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FINANCIAL INCLUSION FOR SUSTAINABLE DEVELOPMENT

## Mobile Financial Services to improve utilities access



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## Agenda

- Presentation: GSMA & M4D Utilities Programme
- 5 Mobile channels for utilities access
- Mobile Financial Services: Focus on Mobile Bill Payment
- Benefits for Mobile Network Operators
- Requirements for Mobile Bill Payment to scale
- Mobile Bill Payment: An enabler



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## A brief presentation of the GSMA

All about the GSMA in a glance



800 Mobile operators  
in over 200 countries



3.7 billion individual subscribers



7.5 billion mobile connections



250 Associate members



Offices in 9 countries  
serving every region



Staff based in 26 countries  
representing 36 nationalities



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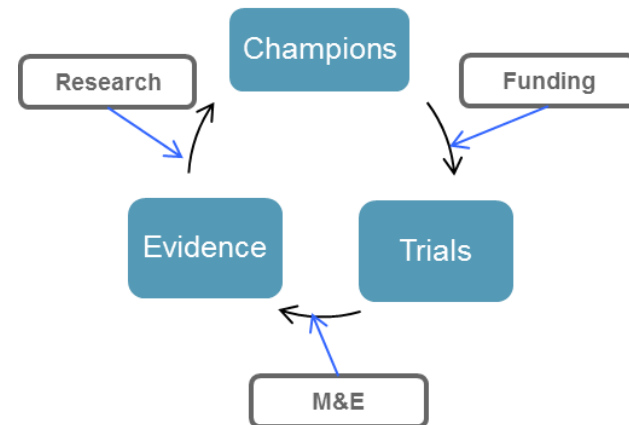
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## GSMA Mobile for Development Utilities Programme

The programme leverages mobile technology & infrastructure to improve access to basic energy, water and sanitation services

### ■ Programme Activities

- Knowledge Sharing and Convening
- Research & Insights
- Market Building
- Innovation Fund



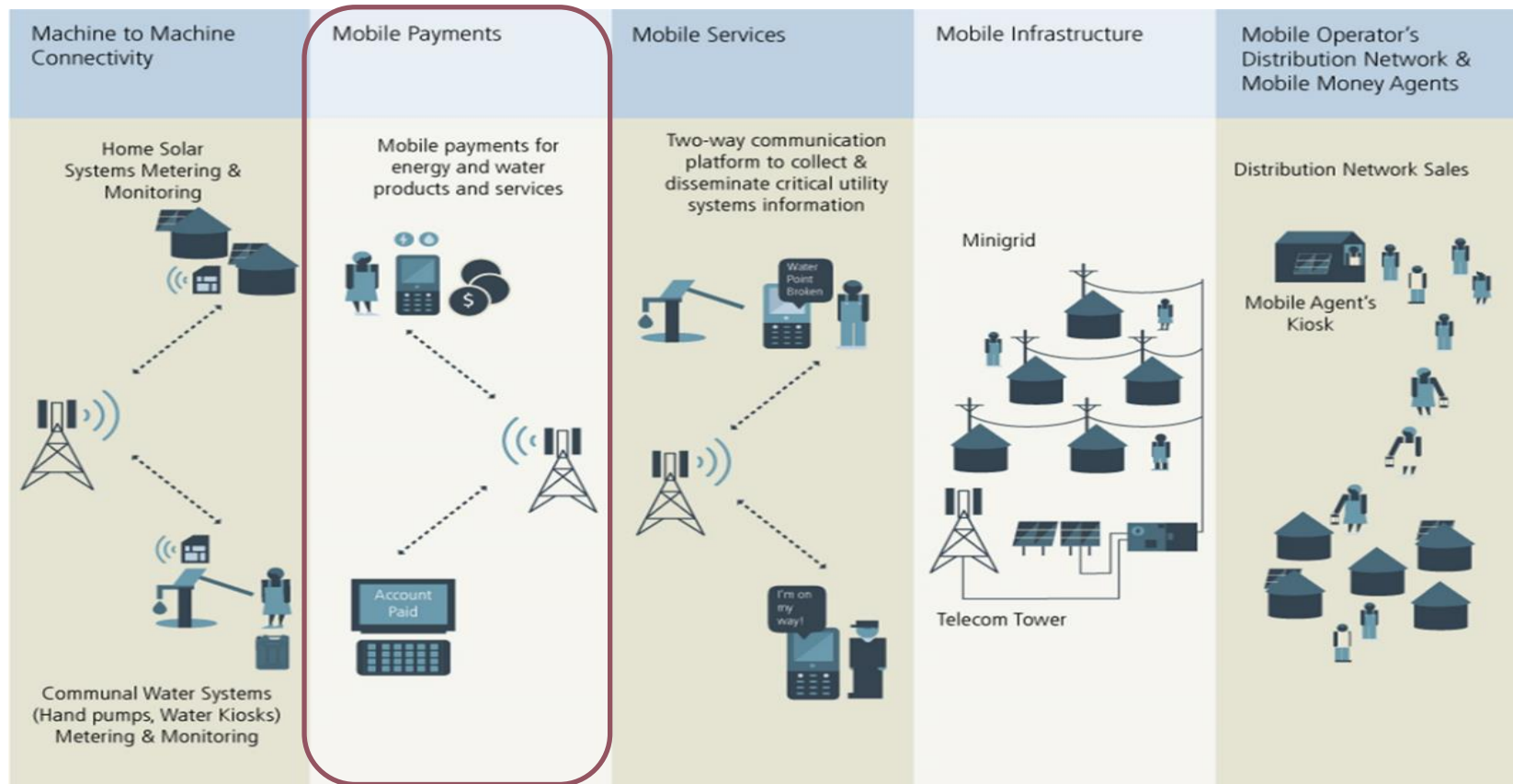
### ■ Funding & Timeframe

- £10M funding, including £5.6M Innovation Grant Fund from DFID's (2013-2017)

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### 5 mobile channels for utilities access





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## Mobile Financial Services: focus on mobile bill payment

Mobile bill pay enables customers to pay using their mobile money account on their phone, either through a:

- **'over-the-counter' service** where agents process transactions on a handset
- **'m-wallet' service** where customers perform transactions on their handset

The offering to utilities service providers:

- 2 types of mobile bill payment: **airtime and mobile money**
- 3 identified ways by which MNOs can provide these services
  - **Pre-set bill payments** are the most basic mobile payment model
  - **Customised billing services** demand more technical and financial investment from both MNOs and service providers as it calls for the integration of the billing functionality of the service provider to the MNOs' mobile money platform
  - **Shared APIs** are still in their early days as MNOs are exploring the practicalities of offering this model



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## Benefits for Mobile Network Operators of mobile bill payment for utilities services

- **Drive expansion of mobile money services** by reaching populations, which are unbanked and often late adopters of mobile financial services
  - Ex: Mobisol (Energy PAYG) estimates that 20% of their business customers are newly registered for MTN Rwanda's mobile money and use mobile bill pay for the 1<sup>st</sup> time through Mobisol
- Increase profit through **mobile money fees and growth of Average Revenue Per User**
  - Ex: Fenix International (Energy PAYG provider) became the 3<sup>rd</sup> largest bill pay account by transaction volume for MTN Uganda and customers are very active mobile money users
  - Ex: Mobisol entrepreneurs increased the airtime purchased via mobile money by 74%
- Provide indirect benefits through **reduced customer churn and brand recognition**
  - Ex: Mobisol customers could develop long-term loyalty to MTN Rwanda services as customers make payments for up to 36 months



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## **Requirements for mobile bill payment for utilities services to scale**

- **Maturity of Mobile Financial Services in the country**
  - There could be a correlation between poor MFS and lack of entrepreneurs offering PAYG energy or water services. For example, Nigeria is a country with a high addressable market but low offering for PAYG utilities services which could be due, in part, to the limited uptake of MFS
  
- **Maturity of Mobile Network Operators' MFS service**
  - Mobile Network Operators need the human resources to facilitate the integration of Service Providers' services with the mobile money platform
  
- **Level of mobile connectivity in the served community**
  - Basic connectivity (2G, EDGE) is needed to operate mobile money transactions. In areas with no coverage, customers will have to use cash (OTC) to pay for their service



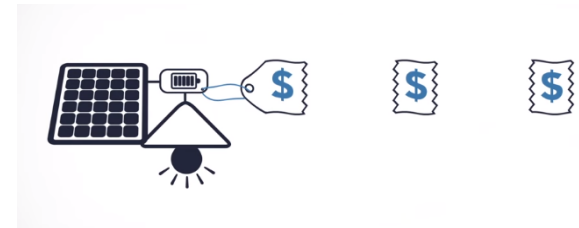


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## Mobile bill payment: An enabler for customers

**Affordability: eliminating upfront cost of equipment for households and small local entrepreneurs (e.g. solar systems, sanitation facilities)**



**new revenues for local entrepreneurs**



**Energy savings: replacing kerosene**



**Higher quality of life: light to study at night**





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THANK YOU!