fibre optic network implementation, the National Data centre and the 4G LTE Rollout, the Government of Rwanda has been at the forefront of promoting eCommerce and/or digital systems. These include, but are not limited to;

a. The online tax filing and Electronic Billing Machines (EBM) systems by RRA,
b. The e-Government system through the IREMBO portal by RwandaOnline Ltd. where citizens can request quite a number of government services;
c. UMUCYO portal, which is an online procurement platform, which allows potential service providers to openly and transparently bid for any government related service request

On another hand, she mentioned that the private sector as well has been active in the eCommerce sector, with platform such as DMM.HeHe, KASHA, etc. being launched and used locally, regionally and Internationally. In addition, the Electronic World Trade Platform (eWTP) shall play a considerable role in promoting Rwandan products on a global scale.

With respect to challenges the eCommerce in Rwanda is facing, she mentioned:

a. The Internet penetration, which is still low;
b. The logistic and delivery systems are still not well developed;
c. The International payment transactions are still low or using old ways
d. The need to formalise the eCommerce industry sector

She concluded by calling upon the Government of Rwanda, the Private sector and Developing partners to form a strong partnership in order to build a strong eCommerce ecosystem in Rwanda, which will be able to address the demand of the domestic and international markets.

2. Mr. Bienvenu Rukundo, IT Expert in Charge of eCommerce, Ministry of Commerce (MINICOM)

Mr. Bienvenu Rukundo began by apologising for the Director General of Trace and Investments at MINICOM, who was not able to come and attend the Rwanda Internet Governance Forum 2018.

He continued by mentioning that eCommerce has the potential to become a significant part of the Rwanda economic activities. This, being promoted by a number of other activities such as increasing digital literacy, development of infrastructure, while some breakthrough technologies are emerging.
He continued stating that the Ministry of Trade and Commerce (MINICOM) is identifying sectors and industries areas, which exhibit considerable potential for growth both for export trade and industrialisation. MINICOM is also working on an eCommerce strategy in partnership with the International Trade Centre (ITC) and GIZ/German Cooperation.

“On another hand, some eCommerce platforms have emerged” He said. “YouPay, DMM.HeHe, MadeInRwanda Online, Agasani Market, etc.”

He concluded wishing the participants fruitful deliberations.

**Presentations**

**Status of eCommerce in Rwanda**

By <Mr. Leonard M.>

Mr. MUNGARULIRE Leonard began by thanking the organisers for the invitation to come and discuss about eCommerce.

His presentation touched the following points:

1. An outlook of the global and African eCommerce strengths;
2. Some of the success factors to drive eCommerce in Rwanda;
3. The eCommerce project that ITC in partnership with Government of Rwanda, GIZ/German cooperation, DHL, and the Private Sector, are implementing in Rwanda;
4. A brief overview of the findings of the comprehensive eCommerce consumer survey that was conducted in Rwanda;
5. An overview of the eCommerce ecosystem that is being implemented in Rwanda.

Here are some of the key highlights:

1. The value of global eCommerce increased to an estimated $25 trillion in 2015, up from $16 trillion in 2013 (UNCTAD’s 2017 Information Economy Report);
2. McKinsey estimates that eCommerce will account for $75 Billion in Africa by 2025 from $16 Billion in 2017;
3. Four countries are leading in eCommerce on the African continent: **South Africa, Egypt, Nigeria** and **Kenya**;
4. Some of the factors that impact and/or drive the adoption of eCommerce include but are not limited to the Internet penetration rate, the size and stability of the middle class, minimum level of retail and wholesale development, sufficient access to financial services, online trust, targeting millennials as a must, developed logistics and delivery services, a sufficient size of mobile money market, innovative eCommerce business models, favourable e-policy and public incentives and urbanisation;
5. The eCommerce project in Rwanda is implemented by ITC, GIZ, in collaboration with MINICOM and DHL, via fundings from BMZ/GIZ, Germany;
6. The eCommerce project aims at enabling the future of e-Commerce and it is aiming at assisting 150 enterprises to become online service providers. The project is inline with the Rwanda Vision 2020, to create a knowledge-based economy;
7. More than 100 SMEs/enterprises were trained on a number of issues such as Introduction on eCommerce, usability, e-market research, integrating virtual market place and online promotion;
8. A survey was conducted covering 814 consumers in Kigali to understand the market dynamics and the potential of e-commerce in Kigali. Some of the findings to the “Reasons for shopping online” question, among other responses were:
   1. “Shopping on Internet saves time”;
   2. “Prices are cheaper in online shops”;
   3. “There is a wider range of products online”;
   4. “Fast product delivery”;
9. The ecosystem that is being built comprises; a Rwanda e-Commerce portal (where there is regular monitoring for quality assurance), individual websites in Rwanda, Made in Rwanda Platform and online market places

Further details are contained in the presentation by Leonard M.

**Opportunities and Challenges of eCommerce**

By <Mr. Jaures Habineza>

Mr. HABINEZA Jaures shared with the audience the experience of Made In Rwanda Online (MiRO). Here below are some of the key highlights:

1. MiRO was created to try and solve the Rwanda trade deficit (imports vs. Exports);
2. Small SMEs did not have a platform to showcase (and/or sell) their products;
3. Diaspora have challenges in finding and buying local/Rwandan products;
4. MiRO wanted to also to help create jobs and reduce unemployment by creating jobs using e-commerce and have a social impact;
5. Some of the challenges include; low levels of products (insufficient volumes of products to meet the demand), lack of data from suppliers and manufactures;
6. Some of the solutions include: digitising the supply chain and the stock management function, sharing/providing information to vendors/suppliers for them to make informed decisions;
7. The platform helps the SMEs to collectively market their products.

Further details are contained in the presentation by Jaures H.

**Issues of Awareness, Trust and Cybersecurity in eCommerce**

By <Mr. Innocent Kaneza>

Mr. KANEZA Innocent shared with the audience the importance of building trusted platform in order to have a thriving e-commerce platform. Some of the ways to build trust online is to:

1. Have trust seals, which are images that insures the visitor that he/she is on a trusted website;
2. Have website secured with Secure Socket Layer (SSL) certificate, which would guarantee a secure communication between the visitor and the website owner
3. To keep up-to-date contact information details;
4. To maintain Customers Reviews of products and services.
5. To ensure the website are accessible from a variety of devices (Mobile, website, Tablets);
6. To have policies in place that will ensure customer protections, delivery and return policies.

Further details are contained in the presentation by Mr. Innocent Kaneza
Digital Payments and eCommerce
By <Mr. Olivier Manzi>

Mr. Olivier Manzi’s presentation focused on digital payment systems with respect to eCommerce. Here below are some of the highlights from his presentation:

1. There is a need to improve the tracking for eCommerce metrics, and to report them annually. For example, there is a need to report the usage of ePOS;
2. The payment cards (debit and credit) are often used as ATM cards (mainly to withdraw money), and not much as online payment cards;
3. eCommerce in Rwanda grew from $4.9 USD in 2012 to $13.7 USD in 2017. However, when comparing the Rwanda’s trend against Kenya’s trends, one can notice that the former has a greater growth rate. Here we need to know and learn what Kenya is doing right, and learn from it;
4. In the case of IREMBO, 20% of the transactions are still done with cash;
5. The handling of cash from the merchant and the bank perspective is expensive;
6. There is a national strategy to unify the payment system in Rwanda: The Rwanda National Digital Payment System (R-NDPS). The vision of the R-NDPS is the realisation of a cashless and inclusive economy in Rwanda, which is supported by a safe, robust, and efficient payment system. With this vision, the R-NDPS supports the objectives of the Government of Rwanda’s Vision 2050 and the BNR’s National Payment System Framework and Strategy: Vision 2024;
7. The R-NDPS strategy carries a number of benefits for (1) the End-users, (2) the Banks/MFIs/PSPs/Fintechs and (3) the Government of Rwanda;
8. What is needed to boost eCommerce in Rwanda is:
   1. Structured logistics & Delivery support function/industry;
   2. User friendly business processes for merchant onboarding;
   3. Interoperable local infrastructure;
   4. Increase awareness and marketing activities by financial institutions to promote eCommerce/online payments

Further details are contained in the presentation by Mr. Innocent Kaneza

A presentation of the eWTP (Electronic World Trade Platform) Project
By <Mrs. Diane Sayinzoga>

Mrs. SAYINZOGA Diane presentation was about the Electronic World Trade Platform (eWTP), which was recently launched in Rwanda by His Excellence Paul Kagame, President of Rwanda and Mr. Jack Ma, Co-founder and Executive Chairman of ALIBABA Group, a multinational technology conglomerate.

Here below are some insights from her presentation:

1. The Electronic World Trade Platform (eWTP) project is a joined collaboration effort between the Government of Rwanda and Alibaba Group;
2. Its objective is the development of the digital economy in Rwanda and making it easier for Rwandan companies to participate in global trade;
3. eWTP focuses on four (4) main areas: Tourism, Training & Education, eCommerce and e-Payment;
   1. Tourism: RDB and the Rwanda Tourism Chamber are using the www.fliggy.com portal to sell tourist package to the Chinese market;
   2. eCommerce: promotion of Rwandan products on Alibaba platforms (TMall and Taobao);
3. **Training & Education**: comprises a number of capacity building activities aiming at building the skills of entrepreneurs. The activities comprise universities lectures, a 4-year undergraduate program in e-Commerce in China, and an e-founders fellowship program, where a number of entrepreneurs will be trained on e-Commerce;

4. **E-payment**: Alipay will facilitate the acceptance of electronic payment for online transactions, specifically with Chinese business and financial partners.

**Panel Discussion**

The panel discussion featured the previous presenters, except for Mrs. Diane Sayinzoga, who excused herself and left the meeting before the end. It was moderated by Mr. Robert Ford.

**Issue-1: The ability for a local e-Commerce website to be able to process International payment cards**

A participant asked what needs to be done so that local e-Commerce websites are able to process any card payment systems, and subsequently be able to receive the money the buyers have paid (i.e. settlement).

The panelists responded by saying that Bank of Kigali and Ecobank have payment gateways that allow International buyers (holding International cards) to pay for a service or a product in Rwanda, and the seller being able to receive the money in its account directly. On another hand, there is a need for the local financial institutions to continue to work in order to attract the commonly known International payment gateway aggregators such as PayPal and/or Stripe.

**Issue-2: Explanation about how Rwanda - National Digital Payment System (R-NDPS) will work/function in the local ecosystem**

A participant asked if during the development of the R-NDPS, the MINICOM e-Commerce strategy was included.

One of the panelist responded by saying that R-NDPS was developed in a way that it connects the “aggregators of niches”. For example, MINICOM could be considered as an aggregator of specific merchants, for example SMEs in a certain sector, or/and an aggregator of schools, hospitals, etc.

**Issue-3: Digital literacy and/or language barrier**

For e-Commerce to thrive there is a need to address also the issue digital literacy and language barrier. Most of the content (e-Commerce content) is NOT in Kinyarwanda. There is a need to continue improve the awareness in the general public while the content is developed in the local language. In the e-Commerce association, there is a continuous effort to encourage the techpreneurs to localise the content in order to attract more clients/buyers.

**Issue-4: Best practice and policies not being well and/or clearly spelled out so that the consumer has confidence in the purchase he/she is making**

There is a need to encourage the e-Commerce providers to establish and implement some of the key best practices in terms of policies. Such policies address the issue of “returning a product” and/or “refund” in case the client does not get the expected quality. These are quite important aspects in order to build trust online. Some of these best practices or policies can be developed along the way, while the technology/services are being used (e.g. ZIPLINE Case study - Drone technology policy and regulations).
The “sandbox” regulatory regime, established by RURA, allows innovators in the e-Commerce to experiment new products and services. For example DMM.HeHe was provided such “sandbox” license in order to innovate in the e-Commerce space.

**Issue-5: Arbitration and Litigation issues**

In the case of transaction happening between two entities located in different countries, how is arbitration and litigate being handled in the event of refunds and return?

In the case of Alipay, one of the panelist shared with participants that when a payment is done, the money goes into an escrow account for period of time, before being released to Alipay. That period cater for the event there would be a claim from the consumer. If there are no claim or request for refund or return, the money is then sent to Alipay. So, using a third-party to settle payment is one good practice to guarantee that in case there is a claim, you [the consumer] will get your money back.

**Issue-6: How is the issue of acceptance of payment in e-Commerce**

The most commonly accepted form of e-Commerce payment is Mobile Money (MTN MoMo or/and Airtel Money): more than 70% of payments done on IREMBO are done via Mobile Money/wallets. However, card payments systems are also being accepted more and more. There is a need to improve card acceptance and adoption.

**Issue-7: International payment systems**

A participant raised the issue as in **Why Paypal is not in Rwanda**? Since onboarding such international payment system provider would give Rwanda’s e-Commerce a tremendous mileage, why are they not in Rwanda?

Another participant from the National National Bank of Rwanda responded saying that they have not received any application from PayPal to come and operate in Rwanda. However, they [BNR/NBR] would consider such application.

**Issue-8: The lack of awareness about the e-Commerce association & Transfer/transaction charges**

A participant mentioned that the e-Commerce association should promote its existence more so that other e-Commerce businesses would join. With respect to the transactions charges, participants requested that there be advocacy to try to reduce the transaction fees.

**Conclusions and Recommendations**

At the end of the panel discussion, Mr. Ghislain Nkeramugaba took the time to thank all the panelists for their inputs and insights they had shared with the audience. He thanked as well all the partners and sponsor of the event, namely, RICTA, ICT Chamber, RURA, BSC, ITC and GIZ/German cooperation.

Below are some of the recommendations from the forum:

1. E-Commerce is an ecosystem, where collaborative efforts will ensure its deliver on its objectives;
2. Rwanda e-Commerce should focus both on domestic and international markets;
3. Key touch points to grow e-Commerce in Rwanda:
   1. Continue to grow the Internet penetration;
   2. Efforts should be deployed to grow the middle class, which has substantial purchasing power;
   3. Grow the Online trust by focusing the key points that were presented by Mr. Kaneza innocent
   4. E-Commerce should target millennials, who are the biggest part of the population;
   5. Continue to grow the Logistics and delivery support sector;
   6. Importance of Mobile (commerce);
4. Continuous efforts to de-risk SMEs;
5. Take advantage of the e-Commerce service centres (to be launched by end of May 2019);
6. There is a need to keep track of e-Commerce indicators/metrics (by the National Bank of Rwanda);
7. There is a need to conduct regularly an e-Commerce market survey to understand more the e-Commerce ecosystem;
8. There is a need to hold awareness campaign to promote e-Commerce (Like as “Nayombi”, an awareness campaign aiming at improving customer service in general);
9. Some key aspects to ensure a successful e-Commerce ecosystem and business sector: return policy, GDPR, accurate stock MS;
10. Building Trust for e-Commerce websites is critical (HTTPS, Secure seal/Trust seal, etc.);
11. E-Commerce should always cater for all devices (Laptop, Tablets, Mobile);
12. There are prohibitive commission charges on transactions that are being imposed by payment service providers. There is a need to encourage competition so that the charge fees/commissions are brought down;
13. There is a need to fast-track the implementation of an interoperable platform for payment systems;
14. E-Commerce business should be encouraged to take advantage of eWTP (Electronic World Trade Platform) opportunities;
15. There is a need to attract more international payment systems in Rwanda (e.g. Paypal or others);
16. Local payment systems should grow and compete with regional and International payment systems;
17. Need to continue efforts in increasing digital literacy, removing language barriers by developing local content in Kinyarwanda content, and improving awareness;
18. Continue the discussion among the e-Commerce players (E-Commerce association, eForums, or annual forums, etc.)
19. Keep holding awareness activities (include the millennials and more women).
Annex 1. Digital Payments and eCommerce
By <Mr. Olivier Manzi>

DIGITAL PAYMENT AND E-COMMERCE

How far has Rwanda gone, What’s the way forward?

Content

- Electronic Payment regulatory aspect
- R-NDPS Implementation : Financial industry aspect
- Current status of the ecommerce landscape: Rwanda
- The way forward.
Payment Card

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<td>167</td>
<td>292</td>
<td>333</td>
<td>354</td>
<td>380</td>
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<td>Number of Point of Sale (POS) terminals</td>
<td>227</td>
<td>696</td>
<td>946</td>
<td>1,152</td>
<td>1,718</td>
<td>1,885</td>
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<td>Number of Point of Sale (POS) for Agents</td>
<td>-</td>
<td>-</td>
<td>491</td>
<td>1,009</td>
<td>1,422</td>
<td>1,826</td>
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<td>Number of debit cards</td>
<td>115,200</td>
<td>309,269</td>
<td>407,498</td>
<td>638,869</td>
<td>857,904</td>
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<td>Number of credit cards</td>
<td>516</td>
<td>418</td>
<td>845</td>
<td>2,540</td>
<td>3,485</td>
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<td>Number of transactions</td>
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<td>7,774,653</td>
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<td>7,505,815</td>
<td>8,183,116</td>
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<td>38,440</td>
<td>68,757</td>
<td>111,570</td>
<td>185,441</td>
<td>373,029</td>
<td>660,746</td>
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<td>22,623</td>
<td>298,838</td>
<td>482,945</td>
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<td>122,336</td>
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*e-Commerce utilization Rwanda*
Stakeholder Benefits of the R-NDPS

Establishment of a Unified Payment system presents immense potential to support the Rwandan payment’s industry in building a more inclusive and cashless economy.

End-users
- Improved customer convenience
- Lower transaction costs
- Increased value to using digital payments (network effects)
- Improved range of products/services that meet customer needs

Financial Services Providers (Banks/MFIs/PSPs/Fintechs)
- Lower Opex taking advantage of DFS touch points
- Enhanced value of DFS to customers leads to increased volume/value of transactions
- More opportunities to access new revenue streams
- Adherence to regulatory and payment industry standards

Government of Rwanda
- Aligned with Gov’t goal to achieve a cashless economy and expand financial inclusion
- Enhanced efficiency and effectiveness of the national payment ecosystem
- Increased cost and time saving in administering G2P programs
- Access to regional payment systems
What is needed?

- Structured logistical support function
  - Post Office, DHL, UPI, SkyNet to reach every corner of the country
  - Local government to facilitate in street addressing where applicable
  - Customs clearance process to be adapted to the new dynamics

- Friendly Merchant onboarding and business processes
  - Legal instruments, acquiring banks, payment platforms, ...

- Local interoperable infrastructure technology.
  - Merchant payment (ecommerce) gateway to host all available e-payment

- Awareness and marketing by financial institutions
Annex 2. Status of eCommerce in Rwanda
By <Mr. Leonard M.>

Internet Governance Forum
Status of e-Commerce in Rwanda

Presented by ITC
20th December 2018

Outline

1. Global and African e-Commerce Trends
2. E-Commerce in Africa: 13 success factors to drive e-Commerce in Rwanda
3. e-Commerce Project in Rwanda
4. Elements of the e-Commerce marketing strategy
5. Making the project sustainable
6. Next steps
E-Commerce Trends
Global and Africa

- Value of global e-commerce increased to an estimated $25 trillion in 2015, up from $16 trillion in 2013 (UNCTAD’s 2017 Information Economy Report)
- McKinsey estimates that e-Commerce will account for $75 Billion in Africa by 2025 from $16 Billion in 2017.

<table>
<thead>
<tr>
<th>Revenue rank FY13</th>
<th>Country</th>
<th>E-commerce sales (US$ million) FY13</th>
<th>Percentage share of total retail sales FY13 (%)</th>
<th>CAGR 2011-2013 (%)</th>
<th>CAGR 2013-2017 (%)</th>
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<tbody>
<tr>
<td>1</td>
<td>Egypt</td>
<td>2.542 E</td>
<td>2.16%</td>
<td>16.5%</td>
<td>19.0%</td>
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<tr>
<td>2</td>
<td>Nigeria</td>
<td>537.9</td>
<td>0.43%</td>
<td>63.2%</td>
<td>37.7%</td>
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<tr>
<td>3</td>
<td>South Africa</td>
<td>436.8</td>
<td>0.38%</td>
<td>20.9%</td>
<td>28.5%</td>
</tr>
<tr>
<td>4</td>
<td>Angola</td>
<td>294.3</td>
<td>0.74%</td>
<td>54.2%</td>
<td>33.9%</td>
</tr>
<tr>
<td>5</td>
<td>Kenya</td>
<td>84.1</td>
<td>0.35%</td>
<td>62.3%</td>
<td>39.4%</td>
</tr>
</tbody>
</table>

Source: Planet Retail and Deloitte analysis
CAGR = Compound Annual Growth Rate
FY = Financial Year

Source: Deloitte – African powers of retailing

Favorable e-policy and public incentives
Minimum Internet penetration
Innovative e-commerce business models
Sufficient size of the stable middle class
(Sufficient size of mobile money market)
Affordable price and adapted offer
Developed logistics and delivery services
Min-level of retail and wholesale development
Targeting millennials is a must
Sufficient access to financial services
Online trust

Source: ITC
Minimum Internet penetration
Internet user = online shopper?

- In some of Africa’s biggest markets, a majority of internet users already shop online or expect to do so in the future

- A recent study by Ipsos reveals that a **majority of Internet users** in Nigeria, Kenya and South Africa **shop online or expect to do so**:

  - **89%**
  - **60%**
  - **70%**

  ![Country Flags](image)

  **Source: IPSOS**

E-Commerce ecosystem in Rwanda

- Rwanda has achieved significant developments in the promotion of e-Commerce and the use of ICTs, including the development of e-Commerce portals to facilitate trade and improve access to e-Commerce and logistics.

- Recent initiatives:
  1. **The Electronic World Trade Platform (eWTP):**
     - It aims to support the development of a digital economy in Rwanda.
  2. **E-commerce services** are available: market places and portals, e-Shops, e-payment

    The use of e-commerce is in B2B and B2C both within Rwanda and externally.
    - DMM HeHe, a well-integrated e-commerce platform supporting over 20 online retailers;
    - Kash Online that sells personal products (B2C);
    - Get It that sells fresh food and related products to hotels (B2B);
    - Briskco which sells construction material and office stationery (B2B and B2C).

  3. **Irembo:** e-Government services on a single portal.
Background of the project

- Project jointly implemented by ITC and GIZ, in collaboration with MINICOM and DHL – Funded by BMZ / GIZ, Germany
- Project Title: Rwanda: Enabling the future of e-commerce
- From November 2017 to April 2019 (possible extension to Dec. 2019)
- Aiming to assist 150 enterprises to become online service providers
- In line with Rwanda’s Vision 2020
  - Transforming Rwanda to a middle-income status by 2020, including an emphasis on private sector-led development
  - Making Technology and ICT available to all
  - Rwanda to become a cashless or cash-light society, “to create a knowledge-based economy in a world beyond cash”

Objective of the project

To open e-Commerce opportunities to SMEs in Rwanda, through building capacities in understanding and preparedness to market goods and services online toward consumers.

An important component of this project is to develop a domestic transport and logistic network of actors to facilitate the flow of goods and make e-Commerce happen from suppliers to customers.
Consumer Market Survey

Stage 1: Market analysis
- Overall context
- Consumer, retail & E-Commerce understanding
- Marketing objective
- Research methodology: target, design, research guide, deliverables (R2)
- Conducted Nov-Dec 2017
- Results Dec 2017

Stage 2: Exploratory qualitative research B2C
- Values & personality
- Shopping habits & behaviour in the physical market and online
- Likes & dislikes
- Competitive set
- Conducted Dec 2017
- Results Jan 2018

Stage 3: Quantitative testing B2C
- Segmentation
- Targeting
- Positioning
- Conducted March-May 2018
- Results June 2018

Sample achievement broken down by Demographics

A total of 814 interviews were achieved in Kigali spread by demographics in the following percentage proportions:

- Gender:
  - Female: 49
  - Male: 51

- Age:
  - 18-19: 20%
  - 20-29: 33%
  - 30-39: 34%
  - 40-49: 13%

- Occupation:
  - Working full or part time: 39
  - Self employed: 38
  - Retired/Student/Housewife: 13
  - Others: 4

- Education:
  - No schooling: 13%
  - Some primary school: 33%
  - Primary school: 34%
  - Some high school: 20%
  - High school: 18%
  - University: 17%
  - College: 14%

- Personal income:
  - RWF 76,500: 45
  - RWF 25,001-76,500: 23
  - Others: 25

- District:
  - Gasabo: 25
  - Kicukiro: 30
  - Nyarugenge: 34

Sample achievement broken down by Demographics

TRADE IMPACT FOR GOOD
Main findings of the consumer survey

Reasons for shopping online in general in Kigali

1. Shopping on Internet saves... 37%
2. Prices are cheaper in online... 37%
3. Fast product delivery 28%
4. I like the ease of transaction 25%
5. I like the convenience of 25%
6. Shopping online makes my... 25%
7. Good quality products... 22%
8. You know exactly what you... 22%
9. You get authentic brands... 17%
10. There are good deals and... 16%
11. I have access to latest... 16%

Customer service is very good 16%
I like the ease of ordering... 13%
I like the ease of online... 12%
Online shopping influences me... 12%
It allows me to remain up to... 9%
I have access to products not... 9%
I can easily compare product... 7%
You can do a price comparison... 6%
I can buy anywhere in the... 6%
There is a guarantee for a... 5%
There is a refund / Exchange... 4%

Base: n=216

Key reasons for online shopping are: convenience (saves time), cheaper prices, availability of wide range of products and fast product delivery, followed by speed and convenience of delivery, convenience 2 (easier life and ease of transaction)
**Products likely to be purchased online**

<table>
<thead>
<tr>
<th>Category</th>
<th>Total</th>
<th>Ref 25,001 - 9,999</th>
<th>Ref 10,001 - 19,999</th>
<th>Ref 20,001 and above</th>
<th>20-24 years</th>
<th>25-34 years</th>
<th>35-44 years</th>
<th>45-49 years</th>
<th>50+ years</th>
<th>Type of Buyer</th>
</tr>
</thead>
</table>
| Products that consumers rank highly as most willing to purchase online include PCs, Laptops, tablets & accessories, mobile phones, imported products, E-learning, travel bookings and Clothing in that order spread across the key demographic profiles.

**Frequency of online purchase for key categories**

- **Grocery**
  - More than 10 times: 4%
  - 6-10 times: 3%
  - 3-5 times: 29%
  - 2-3 times: 23%
  - Once: 30%

- **Clothing**
  - More than 10 times: 4%
  - 6-10 times: 3%
  - 3-5 times: 29%
  - 2-3 times: 23%
  - Once: 30%

- **Cosmetics**
  - More than 10 times: 5%
  - 6-10 times: 36%
  - 3-5 times: 29%
  - 2-3 times: 18%
  - Once: 18%

- **Electronics**
  - More than 10 times: 2%
  - 6-10 times: 3%
  - 3-5 times: 60%
  - 2-3 times: 18%
  - Once: 18%

*Note: Groceries (%), Clothing (%), Cosmetics (%), Electronics (%)*
Motivators and demotivators for online purchase

Key motivators for online purchase

- The product will be delivered to where you want it: 12%
- The product is delivered fast: 3%
- They provide a lot of product information: 26%
- Quality of the product is guaranteed: 5%
- I can have access to latest products: 8%
- The product is cheap online: 12%
- It is a nice experience to shop online: 8%
- If easy to pay for the product: 12%
- There are good deals on the product: 4%
- There is a range of products: 6%
- I can have access to products not available in shops: 3%
- Helps me make a smart buy: 8%
- I can purchase it from local shops in Rwanda: 2%
- There is refund / Exchange policy: 6%
- My friends and family shop online: 1%
- There is constant resupply of products: 1%

Key demotivators for online purchase

- I don't know about online shopping: 20%
- Delivery times are very long: 6%
- They provide a lot of product information: 7%
- I doubt the authenticity of the product: 7%
- Online sites are expensive: 7%
- I don't have a credit / debit card: 7%
- Online shopping requires technical knowledge: 4%
- I cannot check the quality: 3%
- I do not trust Internet: 4%
- It is difficult to return or exchange a product: 4%
- It is not safe to put your personal details online: 3%
- I cannot touch / feel the product before buying it: 2%
- I can't find the product online: 3%
- Customer service is not adequate: 1%
- I am not connected to the Internet: 1%

Next purchase

- 33% of the target group are more likely to purchase online in future.

When asked how likely they are to purchase online in the next 12 months, only 33% of the target group are very likely to purchase online in future, indicating that most consumers are still cautious of using online websites in the near future.
Sustainability model

Educating consumers and overcoming barriers is a must to change the culture towards e-Commerce, which requires a sustained investment.
Annex 3. Opportunities and Challenges of eCommerce
By <Mr. Jaures Habineza>
Why does MIRO exist?

• Rwanda’s trade deficit (imports vs. exports)
• Small businesses in Rwanda don’t have a larger platform to showcase and sell their products
• Diaspora don’t have access to Made in Rwanda products
• The need of job creation among the Rwandan youth

What do we do?

• Creating awareness of Made in Rwanda products and services.
• Digital Marketing for made in Rwanda products
• Online selling
• Branding/ Photography, content creation, selling the products online
• Social impact
PROBLEMS

• Limited markets for SMEs
• Low productions for local SMEs
• Unknown products on the markets
• Lack of data for suppliers and manufactures
• High cost, skills and reliable information for good marketing strategy,

SOLUTIONS

• Online Marketplace (Web and Mobile Application) to build a wide customer base
• Supply Chain and Stock Management System.
• Provide collective data information for Vendors and suppliers to support a win-win collaboration
• Collective Marketing for SMEs.
Opportunities

The Future of Africa is Digital

DHL
FedEx
Iposta
Rwandair...

Online Store
(e-commerce B2C)
www.madeinrwanda.online

Payment by Credit card
Or Mobile money (e-wallet
soon) Bank transfert

System verify
order availability

Buyer/End
user Make
Order from
our platforms

www.madeinrwanda.online
info@madeinrwanda.online
Tel: +250 785060976
Annex 4. Issues of Awareness, Trust and Cybersecurity in eCommerce

By <Mr. Innocent Kaneza>

**Issues of Awareness, Trust, Cybersecurity in E-commerce Building e-commerce platforms that people trust**

eCommerce is booming as expected. Retail eCommerce sales worldwide, as predicted by eMarketer, will increase to $4.8 trillion in 2021.
What is Trust And Its Role in eCommerce?

Understanding the nature of Trust is important.

Trust is sometimes explained as:

The willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party.

How To Build Trust on Your eCommerce Platform

1 Trust Seals

A trust seal on a website is a 3rd party badge shows that the website is legitimate. It is important to note that often trust seals by themselves do not indicate any technical security. Rather, they are simply a certification of the company.
How To Build Trust on Your eCommerce Platform

2. What are SSL certificates?

In contrast to trust seals, SSL certificates indicate actual technical security. They serve to show that there is a secure connection between the browser and the web server and they guard against network eavesdropping. (Man in the middle)

3 Contact Information

• We don’t trust algorithms and machines as much as we trust humans. There are many reasons, known and unknown, for this. Part of the reason is that humans are capable of empathy and feel safer with other humans than with machines.

• Apart from this obvious benefit, contact page is also a potent lead generation engine. Users can directly get in touch with your sales team. This is particularly important for professional services where client-consultant interactions are best done in person.
4 Social Proof: Customer Reviews/Testimonials

- A consumer survey shows that 84% of people trust online reviews as much as a personal recommendation.
- Trust depends on the authenticity of the reviews. So it's not a question of quantity versus quality. You need both.

5 ease of access, design and features

- Users trust your platform when they can easily access it from different devices, the today buyer is mobile hence mobile access to your platform is key.
- Product accessibility, awareness and cybersecurity education
- A well-designed website or app attracts users and their trust, ease of navigation, clarity in prices, methods of payments etc
How To Build Trust on Your eCommerce Platform

6 customer protection, return policies and deliveries

- How customers are protected when doing their purchases? What are the return policies, and delivery of products?

- AliPay has escrow protection where buyer confirms reception of item before releasing funds to the merchant.

- Jumia checks late delivery when the time has elapsed and buyer says no food received yet!

In conclusion Building Trust in eCommerce

It is a precious commodity, TRUST. There are umpteen ways to coerce a user into doing business with you. Nevertheless, failing a user's trust in your business can have catastrophic effects. Bad PR is only the beginning of it.

Businesses need to earn their users' trust every day, over and over again.
End.