

# Mobile Money Contributing Towards Global M-Commerce

15<sup>th</sup> September 2015



**Topyster Muga: Head of Airtel Money, Airtel Networks Kenya Limited**

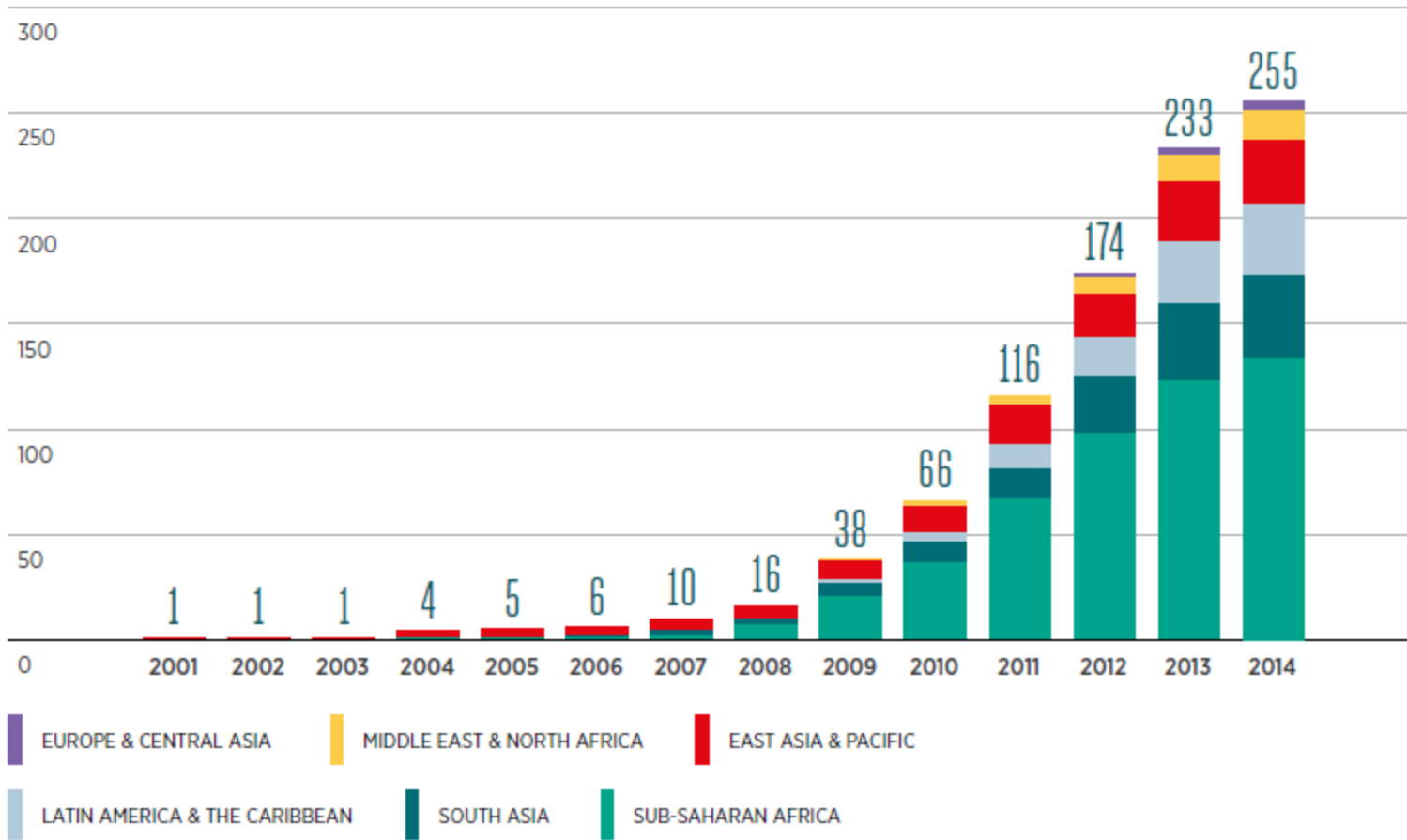
# What is M-Commerce?



- Business that is conducted on the internet through the use of cellphones or other wireless, handheld electronic devices.
- Mobile commerce, or m-commerce, gives consumers the ability to purchase products in a virtual retail space on their smartphones, tablets, and other mobile devices
- Mobile commerce services were first delivered in 1997, when the first two mobile-phone enabled [Coca Cola](#) vending machines were installed in the [Helsinki](#) area in [Finland](#). The machines accepted payment via [SMS](#) text messages.

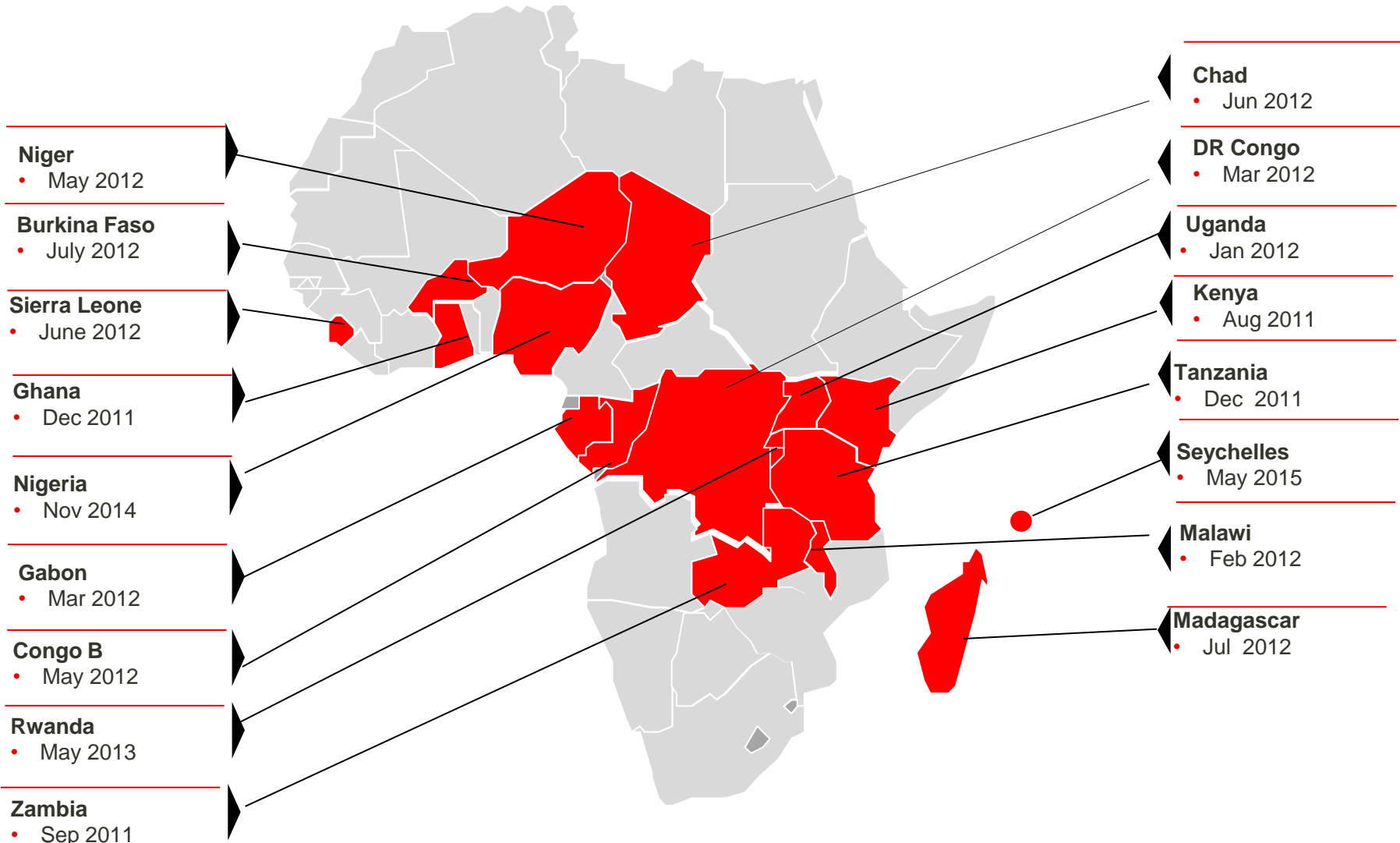
# More than half of the 255 mobile money deployments are in sub-Saharan Africa

**NUMBER OF LIVE MOBILE MONEY SERVICES BY REGION**  
(2001-2014; YEAR-END)

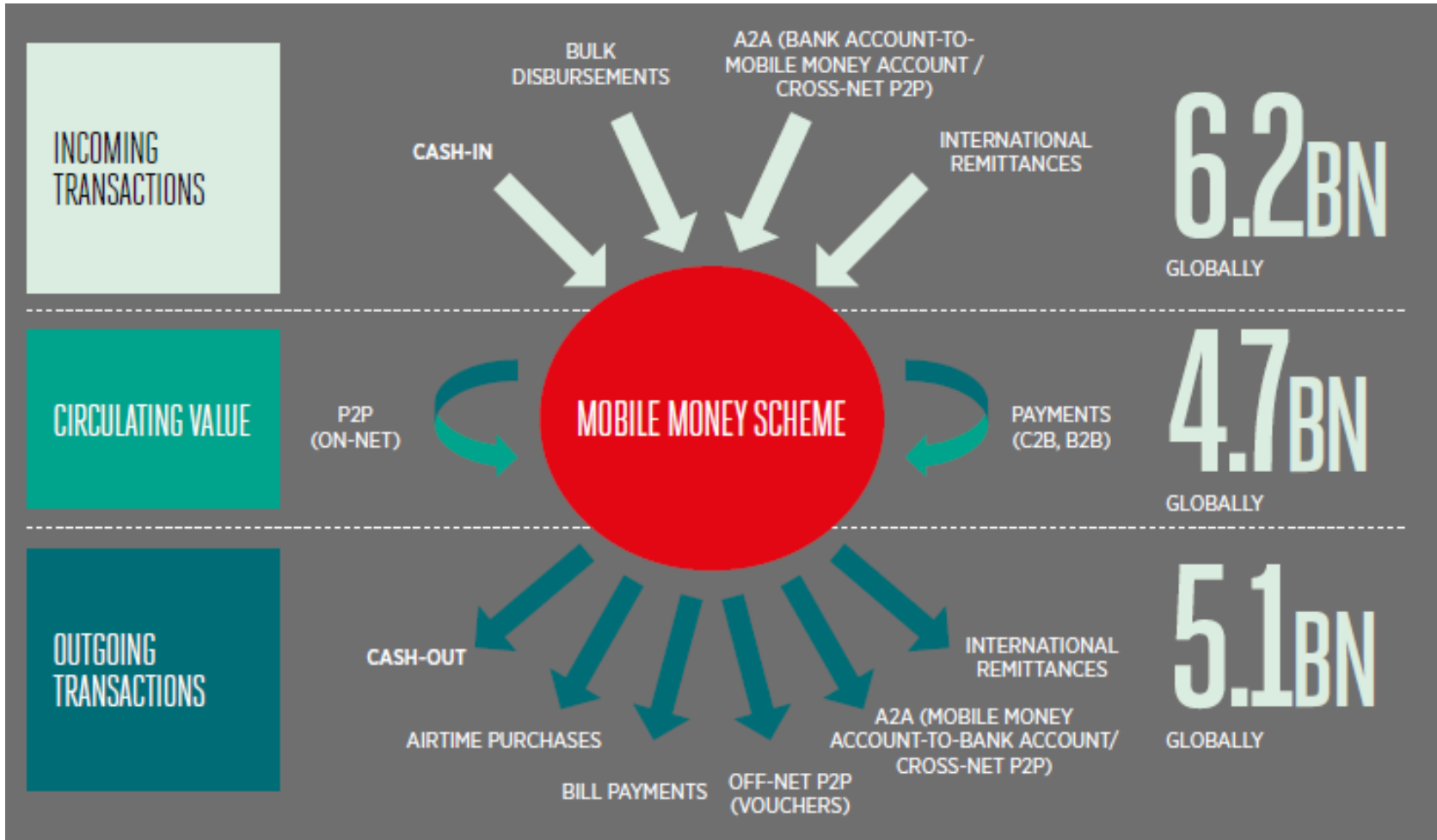


Source: <http://www.gsma.com/mobilefordevelopment/state-of-the-industry-2014>

# For example, Airtel has deployed Airtel Money in 17 African countries

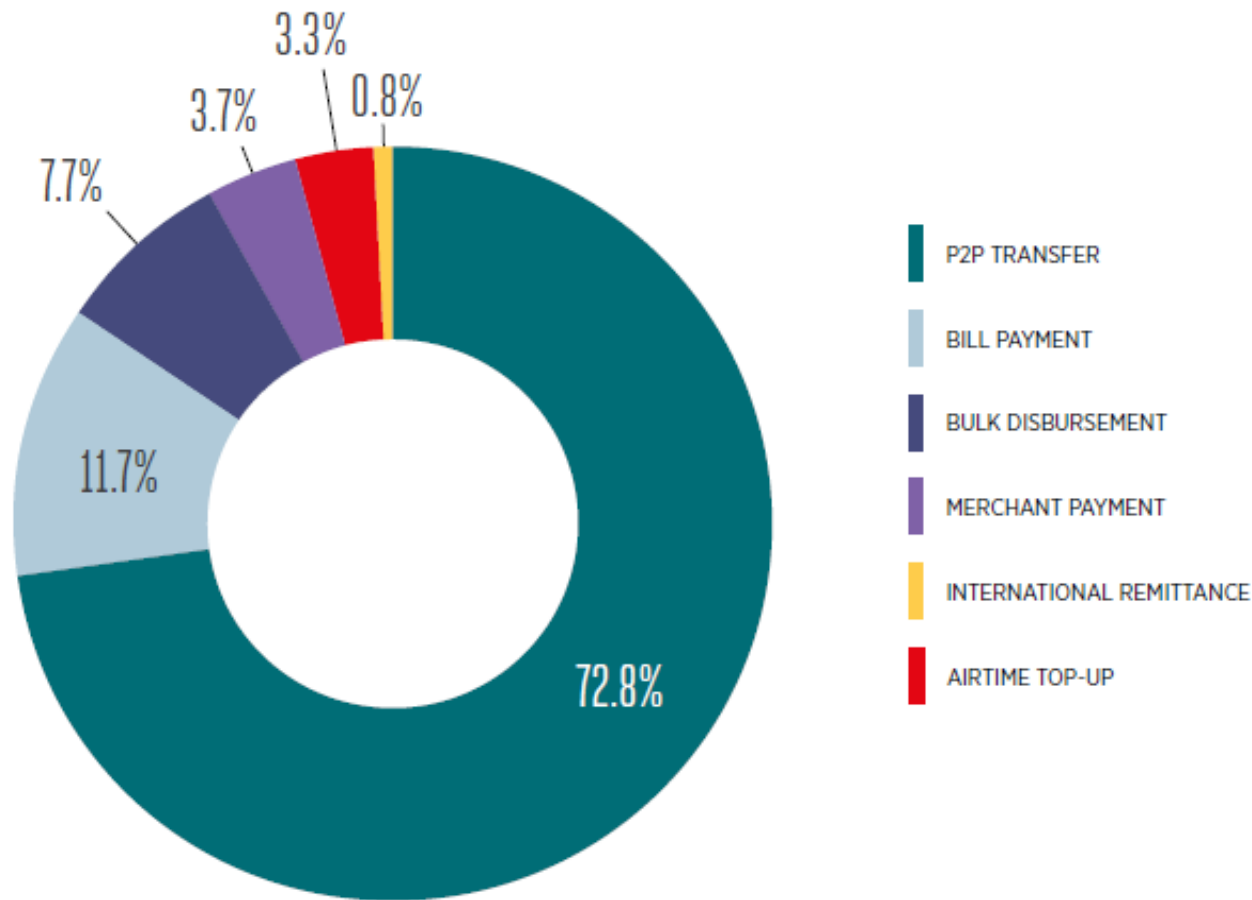


# Last December, the mobile money transaction value was \$16.3B, through 717M transactions



Source: <http://www.gsma.com/mobilefordevelopment/state-of-the-industry-2014>

# Only 23.4% of \$16.3B of Transaction Value in Dec 2014 Huge Opportunity Lies in Business to Consumer(B2C) and Consumer to Business(C2B) Payments:



Source: <http://www.gsma.com/mobilefordevelopment/state-of-the-industry-2014>



# Businesses play a big part in funding the mobile money account



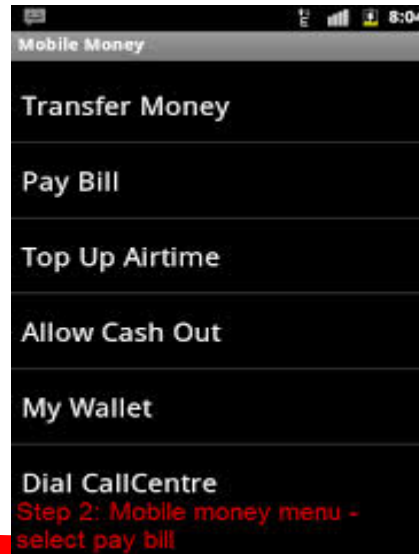
Via Agent



Via Bank



Via P2P Transfer



Via Business

# Organizations and government institutions disbursing funds through the mobile



Salaries, wages, allowances



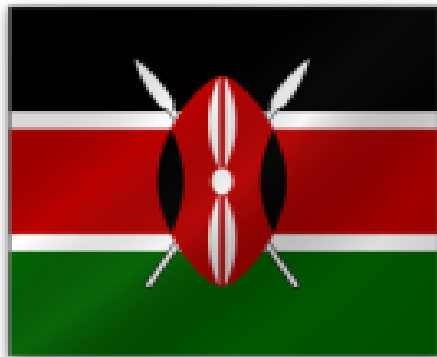
Business/Organization



Farmers



Construction Workers



Government

Salaries to government employees



Soldiers



Teachers



# Case Study: Over 90% cost reduction in funds disbursement

## Case Study:

### Salary Payment in Cash

- Finance Staff allowance(3 days):Kshs.6,000
- Vehicle Hire:Kshs.7,000 / day
- Fuel Kshs:12,000
- Accommodation:Kshs.7,500
- Total Cash Disbursement Costs: **Ksh.46,500**

### Salary Payment using Mobile Money

- Transaction Fees of Kshs.75/transaction, for 50 participants **Kshs.3,750**



Source: Accenture report; PACT Kenya

# Huge opportunity for consumer to business face to face or remote payments



**Consumer**



**Business**



**Retailer(FMCG)**



# Case Study: Tanzania Water Revenue Collection

**Over 38%  
increase  
in  
revenue  
collection**

## Water Bill Revenue Collection

Before Mobile Money : **Tshs.2.6b** per month

After Mobile Money: **Tshs.3.6b** per month

## Benefits

- Over **38%** increase in revenue collection
- Less travel/queueing by customers hence better customer experience.

**Source:** The Citizen Newspaper Tanzania

<http://www.thecitizen.co.tz/News/Dawasco-hails-M-Pesa-billing/-/1840392/1910782/-/7emg2u/-/index.html>

# Views around Africa on building the M-Commerce ecosystem

<https://www.youtube.com/watch?v=vfWOQL7WI2w>

**Thank You**