

E-Commerce in Yemen – Final Report



March-2016

Prepared by: ISOC-Yemen Chapter

Table of Contents

Project Overview.....	3
Project Activities	4
Research Activity.....	4
Study Limitations	5
Training Activity	6
Results.....	7
Evaluation	7
Seminars Activity.....	8
Results.....	8
Project dissemination	9
Lessons learned.....	10
Challenges	10
Conclusion.....	10
Appendix 1: E-Commerce Research Document	12

Project Overview

The Yemen E-Commerce project is an initiative with the aim of promoting e-commerce in Yemen and boosting the confidence of the Yemeni community in the internet as a means of purchasing and selling products and services using available online resources. It was deeply needed due to the extremely low number of e-commerce services and largely untapped potential of ecommerce. The project idea emerged upon a careful assessment of the needs and requests of the ISOC-Yemen member base. We have found that most internet users we approached mainly used the internet just for social media networking, news reading, and did not understand the value and potentials of e-commerce both as users or entrepreneurs.

To achieve the goal, the project had provided training which focusing on young Yemenis -preferably those who have a university degree- who are either unemployed or need an additional source of income and are eager to explore the various potentials of ecommerce to advance their careers and improve their opportunities. The project assisted them and developed their skills and needs through group training, seminars, and debates around what is needed to enhance the conditions for developing the e-commerce sector in Yemen.

As Yemen has one of the highest unemployment rates in the world, e-commerce could serve as a major opportunity for economic development and that could only happen if a body like ISOC-Yemen takes the initiative by introducing it to the public and show case how it could transform and change lives one person at a time as well as by producing viable examples that could inspire a whole generation of young Yemenis to see some positive influences the Internet could bring.

Project Activities

RESEARCH ACTIVITY

	e-commerce users out of internet population	e-Commerce \$ Spending per e-Commerce user a year	e-Commerce market size (B\$)	Fixed (wired)-broadband subscriptions (,000)	Fixed (wired)-broadband subscriptions per 100 inhabitants	Fixed-telephone subscriptions (,000)	Fixed-telephone subscriptions per 100 inhabitants
USA	71%	1,111	193.0	91,342	29.25	135,127	42
China	28%	799	115.0	188,909	10.08	266,985	19
Brazil	17%	824	11.0	20,190	13.63	45,038	22
Indonesia	6%	256	0.9	3,251	1.30	30,722	12
Yemen	5%	100	0.1	256	1.05	1,143	5

Sources: Federal Communications Commission, USA; Ministry of Industry and Information Technology, China; Ministry of Industry and Information Technology, Brazil; MCIT, Indonesia; ITU estimate, Yemen. Data as of 2013.

The project research was the important activity in the project, as the research results used in designing the project training, and was the main subject in e-commerce project seminars, in the other hand E-Commerce research result could be used by researches as a base for future researches, Bankers and e-business peoples or companies.

Research question

What are the challenges and problems preventing Yemenis from utilizing e-commerce and other online payment systems, and what recommendations can be suggested to address those challenges?

E-commerce can provide opportunities for employment, consumer savings, and productivity. Reliable e-commerce infrastructure is needed such as internet speed, post services, logistics services, payment means, and protection. Awareness programs are required to overcome e-commerce concerns. Local e-commerce businesses got around 5% of purchases, which is an excellent opportunity for entrepreneurs to tap this market.

This paper provided a brief presentation of what challenges and prospects the internet and e-commerce ecosystem is facing in Yemen. The number of individuals who purchase online is relatively increasing. A

high number of individuals still use their friends and third party companies to take the responsibility to buy, pay, and deliver goods and services from the internet. Individuals can gain much from the internet. The internet offers information, access to technology, the verity of products and services, news and communication, and entertainment. People in Yemen are interested in shopping online, learning from the internet, and get their work done.

Those who have not purchased online are facing infrastructure challenges such access to reliable payment systems. Global payment system providers not only provide comfortable and convenient payment services, but also offer protection against cybercrimes, protection against fraud, and help consumers be aware of the internet associated risks.

Yemen transportation and logistics services lack value to smooth internet business. The transportation cost seems to be a major challenge to online shoppers. Many still use third party entities to get their products delivered. International carriers appear to be gaining from the Yemen market for delivery. Yemen's postal services seem to be losing a market opportunity.

Yemen legal framework needs to provide regulations to smooth online business transactions. Also, it needs to offer protection against known cybercrimes. The government of Yemen has to enable the development of e-commerce needed infrastructures such as internet access, electric power, transportations, and financial services.

Study Limitations

The study used multiple sampling methods. Surveys by phone were an entirely random sample. Online surveys were two types. One was a snowball effect where people had the option to refer and share the survey with their friends and colleagues via email or social media. The other type of online surveys was via advertisements on Google and Facebook. The ads were directed to everyone in Yemen. The online survey was distributed all over Yemen. The online survey covered internet users more than non-internet users.

The pen-and-paper surveys were gathered two ways. The first was via a quota sampling where it covered specific organizations that included different sectors. The second was via convenience sampling in retail outlets. A comparison of means among the various samples was conducted to get an overview of the differences in mean values. Any notable observations were discussed in the paper. The sample by hand only covered cities of Sana'a, Aden, and Hodeida.

- The Research summary attached (see appendix 1).
- [Online Survey](#)

TRAINING ACTIVITY

Based on research results training package was designed and implemented by consultants and trainers who worked together, to address e-commerce issues.

The training package provided training to 100 young Yemenis; priory was given to ISOC members who met the criteria. The trainees were divided into 5 groups, each group had 20 members. Trainers used different methods and tools to deliver the course successfully such as presentations, discussion groups, live examples, and home assignments.



Results

The second goal of the E-Commerce project is, Enhancing the understanding and skills of interested young Yemenis, particularly university graduates by providing training and seminar participation.

The training held and successfully completed with result of 110 graduated trainees 52% males and 48% females, awarded about E-Commerce services and risks, also they have the initial skills to buy and sale goods and services online.

As result of training, we produced simple manual which could be used in future trainings for ISOC or any other party. See the Research summary (attached) in appendix 1.

Evaluation

Indicators	Number of Trainees males and females
Targeted trainees	100
Applications Received	716
Accepted application	110
Retreating	0
Graduated	110

As the above indicators, Despite the serious security conditions; we were surprised by the number of applications received, and the commitment of our trainees, also indicators reflecting how E-Commerce subject is desirable in Yemen, as the E-Commerce is a chance for income generation, and business startups, so such future projects is recommended to give opportunities for larger scale target group and include another cities in the country.

SEMINARS ACTIVITY

In order to achieve the second objective of the project, ISOC Yemen, in cooperation with three of the best universities in Yemen, implemented 3 seminars, the seminars gave an overview of Internet Society, ISOC-Yemen chapter, and E-Commerce project activities especially research and training activities. During the seminars well discussions moderated by Experts and universities professors, E-Commerce research findings were presented by Dr.Sharaf Alkebsi who organized the research preparation.



Results

Three seminars was held in three universities as below

No	Date	Partner Universities	Number of participants		
			Males	Females	Total
1	7-Mar-2015	The Future University – Yemen, Sana'a	60%	40%	115
2	10-Mar-2015	Lebanese International University-Yemen	45%	55%	80
3	17-Mar-2015	University of Science and Technology	53%	47%	140
Total			53.4%	46.6%	335

Here is also another success factor although the bad security situation, the number of seminars participants was surpassed our expectations, in addition gender balance was satisfied enough in a country like Yemen, where women are not getting their rights enough.

Project dissemination

The project activities covered by different types of media such as newspapers, local government press agency, news websites and TV Channels.



- [Yemen Today TV Reportage, about E-Commerce and ISOC-Yemen](#)
- [Yemen e-Commerce | Internet Society](#)

Lessons learned

The project taught us that there are numerous young Yemeni men and women who wish to be introduced to the world of e-commerce and learn about sales and shopping online. We also learned that there are many more entities that started using the Internet for e-commerce purposes. Some entrepreneurs have even started working from home or via a simple website or even a Facebook page, for example to sell honey or engage in real estate trade.

However, awareness of the value of e-commerce remains very low and sometimes non-existent in most sectors in the society. There are many reasons for that including the inability of the state to oversee or secure such transactions with appropriate infrastructure and other services, which causes a very low degree of trust in using credit cards despite the huge need for such payment methods for e-commerce.

Challenges

The main challenge we faced in implementing the project was the need to explain what e-commerce is and introduce its importance and security risks for those who can't use it properly. The lack of the credit card culture resulted in suspicion and lack of trust in anything to do with e-commerce, making our work to convince those we communicated with of the need for such a study. Finally, the lack of cooperation from the government to help us address those concerns and nonexistence of any cyber laws or practices that can help us in our research have all been challenges we had to overcome.

Conclusion

The project allowed us to understand and appreciate the potential of e-commerce in Yemen, which is among the few nations in the region and the world that have not yet embraced the use of electronic payment methods. We foresee the value of continuing to promote e-commerce particularly in coordination with the banking and retail sectors as well as with bank clients who already have accounts but not yet credit cards.

What we also think is of value is to emphasize the need to separate personal accounts from banking accounts so that users don't accidentally leak credentials on social media or the likes.

Students could serve as the building block of a new generation of e-commerce entrepreneurs and that is why we consider high school and university students the main target for similar future projects as they are able to impact the business, governmental and non-governmental sectors equally.

Highlighting success stories of individual entrepreneurs or companies that used e-commerce extensively is an effective way in promoting the use of the Internet for the betterment of society, specifically in business and income-generating aspects.

Appendix 1: E-Commerce Research Document

The research document is bundled together with this report as a separate file.