

Mobile money boosts Kenyan entrepreneurs

Much has been said and written about how person-to-person mobile money transactions are transforming Kenya's economy, but the technology also has the potential to help entrepreneurs take their businesses to the next level.



Dr Rutendo Hwindingwi

That's according to Dr Rutendo Hwindingwi, divisional director for [Sage East and West Africa](#), who says that the explosion in mobile money across Kenya is helping to drive entrepreneurship and efficiency for small businesses. The single biggest benefit of mobile money, he adds, is that it allows smaller businesses – even informal, microbusinesses without banking accounts – to take advantage of the benefits of digital payments.

He notes that mobile money has changed Kenyans' lives by making it quick and easy for people to pay each other. Now, it promises to also make it simpler and safer to do business for entrepreneurs, and potentially even open up new markets for them.

Kenya, one of the world's pioneers in the mobile money space, racks up Sh3billion in mobile transactions each day, according to statistics from the [Communications Authority of Kenya](#). The country has Africa's highest level of mobile money penetration at 58%.

Yet, despite the impressive numbers, there is still plenty of room for mobile money in Kenya to grow. According to one [Nielsen](#) study, 95% of Kenyans still pay with cash in a retail environment, 12% make use of mobile money, and just 2% use credit or debit cards. Small and medium businesses, particularly those in the retail and transport environment, could benefit significantly by driving more transactions through mobile money, said Hwindingwi.

"In Kenya, cash still dominates transactions between many small and medium businesses and their customers," he added. "Many small businesses still like cash because they are reluctant to pay card transaction fees. However, cash has many disadvantages, and we expect more and more entrepreneurs to start opting for digital, mobile payments."

Hwindingwi noted that cash has a range of drawbacks for businesses: it is expensive to manage, exposes them to the danger of theft, and means that they need to keep a float to give customers change. Mobile and digital payments are easier to track in a financial system; what's more, someone who lives in another town or city can easily pay you without physically being there.

He said mobile money and payments solutions for merchants are maturing all the time, thanks to companies such as Kopo Kopo, which use mobile money systems as a platform for merchant services such as mobile payment acceptance and merchant cash advances. The result is that mobile money is slowly moving beyond the person-to-person arena into the business-to-business and business-to-consumer spaces.

"The future is mobile and we at Sage are giving our customers the power to control their businesses from the palm of their hand. Likewise, our customers' consumers are mobile and want to use convenient mobile services to pay and interact with the companies they interact with.

"Mobile money is a game-changer for companies and customers because it makes it so simple, safe and convenient to transact," concluded Hwindingwi.

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