

Mobile Money Strategy For Nigeria



- Footsteps to Increased Usage of Mobile Money
- Ideas for Today and Tomorrow

Mobile Money Video Moment

- Paga

video-<https://www.youtube.com/watch?v=-bd57aLz9Jo>

- Stanbic

Video<https://www.youtube.com/watch?v=fSa85DtTa9g&nohtml5=False>

<https://www.youtube.com/watch?v=JPTbC7RIS-U&nohtml5=False>

- Glo

<https://www.youtube.com/watch?v=Ru37DwzGBSU&nohtml5=False>

Introduction

- Mobile Financial Services also referred to as Mobile Money, **mobile payment**, Mobile Banking, mobile Money Transfer and mobile wallet generally refer to payment services operated under financial regulation and performed from or via a mobile device
- **Mobile payment** is an alternative payment method. Instead of paying with cash, cheque or credit cards, a consumer can use a mobile phone to pay for a wide range of services and digital or hard goods

Vision Statement



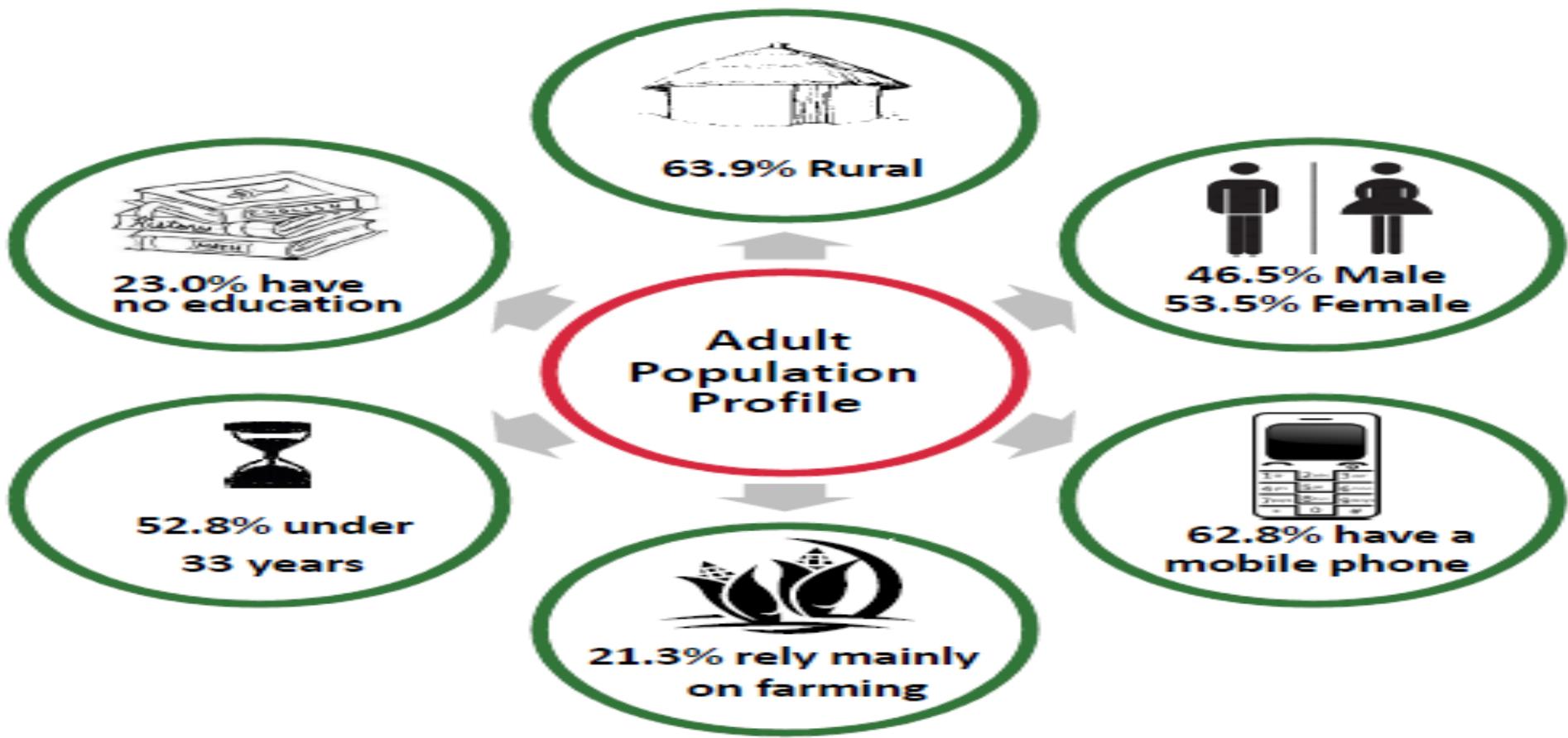
- Total Financial Inclusion of unbanked, under banked and Semi banked Nigerians
- Use of mobile phones to enable Mobile Payments penetration through a systematic and trusted cycle of services introduction

Demographic Profile

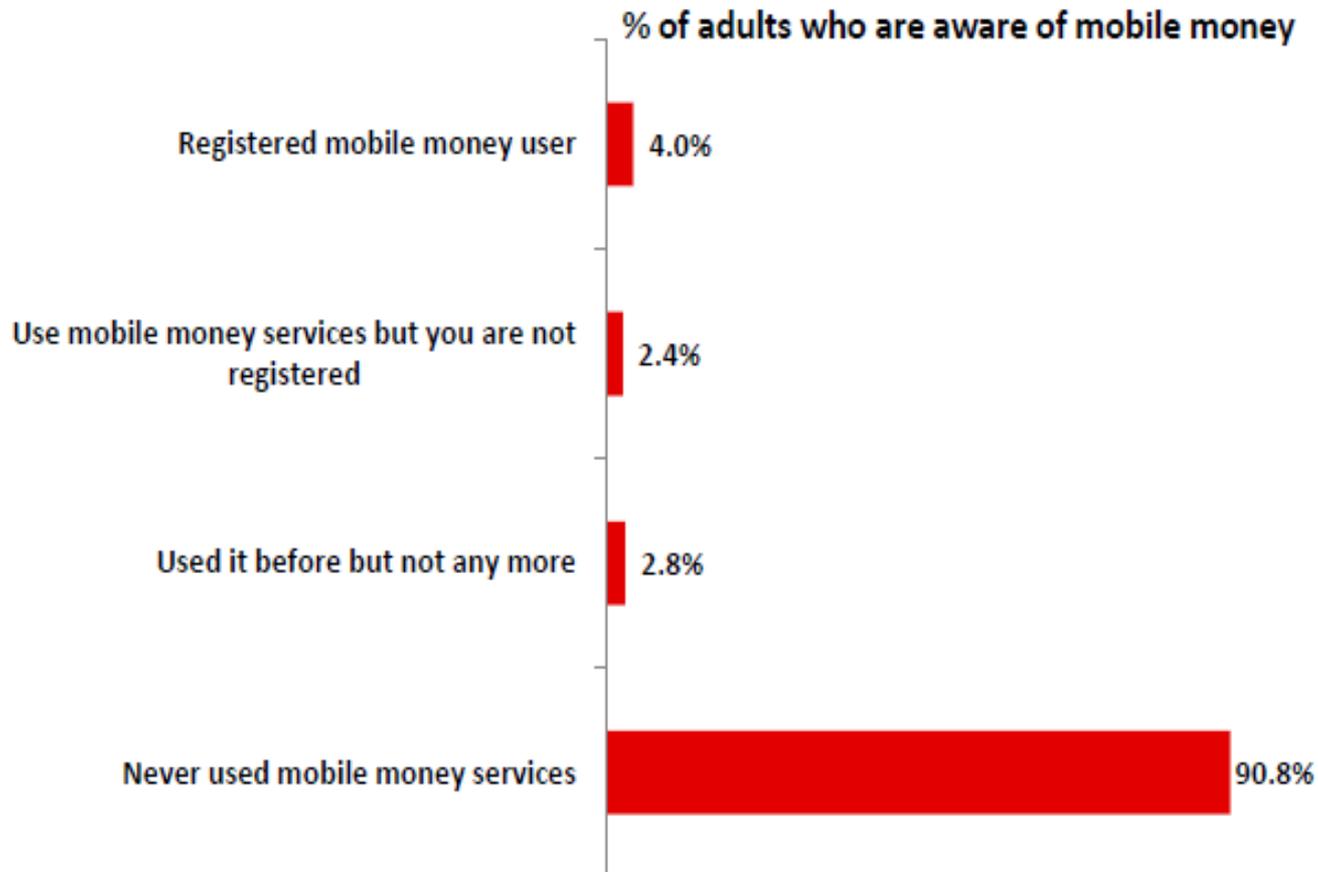


- Total Adult population is 93.5 Million
- Nigeria has a large Rural population (63.9%)
- 49.4 M adults(52.8%) Under 33 Years
- 58.7 adults (62.8% of the adult population) own a mobile phone
- 21.5 adults (adults (23.0% of the adult population have no education

Demographic Profile



Today's Situation



Goal and Objective



Desired Goals

- Financial Inclusion and cashless economy

Desired objectives

- Fast, Safe, Affordable and Reliable Money Transfers, Savings and social economic Empowerment

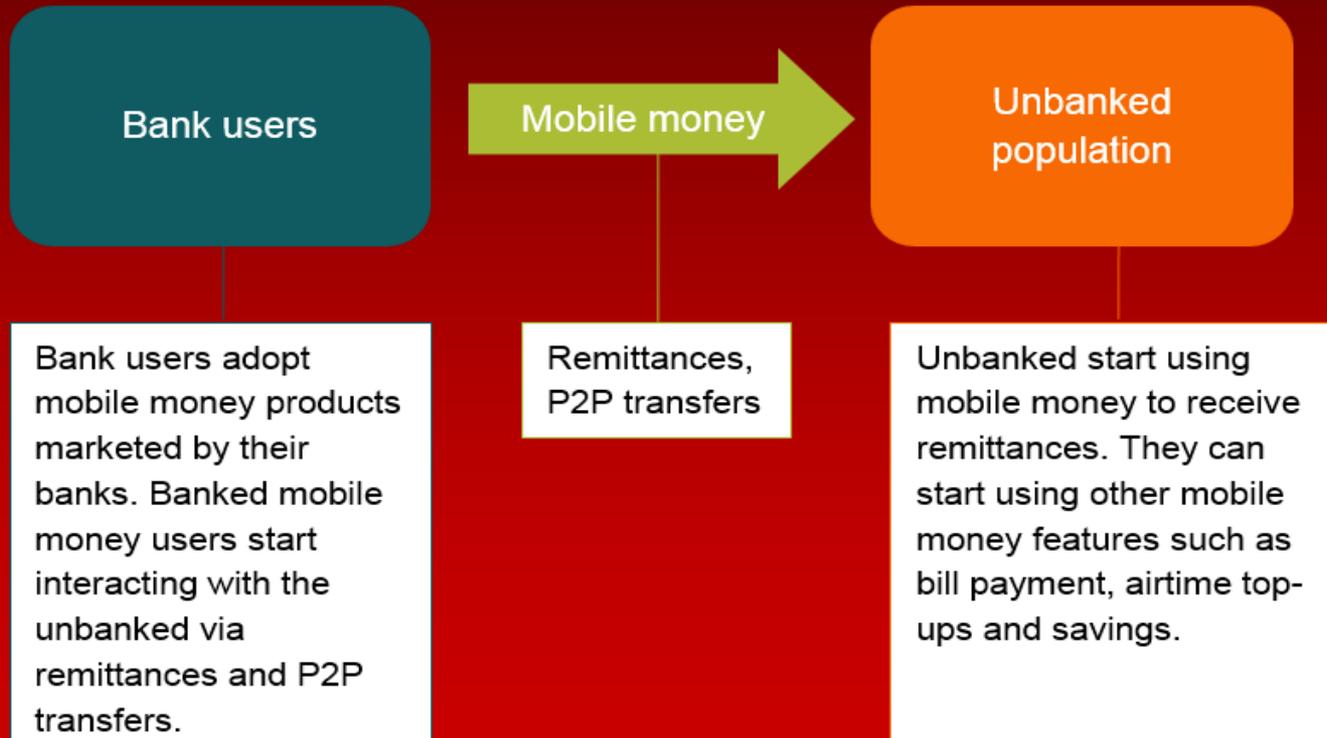
How Did We Get Here?



Historical information

- Licenced Models – Bank and Non Bank Led
- Platforms
- Agency Network – Recruitment, Activation and Management
- Business Rules - Licencing, Activation, Transactions
- Channel Bearer – Use of USSD
- Marketing
- Post Launch operations - Monitoring

Original Assumptions

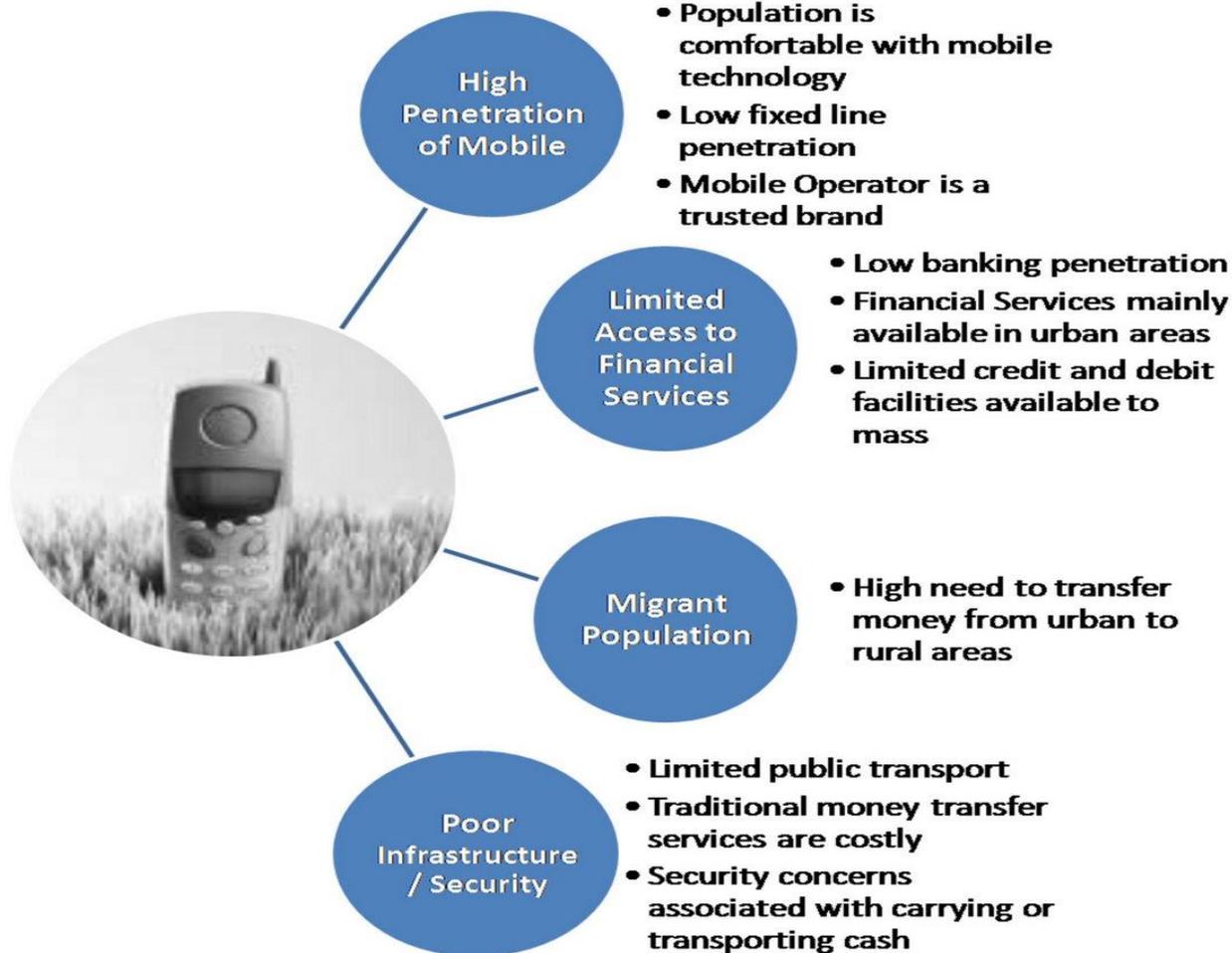


MOBILE PAYMENT SCHEMES/MODELS

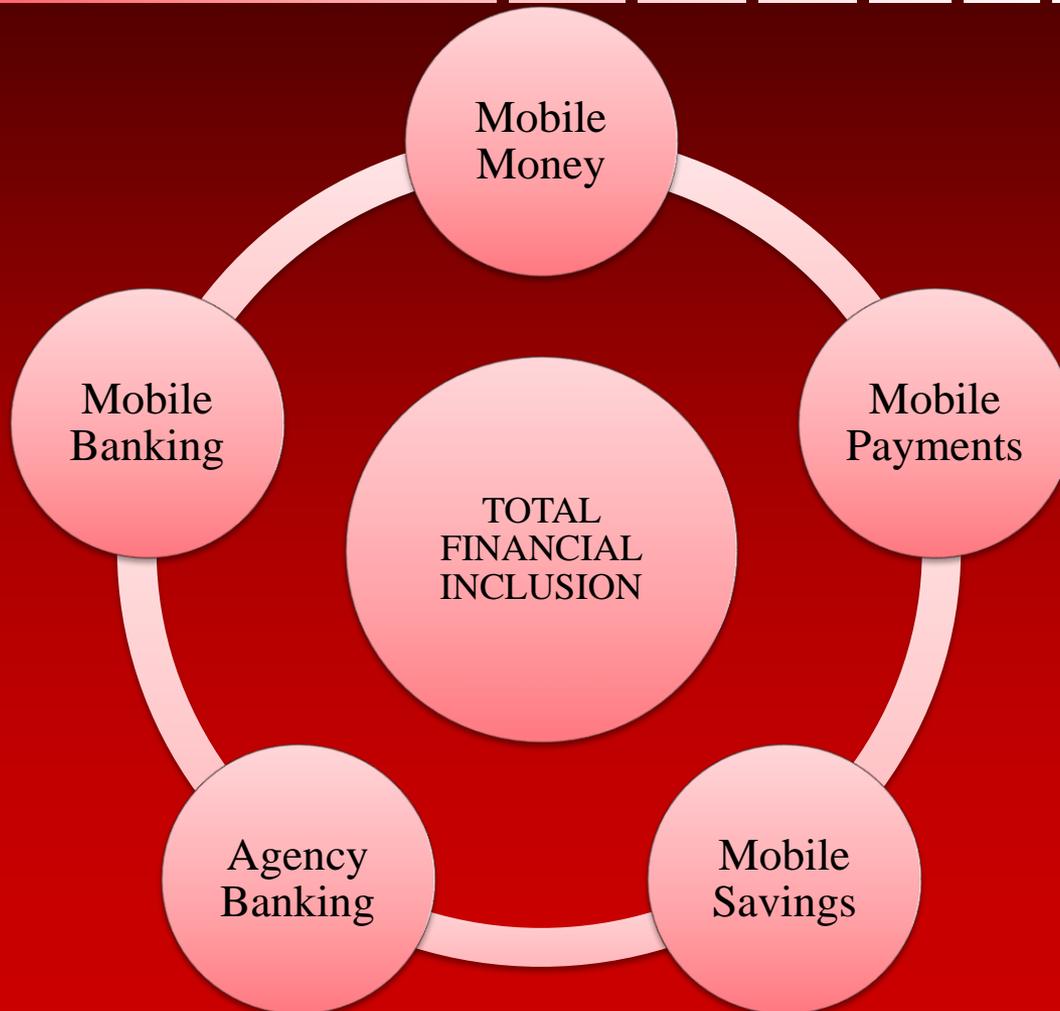


- **Collaboration Model:** This model involves collaboration among banks, mobile operators and a trusted third party.

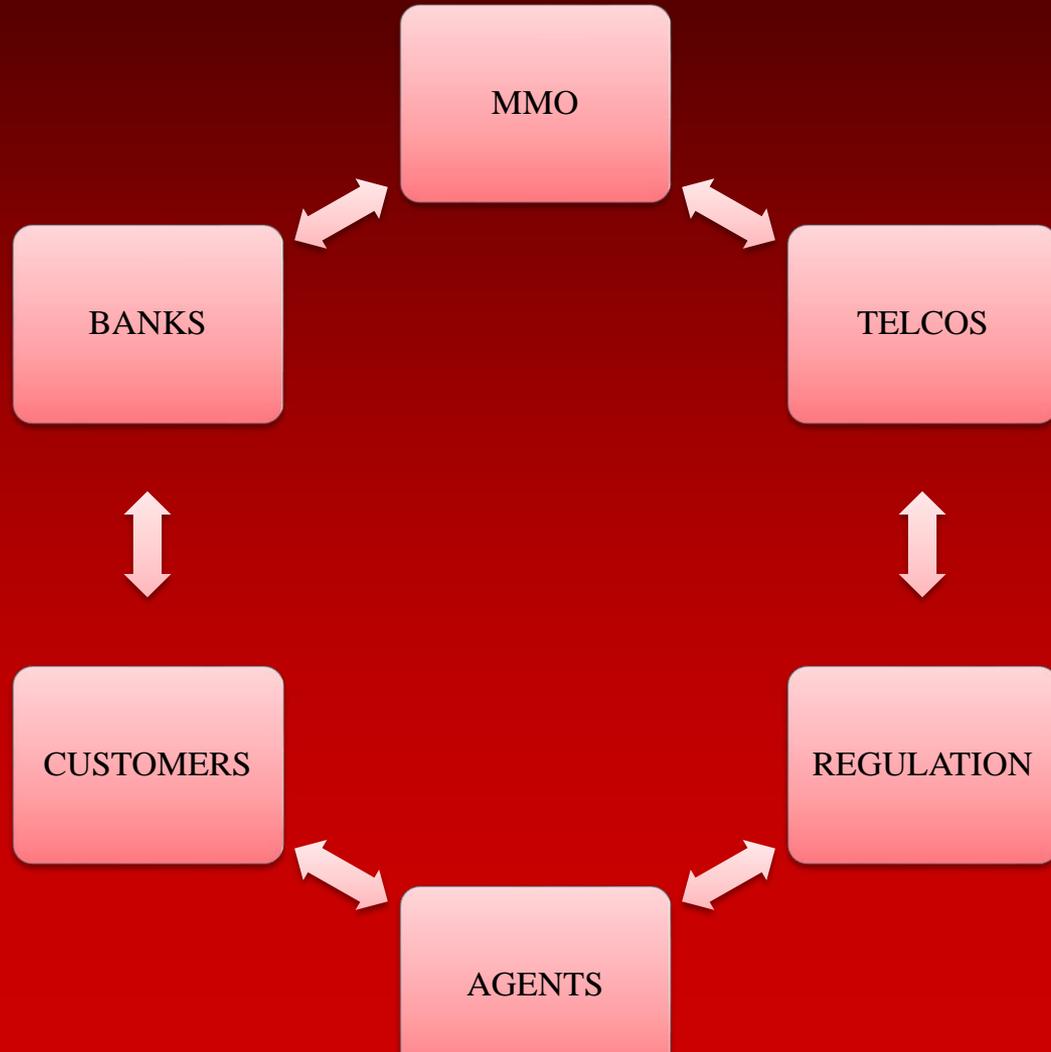
The Enablers



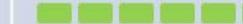
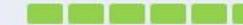
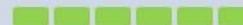
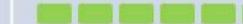
The Trust Cycle of Services offering



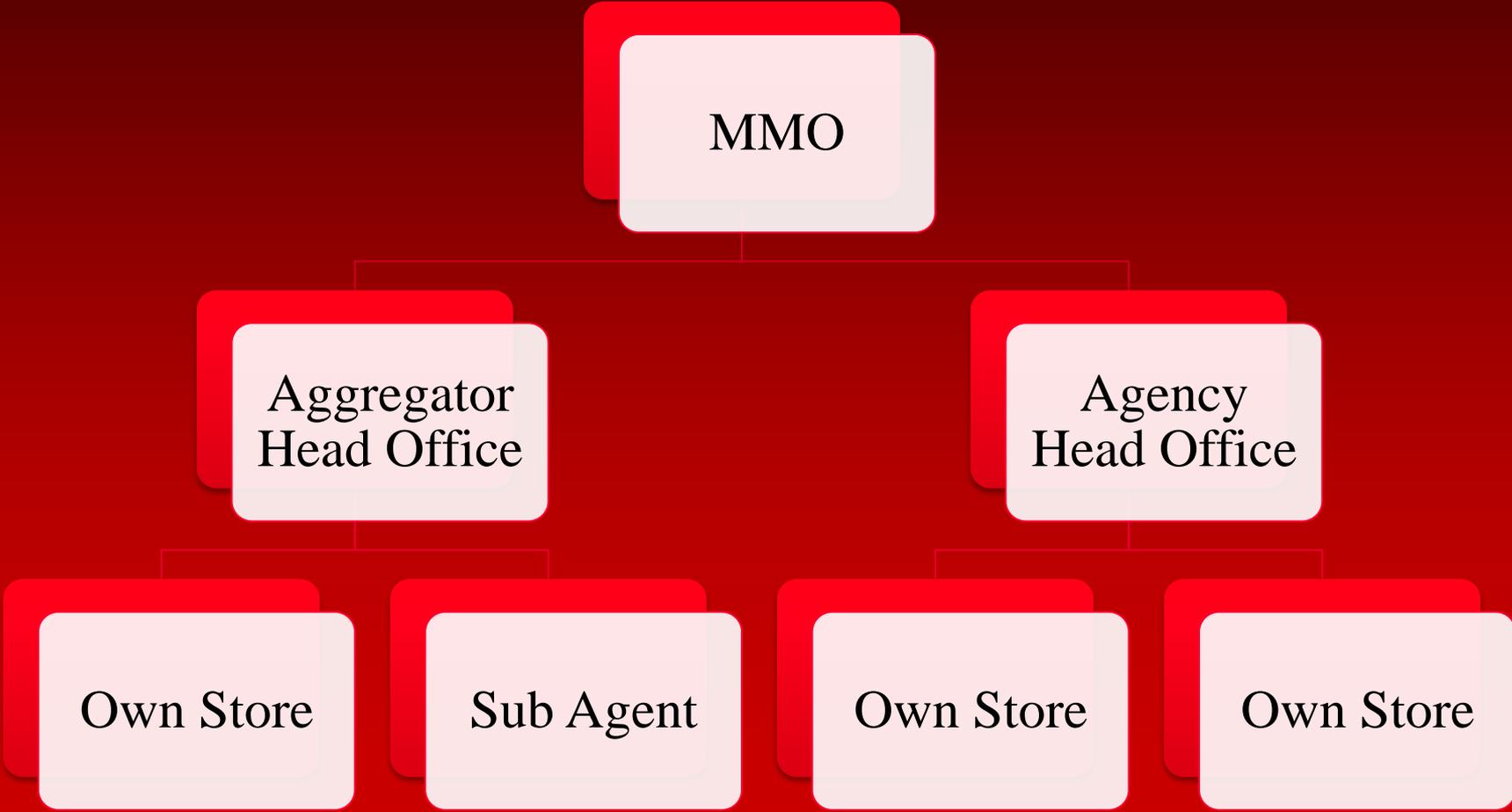
The Ecosystem



Channel Bearers

	Security	Usability	Ubiquity	Cost of Ownership	Cost to Transact
SIM Browser / STK	 Very High	 High	 High	 Medium	 Low
Mobile Internet	 Medium to High	 High	 Low to Medium	 Low	 Low
Structured SMS	 Low	 Low	 Very High	 Low	 Low to Medium
USSD	 Medium	 High	 Medium	 Medium	 Low
JAVA	 Medium to High	 High	 Low	 Medium	 Low

Agency Hierarchies



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graph TD; MMO[MMO] --- AHO[Aggregator Head Office]; MMO --- AgencyHO[Agency Head Office]; AHO --- OS1[Own Store]; AHO --- SA[Sub Agent]; AgencyHO --- OS2[Own Store]; AgencyHO --- OS3[Own Store];
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MMO

Aggregator
Head Office

Agency
Head Office

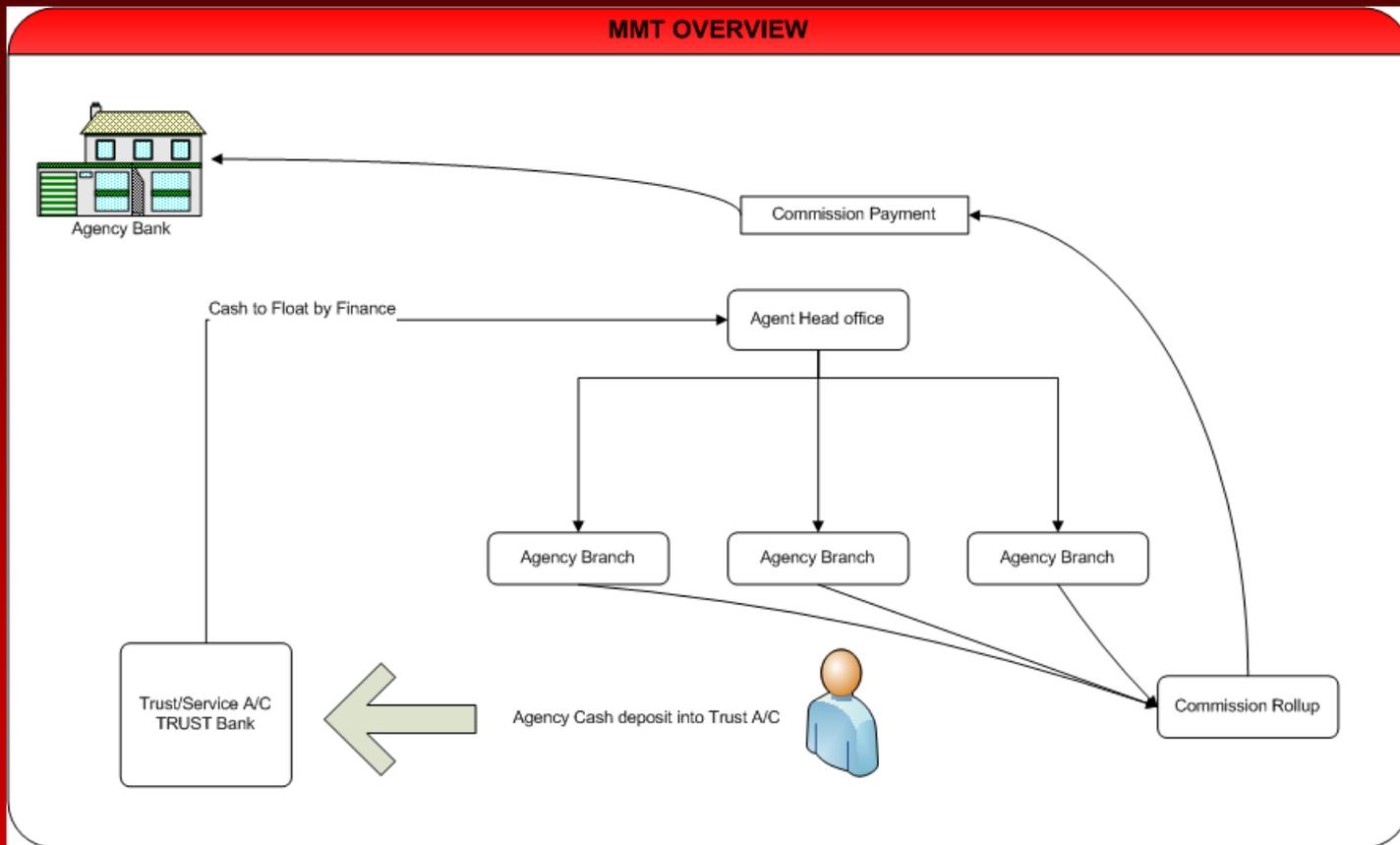
Own Store

Sub Agent

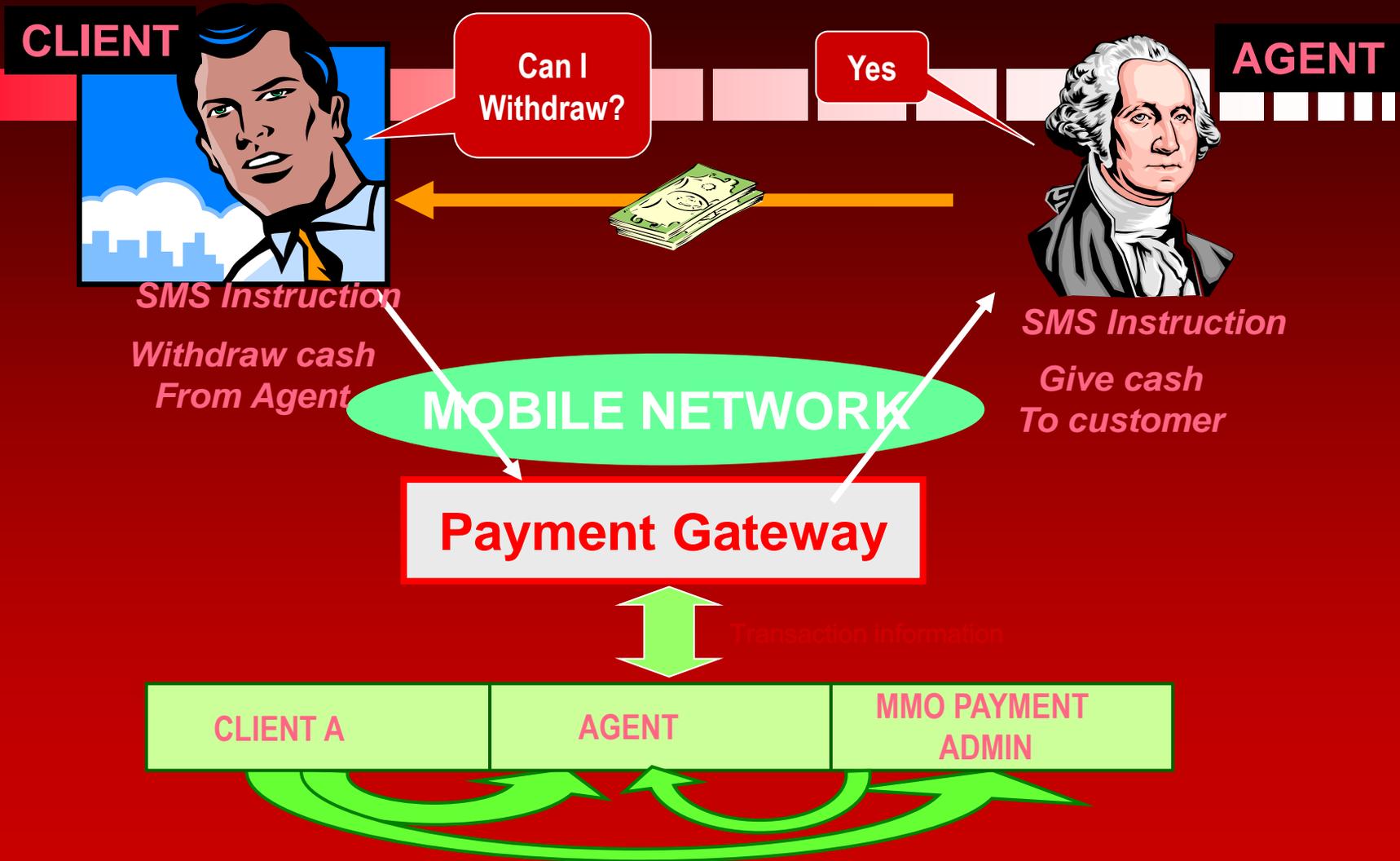
Own Store

Own Store

Agency Cash to E-Value



Sample Transaction Flow



Agency Expansion



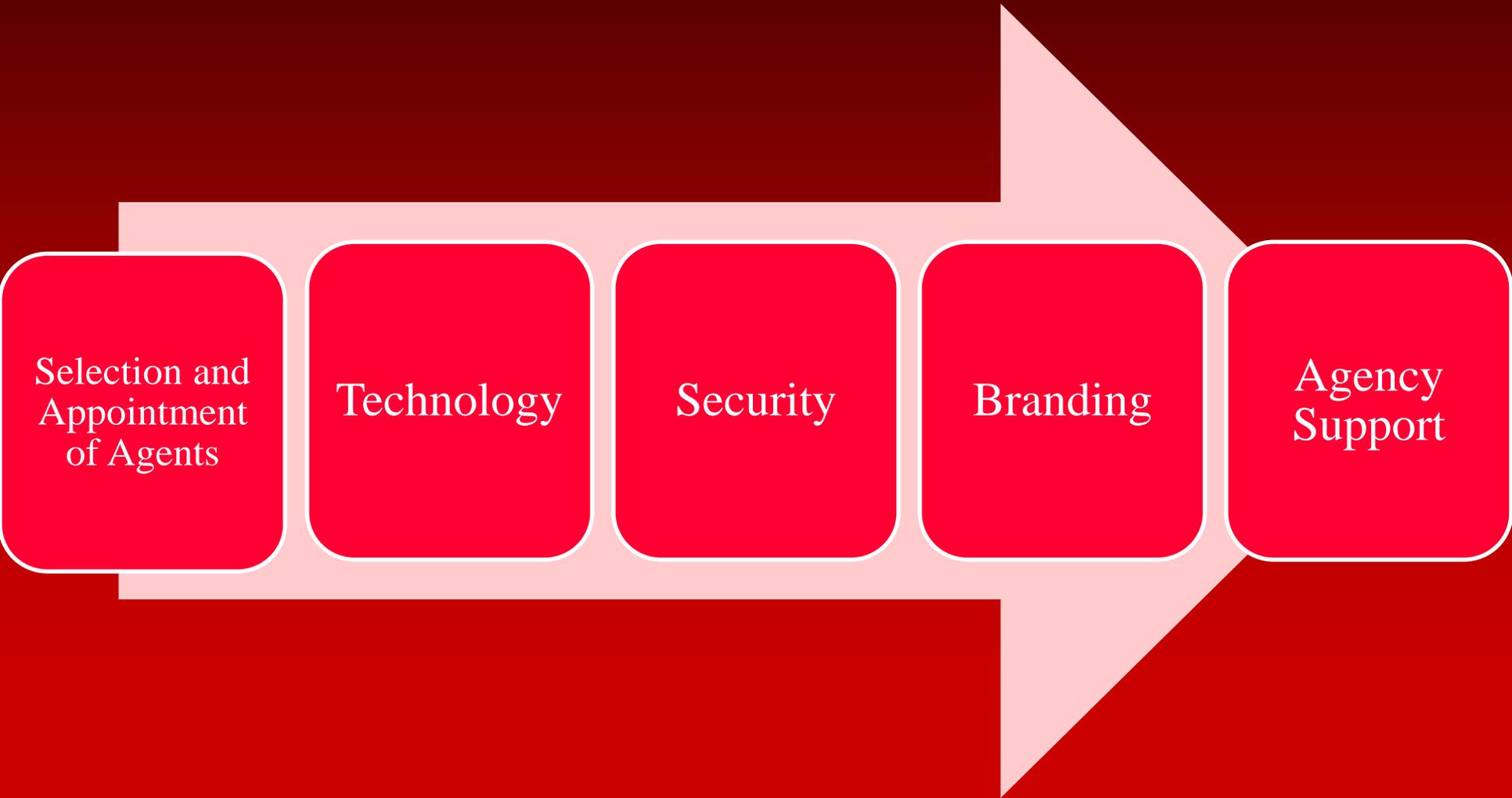
Agency Banking

- No more Bank branches
- Agency Banks
- Loan Application
- Withdrawals
- Deposits
- Agencies are connected to the Bank Platform

ATM Withdrawals

- Cardless funds withdrawal
- Interoperability

Agency Outlets



Selection and
Appointment
of Agents

Technology

Security

Branding

Agency
Support

Agency Outlets

Analysis focused on 5 branchless banking services



1,000 agents



500 agents

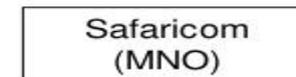


6,000 outlets



10,000 agents

BANK-BASED



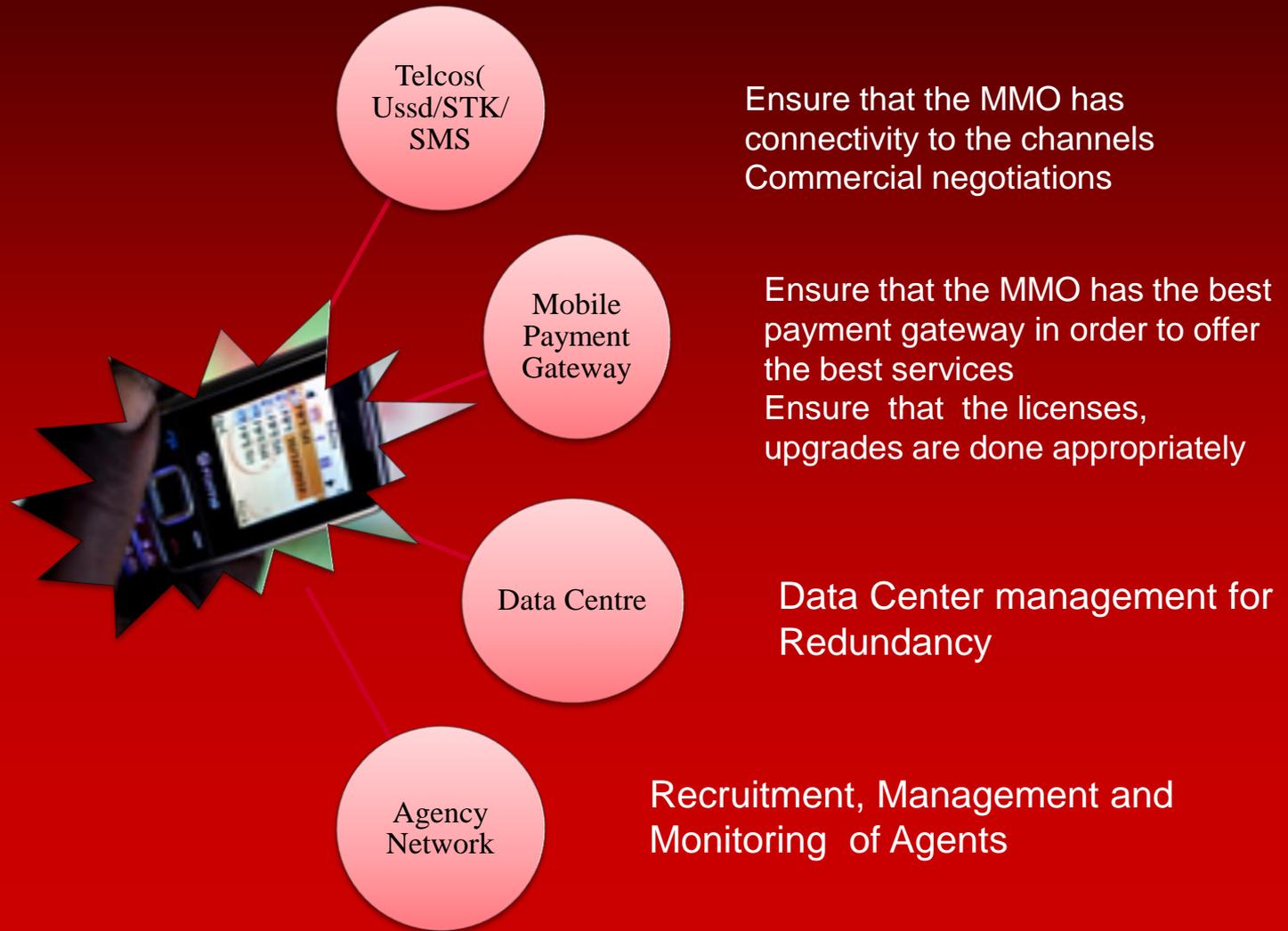
21,000 agents

NON BANK-BASED

CROSS FUNCTIONAL ISSUES WITHIN THE MMO



MANAGING RELATIONSHIPS



Available Options

Alternative Strategy	Advantages	Disadvantages
Training	Equip the MMOs with the right know how.	Time and expenses
Partnerships	Recapitalization	Financial Risks
Human Resource	Savings	Time
Payment Platform	Fast and safe Txns	Costly
Agency Networks	Faster Expansion	Dependency /cost
Customer Acquisition	Retention and profits	Expenses
Marketing	Brand	Expenses
Monitoring	Increased Trust	Expenses

Recommendation

Strategies	Expected Results	To do List	Action Items
Companies Merger	<ul style="list-style-type: none"> Recapitalization Better Resource allocation Faster customer Acquisition 	<ul style="list-style-type: none"> Identification of suitable partners Analysis of Current status 	<ul style="list-style-type: none"> Review of all services and recommendations on suitable merger options by independent analyst
Payment Platforms and services	<ul style="list-style-type: none"> Ease in operations Real time View of cash and e-value ecosystems Better Human Resource Management 	<ul style="list-style-type: none"> Gap Analysis of current payment systems in use Re evaluation of the current services offering Analysis of the locations vs services required 	<ul style="list-style-type: none"> Relaunch of the services to match customer needs in the market Research on the financial inclusion services required in different parts of Nigeria and Relaunch of services
Customer acquisition	<ul style="list-style-type: none"> Increased uptake of Mobile Money services 	<ul style="list-style-type: none"> Align the services to customer needs eg Urban and Rural targeted services 	<ul style="list-style-type: none"> Review the current customer registration, activation, issue resolution processes.



QUESTIONS ??