The Mobile Money Revolution?

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A majority of Kenyan adults have used mobile money (m-money) services*, according to the 2009 AudienceScapes national survey of Kenya conducted by InterMedia. However, most of the m-money crowd is only sending or receiving cash transfers, the survey indicates. Just 17 percent of m-money users said they have used their phone to manage savings and only 11 percent have paid bills this way. About 1 percent – statistically negligible – have arranged loans or credits by mobile phone.

As part of the AudienceScapes project, in August, 2009 InterMedia carried out nationally-representative communication and media surveys in Kenya and Ghana.

Sixty percent of Kenyans surveyed own a mobile phone – of these, 38 percent obtained their first handset in the past two years. A significant proportion of rural respondents said they had used m-money (see Chart 1), but rural dwellers were still less likely than urbanites to do so. For those in rural areas, mobile saving and borrowing services can often provide a crucial hedge against financial hard times, such as the risk of crop failure, with effects that may also impact the health of a family, education, etc.
The AudienceScapes survey looks at the African m-money phenomenon from the ground up—based on what Kenyans themselves said in the national survey of 2000 adults (15 and older) representative of all of the country’s regions and demographic groups. The innovative survey instrument measures use of, and access to, a variety of media and communication technologies, with sections focusing on mobile phone use and how people gather information about finance topics.

In Kenya, there is a desire for more information about m-money services, but already there is more satisfaction with the information currently available, than they receive about other financial services, for instance about banks or government pensions. Radio, and friends and family, are the most used and trusted sources of information on mobile money. Interestingly, very few Kenyans had learned about money transfers from SMS messages.

The results are particularly instructive given that Kenya has been a pioneer in the m-money field, led by the successful M-PESA money transfer service introduced in 2007 by Safaricom, Ltd., an affiliate of the U.K.’s Vodafone Plc. Still, despite millions of users and a range of competitors having entered the Kenyan m-money market since, the AudienceScapes survey indicates that m-money remains primarily about moving money rather than expanding access to other types of financial services (see Chart 2 above).

The development benefits of m-money are being touted worldwide. Where bricks-and-mortar banks are few and far between and internet access is minimal, people face serious challenges mobilizing funds for investment, transferring money safely or finding a place to keep (and perhaps grow) their savings. Development practitioners are thus eager to know more about how these m-money services are being used (or not used) and whether they are improving people’s daily lives.
The AudienceScapes data also can help identify geographic areas that are most in need of attention while m-money services are rolled out. For example, in the Upper East and Northern regions of Ghana, a large majority of respondents (71 percent and 76 percent, respectively) said they did not have access to any financial services (either banks/cooperatives or informal savings groups; in all other regions, fewer than 40 percent said so). As a result, development groups might want to devote more attention to such regions in order to increase the equity of m-money’s reach.

The AudienceScapes project (www.audiencescapes.org) is aimed at bridging knowledge gaps about media preferences, personal communication habits and the use of information and communication technologies (ICTs) in Africa and in other developing regions. It is also a tool for identifying needs in media, communication technologies, development information and development policy.

The project’s name refers to the benefits for development organizations of understanding the changing communication preferences and needs of their ‘audiences’—the target populations and policymakers whom they are trying to support. Launched in April 2009 with support from the Bill & Melinda Gates Foundation**, AudienceScapes comprises four main elements:

- **National quantitative surveys** looking at (1) the general population’s access to and use of media, access to and use of information and communication technologies (ICTs), and word-of-mouth communication habits; and (2)
how these factors affect people’s acquisition of knowledge about key development topics. Pilot projects are taking place in Ghana, Kenya and Zambia.

- **In-Depth Interviews with policymakers** to find out how they gather, assess, share and disseminate critical information related to development topics, and find out how global development partners can play a constructive role in this process. The interviews were begun in the same three African countries.

- **The AudienceScapes website** which provides access to the program’s analytical reports as well as the quantitative survey data. The website also has detailed “Country Communication Profiles” of several countries in multiple developing regions, plus other resources for development practitioners working in communication, media development, technology development and policy dialogue.

- **Custom Research and Analysis** for organizations and companies in need of reports catering to their specific research needs.

For more information, contact us at audiencescapes@intermedia.org.

**InterMedia** (wwww.intermedia.org) is a nonprofit research, evaluation and consulting company with expertise in media, communications and development. We creatively equip clients to understand audiences, design projects, target communications and gauge project impact in developing and transitional societies worldwide.

*For this study, we apply the definition of mobile money services used in the “Mobile Money Market Sizing Toolkit” produced by the Consultative Group to Assist the Poor (CGAP) and the GSM Association: Any financial service delivered over a mobile phone, including mobile wallet, transfers and remittances, payments (including airtime), savings, credit, insurance, etc.*

**The findings and conclusions of the AudienceScapes research project are those of InterMedia and do not necessarily reflect the positions or policies of the Bill & Melinda Gates Foundation.