

MOBILE PAYMENT REPORT:

A
NIGERIAN
Perspective



GENERAL OVERVIEW



- Introduction: What is Mobile Payment?
- Types of Mobile Payment
- Mobile Payments in Other Markets
- Market Challenges
- Opportunities In Nigeria
- A Perfect Solution

INTRODUCTION

- Simply put, “Mobile Payment” refers to any financial transaction initiated and accepted using a mobile device
- In an economy like Nigeria where mobile penetration is high, mobile payment can potentially be widely adapted
- This report will critically examine the mobile payments industry in Nigeria
- We review the opportunities, threats and present a possible solution to the factors preventing mass adoption of mobile payment by Nigerian consumers

TYPES OF MOBILE PAYMENT

The major categories of mobile payment operations can be categorised into 5:



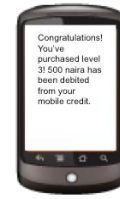
MOBILE AT
THE POINT OF SALE



MOBILE AS
THE POINT OF SALE



MOBILE
WALLET



DIRECT CARRIER
BILLING (DCB)



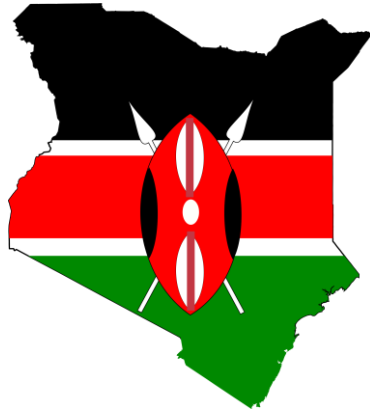
CLOSED LOOP
PAYMENTS



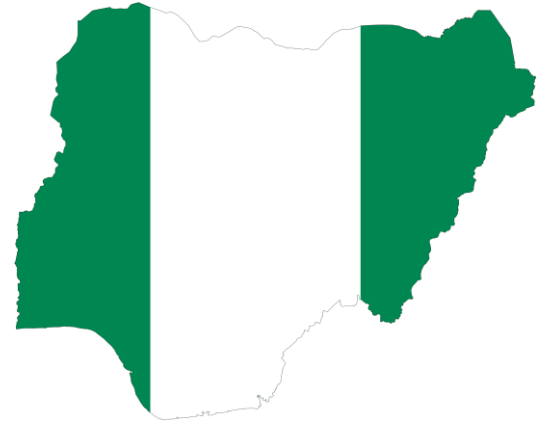
MOBILE PAYMENT IN EMERGING MARKETS



INDIA



KENYA



NIGERIA



MOBILE PAYMENT IN INDIA



India has the 2nd largest mobile phone market in the world.



1003.49 Million Mobile Subscribers

76.5% Mobile Penetration
2nd largest mobile market



81%

of those that use mobile payment prefer the methods to other non-cash options such as cards.



MOBILE PAYMENT IN KENYA

Kenya's GDP which flows through MPesa : 44 %



The rest : 56 %

Mobile payment has been successful in Kenya due to M-Pesa (a mobile payment product by Safaricom), which accounts for the flow of 44 % of Kenya's GDP.

How is Mpesa used?

- Sending money
- Income payment
- Payment solutions for start-ups and SMEs
- Provision of credit and loans



70%
Of Kenya's adult Population
use MPesa



MOBILE PAYMENT IN NIGERIA

Overview of Nigeria's Mobile Market



With a total population of 184.6 million (2015) and 74.7 million unique mobile users, mobile penetration (unique users vs. population) stands at **40%**.



At **70%**, Nigeria has the highest percentage of mobile driven internet traffic in the world.

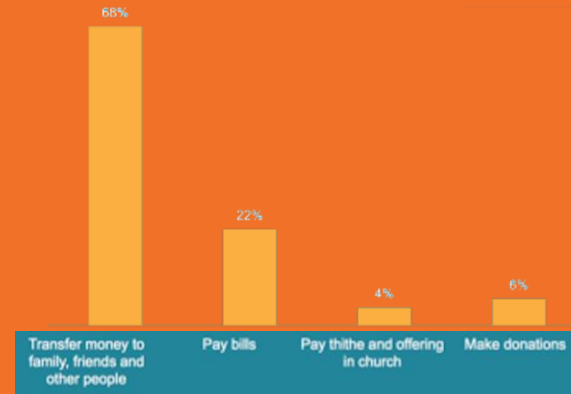
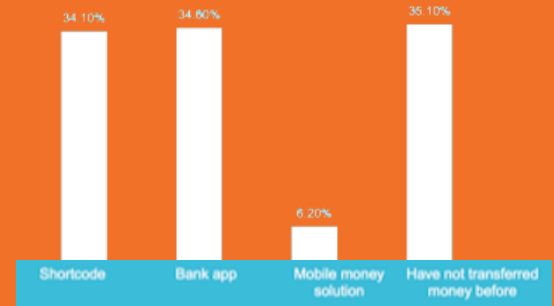


39.5% of the adult population are financially excluded.



Of the 11.9 million adults that are aware of mobile money, only 0.8 million adults use it.

How Nigerians are sending money on mobile



What Nigerians do with mobile money



THE FUTURE OF MOBILE PAYMENT IN NIGERIA



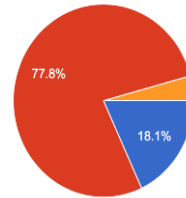
MARKET CHALLENGES

- **Banked Population:** The ration of banked population to the total population is low, hence mobile payment platforms that require linkage to the consumer's bank account are at a disadvantage
- **Low User Uptake:** People are hesitant to adopt financial technology platforms partly due to consumer distrust/the country's association with internet fraud

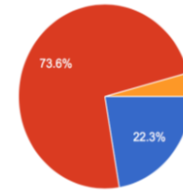
Source: irrationalinnovations.com: Nigerian fintech landscape: a growing opportunity

OPPORTUNITIES IN NIGERIA

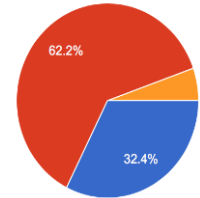
- **There is an increased overlapping of mobile payment features for a number of products**
- **Direct carrier billing readily embraced:** A research by Twinpine Network (2016) revealed that consumers are more willing to pay for digital content via their mobile airtime than other modes of payment.



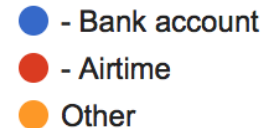
MTN subscriber



Glo subscribers



Etisalat subscribers



A PERFECT SOLUTION

blink



Nigeria



<http://paywithblink.com>

Blink is Nigeria's leading **operator billings provider** by Terragon group catering to digital content providers.

It serves as a **hybrid** offering both direct carrier billing and direct debit platforms.

It **disrupts** the traditional mobile payment channels by shortening the link between the banks and the digital goods provider.

What makes Blink unique?

- **It eliminates the limitations** that content providers face when they charge higher price points presently not obtainable with carrier billing
- **Its hybrid offering** of both direct carrier billing and direct debit platforms give customers a choice and ensures that conversions rate is at an optimum level
- Its disruption of the traditional mobile payment channels eliminates the middle man and **increases the revenue share** that content providers get

THANK YOU

Any questions?

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