

On the rise: Africa's WhatsApp economy

By [Heidi Badenhorst](#)

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Used by more than 2.24 billion people worldwide - and around 200 million in Africa - WhatsApp connects friends and families across borders. It's helping the continent plug into the global economy. Most importantly, though, it's emerging as a game-changer in the financial services industry, reaching millions of consumers that traditional channels can only dream of.

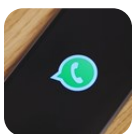


Source: [Unsplash](#)

Twenty years ago, vast segments of the African population were either unbanked or had limited access to traditional financial services. The rapid spread of mobile networks has started changing that. By 2025, it is expected that half of the Sub-Saharan African population will subscribe to a mobile service.

The boom in mobile penetration, with an associated surge in smartphone use, has seen Africa's fintech sector grow exponentially in the past decade. For the first time, many people can access financial services, from mobile payments to microinsurance, often from a small screen in their hands.

Why is this important? For a start, it means financial services companies can reach their audiences without having to invest in call centres, physical branches, infrastructure, and personnel. Low overheads mean the products themselves are affordable.



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But the real shift in momentum and access has come through the ability to reach consumers where they are, rather than making them come to us – and that includes using the mobile channels they are familiar with. Thanks to WhatsApp, it's

never been easier for customers to communicate with businesses, upload and submit claims from their mobile phones, and ultimately be able to sign up for insurance and other financial services products.

The other big benefit of WhatsApp is that it allows fintechs to engage with their customers in a personal and interactive way. We can build intuitive buttons or picture-based journeys to make it easy for customers to understand customer processes. We can send text messages, images, and videos, and even conduct surveys to gather customer feedback. This helps us understand our customers' needs and tailor our products and services accordingly.

Customer experience

In the claims journey, WhatsApp can also help us to improve the customer experience. With WhatsApp, customers can easily submit claims by sending a message or uploading a photo of their proof of loss. This eliminates the need for customers to visit a physical branch or call a customer service number, which can be time-consuming and difficult for customers in remote areas. A quicker claims process and payout mean a better claims experience - and a better claims experience means a happy customer.

WhatsApp isn't just convenient, though. It's also smart. It's helping fintechs fight fraud by providing an auditable trail of communication with the customer, which can be used as a way to verify the identity of customers and to establish the legitimacy of claims and transactions.

WhatsApp commerce is still in its infancy - and it's not going to stop at microinsurance. Our customers are rapidly transitioning to a world where financial services are easily accessible via mobile phones and transacted via apps and other channels. This is not just enabling financial services. It's bringing millions of African people into the financial mainstream for the first time. Now that's a message we can blue-tick.

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