

Standard Bank targets informal retail economy with \$4m Nomanini investment

Standard Bank has gained a stake in the Nomanini fintech platform following a strategic investment of \$4 million, which was completed by Amsterdam-based investment firm Goodwell Investments. Through this investment, the bank will now also be able to utilise Nomanini's platform to uncover inaccessible data on the informal retail economy.



With the benefit of these business analytics, the bank is launching a mobile application – which provides access to new lines of business, credit and savings services for millions of informal merchants across 14 African countries; all without having to set foot in a bank branch or leave their points of sale.

The service will be available in South Africa, Zambia, Mozambique, Uganda, Malawi, Angola, Zimbabwe, Namibia, Ghana, Nigeria, Kenya, Tanzania eSwatini, Lesotho and Botswana.

Not just surviving, but thriving

Nomanini connects merchants and distributors to each other and global service providers, integrating payments, working capital, and data analytics. The platform turns any mobile device into a retail point-of-sale solution for informal merchants that is connected to an interoperable merchant wallet.

Transaction data analysis via Nomanini's platform means that micro-merchants' creditworthiness can be more accurately assessed and, as a result, many will become eligible for working capital loans for the first time. For the merchants using this service, this means a boost to ongoing trade, increased return customers and the sale of additional goods and services.

The partnership is a culmination of Standard Bank and Nomanini's shared mission: to help the informal retail trade.

"The reality is, around 86% of all employment in sub-Saharan Africa is informal. Going to the bank and filling out forms for a loan is simply not viable – and can take days. In Nomanini, we've found a partner uniquely placed to help micro-merchants in Africa thrive, not just survive," said Adrian Vermooten, head of digital in Africa regions, Standard Bank.

"Our partnership and investment in Nomanini helped us uncover simple, scalable opportunities while granting new and existing customers access to financial services for the first time. Previously, this type of information was unavailable to us but now our merchant customers can access banking services wherever they are and whenever it suits them."

Largest untapped economic opportunities

Sub-Saharan Africa remains one of the world's largest untapped economic opportunities, with consumer spending expected to reach \$2.1trn by 2025 (McKinsey, 2017). But despite the progress of mobile money schemes, almost nine in 10 retail transactions still happen in cash, via informal channels like kiosks and open-air markets and independent shops (Deloitte, 2017).

These merchants trade in cash and, as a result, they have very little data available from which to draw insights, drive sales and improve trade. For distributors and multinationals, this means that achieving the data and insights required for success is almost impossible.

The supply chains that serve these markets are archaic, relying on analogue infrastructure and tools that increase friction and reduce trade. With a fragmented supply chain that is unable to share information quickly and accurately, each stakeholder doesn't have the right data to make better decisions regarding how goods and services can be better distributed and financed to improve profits.



How Nomanini built its remote POS voucher platform

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The only data available comes from the sale of airtime, prepaid services or bill payments such as for TV, broadband data and utilities. Nomanini's platform analyses those transactions, creating more fluidity and trust between both merchants and distributors but also unlocking credit flows from financial institutions as reduced risk assessments and steady, predictable returns are factored in.

Distributors can also ensure merchants have the goods and services they need to deliver strong returns. All this increases transparency and lubricates the channel with capital, driving scale in a low margin economy and unlocking the latent potential of informal retail trade in Africa.

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