

Report
For Imagio Fintech
Transaction for the year
2022 - 2024

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Executive Summmary

This report provides key insights into user signups, retention, revenue performance, and transaction trends over the past three years (2022–2024). Imagio has solidified its position as a major player in the digital payments space, facilitating seamless transactions across Ghana, Kenya, Uganda, Tanzania, and Zambia. Customers have embraced payment methods such as Mobile Money, Cards, Bank Transfers, Accounts, and Pay with Wallet, contributing to the platform's growth.

During this period, the platform recorded over 8,000 customer signups. However, only 1,432 users remain active, reflecting a retention rate of just 16.47%. This highlights a significant opportunity to enhance customer engagement. A closer look at user activity reveals varying trends across regions: while Kenya registered the highest number of signups (2,786), Uganda led in active users with 653, demonstrating strong utilization despite fewer registrations. Tanzania stood out with the highest percentage of active users at 27.22%, showcasing exceptional customer loyalty and satisfaction.

Country	Active Users	Percentage	Total Signups
Ghana	166	8.21%	2022
Kenya	467	16.76%	2786
Tanzania	144	27.22%	529
Uganda	653	24.49%	2666
Zambia	2	0.29%	693
Grand Total	1432	16.47%	8696

On the revenue front, the platform exhibited an impressive upward trajectory. Over three years, Imagio facilitated a total transaction value of ₦13.38 billion, generating ₦400 million in revenue. Annual revenue grew from ₦111 million in 2022 to ₦200 million in 2023. By the first quarter of 2024, revenue had already reached ₦89 million, surpassing the first-quarter performances of previous years. If the trend holds, 2024 is poised to achieve record-breaking revenue.

Among the contributing regions, Uganda emerged as the top performer, generating ₦344 million over three years. Tanzania followed with rapid growth, contributing ₦32 million, despite its lower signup numbers. This underscores the potential of regions with high user loyalty.

In terms of payment methods, Mobile Money led the charge, contributing the largest share of revenue, followed by Card payments and Bank Transfers.

Sector-wise, E-commerce was the highest revenue generator, contributing over ₦72 million, followed by NGOs and Charities at ₦57 million. However, E-commerce sector showed declining trends by 2024, with revenue dropping by 63% compared to 2022. This signals a need for targeted strategies to revitalize this key contributors.

Additionally, the dominance of local transactions is evident, contributing ₦373 million, compared to ₦27 million from foreign transactions. This disparity suggests untapped opportunities to enhance cross-border payment services.

It is essential to understand the mechanics behind revenue generation. Revenue is derived from service charges applied to each transaction. Local and foreign transactions have distinct fee structures, with variations based on payment type and currency. For example, all foreign transaction for Mobile Money in 2022 had this fee (based on currency):

XAF & XOF had 2.9% service fee,
ZMW & UGX had 3.0% fee,
RWF & MWK & TZS had 3.5% fee,
GHS had 1.9%, and
KES had 2.9%.

These rates were adjusted in subsequent years, with some currencies experiencing significant increases by 2024. For instance, the ZAR currency under the Alternate Channel payment type rose from 2.5% in 2022 to 6.5% in 2024. This nuanced fee structure has played a crucial role in shaping revenue outcomes across different markets.

In conclusion, while Imagio has made commendable progress in expanding its reach and generating revenue, there remain opportunities to strengthen user retention, diversify revenue streams, and reinvigorate declining sectors. By addressing these challenges, the platform is well-positioned for sustained growth and enhanced market impact.

Cleaning Process

1. Adding New Columns to the Dataset:

Upon loading the dataset, I began by ensuring all irrelevant formats were removed to maintain a clean and consistent structure. Duplicate entries were checked, but none were found. I reviewed each column to verify the integrity of the data.

To better understand revenue generation, I created a new column to calculate the service charge percentage for each transaction. This was achieved by dividing the revenue by the total transaction value. Through this process, I identified some inconsistencies, as the calculated service charge percentages did not align with the expected values for certain regions.

To resolve this, I incorporated the appropriate service charge rates for each region, factoring in whether the transaction was local or foreign. This allowed me to calculate more accurate revenue figures. A new revenue column was created to store these corrected values, ensuring the dataset was reliable for further analysis.

2. Service Charge Fee and Revenue Dynamics:

As mentioned earlier, revenue is generated from service charges applied to transactions, with distinct rates for local and foreign transactions. These rates vary by payment type and currency, with some payment methods maintaining consistent fees for foreign transactions regardless of the currency. However, Alternate Channel and Mobile Money fees vary based on the currency used.

For instance, in 2022, the foreign transaction service charge for Account, Bank Transfer, and Pay with Wallet was a flat rate of 1.4%. In contrast, Card payments had a higher foreign transaction fee of 3.8%. For Mobile Money, the service charges differed significantly by currency:

- RWF: Increased from 3.5% in 2022 to 5.5% in 2024.
- ZAR: Rose from 2.5% in 2022 to 6.5% in 2024.

Below is a detailed breakdown of foreign transaction fees for Mobile Money across 2022 to 2024:

Currency	2022	2023	2024
ZAR	2.5%	4.5%	6.5%
XOF	2.9%	2.0%	4.0%
XAF	2.9%	2.0%	4.0%
KES	2.9%	2.9%	4.9%
GHS	1.9%	1.9%	3.9%
ZMW	3.0%	-	-
UGX	3.0%	3.0%	5.0%
RWF	3.5%	3.5%	5.5%
TZS	3.5%	3.5%	4.5%
MWK	3.5%	3.5%	5.5%

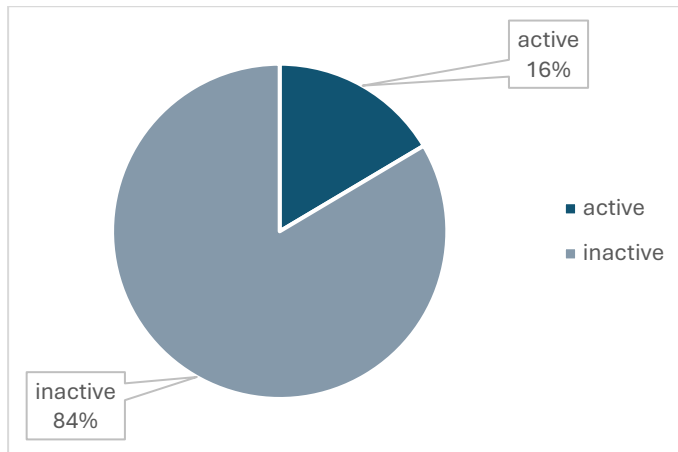
This detailed approach to cleaning ensures that the revenue data is accurate and aligns with the varying service charges applied across different payment methods and currencies. The refined dataset is now well-prepared for insightful analysis and reliable decision-making.

Data Analysis

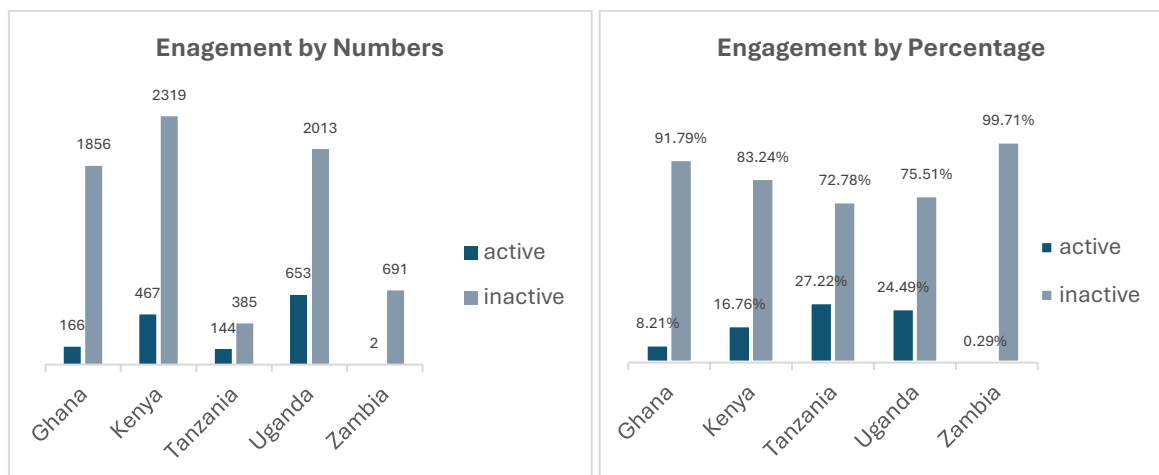
This section explores the insights derived from analysing the fintech platform's performance. It focuses on revenue trends, user engagement, sectoral dynamics, transaction insights, and service charge impacts..

3. User Signups and Engagement

- a. **Total Signups:** The platform onboarded 8,696 users between 2022 and 2024, with an active user retention rate of 16.47%. This means that out of the total signups, only 1,432 users are actively engaging with the platform.



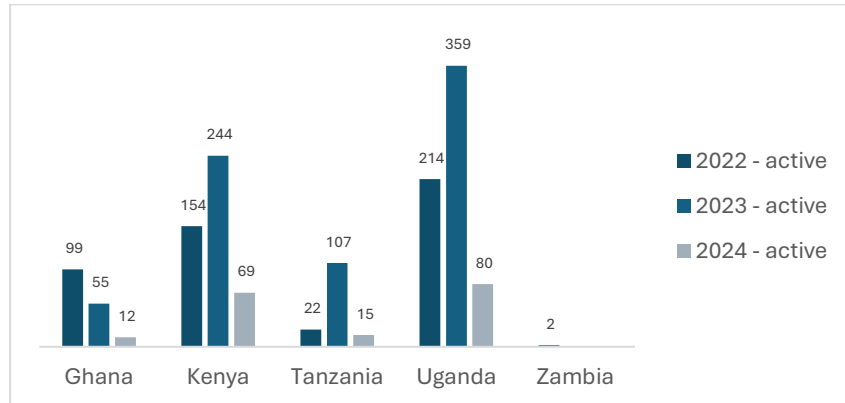
- b. **Active Users by Country:** Uganda and Kenya account for the highest number of active users, with 653 and 467 active customers, respectively. However, Tanzania outperforms in retention, with 27.22% of its 529 users remaining active. Uganda follows with 24.49%, while Zambia has alarmingly low engagement, with only 0.29% of its 693 users being active.



- c. **Retention Over the Years:** User retention has fluctuated over time, improving in 2023 before dropping slightly in 2024. Uganda, Kenya, and Tanzania had the most active customer in 2023. The retention rate for each year are as follows:
- **2022:** 8% retention rate
 - **2023:** 40% retention rate

- **2024 (Q1):** 32% retention rate

These figures suggest opportunities to better engage and retain users, especially in underperforming regions like Zambia.



4. Revenue Performance

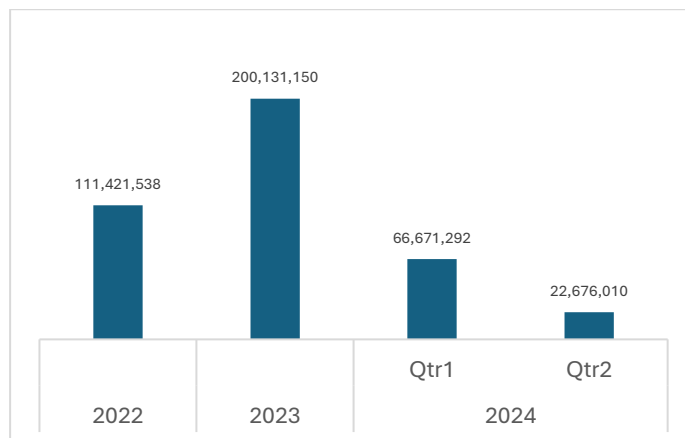
- Overall Revenue: The platform generated ₦400 million from a total transaction value of ₦13.38 billion over three years. Local transactions contributed the bulk of revenue at ₦373 million (93%), while foreign transactions accounted for ₦27 million (7%).

- Yearly Revenue Breakdown:

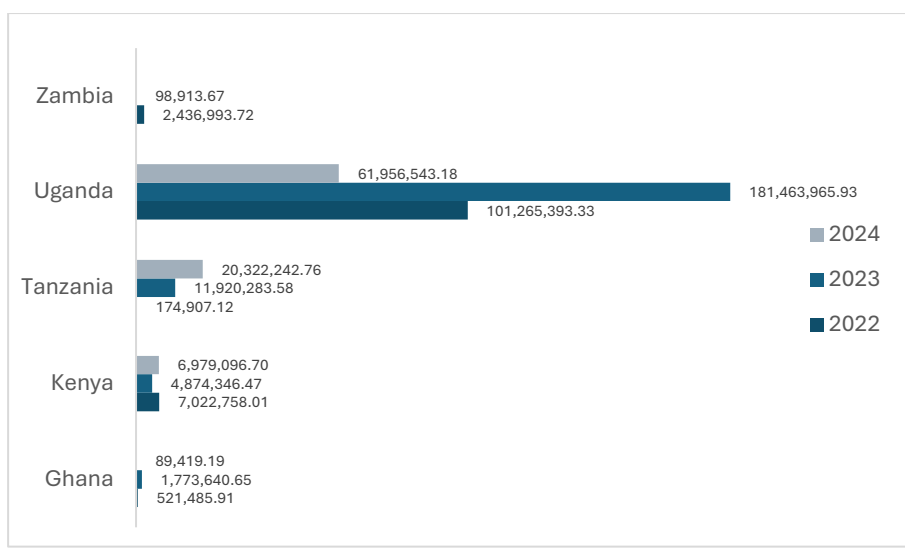
2022: 111 million

2023: 200 million

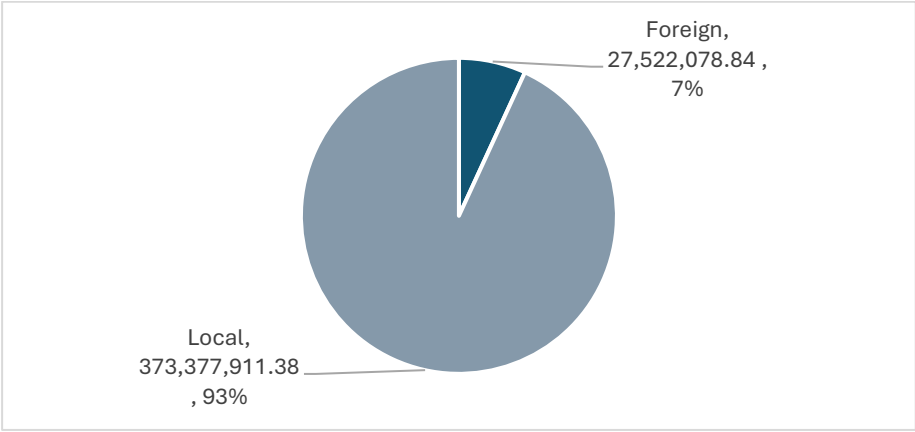
2024 (Q1): 89 million



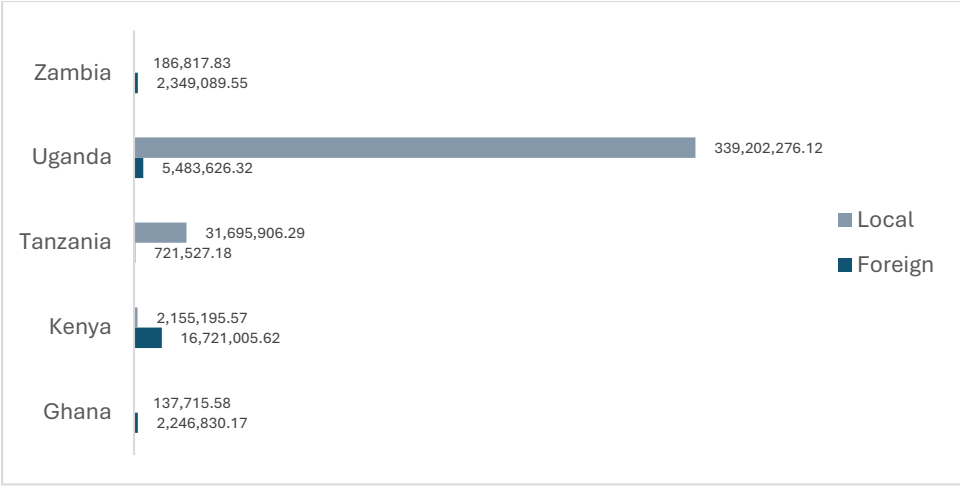
- Top Performers: Uganda stands out as the highest revenue generator with 344 million (85.7% of total revenue), significantly outperforming others. Tanzania, despite its low signup volume, contributed 32 million (8%), showcasing its users' high transaction value. In contrast, Ghana and Zambia combined contributed less than 5 million, reflecting the need for focused engagement in these markets.



- d. Revenue by Transaction Type: Local transactions account for the lion's share of revenue at 373 million (93%), compared to foreign transactions at 27 million (7%).

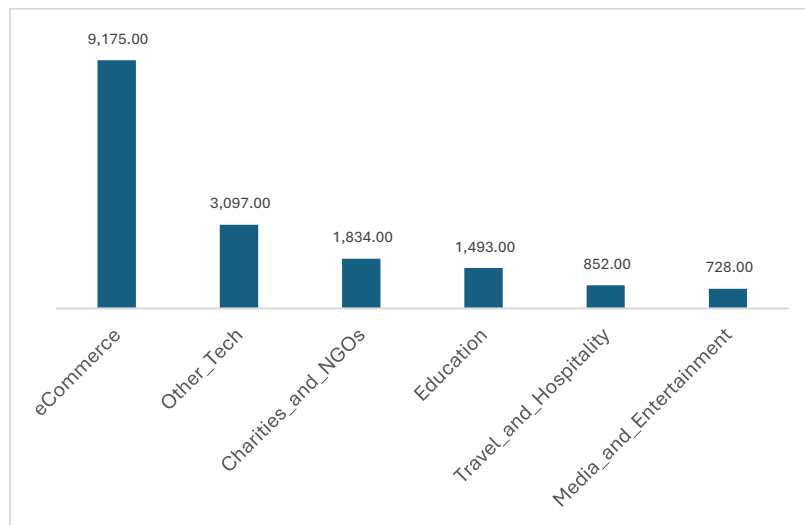


- e. Top Performers by Transaction Type Uganda leads in local transactions, contributing over ₦339 million, while Kenya generates the highest revenue from foreign transactions. Tanzania's local revenue contribution stands at ₦31 million.

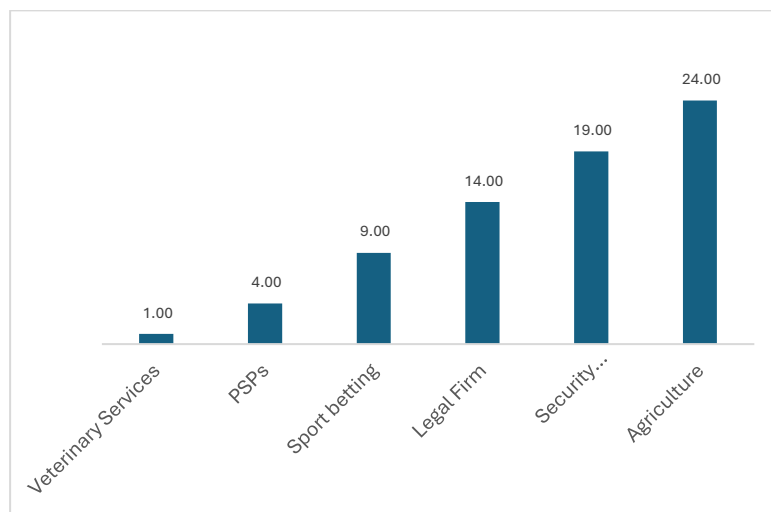


5. Sector Performance

- a. Top 5 Sectors by Number of Transactions: E-commerce, Other_Tech, and Charities are key users of the platform for transactions.

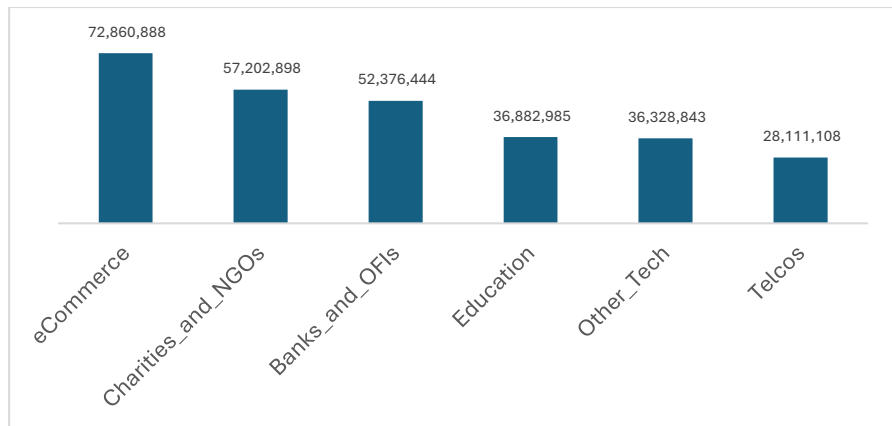


- b. Bottom 5 Sectors by Number of Transactions: Veterinary, PSPs, and Sport Betting are least users of the platform for transactions.

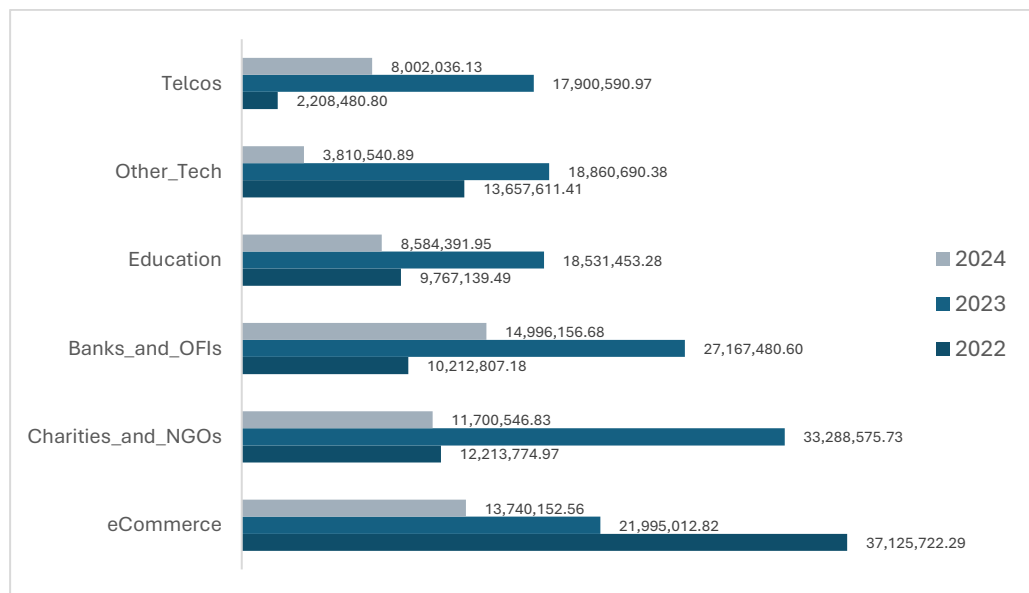


- c. Sectoral Trends:

- E-commerce, charities, and banking drive the platform's success, contributing significantly to revenue across all years. E-commerce alone generated over 72 million, while charities and NGOs followed at 57 and 52 million respectively.

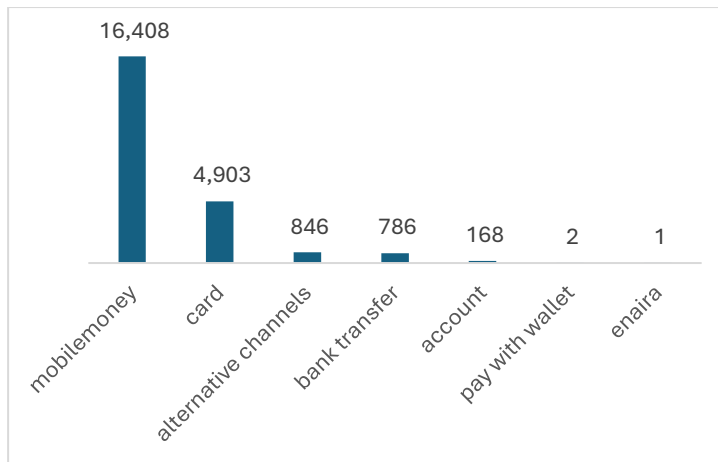


- While E-commerce emerged as the highest revenue generating sector across the years, breaking down by each year, we see that E-commerce was the leading sector in 2022, however, shows a declining trend over the next two years, contributing only 13.7 million in 2024 so far—a 63% drop from 2022. Similarly, while charities saw growth between 2022 and 2023, their 2024 performance is also dipping. Let's take note that we only have data for first quarter in 2024, so the numbers are still good, however, e-commerce decline in 2022 from over 37 million in 2021 to 21 million in 2022 is concerning and should be looked into.

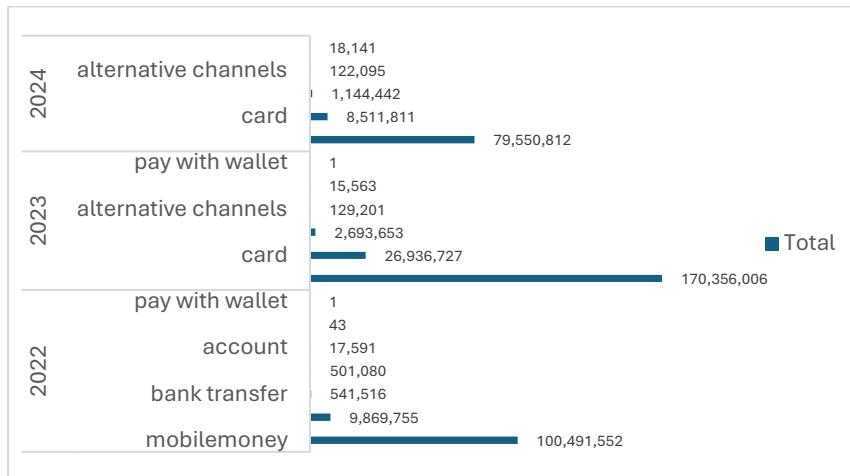


6. Payment Methods

- Transaction Count:** Mobile Money is the most utilized payment method, recording over 16,000 transactions. Card payments come second with over 4,000 transactions, while underutilized options like “Pay with Wallet” have only two recorded transactions, signalling potential for growth.



- b. Revenue Generation: While Mobile Money dominates, as not just the payment method with the most transaction, it also contributes the most to revenue across the years.



- c. Country Level Payment Insight: Mobile money still comes up as the most revenue generating payment methods across all countries. Kenya has bank transfer as the next highest revenue generating payment type after mobile money. However, Bank Transfer seems to be number 1 revenue generating payment method for Ghana, followed by Mobile Money.

Zambia	account	308	
	alternative channels	449	
	bank transfer	4,145	
	card	56,024	
	mobilemoney	2,474,981	
Uganda	account	3,831	
	alternative channels	140,540	
	bank transfer	168,714	
	card	41,558,309	
	mobilemoney		302,814,509
Tanzania	account	960	
	alternative channels	10,363	
	bank transfer	19,231	
	card	1,822,410	
	mobilemoney	30,564,470	
Kenya	pay with wallet	3	
	enaira	43	
	account	40,883	
	alternative channels	545,393	
	card	1,572,247	
	bank transfer	2,567,551	
	mobilemoney	14,150,082	
Ghana	account	5,313	
	alternative channels	55,631	
	card	309,303	
	mobilemoney	394,328	
	bank transfer	1,619,971	

Recommendations

1. **Boost User Retention:**

To address low retention rate, implementing loyalty programs such as cashback rewards for repeat users and targeted reactivation campaigns can foster engagement. Simplifying onboarding processes and creating campaign content tailored to specific regions, like Zambia, could enhance participation. Additionally, conducting surveys to identify pain points among inactive users will help refine the platform experience and address barriers to consistent use.

2. **Expand High-Performing Regions:**

Capitalizing on the strong performance of Tanzania and Uganda is essential. Strategic investments in marketing campaigns tailored to these regions can amplify their contributions. By analyzing the factors driving their success—such as popular payment methods or transaction behaviors—the platform can replicate similar strategies in underperforming regions like Ghana and Zambia. Offering value-added services like seamless currency conversions for foreign transactions could also encourage broader adoption.

3. **Revitalize Declining Sectors:**

Declining sectors, particularly E-commerce, require immediate attention. Offering promotional deals and exclusive collaborations can reinvigorate activity in this sector. Providing merchants with incentives for repeat transactions or discounts on service charges could encourage consistent use. Insights from high-performing sectors, like Charities and NGOs, should be leveraged to develop tailored strategies for weaker areas.

4. **Enhance Revenue from Foreign Transactions:**

The disparity between local and foreign transaction revenue can be reduced by revising service charges for foreign transactions. Streamlining and standardizing service fees across currencies where feasible will make international payments more attractive. Partnering with international payment providers can further expand reach, while promoting underutilized payment methods with incentives, such as discounts or exclusive benefits, could broaden transaction options. A comprehensive review of pricing models, incorporating customer feedback and market trends, will optimize profitability while keeping the platform competitive.

5. **Optimize Payment Channels:**

Mobile Money, as the leading payment method, should continue to be promoted through targeted campaigns and feature enhancements to align with user preferences. Simultaneously, efforts to improve lesser-used channels like "Pay with Wallet"—based on user feedback—can diversify transaction options, reducing reliance on a single channel while catering to varying user needs.

Conclusion

Imagio's performance over the past three years reflects a promising trajectory, marked by steady revenue growth and an expanding footprint across five countries. With ₦400 million in revenue and significant contributions from regions like Uganda and Tanzania, the platform has demonstrated its capacity to thrive in the competitive fintech space.

However, challenges such as low user retention, regional disparities, and sector-specific declines underscore the need for targeted interventions. Addressing these gaps through data-driven strategies, such as enhancing user retention programs, revitalizing underperforming sectors, and optimizing service charges, will be key to unlocking the platform's full potential.

By focusing on the needs of underperforming regions, refining pricing strategies, and fostering greater engagement across sectors and payment channels, Imagio can position itself as a leader in digital payments, ensuring sustained growth and long-term success.