

# Eko: Testing the feasibility of new pricing plans for Eko's agents- understanding if the agents will choose the plans with high commission and no distributor support



## Problem statement/objective

Eko, a new-age BCNM, uses technology and provides financial solutions to more than 50 million customers through its 200,000+ BC agent base. Eko saw a decline in business throughput at its agent outlets in 2020. It required support to regain momentum among the agents who were at the risk of dropping out. Eko also needed help to onboard new agents to the platform.

## MSC's solution

- MSC initiated discussions with external and internal stakeholders to find drivers of low motivation among Eko agents and found the lack of incentives to be a leading cause. In response, Eko built new subscription plans to improve incentives while providing convenience to its customers.
- MSC then conducted an experiment to understand the attitudes of agents toward the new plans and recommended further improvements into the plan design

## Key learnings and challenges

- Dependence on distributors: Agents depend extensively on distributors for liquidity management, daily operations, and support. Many agents of these BCNMs drop out once their distributors switch to another provider.
- High demand for third-party services: Third-party services lead to higher income for agents. Many of these services like bookings and entertainment subscriptions are based on customer demand.
- High competition and low-entry barriers: The rise of new-age BCNMs has made the market highly competitive. With minimal switching costs for the agents, attrition rates and dormancy across many platforms is rising.

## Proposed targets / achieved targets

Indicators	Coverage	Result	Potential impact
Number of agents covered	New plans launched for 200,000 agents of Eko	84% agents adopted the new plans	<ul style="list-style-type: none"> <li>• Increase in net earnings for 200,000+ agents</li> <li>• Increase in throughput of transactions at agent outlets for Eko</li> </ul>
Change in net monthly earnings of an agent		49% average increase in net monthly earnings for small, medium, and large agents	

## Scale-up plan

- Eko has already launched the plan for 200,000 agents in Jun'21, so no further scale-up is required
- Based on the data received from Eko (Jun'21 to Dec'21), increase in net monthly earnings for different categories of participating agents is:

Small	70-110%
Medium	30-60%
Large	15-35%



Grant head: PEFI

