

Kenya's Cellulant targets 50,000 new merchants

Kenyan digital payments company Cellulant plans to shift its focus to small and medium enterprises with the aim of turbo-charging its merchant acquisition growth to 50,000 this year from the current rate of about 1,000, its chief executive told *Reuters*.

By [Duncan Miriri](#) 28 Feb 2022



Image source: Ivan Sankov from [Pexels](#)

Investors have been flocking into African financial technology firms due to rapid growth in services like cash transfers between bank accounts and mobile phone wallets.

Cellulant, which has previously raised funds from investors like Velocity Capital and TPG's Rise Fund, is in the middle of a \$100m Series D fundraising round, partly to finance the shift to SME clients, Akshay Grover said in an interview.

With the target businesses being those with a monthly turnover equivalent to less than \$30,000, the move will open the flood-gates to hundreds of thousands or even millions of small businesses in its top eight African markets, he said.

Cellulant has traditionally catered to large scale merchants like delivery firms Glovo, online retailer Jumia and even airlines like Emirates, he said, but now it wants to open its Tingo payments processing platform to mom-and-pop shops, restaurants and individual online retailers.

"We are going to have a platform where you can come in and start accepting payments," Grover said, adding that signing up will be as easy as getting an email or dropbox account.

The 19 year old firm, which is in 35 African markets, will roll out the SME service in Kenya, Nigeria, South Africa, Egypt, Uganda, Ghana, Tanzania and Zambia, Grover said.

The Tingg platform collates payments from various mobile money services like Safaricom's M-Pesa, credit cards and even bank debits, easing the work of merchants.

Merchant payments volume, which accounts for 70% of Cellulant's revenue, doubled to \$1bn last year, Grover said, and it is expected to grow by 200% this year.

The company will also start lending to its merchants to boost their working capital.

"It is very difficult for some of these merchants to get loans for their business from the banking system," Grover said.

It will also roll out a new lending product to the merchants' customers, allowing them to pay for goods or services in instalments.

"Data analytics is at the heart of this. That is how we will assess the credit-worthiness of either the merchant or the individual we will lend to," the chief executive said.

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