

Value added services made easy for South African retailers

A Cape Town-based fintech business, Electrum, is providing retailers and banks with the technology platform that they need to connect their systems to Value Added Services (VAS) providers and sell VAS, which earns retailers hundreds of millions of rands.



Dave Glass, ElectrumMD

VAS include prepaid airtime, prepaid electricity, gift cards, bill payments, money transfers, e-tickets and loyalty transactions. However, it is not as simple as selling a normal stock item that sits on a retailer's shelves.

The growth of VAS has created substantial demand from South African retailers, such as Pick n Pay, for the technology to support the sale of these services. Founded by three of South Africa's top payments tech experts, Electrum developed a solution to fulfil this need.

Jason Peisl, IS executive of customer applications at Pick n Pay explains, "VAS is a major growth area in our business. We are continuously adding new VAS to meet consumer demand for these products and drive revenue growth. Electrum has allowed us to expand our market offering rapidly and manage the complexity of integrating with more than thirty third-party VAS providers."

Cloud-based solution

Dave Glass, Electrum MD, says, "When we started, we realised that retailers needed a solution for processing VAS transactions, something that many of the existing technologies struggled with. Our cloud-based VAS platform is now processing billions of VAS transactions per annum and we're helping our customers grow their bottom line."

The platform, which runs in the cloud, was specifically designed for VAS management, transaction processing and payments integrations. According to the company, it provides fast, reliable, VAS integrations and easy-to-use management tools. It runs either as a stand-alone VAS platform or in conjunction with a retailer's existing payments switch.

"It enables retailers to bring VAS to market quickly, reduces the cost of adding new integrations and in turn, drives additional revenue. It is one of South Africa's best platforms for providing a single integration point that connects a retailer's payments environment to the relevant VAS providers," says the company.

Glass concludes, "One of the challenges in meeting customer demand is finding talented software developers, as there is very limited supply in South Africa. However, we have found that the company is a very attractive place for developers to work and we have built an excellent team with some superstars."

Dominique Collett, head of AlphaCode, a club for fintech entrepreneurs, adds, "Electrum is exciting in that it is solving a real pain point for banks and retailers. The ability to integrate with retailers and banks quickly and seamlessly and allow them to enhance revenue through the sale of VAS is a real win-win and a great example of value-adding B2B fintech."

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