

m-PESA

MARKET

Revolutionary mobile money solution M-PESA marked its eighth anniversary with yet another milestone which is the launch of a new technology platform. The platform which is located in Kenya (where M-PESA has nearly twenty million customers) replaces the first generation platform which was located in Germany.

The project, which was the largest of its nature in Africa, comes with numerous technological advancements which have been designed to take the already successful M-PESA to the pinnacle of the growing cash-free transactions space. It makes it possible to double the number of possible transactions to 900 per second.

As a result, customers also enjoy faster transactions, fewer cases of downtime and faster issue resolution, which positions M-PESA to compete more effectively with cash, which remains the most preferred method of transacting in most of Africa.

Launched in 2008, M-PESA whose name is derived from 'M' for Mobile and 'PESA' which is Swahili for 'money', the service was initially intended to help microfinance borrowers to conveniently receive and repay loans. The services were initially targeted at the unbanked population but have evolved to serve the banked community as well.

Customers however helped shape the new frontier for M-PESA when they started using it as a means for sending money to each other, on the justification that it was safer, more convenient

JISHIKIE KADI
Freedom is now in your hands with the 1963 card.
Tap to pay your matatu fare.

SAFE. CONVENIENT. AFFORDABLE.
Get your 1963 Card today at select M-PESA agents or at major bus stops in the city. Top-up via M-PESA.

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and cheaper than other existing solutions at the time.

The emergence of m-commerce in all sectors of the economy has increased exponentially the demand for M-PESA. This has been given a further push in the recent years following a government directive for all transport fares and government payments be made through non-cash channels.

ACHIEVEMENTS

- Five time winner of GSMA Awards
- 2007/2008: Kenya Banking Awards, Product Innovation
- 2008: World Business and Development Award, Contribution towards Millennium goals
- 2008: Africom Awards, Best Business Solution for Rural Services
- 2008: Best Broadcast Commercial
- 2008: Best use of Mobile for Social and Economic Development
- 2008: Stockholm Challenge, Economic Development Category
- 2009: UN-Habitat Business Award, Best Business Practices
- 2009: Best Mobile Transfer Service
- 2009: Mobile Content Award, Best Mobile Transfer Service
- 2010: Mobile Content Award, Best Mobile

Money Transfer Service

- 2010: Best Mobile Transfer Service
- 2011: Best Mobile Money Service for the Unbanked
- 2011: GSMA Best Mobile Money Transfer Service
- 2011: Mobile Money Awards - Best Partnership between Operator and Bank
- 2011: Mobile Money Awards - Achievement in Financial Inclusion
- 2011: Africom Awards : Changing Lives Awards – Kenyans for Kenya
- 2012: Humanitarian/ social focus – Grundfos
- 2012: BSFI ASIAN AWARDS 2012 (Financial services category) – M-PESA

HISTORY

M-PESA was launched in March 2007 by Kenya's largest mobile network operator, Safaricom, as an innovative payment service for the unbanked consumer. Within the first month over 20,000 M-PESA customers were registered, well ahead of the targeted business plan. A pilot partnership was created between the network operators, a micro-finance institute and a commercial bank with the view to improving access to finance for the large unbanked population. The

proposition was to allow customers to make payments as easily as buying an airtime top-up. The project faced formidable financial, social, cultural, political, technological and regulatory hurdles. The incredibly divergent cultures of global telecommunications companies, banks and microfinance institutions had to converge

LIPA NA M-PESA
PAY FOR GOODS AND SERVICES VIA M-PESA

With over 139,000 merchants signed up to Lipa na M-PESA, make the smart choice to conveniently pay for your goods and services via M-PESA.

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KCB | m-PESA ACCOUNT

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Get a loan with interest as low as 2%.*

Regulated by the Central Bank of Kenya *Terms and conditions apply

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and cope with massive and often contradictory regulatory requirements. The project also had to quickly train, support and accommodate the needs of largely semi-literate customers. As this was uncharted territory, solutions were created as they persevered with the pilot that was initially estimated to take several months, but that eventually took almost two years. M-PESA has experienced phenomenal growth and has found its way to the core of the lives of Kenyans at every level. The major reason for the success of M-PESA was the ease with which it allowed people working in the cities to send money to the rural areas. The speed and safety of this money transfer contrasted with traditional methods of sending money 'home'; via the Post Office, bus or matatu lines or with not always reliable 'couriers.' A deposit into an M-PESA account

ensures that the money is safe, even if the mobile phone is lost or stolen. M-PESA has evolved into a major financial tool at both the corporate and individual level. Over one million people now use M-PESA to pay monthly bills through the Pay Bill function, electricity and water bills being prime examples, thus saving time and money for the individuals and increasing efficiency for the companies who receive the payments. The same trend has been repeated with M-PESA becoming the prime tool of small business people and traders. It is not uncommon to find a vegetable trader who transacts the bulk of their business exclusively through M-PESA lines. For micro businesses M-PESA is both a useful accounting tool and a safer option to dealing with cash.

PRODUCT

M-PESA is a fairly simple solution to use. In keeping with the regulation in the Financial Sector, customers who have registered to use the service access a simple USSD menu that allows them access the various M-PESA services. The account is very secure, PIN protected and supported with a 24/7 service.

RECENT DEVELOPMENTS

In addition to the introduction of the second generation technology platform, M-PESA has continued to make other major forays aimed at helping transforming the lives of customers by adding solutions that make their lives more convenient. The developments include:

Okoa Stima: This is a USSD based portal that fully integrates M-PESA and the Kenya Power back end systems to allow customers access to check their electricity utility balance and buy electricity tokens. Previously these services were offered through different platforms, making it a

time consuming exercise.

KCB M-PESA Account: This is a loans solution that entirely relies on the credit history of a customer, to determine how much they can borrow. It also allows customers to save money, making it one of the solutions that helps deepen Financial Inclusion.

Government Payments: This follows a government directive to have all payments for services rendered by the government paid for using M-PESA. In its full implementation it will help boost government revenue collections and curb corruption in government offices.

WE'RE BUILDING BRIDGES TO BRING YOUR MONEY CLOSER

Receive money from over 90 countries worldwide directly to M-PESA through MoneyGram.

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M-PESA

THE CONVENIENT WAY TO COLLECT MEMBER CONTRIBUTIONS

To register for this pay bill service send an SMS with the word **Chama** to **21366**, email **chama@safaricom.co.ke** or visit your nearest Safaricom shop.

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PROMOTION

Advertising

The brand uses all available media for the promotion of its products:-

Print Media including Taifa leo, Nation Media, the Standard and Nairobi Star publications.

Broadcast media – the brand sponsors various programmes across most radio stations; both vernacular and mainstream stations.

Television – various programme sponsorships across various TV stations.

Experiential Marketing - customer education through road shows, Women's groups education etc.

Screen advertng e.g. supermarket screens, ferry screens.

The brand holds monthly marketing campaigns across the nation based on the services they want to promote. These run for at least a day but can last as long as a week based on response. These promotional activities have been very successful resulting in ever increasing

numbers of customer registrations and transaction values. Several successful branding campaigns using posters and banners with the slogans: 'Send Pesa by phone', 'M-PESA changing lives' and very recently "Relax you've got M-PESA. The brand also maintains a highly visible web presence on the social networking sites of Google, Facebook and Twitter as well as on Mobile Cinema.

Consumer promotion

Timiza na M-PESA promotion was the first M-PESA customer promotion since its launch over six years ago. The objective of the promotion was to position M-PESA as a lifestyle product that brings convenience to its customers in matters that have to deal with cash. The promotion focused on bill payment, buys goods and bank to M-PESA services.

BRAND VALUES

Fast, Safe, Easy and Affordable – these are the qualities that have made M-PESA the success it is and the brand keeps this promise by being committed to providing easy, convenient and affordable financial services. The brand logo of a cell phone with a red bank note with the word M-PESA, fast money, reflects this.

LIPA STIMA, OKOA STIMA

DIAL*885#

Pay your power bill, buy tokens and get an emergency power top up

Kenya Power Safaricom M-PESA

* Okoa Stima is repayable in 7 days at 10% facility fee.
* M-PESA paybill charges apply.

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Things you didn't know about M-PESA

M-PESA customers can use their mobile phone to move money quickly and securely across great distances directly to another mobile phone user.

A deposit into an M-PESA account ensures that the money is safe, even if the mobile phone is lost or stolen.

Over one million people now use M-PESA to pay monthly bills through the Pay Bill function.