



Mobile Money: A Path to Financial Inclusion

**FINDINGS FROM
THE TANZANIA
MOBILE MONEY
TRACKER STUDY**

APRIL 2013

With the support of the Bill & Melinda Gates Foundation, InterMedia conducted a year-long tracking study to understand mobile money awareness, use, and the drivers and barriers to mobile money's expansion among Tanzanian adults. The research program provides measurements and analysis from nationally representative surveys, focus group discussions with mobile money users and nonusers, in-depth interviews with mobile money agents, and mystery shopping exercises in agent shops.

Highlights from the research: Between September 2011 and October 2012, mobile money use nearly doubled, reaching 45 percent of the Tanzanian adult population. Use differs by demographics, with poor, rural women the least likely to use mobile money services, and urban men above the poverty line the most likely to use the services. Awareness of mobile money has reached saturation, with 99 percent of Tanzanian adults able to name or recognize at least one service provider. Insufficient understanding of how to use mobile money and take advantage of its potential benefits remains a barrier.

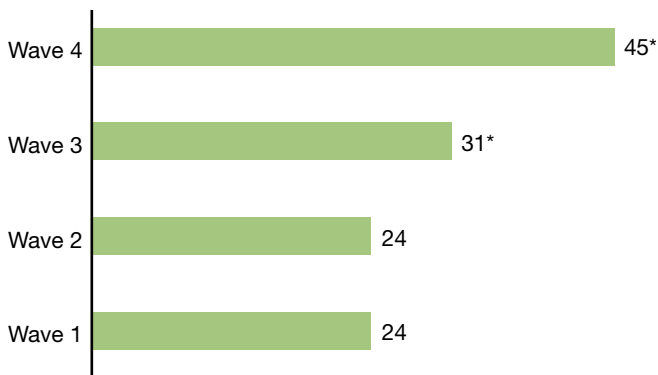
The Tanzania Tracker study is part of InterMedia's broader body of research on behalf of the Gates Foundation into mobile money's potential to help more people gain access to financial services, particularly women and the poor.

ACTIVE MOBILE MONEY USE NEARLY DOUBLED OVER THE COURSE OF THE STUDY

Active mobile money use (mobile money used in the three months prior to the survey) rose from 24 percent to 45 percent.

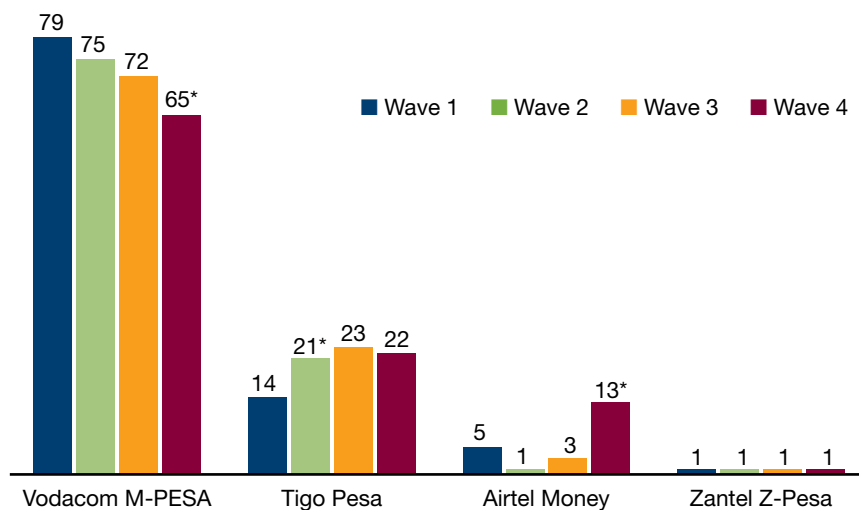
Vodacom's M-PESA remains the market leader for mobile money, although its market share declined over the course of the study. Airtel Money experienced the largest growth in mobile money use of any brand, more than doubling its market share over the same time.

Active mobile money use among Tanzanian adults (percentage)



Source: InterMedia tracking survey of Tanzanian adults; wave 1, N=2,000; wave 2, N=2,000; wave 3, N=1,999; wave 4, N=2,000; September 2011-October 2012. *Represents statistically significant changes ($p < 0.05$).

Mobile money use by brand: percentage of active users who use each brand "most frequently"



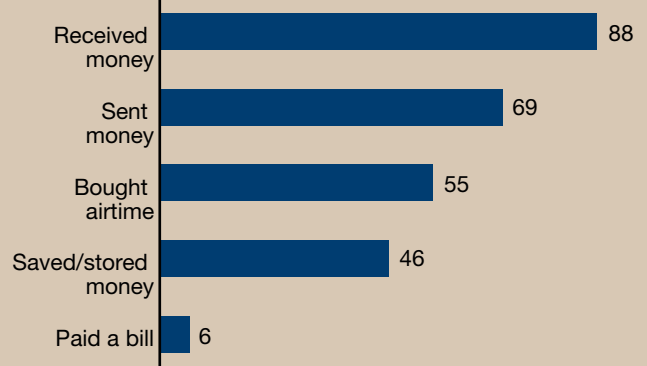
Source: InterMedia tracking survey of Tanzanian adults; wave 1, N=2,000; wave 2, N=2,000; wave 3, N=1,999; wave 4, N=2,000; September 2011-October 2012. Subsample bases available in Appendix 2. *Represents statistically significant changes ($p < 0.05$).

THE TOP REASON TANZANIANS USE MOBILE MONEY IS TO RECEIVE MONEY

Sending money and buying airtime are the second and third most common reasons for using mobile money.

In focus groups, urban men often said they use mobile money to save their earnings. They primarily use it for short-term storage, however, rather than as a long-term savings mechanism.

Percentage of active mobile money users who used each mobile money service in the previous four weeks (wave 4)



Source: InterMedia tracking survey of Tanzanian adults; wave 4, N=2,000; Base n=908 active mobile money users; September 2012-October 2012. Multiple answers were allowed.

Sometimes you can be working but you have no way of saving that money, so you save it in the phone. When you need to use it, you go and withdraw some amount and leave the rest in your mobile account.

Male Active User, Urban Dar es Salaam, Wave 2

NETWORK COVERAGE TOPS THE REASONS FOR CHOOSING A MOBILE MONEY PROVIDER—PRICE IS THE SECOND MOST IMPORTANT REASON

Mobile money agents also play an important role. Agent-related factors appeared twice in the top five reasons for choosing a provider.

More than half of active users experienced network problems in every wave of the study, which hinders their ability to complete a transaction and contributes to concerns about mobile money's reliability.

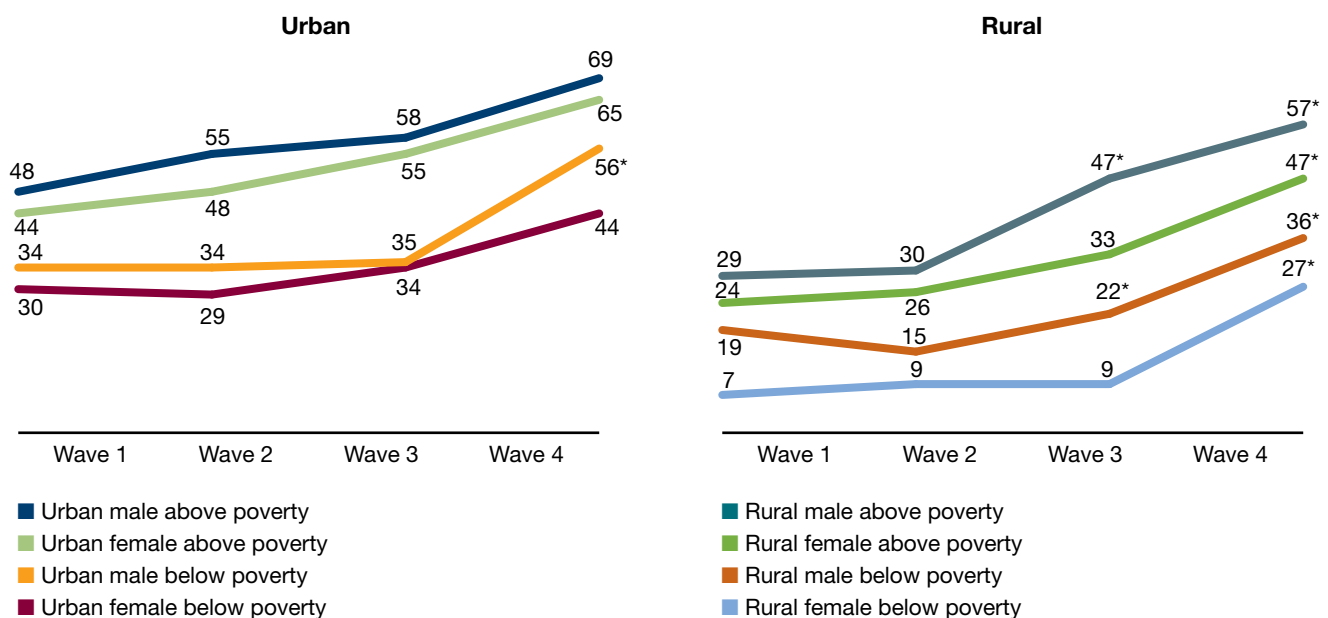
Top Five Factors When Choosing a Mobile Money Provider	
34%	Network coverage
24%	Lowest prices
12%	Wide agency network
11%	Network used by people I transact with most
9%	Agent proximity

Source: InterMedia tracking survey of Tanzanian adults; wave 4, N=2,000; Base n=908 active mobile money users; September 2012–October 2012.

POOR, RURAL WOMEN ARE THE LEAST LIKELY TO USE MOBILE MONEY

Mobile money use differs significantly by demographics, with rural women below the poverty line the least likely to use, and urban men above the poverty line most likely to use. Across each demographic breakdown, urban residents are more likely to use mobile money than rural residents.

Active mobile money use among urban and rural demographics (percentage of each demographic)



Source: InterMedia tracking survey of Tanzanian adults; wave 1, N=2,000; wave 2, N=2,000; wave 3, N=1,999; wave 4, N=2,000; September 2011–October 2012. *Represents statistically significant changes ($p < 0.15$).

AWARENESS OF MOBILE MONEY IS HIGH, BUT LACK OF UNDERSTANDING CONTINUES TO LIMIT MOBILE MONEY'S GROWTH

By the end of the study, total awareness of mobile money among Tanzanian adults reached 99 percent. Awareness of Vodacom's M-PESA was highest, at 98 percent recognition in wave four. Airtel experienced the greatest increase in brand awareness over the course of the study. Recognition for its brand rose from 41 percent to 92 percent in the last year.

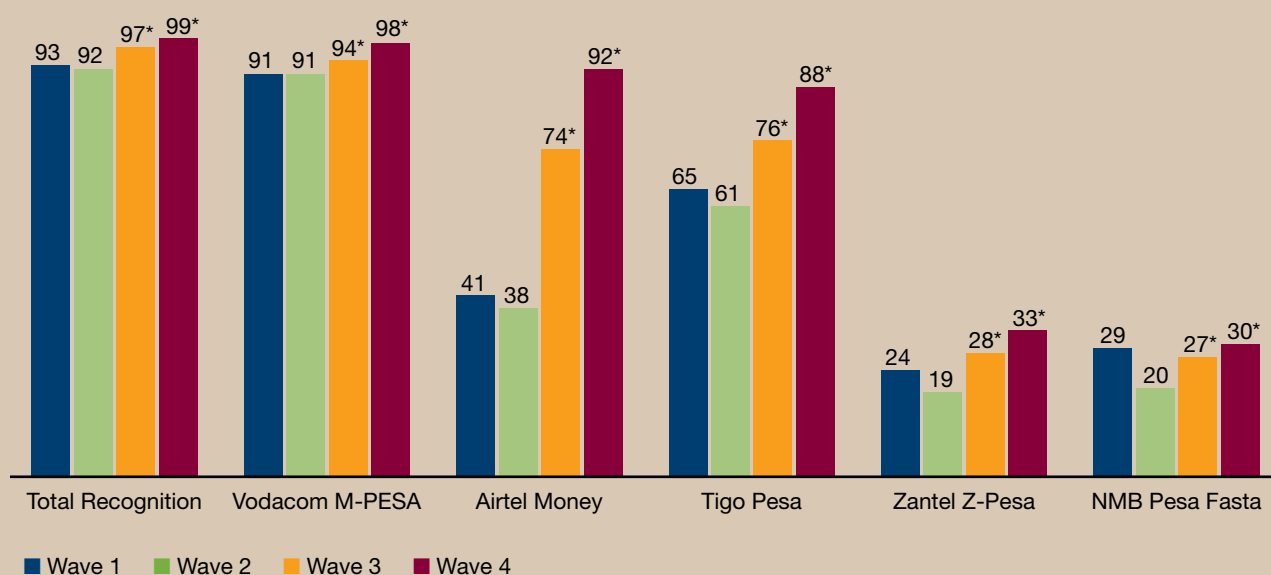
Despite the high levels of awareness, many Tanzanians are still unclear about the variety of ways mobile money can be used and how to operate the services.

Agents said providers should shift their advertising focus from simply creating awareness to developing understanding of the services and their benefits.

I would like to know how it works. For instance, I hear people say that they buy vouchers from M-PESA but I don't understand how to go about that. I don't have any education on that so I find it of no interest and benefit to me.

Female Nonuser, Urban Dar es Salaam, Wave 2

Total awareness of each mobile money brand (percentage)



Source: InterMedia tracking survey of Tanzanian adults; wave 1, N=2,000; wave 2, N=2,000; wave 3, N=1,999; wave 4, N=2,000; September 2011-October 2012. *Represents statistically significant changes ($p < 0.05$).

[Service providers] should have posters indicating the usage of their services, like a guideline of what to do, and how reliable their services are...The mobile service providers should continue educating the public more on their services.

Multi Agent, Urban Moshi, Wave 3

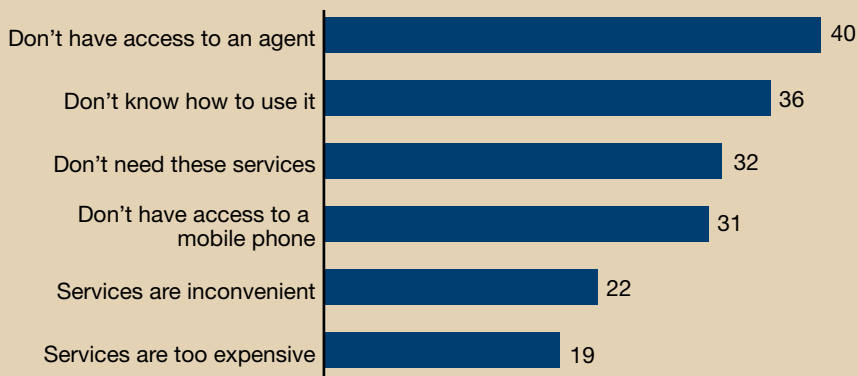
NONUSERS CITE LACK OF ACCESS TO AN AGENT AS THE TOP BARRIER TO MOBILE MONEY USE

The issue of agent access grew as a barrier to mobile money use over the four waves of the study, while lack of access to a mobile phone became less of a barrier among nonusers.

In focus group discussions, nonusers described additional factors that prevent them from using mobile money. Many nonusers cited mobile money's cost as a primary reason for not using the service, however they appeared to have a poor understanding of the actual charges. For example, many did not understand transaction costs, and some believed that there are charges for saving.

Many nonusers have gained negative perceptions about mobile money through word-of-mouth stories from users regarding unreliable networks, lack of security and high costs.

Top six reasons nonusers report for not using mobile money (percentage)



Source: InterMedia tracking survey of Tanzanian adults; wave 4, N=2,000; Base n=1028 nonusers; September 2012-October 2012. Multiple answers were allowed.

There are no charges on Airtel and I am still wondering if it is true or not.

What I really hate are the charges. I struggle a lot to earn this money and yet when I save that money they charge me, that is what I don't like.

Female Nonusers, Urban Dar Es Salaam, Wave 4

Many focus group participants and mystery shoppers reported being charged for registration, even though none of the mobile money providers charge a registration fee. Such reports of payments for registration are contributing to perceptions that mobile money is expensive and that registration is costly.

I have also heard people complaining about the network. You might hear someone saying that they have received some money, but have been unable to get the money the entire day due to the network issues. So that discourages me from registering.

Female Nonuser, Urban Dar es Salaam, Wave 2

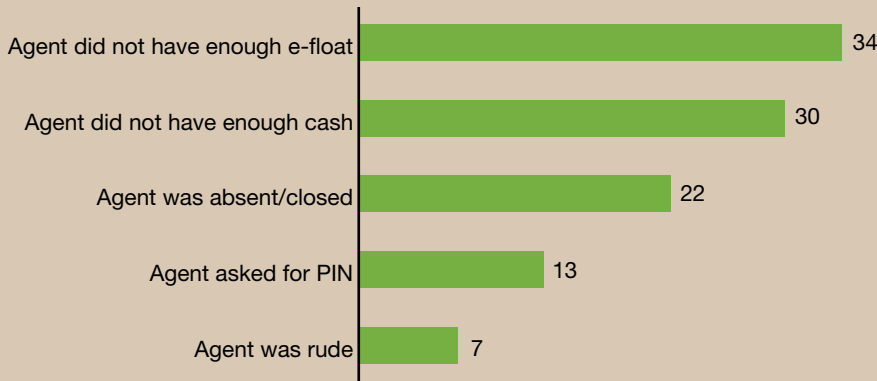
You pay 1,000 and then you register...They take 500 for SIM because that SIM card costs 500 and the agent takes 500. So it is 1,000 TZS in total.

Male Inactive User, Peri-Urban Dodoma, Wave 3

INSUFFICIENT E-FLOAT IS THE MOST COMMON AGENT-RELATED ISSUE MOBILE MONEY USERS FACE

Agents with insufficient cash are a close second. The percent reporting each agent issue remained relatively constant throughout the study.

Top five agent-related issues experienced by active users (percentage)



Source: InterMedia tracking survey of Tanzanian adults; wave 4, N=2,000; Base n=908 active mobile money users; September 2012-October 2012. Multiple answers were allowed.

By the end of the study, some agents said mobile money providers had improved agents' access to e-float and their ability to manage it. For example, some providers made agreements with banks so that agents can exchange cash for e-float at the banks' branches. Other agents however said significant impediments remain, such as lacking access to capital with which to purchase e-float.

Sometimes you go to the agents [and] some of them don't know what they are supposed to do to serve you and can't explain the services to you...In my opinion many agents don't have the ability to give the services they [offer].

Male Active User, Urban Zanzibar, Wave 3

Most of us [agents] don't have big capital. ...I don't know if the company can lend to agents so that there is no problem.

Single Agent, Rural Dodoma, Wave 4

When I want to send, I go to the agent. I take my phone to the agent, show her the number of the person to whom I want to send money, I give the money to her. That's it. I don't know anything else.

Female Active User, Urban Zanzibar, Wave 3

Most of the customers believe that M-PESA is safe and they know that even if they lose their phones they will not lose their money. ... I assure them that their money is safe.

Single Agent, Urban Mbeya, Wave 4

MANY ACTIVE USERS REPORT INSUFFICIENT UNDERSTANDING OF HOW TO OPERATE MOBILE MONEY, AND MANY HAVE DIFFICULTIES PERFORMING BASIC TRANSACTIONS

When asked to rate their level of understanding on a scale of zero to 10 (zero representing no understanding), many active users rated their understanding below five. In wave four, more than a quarter of active users reported "always" needing assistance to complete transactions, and another 12 percent reported needing help "sometimes."

Despite continued problems with understanding how to operate mobile money, the percentage of users who said they can complete transactions without assistance improved from 50 to 60 percent over the course of the study.

Based on focus group discussions, active users seemed to have a better understanding of mobile money's security features in wave four than in previous waves. Agents and marketing materials describing safety features are two main contributing factors.

AGENTS WANT MORE HELP FROM PROVIDERS, CUSTOMERS WANT IMPROVED SERVICE FROM AGENTS

Agents expressed concern over the significant amount of time they spend educating and assisting customers, which detracts from their primary role of depositing and withdrawing funds for customers.

Agents expressed the belief that it is not their responsibility to promote mobile money use among potential customers. Most agents seem willing to answer questions that customers ask, but they often do not volunteer information or encourage mobile money use unprompted.

Mobile money users often complained about agents who are rude, unavailable, or unprofessional, or who do not have sufficient amounts of e-float to serve customers throughout the day. Such problems undermine perceptions of mobile money services as reliable, trustworthy and convenient.

The mystery shopping exercises revealed that agents are generally friendly but not always helpful, and, in many cases, they lacked a sufficient level of knowledge about the services offered.

The challenge I face is educating people, I am always training people from morning to evening.... You have to talk throughout the day and you are doing it for free. This is something that the mobile providers should do.

Multi Agent, Rural Arusha, Wave 4

I feel that they [agents] should be more courteous and have good customer services because some of them are very rude yet it's your money you are being harassed for accessing.

Female Active User, Rural Mbeya, Wave 2

He was friendly but not very knowledgeable about the service. When I asked questions he said if you go to another Wakala [shop] he will assist you with the transactions.

Mystery Shopper, Wave 4

You will be overwhelmed if you have to teach everyone, but I don't have the time... My main responsibility is to assist the customers to transact.

Multi Agent, Rural Dodoma, Wave 3

The full reports for each wave are available through the following link:
<http://audiencescapes.org/country-profiles/tanzania/tanzania/tanzania-681>

METHODOLOGY

Beginning in September 2011, this year-long study covered four waves of research, taking an integrated quantitative and qualitative approach. Each wave included a nationally representative survey of 2,000 Tanzanian adults, providing quantitative data for tracking market trends and analyzing mobile money uptake and use among detailed demographic segments. For further context and insight, each wave included a series of qualitative research elements. Twelve focus group discussions captured insights into the attitudes, behaviors and perspectives of mobile money users and nonusers. Twenty-five in-depth interviews with mobile money agents revealed agents' perspectives on mobile money services, customers, and the challenges they face. Finally, mystery shoppers, researchers who act like potential mobile money customers, visited 25 agents, providing insight into the customer experience and customer-agent interactions.

The Tanzania Mobile Money Tracker sits within a wider body of work that InterMedia is conducting on financial services for the poor. The Financial Inclusion Tracker Surveys Project, a series of panel surveys (available at: <http://www.audiencescapes.org/thefitsproject>), is studying the financial lives and mobile money uptake among Tanzanian, Ugandan, and Pakistani households over three years.

ABOUT INTERMEDIA

InterMedia (www.intermedia.org) is a consulting group with expertise in applied research and evaluation. We help clients understand, inform and engage people worldwide—especially in challenging environments. InterMedia's offices are located in Washington, D.C., London and Nairobi, and we work with a global network of research partners.

Clients active in international development, global media and strategic communication come to us for insight on how people gather, interpret, share, and use information from all sources and on all platforms. We provide guidance and impact assessment for strategies focused on engagement, behavior change, content delivery and the use of communication technologies for social benefit.

InterMedia promotes knowledge-sharing through a range of online and offline resources, including AudienceScapes (www.audiencescapes.org)—a research dashboard providing data and analysis of media and communication environments in developing countries. We are also committed to strengthening research capacity in the countries where we work.

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