

Movement of mobile money market in Africa

Frost & Sullivan has released its executive summary, 'Mobile Money Market in Sub-Saharan Africa - Selected Countries'.



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With limited access to formal banking facilities, mobile money is expected to transform the financial services landscape. Mobile network operators are leveraging this trend by developing mobile money solutions to diversify their revenue sources and comparatively lower service fees. The market is expected to witness a compound annual growth rate (CAGR) of 15.0%, posting revenues of \$655.8 million in 2014.

Mobile money will likely transform the financial services landscape. Mobile network operators (MNOs) are taking advantage of the growing popularity of mobile money to boost their average revenue per user (ARPU) in a bid to counter the increasing pressure on voice revenues.

Moreover, mobile money services have also become central to MNOs' service offerings as part of their strategy to increase the mobile subscriber base. At least 80% of the MNOs in the countries analysed are either offering or planning to offer mobile money services.

These services have come to make a growing contribution to MNOs' service revenues; M-Pesa contributes over 18% to the service revenues of Safaricom and Vodacom Tanzania.

Having a robust network of agents is critical to driving the number of new mobile money connections because it helps create awareness and trust in the brand, as seen by the success of Safaricom Kenya, Vodacom Tanzania, and Econet Zimbabwe.

Financial institutions are building strategies around the provision of mobile money by taking advantage of the mobile network. Ecobank and the Commercial Bank of Africa (CBA) are taking the lead in developing a mobile money offering across the markets they cover in Africa.

In 2014, Equity Bank received a license to operate as a mobile virtual network operator (MVNO) in Kenya. The bank uses thin-SIM technology that allows customers access to the Equitel mobile money platform on their existing handsets.

For more information, go to ['Mobile Money Market in Sub-Saharan Africa - Selected Countries'](#)

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