

BUSINESS DAILY

MAGAZINES

Businesses scramble for cashless payments gold



Kamal Budhabhatti, CEO Craft Silicon Ltd. The company is set to launch its upgraded version of e-commerce called Elma next week on Thursday. Courtesy

IN SUMMARY

- Service firms and technology geeks firing on all the cylinders on scenting tidy cash.

Technology firm Craft Silicon is launching a revamped payments application next Thursday in the latest signal yet that cashless business is gaining momentum in Kenya.

It has upgraded Elma, the app it released three years ago and says Elma2.0 places it “much ahead of technology.”

While cashless payments have been associated with high-end and exclusive shops, the landscape is changing fast what with the government’s directive that the matatu business, for long seen as the face of chaos in public transport, turn to cards.

The National Safety and Transport Authority is targeting July 1 for having a common gadget that will accept many cards.

This week the Matatu Owners Association entered the card payment window, showing that others in the sector will follow suit, the government having shifted the management of the business into the hands of co-operatives from individuals.

Elma2.0 uses the NFC technology and, therefore, works on tapping a handset on Point of Sale terminals. It allows bank-to-bank transfers, manages stock market transactions and gets commodity prices, the firm says.

“We are much ahead of technology. We are launching something that has encompassed all consumer needs,” said Joseph Christopher, the head of corporate communications, Craft Silicon Ltd.

“Instead of calling or walking into a banking hall, Elma2.0 allows customers to chat with the customer care team at the bank or among its users.”

Its other features include quick cash transfer and deposit, live chat with users and financial institutions, tap-and-go payments, virtual cheque deposits and processing, and finger print payments.

Matatu Owners Association on Tuesday launched its payment system that is run by 1963 Jinice.

“This is our system. We will never experience situations where service providers will be adjusting the commission paid at will,” said MOA chairman Simon Kimutai.

The public transport business is estimated to generate up to Sh205 billion, a figure that is expected to whet the appetite of tech firms to have a piece of that gold.

“Elma2.0 charges a flat rate of Sh80 a month. This is not subject to the value of the money deposited or transferred,” said Kamal Budhabhatti, CEO of Craft Silicon Ltd.

This, he added, allows the user to make multiple transactions without the fear of incurring extra charges. It operates both on smart and basic handsets running on Android, and Windows, Symbian and BlackBerry operating systems.

The re-launch of Elma to include tap and go payment, is set to spur competition in the market.

Other payments products in the Kenyan market are Safaricom’s Lipa na M-Pesa, Equity and Google (Beba Pay) and Taptopay run by a Hong Kong firm.

Public transporters

The increased appetite in this market segment is mainly driven by the government move to have a cashless fare payment system from July 1.

Electronic payment processing giants Visa and Master Card are also planning to unveil their cards ahead of the deadline for the public transporters. The public transport is estimated to be worth Sh205 billion.

According to Craft Silicon, the launch of Elma is aimed at increasing the experience of mobile commerce in the country and across the globe.

Safaricom charges one per cent commission per transaction. But on money transfer, the charges increase according to the value of money sent or withdrawn.

A user can also create different folders within the Craft Silicon application, making it easier to budget on tap and go.

The upgraded system runs on 3G enabled mobile telephone handsets. "We don't keep any money. The money is with the bank," said Mr Budhabatti.

Craft Silicon has since 2011 been piloting the system with smaller financial institutions like Paramount , Oriental Commercial, Guardian and Chase banks.

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