

INDIVIDUAL CASE STORY | MSE SYSTEM

DEREJE'S MICROENTERPRISE GOES DIGITAL WITH HELLOOMARKET

TAKING A LEAP OF FAITH INTO E-COMMERCE TO EXPAND MARKET REACH

Dereje is a young business owner who produces leather goods for men, women, and children. He started his business in 2015 with 10,000 ETB, which he used to start producing men's and women's shoes in a small rented production space in Bole Sub-city, Woreda 13. His products were sold primarily to *Merkato brokers* at trade prices on credit and at bazaars and exhibitions twice a year. Dereje and his team could therefore only produce a small number of items due to limited turnover, working capital, and storage space. They lacked the networks and space to enable increased sales.



“ Initially it was a struggle since you don't know people or have the right connections to get your items to the right broker who is honest and sells your product and gives your money quickly... I had neither retail space, nor the networks of people or businesses who can buy my leather goods. ”

In 2018, Dereje was introduced to the HelloMarket platform (www.helloomarket.com) during a community mobilisation campaign. HelloMarket is a digital marketing platform that was designed to help solve MSE challenges with retail space, visibility, and marketing. It links micro and small enterprises (MSEs) with over 1.2 million viewers monthly and includes fully integrated ordering, payment, and delivery systems. The requirements for MSEs to use the platform are that they must be a legal business under Ethiopian law, have any required licenses relating to their products, and provide adequate stock to be placed in the HelloMarket warehouse on consignment.

After learning about HelloMarket, Dereje registered with the service in the hopes of expanding his market reach and sales. At the time, services like HelloMarket were an unconventional way of selling items, especially for MSEs. The online market is underdeveloped in Ethiopia and has been seen as an informal sales channel. However, Dereje recognised that changes are required to maintain competitiveness. Although he was skeptical about giving his products on consignment, he believed the digital platform and its reach through multiple channels (e.g. website, Telegram, SMS, call centre) would open new avenues for his business. As he explained, he took a leap of faith.

“ We have competitors that have a good position because they have shops in the city or produce items in large quantity where they can sell nationwide, so I took a leap of faith and joined HelloMarket to be competitive. ”

Dereje’s leap of faith was worth it. With HelloMarket he has been able to grow his business through increased visibility nationwide. To date, Dereje has sold over 1,000 items through HelloMarket, with a value of over 50,000 ETB. Revenue from increased sales has also given him the opportunity to work on improved product quality and new designs to stay competitive in the market.

**# OF PRODUCTS SOLD BY
DEREJE ON
HELLOMARKET**
1,000
(WORTH OVER 50,000 ETB)

**# OF MSES ON
HELLOMARKET**
OVER 1,200
**(WITH SALES OF MORE
THAN 11 MILLION ETB)**

According to Dereje, HelloMarket has solved some of his biggest problems. Having a virtual shop has solved his problem of lack of retail space and he now has more control over price, profit margin, and product design. In addition, the HelloMarket warehouse facility provides him with storage capacity, which is not available in his small rented production space.

Over 1,200 other MSE owners like Dereje are also already benefitting from HelloMarket, with sales of more than 48,000 items equating to over 11 million ETB in revenue. Like Dereje, these MSE owners are in located Addis Ababa, which was the focus of the pilot. Based on the success of the pilot, the HelloMarket service is being expanded to include MSEs in other regions. In addition, new e-payment systems and shipping partnerships are being introduced to enable sales to international buyers.

LIWAY & INNOVATION PARTNER ROLES



BelCash Technology Solutions PLC developed and runs the platform and associated support services, including strategic partnerships with logistic service providers.



Bureau of Labour, Enterprise, and Industrial Development (BoLEID) plays a critical role in creating awareness about the platform, identifying and linking MSEs to the platform, and scaling up the intervention to benefit a larger number of MSEs.



LIWAY de-risked the pilot phase of the platform with limited financial contribution and provided information and technical assistance to co-create the business model and understand and link to the target groups.



Consortium Partners