Leveraging diaspora remittances to help electrify Rwanda

BBOXX Rwanda
Online Platform Pilot
January 2020
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I. Pilot Context
The African diaspora can be an ally in solving development challenges, if remittances are channeled towards transforming people’s lives in a positive way.

Remittances to Africa increased from $62 billion in 2016 to almost $70 billion in 2017 and are the largest inflow of capital to the African countries, overtaking FDI and the foreign aid (ODA).

Remittances can improve the well-being of family members left behind.

And can boost the economies of receiving countries.
Although remittances to Sub-Saharan Africa (SSA) continue to grow, their potential is diminished by the high transfer fees.

Remittances to Sub-Saharan Africa grew by 5.1% in 2019,

Growth of remittances by region (%)

<table>
<thead>
<tr>
<th>Region</th>
<th>Growth (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Latin America and the Caribbean</td>
<td>7.8</td>
</tr>
<tr>
<td>South Asia</td>
<td>5.3</td>
</tr>
<tr>
<td>Sub-Saharan Africa</td>
<td>5.1</td>
</tr>
<tr>
<td>East Asia and Pacific</td>
<td>5.8</td>
</tr>
<tr>
<td>Middle-East and North Africa</td>
<td>3</td>
</tr>
<tr>
<td>Europe and Central Asia</td>
<td>1.8</td>
</tr>
</tbody>
</table>


but are the most expensive in the world

Cost of sending $200

Source: Remittance Prices Worldwide database, World Bank.

Note: SAR = South Asia; LAC = Latin America and the Caribbean; ECA = Europe and Central Asia; EAP = East Asia and Pacific; MENA = Middle East and North Africa; SSA = Sub-Saharan Africa.
BBOXX and Shell Foundation joined forces for a project which aims to mobilize Rwandan remittances towards electrification.

BBOXX designs, manufactures, distributes and finances **innovative plug & play solar systems** to improve access to energy across Africa and the developing world.

Shell Foundation creates and scales business solutions for **access to energy** in Africa and Asia.

**Remittances to Rwanda** account for $276mn in 2019e.

1 in 2 Homes in Rwanda do not have electricity.

A small percentage of the 2019 remittances could have paid for **the entire off grid sales of last year**.
Because access to electricity can transform people’s lives

95% of BBOXX solar home system (SHS) customers felt their quality of life had improved.

51% of those benefiting from the systems are children.

25% reported generating additional income due to their BBOXX SHS.

Source: Socio Economic Impact Research GOGLA, 2019
Full article here: https://www.bboxx.co.uk/research-brief-issue-02-not-affordability-customers-value/
Thus, BBOXX ePay was borne, a pilot aimed at using remittances for electrification, with no transfer fees.

BBOXX ePay is an innovative service which is creating a bridge between those in need and those with the ability to help (family or friends living far away, either in the diaspora or in Kigali).

By using BBOXX ePay these “guardian angels” can support those dear to them by paying for a solar home system instead of sending money, with no transfer fees and high discounts vs the regular pay as you go model.
Our choice to launch the pilot in Rwanda was based on practical considerations

- Rwandan diaspora is concentrated and well connected, with local diaspora leaders in different countries organizing annual diaspora events, like Rwanda Day.
- Fees to send money to Rwanda are among the highest in the region.
- Rwanda is a small country, which makes it easier to control the pilot implementation.
- BBOXX Africa Management, the project team, is based in Rwanda.

Source: The New Times - High cost of transfer continues to hamper Diaspora remittances, June 2017
II. Pilot development and overview
The pilot focused on building a Minimum Viable Product (MVP)

Legend:
- To be delivered through the pilot
- Not part of the pilot
It involved working on two big work packages and collaborating with multiple internal and external partners.

**Involved partners/functions**

1. **Online platform development**
   - External payment processor
   - External website developer (front & back end + integration)
   - Financial modeling & pricing strategy
   - Call center support and manual integration with ERP
   - Legal compliance

2. **Marketing & communication**
   - Media partners
   - KOL partners (i.e. embassies, African businesses)
   - Implementation agencies
   - Legal compliance

**Can critically impact timing**
Pilot development time was tight, yet we managed to launch with just two weeks of delay.

Despite many precautions taken to keep timings with the payment gateway provider, they changed specifications last minute without informing the team. This resulted in a two-week delay.
The BBOXX ePay offer consists of a solar home system accompanied by one of the two appliance packages available, with a pre-paid payment plan.

2 available packages

**BASIC PACKAGE**
- Phone Charger
- LED Lights + Junction Box
- Easy installation

**BBOXX APPLIANCE PACKAGE**
- Easy installation with convenient, chainable wiring, and integrated switch

**TV PACKAGE**
- Phone Charger
- 3x LED Lights + Junction Box
- 24" LED TV
- Built-in digital tuner DVB-T2
- HD/USB/VGA/AV/CV + input

+ 1 optional accessory,

**Portable Torch**
- Rechargeable
- 130 lm output
- Up to 5 hours run time
- 3x brightness levels
- Magnetic

**One Extra LED Light + Junction Box**
- Lower power consumption
- 130 lm output
- Removable shade
- Easy installation with convenient, chainable wiring and integrated switch

**Portable Radio**
- Rechargeable
- FM Radio
- MP3 Playback
- Up to 6 hours run time
- Max. volume 80 dB
- SD card/USB/Aux in
- Headphone socket

**Shaver**
- 4 Hour runtime
- 2000 mAh lithium battery
- 4 different guide combs
- Stainless steel blades

Both packages come with installation of a BBOXX SMART SOLAR HOME SYSTEM (SHS)

For a period of their choice:
- 1-year trial
- 3 years
- 7 years
- 10 years

Prices range from $65 to $599, with no transfer fees and with discounts as high as 33% vs the regular pay as you go prices available in Rwanda using mobile money.
And the implementation covers all the aspects of the customer journey

<table>
<thead>
<tr>
<th>EXPLORE</th>
<th>BUY</th>
<th>JOIN</th>
<th>USE</th>
<th>GET HELP</th>
<th>EVOLVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exposed to marketing</td>
<td>Payer makes payment online</td>
<td>Call center schedules installation</td>
<td>Customer uses system</td>
<td>Customer has problem w/ product</td>
<td>Customer upgrades</td>
</tr>
<tr>
<td>Go to the online platform</td>
<td>Platform sends email to payer</td>
<td>Technician installs system</td>
<td>Customer calls call center</td>
<td>Customer goes to shop to get replacement</td>
<td>New appliance installed</td>
</tr>
<tr>
<td>Talk to other diaspora</td>
<td>Platform sends email to call center</td>
<td>Customer signs contract</td>
<td>Customer has question</td>
<td>Customer reaches the end of the pre-paid service period</td>
<td>Customer installed</td>
</tr>
<tr>
<td>Talk to family in Rwanda</td>
<td>Platform sends SMS to receiver</td>
<td>Customer signs installation form</td>
<td>Customer calls call center</td>
<td></td>
<td>Customer picks up upstanding payments</td>
</tr>
<tr>
<td>Compare to competitors (i.e. Western Union)</td>
<td></td>
<td></td>
<td>Call center answers question</td>
<td></td>
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</tr>
</tbody>
</table>
III. Key learnings: Customer insights
We gathered customer insights using a mix of feedback from events and focus groups

1. **We attended Rwanda Day**, an event where the Rwandan diaspora from across different countries gathers once per year and we discussed live to approximately 100 - 150 participants.

2. **We conducted 2 focus groups in London**, discussing in depth about the website, the offer and the communication materials with 18 diaspora members.

3. **We conducted 1 focus group in Kigali**, the capital of Rwanda, with 4 potential buyers who are regularly supporting family members living in the village. We considered Kigalians as a secondary target for the pilot.
Customers insights revealed how the MVP & communication can be further improved to better respond to customers needs

UK Diaspora:

- Not familiar with how solar products for rural areas work, often making associations with the solar products they know from Europe, which are used for heating water tanks or for providing AC electricity.
- This target group is also more disconnected from those living in the villages vs respondents from Kigali.

UK Diaspora and Kigalians:

- Appreciate the BBOXX ePay idea as they believe it will contribute to the development of the country.
- Consider helping family members an undisputable duty
- Have a general mistrust in companies operating in Africa. The fears that come to mind are bankruptcy and/or bad customer service by not keeping promises. Testimonials and reviews were mentioned as possible solutions.
- Consider paying in one go problematic from a financial point of view and mentioned installments as a possible solution.
- According to UN, migrant workers send on average $200 to $300 every 1-2 months and ¾ of is spent on essential needs. Only ¼ of this money can be used for investments.
- Agree that the website needs to be clearer and simpler to understand, despite the complex business model.

Kigalians:

- Mobile money are more widely spread than credit/debit cards, so this group mentioned the need for this payment method
- They don’t like to see poverty in advertising as it usually done, they’d rather see opportunity/fun. They feel the need for something that makes them excited and happy rather than reminding them of the hard reality.

“Interesting project to help our families. Thank you BBOXX! “
Rwanda Day visitor

“If you don’t deliver, or go bankrupt tomorrow, I want to know what will happen with my money?”
Focus Group Participant Kigali

“If you charged me £100 upfront, installed the system within 3 days and then charged me £10/month per direct debit I would sign up now.”“
Focus Group Participant Kigali
Main learnings being:

Test the offer understanding with potential customers, regardless how clear it might seem
Although the website design seemed very clear to us, the focus groups proved us wrong. People who are not familiar with the BBOXX business model need more content explaining the offer.

Before trying to make sales, make sure the platform inspires trust
Companies in Africa are not considered as reliable as those in other parts of the world. Due to this, pre-paid services are perceived as riskier than pay as you go. Testimonials & reviews might help diminish the perceived risk.

When building the offer try to adapt it to existing habits
Migrants supporting far away family members, including Africans, do not send large amounts at once, but periodic small amounts ($200 to $300 every 1/2 months) and only ¼ of it is used for investments. The proposed payment model did not consider this habit.

Avoid communication clichés and stick to a positive message
Africans do not like to see poverty in advertising. They would rather see opportunity, potential and a positive outlook on the problem the service/product is trying to solve.
Even though BBOXX ePay still needs improvement, it already started to change lives

“I received a call that someone payed for me a solar system to light my home. I told the person that he called a wrong number as I was not expecting such good news. After explaining that someone (I was even not able to realize the name) payed for me, I was very happy and surprised.”

BBOXX ePay Beneficiary
Rwanda refugee camp
III. Key learnings: Media insights
Advertising on 6 media channels, we generated more than 1,6M touchpoints with both the potential buyers and the beneficiaries.

1. Spark curiosity (teasing event)
2. Build awareness
3. Convert to buy

1. Pre-launch event in Kigali
2. Awareness campaign targeting both the potential payers and the potential beneficiaries
   - Social media
   - Rwanda Day diaspora event
   - In Rwanda: Press, Radio, Shop posters, Contest
3. Promo codes, and users' testimonials (to come)
Using a mix of posters and animated videos, we communicated about the benefits in sending energy to Rwanda through the platform.
We implemented a media plan with an emphasis on the first three months post launch of the platform

<table>
<thead>
<tr>
<th></th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Social media</td>
<td>Social media Wave 1 (static content)</td>
<td>Social media Wave 2 (video content)</td>
<td></td>
</tr>
<tr>
<td>2. Diaspora event</td>
<td>Kigali Press Breakfast</td>
<td>Rwanda Day</td>
<td>Press article in printed magazine</td>
</tr>
<tr>
<td>3. Press</td>
<td>Influencers contest</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Influencers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Branding in shops</td>
<td></td>
<td>Branded posters and flyers in the BBOXX shops across the country</td>
<td></td>
</tr>
<tr>
<td>6. Radio</td>
<td></td>
<td>Radio campaign on local Rwandan stations (25 days)</td>
<td></td>
</tr>
</tbody>
</table>
Out of all the media channels used, social media generated the most traffic, while events helped build credibility.

**Activity**

- **Social media 2x campaigns** (diaspora & local)
- **Rwanda Day Event participation**
- **Kigali press conference with local journalists**
- **Influencers contest**
- **Posters & flyers in all BBOXX shops**
- **Radio campaign**

**Outcome**

- **Social media 2x campaigns**
  - Generated 90% of the website traffic (4,1K visits) and 1.6M impressions. Average session duration of 31s.
  - About 100 – 150 diaspora members visited the BBOXX ePay stand. 25 shared their contacts as part of a contest.
  - Good to build awareness for the local market and the diaspora. > 15 articles published.
  - 5 influencers enrolled for the challenge to make 30 sales in 1 month, but none delivered due to time constraints. 16 twitter posts.
  - 25 posters placed in all shops across Rwanda.
  - 50 radio jingles on 5 local radio stations targeting the beneficiaries.

**Recommendation**

- **Social media**: most efficient way to generate awareness and website traffic.
- **Facebook**: best performing platform.
- **Videos**: best type of content.
- **Great way to build credibility and to explain complex models**.
- **Good to announce news about the service, but will not help generate sales**.
- **Find better ways to engage influencers. Could be a good way to build credibility.**
- **Must have + Good to build beneficiaries awareness to create a pull mechanism**.
- **Too complex message for this media**.
Overall learnings about the media channels:

When on a tight budget, use social media to build awareness. It is also the most efficient channel in generating traffic. In our campaign the social media channel generated 90% of the website traffic at a very good cost (only $2.2/1000 impressions vs average social media cost of $7.2/1000 impressions).

Use events to help build credibility, but do not expect immediate sales. Due to the face to face interaction and the possibility to display products, events can be a great way to build credibility as proven by people’s feedback on the spot, yet no sales so far can be traced back to the event.
III. Key learnings: Online focus
It is very easy to target the diaspora on social media

It is not possible to target the diaspora of a certain country directly on social media, but it is possible to build this target using their interests.

In targeting the diaspora following criteria could be considered:

- **Interests** in the **country** or things strongly related to the country, its **culture** or the **continent** which is targeted (i.e. names of regions, top personalities, African hair, African diaspora culture etc)

- **Interests** linked to the **provided service** or competing with the provided service

- **Life events** which describe someone living away from home

- **Location**

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**Audience example:**

**Rwandan diaspora - larger target**

<table>
<thead>
<tr>
<th>Location – Living in</th>
<th>Belgium, Canada, France, United Kingdom, Netherlands, Rwanda, Tanzania, Uganda</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>18-85+</td>
</tr>
<tr>
<td>People who match</td>
<td>Life Event: Away from family, Away from home town, Long-distance relationship or Recently moved</td>
</tr>
<tr>
<td>And must also match</td>
<td>Interests: African diaspora culture or East Africa</td>
</tr>
<tr>
<td>And must also match</td>
<td>Interests: Rwandan, Behaviours: Lived in Rwanda (formerly Ex-pats – Rwanda)</td>
</tr>
<tr>
<td>And must also match</td>
<td>Interests: Dahabashill, MoneyGram, Western Union, Remittance, TransferWise or WorldRemit</td>
</tr>
</tbody>
</table>

The advertising messages displayed were the same for everyone. The language used was English. We observed much lower engagement from people based in French speaking countries.

This implies the need for a customized language based on the location of the diaspora.
Google Analytics reveals the need for communication/website to be translated to French and for the homepage to be more engaging to increase the average session duration.

Visitors since launch until end Oct: **4,488 users** out of which 4,473 are new users

- Top visiting countries: TZ (53%), UG (13%), RW(10%), USA (9%) and UK (4%)
- Most connect using a mobile phone (83%), followed by a desktop (17%)
- Social media is the main traffic generator (90% of all traffic)
- 89% English speaking visitors

Average session duration: **31 seconds**

Bounce rate: **54.9%** (lowest for Facebook 53%)
Videos outperformed the static content on social media, generating 10x higher website traffic, with just x2 the budget.

- **Video Content**
  - Investment: $2,370
  - Traffic: up to x10 times higher

- **Static Content**
  - Investment: $1,072

**What we learned?**

1. Video content clearly outperforms static content, seen in the significant traffic increase in the past weeks.
2. Facebook is the highest traffic generators.
3. Need to propose more educational content and less hard sell messages to drive conversion.
Overall learnings about the social media:

For maximum engagement, customize the advertising message to different target segments.
As we could observe, the engagement from people living in French speaking countries was very low due to our communication being made strictly in English.

Prioritize video vs. static content on social media, as it will generate more traffic.
Video format helped generate much more traffic on the website than the static content. Different videos can be used for re-targeting.

Use a test and learn approach in spending the marketing budget.
There is no need to invest all the budget from the beginning. It is best to try things out for 2-3 weeks and adjust either the content or the targeting to get better results.
IV. Key Conclusions
To conclude, we take out the below learnings out of the BBOXX ePay pilot

**Platform**
- Test the platform understanding with potential customers, regardless how clear it might seem
- Make sure the platform inspires trust, before trying to make sales
- When building the offer, try to adapt to existing habits

**Communication**
- Avoid communication clichés and stick to a positive message
- Use events to help build credibility, but do not expect immediate sales
- When on a tight budget, use social media to build awareness. It is also the most efficient in generating traffic.

**Social media**
- For maximum engagement, customize the advertising message to different target segments
- Prioritize video vs. static content on social media, as it will generate more traffic
- Use a test and learn approach in spending the marketing budget
Although current results are shy, we are confident in the platform potential, as improvements are to be made considering the gathered learnings.

- **1.6M total impressions** on social media
- **4.5k website visitors**
- **18 sign-ups**
- **8 sales**

**Target sales vs real revenues progression in K$ in the first launch year**

- Forecast
- Real

**Communication break for website revision**