

RESEARCH PEARLS | FEDU PEARL #6

In our series “Research Pearls” we are providing first-hand insights into our dynamic and powerful diaries research. In this edition we take a look at mobile money: how common is its usage among different groups and what are the main reasons for people to make use of this service.

Mobile Money

The vast majority of respondents know about mobile money; more than 80% of both women and men stated to be aware of mobile money. However, there is a significant difference according to wealth level - the richer the respondent, the more likely they are to know about mobile money, as seen in the graph

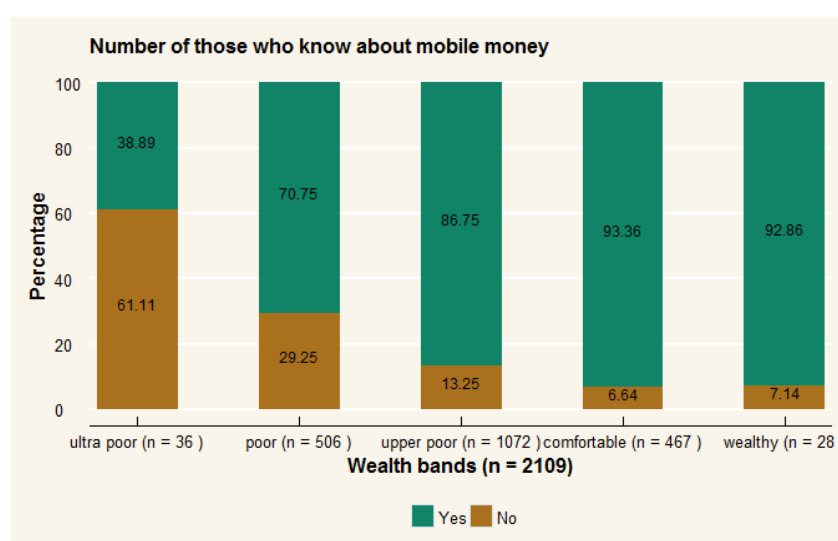


Figure 1: Awareness about Mobile Money

About 10% more respondents that grew up in an urban area know about mobile money than those that grew up rurally. While women were practically as aware of mobile money as men, more men are registered than woman. Of those who are aware of mobile money, around 75% were also registered, meaning that just one in four who were aware did not register. This is a relatively high conversion rate.

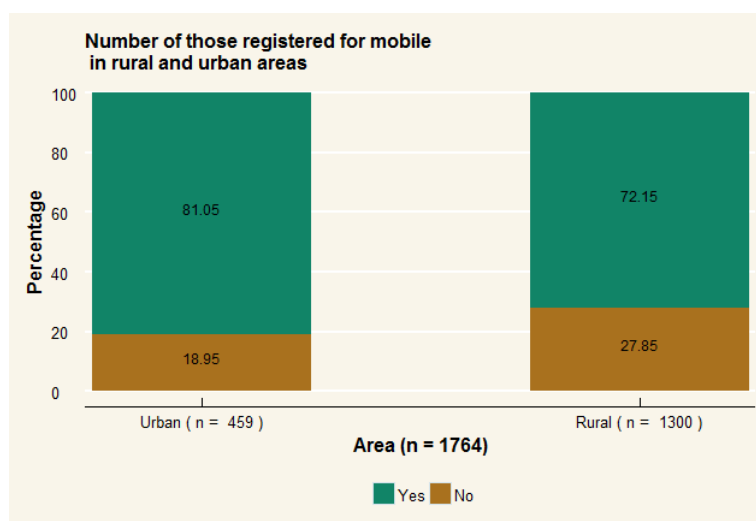


Figure 2: Registered users by gender

Also for mobile money registration the trend is that the wealthier the respondent, the more likely they are to be registered as a mobile money user. This means that not only wealthier people are more likely to know about it, of those who know about it a larger portion register. As a result the wealth band “comfortable” has 93% aware about mobile money and 90% registered, resulting in a total of $0.9 \times 0.93 = 84\%$ registered for mobile money. The wealth band “poor” on the contrary only 70% is aware and 51% of those aware are registered, resulting in a total registered percentage of $0.7 \times 0.51 = 36\%$.

Reasons to register for mobile money

Among men and women alike, the most common reasons to register for mobile money are to accept money transfers from a family member working away from home, as well as to send money. The next most common reason is to make cash withdrawals or deposits, and lastly to purchase airtime. This is seen in the graph below.

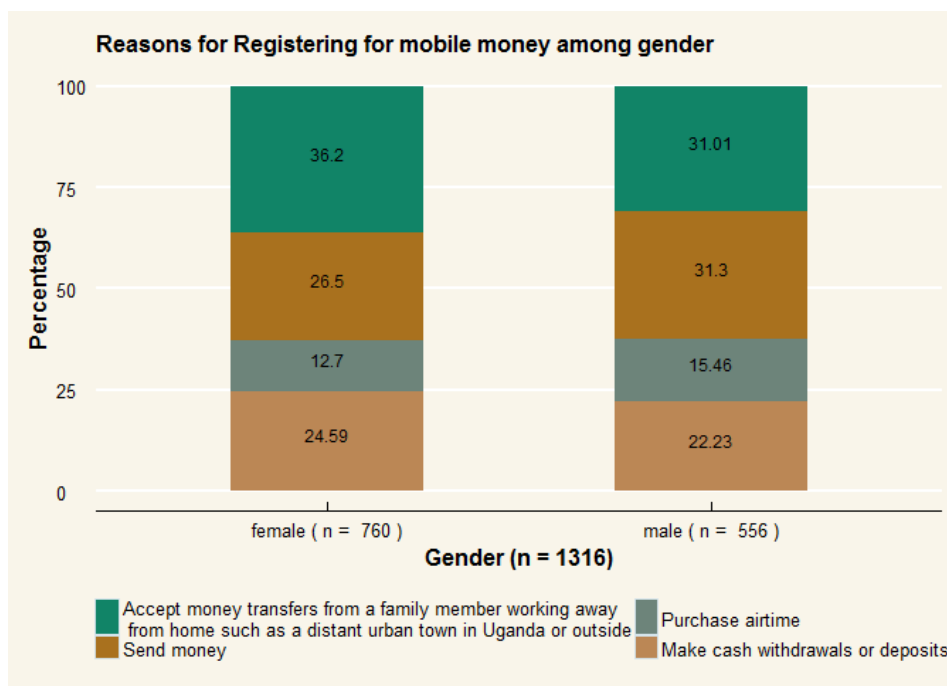


Figure 3: Reasons for registering

Reasons for using mobile money service

The most common reason to use mobile money is that “it is more convenient”, followed by that “it is easy to use”. Other reasons include that “my family/friends use it”, and that they “can send from their phone without going anywhere”.

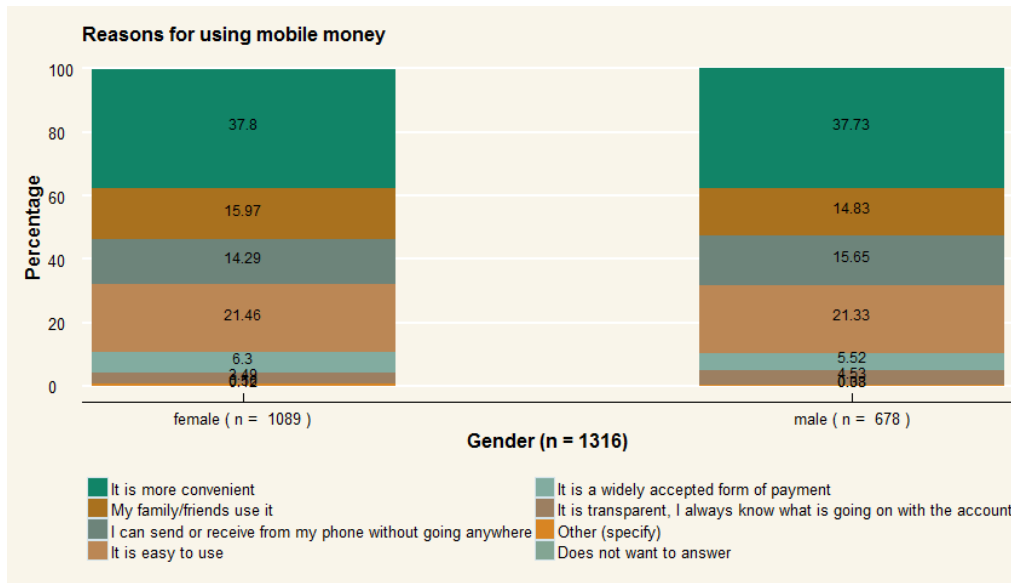


Figure 4: Reasons for usage

Implications for service providers

This research presents a couple of findings that may help service providers to improve their offer to clients. For instance, the data clearly demonstrate that there is a substantial difference in awareness about mobile money of poorer wealth bands as compared to richer wealth bands. This means that mobile providers would need to focus strongly on the poorest with any awareness campaign and may need to modify the awareness campaign for these people as obviously the awareness communications so far have not been very successful with the poorest. The conversion rate from “aware” to “registering” is also substantially higher amongst the wealthier groups, where practically all those aware have also signed up. There is also a modest difference between male and female registration. While women are virtually as aware of mobile money as men, they are around 10% less likely to register for mobile money.