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Digital Onboarding Playbook



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This playbook was brought to life with the contribution of companies that shared their lived experiences serving MSEs in the last mile. They are:

GHANA









RWANDA







INDIA



SOUTH AFRICA





About the playbook

Customer onboarding should be an intentional process, not just to welcome a customer, but to educate and encourage them to use and pay for your product. When done well, customers will see the value of your platform and become regular, active, and satisfied users.

The Digital Onboarding Playbook is a hands-on tool designed to help digital platform companies in Africa to reach micro and small enterprises (MSEs) and onboard them strategically into loyal customers. There is an emphasis on practical and applied knowledge, as you will see in the exercises and tools included in each chapter.

Who is the playbook for?

The Digital Onboarding Playbook is aimed mainly at digital growth-stage companies in Africa serving informal, less digitally savvy MSEs. It should also be instructive as a blueprint for early-stage tech startups in emerging markets serving low-income customers in the informal economy and last mile.

What can the playbook help you do?

From the moment you have a customer lead, the playbook can be used to strengthen internal processes, automate important steps, and create a system to onboard customers smoothly and successfully. Our insights and practical tips – drawn from direct experience accelerating companies in emerging markets – can help any digital platform attract customers, engage with them and build their trust, and retain them over the long term.

HOW TO USE THE PLAYBOOK

The playbook is designed for busy founders and their leadership teams in a "pick your own adventure" style. You can read each chapter as a standalone section or all chapters from start to finish. Depending on what you are most interested in improving in your onboarding approach, you might start with the suggested chapters below:

1

If you are in the very early stages of your venture or want to holistically evaluate and/or redesign your onboarding approach

Read **Chapters 1 to 5**

Be sure to refresh yourself on the terms in the Glossary

2

If you need your team to be more effective at acquiring MSE customers

Focus on **Chapter 2** and **Chapter 3**

3

If you need your team to be more effective at serving and retaining MSE customers

Focus on **Chapter 4** and **Chapter 5**

How the playbook was developed

The playbook was developed based on BFA Global's experience working with tech startups in emerging markets, especially those at the intersection of digital, fintech, and e-commerce products and solutions. We refer to this broadly as "digital commerce" in markets where the industry is still in early stages of development (compared to countries where e-commerce is mature). The playbook captures what we have learned from these companies and organizations, and these lessons and examples have been consolidated into models that other companies can apply to their business.

Four of our digital commerce programs have informed the material in this playbook:

- 1 The Inclusive Digital Commerce Accelerator in Ghana
- 2 The iHuzo project in Rwanda
- 3 The WeDo project in India
- 4 The Digital Spazas program in South Africa

GHANA

Inclusive Digital Commerce Accelerator

Digital commerce companies in Ghana typically lack the capital, talent, data, and connections to develop adequate solutions for informal MSEs and bring them to scale. The Inclusive Digital Commerce Accelerator, operated by BFA Global with the support of the Mastercard Foundation, supported the growth and resilience of MSEs to create a more inclusive digital commerce ecosystem for all Ghanaians in a post-COVID-19 world. The Accelerator provided six digital commerce companies – **Boost Ghana, KudiGo, OZE, Shopa, Swoove, and Tendo** – with the inputs they needed to scale, including: (1) access to capital, (2) bespoke venture acceleration to unlock opportunities to reach and engage with informal MSEs, and (3) connections with investors, capital providers, and other value chain actors to deliver more innovative and appropriate digital commerce solutions for MSEs, address the barriers they face, and foster growth of the ecosystem.

Almost **69K**

youth were able to sustain or improve their livelihoods as a result of using the products and solutions of these six digital commerce companies.

RWANDA**iHuzo**

The iHuzo project invited all operational e-commerce marketplaces in Rwanda to onboard MSE vendors and get the support they need to create work opportunities for youth through a central **online resource hub**. During implementation we learned that e-commerce marketplaces also needed intensive support to operate and grow their businesses. A marketplace assessment revealed a huge gap in business operations, processes, and procedures, as well as the technology they use.

There was also a lack of market research, agility, differentiated offerings and know-how, which collectively prevented the marketplaces from scaling up. We established the Accelerator and Incubation Program, with the support of the Mastercard Foundation, to help digital commerce companies improve in critical areas of business and become investment ready.

As a result of this support, the project was able to onboard more than 800 businesses onto digital commerce platforms and create work opportunities for more than 1,200 youth.

INDIA**Women Enterprise Digital Onboarding (WeDo)**

In August 2021, BFA Global, with the support of the Bill & Melinda Gates Foundation India, began working with Shilpgram, a company supporting women-run collective enterprises, to transition to a digital platform selling traditional Indian handicrafts. The pilot project connected women artisans with high-paying customers using digital platforms and tools. BFA Global helped revamp Shilpgram's brand identity and visual design to better communicate their core values and value proposition, developed a B2C platform, and optimized how Shilpgram used WhatsApp and Instagram to establish important customer relationships. The team also identified meaningful demand opportunities via influencer marketing, B2B resellers, and brand collaborations. To meet increased demand, BFA Global also worked with Shilpgram to address the supply side, getting orders to satisfied customers more easily and efficiently while also streamlining backend operations.

x5

By the end of the pilot, Shilpgram's e-commerce monthly sales revenue increased

The associated women collective enterprises reported a gradual increase in the number of orders they received with work engagement increasing from 3 days to up to 5 days in a week followed by a subsequent increase in the overall incomes.

SOUTH AFRICA

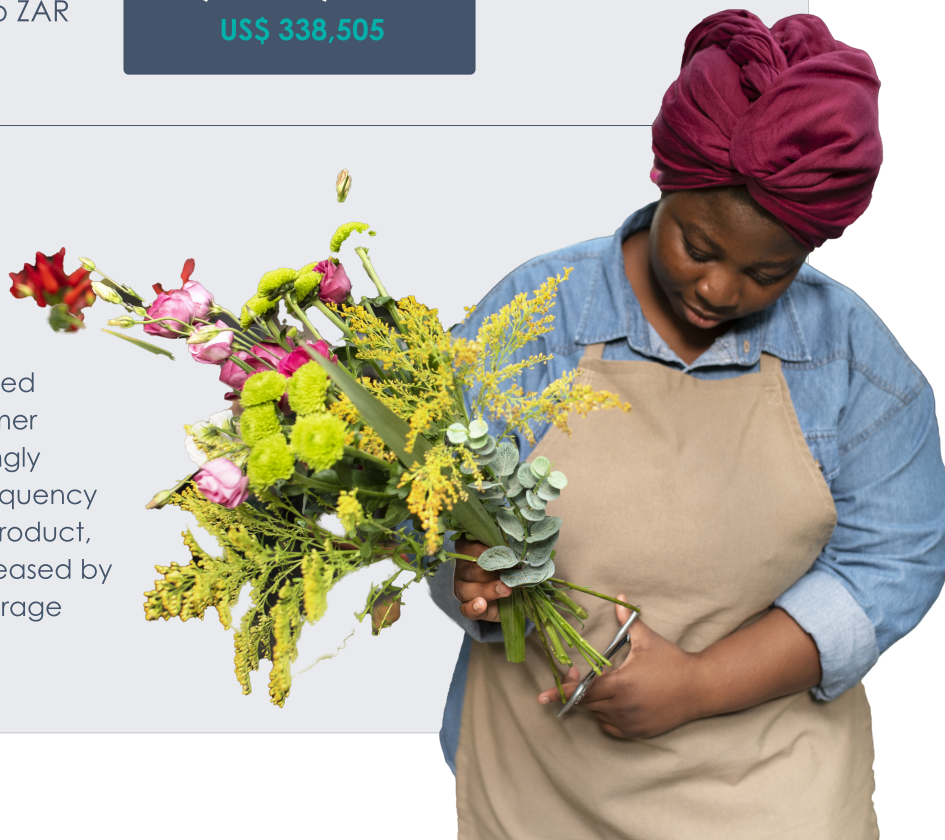
Informal MSEs are crucial to fostering inclusive growth in South Africa's townships in the wake of the COVID-19 pandemic. There are 5.78 million MSEs in South Africa, most of which operate in the informal retail sector and account for 40% of economic activity in townships. COVID-19 severely affected informal MSEs, which were more vulnerable since they lacked access to digital tools and financial services. The Digital Spazas program tested innovative e-commerce and digital financial service solutions to improve the financial resilience of informal MSEs. It supported three growth-stage tech innovators ([A2Pay](#), [Vuleka](#), and [YeboFresh](#)) with grants and bespoke technical assistance. These solutions will help informal MSEs to access working capital to purchase stock, digitize business operations to increase operational efficiency, as well as create and leverage data trail to offer suitable financial services and business support to MSEs.

The BFA Global team helped A2Pay develop a WhatsApp credit wellness that tracked engagement with the content and facilitated subsequent action to obtain credit. It led to an increase of 200 new loans approved over the project period through a much higher application and approval rate. Moreover, due to big operational efficiencies, A2Pay is increasingly onboarding WhatsApp tools to deliver other components of their training and mentoring of shops. BFA Global also supported Yebo Fresh and Vuleka design pilot buy-now-pay-later MSE solutions for purchasing stock. Post-pilot, the number of spazas that had signed up grew by 50% totalling 450 signups, and with default rates of less than one percent.

The value of stock provided via the product more than doubled to ZAR

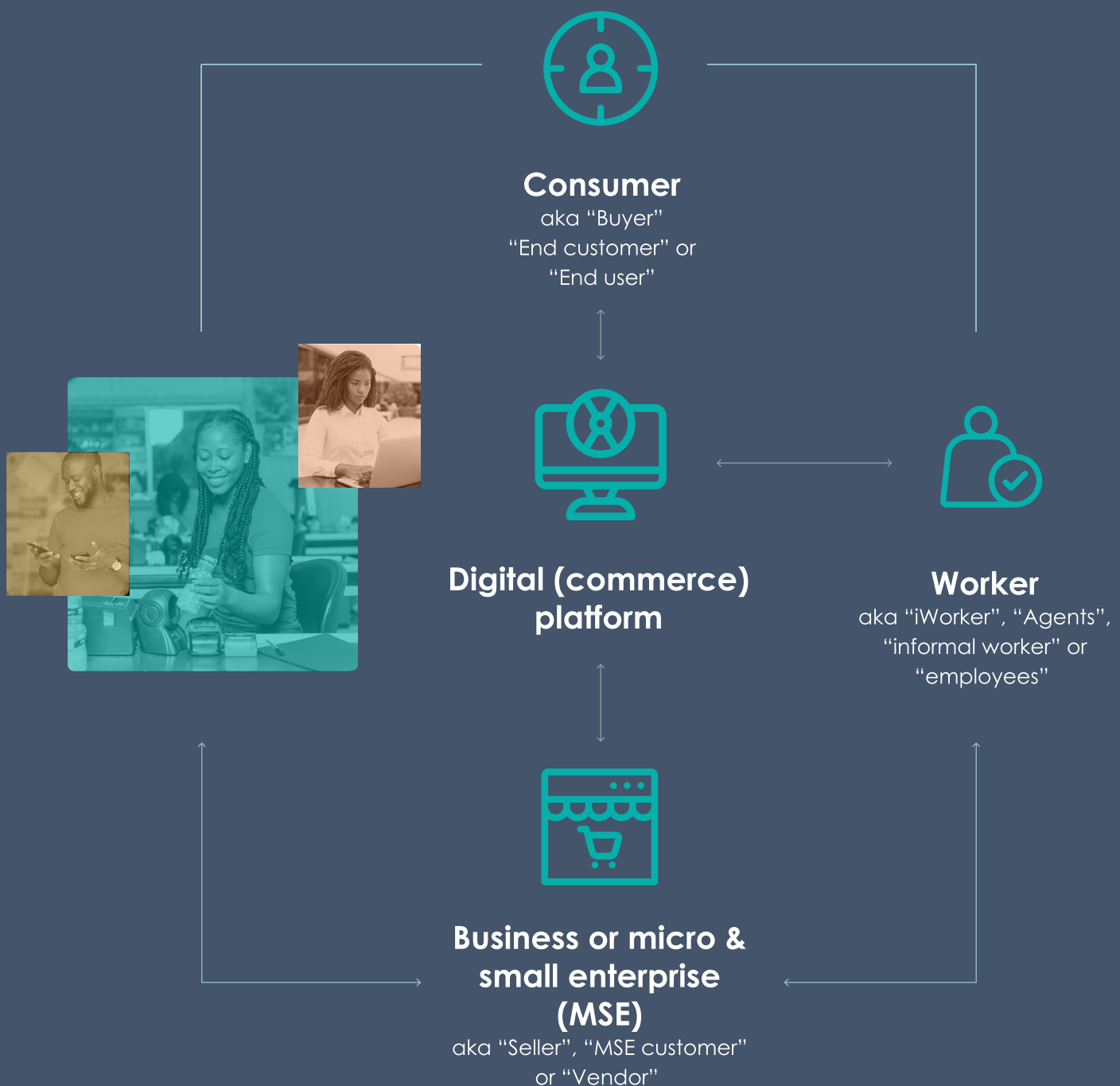
5,818,689
US\$ 338,505

Both startups noted significant improvement in customer loyalty and increased basket sizes among spazas accessing stock on terms and are continuing to scale the offering. Yebo Fresh noted significant improvement in customer loyalty, as 50% of spazas increasingly maintained a consistent order frequency after accessing the stock boost product, and the average basket size increased by almost 20% compared to the average pre-onboarding basket size.



Who's who in the playbook?

Refer to the Glossary for definitions of the following terms used in the playbook.



Introduction

Informal micro and small enterprises (MSEs) in Africa, which are largely run by women and youth, were severely affected by the COVID-19 pandemic at its peak. While MSEs have demonstrated resilience by finding new ways to run their businesses and adopting digital tools and approaches, the most informal and paper-based MSEs were hit hardest because they did not have the skills or access to digital tools to take advantage of new opportunities in the digital economy.

When BFA Global launched IDC in Ghana in September 2020 with the support of the Mastercard Foundation, the digital commerce ecosystem was still in the early stages. Newer fintech and e-commerce companies were gaining traction and large players like Jumia were expanding their operations.

Since then, of the \$279 million in venture capital raised in Ghana (see funding map), 82% has been directed to digital commerce. Today, at least 36 Ghanaian companies across different sectors are engaged in digital commerce in some way, from agriculture and food to education and jobs, fintech, healthcare, logistics and transport, retail, and services¹.

Still, **digital commerce was a bright spot in the COVID-19 pandemic**, with many MSEs in sub-Saharan Africa reaping the benefits. In the Inclusive Digital Commerce Accelerator (IDC), the MSE customers of the portfolio companies experienced

40%

growth in revenue on average in 2022, despite economic shocks and rising inflation.



Funding raised by start-ups in Western Africa since 2019

For more, visit thebigdeal.substack.com by Max Cuvellier & Maxime Bayen

¹ Author's calculation from [Africa: The Big Deal](#), Startup Deals Database

Despite investment flowing into West Africa's digital commerce ecosystem, economic activity, trade and employment opportunities have declined, exacerbated by other global shocks. In Ghana, the economy has taken a significant hit, with inflation rising four-fold. In Rwanda, the inflation rate reached an all-time high of 33.8% in November 2022.

BFA Global recognized that a more inclusive and thriving digital commerce ecosystem would create opportunities and strengthen the resilience of informal MSEs and young iWorkers (our term for gig workers who use tech to do their work).

In Rwanda, we found that more than 60 companies were categorized as digital commerce businesses but no more than 25 were operating and thriving. This was mainly due to low skills and a lack of financial resources and know-how. In January 2021, in partnership with Access to Finance Rwanda and with the support of the Mastercard Foundation, we launched the iHuzo project, which accelerated the growth of MSEs by onboarding them onto digital platforms, creating 2,000 jobs for youth.

In South Africa, BFA Global launched Digital Spazas in partnership with J.P. Morgan to strengthen the financial health and resilience of 'spazas' – informal retailers in the South African townships – and helped them digitize to be more resilient to future crises.

The program set out to demonstrate that digitally enabled MSEs are better equipped to survive and bounce back from unexpected shocks, are better able to grow through higher sales and operational efficiencies, and can ultimately access an expanding suite of financial services. In a similar vein, we worked with an Indian e-commerce platform, Shilpgram Mahila Producer Company, in our WeDo project to drive more revenue via online sales for women enterprise collectives as part of the national rural livelihoods program. This pilot project was supported by the Gates Foundation.

The Digital Onboarding Playbook was conceived to **tackle the complex challenge of reaching low-income and last-mile MSE customers** who tend to be less digital, and to give tech companies in African markets a hands-on and practical tool to onboard these customers strategically, effectively, and at scale. Through an ecosystem survey of 76 startups we conducted in Ghana, we validated that the difficulty of onboarding non-digital MSEs to digital platforms, products, and services was acting as a barrier to the growth of the digital commerce ecosystems.

Almost three years after the COVID-19 pandemic began, global economic shocks are still rippling through Africa's economies. This makes it more important than ever to onboard vulnerable MSEs to digital ecosystems, as it will make vital information, tools, and services more accessible and enable them to sustain their livelihoods and recover from downturns.

What is digital onboarding?

Digital onboarding is the process of integrating a new customer into a process or platform and supporting them to make their first transaction. The onboarding process is a key part of an MSE's customer journey, and occurs primarily in the Acquisition, Activation and Retention stages, as viewed through the Pirate Metrics Funnel (see illustration).

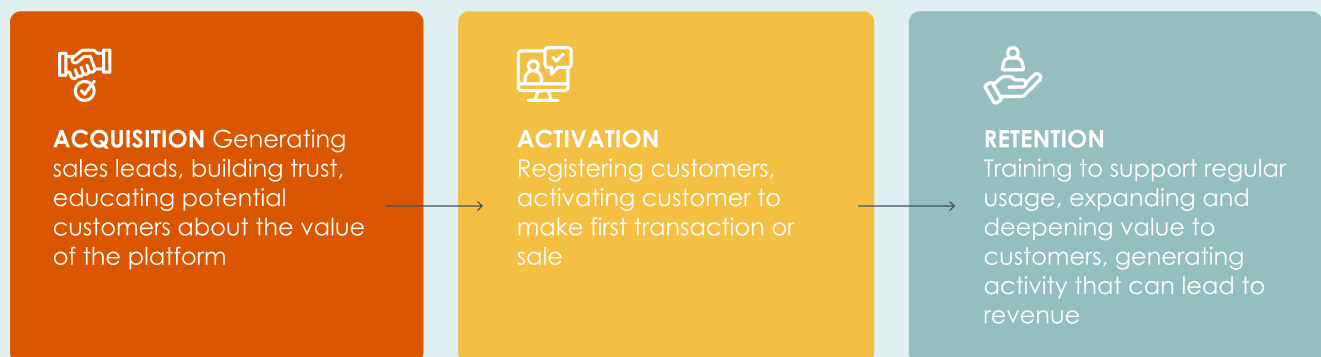


Pirate metrics for growth along customer journey
(*awareness is not always included)

The digital onboarding journey

For each stage of onboarding, you should define which teams will lead the activity, what they will provide, and what metrics they will use to track the effectiveness of onboarding. Below are some examples of the onboarding journey with their respective objectives.

Onboarding objective



Customer onboarding

| Company Role/activity | <ul style="list-style-type: none"> Sales/marketing and communications Training Customer support | <ul style="list-style-type: none"> Customer engagement Vendor management | <ul style="list-style-type: none"> Customer success |
|-----------------------|--|---|---|
| Metrics | <ul style="list-style-type: none"> Leads Downloads Quotes | <ul style="list-style-type: none"> Registrations / Downloads Transactions Uploaded content | <ul style="list-style-type: none"> Average order value Active sellers over time period NPS |

Here is a practical example. To onboard MSE vendors to an e-commerce platform, you will first need to convince them that e-commerce can offer value to their business. Once they are recruited, you will help them create online content to list and sell their products or services. Vendors need to learn to take high-quality photos, write product descriptions, price products, and manage their inventory.

All these new ways of operating can be tedious and frustrating at times, and will require a lot of support and hand-holding. Some e-commerce platforms try to minimize this friction altogether by managing production in-house, speeding up the process of getting vendor shops online.

“

Customer onboarding is a nurturing, iterative process that gets new users and customers acquainted with and comfortable using a product or service. Onboarding low-income, less digitally savvy customers will require a lot of in-person interaction and support, even if the product or service is 100% digital.



Part 1

ACQUISITION



Some definitions

Acquired user

Users who have provided enough information to be identified and contacted at a later date.

Active user

Users who have experienced the value offered by the platform.

Retained user

Users who have been active for a defined period (i.e., 3 months).

Onboarding

The process of integrating a new customer into a process or platform with the aim of supporting the customer to make their first purchase or transaction.

Digital onboarding

The process of integrating a new customer into a digital process or platform and supporting them to make their first purchase or transaction.

Self-onboarding

A new customer signs up and transacts over a digital channel without any support.

Assisted onboarding

A new customer receives some form of support from an agent, customer support, or in person.

Directed onboarding

Onboarding is done physically in offices, on-site, or via live training (can be remote).

Ch. 1. Choosing your digital onboarding strategy



Author: **Akua Nyame-Mensah.**

As a former start-up executive, Akua has experience launching and growing an online business across West Africa's two biggest markets and has recruited, coached, and managed diverse teams. Akua was previously the Managing Director of Jumia Classifieds in Ghana & Nigeria. Visit <https://www.akuanm.com/> to learn more about Akua.

Chapter in brief



THE CHALLENGE

A company's onboarding approach is critical for turning leads into active users and long-term customers. Companies need to be thoughtful about their approach and design their onboarding to meet the needs of very different customer segments while sustainably managing the cost of in-person approaches.



WHY IT HAPPENS

Onboarding might not be viewed as a strategic company activity and, therefore, the objectives, approach, and processes may be poorly defined.



THE SOLUTION

Companies should take the time to evaluate their onboarding strategy for their target customer segments and consider the range of strategies to design and employ, and to adapt over time and as the business grows.

Introduction

To begin, decide on your onboarding strategy. This is a three-step process:

The Onboarding Process

Step 1.

Understand your customers

Step 2.

Set your onboarding goals

Step 3.

Choose your tools and technology

Treat your onboarding strategy as an ongoing and iterative process. Revisit and update it periodically to ensure it is still effective and adjust onboarding time and costs.

Step 1

Understand your customer.

Customer onboarding begins with having an in-depth understanding of your customers – their literacy levels, digital skills and access, as well as their habits, behaviors, likes, and dislikes.

Tool: Understand your customer by creating customer profiles

Step 2

Set your onboarding goals.

Ask yourself: What does onboarding mean for your company and what does it look like? Your onboarding goals will determine which onboarding strategy you choose and guide your customers' onboarding process.

Tool: Define goals and map the process

Step 3

Choose your tools and technology.

Select the channels, platforms, technology, and communication that suit your target customers and decide how you will use them. Your customers' willingness and ability to use the channels you have selected will determine whether your onboarding process is successful.

Tool: Choose tools and decide how to use data

Each of these decisions will determine how long your onboarding takes and what it will cost. After covering the basics of onboarding strategies in this chapter, consider completing the tools in each step above (tools are located at the end of this playbook) to think through and outline the approach you should take.

Overview of digital onboarding strategies

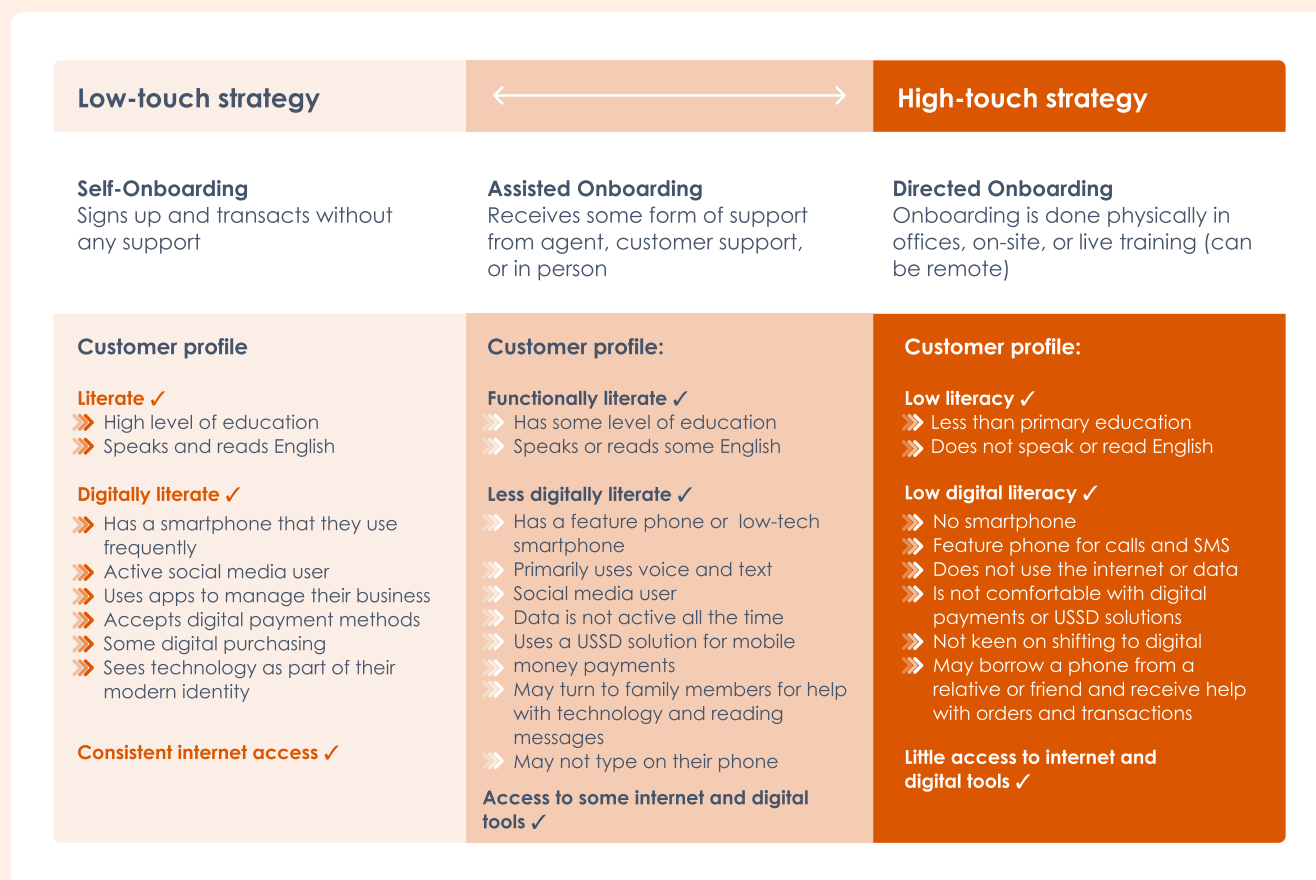
Does your customer have a basic understanding of how to use a digital platform, whether from a mobile phone, a desktop, or a tablet? Do they have the proficiency for everyday use? You will likely have a combination of MSE customers with different levels of digital skills, digital access, and personal preferences. In this section, we look at three basic onboarding strategies for three types of customers.

Every onboarding strategy requires a different level of customer attention and support. Less digitally savvy MSEs might need significant hand holding. Others might be looking for convenience and speed, while others might be tech-savvy and self-sufficient but may not trust your platform yet. Each will require a different onboarding strategy.

Most digital platforms make the mistake of having a completely digital (low-touch) onboarding approach, but this requires a specific type of digital-ready customer. It is important to have a clear understanding of the types of customers you have and know when to take a hybrid approach.

You will need to adapt your onboarding strategy based on the profiles of your target customers: their digital literacy, digital access, and appetite to use digital for their business.

Consider the spectrum of onboarding strategies below, ranging from low-touch (mostly digital, remote interaction) to high-touch (more direct, in-person contact with your customers.)



Digital onboarding strategies in action

Now, let's take a look at what each onboarding strategy looks like in practice for different digital platforms.



An example of a large e-commerce player serving multiple African markets

<https://group.jumia.com/business/marketplace>

Jumia Marketplace is a major African e-commerce company selling electronics, books, home appliances, clothing, and more. Even a company the size of Jumia needs to approach onboarding strategically, and they have taken a hybrid approach.

Jumia's onboarding strategies

| Low-touch strategy | | High-touch strategy |
|---|---|---|
| Self-Onboarding | Assisted Onboarding | Directed Onboarding |
| <ul style="list-style-type: none"> » Self-registration on website » A vendor can go straight to the Jumia website, upload photos and create an account without any support. | <ul style="list-style-type: none"> » CSV export template » A member of the Jumia team sends a vendor a CSV export template. Once the vendor completes the template, they send it back and the Jumia team uploads it to the website. | <ul style="list-style-type: none"> » Agents provide face-to-face support at the store or warehouse. » A Jumia agent comes to the vendor's office or warehouse to take photos and complete the upload. |



An example of a fast-growing startup serving West Africa

<https://tendo.app/>

Tendo is a social commerce platform that enables anyone to start an online shop with zero capital. This is done by connecting suppliers to independent resellers (women and young, tech-savvy university students) who use their social media channels to earn money each time a sale is made. Tendo's reseller customers are already digital users – most are able to self-onboard but some users have questions and need support.

Tendo's onboarding strategies

| Low-touch strategy | | High-touch strategy |
|--|---------------------|---------------------|
| Self-Onboarding | Assisted Onboarding | Directed Onboarding |
| <ul style="list-style-type: none"> » Combination of assisted and self-onboarding. Assistance is mainly provided in the initial stages and only for some users. Others are digitally savvy enough to onboard on their own. » Tendo first does a massive recruiting of users who are directed to a single WhatsApp account. From there, users are instructed to sign up to Telegram where they are assigned to smaller groups and a dedicated account manager assists with onboarding and questions. | | |




Pros and cons of digital onboarding strategies

To select the most efficient and cost-effective onboarding strategy for your company, it is helpful to understand the pros and cons of each approach.

| | Self-Onboarding | Assisted Onboarding | Directed Onboarding |
|---|--|---|--|
| Typical approach customer takes to register or join your platform | <ul style="list-style-type: none"> » Self-onboard via iOS, Android, or web platform. | <ul style="list-style-type: none"> » Customers need additional training or support via FAQs or a help desk that provides marketing, technology, and IT support. | <ul style="list-style-type: none"> » The company takes on the role of content creator and/or uploading on behalf of the vendor. |
| Critical process, design, and usability elements to consider | <ul style="list-style-type: none"> » The platform needs to be straightforward and easy to use. » There needs to be an option to escalate or communicate with a live person if there is an issue, either customer support or team members. | <ul style="list-style-type: none"> » Clear guidelines and communication and support channels need to be provided and reinforced. | <ul style="list-style-type: none"> » If there are additional onboarding costs the value of the platform needs to be clearly demonstrated, and all steps need to be clearly communicated. » You will need to have a concrete understanding of the cost of customer acquisition and onboarding, especially if it is included in pricing. |
| Trade-offs to consider between costs and customer experience | <ul style="list-style-type: none"> » Most affordable but can be a waste of resources in the long run if customers are not retained or do not become the type of customers you desire. » Self-onboarding can lead to errors, poor quality, and poor management. » The process can frustrate potential customers if it is not straightforward and clear. Problems need to be resolved promptly to maintain trust. | <ul style="list-style-type: none"> » Can be expensive if MSE customers take advantage of the support and do not have clear boundaries on how and when to use support. » Assisted onboarding can allow strong relationships to be built. | <ul style="list-style-type: none"> » Typically the most expensive, especially in the short term. » Producing high-quality content is time consuming and expensive. » Vendors may never learn how to use the platform correctly and rely on you continuously for support, which may not be sustainable. |
| Who would need to be involved in this strategy | <ul style="list-style-type: none"> » You should have an advanced product to leverage this strategy. » Customer service staff need to actively support customers who cannot figure out how to use the platform by themselves. » Your UX/development team must be agile in improving interface-related challenges. | <ul style="list-style-type: none"> » Customer service agents are key to leveraging this strategy. <p>Feedback can be captured and used to create calls to action that directly supports onboarding.</p> | <ul style="list-style-type: none"> » This strategy is difficult to scale and can become very expensive. <p>Agents need to be trained well and consistently as your brand ambassadors. They also need adequate travel time and resources to support customers in person.</p> |

Case study

Boost Ghana: Using WhatsApp to onboard and digitize users

| Market | Type of digital platform | Onboarding strategy |
|--|---|--|
|  Ghana |  Retail |  Hybrid approach |

Snapshot: Boost Ghana is a B2B commerce platform for retail entrepreneurs that run neighborhood grocery and convenience stores. Boost Ghana leads with their digital platform even though they support less digital customers – shopkeepers – who are registered digitally by agents and immediately shown a digital catalog of physical goods. Although self-onboarding would be ideal and allow them to scale faster, most of their customers are semi-literate and need guidance and assistance with initial onboarding. Boost Ghana's customer profile requires a team on the ground to recruit and onboard shopkeepers.

A mix of onboarding techniques

The strategy Boost Ghana uses to engage with potential customers depends on how they were acquired and their level of digitalization.

Self-onboarding: Boost Ghana has done a social media push and is trying to recruit shopkeepers through Facebook or WhatsApp. Those who are acquired through these channels are considered “self-service” or digital customers who can self-register and place orders by themselves without support. About 20% of Boost Ghana customers currently self-onboard, but the company expects this number could increase to over 33% with time.

Assisted onboarding: About half of customers are registered and activated by freelance field agents or van sales representatives by Boost Ghana's distributors partners. About 75% of shop owners have a smartphone and, for those who use WhatsApp, agents collect their information and start completing the WhatsApp request for registration. Some users have their children or relatives register for them so they can place orders through them.

Directed onboarding: Less than 30% of Boost Ghana's customers require full, in-person onboarding support. This support is usually provided to shopkeepers who do not have smartphones but are interested in the service. In this scenario, the agent gets the details of the shopkeeper and directly registers them through the assisted registration portal. Whenever they need assistance or need to place an order, the agent visits to help.

Onboarding benchmarks: After three successful orders, the shopkeeper is handed over to a permanent account manager who visits them and the onboarding process is considered complete.



Tools and software for assisted onboarding

Boost Ghana currently provides agents with an Android smartphone and they use a project management app to record the details of the shopkeepers. WhatsApp and a WhatsApp bot are used to register the shopkeeper. A light web catalog is provided for users to order goods.

Next steps

Boost Ghana wants to scale quickly. While they recognize that it is important to increase self-onboarding options for their MSE customers, most retailers in Ghana are semi-literate and need guidance and assistance to be onboarded properly. Boost Ghana is continuing to invest in and experiment with Facebook and social media ads, but will not reach most retailers this way. Ordering products through an online platform is a new approach for most shopkeepers, which means Boost Ghana needs to invest in customer support to explain the value proposition and show them how to use it.

Note: At the time of publication, Boost Ghana had pivoted to primarily support wholesalers (suppliers of products to MSEs).

Exercise

Moving a customer along the digital onboarding journey

One of the questions you might be asking yourself as a company with limited resources is what it takes to move an MSE customer from a high-touch to a low-touch experience. After all, this may be required for your company to reduce costs and be able to scale. How do you approach this process? Where, who, and how can you digitize your onboarding?

Consider the decision tree below and the questions you will need to ask yourself to start making changes to your onboarding approach:



Remember



Some people will find it difficult to change a behavior, such as using an app or switching from in-person transactions to digital.

It will not always be feasible to move a customer to a lower touchpoint, particularly those with low literacy levels or who live in rural or remote areas.

Consider what customer support should look like to bolster the onboarding process. [Read Chapter 4 to optimize your customer support strategy](#) in alignment with your onboarding strategy.

Dos and don'ts



Understand your customers and tailor your digital onboarding strategy to them.

You will likely have a combination of MSE customers with different digital skills and levels of digital access. It is important to have a clear understanding of the types of customers you have and be prepared to take a hybrid approach.

Have clear goals for customer onboarding.

Your onboarding goals will direct your onboarding strategy, your customers' onboarding experience, as well as their retention rate.



Automatically start with a digital-first approach to onboarding.

Digital tools, communication channels, and technologies you are comfortable with might not work for MSEs. Learn what their digital skills, access, and preferences are and put their needs first.

Create a static, one-off onboarding strategy.

As your customers and value proposition evolve, you will need to revisit your strategy to ensure it stays relevant and effective. Set aside time to assess the costs and personal involvement required to onboard your customers. This will also give you insights into whether you can move a customer to a lower-touch experience.

Ch. 2. Recruiting MSEs to your digital platform



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Chapter in brief



THE CHALLENGE

Onboarding MSEs is not an easy task for many digital commerce platforms. In most cases, vendors are onboarded but never complete a transaction. Platform owners end up with many dormant MSE vendors and only a small percentage making sales.



WHY IT HAPPENS

Digital platforms may not be clear or strategic about the types of MSE vendors they onboard. While the platform should be seeking vendors that align with their services and vision, platforms may onboard MSEs without thinking about what comes next – the reality of managing digital storefronts. Limited digital skills, business know-how, digital marketing skills, financial resources, and high commission and platform fees, are all barriers to customer success.



THE SOLUTION

Understanding the customer journey and helping MSEs address their challenges is key to successful onboarding. Designing tailored support systems and strategies to move them from one step to the next, and ensuring they perceive the value of the platform, are critical.

Introduction

Before you can successfully onboard MSEs to digital commerce, you need to be able to recruit large numbers of them to join your platform. Whether it is through digital marketing, direct sales, partnerships or other channels, companies need to be able to convince MSE vendors to sign up. This chapter shares insights on how these vendors were recruited in digital commerce projects led by BFA Global, mainly in West and East Africa. Most were still in early stages in terms of their business maturity, know-how, and digital readiness. Once they were recruited, the vendors were onboarded to digital commerce platforms.

In all markets where we have supported the acceleration of digital commerce, we learned it was best to kick off vendor recruitment with market research. This allowed us to identify the types of vendors available, understand the challenges they encounter and the major role digital platforms can play in supporting the growth of MSEs. For example, we learned that:

1

Most vendors did not understand the value of onboarding to a digital platform

2

Many had limited knowledge of digital commerce

3

Few had the resources to maintain their digital presence

These types of insights from market research should inform which MSE vendors you target for recruiting.

Who are you targeting?



Your onboarding strategy will guide your recruitment strategy.

Just as your onboarding strategy should be consistent with the customers you want to target, your recruitment strategy also needs to be consistent with your onboarding strategy. For example, if you are targeting MSE vendors that do not need much hand-holding or extra training, your recruiting can mirror a self-onboarding strategy. However, if your target customers have low literacy levels and live in remote or rural areas with only intermittent internet access, your recruitment and onboarding strategy will look very different.

Step 1**Create customer profiles**

Creating profiles of the customers you want to serve will capture their demographic characteristics, literacy levels, digital savviness, business aspirations, and personal preferences. This will give your company a much deeper and more intuitive understanding of your target market, align your product and sales teams, and allow you to recruit, support, and retain customers more effectively.

[Tool: Understand your customers by creating customer profiles](#)



Understanding your customers is not a one-time effort. You will need to continually research your customers' preferences, collect the right information, be ready to train them, and help them understand the value your platform brings to their business.

Step 2**Assess their digital readiness**

The next step is to assess and rate the digital readiness of your target customers. Understanding the digital skills of the MSE vendors you recruit will help you to:

- » Determine how much effort your team needs to invest in customer support
- » Design a training program tailored to vendor needs and skill levels
- » Anticipate the challenges vendors might face running their digital business and address them before they happen

Digital readiness looks different depending on the technology, platform solution, and minimum expected level of interaction with the solution. In the context of digital commerce, you can look at digital readiness at different stages, such as the types of devices vendors use, familiarity with digital platforms on the market, access to the internet, and the adoption of digital payments.

[Tool: Use the Digital Readiness Scorecard to score your customers](#)

Step 3**Segment your customers**

You can think of customer segmentation as a journey. The goal is to move MSEs from face-to-face interactions, to some digital assistance, to a self-serve experience with just periodic contact to ensure customer satisfaction and introduce new services. However, an important consideration is creating customer segments that are worth your effort. For example, if the margin or revenue generated by one type of customer is too low, then avoid investing time and resources in the segment.

| Demographics | Digital Behavior | Socioeconomic data | Value |
|---------------------------------------|---|-------------------------------------|---|
| Gender Age Language Location | Digital use Phone ownership and usage | Education Relationship status | Monthly spend Average order value |

How to recruit your target MSE customers



Face-to-face

Your salesforce, whether in-house staff or freelance field agents, can target catchment areas like commercial areas and mass markets where most businesses operate, and go door-to-door to invite them to be onboarded to your digital platform.

Pros: Even if your goal is a fully digital, self-serve customer experience, face-to-face conversations are still vital at the beginning of the onboarding process to build trust, educate potential customers about your platform, and learn about the needs and preferences of different types of MSEs. It will also give you a glimpse into their core business and help you decide whether you align.

Cons: It takes more time and resources to visit potential customers in person, and this approach is typically hard to scale as it requires managing either an in-house salesforce or agent network.



Digital marketing

MSE customers can be reached through ads and social media channels such as Facebook, WhatsApp, and Telegram. MSEs can also reach out through the digital onboarding page on your platform. These seem to be the fastest ways for vendors who are tech savvy to onboard to digital platforms.

Pros: Low customer acquisition costs, a large pool of self-onboarded vendors if your platform is already trusted in the market, and the ability to meet customers on the social media channels they already use, which can mean multiple channels for targeting.

Cons: Potentially low-quality leads as there is a low threshold to join a platform from an online ad. Several of our portfolio companies found they registered a lot of MSEs from digital marketing channels that did not activate or convert to revenue-paying customers.



Government programs (B2G2B) and Enterprise Support Organizations (ESOs)

Through partnerships with government or ESOs, you may be able to reach out to MSEs that have gone through programs and have a better understanding of the value of onboarding to digital platforms. These MSEs may have also received training in business and digital marketing skills and are better prepared to manage their digital presence.

Pros: Donor-funded programs (e.g. a digital literacy program) can help unlock a large number of customers that are typically hard to reach (e.g. rural and underserved populations) and speed up the outreach process. ESOs may also have trusted relationships with their members, which might make them more willing to adopt products and services offered and communicated through the ESO.

Cons: It takes a lot of work and time to set up these types of partnerships or collaborations. For example, it can be difficult to identify decision-makers in government and an ESO may not be willing to disclose their list of MSEs due to data protection concerns. In most cases, they will allow a platform to speak to their members and offer a call to action instead of full access to their database. Outreach via ESOs should therefore be done in parallel with other marketing efforts. ESOs and government programs may also be underfunded, which would affect how you work with their staff and collaborate on resources.



Business associations and chambers of commerce

Although most MSEs operate informally, in many countries, formal MSEs belong to business associations or chambers of commerce that have a reliable database of business owners. These organizations can facilitate access to MSEs so that e-commerce marketplaces can kick off the recruiting conversation.

Pros: In Rwanda, this channel appeared to be the most efficient as it gave direct access to business owners who had been operating for at least three years. It was also much easier to engage with the owner at this level as they were open to strategic conversations about scaling their business, such as investing in marketing. Business or trade associations also allow you to tap into a large member base from different sectors or industries that align with your vision, and might also provide compelling services to members, such as insurance, that could help you reach certain types of MSEs.

Cons: To reach MSEs in different sectors, you may need to approach a variety of business associations. In contexts where a sector is not well developed, trade associations may be somewhat fluid and informal and not have an operating budget for programs and initiatives.

Three key approaches to successful recruitment and onboarding

1 Build trust with clear platform requirements and business processes.

Trust is a major issue in digital commerce. From logistics and digital payments to product quality, accurate images and return policies, vendors and consumers need to trust your platform and business operations. In our experience working with companies in Ghana and Rwanda, trust was one of the main issues preventing vendors from onboarding to digital platforms.



When you are recruiting and onboarding MSE vendors, it is important to clearly communicate your platform requirements and business processes, such as return policies, settlement, and onboarding fees and commissions. This can be done both on the platform onboarding page and in person at vendor touchpoints.



As you design your business processes, keep in mind that some vendors will be more “digitally ready” than others. Digital readiness can be assessed based on the types of devices they use, their familiarity with digital platforms, access to the internet, and adoption of digital payments (see the [Digital Readiness Scorecard](#) at the end of the chapter). MSEs that are more familiar with digital tools and platforms are more likely to run successful digital shops. For those with limited digital skills, tailored training and one-on-one assistance can really help. You might even consider having a simple business process to simplify the onboarding journey for MSE vendors.



The fewer requirements your platform has, the easier and faster it will be to onboard MSEs. But will a lower threshold to sign up give you the quality vendors you need? You need to strike a balance with reducing sign-up friction with qualifying vendors with enough target criteria.



Examples of platform requirements



Your return policy can be a deal breaker. Consumers need to be able to trust a platform's products and suppliers, so having the flexibility to return products that do not reasonably meet their expectations is important.

Business registration. Business registration or certificate of registration is a standard request for most platforms across Africa. This is mainly to ensure that platforms are aligned with government standards, especially taxation. However, not all marketplaces or countries require that digital platforms only onboard formal businesses.

Ability to manage and maintain an online shop. Most MSEs have limited resources and skills to maintain their digital shop. Therefore, it may become the responsibility of the digital platform to prepare product descriptions and regularly update the images, prices, and descriptions. To alleviate this cost burden, some platforms include a management fee or suggest vendors outsource such tasks to young digital marketing gurus (iWorkers) who have made this a profession.

Onboarding fee. During the COVID-19 pandemic, most vendors onboarded to multiple platforms to maximize their sales and identify those most likely to add value to their business. To some extent, vendors were willing to pay an onboarding fee to be listed on leading platforms because the platforms were already trusted in the market and were an essential service authorized to operate during the pandemic. Although some platforms have started charging an onboarding fee, vendors have become reluctant to onboard unless there is clear value, such as guaranteed traffic to their shop or evidence of regular sales from other vendors.

Physical location. Even though a vendor's location does not necessarily determine their online success and is not a requirement for onboarding, it can be a challenge for order fulfillment since most MSEs operate from their homes or small shops in remote locations. To minimize challenges such as transportation costs or unavailable products, some platforms require that vendors keep a minimum stock at their warehouse.

Return policy. In digital commerce, consumers need to have a guarantee that a product can be returned if it does not meet their standards for quality or functionality. To earn the trust of customers, platforms must have a strong customer protection policy. Vendors that are not open to accepting a return policy may be less likely to onboard or succeed on digital platforms.

Settlement. Depending on market dynamics and trust between vendors and digital platforms, the settlement period is usually between one and two weeks for most digital platforms. Some vendors require upfront payment once the order is confirmed to reduce risk of loss for their small business. Although undesirable, most vendors still accept cash on delivery methods of payment as there is entrenched customer demand for this option.

2

Articulate a clear value proposition to offset resistance to platform commissions and onboarding fees



Onboarding fees are not necessarily a barrier to onboarding or scale, but the question is whether the value proposition is strong enough to justify the fee. If MSEs do not see the value of paying a fee to join your platform, then it is an obstacle. However, once a digital platform is well established and vendors can see its value, they are generally willing to pay to list their products. Building trust and adding value for vendors should come first. If you cannot avoid an onboarding fee, it is important to explain the reasons for it, for example, to cover onboarding assistance, take photos, and create vendor profiles.



Platform commission fees are one of the reasons most MSE vendors choose social commerce over digital platforms, which can take a large share of their already small margins. The average commission structure for most platforms is between 10% and 25%, which is usually retained by the platform after the product is sold. This appears high given that MSEs' margins on products range from 20% to 35%. As much as digital commerce platforms need to ensure business continuity, vendors will not be willing to sacrifice 50% or more of their margins. Consider the various fees that vendors are charged:



Other fees and taxes for digital payments. Several other fees are charged when payments are made through digital platforms, such as payment aggregator fees and sales taxes. All these fees are passed on to the vendor since the digital platform is only enabling the transaction. Unfortunately, in many African countries, aggregator fees remain very high for young e-commerce ecosystems and deter the adoption of digital commerce. Most aggregators charge between 2.5% and 3.5% commission per transaction, and only aggregators such as MTN have reduced it to an average of 1.5% per transaction.

Taxes can also be a barrier to the adoption of digital commerce. For instance, Ghana's Electronic Transaction Levy (commonly known as the Electronic Levy or E-levy) introduced in May 2022 is a 1.5% tax applied on electronic transfers. Although specific merchants registered with the revenue authority would be exempt, this excludes sellers and buyers who transact over mobile money. In countries where the informal sector still accounts for a large share of the market, vendors are reluctant to sell online or transact digitally because they want to avoid taxation. However, the importance of paying taxes and the benefits of digital commerce, such as higher volumes of transactions translating into financial stability and growth, can be part of conversations with vendors to demonstrate the value of digital onboarding and gradually encourage them to formalize their businesses.



High commission fees can erode vendor and customer trust

Is it actually a good strategy to add platform commission fees on top of a product's regular selling price? Will the product price remain competitive in a market where clients have choices about where to buy?

What if platforms were to introduce an incremental commission structure? Or consider waiving commission fees for the first 30 sales or the first month? These are some of the strategies used by successful digital platforms to allow vendors to perceive value before committing to a recurring commission on sales. The following are some models practiced by innovators in Rwanda.



Model: No commission fees

As part of their strategy to gain market share and build customer trust, SPENN, a digital payment provider currently operating in Rwanda, has never introduced commission fees to their merchant account. SPENN is a product of I&M bank, which subsidizes the commission fees as part of their long-term marketing strategy.



Model: Subsidizing and waiving onboarding fees for MSEs

During the implementation of the iHuzo project in Rwanda, a form of subsidy was negotiated with digital platforms to help MSEs onboard and experience the value proposition of the platform for a certain period. Platforms, such as VubaVuba, waived the commission fee in some cases & online transaction fees in others for the first few months to allow vendors to test the market. With these incentives in place, the project accelerated onboarding and attracted more than 1,500 MSEs in less than six months.



Model: No fees for merchant accounts, stable commission fees for platforms

During the COVID-19 pandemic, MTN Rwanda waived the fees for merchant accounts, allowing rapid adoption of digital payments. This led to more than 50,000 new merchant account registrations. However, the percentage charged to platforms for payment integration remained constant. MTN Rwanda remains the most affordable aggregator, charging between 1.5% and 2% collection/aggregator fees and an even lower commission of 0.5% for merchant/MoMo Pay accounts.



Model: Regular reporting, settlement, and breaks on fees

VubaVuba, a leading digital logistics company in Rwanda for food and beverages, agreed to absorb the sales commission fee for some of the new vendors for the first two to four weeks after onboarding. This strategy gives vendors visibility and evidence of higher sales without paying any commission. Meanwhile, the company provides a weekly report to vendors and a bi-weekly settlement. The report captures sales, commissions, and the amount to be paid to the vendor. We encourage other digital platforms to explore similar strategies and provide vendors with regular reports and consistent weekly settlement.

3 Train your customers



Tailored training: Since MSEs have different digital and business skills, it is important to assess their training needs and design tailored training programs. An in-depth survey of vendors can help to identify gaps in business skills (sales and customer engagement) and digital skills. The survey results can then be used to segment your customers by training needs.



Training for all: It is crucial that all MSEs on your platform, regardless of their digital skills, receive training to become familiar with the platform and internal processes, and to understand how to operate their digital shop. A combination of tailored skills training and general onboarding training as part of the onboarding process are both necessary for vendors to be successful.

Tool: Sample training topics and content for MSEs



Case study

Vendor recruitment: Lessons from Rwanda

This case study shares how the iHuzo Project in Rwanda recruited vendors to their platform.



In markets like Rwanda where the e-commerce industry is relatively new, most business owners have minimal experience with digital commerce. Most platforms came to life during the COVID-19 pandemic as businesses pivoted to the e-commerce space as a new way of doing business during lockdown.

The iHuzo team began recruiting by profiling and categorizing MSEs from across the country. This exercise generated vital information on their business journey, maturity level, digital readiness, business location, and willingness to onboard to digital platforms. The final report provided a pool of businesses to target for onboarding.

This information was then used to tailor a robust recruitment strategy that would provide value to them.

A market assessment of 1,200 MSEs revealed that most did not understand the value of joining digital platforms. They also had limited exposure to technology, little knowledge of digital marketing, and few resources to maintain their digital presence. Due to multiple challenges encountered during the research, this pool of businesses was mainly in the agricultural sector. This pushed the iHuzo team to find alternative ways to reach and recruit vendors.

The team settled on three approaches:

- » **Mass market sourcing:** Using a door-to-door approach, the team went to catchment areas where most businesses operate to invite them to be onboarded to specific digital platforms. Most of the businesses, especially those that sold clothes, footwear and accessories, preferred to be onboarded to social commerce platforms such as Instagram and WhatsApp for Business rather than traditional local digital platforms because they do not charge commission fees to list or sell products. However, businesses in hospitality, agriculture, fast-moving consumer goods, and certain Made-in-Rwanda arts and craft vendors still found value in onboarding to digital platforms since they target niche customers and had heavy logistics needs that only the platform could provide.
- » **Targeted sourcing through business associations:** The iHuzo team approached various business associations to gain access to MSE members in various sectors. This recruitment channel appeared to be the most efficient as it gave direct access not only to business owners, but also to businesses that had been operating for at least three years. At this level, it was much easier to engage with business owners and discuss scaling up and investing in marketing fees.
- » **Partnerships with other enterprise support organizations (ESOs):** Through partnerships with other ESOs, the team reached out to businesses that had gone through business incubator or accelerator programs. It was hoped that these businesses would have a better understanding of the value of onboarding to digital platforms. These were also businesses that had received business skills training in the past and had the skills to manage their digital presence.

Dos and don'ts



- » Train vendors regularly on basic digital literacy skills.
- » Train vendors on your platform functionalities.
- » Collaborate with vendors to increase sales by offering promotions, discounts, etc.
- » Consider incentives to allow vendors to experience the platform and its value before introducing commission fees.
- » Only onboard vendors that serve the same customer niche.
- » Intentionally journey with the vendor, from recruitment to activation, and ensure constant communication and support is provided along the way. The iHuzo
- » Project found that platforms with a strong onboarding process and more touchpoints and support were more successful at onboarding and activating MSE customers.
- » Develop a step-by-step onboarding guide for your sales agents.



- » Shy away from elaborating your value proposition in the onboarding guide.
- » Let your team recruit and onboard without mastering your value proposition and process.
- » Abandon the vendor as soon as they are onboarded. Take them to the next level: activation!

Ch. 3. Building your sales team



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Celine has been working in management consulting, business development, partnership development, sales management, and operations management for the past 15 years. Celine is strategic advisor to both startups as they scale and corporates as they transform to gain agility for game-changing innovation. She advises early-stage companies from ideation to go-to-market and growth strategies, as well as investor relations. She also works closely with corporations and development agencies to help them develop and implement innovation strategies. She is passionate about emerging markets and after several years working in Latin America, in the last six years she has focused specifically on innovation in Africa. While working with global brands and local entrepreneurs across diverse industries, from financial services to health, mobile, agriculture, retail, and fashion, she focused on constantly creating value, opportunities, and stronger economies. Celine was a project lead and B2B sales and partnership venture acceleration specialist with the BFA Inclusive Digital Commerce Accelerator program.

Chapter in brief



THE CHALLENGE

Resources and time are often spent on empowering teams that are not the right fit for the task ahead. They often lack the necessary skills and motivation, and are unfamiliar with the needs of your customers.



WHY IT HAPPENS

Companies might lack the resources, data and know-how to select the right personnel, and the ability to provide the right training and structure for their salesforce.



THE SOLUTION

A comprehensive roadmap for companies to properly recruit a salesforce and train them to optimize growth and reduce inefficiencies.

Introduction

For digital platforms that serve MSEs, it is vital to have a team on the ground that will take the time to speak with MSEs face-to-face about products and services and educate them about the value of digital marketplaces (we explored this in more detail in [Chapter 2](#)). Building such a salesforce takes a lot of resources, so you need to be prepared to invest – in hiring, training, and sales agent retention.



Some definitions

Salesforce: The team responsible for selling your product to your customers.

Field agents: The salesforce is usually composed of field-based agents who make personal, one-on-one contact with potential customers, informing them about goods or services and their advantages. Field agents are managed by one or more senior sales leads or account managers. The team may be a mix of field agents on payroll (staff) or commission-based agents, who are also sometimes referred to as **freelancers or gig workers**. BFA Global uses the term “iWorker” specifically for gig workers who have connectivity to the internet, usually via a smartphone, and are often younger than the workforce in general.

Hiring, training, and structuring your sales team

Hiring your sales team

Field agents and agent networks are particularly suited to penetrating last mile MSE markets and are increasingly sophisticated in their offering beyond digital financial services such as mobile money. Whether you design your salesforce as an in-house team of field agents or as a squadron of non-staff, commission-based sales agents, there are three critical practices to guide your approach:



Build a management structure to oversee agents. It is vital to provide sales agents with effective day-to-day leadership and hands-on mentoring to build their skills. Consider building an in-house sales team to design, test, and iterate an effective face-to-face sales approach. The sales manager or sales lead should be a senior leader seasoned in implementing and managing field sales and can structure the team and put the sales strategy into place.



“Invest early in a strong management and support network around the agent.”

– Mercy Corps, 2020



Embed agents in your distribution model. Sales field agents who are operating independently cannot be effective. They need a powerful sales and distribution model behind them. Make sure you have implemented the processes, procedures, and tools that support recruitment, processing applications, and onboarding and training new hires. It is especially important to invest enough time in training your salesforce at the beginning so that they are empowered to succeed. Not doing so can result in poor performance and a demoralized salesforce.



Unleash your salesforce through sales enablement. With strong management and systems in place, you can now invest in ensuring the sales team is well trained and efficient in the following three areas:

- a. **Gathering accurate field data and customer feedback** to ensure the company can adapt quickly to market trends. Giving your sales team the necessary resources to change their approach will ensure long-term value and growth.
- b. **Acting as a brand ambassador** and being relatable to the customer and their community. The salesperson is the face of the company, and what they say and how they behave with customers can speed adoption.

Note:

In some rural settings, gender and religious affiliations might make or break a sale. Ensure your sales agents and target customers can relate to each other. Recruit agents who “look like” your customers and consider what is appropriate and acceptable for the market based on religious and cultural preferences, security, and proximity/access to the target market. In some cases, a female salesforce can be more effective and/or cost-efficient than a male one.

- c. **Setting high levels of professionalism** for yourself and your sales team. From day 1, recruit salespersons that are digitally literate, digitally savvy, and are motivated to stay with the company and advance in their careers.



The iHuzo project in Rwanda trained iWorkers in communication and digital marketing to take on the role of content developers and digital marketing “gurus” for e-commerce platforms. The project encouraged e-commerce marketplaces to hire iWorkers to help them share their message and value proposition in a way that would be inviting and appealing to consumers.

Best practices for hiring your sales team:

- » Avoid hiring based on relationships only. Have a standardized interview process that you can compare candidates against and weigh the pros and cons.
- » Provide a clear job description and manage expectations from day 1.
- » Clearly define and differentiate the job responsibilities and metrics for salespeople and customer support staff. If there are other main functions in addition to sales, define them in the job description.
- » Test sales team hires on a probationary basis, providing the right incentives to sell well instead of just selling to earn a short-term incentive.
- » Set clear KPIs to measure success. Some will be linked to financial compensation, others to internal recognition. Some metrics could include:

Number of sales visits

Accuracy of data gathered

Number of MSEs onboarded

Number of MSEs onboarded that purchase/transact again over a specified period

Average order value

Time to onboard an MSE

Field agents vs. in-house sales staff: costs and benefits

| | iWorkers and field agents | In-house sales staff |
|--|---|--|
|  Benefits | <ul style="list-style-type: none"> » Lower overhead for personnel because of commission-based structure » Possibility to grow the team as demand grows | <ul style="list-style-type: none"> » Possibility of building a stronger workplace culture » More control over workforce performance, quality, and turnover |
|  Costs | <ul style="list-style-type: none"> » Generally, there is high turnover as this kind of work is treated as gig work or a side hustle. » Incentive structures and the time needed for training need to be tested » Intense competition as many organizations use field sales agents and building loyalty can take time | <ul style="list-style-type: none"> » Higher upfront investment » Bigger risk if the resource is not a good fit |



A good way to recruit youth as iWorkers is identifying talent from universities. According to the World Bank's latest reports, there are 9 million university-age students in sub-Saharan Africa. Once in the workforce, youth are faced with the labor market reality of the continent: 32.3% of adults remain unemployed, but the majority of the workforce are underemployed and underproductive (ILO, 2022). As iWorkers, young, tech-savvy students have the energy to earn a living on their own time, the basic digital skills to become good sales agents, fewer commitments, and the willingness to try something new as a potential pathway to a livelihood.

Compensation models to consider

Retaining outstanding agents and ensuring high motivation requires a solid compensation model. Stipends, bonuses, and commission plans all fall under the category of compensation. Below are two potential approaches to structuring the compensation of your sales team.

| Model | Overview | Pros | Cons |
|--|--|---|--|
| Straight commission | Sales agents only earn income when they complete a sale. No sale means no income. | <ul style="list-style-type: none"> » Agents are very motivated because their entire income depends on the sales they make. » Company saves money on taxes, benefits, and allowances because agents operate as independent contractors. » Agents are free to create a schedule that works best for them, which boosts morale. | <ul style="list-style-type: none"> » Higher likelihood of turnover due to lack of income security for agents. » Possibility of creating aggressive competition and an uncomfortable work environment. » Potential for high-pressure selling techniques that ward off potential customers and tarnish the brand image. |
| Base salary + Commission The more digital the onboarding or the higher the basket, the higher the commission. | Company invests in the agent with a monetary reward, regardless of their performance and in addition to compensation for what they sell. This is because a base salary alone is typically not a sufficient source of income. | <ul style="list-style-type: none"> » Base pay provides a steady stream of income for agents when sales are extremely low. » Motivates agents to achieve better results and rewards high performers. | <ul style="list-style-type: none"> » A very low base salary could discourage potential agents. » Agents who earn a significant commission in one period may "relax" in the next period as the income may be sufficient to live on. |

Best practices for compensation and incentive structures:

- » Provide a fixed base salary (not tied directly to performance) and uniforms or branded materials that give agents a sense of professionalism and official duty.
- » Provide activity-based fees and commission. Award added benefits/bonuses based on the number of successfully onboarded MSEs and on volumes sold by MSEs. (e.g. a 1% fee/commission per 100 onboarded MSEs and an additional 1% on 70 sales by each MSE).
- » Provide a stipend. Agents can receive cash and/or airtime to cover travel, communication, and other work-related expenses.
- » Frame the work as part of a career progression pathway and provide recognition (agents of the month, etc.).
- » Equip agents with tech devices and train them.
- » Give away freebies, such as merchandise (e.g. an outfit), training opportunities, and other benefits.

TIPS TO STRENGTHEN THE COMPENSATION MODEL

1

Base bonuses on number of MSEs onboarded and volume (such as average order value) sold by MSEs.

2

Emphasize recognition and build a brand community that is excited to be part of your company.

3

Create a growth path for freelancers / sales agents

- a. Level 1:** Entry daily/weekly allowances + commission
- b. Level 2:** Volume + seniority + 20% + commission + access to micro health insurance
- c. Level 3:** Sales managers – trains and manages a group or specific region = commission based team sales + access to a vehicle, or other perks

Strategies for retaining non-staff field sales agents

Keeping skilled workers is a challenge for startups and other early growth-stage companies that may not be able to afford proper compensation. This can lead to high turnover and a low-skilled sales team. However, there are steps you can take to improve worker retention and quality without a big investment.

One strategy is to create a trajectory of professional development incentives. This allows you to have commission-based agents who can become full-time staff, earn seniority and benefits (like health insurance) over time, and eventually become a team manager (receiving a commission on what they and their team sell).

Here are three approaches our portfolio companies have taken:



Uses the Activations Team, or field-based staff roles as a way for future employees “to cut their teeth” at the organization. Everyone they hire starts as an activation team member so they can understand the customer and the product. They are expected to do activations for two years before being promoted to another role. This hiring strategy filters out people who are not a good fit for the role and their culture, and gives workers an opportunity to figure out what areas or teams they would like to move into at OZE.



Had all their staff work in sales when they launched the company so that the team grasped the ins and outs of the business. They have found that including gig workers in every staff-related activity has made a big difference. Rather than treating non-payroll workers like sub-contractors, they treat them like core staff. These workers also play multiple roles. Sometimes they made regular sales visits and other times they acquired customers or managed onboarding support.



Knew that working with independent delivery drivers and riders – gig workers in the logistics space – would mean a lot of quality issues. Riders often did not show up, communicate well with customers, or take care with packages. Swoove instead chose to work with rider agencies, small businesses that manage two to three independent riders. By having an agency between Swoove and the gig workers, Swoove did not have to deal with rider churn, just the agencies. On the flip side, it also meant that Swoove had less control and direct communication with the riders.

Onboarding and training your sales team

The importance of investing in training

Investing in onboarding and training upfront can help ensure your sales team is fully prepared and supported in their role. This is particularly important if you have sales field agents who work more independently. Even if you are just starting out with a small group of agents, it is recommended that you design a strong training program that teaches them how to pitch products, handle rejection and, importantly, how to mobilize the community.

Training should consist of the following core elements:

- » Onboarding new sales agents to the company (induction)
- » Understanding the core business and why the company's product or service is better or different
- » Mastering the portfolio and what sets the company apart from the competition

A training program should include:

- » Script decks with step-by-step conversations and different scenarios so that the agent does not have to improvise and can deliver a consistent message
- » Audio and video
- » Product demos
- » Role plays
- » An alternative is collaborating with a partner such as an NGO to provide training to interested persons on "How to be an agent". This will create jobs, teach useful skills and knowledge, and ease the burden on the company.

Training tips:

- » Limit classroom training and promote action-based learning (tactical and technical) instead.
- » Have agents shadow the manager to learn more quickly and implement feedback on the spot.
- » Ensure staff from other departments are part of the sales department at some point.
- » Accompany agents and provide in-field training so that they learn how to interact with customers and practice professionalism.
- » Imbue training with a sense of customer loyalty, customer service, and being an ambassador of the brand.
- » Use storytelling as a training tool to enable your agents to make sales.
- » Provide training on how to automate data gathering to ensure accuracy and speed during periodic updates.
- » Expand the suite of tools sales agents use (apps, offline and online collateral) to ensure efficiency.

Build strong fraud management measures especially in relation to money collection or access to stock. The most important step is to undertake an in-depth risk assessment, this will analyze the risks that your team and company faces based on its unique scale, products, and market exposure. Once complete a solid fraud management strategy should be set in place which will most likely contain techniques and tools for internal and external purposes.

Structuring your sales team

In Chapter 2, we walked you through how to segment your customers. This exercise is now vital to assigning the right salespeople to the right customer segment, as this will increase your chances of fast growth. Once again, it is helpful to think of customer segmentation as a journey. The goal is to move from face-to-face interaction with customers to periodic contact to maintain customer satisfaction and introduce new services. The further along the journey, the less contact your customers will require and the larger the account portfolios for your sales team.

Who Should Serve Who?

In order to ensure each customer receives the best experience through every phase of their journey with you, it is advised to allocate a sales team per segment based on the user's unique needs e.g., unique location, level of digital savviness or trust in your company. Some ways to segment your sales team includes segmenting the teams to cater to customer segments by their digital savviness, their location as well as organizing your call center teams and staff separately for self-serve customers. As you set up your sales team, consider the following profiles and personalities that you should be looking for in potential candidates and making sure they know their responsibilities.



| Type of Agent | Persona + Bio | Responsibilities |
|--------------------|---|---|
| Field teams | Passionate, Storytellers, who are empathic, can speak the language of the locals and/or are based in their geographical location. | <ul style="list-style-type: none">» Educating Potential Customers» Manual Onboarding» Manual Ordering + Delivery support» Customer Support» Educate customers on application/tech support |
| Call Center Agents | Energetic, problem solvers, who are empathic, can speak languages in the country, and understand the product | <ul style="list-style-type: none">» Customer Support» Education» Customer Tech Support |



Shopa

Targets and sizes the market by zones and then recruits sales personnel from within each target zone. These sales agents actively engage with customers, raise awareness, and gather information for product and service development.



Boost

Ghana addresses the slow growth of MSE customers by making tools available to support their business processes and connect them with their customers, reducing the pain points that hinder these interactions.



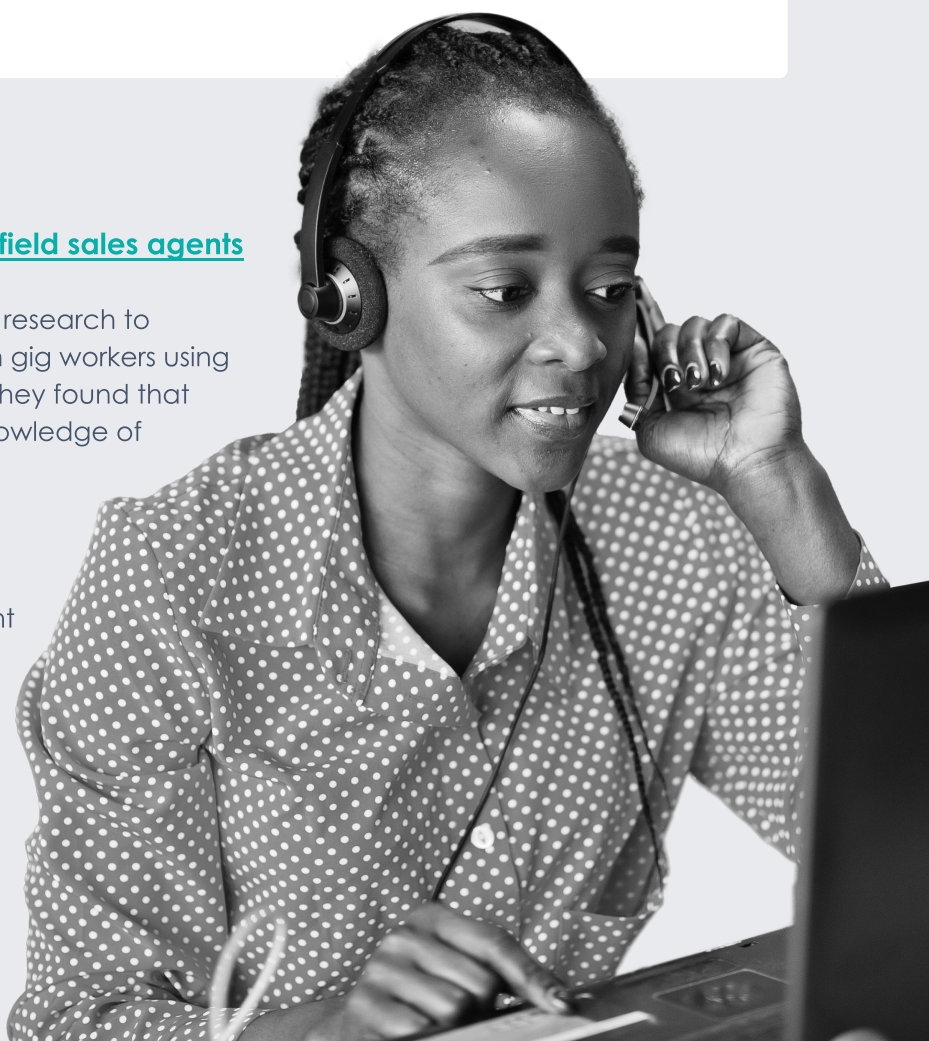
Oze

Field team enumerates MSEs before targeting them for sales. During this phase, agents are matching MSEs with desired customer traits, such as the customer owns a smartphone, keeps a business ledger, and has a physical space with equipment.

Tool: Sample training curriculum for field sales agents

In Rwanda, the iHuzo team conducted research to understand the types of iWorkers (youth gig workers using tech) in the country and their skill sets. They found that most lacked digital skills, had limited knowledge of sales, and had never been exposed to onboarding on digital platforms.

To address these knowledge and skills gaps, companies that want to hire iWorkers for sales agent roles should classify candidates by segments and identify the kind of training they need.



Dos and don'ts



Invest in hiring, training, and enabling your salesforce.

Your sales team is your frontline. Put in the work, management, and resources to build a well-trained and professional sales team to acquire the customers you desire.

Treat non-staff, commissioned field agents as part of your core team.

Even though field agents may not be on payroll, design your processes, onboarding, training, and KPIs as if they were staff. High performing non-staff agents may also become permanent staff, so consider career pathways for them at your company.

Establish compensation models that create the right incentives for your team.

Salespeople should aim for high quotas but also to generate value or quality in the sales. Base salary and commission, as well as stipends to cover travel and expenses in the field, is the preferred model for fostering loyalty and motivation.



Overlook the importance of hands-on management.

Your sales team needs a lot of upfront support, training, and feedback to learn the ropes, and ongoing coaching and mentoring to keep improving and stay motivated.

Underinvest in putting robust systems, processes, and procedures in place.

To help your sales team know how to do their job, and have the right tools to manage the sales pipeline and gather market data.

Settle for unprofessional workers.

Hire candidates with a certain degree of literacy, education, preparedness and drive, and provide the training to help improve their sales skills. Your sales team represents your organization and brand so prepare them to be professional and capable.

Part 2 ACTIVATION



Ch. 4. Customer support



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Chapter in brief



THE CHALLENGE

Delivering solid customer support requires clear goals, processes, tools, analytics, and intentionality about how to serve the customer so they are successful in using your product or service. Without this level of purpose, clarity, and action, poor customer support is a missed opportunity to activate and retain customers.



WHY IT HAPPENS

Customer support is often treated as a non-strategic function within digital commerce. Without properly designed customer support, all the efforts of acquiring customers may be lost to churn.



THE SOLUTION

Companies should go through the exercise of first defining the goals for customer service and analyzing what customer pain points are based on available data. With these basics in place, then companies can align their customer support with their onboarding strategy, map where the problem areas on the customer journey are, and identify improved tools and solutions to implement.

Introduction

A common trait of successful digital commerce platforms is that they dedicate time, staff, and financial resources to customer support – responding to queries, troubleshooting technical problems, and creating robust systems to ensure a smooth experience. The problem is, customer support is often not as strategic or effective as it could be. Companies can find themselves answering the same customer questions over and over, or reacting to issues instead of anticipating and addressing them before they happen.

As a digital platform serving MSEs, what does customer support look like to you? How might it be different for new businesses and more experienced ones? How will it change as your customers become more comfortable using the platform? What kind of training will your staff need, and what tools can you use to optimize the customer support experience for everyone?

In this chapter, we will walk through how to identify your customer support gaps, formulate a clear customer support plan, and put it into action in three steps.



Get ready

Before you embark on this chapter, you will need to have two basic prerequisite steps in place.

Get ready to set your customer support strategy

Step 1

Set your customer support objective

Step 2

Gather data about your customers

Prerequisite: Set your customer support objectives

Let's start with the biggest question: *What do you want your customer support to achieve?* This might seem like a simple question – you want happy, satisfied customers – but customer support is about more than just servicing a need and solving problems in the moment. It is also about building an active customer base that generates revenue. Having clear customer support goals can also help your platform operate more efficiently, attract new customers, and drive retention by providing a positive customer experience.

So, before you put in the work to design or revamp your customer support, you will need to set goals. Here are some common reasons for investing in customer support:



Your customer support objectives will determine your strategy.

| Are you trying to? | Example |
|---|---|
| Improve the performance of your customer service team? | <ul style="list-style-type: none"> » Shortening time to respond to customer queries » Providing more communication, whether on demand or via automated messages to keep customers updated |
| Reduce the number of queries and lower your customer support costs? | <ul style="list-style-type: none"> » Applying the 80/20 rule, many of the queries that your customer service team receive should be documented on your app or website before being dealt with by a live customer support agent. SWOOVE embedded an FAQ of their most common questions and included features about the product through the app interface so that users would have information at their fingertips. |
| Engage with and retain your customers? | <ul style="list-style-type: none"> » KudiGo's product team held calls with customers about the product. Realizing that customers not only needed support but also upskilling, they developed KudiGO U, lightweight content downloadable over WhatsApp to provide their MSE customers with training and educational materials to run their business. |
| Acquire new customers? | <ul style="list-style-type: none"> » Word of mouth is a powerful way to acquire new customers. Providing good customer service, and therefore a good customer experience, leads to positive testimonials that will prompt other users to sign up and try the product or service. |
| Understand product needs and adapt products to your target customers? | <ul style="list-style-type: none"> » OZE's team had a backlog of customer tickets in their system. Once they figured out how to streamline their internal process to prioritize tickets and plan development resources, they were able to implement the changes and solutions their customers were asking for in a timely fashion. |



Companies tend to view customer support as a cost to their business rather than a company strategy. A positive customer onboarding experience bolstered by the right customer support can activate and retain customers, and improve your bottom line.

Get ready to set your customer support strategy

Step 1

Set your
customer support
objective

Step 2

Gather data
about your
customers

Prerequisite: Gather your data

Once you have defined your objective, you are ready to take stock of your customer support. Before asking your customers to provide you with information about their experience and what they are doing with your product or service, take an inventory of the data you already have and analyze it for insights. You will also need to decide what tools you will use to capture additional data and the fields you want to include. Here are some examples:

| Types of data and tools | Examples |
|---------------------------|---|
| Basic market data | e.g., Demographic data, socio-economic data, statistical data, network connectivity, infrastructure and utilities data, such as mobile money agent locations |
| Customer data | e.g., Name, gender, age, phone number, business location or address, business industry, type of phone, sign-up date |
| Customer transaction data | e.g., Historical data about the site or app visits and usage, days to sign-up or first transaction, frequency of transactions, time to acquisition, time to activation, number of days active, time before churning |
| Data collection tools | Google/Firebase Analytics, MixPanel, Branch.io, Segment.io |

Tool: Customer service objective and data prerequisite checklists

Optimizing customer support in 3 steps

With the basics in place – a strategic objective and some insights about your customers – you are ready to start optimizing your customer support. This chapter is set up as a do-it-yourself “workshop”, organized into three steps that you can go through with your team. Let’s begin with Step 1.

Step 1: Align customer support with your onboarding strategy

The amount and kind of customer support you provide will depend on your onboarding strategy, the types of customers you have, where they are in the customer journey, and what they need at each step. In Step 1, you will look at what customer support looks like as customers move along the onboarding journey, from signing up to your platform to making regular transactions to running a successful digital business on their own. As you might expect, this will require a different approach and tools at each stage, and your team will need to be trained and ready to adapt.

Below are examples of how customer support can connect to the three onboarding approaches we discussed in [Chapter 1](#).

| Onboarding Strategy | Self-Onboarding | Assisted Onboarding | Directed Onboarding |
|-------------------------------------|--|---|--|
| Customer profile' | <ul style="list-style-type: none"> Digitally savvy Highly educated Continuous access to internet | <ul style="list-style-type: none"> Some digital skills Some level of education uses feature phone or low-tech smartphone Some internet access/ data not always in use | <ul style="list-style-type: none"> Not digitally savvy Low literacy No access to internet or digital tools Uses feature phone and mainly calls/SMS |
| Level of support required | Low to Moderate Signs up and transacts over digital channel without any support | Moderate to High Receives some form of support from agent, customer support, or in-person at offices | High Onboarding is done physically in offices, on-site, or live training (can be remote) |
| Suggested customer support channels | <ul style="list-style-type: none"> Email WhatsApp Live chat Introductory and explainer videos In-app widgets | <ul style="list-style-type: none"> Customer support/ help desk WhatsApp | <ul style="list-style-type: none"> On-site training Dedicated personnel |
| Examples | Both OZE and KudiGo encourage MSEs to self-register. KudiGo uses a Hubspot sequence of interactions in a 30-day period, with 3–4 emails to prompt action and engage with customer service. OZE has designed a homepage with features that is inspired by app icons of a smartphone homepage. | Tendo primarily relies on a WhatsApp number for intaking users who have signed up to their platform. From there, each user is diverted to specific Telegram groups to get support from a dedicated account administrator. | On the Murukali platform, for vendors who are not capable of selling online on their own, Murukali lists the products on their behalf (more able vendors can access the platform and take photos and set prices on their own). Murukali also organizes the deliveries for the vendors. |

In your onboarding strategy, you will be addressing actions that you anticipate could become customer complaints. Imagine the following scenario in which onboarding connects to customer support.

Scenario: A new MSE e-commerce vendor has signed up to your platform and is setting up their digital shop. Their first step is to digitize their inventory and upload high-quality photos. How could your customer service respond to each onboarding situation?

| Onboarding Strategy | Self-Onboarding | Assisted Onboarding | Directed Onboarding |
|---------------------------|---|---|---|
| Customer status | The vendor has digitized the photos themselves but has not uploaded them to their shop. | The vendor has digitized and uploaded photos for the products they already have, but now they have new inventory and don't know how to add new products to the catalog. | The vendor does not have the literacy, digital marketing skills, or financial resources to manage their digital presence or pay extra for shop management and maintenance. You can already see what might happen: a digital shop with few or unclear product descriptions, product images downloaded from the internet, and products that do not meet the buyer's expectations. |
| Customer support provided | Your customer service team is tracking the number of days between customer actions. Your automated messages to customers should be prompting customers to take action or your team should follow up on WhatsApp or email with a message such as, "We don't see any uploaded inventory, how can we help you complete this step?" | Your customer service team conducts regular calls to customers to check in and gather customer feedback, or they conduct regular in-person visits depending on the customer's needs. During these check-in calls or site visits, the customer is guided through how to upload new products. For customers with more digital skills, you might send training videos so they can learn to do it on their own. | The customer is trained over several visits how to use the feature, or a field agent might spend several days uploading all the product inventory for the vendor, or the vendor may ask an employee or family member to help them complete the task after being shown how. |

Step 2: Identify and map customer issues along the customer journey

It is important to understand how customer support changes as your customers gain skills, experience, and independence on the platform. In Step 2, look at your customer data to identify the pain points and bottlenecks they are encountering, when they are running into these problems, and map them on the customer journey. You might carry out the following steps to examine and identify specific pain points:

Spot the issues

- » Ideally, you are already capturing a customer log that you can use to run a report on the types of queries you receive, or you are keeping a spreadsheet or database of customer issues and complaints. Customer call logs, reviews and ratings, comments on social media, customer satisfaction calls/surveys, NPS scores, and Google Analytics are all sources of data for analysis. What other tools and data can you use to find out more information? If you have a data science or quantitative research resource on your team, you might run an exploratory data analysis to understand customer behavior and hypothesize what might be happening at different pain points.
- » Categorize the queries by the types of problems your customers are facing.
- » You and your team (customer service, product, tech, marketing, and sales leads) need to identify where, when, and why these pain points appear. What are the top issues you detect?
- » Prioritize the pain points using criteria that matter to your company and the roadmap. For example, you might chart the pain points on an impact vs. effort 2x2 grid to identify the biggest priorities.
- » Once you have a list of priority pain points, locate them along the customer journey. This will allow you to identify where to start resolving the issue and determine how to provide customer support.



What's in a name?
Customer support vs. Customer engagement vs. Customer success

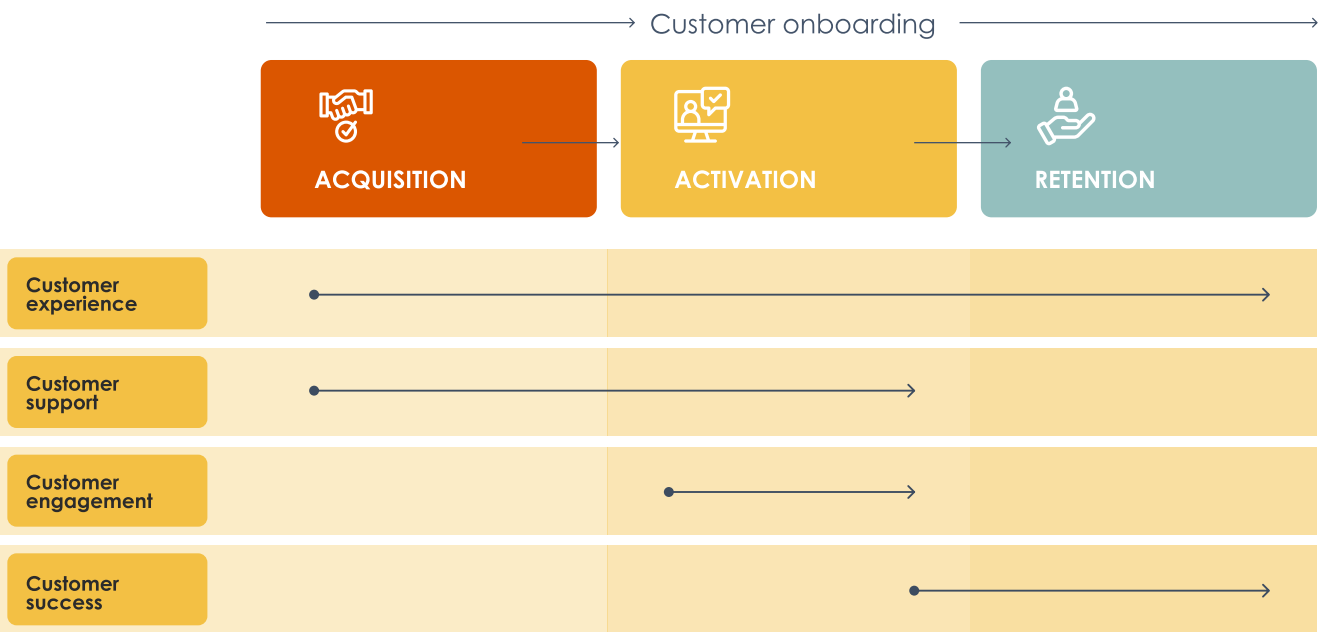
To provide a positive **customer experience** throughout the customer journey, your support and touchpoints will change as your customers' needs evolve, as will the approach, tools, and channels you use to serve them.

At the beginning of the customer journey, in the Acquisition stage, **customer support is a key function that accompanies onboarding**. It involves responding to customer issues, providing training and education, and troubleshooting technical issues to ensure they are onboarded and primed for activation.

At the Activation stage and beyond, company touchpoints with the customer are more about **customer engagement**, the kind of day-to-day contact that continues to generate positive interactions and deepens usage as customers become more comfortable with and skilled at using your product or service.

In the Retention stage, contact with customers is focused on **customer success**, helping them to get the most out of your product and service and moving them towards becoming a paying customer.

Customer support, customer engagement, and customer success are typically separate functions led by different teams responsible for distinct KPIs. They may hand off the customer from one team to another at different stages.



Mapping exercise: Customer pain points

What pain point are your customers dealing with on their journey with your product? How do you provide support to the customer when they have these issues or challenges? Fill in the table below with your answers.

Note: This table is just a starting point to map potential gaps in your customer service. A deeper exercise could consist of mapping out your entire customer journey using tools such as **Miro** or **Figma, which provide customer journey templates**. After mapping out the customer journey at the Acquisition, Activation and Retention stages, you can then identify where specific pain points are occurring and what customer support looks like. You could do this for each type of onboarding approach you employ.

| Onboarding strategy | Self-Onboarding | Assisted Onboarding | Directed Onboarding |
|--|-----------------|---------------------|---------------------|
| Customer pain point Write a brief description in the columns, where applicable. | | | |
| What customer support do you provide, if at all? Describe what your team does, and who on your team is responsible for carrying out the support, where applicable. | | | |
| What are the gaps in your customer service? Are there moments in the customer journey that you are not supporting the customer when they need it? What are they? | | | |
| What metrics do you use to track customer support? What metrics will help you understand where your customers need support? For example, what do acquisition and activation rates look like? When do your customers churn? What are the attributes of retained customers? Are users visiting specific parts of the FAQ section or searching for specific keywords on your site or app? | | | |

Step 3: Employ and implement tools to support your process

In Step 2, you should have determined the source(s) of the problems during customer support. Now, how will you address them? What solutions can you implement? They could be as simple as an FAQ page, or you may need to build new processes or tools into your current customer support approach. From the moment an order is placed to delivery, end users should receive automated updates, calls, information on the return policy, and request for feedback after service. Meeting these basic expectations can make a difference for any digital commerce platform, as they help to build customer trust and make customers feel valued and appreciated.

For small businesses with small margins, it can be expensive and time consuming to provide high levels of customer support. Still, digital sellers need their customers to trust in their products and business practices, and there are some relatively easy things they can do to prevent unnecessary calls or customer tickets. These are the customer support “must haves” listed below. But we’ve also included some “nice to haves” if resources are available to implement them.

Customer support solutions to implement

Must-haves

- ☐ A knowledge base or FAQ
- ☐ Auto-responders
- ☐ A customer support script to provide consistent service when communicating with customers
- ☐ A live number or WhatsApp with a real person to speak to. If a customer calls a number, somebody needs to be there to pick up or respond. This feature could apply to only a certain customer segment or as part of a paid service to be financially viable.
- ☐ Data analytics such as the [customer funnel metrics described in Chapter 5](#)
- ☐ NPS (Net Promoter Score, a metric that is not consistently tracked by startups)
- ☐ A returns and refund policy, pricing, follow-up after sales, customer complaint management (eg. escalation process to product replacement)

Nice-to-haves

- ☐ Customer reviews and testimonials on the quality of your product and service
- ☐ Website widgets that indicates response time and rate
- ☐ Reputational accreditation for selling online (trust certificate, pilot, or government accreditation)
- ☐ Multi-channel help desk providing assistance via in-person, calls, email, instant messaging, CRM, such as Xcaly and delivery. Multi-channel access should be embedded in support channels.

Exercise: Troubleshooting for customer drop-off (churn)

Customers are signing up to your platform, but dropping off before they make a transaction. What steps can you take to understand what is happening with your customers, and what support can you offer to stop drop-off?

Here is a sample checklist of what to do:

- ☐ **Run analytics to see WHERE and WHEN you're losing customers (and to surmise hypotheses as to WHY they are churning).**
- ☐ **Explore possible causes of churn:**
 - » Are there too many steps to complete the desired action?
 - » Are customers not getting help when they need it?
 - » Are customers signing up quickly and dropping off because they are not contacted by your company right away or receive a confirmation email?
 - » Is there a bug in the app that prevents the customer from proceeding?
- ☐ **Identify the possible causes and how you will validate what the issues are. This may involve gathering information from your sales team and customers. Typically there are three reasons why a customer will churn after signing up:**
 - » There is too much friction to get to the first transaction
 - » There is not enough information available on how to get help
 - » The value proposition on the landing page is not clear enough for the customer to continue
- ☐ **Propose solutions and how you will test or experiment to validate the possible solutions.**
- ☐ **Monitor how the drop-off rate changes with the solution you have in place.**
- ☐ **Call customers to find out how they are experiencing the changes.**

Dos and don'ts



- » Be intentional, methodical, and consistent with customer support. Being strategic benefits both the customer experience and your business, rather than being a cost.
- » Understand where, when, and why you are losing customers and what customer support can do to turn the experience around. This means analyzing your existing customer data and building out the analytics to track more metrics that help your team troubleshoot problems.
- » Implement the customer service must-haves and invest in nice-to-haves.
- » Have a designated person or team in charge of customer support and define the metrics, goals, and key results for them to demonstrate that customers are being supported sufficiently and effectively.



- » Lose sight of why you provide customer service and your objective in optimizing the support. If your objective is to reduce customer churn then make sure your changes respond to data-backed insights about customer pain points, and then track and measure progress. If your objective is to professionalize your team, then make sure you have processes, documentation, and tools in place. If your objective is to sell more, then make sure all teams that interact with the customer and the product messaging consistently communicate the value proposition.
- » Let customer service processes and materials become stale. Customer support is an ongoing process that you monitor and adjust based on what your analytics reveal about your operations.

Part 3

RETENTION



Ch. 5. Addressing customer churn



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Chapter in brief



THE CHALLENGE

Companies invest time and resources to acquire customers. That effort needs to be sustained and maximized by understanding which customers are being retained and when. For users who are lost on their customer journey, it is important to understand what is driving churn to fix problems with the product, service, and customer experience.



WHY IT HAPPENS

Startups may not have the customer data or know-how to track and analyze data to make informed decisions about their product and how to retain customers.



THE SOLUTION

Startups and even later-stage companies should invest in developing a comprehensive analytics and visualization dashboard to track and assess customer behavior, drive users from activation to retention, while also striving for overall user growth.

Introduction

You've spent days, maybe even months, developing social media content and paying for ads on Facebook and Google to create leads for your e-commerce platform. While this might appear to be a good strategy for generating leads, your marketing efforts are only the beginning of the customer journey. They will only be a worthwhile investment if those leads convert into registrations and from registrations to users who are actively using your product or service. To know whether this effort has paid off, you must understand what is driving activation and retention or, on the flipside, drop-off and customer churn.

In the Inclusive Digital Commerce Accelerator, we use a customer journey funnel called the Pirate Metrics Framework. This framework helps companies understand the quality of their data and what is happening with their customers at each stage of the customer journey, from Acquisition to Activation, Retention, Referral, and Revenue.

Having visibility into each of these funnel metrics reveals areas where companies are not delivering or having challenges in the execution. To identify and diagnose problem areas, you need to have good data to analyze and be able to pinpoint potential problems to examine, test, and improve.

Startups may be managing their data in spreadsheets or simple tables. However, it is a worthwhile and fundamental investment to set up your data in a relational database connected to your production application. This way, your **visualization dashboard** can immediately and automatically show updates to your pirate metrics, ideally from Acquisition at the start of the funnel to Revenue at the end. The visualization dashboard is one of the first and main ways we support companies with venture acceleration.



Dashboard tools

There are several dashboard tools you can use to build your pirate metrics analytics and visualizations. In the Inclusive Digital Commerce Accelerator, we primarily use Metabase and Redash. We have also used Power BI, but Metabase and Redash remain as the two most-used, feature-rich, and open-source tools for building dashboards. Alternative tools are often either proprietary and therefore not portable, extremely expensive, or lack critical features.



<https://www.metabase.com/>

Metabase is one of the most recommended data visualization tools due to its simplicity and wide range of features. These features include a data explorer, UI-based query builders, goal tracking and alerts, and even query parameterization that allows users to select a value from a drop-down to update a chart. Not only are these features exceptionally easy to use, they also display content very clearly. However, Metabase lacks some of the niche features that some organizations cannot live without, such as certain types of charts or the ability to query across multiple databases.

We recommend Metabase for startups with less technical teams due to its simplicity and data-exploration and query-building capabilities. However, this simplicity comes at the cost of fewer data integration and visualization options than other platforms.



<https://redash.io/>

Redash is the slightly more technical cousin of Metabase. Redash expands on many of the features offered by Metabase, which makes it more powerful in many ways, but is also slightly more complicated to use. Some areas where Redash excels over Metabase are the ability to query across multiple data sources (a requirement for microservices with multiple databases), additional chart types (Sankey, Sunburst, Boxplot, Word Cloud), and significantly more supported integrations (37 compared to Metabase's 19). Redash can also be more efficient because, unlike Metabase, it allows multiple charts to be rendered from a single query. However, Redash is missing features that enable data exploration and query building.

We recommend Redash when teams have technical competency and do not rely heavily on data browser or UI-based query-building features. Due to the additional efficiency and flexibility Redash provides, it is BFA Global's platform of choice.

Refresher on terms for visualization dashboards

- » Acquired user – Users who have provided enough information to be identified and contacted at a later date.
- » Active user – Users who have experienced the value offered by the platform.
- » Newly active user – Users who have experienced the value offered by the platform for the first time.
- » Churned user – Users who were previously active but have not performed an activating action for the specified time period.
- » Resurrected user – A user who was previously active and then churned, but is active once again for the specified time period.
- » Quick ratio – $\text{Newly active users} + \text{Resurrected users} / \text{Churned users}$. Any value above 1.0 indicates that the user base is growing, and below 1.0 shrinking.

Metrics to track

When building out their dashboard, companies should prioritize the following metrics from the Pirate Metrics Framework using the database of customer transactions (we assume at this point you are tracking customer transaction data). While this is not a complete list of metrics, focusing on this set will help your team understand what is happening with your customers and identify user patterns, and at what point in the journey you can intervene to activate and retain your customers.

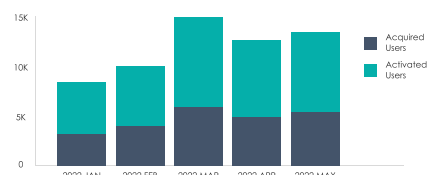
Metric:

User activation funnel (actual and percentage)

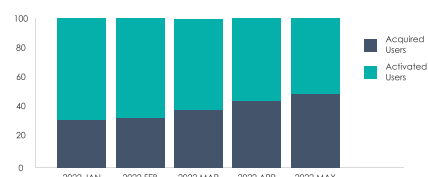
Data points: The steps it takes for a user to go from acquired to activated, with the drop-off rate at each step.

Insights: You are tracking users to understand where you might be losing them at each step of your activation process. A significant drop-off rate or customer churn signals there is something about how the customer is experiencing your product or service that is stopping them from moving forward and causing them to drop off.

Actual - acquired users



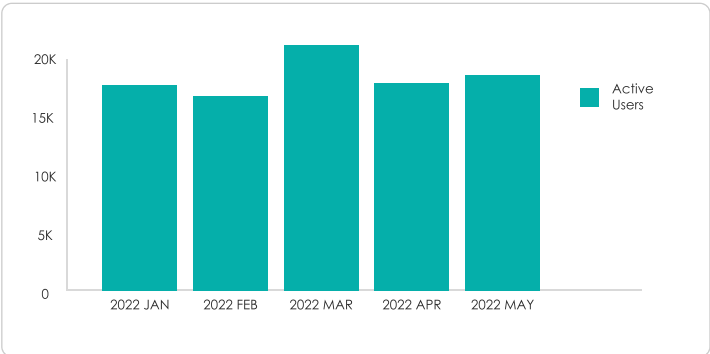
Percent - Acquired users



Metric: Active users

Data points: List of actions that qualify users as ‘active’ and the date each was performed.

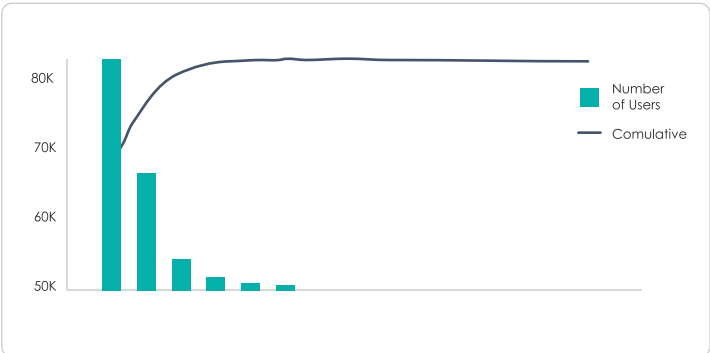
Insights: Every company will have their own definition of when a user becomes active. In the IDC program, we use one transaction a month as a benchmark, but this threshold should be adjusted to the cadence of your business. It is also helpful to define and track very active users or power users as a cohort or group of users to better understand their experience and behavior.



Metric: Transaction frequency

Data points: Shows the number of users who transact with the same average time between transactions while the customer is considered active.

Insights: This metric provides insight into how frequently active users are transacting, how often you would expect customers to transact, and may reveal who your high-volume, very active customers are.



Metric: About to churn

Data points: Shows users that are currently active but have not performed an ‘activating’ action recently, so they are about to churn.

Insights: Another chart you can bring into the analysis is a list of customers that are about to churn. Based on your definition of ‘active user’, you can monitor customers who have not been transacting for a certain period and contact them to find out why they have not been using the service or prompt them to use the service to keep them active. A simple chart can be built into your dashboard as in the example below:

| Username | Mobile number | Total Number of Delivery | Days Since last Delivery |
|----------|---------------|--------------------------|--------------------------|
| ----- | ----- | 4 | 29 |
| ----- | ----- | 100 | 29 |
| ----- | ----- | 2 | 29 |
| ----- | ----- | 12 | 29 |
| ----- | ----- | 4 | 29 |
| ----- | ----- | 4 | 29 |
| ----- | ----- | 20 | 29 |
| ----- | ----- | 47 | 28 |
| ----- | ----- | 4 | 28 |
| ----- | ----- | 13 | 28 |
| ----- | ----- | 5 | 28 |
| ----- | ----- | 1 | 28 |
| ----- | ----- | 1 | 27 |
| ----- | ----- | 108 | 27 |
| ----- | ----- | 5 | 27 |
| ----- | ----- | 2 | 27 |

You might apply some of the following techniques for customers who may be about to churn:

- » Send customers reminders to prompt them to take action and continue with the process, such as filling out personal information, making their first transaction, or accessing support.
- » Reach out to customers through your customer service team to inquire about the product or service experience, how they are using it, what they are happy with, and what is not working.
- » Run educational campaigns, such as content marketing strategies using how-tos and tips, product updates, and fixes to re-engage customers.
- » Run promotional campaigns with customers. A discount can be an effective way to get them to try the product again, especially for price-sensitive customers. Another technique is to offer specials and bulk offers that reduce the unit price but lead to more transactions. Some customers may be more willing to try products again during certain holiday seasons or periods of the year when their businesses are more active.

Metric: Recently resurrected users

Data points: Shows users that have churned but recently became active again.

Insights: It is smart to track resurrected customers and contact them to see what made them start using your product and service again. Perhaps they remembered because they saw an ad, were attracted to a promotional code they received, or a friend might have had a good experience and encouraged them to try again. Your customer engagement team should be contacting these customers to understand why they reactivated on their own, as they may have the same motivation as customers you are trying to recover or prevent from churning.

| First Name | Last Name | Resurrected Date | Days Since Resurrection | Date Las Churned | Days Churned | Resurrected Occurrence |
|------------|-----------|----------------------------|-------------------------|----------------------------|--------------|------------------------|
| | | April 19, 2022, 2:33 PM | 27 | April 17, 2022, 3:36 PM | 1 | 2 |

Metric: Growth, retention, and quick ratio

Data points: List of users who have become active and users who have churned during a certain period.

Insights: Startup companies need to maintain a fine balance between growth (number of users) and retention (number of active users who remain active). Measuring the growth and retention rates, and calculating and tracking the quick ratio against retention rates, will help companies situate themselves on the 2x2 matrix of Net Growth and Product-Market Fit. The quick ratio is a shorthand way to describe how efficiently a product or service is growing. If the quick ratio is greater than 1 the number of users is growing, and if it is below 1 the number of users is falling.

$$\text{Quick ratio} = (\text{New} + \text{Resurrected}) / \text{Churned}$$

Metric: User retention by cohort (triangle chart)

Data points: List of actions performed that qualify users as active and the date each was performed.

Insights: Tracking retention by cohort will help you identify and track how long customers are being retained and over what period they continue to be retained or start to drop off. Plotting user cohorts (y-axis) versus month (x-axis) as a heat map can reveal user retention or churn trends and the point in time a cohort starts to drop off. Reading the heat map along the diagonal line will show how long a cohort is retained.

Analyzing cohorts can be aided by asking yourself and your teams the following questions:

Describe the business activity

What percentage of MSE customers registered in a given month are active in the first month and beyond?

When do they tend to churn? You can examine this question for any Acquisition-Activation-Retention-Referral-Revenue transition, any feature, and any demographic/customer segment.

Measure your experiments

What causes a given cohort to remain more active?

Understand macro issues

Are there disruptive factors across all cohorts?

Inform customer research and plan your product

Engage a cohort to unearth specific reasons why they dropped off, then design and launch features that address those pain points.

Quick ratio and the leaky bucket



Retention Product-Market Fit

Your company may fall within one of the following quadrants:

- » **Leaky bucket:** The product has positive net growth but does not have product-market fit.
- » **Death spiral:** The product has neither positive net growth nor product-market fit. Active users are declining with poor retention, and the product has little chance to succeed.
- » **End of life:** Growth is declining, but the product has a core set of users that continue to retain. Early-stage companies experience this scenario when they find product-market fit with a small group of users but are losing active users overall.
- » **Sustainable growth:** Active users are continuing to grow and users are retained well. This is the goal for all products.

Ideally, companies would be in the upper-right Sustainable Product quadrant, which means the company is acquiring and retaining users in a healthy way.

Root cause analysis of customer churn

Once you have had a chance to analyze your data and speak with customers, you should be able to detect the biggest pain points along the customer journey and where you are losing your acquired customers. The source of churn may be the result of several factors, so it is helpful to consider the customer experience along the entire journey. You will want to understand the point at which a customer stops using the product/service and to come up with a solution to address the problem and encourage the customer to keep moving forward.

There are two scenarios you can reflect on as you examine potential dropoff points:



Customer support at the acquisition phase

Is the customer receiving enough information and guidance during onboarding or is the problem related to the product or the operation? Acquisition could be all about convincing customers that it is worth signing up, and making sure there are not any barriers during sign up and onboarding, such as needing specific documentation that requires time, validate payment methods, and others, and which can bring the process to a halt. Note: some companies define acquired customers as any customer who has provided contact information (i.e., signed up to mailing list) but has not yet experienced the value of the platform (an activation).



Customer training and education at the activation stage

The customer needs to receive enough information and support to (at least) conduct their first transaction. How to use the product should be easily accessible to the customer, either through a sales or field agent showing them how to transact, or being able to access a menu to read instructions or an app or video tutorial to see how it works. Most often, a customer needs help with an order transaction – a key milestone in the Activation stage. They may need help with all the 'pre-steps' it takes to get to the first sales transaction, such as having the right business data, connecting the product or service to digital payments or uploading product inventory and photos. These are all points at which the customer might get stuck and your customer support team will need to know where the drop-off points are and follow up to help them.



Poor customer experience using the app/service

A well-conceived and designed customer experience is critical to keeping your customers moving through the customer journey. Once the customer is on your landing page, be sure to present a clear value proposition and articulate in simple, short, and clear language what the product does. If it is unclear what the value proposition is or why the product or service is suitable, you run the risk of a user churning before you even get to Acquisition.

Once the customer is signed up, the product, development, operations, and customer service teams all need to ensure the customer does not experience much friction getting to the first transaction. The flipside of not providing enough education for the customer to use your product or service is making it too difficult for them to complete the steps. Teams that manage the user experience and interfaces need to have a deep understanding of how users interact with the interface, as this will help them design it meaningfully for less digital users, automate steps and data filling (when possible) to reduce time to transaction, and provide progressive information forms to request user information (as needed and in the context of the transaction).

If a customer seeks help but cannot find it easily on the product app or contact the company easily, they may lose patience and give up. Customers that seek recourse but have no way to communicate with the company will also suspect the product or service is a scam. For companies that serve less digital customers, having a live person answer the customer support line or chat can build a lot of customer trust. If you have a customer service line, make sure someone is on the other end to receive calls and provide answers. At minimum, use an auto-responder with office hours if no one is available and then follow up.

Similarly, if the operations powering the user experience do not deliver the expected results, customers will have a poor impression of the product or service. Operations that are not streamlined will fail to deliver on time, not communicate updated information on price and availability, and project a lack of transparency, all of which erode customer trust and create frustration and customer churn.

Dos and don'ts



- » Track data about your customers from the time they are acquired (or perhaps even the steps to becoming acquired) to their journey through the customer funnel.
- » Invest in building an analytics and visualization dashboard to monitor user behavior, identify customer segments, and address issues about the product/service and experience to retain customers.
- » Track activation, retention, and growth rates.
- » Invest in building an analytics and visualization dashboard to monitor user behavior, identify customer segments, and address issues about the product/service and experience to retain customers.
- » Understand why your customers churn and what makes them come back after they have churned.
- » Strive to expand your customer base while focusing on user retention.



- » Track so many data metrics that they do not give you a meaningful understanding of your business or your customers' behavior, and do not provide you with the information to make decisions.
- » Make decisions without understanding what your customers are doing and why.
- » Focus on vanity metrics that prioritize customer acquisition. Instead, focus on active users and how long they have been active to understand what leads to retention.

Tools library

Tool: Understand your customers by creating customer profiles

Fill in the table below to create customer profiles of your target MSE customers. Remove or add columns for additional profiles and rows for attributes you want to highlight.

| Customer attributes | Customer profile 1 | Customer profile 2 | Customer profile 3 |
|---|--------------------|--------------------|--------------------|
| Literacy level <ul style="list-style-type: none"> » How comfortable are your customers with reading and writing? » Do they speak, read, or write in English? | | | |
| Digital literacy <ul style="list-style-type: none"> » Do they have mobile phones? » What kind of phone do they have? » How comfortable are your customers using the internet, technology, and online tools? » What apps do they use? » Do they make digital payments? » Do they buy and sell online? | | | |
| Digital access <ul style="list-style-type: none"> » How consistent is their internet access? | | | |
| Demographics <ul style="list-style-type: none"> » Gender: Male/Female » Age: 18–35/36–50/50–65/65+ | | | |
| Business characteristics <ul style="list-style-type: none"> » Type of seller (main business or side hustle) » Number of years in business » Formal or informal business » Physical space, has equipment, has signage » Number of employees » Monthly revenue | | | |

Tool: Setting your onboarding goals and mapping process

| Questions to reflect on and answer | Company goals (answers) |
|---|-------------------------|
| <p>Goal setting</p> <ul style="list-style-type: none"> » How do you define customer onboarding? Where does onboarding sit on the customer funnel for you? (Acquisition to Activation) » What is the goal of your customer onboarding? » When do you consider a customer onboarded? | |
| <p>Team</p> <ul style="list-style-type: none"> » Who on your team is responsible for onboarding? » How do you train your team to onboard customers? » Does the team need additional training? When and how will they receive it? | |
| <p>Costs</p> <ul style="list-style-type: none"> » What are the costs associated with onboarding your customers? Consider all costs: offline and online, in-kind resources, and expenses. » What tools and technology do you use for onboarding that incur costs? | |
| <p>Timeline</p> <ul style="list-style-type: none"> » How long does each onboarding stage take? » What high-level steps do you take your customer through during the onboarding process? » How do you ensure that each step is complete? » How often would you like to update or revisit your onboarding process? <p><i>You will have to revisit your process as your customers and value proposition evolve. Set aside time at regular intervals to revisit your onboarding process and assess the costs and personal involvement required to onboard your customers. This will also give you insights into whether you can move a customer to a lower touchpoint.</i></p> <ul style="list-style-type: none"> » After a customer is onboarded, what is the next step? | |

Tool: Choose your tools and technology and decide how to use your data

| Questions to reflect on and answer | Company goals (answers) |
|--|-------------------------|
| Tech | |
| What tools and software do you use to onboard clients? | |
| Data | |
| What kind of data do you collect on your customers? <u>See Chapter 5 for a selection of metrics you should be tracking.</u> | |
| How do you compile this data? | |
| How do you analyze your data? | |
| How do you use your data? <u>See Chapter 4 for the data you can use to optimize your customer support</u> | |

Tool: Digital Readiness Scorecard

The following scorecard can be used to assess the digital literacy and digital readiness of your customers and the level and type of support needed to onboard them. If you have mostly high scores, you might focus on a self-onboarding approach. If you have mostly medium scores, you might choose a mix between self-onboarding and assisted onboarding for specific segments. If you have mostly low scores, you should consider directed onboarding and work to shift customers to assisted and self-onboarding over time.

| | | Tally | | | |
|-------------------------------|--|--|------|-----|-----|
| Attribute | Answer | Scoring | High | Med | Low |
| Internet access | <input type="checkbox"/> Has consistent internet and data access <input type="checkbox"/> Has some internet access <input type="checkbox"/> Data is not active all the time <input type="checkbox"/> No internet/data use | High Medium Low Low | | | |
| Device | <input type="checkbox"/> Has a smartphone they use frequently <input type="checkbox"/> Has a low-tech smartphone <input type="checkbox"/> No smartphone, uses a feature phone | High Medium Low | | | |
| Social media | <input type="checkbox"/> Active social media user <input type="checkbox"/> Uses apps to manage their business <input type="checkbox"/> Uses social media sometimes <input type="checkbox"/> Does not use social media | High High Medium Low | | | |
| Digital payments | <input type="checkbox"/> Accepts mobile money <input type="checkbox"/> Conducts digital purchasing <input type="checkbox"/> Uses a USSD solution for mobile money payments <input type="checkbox"/> Is not comfortable with digital payments or USSD solutions | High High Medium Low | | | |
| Digital behavior and attitude | <input type="checkbox"/> Regularly uses a mobile phone; it is part of how they operate in life and in business <input type="checkbox"/> Can read text messages <input type="checkbox"/> Primarily uses voice/text <input type="checkbox"/> Does not type on their phone <input type="checkbox"/> Turns to family members for help with technology and reading messages <input type="checkbox"/> May borrow a phone from a relative or friend and receive help with orders and transactions <input type="checkbox"/> Not keen on shifting behavior to digital | High Medium Medium Low Low Low Low | | | |

Tool: Training your MSE customers: a blueprint for an e-commerce curriculum

| MSE assessment insights | Answer | Type of onboarding |
|---|--|--|
| <ul style="list-style-type: none"> » Uses apps such as WhatsApp and Instagram for their personal life but not to sell products or services. » Not familiar with digital commerce platforms and finds it hard to manage one. » Does not have the resources to manage their digital presence. » Cannot take quality photos and chooses to use third-party images. | <ul style="list-style-type: none"> » Educate them on the benefits of onboarding to a digital commerce platform. » Suggest different digital commerce platforms available and present the value of each. » Propose to outsource the management of their digital platform to a gig worker or to manage their shop for a small fee. | MSE might require assisted onboarding |
| <ul style="list-style-type: none"> » Familiar with digital and online platforms but has not adopted yet. » Reluctant to onboard because of high fees. » Receives digital financial services as an individual on a personal account to avoid merchant account-related fees. | <ul style="list-style-type: none"> » Assign an experienced agent to present the benefits of onboarding and how it can contribute to growth. » Explain how commission is structured. » Agree on a settlement process and frequency. » Give them a grace period to test the service and the value it provides. » Explain how costs such as commissions and taxes can be declared as business expenses. | MSE can do self- onboarding |
| <ul style="list-style-type: none"> » Owns an e-commerce website but does not have traffic. » Already receives digital payments but complains about charges. » Listed on a couple of digital commerce platforms but does not make sales. » Often does not agree with customer complaints, including returns. | <ul style="list-style-type: none"> » Train them on optimization tools. » Provide ongoing education about fees and how they can be declared as business expenses. » Review available products and ensure they match what the vendor truly offers. » Encourage them to onboard on digital commerce platforms to increase sales and benefit from in-house marketing. » Educate them on the importance of building trust in digital commerce. | MSE will require a combination of directed and self-onboarding |

Tool: Storytelling devices for your salesforce

| Objective of the story | Type of story | Story details |
|--|---|--|
| Value and inspiration | Founders story | Story for each of the founders and key executive members that delves into their trials, tribulations, and routes to success. This is your chance to peek behind the curtain of your company and brand on the precipice of changing lives and disrupting the status quo. |
| Value and inspiration | Design story | A story that shows where you place the user in your research approach, product development, and distribution. |
| Sales: Identifying unique needs and presenting solutions | Product story | Like the founders story above, but specific to the product or service you're selling at the moment. |
| Sales: Understanding customer needs and presenting solutions | Customer success story + building loyalty | <p>A story that shows someone successfully using your product or service and being satisfied with the result. It can also be a story of impact, such as scaling the business or reaching new markets.</p> <p>Sharing positive customer service stories can build loyalty among your other customers. They won't want to miss out on that service if they ever need it.</p> |
| Sales: Identifying unique needs and presenting solutions | Adding value | This is a story that adds to the value or attractiveness of the product you sell because now the buyer isn't just buying the product, they're getting the story that comes with it. |

Tool: Sample training curriculum for field sales agents

In the table below are three segments of iWorkers and proposed training modules to strengthen their capacity.

| Segment | Capability/Traits | Training modules |
|-----------------------------|--|---|
| Entry level | <ul style="list-style-type: none"> » Has basic digital literacy skills » Completed at least 12 years of education » Can barely navigate digital platforms » Is more familiar with feature phones » Sends/receives mobile money | <ul style="list-style-type: none"> » Digital financial services training » Basic digital marketing skills for social commerce » Soft skills training: communication, empathy, listening, etc. |
| Early potential sales agent | <ul style="list-style-type: none"> » Already uses one digital service to improve livelihood » Has graduated from university but does not have a formal job or professional experience » Is an active social media user » Has a good understanding of sales | <ul style="list-style-type: none"> » Digital commerce training » Tailored vendor onboarding training (led by platform owners) » Digital marketing training » Step-by-step assisted onboarding training » Sales training » Soft skills training: communication, empathy, listening, etc. |
| High potential sales agent | <ul style="list-style-type: none"> » Uses 2–3 digital services to improve livelihood » Already provides digital services and has an understanding of digital financial services. » Is passionate about programming and helping MSEs onboard to digital platforms | <ul style="list-style-type: none"> » Sales training » Soft skills training: communication, empathy, listening, etc. » Building a digital profile/online CV » Exposure to other digital work opportunities to improve livelihood opportunities (value-added services such as mobile money, utility payments, e-government services, and e-hailing) |

Tool: Customer service objective and data prerequisites checklist

| What is your objective for changing your customer service approach? | Desired objective(s)? |
|---|--------------------------|
| Improve the performance of your customer service team? | <input type="checkbox"/> |
| Reduce the number of queries and lower your customer support costs? | <input type="checkbox"/> |
| Engage with and retain your customers? | <input type="checkbox"/> |
| Acquire new customers? | <input type="checkbox"/> |
| Understand product needs and adapt products to your target customers? | <input type="checkbox"/> |
| (Write in your own objective here) | <input type="checkbox"/> |

| Types of data to inform pain points | Specific data you have access to and can analyze | What data do you have available? <small>Fill in below</small> |
|-------------------------------------|---|---|
| Basic market data | e.g., Demographic data, socio-economic data, statistical data, network connectivity, infrastructure and utilities data, such as mobile money agent locations | <input type="checkbox"/> |
| Customer data | e.g., Name, gender, age, phone number, business location or address, business industry, type of phone, sign-up date | <input type="checkbox"/> |
| Customer transaction data | e.g., Historical data about the site or app visits and usage, days to sign-up or first transaction, frequency of transactions, time to acquisition, time to activation, number of days active, time before churning | <input type="checkbox"/> |
| Data collection tools | Google/Firebase Analytics, MixPanel, Branch.io, Segment.io | <input type="checkbox"/> |

Glossary

Acquired user: Users who have provided enough information to be identified and contacted at a later date.

Active user: Users who have experienced the value offered by the platform.

Retained user: Users who have been active for a defined period (i.e., 3 months).

Digital commerce companies: Companies that can empower micro and small enterprises (MSEs) to use digital tools and commerce to grow and become more resilient. These companies employ a range of business models and may serve different types of customers. Some may operate as business-to-consumer (B2C) online marketplaces between buyers and sellers, business-to-business-to-consumer (B2B2C) serving two-sided market customers, business-to-business (B2B), business-to-government (B2G), or as consumer-to-consumer (C2C), also known as peer-to-peer (P2P).

Digital commerce: A broad term referring to the sale of goods and services via digital means. It encompasses all forms of e-commerce or digital trade, as well as the gig or sharing economy.

Digital platforms or digital commerce platforms: Platforms that sell products or services online.

Digitization: The process of an individual or business employing digital tools, services, and processes to transform analog activities and transactions into digital ones.

Digitized customer: A customer that is not only aware of the digital products and solutions and the internet, but also has consistent access and can afford to use it consistently.

E-commerce: Also known as electronic commerce or internet commerce, e-commerce refers to the buying and selling of goods or services using the internet, and the transfer of money and data to execute these transactions. E-commerce is often used to refer to the sale of physical products online, but it can also describe any kind of commercial transaction facilitated through the internet.

E-services: Household or professional services that are matched, recruited, and/or provided through an internet connection and digital interface, such as a computer or mobile device.

Early-stage startups: Young companies that are developing and growing a scalable idea. They are usually innovators in the marketplace that have yet to reach product-market fit and have primarily raised seed capital to gather market data about their product or service.

End users: Customers of MSEs, or buyers/consumers.

Field agent: Field agents are frontline workers and the face of a company's operations. Although field agents originated in mobile money distribution networks, today they cover more than mobile money services. They also provide direct customer support and gather customer feedback for the company. Typically, field agents provide training for users during initial onboarding, as well as follow-up support throughout the onboarding journey.

Growth-stage companies: Companies that have a proven business model and are positioned to grow quickly and scale the business with respect to customers, product lines, and new markets.

iWorkers: People whose livelihoods are enabled by digital commerce platforms. Many, including gig workers, eLancers and e-commerce merchants or sellers, are self-employed, but some are employees of other iWorkers, MSEs, and digital platforms. iWorkers have connectivity to the internet, usually via a smartphone, and are often younger than the workforce in general.

Last mile: In e-commerce, the last mile refers to the final step in the supply chain when a product is delivered from a store, warehouse, or distribution point to the customer or end user. In a development context, it also refers to excluded, less digitally-enabled populations or markets that are usually underserved by digital products and services.

Livelihood: An income-earning strategy that may consist of formal employment, informal employment, and/or gig work as a means of supporting one's existence, especially financially or vocationally.

Micro and small enterprises (MSEs): Businesses employing between one and 30 people. The upper bound tends to vary by country.

Microenterprise: A business employing between one and five people. The upper bound tends to vary by country.

MSE customers: MSE vendors or sellers.

Onboarding: The process of integrating a new customer into using a new product or service with the aim of supporting the customer to become an active customer (usually defined by the first action or transaction with the product or service).

Youth/young adult: In this playbook, these terms are used interchangeably to describe active, working-age men and women between the ages of 18 and 35.



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