

“Analysis of the State of E-commerce to Identify Best Practices, Development of Digital Skills, and Strategies to Promote E-commerce among MSMEs in APEC Economies”

SYMPOSIUM REPORT

March 2024



**Asia-Pacific
Economic Cooperation**



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Economic Cooperation**

**Analysis of the State of E-commerce
to Identify Best Practices,
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among MSMEs in APEC Economies**

March 2024

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1. General Information

1.1. Date and Location of the Symposium:

The symposium was held on February 21 and 22.

1.2. Description of the Symposium:

This symposium aimed to disseminate good practices and strategies implemented to develop digital skills and promote e-commerce. It also sought to encourage the exchange of ideas, debate, and reflection among participants from different APEC economies.

1.3. Organizers:

- Equilibrium Business Development Consultancy
- Production Ministry of Peru (PRODUCE)

1.4. Sponsors:

- Asia-Pacific Economic Cooperation (APEC)

1.5. Agenda

Day 1 - Moderator: Damian Hougaard			
Time	Activity	Person in charge	Booklet
9:30 - 9:35	Welcoming remarks	General Director of Innovation, Technology, Digitalization and Formalization - Rosio Flores Guzman	Welcoming remarks by the General Director of Innovation, Technology, Digitalization and Formalization
9:35 - 10:00	Presentation of the Final Report	Director of Equilibrium - David Licheri	<ol style="list-style-type: none"> 1. Report context 2. Presentation of methodology 3. Main findings 4. Final reflections 5. Presentation of 4 key areas: human capital, digital infrastructure, trust and MSME digitalization gap
10:00 - 10:25	Questions and answers	Director of Equilibrium - David Licheri	Space for questions and answers
10:25 - 10:50	<u>Presentation 1</u> Human Capital	CEO Kaudal – Ana María Martínez	<ol style="list-style-type: none"> 1. Challenges <ul style="list-style-type: none"> ● Lack of specialized talent ● Competition: Attracting and retaining the best candidates, especially in competitive markets ● Changing trends: Constantly adapting to change 2. Human capital management strategies: <ul style="list-style-type: none"> ● Investments in training and development ● Attractive benefits

			<ul style="list-style-type: none"> ● Create a positive organizational culture
10:50 - 11:10	Questions and answers	CEO Kaudal – Ana María Martínez	Space for questions and answers
11:10 - 11:40	<p><u>Presentation 2</u></p> <p>China import business opportunities for microentrepreneurs</p>	Peruvian Entrepreneur in E-Commerce between China and Peru - Carolina Qiao	<ol style="list-style-type: none"> 1. Chinese market overview 2. Importation process 3. Selection of reliable suppliers 4. Success stories
11:40 - 12:00	Questions and answers	Peruvian Entrepreneur in E-Commerce between China and Peru - Carolina Qiao	Space for questions and answers
12:00- 12:45	<p><u>Activity 1</u></p> <p>Group discussion</p>	Speakers	<p>The symposium attendees will be divided into different rooms with the following topics:</p> <ul style="list-style-type: none"> ● Situation of MSMEs in APEC economies – David Licheri ● Human Capital - Ana Martínez ● Inclusion of MSMEs in eCommerce structures - Carolina Qiao
12:45 - 12:50	Closing remarks	Director of Digitalization and Formalization - Manuel Humberto Valdera García	Closing remarks by the Director of Produce

Day 2 - Moderator: Damian Hougaard

Time	Activity	Person in charge	Booklet
9:30 - 9:35	Welcoming remarks	General Director of Innovation, Technology, Digitalization and Formalization - Rosio Flores Guzman	Welcoming remarks by the General Director of Innovation, Technology, Digitalization and Formalization
9:35 - 10:00	<u>Presentation 3</u> Government role in promoting E-Commerce	UNCTAD Representative - Iris Macculi	1. Reducing infrastructure gaps 2. Regulatory framework 3. E-Commerce Facilitation 4. Financing Means
10:00 - 10:25	Questions and answers	UNCTAD Representative - Iris Macculi	Space for questions and answers
10:25 - 10:50	<u>Presentation 4</u> Trust in E-Commerce platforms	Director of VTEX Perú - Nilo Alfaro	1. Factors influencing consumer trust in e-commerce platforms: <ul style="list-style-type: none"> ● Security ● Reputation ● User experience ● Offers and promotions. 2. 2. Tips for building trust in e-commerce platforms: <ul style="list-style-type: none"> ● Use state-of-the-art security protocols ● Clear and transparent privacy policy ● Money-back guarantee ● Respond quickly to customer inquiries and issues in an efficient manner.
10:50 - 11:10	Questions and answers	Director of VTEX Perú - Nilo Alfaro	Space for questions and answers
11:10 - 11:40	<u>Presentation 5</u> Today's challenges, tomorrow's opportunities	Microsoft Peru Sales Manager - Raúl Campo	<ul style="list-style-type: none"> ● Global reach ● Cost Reduction ● Process improvement ● Better investment cost
11:40 - 12:00	Questions and answers	Microsoft Peru Sales Manager - Raúl Campo	Space for questions and answers
12:00-12:45	<u>Activity 2</u> Group	Speakers	The symposium attendees will be divided into different rooms with the following topics: 1. Situation of MSMEs in APEC economies – David

	discussion		Licheri 2. Trust in E-Commerce - Nilo Alfaro
12:45 - 12:50	Satisfaction survey and closing remarks	Director of Digitalization and Formalization - Manuel Humberto Valdera García	Closing remarks by the Director of Produce

2. Symposium Presentations Summary – Day 1

2.1. Welcome Speech - Rosio Flores Guzmán - General Director of the General Directorate of Innovation, Technology, Digitalization and Formalization of the Ministry of Production of Peru (PRODUCE)

The opening of the symposium was led by the Director of Produce, Rocío Flores Guzmán, who emphasized the critical importance of fostering e-commerce in today's economies, particularly highlighting its relevance for entrepreneurship. Director Flores pointed out that the initiative to organize this event emerged after observing the current state of entrepreneurship in various economies and their relationship with e-commerce. With a clear invitation to all participants, she urged the active promotion of e-commerce within their respective economic spheres, setting a positive and initiative-taking tone for the symposium.

2.2. Final Report Presentation - David Licheri – Equilibrium Director

David Licheri, leading the final report presentation, shared valuable insights on the state of e-commerce and its impact on micro, small and medium enterprises (MSMEs). The study's methodology was based on a mixed approach, combining quantitative and qualitative analysis, to capture a complete picture of the current situation. The participation of representatives from various economies, including academia and entrepreneurship forums, was highlighted to identify the main challenges in implementing digitalization programs for SMEs.

The study revealed that e-commerce sales are experiencing exponential growth, reaching 5.5 trillion USD in 2022, significantly propelled by the pandemic, with Asia-Pacific, led by China and the United States, as the largest contributor. The need for inclusive technological adoption was emphasized, allowing SMEs to adapt these methods to effectively compete against large corporations.

General results indicated elevated levels of internet connectivity among SMEs, though its use was limited to basic activities such as email, information search, and social networks. Despite this, considerable progress in e-commerce adoption among these companies was observed, with the pandemic having a notable impact on accelerating its adoption and an increase in sales through this channel. Interestingly, social networks emerge as the preferred medium for online sales, even more so than through own websites or marketplaces.

Among the findings, a misconception about e-commerce and its applicability in different sectors was highlighted, underscoring a lack of knowledge about how it can benefit even highly personalized services. Additionally, a greater appreciation and adoption of e-commerce were noted in larger companies, in contrast with the knowledge but low application of governmental digitalization initiatives among SMEs.

The report's conclusions pointed to high internet accessibility with significant gaps between countries, the motivation to increase sales as the main value for adopting e-commerce, and the importance of social networks in the promotion

and sale of products and services by SMEs. Furthermore, the implementation of more personalized strategies, such as mentorships and economic subsidies, was recommended to encourage greater digital maturity, along with the adoption of security and digital trust policies, and the promotion of international cooperation.

Q&A Discussion

During the Q&A session of the first presentation, key concerns related to e-commerce and its implementation in various communities and sectors were addressed.

1. **Delia Barriga - Executive Director, FabLab**

Asked about creating a spoken e-commerce platform to support artisan communities in Cusco, who are Quechua speakers and do not use writing. This initiative aims to facilitate these artisans' access to higher income and broader markets. The speaker pointed out that it is important that more visibility is provided to these entrepreneurs who initially do not have access to digital tools.

2. **Jorge Alvites**

Inquired about companies' perception of e-commerce policies. The response highlighted the general perception of governmental support, which is not positive, especially in Latin America. It emphasized the need for content and training updates and adjustments to the pace of e-commerce, as well as the importance of implementing cybersecurity policies tailored to the reality of each country.

3. **Ignacio Zamora – PRODUCE:**

Commented on the implementation process of an APEC project focused on Digital Transformation, including a training platform for women entrepreneurs, SMEs, and Cooperatives, covering at least three APEC economies. It was proposed to create alliances to enrich this effort, with information available on an APEC satellite website, highlighting the value of knowledge exchange.

4. **Yuri Aldoradin:**

Asked about the importance of enacting an e-commerce law in our countries and whether it is necessary to approve an e-commerce policy to organize the various initiatives by public entities and private organizations. The response stressed the need to frame e-commerce within cross-cutting policies, including Data Protection Law and Consumer Protection, to integrate it into the commercial ecosystem and avoid informality by including experts in the development of these laws.

5. **Anonymous Question:**

Questioned the possibility of developing an alliance with the study developers to implement this knowledge in their initiatives. The response was positive, showing willingness to generate constructive collaboration and promising to leave contact information for future collaborations.

2.3. Human Capital and Tech Tools for E-Commerce - Ana María Martínez - CEO en Kaudal

In the day's second presentation, Ana María Martínez, a leading figure at Laboratoria and Kaudal, provided an enriching perspective on how human capital and the right technological tools can revolutionize e-commerce. Her career, shaped by direct experiences such as at P&G and through initiatives like Laboratoria, has solidified her expertise in digital empowerment, especially for women, and in promoting technological innovation for businesses.

Ana María identified three main challenges in SMEs' adoption of digital technologies, based on the traditional approach that has shown significant limitations so far:

- 1. Hiring Developers:** This approach runs into the reality that only a minuscule percentage of the global population has programming skills, making developer recruitment impractical for most SMEs due to costs and misalignment of interests.
- 2. Software Selection:** The search for suitable digital tools becomes a daunting task given the vast array of options available, further complicating decision-making for SME owners.
- 3. Training in Digital Skills:** The lack of time prevents entrepreneurs from dedicating themselves to learning new digital skills, despite recognizing their importance for business growth and efficiency.

Against these challenges, Ana María proposed an alternative and more effective approach, articulated around three fundamental axes designed to directly solve the mentioned issues:

Identifying Needs: Instead of assuming that hiring developers or randomly selecting software can cover all needs, Ana María emphasizes the importance of accurately mapping the specific digital needs of each SME. This initial step allows for a clear understanding of which technological solutions are genuinely required, avoiding overload and resource wastage on tools not aligned with the business goals.

Selecting Appropriate Tools: Addressing the problem of software selection, Ana María's approach focuses on choosing No-Code tools and generative AI solutions that match the previously identified needs. This significantly simplifies the digitalization process, allowing SMEs to adopt technologies that can be customized and managed without advanced programming knowledge. Platforms like TuGerente and Tiui exemplify how specific solutions can facilitate critical operations, such as inventory management and logistics, efficiently and affordably.

Providing Specialized Training: Finally, contrary to the notion that entrepreneurs must become digital experts on their own, Ana María suggests connecting SMEs with experts and learning resources that allow them to acquire the necessary skills to manage the selected tools. This specialized training ensures entrepreneurs can implement and fully leverage digital technologies in

their business, without it representing an unsustainable burden on their time and resources.

This comprehensive strategy not only addresses the limitations of the traditional approach but also charts a viable and scalable path towards digital transformation for SMEs, enhancing their competitiveness and capacity for innovation in the e-commerce market. Ana María Martínez concluded her presentation by emphasizing that adapting to digital needs is not a luxury but an urgent and accessible necessity for SMEs in the current economic landscape.

Q&A Discussion

During the Q&A session of Ana María Martínez's presentation, specific inquiries delved deeper into the challenges and opportunities associated with the use of digital technologies and No-Code tools for SMEs.

1. Yuri Aldoradin:

Asked about the main pain point or challenge in Laboratoria. Ana María explained that one of the most significant challenges for start-ups, especially in their initial stages, is navigating the uncertainty regarding their path to success. The ability to manage this uncertainty is crucial for development and adaptation in the dynamic start-up environment.

2. Anonymous Question:

Questioned the potential of applying the knowledge developed at Kaudal to SMEs. Ana María's response emphasized that, although Kaudal primarily focuses on automating processes and saving time for members of larger organizations, there is a significant potential for applying this knowledge in SMEs. The success of this application depends on entrepreneurs first clearly identifying the needs within their internal processes and then selecting the tools that best match these needs.

3. Anonymous Question:

Explored the possibilities for the private sector and government to apply No-Code tools, given the existence of more than two thousand tools available. Ana María stressed that the responsibility of digitalizing SMEs includes the careful selection of a set of No-Code tools. Additionally, she highlighted the importance of creating ad-hoc educational content that can facilitate SMEs' adoption and effective use of these technologies, customizing training to meet each business's specific needs.

These interactions underscored the need for a personalized and strategic approach to digitalization and automation in SMEs, recognizing the unique challenges they face and the importance of providing solutions and training tailored to their specific needs. Ana María Martínez concluded the session by emphasizing the crucial role of No-Code tools and the accurate identification of needs as pillars for success in the digital transformation of small and medium-sized enterprises.

2.4. China imports business opportunities for microentrepreneurs - Carolina Qiao - CEO & Founder Qiao Logistics

In the third presentation of the day, Carolina Qiao, with her experience as the founder and CEO of Qiao Logistics, provided a comprehensive and strategic view of how micro-entrepreneurs can successfully navigate the complex yet lucrative world of importing from China. Her journey, which took her from being an MBA student to leading her own logistics company in China, has been a testament to the potential the Chinese market offers for entrepreneurs from Latin America.

Carolina began her exposition by highlighting the dynamic trade relationship between China and Peru, marked by a growing volume of Peruvian imports from China. She detailed how this exchange encompasses a wide range of products, from consumer goods to raw materials and equipment, with special emphasis on the increase in consumer goods imports, which has seen significant growth, reflecting the robustness and opportunities of the Chinese market.

Through her narrative, Carolina broke down the import process into clear stages, from selecting the seller in China to receiving the products at the buyer's warehouse in Peru. This journey, full of potential, comes with inherent challenges in selecting dependable suppliers and managing international logistics.

With a pragmatic approach, Carolina highlighted e-commerce platforms as essential tools for finding dependable suppliers. Her detailed analysis of platforms like Alibaba, 1688.com, and Taobao offered valuable guidance for identifying product trends and selecting suppliers that meet the needs of micro-entrepreneurs, emphasizing the importance of verification and security measures to prevent fraud.

Solutions to Common Import Fears

Carolina not only identified the usual challenges in the import process but also provided tangible solutions:

- **Against Scams:** She detailed how Alibaba's supplier certifications, such as "Gold Supplier" and "Trade Assurance," offer layers of security to protect importers from fraud, ensuring safe transactions.
- **Breaking Language Barriers:** She emphasized how Alibaba's real-time translation tools facilitate effective communication, overcoming language barriers that previously could deter importers.
- **Minimizing Shipping Costs:** She recommended specific strategies to reduce the costs associated with international shipping, from product selection to shipment consolidation in Chinese warehouses, offering an efficient approach to maximize profitability.

Inspiring Success Stories

Through inspiring anecdotes, Carolina illustrated how, with the right strategy and an informed approach, micro-entrepreneurs with no prior experience in international trade have successfully imported from China, turning modest investments into profitable businesses. These stories not only highlight the

feasibility of starting an import business with limited capital but also the transformative impact of adopting a strategic and well-informed approach.

One of the most inspiring success stories shared by Carolina Qiao during her presentation was that of Naomi, a 22-year-old college student and K-pop enthusiast. Naomi, surrounded by friends with similar interests, decided to leverage this passion to start her own import business from China. With a modest initial investment of \$200, Naomi embarked on importing K-pop-related products, a market niche with growing demand and an intense sense of community among consumers. Using the strategies and platforms recommended by Carolina, such as 1688.com for finding dependable suppliers and trending products, Naomi managed to import a small but well-selected range of merchandise. Through a combination of market knowledge, shipping cost reduction strategies, and social media promotion, she transformed her initial investment into \$600, achieving an impressive 200% profit margin.

Carolina Qiao's presentation emerged as a beacon of knowledge and strategy for micro-entrepreneurs interested in the import market from China. By directly addressing the challenges and offering practical solutions, Carolina demonstrates that, with proper guidance and a strategic approach, the world of importation is accessible and can be immensely lucrative for entrepreneurs willing to navigate its complexities. Her talk not only inspired confidence in future importers but also equipped them with the necessary tools to embark on this journey successfully.

Q&A Discussion

During the Q&A session of Carolina Qiao's presentation, profound questions were raised that delved into both the challenges and opportunities of bilateral trade between Peru and China, particularly regarding the import and export of products.

1. Delia Barriga:

She expressed interest in the challenges encountered at FabLab with microcontrollers coming from China, highlighting the value of having a facilitator in this process. Additionally, she raised a critical question about the possibility of exporting products from Peru to China. Delia mentioned Carolina's interest in developing foreign trade, specifically through Xi'an aiming to position Peruvian brands as luxury brands in China. This question opened the discussion on strategies and challenges for introducing Peruvian products into the Chinese market, emphasizing the opportunity to strengthen the international presence of Peruvian brands and explore market niches in China that value the quality and exclusivity of foreign products.

2. Anonymous Question:

Asked about experiences related to the import of intermediate products to Peru. Carolina emphasized that the success of these operations depends on the specific needs of the importer and a detailed understanding of customs regulations. She highlighted the importance of clearly identifying allowed products to avoid customs retention, underlining the need for careful planning and thorough research on legal and logistical

requirements for importing intermediate products. This response highlights the complexity of importing certain types of products and the necessity of a well-informed strategy to navigate the customs process efficiently.

These interactions during the Q&A illustrated the participants' interest and curiosity in expanding their commercial horizons, both in importing specific products from China and in exploring export opportunities to the Chinese market. Carolina's responses provided valuable insights into the importance of meticulous preparation, market knowledge, and adaptation to trade regulations to fully leverage bilateral trade opportunities. These discussions underscored the growth and expansion potential for Peruvian entrepreneurs willing to explore and adapt to the dynamics of international trade.

2.5. Group Discussion and Final Thoughts – Day 1

The group discussion session and final comments on the first day of the symposium shed light on various aspects of e-commerce, emphasizing both the challenges present in the local market and the opportunities opening in the global arena.

1. Jorge Ramirez:

Delved into the debate on the relationship between the market and government in the context of e-commerce, highlighting how the reactive response to the pandemic revealed a lack of preparation and understanding of the real needs of the market. He criticized government initiatives that, being based more on assumptions than on a deep understanding of market dynamics, ended up being unsustainable and ineffective against the competition from large private corporations. This analysis underscores the importance of public policies being firmly rooted in a clear understanding of market dynamics and the needs of SMEs.

2. Delia Barriga:

Raised a crucial challenge: extending the reach of digitalization to more remote and vulnerable communities, which often face linguistic barriers and other significant obstacles. Her comment not only highlights the need for innovative solutions to overcome these barriers but also emphasizes the intrinsic value that these communities can bring to the global market. Delia's proposal to think "outside the box" to support these local producers is not just a call for inclusion but also for the appreciation of the diversity and quality they can offer to the world.

3. Carolina Qiao and David Licheri:

Addressed informality and formalization from different angles, agreeing that education and building support communities are essential for promoting meaningful change. Carolina spoke about creating a network of "connectors" that facilitate SMEs' entry into the global market, while David emphasized the need to see formalization not as a hindrance but as an opportunity to access a broader market and benefits that would otherwise be unreachable.

4. Ana María Martínez:

Highlighted the importance of evolving digital competencies, suggesting a segmented approach to tackle this vast field. Her advice to proceed with patience and focus on specific needs and audiences offers a pragmatic strategy for overcoming the wide range of challenges that SMEs face in the digital realm.

Final Thoughts: Looking Towards the Future

The final comments from the speakers reflected a shared vision of the value of bridging the public and private sectors, the need for adaptation and continuous education, and the focus on building sustainable businesses that allow people to keep dreaming and growing. This consensus highlights the vital role of education, adaptability, and a clear and orderly approach to goals as fundamental for success in the changing world of e-commerce.

This expansion of the group discussion and last thoughts deepens the understanding of the challenges and opportunities present in e-commerce, providing a rich framework for analysis and strategic action in the field of digital commerce and economic inclusion.

2.6. Closing Words of Day 1 by Manuel Valdera García – Director of Digitalization and Formalization at the Ministry of Production

To conclude the first day of the symposium, Manuel Humberto Valdera García, Director of Digitalization and Formalization at the Ministry of Production of Peru, offered closing remarks that summarized the profound learnings and key reflections shared during the event. He emphasized the significance of e-commerce as an essential driver of economic growth, as demonstrated by the results of numerous studies presented throughout the day. SMEs that have incorporated e-commerce into their business strategies have experienced a notable increase in sales, market reach expansion, and an improvement in their competitiveness.

However, Valdera García stressed that, despite these promising results, significant gaps remain that must be addressed to improve access to and use of e-commerce among SMEs. Specifically, he highlighted the need to tackle the lack of motivation and limited digital competencies that can hinder their full participation in the digital economy. Additionally, he noted that financing plays a critical role that must be considered to support the development of necessary digital skills and the adoption of relevant technologies.

Referring to the day's presentations, Valdera García underscored the critical needs for the digitalization of SMEs, as illustrated by Ana María Martínez, and how they can be met using a variety of digital tools. Likewise, he reiterated Carolina Qiao's passion and advice on importing, guiding Peruvian entrepreneurs to establish profitable businesses through trade with China. This includes identifying dependable suppliers, using secure payment methods, and strengthening business capabilities.

3. Symposium Presentations Summary - Day 2

3.1. Welcome Words by Manuel Humberto Valdera – Director of Digitalization and Formalization at the Ministry of Production

The second day of the symposium on e-commerce and digitalization for SMEs began with the welcome words from Manuel Humberto Valdera, who reiterated the importance of e-commerce as a key tool for the future of micro, small, and medium enterprises. His speech focused on the crucial role that the government plays in facilitating access to digital platforms and how these can be used to overcome the current challenges faced by users and entrepreneurs in the digital ecosystem.

Valdera emphasized the need to ensure that the benefits of technology are equitably distributed among all stakeholders, including SMEs. He highlighted the importance of addressing the ethical challenges related to e-commerce to build and maintain trust between consumers and businesses. The opening of day two underscored the government's and the symposium organizers' commitment to promoting an e-commerce environment that is not only inclusive and accessible but also safe and reliable for all users.

3.2. The Role of Government in Promoting E-Commerce - Iris Macculli – Economic Affairs Officer at the United Nations Conference on Trade and Development (UNCTAD)

The second day of the symposium on e-commerce and its impact on SMEs began with an enriching presentation by Iris Macculli, who brought her experience in social development and capacity building in Africa and Asia. Representing UNCTAD, Macculli focused on the support this organization provides in the realm of e-commerce and the digital economy, from diagnostics to the implementation of effective strategies.

Macculli highlighted e-commerce as a crucial enabler for achieving various Sustainable Development Goals (SDGs), acting as a driver of development. The pandemic accelerated digital adoption and reliance on digitally delivered services, significantly increasing data flows. However, she noted that digital commerce adoption is limited in some regions, often due to poor infrastructure and a disparity between bandwidth availability and people's income.

Challenges in Developing Countries

- The presentation addressed the challenges faced by developing countries, such as limited awareness of e-commerce relevance and restricted access in remote rural areas.
- Inadequate facilities for the physical delivery of online purchases, reliance on cash-based transactions, and weak legal and regulatory frameworks, including consumer protection online, were identified as significant obstacles.

- Macculli also emphasized inappropriate education for the digital economy and the lack of adequate business development and e-commerce skills.

UNCTAD's Actions to Improve Digital Readiness

UNCTAD is committed to strengthening assistance to developing countries to systematically assess their digital readiness and close the digital divide. This includes:

- E-commerce Readiness assessments, and detailed analyses of the economic ecosystem.
- Supporting countries to develop e-commerce strategies and related legal reforms.
- Measuring e-commerce and the digital economy.
- Empowering women digital entrepreneurs through initiatives like eTrade Women Advocates.

Promoting E-Commerce Development by Governments

To foster e-commerce development, Iris Macculli underscored the importance of proactive and strategic government intervention, detailing several key actions governments can take to catalyze this process. She emphasized the need for strong political leadership, often led by a championing ministry, which can expedite e-commerce initiatives when it originates from the highest level, such as the Prime Minister's office or the Digital Transformation Secretary, under the direct supervision of the Council of Ministers Presidency in Peru.

Moreover, Macculli urged governments to prioritize e-commerce within national development strategies and agendas as a main driver of growth. Recognizing the growth possibilities of e-commerce and ensuring the mobilization and coordination of multiple stakeholders are fundamental steps to transform a country's digital landscape.

A crucial aspect highlighted by Macculli was the formation of national e-commerce committees, serving as institutional anchors to bring together all relevant stakeholders. These smaller, operational committees play a vital role in capacity building, knowledge sharing, and following up on e-commerce strategies. They ensure the transfer and accumulation of knowledge, preventing the loss of valuable information during government office changes, and maintaining the continuity and sustainability of e-commerce initiatives over time.

The promotion of e-commerce development by governments, according to Macculli, should also translate into concrete actions and changes aligned with national objectives. This includes updating and adopting measures to ensure public trust in using e-commerce, addressing both the necessary infrastructure and legal reforms to protect online consumers and encourage safe and reliable transactions.

In summary, the strategy proposed by Macculli for government promotion of e-commerce encompasses an integrated approach that combines strong political leadership, inclusion in national development agendas, formation of e-commerce committees for effective and sustained implementation, and the implementation

of policies that build a trust and security environment for consumers and businesses alike. This comprehensive approach seeks not only to boost e-commerce development but also to ensure its benefits are equitably distributed across society, significantly contributing to economic growth and the achievement of Sustainable Development Goals.

Q&A Discussion

During the Q&A session following Iris Macculli's presentation, key questions were raised that delved deeper into strategic and regulatory aspects of e-commerce, as well as digital financial inclusion and the sustainability of UNCTAD's program.

1. Flor Cruzado:

Initiated the sesión by inquiring about the **KPIs (Key Performance Indicators) used in e-commerce strategies**. Macculli emphasized the importance of having a baseline and a target for each action, noting it is crucial to measure the impact of such actions. However, she identified the lack of available data as a primary challenge, highlighting that statistics in e-commerce are fundamental for strategic development.

The discussion broadened to **digital financial inclusion**, pointing out the difficulties faced by **youth and women** in accessing resources and skills, as well as in obtaining loans compared to men. Macculli stressed that access to finance represents a significant challenge and considered it a key point for including more excluded groups.

Regarding the **duration of UNCTAD's program**, Macculli reported they have seen growth due to increased requests and donor income. Despite facing challenges from the increased workload, there is growing interest in their initiatives.

2. Cecilia Kahn:

Questioned whether **each country requires specific regulations** for e-commerce. Macculli used **Peru** as an example, mentioning the consumer protection law and a draft currently under revision, some of which are very outdated. She highlighted the work of the **UN Commission on Trade Law** in providing a framework to strengthen the regulatory environment, especially regarding consumer protection and its security.

This Q&A session provided deeper insights into the importance of establishing clear indicators to measure the impact of e-commerce strategies, the critical need to promote digital financial inclusion, and the role of country-specific regulations to protect consumers in the digital environment. Additionally, it underscored UNCTAD's ongoing commitment to supporting developing countries on their journey to effective integration into the digital economy, emphasizing the relevance of international collaboration and continuous support to address emerging challenges in e-commerce.

3.3. Trust in E-Commerce Platforms – Nilo Alfaro – Head of Sales at VTEX Peru

Nilo Alfaro, Head of Sales at VTEX Peru and an expert in digital commerce, provided valuable insights on building trust and security on e-commerce platforms during the symposium's second day. With an MBA from the Catholic University of Chile, Alfaro used the experience of VTEX, a SaaS company specializing in e-commerce, to emphasize the importance of trust as a fundamental pillar in e-commerce.

Key Data

- We live in a vulnerable digital ecosystem, where 20% of the revenues generated by digital channels are lost due to fraud. The opportunity lost by not regulating fraud in transactions is significant.
- There are 1,600 attacks per second on business cybersecurity, and 48% of the companies in the region do not have a plan to protect themselves. The cost is a significant barrier.
- Cyberattacks are mostly concentrated in Mexico, Brazil, and Colombia.
- COVID-19 revealed that many businesses were not prepared for the surge in digitalization experienced in 2022 and 2023.

Crucial Moments for Building Trust

Alfaro identified three crucial moments in the customer journey where trust is built: brand discovery, the shopping experience on the site, and post-sale along with customer service. In each of these steps, he provided specific details on how to foster trust and security:

1. Brand Discovery:

- The first search stage is where the consumer identifies a need. Alfaro highlighted the importance of online ads and AI-enhanced content to attract new consumers.
- He pointed out that between 30 to 50% of customers tend to be new consumers, making proper segmentation in paid advertising and creating valuable content crucial for establishing credibility.

2. Shopping Experience on the site:

- Alfaro explained that all steps and actions on the site should be designed to maintain consumer trust, filtering out malicious elements.
- He emphasized design and usability as keys to providing optimal infrastructure and reducing friction in the purchasing process, allowing for a smooth experience across multiple devices.
- Product information must be accurate, clear, and truthful, using standards like PCI to reduce fraud and prevent data impersonation.

3. Post Sale and Customer Service:

- Post-sale management and customer service were identified as critical factors that can allow for greater growth and customer satisfaction.
- Alfaro mentioned the importance of partnerships with stores for product pickup, transparency in information management, and the effective use of communication channels like WhatsApp and chatbots to reduce customer anxiety.
- Customer feedback and proper problem-handling with clear protocols are essential for generating loyal customers.

Alfaro made it clear that building trust in e-commerce is a shared responsibility across all aspects of the business, from the initial moment of interaction with the customer to well after the purchase is completed. He underscored that 85% of consumers prefer to buy on sites they perceive as secure and that 90% consider the security of their data when making purchases. This holistic and detailed approach to building trust is essential for success in e-commerce, highlighting the need for integrated strategies that encompass technology, processes, and clear policies to ensure both consumer and business security against digital challenges.

Q&A Discussion

During the question-and-answer session of this presentation, various key aspects related to the presence and operations of VTEX were addressed, as well as its focus on user protection and support for SMEs in their digitalization process.

1. Anonymous question:

Nilo was asked about the scope of VTEX in the region. He indicated that VTEX originated in Brazil and has expanded its presence internationally by establishing offices in major Latin American cities such as Buenos Aires, Santiago, Lima, Bogotá, and Mexico City. This global expansion underscores VTEX's commitment to the growth and promotion of e-commerce in the region.

2. Jonathan Barbón:

Asked about how VTEX protects its users, to which it was responded by emphasizing two main approaches: the use of certifications and compliance at checkout to ensure the encryption of customer data, and the implementation of SOC and EU certifications in technical side data management. Additionally, VTEX provides good e-commerce management practices to its teams and training customers in their digitalization process, highlighting the importance of the human factor alongside technology.

3. Anonymous question:

An anonymous question was made regarding the tools available for SMEs. It was discussed that the suitability of these tools varies depending on the case and the billing volume of each company. VTEX offers an ecosystem vision where the path to digitalization can include both direct development in e-commerce and participation in marketplaces, providing companies with the flexibility to choose the method that best suits their needs.

4. Rosa Gordillo:

Another anonymous question inquired about the business size needed to consider the development of their own e-commerce platform. Nilo indicated that companies should have a turnover of at least 0.5 million in digital channels. For those companies that do not reach this threshold, it is recommended to explore participation in different marketplaces as an initial strategy.

Rosa Gordillo raised a question about the costs of the VTEX platform for an SME, to which it was responded that an investment is considered expensive when it is not used properly. Although VTEX is not the most economical option on the market, its structure and services are designed to help companies effectively scale their e-commerce operations, thus justifying the investment.

3.4. **Today's Challenges, Tomorrow's Opportunities by Raúl Campos – Channel Sales Manager for South America at Microsoft**

Raúl Campos, Channel Sales Manager for South America at Microsoft, delivered a presentation focused on the challenges and opportunities presented by Artificial Intelligence (AI) for organizations in the current context. His presentation addressed how, throughout history, humanity has sought to develop technologies to simplify life, highlighting the importance of technological adoption as a driver of constant change.

Campos emphasized that success and objectives vary for everyone and the organization, inviting reflection on the personal and collective meaning of success in the digital age. He underscored the democratization of access to AI, allowing organizations of any size to leverage these advanced tools, not just large corporations.

The presentation delved into current challenges, such as the growing need for security in an increasingly digitalized and globalized world, where attacks are more sophisticated and come from multiple fronts. The complexity of managing multiple solutions and the changing regulatory landscape were identified as key obstacles that organizations must navigate.

However, Campos also focused his speech on the opportunities that arise from these challenges. Digitalization is presented as the essential starting point for transforming conventional experiences into digital environments, driven by the explosion of natively digital businesses during the pandemic. He highlighted the importance of cloud thinking to achieve the desired scalability and redefining security to protect identities, devices, data, and applications in an integral manner.

Microsoft Cloud, with its new layer of AI technologies, including Microsoft 365 and tools such as Teams, OneDrive, and SharePoint, was presented as a key ecosystem for digitizing an organization's daily operations. The introduction of Copilot, an AI-based assistant, promises to revolutionize how organizations interact with their resources, analyzing data and generating valuable proposals.

Campos concluded his presentation by encouraging attendees to dream about the type of business and organization they wish to build, identifying challenges, and developing an action plan based on an effort-impact matrix. He underscored four fronts of digital transformation: engaging customers, empowering employees, optimizing operations, and transforming products, as fundamental for success in today's dynamic environment.

This presentation offered a comprehensive view of how the adoption of AI and digital technologies presents both significant challenges and opportunities for the evolution and growth of organizations in the modern era.

Q&A Discussion

During the question-and-answer session following Raúl Campos's presentation, significant topics were addressed concerning the digitalization of SMEs, e-commerce in supply markets in Peru, connectivity in regions with limited internet access, and future perspectives on AI.

- The speaker was asked about projects to promote the digitalization of SMEs by the Government and what tools are available. The response emphasized the assessment of the organization and entrepreneurs' maturity state as the first step, mentioning a "digital curriculum" developed by Microsoft in conjunction with UNESCO, as a reference. This Course 0, designed to start from the basics, helps companies identify their immediate needs and plan whether they need a new tool or to improve an existing process.
- Another inquiry focused on how to transform supply markets in Peru towards e-commerce. Raúl Campos advised being as efficient as possible to avoid economic losses and not to limit oneself only to face-to-face transactions. The importance of understanding the complete business process to be able to digitalize the entire cycle, including the logistics chain and its administration, was underscored.
- Campos was also asked how to ensure connectivity in regions with limited internet access when working with the cloud. The response highlighted the need to create environments that work both online and offline, adapting technological implementation to each specific context and its processes.
- Finally, regarding the perception of the future of artificial intelligence (AI), Campos reflected on the enormous potential of AI and the importance of proceeding with caution. Microsoft, he said, continues to develop technology based on ethical principles, emphasizing caution and responsible use of AI.

This Q&A session provided valuable insights into digitalization, e-commerce implementation, connectivity challenge management, and ethical considerations in the future development of AI, underlining the importance of strategic and thoughtful approaches in technological adoption.

3.5. Group Discussion and Final Thoughts – Day 2

In the group discussion session that concluded the second day of the symposium, relevant questions were posed to the speakers on various aspects of e-commerce in both the B2C and B2B realms, the inclusivity of the mentioned

technologies, the evolution of security in e-commerce, and the challenges and solutions for e-commerce from their perspective:

The applicability of e-commerce for both B2C and B2B was discussed as the first point, noting that while both models can be implemented, they operate under different logic and mechanisms. Connecting with marketplaces was highlighted as an effective strategy to digitize and expand these business models, allowing companies, especially smaller ones, to benefit from the reputation, reach of these platforms, and focus on the most essential aspects of their business.

As a second topic of discussion, the participants explored how e-commerce technologies can be more inclusive, identifying the main challenge as integrating these technologies into smaller volume businesses. The importance of working in ecosystems and leveraging the advantages offered by marketplaces to overcome some of the barriers faced by SMEs was mentioned.

Regarding the evolution of security in e-commerce over the next five years, a greater investment in security measures that are not tedious for the customer is anticipated, with a particular focus on strengthening security on the "back" of the platforms. The need to develop internal business capabilities to adapt to the changing and emerging security challenges was underscored.

Finally, the challenges of e-commerce and viable solutions were addressed. Regulation and the creation of appropriate policies for e-commerce were identified as key areas, along with overcoming four major gaps affecting SMEs: digital infrastructure and limited connectivity, human capital, trust generation, and the inclusion of a wider variety of industries and companies in e-commerce. User acquisition costs and inventory management were pointed out as critical aspects to address to facilitate businesses' transition to the digital environment, highlighting the importance of building a solid customer base and optimizing operational processes.

This debate session offered a comprehensive look at the challenges and opportunities present in the e-commerce landscape, underlining key strategies and considerations for businesses looking to successfully navigate this evolving space.

3.6. Closing Words of Day 2 by Manuel Valdera García – Director of Digitalization and Formalization at the Ministry of Production (PRODUCE)

In the closing remarks of Day 2 of the Symposium, Manuel Humberto Valdera, expressed his gratitude to the panelists and representatives of the APEC economies. He highlighted the valuable exchange of knowledge and learning that had been achieved during the event, underscoring the importance of promoting and encouraging the use of e-commerce as a key tool for the future of micro, small, and medium-sized enterprises (SMEs).

Valdera emphasized that the State should not act in isolation but in collaboration with academia, the private sector, and civil society, to effectively contribute to the improvement of public policies related to e-commerce and digitalization. This synergy among different actors is crucial to creating the ideal conditions that allow

SMEs to improve their competitiveness in the global market. The conclusion of the symposium reflected an ongoing commitment to the digitalization of businesses and inclusive economic development.

4. Post event survey insights and impact analysis

At the end of the event, a survey was conducted among the participants to gather their opinions on the symposium. From this, valuable insights were obtained regarding the perception and impact of the symposium.

Primarily, it is highlighted that for approximately 70% of the attendees, this was their first event of this kind, which underscores the importance and novelty of the initiative. In terms of relevance, 93% of the participants rated the event as relevant or very relevant, demonstrating its pertinence and value to the attendees. Furthermore, the same proportion, 93%, affirmed that the workshop met the proposed objectives, which underscores the success in the delivery of content and goals of the event.

From the perspective of content, 84% considered that the topics addressed were relevant for their professional development and the advancement of their daily tasks. This indicates a high valuation of the quality and applicability of the presentations given.

Before the event, participants' knowledge of e-commerce varied, with 46.5% rating their understanding as medium to very low, and 53.5% as high or very high. However, after the workshop, a notable increase in the level of knowledge was observed, with 77% rating their understanding of the topics as high or very high, and only 4.5% considering their knowledge to be low or very low.

The organization of the event also received high praise, with 95% of participants expressing that the event was well or very well organized. This aspect is crucial for the effectiveness of the event and the satisfaction of the attendees. Additionally, close to 90% of respondents expressed interest in attending future similar events, demonstrating a desire to continue participating in such initiatives.

Participants' comments emphasize the interest in creating more spaces for dialogue and learning with experts from various industries related to e-commerce, fostering a broader and more enriching conversation. The importance of extending these events to entrepreneurs and micro-entrepreneurs in Peru is also highlighted, as well as the relevance of these workshops for public officials involved in the development of regulatory frameworks for electronic commerce. The latter aims to broaden the knowledge about the situation of entrepreneurs in the Asia-Pacific region, initiatives of other governmental organizations, and educational opportunities in digital tools for MSMEs.

This feedback provides a clear vision of the positive impact of the event and underscores the need to continue promoting learning and collaboration spaces that support the development of e-commerce and the digitalization of micro and small enterprises in the region.

5. Conclusions

Inclusion of vulnerable groups and the digital divide

1. From the exchange of ideas at the Symposium, it was proposed to extend the reach of digitalization to the most remote communities, which generally face language barriers and vulnerable groups such as women entrepreneurs, people with disabilities, people from the LGBTQ+ community who face educational or access gaps. This is not only as a call for inclusion but also for valuing the diversity and quality they can offer.
2. While e-commerce adoption is increasing across the selected economies, full penetration has not been achieved. There is some variability in the degree and speed of adoption in each of them. Latin American economies such as Peru and Mexico have not yet reached a basic level of e-commerce adoption, reflecting the need for continued investment in infrastructure and digital education to achieve full digitization. Inclusion of MSMEs in the formal sector.

Inclusion of MSMEs in the formal sector

3. The informality rate is high, so the debate evaluated the possibility of transforming supply markets or other major commercial emporiums in Peru towards e-commerce, seeking efficiency to avoid economic losses and not be limited only to face-to-face transactions. In this regard, the importance of understanding the entire business process to digitize the entire cycle, including the logistics chain and its administration, was stressed.

The role of government in the promotion of e-Commerce

4. On the recommendation to approve public policies that are firmly rooted in a clear understanding of market dynamics and the needs of MSMEs, it highlights the need to frame e-commerce within cross-cutting policies, including the Data Protection Law and Consumer Protection, to integrate it into the commercial ecosystem and avoid informality by including experts in the development of these laws.
5. To foster the development of e-commerce, the need for a comprehensive approach was highlighted, encompassing 3 main key actions that governments can take to catalyze this process.

First, the need to exercise strong political leadership, to have an institution from the highest level such as the Prime Minister's office or the Digital Secretariat of Digital Transformation to lead the process of accelerating eCommerce initiatives, under the direct supervision of the Presidency of the Council of Ministers (PCM) in Peru.

Second, the inclusion of e-commerce within national development strategies and agendas as a primary driver of growth.

Third, the formation of national e-commerce committees, which serve as institutional anchors to bring together all relevant stakeholders. These

committees are smaller and operational and play an important role in building capacity, sharing knowledge, and following up on e-commerce strategies. They ensure the transfer and accumulation of knowledge, preventing the loss of valuable information during personnel changes in government offices, and maintaining the continuity and sustainability of initiatives over time.

Sources of financial support

6. Financing plays a critical role that should be considered to support the development of necessary digital skills and the adoption of relevant technologies, highlighting the particular difficulties faced by youth and women in accessing resources and skills, as well as in obtaining loans. Access to financing represents a challenge and to this end, it is recommended that centralized platforms be established where MSMEs can access information on tax incentives, financing, and tools available for the adoption of e-commerce.

Generation of information and knowledge

7. For the development of objectives and defined actions, the importance of establishing a baseline, KPIs (Key Performance Indicators) of e-commerce implementation is emphasized. However, a challenge in this case is the lack of continuous available data, in this sense, it is important to collect statistical data to understand the reality of eCommerce.
8. One strategy proposed in the discussion is to assess the state of maturity of MSEs, using a "digital curriculum" such as the one developed by Microsoft together with UNESCO, as a reference. This Course 0 helps companies to identify their immediate needs and to plan whether they need a new tool or to improve an existing process.

In addition, the responsibility of digitizing SMEs includes the careful selection of a set of No-Code tools. In addition, generating ad-hoc educational content that can facilitate SMEs' adoption and effective use of these technologies, highlighting the need for a personalized and strategic approach to digitization and automation, recognizing the unique challenges they face, and the importance of providing solutions and training tailored to their specific needs.

In the specific case of start-ups, one of the main challenges is to accompany and train them in their initial stages of the adaptation process in the dynamic start-up environment.

6. Recommendations

Inclusion of vulnerable groups and digital divide

1. In order to include vulnerable groups, an opportunity for synergy was found with PRODUCE, for an alliance and support with a training platform for women entrepreneurs, MSEs, and Cooperatives in three APEC economies. It was proposed to generate alliances to enrich this effort, with information available in an APEC satellite web page, highlighting the value of knowledge exchange.
2. In order to ensure connectivity in regions with limited Internet access, the need to create environments that work both online and offline was proposed, adapting the technological implementation to each specific context and its processes.

Sources of financial support

3. To promote economic support, initiatives such as the establishment of tax-free online sales days for both consumers and companies, the definition of minimum thresholds for certain products, and tax refunds for digital payments, among others, are proposed.

Information and knowledge generation

4. Generating a multi-country diagnostic with a sample of 300 companies helped us to identify key trends that require a deeper understanding of each economy. Therefore, it is recommended that quantitative surveys of MSMEs in each country be carried out with probabilistic sampling to obtain meaningful information and make informed decisions.

This type of quantitative analysis can allow us to: i) evaluate customer satisfaction, which allows us to identify areas of improvement and strength in the online shopping experience, ii) estimate demand, to make projections about the future demand for products or services through eCommerce platforms and iii) study navigation patterns and user behavior of MSME shoppers, to identify behavior patterns, preferences and trends, which allows us to optimize the usability and user experience on an eCommerce website.

5. With more than 2,000 platforms and No-code tools available, it is difficult to know which platforms to prioritize and which to use. To this end, it is recommended to identify strategic partners in the private sector that have a broad network of MSME clients, as well as experience in technology and digitization to generate alliances.

The objective of these alliances would be to raise awareness of these tools, facilitate the integration and implementation of these platforms, and, on the side of the corresponding public institutions, offer incentives for adoption, such as special discounts or free access for a limited time, to encourage MSMEs to try these platforms and tools. Finally, measuring the

impact would make it possible to evaluate the success of partnerships and the impact of the visibility of "No-Code" platforms.

6. Beyond offering general educational programs, MSMEs must have access to personalized mentoring and training tailored to their specific needs. These trainings can cover everything from digitization basics to advanced e-commerce, digital marketing, and cybersecurity strategies.

For this, it is recommended to look for private sector companies or institutions that have experience in training and developing business educational content, as well as in information technology. For the MSMEs, ensure that the information is useful, relevant, and tailored to their needs. For the companies, this initiative can help them access a new customer base and improve their corporate image, among other benefits.

Finally, implement systems to monitor progress and evaluate the impact of the platform on MSMEs. This will allow adjustments to be made as needed and demonstrate the value of collaboration with the private sector.