

## **SMEs can now also sell prepaid products and services digitally**

Small business owners across South Africa have been empowered to start selling these products digitally, a service that was only available to larger retailers until recently. Those that have adopted, are seeing a sharp increase in foot traffic and sales.



Matt Putman, CEO of iKhokha.

iKhokha, which provides mobile payments solutions to independent businesses, has in partnership with the Massmart group launched its new prepaid products and services offering, which facilitates payments for electricity cellular services like prepaid airtime and data bundles, prepaid utilities such as electricity and water, as well as payments for DSTV, Telkom, Pay@, Easypay and even the payment of traffic fines and municipal bills.

### **Diversify revenue streams**

iKhokha CEO, Matt Putman, says, “In the informal market, prepaid has always been a heavily cash-based service. In this tough economy, our small and medium enterprise (SME) customers are looking for increased security as well as new income streams, so we developed a digital solution called iKhokha Vend. We have built on our existing retail distribution partnership with the Massmart group which enables SMEs to purchase a card machine in any Game, Builders Warehouse or Makro store nationally. The prepaid partnership now allows us to take advantage of Massmart’s significant buying power with prepaid suppliers so that we can collectively pass on the additional value to our iKhokha SME merchant base.

“We tested the solution with a select group of merchants and recently launched it into the market based on their positive response. iKhokha business owners can diversify their revenue streams while offering their customers a convenient value-added service and importantly reduce their burden of holding dangerous levels of cash onsite,” says Putman.

iKhokha was launched in 2015 to increase sales and minimise cash risk in the SME sector by giving entrepreneurs the ability to process card payments and become part of the digital economy. It is now processing more than R4 billion worth of transactions on an annualised basis annually.

## Customer drawcard

“Many people buy airtime and data as and when they need it, so they will pop into the closest store that sell it. They also need to be able to pay utility bills quickly and easily,” says Putman. “With more than 2000 iKhokha devices going into the SME sector every month, iKhokha Vend is being taken up very quickly as small business owners realise what a customer drawcard it is.”

Putman continues, “Adding iKhokha Vend to our existing set of financial services products is another step forward in our strategy to expand access to financial services in South Africa and build entrepreneurial businesses. iKhokha also currently provides funding of more than R100m annually via iKhokha’s merchant cash advance to SMEs that need a capital boost to grow and which are not supported by the mainstream financial services sector. 80% of these businesses would be unable to access capital from the traditional banking sector.”

The only requirement to use iKhokha Vend is that the merchant must have an iKhokha card machine with the app. “SMEs that have delayed digitising their sales systems are now making the move to cashless in order to see these services to their customers. This is how financial inclusion occurs - one SME at a time,” adds Putman.

Merchant, Cynthia Ntshingila of Cynthia’s, a retail store comments, “iKhokha Vend has increased my foot flow,” and Kerry Lee of Bella Dern, is a hair and beauty business adds, “iKhokha Vend is super convenient and my customers are loving the fact that I am now a one-stop-shop.”

iKhokha Vend is easy to use. Merchants simply log into the iKhokha app, select Vend, follow the quick tutorial, select the prepaid service they want to vend, and then accept the customer’s payment via their iKhokha card machine.

For the merchant, there are no costs and for each iKhokha Vend sale, the business owner receives a sales commission. After the sale of prepaid products or services, a sales commission is allocated, and the commission accrues in the merchant’s iKhokha Wallet.

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