

# Revolutionizing E-commerce: How Evermos is Creating Entrepreneurship Opportunities and Expanding Market Access through Social Commerce

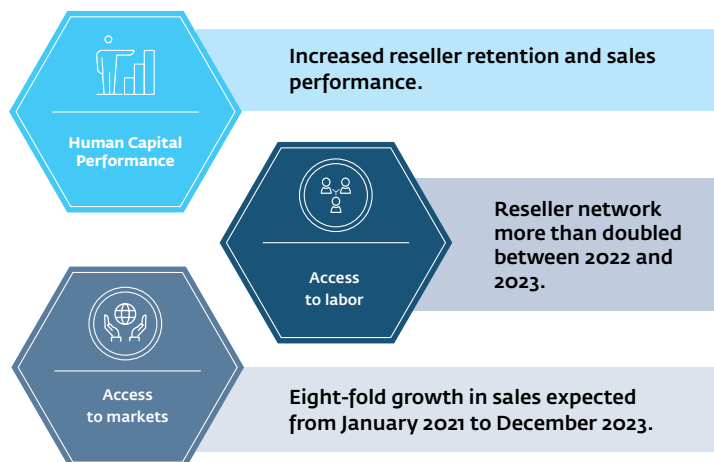
High costs and logistical challenges are just two of the barriers that hamper small and medium enterprises (SMEs) and micro-entrepreneurs from fully participating in the growing e-commerce sector. However, Indonesian social commerce company, Evermos, used inclusive employment practices to successfully address these challenges, grow its network of resellers at the base of the pyramid (BOP), and swiftly expand its market access to become one of the country's largest e-commerce companies.



## The Challenge

E-commerce is an enormous growth opportunity in Indonesia, with an estimated 50 million Indonesians becoming internet users between 2015-2020.<sup>1</sup> However, most consumers and sellers remain excluded from e-commerce channels due to barriers such as a lack of digital literacy, a bank account, or a registered address, inadequate communications infrastructure, and a lack of trust in the authenticity of products available online. Evermos needed to overcome these barriers and build a network of self-employed micro-entrepreneurs willing to use its app or social media platforms to sell halal items to their personal connections, including fashion, health, and beauty products, books, prayer equipment, food, and beverages.<sup>2</sup>

## Benefits for Business



## Benefits for Workers

Evermos offers resellers an opportunity to earn additional income, and for one-third it is their sole source of income, particularly for stay-at-home mothers. Resellers usually spend three hours per day on Evermos activities and earn \$43 per month on average. Top performers can make \$191 per month, which is equivalent to the national minimum wage.

## Inclusive Employment Solutions

Along with establishing a platform that targets lower-income cities, Evermos used the following inclusive employment practices to help resellers participate in e-commerce:



In 2022, Evermos was commended for its commitment to empowering women in the Gender-lens Finance category of the Transformational Business Awards from the Financial Times and IFC. The company was also awarded in the transparency and reporting category of the UN Women Indonesia Women Empowerment Principles Award for 2022.



**Industry:** Social Commerce/E-commerce conducted via social media channels.

**Founded:** 2018

**Size:** The Evermos digital platform has 700,000 resellers offering products from 1,200 SMEs in Indonesia.

**Area of Operation:** 1,800 underserved cities and towns communities in 34 Indonesian provinces.

**Base of the Pyramid Workforce:** Reseller network comprised of micro-entrepreneurs of whom 71% are women, 85% are in lower-income communities, and 75% have no education beyond high school.





## How Evermos Puts Inclusive Employment Solutions into Practice



### **Participation:** Reduce entry barriers

By enabling resellers to choose their own hours and location, Evermos provides households at the base of the economic pyramid with the opportunity to make critical supplementary income. Three quarters of Evermos resellers are parents, including stay-at-home mothers, and this flexibility enables them to fit their work as a reseller around their family obligations.

Resellers on Evermos's platform do not need start-up capital to buy and stock their inventory or equipment other than access to a smartphone. Instead, consumers place their orders through the reseller's online shop, or the reseller places customers' orders for them using the Evermos app. Evermos then ships the products directly to consumers.

The accessibility of the platform was vital during the COVID-19 pandemic, when many other economic activities were impacted by lockdowns. Low-income individuals needed to quickly find alternative ways to generate income, which they could carry out at home with no start-up costs or prior training required.



### **Advancement:** Build capacity for self-employment

Evermos provides extensive training and professional development opportunities through its 'reseller lifecycle' process. In 2022, the company conducted more than 1,624 online and in-person training sessions. Basic reseller training is held in-person once per month and covers topics such as using the Evermos app or optimizing sales through WhatsApp.

Intermediate and advanced training is held in person every two or three months and covers business strategy, creating online advertising, optimizing the use of social media, and more. Those unable to attend in person can access weekly online sessions. Additional weekly Zoom and YouTube training for resellers covers halal-compliant business and sales practices.

To maximize the flexibility and benefits of its training, Evermos has developed a learning management system that can be accessed any time through its app. These modules were drawn from, or developed in collaboration with, WeLearn, an online skills development program by UN Women. Topics covered include entrepreneurship, social media and digital marketing, copywriting, inventory management, financial literacy, and other life skills.



### **Advancement:** Upskill

Evermos gives high-performing resellers with leadership potential the opportunity to become 'Community Leaders'. Evermos's sales and community managers select community leaders based on their drive to excel and learn new skills, and their commitment to strengthening the skills and engagement of fellow resellers. After participating in additional training, community leaders are responsible for hosting and facilitating 'community gatherings', where resellers learn from each other by sharing their knowledge and good practices. On average, community leaders earn an additional \$35 to \$40 per month, which is equivalent to 45 to 60 percent of resellers' average monthly commission. This is tied to key performance indicators, including monthly sales by resellers, number of transactions, and number of new active resellers.

Over the longer term, Evermos is keen to provide greater entrepreneurship opportunities for successful resellers and to support their transition to becoming brand owners and selling their products via Evermos channels. This pathway is currently being pursued by a small number of community leaders. In addition, resellers can join a company program to store Evermos stock at home and fill resellers' orders, which strengthens their skills in logistics management.



### **Empowerment:** Support self-organization of informal workers

Creating district-level reseller communities able to support and learn from each other is a core part of Evermos's work to integrate and empower resellers at the base of the pyramid. As most resellers work alone from home, regular community gatherings help resellers to feel part of a team and to share knowledge about the best use of the Evermos platform.

The company also creates a sense of community through dedicated Facebook groups. These are managed by Evermos's Online Community Team and enable resellers to connect with each other, share knowledge and experiences, and ask for advice.



### **Empowerment:** Provide communication and grievance channels

Evermos provides direct channels for feedback and dialogue with the company. Resellers can interact directly with the Reseller Operations and Excellence Team via WhatsApp, phone, or email about issues with the app, or to ask for product information or sales advice. Evermos managers also hold one-on-one interviews every month with a selection of resellers to gather their opinions on sales or stock issues, potential improvements to Evermos's technology, and more.

## The Benefits for Business: Evermos's Experience

Providing economic opportunities for individuals in lower-income communities is crucial for Evermos to achieve its goal of reaching underserved consumers. By creating a supportive working environment, with an emphasis on community-building and providing training and advancement opportunities, Evermos has been able to retain its skilled resellers, and rapidly expand its reseller base, both of which contribute to the company's growth and profitability.



### Human capital performance

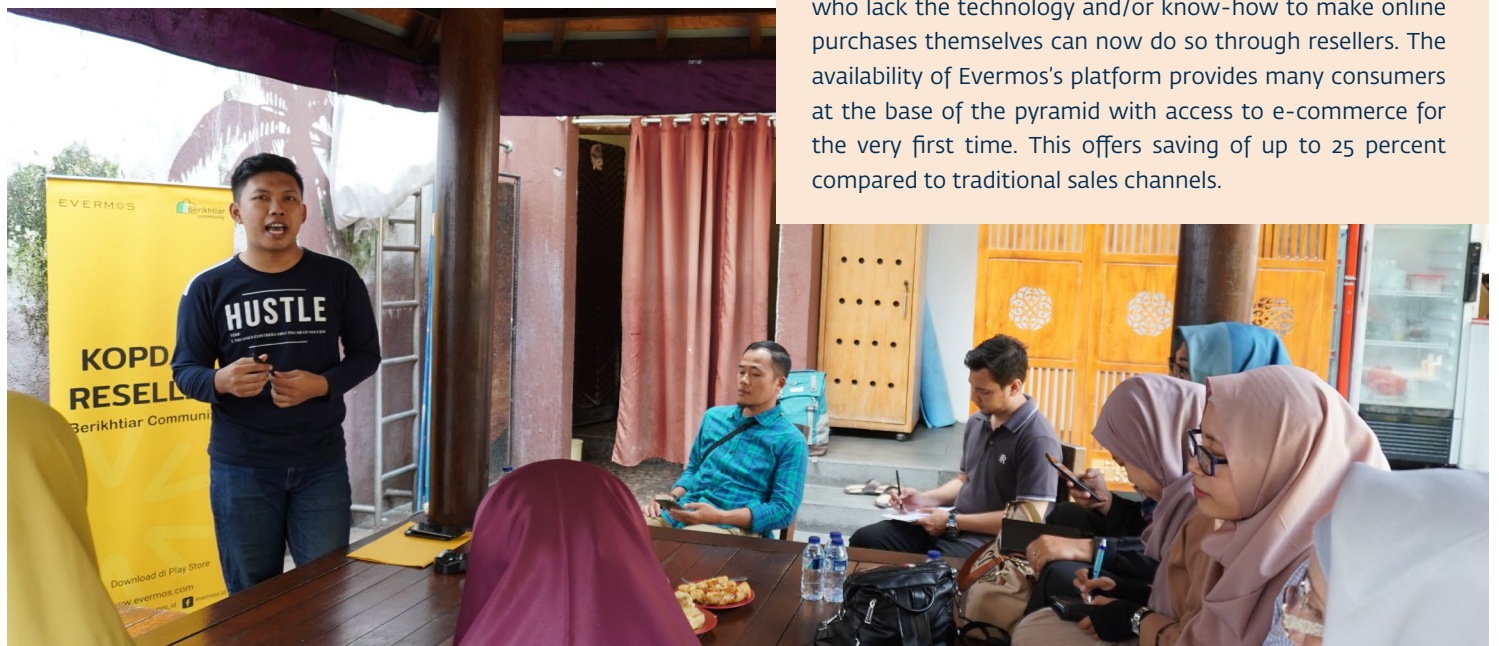
Evermos strongly believes that investing in training and community-building has a significant impact on resellers' productivity and retention. It boosts sales both by equipping resellers with new skills such as digital marketing and sales, and by improving their job satisfaction.

This is supported by company data showing that the sales performance of resellers who attend community gatherings is 1.5 times higher than resellers who do not.

Fostering a supportive working environment also makes resellers more likely to stay in the job. This enables Evermos to retain experienced resellers who have benefited from investments in training, thereby supporting stable growth.

"We've scaled up training and community-building programs in the last few years because we realized they were critical for keeping resellers engaged."

Iqbal Muslimin, Co-founder, Evermos



### Access to labor

Providing an inclusive working environment, developing resellers' capacity, and offering advancement opportunities are all critical to the company's goal of reaching one million resellers by 2027. More than 50 percent of new resellers are referred by existing resellers. Good working conditions contribute to a steady stream of new recruits that help meet growth targets.



### Access to markets

Since its founding in 2018, rapid expansion of Evermos's reseller network has driven significant sales growth. For example, the company's sales are expected to grow eight-fold from January 2021 to December 2023. By recruiting resellers who live in lower-income communities, Evermos is able to tap into this underserved market of less affluent, geographically-disbursed consumers. These consumers are often excluded from traditional retail and e-commerce channels by a lack of technology or know-how to make online purchases themselves. Now they can make online purchases through Evermos resellers. Evermos's model, where resellers sell products to their personal connections, is particularly effective as it responds to consumer demand for trustworthy sources of halal-certified products.<sup>3,4,5</sup>

### Benefits for Base of the Pyramid Customers:

Evermos resellers are concentrated in underserved cities and towns that digital channels do not typically reach. Customers who lack the technology and/or know-how to make online purchases themselves can now do so through resellers. The availability of Evermos's platform provides many consumers at the base of the pyramid with access to e-commerce for the very first time. This offers saving of up to 25 percent compared to traditional sales channels.

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## Endnotes & Sources

In addition to the [Evermos website](#), interviews with company managers in January 2022, and data provided in February, May, and July 2022, this case study used the following sources:

<sup>1</sup> Das, Kaushik, Toshan Tamhane, Ben Vatterott, Phillia Wibowo, and Simon Wintels, 2018. The digital archipelago: How online commerce is driving Indonesia's economic development. Jakarta: McKinsey & Company Indonesia.

[https://www.mckinsey.com/~media/McKinsey/Featured%20Insights/Asia%20Pacific/The%20digital%20archipelago%20How%20online%20commerce%20is%20driving%20Indonesias%20economic%20development/FINAL\\_The-digital-archipelago-How-online-commerce-is-driving-Indonesias-economic-development.ashx](https://www.mckinsey.com/~media/McKinsey/Featured%20Insights/Asia%20Pacific/The%20digital%20archipelago%20How%20online%20commerce%20is%20driving%20Indonesias%20economic%20development/FINAL_The-digital-archipelago-How-online-commerce-is-driving-Indonesias-economic-development.ashx)

<sup>2</sup> Halal items are produced in compliance with Islamic law.

<sup>3</sup> Google, TEMASEK, and Bain & Company, 2021. e-Conomy SEA 2021: Roaring 20s – The SEA Digital Decade: Indonesia.

[https://services.google.com/fh/files/misc/indonesia\\_e\\_economy\\_sea\\_2021\\_report.pdf](https://services.google.com/fh/files/misc/indonesia_e_economy_sea_2021_report.pdf)

<sup>4</sup> Kim, Jungsuk and Cynthia Castillejos-Petalcorin n.d. Bottom of the Pyramid Innovation in Asia. Manila: Asian Development Bank.

<https://www.adb.org/sites/default/files/institutional-document/575671/ado2020bp-botp-innovation-asia.pdf>

<sup>5</sup> Ministry of National Development Planning, Government of Indonesia, 2019. Indonesia Islamic Economic Masterplan 2019-2024.

<https://knks.go.id/storage/upload/1560308022-Indonesia%20Islamic%20Economic%20Masterplan%202019-2024.pdf>

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