



Analyzing mobile payment methods for Myanmar



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Agenda



1. Situation Overview

- A) Market analysis of Myanmar
- B) Journey of Our Product → Ooredoo (m-wallet)
- C) Problem Overview
- D) Recommendation

2. Analysis

- A) m-Wallet vs. OTS
- B) Ooredoo's positioning vis-à-vis Telenor.**
- C) Ooredoo's and Telenor's competitive advantages**
- D) Ooredoo's SWOT Analysis
- E) **Impact to Stakeholders**
- F) Financial Comparison

3. Alternatives

4. Implementation Strategy

- A) Financial
- B) Risks
- C) Implementation Timeline

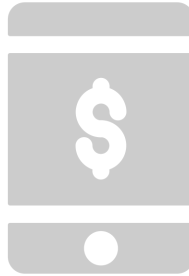
Situation Overview



Myanmar



Product



Problem



Situation Overview



Myanmar



95% penetration rate

Huge **unbanked** population

65% **rural** population



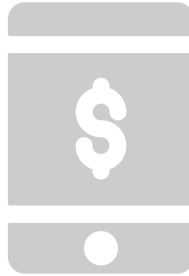
Situation Overview



Myanmar



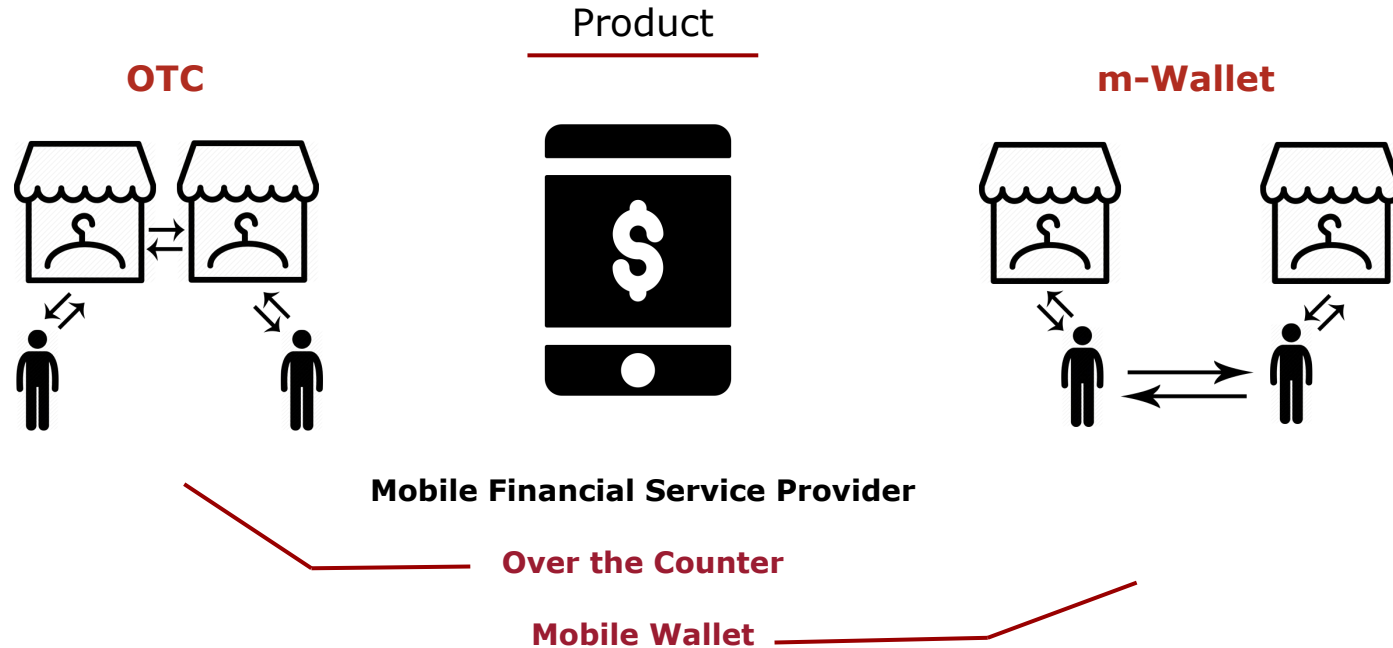
Product



Problem



Situation Overview



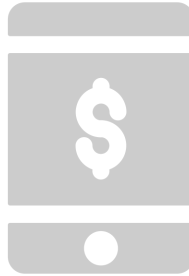
Situation Overview



Myanmar



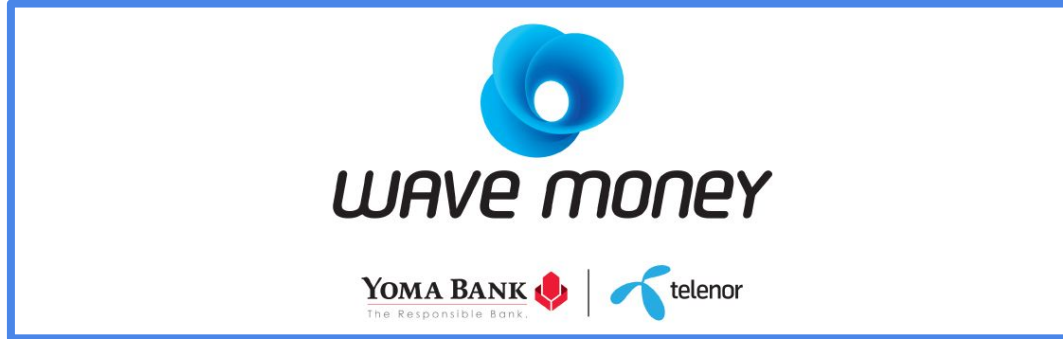
Product



Problem



Situation Overview



Problem

Mobile Wallet



Ooredoo launched a mobile wallet,
M-Pitesan

Should Ooredoo have considered a
OTC strategy?

Should Ooredoo **expand to financial services** or remain focused on its core business in mobile telecommunications?

Recommendation



KEY QUESTION: *What should Ooredoo do moving forward?*

Continue with
Mobile Wallet



- > Past cost
- > Strong Potential Growth

Expand into Financial
Services



- > Increase user friendliness
- > Partner up with collaborators (banks)
- > Train agents

Educate the masses



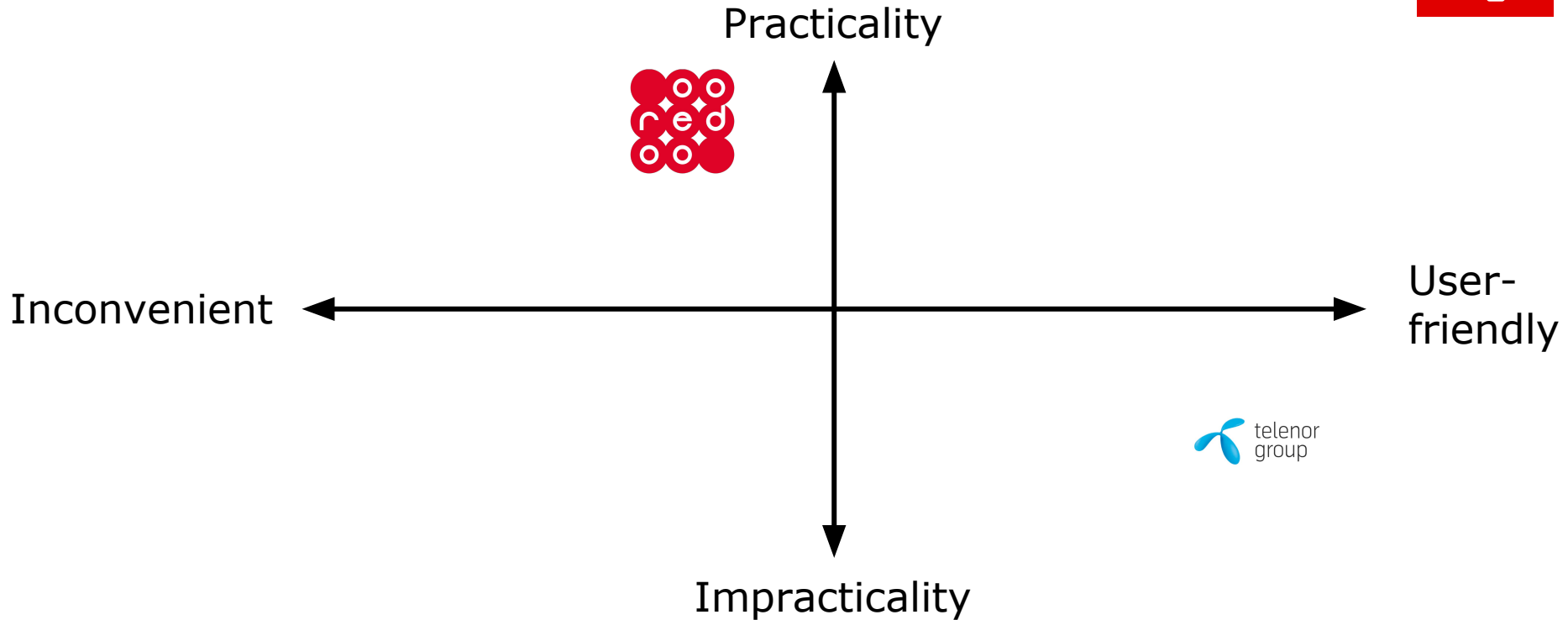
- > Use member channels
- > Hold banking seminars

On The Counter (OTC) vs Mobile Wallet

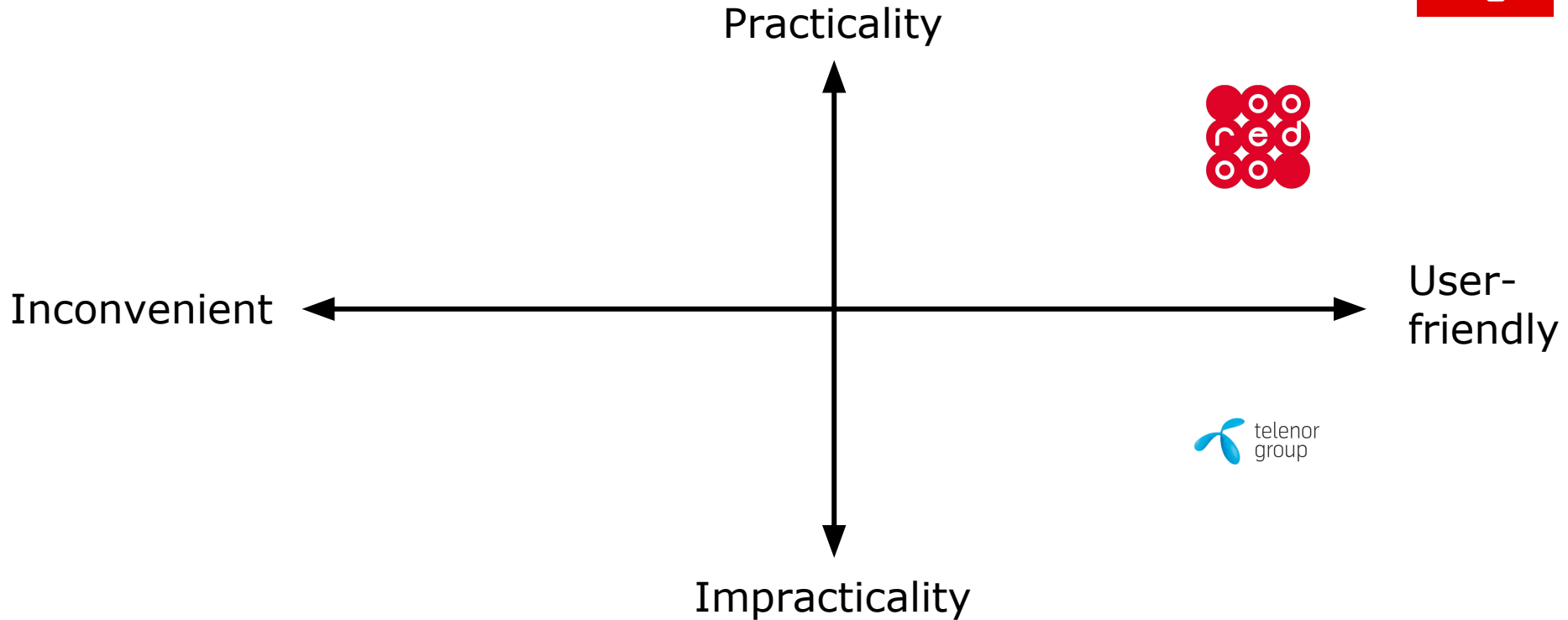


	Security	Product Evolution	Ease of use	Customer Retention	Compatibility
Mobile Wallet					
OTC					

Positioning: Where We Are



Positioning: Where We Wanna Be



Competitive Advantages



Higher Customer Retention



2G

Mitigated Risks from Gov.
Cooperation



Faster Adoption Speed

High Barriers to Entry

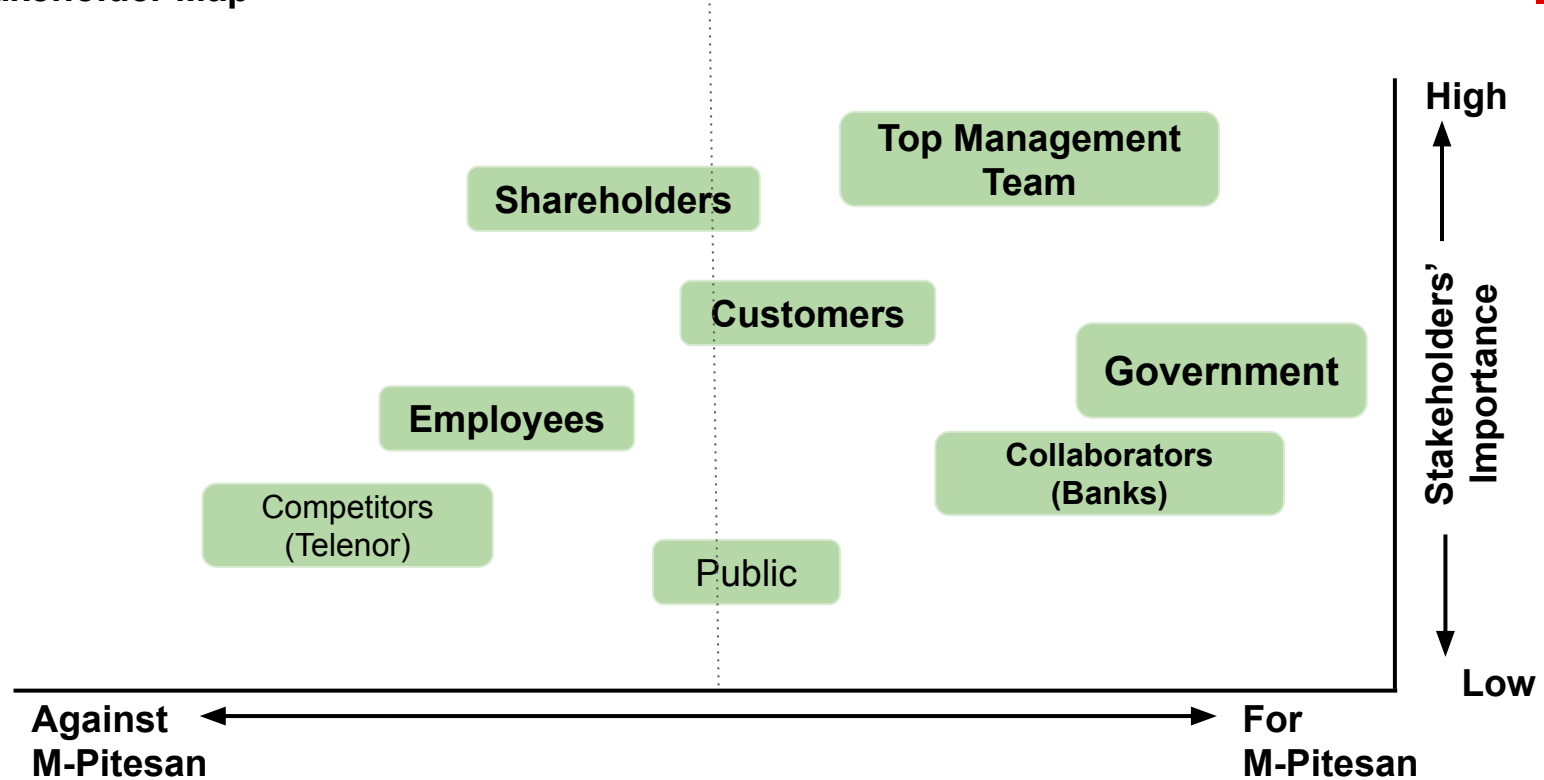


Strong Community Bonds

M-Pitesan Launch Impact on the Stakeholders



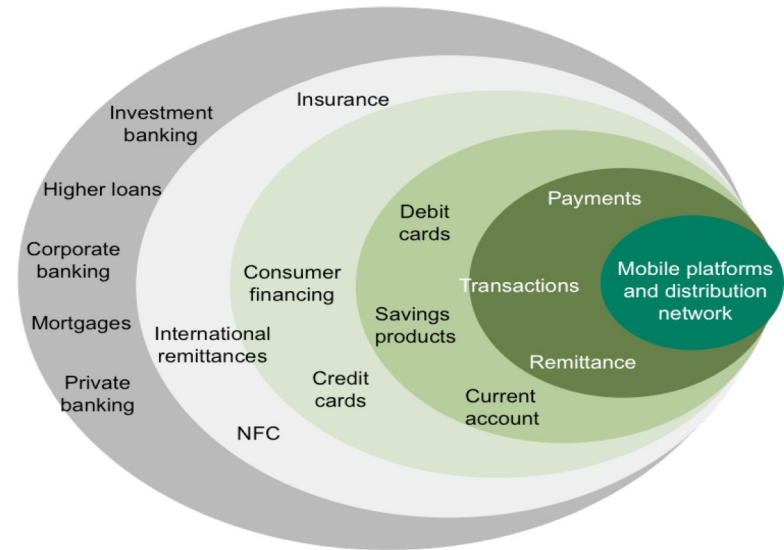
Stakeholder Map





1. Stay in Telecom industry
2. Expand to Financial Mobile Services

Figure 1. Financial products/services that build on top of the mobile platform

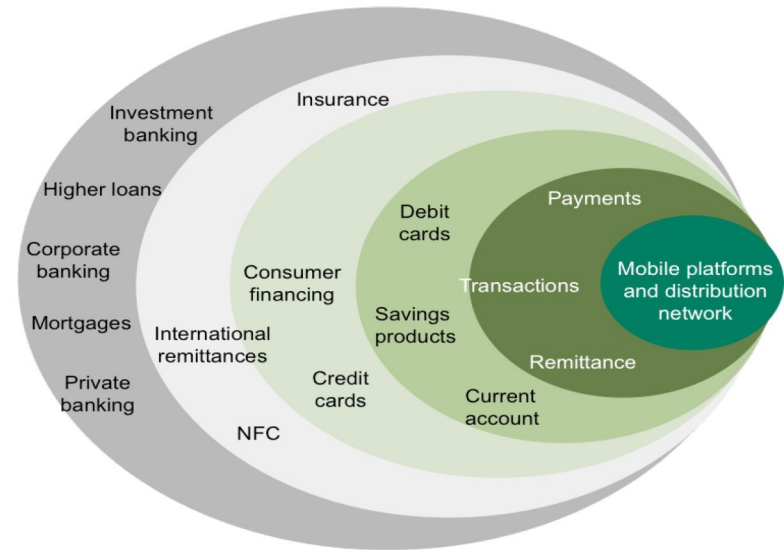




1. ~~Stay in Telecom industry~~

2. **Expand to Financial Mobile Services**

Figure 1. Financial products/services that build on top of the mobile platform



Telecommunication Industry



OpenSignal | Awards

	Download Speed: 4G	Download Speed: 3G	Download Speed: Overall	Upload Speed: 4G	Latency: 4G	Latency: 3G	Availability: 4G
MPT							
Ooredoo							
Telenor							

Situation Overview

Recommendation

Analysis

Alternatives

Implementation

Conclusion

Financial Services



M-Pitesan Wallet

An M-Pitesan registered customer can deposit to M-Pitesan Wallet through any of the thousands of authorized M-Pitesan Agents across the country.

[Know More](#)



Send Money

An M-Pitesan registered customer can send money from his Wallet to another M-Pitesan registered customer Wallet or send money to any other mobile operators' users (MPT or Telenor).

[Know More](#)



Withdraw Money

An M-Pitesan registered customer can withdraw money from his M-Pitesan Wallet at any M-Pitesan Agent Shop by presenting valid NRC card.

[Know More](#)



OTC Services

At M-Pitsan Agent Shop anyone with mobile phone can send or receive money.

[Know More](#)



Buy Goods

Now there is one more reason to enjoy M-Pitesan mobile money services.

[Know More](#)



Pay Bill

Now there is one more reason to enjoy M-Pitesan mobile money services. Every M-Pitesan customer can make the payment for billing services.

[Know More](#)



Bank Account

Bank Transfer in M-Pitesan is the service available for M-Pitesan Registered customer

[Know More](#)



Airtime Top Up

You can top up your Ooredoo phone balance or send airtime to another Ooredoo number anytime

[Know More](#)



Manage Accounts

You can check your M-Pitesan Wallet Balance on your phone by using M-Pitesan App or dialing USSD short code *999#

[Know More](#)



Find Agents

We would like to introduce one new feature called "Find Agents" which can be used to search the M-Pitesan agents in your neighborhood or others.

[Know More](#)

Products & Prices

About

Wave Shop Transfer

Wave Account

Promotions



WAVE money



Available on the iPhone

App Store



GET IT ON

Google Play



Situation Overview

Recommendation

Analysis

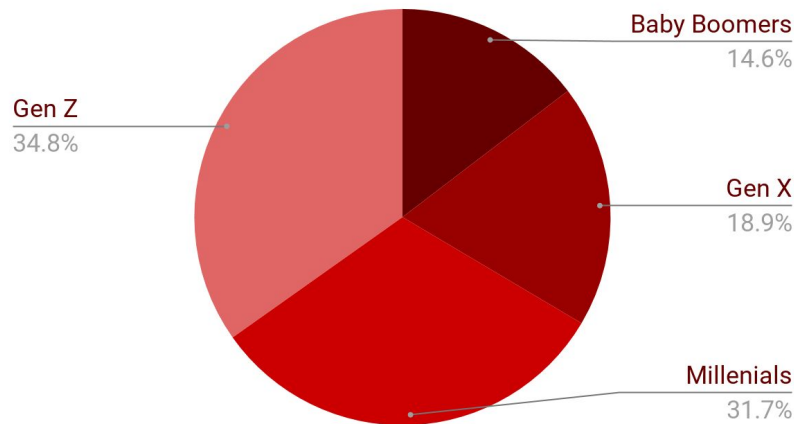
Alternatives

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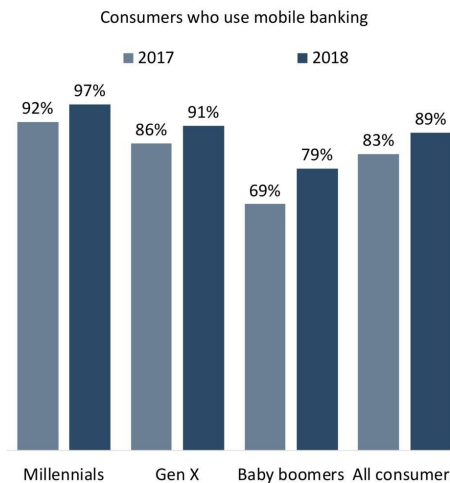
Myanmar's Population



Mobile Banking Is A Key Driver Of Bank Selection

Q: When is the last time you accessed your bank account using a mobile device?

Q: Do the following statements describe you? "Yes" shown.



Mobile banking users who agree with these statements

Mobile banking is the primary way I access my bank account

70%

I would research a bank's mobile features before opening an account

64%

I would switch from a bank if they offered a poor mobile experience

61%

EXCLUSIVE DATA FROM
**BUSINESS
INSIDER**
INTELLIGENCE

Source: Business Insider Intelligence Mobile Banking Competitive Edge Study, n=1,226, Q3 2018

Case Study - OVO



Indonesia's Digital Payment Platform OVO Sees User Growth Exceed 400%

OVO
Payment.Points.



Collaborate with 60,000+ Retail



Loyalty Points (1 Rp = 1 OVO Point)



Top-up



Bill Payment



Investment



Implementation Strategy: Goals



Maintain M-Wallet
Services



Expand into Financial
Services





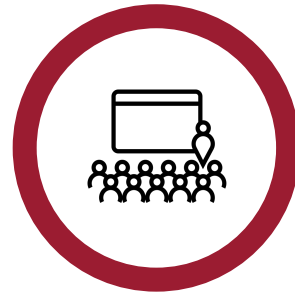
Implementations



User Friendly



Agent Training



Seminar



Partnership

Risks & Mitigations



Risks

Mitigations

Lack of trust in banks

> Less bank accounts =
less use of mobile
banking

Educate people about
banking sector

> Hold workshops
(financial inclusion
summits) and events
(festival)

Security issues &
concerns

> New emerging
market

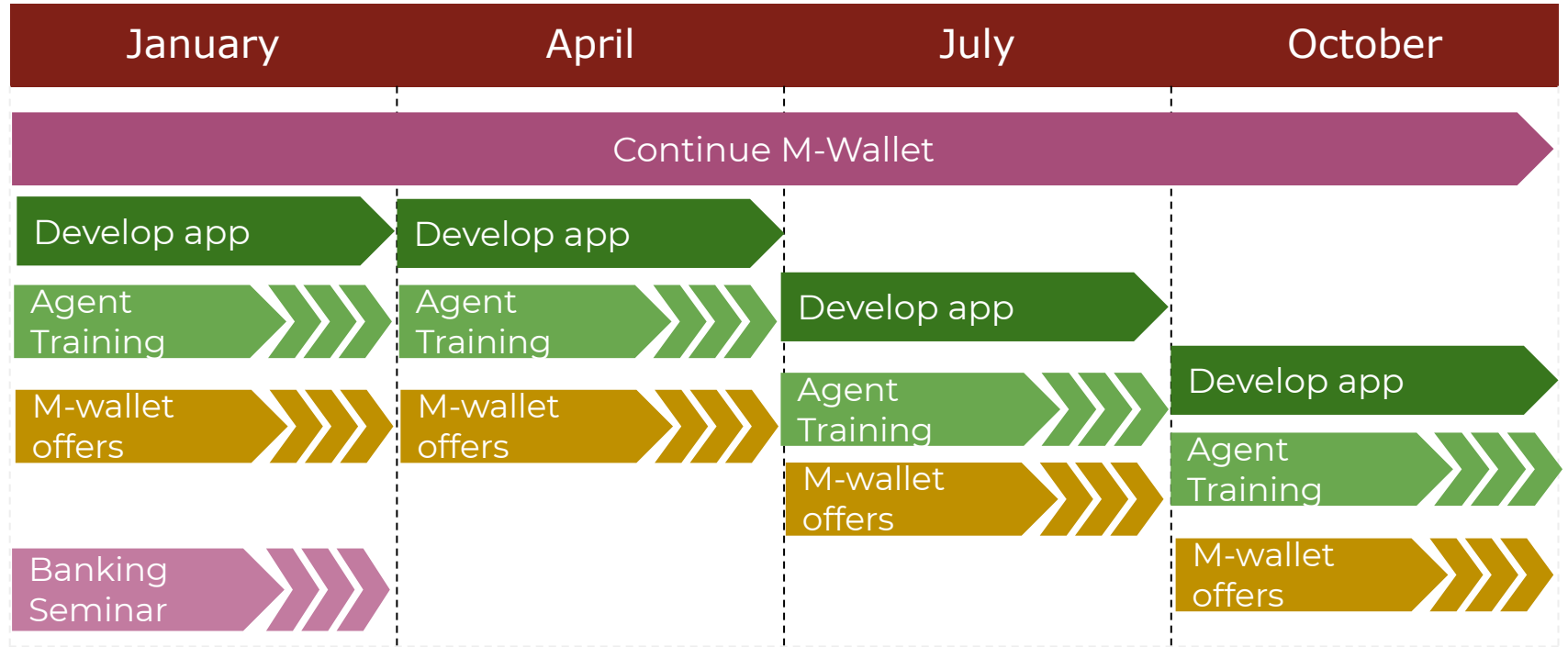
> Technology is still
behind

Increase safety
measures

> Implement multifactor
authentication methods

> Educate about risks
through member facing
channels

Implementation Year 1



Situation Overview

Recommendation

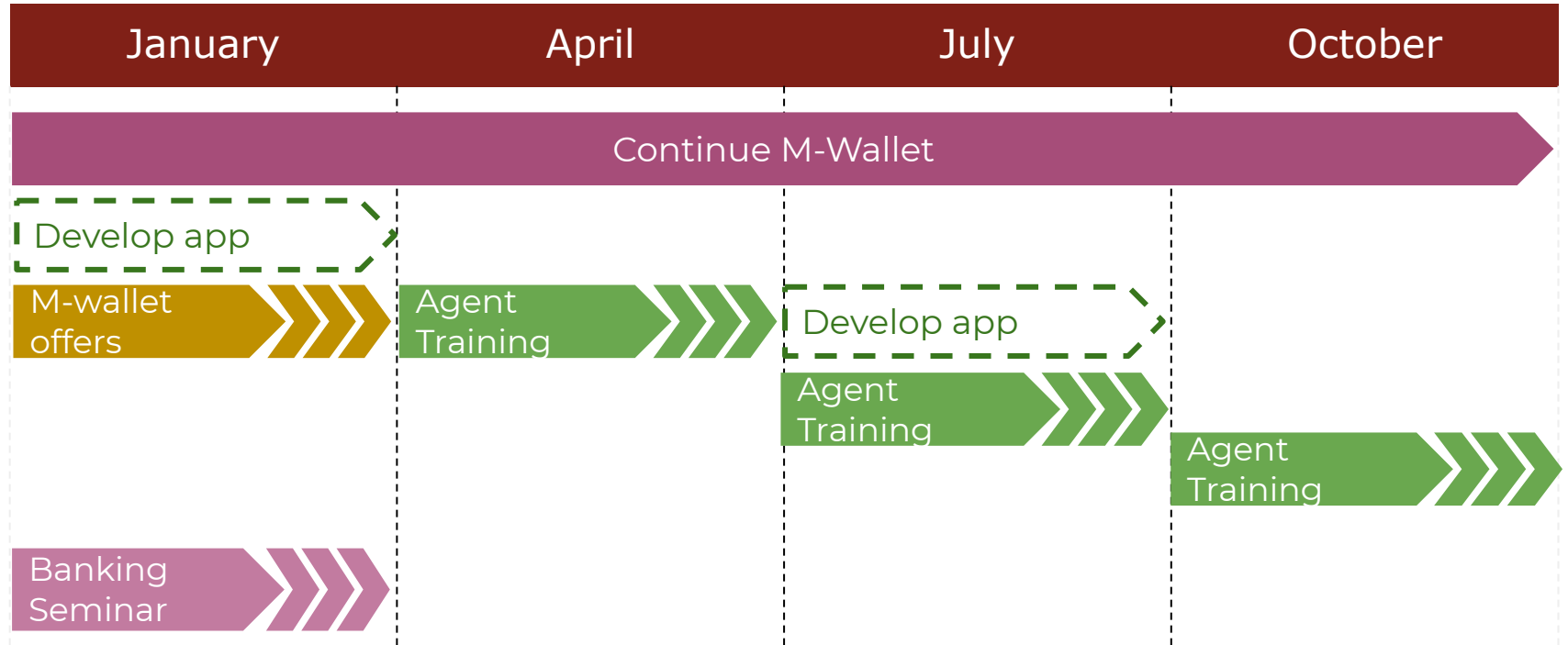
Analysis

Alternatives

Implementation

Conclusion

Implementation Year 2-5



Situation Overview

Recommendation

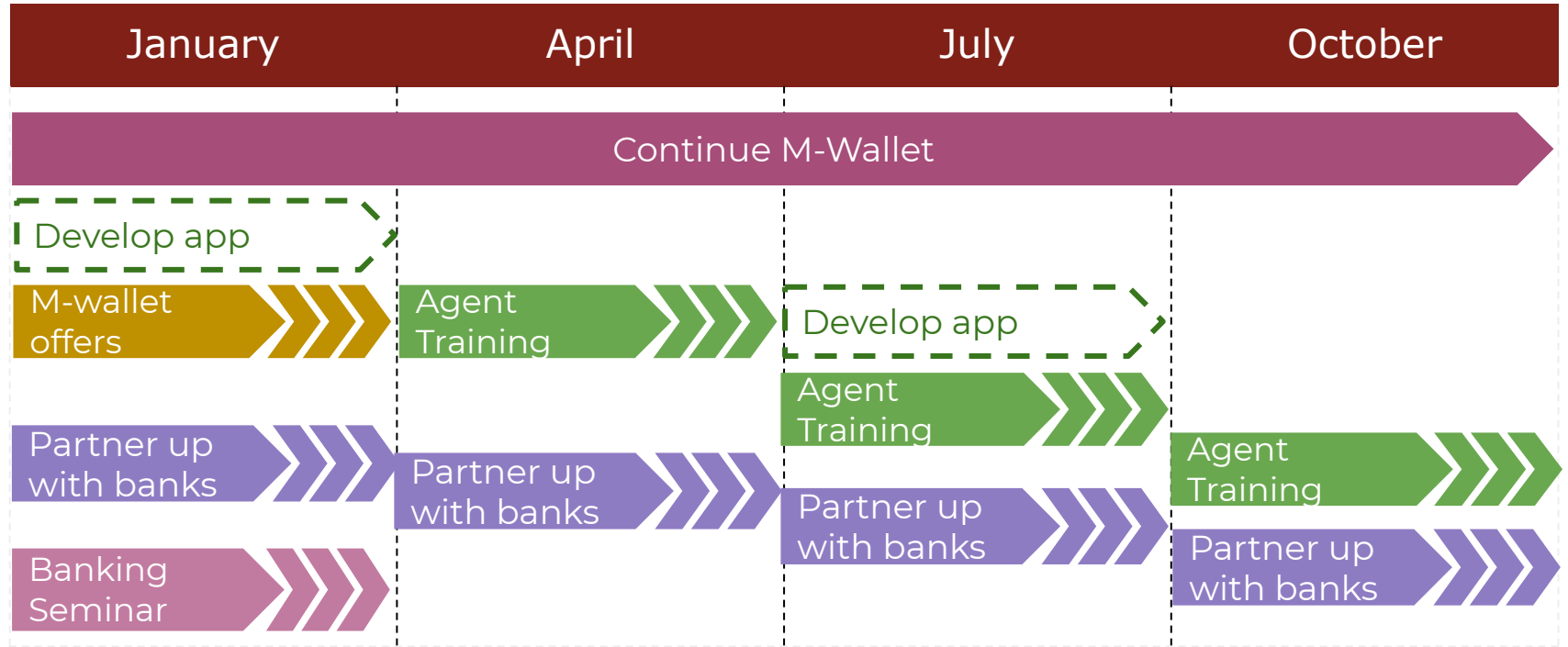
Analysis

Alternatives

Implementation

Conclusion

Implementation Year 6-10



Situation Overview

Recommendation

Analysis

Alternatives

Implementation

Conclusion

Cost-Benefit Analysis



Costs

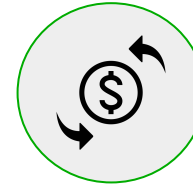


Training Programs
> \$150,000



Research and Development
> \$544/employee

Benefits



Reduced Churn Rate (15%)
> *Retain Customer ~ 32%*
> *Average Profit Margin ~ 35.37%*



Bank Commission
> \$250/employee

\$53,550

\$75,250

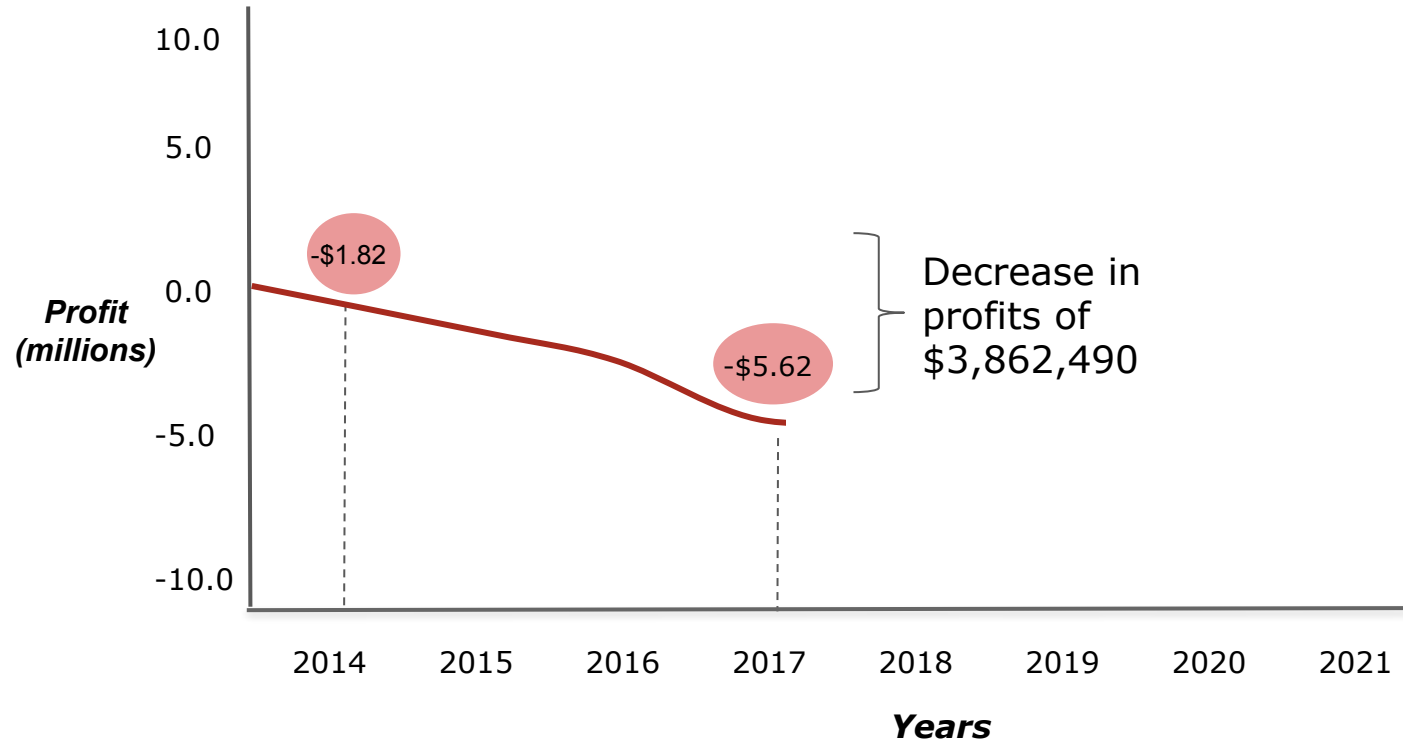
Financials (Short-Run)



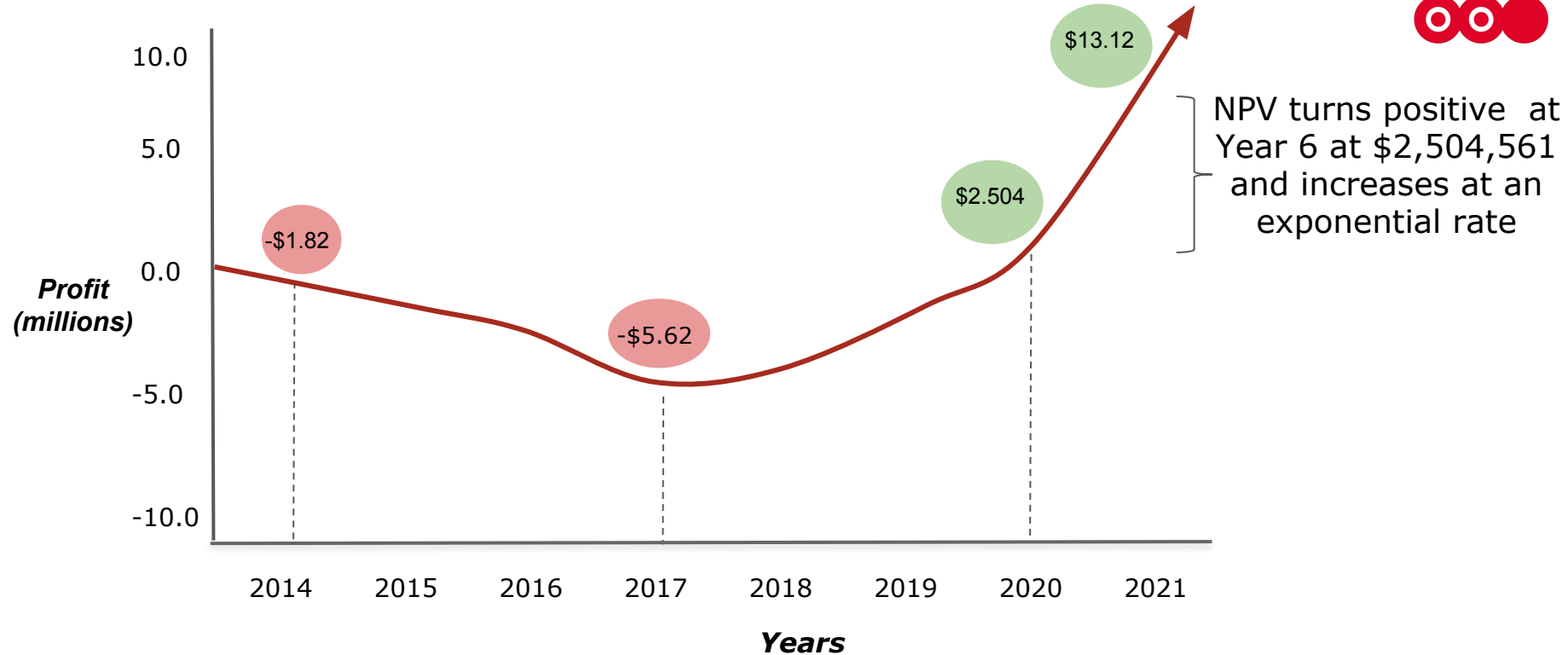
OTC Projections						
Year	0	1	2	3	4	5
Yearly Cash Flows	(1,420,000.00)	(777,500.00)	(290,000.00)	417,500.00	2,420,000.00	4,750,000.00
NPV	\$2,317,686.52					

Mobile Wallet Projections						
Year	0	1	2	3	4	5
Yearly Cash Flows	(1,820,000.00)	(1,721,667.00)	(1,987,143.00)	1,627,500.00	698,333.00	3,240,000.00
NPV	-\$1,196,270.91					

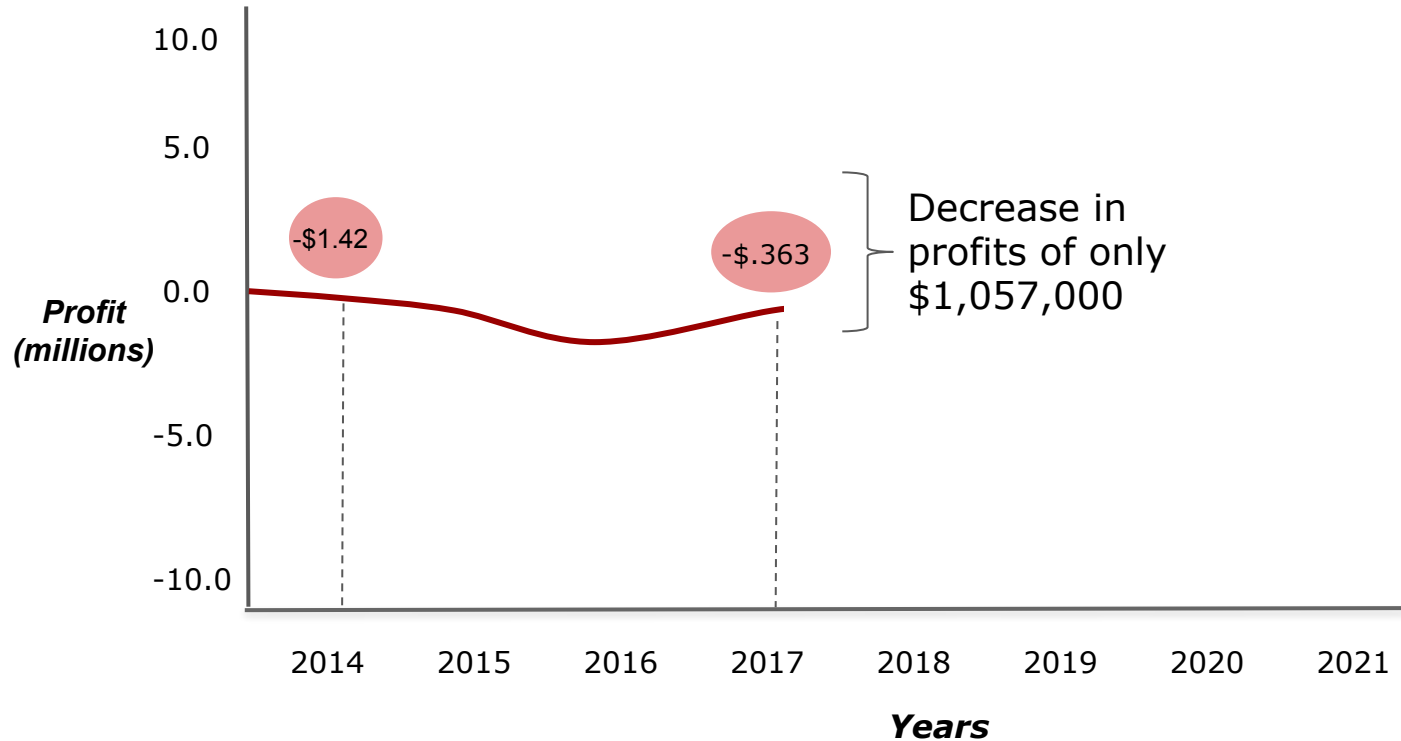
Forecast for 8 Years: Mobile Wallet



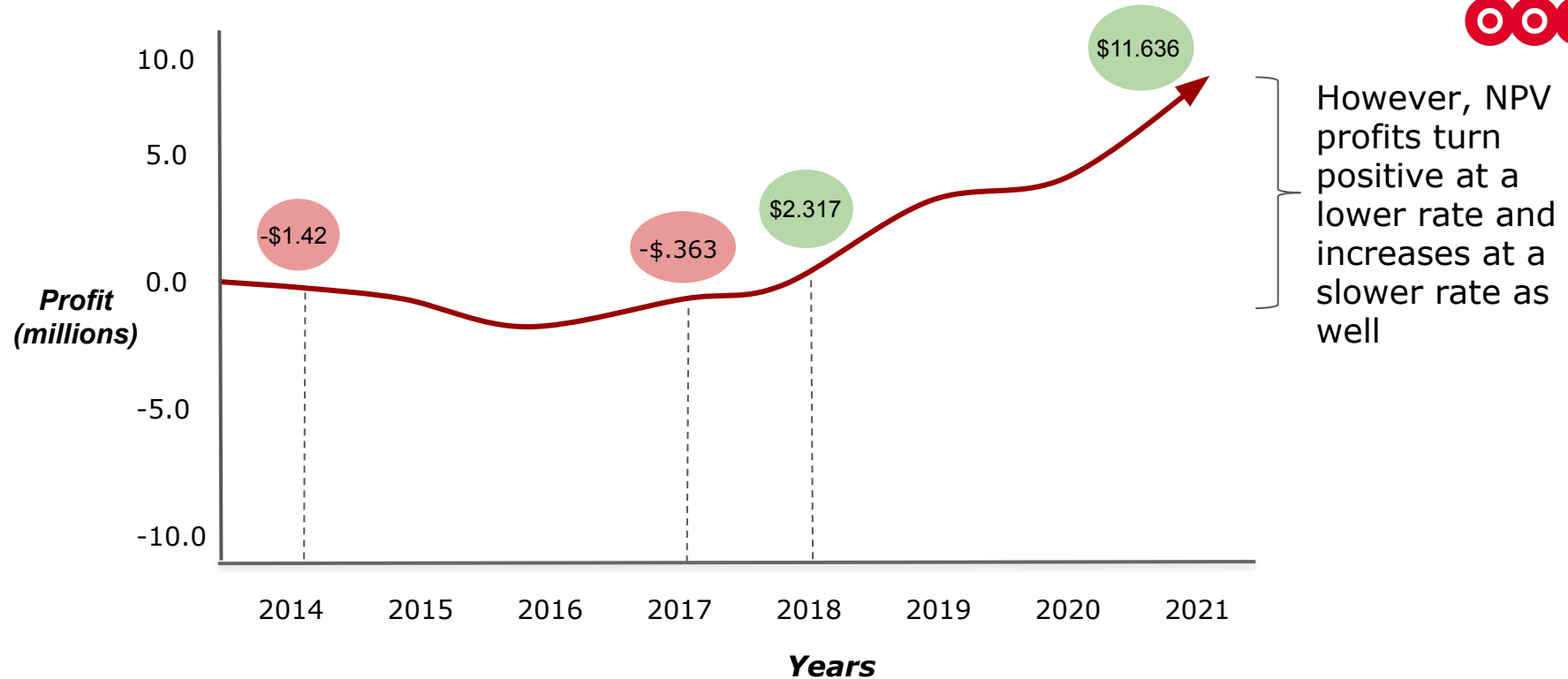
Forecast for 8 Years: Mobile Wallet



Forecast for 8 Years: OTC



Forecast for 8 Years: OTC



Conclusion



KEY QUESTION: *What should Ooredoo do moving forward?*

Continue with
Mobile Wallet



- > Sunk cost
- > Strong Potential Growth

Expand into Financial
Services



- > Increase user friendliness
- > Partner up with collaborators (banks)

Educate the masses



- > Use member channels
- > Educate on security, technology, banking

Appendix



Analysis

[SWOT Analysis](#)

[Financials Excel](#)

[Revenue-Cost Projection](#)

[Profit Margin Projection](#)

[Bank Commission:](#)
[Transaction Fees](#)

Solutions

[Implementation Cost:](#)
[Seminar](#)

[Implementation Cost:](#)
[Training](#)

[Implementation Cost:](#)
[Partnership](#)

[Alternative Method:](#)
[Reaching Rurals](#)

Case Studies

[OVO](#)

SWOT Analysis of Ooredoo's Mobile Wallet



Strengths

- High customer retention rates
- Appeal to younger / tech savvy demographic

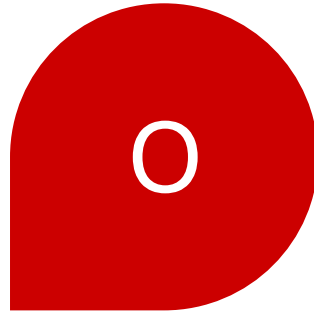


Weaknesses

- Difficult appeal to older demographics
- Increased cost as revenues increase

Opportunities

- Universal growth potential
- Emerging market growth
- Expand existing routes/channels/markets



Threats

- Low percentage of bank owners (for the time being)
- Telenor's OST platforms large market share

Bank Commission: Transaction Fees



Fees associated with accepting Credit Cards

There are two fees incurred when accepting credit and debit card payments. These fees do not include any potential equipment charges or gateway fees for online payments.

1. Interchange Fees:

Interchange fees are a percentage charged between the card brands such as VISA and Mastercard and our m-Pitesan app for accepting debit and credit cards. Currently this fee stands at 2.25%.

2. Transaction Fee:

Transaction Fee: \$.062 cents per transaction

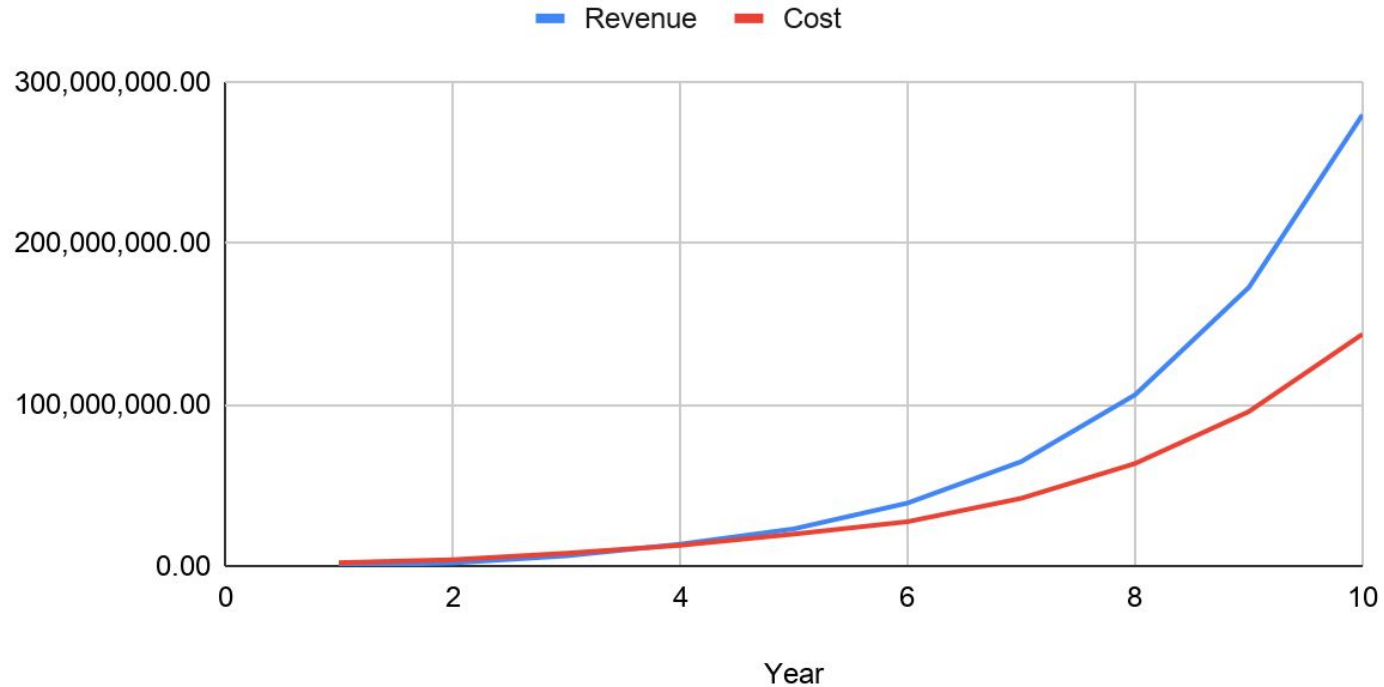
Volume Fee: \$.629 cents for every \$1,000 in gross sales*

The volume fee is calculated with a ceiling formula. As an example: \$.01 to \$1,000 in volume would result in a \$.629 volume fee. \$1,000.01 - \$2,000 would result in a \$1.258 volume fee, and so on.

Revenue-Cost Projection (m-Wallet)



Revenue and Cost



Implementation Cost: Seminar



1. Seminar	
Venue	
3-4 Star Hotel	
Internet	
Insurance	
Security Deposit	
Parking	
	\$1,500
Audio Visual	
Screen & Projectors	
Special Equipment	
2 AV Specialists	
	\$750

Gifts & Prizes	
Speaker Gifts	
Game Prizes	
Raffle	
	\$1,000
Keynote Speaker	
e-money Company Speaker	
	\$5,000

Food & Beverages	
Group 1 Snack Break	
Group 2 Snack Break	
Picnic Lunch	
Bottomless Coffee + Water	
	\$2,000

Seminar cost total: \$10,250

Implementation Cost: Training



2. Training	
Venue	
Branch	
	\$0
Material	
HR Team	
	\$0
Opportunity Cost	
HR Team	\$500
Performance Manager	\$300
Employees	\$10,000
Total	\$10,800
Total per year	\$43,200

**Training (opportunity cost) cost
total: \$43,200**



Assumptions:

Software development costs are included in the \$1 B investment in m-Pitesan

The terms for partnerships with banks are in accordance to

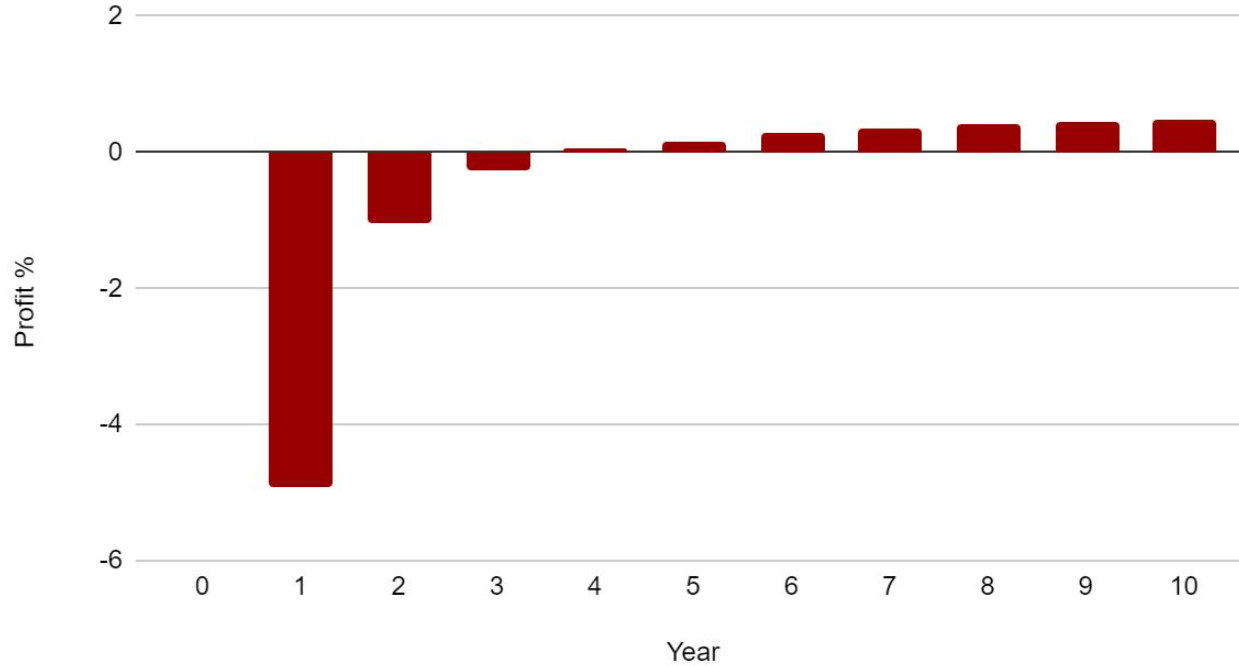
Bank Commission: Transaction Fees

**Software development and
partnerships costs total: \$0**

Profit Margin Projection



Profit Margin



Implementation Strategy



Goal:

1. Continue m-Wallet service
2. Expand to Financial Mobile Services

Implementation:

1. Develop user-friendly app
2. Incentivize m-wallet sign-up by airtime and workshop events
3. Train agents
4. Partner with collaborators (banks, goods and services companies)

Alternative Method: Reaching the Rurals



Figure 7: Growth in Network and Coverage – Medium Term (by 2017)¹⁰

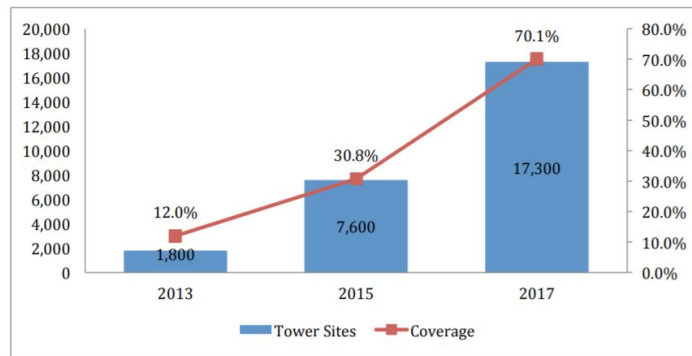
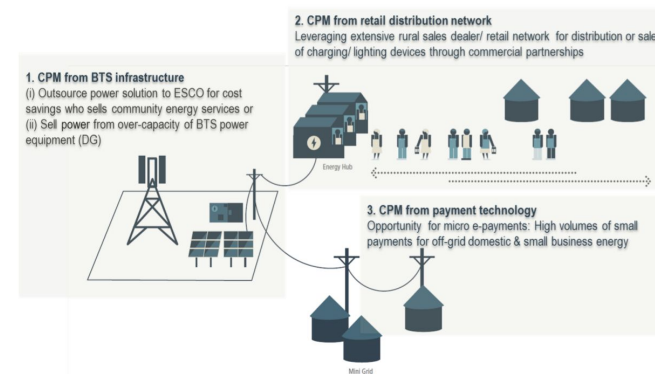
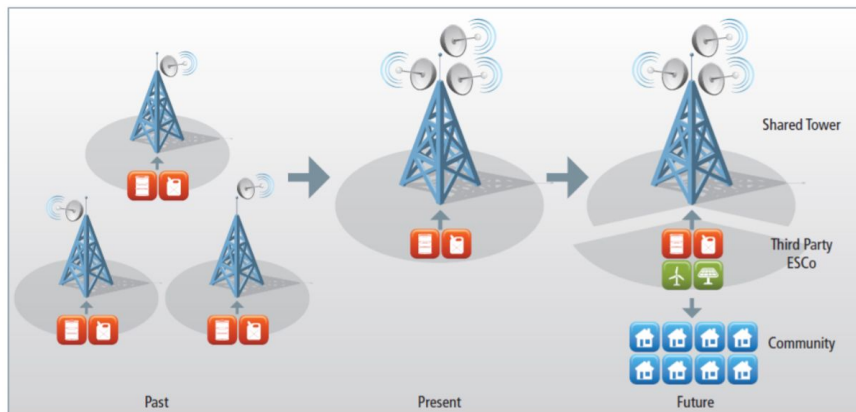


Figure 8: Industry Structure and MNO-Tower Co engagements

	Apollo	IGT	MTC	PAT	MPT/YTP
MPT					✓
Ooredoo			✓	✓	
Telenor	✓	✓			
YTP					✓

Figure 27: Community Power from Mobile - Models



OVO *features*



Collaborate with 60,000+ Retail



Loyalty Points (1 Rp = 1 OVO Point)



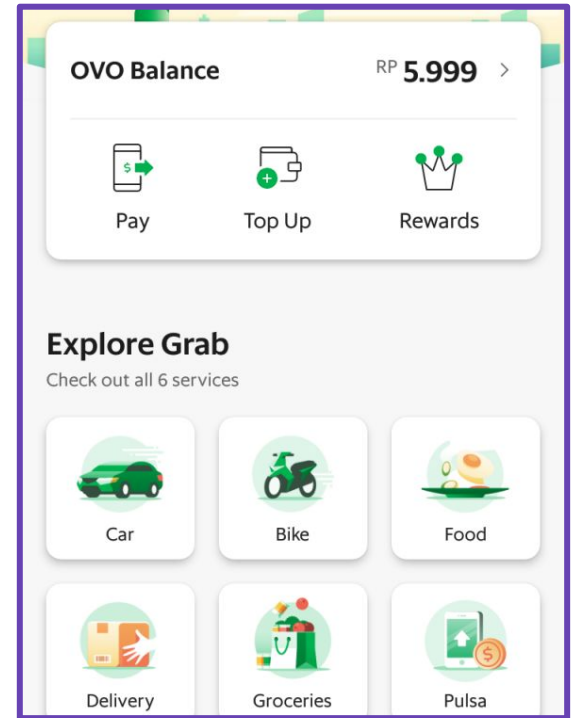
Top-up



Bill Payment



Investment



Grab: Ridesharing Company

Cooperate with Grab

- *Top Up using Grab Application*
- *Funds can used to pay Grab Services*