

# Is Africa still leading the global mobile payments innovation race?

By  Howard Moodycliffe

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Africa was heralded as the undisputed leader in the innovation and adoption of mobile payment services since M-PESA launched in Kenya in 2007. Today, more than 17 million Kenyans use M-PESA, and in 2013 a full quarter of the country's GDP passed through the service. But is Africa still leading the global mobile payments innovation race?

Africa has lost some ground. The economic powerhouses of the US and China have quickly caught up. US coffee chain Starbucks launched a mobile payments app in 2013 that saw more than \$1 billion in transactions processed in a single year, while the total value of China's mobile transactions came to a staggering \$1.6 trillion.



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## Rapid and game-changing innovation

Despite M-PESA processing \$10 billion in mobile transfers in 2013, and MTN Mobile Money showing strong growth, we haven't seen mass adoption of other mobile transacting solutions. Africa is due some rapid and game-changing innovation in the mobile payments space, and I think we're nearing this in South Africa as the large banks and retailers start investing time and money in mobile transacting.

wiGroup, developers of an interoperable platform that enables retailers to accept any type of mobile transaction at the point-of-sale, through a single integration. The platform is integrated to more than 40 000 till points across South Africa. He says that South Africa's mobile payments usage is mostly centered around money transfer

among the lower end of the market. "In the US, we're seeing much more interest in value-added mobile payment and transaction services such as discount vouchers and coupons."

## Readiness for mobile payment adoption

In the latest MasterCard Mobile Payments Readiness Index, only one African country - Kenya at number 4 - ranks among the top 20 countries in terms of readiness for mobile payment adoption. South Africa is just behind Egypt and Vietnam on the overall list at number 26, while Nigeria comes in at number 22. This ranking is slightly misleading. South Africa may not be leading the pack but there is a swathe of hugely exciting mobile transacting applications and services being launched right now.

While emerging markets in Asia, as well as developed markets in Europe and North America may be ahead for now, you are likely to see some changes in the ranking over the next few years.

## Africa still untouchable

Despite Africa losing some of its lead in terms of pure innovation, the continent is still untouchable for its ability to localise mobile payment services to suit its specific population. North American and Scandinavian countries are constantly producing futuristic payment tech, such as the Nymi wristband which uses your heart rate as password, and Quixter which scans the veins in your hand. However, these technologies are impractical in the African milieu. We need solutions that take our population's unique and disparate needs into account, and here we are streets ahead of the rest of the world.

The success of M-PESA recently led Google to launch its own mobile payment solution, called BebaPay, into Kenya. BebaPay is an NFC-enabled alternative payment service that commuters can use to pay for bus fares.

Google, Apple and Facebook's forays into payments are complementary to what we do and affirm our strategic focus on the mobile payments and transactions space. The beauty of our platform is also such that, should any international company wish to launch their payment solution here, today, they can quickly plug in and gain access to more than 40,000 till lanes across the country.

## ABOUT HOWARD MOODYCLIFFE

Howard is Head of Marketing and International at wiGroup. He has 15 years' experience in B2B and B2C marketing and operations across a range of industry sectors from ICT (Logica - UK), to publishing and media (News Corporation - Australia) and mobile (wiGroup - South Africa). He has built up significant experience in marketing online and mobile platforms with his most recent role being CEO of Australia's largest peer-to-peer car rental online marketplace, Drivenycarrentals.com.au.

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