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Case study

What it takes to feed Nigeria every day

The payment story behind its
foodservice industry



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Introduction

Food is one business that never stops in Nigeria. No matter what's happening in the economy, people still have to eat. When business is slow, the food seller finds a way to keep serving customers and adjusts prices as costs change. And when a new neighbourhood starts filling up, whether in Lagos, Abuja or Enugu, some of the first businesses you'll find are a food vendor, a pharmacy and a POS agent. Sometimes, one person runs all three. That's how the market works.

This resilience is what makes Nigeria's foodservice industry one of the most dynamic consumer sectors in the country. It also makes it one of the clearest examples of how payment infrastructure can shape everyday commerce. From neighbourhood food vendors to fast-growing restaurant chains, the ability to accept payments quickly and reliably has become a competitive advantage.

Over four decades, the industry has evolved to an \$11 billion market powered by real-time digital payments, food-delivery super-apps, and a new generation of cloud kitchens operating without a single dining chair. That journey was shaped by oil booms, recessions, a cashless policy that arrived before the infrastructure could support it and millions of Nigerians who kept transacting however they could: in cash and eventually, on a screen.

At Moniepoint, we have had a front-row seat to the most recent chapter of that journey. Our terminals are present across the foodservice industry, from Quick Service Restaurant chains to local bukkas. Our data captures local food bukkas and fine dining, as well as birthday cakes ordered on a Thursday and noodles sold at midnight outside a Lagos nightclub. Food and drinks are the second-largest sector on the Moniepoint platform,

accounting for a significant percentage of our merchant base, second only to retail.

This case study traces the operators who built the industry from the ground up and the payment innovation, led by Moniepoint, that has ultimately unlocked industry-wide potential.

\$11.09B

Nigeria's foodservice market (2025)

\$1.04B

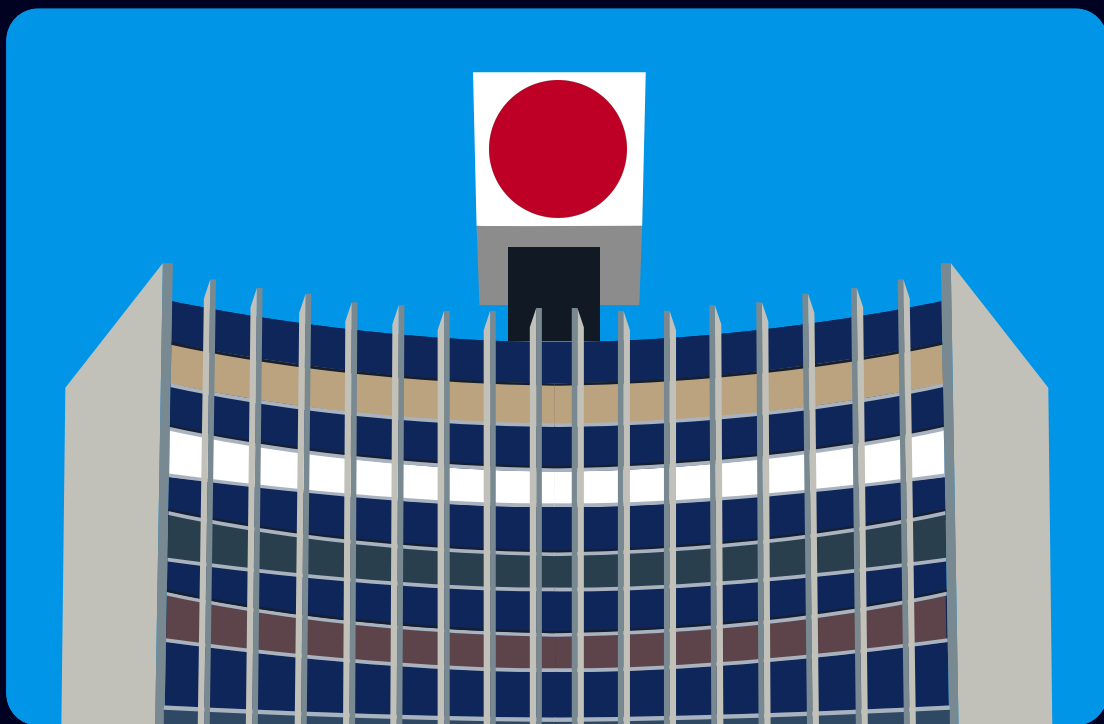
Online food delivery market (2024)

800+

QSR outlets nationwide



The early menu and payment rails



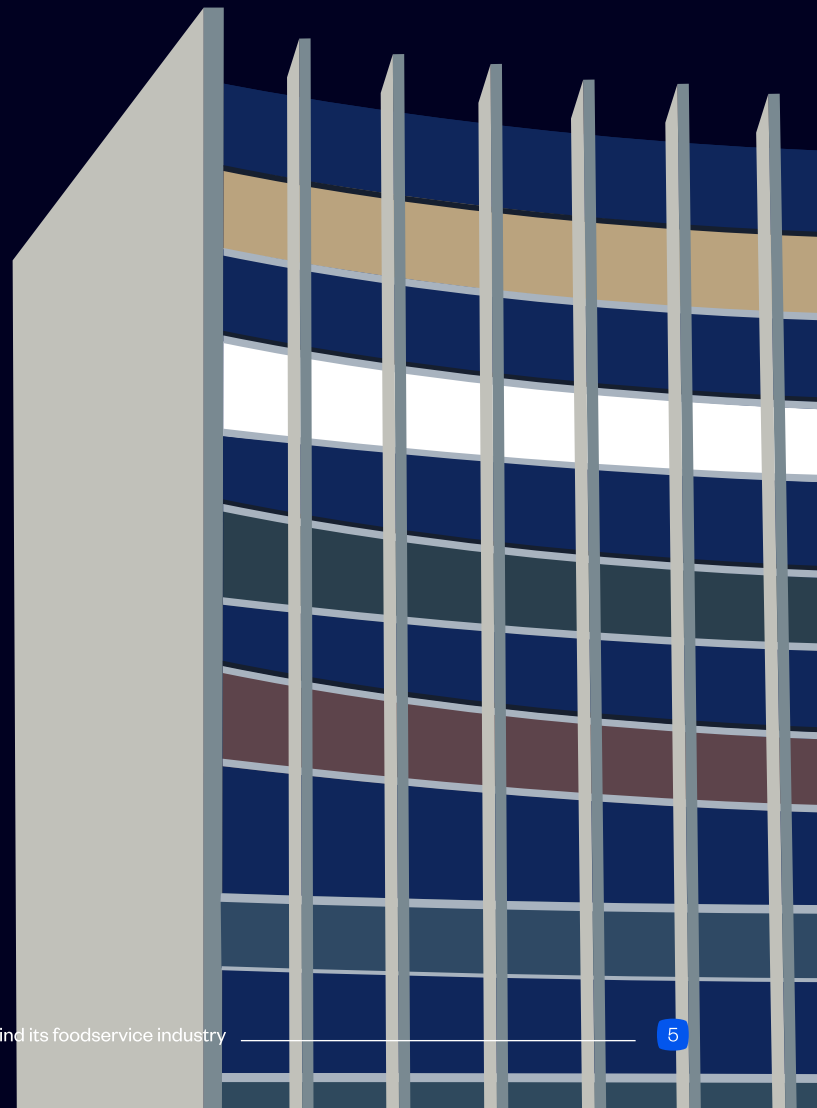
Long before franchises and food apps, Nigeria's food economy was shaped by its colonial history. The United African Company of Nigeria, founded in 1931 as a British-owned conglomerate, laid the groundwork for the country's first organised food retail infrastructure.

UAC controlled a vast network of Kingsway Department Stores across Lagos, Ibadan, and other major cities, each with small food-and-beverage operations attached. These weren't restaurants in any meaningful sense. They were refreshment stands selling beverages, light snacks, and confectionery to middle-class shoppers and colonial administrators. Cash was the only form of payment, and the customers were largely the urban elite: civil servants, merchants, and expatriates.

Alongside the formal UAC infrastructure, Nigeria's food culture was overwhelmingly informal. The roadside mama-put vendor, typically operating from a pot, a fire, and a hand-painted board, was the heartbeat of everyday eating. Predominantly women, these vendors served amala, eba, jollof rice, pepper soup, and other Nigerian staples to workers, students, and market traders. Cash was the only medium of exchange here, too, and in rural areas, transactions sometimes still took place by barter. This dual structure, one formal and corporate, the other informal and ubiquitous, would define Nigerian food commerce for decades.

Fun fact

Nigerians have been spending more on eating out late at night in recent years. Our data show a shift from 2021 to 2025 toward spending more at midday.



The birth of Nigerian fast food

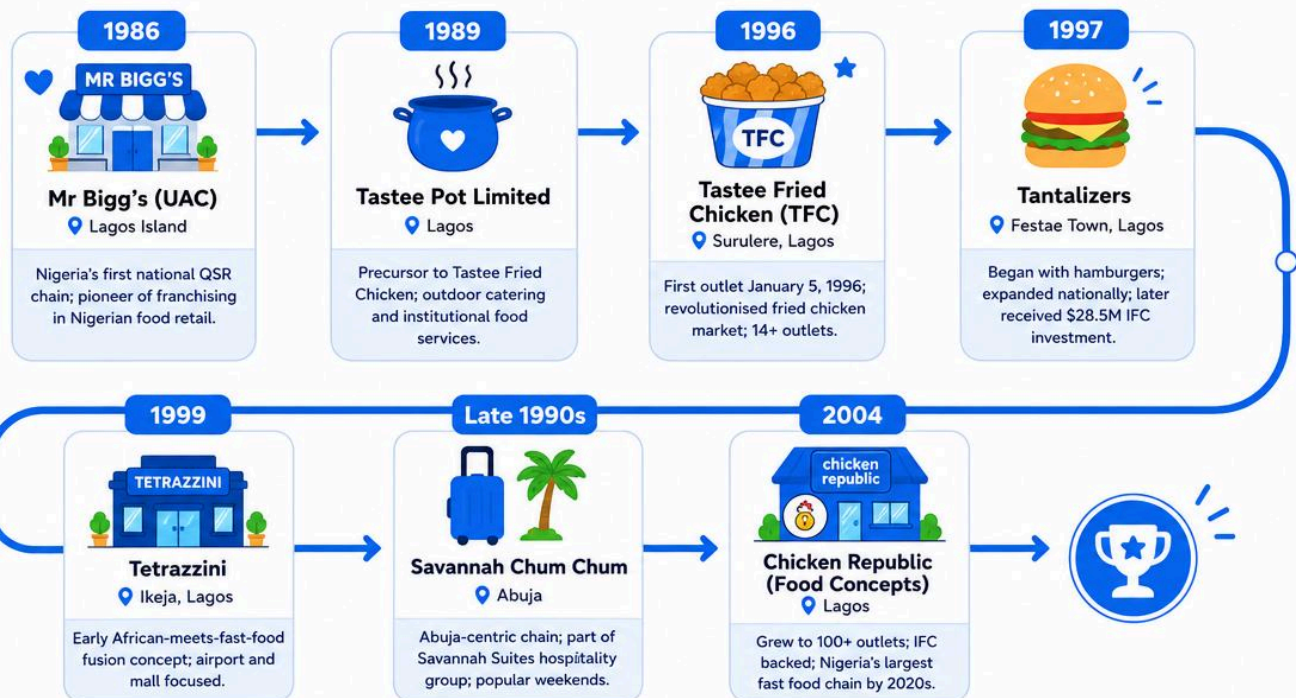
In 1973, UAC rebranded its food operations as Kingsway Rendezvous, the first branded foodservice chain in Nigerian history. The timing was significant. Nigeria's post-civil war oil boom was underway, Lagos was expanding rapidly, and a new urban middle class was forming and looking for somewhere to be. Kingsway Rendezvous served pastries, fried chicken, meat pies, and cold drinks, and became a social destination for the emerging professional class.

Then, on August 1, 1986, UAC opened the first Mr Bigg's outlet on Lagos Island, and Nigeria's fast food industry was formally born. The move from Kingsway Rendezvous to Mr Bigg's represented a complete strategic repositioning. Where Kingsway Rendezvous had targeted the elite, Mr Bigg's aimed squarely at the aspirational middle class, offering affordable meals in a clean, branded environment with standardised service. It grew rapidly through a franchising model, the first Nigerian food chain to do so, and by the late 1990s had expanded to over 50 locations across the country.

The 1990s brought new entrants that diversified Nigeria's quick-service restaurant landscape beyond UAC's dominance. Sweet Sensation arrived. So did Debonairs Pizza, Nigeria's first international fast-food chain, which came not from America but from South Africa. Each new player had a different thesis about where the Nigerian food market was headed.

In 2004, Deji Akinyanju launched the first Chicken Republic restaurant in Apapa, Lagos, under parent company Food Concepts Plc. Akinyanju had spent 16 years in the UK before returning to Nigeria to build the brand, initially through a franchise agreement with South Africa's Chicken Licken, before going independent. It was a significant bet on Nigeria's potential, made at the very moment Mr Bigg's was beginning to lose its footing. Chicken Republic would go on to become the country's largest QSR chain, and one of the businesses that would live long enough to see cash effectively taken off the menu.





The evolution of Nigeria's foodservice industry

Fun fact

April is the quietest month for payment activity in Nigeria's foodservice sector. April's transfer and card payment activity is 46.3% below December's.

Fast food acquires a taste of digital

From the first UAC coffee shop through to the mid-2000s, Nigeria's food industry ran almost entirely on cash. This wasn't simply a matter of customer preference. The banking sector was fragmented, and consumer banking products remained rudimentary and largely inaccessible outside urban areas. The 2004 to 2006 bank consolidation exercise under CBN Governor Charles Soludo merged 89 banks into 24 larger ones, but the average Nigerian's relationship with formal finance remained thin.

The ATM years

ATM penetration began to grow from 2002 onwards. By 2016, ATM transactions accounted for 90.3% of all non-cash transactions (Intelpoint, 2025). For most Nigerians, the ATM wasn't a supplement to their banking relationship. It was their banking relationship. Card issuance grew through the Verve domestic debit card scheme, launched by Interswitch in 2009, as well as through Visa- and Mastercard-branded cards. For fast-food restaurants, ATMs meant a real shift. Before, a customer without cash on hand would have to make a special trip to a bank branch, often a slow, queue-heavy process, just to have money in pocket for a meal. With ATMs becoming more available, that friction eased considerably: customers could step outside, withdraw cash within minutes, and pay at the restaurant counter. A modest improvement, but POS terminals at restaurant counters remained rare because of a number of reasons:

- Terminal rentals
- Network connectivity
- Bank charges made them unattractive for most operators.



2016

By 2016, ATM transactions accounted for 90.3% of all non-cash transactions

The cashless policy

The most consequential regulatory intervention in Nigeria's payment history came in January 2012, when the Central Bank of Nigeria under Governor Sanusi Lamido Sanusi launched the Cashless Policy. The policy imposed fees on large cash withdrawals and deposits, with an initial pilot in Lagos, then rolled it out to five additional states (Abia, Anambra, Kano, Ogun, Rivers) in July 2013, before attempting a national rollout.

The policy set limits on cash withdrawals and deposits: individual limits of up to ₦500,000 per day and corporate limits of ₦3 million, with charges applied above those thresholds. The idea was to push transactions onto electronic channels and reduce the cost of cash handling in the economy. It also set targets for POS terminal deployment and mandated that banks drive adoption of digital channels. The cashless policy was explicitly designed to shift Nigeria towards electronic payments, reduce the cost of cash management (estimated at 2% of GDP), improve tax compliance, and drive financial inclusion. In the same year, the CBN formalised POS systems and introduced agent banking regulations, allowing third-party agents to offer basic financial services.

Its immediate impact on the food industry was modest because most QSRs were not yet equipped to accept card payments. For the informal food sector, this mattered more than it might have seemed. Corner shops and mama-put operators who became banking agents could now accept digital transactions as a side business, gradually familiarising their customers with paying without handing over notes.

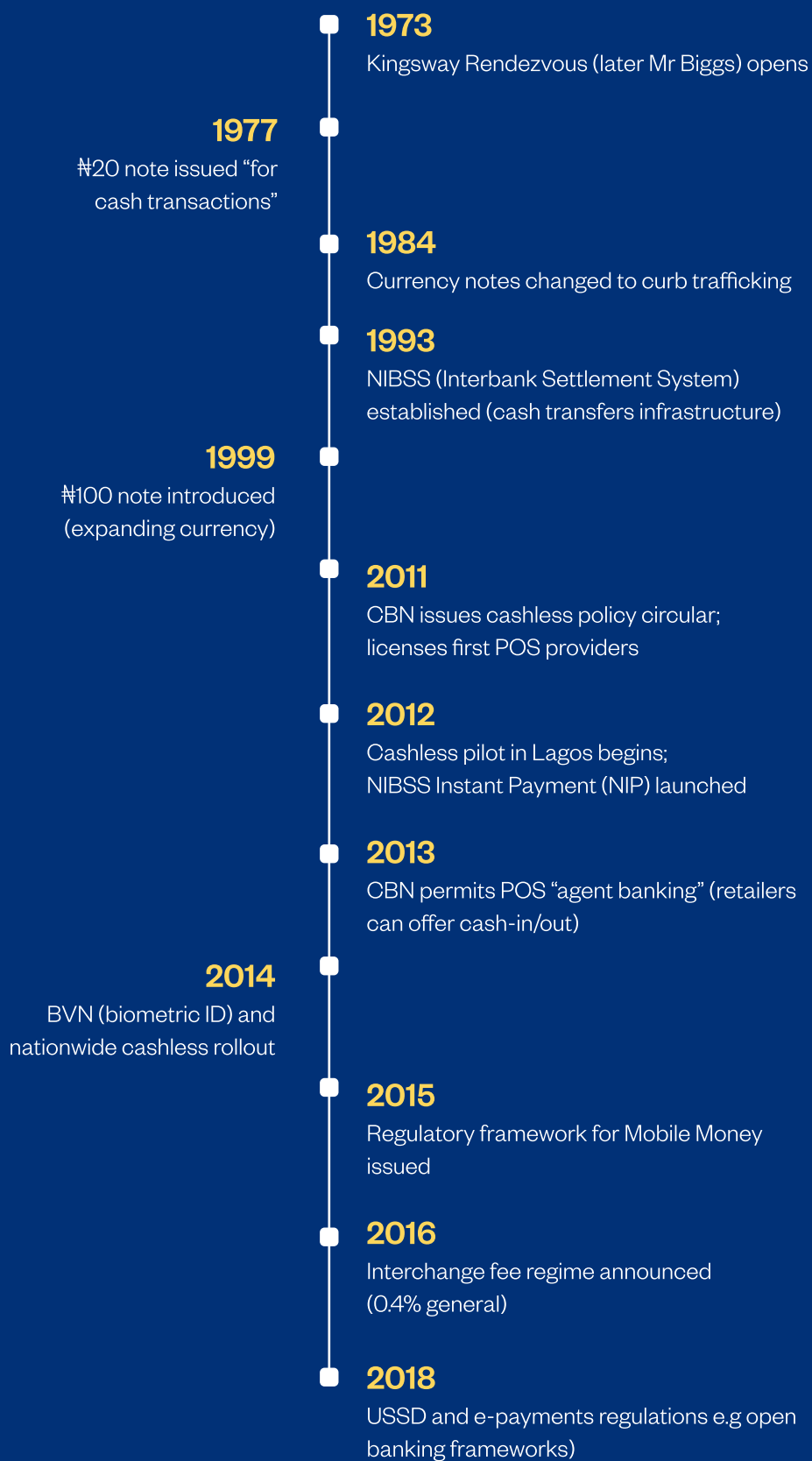
The industry's payment infrastructure was changing, although not quickly, and not without friction, but it set in motion a chain of infrastructure investments that would transform the sector over the next decade.



Fun fact

Nigeria's food transaction calendar follows a clean four-part rhythm: with both card payments and transfers strong in Q1, quiet in Q2, recovering in Q3, and surging in Q4.

Key payment milestones in Nigeria



CHAPTER 2

How business and payments work in the industry



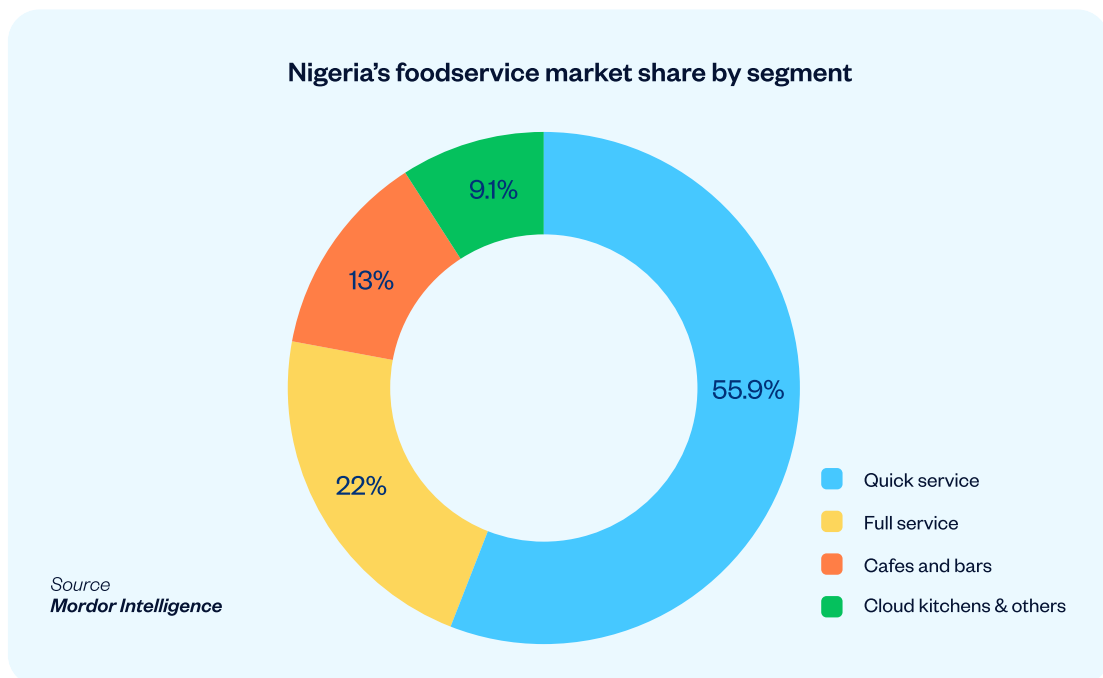
Before understanding what held the foodservice industry back, it helps to understand what the industry actually looks like in terms of business and payments. We'll look at this in two ways: how Nigeria's foodservice industry is structured and who owns these businesses.

1

Nigeria's foodservice market is large, diverse, and dominated by one segment above all others.

According to Mordor Intelligence, quick-service restaurants accounted for 55.92% of Nigeria's foodservice market in 2025, reflecting people's preference for affordable, convenient dining amid economic pressures and time constraints. GlobalData puts it even more starkly: QSRs make up 76% of all restaurant types in Nigeria. Full-service restaurants, cafes and bars, and cloud kitchens make up the remainder, with cloud kitchens emerging as the fastest-growing segment, projected to grow at a 12.75% CAGR through 2029, according to Digiroads Research.

For us at Moniepoint, POS terminal usage by QSRs grew by 2,823%, driven by Nigeria's tightening of its cashless policy in 2023.

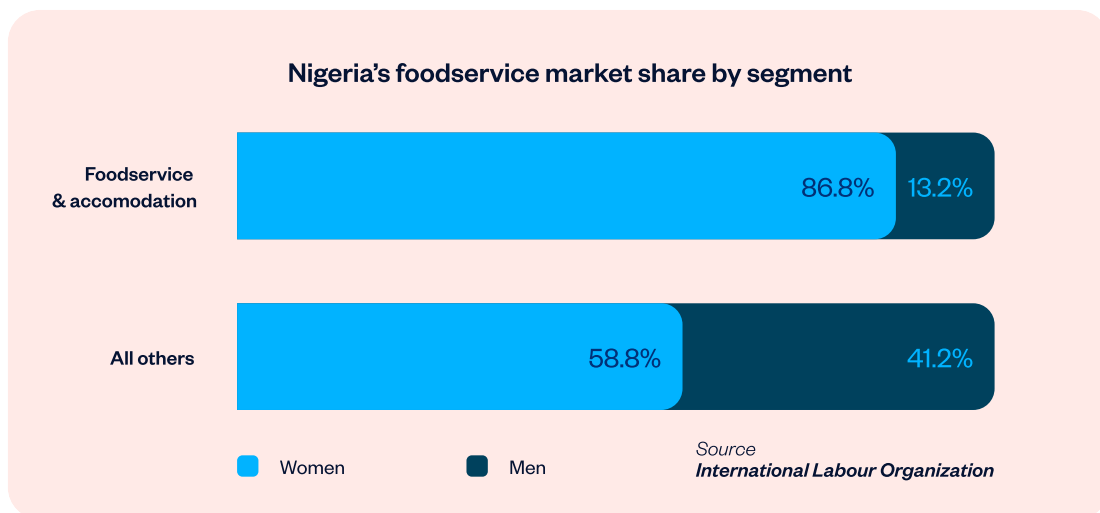


Findings by Euromonitor say that Food Concepts Plc is the only company in Nigeria's foodservice sector with a market share above 1%. The rest of the market, thousands of operators across every format and price point, is divided among businesses too numerous and too dispersed for any single company to dominate. And the POS terminal data from our network tells a compelling story about where the industry's momentum also lives.

2

The foodservice industry is the most female-dominated sector in the Nigerian economy by a significant margin.

One of the most striking features of Nigeria's foodservice industry is who runs it. According to a 2022 survey by the International Labour Organization, women own 86.8% of businesses in the accommodation and food services sector, making it the most female-dominated sector in the Nigerian economy by a significant margin.



The challenge with payments

Understanding the structure of this industry, who it is made of and what it needs, makes the challenges it faces even harder to ignore. The industry had no shortage of problems, but none were quite as frustrating, for operators and customers alike, as those around payment. Regardless of whether you ran a QSR chain or a roadside bukka, a sit-down restaurant, or a cloud kitchen, female-owned or not, those payment problems were largely the same across the board.



The daily cash trap

Before the era of instant payments, Nigerian food businesses ran largely on cash, and cash is expensive in ways that don't show up on a simple ledger.

For most industries, handling cash is a minor inconvenience. For food businesses, it was a structural crisis. Restaurants, especially quick-service operators, operate on razor-thin working-capital cycles, and cash demands constant physical handling: counting it, securing it, moving it, and reconciling it before it can actually be used. A busy Saturday, typically the highest-revenue day for most QSRs, meant a till full of notes that had to be manually counted, locked away, and transported before that revenue was truly usable. Operators were perpetually managing the friction between cash earned and cash made safe and useful. For multi-location operators, the problem is multiplied. A chain with fifteen outlets across Lagos, Abuja, and Port Harcourt had fifteen separate cash piles to manage, fifteen safes to monitor, and fifteen potential points of failure.

Cash had to be physically moved, counted, and reconciled at every location, a logistical operation that consumed management time and created constant exposure to loss, theft, and human error.



When we started, it was a lot of cash to carry around, and we had to deal with the issue of change. And when you're doing things like N600, we had N250 and N350 items, so you had to look for change. That was a major challenge managers were facing back then. Because with the company [Chicken Republic], when you open a store, they give you a certain imprest and a float. But if you look at the float, no matter how much you have, people still come, and they'd want change. Someone would come with N500 and buy something of N100, and maybe you did like N10,000 float, and you've given N400 out, before you know it, at the end of the day, you're looking for float, and that would normally cause some customers to get agitated, if they don't have it available.

Foyeke

Regional Operations Manager, Abuja and North,
Food Concepts PLC

The confirmation problem

As digital payments began edging into the food sector through the 2010s, operators ran into a second frustration: knowing whether a payment had actually gone through. The prevailing practice at QSR counters across Nigeria during this period was manual confirmation.

When a customer paid via bank transfer or card, the cashier would open a banking app on their personal phone, wait for an SMS alert, or call a manager to verify that funds had arrived before releasing the order. At peak hours, with queues stretching out the door, this verification ritual could add two to five minutes to each transaction. For a quick-service restaurant, where speed is a core part of the offering, this was a slow bleed.

It was also at its worst at the moments that mattered most. During Christmas Eve, New Year's, and Eid, when demand peaked and margins were most important, the card payment infrastructure was most prone to going down. Operators who had begun moving away from cash found themselves reverting to it precisely when volume was highest.



“

When we first started collecting payments via transfer, there was a particular bank we partnered with, and it was more of a challenge. During peak hours or even rainfall, we'd start experiencing network issues. The bank app would be down, so you can't confirm transfers. So, we used to have a WhatsApp platform with the bank where you could ask them to confirm payments. If you're unable to log in to the app or your transfers aren't dropping, you have that platform to reach out to them. We had scenarios where, even when you reached out to them on WhatsApp, they were unable to resolve the issue because it was a general issue. So, we'd have to wait, and you'd see some transfers dropping at midnight. At 1:00 a.m., 2:00 a.m. transfers are dropping, and that's already dropping into another day and time.

Adebayo

Area Manager, Food Concepts PLC

The theft problem

Food businesses are particularly exposed to operational leakage, which often occurs in ways that are structurally difficult to detect. For instance, if a kitchen receives a 25kg bag of rice. The cook uses 12kg for the day's production. The remaining 13kg disappears before the close of business. Without a system connecting raw material intake to production output to sales, the owner has no way of knowing. The numbers do not reconcile because there are no numbers to reconcile, only a feeling at month's end that margins are thinner than they should be.

The same problem existed at the counter. When payment systems were disconnected from inventory and order management, staff could collect cash for a transaction, punch in a different item at the register, and pocket the difference. Reconciliation was a manual, after-the-fact exercise that caught only the most obvious discrepancies. Scale made it worse. A single-outlet mama-put owner could manage her kitchen by sight. A QSR chain running multiple outlets across multiple shifts had no equivalent instrument.



“

The restaurant manager does the cash count and goes to the bank to do the “banking.” That was a long time ago when we had to do the cash banking by ourselves. So it puts some level of risk for managers to go with such heavy cash to the banks, you know, inasmuch as the banks that we use are very close to us, about two blocks away, but that risk is still there... Yeah, we hear, we hear such encounters happen, you know, but I never experienced it myself.

Hakeem

Senior Manager of Franchise Operations,
Food Concepts PLC

Credit locked behind collateral

For food businesses looking to grow, the traditional banking system posed a different kind of obstacle. Nigeria's commercial banks were structured around physical assets as collateral, which made them poorly suited to the working capital needs of food operators. A restaurant owner who had built a thriving business over five years, with strong daily revenues and a loyal customer base, could walk into a bank and be turned away because they did not own land or property to borrow against. Opening a new outlet required capital for fit-out, equipment, and initial inventory, often running into millions of naira, depending on the format. Without access to bank lending, operators relied on retained earnings, family loans, or informal rotating credit schemes.

According to a 2022 report by the International Finance Corporation, Nigeria's unmet credit demand for MSMEs stood at ₦13 trillion, or \$32.2 billion, in 2022, a gap that falls disproportionately on women, who make up the majority of food business owners. The credit gap bit hardest during periods of peak demand. The businesses best positioned to profit from December's surge were often those with the least access to the credit needed to stock up ahead of the surge.

Fun fact

Card payments see their biggest month-on-month increase of the year between November and December.



chicken republic



CHAPTER 3

Moniepoint and the new operating system

Moniepoint entered the Nigerian foodservice industry by design, after identifying that the sector's most persistent pain points: settlement delays, reconciliation failures, inaccessible credit, and operational leakage, were solvable problems, not inherent features of doing business in Nigeria. The infrastructure and the customer behaviour had, at last, converged with the introduction of our payment infrastructure. Here's what that impact looked like:

Taking cash off the menu with instant settlement

The first and most immediately impactful intervention was instant settlement. As of 2025, sit-down restaurants have the largest base of POS terminals on our network. While every traditional bank in Nigeria operated on T+1, meaning a restaurant's Monday revenue arrived on Tuesday, Moniepoint offered something operators had not previously believed possible: same-day access to funds collected through our POS terminals.

How Moniepoint POS terminal adoption grew among sit-down restaurants (2022 to 2025)

2025	62.7%
2024	26.9%
2023	9.9%
2022	0.6%

The practical effect on food businesses was immediate and material. Operators could finally take cash off the menu and fund the next morning's ingredient purchases directly from the previous day's sales, and for the customers, it meant less hassle over payments at the counter.

Fun fact

Transaction volume across the industry peaks twice a day, at lunch between 1 pm and 2 pm, and again in the evening at 7 pm, when the volume can be up to 15 times what it is in the morning.

Automated transfers and the end of confirmation theatre

The second major intervention addressed the confirmation problem that had made digital payments operationally painful at the QSR counter. Our POS terminals introduced automated transfer confirmation; customers could pay via transfer directly on the terminal and receive instant confirmation, without requiring a cashier to check a banking app, call a manager, or hold up a queue.

How people pay for food on our POS terminals

52.1%

Bank transfers

47.9%

Card payments



At the transaction volumes a busy outlet processes on a Saturday afternoon, eliminating even two minutes of manual confirmation per transaction translates into dozens of additional customers served, meaningfully reduced queue abandonment, and, critically, the ability to staff the counter for sales rather than for payment verification.

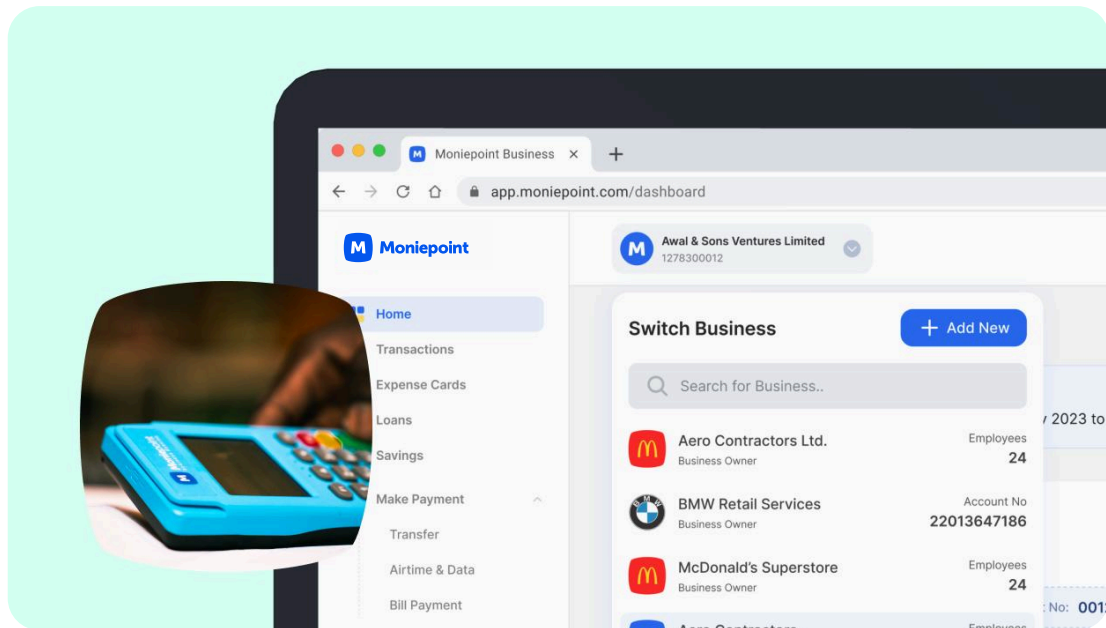


The reliability dimension of this upgrade was particularly significant during festive periods. Our infrastructure proved stable precisely when legacy card systems were most prone to failure. For operators who had reluctantly maintained cash as a fallback precisely because digital payment had let them down during peak periods, consistent uptime was the argument that finally closed the case.

Fun fact

Every foodservice peaks at lunch. Except one. Online food delivery peaks in the late evening and remains strong till past 10 pm.

A business banking dashboard, built for visibility



Beyond settlement and confirmation, our business banking dashboard gave food operators a unified, real-time view of their financial position across all locations.

For a multi-outlet operator previously reconciling paper records from fifteen branches through a spreadsheet at month-end, the ability to log in from anywhere and see every transaction in real time represented a fundamental change in how the business could be run.

The dashboard's role-based access architecture addressed another long-standing operational vulnerability. Operators could assign specific permissions to accountants, branch managers, and other staff, granting visibility without granting control, and creating audit trails that made financial misconduct significantly harder to conceal. The owner no longer needed to be physically present to know what was happening in the business.

Fun fact

Quick Service Restaurants process far more transactions than Sit-Down restaurants, but Sit-Down Restaurants generate more revenue per transaction.

Credit backed by data

The third structural intervention was credit. Our embedded lending model assessed credit-worthiness not through property valuations or balance sheet analysis, but through transaction data. A restaurant processing ₦50 million monthly through our terminals had, in effect, provided three, six, or twelve months of verified revenue history. That data became the basis for credit decisions that traditional banks, without access to it, could not make.

The impact on growth trajectories was concrete. The ability to buy in bulk ahead of Ramadan or Christmas, rather than purchasing at premium prices as demand spiked, transformed the economics of seasonal trading. For the broader food sector, Moniepoint's lending model represented a structural democratisation of credit. Businesses that had been invisible to the formal banking system, not because they were not creditworthy, but because their credit-worthiness was not legible to that system, could now access capital commensurate with their actual performance.

Fun fact

For every naira spent on food payments in Abuja and Port Harcourt combined, Lagos has processed almost six times more.

Moniebook and Orda: from payment to operating system

For large players in the foodservice industry who had already invested in Enterprise Resource Planning (ERP) software or systems, our early approach was to integrate Moniepoint's payment and financial layer to their systems. Our outlook was to enrich rather than disrupt the systems operators had already built.

As we continued to serve the industry and innovate, the deepest layer of our engagement came through Moniebook and, more recently, Orda. Where our initial interventions were primarily financial, fixing the payment plumbing and unlocking credit, Moniebook and Orda addressed the operational complexity that made the food sector uniquely difficult to run at scale.

The insight that began driving our expansion into Moniebook and Orda is that restaurants are mini-factories. They convert raw materials into finished products multiple times a day, across multiple stations, in an environment where every input is perishable, and every output is time-sensitive. The tools designed for standard retail, buy inventory, and sell inventory, are structurally inadequate for this model. We first addressed this industry-wide problem through Moniebook.

When a restaurant configures a dish in the system, specifying every ingredient and its quantity, Moniebook tracks each sale against that recipe, automatically depleting inventory and calculating the real cost of every plate served. The gap between actual and ideal cost becomes a measurable number rather than a suspicion. A significant variance flags that there may have been wrong portioning, a recipe error, or theft.

Orda's omnichannel dimension addressed a different challenge. A restaurant today might receive orders simultaneously through Chowdeck, its own website, WhatsApp, Instagram, and walk-in customers. Without a unified system, each channel depletes a separate mental inventory. Orda aggregates all channels into a single inventory ledger, ensuring that a sale on Chowdeck and a sale at the counter draw from the same stock and that the system knows when that stock is running low. This is the transformation Moniepoint is executing in the Nigerian food industry: from payment provider to operating system.



Conclusion

The Nigerian foodservice industry is evolving. What used to be a landscape of standalone kitchens and single-counter operators is now one of multi-location chains, external investment, and increasingly sophisticated operations. Food Concepts Plc, owners of Chicken Republic, Sundry Foods, and dozens of others, have shown that scale is possible and that scale attracts capital, from private equity stakes to franchise partnerships.

This evolution goes well beyond payments or even who's serving better food or faster service. In many ways, it's about how businesses can plan, forecast, and expand with the same rigour as any other formal industry. Moniepoint has evolved with the industry, ensuring that the systems and infrastructure that determine whether a food business can grow beyond its first location or remain capped at one are in place as Nigeria's foodservice moves from cash-reliant to fully digital.

Food needs a financial infrastructure, and Moniepoint is building it with our banking and business management systems.

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