# Mobile money to give SoLoMo a kick in the pants?

By Vanessa Clark   23 Jan 2013

SoLoMo: the glorious intersection of social, location and mobile that was going to superpower hyperlocal search and prove to be the holy grail, allowing retailers and other businesses to attract an army of smartphone-wielding customers. Pretty exciting stuff, especially during an economic downturn, right? In my opinion, quite the contrary.
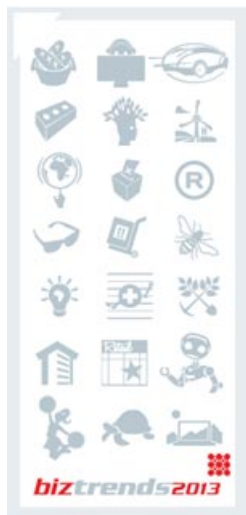
So far, SoLoMo has been more a damp squib than a digital white knight. I'm not seeing businesses, especially in South Africa, using SoLoMo to any great effect yet. Even in the US, where there was much excitement about the concept over the course of 2012, with several retail initiatives in this space, I've not seen any real shoot-the-lights-out success stories.

Either businesses aren't using the existing platforms effectively - the platforms themselves are fundamentally flawed - or the privacy concern hurdle is simply insurmountable. Add SoLoMo to the long list of tech buzzwords that have quietly retired into obscurity. It even sounds stupid and is weird to say out loud.

Something brewing in Africa

However, it can be argued that something is brewing in Africa that may very well provide the catalyst for SoLoMo services and uptake, and for harnessing SoLoMo in a way that provides real value to local businesses and their customers - not just another way for hardworking consumers to more easily spend money on things they don't want or need.

This catalyst is mobile money and these services could give customers access to products and services that would have

previously been out of reach, allow businesses to reach customers they would never have dreamt of being able to deal with, and give these companies an effective way of managing their businesses.

Many people are familiar with the success of M-Pesa in Kenya and EcoCash in Zimbabwe, as well as a fleet of other mobile money services across the continent. But the mobile money eco-system, strictly a peer-to-peer payment system, has seen a shift over the past year, with a new layer of services emerging that join the dots between merchants and consumers. And these services, you guessed it, are using social, location and mobile features to do this.

Morphed into a marketplace of merchants

A great example is Kenya's CrowdPesa. It started life as a way for customers to track down M-Pesa agents - crucial for getting money into and out of the system - but then morphed into a marketplace of merchants. This allows customers to find businesses in their area, see recommendations, interact with the business, place orders, pay via mobile money, and then have the goods delivered or collect them themselves from the store or restaurant.

Another service that aids discoverability for merchants is Cape Town-based Kuza Mobile. Founder Pieter Nel showed the audience at Demo Africa last year how a business-owner can use a feature phone to create a website, mobisite, adverts and business cards in around five minutes. Once the business's profile has been set up, the micro-ads are broadcast to customers in the area.

This is a game changer for small business owners, who previously had little way to easily and affordably promote their businesses and access new customers.

Adds value to businesses

As well as offering discoverability via SoLoMo features, this new breed of services also adds value to businesses by improving their backend processes, especially when it comes to taking mobile payments. With peer-to-peer systems such as M-Pesa, mobile payments are managed on a fairly ad hoc basis, sometimes with the customer paying the shop assistant via M-Pesa, and the shop assistant paying the cash to the store.

Services such as Nairobi-based Lipisha offer a point-of-sale system that lets companies process their non-cash and micro-payments. Where companies have backend systems already in place, Lipisha integrates with these; otherwise, for those who don't, it provides the foundation of a formal system for the business.

Another Kenyan service, MPAYER, then brings location back into the mix by mapping factors such as branch details, weather and time of year onto mobile payment records to give the business further intelligence. It also offers statements - solving the lack of paper-trail that comes with mobile payments.

Solving a number of very real problems

These services solve a number of very real problems that businesses and consumers face in developing, and very often also in developed, markets. Google Search is still pretty useless when it comes to hyperlocal; not everyone has, or will have a smartphone, so they can't download your fancy SoLoMo-power app; many business, especially medium, small and micro aren't even online yet; and many South African retailers are a great example of missing the boat when it comes to the info people want to see (an out-of-date pdf is not good enough); and the desktop-to-mobile evolution does not apply in all markets, especially not in most of Africa.

I see these new mobile money-powered SoLoMo-esque services being able to offer real value to both customers and businesses, making mobile a truly revolutionary force, rather than merely a lifestyle accessory allowing you to track down your next mass-produced branded thing.

Opportunity for Africa

And, at the risk of repeating myself, yet another opportunity for the African continent to lead the field when it comes to mobile innovation by solving real problems with appropriate solutions.

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ABOUT VANESSA CLARK

Hi! I'm a freelance journalist, copywriter and editor based in Cape Town, South Africa. I write as a journalist and for corporates and agencies. My specialties are business-to-business and technology writing. I like unpacking complex ideas so they are more easily understood - especially when it involves innovation taking place in South Africa, and the rest of Africa.
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