**ANALYSIS REPORT FOR DARLYTICS ON THE KULTRA BUSINESS CASE**

**INTRODUCTION:**

In the Nigerian financial technology space, it is common for customers to expect satisfactory service due to the many technological adoptions that the industry is quick to make. Excellent customer experience, especially with payment channels servitization, has been broadly discussed by players and stakeholders in the industry. With over ₦138 trillion worth of e-payment channel transactions recorded annually, it is evident that innovation and technology have become key instruments for payments and financial services.

Kultra pay, through its board, has expressed interest in improving the user experience of all their payment gateways and have asked us at Darlytics to provide specifics on the level of investment to be made for their payment channels and which top problems they should be solving.

In response to this request, this report is the summary of the of findings obtained after analysing the data provided.

1. **The Transaction Volume week on week for May 2018**

Analysis of the Kultra dataset reveals that a total of ₦38.25 million worth of payment transactions was recorded for the month of May, 2018. However, it is important to note that this is inclusive of both failed and successful transactions on the various payment gateways available to customers on the Kultra pay platform.

Ultimately, revenue for the business in this case of Kultra pay equates to the number of successful transactions that was effected across the payment channels throughout the month under review. A total of ₦15.13 million worth of successful payment transactions was recorded for the month of May, 2018 and the company made a total of ₦255,000.81 as fee charged.

The highest volume of successful transactions occurred in the 3rd week of the month, which is the 20th week of the year, with a total of ₦6,051,477.93 worth of transactions and ₦100,570.10 as fee charged.

Alternatively, the week with the least volume of successful transactions is the 5th week of the month (22nd week of the year), with a total of ₦1,508,467.58 worth of transactions and ₦33,571.26 as fee charged.

1. **IDENTIFYING THE MOST PROFITABLE PAYMENT TYPE FOR THE BUSINESS**

The mpesa e-payment channel is the most profitable payment type according to the analysis of the data. This is directly tied to the volume of successful transactions that occurred during the month under review, with mpesa having the largest volume of successful transactions.

Asides this, is also the fact that customers seem to prefer using the mpesa channel for transactions on the Kultra pay platform as the payment type with the most volume of transactions (inclusive of failed and successful transactions) was also the mpesa payment channel.

This would suggest that the board of Kultra invest more in this payment channel to keep leverage on the preference of their valued customers for the mpesa payment type.

1. **MAJOR CAUSE OF FAILURE ACROSS THE PAYMENT TYPES**

There was no record of a successful transaction for the payment channels 1voucher and payattitude. A quick look at the data indicates this was caused by the provision of invalid vouchers and an unknown error respectively.

However, the major cause of failed transactions on the Kultra pay platform was caused by customers having an insufficient balance in their accounts.

It is important to note that the top 9 reasons for transaction failure in the month of May was caused directly by the customer and there’s little Kultra pay can do as regards this.

The business will be better served focusing on causes of failure that can be attributed to coming from their own and not the customers. Chief amongst this will be improving network infrastructure for better connection to a customer’s bank and debit card and also looking to increase the amount limit on a single transaction.

**CONCLUSION**

How much you plan for pitfalls that might assail a payment shortens the chasm between how much money a business makes and the amount they lose.

Based on the analysis of the data provided, it is recommended that the board invests most of the of the ₦100 million earmarked for improving user experiences across the payment channels available, into the Mpesa payment channel.

Also, while a good number of the reasons why transaction failures occurred across the month of May was caused by customers (providing insufficient information, not completing transactions, allowing for system timeouts), the board needs to be aware that bank and card network errors together with limits on single transactions accounted for a lot of the failed transactions.

As a result of this, the board can solve these payment issues by employing either one of a Preventive revenue recovery approach, or a more active revenue recovery approach.

For example, a tactic that could have prevented a payment from failing would be reminding a customer in an email to update his/her payment information, and rather than have a limit on single transaction payments, the various payment gateways could be encouraged to implement a cumulative daily limit.

A more active tactic on the other hand, that could have recovered the payment after it failed, would involve to specify retry circles for soft and hard declines, in-app notifications, card/account updater info on your website etc.