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 DIGITAL PAYMENT AND CREDIT SERVICES FOR MICRO MERCHANT

Merchants’ Development Driving Rural Markets (MDDRM) aims to stimulate the expansion of digital financial services for Micro-merchant segments by encouraging innovation and linkages between retail and financial services industries. MDDRM primarily focuses on its interventions in Sirajganj, Tangail, Jamalpur, and Sherpur districts targeting 10,000 retail Micro-merchants.

The countrywide survey of micro-merchants conducted by UNCDF revealed that access to credit is one of the challenges micro-merchants are facing in the field. The findings show the underlying opportunity for FSPs to offer a business solution to facilitate integration and adoption of the digital innovations and payments in the FMCG - micro-merchants retail supply chain in Bangladesh.

The SHIFT SAARC programme of UNCDF identified that facilitating digital payment and credit services for micro-merchants in Bangladesh through the market-based intervention would help in digitizing the merchant supply chain and increase the use of digital financial services. It will also open the door to access formal credits by the micro-merchants.

Bank Asia consortium came up with the business model that will help micro-merchants earn additional revenue, opportunity to store and generate financial statements, and access to formal credit opportunities through alternative credit scoring.

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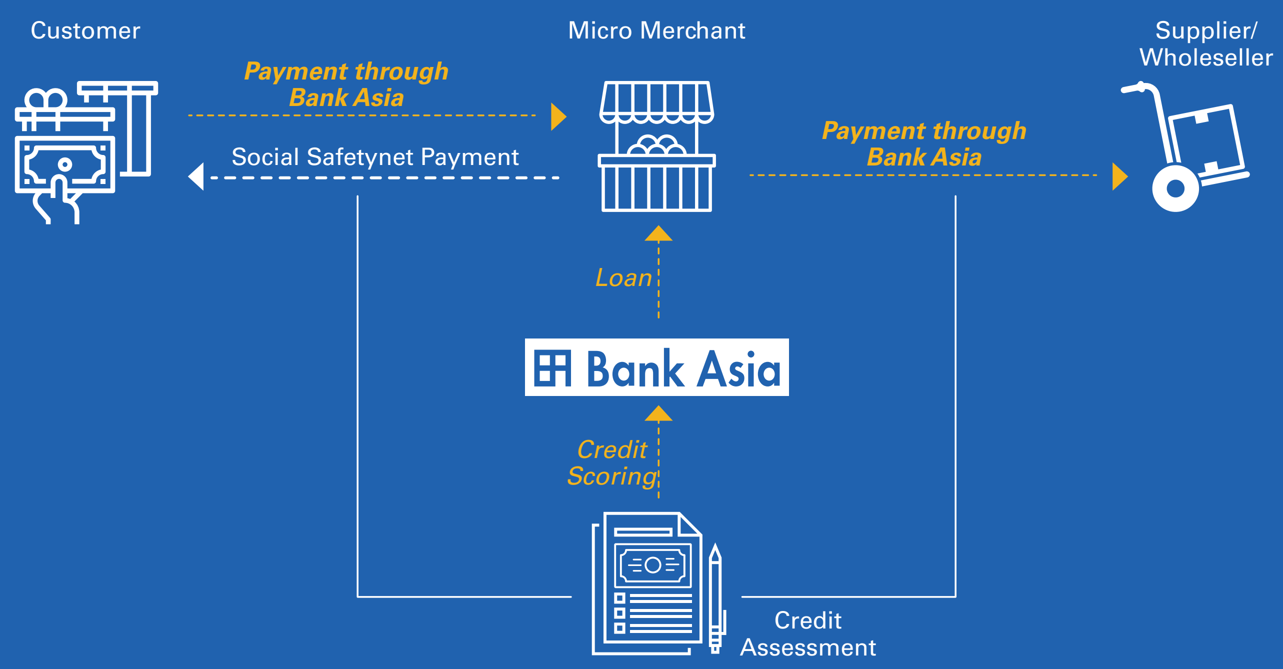
BUSINESS MODEL



KEY OUTPUTS

- 500 micro-merchants on-boarded
- New Business Generation for MMs
- Social Service Activities
- Govt. Safety Net Payments
- Digital Payment during product purchase

BENEFITS FOR STAKEHOLDERS

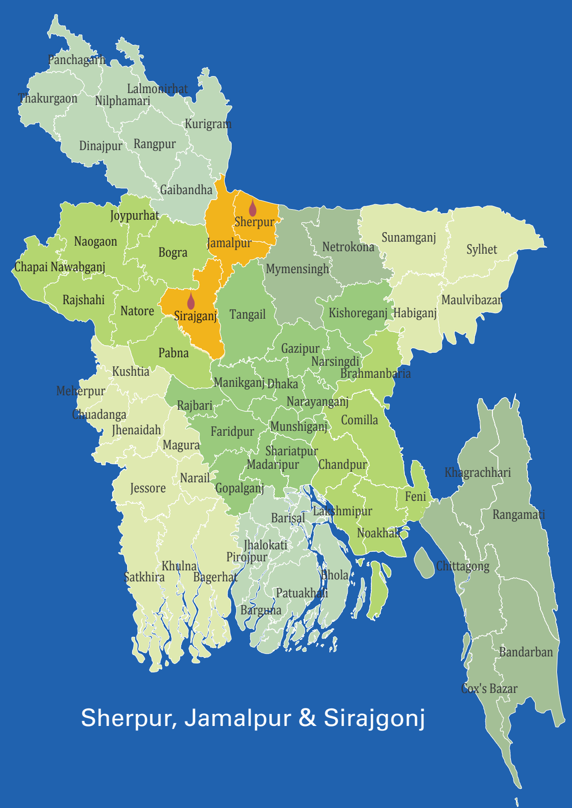
END CUSTOMER

- Digital Payment Solution
- Awareness of financial
- Save time & expenditures for travel
- Secured transection
- Risk mitigating cash management

MICRO MERCHANT

- Digital transaction
- Business Growth
- Risk mitigating cash management
- New Business Generation
- Savings in Bank Account
- Digital payment to distributors
- Payment to supplier anytime
- Daily sales report generating
- Recurrence footprint of customers at MM points
- Working Capital Support (easy loan)

PROJECT LOCATIONS



Sherpur, Jamalpur & Sirajgonj

KEY FEATURES

- Digital Payment Solution
- Daily sales/purchase report preservation digitally
- Digitizing value chain
- Working capital support
- Secured transection
- Awareness about digital payments
- Financial literacy for Micro-Merchants

EXPECTED OUTCOMES

- Deposit in bank account
- Utility bill payment
- Foreign remittance collection
- Facility of fund transfer
- Working capital support to MMs
- At least 60% MMs are active users

FUTURE STRATEGY

- Bring all types of micro merchants across the country in the platform of digital banking platform
- Create an eco-system for MMs at the rural settings
- Cross-cutting issues, including gender equity to be more focused in upcoming MM business policy

BANK ASIA PRESENCE

THROUGHOUT THE COUNTRY:

250,000
Micro-Merchants