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M-Pesa's Failure in India: Why Couldn't Vodafone Replicate its Kenyan Success? An International Marketing Case Study (Addendum by Former and Current Executives at the Vodafone Group)

Cover Page Footnote

This case study has been prepared under the guidance of Dr. Mona Sinha in Spring 2018, as part of the coursework for the International Marketing (MKTG 4820) class at Kennesaw State University. Thanks to Eady Connally, Michael Phillips, Kelly Herrera, Tyler Black, and Tyler Bohn for their assistance in researching and writing this case study. Special thanks also to Dr. Amy Buddie, Director of Undergraduate Research, and the Library and Writing Center staff at Kennesaw State University for their guidance and assistance. This case has been written as a basis for class discussion and is not meant to be an endorsement, source of primary data or as an example of effective and ineffective management. The content is based solely on secondary research and does not reflect the views of the company.

M-Pesa's Failure in India: Why Couldn't Vodafone Replicate its Kenyan Success? An International Marketing Case Study

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ABSTRACT

Vodafone's mobile wallet service, M-Pesa, was originally created in 2007 for Kenya and was extremely successful in providing millions with access to mobile-based financial services. Essentially, a mobile wallet service enables payments via digital money in the form of mobile airtime. According to industry estimates, the global mobile money market is expected to reach USD 112.3 billion in 2021, with a compounded annual growth rate of 39.6% since 2016. Vodafone launched M-Pesa in India in 2013, but by mid-2019 it had announced its plans to merge its mobile wallet business with an associate company or a third party. Clearly, Vodafone had failed in its attempt to market M-Pesa in India even though India is a rapidly growing emerging market with a gross domestic product (GDP) growth of 8.2% in 2018. Currently over 90% of transactions in India are cash-based largely due to lack of access to bank accounts and low penetration and use of credit/debit cards. This not only hampers business but also exacerbates issues like corruption. India is seen as lucrative for mobile wallet providers due to its large population with growing disposable income, rising mobile phone penetration, increasing number of mobile internet users, government reforms, and government investment in telecom infrastructure. Indeed, the Indian mobile wallet market is poised to grow by 150% to reach \$7 billion by 2023. Vodafone had hoped to repeat its Kenyan success by using M-Pesa to target Indians who either didn't have bank accounts or rarely used them. However, it lost its early entrant advantage, and a host of new start-ups took over the market. The dominant player now is Paytm, the fastest growing mobile wallet in India with a 70% market share. This case study examines Vodafone's marketing strategy in the context of the competitive, regulatory, and cultural challenges in India. The case questions initiate discussions on a wide variety of issues aimed at uncovering why Vodafone's M-Pesa failed in India and what it could have done differently.

The case study caught the attention of Mr. Michael Joseph, Chairman of Kenya Airways, who was the founder and former CEO of Safaricom, a Vodafone investee. After reading the case study, Mr. Michael Joseph gave an interview to Dr. Mona Sinha, Associate Professor of Marketing at Kennesaw State University. In the addendum at the end of the paper, Mr. Michael Joseph explains why M-Pesa did not perform as well in the Indian market as the company had originally hoped.

Keywords: mobile payments, mobile wallet, mobile money, mobile phone, emerging market, India, Kenya, Vodafone, M-Pesa, Paytm, marketing strategy, Digitization, e-commerce, e-tail

Introduction

E-commerce is growing rapidly across the world aided by the rise in digitization of money. India is a high growth emerging market with a population of 1.13 billion, a gross domestic product (GDP) growth of 7% in 2018 (“GDP Growth Annual % – India,” n.d.), and the fastest growing e-commerce market in the world, expected to be worth \$200 billion by 2026 (“E-commerce Industry in India,” 2019). However, a key deterrent for the growth of e-commerce is that India is still a cash-driven economy with over 90% of transactions being cash based (“What government plans to do with the old Rs. 500, 1,000 notes - How to get rid of old notes,” 2016). The rates of counterfeit currency as well as ‘black money,’ i.e., income on which tax has illegally not been paid, exacerbates the problem of over-reliance on cash (D’Cunha, 2017). Many hide their money in cash, jewelry, other liquid forms of currency, or even real estate either to avoid paying taxes or because they do not have bank accounts. Indeed, 92.5% of Indians do not have or use bank accounts (Pradhan & Beniwal, 2018). ‘Black money’ is so widespread and difficult to track that it is estimated to impact anywhere from 23-75% of the country’s GDP (Banik & Padalka, 2016). Additionally, low adoption of credit/debit card point of sale (POS) systems makes use of credit/debit cards difficult in daily life (Sashidhar, 2016).

The cash-based economy hampers business in India but is an untapped opportunity for mobile wallet providers because India has 813.2 million mobile phone users (Pahwa, 2016) and 500 million mobile internet users (“The World Factbook India,” 2019). However, not only do Indians seem to have a cultural preference for cash, there are also other factors that impede the growth of the mobile wallet market in India,

such as infrastructural issues with mobile networks, lack of merchant education, and unfavorable government policies (Srivastava, 2016). By using mobile wallets, many in India will gain the convenience of cashless transactions, and for the first time in their life they will get access to loans, micro-financing, and e-commerce. Indeed, industry estimates indicate that the mobile wallet market is poised to grow by 150% to reach \$7 billion by 2023 (“India Mobile Wallet Market Size & Analysis, 2018-2023,” 2018).

This case study first explains what mobile wallets are and how the use of mobile phones for currency transactions can replace the use of cash. Then the case examines Vodafone’s mobile wallet solution, M-Pesa, which despite spectacular success in Kenya and an early entry into India, has not managed to survive the onslaught of local competitors, especially Paytm. Indeed, by mid-2019, Vodafone began looking for an associate company or third party to merge its M-Pesa mobile wallet (“ET Bureau,” 2019). By understanding the socio-economic, technological, and cultural context of the Indian market, readers can evaluate Vodafone’s strategy and answer the case questions regarding what changes Vodafone can or should have done to make to its marketing plan for M-Pesa succeed in India.

What are Mobile Payments?

Digital wallets are payment systems that store users’ banking and/or credit card information in encrypted form and enable users to make purchases digitally without using cash. Digital wallets can be operated using desktops, laptops, or mobile phones (Williams, 2019). Using mobile phones to make digital payment transactions is safe and easy and is becoming a popular alternative to bank accounts. Digital wallets can be used on both smartphones and basic no-frills phones.

What sets apart mobile payments from other digital wallets is that users create an account linked to their mobile phone and can purchase and store money on it in electronic form. This ‘airtime’ or ‘mobile minutes’ or ‘talk time’ can be purchased from the mobile providers either online or from a physical store and doesn’t require users to link their phones to a bank account or debit/credit card. The airtime can be used for making calls, sending texts, or using data just as in a regular phone plan, but the unique additional feature is that the minutes can also be transferred to others or cashed out at an authorized agent. This makes it possible for people to purchase airtime at stores and pay or send money to others by transferring airtime. Transferred airtime enables a range of payments for utility or other bills, ecommerce, sending gifts, purchasing more mobile minutes, or even making cash withdrawals (“Mobile Money | FAQ,” n.d.). By using ‘airtime’ as a form of payment, mobile payments bypass the need for having a bank account or credit/debit card, and this has been key to its success in many emerging markets and developing countries where large segments of the population remain unbanked.

Vodafone and its Mobile Payment System, M-Pesa

Vodafone is a global mobile-data service provider based out of the United Kingdom. They made their first phone call in 1985, and by 2017 provided coverage across 92% of Europe with revenues of EUR 32.1 billion (“Vodafone Group Plc SWOT Analysis,” n.d.). Vodafone’s mission is to connect everyone in hopes to better today and build a better tomorrow. They fulfill this mission by providing access to their innovative and groundbreaking technology in many countries with fixed mobile-internet networks and their mobile-money transfer service, M-Pesa.

In 2006, Safaricom, a Vodafone subsidiary in Kenya, was the first to recognize that their customers were exchanging minutes as currency, so they expanded on what customers were already doing by creating M-Pesa (M stands for Mobile and Pesa is the Swahili word for cash), a mobile wallet that enables Vodafone users to put money into their prepaid phone account that they can spend on airtime which can be transferred to friends, family, and vendors through SMS messaging or a mobile app (Sen, 2014). M-Pesa was initially designed to help migrant workers send money home easier, but its usage quickly expanded to include purchasing airtime and data, depositing money, receiving/sending money locally or internationally, withdrawing funds, paying bills, transferring to and from their bank, and having access to micro loans (Mas & Radcliffe, 2010). Scores of families were able to have access to health care because their insurance provider gave them money through M-Pesa for travel to get medical attention and cover medical costs. The key benefit of M-Pesa was that it gave its users access to financial services wherever they had cell service, with or without a data plan. Thus, it could be used not just on smartphones but also on basic no-frills mobile phones. Vodafone also rapidly established a network of agents where users could purchase or cash out their airtime accounts. Thus, M-Pesa was a result of customer’s innovation, making their marketing strategy truly “customer-centric” (“Why Kenya leads the world in mobile money,” 2015).

M-Pesa was transformative in both urban and rural Kenya. Vodafone’s initial goal was for 350,000 users in the first year, but they rapidly surpassed it, gaining 1.2 million customers. According to the World Bank, in four years M-Pesa was being used by 80% of Kenyans, and by the end of 2017

they recorded over 6 billion transactions (529 transactions per second) (“Financial Inclusion Data: India,” 2014). In fact, Vodafone became one of the largest mobile-money providers in the world with 31 million customers in ten countries relying on their M-Pesa service (“M-Pesa: Mobile Phone-Based Money Transfer – Global Presence,” 2019).

In 2018, Vodafone celebrated 10 years of M-Pesa, sharing many stories internationally of how M-Pesa has helped fulfill their mission by stimulating economies and communities around the world (“M-Pesa From Vodafone,” n.d.). M-Pesa’s revolutionary success in Kenya was due to its ubiquitous distribution network, strong brand, reliability, agent training, and its usefulness in combating fraud. Essentially, M-Pesa took advantage of the high penetration of mobile phones (85-90%) in creating an easy and convenient alternative to the banking system for people who did not have bank accounts (Kuo, 2017). President Barack Obama remarked at the Global Entrepreneurship Summit, “Kenya is the largest economy in East Africa. High-speed broadband and mobile connectivity are on the rise, unleashing the entrepreneurial spirit of even more Kenyans. Every day around the world, millions of people send and save money with M-Pesa -- and it's a great idea that started here in Kenya” (Shapshak, 2015, para. 8).

Vodafone entered India in 2013, hoping to replicate its Kenyan success because India too had large numbers of people with no access to bank accounts, a high mobile phone penetration rate, and an economy that was cash dominant. According to Sengupta and Banerjee (2016), adoption of mobile payments would lead to an increase in saving rates that would ultimately enable capital investment in sectors such as roads, ports, and railways (Sen, 2014). However,

despite being an early entrant into India’s digital payment market, so far Vodafone has been unable to succeed and instead has had to cede leadership to Paytm, a domestic Indian digital wallet. Currently, Paytm has 200 million active users (Variyar, 2017), whereas Vodafone has just 20 million users (Singh, 2019) and has had to announce its plans to close its M-Pesa business in India (Kurup, 2019).

India’s Cash Culture

Over 90% of transactions in India are in cash, which hampers business, especially e-commerce (“What Government Plans To Do With the Old Rs.500, 1,000 notes - How to Get Rid of Old Notes,” 2016). The cash-based economy is so ingrained in Indian culture that there are just 712 million debit cards in India with 130 million debit transactions per year (i.e., about 18 transactions per 100 cards). The penetration of credit cards is much lower at 26.38 million, with 83.95 million transactions per year (i.e., about 318 transactions per 100 cards). India has the lowest debit/credit card point-of-sale system (POS) penetration in the world with only 693 machines per million people, so credit and debit cards are hardly accepted across India, thereby increasing the reliance on cash (Sashidhar, 2016).

Bank access is also a challenge in India, with 92.5% of the population not having access to bank accounts (Pradhan & Beniwal, 2018). India has just 100,000 banks, and only 5% are in rural areas of the country where nearly 70% of the population resides (Sen, 2014). This was particularly problematic for people wanting to access financial services or even to save or send money to others. For example, migrant workers would use a traditional, informal courier service called ‘hawalas’ to send money home. These networks are not backed

by legal systems and charge fees, but they offer a cheap method of sending money long distances as compared to formal financial institutions. Lack of access to banks also makes savings problematic. Keeping savings in other forms can run different kinds of risks. For example, keeping cash or jewelry risks loss due to inflation or theft. Investing in livestock is also risky because they may perish (Agarwal, Champatiray, & Oza, 2011).

India's cash problem is also linked to the lack of transparency in payments and taxes. In 2013, only 1% of India's 1.25 billion people paid income tax. Although many do not have income high enough to be taxable, there are many who hide their earnings in the form of cash, gold, jewelry, or real estate (D'Cunha, 2017). Cash earnings on which tax is due but has not been paid is called 'black money.' Little is known about the full extent of black money in India, but estimates range anywhere between 23-75% of the country's GDP (Banik & Padalka, 2016). The use of black money not only hampers tax collection in India but also explains part of the reason why cash usage is so dominant in that country.

Use of mobile payments or other such financial services better equips users to absorb negative income shocks arising from poor health, crop failures, and job loss. Households not using formal financial services are likely to experience a 6-10% percent reduction in consumption in response to similar income-related shocks (Banik & Padalka, 2016). However, despite the convenience and safety of mobile payments as compared to cash, Indians were slow to adopt it. Even in cities, only 48% of stores accept digital payments, and of the total transactions in India, just 10% are digital as of now ("Payments: India's Cash Conundrum," 2019).

Using Mobile Phones to Change the Cash Culture

India has 1.128 billion mobile phone connections, the second-largest mobile market in the world, behind only China. Telephone density is at 83% nationwide but is not evenly spread across rural and urban areas. Urban areas have a 153% total tele-density with a 5% wired and 148% wireless tele-density (because many mobile users have two or more SIM cards; Pahwa, 2016). Rural areas have a 51% mobile tele-density with only 0.5% of people on a wireline. Only 33.5% (i.e., 435 million people) live in urban areas, while 66.5% (i.e., 864 million people) live outside of the cities. This translates to roughly 1 billion mobile phone connections, but expansion opportunities still exist because 216 million Indians still live without access to a mobile phone ("The World Factbook India," 2019). Given this huge penetration and the ability of mobile payment systems to be used even on no-frills phones, telecom operators sensed a large opportunity of converting their users from cash to mobile payments.

The government of India also launched a 'Digital India' initiative, hoping to spur growth in the digital payment market ("Vodafone Group Plc SWOT Analysis," n.d.). Paying by mobile devices is the most dynamic trend in the payment arena, and this was expected to ramp up with increased innovation in mobile technologies. According to industry estimates, the global mobile wallet market is expected to reach USD 112 billion in 2021 from USD 21 billion in 2016. This expected increase represents a compound annual growth rate (CAGR) of over 39.6% during 2016-2021 periods, proving to be a promising market in years to come ("Vodafone Group Plc SWOT Analysis," n.d.). Within the next five years, the Indian mobile wallet industry is expected

to grow by 150% (Peermohamed, 2017) to about \$7 billion by 2023 (“India Mobile Wallet Market Size & Analysis, 2018-2023,” 2018).

A Trigger Event: Fighting Cash

On November 8, 2016, Prime Minister Modi disrupted India’s financial system with a bold, overnight attack on black money by removing the 500-rupee and 1,000-rupee banknote, equaling 86% of the currency, from circulation. This move was done to eliminate counterfeit currency, curb terrorism, and force out stashed money. Millions of Indians had to deposit their cash and exchange it for new notes. The Reserve Bank of India (RBI) said that 99% of the money, or USD 220 billion, was returned. This was viewed as a hardship for many Indians because a majority operates entirely in cash (“What Government Plans To Do With the Old Rs. 500, 1,000 notes - How To Get rid of Old notes,” 2016).

Subsequent analysis showed that not only did demonetization negatively impact India’s GDP for two years, but it also did not dampen the use of cash because most of the black money was likely held in the form of gold or real estate, rather than in cash (Singhal, 2018). However, demonetization did spur an initial surge of digital transactions in the immediate aftermath. Prior to the ban, the cash to GDP ratio was at 9.7% but grew to 11.3%, and non-cash payments grew dramatically as well. The move has been praised by some because in the 2016-2017 fiscal year, India saw 30 million people filing income taxes, a 25% growth (Pahwa, 2016).

M-Pesa’s Marketing in India

The Indian government supported digital transformation in the payment arena. M-Pesa had already been instrumental in

creating such a transformation in Kenya, and Vodafone was a well-established mobile service provider in India with a large user base. India seemed a natural market for a product like M-Pesa, and thus Vodafone entered the Indian market in 2013 (Sethi, 2017). However, despite 409.3 million mobile users, Vodafone only has 5.5 million users of M-Pesa across India, as compared to the dominant local competitor, Paytm, that has 120 million (Holst, 2019).

Vodafone set up 80,000 locations across India that allowed users to take or deposit cash into their account, like an ATM. M-Pesa targeted the unbanked and underbanked in India: roughly 850 million people (Lunn, 2017). They also had a strong rural presence, with 56% of their outlets being in rural areas. By leveraging these, Vodafone was able to widen access to formal banking for the first time.

What makes M-Pesa and other mobile wallets so unique to the traditional banking system is the cost of operations. M-Pesa’s transaction fees are so small (0.01%) that banks cannot compete with them. Where M-Pesa’s cost to transfer about USD 50 was about USD 0.50, a bank’s cost would be about USD 5. Banks needed a different pricing structure and different view about customers to compete with mobile wallets that were able to cut costs of fees since they came bundled with a mobile phone provider. Unlike banks that need to have a return on investment, for Vodafone, although it would have been nice to make profits off M-Pesa, it was not necessary for them to do so. Instead, they viewed M-Pesa as an additional service that secures stickiness and loyalty of the customer to the phone provider (“M-Pesa and the Secret of Mobile Payments,” 2015).

Vodafone used both mass media and social media to aggressively promote their

product. They targeted mainly the youth in the hope that they would create awareness among the older generations. One way they did this was by using their Zoozoo campaign. Zoozoos are egg-shaped, lovable, cartoon mascots that aired on commercials and on YouTube video ads. They also sponsored the Indian Premier League (IPL), a national cricket league, since its second season. Cricket is a very popular sport in India, across all income and age groups, and given the service's mass market potential, this sponsorship choice appears to be a good fit. In 2019, the IPL had a viewership of 345 million views in the first two weeks of the season (Tewari, 2019), with 50% of the audience being under 30 years old ("Cricket Most Watched Game in India, Draws 93% of All Sports Viewers: BARC Report," 2019).

Paytm

M-Pesa's largest competitor in India is 'Pay through Mobile,' or simply Paytm, which was launched in 2010. Paytm is a One97 product that has partnered with the Chinese e-commerce titan, Alibaba Group. With over 230 million mobile wallet users in India, they have a higher penetration rate than even Visa ("WhatsApp Pay India Debut Targets Paytm Users," 2019). In fact, Paytm is the most used mobile wallet in India with roughly a 70% market share ("Paytm Surges in BFSI Payments with 70% Market Share," 2019). Through this support, Paytm offers a unique benefit for the Indian consumer by providing access to Alibaba's e-marketplace, a one-stop-shop for bills, travel, products, services, and entertainment. Originally, Paytm started off as a prepaid mobile and recharge platform but expanded rapidly to provide a mobile wallet that uses a scannable QR code to allow their users to pay for a product or service in brick and mortar as well as e-tailing (Bhattacharjee, 2017).

One advantage that M-Pesa has over Paytm is that they allow cash withdrawals and deposits without the need for a bank account. With Paytm, to get the funding feature added to the user's phone, they must add credits (i.e., money) with a debit or credit card or by linking their Paytm account to a bank account. Paytm charges users a 4% fee to accept payments directly into their bank accounts. Paytm has 12 million partner merchants that accept payments using a scannable QR code ("Paytm dominates UPI merchant payment segment with 60% share," 2019). In India, Uber has integrated Paytm's digital wallet into its own payment system, thereby offering Uber riders an additional payment alternative (Gooptu & Aulakh, 2014). Recently, the Indian government is pushing for companies to store Indian users' data in India itself. Recognizing that this may become law soon, Paytm has partnered with its investor, Alibaba, to process and store all Indian consumers' data on servers located in India (Singh, 2018).

Paytm's creative advertising on television, out-of-home, newspapers, and transit media focused on the large variety of products it offers -- for example, mobile recharge, wallet, payments, and online shopping. It also associated its brand with the Indian Premier League and other major cricketing events through sponsorship to ensure high visibility. Just in 2015, its marketing budget was about USD 71 million ("Paytm," 2015).

Conclusion

Vodafone is one of the world's first mobile payments service providers, with 31 million customers in ten countries, and it is due to its mobile wallet, M-Pesa, that millions of people have gained access to financial services for the first time. India has the second-largest mobile market in the

world but has limited access to banking, low debit/credit card penetration, and high usage of cash. India faces problems with black money that affects political transparency, taxes, and income inequality, and to curb this, the Indian government is supporting the use of digital money.

M-Pesa was hugely successful in Kenya and was an early entrant in India. They targeted the underbanked or unbanked especially in rural areas, home to 850 million people, to provide them with access to financial services. However, they were not successful. Despite having 409.3 million customers for its mobile phone service (Manchanda & PTI, 2019), only 5.5 million of its subscribers signed up to use M-Pesa. Meanwhile, Paytm has close to 100 million users by targeting the traditionally banked and forming partnerships with companies like Alibaba and Uber.

This case study outlines the challenges and opportunities for mobile payments in India and examines Vodafone's marketing strategy for M-Pesa in relation to that of its largest competitor, Paytm. The objective of this case study is to help readers think about how Vodafone should change its marketing strategy for M-Pesa in order to succeed in India.

Case Questions

1. Why is India an attractive market for mobile wallets?
2. What challenges do mobile payment providers face in India?
3. Develop a marketing strategy for M-Pesa to succeed in India.

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Addendum by Mr. Michael Joseph:

'M-Pesa's Failure in India: Why couldn't Vodafone replicate its Kenyan Success?' is an international marketing case study published in December 2019 in the Kennesaw Journal of Undergraduate Research by now KSU alumnus Jackson Lott and his international marketing professor Dr. Mona Sinha.

The case study caught the attention of Mr. Michael Joseph, Chairman of Kenya

Airways, who was the founder and former CEO of Safaricom, a Vodafone investee. He also is a pioneer in launching M-Pesa, a transformative and hugely successful digital payment service. Mr. Joseph reached out to the authors to provide additional insights about why M-Pesa did not succeed in India. Below we summarize the conversation and hope that it adds to the readers' understanding of M-Pesa's struggle in India.

Interviewees:

1. Mr. Michael Joseph, Chairman of Kenya Airways; Founder and former CEO of Safaricom, ex-Director of Mobile Money, Vodafone Group
2. Devyani Parameshwar, Head of Commercial, M-Pesa at Vodafone Group

Interviewer: Dr. Mona Sinha, Associate Professor of Marketing, Kennesaw State University

Interview Date: February 27, 2020

“India seemed a great market for a service such as M-Pesa given that there were millions of migrant workers without bank accounts who sent money home once or twice a month often using unreliable and risky means. Those who did have bank accounts would be charged a 1.5% commission. Also, their families would have to travel to the nearest town with a bank branch, stand in line, and at be at the mercy of unreliable electricity supply and availability of cash at the bank or ATMs in order to withdraw the money.

In Kenya, Safaricom had invested considerable effort and money over the years to build a critical mass of M-Pesa agents. These were essentially small shop owners across the country, including in villages, who could also serve as M-Pesa agents, available

to sell mobile airtime as well as enable M-Pesa wallet top-ups and withdrawals, as needed. However, when Vodafone went to villages in India where most migrant workers came from, they did not find much economic activity. Unable to find small shop keepers who could serve as agents, they could not create as good a network of last-mile agents crucial to the service. Moreover, unlike Kenya, poor, unbanked, or underbanked consumers struggled to adopt self-service technologies and needed assistance. Creating awareness and driving behavior change amongst this segment of the population required tremendous resources in terms of time, money, and human capital that Vodafone would have to divert from its core business in India, i.e., cell phone service.

Meanwhile, a slew of mobile payment upstarts entered the Indian market. Unlike Vodafone that aimed to service the unbanked and underbanked, these new entrants, like Paytm, reached out to middle class and affluent consumers who wanted the convenience and lived in urban and semi-urban areas where agents could be easily appointed. Given the income profile of their target consumers, their technologies could be based on linking their app to the customers' bank accounts. This demographic was markedly different from the unbanked/underbanked consumers that M-Pesa serviced who used feature/basic phones and dealt in cash to top-up or withdraw cash from their M-Pesa wallets. Moreover, Paytm had the backing of large investors like Soft Bank and Alibaba.

One key trigger event for spurring adoption of digital payments in India was the demonetization announcement by the Prime Minister of India. However, a shortage of cash at that time due to high-value currencies

being declared defunct meant that a cash-dependent system like M-Pesa did not benefit from the surge of mobile payment adopters.”