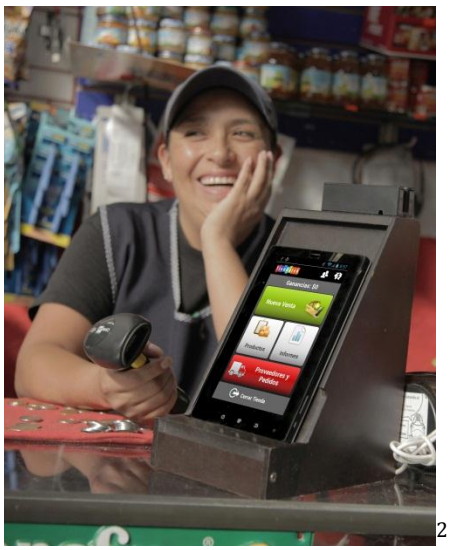
Mobile and Development Intelligence



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Tiendatek

Frogtek helps small shopkeepers in emerging markets to control and improve their business. With their Tiendatek software, a tablet and a barcode scanner, they register transactions, get useful metrics and charge credit cards. With this data Frogtek fuels Tiendatek Data, a Marketing Analytics tool used by companies like Unilever and Bimbo.

Year launched
2008

Business model
Business

Targeted Device
Tablet, Smartphone, Other

Primary Delivery Technology
Apps

Products & Services
Inventory Management, Payments

Markets deployed in
Mexico, Colombia

Estimated number of users
300

Background and opportunity:

What opportunity existed and how was it filled by the organisation?

Small shopkeepers in many developing markets currently have no electronic help to run a business, often with over a thousand products, over fifty suppliers and hundreds of customers. This lack of suitable technology creates painful management problems. Together with shopkeepers, Frogtek designed Tiendatek, a simple Android app augmented with affordable peripherals, which provides a range of services to store owners. With Tiendatek, shopkeepers can manage store sales, credit card transactions and airtime sales; track inventory and will soon allow to conduct mobile re-ordering; and perform basic book keeping and financial functions. In an informal context with untrustworthy employees, Tiendatek provides entrepreneurial shopkeepers with the tools to control and expand their business. The service started in Mexico and Colombia, and mainly focuses on shopkeepers (though Frogtek seeks to target the entire value chain). For the large consumer-good suppliers, Frogtek aggregates individual transactions for a real-time view of the market. The software will also enable mobile orders and payments soon, equipping the shop with a bank account from their partner bank BBVA-Bancomer.

Progress since launch:

How have things gone so far?

The project launched in mid-2008. The first year was about tuning and delving into the idea while trying to create the first team to start learning and discovering from potential customers. The second year, once the organisation secured some funding, was focused in creating a prototype and learning from how shopkeepers used it in real shops in Bogotá. The third year, 2010, Frogtek started offering the service and piloted its first bigger projects

[1] http://www.tiendatekweb.com/
[2] Image courtesy of Frogtek

in México, and used those pilots to grow their network and learn how to face operational challenges related to marketing, selling, delivery, training or support (among others). Starting 2013, the organisation has a network of almost 300 active users registering half a million sales each month.

Scalability:

How is the service being scaled to reach a larger audience?

In its fourth year, Frogtek will be focused on scaling its operations to spread all over México and Colombia. They are keen to keep learning how market research information can be of interest to consumer-goods companies. Partnering with interested players is also key for their scaling. Frogtek is relying on a series of agreements with consumer-goods companies to contact shopkeepers and ease the selling process. At the same time, even though the strategy still has to be discussed, the international expansion process will need help from local players both to create and operate the network and to exploit data gathered in new countries.

User centric attitudes:

How does the organisation build itself around the end user?

Frogtek have been directly dealing with their main users (shopkeepers) from the very beginning of the project. “In 2009 we disembarked in Bogotá, rented a flat and started working with our friendly shops in Chapinero district. Shop owners have been designing Tiendatek with us to the point that two of the first shopkeepers using our tool are now part of our sales force”. In the process of designing Tiendatek the product department has put a lot of effort into improving the production process by implementing advanced customer development techniques. These stress the fact that leaving the building and talking to users and customers is key to creating a solution for a real problem. “The same must be applied to consumer-goods companies and market research data”.

Challenges:

What are the internal and external challenges currently faced?

The main challenge for Frogtek will always be providing more value to their customers, both shopkeepers and consumer-goods companies. “We are now immersed in a new customer development process trying to bring Tiendatek several steps ahead of any other point of sale system in the world with the goal to make it a must-have tool for mom and pop shops in México.” Other challenges are related to the hardware used to run the software Frogtek creates. Very early in the project Frogtek decided to use Android as their reference platform. This decision has proved a good one in light of falling Android device prices, (from $300 in 2009 to even less than $100 in 2012). Many low cost Android devices, however, are still missing the quality the organisation would like to see, and will also require to accomplish their aggressive expansion plan. Extra challenges may well show up for Frogtek while growing their operational structure and targeting other cities outside México City.

Partnerships:

What is the value of partnerships, particularly with MNOs?

Frogtek’s project is complex enough to need collaboration of many different players including payment providers, mobile operators, hardware providers, integrators, banks, consumer-goods companies and shopkeeper associations. These partnerships are all clearly of value. With respect to mobile network operators, Frogtek conducted a pilot with Teléfonica in México during their trial period. This carrier now provides them with the data plans that go along with Tiendatek. In addition, the team working on Frogtek’s products have experience working in the telecoms industry. For example, David del Ser (the founder), Guillermo Caudevilla (the CTO) and some of the first engineers who worked on the prototype for Tiendatek had prior experience as Vodafone Group Research and Development employees. In addition, Frogtek’s current CEO, Marcos Eshkenazi, manages the Movistar distributor leader in México. “Obviously all this prior experience does not mean we know everything we need to know about mobile carriers in a complicated market such us Latam, but we have, at least, the background.”

Looking back, looking forward:

What key lessons have been learnt, and what are the organisation’s future objectives?

Frogtek feels that following an iterative and incremental process to build the company has been very important to get to where they are now. They have learnt that relevant data has

to be present as early as possible to make good decisions on any subject within any start-up. “Start-ups targeting customers in the base of the pyramid are no exception.” In future Frogtek aims to offer more value to shopkeepers and consumer-goods companies by taking advantage of their growing network. They look to create an intelligent network capable of optimizing the operation of all the players involved in the value chain process, as well as starting international expansion through partnerships from 2014 onwards.

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About the GSMA Association

The GSMA represents the interests of mobile operators worldwide. Spanning 220 countries, the GSMA unites nearly 800 of the world’s mobile operators, as well as more than 200 companies in the broader mobile ecosystem, including handset makers, software companies, equipment providers, Internet companies, and media and entertainment organisations. The GSMA also produces industry-leading events such as the Mobile World Congress and Mobile Asia Congress.

About Mobile for Development - Serving the underserved through mobile

Mobile for Development brings together our mobile operator members, the wider mobile industry and the development community to drive commercial mobile services for underserved people in emerging markets. We identify opportunities for social, economic impact and stimulate the development of scalable, life-enhancing mobile services.

About Mobile and Development Intelligence

MDI is a freely available, online platform of market and impact data, analysis and access to an active community of practice. The mobile phone’s ubiquity is uniquely well-placed to drive economic and social development in emerging markets. Investments in the mobile and development sectors are rising yet there is limited data on which to base these decisions. MDI is designed to bridge this information gap

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