

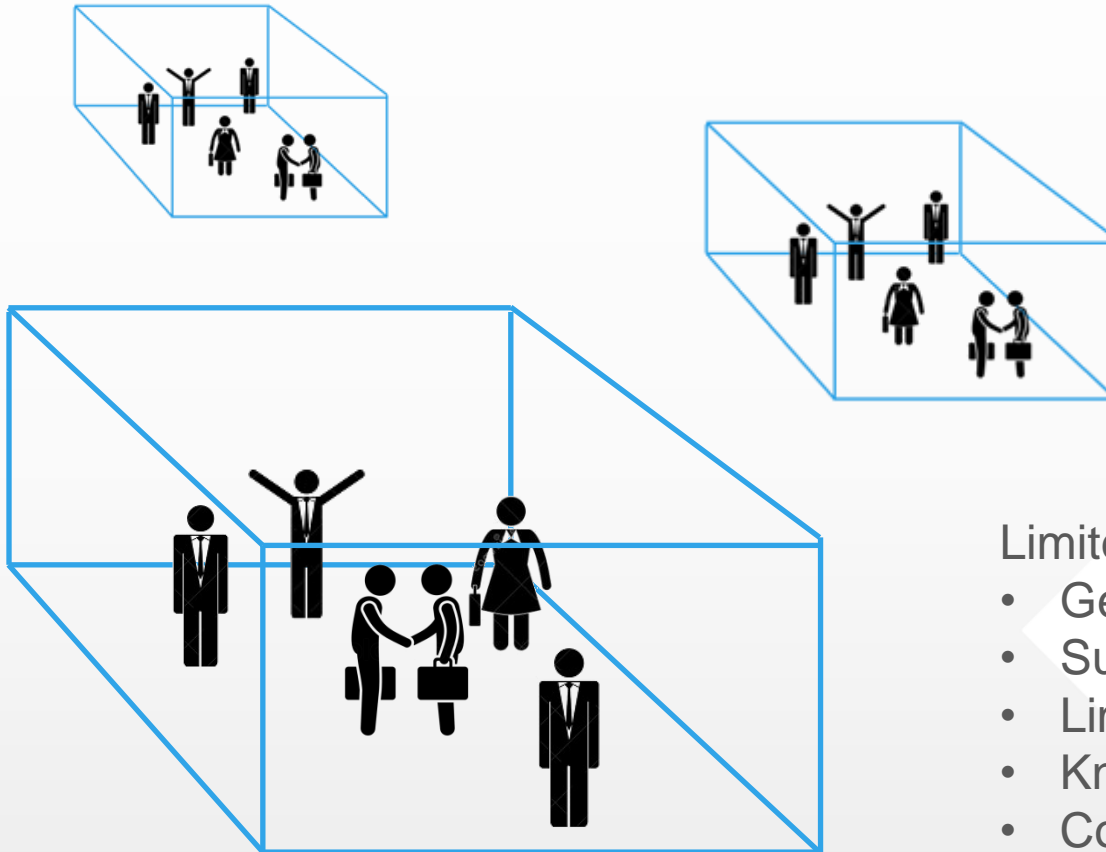
# How e-commerce is different and what should SMEs do?

The “Box and Ladder” theory

A presentation at the WTO Public Forum  
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Date: Sept. 27, 2016



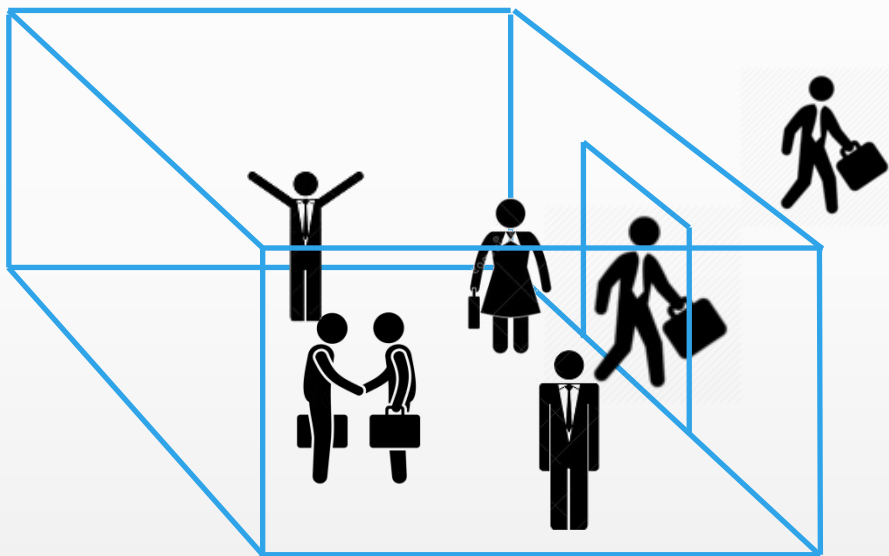
# Traditional business is confined to a box



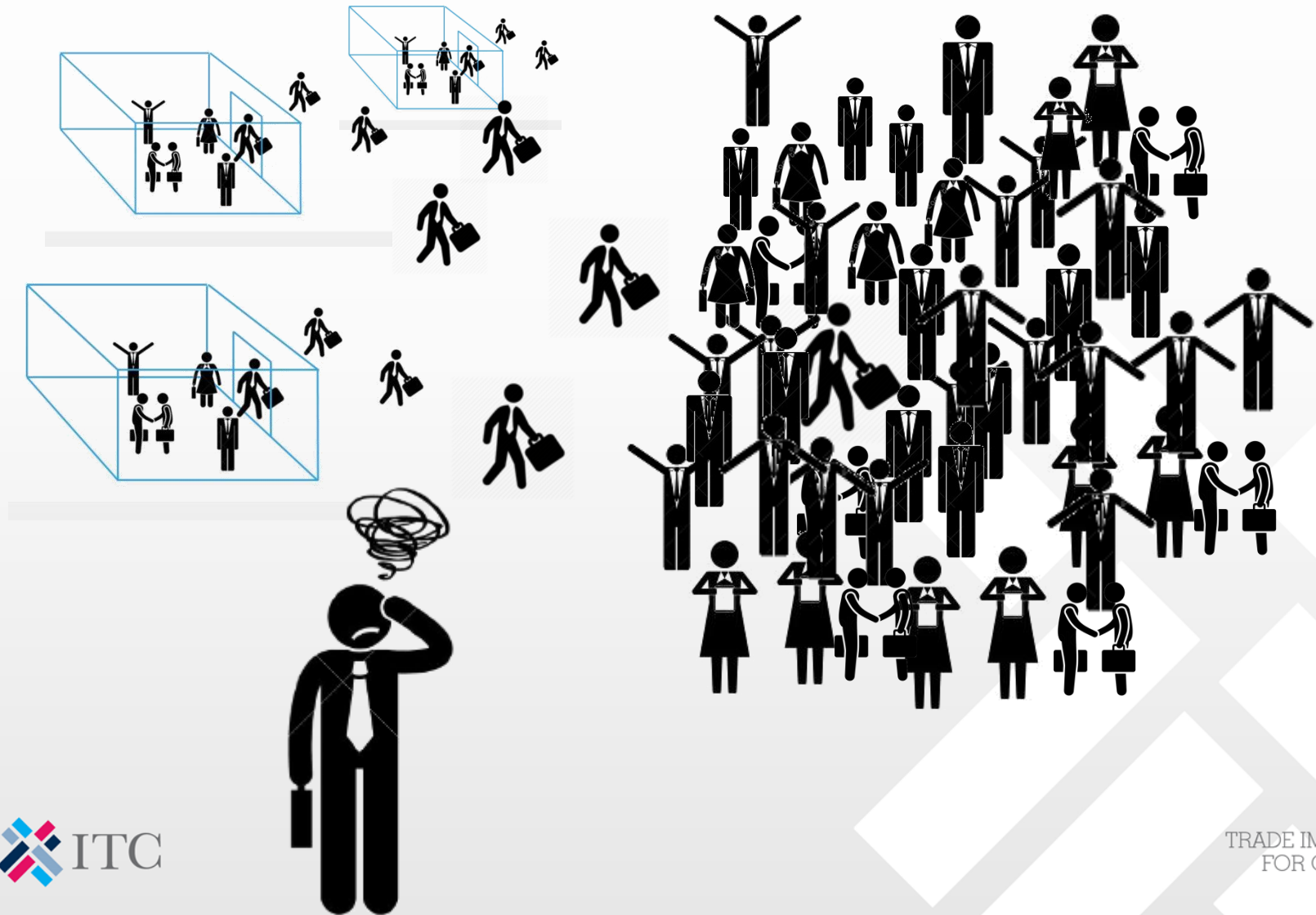
Limited by:

- Geographical proximity
- Supply capacity
- Limited demand
- Knowledge and skills
- Communication channels and etc.

moving online = walk out of the box



# ...and become invisible in the CROWD



to be visible, you need to be TALL,  
or get a ladder!



# Who can benefit the most from e-commerce

- **First movers:** early adopters of e-commerce
- **Tall Guys:** have a great product or service
- **Ladder users:** learn to use tools provided by internet companies: search engine, e-commerce platforms, social media, etc.
- **Ladder builders:** build your own tools! At least a company website

# G1. First Movers

“In the new world, it is not the big fish which eats the small fish, it’s the fast fish which eats the slow fish.”

- Klaus Schwab, founder of WEF



For SMEs: **Employ Yong People!**  
For Governments: **Embrace the Change!**





# G2. The Tall Guys

Standardized products → unique and interesting products



Potential opportunities for cross-border e-commerce

Top selling Argentinian products on Taobao (China)

 <p><b>¥ 239.00</b> 1人付款 Adidas阿迪达斯足球服套装男正品美洲杯阿根廷主场球衣AH5144 天猫超市旗舰店 上海</p>	 <p><b>¥ 29.00</b> 3人付款 正品阿根廷足球围巾 精美针织提花 球迷围巾运动围巾 天猫超市旗舰店 上海</p>	 <p><b>¥ 158.00</b> 1885人付款 【天猫超市】阿根廷红虾2kg (30-40只) 海鲜白料 天猫超市生鲜店 上海 39.50元/500g</p>	 <p><b>¥ 178.00</b> 2012人付款 【天猫超市】阿根廷红虾2kg 进口野生白料每斤 天猫超市生鲜店 北京 44.50元/500g</p>
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## G3. Ladder Users

Internet thinking: traffic, conversion rate, fan base, thumbs-ups



**Blockbusters:** most sold, but not necessarily most profitable



**Honey pots:** huge discounts to attract customers



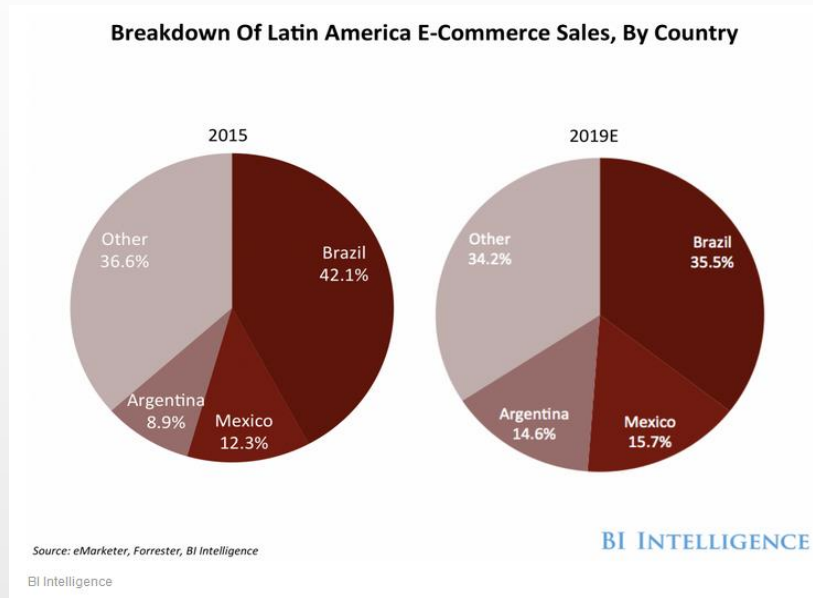
**Meatballs:** not attractive, but can fill stomach!



Internet thinking: transaction records is my most valuable asset online!

# G4. Ladder Builders

- Big internet companies are not yet everywhere
- Next billion internet users come from developing countries
- More success stories: flipkart, Mercado Libre, Netshoes, Taobao
- Protectionism won't work, because companies are becoming nationless and technology evolve rapidly





TRADE IMPACT  
FOR GOOD

Thank you!  
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