ABOUT BUSINESS INNOVATION MODEL

Merchants Development Driving Rural Markets (MDDRM) Project is an EU funded initiative. UNCDF's Shaping Inclusive Finance Transformations (SHIFT) programme in South Asian Association for Regional Cooperation (SAARC) - SHIFT SAARC is a regional market-facilitation initiative aiming to improve livelihoods and reduce poverty in SAARC countries. MDDRM seeks to stimulate the expansion of digital technologies for Micro-merchant segments by encouraging innovation and linkages between retail and financial services industries. MDDRM primarily focuses its interventions in Sirajganj, Tangail, Jamalpur, and Sherpur districts targeting 10,000 retail Micro-merchants.

SHIFT MDDRM is facilitating 6 pilot innovation models utilizing micro-merchants networks reaching rural low income consumers through retail level value chains. The retail value chains will leverage the creative ideas and commercial instincts of FMCG and DFS providers by stimulating them to test innovative cross-sector business model and end-customer requisition strategies.

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FACILITATING THE DIGITAL ECONOMY AND E-COMMERCE SERVICES THROUGH MICRO MERCHANTS

The "Micro Merchant" model alludes to implementing a business model to induct the micro-merchants i.e. unemployed local men and women as eCommerce agents. Their purpose is to primarily to introduce assisted eCommerce services to accelerate the growth of the economy. of the economy. The purpose of this model is to establish an innovative and efficient business model to induct micro merchants as eCommerce agents and provide assisted product buying or selling services digitally. It aims to target the people affected by the digital divide.

The labor force is growing at almost twice as fast than the rate of growth in population (Titumir and Hossain, 2003). It had been reported that 67% of total population are aged 15 or older of whom 50.4% were female. Also, the eCommerce sector, despite having so much potential and fast growth rate, is being unable to tap into the rural market or the workforce.

The induction of micro merchants as eCommerce agents will cut short the deficit and barriers of the technology and bring together the rural market and the city suppliers. This project will require an integrated eCommerce platform where all the stakeholders will be connected and which has the operability to engage the digitally illiterate people. This project will integrate with the financial wallets of the customers to promote digital payment system. Also the eCommerce partners will all be under one platform that will give the customers access to almost 1 million products of various ranges. A mobile app will be introduced to make the work simple and comprehensible. This project initiative aims to induct the micro-merchants, with a further focus on women, as eCommerce agents to engage the growing and dormant labor force of the country.

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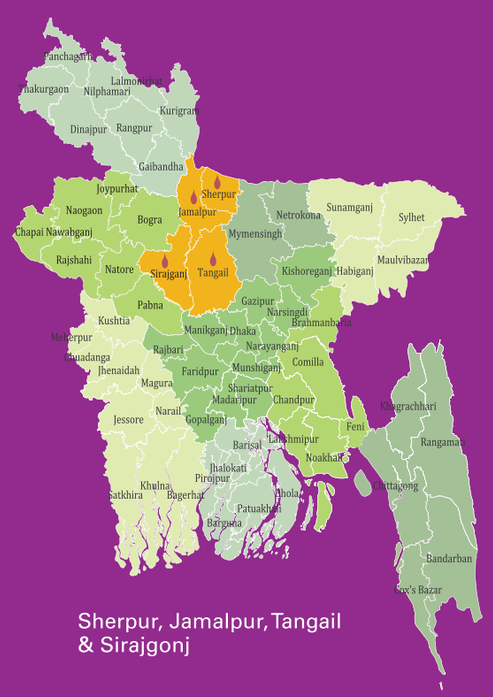
BUSINESS MODEL

PROJECT LOCATIONS



Sherpur, Jamalpur, Tangail & Sirajgonj

KEY FEATURES

- Digital Supply Chain using existing resources
- Financial inclusion of digitally divided citizens
- National market linkage with rural producers

KEY OUTPUTS

- Creating 500 micro merchants to be financially solvent in 4 districts
- Benefitting 20,000 citizens through the financial inclusion
- Capacity building of the rural producers selling products online
- Expanding eCommerce logistics to village level

BENEFITS FOR STAKEHOLDERS

End customer

- Get quality products that are mostly unavailable in rural areas
- Sellers will get ESCROW payment security for the products
- Get more than 1 million products delivered to their doorsteps by the Micro Merchants
- Get more than 1 million products delivered to their doorsteps by the Micro Merchants
- Can use the ekShop platform to sell locally made products
- Along with physical products, customers can buy digital goods or take services as well

Micro-Merchant

- Will have a financially sustainable income source
- Allow MM to sell local products and provide agent banking services
- Will be able to sell products without any investments
- Get commission selling local products through ekShop B2B and B2C eCommerce network
- Can also provide different services to rural customers
- Will earn commission as a delivery agent from multiple logistic companies

FMCG

- Product facilitation all over the country
- Door step delivery of all their products
- Raise health and hygiene product awareness to all households

EXPECTED OUTCOMES

- Promoting the facilitation of rural products to the metropolitan areas.
- To promote adoption of bank account and mobile wallet
- Promoting the uptake of innovative digital product and sustainable business in rural areas
- Appropriate inclusion of mechanisms and strategy to reach and include micro merchants in rural level
- Making e-commerce a medium of purchase and sales in rural areas

A2I PRESENCE
INTARGETED DISTRICTS

313 Union Digital Centers

626 UDC entrepreneurs

283 Agent banking points