

SCALING
OFF-GRID
ENERGY:
A GRAND CHALLENGE
FOR DEVELOPMENT



PHOTO: MORGANA WINGARD FOR USAID

AFTER-ACTION REPORT: GREENLIGHT PLANET



SUMMARY

In September 2016, USAID—as part of its commitment to Scaling Off-Grid Energy (SOGE) Grand Challenge for Development—granted **Greenlight Planet** (Greenlight) \$1.15M through the **Development Innovation Ventures** program to expand its solar home system (SHS) business into Nigeria and scale its operations in Uganda. As of early 2018, Greenlight sold more than 8.5 million Sun King products in over 65 countries worldwide through its network of over 6,000 EasyBuy (EB) agents and partnerships with leading retail, consumer finance, microfinance institutions and development organizations.

Through the grant from USAID, Greenlight proposed to pilot and scale its keypad-based pay-as-you-go (PAYG) technology in 10 regions each in both Uganda and Nigeria. Greenlight would use the funds as working capital, as well as hire sales and operations personnel, develop its payments/data backends, and automate current processes to prepare for scale. A key component of Greenlight's approach was to straddle both the cash and PAYG segments of the market: selling directly to consumers under the Sun King PAYG brand, but also enable cash sales by partnering with a company with an established sales and distribution network.

With SOGE/USAID support, Greenlight achieved or exceeded each of its designated milestones in about 18 months. This success validated Greenlight's use of partnership with a large organization to ease new expansion, while generating a range of useful insights on adapting to markets where mobile money may not be as functional as elsewhere.

INSIGHT: Low mobile money usage can be addressed by demonstrating its benefits to customers, increasing its accessibility via bank and telecom integration, and having agents assist in its adoption and use

Mobile money penetration rates in Nigeria and Uganda have traditionally lagged behind other markets such as Kenya. The local bias towards cash and the fear of new technologies hinder adoption of

mobile money which is essential for PAYG. Many customers expressed the desire to make payments directly from their bank accounts rather than open a mobile money wallet and transfer money from the bank account to the wallet.

Greenlight addressed low mobile money usage and regionalized mobile network coverage by:

- Creating campaigns that highlight and demonstrate the broad uses of mobile

KEY FACTS

Date of award: September 2016

SOGE Grant: \$1.15M USD

Grant Milestones:

- Sell 40,000 SHS units between Nigeria and Uganda
- Establish 14 Sales HQs in Nigeria, of which 50% need to achieve profitability
- Raise \$20M in debt or equity

Timeframe to achieve milestones: 18 months

Milestones achieved? Yes

Milestones exceeded? Yes

Results:

- Through 18 months of implementation, Greenlight greatly exceeded its sales goals, reaching 67,000 PAYG unit-sales, with an additional 30,000+ cash sales through a distribution partner.
- The company now has a network of 33 stores between Nigeria and Uganda, reaching over 230,000 beneficiaries in almost 50,000 households.
- Greenlight raised \$25M in equity.

money.

- Further integrating with multiple mobile network and money providers (Airtel, PAGA), ensuring network coverage and banking partners. This provided customers with electronic payment options, making the collection process more accessible. For example, Greenlight integrated with the Nigeria Inter-bank Settlement System (NIBBS) to encourage payments directly through bank accounts.
- Permitting agents to collect both upfront and monthly payments in cash and load credit onto mobile money wallets on behalf of customers in remote smaller towns and villages where mobile network and internet connectivity are patchy.

INSIGHT: Leveraging an established partner's brand, logistics, and distribution network, facilitates market entry

Greenlight partnered with an established brand in Nigeria that maintained an extensive sales distribution network with walk-in locations. This partnership:

- Allowed Greenlight access to the official exchange rate
- Provided a second sales channel

for direct cash purchase of Sun King systems via the partners existing sales network. The network also served as an important touch point to understand and obtain feedback on customer needs.

- Enhanced Greenlight brand awareness and customer recall through small marketing campaigns in retail locations
- Enabled Greenlight to quickly distribute its products in Nigeria to distributors using the partners' logistics facilities

Sales through the partner network performed better than expected. By successfully addressing a large segment of the walk-in population who wanted to pay cash for products, this sales channel synergized nicely with the EasyBuy sales channel, which serves village-level PAYG customers who pay in daily installments.



PHOTO: GREENLIGHT PLANET

target low-income customers and advance existing customers along the energy value chain based on their credit repayment histories. Greenlight/Sun King observed a strong brand recall among existing customers with a number of customers expressing strong desire to upgrade to larger systems once their existing payment plans were completed. This was further supported by strong customer demand for both entry and mid-level home lighting solutions.

INSIGHT: Address a diverse customer base by increasing and tailoring agent assistance

Nigeria's inherent demographic and economic diversity led to initially slow uptake of the PAYG payment platform, but following deployment of tailored assistance from agents, collection rates improved. Political and socio-economic volatility further slowed roll out in many regions of Nigeria. Greenlight overcame these challenges through the use of integrated marketing campaigns which involved large-scale activation efforts and ground-level agent presence to respond to customer queries and requests.

INSIGHT:

Diverse product offerings expand the customer base and allow upselling

Offering both small lanterns and higher-powered solar home systems at competitive prices enabled Greenlight to



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