



Does Mobile Money Matter? Exploring Mobile Money Adoption by Ghana's Urban Poor

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Mobile Money in Ghana

- **Background of mobile money**

Initial introduction by MTN poorly received. Re-introduced in 2009. At the time of data collection, 3 telecom companies (MTN, Airtel (formerly Zain), and Tigo) had launched MM products (in 2010), and a 4th (Vodafone) was getting ready to do so.

- **Ghanaian “Moneyscape”**

Consumer resistance to new money products (redenominated currency, ezwich, visa)

- **Accessible mobile phone technology**

~ 74%

- **BOG mandated Regulation (based on recommendations from USAID training)**

- Bank partnership, KYC, P2P, transaction limits, hopefully P2B (airtel), cross-service provider transfer capability

Our Study

- Goals: Awareness, attitudes, uptake, barriers, impact of MM, 1 year post (re)launch
- Interviews
 - Location: Accra, Ghana, June – August 2011
 - Sample:
 - 35 Low income, 35 Non-poor, lower middle class income Ghanaian adults
 - Added due to preliminary findings: 25 Merchants, 25 market women, MM vendors, MM payee locations, 1 MM company rep
- Document review
 - Newspaper and magazine advertisements, brochures, etc
- Scouting
 - Location scouting for billboards, MM ads

Will you Use MM? **Absolutely NOT**

- “It is like when you have many dresses but you prefer one to the rest”

22 y.o. female orange seller

- As for me, I would like to keep my money in the bank. **I cannot trust MM.** If someone pays and send you money but it never comes, you lose.”

19 y.o. vulcanizer

DIAL *100#

Yes, I will use MM

- I can't tell how they send the money, that is why. I am amazed by it. But if I try it and it is able to go through, then I would say that their claims are true (hawker)
- At (bank or Western Union) if the cashier is angry or you make an error on the form you can imagine what will happen,... but you can transfer at your convenience with MM (public servant)

Ambivalence about MM

- “Somehow it is good, but somehow it is not good”
(35 y.o. female food hawker)
- “I think every system has its advantages and disadvantages”
24 y.o. female public servant
- It is convenient(but) the truth is Mobile Money will be my last resort”
(25 y.o male public servant)

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Barriers to MM Use

- No money
- Not enough knowledge about product
- Lack of trust of product (ranging from convinced it is not safe to not sure it is safe)
- Access to vendors/proximity
- Confusion about role of banks

Other Reasons For Non-use

- MM will cause them to spend more money
- No one to remit money to
- Preference for cash
- Just haven't gotten around to it yet
- What if I lose my phone?



Levels of MM Knowledge

- Knowledge of companies offering MM
- Knowledge of vendors/agents
- Knowledge of uses
- Knowledge of product name
- Knowledge of process
- Knowledge of other countries using MM
- Previous personal use
- Knowledge of MM user



Higher Income Group

- “It is cool, safer, and faster (than other forms of money transfer). When you are paying utility bills, you can just sit in the comfort of your home”

25 y.o. male

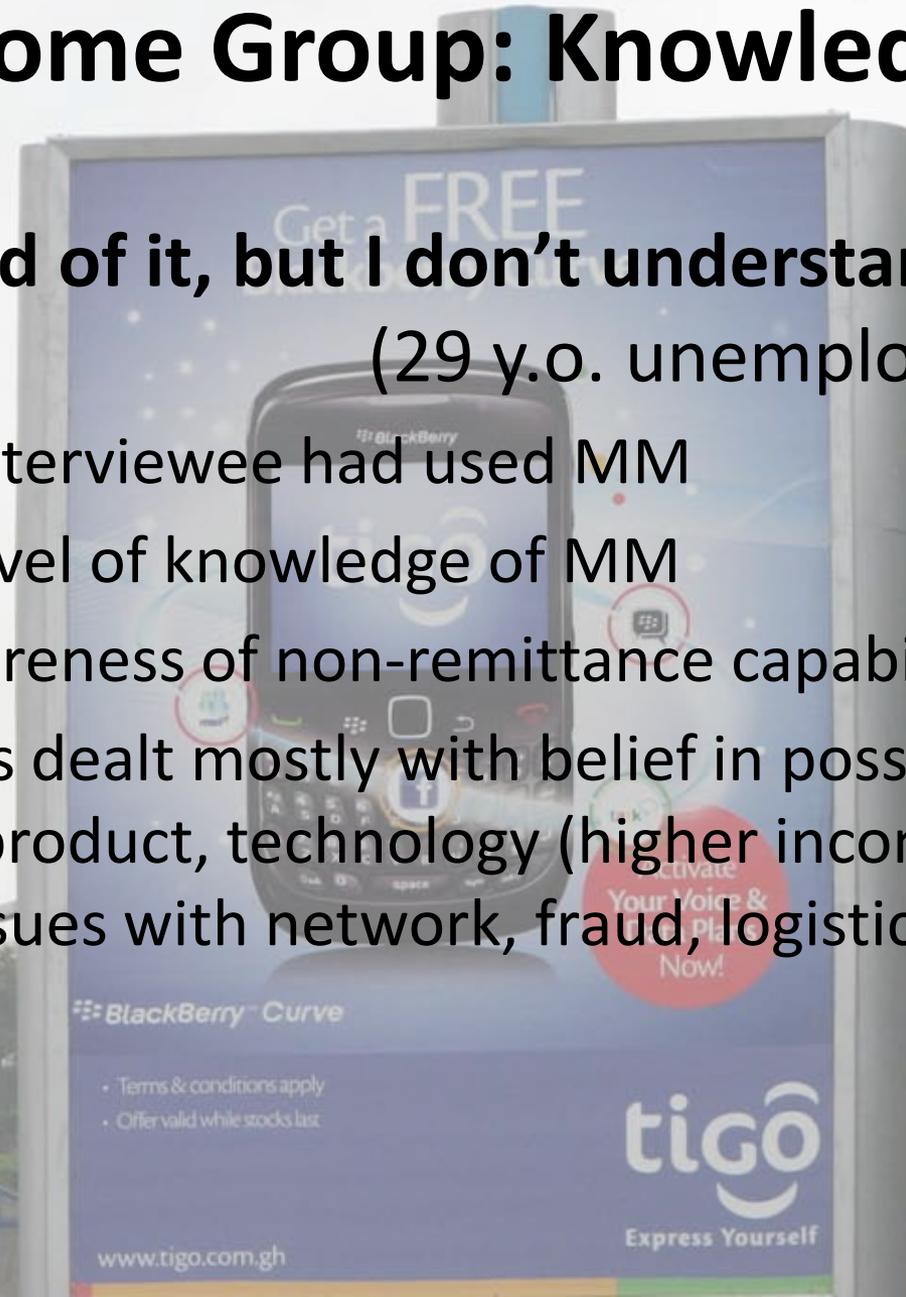
- Less than 10 had used MM
- Concerns with technology, susceptibility to fraud (sakawa), human error, and logistical hitches (including users).
- Low awareness of global context of MM
- Recognition of non-remittance potential

Low Income Group: Knowledge Gap

“I have heard of it, but I don’t understand it”

(29 y.o. unemployed male)

- Only 1 interviewee had used MM
- Lower level of knowledge of MM
- Less awareness of non-remittance capabilities of MM
- Concerns dealt mostly with belief in possibility of MM, trust in product, technology (higher income group raised issues with network, fraud, logistical problems)



Interviews with....

MM Vendors

- Low patronage of MM (about 1 a day in 1 location)

Bill Pay

- We do not accept MM here”
- “They took the ezwich machine away and have not brought it back”

Ad search

- Visible Marketing, Low awareness
- Regular Adverts on **tv, radio**, magazines, billboards, banners, bus stops, and other ad media on major commercial streets in Accra's capital city
- No person-to-person marketing
- Unanswered question: Are people not paying attention to these ads just because they assume they are generic phone company ads?

Interview with Mobile Money Rep; Document Review

AIRTEL

- 2 Mil phone subscribers only 1% of registered for MM BUT subscription \neq usage
- Hands-on workshop for journalists (Nov 2011)

TIGO

- Post-launch marketing campaign underway to increase awareness
- Recognition of large market potential
- Differentiating between table top phone credit vendors and MM agents to promote trust in MM

Merchants' Perspective

- Location: Oxford Street and 2 Malls
- “All I have heard is “Mobile Money, Mobile Money”; I do not know what it is” (Oxford Street store manager)**
- “I think it will be a good way of doing business” (Accra Mall)***
- No success in cashless forms (visa, ezwich) due to technical and fraud problems
 - Some considering moving back to cash even though it is less convenient
 - MM sounds like a very good idea in theory, but is it really going to work?
 - No marketing: no information available about MM

Market Women's Perspective

❖ SHOE LEATHER COST

“I am the only one here and I cannot leave my goods to go and get the money if somebody pays me with MM.....If they will come here or open a store here it will help so that I can easily go and get the money.....”

LIQUIDITY ISSUES

“Mobile Money is a good idea, but as for me, I prefer cash” (Hair products seller).

“It will be ok for the **big time businesses**. Those who deal in wholesale and bulk trading. So instead of carrying more cash in hand, when they transact their business with mobile money, it will be safe for them.

But as for mine, mine, it is a small one. **I need the cash so urgently in order to go and purchase goods for sale**, I don't think it's good for me.”

(Saucepan market seller)

General Conclusions

- In Ghana, **Cash is still King**
- Ghanaians slow to accept new forms of money, including MM

“Maybe ...trying something new is always difficult for us” (39 y.o. female public servant)

Will this change?

“I think it is a good initiative and great innovation. I just hope that in terms of awareness creation, more information is given about it, then more and more people will like to use it”

(25 y.o. public servant)

- *Person-Person Education
- *Proximity of Vendor to Potential Users
(Traders)

Enjoy convenient Conclusions

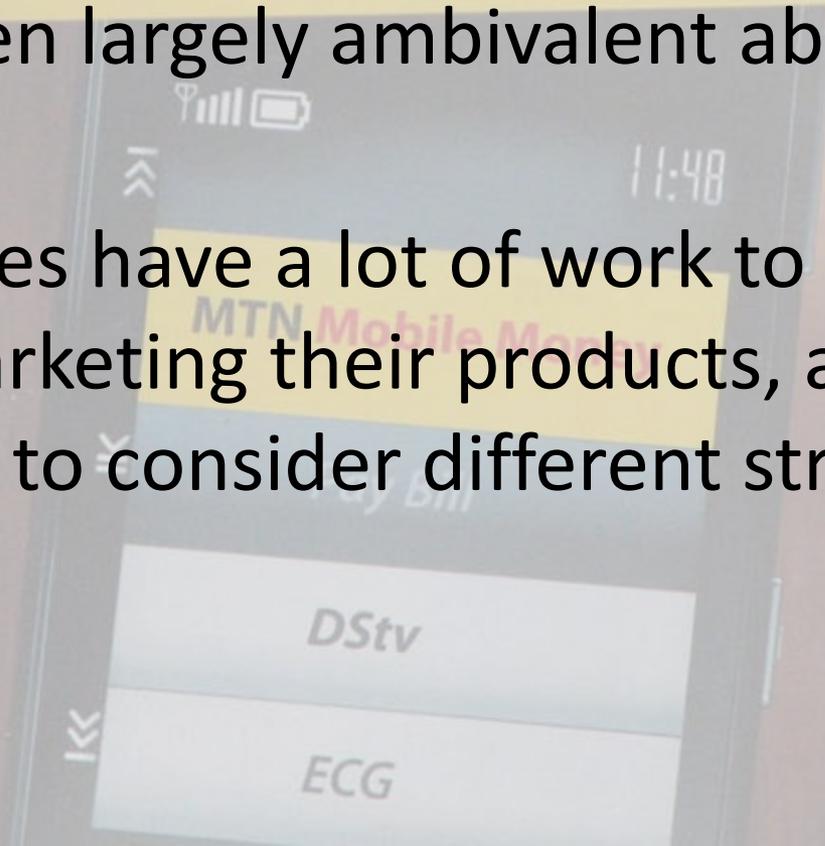


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- Merchants see benefits and problems with MM
- Market women largely ambivalent about use, prefer cash
- MM companies have a lot of work to do with regards to marketing their products, and may possibly have to consider different strategies.



Conclusions

MM = Ghana's AFLAC (it's there, but very few people know): different marketing needed.

Does MM matter?

Ghanaian Answer, per our data: **YEA....BUT**

Despite it's potential, **it's adoption is nowhere near full**

Conclusion

Low and high income groups are at different stages of awareness/adoption.

There is a lack of knowledge among Ghana's urban poor.



Customer MM Journey Model
McCarty, 2011

Future Directions

- ❖ Provide an update of the current MM products
- ❖ Use quantitative measures to:
 - Evaluate the attitudes towards MM products
 - Investigate the extent/intensity of adoption of MM

THANK YOU