

# M-Pesa sees partnerships as the road to growth

By Nicci Botha

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What started out simply as a convenient way to send money home has evolved into the continent's mobile money success story.

"We stumbled upon M-Pesa 10 years ago for people working elsewhere in Kenya could send money to their families. We were looking for a platform that enabled payments and that was sustainable" said Brian Wamatu, acting director, financial services at [Safaricom](#), the mobile network which rolled out M-Pesa in 2007 to cater for the many unbanked Kenyans mostly living in rural areas.



Photo: YouTube

It was originally designed to allow microfinance-loan repayments to be made by phone, reducing the costs associated with handling cash. But after the pilot, testing was broadened to become a general money-transfer scheme.

M-Pesa has expanded to offer loans and savings products, and can also be used to disburse salaries or pay bills, which saves users further time and money as compared to doing so from banks. Its wide range of financial services including person to person, ATM withdrawal, payments, bulk payments and bank to M-Pesa

As of January 2016, 21.8-million Kenyans are using the platform, with over 1.5-million of those users accessing the bill payment feature. At the time M-Pesa had a network of over 90,000 agent outlets.

## Growing revenue

"\$280m has been saved on M-Pesa and the collection growth is from 30 to 75%. So how do you grow revenue? Remembering that for mobile money, cash is the enemy," Wamatu said.

There are traditionally three ways, he explained, growing the number of users, increasing the number of transactions and superior service. “We are using partners to improve the user experience and create products.”

Wamatu discussed other areas Safaricom is exploring for growth.

Trust is another important component. “We are exploring what we can do with data analytics to determine trends in fraud and how it happens. Mobile money payments are authenticated with a card and we’ve introduced an application programming interface (API) layer. We can now also provide business finance and access to working capital.

“The common thread throughout is partnerships and using data to transform lives.”

## ABOUT NICCI BOTHA

Nicci Botha has been wordsmithing for more than 20 years, covering just about every subject under the sun and then some. She's strung together words on sustainable development, maritime matters, mining, marketing, medical, lifestyle... and that elixir of life - chocolate. Nicci has worked for local and international media houses including Primedia, Caxton, Lloyd's and Reuters. Her new passion is digital media.

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