ACCESS, INCLUSION AND INNOVATION:

OPPORTUNITIES IN AFRICA'S VIBRANT PAYMENTS ECOSYSTEM

A Payments White Paper by
Innervation Pan African Payments

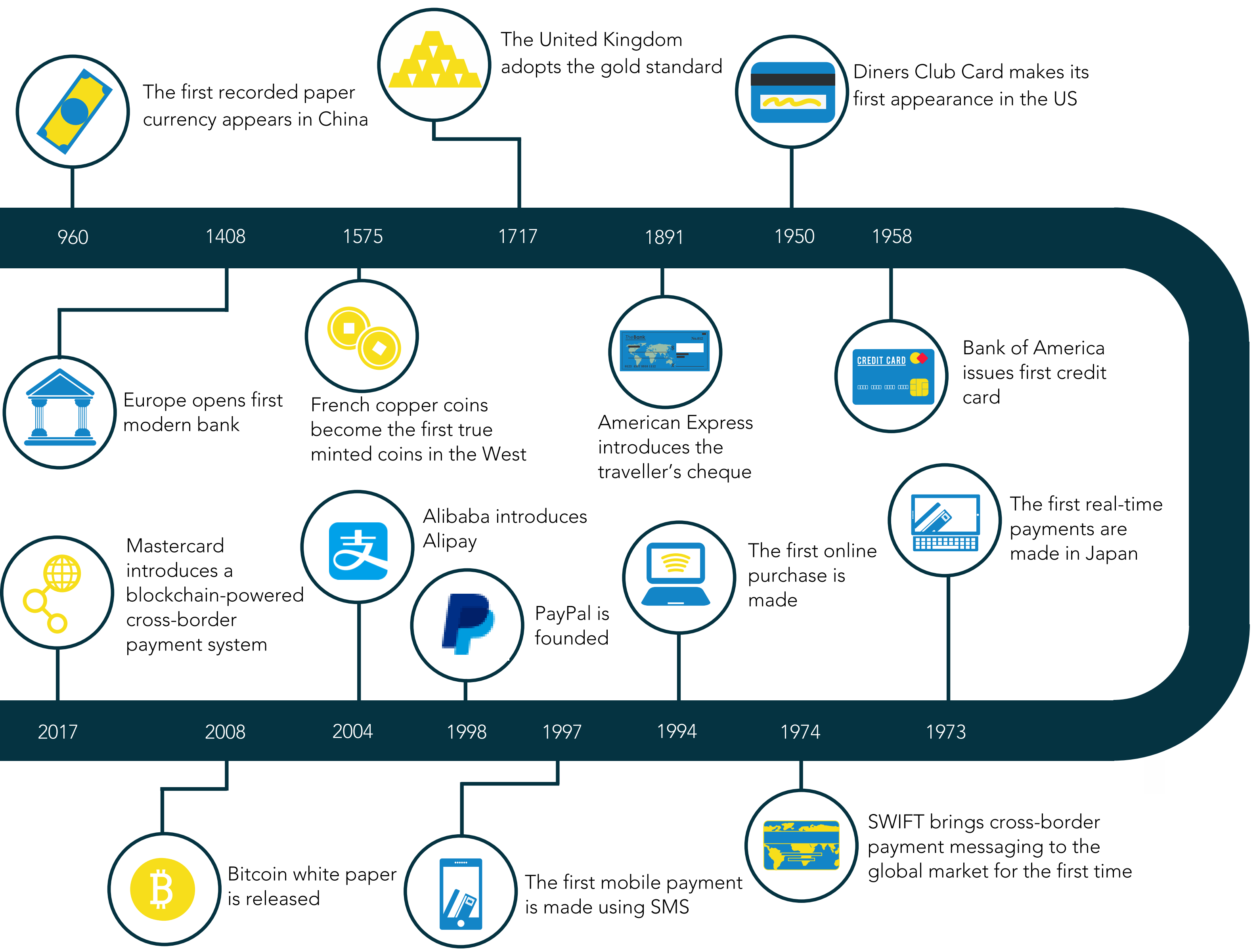
www.innervation.co.za | www.innervationgroup.com

innervation
PAN African payment solutions
innovate - integrate - inspire

INTRODUCTION: FROM BARTER TO BANK NOTES TO BIOMETRICS

> **MONEY IS ONE OF THE THREE GREAT INVENTIONS, ALONG WITH THE WRITTEN WORD AND MATHEMATICS.**
>
> Adam Smith, Father of Modern Capitalism

A BRIEF HISTORY OF PAYMENTS



Africa has the fastest-growing middle class in the world: some 313 million people - or more than a third of the continent's population - can be classified as middle class. According to the African Development Bank, this figure has doubled in less than two decades.

This continent-wide economic transformation is necessary: by 2050, Africa will have the largest working age population in the world, with 1.25 billion people aged between 15 and 64. In fact, more than half of the world's population growth is expected to be in Africa leading up to the mid-century mark.

It is widely expected that a significant portion of the world's economic growth over the next few decades will also be concentrated in Africa.

Today, seven of the 20 fastest-growing economies in the world can be found in Africa, including the top two: Libya and Ethiopia.

However, Africa is still home to a large unbanked population. Eighty percent of adults in sub-Saharan Africa don't use any formal or informal banking facilities, and only 5% of adults have a credit card. It's not just consumers who are excluded: even in the relatively advanced South African market where 75% of adults have a bank card, only 6% of merchants accept card payments.

The issue of financial inclusion has been pushed to the front of the agendas by many governments and policy makers.

The South African Reserve Bank outlines nine goals to guide the development of the country's payments systems, namely:


Promoting competition and innovation


Financial inclusion


Regional integration


Transparency and public accountability


Flexibility and adaptability


Cost effectiveness


Interoperability


A clear and transparent regulatory environment


Financial stability and security

RISE OF THE FINTECHS

The continent's reliance on cash excludes large parts of the population from value-adding and economically uplifting financial tools such as access to savings facilities, insurance, loans and credit. It's important to note though that financial inclusion does not equal access to credit: it is far more important that people can access adequate and functioning financial infrastructure that provides opportunities for greater economic participation.

A rising number of innovative African fintechs are aiming to address the issue. Global investors are taking notice. Between January 2015 and May 2017, 57 fintech start-ups raised more than $92 million in funding. By 2018, interest had increased to the point where a single deal - the $52 million investment led by Goldman Sachs into South African mobile fintech Jumo - represented half the value of investment of a more than two-year long period.

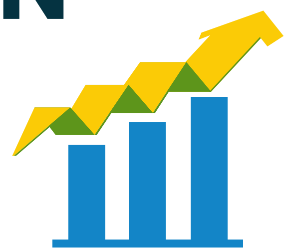
Globally, however, payments have become the largest single recipient of fintech investment. In 2017 alone, $40 billion was invested in more than 1 800 deals.

In Africa, the payments sector is undergoing a fundamental shift as a proliferation of mobile phones - and the accompanying access to connectivity, information and app-based services - transform the consumer market. The World Economic Forum estimates that 93% of Africans have access to a mobile phone. In contrast, only 65% have access to electricity at their homes, and only 30% live in areas with functioning sewerage systems.

As we'll explore in this white paper, African retailers and payments providers have access to a wealth of options - from large global players to locally-developed innovations - to ease the payment experience for a diverse and increasingly sophisticated African consumer market.

> **(FINANCIAL INCLUSION) IS A MEANS OF PROVIDING ACCESS TO A FULL SUITE OF QUALITY FINANCIAL SERVICES TO EVERYONE WHO CAN USE THEM AND MAKING SURE THAT PEOPLE HAVE THE TOOLS THEY NEED TO MANAGE THEIR FINANCIAL AND ECONOMIC LIVES.**
>
> The Centre of Financial Inclusion

PART 1:
A GLOBAL PERSPECTIVE ON PAYMENTS INNOVATION



According to the McKinsey 2018 Global Payments study, the payments industry saw 11% growth in 2017, topping $1.9 trillion. The payments market is dominated by Asia-Pacific, which accounted for half of total payment revenue in 2017, more than double that of the US and three times that of EMEA.

The report cites the growing popularity of alternative payment solutions - specifically digital payments (defined as browser-based e-commerce and in-app purchases) - with digital commerce volumes expected to double from $3 trillion in 2017 to more than $6 trillion in 2022.

According to the World Pay Global Payments Report 2018, eCommerce is expected to grow to $4.6 trillion by 2022. Mobile commerce, which represents 48% of all digital commerce sales worldwide, is expected to show massive growth over the next few years, overtaking desktop sales value by as early as 2023.

Despite the extraordinary growth of digital payments and the incredible innovation led by a broad spectrum of start-ups, traditional banks, technology firms and telcos, cash remains the dominant payment method at the point of sale worldwide. However, it is expected to drop to second place in 2019 when debit cards overtake it; by 2022, cash could be only the fourth most popular payment method, behind debit cards, credit cards and eWallets.

INDIA'S CASHLESS CATASTROPHE

Some governments have tried to fast-track adoption of cashless options. The world's second most-populous country, India, attempted to bring more people into the formal banking fold by launching the world's largest biometric ID system, Aadhaar. By the turn of this decade, more than half of all Indians had no form of official identification, making it very difficult for them to access loans, bank services, or many other forms of economic activity.

By 2016 Aadhaar had reached 1.171 billion members, and added India Stack, a series of connected systems that allow people to store data such as addresses, tax filings, and bank statements. This data can be used to open a bank account or access other formal financial services. By 2018 there were more than 339 million bank accounts linked to India Stack.

The general success of Aadhaar in bringing India's citizens into the digital age led the Indian government to believe it could fast-track its vision for a cashless society. In 2016, Indian Prime Minister Narendra Modi announced that all Rs500 and Rs1000 banknotes must be removed from circulation overnight, invalidating 86% of India's currency. Panic ensued: cash intensive industries ground to a halt, and more than a million jobs were lost.

Despite a short-term increase in adoption of digital financial services such as eWallets, debit and credit cards, the transaction value of digital payments today has fallen to near the levels seen before the cash ban was introduced. India has by and large continued as a cash-dominant consumer market.

NIGERIA STARTS – THEN STOPS – CASHLESS ADVANCES

Africa is not without its own cashless initiatives. Nigeria's government introduced a policy via its Central Bank that added a 'cash handling charge' on daily cash withdrawals that exceed N500,000 for individuals and N3-million for corporate bodies. The aim was to bring more of the 75% of Nigerian adults that have never been banked into the formal economic fold.

First introduced in Lagos in 2012, the policy was extended to six other states in 2013 before national rollout in 2017. The Nigerian government wanted to reduce the cost of banking services to:

improve financial inclusion

help the economy become one of the top 20 in the world

combat corruption and other illicit activities

However, only three weeks after implementation, the Central Bank of Nigeria had to suspend the process in 30 states, without providing reasons. In addition, card payments only added a miniscule $640 million cumulatively to the country's GDP between 2011 and 2015.

MOBILE MONEY REIGNS SUPREME IN KENYA

In Kenya, card payments are even less popular. According to the Central Bank of Kenya (CBK), growth in mobile payments was 8% in 2017 to reach $36 billion in value. Safaricom's M-Pesa is the star here: it controls 81% of the mobile money market, with 22.6 million subscribers as of mid-2017. While 2017 mobile money growth is below the 2016 and 2015 growth rates of 19% and 17% respectively, it is still far beyond card payments. In 2017, the value of card payments in Kenya declined by 0.5% to $13.9 billion.

One of the key drivers of this is the card acceptance gap: despite the 16.6 million card holders in Kenya, there are a mere 35 000 point-of-sale machines in the country.

Cash remains the dominant payment method in the country, with a 2016 study by the CBK finding 94.6% of business owners use cash as the main mode of payment.

PART 2:
THE NEAR-ENDLESS CHOICE OF PAYMENT OPTIONS FOR THE MODERN CONSUMER

The rise of the connected consumer has forced brands, retailers and financial services providers to develop innovative new customer experiences that add value to a range of consumer interactions. The proliferation of mobile devices on the continent has opened the door to highly data-driven payment product development that addresses very real needs in specific segments of the consumer market. As smartphone adoption grows, the data available to payment innovators will only improve and with it the quality and relevance of payment solutions.

However, it is dangerous to generalise: Africa is a vibrant melting pot of cultures and regions with varying degrees of financial sophistication, drivers of consumer choice and technology adoption. There are distinct differences between consumers in sub-Saharan Africa's three big economic hubs: Kenya, Nigeria and South Africa.

KENYA

In Kenya, consumers predominantly make purchasing decisions based on price. With limited credit facilities, retailers struggle to manage their stock supply and consumers typically need to settle for what is available. However, the number of retail outlets in Kenya is on the rise, with double-digit growth that is forcing greater competitiveness among retailers who have to optimise the way they reach out to consumers. The country's affinity for mobile payments is evidenced in consumers' widespread use of M-Pesa and other mobile money services; while the industry still awaits official figures from the Kenyan government, according to recent estimates, the total value of mobile money transactions surpassed the country's total GDP in 2018.

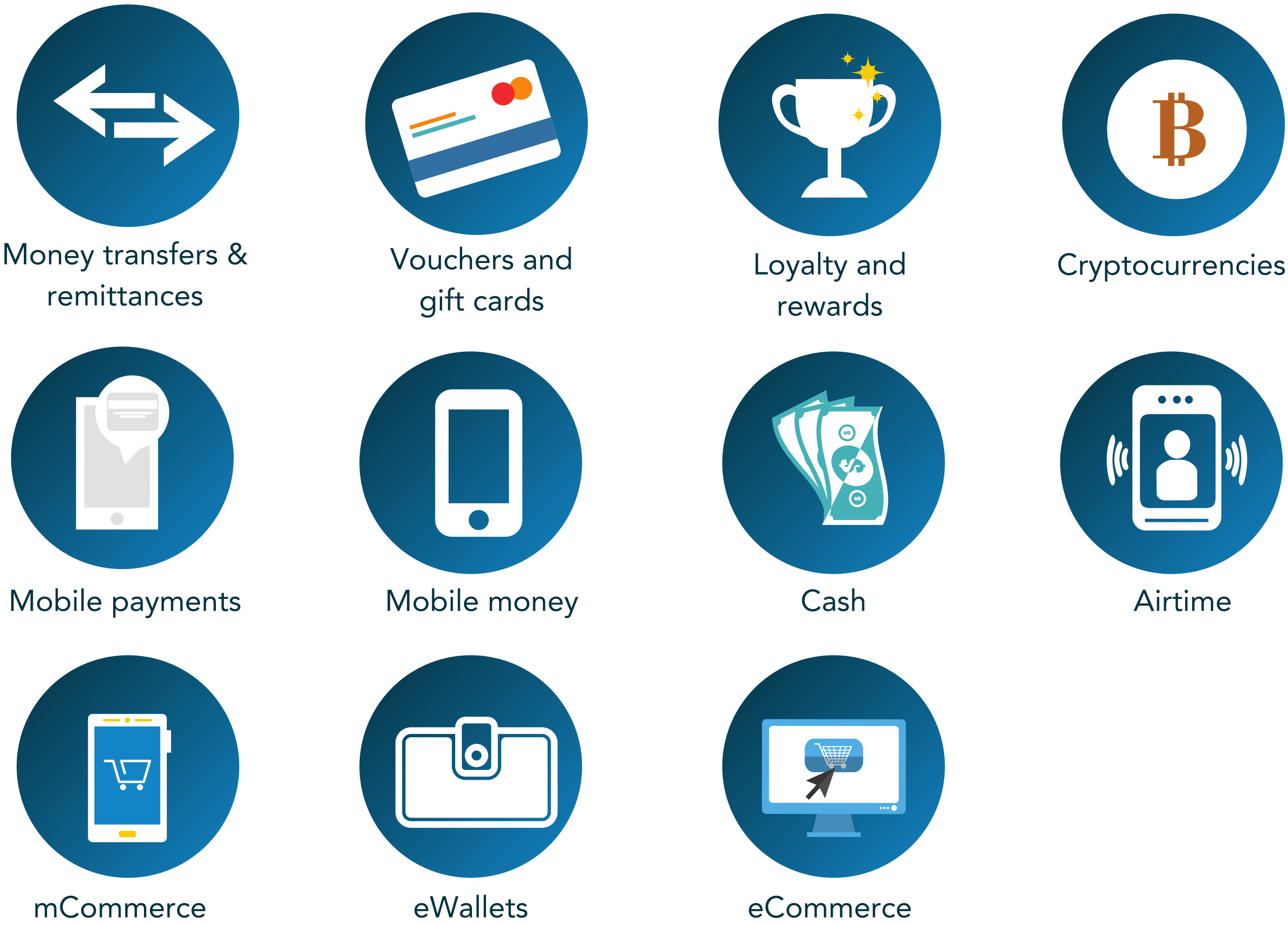
NIGERIA

Due to the increase in disposable income among Nigerian consumers, shopping behaviour has shifted across categories and channels. Aspirant consumers are fuelling a growing omni-channel opportunity in eCommerce, with the country's growing smartphone, internet and mobile penetration enabling online retailers to charge ahead of traditional retail competitors. While eCommerce still lags the bricks-and-mortar retailers, there is great room for growth: the Economist Intelligence Unit estimates that Africa's eCommerce market could reach $75 billion in the next five years.

SOUTH AFRICA

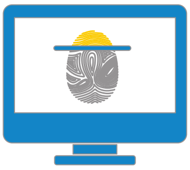
Consumers in Africa's most advanced economy are coping with challenging economic times by spending less, shopping less frequently, and seeking value. The country's 100%+ mobile penetration rate has made mobile payment options – including mobile point-of-sale devices such as iKhokha – immensely popular and viable. In one study, 88% of South African consumers indicated that they use the Internet to find products they want, with 45% using the Internet to purchase a product. The widespread Internet access has more recently opened the door to digital banks: no less than three new digital (and branchless) banks are set to launch in 2019.

NEW PAYMENT OPTIONS FOR AFRICAN CONSUMERS:



NEW WAYS TO EXCHANGE VALUE

A payment is at its core an exchange of value. Whether it is paying cash for essential goods or rewarding loyal customers with discounts or vouchers as a means of building stronger customer engagement, the fundamental driver at the core of the payment remains consistent. Africa's vibrant and dynamic consumer market and lack of traditional financial services infrastructure – paired with its unmatched use of mobile phones, has given rise to a broad spectrum of payment types that point to some exciting futures for the global payments industry.



BIOMETRICS

Several leading smartphone manufacturers have included biometrics as standard in their higher-end devices. Consumers with Samsung phones can make mobile purchases via a fingerprint scanner, with iris and voice recognition in the works for its Samsung Pay service. Apple allows fingerprint authorisation for purchases via its Apple Pay system, and the iPhone X enables facial recognition for authentication.

CRYPTOCURRENCIES

While the Bitcoin hype has decidedly died down, cryptocurrencies remain hugely popular and have made inroads into the payments industry as an alternative means of exchanging value. The retail footprint is small: while the number of brick-and-mortar retailers that accept crypto-payments grew by more than 30% in 2017, there were still only just over 11 000 retailers globally where you could pay for goods with a cryptocurrency. Where cryptocurrencies are likely to gain ground is in online payments. With eWallets expected to make up 46% of global eCommerce payments by 2021, cryptocurrencies could find a home in complementing this growing payment sector.

CONTACTLESS PAYMENTS

The first contactless payment was introduced by Mobil in 1997 and was elevated to global consciousness following Hong Kong's implementation of the Octopus contactless card, which allowed citizens in Hong Kong to access ferries, buses, trams and the metro. By 2007, the UK had received its first contactless credit card under the Barclaycard brand. Today, consumers around the world use contactless 'tap-and-go' credit and debit cards to make payments at an extensive network of mainstream retailers. And despite the popularity of mobile payments, the volume of contactless transactions still grew by 174% from 2015 to 2016.

BIG TECH COMPANIES BRING PAYMENTS TO AFRICA

South Africa became the first country in Africa to receive access to Samsung's mobile payment service, Samsung Pay, in 2018. The Korean smartphone brand partnered with Visa and Mastercard as well as two of South Africa's biggest banks, Standard Bank and Absa, prompting the CEO of Samsung Electronics Africa, Sung Yoon, to say "acceptance of Samsung Pay at launch in South Africa is much better than 2015 in the US. People in South Africa understand the technology better today, too, than users in the US did three years ago."

Mastercard's Masterpass, an interoperable platform that allows bank customers to use their PIN and mobile phone to authenticate digital transactions, has seen impressive growth. Its partnership with Spazapp enables micro merchants to accept electronic payments via Masterpass, with consumers scanning a QR code to make payment for goods. Interestingly, Masterpass can also be used by the merchant to pay suppliers: a QR code on a delivery bill linked to Masterpass gives merchants easy access to bulk buying opportunities.

Masterpass is currently enabled at 140 000 merchants across South Africa, which includes SnapScan and Zapper merchants, generating 2.8 million to 3.4 million transactions with a value of around R115 million per month. Masterpass can scan Zapper and SnapScan QR payment codes; work is underway to enable SnapScan users to also scan Masterpass QR codes (Zapper is already able to do so). South African banks have integrated Masterpass into their ecosystems: FNB and Nedbank have Masterpass functionality built in to their banking apps, while Capitec, Absa and Standard Bank have Masterpass apps for their customers.

Mastercard's partnership with EcoCash in Zimbabwe provides an instant and secure mobile payments solution for consumers and merchants, as part of large-scale efforts to reduce cash usage and increase digital financial inclusion in the country. The scan-and-pay functionality is currently available to EcoCash's five million subscribers and can be accepted at nearly 4 000 retail locations and businesses across Zimbabwe.

Since Apple Pay's launch in 2014, it has created a vast footprint in the US, where 70% of retailers accept it as a form of payment, and works in 40 countries across the globe. By the end of 2018, Apple Pay had passed 10 billion transactions. The recent announcement of the Apple Card builds on this success: it provides cash-back rewards on purchases, and integrates with the user's iPhone Wallet app. Most surprising is that it has no fees or charges and no penalties for late payments. Neither Apple Pay nor Apple Card are enabled by African banks at present. Visitors, from countries where this is enabled, can however utilise existing payment infrastructure available in African retailers to pay with Apple Pay. Apple's sheer market influence will undoubtedly force African banks to support this or quickly adapt and respond with their own similar services.

PART 3:
TRENDS DRIVING PAYMENTS INNOVATION AND ADOPTION

The global economy's efforts to create more inclusive and convenient cash-alternative payments innovations cannot be seen in isolation. A confluence of trends is changing the trajectory of payments innovation into new and exciting directions.

From financial inclusion to connected consumers, disruption to regulatory pressures, these are the forces shaping payments innovation in 2019.

The drive for greater financial inclusion

In 2012, a study by the International Finance Corporation found that only a quarter of adults in Africa had access to the financial tools needed to grow small-scale businesses, plan for future household expenses, make investments into schooling and health, and deal with emergencies. By 2018, this figure had grown to a hugely encouraging 43%. In countries such as Kenya, Tanzania and the Democratic Republic of Congo, the financial inclusion rate has more than doubled in the space of six years.

Sub-Saharan Africa's financial inclusion is best exemplified by the stunning rise of mobile money. The International Finance Corporation notes that, while the share of adults with a financial institution account barely budged over the past few years, those with a mobile money account nearly doubled to 21%.

However, the World Bank's latest research shows African consumers are not yet making best use of digital payments. In 2017, only 31% of 15 to 24 year-olds in sub-Saharan Africa had made or received a digital payment, compared to 37% of those aged 25 and older.

The power of mobile drives the connected consumer

Gartner predicts that there will be more than 20 billion devices connected by 2020, nearly four for every person on Earth. Each device will generate data, and as consumers become more comfortable with sharing their data in exchange for value or convenience, businesses – especially retailers – will soon have access to unprecedented insight into consumer habits, needs and expectations.

Retailers will need to look for payment options that connect the online and in-store shopping environments and enhance the overall shopper experience. By using data, retailers can choose to engage with customers at every stage of the customer journey. The payments experience will need to be a primary consideration for retailers in this era of connectedness. Retailers should build seamless customer experiences into their DNA.

What retailers should look out for is a seamless payments functionality that incorporates a range of convenient payment types. Modern consumers seek omni-channel shopping experiences that remove friction at the point of purchase and enhance the overall customer experience.

However, security should not be left at the wayside: consumer trust is vital in the age of escalating cyber threats and online identity theft. Without this trust, retailers and payments providers will find it hard to build traction among consumers who have no shortage of choice in how they pay for goods or which retailers they support.

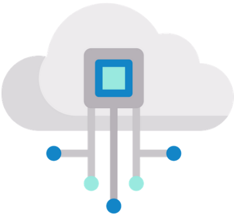
Fintech disruptors become enablers

Since the launch of Uber and Airbnb, the concept of 'disruption' has dominated public discourse regarding innovation. While these famous examples certainly have challenged and, in some cases, outright replaced many incumbent competitors, there are suggestions that the concept of disruption itself is changing. A McKinsey analysis of the global fintech industry suggests that a new spirit of cooperation between fintechs and incumbents is emerging. A number of global banks are even pursuing large-scale partnerships with their fintech challengers. JPMorgan has partnered with a range of start-ups offering everything from small business lending to mortgage technology to secure messaging. European bank ING established a EUR300 million fund for fintech investing and has partnered with 115 start-ups over the past few years. In 2018 Apis Partners and Crossfin Technology Holdings created CTS, an enlarged payments operating company that aims to drive financial inclusion in the SMME and merchant markets, with an immediate footprint of 45 000 till points and 14 000 merchants across South Africa.

THE FOUR TYPES OF FINTECHS

Start-ups

Fintechs as new entrants or start-ups looking to enter financial services with new approaches and technology. They aim to build economic models similar to those of banks but targeting only a specific or niche product or service. However, growth in this instance is held back by the high cost of acquiring customers.

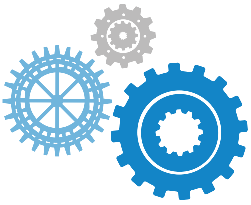


Incumbents

Fintechs as incumbents that invest heavily into technology to improve their performance, competitiveness and opportunity for investment and partnership. The proliferation of incubation hubs and innovation centres within South Africa's largest banks is one example of this.

Ecosystems

Fintechs as ecosystems or platforms developed by large technology companies, for example Alipay in China's support for Alibaba eCommerce sales, or WeChat's use of SnapScan to enable WeChat Pay. Due to the high levels of existing engagement on these platforms, the cost of acquiring customers is drastically less relative to other firms.



Infrastructure

Fintechs as providers of infrastructure that helps financial institutions to improve the customer experience as well as manage risk.

BANKING SUITS WEARING FINTECH SNEAKERS

In Africa, a number of banks ranging from Citibank to Barclays to Standard Bank, have established fintech accelerators, made direct investments and engaged in exciting proofs of concept to gain affordable access to innovation capabilities. Financial institutions such as Old Mutual are partnering with start-up initiatives to gain improved visibility over emerging fintech innovation and identify opportunities for updating its business model.

An exciting development for the continent is the entry of several digital banks into the South African market. Tyme Bank, Discovery Bank and Bank Zero are all expected to launch during the course of 2019, creating the first new competition to the dominant five banks - Absa, FNB, Nedbank, Standard Bank and, more recently, Capitec - since the early 2000s.

What these banks have in their favour is lower-cost operating models and improved use of data analytics to attract and serve customers through mobile applications. Without the burden and cost of physical bank branches, the new digital banks have the freedom to disrupt the pricing of retail banking in South Africa.

REGULATORY CHANGES IMPACTING PAYMENTS

To update an old saying, “the only constant in banking is regulatory change”. African and global financial services and payments providers face a never-ending stream of new or updated regulations that sometimes fundamentally change the way they operate.

According to the Capgemini Financial Services Analysis 2018, the snail-paced progress with electronic payments is due to pervasive use of cash by a largely unbanked population in a policy environment that is not optimised to enhance the broader electronic payments ecosystem. For rapid uptake of electronic payments, growth needs to be enabled by a combination of "supply enablement and demand stimulation, and a collaborative approach that delivers visibility to suppliers and value to buyers."

In Europe, the prospects for future payment innovation are rosy as the second Payment Services Directive (PSD2) makes its effects felt. PSD2, which was implemented in 2018, aims to improve competition and innovation in payment services through informed consent of data sharing and improved security and customer authentication. It breaks up the banks’ monopoly on customer data and relationships by giving merchants and processing companies access to customer account information to improve the speed and efficiency of payment services.

Security-enhancing measures such as the Payment Card Industry Data Security Standard (PCI DSS) has found favour among payments providers who fear a breakdown in trust in light of the continuing escalation in the volume and sophistication of cybercrime and fraud. As Ellen Richey, Chief Enterprise Risk Officer at Visa, says: "...no compromised entity has yet been found to be in compliance with PCI DSS at the time of a breach."

THE IMPORTANCE OF DATA IN DELIVERING SEAMLESS EXPERIENCES

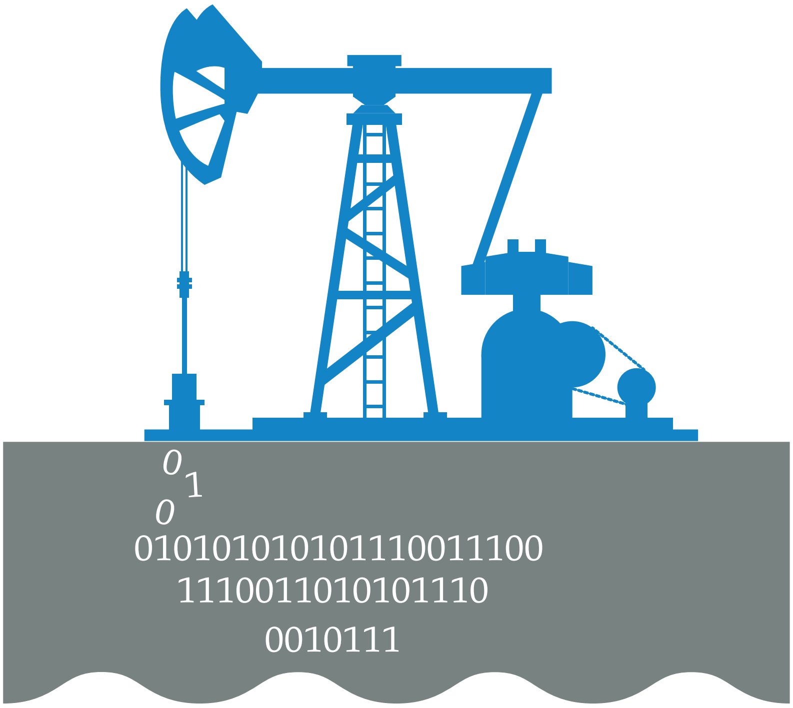
The growth in digital financial services and rise of the connected consumer has made data the most valuable resource in the world. As The Economist states, "Data is the new oil".

In the realm of digital financial services, data can guide the development of market insights, improve operational management and ease credit scoring. Mobile use and social media give financial services providers access to additional data sources that can be used for improved risk assessments, especially among those who were not part of formal financial services in the past. In this way, data can support greater financial inclusion by opening the door for unbanked people to gain access to loans or credit.

Most importantly, data enables payments providers to make decisions based on actual evidence. The growing sophistication of data analytics tools has also improved the quality of insights gained from analysing data.

> Data is a precious thing and will last longer than the systems themselves.

Tim Berners-Lee, inventor of the World Wide Web



PART 4:
PRACTICAL PAYMENT INNOVATION ADVICE

Choosing and enabling new payment types can be a daunting experience for retailers. Innervation Pan African Payments is a PCI DSS compliant payments business with over 20 years domain experience in providing streamlined, integrated payment solutions and value added services to all tiers of retailers, as well as the broader financial services sectors in South Africa, Lesotho, Swaziland, Namibia, Botswana, Zambia and Kenya.

To ease the process of deciding how – and which – payment types to implement, we have prepared an easily-referenceable checklist to guide the process.

CHECKLIST FOR NEW PAYMENTS ENABLEMENT

Business Objectives

- ✓ Most merchants want to accept the payment instrument most broadly used by consumers as payment tender while at the same time balancing the payment process efficiency and customer experience at the till (payment efficiency was rated as the single most important factor in driving customer loyalty)
- ✓ An effective and simple process for all relevant tender methods which can easily be understood by the cashier and customer, and which integrates well with the invoicing process, ERP and GL
- ✓ The solution needs to allow for easy transactional and settlement reconciliation (including fee calculation) across all tender types and methods of payment, to drive back office efficiencies.
- ✓ Insights into operational metrics and customer behaviour based on the token used and product type as an example
- ✓ Leveragability of insights in terms of the merchants broader marketing and customer engagement strategies
- ✓ A uniform omni-channel customer experience across all channels utilised by the brand
- ✓ The ability to drive in-and-out of queue processes to minimise trolley abandonment and improve queue management efficiency, thereby ensuring a better constomer experience

Customer Expectations	✓ Customers expect to be able to pay in an efficient, quick, convenient and secure manner using any value store that they own
Technology Platform	✓ Omni-channel support for a uniform customer experience across all channels. ✓ A near 100% availability of the platform ✓ The flexibility to readily support payment tender types (association branded products, private label products etc) and method of payment, such as mobile QR and NFC ✓ The ability to easily support any new innovations and regulations such as blockchain and PSD2
Geographic Reach	✓ The ability to service a merchant, as a single service provider, in multiple countries ✓ This must realise cost optimisation and process efficiencies, while ensuring a consistent customer experience across all countries
Compliance	✓ The technology platform expectation is typically for a solution with all of the relevant payment security compliances such as PCI-PTS , PCI DSS, PCI-PA and P2PE ✓ Compliance to relevant information privacy regulations such as POPI and GDPR
Skills	✓ Merchants typically expect payment providers to have excellent infrastructure (cloud), security and application architecture skills as a base ✓ The ability to integrate payments into the merchants core business processes requires excellent product management and business analysis skills and the ability to drive agile projects ✓ Highly efficient operations and excellent customer service ✓ Access to suitably qualified skills such as QIR
Costs	✓ Typically merchants prefer fixed cost models

OUR SOLUTIONS

INNERVATION PAYMENTS

Innervation's Payments service offers merchants the opportunity to add compliant, secure, card and mobile payment acceptance to their business. It provides merchants with a fast, safe, convenient and cost-effective way to accept payments by credit, debit, cheque and prepaid cards, be they association branded or private label cards. Contactless payments (Samsung Pay, Apple Pay, Garmin Pay & contactless cards) are supported, as well as mobile QR payment using Masterpass and mVisa (as and when available in different territories). The mobile QR payment capability also supports Innervation store of value (Gift Card & Loyalty), Innervation Rewards, and other Private Label tenders. This service is designed to be one of the easiest and simplest systems to operate, manage and maintain – offering reduced risk and increased convenience both at the point of sale as well as in the back office, and is backed by an enhanced reconciliation system and comprehensive insights offering. Innervation provides these services in South Africa and an increasing number of African countries. Our solution is compliant with the most authoritative global standards, including EMV (Chip & PIN), PCI DSS, PA-DSS and PCI PED.

INNERVATION INSIGHTS

Innervation Payment Insights provide operational insight with regards to quality of service considerations, as well as customer purchase behaviour such as frequency of visit and purchase amount.

This information can be further enhanced by using merchant-owned customer information and loyalty data (including basket contents), to deliver customer promotions based on individual needs and wants. Innervation provides a shopper marketing service specifically focused on individualised promotions.

The link created between tokens and product types, as well as customer insights, provides the unique ability to identify the customer at time of purchase, lending itself to the efficient implementation of services such as MyReceipts electronic receipting, across all retail channels.

ABOUT INNERVATION

Innervation Pan African Payments is a leading PCI-compliant payment and switching business with over 20 years domain experience in providing streamlined, integrated payment solutions and value-added services to all tiers of retailers, as well as the broader financial services sectors in South Africa, Lesotho, Swaziland, Namibia, Botswana, Zambia and Kenya. Our in-country operating model encompasses the inclusion of local partners and investors into the local business units that are set up per country, thus supporting localisation and adherence to local rules, regulations and more importantly job creation and skills development.

We offer a comprehensive range of multi-channel transactional services that integrate to the retail Point of Sale. All of our services are supported by an enhanced reconciliation solution, strengthened by our strategic alliances with the majority of leading retail software packages, and underpinned by our premier customer service. Innervation supports integrations to four major acquiring banks in South Africa and two acquiring banks in Africa, which has enabled us to deliver our services into seven countries across the African continent.

Scan this QR code to discover a world of payment possibilities powered by Innervation

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