

UE6 VIDEO: KENYA'S MOBILE BANKING SOLUTION

Durée : 2'00

Voice-over: Kenya is in midst of a handheld revolution.

Erik Hersman: The mobile phone is people's first interaction with technology in a meaningful way. And sometimes their only way.

Nikolai Barnwell: Anybody has prepaid phone lines and data here is very affordable. You can buy a megabyte for about one US cent.

Voice-over: Easy access to phone lines and cheap data means the majority of Kenya's population can now connect to the Internet.

Bitange Ndemo: Most Kenyans, about 90 per cent, regularly access the Internet through the mobile phone.

Erik Hersman: That means the solutions coming from here are going to be based on a small screen model.

Voice-over: Safaricom is Kenya's largest cell phone service. They seized a once-in-a-lifetime opportunity releasing a product called M-Pesa.

Erik Hersman: It's the leading mobile money payment system in the world. And 60 per cent of the user base doesn't have a bank account.

Voice-over: It enables a mobile phone to work like a debit card. During the transaction, money is deducted from a prepaid account connected to a user's phone.

Erik Hersman: M-Pesa wasn't needed in the West because everybody already had credit cards and bank accounts. So basically Safaricom is another bank.

Voice-over: Money can be sent to other users and bills can be paid. Even purchases can be made at stores.

Paul Kukubo: Now everybody depends on it as a means of transferring money.

Erik Hersman: The really significant change in money since credit cards sixty years ago is M-Pesa. The transaction costs for it are so minimal that banks cannot compete with it.

Voice-over: But it has limitations, too. Right now, it's only active in a handful of countries. High tech competitors like Google are trying to replicate M-Pesa's success on a larger scale.

Erik Hersman: Google would like to overview their payment card system in a lot of countries across the developing world.

Voice-over: Google is currently testing Beba, a cashless payment system, on Nairobi city buses.

Mugo Kibati: Many other societies across the world would eventually adopt mobile money transfer systems similar to M-Pesa.