AGENDA

Wallet or OTC?
M-Pitesan
Positioning
Long-term Strategy
OUR RECOMMENDATION

Objective: Develop a future strategic direction for Ooredoo

Motivation: Ensure the well-being of our consumers and the success of our company

Strategy: Develop pseudo-branch locations with local businesses and implement a data-driven eCredit service

End Goal: Help the Myanmar people achieve a better future while developing a profitable long-term business model
WALLET OR OTC?
Ooredoo’s initial entry into Myanmar with their mobile wallet generated a **smaller short-term impact**. Myanmar consumers were less likely to use a mobile wallet in comparison to over-the-counter.

However, the mobile wallet holds promise for **long-term impact**, as younger demographics demonstrate more financial literacy and are familiar with the mobile wallet concept.
OOREDOO VS. TELENOR (2013)

Ooredoo and Telenor targeted different types of consumers

- 3G Premier Option
- Mobile Wallet
- Functionality and convenience

- 2G Older Technology Option
- Over-the-Counter (OTC)
- Low-cost value proposition
OVER-THE-COUNTER VS MOBILE WALLET

**OTC**
- Captures older Myanmar population
- Easier for low-financial literacy consumers
- Higher initial market implementation and success
- Decreasing long-term potential

**Mobile Wallet**
- Attracts younger Myanmar population
- Better for high-financial literacy consumers
- Smaller initial Myanmar market impact and adoption
- Greater long-term sustainability

**Short-Term Success**

**Long-Term Success**
STAKEHOLDER ANALYSIS

- **Keep Satisfied**
  - Businesses
  - High Power
  - Low Interest
  - Monitor Shareholders, Mobile Competitors, Banks

- **Manage Closely**
  - Customers
  - Agents
  - Society
  - Low Power
  - High Interest

- **Monitor**
  - Shareholders
  - Mobile Competitors
  - Banks
  - Low Power
  - Low Interest

- **Keep Informed**
  - Government
  - Low Power
  - High Interest

**Positioning**
- Long-term strategy

**Power/Interest**
- WALLLET/OTC | M-PITESAN | POSITIONING | LONG-TERM STRATEGY
TARGET MARKET: YOUNG FEMALE USERS

Ooredoo should target young females who will be the future financial decision makers and capture brand loyalty.

- **FEMALE 20-30**
  - Lives in an area that lacks the infrastructure for cash transfers
  - Will want new types of Fin-Tech services throughout her life
  - Manages household finances
  - Technologically literate and quicker to adapt to new technologies
  - Low brand switching costs
MYANMAR PROJECTED TRENDS

Urbanization
7.1 million move to cities by 2050 where phone usage is higher

Sources:
MYANMAR PROJECTED TRENDS

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Purchasing Power for Women
Job growth for women is expected to increase due to growth in garment sector, food production, domestic services

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Demands for Innovative Tech
Higher demands for faster technology means more opportunities to introduce new products and services

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Projected trends of Myanmar’s population is positioned to align with the long-term target consumer

Sources:

WALLET/OTC | M-PITESAN | POSITIONING | LONG-TERM STRATEGY
POSITIONING
How do we sustainably provide people the opportunity to a future they could have never imagined?
LONG-TERM VALUE FOR HUMANITY

Focusing on empowerment Myanmar aligns with Ooredoo’s values of connecting, challenging, and caring.
LONG-TERM VALUE FOR HUMANITY

Focusing on empowerment Myanmar aligns with Ooredoo’s values of connecting, challenging, and caring

Building and maintaining rural communal relationships in Myanmar even as more people move to urban areas

CONNECTING
CHALLENGING
CARING

WALLET/OTC | M-PITESAN | POSITIONING | LONG-TERM STRATEGY
LONG-TERM VALUE FOR HUMANITY

Focusing on empowerment Myanmar aligns with Ooredoo’s values of connecting, challenging, and caring

Opportunity for Ooredoo to help people overcome challenges developing nations face

Connecting

Challenging

Caring

WALLET/OTC | M-PITESAN | POSITIONING | LONG-TERM STRATEGY
LONG-TERM VALUE FOR HUMANITY

Focusing on empowerment Myanmar aligns with Ooredoo’s values of connecting, challenging, and caring

Through empowerment, Ooredoo shows their passion and devotion to improving lives in Myanmar
“The plan was always to keep moving up”

“For me, I hope that one day I can be like those at the top”

“I want to have a house or a flat, and I want my baby to go to private school”

“The most common outcome of male dominance is for public spending to be skewed in favor of men.”

“Myanmar has a rich history of women who refused to play by the rules—journalists who kept writing, artists who kept painting, and soldiers who kept serving their country even when they were attacked, dismissed, and demeaned.”
CUSTOMER PERSONA

- Women age 20-30, married
- Working and non-working women
- Increasingly becoming digital natives
- Make household decisions on finances on the daily
- Busy, value convenience
- Cares about her country, people, and family
- Looking forward to a better future
Differentiated brand proposition

Traditional target customers v. tech-savvy future

Develop diluted network or maintain control
**POSITIONING**

- **Direct Competition**
  - High
  - Low

- **Future Direction**
  - High
  - Low

- **Market Share**
  - Wallet/OTC
  - M-Pitesan
  - Positioning
  - Long-term strategy

**KEY TAKEAWAYS**

- Differentiated brand proposition
- Traditional target customers v. tech-savvy future
- Develop diluted network or maintain control
LONG-TERM STRATEGY
BE A COMMUNITY PARTNER

DEVELOP COMMUNITY
- Tap into community-pillar status held by local retailers via transaction-fee reduction incentives

CONSOLIDATE NETWORK
- Mitigate dealer saturation concerns and improve profitability via direct local involvement

PROMOTE EDUCATION
- Company-overseen branch expands technological and financial literacy dissemination objectives

$91 MN
5-YEAR PROJECT NPV

WALLET/OTC | M-PITESAN | POSITIONING | LONG-TERM STRATEGY
GIVE CREDIT: GIVE OPPORTUNITY

$74_{MN} \quad | \quad 5\text{-year eCredit NPV}

**DATA**
- Establish credit rating using wealth of existing customer information

**SYNERGY**
- Utilize community partner locations to take advantage of cross-selling opportunities

**PEOPLE**
- Demonstrate social consciousness with direct staff providing eCredit screening and education

WALLET/OTC | M-PITESAN | POSITIONING | LONG-TERM STRATEGY
CONCLUSION

Wallet or OTC?

M-Pitesan

Positioning

Long-Term Strategy

Wallet

Stakeholders

Long-Term Develop
QUESTIONS

SWOT Team 3

Everett Buck
Finance & IS

Jennifer Chen
Finance & Supply Chain

Ben de Lacy
Finance & IS

Peony Situ
Marketing
## APPENDIX

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2. Recommendation
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4. Ooredoo vs Telenor (2013)
5. Over-the-Counter vs Mobile Wallet
6. Stakeholder Analysis
7. Target Market
8. Myanmar Projected Trends
9. Long-Term Value for Humanity
10. Consumer Trends
11. Customer Persona
12. Positioning
13. Community Partner
14. Give Credit
15. Conclusion

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17. Mobile Wallet Financial Assumptions
18. E-Credit Financial Assumptions
19. Mobile Wallet Finances
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33. M-Pitesan Ad Examples
RISKS AND MITIGATIONS

RISKS
- Infrastructure Constraints
- Adoption
- Competition
- Cyber attacks
- Default & Credit Risk
- Scalability & Network
- Quality control failures

MITIGATIONS
- Target U.S. government as a primary customer to align interests and reduce barriers to entry
- Utilize existing airport infrastructure to reduce initial development impact
- Expedite development timetable to ensure first-mover advantage
APPENDIX: MOBILE WALLET FINANCIAL ASSUMPTIONS

**Growth**
- Population: 53m
- Growth: 1%
- Smartphone Use: 80%

**Capture**
- Adoption by Smartphone Users: 2.7%
- New Customers: 40%
- Churn: 15%

**Revenue**
- ARPU Growth (avg.): 50%
- # of local partners: 64
- Opportunity cost of partnership: $1.65 (2500k)

**Costs**
- Direct Dealer Salary: $4,310
- Staff Dealers: 256
- Cash-in/Cash-out per user avg. reduction: $.03
APPENDIX: E-CREDIT FINANCIAL ASSUMPTIONS

CC Usage
- Usage: Diffusion Theory (3,5,7,10,12%)
- Use at >$20: 25%
- Deadbeat Loss: 20%

Development
- Platform: $1,000,000
- Data Analytics: $1,200,000
- Staffing: $1,500,000
- Staff Growth Reinvestment: 10%

Revenue
- Avg. APR: 17%
- Merchant Fee: 3%
- Avg. Trans: $20

Costs
- Advertising = M-Pitesan over same timeframe
- Maintenance: 25% development
- New Cust. Acquisition: $6

Rogers’ Theory of Innovation, Sallie Mae

Case, Sallie Mae, NationalDebtRelief.com
### Local Mobile Wallet Partner Efforts

<table>
<thead>
<tr>
<th>Profit</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
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<td>Wallet Users</td>
<td>1,284,720</td>
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<td>Fixed Costs</td>
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<tr>
<td>Maintenance</td>
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<td>$240,000.00</td>
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<td>Advertising</td>
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<td>Non-Variable Payroll</td>
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<td>$1,943,360.00</td>
<td>$1,943,360.00</td>
<td>$1,943,360.00</td>
<td>$1,943,360.00</td>
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<tr>
<td>Variable Costs</td>
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<tr>
<td>(Higher Rev Opportunity Cost)</td>
<td>$37,950,000.00</td>
<td>$43,642,500.00</td>
<td>$50,188,875.00</td>
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<td>Cash-In/Out Payments</td>
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<td>$25,480,229.79</td>
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<td>Call Center</td>
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<td>New Customer Cost</td>
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<td>$2,711,915.45</td>
<td>$2,765,245.46</td>
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<td>Margin</td>
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<td>20%</td>
<td>21%</td>
<td>23%</td>
<td>24%</td>
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<td>Total Profit before taxes/repatriation</td>
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<td>NPV</td>
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<td>$14,538,561.63</td>
<td>$17,756,377.62</td>
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<td>Total NPV</td>
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<td>Credit Card Income</td>
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<td>Users</td>
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<td>75,691</td>
<td>137,607</td>
<td>242,669</td>
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<td>Purchases &gt; $20</td>
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<td>12.75</td>
<td>15.25</td>
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<td>21.75</td>
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<td>Merchant Fees</td>
<td>3%</td>
<td>3%</td>
<td>3%</td>
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<td>3%</td>
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<tr>
<td>Avg. APR</td>
<td>17%</td>
<td>17%</td>
<td>17%</td>
<td>17%</td>
<td>17%</td>
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<td>Less Deadbeat Lossage</td>
<td>8.6</td>
<td>10.2</td>
<td>12.2</td>
<td>14.6</td>
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<td>CC Revenue</td>
<td>$7,756,111.58</td>
<td>$18,066,028.13</td>
<td>$39,284,046.81</td>
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<td>Costs</td>
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<td>Platform</td>
<td>$1,000,000.00</td>
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<td>Analytics Software</td>
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<td>Payroll</td>
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<td>$1,735,065.60</td>
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<td>Processing Fees</td>
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<td>$10,839,616.88</td>
<td>$23,570,428.08</td>
<td>$49,743,232.60</td>
<td>$91,446,769.44</td>
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<tr>
<td>Call Center</td>
<td>$17,343.72</td>
<td>$34,061.14</td>
<td>$61,923.15</td>
<td>$109,200.98</td>
<td>$168,447.48</td>
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<td>License</td>
<td>$1,927.08</td>
<td>$3,784.57</td>
<td>$6,880.35</td>
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<td>New Cust Cost</td>
<td>$231,249.60</td>
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<td>$825,642.01</td>
<td>$1,456,013.13</td>
<td>$2,245,966.44</td>
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<tr>
<td>Profit</td>
<td>$(1,351,435.77)</td>
<td>$(3,945,721.02)</td>
<td>$(11,784,107.61)</td>
<td>$(28,291,235.35)</td>
<td>$(54,965,953.27)</td>
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<td>Op Margin</td>
<td>-17%</td>
<td>22%</td>
<td>30%</td>
<td>34%</td>
<td>36%</td>
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<tr>
<td>Total Profit before tax/repatriation</td>
<td>$97,635,581.49</td>
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<tr>
<td>NPV</td>
<td>$(1,268,953.77)</td>
<td>$3,478,781.56</td>
<td>$9,755,462.78</td>
<td>$21,991,430.51</td>
<td>$40,118,595.96</td>
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<tr>
<td>Sum NPV</td>
<td>$74,075,317.04</td>
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</table>
Boeing's decision to largely disengage from the service value-stream mandates reaching customers seeking innovative operational capabilities.
CHALLENGES AND OPPORTUNITIES FOR WOMEN IN MYANMAR

• Challenges:
  • Marginalization for women in political participation
  • Societal norms for machonism
  • Only 29% of women have access to formal financial services while 34% have access to informal services

• Opportunities:
  • Educate women to learn how to better handle finances and improve financial health
  • Utilize mobile phones and other technology to provide women access for learning and research on the internet
  • Empower women to enter the workforce and close the job gap
DIGITAL LITERACY EDUCATION

• Ooredoo should partner with the Digital Literacy Teachers Training (DLLT)

• A program started in Yangon, the largest city in Myanmar

• Opportunity for Ooredoo to give back to the community and help improve adoption of new technology

• Program teaches teachers how to access information in the digital era on laptops, smartphones, or tablets

• By educating people who will teach the next generation, it will impact how the younger generation uses the role of technology

OOREDOO SWOT

Strengths
- Strong brand “Ooredoo”
- Unique mix of mature and emerging markets across three regions (MENA, SE Asia)
- Massive customer base
- Established distribution channel
- Leading networks (4G and 5G)
- Data growth
- Strong Group
- Efficiencies in cost optimization
- Market leading position in key markets
- “Lead” strategy
- Digital transformation started in all markets (Get Digital)

Weaknesses
- Speed
- Digitize faster
- Business Continuity Management
- Organizational Transformation varies across the Group
- Need to drive further efficiencies
- Legacy Technology / IT
- Acquiring new talent & digital skill set

Opportunities
- Further Digital Transformation (customer, enablement, digital company)
- 5G
- Media
- MVNO or Digital MVNO
- B2B / ICT
- Home Broadband (Fixed)
- Mobile BB
- Partnership for future revenue growth
- Internet of Things (IoT)
- Data Monetization

Threats
- Competitive dynamics
- Price war
- MVNO
- OTT
- New MVNO
- New Fixed
- FX & interest rate
- Regulatory environment changes
- Country macro economics and economical risk (hike in oil prices)
- Natural, man made & technological disasters
- Geo political situation in some markets

TELENOR MYANMAR ANALYSIS

Ooredoo needs to be aware of the competition and catch-up through introduction of new services needed

• Education: helped the Burmese Wikipedia community to hold a joint workshop

• Introducing 4G

• Building brand awareness through radio and TV advertising

• Partnered with Yoma Bank to provide mobile banking to Myanmar
  • Aimed to provide access to financial services to people who do not have bank accounts
MYANMAR POPULATION GRAPH

Population Pyramid for Myanmar (2020)

Source: https://www.worldometers.info/world-population/myanmar-population/
MYANMAR OVERVIEW

• Workforce: 85.6% of men, 50.5% women
  • Opportunity for more women to enter workforce and gain more rights
• Demographics: 46% male, 54% female
• Population: 52.6 million
• GDP (2017): $69.32B USD
• Unemployment: 0.8%
• Language: Burmese
• 33% of women own a mobile phone
• 1.4 million women use a smartphone and use data services
• Transitioned from military dictatorship to parliamentary republic in 2008

Source: https://www.heritage.org/index/country/burma
INCOME LEVELS

- Myanmar is a lower-middle income economy with a GNI per capita of US$1,210 in 2017.
- Average salary in Yangon is US$3600.
- Minimum salary in Myanmar is US$720.
- Strong economic growth translated into a reduction in poverty from 48 to 32 percent between 2005 and 2015.

MYANMAR DEMOGRAPHICS

Source: https://www.cia.gov/library/publications/the-world-factbook/
## COMPETITOR ANALYSIS

<table>
<thead>
<tr>
<th>Company</th>
<th>Origin</th>
<th>Launch Year</th>
<th>Users</th>
<th>Direction</th>
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<tbody>
<tr>
<td>Ooredoo</td>
<td>Qatar</td>
<td>2014</td>
<td>10M 6%YoY</td>
<td>Data packs, voice packs, Sate Tina Kya, International &amp; Roaming, mobile wallet, future oriented</td>
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<tr>
<td>Telenor</td>
<td>Norway</td>
<td>2014</td>
<td>19M</td>
<td>TV, apps, My Telenor App, cloud storage solution, mobile payment, traditional customers</td>
</tr>
<tr>
<td>Myanmar P&amp;T</td>
<td>Myanmar</td>
<td>2017</td>
<td>23M</td>
<td>Devices, voice, data, business, fixed lines, internet, national coverage</td>
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<tr>
<td>MyTel (Myanmar National Tele &amp;</td>
<td>Joint venture</td>
<td>2018</td>
<td>+5Million</td>
<td>Mobile packages, internet packages, digital services, devices, internet</td>
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<tr>
<td>Communications)</td>
<td>between Vietnam &amp; local companies in Myanmar</td>
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</tr>
</tbody>
</table>
CUSTOMER JOURNEY: WOMEN IN MYANMAR

**Problem:** She needs cash to buy fresh vegetables at a small stand

**Solution:** Get cash from a partnered business

**Problem:** She has no time to stand in line at a bank to obtain cash

**Solution:** Use credit card to save time

**Problem:** She has to give her money to an OTC agent which limits her financial freedom

**Solution:** Let her control her own money on her own terms with M-Pitesan
M-Pitesan
M-Pitesan Ad Examples

First introduced: Targeting male customers

Now: Advertise to women