

Designing Mobile Money Services Lessons From M-Pesa

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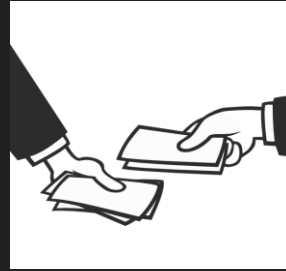
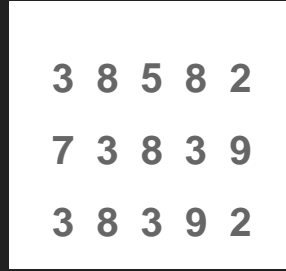
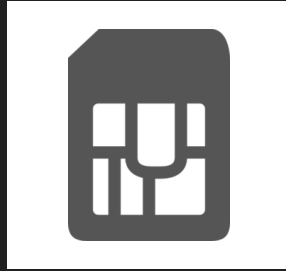
Summary

M-Pesa is a mobile money service largely focused on helping people give remittances in Kenya, where alternatives are poor.

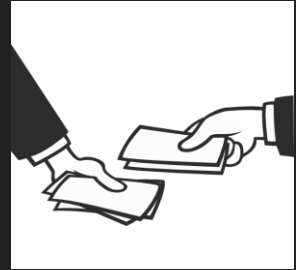
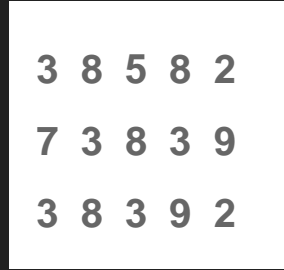
It operates through a combination of physical agents who exchange money and the mobile phone which sends electronic currency over distances.

It has been extremely successful, probably due to a combination of good branding, good usability, Kenyan demographics, and trust.

Mechanics: Account Setup



Mechanics: Transaction



Successes

Agent pay structure: compensation for transactions

Fee structure: User sending to non-member

Focus on demographics: urban growth

Filling the gap: mistrust of banks

Discussion Questions

What are some security weaknesses in M-Pesa?

Solutions to these weaknesses?

What are the main mechanisms that M-Pesa uses to build trust and how could they break down?

How could M-Pesa improve its inclusion of people without access to banking services?

Which aspect of the M-Pesa system has contributed the most to its success?

Discussion Questions (cont.)

What's next for M-Pesa? How can M-Pesa continue to expand? What additional services can M-Pesa can provide?

One competitor of M-Pesa allows agents to set deposit and withdrawal fees. Should M-Pesa adopt this system? What are the benefits of the set fees that M-Pesa currently employs?

Safaricom makes an effort to maintain it's reputation as a company that works toward doing social good. How does that benefit their business?

Appendix

Mobile Payments Go Viral: M-PESA (The World Bank):

http://siteresources.worldbank.org/AFRICAEXT/Resources/258643-1271798012256/M-PESA_Kenya.pdf

Why does Kenya lead the world in mobile money? (The Economist):

<http://www.economist.com/blogs/economist-explains/2013/05/economist-explains-18>

Three Keys to M-Pesa's Success: Branding, Channel Management and Pricing

<http://www.gsma.com/connectedwomen/wp-content/uploads/2012/03/keystompesassuccess4jan69.pdf>