GOOD
PRACTICE
GUIDE

ACCELERATING E-COMMERCE ADOPTION IN MYANMAR

PROVIDING FOOD DELIVERY SERVICES ONLINE

A GUIDE TO TAKING YOUR BUSINESS ONLINE

COMMERCE

tradeWorthy

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Foreword from U Aung Htoo
Deputy Minister, Ministry of Commerce
The Republic of the Union of Myanmar

The Ministry of Commerce is pleased to join forces in assisting MSMEs with a rapid transition to e-commerce provision of goods and services, as a response to the COVID-19 pandemic.

The Government of Myanmar has prioritized e-commerce products and innovation in its COVID-19 Economic Relief Plan (CERP). Accelerating e-commerce adoption by both merchants and consumers in Myanmar presents numerous benefits, such as increased formalization of businesses, better digital financial inclusions and digitization of businesses. It will also play an important role in our economic recovery from the impacts of COVID-19, and growth into the future.

The four Good Practice Guides (GPG) will help MSMEs across priority sectors to plan and execute transition to provision of goods and services using e-commerce methods, in line with Government regulations and good industry practices. These GPGs benefited from the leading industry players in Myanmar. They are an essential tool of the Government's vision to transition to a digital economy. We are grateful to the Australian Government for the support provided to accelerate adoption of e-commerce in Myanmar.

Now is the perfect time to take your restaurant online!

The COVID-19 virus has had a major impact on the way we buy and sell products and services.

Along with the challenges, the virus also presents opportunities in the food service industry. There are now more Burmese people online than ever, in line with the growth in electronic commerce and smartphone usage. In fact, there are now 126 mobile subscriptions per 100 people in Myanmar (Source: *Wearesocial/Hootsuite Q1 2020*)! The virus has also made people much more comfortable buying their food online, and these new behaviours are likely to continue to grow even once the virus is gone.

So there has never been a better time to set up and sell your groceries online, whether by yourself or with the 'delivery platforms' starting all over Myanmar. This Good Practice Guide will set out the key options for taking your business online, and lots of practical tips to help you succeed.

Zin Mar goes online

Zin Mar owns a food stall in Bogyoke Market. She has a reputation for selling some of the best *mohinga* in Yangon. For the last decade, she has been selling food with the help of her cousin.

Her stall was busy every day as friends and workers met to enjoy her soup and the complimentary iced tea. Because of the coronavirus situation, the number of people visiting her stall has dropped dramatically. With fewer customers, this has, of course, meant a drop in revenue.

Her younger sister Nan Dar, who is currently studying at Yangon University, suggested that she starts selling her food on mobile applications which connect restaurants to delivery partners and then to customers.

CASE STUDY

23 Reviews

1,000 MMK

ADD TO CART
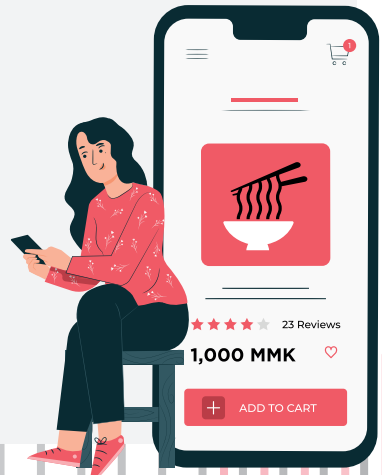
How to plan for the transition from offline to online

If you have decided to take your restaurant online, there are two basic choices: become a 'merchant' with an online 'delivery platform' or go online yourself. You will need to do a basic cost-benefit comparison:

2 ways of taking your restaurant business online

	Delivery platform	**Online yourself**
	Joining an existing online 'platform' to manage and deliver food from your restaurant to customers.	Selling and delivering to your customers through your own website or a social media platform.
Set up costs	Delivery platforms usually charge a 'set up' fee, including a photoshoot and payment 'integration'.	Setting up a website including quality photos; facility to take payment and communicate with customers.
Ongoing costs	Fees per transaction, usually between 10% to 40% of the total sale for each customer.	Cost of delivery. Cost of social media and online advertising.
Main advantages	Platforms bring your restaurant to a large audience, and can lift revenues.	You keep the profits from online customers. You wholly own the customer (data, relationship, brand recognition).
Main disadvantages	Cost of transactions eats into your profits.	You work hard to get and manage each customer.

CASE STUDY

Si Thu finds his own online solution

Si Thu runs a restaurant specialising Ngapali taste Rakhine traditional food. Since the virus hit, he has put a big sign outside his shop with a Whatsapp number and simple menu. When a customer sends him a message, he will respond with a photo of the dish, the price and delivery options. As his business grows, he is looking at new electronic payment options, and setting up a Facebook page.

How to select and join a food delivery platform

If you are looking to join a delivery platform, you can compare the options by focusing on these key questions:

1. Which delivery platforms are available and most popular in my local area?
2. What are the set up and ongoing costs with each platform?
3. How efficiently can the platform support me getting online? Who else can help me?
4. How will the platform advertise and promote my restaurant?
5. What are payment terms, refund and cancellation policies?
6. What in-store support do they offer, such as mobile point of sales machines (usually on tablets), an app for merchants, promotional materials?

CASE STUDY

DELIVERY PLATFORM 1

DELIVERY PLATFORM 2

Zin Mar compares delivery platforms

Zin Mar, with the help of her younger sister Nan Dar, contacts two delivery platforms to compare their setup and ongoing fees. Based on similar food stalls, she expects 15–20% more orders once she is online, though the delivery platform will charge 30% on those sales. She calculates that this will increase her profit, as her rent is a fixed cost.

She successfully prepares all the information required to register with an online food delivery service and submits her application to two companies to become a merchant.

A common option is to **join all platforms** available in your area, though setting up for all may take some time. Also consider how your business will manage the processes and conditions for different platforms – can your business handle orders from two or three different platforms on a busy Friday evening?

Registering with a food delivery platform

The process for registering your business with delivery platforms can be time consuming, but is usually similar across different platforms. It involves providing the delivery platform with enough information to establish an attractive and functional online store. The platforms usually provide some assistance to make the process as easy as possible.

4 steps to register with a food delivery platform

1 Registration

Each delivery platform will have a 'merchant' or 'partner' link on their website, and will require initial registration information such as:

- Shop/restaurant name
- Shop/restaurant address (GPS location)
- Contact name, phone number, email address
- Type of store/cuisine (e.g. vegetable shop, meat shop, Burmese restaurant, etc.)
- Opening hours (e.g. Monday to Saturday from 8am to 10pm)
- Menu/catalogue file in any of the following formats: .pdf, .xlsx, .docx, .jpg, .png
- Photos of menu items (optional, but highly recommended)

2 Contracting

Receive, review, and sign the provided service level agreement contract. Pay close attention to registration fees, commission rates (also called 'take rate'), payment terms, delivery fees, refund/returns policies, and terms for the cancellation of the agreement.

3 Set up and training

Your delivery platform should provide training on how ordering and delivery will work using the platform's app. If the platform provides you with a tablet, this will become your Point of Sales device – so understanding how to use this will be very important. This is the time to prepare your 'back end' systems (see later section).

4 Go live

Before going 'live' on the platform, review your online menu as published by the delivery platform. Does it look attractive and are all the details correct? When ready, start selling and increasing your revenue!

It is also very important that as a merchant, you are aware of your rights, in particular as regards - delayed payment by food delivery companies (which is one of the main problems in Myanmar) and what they should do. Since most of the restaurants are SME, delayed payment from service providers would hurt their cashflow. The same applies for negotiating the food delivery companies commission, be aware fo your rights!

Developing your presence online

Now that you're moving your business online, you need to tell your existing customers – and grow your business by reaching new customers. If you're going online by yourself, this will usually involve building a website, or a page on a social media platform such as Facebook. If you're joining an existing delivery platform, they will have the automated tools to help grow your presence on their platform.

CASE STUDY

Your Order is Confirmed!
Thanks For Your Order

DONE

Zin Mar grows her online business

Zin Mar successfully registered with two food delivery platforms in less than a week. It's now been a month since she registered and deliveries are working well. She receives order notifications on her smartphone and mobile POS device with details of the items ordered and quantity as well as a pick-up time from the delivery partner. The food delivery business is now more than 40% of her daily sales.

As she sees the opportunity to engage her customers, she is now posting daily updates of vegetables she buys from the market to show the freshness of her soups. She also plans to register with more food delivery applications in order to increase her orders.
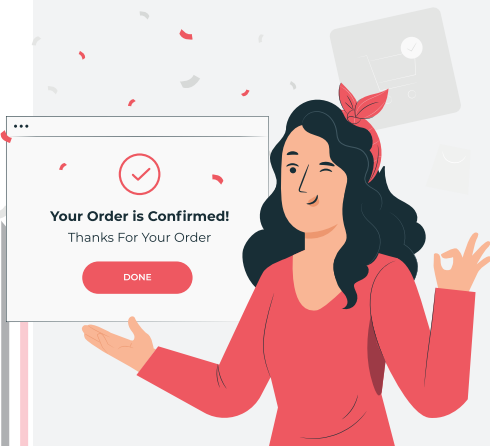
Messaging to customers

Like any normal business, keeping customers happy is the key to success. Here are some expert tips on engaging with customers:

❶ **Contacts**: Make sure your Whatsapp, Viber and Telegram contact numbers are easy to find.

❷ **Fast response**: Reply to customers within minutes, and have an automatic response with your opening hours and phone number.

❸ **Target locals**: Most customers will live near your restaurant. Don't forget the value of distributing printed advertisements, as well as online advertisements.

Using social media

Social media can help spread the message that your business is online, and ready for orders. Whether you join an existing delivery platform or set up your own website, social media keeps customers thinking about your delicious food! The key is to keep social media active – and find ways to engage with your customers and get them to share their positive experience with your restaurant.

Some important social media tips include:

❶ **Get established**: Create a **Facebook** page for your business, and link it to popular groups and other social media platforms or messaging apps such as **Viber**, **Telegram** or **Whatsapp**.

❷ **Create content**: Start by posting about the platform you have joined, or the website you have set up. Share posts at least twice a day – photos of your food, your staff working hard, the fresh ingredients you use. Never use photos from the internet – only real, exciting images from your restaurant.

❸ Engage your audience: Ask questions of your audience, create mini competitions for a free meal, create short videos of your products, your kitchen, even how you shop for ingredients. These can be linked to a **YouTube** account when you have enough. The more you get your audience to comment and like your posts, the more prominent your business will become on social media platforms. Over time, learn the art of 'hashtags' and linking to popular figures and groups to boost your audience.

❹ Show you care: Share information about your response to COVID-19 (e.g. post photos of your staff wearing mask, gloves, etc.). Share stories about your business helping local charities and groups.

Getting 'back-end' systems ready

Before you start selling online, you will need to make sure your systems and processes are ready. It would be bad for your business if you failed to deliver what the customer orders, or it takes too long, or some other failure. As much as social media can have your customers promoting your restaurant, it can also be used to criticise. For this reason, the 'back end' systems are very important.

You should approach selling online as a new 'workflow' – every step from pre-order, to order, to cooking, to packaging, to payment, to delivery and customer feedback. And you will need people who are trained to use the system to accept and track orders, to make sure no customer is left waiting for their food.

For those joining delivery platforms, here are some of the key 'back-end' tips to help you prepare:

Accept/refuse orders
After you receive an order, the delivery app will require you to accept or refuse that order before a logistic partner (driver) is sent to your restaurant/store. Someone should be dedicated to do this and integrate online orders into your ordering system.

Manage your stock

The biggest challenge in online selling is matching physical stock with what you offer online. Delivery platforms will not do this for you, so you will have to monitor your food stock and act quickly to 'turn off' a menu item if you are running out.

Keep the menu current

Actively review the menu online to make sure all products, prices, descriptions, and photos are all current.

Have frequent promotions

Your customers will respond to frequent promotions and discounts, and the delivery platforms allow you to do this easily. Some options include: percentage discounts on one or more products, buy 1 get 2 promotions (or similar), discounts for 'whole cart' value above a minimum amount (ie. 10% of whole order over MMK 30,000).

Learn about app functions

Delivery platforms are always expanding and improving the functions that give you greater opportunity to sell. Spend time to learn how to define your opening hours, have temporary 'closing' when orders are too high or for holidays, and take advantage of opportunities to promote and feature your restaurant.

Learn from the data

Delivery platforms will provide lots of data on history of orders, popular products and ordering times, and sales revenues. Use this data to improve your products and sales techniques.
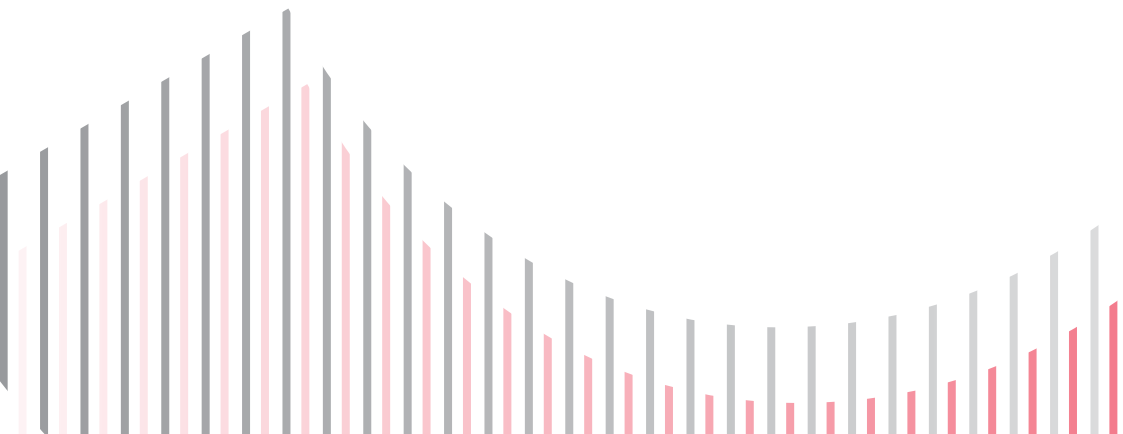
Adapting to e-commerce during the pandemic

The COVID-19 pandemic has challenged everyone to think of new ways of doing business. The rapid rise in consumers going online to purchase their goods and services will remain long after the virus has gone. So the opportunity is there – right now – to get your business online and grow.

Here are some tips to help you adapt to the new 'COVID-19 reality' when selling your goods online:

Packaging for delivery
Your delivery platform can advise on suitable packaging for hot and cold food. The materials you use will need to be durable and grease proof or waterproof, as is required for your type of food. You may want to explore plastic free packaging to reduce the impact on the environment and increase your customer satisfaction. Your delivery driver will expect to pick up the food packaged and ready to go.

Contactless delivery
Ask your platform or drivers to see if they offer 'contactless' delivery to reduce the risk of virus transfer. This typically involves verifying the customer receives the order, but not handing it to them directly.

Go cashless
Another reason to move to online payment is that handling of cash can increase the risk of transferring the virus. See the section on 'Getting Paid' for more information.

Show your customers how you work safely
By sharing photos, videos and information about how you prepare and deliver food in compliance with health and safety requirements, their confidence and orders will increase.

CASE STUDY
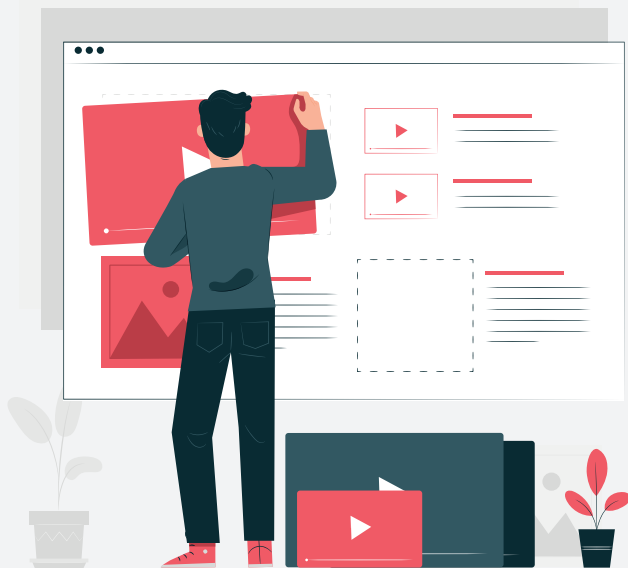
Si Thu sends his first video

Si Thu's neighbours tell him that some customers are nervous about ordering food due to the risk of transmitting the virus. Seeing the opportunity, he films a short video showing him and his workers getting temperature checks when they arrive at work, using gloves and masks, and packaging food in clean sealed boxes. He sends the video to customers on Whatsapp, who respond positively. His orders grow by 10% that same day.
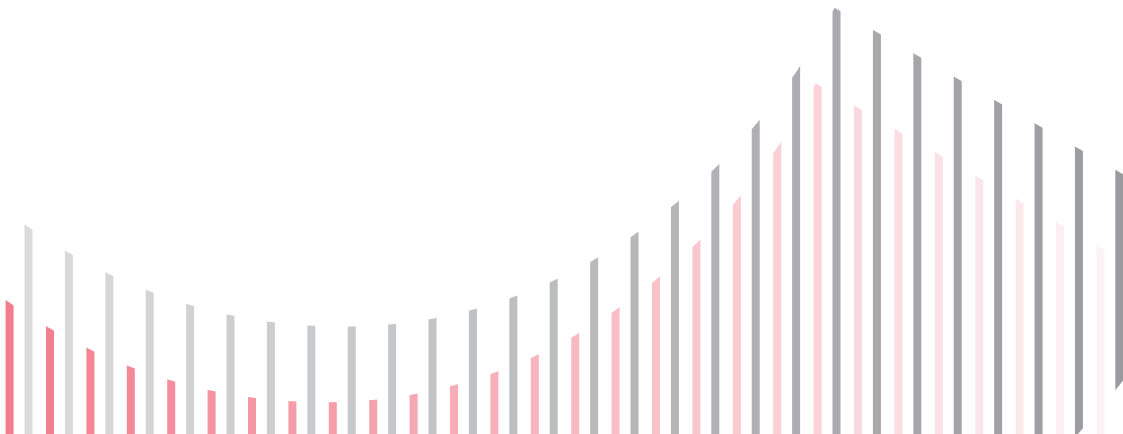
Complying with laws

Selling your food online requires you to comply with all of the normal commercial laws, such as food hygiene standards, commercial contracts (including settlement of disputes), and employment requirements. The new Myanmar Consumer Protection Law will also apply. This means you must be accurate in providing information to your customers, including things like the identity of the company, terms and conditions for payment, cancellation and refunds. An online delivery platform will be able to give you advice on this.

New laws for companies selling online are currently under development. There are likely to be requirements for registration for e-commerce operators under a new Myanmar e-commerce law, though this is not yet finalized. However, you can expect that all of the normal laws of business taxation will apply to businesses selling online. If you join a delivery platform you should ask how they can help you protect this data, and comply with the law.

Getting paid

Getting paid 'Cash on Delivery' is still the most common approach, and most delivery platforms will allow this. However, there are big incentives and advantages to moving payments online. Many delivery platforms can offer free 'Point of Sale' machines to process and automate payments. Moving payments online can also help grow your business, by providing the information needed by banks and insurers to lend and protect your business. Lastly, going 'cashless' can avoid the risk of transferring the COVID-19 virus through handling notes.

If you join a delivery platform, it is likely that they will offer a facility to accept payment online. This is usually where your customer pays through the app using their debit card, credit card, and the delivery platform collects the money and sends what it owes directly to your company's bank account. Delivery platforms can also usually 'integrate' with a payment services provider (WavePay, CB Pay, KBZ Pay, AYA Pay, One Pay, etc.) that you select. See 'Further Information' for some examples in Myanmar.

If you decide to go by yourself, you should first speak to your bank what type of merchant facilities they offer. This may involve setting up a 'merchant account' (to accept payments as a business) and a 'payment gateway' (connecting your store and the merchant account). You could also speak to digital wallets like WavePay which provide you with a merchant account where you can collect payments and settle directly into your linked bank accounts.

Whatever option you choose, there will be fees involved – so check and compare carefully.

Zin Mar manages her cashflow

CASE STUDY

Zin Mar has now registered with a wide range of online food delivery services. She is sending packages all over Yangon to customers using mobile ordering platforms daily. Thanks to the order history in the merchant's app, she can easily track her payments. Some platforms pay her directly at pickup while others pay her twice a week using bank transfer.

Now that she can monitor her payments and orders, she has more confidence in placing a larger order for vegetables and noodles for the coming week. One day soon she will look at options for borrowing money to renovate her food stall. Things are looking good!
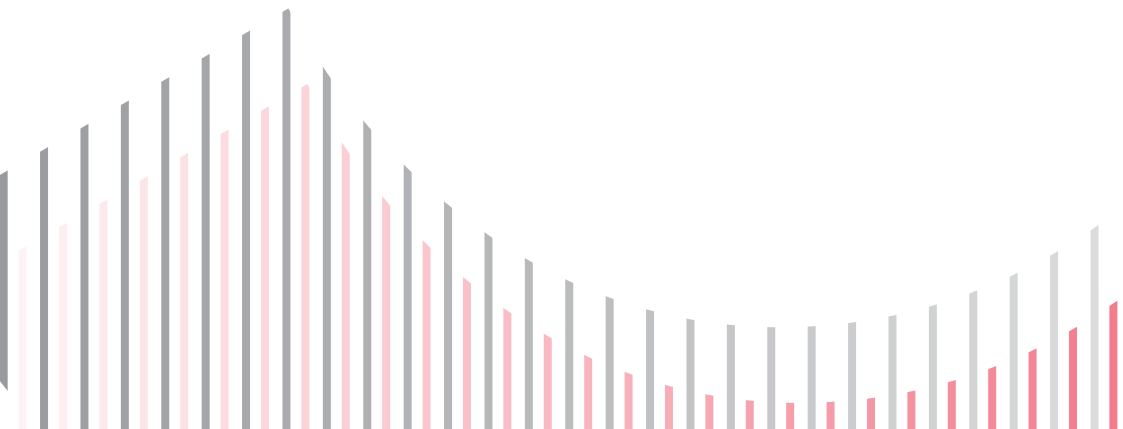
Further information

The following companies have contributed to the formulation of this GPG and may be contacted for additional information on selling goods and services online.

If your company wants to be included in further guides, brochures under "sources of information" please visit us at tradeworthy.com or contact MoC Digital Trade Unit (digitaltradeunit.dot@gmail.com).