MOBILE MONEY IN UGANDA PANEL MANAGEMENT UPDATE

In 2011, the Bill & Melinda Gates Foundation's Financial Services for the Poor program commissioned InterMedia to conduct a three-year panel study of households in Pakistan, Uganda and Tanzania. This study is designed to monitor the uptake, use and market potential of mobile money (m-money) services. As part of this project, three mini-surveys are conducted between waves one and two, and waves two and three of the study. These are the findings from the third mini-survey of the first wave of FITS Uganda, conducted in December 2012.

METHODOLOGY AND SAMPLE OVERVIEW

Of the 3,000 households selected for the InterMedia FITS study, 1,957 households (65 percent) provided phone contact information and 1,021 households (34 percent) were successfully re-contacted for the third mini-survey; 708 households (24 percent) participated in all three mini-surveys.

Of the re-contacted households, 98 percent lived in the same residence as they did when the main survey was taken.

The households that responded to the third mini-survey are different from the average household in the full FITS sample. All re-contacted households had access to a mobile phone (versus 73 percent of the total sample), 84 percent were rural (versus 86 percent of the total sample), 77 percent of the mini-survey households reported living on less than $2 a day[1] (versus 79 percent), and 77 percent were unbanked (versus 83 percent).

The re-contact group was slightly overrepresented by urban, well-off and banked households and might not have behaved similarly to the households who were not re-contacted. Therefore, the findings of this mini-survey are not representative of all households in the sample.

KEY FINDINGS

M-MONEY REGISTRATION

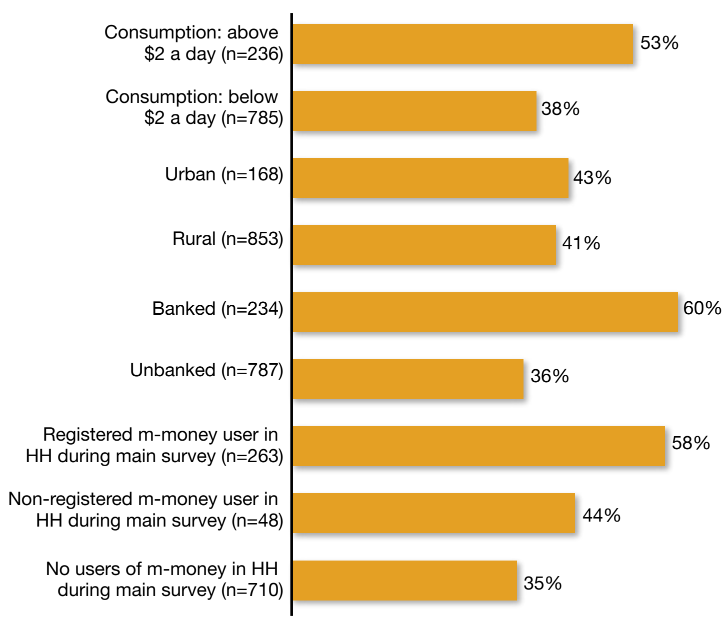
Forty-one percent of re-contacted households[2] registered a new m-money account at the time of the third mini-survey.

Among disadvantaged households—unbanked, rural and poor—and among households that had no m-money users at the time of the main survey (Figure 1), just over one-third of each group reported registering a new m-money account.

Six percent (n=42) of the households who participated in all three mini-surveys[3] signed up for an account at the time of the third mini-survey, but had no registered m-money users in the household during the main survey, or two previous mini-surveys.

MTN Mobile Money's market dominance remains unchallenged. Eighty-four percent of the households with newly-registered accounts signed up with MTN Mobile Money. Seventy-four percent were exclusively with MTN, while 10 percent of households signed up for new accounts with MTN Mobile Money and another provider. Thirty-seven percent of all households with new m-money accounts already had a registered user of MTN Mobile Money at the time of the main survey.

Figure 1. Profile of households with new mobile money accounts registered since the main survey



Source: InterMedia FITS study of households (HH) in Uganda, December 2012; N=1,021.

[1] Poverty index in this study is calculated as a sum of all daily expenses reported by the household divided by the number of household members.

[2] n=420

[3] n=708

ROLE OF PERSONAL NETWORKS IN STIMULATING M-MONEY UPTAKE

Twenty-six percent of surveyed households[4] started using m-money because of a personal recommendation. The two leading groups of persuaders of m-money adoption were family members, in either the respondents'[5] own or another household, and m-money agents[6] (Figure 2).

Household members and agents, who were males, were more influential than their female counterparts in persuading the respondents to start using m-money. In addition, mini-survey respondents were most likely to follow the recommendation of people they perceived as better informed about technology and finances, and better educated than they were.

Regardless of who convinced them to start using m-money, more than half of users agreed the most appealing features of m-money were ease of use (29 percent) and convenience (26 percent).

Within a family circle, the strongest persuaders of m-money adoption were either siblings, or children/grandchildren, followed by spouses (Figure 2). Respondents appeared to have a close relationship with family members who advised them to adopt m-money. For example, 96 percent of respondents and these family members communicated in person or on the telephone at least monthly, and 83 percent engaged in financial activities, including sending and/or receiving money.

Among respondents who were convinced to adopt m-money by m-money agents, only 7 percent were related to the agents, and only 16 percent of agents and respondents engaged in any type of financial activities beyond typical agent/customer transactions.

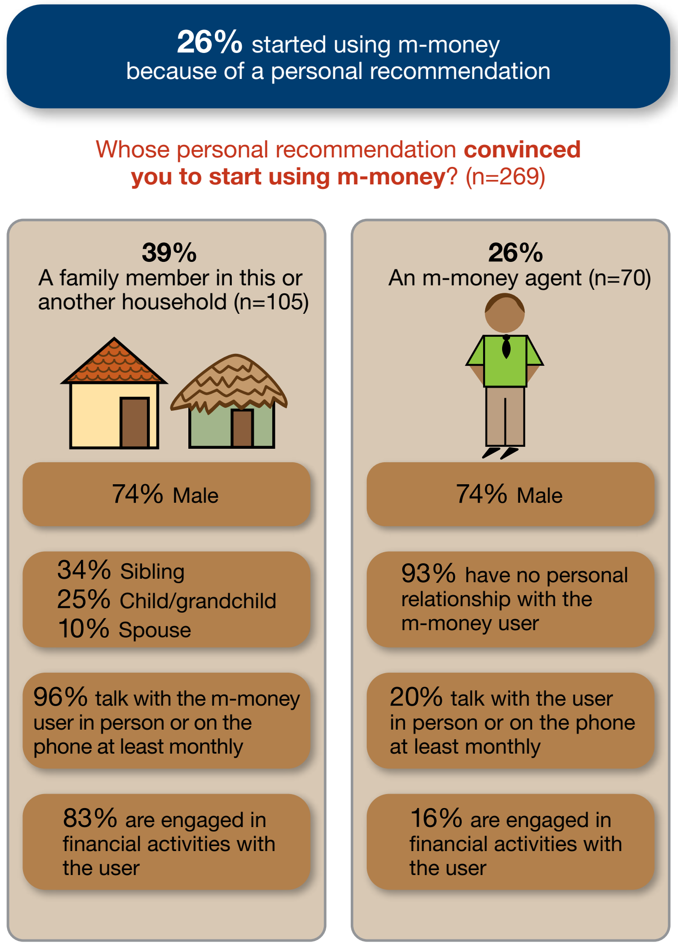
The workplace also appeared to provide an opportunity for potential m-money users to be motivated to adopt m-money. Thirteen percent of respondents said their workmates, business partners or customers convinced them to start using m-money.

[4] n=269

[5] n=105

[6] n=70

Figure 2. The top two groups of people whose personal recommendations were the most influential in the decision to start using m-money



Profiles of these top two persuaders of m-money uptake

Source: InterMedia FITS study of households (HH) in Uganda, December 2012; N=1,021.

The full report of the first wave FITS survey in Uganda, "Mobile Money in Uganda: Use, Barriers and Opportunities," as well as the FITS mini-survey reports are available at www.audiencescapes.org/FITS.

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