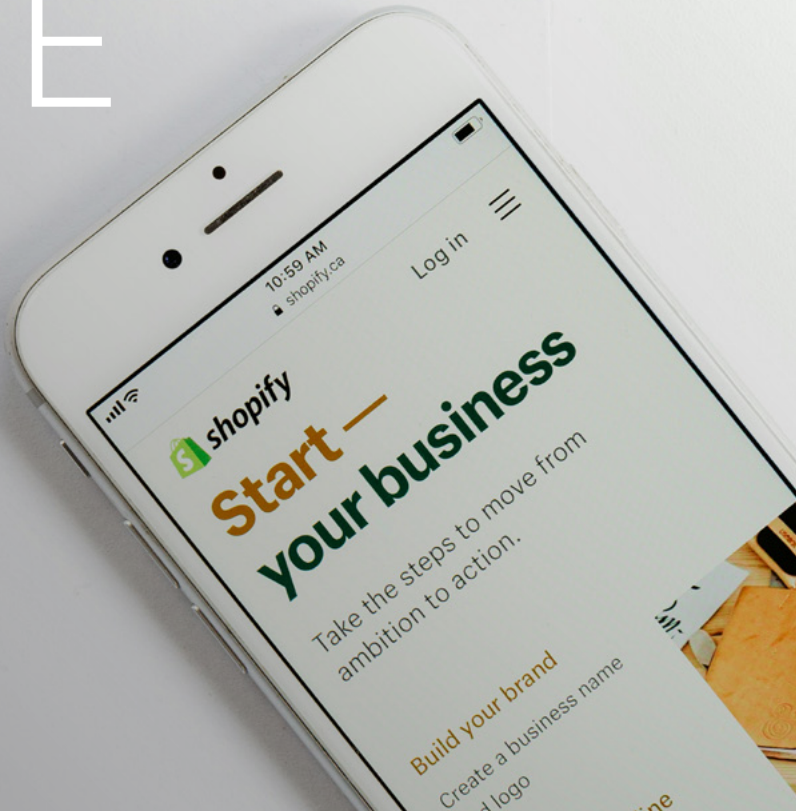


PRACTICAL GUIDE



STARTING A HORTICULTURE E-COMMERCE BUSINESS



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PURPOSE AND OBJECTIVES OF THE IMPLEMENTATION GUIDE

PURPOSE

This guide provides entrepreneurs and employees responsible for the management and development of the company with a practical and simple method to prepare for the setting up of a horticultural e-commerce business, to decide on the best e-commerce platforms to use, identify the best payment providers for their needs, develop a sales pitch, make informed decisions about the commercial positioning that is right for the company, and finally understand the legal regulations that guide e-commerce businesses.

TARGET AUDIENCE

This guide is intended for people whose job is (in whole or in part of their working time) responsible for managing the horticulture business and building new market opportunities: the managers of the business or heads of the units responsible for marketing/sales, business development and customer service.

OBJECTIVES

By applying the practical method proposed in this guide, you will be able to:

- Understand e-commerce and how it can help your business.
- Learn about the opportunities and challenges of running an e-commerce business.
- Know how to develop a commercial positioning strategy.
- Understand the logistical challenges that can affect an e-commerce business.
- Identify the different online payment methods available.
- Demonstrate an understanding of setting up an e-commerce business.



STARTING YOUR E-COMMERCE BUSINESS

WHAT IS E-COMMERCE?

In the simplest of definitions, e-commerce is buying and selling of goods and services that takes place on the internet. In broader terms it is used to describe all the activities involved in selling goods and services directly to customers. It starts from the knowledge awareness a customer has of the existence of the product or service to the actual purchase, use and repurchase. It is a platform that potentially enables a business to reach millions of customers in a cost-effective manner. The most successful e-commerce business relies on data and being able to use information to advantage. It also requires a thorough understanding of the components that are pieced together to make the sale such as market needs, ability to supply what the customer needs consistently, ability to deliver on time (logistics), how you deliver, how to receive payments for your goods or services and how to remain visible and 'top of mind' to the customers.



WHY IS IT IMPORTANT IN TODAY'S WORLD

While there are numerous benefits to selling directly to clients who walk into your store, with the most fundamental one being that customers are accustomed to purchasing products in person, e-commerce allows you to reach more people, not just locally but also nationally and regionally. e-commerce enables you to meet and surpass sales targets in an unstable and constantly changing retail environment, which is essential in a business world where volume and sales are required wherever they can be found.

In recent times, it would seem as though e-commerce is taking over the whole retail industry, and for good cause. e-commerce can enhance your company's infrastructure, including your marketing, inventory management, resource allocation, and customer service, in addition to increasing income. This is because to run an efficient e-commerce business you must have a good infrastructure to support it.

WHY IT IS IMPORTANT IN THE HORTICULTURE INDUSTRY

The COVID-19 pandemic threatened the economic well-being of many horticultural farmers especially smallholder farmers, SMEs and other stakeholders. This is because containment efforts of the virus severely impacted movements across state, regional and international lines limiting the ability of horticulture products to reach its customers. After the restrictions, the way we live changed significantly and e-commerce, which was already a growing trend, grew by leaps and bounds. Now more and more people buy their groceries including fruit and vegetables online even in developing countries. It has become a source of convenience for most people especially city dwellers and the trend from all indications will only grow. It is therefore a good opportunity for you as a stakeholder to join this trend and provide your business with the opportunity to reach more customers with an alternative retail option.





HOW DOES E-COMMERCE WORK?

Basically, e-commerce is not much different from the traditional way of buying and selling in the sense that it involves the exchange of goods and services for money. The major difference is the medium of transacting the business which is through a computer or mobile phone without the customers leaving the comfort of their home or office. By transacting through a computer or mobile phone, it throws up complications that are lacking in a traditional commercial transaction, namely that your customer cannot see the fruits and vegetables you are selling to them until it arrives at their doorstep, and you will not be there to collect your money at the time the customer is placing the order. Thus, there are three potential problem areas that need to be addressed.

PROBLEM 1 — How do you make sure your customers can see what they are buying?

PROBLEM 2 — How do you collect your money?

PROBLEM 3 — How do you track who bought what and where to deliver the product?

To solve **problem 1**, you need a platform that will enable you to display your product just like a market stall, on computer screens and mobile phones. For **problem 2** you need a trusted way to collect money from your customers once they have made their selection and for **problem 3** you must have a way of tracking who bought what and where they want to receive it.

E-commerce therefore works by combining an online shopping platform referred to as a storefront, with a system that will enable you to collect your money, referred to as a payment gateway with a record keeping/inventory or database system that keeps records of who bought what, how much stock you have left and a system that ensures your customers get what they pay for.



WHAT YOU NEED TO START YOUR HORTICULTURE E-COMMERCE BUSINESS

To start your e-commerce business, you need to be very strategic in the decisions you make. You need to ensure you have enough information to enable you to plan for the success of your business. It is important that you conduct some research to make sure you understand the market, the opportunities, and challenges. The following represent the important considerations for the success of your business:

1. **MARKET KNOWLEDGE** — How well do you know your market? It is necessary for you to understand the market. You should assess if there is a market for e-commerce and if you have the infrastructure that will support setting up an e-commerce business.
2. **DEMAND FOR E-COMMERCE SERVICES IN YOUR LOCALE** — How comfortable are your customers buying things online? In many developing countries there is still some level of hesitancy about e-commerce. This is due to the old habits of being present in the market to see the product before you buy, and lack of trust from customers willing to get what they pay for. How will you manage this?
3. **CUSTOMERS** — Who are your customers? Do you know what their needs and preferences are? Are you targeting your existing customers with new platform, or do you also want to tap into new market segments? This information will help you decide on the product mix you will offer them.
4. **ASSESSMENT OF COMPETITORS** — Your competitors present you with a good opportunity to study the market. Who are they? What are they offering that is different from your proposed offering? Is there anything you can learn from them? What can you do better?
5. **SUPPLY CHAIN** — You must know where your products will come from and how you will ensure consistency. This is very important if you are to avoid gaps in supply. If your customers find that your products are always out of stock, you will lose them. Consider seasonality and quality. Do not forget storage. You are dealing with highly perishable goods; how do you make sure they are kept fresh in readiness for delivery to your customers.

6. **LOGISTICS** — Remember that selling online requires that you deliver your produce to your customers in most cases. How will you handle this service? Will you be doing the deliveries in house, or will you be partnering with a company that provides the service? How do you plan to deal with complaints and returns?
7. **BUDGET** — You need to know how much this will cost so you can make provisions for it and plan your finances accordingly.



HOW TO USE THE INFORMATION YOU HAVE GATHERED

The reason for this information is to be able to gain clarity about the business and to plan for any eventualities. By answering these questions, you will be able to identify possible challenges and devise means of dealing with them and capitalise on the opportunities that are open to you.





WHAT ARE THE FACTORS THAT CAN AFFECT THE EFFICIENT SET-UP OF YOUR E-COMMERCE BUSINESS?

As usual in business there are always factors that will impact on your business plans. Your knowledge of these elements will help you make better decisions for the future. Their existence does not stop you from pursuing your interest instead it helps you prepare better. Some of the factors include:

1. **SET-UP COSTS** — To set up an e-commerce business requires that you have the equipment and necessary tools for your set up. The equipment includes computer/android phones and other associated costs. This equipment can cost you a lot of money. It is therefore recommended that you create a budget that can guide you. Have you made provisions for this? For clarity the other associated costs have been discussed in greater detail in the following paragraphs.
2. **AVAILABILITY OF STABLE INTERNET SERVICES** — As you already know e-commerce relies on the internet to work. The quality of the internet service available to you will determine how successful your business is. Customers will not appreciate the inconsistencies that make you unreachable or repeatedly offline.
3. **WEBSITE DEVELOPMENT AND HOSTING COSTS** — Your e-commerce business will need to build a website which will serve as your storefront. While you do not need to build one from scratch by subscribing to existing platforms such as Wix and Shopify, you still must pay to use the platforms, register your domain name, and host your website. Unless you have local equivalents, these services are paid for in foreign exchange so you must account for this expense.
4. **ACCESS TO FOREIGN EXCHANGE** — If you are in a country where access to foreign exchange is a problem, your e-commerce website could be severely compromised if you are unable to get the funds you need to pay for services related to your e-commerce site. This is because most of the services related to owning an e-commerce site are provided by international organisations who are paid in foreign currency, mostly dollars. While there are payment platforms such as PayPal to facilitate the payment, you need the foreign currency to pay.
5. **ADVERTISING COSTS** — In subsequent modules we will discuss marketing and the platforms available to you. Already in the section on e-commerce trends we acknowledged the fact that the e-commerce industry is getting crowded and for you to stand out you need to make your business heard above the noise and that means advertising. As more and more people set up shop on the digital platforms, the cost of advertising becomes more expensive.
6. **A SHORTAGE OF QUALIFIED STAFF** — e-commerce is a new territory for most people, especially in developing countries where it is still coming up. You and your team need to develop the skills needed to effectively manage and maintain an e-commerce platform. It might be challenging to find informed individuals with the necessary skills to manage and sustain online client relationships so you must ensure you have the skilled staff you need.

7. **PACKAGING** — This is another area that can be costly especially for a horticultural business. Given the nature of the product, care must be taken to ensure that your fruits and/or vegetables are packaged properly to avoid damage or spoilage before it gets to the customers. It may require designing special packaging to protect your produce.
8. **WAREHOUSING** — Again a horticulture e-commerce business is dealing with perishable goods with very short shelf life. How do you manage the storage of these goods to ensure that they reach your customers before they expire or spoil? You need to put in place the appropriate storage to ensure you have enough stock in place and the right conditions for preserving the quality of your produce.
9. **EFFICIENT LOGISTICS** — An e-commerce business involves deliveries. It therefore requires you to decide as to how this critical service will be rendered to the customers. You can either decide to deliver by yourself to ensure the efficiency of your service (PSS) or you may outsource the delivery to an existing company whose core job is logistics. Whichever option you choose has implications for your business and should be weighed carefully.
10. **LOSS OF INTERACTION WITH CLIENTS** — An online business removes the physical connection you would normally have with a physical store. To compensate for this gap, you must pay attention to the customer management systems you put in place. How do your customers reach you if they have a problem? How do you handle customer complaints? How do you keep customers happy and engaged?



HOW TO SET UP YOUR HORTICULTURE E-COMMERCE STORE

Now that you have the information you need and you have assessed this information, it is time to set up your e-commerce store. To do this the following are the steps you need to take.

STEP 1 — Developing a Commercial Market Positioning Strategy.

STEP 2 — Identifying your logistics challenges and solutions.

STEP 3 — Identifying your online sales platform.

STEP 4 — Defining your digital marketing strategy.

STEP 5 — Understanding payment systems in e-commerce.

STEP 6 — Knowing the legal regulation and customer data protection guiding e-commerce.



SEO

STEP 1 — DEVELOPING A COMMERCIAL POSITIONING STRATEGY

WHAT IS COMMERCIAL OR MARKET POSITIONING?

Commercial positioning is the way you see your brand/company and your ability to get your customers to see it the same way especially when compared to your competitors. It is a way to differentiate your brand from that of your competitors and to let your customers know what you stand for.

WHY YOU NEED A MARKET POSITIONING STRATEGY

A market positioning strategy is important for the following reasons:

- A great market positioning strategy solidifies your position in the market. It dictates how your competitors perceive your brand and your products. With the messaging you put out, customers expect certain qualities from you and if you live up to their expectations, it can become a source of competitive advantage for your business.
- It provides you with a focus for your marketing activities. By defining your market position, you have carved a niche for your brand and so you should focus your efforts on defending that position.
- You can achieve greater efficiency in making decisions as all your efforts are focused on advancing your position in the market.
- This is also an avenue to improve your revenues. By targeting your specific customers your efforts are more focused helping you build efficiency into your business which will improve your performance.

HOW TO POSITION YOUR E-COMMERCE BUSINESS

Deciding how to position your brand starts with an understanding of your customers and what you are offering them. It is also an affirmation of the gaps you have seen in the market and want to fill. The following questions can guide you in finding your position in the marketplace.

1. Why did you enter the horticulture e-commerce business? For example, Did you enter the business to provide quality, exotic fruits, and vegetables ?
2. Are you looking to fill the gap for organic products? or
3. Do you want to be the 'go to' company for all kinds of fruits and vegetables?

These are the kind of questions your business needs to answer to develop a good market positioning strategy. Depending on your target customer's needs, motivations, and your competitors' behaviour, your market positioning tactics will differ greatly from your competitors' and the tactics you adopt will be tailored to your business, and your product and therefore affect how your customers think of your brand. There are many different strategies you can adopt to help you in positioning your brand. Please note that it is always best to choose one area of interest and focus on it. By trying to focus on multiple goals at the same time, you stand the risk of not achieving much.

POSITIONING STRATEGIES YOU CAN ADOPT

So many positioning strategies exist and the one you select is dependent on you, who you are targeting as your customers and what you want to offer them. In choosing a positioning strategy you should remember to assess the market needs and the gaps that are yet to be filled and you should combine these opportunities with the strengths and weaknesses of your business. The following are some examples of commercial marketing strategies you can adopt:

1. **POSITIONING BASED ON PRICE** — You may choose to position your horticulture e-commerce business as a price friendly brand. This means that your target customers associate you with cheaper pricing compared to other brands.
2. **PRODUCT ATTRIBUTES AND BENEFITS** — To adopt a position strategy based on this you must be offering your customers something special. Could it be that you are the purveyor of purely organic fruits and vegetables for instance. In a market where there are many horticulture e-commerce brands, focusing on purely organic produce may attract the health conscious customers who are particular about what they eat.



3. **POSITIONING BASED ON CONVENIENCE** — This allows you to stand out from your competitors in terms of the value of the service you offer. For instance, the Mano brand in Nigeria. Mano is a new entrant into the online shopping market focusing on groceries. What makes Mano stand out is the speed of delivery. While their competitors deliver within 24/48 hours, Mano delivers within 30/60 mins. If you need fast delivery of groceries, you simply know the brand to call.
4. **PRODUCT DIFFERENTIATION** — A positioning strategy based on differentiation means that while there are several companies offering similar services, you have found a way to distinguish yourselves from other brands. Amazon now delivers groceries in countries like the UK. They even produce Amazon branded food products. However, what stands them apart from other grocery delivery companies is their packaging. Amazon products are delivered within a short timeframe, and they arrive packed in ice. So, drinks, meat and fish products and fruits are perfectly preserved.
5. **QUALITY BASED POSITIONING** — Compared to your competitors you offer the best quality of products around. The implication is that your customers are people that can and want to afford to pay for quality.
6. **POSITIONING BASED ON DEMOGRAPHICS** — For this strategy you are targeting a specific group in the market. It could be based on age, sex, or income. For instance, the Price Pally brand in Nigeria. It is an online grocery shopping business focused mainly on staple foods, including fruits and vegetables. Their main target customers are bulk purchasers. However, they also provide a sharing service for family members, colleagues or friends who wish to buy in bulk and share the cost. Thus, you can buy in bulk and during check out your bill is split between the number of persons you are sharing with, and each person is billed separately.

HOW TO DEVELOP YOUR POSITIONING STATEMENT

Once you have defined your positioning strategy it helps to have a positioning statement that will guide your business internally and help you remain focused.



WHAT IS A POSITIONING STATEMENT

It is a statement that represents the market position you have ascribed to your brand and is a reinforcement of your strategy. It unifies the messaging within your organisation ensuring that everyone in your team is clear as to what your brand stands for. A good positioning statement will describe your product, target audience and the gap it fills in the market.

EXAMPLE OF A MARKET POSITIONING STATEMENT

“XYZ limited is for health-conscious customers, that need organic and chemical free fruits and vegetables, conveniently delivered straight to their doors, within a short time”

WHAT TO DO WITH YOUR POSITIONING STRATEGY

Now you have selected your strategy, the next step is how to transform this into tangible actions that your customers can relate to. These are tools that helps you get your message across to your target audience and it includes:

ADVERTISEMENTS

With a clear position in the horticulture e-commerce market, it is time to get the message out. The way to do this is through advertising to ensure that the message you send out represents your position. If your strategy is based on the organic nature of your products your messaging should focus on and highlight this attribute.

Secondly, choose where you advertise your product. Example if you are positioning your product as an organic, healthy choice best to advertise where people who will appreciate this product can be found. Perhaps Health clubs, gyms, groups on social media that focus on healthy eating, eco warriors etc.

CONSISTENT MESSAGING

Your message must be consistent so that your customers get used to it and they associate your brand with the message.

BRAND IDENTITY

Develop a strong brand identity that supports your messaging and the position you have chosen. With time your customers will not be able to tell the difference between your brand and the message. An Apple logo needs no introduction neither does Coca-Cola or Google.





STEP 2 — IDENTIFYING YOUR LOGISTICS CHALLENGES AND SOLUTIONS



WHY LOGISTICS IS IMPORTANT

Logistics is a critical factor for buying or selling any item online or in a physical retail store. Agri-e commerce requires the logistic network to facilitate the physical movement of produce. An absence of a logistics structure can increase your cost and result in delays and ultimately failure. Logistics especially as it relates to e-commerce is more than just moving goods from one place to the other but rather includes a whole range of activities to manage supply and demand, such as:

1. **RENDERING OF SERVICES** — This includes moving goods from the farm or supplier to the warehouse or storage facility and from your facility to the customers location. Thereby including delivery services in your offering.
2. **FLOW OF INFORMATION** — The internet is all about data. Using the information, you must advance your business so it can be a source of competitive advantage. Information flows from the customers to your business and vice versa. You collect information on demographics, customer preferences, lifestyle etc. and customers collect information on the availability of goods and services, prices, options, etc. Having the information you need will help you make the right decisions about the supply chain of your business.

3. **ADDITION OF VALUE** — Customers expect very good quality produce and by ensuring that they are packed properly, for instance, (to maintain their freshness) customer satisfaction is enhanced.
4. **MARKETING** — Through appropriate marketing you can control your supply and distribution. By understanding the seasonality of your produce and the needs of your customers you can deploy marketing tactics that will ensure that your produce does not waste. For example you can be running promotions on products that are approaching the end of their shelf life, or that you were able to buy in bulk at a favourable price.
5. **ORDER PROCESSING** — It is as simple as ensuring that the right order is delivered to the right customer and on time.
6. **MANAGEMENT OF STOCK** — It is inventory management and stock-taking to ensure that the right produce is available at the right time, especially given the perishability of horticulture produce. It is all about consistency and ensuring that customers' needs are always met.

The needs of the new consumer generation include a consistent supply of perishable goods with the following requirements: appropriate produce, right conditions, right quality and quantity, and reasonable prices. Logistics in e-commerce should be guided by the fact that you would want any customer who buys from you to make regular purchases, which means consistency is a must. Consistency in condition of the produce, the quality, quantity, and costs. Your job as an e-commerce business owner is to figure out how to deliver on these aspects.





HOW DO YOU ENSURE THAT YOU CAN REGULARLY SUPPLY APPROPRIATE QUALITY PRODUCE IN THE RIGHT QUANTITY AND ON TIME?

This is what logistics for e-commerce is all about. It is about putting in place the right system and processes to ensure that your customers are not disappointed. The following are the phases that you must consider in putting in place an e-commerce logistics plan for your horticulture business. By answering the questions in each phase, you should be able to identify your challenges and find solutions to mitigate them.

PHASE 1 – SUPPLY

Where is your produce coming from? How do you ensure that your produce is available on demand? This requires a clear plan of how to manage your supply chain whether it is from your farm or from other farms or middlemen.

PHASE 2 – CHANNELS OF DISTRIBUTION

How do you ensure that the produce is delivered on time without losing its quality or freshness? Are you going to outsource your supply to a company that already has the system to deliver, or will you set up your system and at what cost?

PHASE 3 – STORAGE

When the produce arrives at your establishment how are they stored to maintain the freshness and reduce perishability? Consideration must be given to storage needs and requirements for the types of produce you are selling to minimise wastage.

PHASE 4 – RECEIVING ORDERS FROM CLIENTS

This is all about the flow of information within your organisation. What is the process for receiving orders from your platform? This requires that the proper operation procedures are put in place to ensure that orders are tracked, handled on-time and effectively. This could be as simple as creating a spreadsheet with the necessary information that helps you track customers' orders or as sophisticated as deploying Customer Relationship Management (CRM) tools.

PHASE 5 – PAYMENT

Being able to collect your money on time is essential for the success of your business. However, it is important that the payment method is not inconvenient for your customers or expensive to use in terms of the charges incurred. For instance, are your customers comfortable paying online, or using POS systems or would they rather pay through bank transfers? On your side, are you comfortable with a payment on delivery?

PHASE 6 – PACKAGING AND DELIVERY TO CUSTOMER

This last mile delivery requires that orders are delivered on time while still maintaining the quality of the produce. It is all about adding value by ensuring that the customers' orders are properly packaged and delivered. How do you handle this essential service? Will you add delivery to your list of services or are you going to work with a company that has experience in deliveries of this nature?

The mastery of these steps is necessary to ensure the smooth operation of your horticulture e-commerce business. In making a logistics plan, care should be taken to ensure that all these steps have been considered and solutions sought.

STEP 3 — IDENTIFYING YOUR ONLINE SALES PLATFORM

We earlier mentioned that having an e-commerce shop is like having a traditional shop but on the internet. Just like your regular shop you must have a location where your customers can go to and find you. Your online sales platform is basically your shop address on the web. It is commonly referred to as a 'storefront'. There are different options open to you when choosing your storefront. You need to understand each option so that you can select the best option for you.



HOW TO CHOOSE AN ONLINE SALES PLATFORM

Just as you put in a lot of thought into finding a physical shop for your horticulture business, the same effort goes into finding an online storefront. There are so many options open to you in setting up your online platform. You may decide to build yours or you may decide to rent a space from one of the many companies that provide platforms that can host your sites, think of them as your landlords or “web lords”, a word we have coined for the purpose of this training. Building your own platform can be extremely costly and time consuming and so is not recommended for most businesses and so the best option is to go with the web lords.

To choose the best 'web lord' for your e-commerce business you should consider how it impacts on 3 major areas in your business. They include:

- A. THE COMPANY
- B. THE OPERATIONS
- C. THE CUSTOMER

The following explores different factors that you need to consider in ensuring that the 3 areas above are not affected.

WHAT YOUR SHOP WILL LOOK LIKE

Different platforms have templates that you can customise to look the way that suits your brand. By this we are referring to the storefront which is the part your customers see and interact with which is also referred to as the 'frontend'. Some of the platforms are easy to adapt to your taste while the others require that you get a specialist who has the knowledge to help you adjust it. This requires additional cost on top of the licence cost you will incur. Look for the platform that matches what you are looking for and is convenient to use for mobile phone users who make up the bulk of internet users

HOW YOUR CUSTOMERS CAN ENGAGE WITH YOUR SHOP

You must remember that ultimately your customers are the reason you built the site. Your site must therefore be easy to use and navigate for your customers. If they struggle to find their way around the site, chances are that they will not be coming back. You must therefore choose a platform that allows you to develop a simple and intuitive site for your customers. This is referred to as the User Experience or UX.

HOW EASY IT IS TO MANAGE YOUR OPERATIONS BEHIND THE SCENES

Like a physical shop there are activities that go on behind the scenes, such as inventory and stock management, record keeping, management of accounts etc. these are also necessary for an online shop. You should assess how easy it is for you to manage these activities which happen away from the eyes of the customers on your chosen platform. These are referred to as backend transactions. Your chosen platform should make your back end easy to manage.

SECURITY OF YOUR INFORMATION AND DATA

Websites are always susceptible to hackers and all sorts of viruses. It will be a shame if after all your hard work your website becomes unsafe for your business and your customers who have shared personal information with you. You must therefore assess how the platform safeguards your data.



HOW EASY IT IS TO MARKET YOUR SITE TO GENERATE LEADS AND MAKE A PROFIT

You need all the help you can get to market your site and attract customers. Some platforms provide you with the assistance that will help you to get seen by your target customers either through the provision of SEO services, links to social media platforms where you can advertise your site etc.

Links to applications (apps) that make it possible for you to achieve all you want with your site is referred to as integration, for instance linking to your bank for your payments to reach you safely and timely. The best one is not the most popular, it is the one that allows you to achieve the goals you have set for your business.

HOW MUCH TIME AND MONEY DO YOU WANT TO SPEND ON YOUR SITE

E-commerce platforms are not cheap They can also be time consuming especially if you do not have the right skilled hands to work on it. The more you require the platform to do, the more expensive and time consuming it is. It is advisable therefore, that at the beginning you start with the basics and as your business grows you can include more options.

Now you know what you are looking for, the best way to find the right platform for you is to conduct research into the various platforms and what they offer until you find one that is right for you. To help you make the right decision the following are the types of e-commerce platforms.

TYPES OF E-COMMERCE PLATFORMS



There are three main types of e-commerce platforms. Some of the service providers fit into more than one functional type because they can support more than one type of service. The following are the types of platforms and examples of the companies in each.

1. SAAS E-COMMERCE PLATFORM
2. OPEN-SOURCE E-COMMERCE PLATFORMS
3. HEADLESS E-COMMERCE PLATFORMS

1. SAAS E-COMMERCE PLATFORMS

also known as Software-as-a-Service platform is a service that provides the infrastructure and the maintenance that is necessary to run a successful e-commerce site. All you need to do is pay a monthly or annual fee and 'rent' a space on their platform. They provide templates that you can customise to suit your brand, thus distinguishing your site from other people's sites. Behind the scenes though the service is the same for all subscribers. With the SaaS platform the flexibility of what you can do with your site is limited to what has been provided by the platform. Some SaaS platforms include, Shopify, Magento (now known as Adobe Commerce), and Wix.

2. OPEN-SOURCE E-COMMERCE PLATFORMS

The next type of e-commerce platform to consider are Open-source platforms. While a SaaS platform provides you with all the infrastructure you need to run your site, an open-source platform provides you with a space that you must configure and manage by yourself. Thus, things like your shopfront are managed by you, your payment systems and even the security of the site is your responsibility. This means you need a technical team that will do all the work. It gives you more flexibility with the look and feel of your site and the way the back end works. Examples of Open-source e-commerce platforms are Open Cart, Zen Cart and WooCommerce which requires WordPress to run.

3. HEADLESS E-COMMERCE PLATFORMS

The last e-commerce platform we will look at is the Headless e-commerce platform. Generally, e-commerce platforms are typically in two parts: a frontend and a backend. The checkout, pricing, and security measures are all part of the backend. Things like the product descriptions and images, shopping carts, and navigation elements which shoppers see are managed by the frontend, which is also called the 'head'. In a headless e-commerce platform, the frontend is separated from the backend so the look and feel of the site can be redesigned with themes or templates to give a new user experience without impacting the backend. It has a lot in common with an Open-source platform in the sense that it provides you with the flexibility to customise your site. Examples of headless platforms include Shopify Plus, BigCommerce.



STEP 4 — DEFINING YOUR DIGITAL MARKETING STRATEGY

You need to create a digital marketing strategy if you want to attract, engage, and retain customers to your e-commerce business. By bringing in more worthwhile visitors to your website and generating more leads that become customers, a web marketing strategy will help you expand your business.



WHAT EXACTLY IS A DIGITAL MARKETING STRATEGY, AND HOW DO YOU DEVELOP ONE?

A digital marketing strategy is a set of steps used to accomplish a variety of objectives through online marketing platforms, such as social media, mobile marketing, email marketing etc. Having a digital/e-commerce marketing strategy will help focus your mind into selecting the best marketing channel for your business. A solid online marketing strategy will include short term, medium-term and long-term goals. By setting a variety of goals for your business it will serve as the driving force to create a better plan of action. For instance, you can set short and medium-term goals that will drive you to work toward reaching your long-term objectives. You may design and successfully launch your online marketing strategy with the help of a clear digital marketing action plan. A top-notch e-commerce marketing plan will assist you in generating profitable leads and sales for your e-business.

HOW TO DEVELOP A DIGITAL MARKETING STRATEGY

To develop a digital marketing strategy, you need to do the following.

DEVELOP BUYER/CUSTOMER PERSONAS

Knowing your audience is essential to the commencement of a successful online marketing campaign. If you do not know who needs your goods or services, you cannot have a successful approach to digital marketing. You can market to your ideal customers in a way that appeals to them if you know who they are. The foundation of a successful marketing plan is a set of thorough and comprehensive buyer personas. Developing customer personas is the most effective technique to identify the members of your target group.

Buyer personas are fictional characters that represent the potential customers for your company. Most businesses have a few different categories of customers who are interested in their goods or services. You may better understand each type of customer that is interested in your goods or services by creating buyer personas.



HOW CAN YOU DEVELOP A BUYER PERSONA?

To avoid assuming the wrong things about your audience, you should build your buyer persona on actual data such as recent customer data, and interviews. It's crucial to record demographic data like:

- **LOCATION** – Where do current and target customers live?
- **AGE** – What age group do they belong to?
- **INCOME** – What income bracket do they fall into?
- **JOB PROFILE** – What kind of job do they do?

Additionally, you need to know more specific things about your customers such as their:

- **GOALS** – What do they aspire to?
- **INTERESTS** – What are they interested in?
- **HOBBIES** – Do they have hobbies?
- **CHALLENGES** – What possible challenges face them?



With this information you can start creating personas for your business. Your strategy will be shaped by these personas, which will also help you choose the best channels to reach your target audience.

HOW TO COLLECT INFORMATION FOR YOUR PERSONAS

In the world of business information is key and the internet provides a great opportunity to collect information about your customers. You can collect information through questionnaires, onsite registration and using the analytical tools like Google Analytics, that provides you with all the information you will need about your customers. An example is where you ask your customers to sign up for your newsletter in exchange for a 10% discount on the next order. If you have ever used a website and they have asked you to register, this is a means of collecting information about you and your habits.

GOAL-SETTING

Without having a clear understanding of your goals, you cannot develop a strategy. It's crucial to establish goals if you're going to develop a digital marketing action plan. This is because with goals you will be able to know what you want to achieve with your web marketing campaigns. In setting your goals you need to prioritise your short, medium, and long-term objectives. Your marketing objectives should match your overall company goals and should serve as a means of achieving the goals.

When setting goals, you must decide:

- What you hope to accomplish
- The timeframe for accomplishing them
- How you plan to evaluate that success

A good way for setting clear goals is to adopt the S.M.A.R.T mnemonic. As most people know S.M.A.R.T stands for Specific, Measurable, Attainable, Relevant and Timely.

SPECIFIC — Your objectives are very specific and reflect what you intend to accomplish. For instance, instead of setting general objectives like “bring in new customers,” try “attract 10 new leads.”

MEASURABLE — When you create goals, you want to be able to assess if you've achieved them. You can determine whether you've achieved a goal when you set one like “get 15 customers” and track how many customers you really get.

ATTAINABLE — Many businesses make the marketing mistake of defining goals that are not realistic. If generating 200 leads is not viable for your e-commerce business do not establish that as a target. Instead, try to set challenging but achievable goals.

RELEVANT — Your goals should be connected to the objectives of your campaign and e-commerce business. If you are not operating an email campaign, you do not set a target to obtain “10 email subscribers.” Your objectives should always be in line with what you wish to achieve.

TIMELY — A timetable for reaching your goals must be established when you set them. It could be weeks for short term, months for medium term, and years for long term goals.

Using your S.M.A.R.T. goals as a guide you can construct key performance indicators (KPIs) for your digital marketing campaign. KPIs are numbers that assist in determining and defining how to assess the success of your campaign. You should look at indicators that will reveal whether your campaign is successful, such as bounce rate or pageviews.

CREATE A BUDGET OR SPENDING PLAN

Knowing your budget and the available resources for your campaign is crucial when developing a digital marketing strategy. You risk overspending on one digital marketing strategy if you just have one budget for all your marketing initiatives. For instance, a \$100 budget for email marketing, social media marketing and google ads can best be utilised if it is apportioned appropriately (for example \$20 for social media, \$30 for email marketing, and \$50 for Google ads).

It is therefore highly recommended that you should first set a budget for your marketing initiatives before you start making plans. Along with your advertising budget, you should also identify your resources. One of your most valuable resources is people. How many people will be working on your web marketing efforts? How will you pay them? In addition to your human resource, you should also consider the cost of any marketing tools you will need, such as Google Analytics, that assist you in managing or analysing your campaigns.

CREATE A COMMUNICATION PLAN

A communication plan is a documentation of how information will be handled in the organisation. It specifies what kind of information that will be shared, with whom, how it will be shared and for what purposes. It will help in setting the tone of your marketing plan by defining the message that you are sending to the various stakeholders in the organisation such as, the employees, management, suppliers, and customers. With the various personas you have developed you will be able to articulate the best way to reach each group of buyers in an efficient and effective manner.

STEP 5 — UNDERSTANDING PAYMENT SYSTEMS IN E-COMMERCE

Although it's not as simple as flipping a switch and watching the money pour in, accepting payments from consumers doesn't have to be difficult. You just need to find the right payment gateway for your e-commerce platform and your business.

Whilst there are many payment gateways with many confusing jargons, choosing the right one can make it easy for customers to purchase your products.



WHAT IS A PAYMENT GATEWAY?

Before we look at the payment options, let's first understand what a payment gateway is and what it does. In its simplest form, a payment gateway essentially connects your e-commerce site to the payment networks to process payment. It does this by securely capturing and sending the customer's payment details to a payment processor to confirm with the customer's bank if there are sufficient funds to pay for your products. Once approved the money is set aside and the payment processor notifies the gateway which in turn notifies the customer and you. Some popular payment gateways include PayPal, Payoneer, Amazon Pay, World Pay, Stripe etc.

The number of networks a payment gateway connects to is determined by the number of payment options it supports and you should select these according to your business needs and target customers.

WHAT PAYMENT OPTIONS ARE AVAILABLE TO YOUR BUSINESS?

1. PAYMENT ON DELIVERY

This is an offline method of payment and as the name suggests, the customer will pay for your products once it is delivered. You would usually specify on your site a payment method that would provide immediate notification of value so the products can be released. This payment option provides the customer an opportunity to validate the purchase before paying but would typically be limited to the local environs where you can deliver yourself, unless a third party with greater delivery scope is used. However, this introduces its own complications since collections are in the hands of the courier. Also, the customer may refuse to pay for the product, for reasons that may be fair or unfair.

Whilst this payment option requires the least effort to establish, and instills largest confidence in customers, it can also be expensive should the customer choose not to honour the sale or risky if cash payments are collected.

2. CARD PAYMENT

There are several card schemes/issuers in the world, but the best-known schemes are Europay, Mastercard, and Visa (EMV) who jointly created the 'chip and pin' standard. If you intend to sell cross-border, it is important that your payment gateway not only supports EMV cards but also any other dominant card scheme in that country.

A card may be a credit card in which case the customer has a line of credit or a debit card where the funds are withdrawn directly from the customer's account. Some payment gateways charge differently depending on the type of card you accept whilst others are only able to accept local cards. i.e., cards issued within your country.

3. MOBILE MONEY

Mobile money payments are made to or from an electronic wallet linked to a mobile phone number and it has grown in popularity for its ability to provide access to financial services for the unbanked and underbanked.

Despite having more than 1.2 billion registered users across more than 350 operators, use of Mobile money payments within the e-commerce sphere is relatively low compared to other payment options. There are various reasons for this with the chief one being the daily transaction limit set to forestall money laundering because of the minimal Know Your Customer (KYC) requirements undertaken with the underbanked and unbanked.

In countries, like Kenya, where its mobile money, M-Pesa, is the dominant payment method, local payment gateways have provided 'plugins' to integrate it into local e-commerce platforms so if you opt to use mobile money as a payment option, ensure that your payment gateway supports your mobile money operator within your e-commerce platform.

4. BANK TRANSFERS

Bank transfers are generally seen as an off-line method of payment as it is normally done outside the e-commerce platform, however, with the rise of Financial Technology (FINTECH) firms, many payment gateways are now integrated with the local banks to offer immediate notification of a transfer, however, this is generally not available for cross-border sales due to currency conversion requirements.

In choosing the best option for you, take a moment to consider which is the most suitable one for your target customers and for your business and remember that you may require multiple options.



WHAT ARE THE KEY FACTORS TO CONSIDER IN CHOOSING A PAYMENT PROVIDER?

Now we have looked at the payment options, what are the key things you should consider when selecting a payment provider.

LICENSED PROVIDERS

Payment services is a highly regulated industry, so the first step is to determine which providers have licences to provide payment gateway services within your country or region. This is very important to ensure you have a level of protection should anything go wrong.

INTEGRATION WITH E-COMMERCE PLATFORMS

Once you have shortlisted the licensed payment providers, the next thing to check is who has the required payment options for your chosen e-commerce platform.

CURRENCY

Another factor to consider is the ability of your chosen provider to offer payments in your chosen currency. You should pay attention to any charges or rates of conversion to ensure your business does not pay a high price for the service.

HOSTED VS. NON-HOSTED

A payment gateway can be hosted off-site with the shopper being directed to the payment processor's website to complete the transaction or non-hosted, in which case the shopper completes the transaction without leaving your site. The important thing to remember is that whoever collects the customer's payment details is responsible for ensuring its security. The choice of e-commerce platform and where it is hosted can often assist in this decision.

SECURITY

Your e-commerce site must use a Secure Socket Layer certificate commonly referred to as an SSL certificate to encrypt data between it and your shopper's browser. An SSL certificate is a digital certificate that shows that your site is genuine or not fake and enables other sites to connect securely to it.

Likewise, you must ensure that your payment provider is certified for Payment Card Industry Data Security Standards (PCI-DSS). This certification is mandated by the card companies to ensure the security of card transactions passing through the payment provider.

Your payment provider should also have robust fraud prevention tools to prevent and eliminate suspected fraudulent activities.

FEES/CHARGES

Payment providers make money by charging you a fee for collecting money on your behalf. You must ensure you understand what fees are charged and whether any threshold or limits apply.

Typical fees charged are:

1. **SET-UP COSTS** — This varies and can be free or as much as \$300 and is usually a one-off payment.
2. **MONTHLY SUBSCRIPTION FEE** — This varies also and can be free or up to \$50 a month.
3. **TRANSACTION FEE** — This also varies depending on the payment option and can be between 1% and 5% of each transaction. Also, there may be a flat fee per transaction which can be between 10-30¢ depending on the monthly volume of transactions.

REMITTANCE

Although payments are usually authorised almost immediately, the funds are generally held for 1 or 2 working days before you receive it in your bank account. This enables the payment processor to handle refunds and chargebacks so you should take this into consideration to manage your cash flow. To make this choice of choosing a payment service provider, it is recommended that you seek professional advice.

STEP 6 – KNOWING THE LEGAL REGULATION AND CUSTOMER DATA PROTECTION GUIDING E-COMMERCE

From the learning we have done so far, e-commerce is hinged on data and more data. From knowing and understanding your customers, their needs, and requirements to collecting information about their finances, home addresses etc. Such sensitive information needs to be handled safely to protect the customers and your business, it is for this reason that there are regulations guiding e-commerce and the data you have collected.



WHAT ARE THE REGULATIONS GUIDING E-COMMERCE?

The internet is huge with millions of people spread across all the countries of the world and due to the complex regulatory frameworks within a country or territory, chances are that regulations may differ from one country to the other. However, there are general regulations that are of universal application that irrespective of your country or region apply. Some regulations are focused on protecting the customers while some are about protecting your business. Some customer protection regulations include the following.

PRIVACY POLICY

An important factor a potential customer will consider before using your e-commerce site is whether they can trust your site. You can help them with that decision by ensuring that your site has a clear privacy policy in place.

So, your Privacy Policy should outline how you gather, manage, and use the data your site collects and whether the data is kept private, shared with others, or sold to third parties. This provides your customers with critical information about the safety of their data on your site.

You must also ensure that your privacy policy aligns with the relevant privacy regulations within your country or region. For example, one of the strictest policies is the California Consumer Privacy Act (CCPA) whereas the EU has General Data Protection Regulation (GDPR).

It is not enough to have the policy; you must ensure that you adhere to the terms. Ensuring that the data you collect are protected.

EMAIL MARKETING

For many years, many countries have passed various laws to cut down on unsolicited and spam emails. At some point you must have received the unsolicited emails that clog up your email box and so you can relate to how annoying they can be. These laws typically require businesses to avoid deceptive content and ensure a business address is provided as well as giving recipients an option to choose not to receive your emails which must be honoured. This is why you find an unsubscribe button on marketing emails. Thus, in asking customers to subscribe to your newsletters or email marketing materials you are required to give them an option to either subscribe or decline, and always give them an option to stop receiving the newsletter at any point they choose to. Though there is no rule for now regulating messaging platforms, like WhatsApp or other similar platforms, we caution that you are mindful of sending unsolicited messages to customers as this may be off putting.



SECURED FINANCIAL DATA

To monetise their activities, hackers look for ways to extract personal and sensitive data from e-commerce sites. Top on the list is the financial data of customers. It is therefore your responsibility to follow any applicable laws and adhere to best practices by utilising SSL to encrypt (code) the communication between your site and your customer's browsers whilst making sure that card details are never stored on your site.

QUALITY PRODUCTS

Your potential customers are buying from you on trust since they do not have physical access to check the quality of your products. To protect consumer's rights, many countries and territories have passed Consumer Protection laws to ensure they don't fall victim to misleading or deceptive marketing and unethical business practices. This is why in some countries consumers have the right to return a product that they are unhappy with even if it meets the specifications.

BUSINESS FORMATION

The regulations which apply to business entities are different from those that apply to individuals and more critical. More often than not you are required to register a company before you can sell to the public thereby creating a legal entity. You must ensure that you have been duly registered to give your company the legitimacy it needs to carry on business. In addition, some products may require that you are licensed or certified before you can legally sell them. It is important that you understand the rules and requirements of your local area before you embark on your e-commerce journey.

TAXES

It is important to have a clear understanding of the specific taxes which are applicable to you and the different territories you wish to operate in. For example, if your products are sold across the border, specific tariffs and taxes may apply. It is up to you to understand the tax requirements of the territories you wish to operate in. Once you understand the requirements you must ensure that you collect and remit them to the appropriate tax agency.

SHIPPING RESTRICTIONS

As discussed in the earlier module, e-commerce involves delivering to your customers and more often than not, you will be responsible for shipping or delivering a customer's orders to them, you must therefore understand if any shipping restrictions apply to your fruits and vegetables and what you are required to do in order to safely ship them. For example, because they are perishable, they may require special packaging to minimise the chances of spoiling during delivery.

It is worth remembering that additional shipping requirements may increase your shipping costs, you should compare different providers since not all shippers have the same limitations.

BUSINESS INSURANCE

With the myriad of e-commerce regulations and the increased legal exposure, business insurance can provide a level of cushion in the unlikely event of a mishap or incident, especially given the perishability of horticultural products. You should consider and seek professional advice to find out how the following general business insurances may help your business.

1. General liability to help cover your costs to defend property damage or physical harm claims brought against your business.
2. Professional responsibility to safeguard your business from malpractices, mistakes, and negligence.
3. Commercial liability, to guard against financial loss should your business be held accountable for property damage or personal harm, or injury brought on by your products, operations, or staff.

The ability of your business to navigate successfully through the world of e-commerce depends on your knowledge, understanding and ability to implement applicable laws within your location. You must also remember that e-commerce is still evolving and so are the regulations. They can change rapidly so you must stay informed in order to protect yourself and your business.

CONCLUSION

There is no doubt that e-commerce has become a major part of our lives and it is not about to go away. It is therefore necessary that you begin to think about how a business in the horticulture field can take advantage of this phenomenon. The following are recommendations that can help you decide if you want to foray into the e-commerce landscape or wait for the right time.

1. Business environment – You have to be sure that your environment is supportive of this type of business model. We recommend that you carry out a SWOT analysis which will enable you to assess the business environment and develop a comprehensive business strategy.
2. Business structures – A successful e-commerce business, especially in the horticulture industry will put a strain on any unstructured business in the sense that it will expose any lapses in the operations. This can impact heavily on the success of this business model in addition to the profitability of the organisation. Before you venture into this ensure that your business is positioned for this level of activity.
3. Skilled Personnel – It is important that you have the right people with the right skills to make a success of your e-commerce business. You need people with the technical knowledge to set up and manage your platform. They do not necessarily have to be in house, the role can be outsourced. However, whether outsourced or not, you need to ensure that you have capable hands.
4. Update your Knowledge – This is a new territory for a lot of people and even if you have to employ the service of a consultant be aware so that you can better understand and identify what is right for your organisation. Acquaint yourself with the industry and the basics of e-commerce. With the abundance of information on any topic in this information age, finding the materials you need to upgrade your knowledge is in abundance.
5. Be Intentional – With the steps we have gone through during this training, we recommend that you are intentional in everything you do. start with the basics, identify the flaws and problem areas in the business model you have chosen, work on them before scaling up to new heights, that way you are able to build on what you have been able to achieve without expending too much money.
6. Ask for Help – COLEAD has built structures that can provide your business with all the support you need. Do not hesitate to reach out.



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