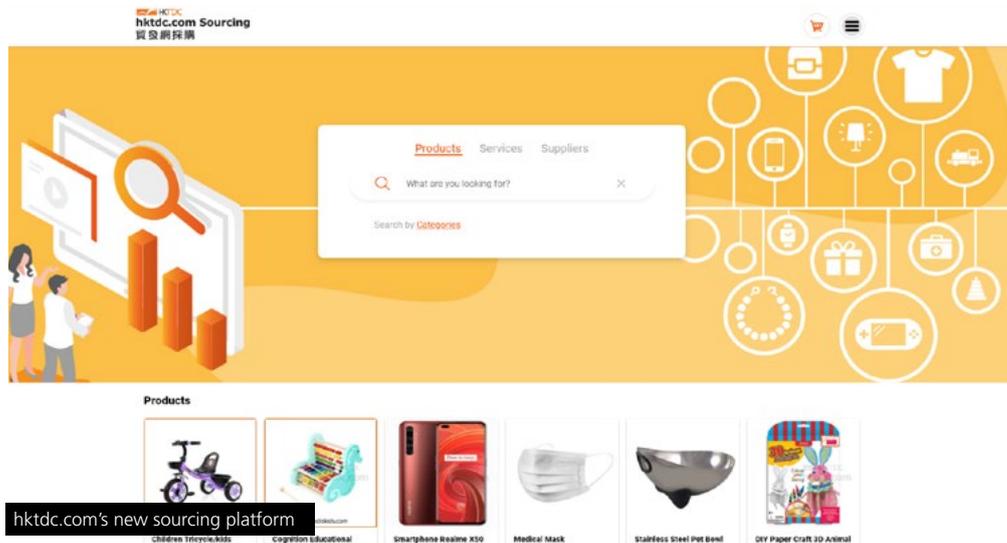


TRADE PLATFORMS



New sourcing platform connects SMEs to int'l buyers

Safety measures to curb COVID-19 have hampered brick-and-mortar retail businesses in Hong Kong.

Social distancing and movement restrictions that governments all over the world have implemented amidst the COVID-19 pandemic led to the cancellation of many physical activities inducing exhibitions and business events.

COVID-19 control measures have hampered brick-and-mortar retail businesses whilst online shopping grew significantly worldwide in the first half of 2020, said the HKTDC. Nearly 4,000 physical exhibitions all over the world have been either postponed or cancelled, according to the HKTDC, affecting deals worth about \$2.29t (US\$296b).

Work stoppages and transport disruptions that were brought upon by the pandemic have disrupted global supply chains, according to the Hong Kong Trade Development Council (HKTDC).

“As such, [small and medium-sized] enterprises have shifted focus from speediness to trustworthiness when selecting working partners; the outbreak has accelerated the development of regional supply chains, whilst localised manufacturing will become more popular,” the council added.

Without physical international

Work stoppages and transport disruptions that were brought upon by the pandemic have disrupted global supply chains



exhibitions, local SMEs and other traditional businesses have turned to online exhibitions and digital sourcing platforms to reach both existing and potential customers, instead of wholly relying on the usual sales and distribution channels such as wholesale and retail. The ongoing pandemic has changed the sourcing pattern for many companies and accelerated the transformation of the global supply chain, added the HKTDC.

The council's survey showed that a significant number of SMEs are already adjusting their business strategies as store operations cope with the new normal.

The survey showed 69% increasingly makes the shift to digital to expand online distribution channels, whilst 56% utilises online marketing to develop new business markets, and 47% accelerates technology application in their business.

With this, the HKTDC has revealed its enhanced digital sourcing platform, hktdc.com Sourcing, to better connect local small and medium-sized enterprises (SMEs) with prospective buyers from all over the world.

The upgraded platform

hktdc.com Sourcing is an agile, scalable, extendable, and secure platform supported by AWS cloud technology that is ready to be enhanced and expanded quickly anytime. It was first launched in 2000, helping local SMEs establish business connections with prospective buyers from around the world, with HKTDC's 50 years of experience in the promotion of foreign trade, and an extensive business network with a total of 50 offices in major commercial cities around the world.

Now, by incorporating the latest AI technologies and design, it is said to provide a better and more personalised experience for buyers on their sourcing journey through its simple and clean user experience (UX) design, said the HKTDC.

At the operational level, SMEs can create and develop their own personalised shop pages as well as easily upload pictures and information about products to these, said HKTDC, noting that the platform utilises image recognition technology that can suggest keywords of relevant products, so the SMEs' offerings can be more effectively located by target buyers.

“SMEs can also update their page content anytime and anywhere, whilst gaining a better understanding of buyer behaviour based on data analytics provided by the platform which can help them improve supply chain management and analyse their marketing effectiveness,” added HKTDC.

A new Online Purchase feature just went live on the platform last 5 December 2020, which allows flexible pricing and minimum quantity order setting, making it possible for small-quantity or sample purchases, solving buyers' urgent sourcing or sampling needs. Order payments can be made easily and securely via PayPal, and cost-effective shipping comparisons and settings are facilitated by the feature's integration with cloud shipping software Easyship.

“When it comes to product listing management, it is just as convenient for SMEs who can manage all

product information via easy-to-use backend operations,” commented the HKTDC.

Meanwhile, in terms of business promotions, SMEs can now flexibly purchase promotion combinations according to their business needs and promotion strategies, increasing exposure on the hktdc.com Sourcing platform and hence increasing opportunities of being seen by prospective buyers and getting business enquiries.

To provide more promotional support to SMEs, the HKTDC has also launched the Newsbites website to share latest buying trends and popular new products regularly with prospective buyers from around the world through popular social media channels.

The platform also allows SMEs to gain intelligence information about the latest purchasing records of buyers worldwide.

“The upgraded hktdc.com Sourcing platform deploys a variety of new technologies and AI is one of them. Powered by the cloud computing infrastructure of Google and Amazon Web Services (AWS), the platform offers new functions, enabled by technologies such as AI and machine learning, that make the matching process as efficient as possible,” added the HKTDC.

The use of AI and machine learning primarily aims to enhance the platform’s matching efficiency between SMEs and their prospective buyers, delivering a better, 24/7 intelligent sourcing experience to users.

“Supported by the big data generated on the platform, our AI technologies enable the platform to provide product and business matching suggestions for SMEs and prospective buyers alike; the AI-assisted smart sourcing can also screen out false queries and recommend more desirable products to buyers and find more suitable buyers for the SMEs,” added the HKTDC.

AI’s role as businesses go digital

According to a study conducted by KPMG and InvestHK exploring Hong Kong’s vital role in the global

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Benjamin Chau, Deputy Executive Director of HKTDC

supply chain in 2021 and beyond, the significant economic impact of COVID-19 has impacted the entire supply chain and this will last for some time to come.

Companies have suddenly realised that there is a need to digitise across multiple supply chains, and Hong Kong does need to prepare itself for this new digital era wherein businesses will operate across a seamless global marketplace.

“We must be more agile as we serve those future digital supply chains with next generation data analytics, AI, and automation,” added the HKTDC.

The council also noted that the city is taking the next steps as a global digital supply chain services hub and has embarked on major roles in every link of the manufacturing chain, from product design and development to the delivery of goods to consumers.

“Currently, AI is the primary driving technology of automation in the supply-chain industry; at our upgraded sourcing platform, we deploy AI to identify patterns in data and bring useful insights and hence enable effective business matching between SMEs and prospective buyers from around the world,” said the HKTDC.

Moving forward, the council expects the industry to utilise AI in forecasting demand and providing more personalised services to their customers in the future, hence enabling companies to better manage their supply chain operations and become more

efficient and accurate.

“To ensure an effective use of AI technologies, we need a robust database that provides clean and valid data which would allow the generation of meaningful data analytics,” commented the council. “Hence, maintaining valid data and eliminating data silos in the supply chain would be essential to create actionable data for AI technologies to effectively work on.”

The digital sourcing platform in a post-COVID world

Even when physical exhibitions resume, the HKTDC aims to continue to organise regular thematic online sourcing events to cater to the different sourcing cycles of various sectors, providing exhibitors with additional opportunities to connect with global buyers.

“Fully utilising the advantages of online-to-offline promotion, we will carry out digital promotions and business-matching activities before and after the trade fairs, allowing exhibitors to reach out to overseas buyers who are not able to come to Hong Kong and helping to create an extended exhibition experience,” the council elaborated.

The HKTDC also plans to continue enhancing its online services to create more business opportunities for global buyers and suppliers, it concluded.

In the future, physical trade fairs and online platforms will need to integrate and complement each other, the council concluded.