Overall, the survey points to significant potential for m-money expansion in Uganda, including among bottom-of-the-pyramid populations. Notably, two-thirds of all surveyed households have at least one member who owns a mobile phone and an active SIM card. Moreover, more than half of unbanked households and households living below the poverty line can access a mobile phone and own a SIM card.

Limited uptake of m-money and limited use of services beyond remittances appears to be related to an incomplete understanding of the available services among m-money users and nonusers. An insufficient number of m-money agents, inconsistent service quality and low liquidity have also emerged as serious impediments to uptake and more frequent use of m-money, particularly in the rural areas.

Currently, one in five households in Uganda has at least one user of m-money services. M-money is mostly used for sending or receiving regular remittances. MTN is by far the leading provider of m-money services.

Awareness of m-money services among nonusers is relatively high, indicating an opportunity for further growth in service adoption: Only 32 percent of surveyed nonusers do not use m-money services because they had not heard about them.

Interviews with registered MTN m-money users in the households show a steady, but gradual, increase in the m-money subscriber base since 2009. However, the uptake of services beyond money transfers is somewhat slow, and only 39 percent of registered users report knowing about m-money applications other than money transfers.
Only 9 percent of households currently use an m-money account as a place to save money; however, the service seems to fit well with households’ existing savings routines, and half of households with registered m-money users store money on their m-money accounts.

Registered users of MTN m-money most frequently cite media and friends as their initial sources of information about m-money. But most users decide to register for an m-money account because of a personal recommendation.

Rural users are most likely to register in response to an agent’s recommendation. However, four in five rural registered MTN m-money users reported at least one problem with an agent in the past 12 months, and 44 percent of rural nonusers said they never use m-money because they cannot find an agent close to home. This suggests that m-money’s expansion in rural areas might be hampered by the shortage of m-money agents and the inconsistent performance of some agents.

To reach an MTN agent, rural users travel longer distances and spend more money on transportation than urban users. Once rural users get to an agent location, they are also more likely than urban users to face problems related to agents’ absenteeism, agents experiencing a shortage of cash or e-float, and agents charging an informal deposit fee.

Regardless of the m-money status of a household, remittances are primarily used for routine financial support among relatives living in different households. Friends, peers and other acquaintances also appear to be using remittances as a part of their lending routines.

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