

# **Inception Report**

## **Digital Experiment**

*Define the right segment of merchants and category for market*

*Enablement on QR*

## Project Rationale

Currently consumers though carry their mobile accounts while visiting retail outlets to perform their monthly groceries, car fuel refill, buying food and clothes but they don't have means to utilize the E-cash they have with them for paying the bills. To promote the digital payments it's imperative to enable, engage and equip the retail outlets on the means through which customer could able to pay bill electronically. Also , during COVID-19 ,it was established that physical cash may cause the spread of virus and FI's must introduce digital payment method to offer consumer touch less payment mechanism .In light of these challenges , Easypaisa would like to offer an alternate method of QR payments to their consumers .

## Project Scope & design

**Digital Experiment:** Define the right segment of merchants and category for market enablement on QR

### Hypothesis

*based on the on ground low engagement levels*

Retailer outlets that exists in established areas and in designated areas are more likely to adapt digital payments as compared to whole sale markets and dispersed standalone ones.

### Gap

*that prompts the need to do experiment*

Industry is nascent and for that matter merchant locality and segment for QR payments is unknown

### Experiments

*3 different experiments to be carried out to check the adoption rate*

1. Install QR touch points in 3 cities at 3 high end malls (Lahore Karachi Islamabad along with an experience zone)
2. Install QR touch points in 3 cities at local bazaar having dispersed locations with an awareness booth (experience zone)
3. Install QR touch points in a wholesale market (Sunday Market, Sabzi Mandi etc.) of 3 cities

### Key Points

*that will shape up the future course of action*

- Which merchant segment is ready to shift towards digital payments organically based on the experience alone?
- Identify the reason for most conversion from other payment methods to QR in different segments
- Identify key retailer locality for QR merchant acquisition and enablement

Telenor bank team will perform 3 different experiments to check the adoption rate of digital payments

**1 Acquire QR merchants at high end malls –**

Since in malls majority of the chain outlets exists that needs head office onboarding which is time consuming and evolves cumbersome approval process, so for that we will be targeting non –branded, sole proprietor merchants for agile acquisition and enablement of existing merchant(s), if any

- i. Lahore: Total of 50 locations in a given mall
- ii. Karachi: Total of 50 locations in a given mall
- iii. Islamabad: Total of 50 locations in a given mall

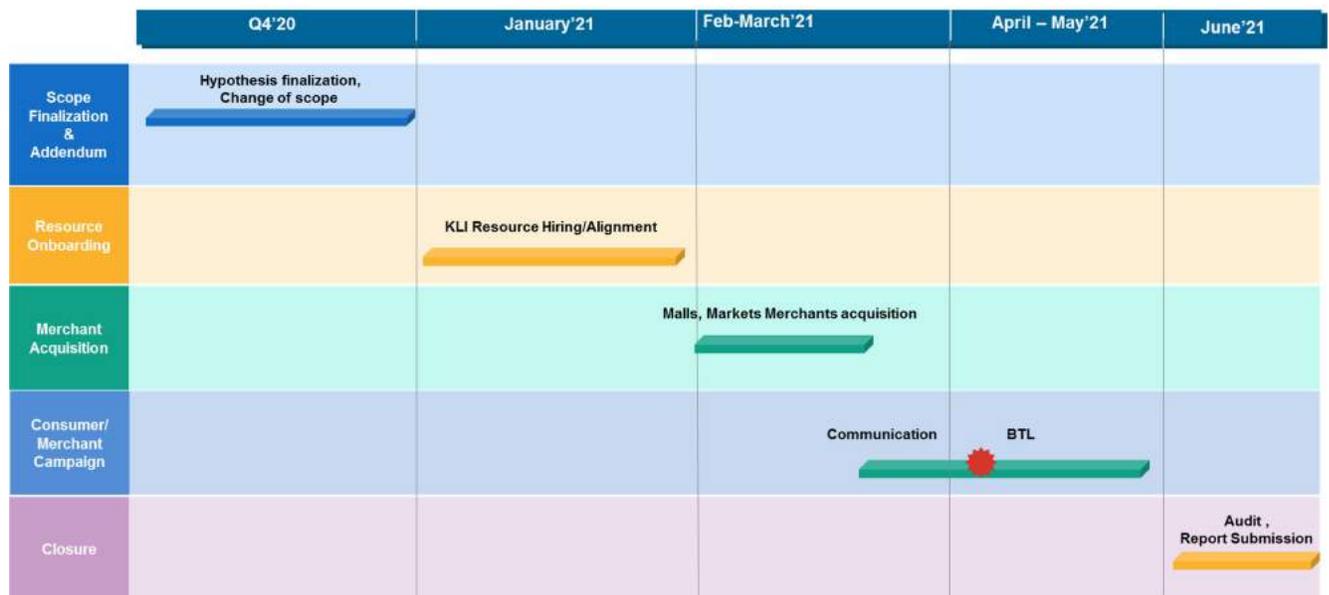
**2 Acquire QR merchants at local bazaar(s)**

- i. Lahore: Total of 300 merchants in and around Johar Town, Iqbal Town, Muslim Town, Garden Town & Gulberg
- ii. Karachi: Total of 300 merchants in and around Nazimabad, Gulistan e Johar, Gulshan Iqbal, given will be on boarded by sales team on Easypaisa proprietary QR,
- iii. Islamabad: Total of 300 merchants in Sector F/G 6, F/G 7, F/G 8, F/G 10

**3 Acquire QR merchants in wholesale market**

- i. Lahore: Total of 50 merchants in Sunday bazaars/fruit/vegetable market place
- ii. Karachi: Total of 50 merchants in Sunday bazaars/fruit/vegetable market place
- iii. Islamabad: Total of 50 merchants in Sunday bazaars/fruit/vegetable market place

**Project Timelines & Activities**



Duration	Activity	POC
10 Days	Resource Onboarding & Training	Channel
40 Days	Merchant Acquisition	Channel
60 Days	Campaign Communication & Engagement	Segments
10 Days	Campaign Closure and results finalization	Segments/External Auditor
	Successful completion of Audit	

By conducting the experiment Telenor will be able to understand/identify the right segment of merchants for large scale acquisition of merchants in top 10 cities of Pakistan to pace up the retail channel enablement for market adoption on digital payments.

## Deployment Plan

### a) For Malls

To acquire merchants in malls following locations will be targeted in KLI from categories of grocery, bakeries, and pharmacies but since merchants from these categories are limited in number then categories of fashion, cosmetic, and mobiles accessories category will also be targeted.

#### Islamabad

Malls	Area
The Centaurus Mall	F 10
Safa gold Mall	F7
Union Mall	F7
Malikabad Mall	6th Road
Giga Mall	DHA
Rabi Centre	Bahria
Midway	6th Road

#### Lahore

Malls	Area
Pace Shopping mall	Model town
Pace Shopping mall	Gulberg
City Tower	Gulberg
Siddique Trade Center	Gulberg
Panorama shopping Mall	The Mall Road
Hafeez centre	Gulberg
New Auriga Shopping Mall	Gulberg

#### Karachi

Malls	Area
The Forum Mall	Clifton
Atrium Mall	Saddar
Millennium Mall	Gulshan-i- Iqbal
Dolman Mall	Tariq Road
Dolman Mall	North
Saima Mall	Gulshan
RJ Shopping Mall	Gulistan e Johar

### b) For Wholesale/Densely Markets

To acquire merchants in highly dense areas/wholesale markets following locations will be targeted in KLI from categories of general range as ticket size at such locations is very high and wholesale retailer's acceptance on digital merchants is new phenomena that require steady effort.

#### Rawalpindi

Wholesale Market
Raja Bazar (Sarafa Bazar, Empiral Market, Kashmiri Bazar, Jaddah Market, Madina Market, Mochi Bazar, Laal haweli Chowk, Sport Gali, Moti Bazar)
Collage Road

#### Lahore

Wholesale Market
Anarkali
Shah alam market
Urdu Bazar
Beadon road

#### Karachi

Wholesale Market
Joria Bazar
Boltan Market
Light house
Water pump

### c) For Local Bazar/Markaz

To acquire merchants in local bazars multiple locations will be targeted in KLI with prime focus to engage categories that produces frequent transactions with low ticket size i.e. pharmacies, bakeries, groceries, mobile phone shops, photo states, fashion. 50% of these merchants will be acquired newly and 50% will be revived from dormant pool of acquired merchants.

**Islamabad/Rawalpindi** : E11,F11,F10,F6,F7,F8,G8,G9,G10,G11,I8,I9,Saddar,Commercial,etc

**Lahore**: DHA, Gulberg, Johar Town, Iqbal Town ,Muslim Town ,Bahria Town, Barkat Market ,etc

**Karachi**: Gulshan-e-Maymar, Bahdurabad, Clifton, DHA, FB Area, Gulistan e Johar, Gulshan-e-Iqbal ,North Nazimabad ,etc

### Telenor's QR Baseline Data

Indicators	Jul'20	Aug'20	Sept'20	Oct'20	Nov'20	Dec'20	Jan'21
Number of Transactions Through QR (Telenor)	60,120	60,074	80,685	90,096	98,373	181,166	155,320
Value of Transactions Through QR in PKR (Telenor)	499,177,868	455,527,304	582,823,327	646,604,599	726,234,437	777,947,511	1,335,153,854
Number of Registered QR agents (Telenor)	27,692	29,457	31,077	31,283	31,459	31,841	32,059
Active Agents of QR (Telenor)	5,707	6,389	7,525	5,269	7,740	8,359	7,127

### Execution:

#### Step 1: Hiring and onboarding of sales team resources

Total of 18 resources has been hired. 5 BDO's for merchant acquisition and 1 supervisor in each city.

S.No	REGION	Supervisor	BDO NAME
1	LAHORE	Ali Ramzan	Imran John
2			Amir Ashraf
3			Hassan Askari
4			Amir Hussain
5			Furqan Ali
6	ISLAMABAD	Shahroz	Farhan Shakil

7		<b>Malik</b>	Anser Tinauli
8			Sikandar
9			Ahtisham Rashid
10			Rizwan Fareed
11	<b>KARACHI</b>	<b>Habib Ansari</b>	Farhan Ahmed
12			Danish Awan
13			Muhammad Bilal
14			Ehsan Mughal
15			Agha Arsalan

### Step 2: Sales team training

Since the onboarding /alignment of resources is done, training has been carried out on the scope of the experiment along with the sales pitch



Training Deck.pptx

### Step 3: Merchant Onboarding

During duration of 40 days, sales staff will pitch and acquire or enable already acquired merchants as per the allocated target i.e. 80 /resource

### Step 4: Merchant and Consumer Campaign

Campaign with focus on generating repeated trial over the duration of 60 days is proposed, and for that purpose lucky draw based incentive serves the objective.



## Step 5: BTL & Experience Zones

### Activating multiple touch-points to increase awareness and engagement



## Risks & Challenges

There are multiple challenges & risk that will always be threat to project & digital payments whenever one tries to penetrate in such market & few of the challenges are mentioned below:

### **Acceptability of Digital Payments by Merchants**

Since QR payment will replace physical cash with E-cash whereas merchants current lifecycle is defined in a way where they have to make cash payments, this may create bottleneck in merchants day to day operations and eventually pose a challenge to sales team during acquisition.

### **Uncertain Situation of Markets due to Covid'19**

Situation of market is very volatile & uncertain due to Covid'19 and there are numerous SOPs pertaining to market situation that contrasts from city to city and gets frequently change from time to time which may impact on working of sales team as well as build interest of merchant to adopt digital payments.

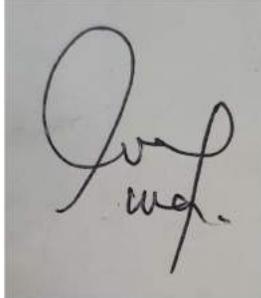
### **Turnover Rate of contractual BDO/Sales team**

High turnover rate of contractual staff of project, may hamper the progress of merchant acquiring & project as hiring, training & achieving sales team target is time consuming.

**Report Submitted by**

**Name**  
**Signature**

Usman Kokab Khan

A square image showing a handwritten signature in black ink on a light grey background. The signature is stylized and appears to read 'Usman' followed by a smaller, less legible name or initials.

**Date of Submission**

12<sup>th</sup> March 2021