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**Mobile Money Use in Tanzania: Despite strong growth in registered users during 2010, use rates still lag far behind Kenya, according to new research from InterMedia's *AudienceScapes* project.**

**Washington, D.C.** - Growth in the use of mobile money services in Tanzania gained considerable pace during 2010, but usage rates still lag well behind those seen in neighboring Kenya, according to [a new research report](#) from [InterMedia](#)'s AudienceScapes team.

The report, "[Mobile Money for the Unbanked: Lessons from Tanzania](#)," draws on the AudienceScapes national survey of Tanzania conducted in mid-2010 - roughly two years after the first mobile money service was launched in the East African country. The report shows that 11.5 percent of Tanzanian adults (or 2.75 million out of an adult population of 23.9 million) had used a mobile money service by that time.

A similar AudienceScapes survey conducted in Kenya in July 2009 - also about two years after mobile money was introduced - showed that 54.6 percent of Kenyans had used such services.

Despite the substantial usage gap between the two countries, there is reason for m-money optimism in Tanzania, given a recent surge in registrations. The report reveals that 63 percent of Tanzania's m-money users first signed up for a m-money service only in the past six months, pointing to a market that has begun a brisk expansion phase.

What's more, the expanding availability of mobile phones in Tanzania, particularly among lower-income and rural individuals, is likely to create a wider base for m-money. Indeed, the Tanzania report highlights

the importance of mobile phone ownership for m-money use: More than 90 percent of m-money users are also mobile phone owners.

Mobile money refers to services that allow people to conduct financial transactions via a mobile phone, such as transferring cash to other people, paying for goods and services, or purchasing phone airtime. Kenya's M-PESA service, launched by Safaricom in 2007, is considered a pioneer as well as a success story in the mobile money field which spawned many other mobile operators to launch competing services. Mobile money came to Tanzania in 2008 when Vodacom launched a version of M-PESA there.

"Tanzania is a more challenging mobile money environment than Kenya, given demographic, geographic and economic differences, as well as problems in mobile money agent recruitment," said David Montez of InterMedia, author of the report. "But mobile money operators in Tanzania are adapting their products to local conditions, and you can see progress," he added.

M-money proponents in the international development community also see these services as an access point for safe and affordable financial services to the poor and the "unbanked" at the so-called Bottom of the Pyramid in developing countries. But this appears to be progressing slowly in Tanzania: according to the AudienceScapes report, only 3.9 percent of Tanzanian's unbanked adults had used mobile money, compared to 20 percent in Kenya.

The Tanzania report is based on InterMedia's AudienceScapes nationally-representative surveys of 2,000 Tanzanians 15 and older, conducted in July 2010, and 2,003 Kenyans in July 2009. They both include comprehensive modules on access to mobile devices, use patterns of SMS and other functions, barriers to mobile use, access to financial services, use of mobile money services, and more.

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**InterMedia** ([www.intermedia.org](http://www.intermedia.org)) is a research-based consultancy providing strategic guidance and insight into the behaviors and views of people globally, especially among hard-to-reach populations. We provide counsel on effective engagement strategies in an increasingly complex media and communication environment, helping a diverse clientele map and measure how people gather, share and shape information. Based in London, U.K., and Washington, D.C., InterMedia also works with partners across the developing world to strengthen local research capacity. On the ground in 60 countries annually, its 40 research experts use innovative techniques to understand how information, communication and media resources can deliver impact. Clients include the World Bank, USAID, the Bill and Melinda Gates Foundation, UNESCO, the BBC World Service, the Department of State, Deutsche Welle, Sesame Workshop, AED and major U.S. public international broadcasters.

InterMedia created [AudienceScapes](http://www.audiencescapes.org) ([www.audiencescapes.org](http://www.audiencescapes.org)), an integrated research program and online resource center that improves development outcomes through knowledge sharing and dissemination of research and analysis in a user-friendly format. The AudienceScapes project, launched in 2009 with support from the Bill & Melinda Gates Foundation, applies InterMedia's core research competencies to the needs of development practitioners worldwide.

**Access the Tanzania mobile money report here:**

[Mobile Money for the Unbanked: Lessons from Tanzania](#)

**Access all AudienceScapes reports covering Ghana, Kenya, Tanzania and Zambia here:**

[Africa Research Reports](#)

**For more information about the report or about purchasing AudienceScapes data, contact Peter Goldstein, director of communications, InterMedia, at +011-202-434-9584, or at [goldsteinp@intermedia.org](mailto:goldsteinp@intermedia.org)**