



# Leveraging on E-Commerce in Promoting Access to Market



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# Why E-Commerce???

**Web  
population is  
now 1.162  
billion**

**E-Commerce is  
growing fast**

**Average Internet  
user spends  
22.4 hours**

**Introduction of  
Cloud  
Computing**

# The global village is real



2 billion internet connected consumers

555 million wired broadband subscribers

943 million wireless broadband subscribers

5 billion cell phones

\*2010 Estimates: ITU World Telecommunications/ ICT Indicators database

# World internet usage statistics

## WORLD INTERNET USAGE AND POPULATION STATISTICS

December 31, 2011

World Regions	Population ( 2011 Est.)	Internet Users Dec. 31, 2000	Internet Users Latest Data	Penetration (% Population)	Growth 2000-2011	Users % of Table
<b>Africa</b>	1,037,524,058	4,514,400	139,875,242	13.50%	2988.40%	6.20%
<b>Asia</b>	3,879,740,877	114,304,000	1,016,799,076	26.20%	789.60%	44.80%
<b>Europe</b>	816,426,346	105,096,093	500,723,686	61.30%	376.40%	22.10%
<b>Middle East</b>	216,258,843	3,284,800	77,020,995	35.60%	2244.80%	3.40%
<b>North America</b>	347,394,870	108,096,800	273,067,546	78.60%	152.60%	12.00%
<b>Latin America / Carib.</b>	597,283,165	18,068,919	235,819,740	39.50%	1205.10%	10.40%
<b>Oceania / Australia</b>	35,426,995	7,620,480	23,927,457	67.50%	214.00%	1.10%
<b>WORLD TOTAL</b>	6,930,055,154	360,985,492	2,267,233,742	32.70%	528.10%	100.00%

# Small Medium Enterprises (SMEs) in OIC

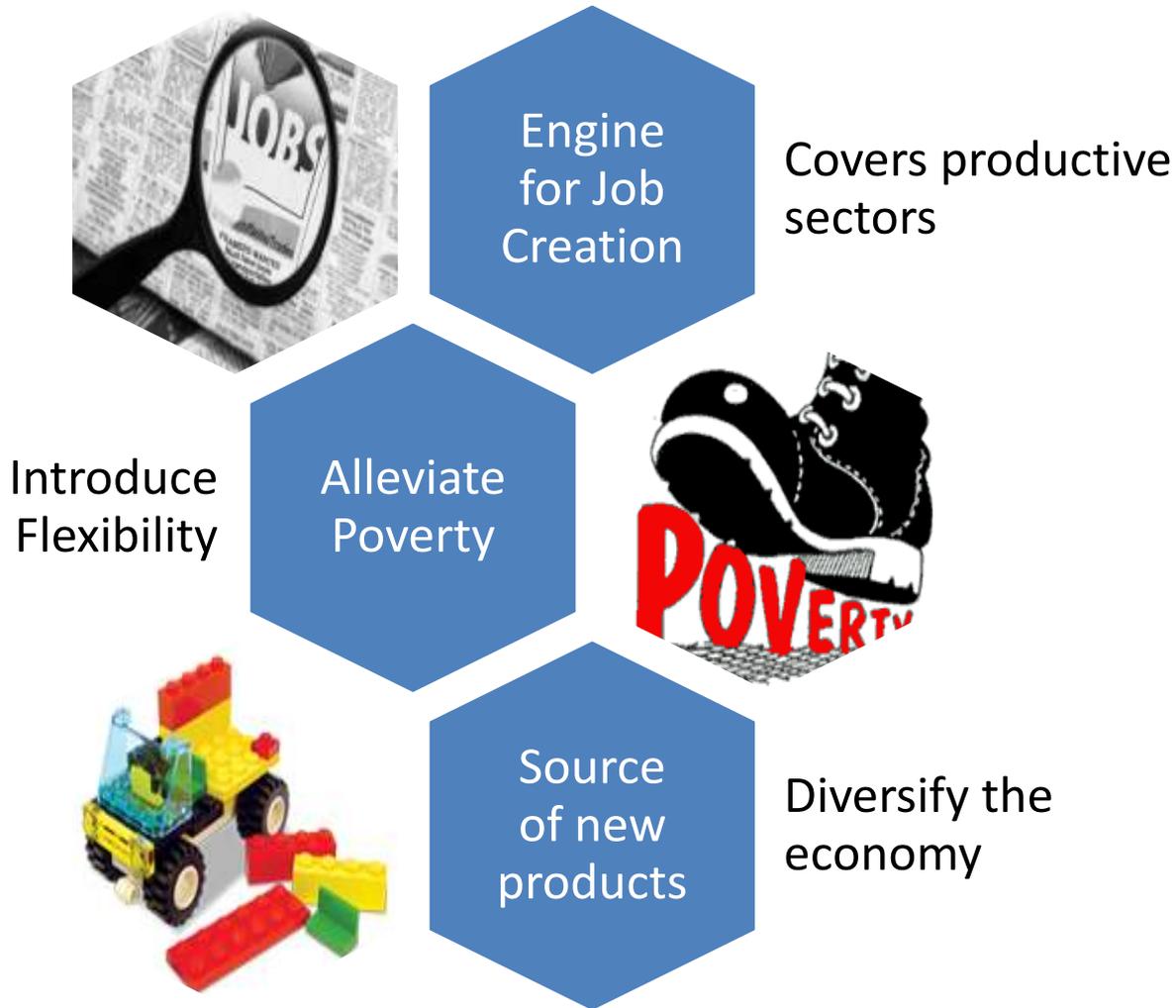
SMEs = 90% of the OIC economy

OIC can be one single market but SMEs internationalization is challenged by:



- » Limited financial resources
- » Diversity among the different markets
- » Low adoption of technology

# Importance of SMEs in OIC Member States



# Opportunity during Crisis

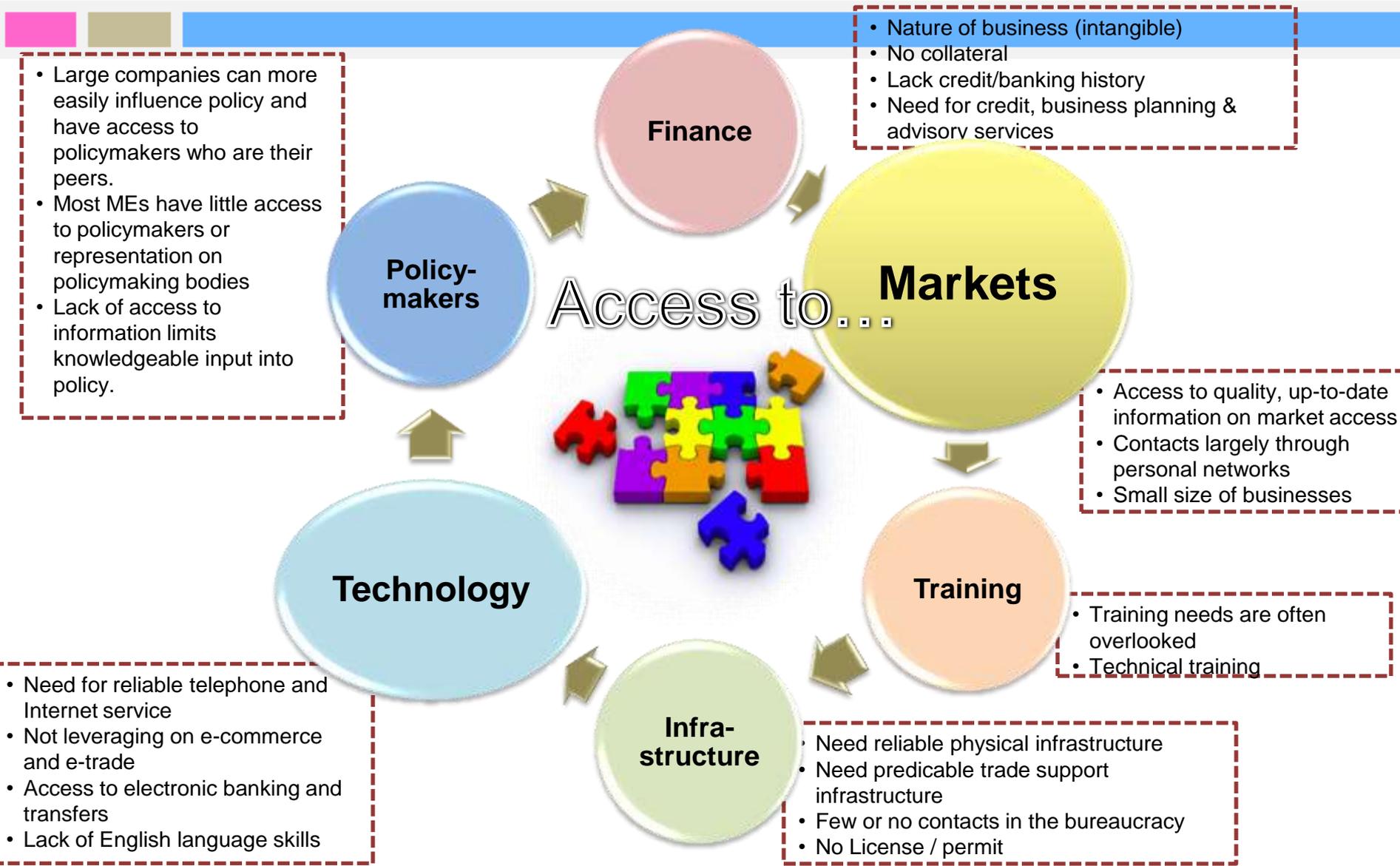
**During the 2009 downturn survey shows that this recession will serve as a catalyst for economic revival. . .**



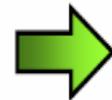
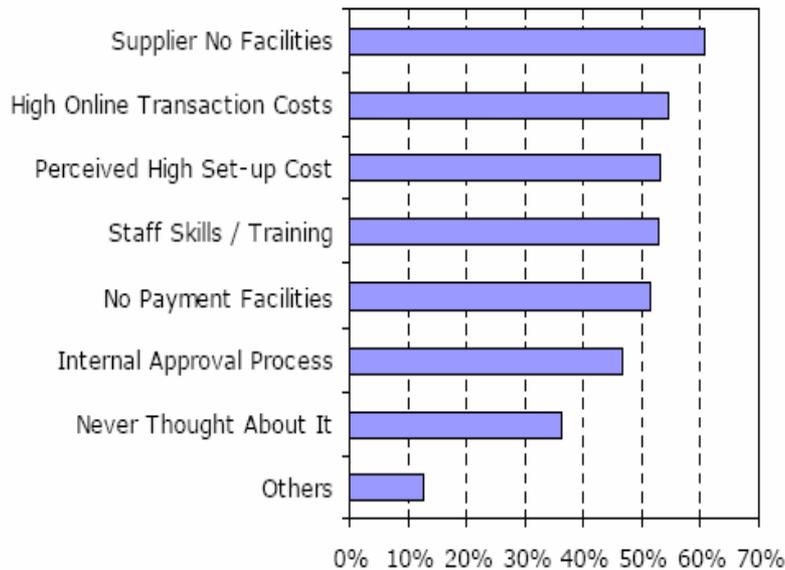
- **75% of Americans surveyed believe new entrepreneurs and SMEs will be the key to economic revival**
- **4 out of 5 considered starting their own business**
- **44% who considered starting their own business said not understanding where to find the right suppliers was the top reason for not moving forward**

**. . .and those who embrace disruptive technology, will survive and thrive while those who do not will die**

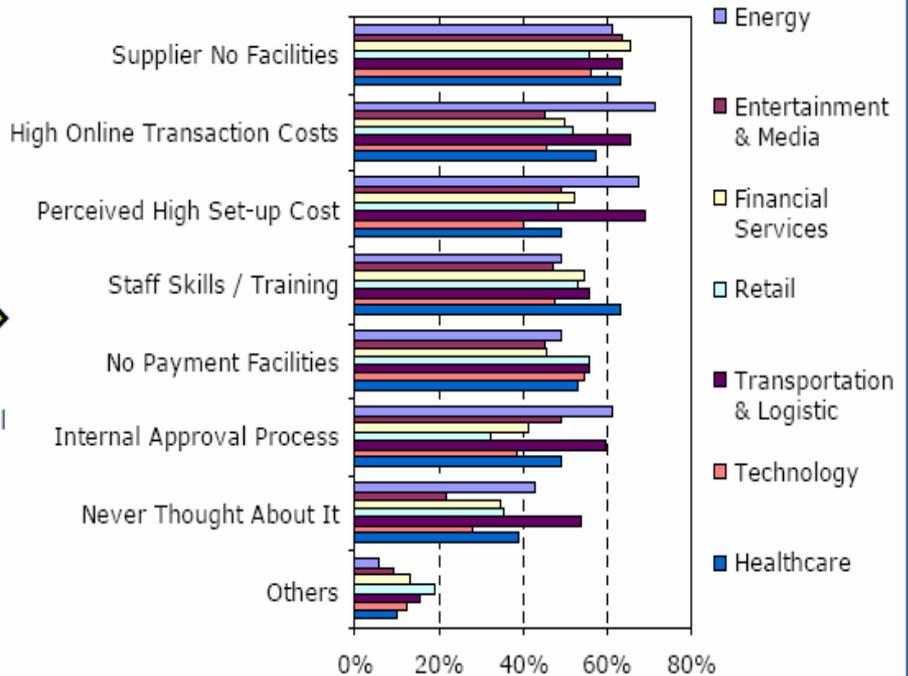
# Major Challenges Faced by SMEs



# Barriers to e-commerce



Split by industrial verticals



High costs, lack of facilities and lack of skills were the main perceived barriers (>50%) for users conducting business online.  
For 36% of respondents, e-Commerce never even crossed their minds.

Transportation & Logistic and Energy industries stands out as having a higher proportion of firms that perceive 'high online transaction cost' and 'high set-up cost' as the barriers to e-commerce.

Source :



# Traditional Sourcing Work Flow

With the internet, B2B sourcing and selling is much easier



~~Average sourcing cycle: 3.3 – 4.2 months~~

- 52% of time spent searching for/identifying appropriate suppliers
- 18% of time spent on RFQ development/ RFQ response
- 20% of time spent on screening/sorting proposals
- 10% of time spent on contract negotiations

## Traditional Sources of Supplier Information

- Referral (colleagues, associates)
- Trade shows
- Industry magazines, trade journals

- Industry associations
- Trade directories
- Existing suppliers

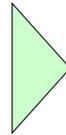
# Overcoming Trade Barriers

The advent of eMarket places has helped to address many of these issues

## Challenges

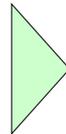
## Solutions

Lack of foreign market knowledge



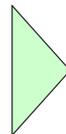
- Online market research
- User forums/knowledge sharing
- Robust global online company database

Lack of confidence in doing international trade



- On-Offline partnerships (tradeshows, buyer-seller matching events)
- Public-Private partnership (TPOs/TPAs)

Limited capital and resources



- Cost effective online marketing tools
- Low cost communication tools

# e-Commerce Is The Way To Go



*“ We will build an ecosystem that promotes the pervasive use of ICT in all aspects of the economy to create communities connected globally & interacting in real time “*

**Dato' Sri Najib Tun Abdul Razak,  
Prime Minister of Malaysia**

*“ Malaysia's online consumer market is positive as Malaysians spent RM1.8 billion shopping online last year “*

**PayPal**

*“ Logistics in e-commerce is much easier because location choice is more flexible, permitting the use of lower cost that would not have been considered otherwise “*

**Digital Malaysia Lab**

# Malaysia's Experiences

1,467 companies benefitted from special RM200 AdWords coupon or 'Sponsored Links'



Promote Cloud Computing Among Malaysian SMEs



provide online B2B platform to assist SMEs adopt the online-based applications (SaaS)

**E-commerce collaborations**



To equip SMEs with knowledge to market their products internationally



10 SMEs selected for business makeover

# Malaysia's Experiences



## **Online Service Delivery Platform (MDEX.MY)**

- provide online B2B platform to assist SMEs adopt the online-based applications (SaaS)
- 3,100 SMEs
- 45 Super Buyers
- 22,200 Products
- Total transaction : RM2 million  
(as at August 2011)

## **MOU with SME Corp. & eBay, Paypal**

- To equip SMEs with knowledge to market their products internationally
- 228 potential SMEs attended seminars “*Empowering Businesses Online with eBay and PayPal*”
- 20 Hands-on Workshop on listing on eBay by Certified eBay speaker, participated by close to 1000 SMEs

# Malaysia's Experiences



## **Make IT Works**

- 10 SMEs selected for business makeover
- Showed significant impact :
  - *20% cost saving*
  - *60% - 70% travelling costs reduced*
  - *20% increased in productivity*



## **Make IT Works (Cloud Services)**

- Promote Cloud Computing Among Malaysian SMEs
- Educate the public on the benefits of Cloud Computing



## **Google Malaysia SME Stimulus Package**

- Benefits from online advertising (AdWords)
- 1,467 companies benefitted from special RM200 AdWords coupon or 'Sponsored Links'
- 121 SME website were created in collaboration with local Universities (UTAR/MMU)

# Malaysian Success Stories...

## Flarebiz Network



Earned his first online business salary at the of 16 by producing **e-Book - "101 Tip Adsense Terbongkar"**

In 2010, started the online business solution website - 2 powerful web based e-commerce solution named **Niagakit** and **Mininiaga** to help Malaysian start selling online overnight!

# Malaysian Success Stories...

## Fashion Valet.net

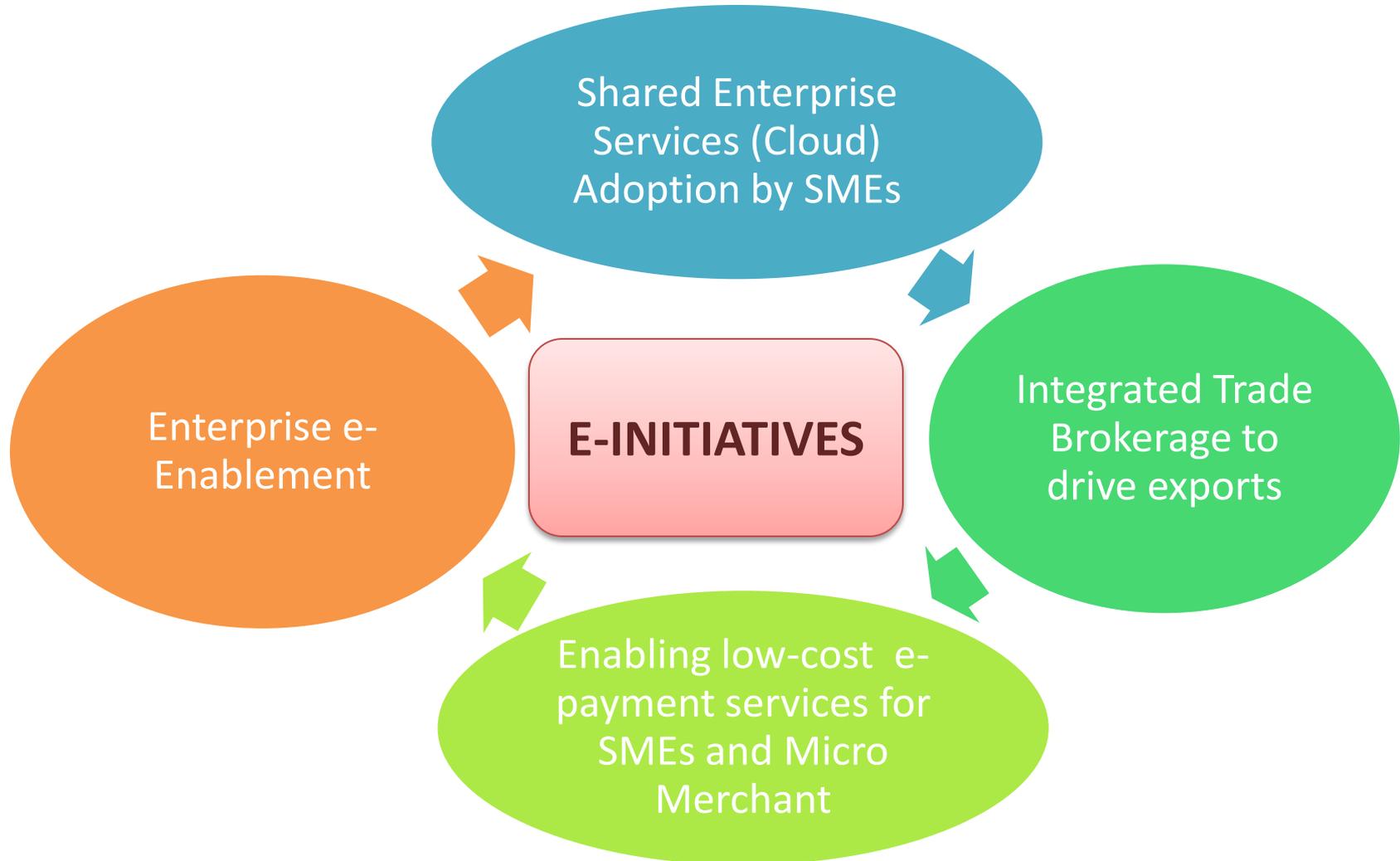


**FashionValet.net (FV), - a hub for local fashion design.**

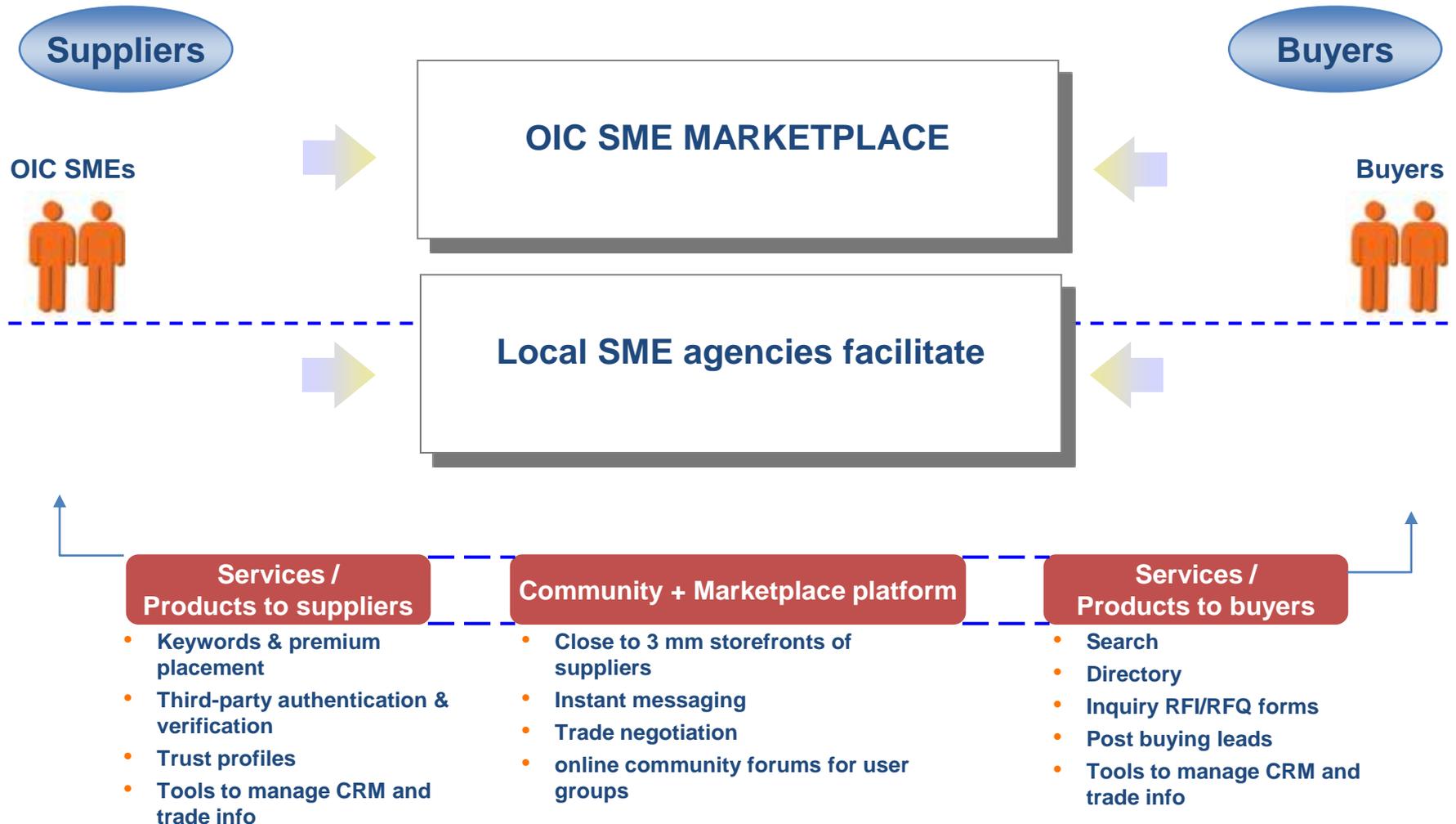
**a leading online fashion store in Malaysia within 3 months of operation**

**Started business at the age 25**

# Moving Forward...



# Possible OIC market place



# Implication for OIC SMEs



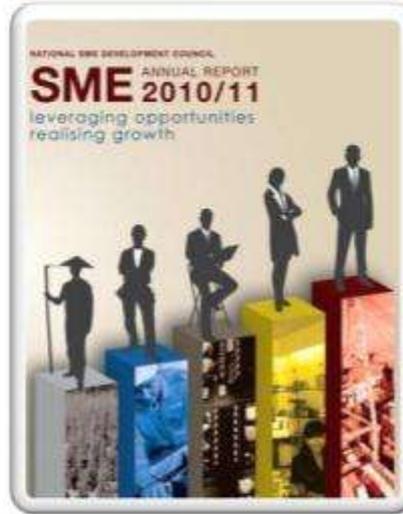
Improves access to sparse market knowledge

A new approach to user innovation and co-creation



Collaboration among different SMEs active in different countries

Pusat Rujukan Setempat  
(BAS)



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1-300-30-6000



THANK YOU

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