



Mobile Money for the Unbanked

State of the Industry: Results from the 2011 Global Mobile Money Adoption Survey

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Executive Summary

The mobile money industry, as measured by the number of deployments around the world, has grown rapidly. As of April 2012, there were 123 that offered basic financial services to customers. But the number of customers who are actually using these services has been difficult for anyone to ascertain.

To furnish industry participants and observers with a more accurate picture of the extent of customer adoption of mobile money, and to

give managers of mobile money deployments better insight into the performance of their service relative to others, the Mobile Money for the Unbanked programme distributed the 2011 Global Mobile Money Adoption Survey to 88 providers of mobile money services around the world. Fifty-two service providers from 35 countries participated, sharing with us, on a confidential basis, key performance data from their deployments.

This report summarises some of the key findings from our aggregation and analysis of these responses. Highlights include:

- The 52 mobile money service providers who participated in our survey reported having registered a total of 60 million customers as of 30 June 2011. Eleven services reported having more than 1 million registered customers in June 2011; together, these eleven services accounted for 85% of the registered customers reported in our survey. Six million customers were considered active, although this total excludes active customers of Safaricom M-PESA and SMART Money. Of the other 50 services in our sample, only two reported having more than a million active customers.
- In June 2011, the majority of the mobile money transactions reported in our survey (a sum which excludes GCASH transactions) were processed by Safaricom. 80% of mobile money transactions processed in June 2011 occurred in East Africa.
- In June 2011, participants in this survey counted almost 264,000 mobile money agents, 22% more than in December 2010.
- Eight services have grown very fast since they were launched. On average, the annualised growth rate in payment volume for these services during the first half of 2011 was 38%. Excluding Safaricom, which started the period from a high base, that number is 109%. Twelve services, despite having launched much earlier, have struggled to get traction with customers. The other 32 launched after June 2010 and have not yet grown rapidly.
- 68% of functional transactions (i.e., P2P transfers, bill payments, bulk payments, and airtime purchases) in June 2011 processed by services in our sample (excepting GCASH) were airtime top-ups. 83% of payments in June 2011 were P2P transfers, making them the most common payment transaction.



Introduction

Background

Measured by the number of deployments, the mobile money industry has been growing at a dizzying rate. When the Mobile Money for the Unbanked (MMU) programme at the GSMA was launched at the beginning of 2009, there were 17 mobile money services for the unbanked around the world; as of April 2012, there were 123, with another 93 that were being readied for launch.¹

Ultimately, however, we are interested not in how many services there are, but in how many customers are using them. Rather less information about the degree of customer usage has to date been available in the public domain. A few operators have publicly reported customer adoption figures. Usually, however, they count every customer they have registered for the service, including inactive ones, which gives an inflated view of the degree of real traction that they have achieved.

A number of organisations have attempted to estimate the extent of adoption of mobile money around the world—presumably, by making extrapolations from publicly available figures—and to make predictions about future growth:

- As part of a study commissioned by the GSMA and the Consultative Group to Assist the Poor, McKinsey & Company estimated that 45 million unbanked people were using mobile money in 2009, a number they expected to reach 360 million by 2012²

- According to Juniper, there were around 100 million active users of mobile money services worldwide in February 2011, a figure they projected to rise to more than 200 million in 2013³
- Berg Insight reckoned that there were 133 million mobile money users in emerging markets in 2010 and forecast that that number would increase to 709 million by 2015⁴

Objectives

The first objective of the 2011 Global Mobile Money Adoption Survey was to furnish industry participants and observers with a more accurate picture of the extent of customer adoption of mobile money around the world. Many decisions that mobile operators, investors (both charitable and financial), policy makers, and financial inclusion advocates make hinge on implicit assumptions about the size of the mobile money industry today and its prospects for growth; as such, we believe that generating better data on customer adoption should improve the effectiveness of all these players.

Our second objective was to give managers of mobile money deployments better insight into the performance of their service relative to others, both at the regional and at the global level. In the mobile industry, operators are able to use tools like Wireless Intelligence⁵ to benchmark their performance in terms of customer adoption, but, until now, no such resources have existed for mobile money.

Methodology

In August 2011 the MMU team developed a survey for distribution to mobile operators and other players that offer mobile money services for the unbanked. In addition to gathering the number of customers, both registered and active, we asked operators about the volume of transactions processed across a range of transaction types; the number of agents; and the aggregate values of customer balances, agent balances, and payments. The complete survey is reproduced in Appendix A.

Some of these fields in the survey were optional, while others needed to be filled out in order for the survey to be considered complete. For example, while we requested monthly data for the first six months of 2011, we required that operators provide only two data points, from the start and end of that period, for each metric.

To incentivise participation, and in line with the second objective of the survey, respondents who submitted complete survey responses were promised a confidential, customised benchmarking report that would allow them to gauge their performance relative to other services regionally and globally.

Participants were guaranteed that their submissions would remain confidential according to the GSMA's standard policy on handling proprietary information supplied by its members. We entered into non-disclosure agreements with respondents to the survey that are not members of the GSMA. It is for

that reason that in this report, we present only aggregated and anonymised results, except where we have received explicit permission from a respondent to identify them and reveal their data.

Each metric in the survey had to be defined. For “active customer”, for example, we needed to specify what kinds of transactions would qualify a customer as active, and over what time period (30 days, 90 days, etc.). In defining metrics, we sought a balance between maximising the comparability of data sets between service providers, which would lead us to impose very rigid, standardised definitions, and maximising the likelihood that service providers would be able to fulfil our request without having to resort to bespoke queries of their transaction and customer databases. In the case of establishing a time period for the active customer metric for example, we established a maximum time period (90 days) but invited participants to report based on a stricter definition if they chose to do so. Appendix A includes the definitions of each of the metrics we included in the survey.

Care was taken when designing the survey to ensure that it could accommodate responses from mobile money services that have implemented a range of service designs.

This survey was distributed to 88 mobile money services in August 2011. Responses were checked for internal consistency, but all data are self-reported, and none were verified independently by the GSMA.

What is mobile money for the unbanked?

Only mobile money services for the unbanked were eligible to participate in the survey. For the purposes of the survey (and for the GSMA Mobile Money Deployment Tracker) we consider a service mobile money for the unbanked only if it meets all four of the following criteria:

1. The service must offer at least one of the following services: bill payments, P2P transfers, bulk payments, storage of value (whether interest bearing or not), credit, or insurance
2. The service must exploit a network of transactional agents outside of bank branches for cash-in or cash-out
3. The service must offer an interface for initiating transactions for agents or customers that is available on basic mobile devices
4. Customers must be able to use the service without having been previously banked

1. GSMA Mobile Money Deployment Tracker (<http://www.wirelessintelligence.com/mobile-money/unbanked/>)

2. “Mobile Money for the Unbanked: Unlocking the Potential in Emerging Markets,” McKinsey on Payments, by Christopher Beshouri, Philip Bruno, Dan Ewing, Jon Gravrak, Jarrett Helms (http://www.mckinsey.com/clientservice/Financial_Services/Knowledge_Highlights/Recent_Reports/~media/Reports/Financial_Services/MoP8_Mobile_money_for_the_unbanked.ashx)

3. “Active Users of Mobile Money Services to Double in the Next 2 years, Exceeding 200 Million Worldwide by 2013 New Juniper Report Forecasts” (<http://juniperresearch.com/viewpresrelease.php?pr=226>)

4. “Over 700 Million Mobile Money Users in Emerging Markets by 2015,” Mobile Money Africa (<http://mobilemoneyafrica.com/over-700-million-mobile-money-users-in-emerging-markets-by-2015/>)

5. <https://www.wirelessintelligence.com>

Presentation of the sample

We are grateful to the 52 mobile money service providers from 35 countries that submitted

responses to our survey; a list of these is included in Appendix B. Five declined to participate, and 33 were unresponsive to our requests.

Partial submissions

Three operators submitted incomplete surveys: Safaricom, SMART, and Globe. As such, some of our aggregated results and analyses exclude what are perhaps the most prominent mobile money services in the world: M-PESA in Kenya

and SMART Money and GCASH in the Philippines. In this report, we include the data reported by these operators in charts and figures when we have it and indicate when we do not.

The sample of respondents to the survey is broadly representative of the mobile money industry overall. It includes:

- Services on five continents
- Services offered by operators that are part of large international groups (such as Airtel, MTN, Orange and Millicom), by independent operators, and by non-operators

- Some of the oldest mobile money services in the world as well as some services that launched at the beginning of 2011
- Services that are delivered “over the counter” as well as those which are wallet-based
- Services that are principally used for P2P transfers as well as those which emphasise bill payments

Product mixes around the world

	P2P transfers	Bill payments	Bulk payments	Airtime top-ups	Storage of value
Number of services in our sample that offer	49	36	26	48	42
Percentage of services in our sample that offer	94%	69%	50%	92%	81%

How is mobile money performing globally?

Registered customer accounts

The 52 operators who participated in our survey reported having registered a total of 60 million customers as of 30 June 2011. This figure only includes customers who have registered for a mobile wallet; it does not include users of mobile money who only transact over the counter (i.e., without having signed up for an account).

Eleven services reported having more than 1 million registered customers in June 2011; together, these eleven services accounted for 85% of the registered customers reported in our survey, with the long tail of 40 services reporting the other 15%.

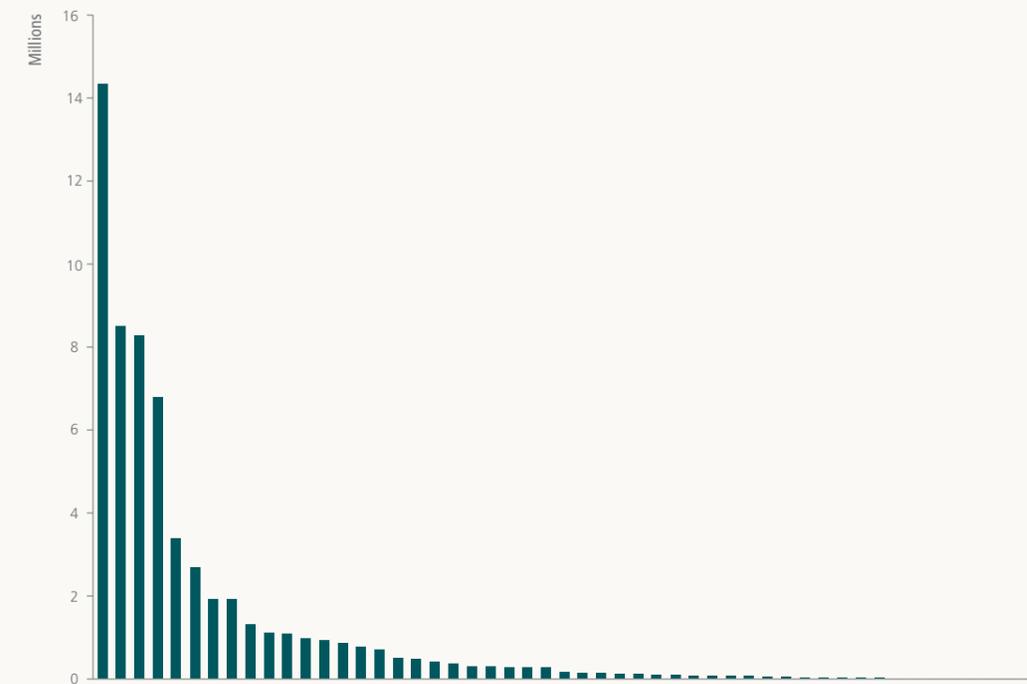
60 Million

Registered mobile money customers as of June 2011

11

Services with more than 1 million registered customers

Figure 1: Number of registered customer accounts by service, June 2011



Between 31 December 2010 and 30 June 2011, the number of registered mobile money customers of the services in our sample—excluding Safaricom, SMART, and Globe—grew at an annualised rate of 49%.

49% CAGR

Increase in the number of mobile money customers in the second half of 2011

Active customer accounts

The survey responses showed that a much smaller number of customers, 6 million, was considered active, although this total excludes active customers of Safaricom M-PESA and SMART Money. Of the other 50 services in our sample, only two reported having more than a million active customers.

For the purposes of this survey, we defined active accounts as ones that had been used to perform at least one P2P payment, bill payment, bulk payment, cash in, cash out, or airtime top up from account in the last 90 days—although nine respondents elected to use a stricter definition, such as only counting customers who had transacted within the last 30 or 60 days.

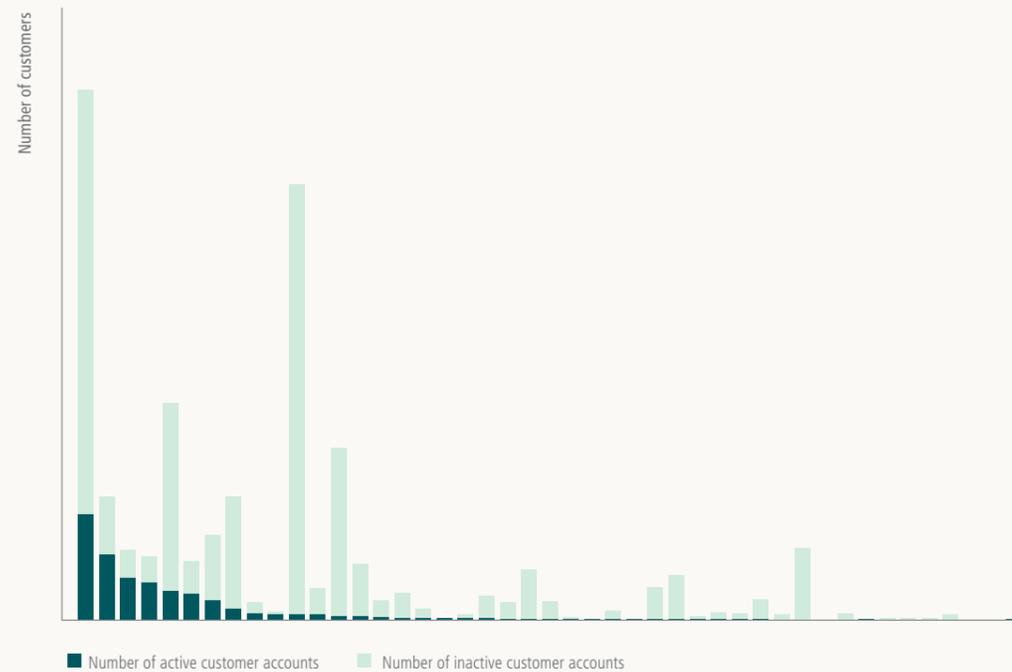
Excluding Safaricom and SMART, the number of active customers grew nearly twice as fast as the number of registered customers during the first half of 2011, with the number of active mobile money customers roughly

doubling year-on-year. To put this growth in context, over the same period of time, the number of mobile connections of operators participating in our survey grew at an annualised rate of 11%.

86% CAGR Increase in the number of active mobile money customers in the second half of 2011

The survey revealed a wide variation in the active rate—that is, the ratio of active customers to registered customers—among mobile money service providers. In our sample, we observed active rates as high as 99.7% and as low as 0.2%.

Figure 2: Number of registered and active customer accounts by service provider, June 2011



This chart does not include data from Safaricom and Smart.

Counting mobile money users: not as easy as 1-2-3

A number of mobile money services are designed to allow customers to make use of their services even if they are not registered account holders. For example, many services make it possible to receive money even if a customer doesn't have an account; others allow unregistered customers to pay bills over the counter.

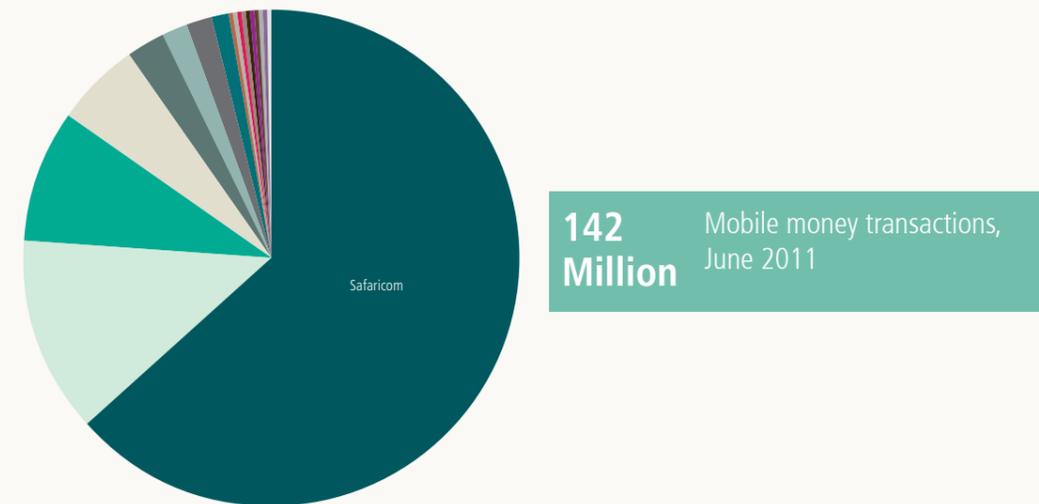
As such, neither the number of registered or active customer accounts accurately reflects the number of users of services in our sample, since those figures do not include unregistered users of mobile money. For this reason, we often show the growth of transaction or payment volumes as an alternative metric that reflects the growth of both account-based and over-the-counter services.

Transactions

In June 2011, mobile money service providers in our sample processed 141.8 million transactions. Of these, 29.8 million were payments: P2P transfers, bill payments, and bulk payments. (The rest were cash ins, cash outs, and airtime top ups.) During the first half of 2011, the volume of transactions and payments processed on a monthly basis by mobile money service providers in our sample (excluding Globe) increased at annualised rates of 59% and 36%, respectively.

Decomposing the number of transactions processed by service demonstrates how large Safaricom M-PESA remains relative to the rest of the industry. In June 2011, the majority of the mobile money transactions reported in our survey (a sum which excludes GCASH transactions) were processed by Safaricom.

Figure 3: Transactions processed by service provider, June 2011



This chart does not include data from Globe.

Safaricom is therefore largely responsible for the fact that 80% of mobile money transactions processed in June 2011 occurred in East Africa. But even if we set aside Safaricom's outsized contribution, East Africa remains by far the most active mobile money market in the world. Even excluding Safaricom, 46% of the mobile money transactions processed in June 2011 (a sum that, again, also excludes Globe) were in East Africa. And East Africa is experiencing faster growth than any other region in the world: East Africa accounted for 82% of the increase in the number of transactions performed between December 2010 and June 2011—again, excluding Globe.

80% Proportion of mobile money transactions that were processed in East Africa in June 2011

Agents

In June 2011, participants in this survey counted almost 264,000 mobile money agents, 22% more than in December 2010. The largest network comprised 89,000 agents. However, two thirds of the networks had fewer than 2,000 agents.

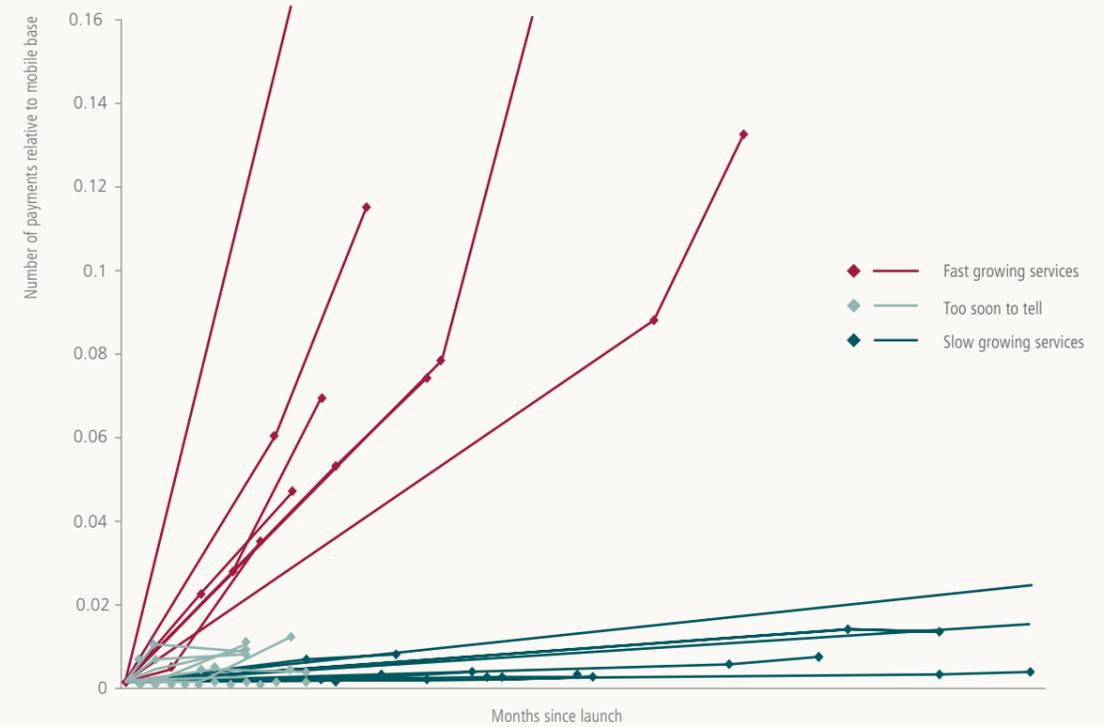
Differences among services made it impossible for us to impose a standard definition of an active agent that would be appropriate worldwide. As such, we asked participants to report how many of their agents they deemed active, and then to supply the definition that they used in order to distinguish an active agent from an inactive one. In June 2011, excluding Safaricom, 158,000 agents were considered active by respondents.

How are deployments faring relative to each other?

It is not straightforward to compare the performance of different mobile money services. Services have been launched at different times, employ different service delivery models (over the counter vs. wallet-based), and target addressable markets of different sizes (namely,

the size of the mobile base of the operators offering the service). For this project, we developed a methodology that allows us to compare the performance of different mobile money services despite these variations. Figure 4 presents this view.

Figure 4: Payment volumes relative to mobile base by service provider



This chart does not include data from Globe.

The horizontal axis on this chart represents time, but measured in terms of months since each service was launched. This allows us to compare the rate at which customers have adopted services that launched at different times. The vertical axis measures payment volumes, which allows us to compare OTC and wallet-based services fairly. However, we have scaled payment volumes to the size of the mobile base of each operator, which allows us to compare adoption between operators with differently sized addressable markets: this way, operators with small market shares in small markets do not suffer in comparison to operators with large market shares in large markets. Each line on the

chart represents a mobile money service and includes data points for three moments in time: the month the service was launched, December 2010, and June 2011.

In short, Figure 4 allows us to compare the growth of 45 services around the world (it does not include services delivered by third-party providers and Globe did not provide us with all of the data we needed to include it in this chart). It is striking how, amongst services that are not very new, there is a wide gulf between those which are growing fast and those which have grown slowly—with none in between.

Rapid growth

Eight services have, since they were launched, grown very fast. On average, the annualised growth rate in payment volume for these services

during the first half of 2011 was 38%. Excluding Safaricom, which started the period from a high base, that number is 109%.

Spotlight on MTN Rwanda

MTN MobileMoney in Rwanda, which was launched in February 2010, was one of the fastest growing services in our sample. Two years after launch, it boasts 170,000 active customers—6% of MTN's mobile base.

Albert Kinuma, who is responsible for MTN MobileMoney in Rwanda, attributes this rapid growth to a few factors.

- **An enabling regulatory environment:**
 - MTN is licensed directly by the National Bank of Rwanda to offer MobileMoney. This helped MTN bring MobileMoney to market more quickly, and enables MTN to raise any concerns directly with the Central Bank.
 - Customer-due-diligence rules enable quick registration and activation. Customers register for MTN MobileMoney with a National ID card or a passport; no proof of address or other means of verification is required. Agents are not required to capture a copy of the customer's ID card or a photo of the customer, and as soon as a customer's registration details are successfully submitted through the agent's mobile phone, the customer account is activated and ready for immediate use.

- **A focus on understanding and meeting customer needs:** Although the MobileMoney service that MTN launched in Rwanda is quite similar to that which has been deployed elsewhere in Africa, MTN invested heavily in market research to understand how Rwandans were likely to use the service: pilot testing with 200 customers and then listening closely to their feedback. They then fed these insights to agency responsible for devising their marketing campaign to ensure that it would be relevant to the local market.
- **A large dedicated team:** a relatively large staff of 18 MTN employees manages the MobileMoney operation.
- **A happy channel:** MTN has carefully managed the growth of its agent network in order to ensure that agents are satisfied with the return that they earn from serving as MobileMoney agents. The average number of customers per agent is an indicator that management tracks closely; as of June 2011, there were 259 active MobileMoney customers per active agent in Rwanda.

Some of these services emphasise bill payments, others P2P transfers. Some are wallet based, while customers primarily transact over the counter with others. Six of the eight are in East Africa.

Busy agents go hand in hand with success

There is a strong statistical relationship between the average number of transactions that agents of a given mobile money service perform each day and the performance of the service. This is not a tautology: in theory, successful services could spread a large number of agent transactions across many agents, while a service registering a relatively small number of transactions could have few, but busy, agents. But we find that, deliberately or not, the most successful services

have calibrated the growth of their agent networks to ensure that agents, on average are able to perform a meaningful volume of transactions. Active agents of the seven rapidly growing services perform, on average, 18.5 transactions per day and serve on average 233 active customers, as compared to the global averages of 4.2 transactions per day and 43 active customers.

It is widely assumed that only MNOs with dominant positions in the mobile business can successfully drive the adoption of their mobile money services. The fact that M-PESA was deployed by Safaricom, the leading operator in Kenya with 70% mobile market share at the time of M-PESA's launch, led some to this conclusion.

However, data from the survey indicate no correlation between the market share of the operator and its ability to drive adoption. In fact, 3 of the 8 fast-growing services identified in this survey are offered by operators with less than 25% mobile market share in their country.

Spotlight on Tanzania

Vodacom, the dominant mobile operator in Tanzania, launched M-PESA in April 2008. In comparison to the extremely rapid adoption of M-PESA in Kenya, the service grew more slowly across the border.⁶ However, Vodacom was tenacious, and by September 2011 it was able to announce that there were more than 2 million active M-PESA customers in Tanzania—one-fifth of Vodacom's mobile base.⁷

In the meantime, however, competition in the mobile money market had emerged. Zain (later acquired by Airtel) introduced a rival offering, Zap, in February 2009, a service which was re-launched as Airtel Money in October 2010;

Millicom, which trades under the Tigo brand, brought Tigo Cash to market in September 2010. Zantel did not participate in the Survey, but according to press reports it launched ZPesa in 2007 and re-launched it in May 2010.

The 2011 Global Mobile Money Adoption Survey allows shows that Millicom was able to capture significant share from Vodacom during the first half of 2011. In a countermove, Vodacom recently announced an across-the-board reduction in fees for M-PESA.⁸

Millicom's early success in Tanzania is important, because it illustrates that it is possible for operators to compete successfully in mobile money even when they have been slow to market and/or are not the market leader in the mobile business.

The fast-growing cohort also belies the assertion that some countries are "too poor" for mobile money to be useful for customers.

Spotlight on Ecodash

Burundi, a small East African nation, is one of the poorest countries in the world (PPP GDP per capita: \$412). Nevertheless, it is home to one of the fastest growing mobile money services: Ecodash.

In May 2010, Econet was the first company to launch a mobile money service in Burundi, and it remained uncontested in mobile money as of April 2012. There are five mobile operators in Burundi, and at the time Ecodash was introduced Econet's market share was just 11%. As of June 2011, more than 7.5% of Econet's customers were active users of Ecodash.

⁶ "What makes a Successful Mobile Money Implementation? Learnings from M-PESA in Kenya and Tanzania" by Gunnar Camner, Emil Sjöblom, and Caroline Pulver (http://mmublog.org/wp-content/files_mf/mpesa_case_study99.pdf)

⁷ "Vodacom Tanzania is 10 Million Customers Strong, with 2 Million active M-Pesa Customers!" (<http://www.vodacom.co.tz/about-us/news/2011/9/vodacom-tanzania-is-10-million-customers-strong-with-2-million-active-m-pesa-customers/>)

⁸ "Vodacom Tanzania reduces M-Pesa rates," IT News Africa (<http://www.itnewsafrika.com/2012/02/vodacom-tanzania-reduce-m-pesa-rates/>)

Slow growth

Another group, despite having launched much earlier, has struggled to get traction with customers. The annualised growth rate of payment volumes for these 12 services was 8% during the first half of 2011.

Spotlight on Giros Tigo in Paraguay

Millicom in Paraguay was an early mover in mobile money, launching a product called Tigo Cash in 2008. But the service failed to catch on with customers. To learn why, Millicom commissioned a nationally representative quantitative survey exploring customers' payment needs. The study helped management to choose a target market, and to better understand the characteristics of a mobile money service that customers in that target market were likely to value.

Armed with these insights, Millicom concluded that a complete overhaul of their mobile money offering was needed in order to drive customer

adoption. The revamped Giros Tigo was launched in July 2010, and almost immediately, customer adoption started to climb: the adoption survey shows that, as of June 2011, Giros Tigo was one of the fastest growing mobile money services in the world.

For more about the evolution of Tigo's mobile money offering in Paraguay, see "Mobile Money in Latin America: A case study of Tigo Paraguay," by Camilo Tellez and M. Yasmina McCarty (http://mmublog.org/wp-content/files_mf/tigopyenfinal.pdf).

Too soon to tell

The third and largest group is of services that launched after June 2010 and that have not yet grown rapidly. These services may emerge as new success stories, or they may stagnate; it is too soon to tell.

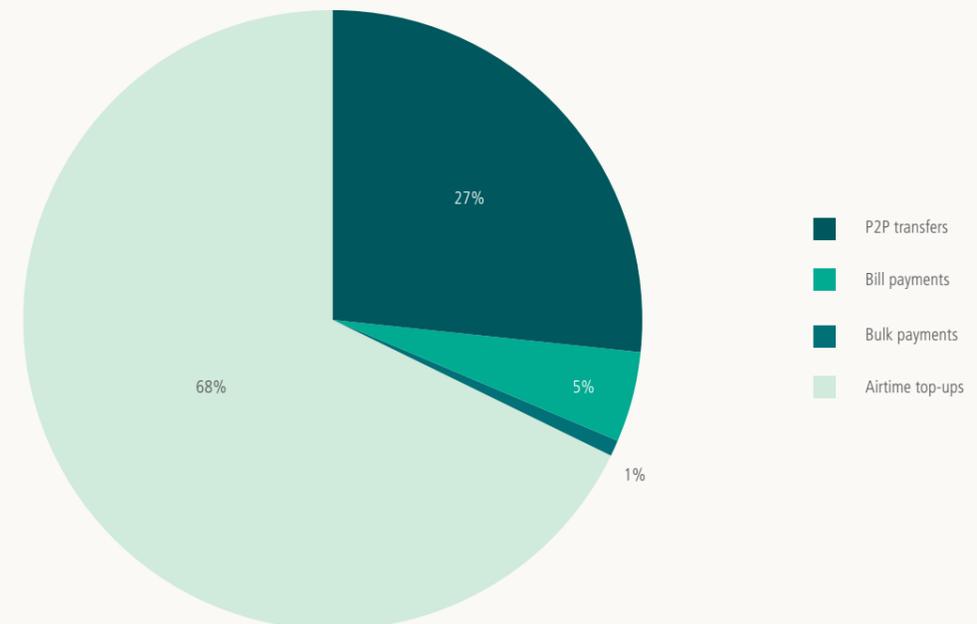
How are customers using mobile money?

Having considered the performance of the global mobile money industry and of the service providers in it, we shift our focus to users. How are customers using mobile money? In this section, we consider the relative importance of the four main service offerings typically offered by mobile money services: sending money, paying bills, receiving bulk payments, and purchasing airtime. We call these four

types of transactions functional transactions to distinguish them from cash-conversion transactions (which customers perform as a means to an end) and administrative transactions such as changing one's personal identification number or requesting a balance.

In this section, we discuss the volume, not the value, of different categories of transactions.

Figure 5: Transactions processed by type, June 2011



This chart does not include data from Globe.

Airtime top-ups

68% of all P2P transfers, bill payments, bulk payments, and airtime purchases in June 2011 processed by services in our sample (excepting GCASH) were airtime top-ups.

68% of functional transactions were airtime purchases in June 2011

Airtime top-ups were particularly important among services in Asia Pacific, where they represented 85% of functional transactions, and in West Africa, where they accounted for 91%.

On average, active customers of services that offer airtime top-ups did so 2.1 times in June 2011.

What is driving the use of mobile money for airtime top-up?

We typically think of payments—P2P transfers, bill payments, and bulk payments—as being the core service offering of mobile money deployments. After all, airtime purchase is hardly the unique selling proposition of mobile money; other, traditional channels for buying airtime are convenient and familiar.

There are two distinct reasons why customers decide to use mobile money to top-up their airtime balance rather than using traditional channels.

In some cases, using mobile money to buy airtime has emerged organically: after receiving money into his wallet, for example, a customer might top up before cashing out the balance. In this situation, customers top up using mobile money because it is more convenient than traditional channels. Safaricom has never advertised that you can use M-PESA to purchase airtime, and it has never offered customers discounts for doing so, yet 19% of airtime sold by Safaricom as of November 2009 was purchased using M-PESA.⁹

In other cases, operators incentivise topping-up using mobile money with discounts or bonuses. There are two possible rationales for doing so. The first is to try to lower the cost of airtime distribution; typically, the value of commissions that mobile money agents are paid in order to process cash-in transactions is smaller than the margin which airtime retailers retain when they sell airtime, so shifting sales from one channel to the other reduces the cost of goods sold.

However, it is hard to imagine this strategy succeeding in isolation. Topping up from a mobile money account typically requires two steps (cash in followed by the actual purchase of airtime), a process that is typically slightly less convenient than what is required using traditional channels. This means that customers will often revert to using traditional channels once the incentives for using mobile money instead are withdrawn. (Of course, if they are never withdrawn then the cost of those incentives will typically dwarf the savings on airtime distribution that operators are realising.)

Other operators have hypothesised that airtime top-up might be a gateway to usage of the other mobile money products. The idea is that if you can get a customer comfortable topping up using mobile money, then they will be more likely to start sending money, paying bills, and so on.

Does this strategy work? Our data suggests that it does not, or at least that it rarely does. Operators in our sample with a high proportion of airtime top-ups in their product mix at the start of 2011 tended to see lower growth in the volume of payment transactions over the first half of the year than those with a lower proportion of airtime top-ups in their mix of functional transactions. That is, it did not appear that incentivising airtime top ups was, as a rule, leading to the adoption of other services.

We think one reason for this is the fact that the market size for airtime top-up is almost always larger than for other mobile money products. As such, when you promote airtime top-up with customers, you inevitably attract some customers who will never begin using the other services that mobile money platforms offer.

P2P transfers

27% of functional transactions in June 2011 were P2P transfers, making them the most common payment transaction. They were most important in East Africa, where they represented 33% of functional transactions, and least important in West Africa, where they accounted for just 5%.

Active customers of services that offer P2P transfers sent money, on average, 0.7 times in June 2011.

Bill payments

5% of functional transactions in June 2011 were bill payments. However, their importance varies widely by region. Among services in the Middle East and Central Asia, 66% of functional transactions were bill payments; in other regions, bill payments accounted for 2% or less of the overall product mix.

Spotlight on Pakistan

There are two mobile money services in Pakistan: Easypaisa, which is offered by Tameer Microfinance Bank, in which Telenor Pakistan holds a 51% ownership stake, and Omni, a service of United Bank Limited. Both services allow customers to transact without first opening an account; for Telenor, the third mobile operator in Pakistan by market share, this decision was motivated by a desire to serve customers without a Telenor SIM.

On average, active customers of services that offer this functionality paid a bill 0.2 times in June 2011, although this figure also varied widely by region.

Bulk payments

Just 1% of functional transactions were bulk payments, including G2P payments. While this category may have significant potential as a driver of transaction growth, that potential was not being realised in June 2011—perhaps because for many service providers, securing the contract to make such payments has been more difficult than expected.

Mobile money is catching on in Pakistan very quickly: according to the State Bank of Pakistan, transaction volumes have increased from 3.5 million transactions in Q1 2011 to 20.6 million in Q4 2011.

The data show that Easypaisa and Omni have highly differentiated offerings. Easypaisa dominates when it comes to P2P transfers; on the other hand, UBL had built a significant bulk payments franchise.¹⁰ Bulk payments represented 18% of the total number of payments it processed in June 2011—while Telenor had not conducted bulk payments up until June.

⁹ "Three keys to M-PESA's success: Branding, channel management and pricing" by Ignacio Mas and Amolo Ng'weno (http://mmublog.org/wp-content/files_mf/keystompesassuccess4jan69.pdf).

¹⁰ "Case Study: United Bank Limited Supports Cash Transfer Payments," Bankable Frontier Associates (http://www.cgap.org/gm/document-1.9.50409/CGAP_UBL_case_study_Jan_2011.pdf).

Conclusion

A decade ago, mobile money for the unbanked did not exist; the mobile industry itself was only starting to make inroads in the developing world. Since then, at least 60 million customers have availed themselves of mobile financial services. As such, 2011 Global Mobile Money Adoption Survey paints a picture of very remarkable growth.

Yet the Survey also helps us to understand that this growth has not been uniform. There is a wide divergence in the experience of mobile money service providers around the world, with important implications for them.

The survey reveals that a handful of service providers whose services have grown quickly are on track to join M-PESA in Kenya as global benchmarks for the potential of mobile money. Their challenge is to cope with scale: investing in their technical infrastructure to ensure service availability and reliability, protecting customers (and themselves) from fraud and other risks, and developing new products and services in order to sustain growth.

Operators of slow-growing services have a difficult strategic decision to make. Some will probably choose to exit mobile financial

services, finding it impossible to generate a return on their investment without a critical mass of customers who use their services. Others will redouble their efforts to drive customer adoption, which may lead them to make significant changes to their offerings. The case of Millicom in Paraguay illustrates that such a revamp can dramatically improve the fortunes of a mobile money service.

But the majority of services in our sample fall into neither of these categories. Still relatively young, they have the potential to flourish or to stagnate. For these operators—and, given their number, for the entire mobile money industry—this makes what happens in the coming months and years crucial.

To track this, the GSMA will again undertake the Global Mobile Money Adoption Survey in 2012—with a revised battery of questions—to continue to chart the evolution of this still-nascent industry. We hope an even percentage of service providers will participate in that project, helping us to present the industry with an updated and more representative picture of the continued growth of mobile money around the world.



Appendix A: Survey form and definitions

Name of MM service:
Date of launch:

	Definitions	For the Month Ending						
		31-Dec-10	31-Jan-10	28-Feb-10	31-Mar-10	30-Apr-11	31-May-11	30-Jun-11
Customer accounts								
Registered	The cumulative number of customer accounts that have been opened. Customers who have not been registered but perform transactions over the counter SHOULD NOT be counted.							
Active	The number of customer accounts that have been used to perform at least one P2P payment, bill payment, bulk payment, cash in to account, cash out from account, or airtime top up from account in the last 90 days. Balance inquiries, PIN resets and other transactions that do not involve the movement of value SHOULD NOT qualify a customer account as active. You can report a number of active accounts using a more strict definition (i.e., based on a 30-day period or only counting customers that have made revenue-generating transactions), but, if you do so, please provide that definition below.							
Transactions								
P2P payments	The number of P2P transfers that were made between customers during the month, regardless of whether they originated from or terminated in an account or over the counter.							
Bill payments	The number of bill payments that were made during the month, regardless of whether they originated from an account or were made over the counter. Non-traditional uses of bill payment functionality, like allowing customers to move money into a bank account, may be included.							
Bulk payments	The number of bulk payments, such as salaries or government transfers, that were made during the month, regardless of whether they terminated in an account or over the counter.							

	Definitions	For the Month Ending						
		31-Dec-10	31-Jan-10	28-Feb-10	31-Mar-10	30-Apr-11	31-May-11	30-Jun-11
Cash ins to customer accounts	The number of cash ins to customer accounts that were made during the month. Over-the-counter P2P payments, bill payments, or airtime top ups SHOULD NOT be included.							
Cash outs from customer accounts	The number of cash outs from customer accounts that were made during the month. Over-the-counter collection of bulk payments or P2P payments SHOULD NOT be included.							
Airtime top ups from customer accounts	The number of airtime top-ups funded from customer accounts that were made during the month. Purchases of airtime that are funded by OTC payments SHOULD NOT be included.							
Agent outlets								
Registered	The cumulative number of transactional outlets that have been registered.							
Active	Please provide your definition of "active agent outlets" below.							
Balances and values	Please indicate the currency unit.							
Total customer balances	The aggregate value of electronic money balances (or deposits) in all customer accounts at a single point in time during the month.							
Total agent balances	The aggregate value of electronic money balances (or deposits) in all agent accounts at a single point in time during the month.							
Values of payments/month	The cumulative value of the following transactions performed during the month: P2P transfers, bill payments, bulk payments, and airtime top-ups from customer accounts.							

Appendix B: Participating service providers



Note: SMART, Globe and Safaricom have participated in the survey but only with partial data.

Key
■ East Africa ■ West Africa ■ Asia Pacific ■ Middle East and Central Asia ■ Others

Appendix C:

Key indicators by region

	Global ^a	East Africa	West Africa	Asia Pacific	Central Asia and the Middle East
Sample size (number of respondents)	52	11	13	15	8
Customer accounts					
Registered customer accounts, June 2011 Annualised growth rate of registered customer accounts, December 2010 to June 2011	60.4m 33%	35.9m 29%	6.4m 66%	12.6m 43%	1.9m 103%
Active customer accounts, June 2011 Annualised growth rate of active customer accounts, December 2010 to June 2011	6.0m ^{bc} 86% ^{bc}	3.2m ^b 95% ^b	376,000 112%	1.8m ^c 28% ^c	156,000 216%
Active rate (active customer accounts divided by registered customer accounts), June 2011	16% ^{bc}	15% ^b	6%	43% ^c	8%
Functional transactions					
P2P transfers, June 2011	24.6m ^d	21.6m	57,900	2.1m ^d	706,000
Bill payments, June 2011	4.4m ^d	967,000	26,000	1.1m ^d	2.3m
Bulk payments, June 2011	728,000 ^d	386,000	13,000	78,000 ^d	233,000
Airtime topups, June 2011	62.4m ^d	42.7m	994,000	18.5 ^d	252,000
P2P transfers per active customer, June 2011	0.69 ^{bcdde}	0.84 ^{be}	0.15 ^e	0.20 ^{cde}	0.07 ^e
Bill payments per active customer, June 2011	0.20 ^{bcdde}	0.06 ^{be}	0.03 ^e	1.10 ^{cde}	0.09 ^e
Bulk payments per active customer, June 2011	0.03 ^{bcdde}	0.02 ^{be}	0.06 ^e	0.19 ^{cde}	0.13 ^e
Airtime topups per active customer, June 2011	2.07 ^{bcdde}	2.26 ^{be}	2.68 ^e	1.94 ^{cdef}	0.44 ^e
Agent outlets					
Registered agent outlets, June 2011	264,000	79,000	17,000	145,000	20,000
Active agent outlets, June, 2011	158,000 ^b	29,000 ^b	6,000	104,000	16,000
Cash-conversion transactions					
Cash ins, June 2011	24.2m ^d	23.0m	388,000	559,000 ^d	176,000
Cash outs, June 2011	25.5m ^d	24.9m	116,000	299,000 ^d	16,000
Cash ins per active customer account, June 2011	1.85 ^{bcdde}	2.18 ^{be}	1.03 ^e	0.57 ^{cde}	0.27 ^e
Cash outs per active customer account, June 2011	1.57 ^{bcdde}	1.98 ^{be}	0.31 ^e	0.06 ^{cde}	0.19 ^e
Cash ins per active agent outlet per day, June 2011	2.27 ^{bcdde}	13.15 ^{be}	2.04 ^e	0.13 ^{cde}	0.14 ^e
Cash outs per active agent outlet per day, June 2011	1.96 ^{bcdde}	7.11 ^{be}	0.62 ^e	0.01 ^{cde}	0.04 ^e
Active customers per active agent, June 2011	43 ^{bcdde}	109 ^{be}	66 ^e	15 ^{cde}	20 ^e
Agent transactions per active agent per day, June 2011	4.2 ^{bd}	15.4 ^b	3.0	0.5 ^d	7.3

^a 5 services from our sample are not included in any of the four regional averages.

These services are: Tigo Money in Honduras, Giros Tigo in Paraguay, Tigo Money in Guatemala, Mobile Transactions Zambia, and Airtel Money in Madagascar.

^b excluding Safaricom

^c excluding SMART

^d excluding Globe

^e excluding data from OTC services

^f excluding data from AIS

** Cash ins and cash outs for wallet-based services and all transactions for OTC services



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