

KATI SUOMINEN

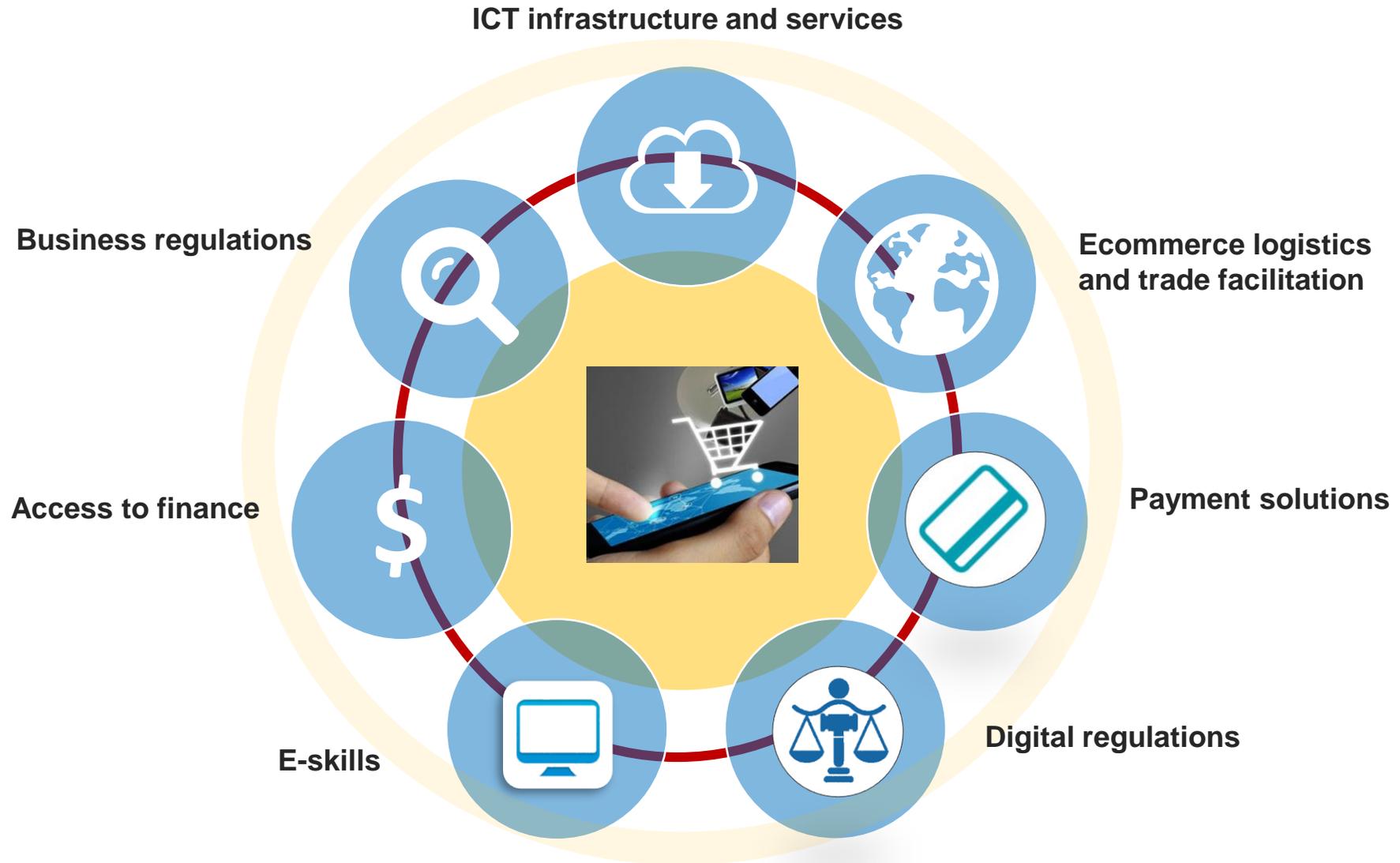


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## Women-led firms in ecommerce

Kati SUOMINEN, *Founder & CEO of Nextrade Group*

# Enabling Environment for Ecommerce



# Small female- and male-led firms are just about equally likely to buy and sell online



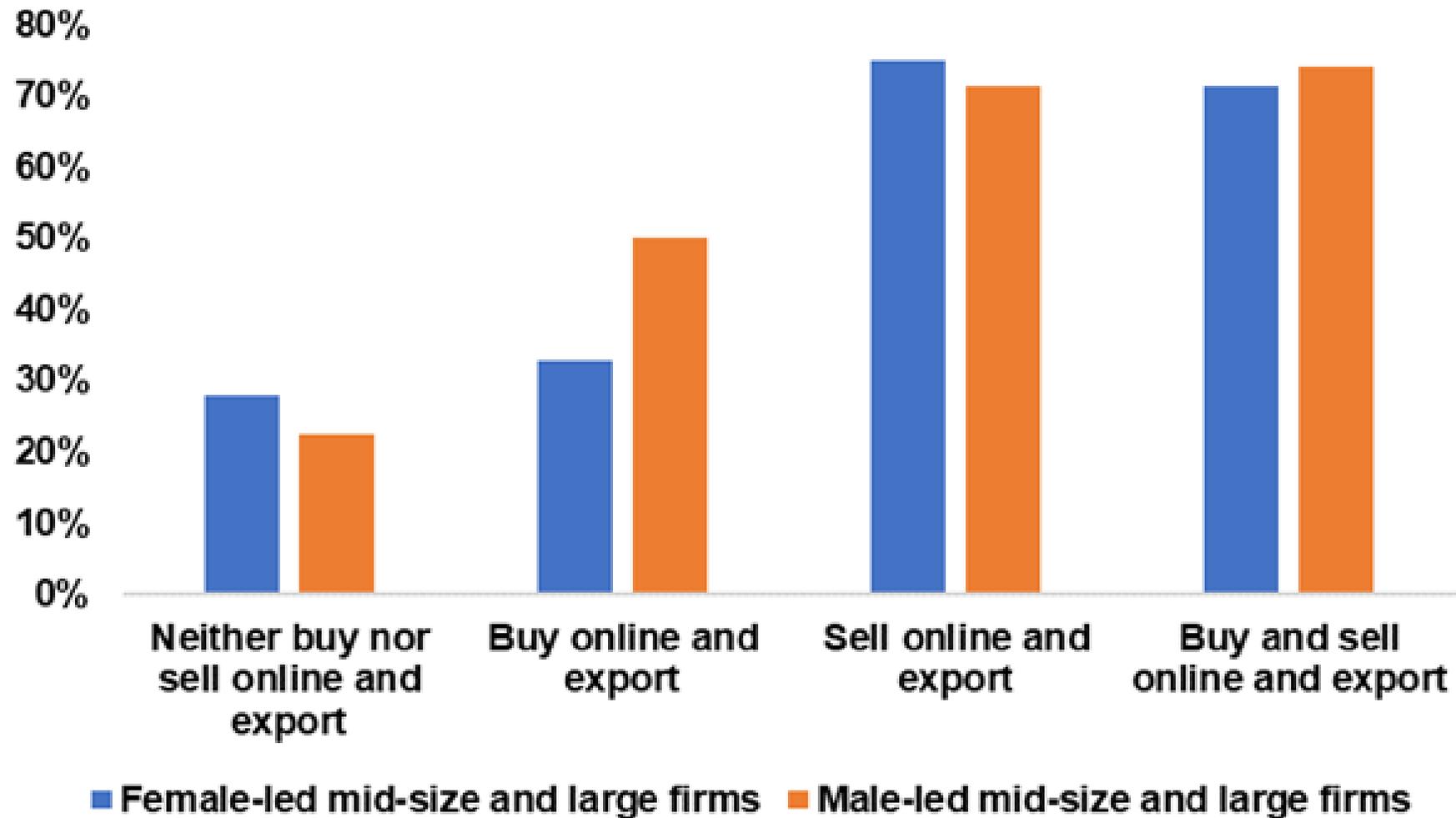
Source: Nextrade Group surveys of 779 firms in nine developing economies in December-January 2016-17 and August 2018. The first survey and original survey design was accomplished with the support of the U.S. Agency for International Development (USAID).

# Female- and male-led small firms with different online activity are equally likely to export



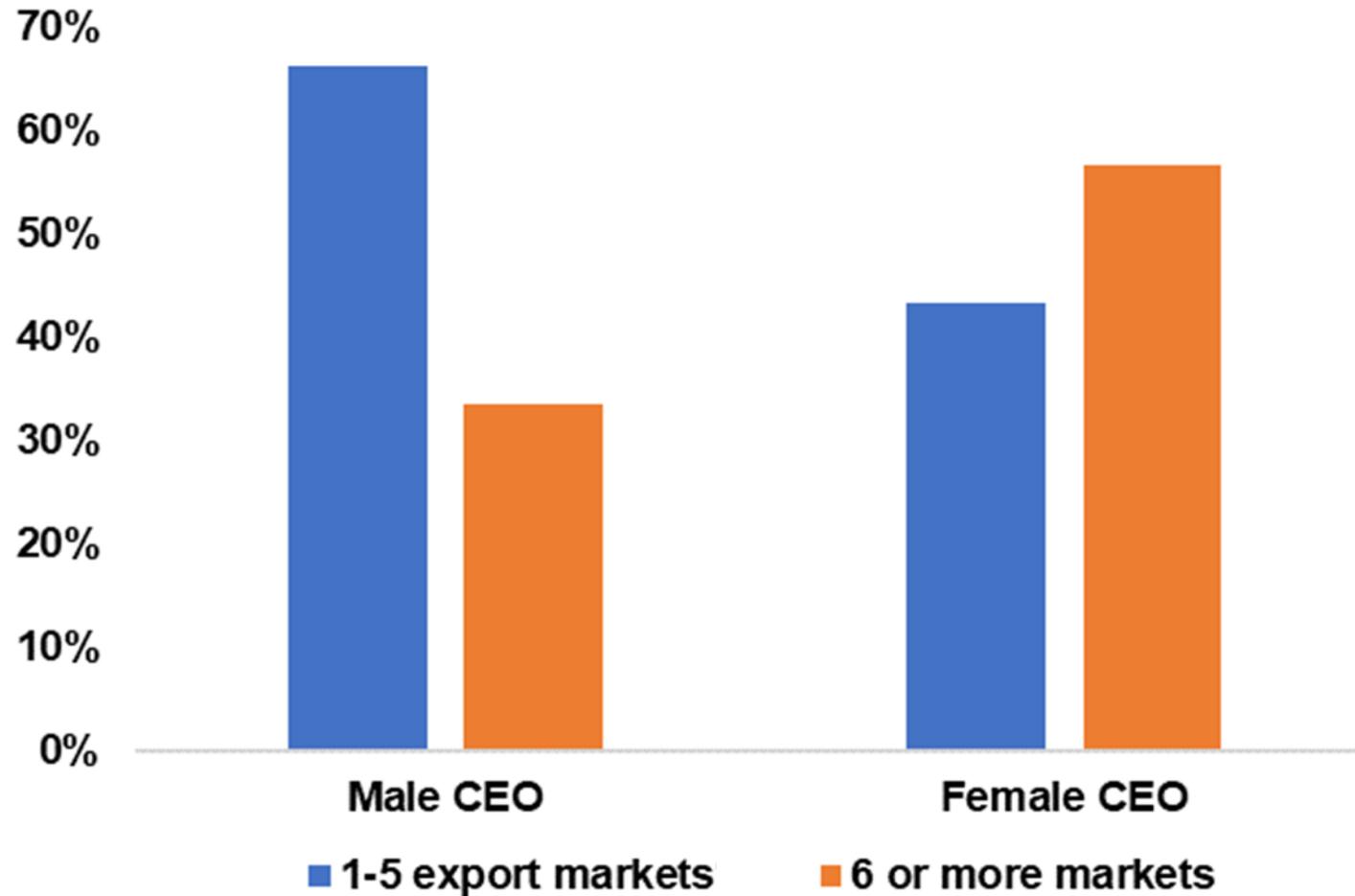
Source: Nextrade Group surveys of 779 firms in nine developing economies in December-January 2016-17 and August 2018. The first survey and original survey design was accomplished with the support of the U.S. Agency for International Development (USAID).

## Similar trends for mid-size and large firms



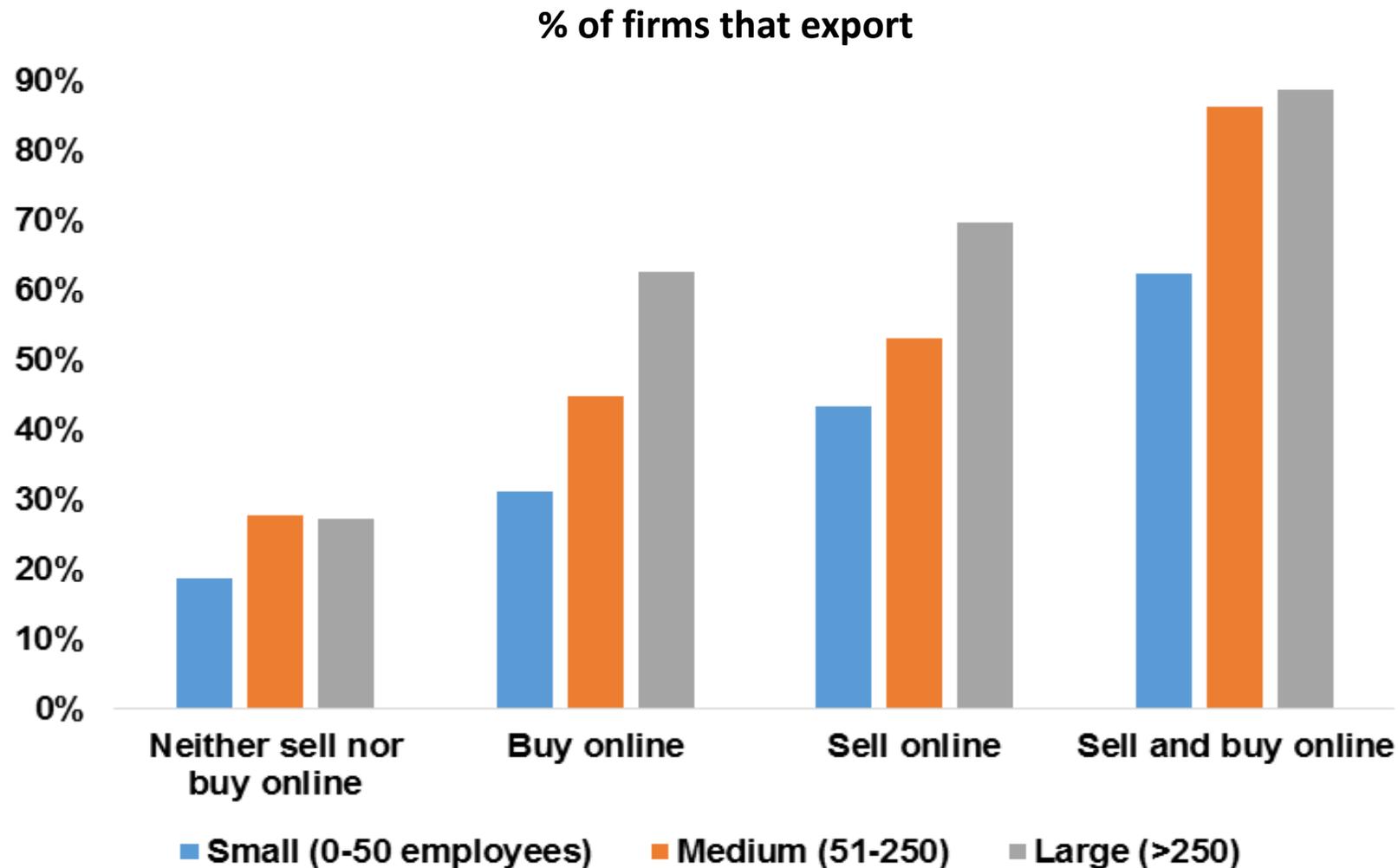
Source: Nextrade Group surveys of 779 firms in nine developing economies in December-January 2016-17 and August 2018. The first survey and original survey design was accomplished with the support of the U.S. Agency for International Development (USAID).

# Women-led small firms that export are typically as diversified or more diversified in their export markets as men-led firms



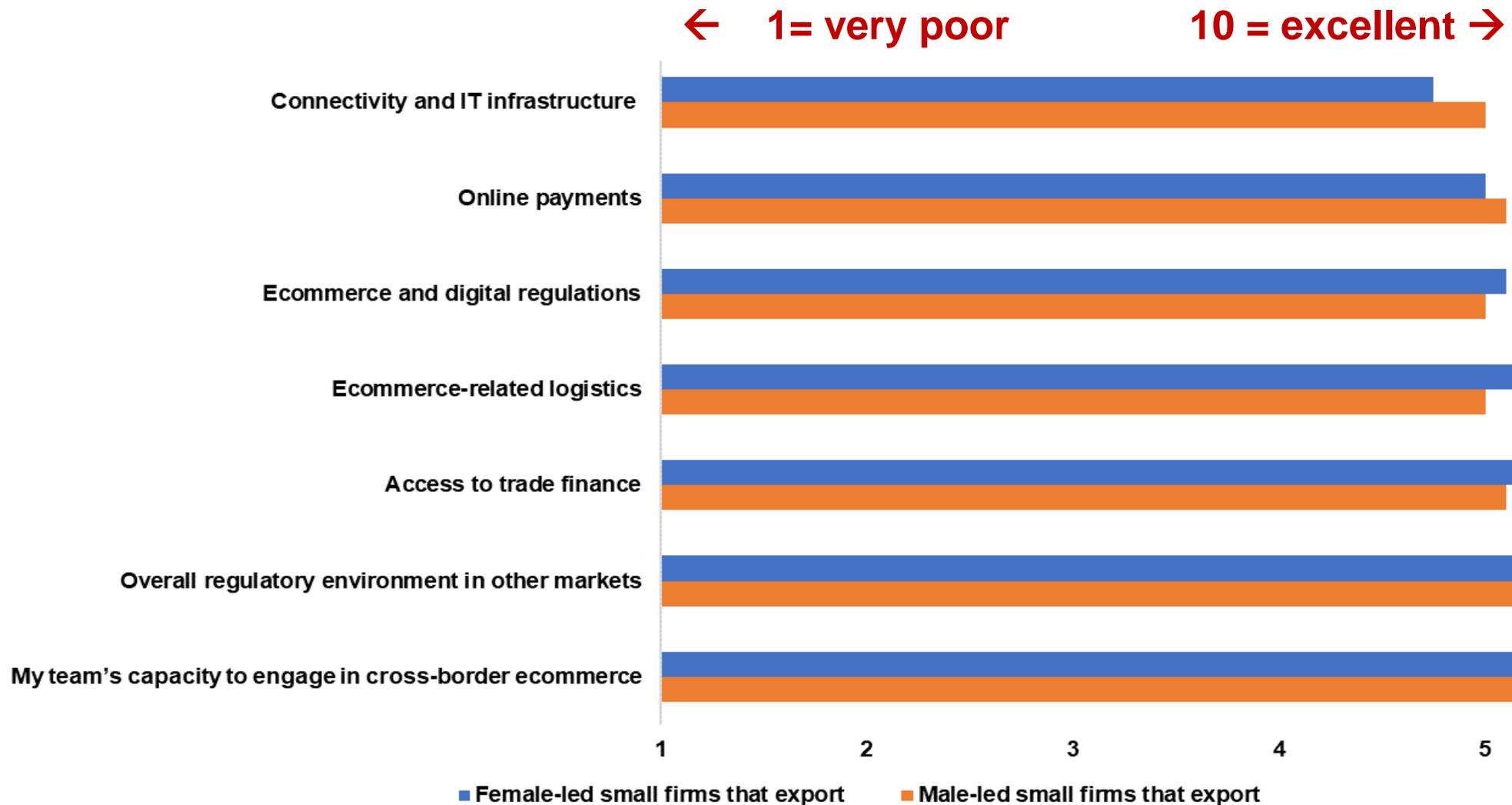
Source: Nextrade Group surveys of 779 firms in nine developing economies in December-January 2016-17 and August 2018. The first survey and original survey design was accomplished with the support of the U.S. Agency for International Development (USAID).

# Firm size is an extremely consistent predictor of firms' online sales and export activity, gender is not



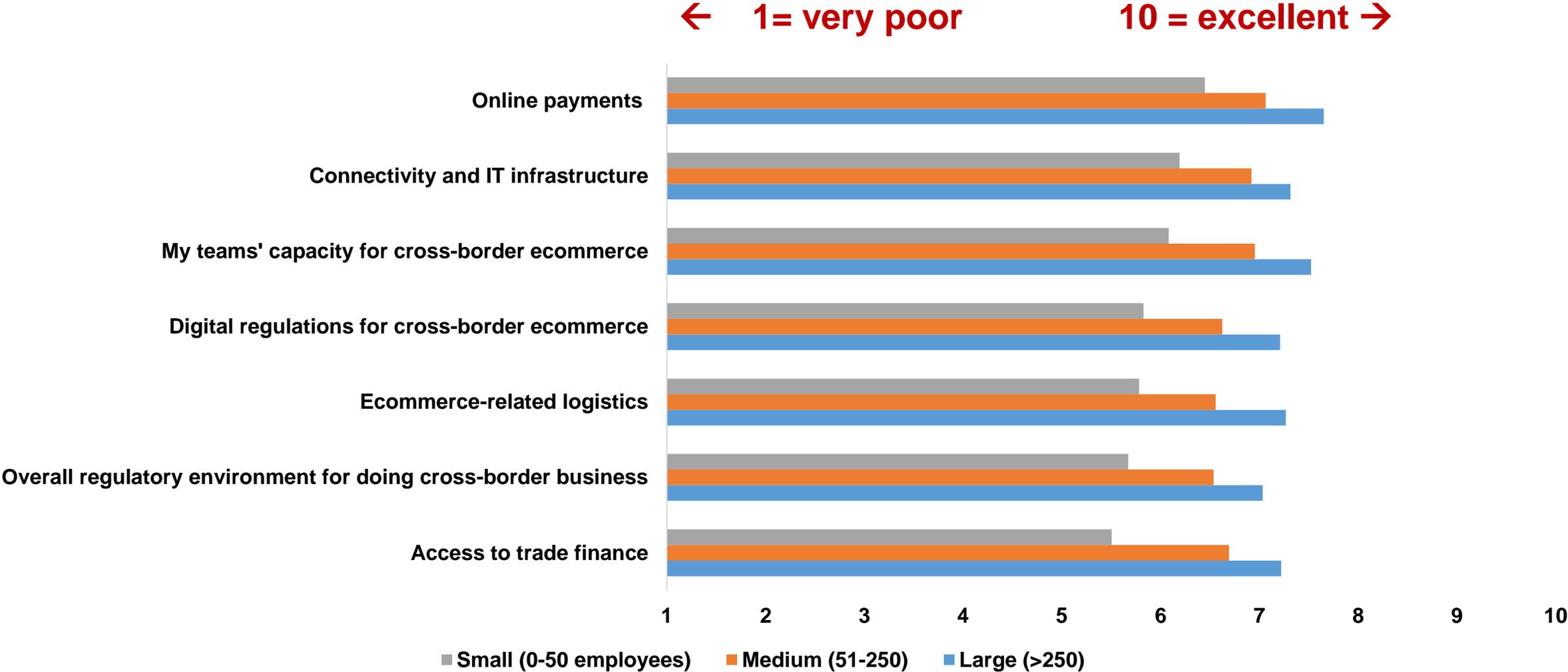
Source: Nextrade Group surveys of 779 firms in nine developing economies in December-January 2016-17 and August 2018. The first survey and original survey design was accomplished with the support of the U.S. Agency for International Development (USAID).

# Female- and male-led firms also report challenges of similar magnitude in the enabling environment for ecommerce



Source: Nextrade Group surveys of 779 firms in nine developing economies in December-January 2016-17 and August 2018. The first survey and original survey design was accomplished with the support of the U.S. Agency for International Development (USAID).

# Again, firm's size predicts the severity of barriers it faces



Source: Nextrade Group surveys of 1,449 firms in Latin America in December-January 2016-17 and October 2017. The first survey and original survey design was accomplished with the support of the U.S. Agency for International Development (USAID).

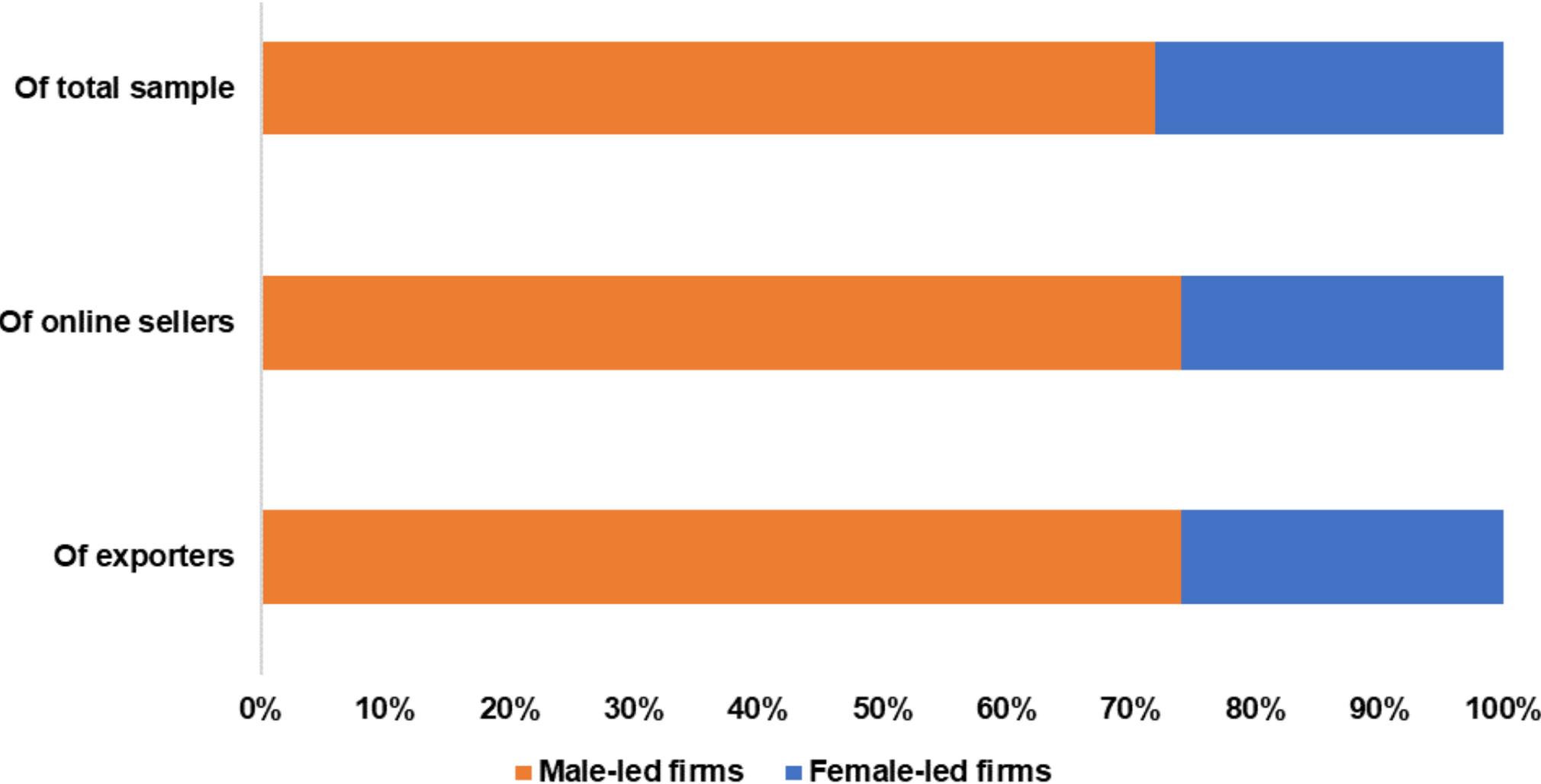
# Female- and male-led firms share some of similar reasons for not starting to sell online



# Why no difference between men- and women-led firms?

- $y = X_1, X_2, X_3, X_4, X_5, X_6$
- Many variables shape firms' performance and challenges, typically:
  - Size
  - Location
  - Whether exports
  - Whether sells online
- Gender of the CEO is only one potential variable, and it may not matter at all

# Where the difference does lie: share of women-led firms



Source: Nextrade Group surveys of 779 firms in nine developing economies in December-January 2016-17 and August 2018. The first survey and original survey design was accomplished with the support of the U.S. Agency for International Development (USAID).

## Top-25 barriers in SE Asia

- 1 Availability of early-stage funding and growth capital
- 2 IP protections in other markets
- 3 Availability of working capital loans (from banks etc.)
- 4 Postal services for cross-border ecommerce - import or export
- 5 Copyright laws in other markets
- 6 Censorship rules
- 7 OTT regulations (application of telecom and broadcast rules)
- 8 Customs rules for ecommerce imports
- 9 IP protections for ecommerce merchants
- 10 Cyber-security concerns
- 11 Availability of digital finance (online P2P working capital loans, etc.)
- 12 Tax rules in other markets
- 13 Copyright laws
- 14 Availability to trade finance for merchants
- 15 Legal liability laws for online sellers in other markets
- 16 Customs rules for my ecommerce exports
- 17 Preparing taxes for my business
- 18 Legal liability laws for platforms and merchants
- 19 Registering a business
- 20 Tax rules
- 21 Getting permits and licenses for my business
- 22 Customs rules on low-value shipments
- 23 Consumer protection laws
- 24 Data localization requirements
- 25 Consumer protection laws in other markets

## Top-25 barriers in Africa

- 1 Availability of digital finance (online P2P working capital loans, etc.)
- 2 Availability of early-stage funding and growth capital
- 3 IP protections for ecommerce merchants
- 4 Cost of cross-border online payments
- 5 Availability of outside working capital loans (from banks etc.)
- 6 IP protections in other markets
- 7 Customs rules for ecommerce imports
- 8 Availability to trade finance for merchants
- 9 Cyber-security concerns
- 10 Customs rules for my ecommerce exports
- 11 Postal services for cross-border ecommerce - import or export
- 12 OTT regulations (application of telecom and broadcast rules)
- 13 Tax rules
- 14 Legal liability laws for platforms and merchants
- 15 Copyright laws
- 16 Customs rules on low-value shipments
- 17 Legal liability laws for online sellers in other markets
- 18 Tariffs for imports in my own market
- 19 Copyright laws in other markets
- 20 Registering a business
- 21 Consumer protection laws
- 22 Tax rules in other markets
- 23 Foreign exchange restrictions in cross-border payments
- 24 Data privacy requirements
- 25 Licensing regulations for my business in foreign markets

# What should the policy then be?

- Help women get in the game: start business (including digitally), start selling and buying online
- Solve the many challenges to ecommerce facing small firms – this inherently helps women-led firms
- Fuel financing for women-led firms and to-be female entrepreneurs, for example by enabling FinTechs and crowdfunding
- Be careful with numbers: many factors other than gender impact firm's performance
- Critically, get more gender-disaggregated data



Kati SUOMINEN, *Founder & CEO of Nextrade Group and Founder*

**Thank you**

