

## CASE STUDY 6

## Mobisol



## Flexible pricing options through m-money and remote monitoring technology

Headquartered in Germany and founded in 2010, Mobisol offers low-income customers in Kenya and Tanzania a high-quality, long-life solar home system. Mobisol has to date sold over 1,700 solar home systems. This is possible through an innovative payment scheme using m-money technology and a GSM modem included in the solar controller, facilitating remote monitoring over the mobile network. Mobisol's pay-as-you-go method circumvents initial investment hurdles for customers who previously could not afford a high quality solar home system. Using the mobile banking service M-PESA, accounts can be paid off conveniently and from almost everywhere by mobile phone in a 36-month instalment plan, after which the customer owns the product. The remote monitoring technology allows the system to be locked automatically in the case of overdue repayment. Customer churn or failure to pay has been less than 5%.

The Mobisol system is available in four different sizes and the pricing ranges from USD 9 to 43 per month. The smallest option can light two rooms and charge four mobile phones per day. The largest system powers multiple lights, consumer appliances such as a laptop or TV, a battery-run refrigerator and charges up to ten mobile phones simultaneously. The energy obtained through the solar system costs customers substantially less than what they currently spend on existing energy sources such as kerosene, candles and car batteries.



**Different sizes of solar home systems** enable low-income clients to choose the model that meets their specific needs and income.



**A Mobisol sales representative** explains the different pricing and payment options.

Addressing the importance of risk-reduction for low-income customers, the Mobisol solar home system comes with a three-year warranty on the battery and a twenty-year guarantee on the solar panel. Their locally-based technical service teams provide free maintenance and repair throughout the three-year warranty period, ensuring the usability and longevity of the system. Using the GSM modem included in the solar controller, technical data from the panel and battery is tracked and stored on a web-based database. Data from the solar systems is transmitted to local partners and also to the network centre in Berlin, Germany. Maintenance problems can thus be addressed swiftly. Client communication is done confidentially through SMS with regular maintenance reminders and other important details pertaining to the Mobisol system.

Mobisol partners with mobile operators to use their network for the m-money transfers as well as the remote monitoring; in return the mobile operators charge Mobisol a small percentage of the monthly fees.

### Key takeaways:

- How to minimize risks both for the company and clients by offering installment payment enabled through remote monitoring technology and m-money;
- How to offer a variety of products at different prices; and
- How to minimize risks for clients by providing ongoing customer service.

