

Kenya: Mobile money, a new business ecosystem

The mobile payment phenomenon has led to the rapid growth of small enterprises in Kenya and seen large corporates embracing mobile payments. However, according to business analyst and publisher of Ratiomagazine.com Andrea Bohnstedt, the big challenge is setting up a back office for client service and developing a sustainable business concept.

By [Carole Kimutai](#) 13 Sep 2010



Bohnstedt expressed these sentiments during the AITEC East Africa ICT Summit held in Nairobi, Kenya early last week.

Scrambling to set up systems

"The launch of MPesa has seen a scramble in the Kenyan market to set up payment systems," she said. The two leading mobile operators in Kenya - Safaricom and Zain - have mobile payment services. The former has the largest subscriber base of more than 10 million.

The mobile payment solutions have seen a lot of entrepreneurs setting up businesses online and using social sites like Facebook and websites to market their goods and services. "However, users are still gaining trust and are paying for these services after delivery," noted Bohnstedt.

Large corporates, banks join the system

On the other hand, large corporates like Kenya's carrier Kenya Airways and other airlines like Fly 540 and Kenya now allow clients to pay for their tickets using MPesa or Zap mobile phone services for Safaricom and Zain. Banks that had initially fought the mobile phenomena have also launched their own mobile payment services by partnering with mobile phone operators. "Banks have become agents and super agents for the mobile technology," she said.

Bohnstedt's major concern is the strategic growth of small enterprises and customer service.

"Most of these businesses can handle small orders because the entrepreneurs probably operate from the living rooms. What happens when they get thousands of orders?"

She noted the need for entrepreneurs to set up proper systems for their businesses so as to grow them.

The AITEC East Africa ICT Summit was held from 7-8 September 2010. For more information on the conference, go to www.aitecafrica.com

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