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With **WIZZIT** you have your **bank** in your pocket.

WIZZIT

Presented by:
Brian Richardson



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The World Bank estimates that in many countries, over half the population—"the unbanked"—has never had a bank account. The poor tend to be terrified of banks, since they're often humiliated or ignored when they try to enter them. That means they can't leave their savings anywhere safe, pay a bill without walking the cash to the office, or prove that they're credit-worthy.

Lowering transaction costs even one percent would mean over one billion extra dollars would directly reach the poor each year, and that's not chump change.



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The long and costly road to banking the unbanked

“A financial system that does not serve the needs of all South Africans is a dysfunctional system.”

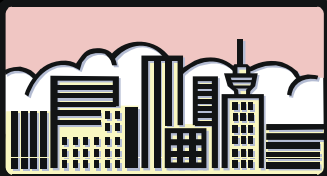
“...It is hard to ignore the fact that millions of South Africans have little or no access to financial services.”

Trevor Manuel Minister of Finance South Africa

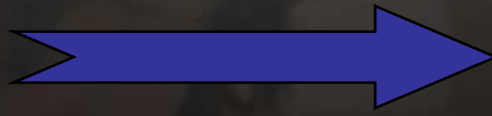


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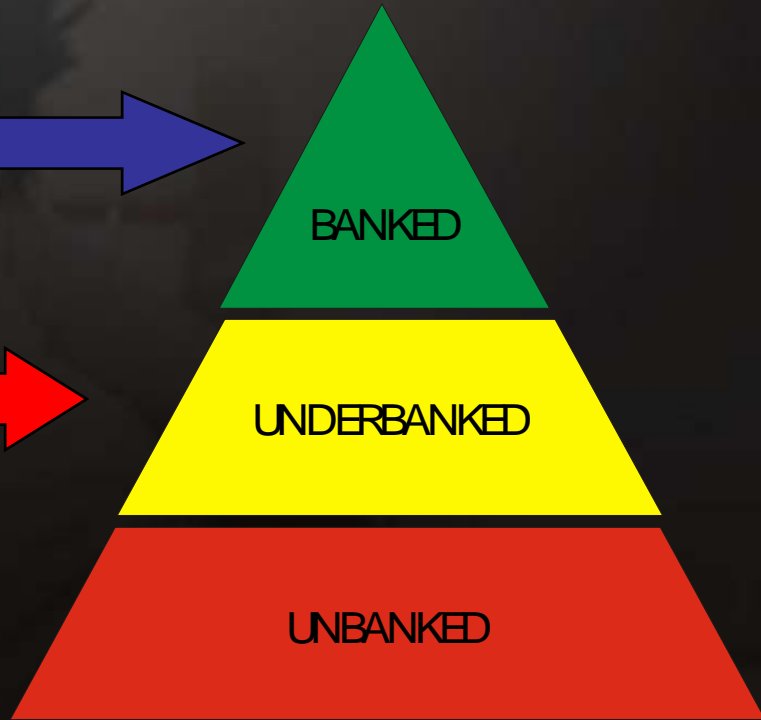
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BIG BANKS



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4% in Africa

700million+ in Africa



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Reasons for being unbanked

- Access
- Availability
- FICA
- Fees
- Pay slips
- Black list - credit checks
- Forms
- “We don’t qualify”:
 - Don’t have a job
 - Don’t earn enough



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Kenya Banks

- Bank charges are complex and not transparent
- Bank operating hours are inflexible and inconvenient
- Delivery channels are limited and therefore account access restricted
- Service from banks is generally poor
- Customers rank current accounts, savings accounts, ATM access and loan products as key products



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Month end queues at ATM



What are we trying to do??



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Perceptions of Branches and ATM's

- Similar views on banks and ATM's
- **ATM's are associated with:**
 - Not being safe
 - High bank charges
- **Branches are associated with:**
 - Not being safe
 - High bank charges
 - Takes up too much time
 - Poor customer service



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"THE SINGLE
CHALLENGE FOR
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TO GET UNBANKED
TO THE BANK
BUT TO GET THE
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Did you know?

- Africa has more mobile phone users than fixed-line subscribers.
- Africa has become the world's fastest growing mobile phone market.
- Africa's mobile phone use has increased at an annual rate of 65%, twice the global average.



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talking 'bout a revolution

cellphones can get millions more south africans banking, but can they slay the four-headed beast of south african consumer finance? and more importantly, when can we start using our phones to pay for parking? by maya fisher-french



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WIZZIT's Vision

We will bank
the un-banked
in the world
utilising mobile payments technology



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Some headlines

- Mobile Phones as Train Tickets

Monday, January 30 2006

- Soccer fans may use cell phones as tickets

Monday, September 24 2007

- Travelers to the 2010 Soccer World Cup could be using their cellphones to gain access to the stadiums
- Kids in Tokyo and Seoul, routinely wave their hand phones at CokeMobiles and other beverage
- Google will be a relative late comer (if a huge player) into the mobile payments business



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BUSINESS DAY, Tuesday, July 26 2005 15

BENEFITS OF M-COMMERCE

- Largely untapped revenue opportunity for banks
- Displaces cash, which is expensive to handle
- Available in areas without fixed-line infrastructure
- Potentially more secure than internet commerce
- Establishes a bill-payment platform



Mobile payments 'safer' than internet deals

Cellphone becomes new tool of trade in m-commerce era

TechKnowledge, *strategic relationships



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Primary needs

- The ability to transfer money to family and friends
- Friendly people who speak their language
- Accessibility
- Availability
- Affordability



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Benefits of WIZZIT

- No Monthly fees
- Easy account opening
- No Queues
- Payments from where you are
- Affordable transaction fees
- No minimum balance
- Real time transfers WIZZIT to WIZZIT
- 24/7 balance enquiries, airtime purchases, pre paid electricity, money transfers



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Basic philosophies

- Employ unemployed people
- Currently given opportunities to 2 500 unemployed people
- World of WIZZIT speaks your language
- Affordable transaction fees
- Customer driven
- Focus on making peoples' lives easier



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Perceptions of cellphone banking

- Seen as the ideal banking service
- Perceived as:
 - Easy to access / convenience
 - More affordable / pay less service fees
 - Safety
 - Trustworthy / reliable
 - Saves time

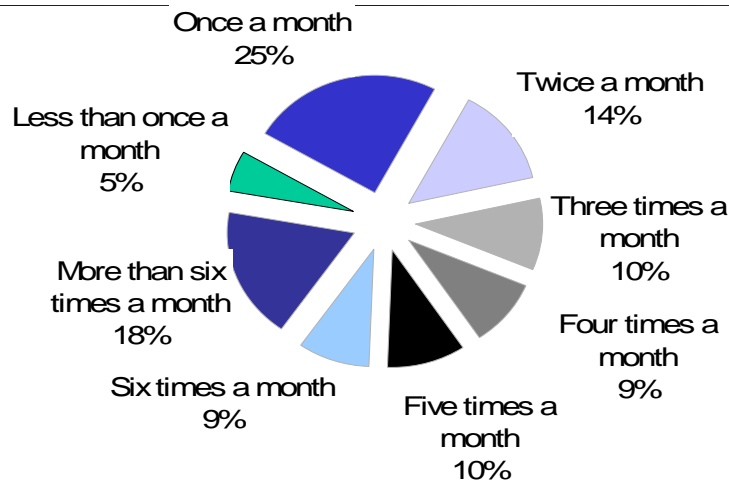


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On average, WIZZIT users conduct more banking transactions per month and use cellphone banking as a channel to do banking far more than non-users and other channels

On average conduct 4.38
cellphone banking transactions
per month



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Travelling to the bank

- Users spend on average half an hour traveling to a bank, costing on average R17.20
- Are they using cellphone banking because they live so far away from a bank?
- According to Finscope 2005 data average time taken to get to bank was 20.3 minutes
- However for those living in tribal lands, more likely to be LSM 1-5, it took on average 36.4 minutes



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The way forward

- Overall users think the WIZZIT offering is better than other banking mechanisms. This is mostly due to convenience factors.
- Users do tend to be more financially astute and technologically advanced – education for non-users
- Cellphone banking is addressing lower LSM groups
- Does increase transaction frequency



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Market learnings and opportunities

- 42% of the market had never heard of Mobile banking
- Non-users perceive mobile banking as very expensive – R13-00 per transaction!
- Actual cost is R0-99c to R2-99
- Use of banks is for cash deposits and withdrawals
- Technology/cellphone is not a barrier
- Viral marketing is working



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Challenges facing WIZZIT

- Technology
- Reaction of big banks and telco's
- Marketing
- Financial literacy
- Confidence and trust in a new brand and new technology
- Distribution
- WIZZkids
 - Training
 - Management
- Account usage



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101

innovation BREAKTHROUGHS

edited by Hitendra Patel and Steffen Gackstatter



INNOVATION MANAGEMENT, INC.
A Member of Maestro Group



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INNOVATION
BREAKTHROUGH

Banking Solution for the Unbanked

Connecting me virtually to what is important—my money and my relatives



WIZZIT Bank

What is the offering?

Low cost mobile phones doubling up as virtual bank counters enable banking on the go. No need for internet access, a bank account or a new generation cell phone.

What and who does it satisfy?

Low-income, minimally educated, un-banked people with practically no access to technology.

What else was out there?

Distant, brick & mortar traditional banking services; trusting and paying premiums to taxi drivers to transport money to relatives in villages; mobile banking requiring a bank account and new generation cell phones.

Why is it unique?

First mobile phone banking service in South Africa tailored to an underserved market—low-income population. It is an inexpensive and novel way for people to perform financial transactions.

Why is it difficult to replicate?

Unique mobile banking technology, viral marketing and first mover advantages due to network externalities. It now has strong brand momentum with a cult following.

How has it left a mark?

The service acquired over 50,000 customers within two years of operations of starting.

8 out of 10 WIZZIT customers had no bank account, and had never used an ATM before. WIZZIT has earned cult status among its users.

This innovation is putting pressure on traditional banks to lower their prices. It is also encouraging major telecom players, such as Vodafone, to enter new markets with their own mobile banking for the unbanked.

198

what



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What is required?

- Willing and innovative partner Bank/MFI
- Scoping exercise
- Integration into Banking back end platform
- Integration with mobile networks
- Marketing
- **Passion and enthusiasm!!!**



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CNN

