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SA'S NO. 1 TOWNSHIP TRADE MAGAZINE

SPOTONG

INFORM, EDUCATE, EMPOWER

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NO BANK ACCOUNT? NO PROBLEM!

SendSpend payment system launched
for the unbanked millions



In 2015 there were 350-million unbanked people in sub-Saharan Africa, according to The World Bank's Global Findex Database. Global Findex statistics are regarded as the world's most comprehensive collection of data cited today, which analyses how adults save, borrow, make payments and manage risk.

By comparison, it is estimated that currently there are 500-million mobile subscribers within sub-Saharan Africa.

Globally, the number of people with no form of bank account stands at 1.7-billion people, although two-thirds of this population have access to a mobile phone.

These findings are the driving force behind SendSpend. This London-based fintech company, the brainchild of two South Africans, is a global payment system based on cloud and mobile technology, which enables the unbanked to pay online and remit money instantly to each other using only a smartphone.

Simply put, millions of unbanked customers throughout Africa with an internet connection and access to a smartphone will soon be able to use SendSpend, a payment system not restricted to a particular mobile network or financial institution.

The platform, which is now available in South Africa, is entirely digital and free for consumers, who can use SendSpend within minutes of registering via a downloaded App.

"SendSpend is committed to enhance and uplift the lives of people in underserved local communities. Financial inclusion is a primary focus in achieving one of the UN's Sustainable Development Goals of eliminating poverty and SendSpend is very proud to be part of this very ambitious goal. We want to enable economically marginalised consumers to participate in the digital economy by having access to financial services," says SendSpend group director and co-founder Tracy Andersson.

Unlike most other mobile payment systems, which are either linked to a bank account, a traditional payment card, or a mobile operator, this platform is solely owned and operated by SendSpend.

This eliminates unnecessary costs and complexities in the supply chain, enabling a much more affordable and user-friendly service to merchants and consumers.



"We set out to develop a payment system that was affordable, secure and functional," says Graham Davies, one of the two co-founders of SendSpend. "In addition, SendSpend's flexible and dynamic architecture enables us to adapt to different compliance and regulatory requirements encountered by different countries. This allows us to offer a full suite of services and functionality when competitors often can't."

Customers top up a virtual card or withdraw funds at one of many SendSpend Cash In/Out Agents. Once the virtual card is loaded, funds can be spent at any participating merchant either by scanning a QR Code or by merely entering the registered mobile number into an online checkout. Peer-to-peer remittances within SendSpend are instant. All transactions are authorised from within the app and two-factor authentication using an OTP is required for online transactions. These are unique features that are not offered by other payment systems designed for the unbanked.

SendSpend has not only created a free and easy to use payment system for unbanked customers, but also enables opportunities for agents, who include mass-market retailers and township stores.

SendSpend agents are able to generate income for themselves by setting their own cash-handling fees. This creates a competitive "market" economy and matches supply with demand. Agents can also attract more people to their store by offering this service and can reduce the amount of cash they need to keep in store.

"Our smart agents are the backbone of SendSpend's agent network," Andersson says. "We're taking financial services right into the villages and rural areas that frequently pose a challenge to financial institutions. Consumers no longer need to travel long distances to access financial services such as insurance, money transfers and online buying."

A common challenge with online businesses in emerging markets is the issue of goods being delivered and a customer being unable to pay for them. SendSpend solves this problem by initially holding the online payment in escrow. In this way, the merchant has confidence that the goods will be paid for once delivered and the customer has confidence that they can cancel the order and have funds immediately refunded to their SendSpend e-wallet should the incorrect goods be delivered, or not be delivered at all.

Another unique feature is the agent search function that allows customers to find agents close by; similar to how you would find a ride-hailing app. Available agents are displayed on a Google map, showing the distance and fees each agent charges for a deposit or withdrawal, giving power to the consumer to compare available options.

There are a variety of existing payment systems that can be used by the unbanked, but many have failed to adequately accommodate the specific challenges of an individual with no formal banking facilities.

SendSpend is unique. It was built from the get-go to be an "end to end" electronic payment system for the unbanked and provides customers with physical cash in hand, an affordable and immediate means to electronically pay someone else. This is exactly what sets SendSpend apart.

SendSpend is an authorised financial services provider, approved by the Financial Sector Conduct Authority(FSCA).

For more information, go to www.sendspend.co.za

EDITOR'S NOTE

We are very proud to bring you this edition of *Spotong*, which is our first under the 3S Media banner! We have wonderful news to share with our readers, not only have we gone back to print, *Spotong* is now more frequent as a bi-monthly publication which means more news, township stories, resources and advice for all township traders!

In our main feature we show you how Diageo South Africa has assisted more than 400 on-premise establishments to rebuild their businesses after the Covid-19 lockdowns with the #WeChoose campaign. A total of R200 million in stock replenishments, cash and marketing support has been given to restaurants, bars and taverns, as well as the beginning of a new movement to promote responsible drinking. Check out the stories of three township establishments who are receiving support from Diageo and how they are using the campaign to promote responsible trading and drinking.

Do you have no bank account but still want to trade? No problem! In our banking feature, we take a look at a new payment system launched for the unbanked. SendSpend, the brainchild of two South Africans, is a global payment system based on cloud and mobile technology. Millions of unbanked

What makes this payment system ideal for township traders is that not only is it free and easy to use, but it also enables opportunities for agents which include mass-market retailers and township stores.

In our catering and hospitality feature, we bring you the latest innovations in equipment for your food business. Check out the Kombo King, the portable solution to traditional ventilated fryers which ensures healthier food and a safer environment for your employees. We also look at Defy's latest innovation – the solar hybrid fridge and freezer range – designed with Africa in mind, with features which makes this product range a reliable partner in our homes and businesses by reducing rising electricity costs and keeping food fresh during loadshedding.

And of course, we bring you the latest retail products and beverages to hit the shelves, cocktails and mocktails to add to your menu, inventory reminders and much, much more.

We love hearing from you and want to know about your township business. Send all of your photos and letters to info@spotongmag.co.za and you could be featured in our next edition.

Enjoy the read! 