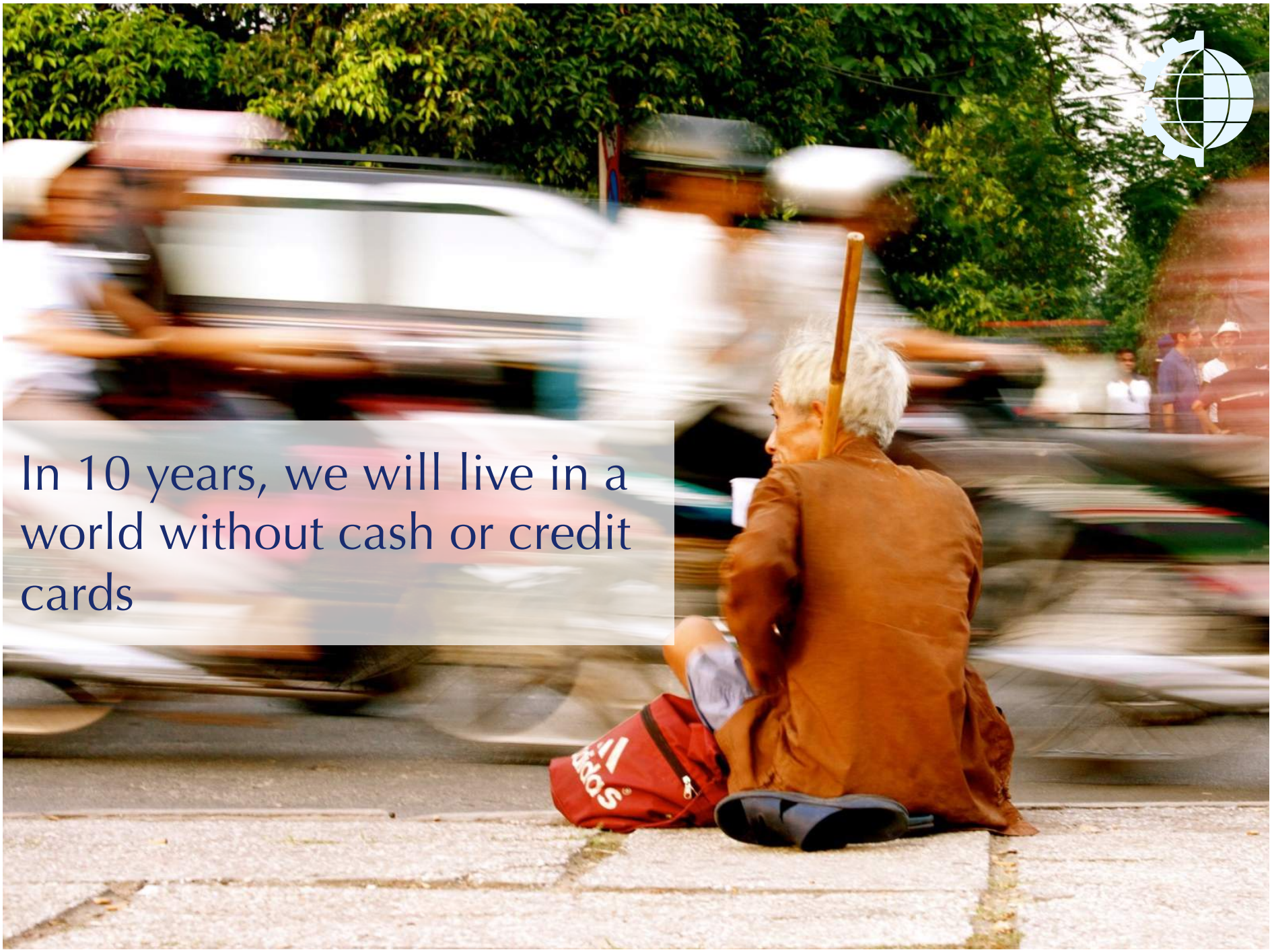

In 10 years, we will live in a world without cash or credit cards

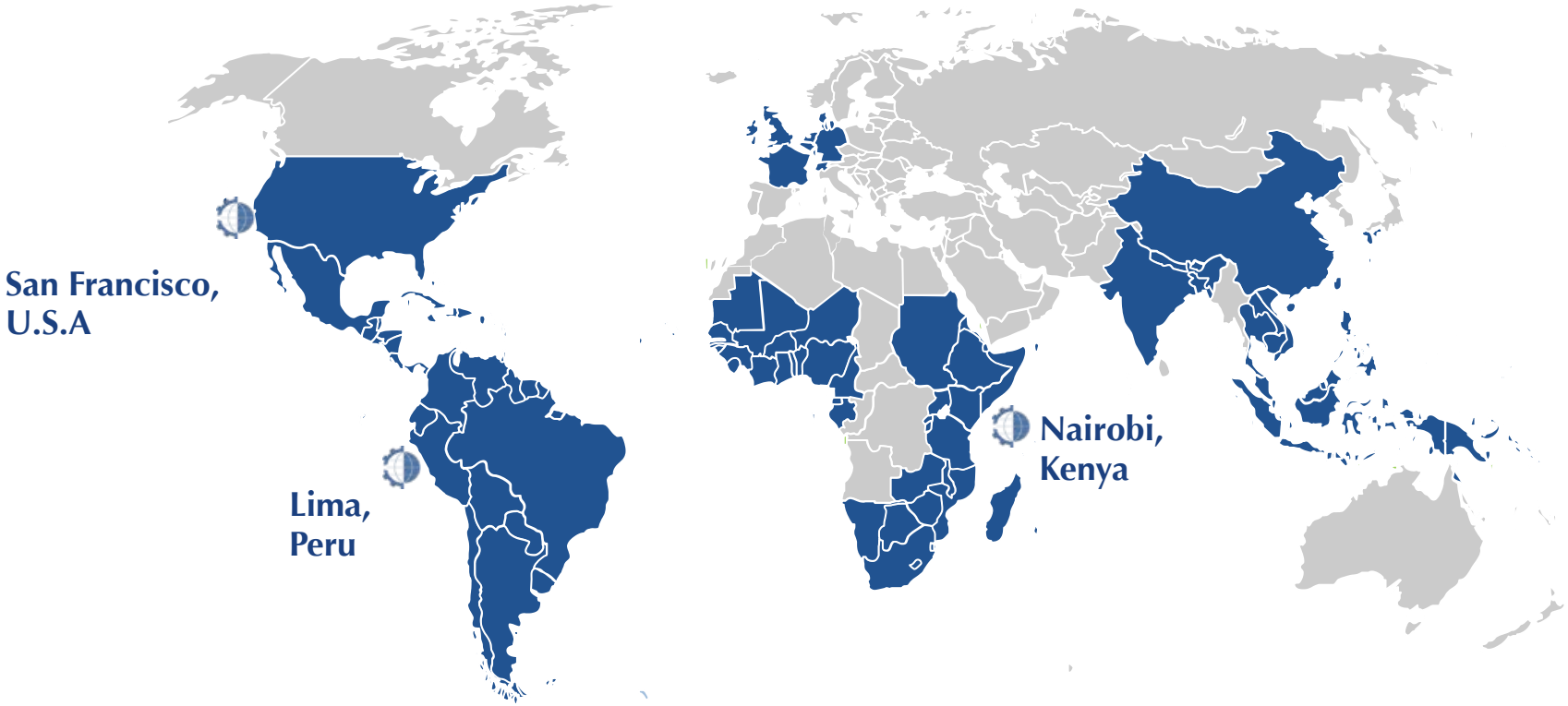
M-COMMERCE IN AFRICA

Lessons Learned from the Silicon Savannah (Kenya)

I-DEV INTERNATIONAL

I-DEV INTERNATIONAL

Building bridges between tech ecosystems…



250+
Emerging Markets Investors

30+
Incubators & Acccelerators

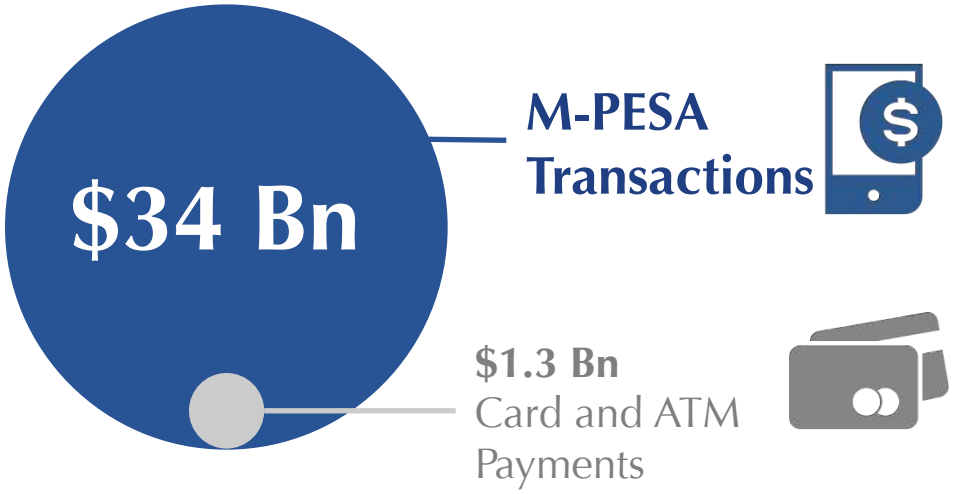
300
SMEs Supported

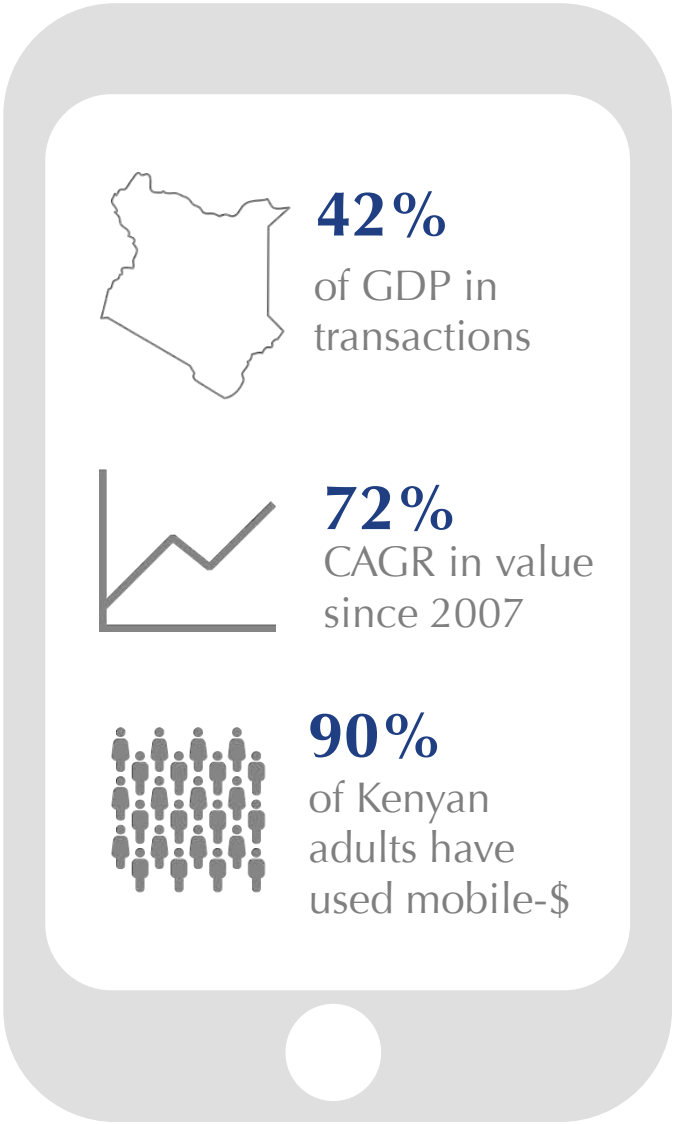
$70M
In Financing

MOBILE MONEY IN KENYA

In 2016…

1 in 10
mobile money transactions
globally happened in Kenya





Source: World Bank, ITU, PEW Research Center

M-PESA AT A GLANCE

SMS-based mobile money platform

Launched in **2007** by Safaricom (Vodafone subsidiary)

Deposits held by Commercial Bank of Africa, **Kenya's largest bank**

82% Kenya Market Share

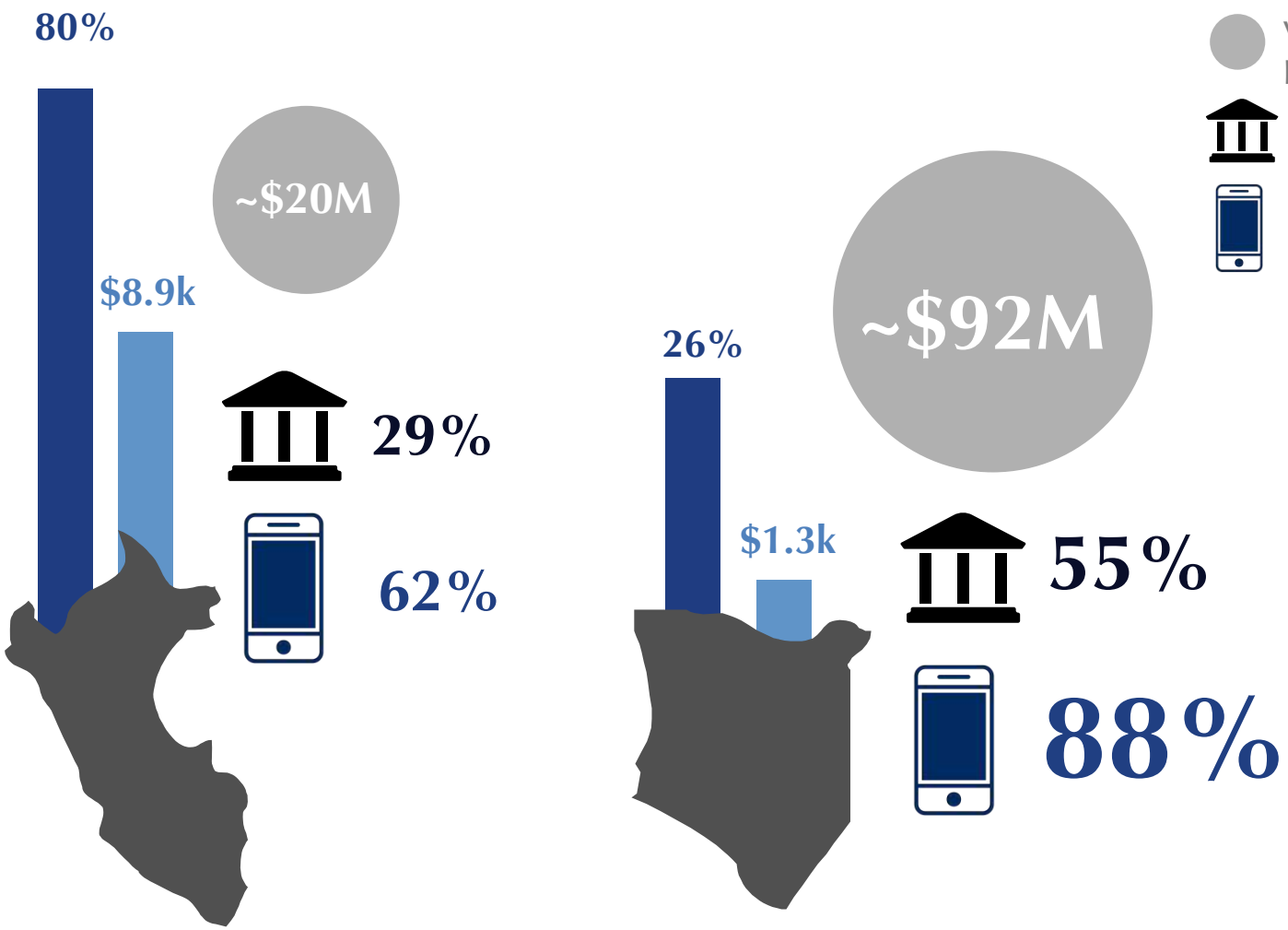
124,000
Agents in Kenya

2 Bn
transactions in Kenya processed in 2016

30 M active users

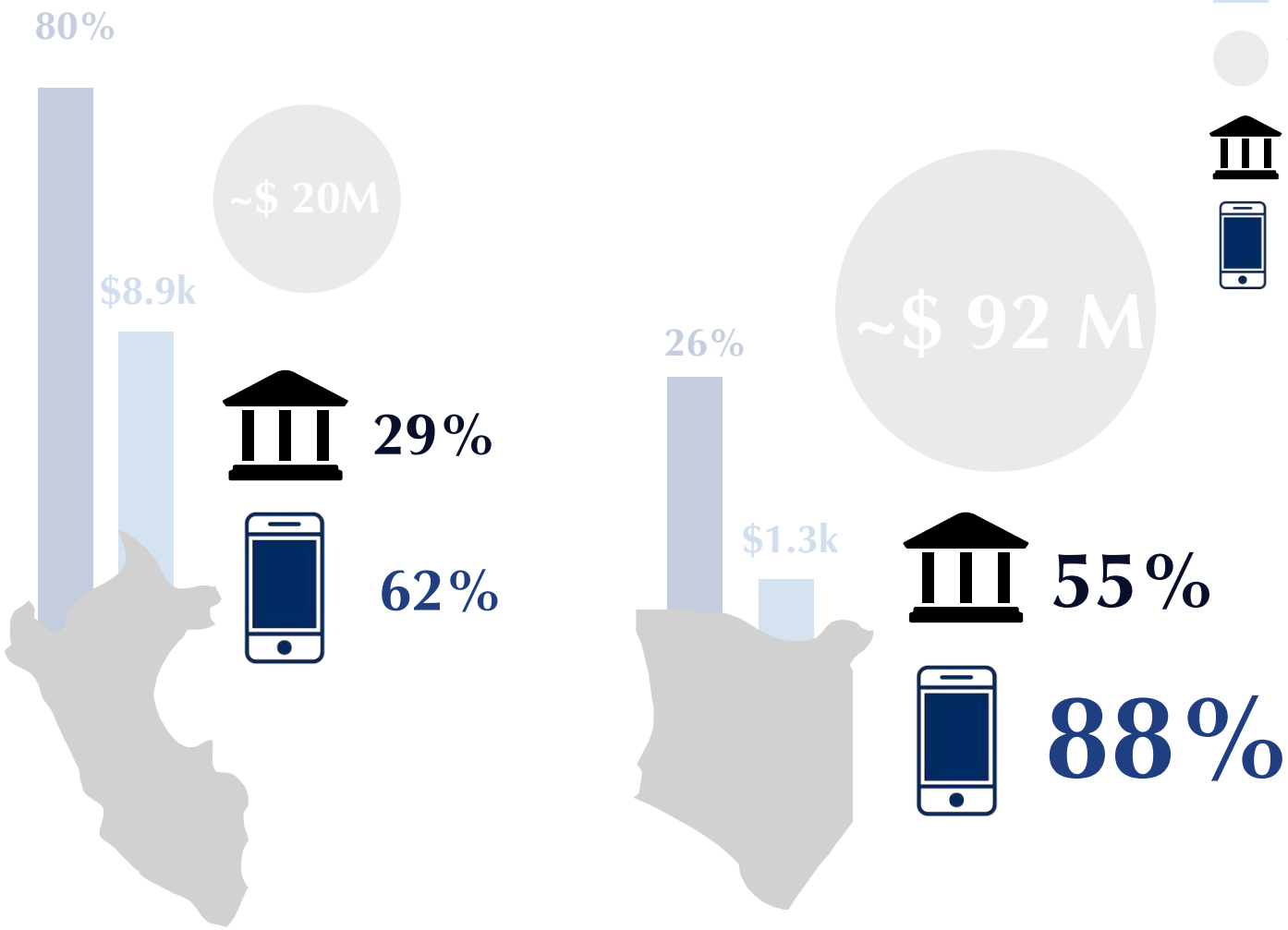
Source: Vodaphone; Kenya Communications Authority

COMPARING THE LANDSCAPE: PERU AND KENYA IN 2016



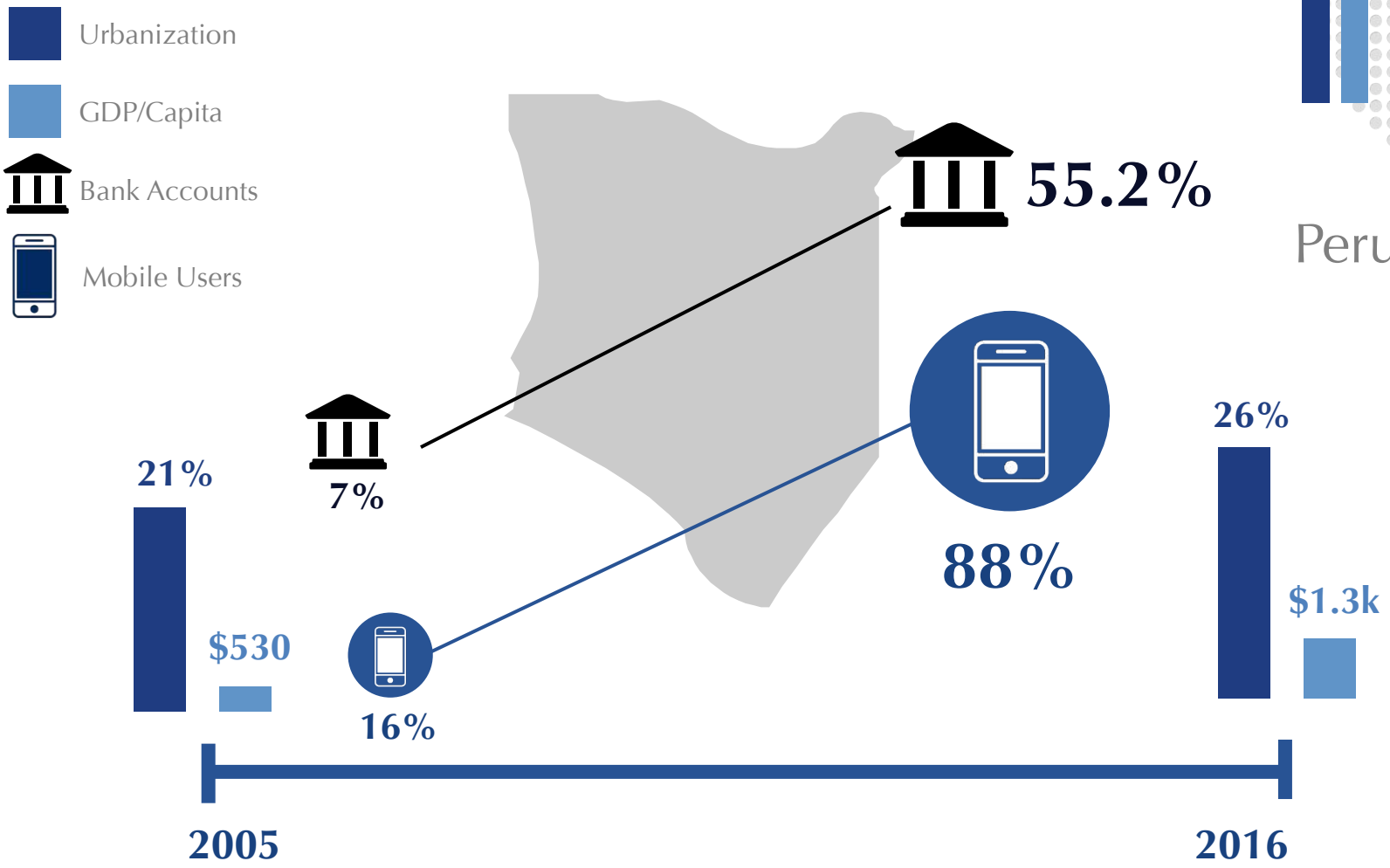
Sources: World Bank, GSMA, Global Findex, LAVCA, Disrupt Africa

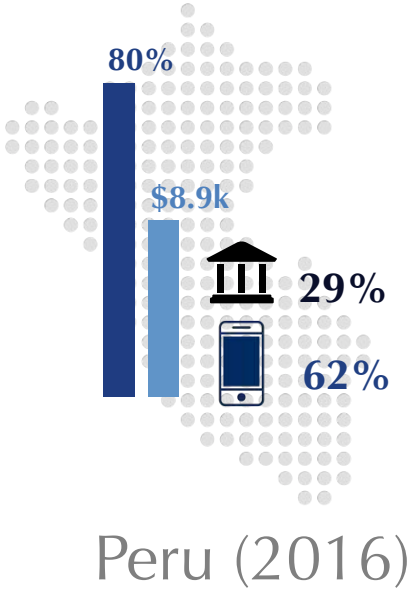
COMPARING THE LANDSCAPE: PERU AND KENYA IN 2016



Sources: World Bank, GSMA, Global Findex, LAVCA, Disrupt Africa

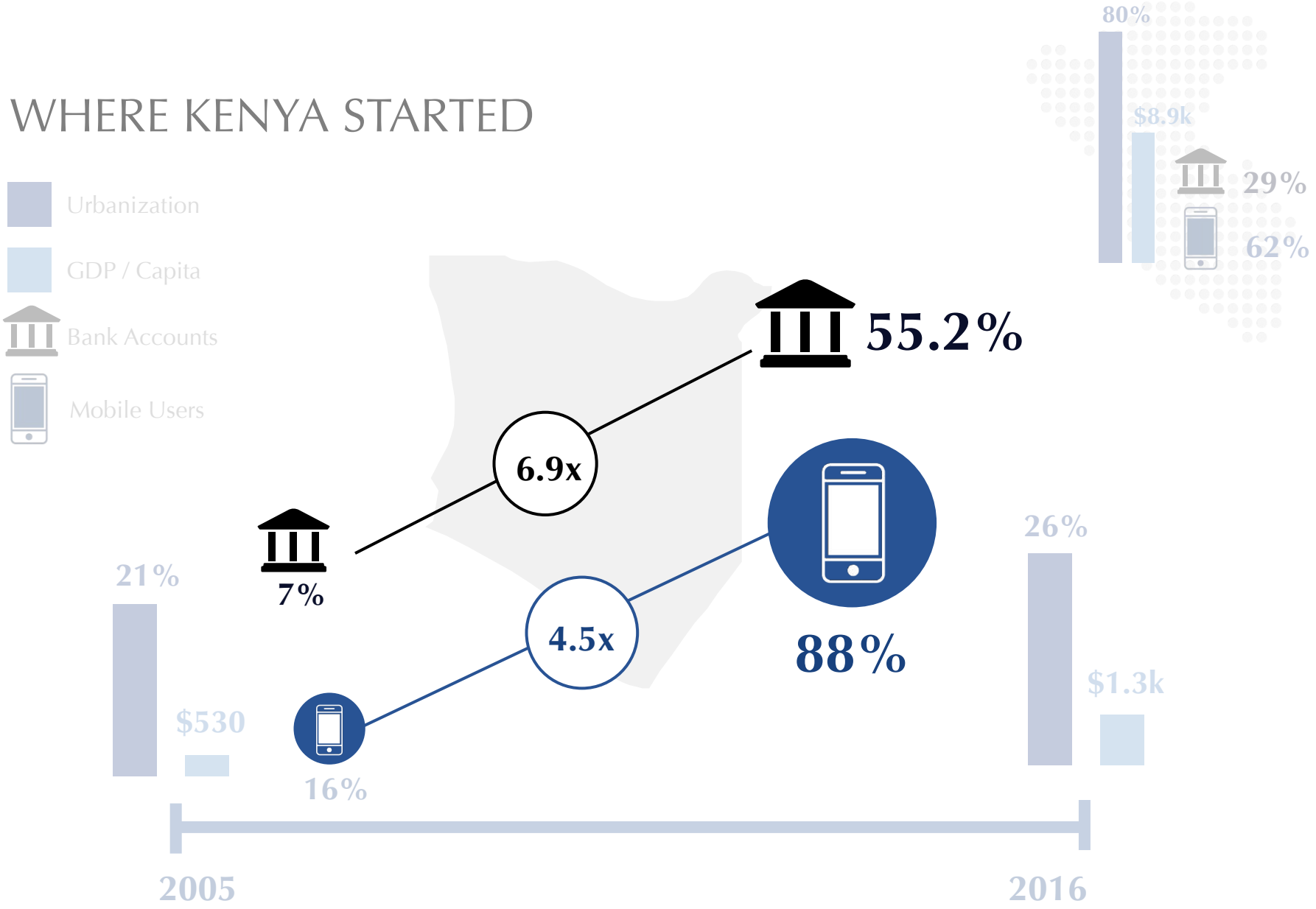
WHERE KENYA STARTED





Source: World Bank

WHERE KENYA STARTED



Source: World Bank

M-PESA: 5 KEY SUCCESS FACTORS

1. High Under-Banked with Significant Need for Domestic Remittances

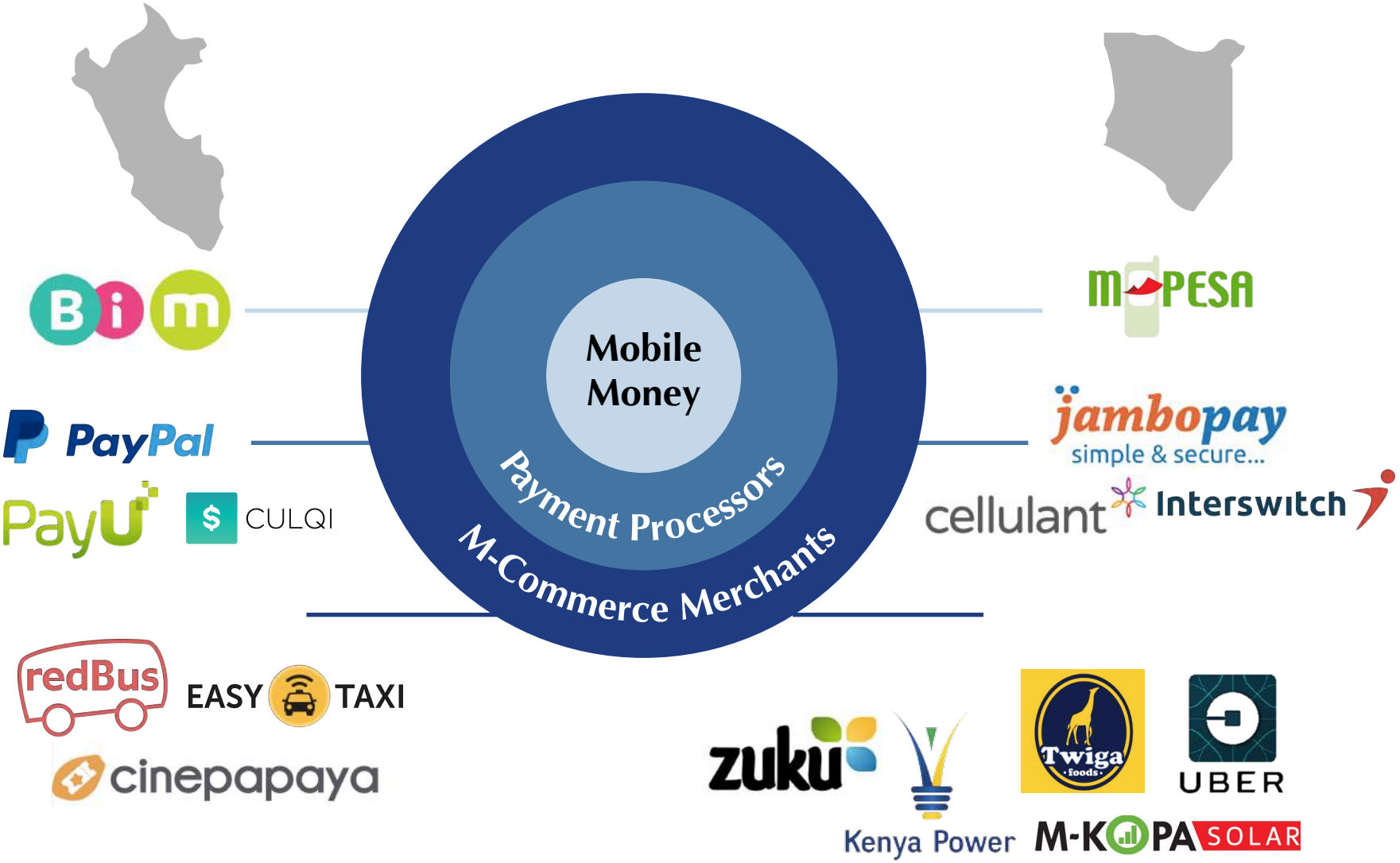
2. Slow Innovation from Large Banks, Leaving a Huge Market Gap

3. Robust National **Agent Network, Easy Cash-In & Out = Increased Trust**

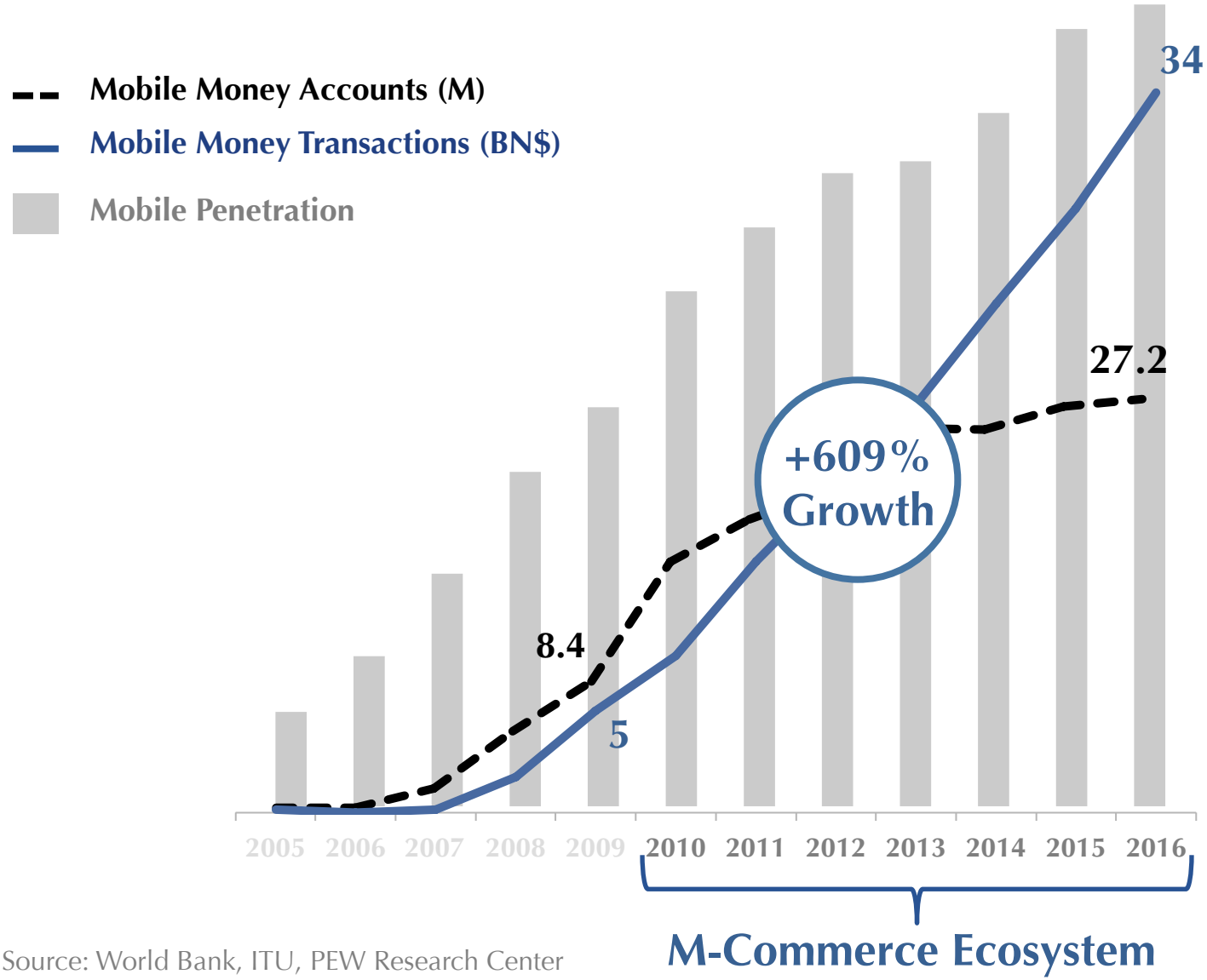
4. National Pride Fostered through Local Branding

5. M-Commerce Ecosystem Driving User Case for Adoption

DRIVING DEMAND – THE M-COMMERCE ECOSYSTEM



Rapid Accelerations Since 2010



Source: World Bank, ITU, PEW Research Center

M-COMMERCE INNOVATION BUILT ON MOBILE MONEY

Mobile-Based B2B Logistics Company

Founded: 2014
Vendors: 10,000+

- Aggregates orders via Smartphone app
- Enables access to wholesale prices
- Mobile payments via M-PESA
- Provides distribution to vendors via tuk-tuk routes

Pay-as-You-Go Home Solar Company

Founded: 2011
Users: 500,000

- Solar home kit
- Targeting off-grid rural households
- Paid via daily mobile top-ups

LEADING TO A BIG DATA REVOLUTION

Value unlocked by Big Data

1. Access to financial services for un/under-banked segments
2. Bringing millions of people on the data grid and providing real-time dynamic market intelligence
3. Driving company valuations and attracting foreign capital

Data Driven Deals

Twiga Foods — **~$2.5M** Seed

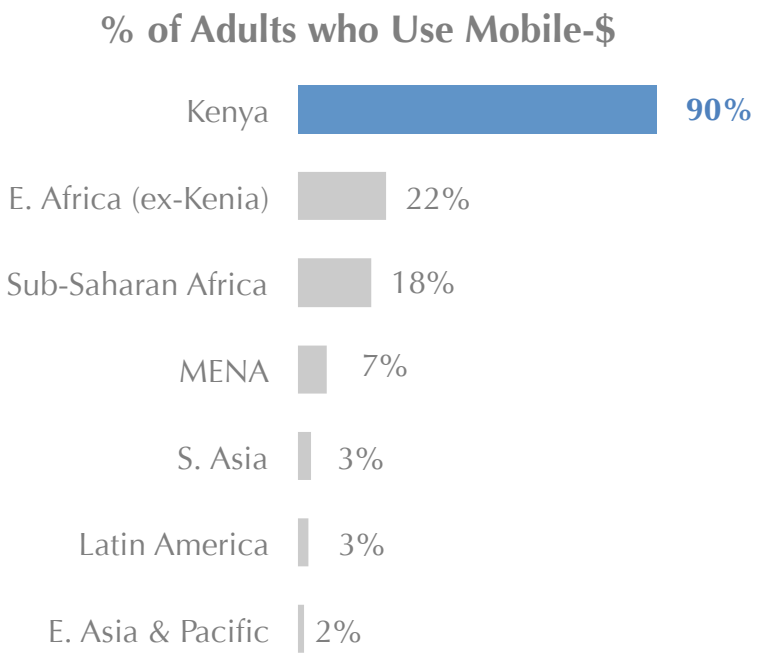
branch — **$9.6M** Series A

M-KOPA — **$80M+** (to date)

WHY MOBILE MONEY HAS FAILED ELSEWHERE

80% – 90%

of mobile money programs globally have failed



Common Challenges

1. No **M-Commerce Ecosystem**

2. Weak **Agent Network** Penetration to Facilitate Easy Deposits and Withdrawals

3. Lack of **Trust (Easy Cash in & Cash Out)**

5. Exclusive Focus on Middle-Upper Class

6. Strong Bank and Telecom **Lobby**

7. Poor Mobile **Network Coverage**

8. Didn't Leverage / Unlock **Value from Data**

HOW CAN PERU MAKE IT

Build a Robust M-Commerce Ecosystem

Build a solid user case that will create “stickiness” and drive volumes

Build a Robust Agent Network

Make it **easy to Cash in and Cash out**, building trust between users and agents

Leverage Big Data

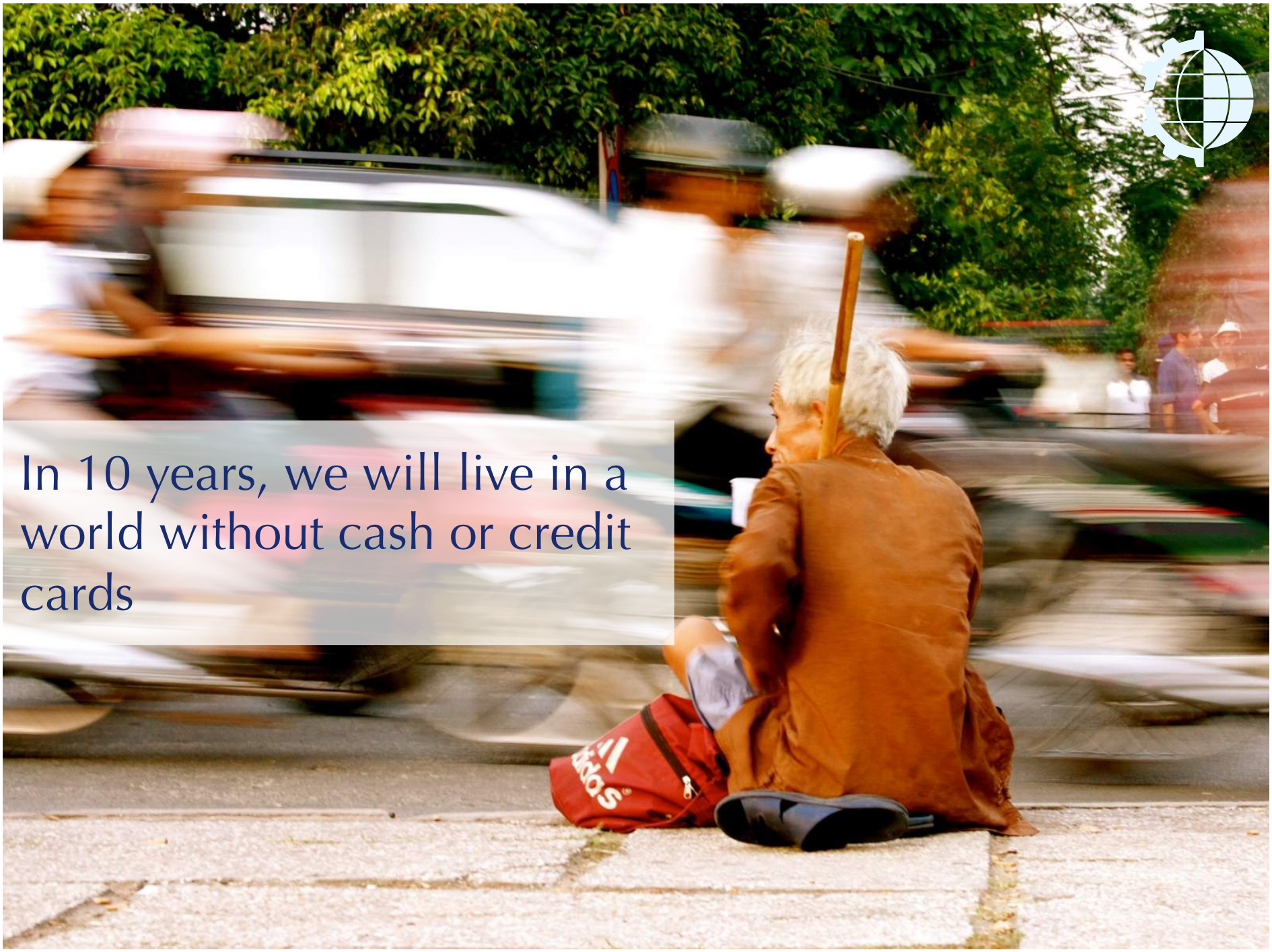
Collect and leverage data from Day 1 and recognize its future value

Plan for Regional Scale

Build replicable & differentiated models that can expand throughout the region

Corporate Engagement is Key

Through strategic partnerships to strengthening the ecosystem and support innovation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Global Headquarters

NAIROBI
Africa Headquarters

LIMA
Latin America Headquarters

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Unlocking Business Potential in Frontier Markets