



# Final report

KiWi eKiosk pioneering integrated cards & mobile payments for micro-merchants, SCBF 2014-03 & FEW 04.

## Reasons for the premature closing

The initial project duration was from June 2014 (Upscaling) and November 2014 (FEW) to January 2016. In May 2014 both projects got amended with a termination in December 2017.

To develop its cards acceptance solution in Morocco, KiWi planned to work with Al Barid Bank (ABB), a partner of both SCBF and Positive Planet, which was about to get an acquiring license (requirement to start accepting payments on behalf of merchants). In July 2014, KiWi realized that it would take more time than expected for the bank to become an acquirer, mainly because of delays in getting an approval from the central bank.

KiWi's plan B was to work with Centre Monétique Interbancaire (CMI), the only licensed acquirer in Morocco. The change got validated with SCBF in July 2014 and KiWi started working on building a relationship and a project with CMI. With this change, the project was still aligned with objectives, but milestones 2-3-4 related to integrating a mWallet got cancelled, this part of the project being 100% related to ABB's mWallet.

Discussions started well with CMI and KiWi decided to go ahead with: a) the negotiation and signature of a contract with a mobile POS provider (mPOS) - emergemobile.co.za (Nov 2014); and b) the creation of its moroccan subsidiary (March 2015).

However, negotiations with CMI went extremely slowly, with endless technical and operational discussions, without mentioning pricing negotiations. KiWi was not in conditions to bear such a delay in its go live in Morocco. As a start-up, funding is crucial and investors require "traction" to further invest. The app was ready, but cash was going down and the first KiWi merchant was still not there. KiWi decided 2 things:

- 1) To launch a few live tests with moroccan micro-merchants, using a version of the app working as a "cash register" and "money management" solution, without card acceptance features. This can work without CMI and depend 100% on us;
- 2) To explore a 2nd market in parallel, Mexico, in order to maximize chances of being live as soon as possible.



Mexico is full of acquirers, used to working with aggregators like KiWi, and negotiations go very fast. The payment processor MIT offers to KiWi a bundled solution with mPOS, processing and acquiring license. With such an ecosystem KiWi manages to create its local subsidiary in May 2015 and get at the same time its first official KiWi merchants in Mexico.

During the same period, KiWi manage to get a few moroccan merchants using the app, but the cash register feature without card payments acceptance does not look to be enough to reach the required scale. In July 2015, after considerable efforts (business and technical discussions), a contract is finally signed with CMI. At the same moment, the government decides to split CMI into 2 entities and we get even less attention from them. It is clear to KiWi that after a 1 year contract negotiation, the following step of "2-3 months" integration could potentially become another year.

After discussions with SCBF in Q4 2015, the decision is made to put the project "on hold". The idea is a) to get enough traction in Mexico and raise funds thanks to achievements; b) to wait until CMI is fully splitted (an acquirer on one side, a payment switch on the other side), and ABB, among other players, starts working as an acquirer.

During 2016, nothing changed in the Moroccan ecosystem: ABB is still "about to go live" as an acquirer and CMI remains the only player, under a long a complex splitting procedure. KiWi received enough funds to push Mexico (including SCBF's support) and the decision is taken not to jeopardize the company's future by investing in Morocco, especially after seeing such a complex, slow and difficult to predict ecosystem. To summarize, plan A is still not available (ABB not live); plan B proved to be much slower and complex than expected, no plan C in Morocco.

In February 2017 the decision is taken to stop the project. It is not excluded for KiWi to get back to Morocco in the near future but it is not concrete enough to keep the project in "pause".

## Results reached so far

### **Upscaling, 2014-03**

Activity 1: Design eKiosk's first 2 products: ePayments & Airtime topup

Status: Done



KiWi Morocco is operationally ready to launch eKiosk. Key activities are documented and everything is ready for next step, being recruitment of staff, training and go live.

Deliverables activity 1:

- Workflows manual
- Plan marketing KiWi
- Kick-off, ABB
- Cadrage, ABB
- Complémentarités, ABB
- Positionnement et segmentation, ABB
- Présentation de projet, Al Amana
- Présentation du projet "FMCG"
- Plans financiers, KiWi Maroc
- Création de KiWi Maroc, documents formels

Milestone 1: KiWi Morocco is formally constituted, Done

## Activity 2: Build eKiosk back-end

Status: done

The back-end and the front end are ready, meaning that the app and the portal to manage merchants work. Merchants can already do money management activities with the app, working as a "cash register" with basic accounting. Next step is to integrate with ABB or CMI so that the app also serve as cards payments acceptance and / or mobile money solution.

We saw in the previous chapter that the mobile wallet and other value added services have been removed from the project due to the migration from ABB to CMI. Therefore, milestones 2, 3 and 4 got cancelled. The app is still available on google playstore, bearing in mind that new versions now focus on the mexican market.

Deliverables activity 2:

- First version of existing app, in french:  
<https://play.google.com/store/apps/details?id=com.kiwi.merchant&hl=fr>
- Back-end to manage merchants (internal software)

## Activity 3: Test eKiosk in real conditions

Status: partially done

It has been decided to test the cash register while working on the cards payments acceptance solution. 52 users tested the app. Half of them came by themselves, thanks to FB campaigns. The other half came from field promotion. The following graph shows where users came from:

Region ?	Users ?	New Users ?	Sessions ?	Screen Views ?	Screens / Session ?	Avg. Session Duration ?
	52 % of Total: 0.86% (6,067)	53 % of Total: 0.87% (6,067)	261 % of Total: 0.24% (106,829)	1,317 % of Total: 0.31% (430,032)	5.05 Avg for View: 4.03 (25.35%)	00:02:32 Avg for View: 00:02:03 (23.69%)
1. Grand Casablanca	31 (51.67%)	29 (54.72%)	137 (52.49%)	693 (52.62%)	5.06	00:03:26
2. Doukkala-Abda	10 (16.67%)	8 (15.09%)	41 (15.71%)	155 (11.77%)	3.78	00:01:14
3. Souss-Massa-Draa	6 (10.00%)	5 (9.43%)	15 (5.75%)	88 (6.68%)	5.87	00:01:46
4. Marrakesh-Tensift-El Haouz	5 (8.33%)	4 (7.55%)	51 (19.54%)	241 (18.30%)	4.73	00:01:20
5. Rabat-Sale-Zemmour-Zaer	5 (8.33%)	4 (7.55%)	11 (4.21%)	73 (5.54%)	6.64	00:01:35
6. Meknes-Tafilalet	1 (1.67%)	1 (1.89%)	1 (0.38%)	4 (0.30%)	4.00	00:00:36
7. Oriental	1 (1.67%)	1 (1.89%)	1 (0.38%)	4 (0.30%)	4.00	00:00:25
8. Tangier-Tetouan	1 (1.67%)	1 (1.89%)	4 (1.53%)	59 (4.48%)	14.75	00:06:43

### Deliverables activity 3:

- Results facebook ads morocco 2015
- Fichier d'appels
- Premières traductions à l'Arabe
- Argumentaire de vente
- Fiche de manipulation
- Fiche des concurrents
- Fichier d'appels téléphoniques, suivi
- Flyer KiWi
- Etude de potentiel, El Jadida
- Prospection, guide "QQOQCP"



## Activity 4: Launch mWallet

Status: cancelled (validated with SCBF, see first chapter. Was only possible with ABB).

## Activity 5: Integrate mPOS functionalities

Status: not achieved

This activity led to considerable extra efforts because of a) the decision to move from ABB to CMI and b) the slow path with CMI.

Deliverables activity 5:

- KiWi-CMI
- KiWi-CMI, Aggregator agreement (pricing)
- KiWi-CMI, Contrat
- KiWi-Emerge, Contrat

Milestone 5 has not been achieved, strictly speaking, as mPOS has not been implemented. However, we managed to get a few tens of merchants live with the eKiosk “minimum viable product”, which is great taking into account the difficult context.

## Financial education, FEW-04

### Activity 1: Monitoring tool for money management, & Activity 2: Debtors management tool

Status: Done

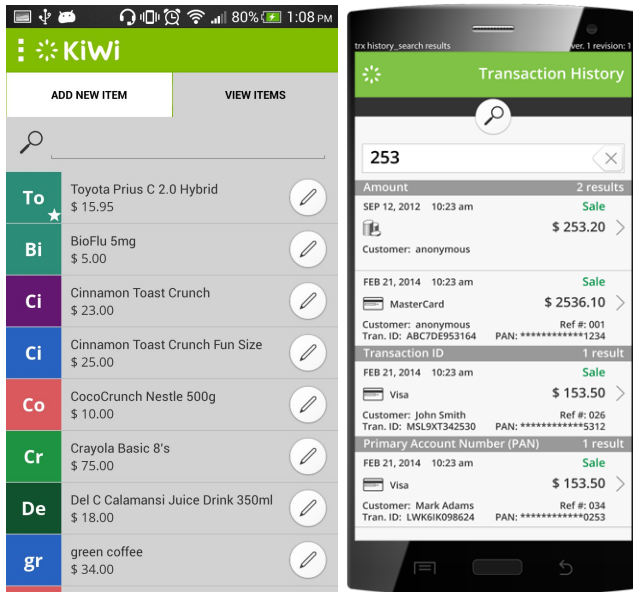
While the mPOS module was compromised by KiWi’s dependence on key local partners (ABB, then CMI), the eKiosk was still fully under control. KiWi decided to push its app with basic money management features (eKiosk), and to integrate mPOS later on, once ready. We assumed that this version of the app could already be of interest for merchants, as a freeware, and that learnings would be useful for further improvements.

The prototype was 100% done for Morocco, then the Version 1 of the app was done mainly for Morocco, taking into account a potential use in another country, that could be Mexico. The app Version 2 was done taking into account a potential implementation both in Morocco and Mexico. The base language is english, then translated to french, and finally translated to spanish too. The app has been design to work with MAD dirhams.

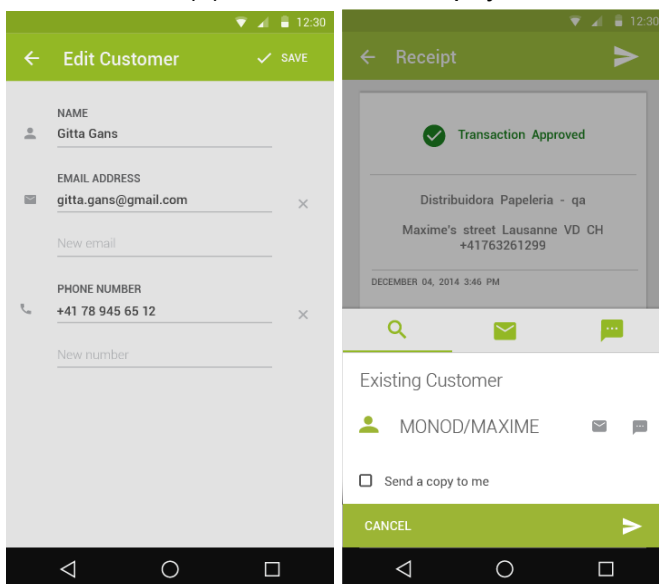
## Deliverables, Activity 1 & 2:

- Wireframes, showing what is required to the dev team
- Mockups, from the dev team, with the visuals (UX/UI) to be validated before coding

Mockup example related to activity 1: monitoring tool for money management. A simple way to capture the inventory (1); and a simple way to track daily sales (2):



Example of mockup related to activity 2: debtors management tool. A simple way to manage an address book (1), and then to link payments to customers (2):





Milestone 1: KiWi Morocco eKiosk is equipped with 2 financial education modules, Done

Activities 3, 4 and 5: not achieved.

KiWi invested in a developer with strong UX/UI expertise, so that the first versions of the app are already good in terms of usability for micro-merchants. As explained, some testing has been done to improve the eKiosk, with focus on money management, without the mPOS feature.

Milestones 2,3 and final: not achieved.

## Spending

### SCBF 2014-03 (Upscaling)

	Plans		Real (estimates)	
Activity 1: ePayments & Airtime	CS	55 days	CS	40
Activity 2: Build eKiosk back-end	MM	50	MM (MB)	20 (25)
Activity 3: Test eKiosk in real conditions	MM XX	15 30	MM YL	15 3 mois
Activity 5: Integrate mPOS	MM XX	5 55	MM CS	30 20

CS: 1100 \* 60: 66,000 CHF

MM: 1100 \* 65: 71,500 CHF

Total: 137,500 CHF

+ Yassine Lamrani, 6 months internship (4 mois en Suisse, 2 mois au Maroc). Worked approximately 3 months on Upscaling and 3 months on FE-04;

+ Dev back-end Marco Bonetti, hors budget: 1,100 \* 25: 27,500 CHF



## FE-04

FE -Activity 1 & 2	Plans		Real (estimates)	
Monitoring tool for money management & Debtor management tool	CS	15	CS	15
	MM	30	MM	40

MM: 1100 \* 40: 44,000 CHF

CS: 1100 \* 15: 16,500 CHF

Total HR - FE-04: 60,500 CHF

+ Yassine Lamrani, 6 months internship (4 mois en Suisse, 2 mois au Maroc). Worked approximately 3 months on Upscaling and 3 months on FE-04.

This amount does not include the hiring of a full time senior developer, Nico Ehinger, who greatly contributed to a good UX/UI (interface, usability).