

Vodacom confident m-pesa will grow

Vodacom wants to grow its *m-pesa* mobile money service in South Africa as user numbers remain well below expectations despite having passed the million mark for the first time.



This comes amid speculation that Vodafone - which owns 65% of Vodacom - is on a drive to expand its mobile offering and that this is placing pressure on the South African operation and its banking partner Nedbank to boost user numbers significantly after it failed to get anywhere near a three-year target of 10m users projected when the service was launched in August 2010.

Vodacom confirmed yesterday (20 November) that a total of 1.2m customers had signed up for the service, well short of several million users in Tanzania and more than 13m in Kenya.

Vodafone plans to launch an international mobile money transfer service this month as part of a wider expansion of the *m-pesa* platform. It aims to make the system available across borders and connect it to a global remittance hub called HomeSend.

Citigroup, which tied up with Vodafone in 2007 to provide an international money-transfer service, said it wants to reach the 2bn unbanked cellphone users worldwide.

Nedbank chief executive Mike Brown said more than a million users is "a pretty chunky number" and the domestic market should not be compared directly with Kenya or Tanzania.

He said the 10m target was "aspirational" and both companies would continue to work together to "explore opportunities" to improve the offering.

"We're looking at ways to make the service more successful, but we can't provide further comments," Vodacom executive head for media products and services Nomsa Thusi said.

Nedbank's transformational banking and interbank head, Ilze Wagner, said that the relationship between Nedbank and Vodacom was "as strong as it has always been".

Source: *Business Day* via I-Net Bridge

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