

Tigo outlines strategic priorities and social investment

Tanzania's digital lifestyle company, Tigo, has outlined the strategic priorities that are meant to drive the company's long-term social investment objectives.



Tigo Tanzania General Manager, Diego Gutierrez (left), at the Global System Mobile Association (GSMA) Mobile 360-Africa Conference, Tanzania; with discussion moderator, Bradley Shaw, founder, Continuum Consulting. Credit: Tigo.

Speaking at the recent Global System Mobile Association (GSMA) Mobile 360-Africa Conference, held on 26-28 July 2016 at the Julius Nyerere International Conference Centre in Tanzania's commercial capital City, Dar es Salaam, Tigo general manager, Diego Gutierrez cited the telecom's core social priorities as digital inclusion, education and business entrepreneurship.

Gutierrez was one of the key Tigo Tanzania panelists at the conference that included Shavkat Berdiev, Tigo Tanzania chief commercial officer (CCO) and head of mobile financial services, Ruan Swanepoel.

"At Tigo, creating positive change is part of our DNA as we bring the digital lifestyle to our customers and communities", Gutierrez said, adding: "We take our responsibilities to the communities where we work and strive to deliver positive social impact to the people".

Gutierrez explained that in the current fast-changing dynamics in the mobile telecom industry, there was a need to change the goal-posts through innovation and synergy to leverage diverse models of doing business.

Giving an example of Tigo's mobile money service, Tigo Pesa, the GM alluded to its dramatic growth, noting that currently, it has the largest network with over 50,000 merchants across the country.

Talking about Tigo's contribution to driving financial inclusion in Tanzania, Gutierrez said that through Tigo Pesa, the company had given its customers access to Africa's first universal mobile money exchange system.

"Cumulatively", he said, "Tigo Pesa users have earned Tsh. 40.7bn (US\$18,397,406) in profit share since the scheme was started in 2014."

Mobile money profit-share

The return to customers is calculated based on Tigo Pesa customers' average daily balance stored in their mobile wallets and is in line with the Central Bank's (Bank of Tanzania-BoT) Circular issued in February 2014.

Tigo Tanzania became the first telecom company in the world in 2014 to share profit generated from its mobile money Trust Account in the form of a quarterly distribution to its customers. The Tigo boss also reiterated the company's pioneering role in localizing digital content and offering zero-rated products and services that are meant to transform the lives of its customers.

In a keynote debate entitled, "Creating Opportunities for Local Digital Content", Gutierrez said, "Tigo was the first telecom in Tanzania to introduce free Facebook and affordable Smartphones whose interfaces are fully embedded in Kiswahili, the country's national language so as to open the doors to our customers to access our products and services in a language they can easily understand."

For his part, Tigo Tanzania head of mobile financial services, Ruan Swanepoel, stressed that leveraging the mobile money ecosystem through a market-driven approach that incorporates all players in the telecom industry.

Giving an example of interoperability, where different mobile money providers can conduct cross-network services, Swanepoel said through the new 'NitigoPesa' campaign, customers from across all mobile networks in the country can seamlessly send and receive money to any Tigo customer through its secure and convenient Tigo Pesa service.

"All other financial mobile money networks will be able to transact to Tigo Pesa through buying and paying from our widest network of Tigo Pesa merchants that are spread all over the country", Swanepoel told the media on the sidelines of the GSMA event.

He lamented that in Tanzania, 98% of transactions were still cash-based, emphasising that the end-game of the evolution of interoperability was to avoid cash-outs in the payment of utilities in future.

Shavkat Berdiev, Tigo CCO, waded into the topical issue of closing the mobile gender gap and fostering financial inclusion among the underprivileged, especially the low-income women in the country.

Addressing gender gap

He re-affirmed the company's commitment to continue contributing in closing the mobile gender gap to the underprivileged women in Tanzania through the provision of mobile phones and supporting income-generating micro-finance schemes that target low-income women in a program dubbed, 'Connected Women Project'.

"Tigo has already set the pace in contributing to closing the mobile gender gap by providing 400 mobile phones and training on mobile phone use to needy women in Kilwa and Rufiji Districts in the Coastal Region in Tanzania. This is a deliberate move by our company to open up the barriers to both access and use of mobile phones such as cost, cultural issues and low levels of digital literacy", Berdiev told the media at the conference.

According to GSMA 2015 report on the gender gap in mobile access and usage, 27 million fewer women than men own mobile phones in Africa. In Tanzania, statistics indicate that only 58% of women owned a mobile phone in 2014 compared to 78% of men, a situation that is mainly attributable to the high cost of a mobile handset.

Noting that Tigo's target was to reduce the gender gap in Mobile Financial Services by 5%, Berdiev explained that mobile phone ownership and usage by women had the potential to unlock benefits for women as well as the mobile industry and broader economy.

Research conducted by Tigo and REPOA research, last year showed that cost was the greatest obstacle to obtaining a mobile phone handset. That is why, according to Berdiev, the telecom is championing the empowerment of low-income women who cannot afford the phones, hence enhance digital and financial inclusion.

According to the Bill and Melinda Gates Foundation, women could bring in an extra \$170 billion in revenue to the telecommunications industry by 2020 if their contribution to the sector is fully exploited through bridging the mobile gender gap.

Through the Connected Women Commitment initiative, Tigo Tanzania is among other 75 operators that plan to tackle the many barriers that hinder women from owning mobile phones.

Tigo's drive towards offering cheaper phones and micro-finance loans will not only connect Tanzanian women to the world of digital lifestyle but will also contribute to their economic wellbeing and hence better life.

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