**Mobile Communications in Zambia**

A demand-side analysis based on the AudienceScapes Survey

---

**Report Summary - Key Points**

**Zambians' Mobile Phone Use and Activities**

- **Young Zambians:** Youth and young adults (15-29) are often assumed to be leaders in mobile phone use, but this is not entirely the case in Zambia. While those 15 to 29 make up the largest segment of overall mobile phone users, they do not show the highest rate of weekly (regular) users – that is taken by those 30 to 44.

- **Geographic Breakdown:** There are substantial differences in rates of mobile phone use among Zambia’s nine provinces. These differences reflect varying levels of human development around the country, but other factors come into play.

- **Cost Factors:** When respondents were asked to agree or disagree that “using a mobile phone is expensive,” 63 percent answered in the affirmative. Even those residing in high-income households were more likely to agree than disagree with the statement. The same can be said for frequent mobile users, with some 52 percent of daily users and 53 percent of regular users agreeing or strongly agreeing with the statement that mobile phone use is expensive.

- **Mobile Radio:** A key feature of Zambian (and more generally, African) mobile phone use is an old-new media convergence phenomenon - handset-based radio listening. Among regular mobile users, a third said they listen to the radio via their handset on a weekly basis, and 25 percent said they listen on a daily basis. Unlike the use of mobile internet, radio listening is more evenly spread across urban and rural users. Mobile-based radio listening may also continue to expand; given that youth and young adults (YYAs) are currently the most likely to do so and thus will set the pattern going forward.
• Less-frequent users of mobile phones tend to restrict their activities to SMS and voice services. The most likely reasoning behind this is that less-frequent users are often handset borrowers instead of owners.

• SMS News: Of the Zambian survey respondents who said they have used a mobile phone, about 22 percent said they use a mobile phone to access news and information via SMS at least once a month; 12 percent do so at least weekly. Only about 16 percent of regular mobile phone users reported using a phone to access SMS news weekly.

• The three main factors influencing the intensity of use of SMS as a news and information source are respondent’s location (urban vs. rural), level of education and whether they own a phone or SIM card.

• Trust in SMS Information Sources: People do not tend to pay much heed to news or information that comes from sources they do not generally trust - hence the reason to ask respondents about their level of trust in SMS-delivered content. The survey showed that demographic groups who are more trusting of SMS content are the same who are more likely to be frequent mobile phone users and weekly SMS news receivers.

• Information Sharing Patterns: If SMS message sharing develops similar patterns as those of familial or communal word-of-mouth networks, mobile communication has the potential to be an extremely important means of disseminating important development information. However, SMS forwarding in Zambia remains limited; only 16 percent of regular mobile phone users said they use their phones at least weekly to receive SMS messages containing news and information. Of this group, only a quarter said that they forward these messages to other people either “often” or “always”. In other words, habitual SMS forwarders were only about 7 percent of all regular mobile phone users.

• Demographically, more privileged groups seem willing to incur the cost of forwarding a SMS. That said, there is reason to expect that SMS forwarding will expand beyond this group, given that Zambians youth and young adults (YYAs) are again leading the way and the cost of mobile communications continues to fall in Zambia.

• Use by Service Provider: Examining mobile use from the perspective of service providers gives development practitioners a better idea of the demographic groups each provider reaches. Based on the survey data, Zain's service is used by 78.5 percent of Zambian mobile users, versus 38.5 for MTN and 7.4 percent for Cell Z. Note that many mobile phone users employ more than one service provider to take advantage of the lowest-cost service option at a given time or place. Around 23 percent of mobile phone owners in the survey said they subscribe to more than one service provider.
Mobile Phone Adoption Patterns

- **Gender Differences**: There are clear differences in the demographic makeup and media use patterns of early, intermediate and recent mobile phone "adopters" (those who own a phone). Urban, better-educated men were dominant among early adopters. Among recent adopters, however, the gender divide switches in favor of women in the higher socio-economic groups but males remain more predominant in lower groups.

- **Income Factors**: It might be assumed that early adopters would be among the more affluent members of society, but the AudienceScapes data show that some 30 percent of early adopters self-reported as being in the lower-middle income tier. High-income individuals were 38 percent of early adopters.

- **Inclusion**: Mobile adoption has progressively expanded to the economically less-privileged demographic groups. However, education remains a key element, as there appears to be a minimum level of literacy and numeracy needed to operate a phone at this stage of technical development.

- **The Role of Education**: Education level emerges as a key factor in determining early cell phone adoption; those respondents having achieved a post-secondary education dominate the early adoption category. That said, **education level appears to be less of a factor in mobile phone adoption than previously**: only 66 percent of recent adopters said they have at least some secondary education, compared to 94 percent for early adopters and 84 percent of intermediate adopters.

- **Early Adopter Use Patterns**: Early adopters appeared (perhaps logically) to be more innovative users of mobile phones. For example, they are much more likely than intermediate and recent adopters to be regular users of features other than voice calls or SMS-text messaging. Early adopters’ greater use of mobile web services and other services requiring data services partly reflects the fact that the early adopters are well represented in higher-income households and in urban areas where data services are primarily available.

- **The Ownership Factor**: When asked why they do not use mobile phones, many non-users said the main reason is that they do not personally own a phone. **Eighty-one percent of non-users of mobile phones either agreed or strongly agreed with the statement, “I intend to buy a mobile phone in the future”**.
Mobile Phone Sharing

- **Phone Lending:** Mobile phone sharing is a common practice that allows expanded access and use beyond owners themselves. Some 26 percent of mobile phone owners (12.5 percent of all respondents) said they lend their phone to someone else at least once a month. Mobile lending is not restricted to the most affluent phone users; in fact, lower middle-income phone owners were overall the most likely to lend their phone.

- **The User-Borrower Spread:** In each province of Zambia, the percentage of monthly mobile users exceeds the percentage of people saying they own a phone, with the spread ranging from 5 percentage points (Northwestern) to as high as 28 percentage points (Western). The spread shows how many people are either borrowing phones or using fee-based services such as phone kiosks.

- **Free Versus Fee:** A majority of those who lend their mobile phones said they do so for free, but one-fifth said they sometimes share for free, they sometimes require borrowers to pay a fee. Rural phone lenders are much more likely than urban lenders (25 percent versus 14 percent) to say they either lend for free or for a fee. The likelihood that a mobile phone owner sometimes requires a fee for sharing their phone is generally constant across income groups. Only 1 percent of designated mobile lenders said they always demand a fee.

- **Location:** The urban or rural location of a mobile borrower plays a critical role in how they gain access to and use a phone. In urban areas, the ability to use a mobile phone at a local business, available to 41 percent of urban borrowers, is much more prevalent than in rural areas (available to only 10 percent).

- **SIM Card Use:** About 31 percent of weekly (regular) mobile borrowers said they use SIM cards in other people’s phones. Zambians who own a SIM card are more likely than non-SIM card owners to be a regular mobile phone user, but this advantage only goes so far. The advantage held by SIM card users seems to be limited to basic phone functions, as only a small percentage of this group reports weekly use of more complex or time-consuming mobile functions.

- **Relying on Family and Friends:** For Zambians who do not own a phone, gaining access through family and friends is the key driver to increasing the frequency of mobile phone use. Having access to a local business that offers the use of a mobile phone (an option for about 20 percent of borrowers) is not a central enabler of frequent mobile phone use. This is especially the case for rural mobile phone users who have very little access to commercial establishments and are more dependent on communal access.
Mobile Financial Services (Mobile Money)

- **Growth Potential:** Seventeen percent of respondents said they had used a money transfer service of some kind in the past 12 months, revealing strong market potential for mobile money providers. But only about a quarter of those who had used a money transfer service said they have used m-money.

- **Users Are Predominantly Banked:** Mobile money users in the survey are predominantly urban, educated and “banked” (that is, using banking services). Ninety percent of m-money users said they have at least some secondary education; 59 percent said they have some post-secondary education.

- **Money transfers are by far the most common activity conducted by m-money users.** In general, those who already have a bank account were more likely to conduct various m-money transactions, especially the payment of bills. This is not surprising considering the fact that m-money services until recently required a bank account and focused their campaigns on more advantaged groups.

- **The one exception is the management of savings.** What this tells us is that the unbanked who are using m-money, even though they encompass a smaller percentage of users, are taking the opportunity to do more than send and receive money transfers and adopt basic formal banking practices.

- **Mobile Money and Media Use:** M-money users generally have greater exposure to media, which means they have a greater chance of being exposed to information about mobile money services. Thirty percent of users said they have received information on m-money in the past week; 59 percent had received information in the past month. Only 11 percent of non-users had received information in the past week and 21 percent in the last month.

- **Need for Information to Reach the BOP:** If m-money in Zambia is to reach those at the bottom of the pyramid, better targeted information campaigns will be needed, whether through more-frequent advertising on popular outlets or the recruitment of network agents who can engage people through word-of-mouth networks. That face that of non-users are less educated also means that outreach will have to be thorough in explaining how individuals may benefit from m-money services.

- **Desire for More Information About Mobile Money:** When asked about their level of satisfaction regarding information on m-money services, 42 percent of respondents said they lacked sufficient information about m-money to even make a judgement. Only
22 percent of non-mobile money users said they were very or somewhat satisfied with the amount of information they were receiving.