

ACCELERATING E-COMMERCE ADOPTION IN MYANMAR

PROVIDING TRANSPORTATION AND TRAVEL SERVICES ONLINE

A GUIDE TO TAKING YOUR BUSINESS ONLINE



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**Australian
AID** 



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



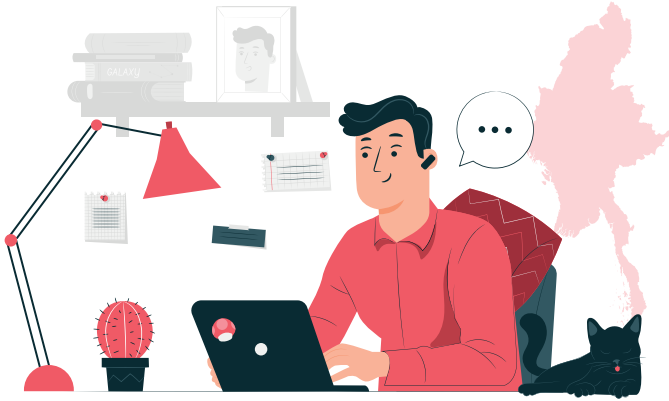
The Ministry of Commerce is pleased to join forces in assisting MSMEs with a rapid transition to e-commerce provision of goods and services, as a response to the COVID-19 pandemic.

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 time to help 'move' Myanmar 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 new opportunities for drivers and deliverers.

The movement of goods is one important opportunity. Burmese people along with the rest of the world have turned online to buy basic goods, from hot food to groceries to hand sanitizer and masks. All of these products need to get to their consumers quickly and safely. The need for delivery of goods from one place to another is growing fast, in line with the growth in electronic commerce and smartphone usage. In fact, there are now 126 mobile subscriptions for every 100 people in Myanmar (Source: *Wearesocial/Hootsuite Q1 2020*)! Now that the virus has made people much more comfortable buying their household and consumer goods online, it's likely that online purchasing will continue to grow even once the virus is gone.

The movement of people between and within cities is another area of opportunity. The internet is also leading an evolution of the transport industry – making it safer, cleaner and more efficient. Emerging online platforms have an endless need for experienced drivers to move passengers (and products) from one place to another.

So there has never been a better time to find your opportunity to 'move' online. This Good Practice Guide will set out the key options for you to consider how you take your business online, and lots of practical tips to help you succeed.

How to plan for the transition from offline to online

The COVID-19 pandemic has had a severe impact on the tourism and travel industry, leaving many drivers of rickshaws, cabs, cars and other vehicles with reduced incomes. If you're an experienced driver, with access to a registered vehicle and an entrepreneurial spirit, it makes sense to explore new sources of income.

An increasingly common type of internet business engaging drivers is the **'ride-hailing' app**, where passengers are matched to drivers to complete trips usually within a city. These businesses are now branching out into other areas such as food and grocery delivery. There are also **electronic commerce** companies solely focused on selling and delivering food, groceries, consumer goods and other products online. Many of these businesses rely on networks of delivery drivers. Joining these 'delivery platforms' may be a great opportunity to earn additional income.



Yu Yu brings the groceries

Yu Yu is a driver for a tour company in Yangon, bringing female tour groups to the pagodas. Three years ago, the family purchased their own minivan, which allowed Yu Yu to increase revenue while still making sure her children got to their school safely every day.

Because of the coronavirus situation, foreign tourist numbers have fallen dramatically. The tour company no longer needs her to work.

Her husband, Ko Thuta, was working at a fruit and vegetable store and advised her to register with a local grocery delivery company selling mainly to schools and companies in the area. With his help, she gathered all the necessary information to get started.





Wai Phyto joins a ride-hailing app

Wai Phyto has been working in the hospitality industry in Yangon for more than a decade. His job was front desk receptionist at a well-known boutique hotel. Over the many years he had worked there, he had seen significant rises in his salary that enabled him to buy a house and car. Wai Phyto loved meeting new customers from around the world and giving them tips and insights on what to do and see in Yangon and across Myanmar as he is very proud of his heritage.

Wai Phyto is also a family man and as well as being a happy husband to Ma Thida, he is the proud father of three young girls. His experiences in the hospitality sector taught him the importance of learning other languages, so he has ensured that he has invested in his daughters' education and that they are learning English and Chinese at school so that they can have a bright future.

Because of the coronavirus situation, the tourism industry collapsed and Wai Phyto lost his job due to the hotel where he was working closing.

His younger brother suggested that he could use his car to bring in revenue while the hospitality crisis is ongoing. With his good grasp of English and his in-depth knowledge of the city, this seemed like an ideal alternative till he could return to hotel work. With his brother's help, he successfully prepared all the information required to register with a ride-hailing application and submitted his application to become a taxi driver.



How to select and join a transportation/delivery platform

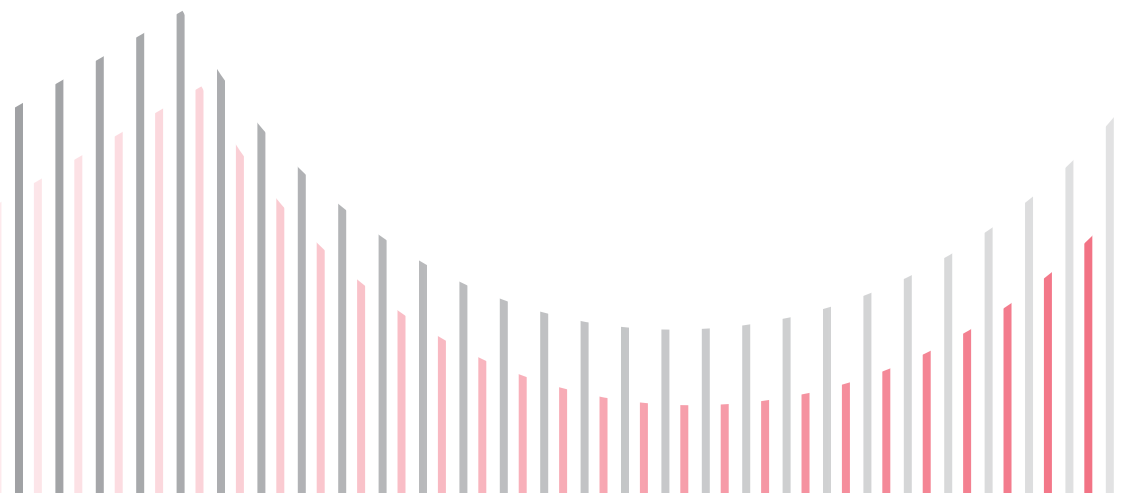
If you are looking to join an online transportation or delivery platform, you can compare the options by focusing on these key questions:

- 1 Which delivery platforms are available in my local area?
- 2 What type of vehicle and experience does the platform need from its drivers?
- 3 What are the set up costs with each platform?
- 4 How efficiently can the platform support me getting online? Who else can help me?
- 5 What are payment terms?
- 6 How and how quickly will I get paid?

But beware – these businesses need drivers who are trained, disciplined and willing to learn new procedures involving technology and customers. It will take real commitment.

Registering with an online transportation & delivery platform

The process for registering as a transportation partner with ride hailing/delivery apps is fortunately quite similar for every player, as it requires the same information about you and your vehicle to create a complete partner profile. The basic process is usually as follows:



6 steps to register with an online transportation & delivery platform

1



Install the partner application on your smartphone. There are often dedicated 'driver' apps, or links in the customer app for contacting the company to join as a transportation partner.

2



Depending on the requirements of your ride hailing/ delivery platform, you will need to provide initial information such as:

- Name
- Photo (take a selfie with your phone)
- Phone number
- Email address (optional)
- Driving license number
- Vehicle type (e.g. rickshaw, car, SUV, minivan)
- Vehicle model / colour / year of production / photo
- Vehicle plate number
- Number of passenger seats
- Photo of driving licenses (front and back)
- Police recommendations
- Special information (A/C, pets allowed, person with disabilities, extra luggage space, smoking allowed, child seats, etc.)

3



Receive, review, and accept the provided service level agreement contract. Pay close attention to:

- Registration fees
- Commission rates (also called take rate) and fixed booking rates.
- Payment terms and methods
- Terms for ride cancellation
- Terms for cancellation of the agreement
- Earnings structure for day and night time (flag down, minimal cost, per kilometer, per minute)
- Service standard requirements, which will differ considerably between platforms – depending on what type of transportation or delivery you are providing
- Security and compliance checks, to ensure you and your vehicle and safe and secure providers of transportation services
- Requirements for insurance
- Rules for Cash on Delivery (COD)

4



(for ride hailing only)

Review your online profile as published by the ride-hailing platform. Make sure all the details are correct.

5



Request physical or phone training if needed.

6



Start working to increase your revenue!



Wai Phyto gets busy quickly!

Wai Phyto successfully registered with two ride-hailing mobile applications in less than a week. After completing the security and safety checks, he finds his first day moving around Yangon very busy. He receives booking notifications on his smartphone with details of the pick up / drop off and itinerary. The ride hailing business now helps him to gain daily income with his car.



As he understands that customers feel more comfortable booking a taxi driver from their phones, he is now planning to register with more ride-hailing applications in order to increase his opportunities for booking and revenue. He has enjoyed practicing his English when expat passengers get in his car.



Working with transportation and delivery apps

Transport and delivery apps typically work by allocating jobs to available drivers available in a particular area. All of the job allocations are done through the smartphone app, so you will need to become familiar with the functions of the app. They're designed to be very easy to use. Key functions include:

Online/offline mode

This feature helps you manage your availability on the app. If you are waiting for a job, just keep your status as being online and available.

Accept/refuse booking

After a booking becomes available, the application will require you to accept the booking in order to get started and receive a booking information. You will have to be quick to get the best jobs!

Booking confirmation

Once you accept a job, you will receive information such as:

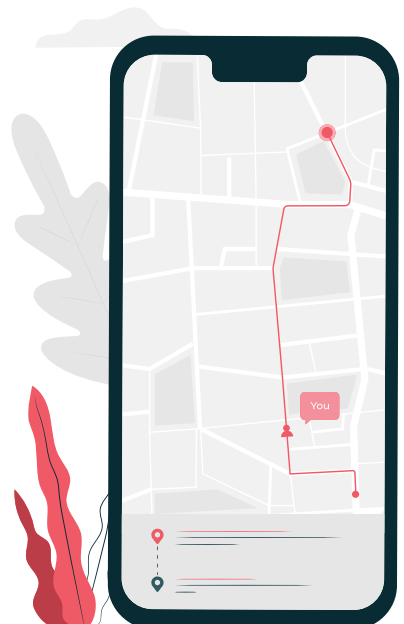
- The place to pick up your customer
- The place to drop off the customer
- Payment method (i.e. cash or bank card)
- Price for the ride
- Time of the ride

Itinerary

This gives you the shortest way to complete the ride so you don't get lost and make sure you do not use too much petrol/gas for the job. Your customer can also see the suggested route on their app.

Scheduled bookings

Allows you to receive bookings in advance, which will help you forecast your revenues for the week or the month.



Heat map

A smart function that shows you where there is the greatest customer demand. This information is 'live' so you can move around and book the most jobs.

Bookings and transaction history

Access the history of your bookings to help you calculate your total daily or monthly revenues with the app. The app should also show how much the platform owes you for work performed.

Safety, security and reliability are the keys to success

In the transportation business, safety, security and reliability are the keys to customer satisfaction. Drivers who do not respect professional standards of driving and customers service do not last long on the platforms. They can be removed by the platforms for breaches of service level, and can be reported by customers through reviews and 'flagging' unsafe driving or security concerns.

In addition to obeying road rules, some basic professional standards will be required:

- Respect the speed limit and road signals.
- Keep sufficient distance between vehicles.
- Make sure your seatbelts are working properly.
- Take a rest before you feel tired (minimum every 2hours).
- Do not use your mobile phone while driving – the platforms suggest phone 'cradles' which will comply with road laws.
- Do not drink alcohol.
- Check your eyesight regularly (every three months is advisable).
- Do not take medicine that could affect your capability to drive.
- Maintain your vehicle regularly to avoid accidents (wheels, tyres, brakes, oil, etc.)
- Keep your vehicle tidy.



As a vehicle driver, you will spend most of your time on the road. Consider making extra money by offering your vehicle as a **'mobile billboard'** to advertise businesses. You can let businesses know about this service on your Facebook page or when you transport goods or products to businesses.



Wai Phygo goes inter-city

One of Wai Phygo's passengers in Yangon left a review about how professional Wai Phygo had been on a short city ride. Wai Phygo has decided to set up a Facebook Page to advertise inter-city trips. Seeing Wai Phygo's success as a safe and reliable driver, he is now receiving enquiries to transport small groups of people between Yangon and Taungyi.

When Wai Phygo completes a trip booked via Facebook, he gets to keep 100% of the fare as the booking was not made through the ride-hailing app. For a round trip, he can earn between MMK 150,000 to MMK 200,000. The professional standards required by the ride-hailing apps have really raised the prospects for Wai Phygo's future earnings – both within and outside the app.



Adapting to e-commerce during the pandemic

The COVID-19 pandemic has focused attention on the risks of everyday physical contact. During the pandemic it is important to adapt the normal method of transportation and delivery, including:



Personal hygiene

Continuously maintain and monitor your health. If you have even the most mild respiratory symptoms, such as a runny nose or cough, do not go to work. While working, make sure you wash your hands regularly and wear a protective mask.



Car hygiene

Sanitize your vehicle with anti-bacterial cleaning products between every customer. Provide masks for any customers who does not have one.



Contactless delivery

For delivery work, ask your platform to see if they offer 'contactless' delivery to reduce the risk of virus transfer. This typically involves ensuring 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. Your platforms should offer cashless payment solutions.



Show you care

Talk about your health and safety measures to customers. If you have a social media page, let your visitors and customers know how you are responding to the COVID-19 pandemic.



Yu Yu starts 'contactless' delivery

Yu Yu knows that customers are nervous about physical contact and the risk of transmitting the virus. She is already known for her professional standards, but has now gone a step further by offering 'contactless' delivery.

The new delivery protocol involves Yu Yu bringing groceries to the front door of the deliver address, then moving back and calling the customer. She also includes a small brochure on how to wash groceries before cooking or eating. Taking Yu Yu's lead, the delivery platform has now required this of all drivers.

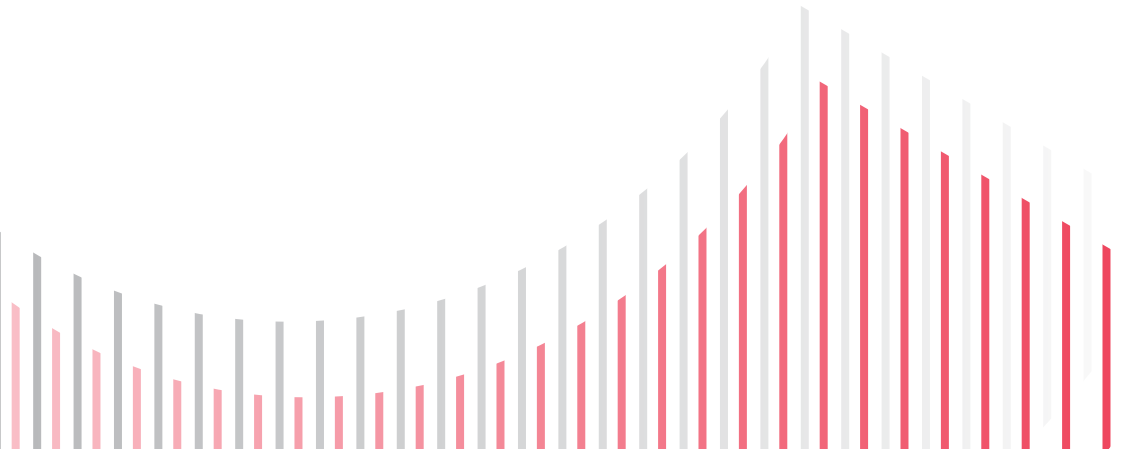


Complying with laws

Becoming a delivery or passenger driver for an online platform will require compliance with all of the normal civil and criminal laws, such as obeying road rules, entering into commercial contracts (including settlement of disputes) and liability for negligence. 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 regulations for companies selling online are currently under development. There are likely to be requirements for registration for e-commerce operators, though this is not yet finalized. However, you can expect that all of the normal laws including business taxation will apply to business selling online. If you join a delivery platform you should ask how they can help you protect this data, and comply with the law.

There are some legal issues specific to delivery or transport drivers that are evolving in countries around the world. For example, most delivery or transport apps will not consider you an 'employee' and will not pay the normal employment payments. Also, what liability does the delivery or transport app have in the case of an accident? Can they be partially liable if you are injured during work? These legal issues are being hotly debated around the world, and will change over time.



Getting paid

If you join a delivery or transport 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 credit card / debit card and the delivery platform collects the money and sends what it owes directly to your bank account. Some companies also have the option of paying you through digital wallets like WavePay where the amount directly gets transferred to your digital wallet.

For transport of passengers, the booking confirmation through the app should specify whether the customer intends to pay online or by cash. There are attempts by the major companies and the Government to move these transactions online. Payment online will also avoid the risk of transferring the COVID-19 virus through handling notes.

If you decide to go online by yourself, you should first speak to your bank about 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.





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).



BaganTrade.com

