

Leveraging diaspora remittances to help electrify Rwanda

**BBOXX Rwanda
Online Platform Pilot
January 2020**

BBOXX ePay

Table of content

- I. Pilot context
- II. Pilot development and overview
- III. Key learnings
 - a. Customer insights
 - b. Media insights
 - c. Online focus
- IV. Key conclusions



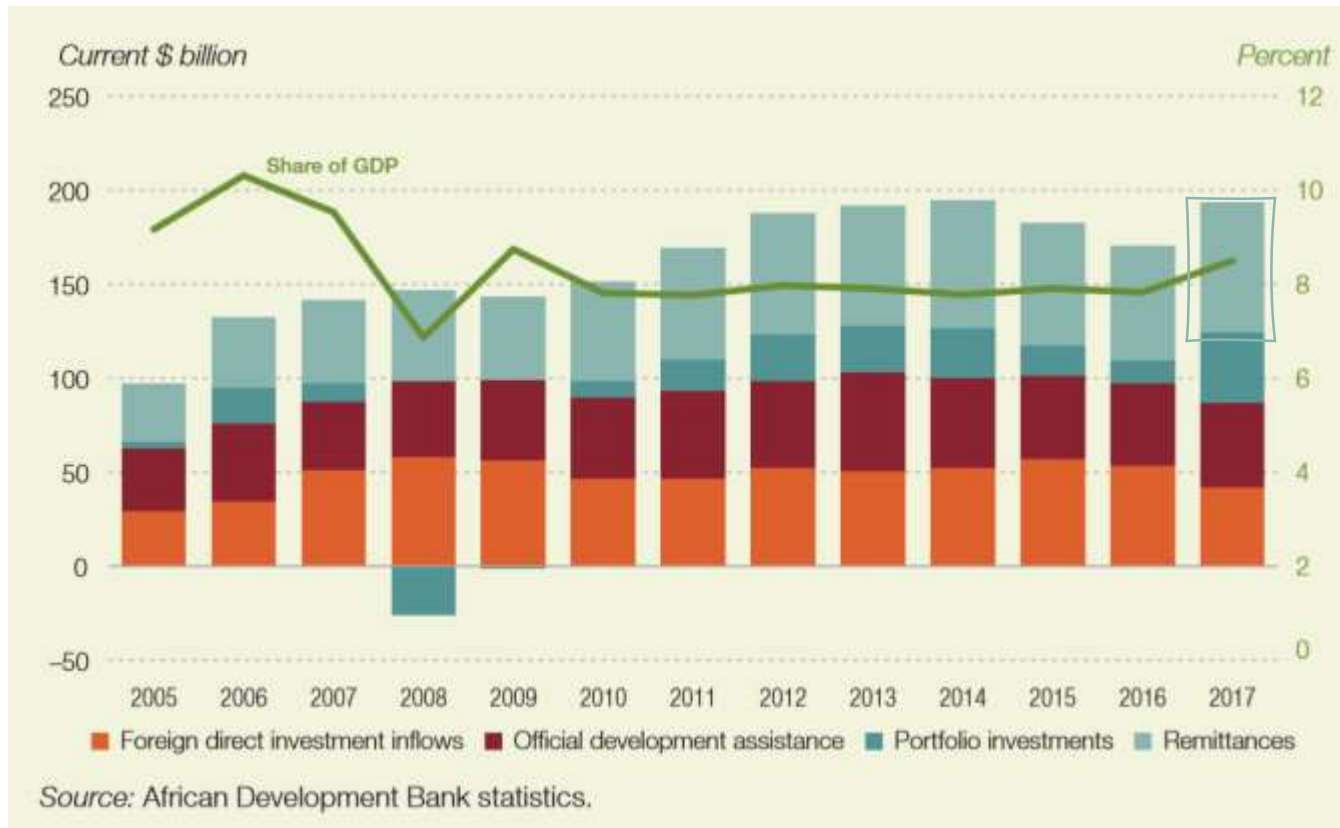


I. Pilot Context

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 (%)



Source: World Bank-KNOMAD staff estimates.

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.



1 in 2
Homes in Rwanda
do not have
electricity



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

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

of those benefiting from the systems
51% 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.

-  Safe online payments
-  Easy to use
-  Up to 33% discount on electricity packages
-  No transfer fees



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.

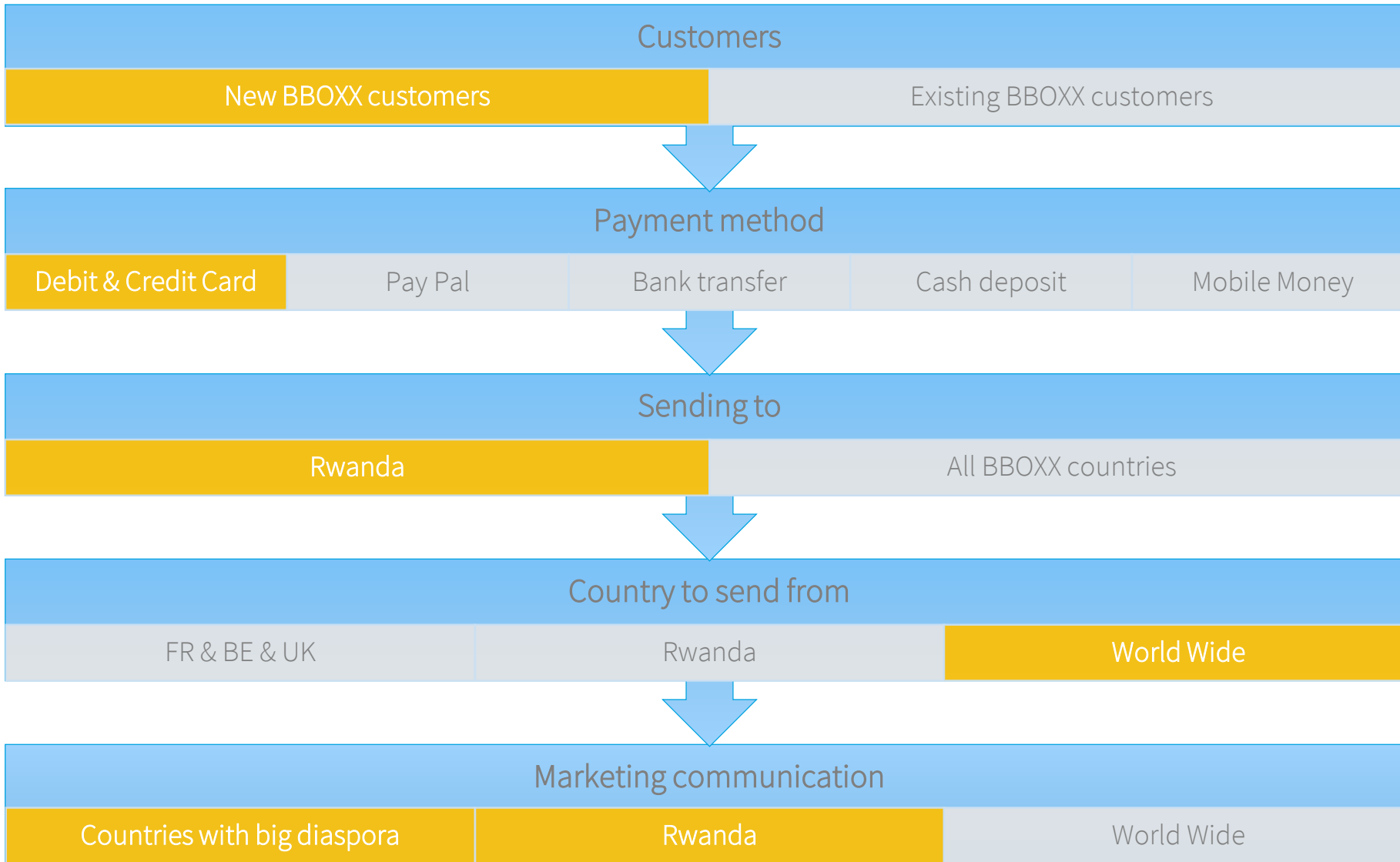


Source: The New Times - High cost of transfer continues to hamper Diaspora remittances , June 2017

A photograph of two individuals, a man and a woman, both wearing blue polo shirts and blue caps with a yellow band. They are seated at a table, looking at a large white sheet of paper with a blue grid pattern. The man is holding a blue pen and appears to be writing or pointing at the grid. The woman is looking at the paper. In the background, there is a blue banner with the text 'UM IV' and 'Kul waduh'. A map of Indonesia is visible on the wall behind them. The overall scene suggests a collaborative work environment, possibly a pilot development or overview session.

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



External payment processor



External website developer (front & back end + integration)

Financial modeling & pricing strategy

Call center support and manual integration with ERP

Legal compliance

Work packages:

1. Online platform development

2. Marketing & communication

Involved partners/ functions

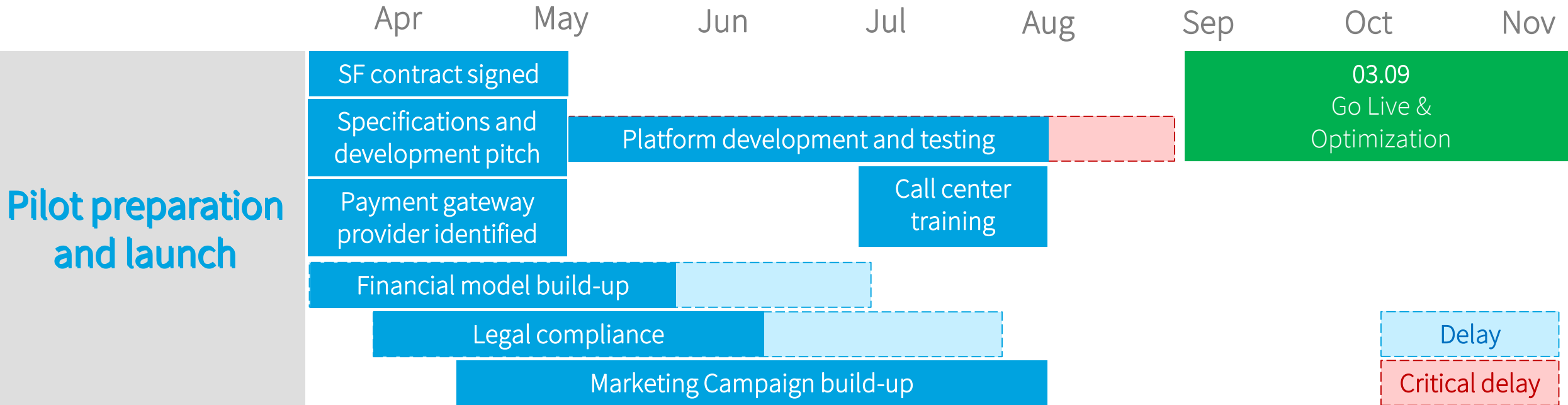
Media partners

KOL partners (i.e. embassies, African businesses)

Implementation agencies

Legal compliance

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 weeks 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

+ 1 optional accessory,

for a period of their choice:

BASIC PACKAGE	BBOXX APPLIANCE PACKAGE
	<ul style="list-style-type: none"> • Phone Charger Includes adaptors for all major mobile phone brands • LED Lights + Junction Box <ul style="list-style-type: none"> - Low power consumption - 130 lm output - Easy installation shade - Easy installation with convenient, chainable wiring, and intergrated switch
TV PACKAGE	BBOXX APPLIANCE PACKAGE
	<ul style="list-style-type: none"> • Phone Charger • 3X LED Lights + Junction Box • 24" LED TV <ul style="list-style-type: none"> - Low power consumption - High definition - Inbuilt digital tuner DVB-T2 - HD/USB/VGA/AV/Ci + input



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



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

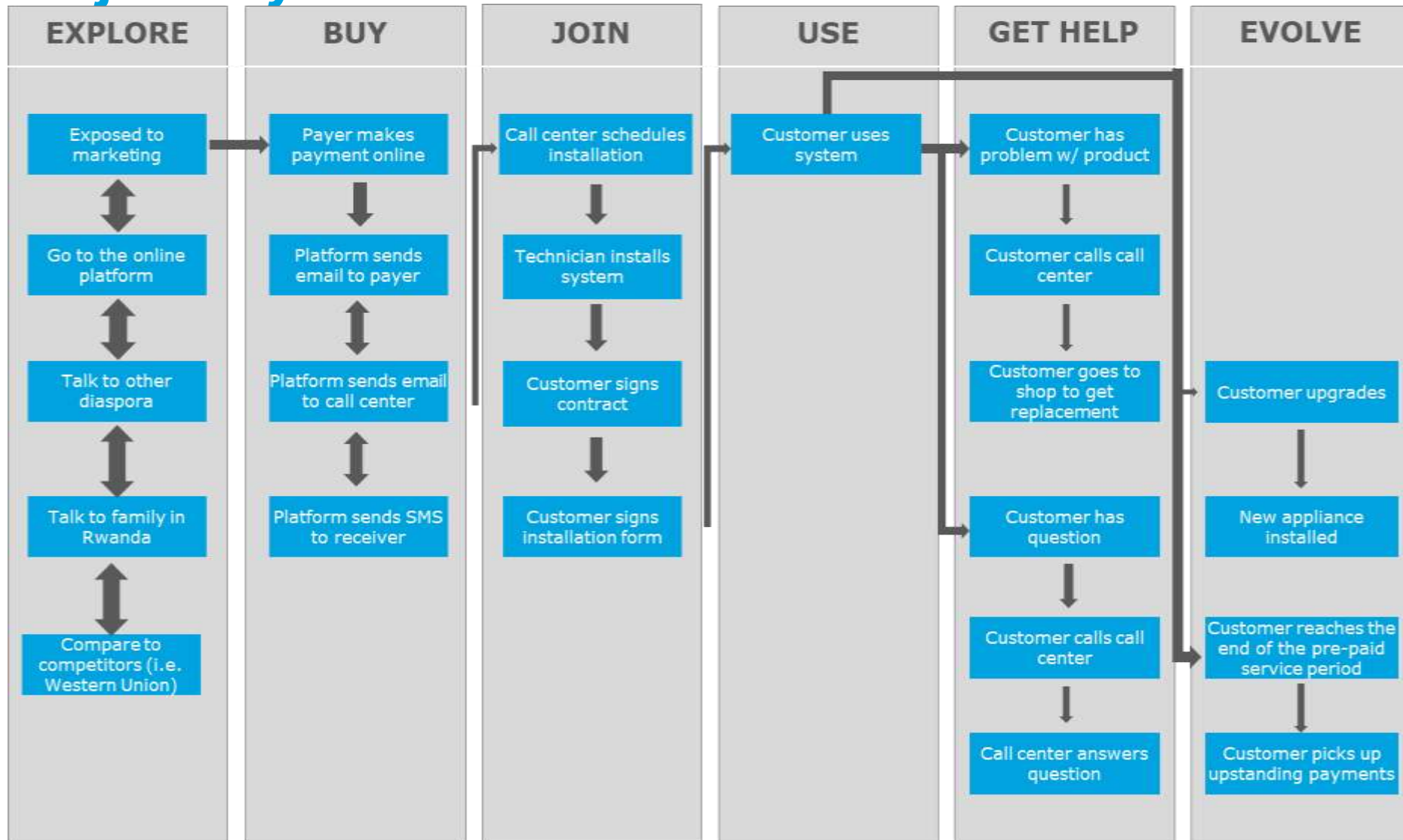
- 4 Hour runtime
- 2000 mAh lithium battery
- 4 different guide combs
- Stainless steel blades

- 1-year trial
- 3 years
- 7 years
- 10 years

Payments above 3 years cover the maintenance and repair of the solar home system for the contract period.

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



A photograph of a classroom with several young children sitting at desks. They are all wearing white shirts and have their hands raised in the air, indicating an active learning environment. In the background, a large world map is visible on the wall. The text 'III. Key learnings: Customer insights' is overlaid on the image in white and yellow colors.

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 $\frac{3}{4}$ of is spent on essential needs. Only $\frac{1}{4}$ 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 1/4 of it is used for investments. The proposed payment model did not consider this habit.



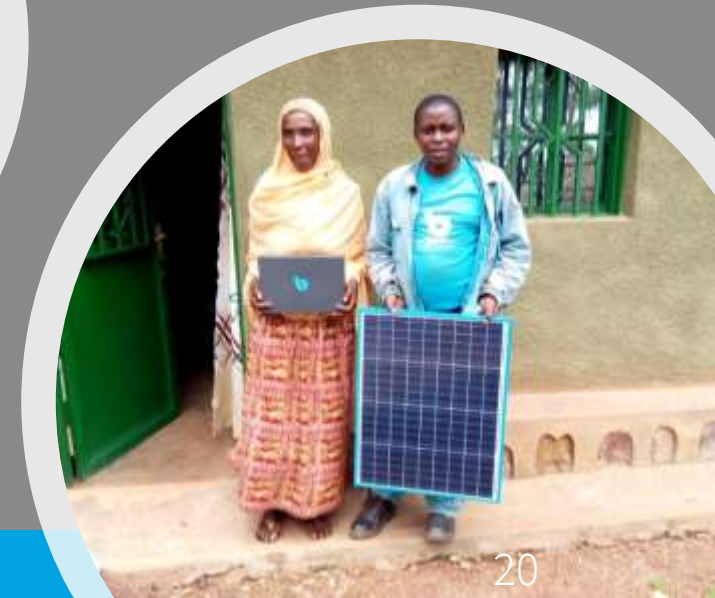
Avoid communication clichés and stick to a positive message

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.”

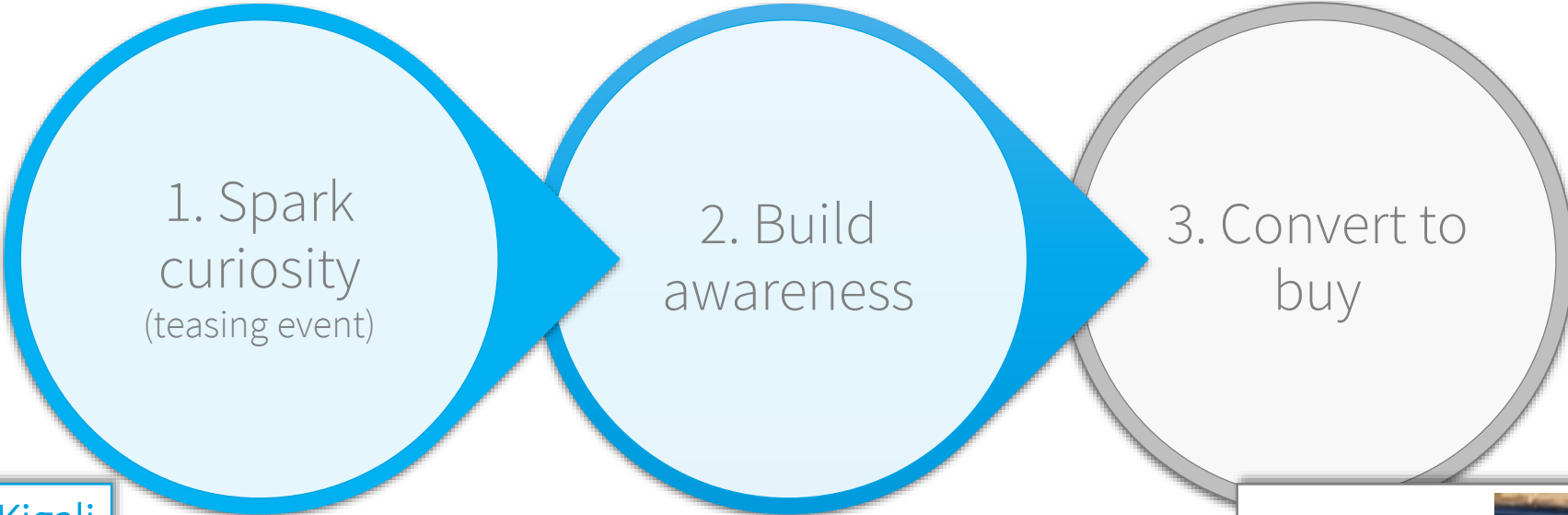
BBOXX ePay Beneficiary
Rwanda refugee camp



A photograph of a classroom with several young children sitting at desks. They are all wearing white shirts and have their hands raised in the air, indicating they want to answer a question or participate in a discussion. In the background, a large world map is visible on the wall. The text 'III. Key learnings: Media insights' is overlaid on the image in white and yellow colors.

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. 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



SEND ENERGY BACK HOME to Rwanda, from anywhere

- Safe online payments
- Up to 33% discount
- Easy to use
- No transfer fees

Safe online payments

Easy to use

Up to 33% discount on electricity packages

No transfer fees

SEND ENERGY BACK HOME to Rwanda, from anywhere

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DID YOU KNOW?

Rwandans in need of energy

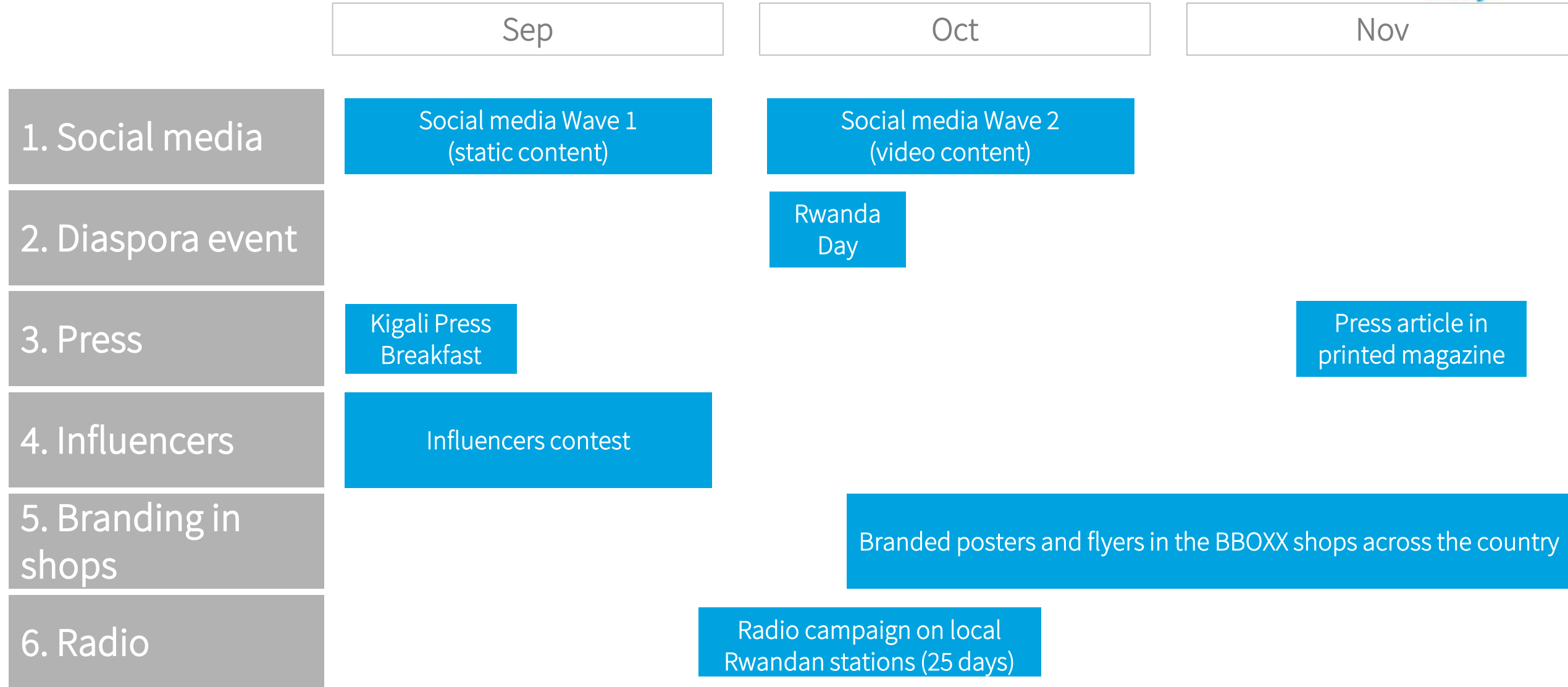
- 1 in 2 Rwandans do not have electricity
- Rwanda aims to reach 100% electrification by 2024

We learn from our customer

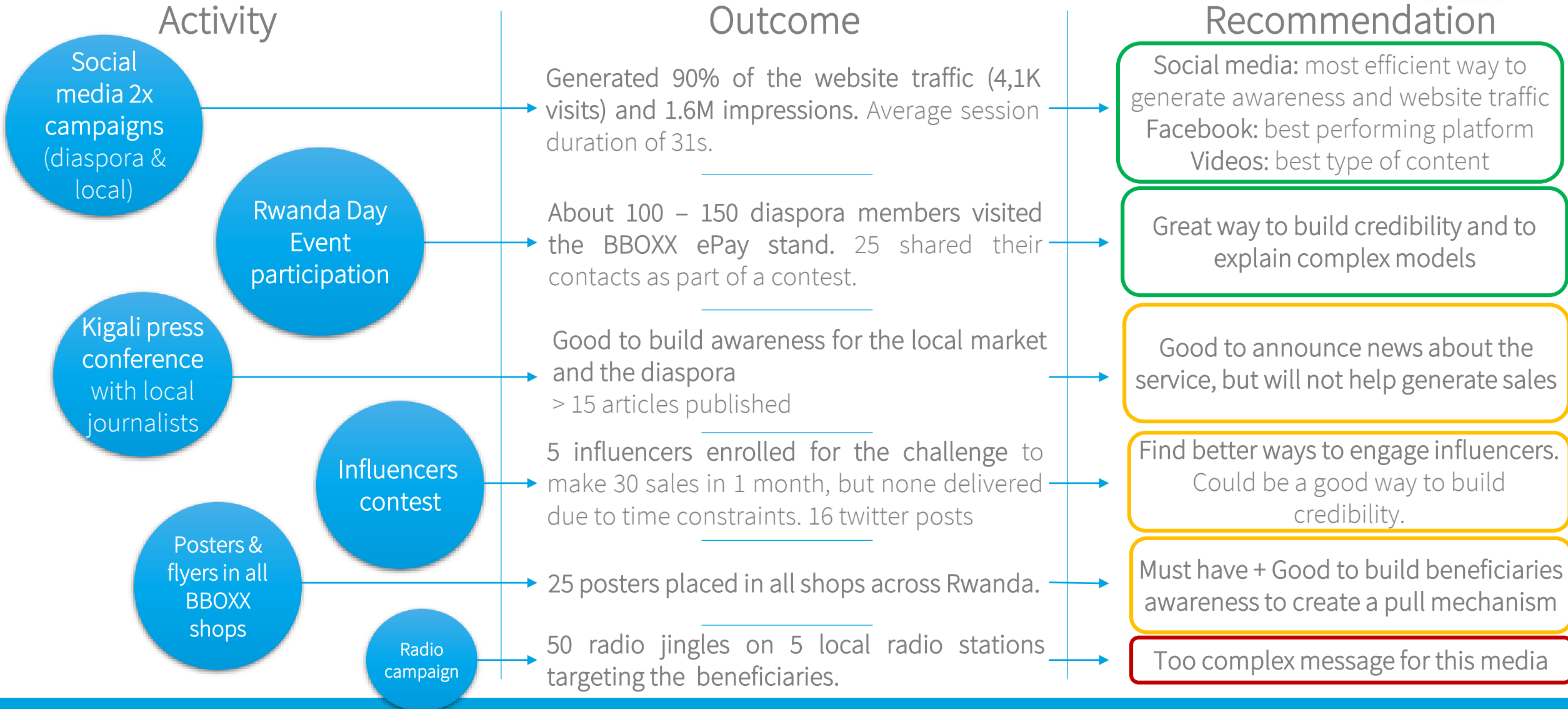
- 95% of BBOXX customers felt their quality of life had improved with our Solar Home System (SHS)
- 31% of those benefiting from the systems, are children
- 23% reported generating additional income due to their BBOXX solar home system

Source: [bboxx.co.uk/blog/research-brief-issue-02](https://www.bboxx.co.uk/blog/research-brief-issue-02)

We implemented a media plan with an emphasis on the first three months post launch of the platform



Out of all the media channels used, social media generated the most traffic, while events helped build credibility



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.

A photograph of a classroom with several young children sitting at desks. They are all wearing white shirts and have their hands raised in the air, indicating they want to answer a question or participate in a discussion. The background shows a world map on the wall and some framed pictures. The text 'III. Key learnings: Online focus' is overlaid on the image in white and yellow colors.

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, it's **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**

Audience example:

Rwandan diaspora - larger target

Location – Living in: Belgium, Canada, France, United Kingdom, Netherlands, Rwanda, Tanzania, Uganda

Age: 18-65+

People who match: Life Event: Away from family, Away from home town, Long-distance relationship or Recently moved

And must also match: Interests: African diaspora culture or East Africa

And must also match: Interests: Rwanda, Behaviours: Lived in Rwanda (formerly Ex-pats – Rwanda)

And must also match: Interests: Dahabshiiil, MoneyGram, Western Union, Remittance, TransferWise or WorldRemit

Edit

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

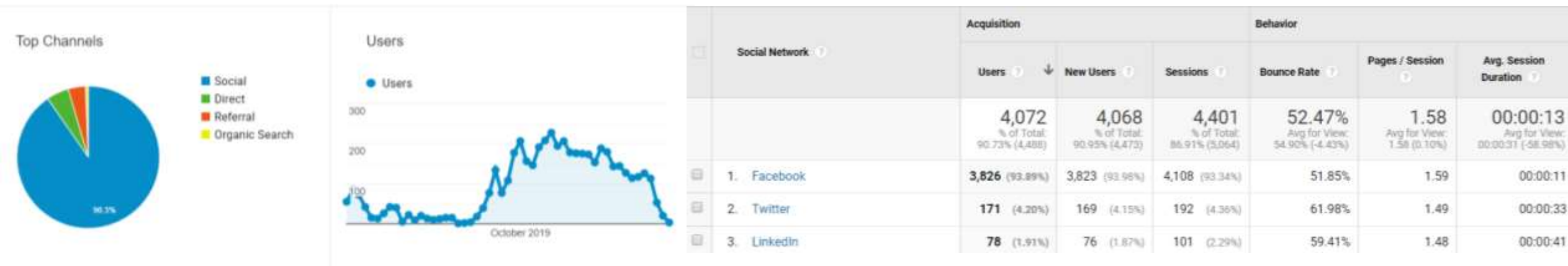


Visitors since launch until end Oct: **4.488 users** out of which 4.473 are new users

- 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



All Users
 100.00% Users

 + Add Segment

 Sep 3, 2019 - Oct 29, 2019 ▼



Social Network ?	Acquisition			Behavior		
	Users ? ↓	New Users ?	Sessions ?	Bounce Rate ?	Pages / Session ?	Avg. Session Duration ?
	4,072 % of Total: 90.73% (4,488)	4,068 % of Total: 90.95% (4,473)	4,401 % of Total: 86.91% (5,064)	52.47% Avg for View: 54.90% (-4.43%)	1.58 Avg for View: 1.58 (0.10%)	00:00:13 Avg for View: 00:00:31 (-58.98%)
1. Facebook	3,826 (93.89%)	3,823 (93.98%)	4,108 (93.34%)	51.85%	1.59	00:00:11
2. Twitter	171 (4.20%)	169 (4.15%)	192 (4.36%)	61.98%	1.49	00:00:33
3. LinkedIn	78 (1.91%)	76 (1.87%)	101 (2.29%)	59.41%	1.48	00:00:41

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:



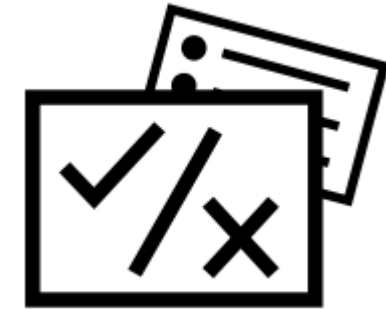
For maximum engagement, customize the advertising message to different target segments

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.

A sunset over a savanna landscape. The sun is low on the horizon, casting a warm, golden glow across the sky. The foreground is filled with dark, silhouetted trees and bushes. A single, prominent acacia tree stands in the middle ground, its silhouette clearly visible against the bright sky. The overall mood is serene and contemplative.

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

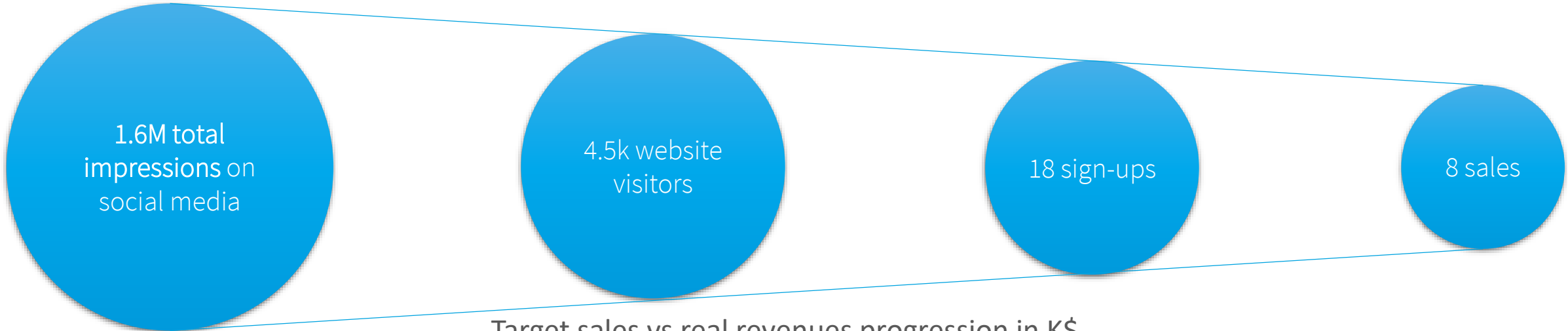


Prioritize video vs. static content on social media, as it will generate more traffic



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



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

