Tap to Phone with iKhokha

VISA | iK iKhokha

About
Tap to
Phone

iKhokha

Enabling South African business owners to accept card payments on their mobile devices, while also providing features **for sales tracking, transaction history, and receipt sharing via SMS or email.**

The Opportunity

High smartphone and internet penetration can enable SMEs to accept contactless payments on NFC-enabled Android devices.

99.4% [1]

Smartphone penetration in SA (2023).

iKhokha has seen growth in the following areas:

52% [2]: Contributed by the top 3 categories - Retail, Health & Beauty, and Food & Drink.

278% [2] Growth: Experienced by the top 10 categories in the last 12 months.

1- https://www.icasa.org.za/uploads/files/State-of-the-ICT-Sector-Report-March-2020.pdf

2-https://datareportal.com/reports/digital-2023-south-africa

*All data points shared in this case study were provided by iKhokha.

The Opportunity

Regional and User Base Highlights:

The top contributing segments that make up **50%** of all trading volume in the Gauteng Region:

Retail
23% TPV growth of 277%

Beauty & Personal care
20% TPV growth of 100%

Food & Drink
with 10% TPV growth of 100%

The **iKhokha** merchants have doubled in their adoption of tap to phone technology in the last 12 months and it continues to grow daily.

x2

Transaction and Value Metrics:

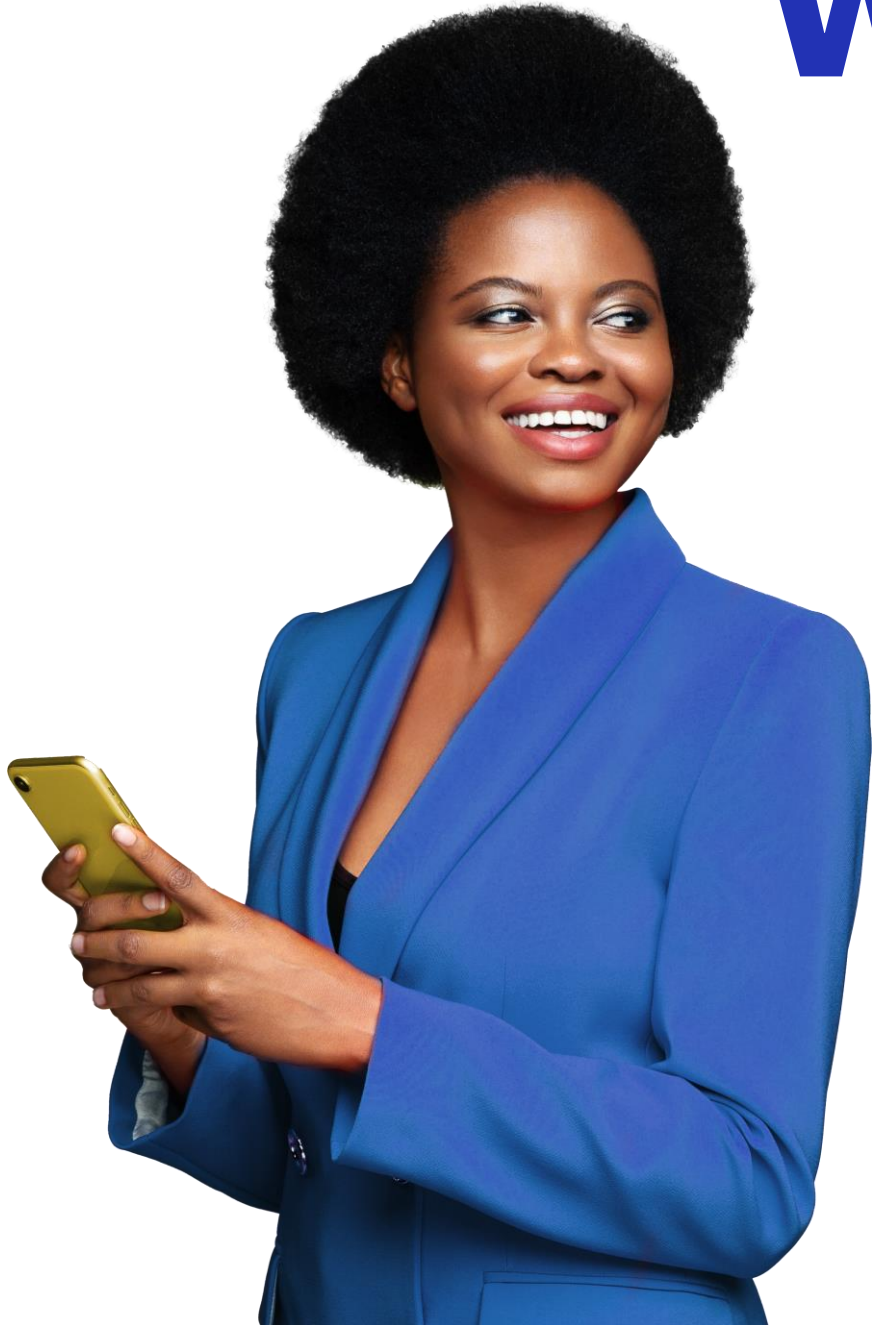**260% Increase:** Transactions per month over the past year.

86 Average transactions per month for the most active merchant.

156% Increase: Value per transaction.

165% Increase: Value per merchant per month.

*All data points shared are provided by iKhokha.

What TTP can solve

1. Early Trading with Tap to Phone (TTP)

Merchants awaiting their main device* can start trading immediately by activating Tap to Phone functionality.

2. Queues Management for Merchants

Merchants use Tap to Phone when queues form, providing an additional card payment option.

3. General Contractors on the Go

General Contractors can also use Tap to Phone anywhere, even while on project sites.

4. Travel Agencies and Tour Operators' Adoption

Travel agencies and tour operators have shown increased interest in adopting Tap to Phone.

5. Backup Solutions

Merchants facing technical issues with their card machines rely on Tap to Phone as a backup while awaiting device replacement.
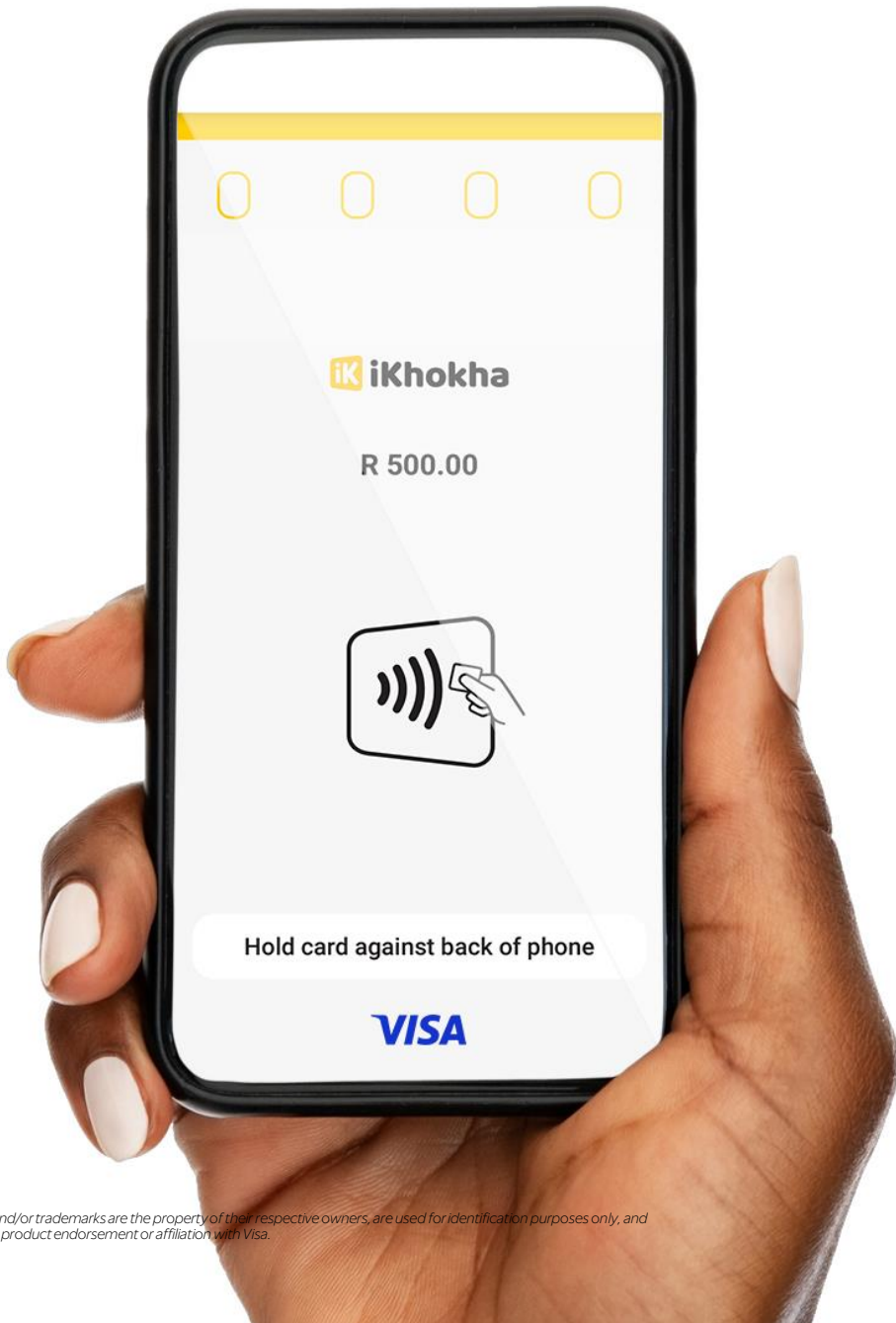
6. Industry Flexibility

Merchants opt for Tap to Phone as a stand-alone payment solution, offering flexibility for service providers.

Available on Android devices and selected markets support iOS devices as well

iK iKhokha

The iKhokha app, an all-in-one mobile app that makes digital business tools accessible to aspiring and existing business owners across South Africa. Its intuitive design makes it easy for small business owners to accept payments and manage their businesses from one device.

No Card Machine Needed   **Free Download**   **Sell More. Pay Less**   **Start within 10 minutes of set up**

iKhokha **Features**

iK Pay Link

Send payment links and QR codes for flexible payments anywhere in South Africa. Customers can pay via email, SMS, or social media, making it easy to receive virtual payments, even without a physical store or website.

iK Invoice

Create and send unlimited digital invoices effortlessly, streamlining the payment process. Works seamlessly with iK Pay Link for easy payments.

iK Cash Advance

Access working capital based on transaction history, aiding start-ups and SMEs in securing funds for growth opportunities.

Business Manager

Gain real-time analytics and sales history for informed decision-making, business growth, and increased profitability.
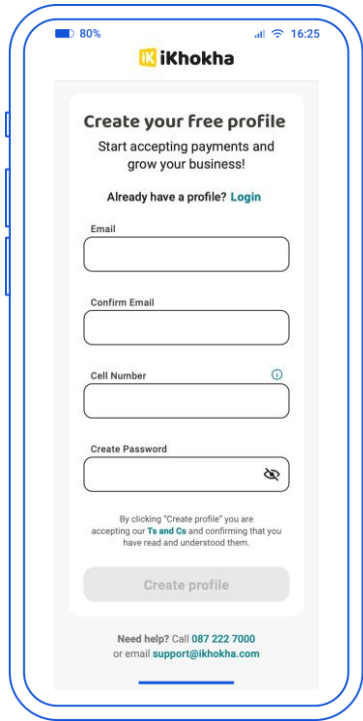
iK Prepaid

Expand revenue streams by selling prepaid products like airtime, data, and utilities, while also offering bill payment services, including DStv bills, municipal accounts, clothing accounts, policies, and traffic fines.
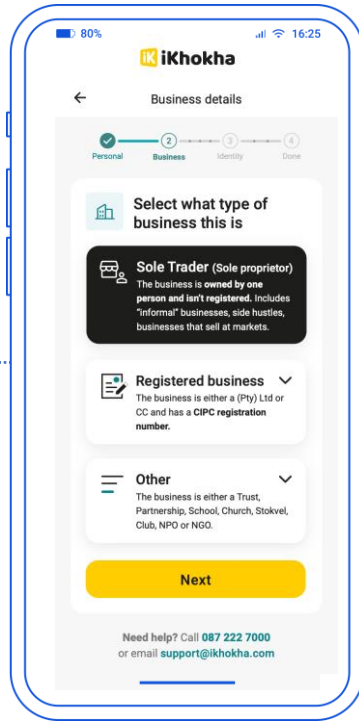
iKhokha

R 500.00

Hold card against back of phone

VISA
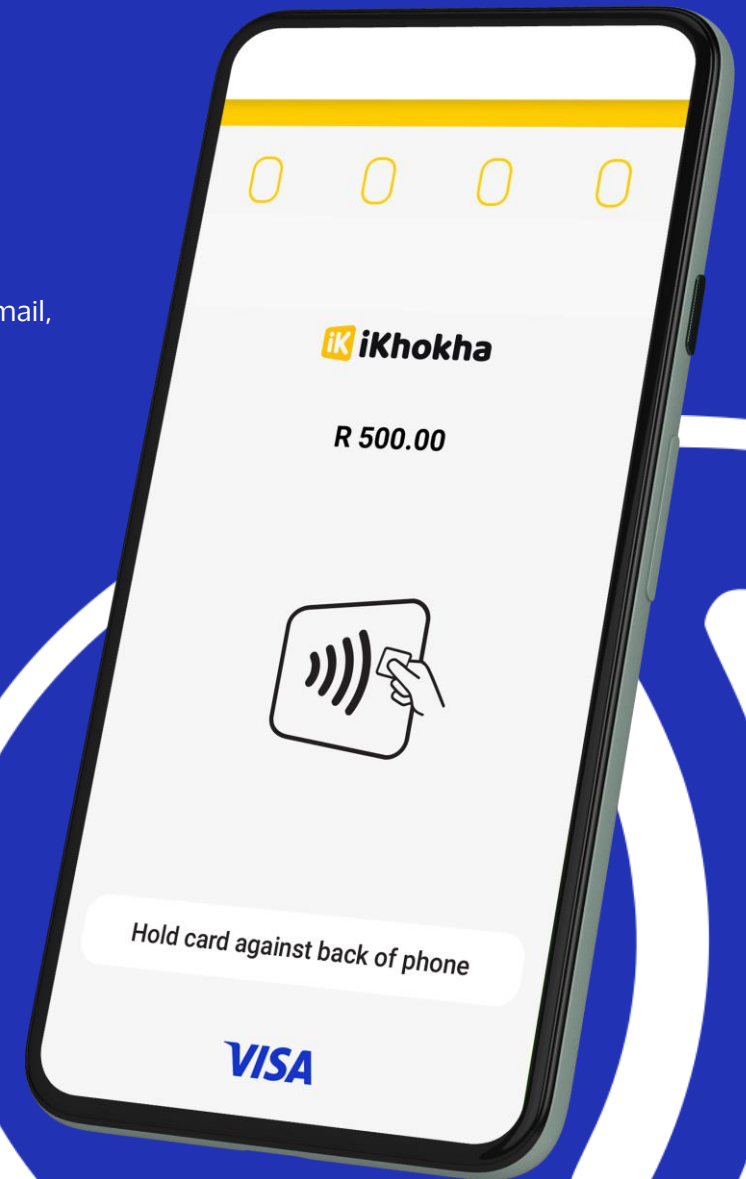
Automated **Onboarding** Process
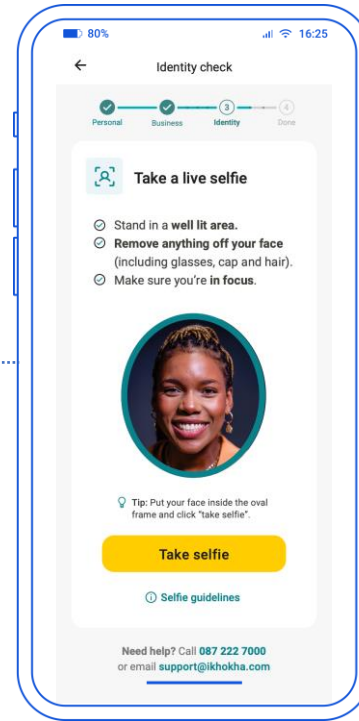

Step 1
Create your profile
& accept T&C's

Add your name, business
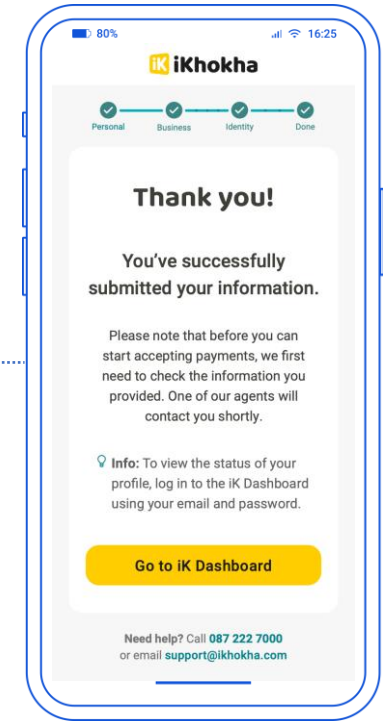type and contact details.

Step 2
Business
information

Business name, category,
bank details & address.

Step 3
Identification, ID
and selfie to verify

Submit your ID number and
snap a picture of yourself.

Step 4
Submit

Review the information
and submit.

Market
Go to Strategy

Beta Testing and Launch:

We began with a selective beta group of 50 participants, later expanding to 70 by invitation only. We prioritized merchant training through demos and ran a targeted marketing campaign. Beta insights informed our successful market launch.

Segmentation and Targeting:

We segmented businesses based on size, industry, and transaction volume and tailored messaging through digital campaigns.

Educational Campaigns:

An educational campaign addressed security concerns and showcased iK Tap to Phone's simplicity through social media, downloadable content, and animated demos.

Broadcast Media with Differentiation:

High-end animated adverts based on real-world insights highlighted our product's uniqueness. A lifestyle advert showed its use in key industries.

Localized Marketing:

Sales professionals with tailored materials connected with different regions and communities, fostering trust as they introduced iK Tap to Phone to new and existing merchants.

Why it Worked

Evolving Payment Preferences:
South Africa's cash-based economy is transforming as consumers increasingly favor payment cards to avoid carrying cash.

Pandemic-Powered Acceleration:
Card acceptance gained significant momentum during the pandemic, driven by heightened awareness of cash hygiene and the rise of contactless payments.

Sustained Growth Post-Pandemic:
South Africa continues to witness rapid card acceptance growth, with 25.8 million contactless cards now constituting 62% of all issued cards, reflecting the nation's expanding banked population.

Leading Africa in Contactless:
South Africa now leads Africa in contactless card penetration, driven by its evolving socio-economic landscape.

iK Tap to Phone:
The adoption of iK Tap to Phone was influenced by a convergence of socio-economic factors, leveraging South Africa's changing financial landscape.

Why it Worked

Accessibility and Affordability:
iK Tap to Phone leveraged Android smartphones to make card payments accessible to businesses of all sizes, from mobile vendors to small retailers. No additional hardware was needed, reducing barriers to entry and upfront costs.

The iKhokha App's Interface:
iK Tap's interface prioritized simplicity. Even those with limited technical expertise could easily set up the system and start accepting payments seamlessly.

Cost-Efficiency:
Traditional POS hardware entails maintenance costs and rental fees. iK Tap to Phone offered a cost-effective solution, reducing the need for capital expenditure and ongoing maintenance. This was especially attractive to small businesses and those with budget constraints.

Robust Security:
iK Tap prioritized security with robust encryption and compliance with PCI standards and 3D technology. This ensured the protection of cardholder data and instilled confidence in both businesses and customers.
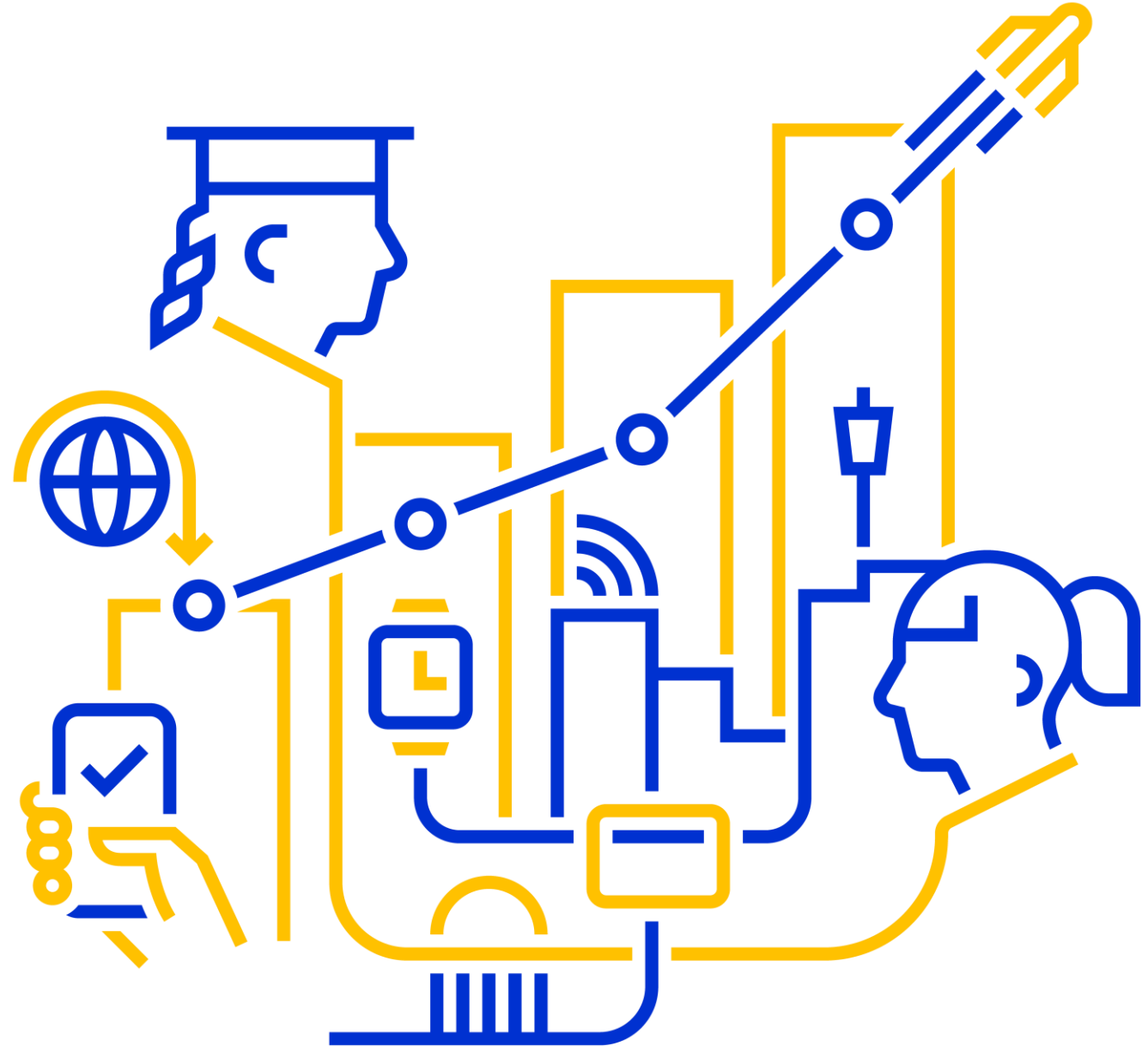
Responsive to Feedback:
iK Tap demonstrated agility by promptly addressing user feedback and feature requests. This responsiveness fostered a sense of partnership with users, resulting in positive referrals and loyalty.

Results

iKhokha

iKhokha has seen a **40% growth** in Tap to Phone volume between January 2023 and June 2023.

There has been a 50% growth in the number of Tap to Phone transactions between January 2023 and June 2023, from just over 7K in Jan, to north of 11K in June.

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