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# Women and mobile money

Insights from Kenya





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## Context of this report





# Introduction

Mobile money is widely cited as the game-changer for financial inclusion and the growth driver for the African mobile industry. However, recent studies have shown that across Africa women are consistently less likely than men to use mobile financial services. This is a loss to women, many of whom have yet to reap the benefits of mobile money, and a loss to mobile money providers who have yet to capture these women as subscribers.

In this study we focus on Kenya, the most mature mobile money market in the World, to identify where the gender gaps are on the journey to mobile money use and to understand the most common reasons behind these gaps.

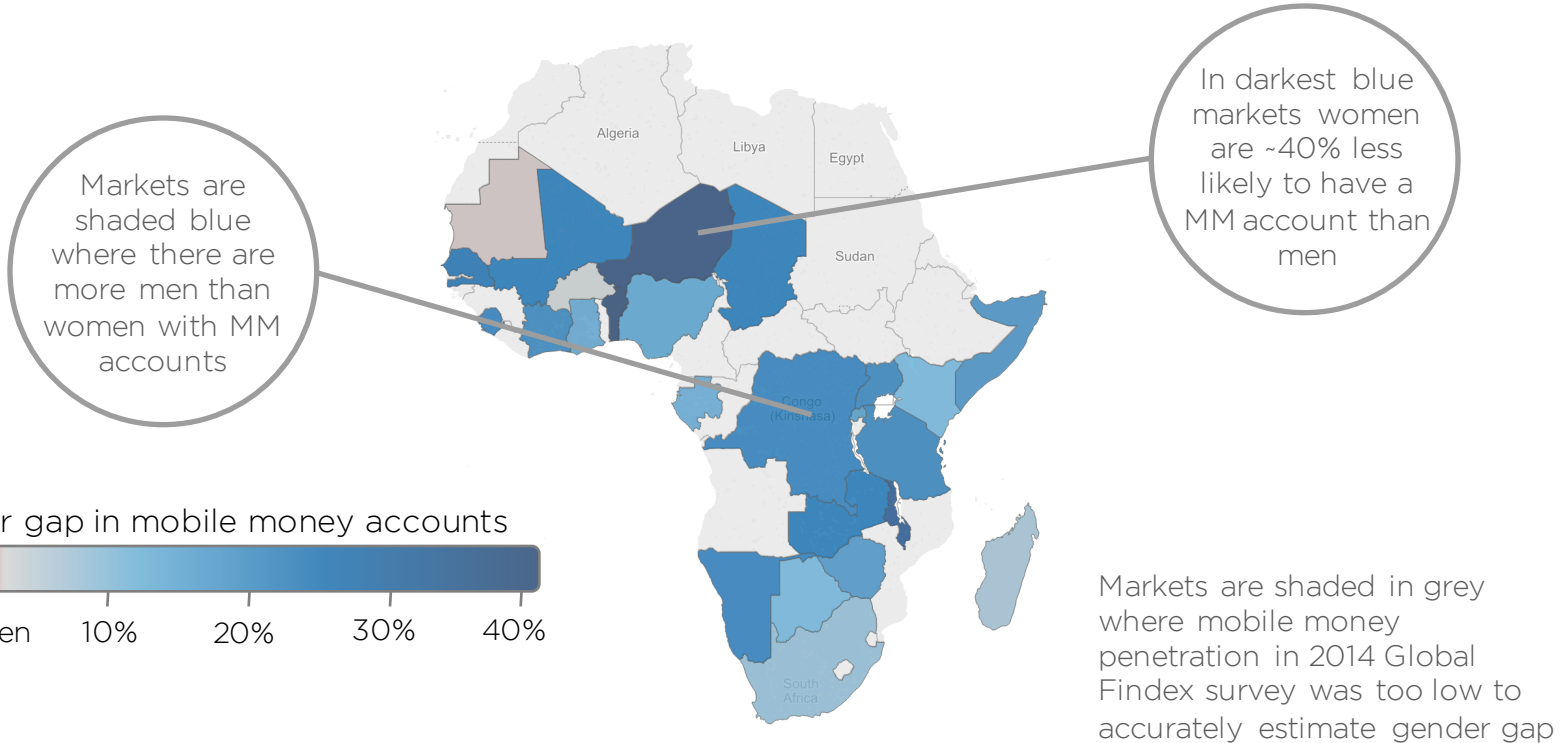
The findings in this report combine existing quantitative datasets on male and female mobile money use with qualitative consumer insights research in two areas of rural Kenya.

Based on these findings we provide four recommendations for mobile financial services providers in the country to better target women in Kenya.





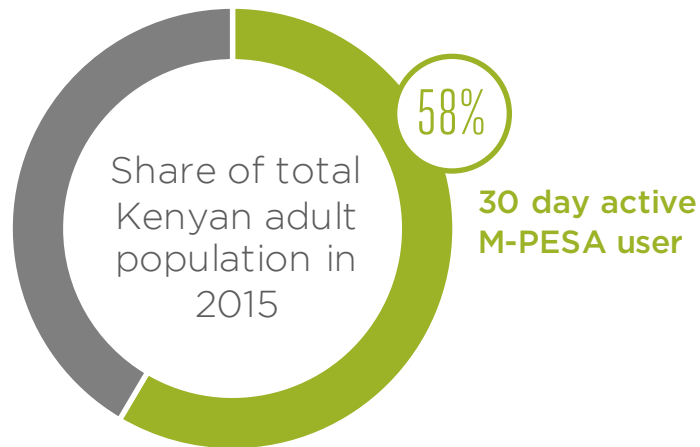
# Across Africa women are less likely than men to have a mobile money account





# This study focuses on the most mature mobile money market - Kenya

**Over half of the adult Kenyan population is using M-PESA at least once a month**



- Safaricom launched the world's first mobile money deployment, M-PESA, in 2007
- Between 2009 and 2011 four other competitor mobile money services were launched including Yu Cash (Yu Mobile), Iko Pesa (Orange), Tangeza Pesa (Mobile Pay) and Airtel Money (Airtel)
- However, all new services have struggled to compete with the dominance of Safaricom's M-PESA
- Today over half of the adult Kenyan population is using M-PESA at least once a month making Kenya the most mature mobile money market in the world



# This study also takes into account some of the new services built on the M-PESA platform

Savings and loans product with 3.3m 30 day active users. Launched by Safaricom in 2012 in partnership with Commercial Bank of Africa (CBA)<sup>1</sup>



Lipa na M-PESA enables organisations to allow customers to buy goods or pay bills via M-PESA. In March 2015 the service had around 36,000 merchants

Launched by Safaricom and Kenya Commercial Bank in 2015, KCB M-PESA is a savings/loans product with an estimated 1.6m 30 day active customers<sup>1</sup>



Example value added services in Kenya



Multiple insurance products based on M-PESA platform such as Linda Jamii health insurance

M-PESA Chama is an account designed for savings groups. However, it has not been widely marketed since its launch in 2013



Pay-as-you-go products such as mKopa's solar kits allow users to purchase products at a low upfront cost and pay for them over time via M-PESA



# This study combines existing quantitative data with qualitative research

## Existing quantitative datasets

This study aggregates and analyses quantitative data from the following sources:

**GSMA Connected Women** Bridging the Gender Gap: Mobile access and usage in low- and middle-income countries

**World Bank** Global Findex survey data 2014

**Intermedia** Financial Inclusion Insights Datacentre

**Kenya Financial Diaries** Shilingi kwa shilingi, the financial lives of the poor

## Qualitative research commissioned

This study draws on qualitative research commissioned by GSMA Connected Women and conducted by research agency 2CV



**Ethnographic interviews** 8 in-depth interviews with rural male and female mobile money users to explore ecosystem barriers and drivers

**Focus group discussions** 4 workshops with male and female farmer groups to explore opportunities and current services

**Value chain interviews** 10 interviews with actors along the agricultural value chain<sup>1</sup> to explore barriers and drivers to MFS

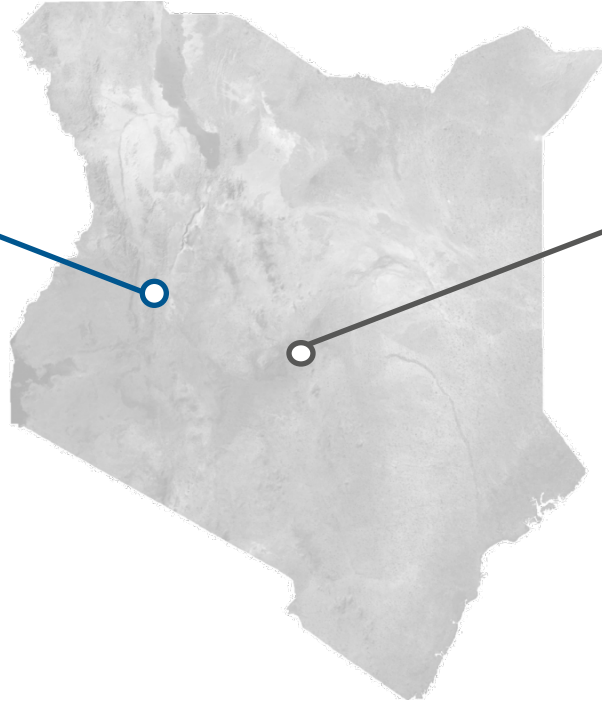


# Qualitative research conducted in two areas of Kenya



**Kerio Valley**  
Baringo County

- Remote, poor infrastructure
- More limited access to information
- Difficult climate, semi-arid
- Cotton trade means there are many farmer groups



**Naivasha**  
Nakuru County

- Burgeoning market town
- Much business passes through as located along busy Nairobi-Nakuru highway
- Many mixed dairy/crop farmers
- Large informal economy





# There are some broad similarities across rural contexts studied

## Mind-set

Vulnerable lives (financial, environmental)  
Optimism and the desire to improve lives  
Low ability to cope with financial shocks leads to risk aversion

## Social world

More communal lives: tied into social obligations (financial support, other exchanges)  
Importance of reputation and social capital  
Family is centre of gravity

## Influence and information

Living in resource and information poor environments  
Heavy reliance on radio and word of mouth  
'Group-think' mentality and practices

## Money management

Want to feel in control and like they are making their money 'work hard'  
Social networks are most trusted way to manage finances despite issues  
Cash dominates majority of transactions

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# Where are the gender gaps in the customer journey?





## ② Summary

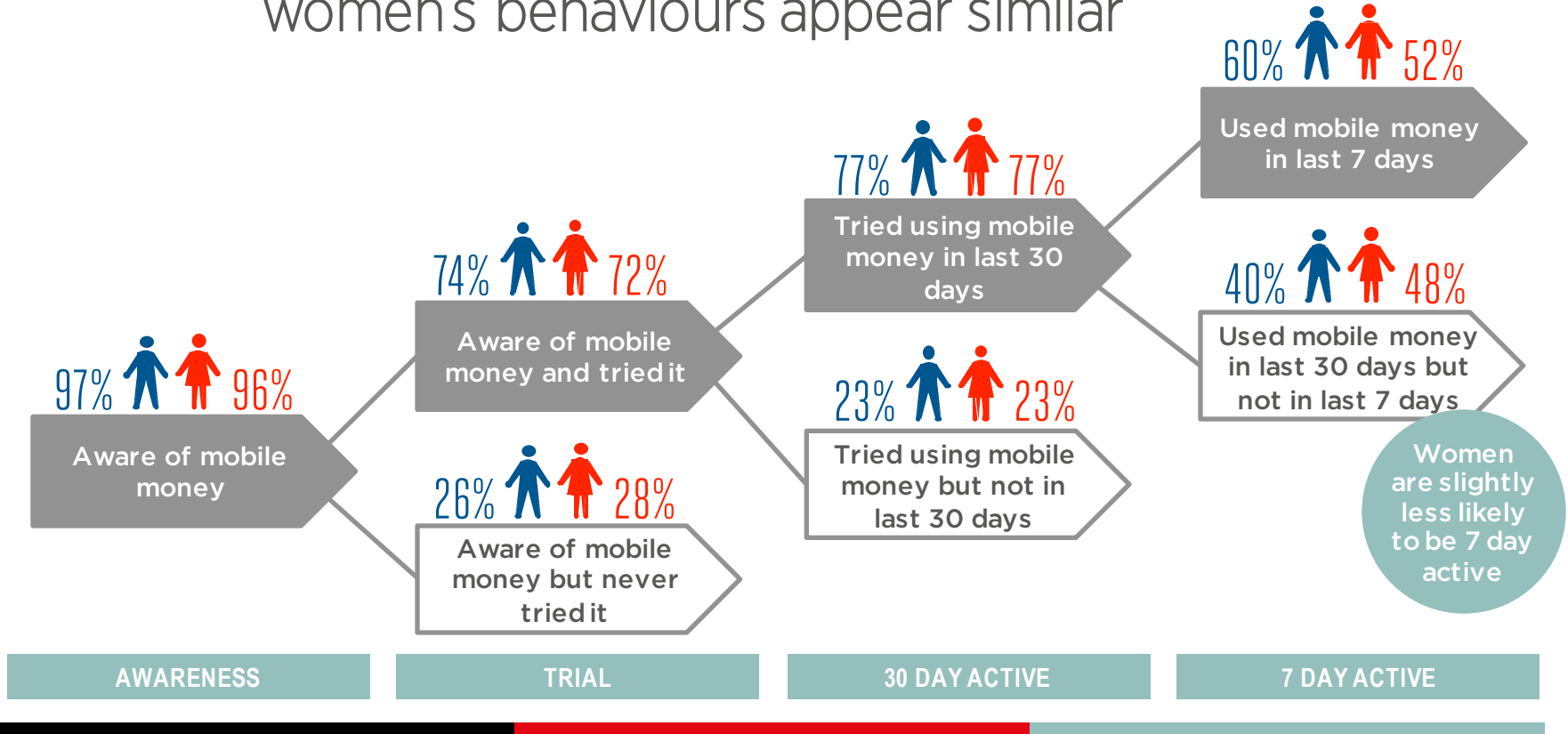
Multiple surveys have been conducted in Kenya to understand the level of mobile money use in the country. These surveys often focus on the customer journey: from awareness of the service, to registration and trial to frequent use of mobile money.

At a high level, men and women appear to have similar behaviour. Both are equally likely to be aware of mobile money, to try it and to become 30 day active. However, when we separate out different types of mobile money, we see that women are more likely to be passive recipients of mobile money than senders and are less likely to try newer services such as savings and loans products.

It is important to note that the analysis of mobile money use in this section is based on pre-existing survey data. A more accurate analysis of mobile money use in Kenya would require the analysis of mobile operator transactional records.



# If we just focus on frequency of use, men and women's behaviours appear similar

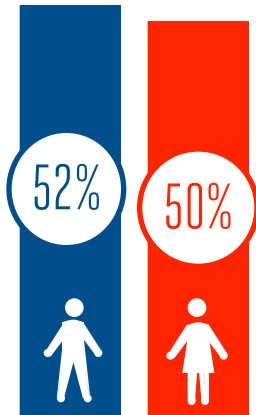




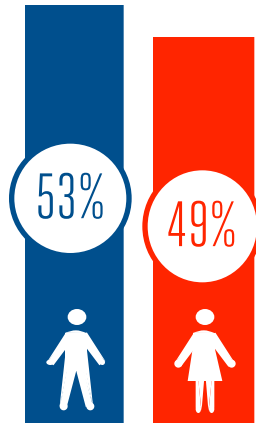
# However, focusing on regular users shows women are significantly less likely to “send money”

% of adults who have done the following in last 7 days

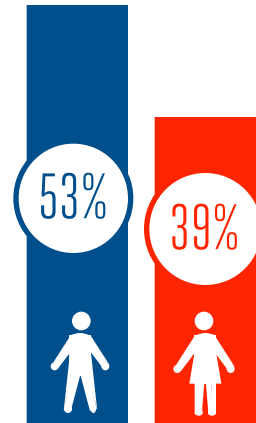
## Airtime top-up



## Received MM



## Sent MM



Women are **26%** less likely to send money than men

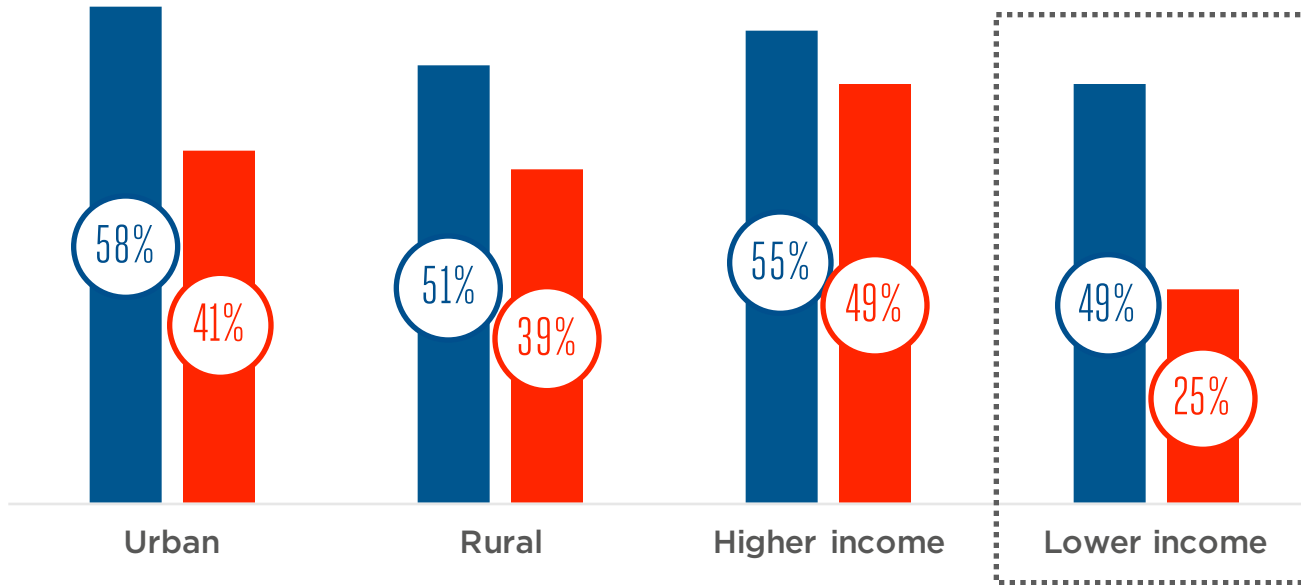
Gender gap is **much smaller** for other types of use





# The gender gap in “send money” is largest amongst the lower-income segment

% of mobile users who sent mobile money in last 7 days:

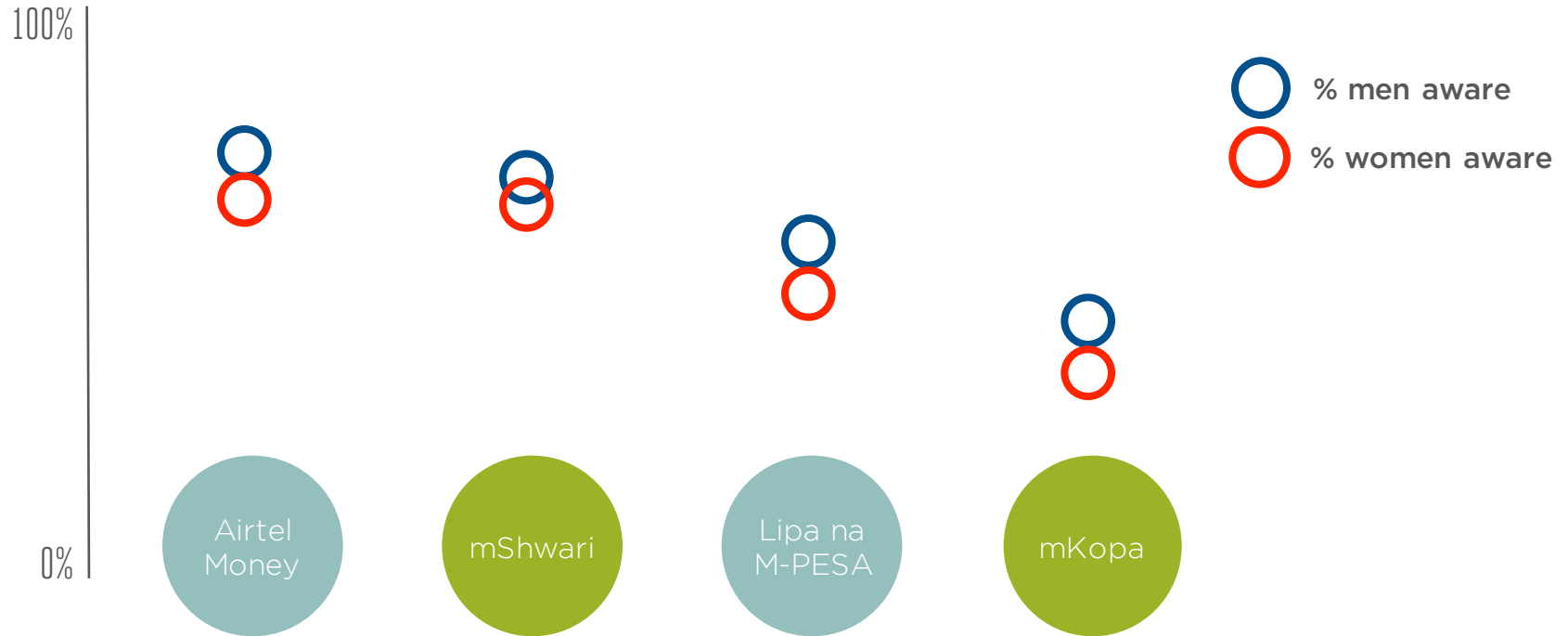


Lower-income women are approximately **50% less likely** than men to have sent mobile money in last 7 days

However, lower-income women are only **16% less likely** than men to own a mobile phone



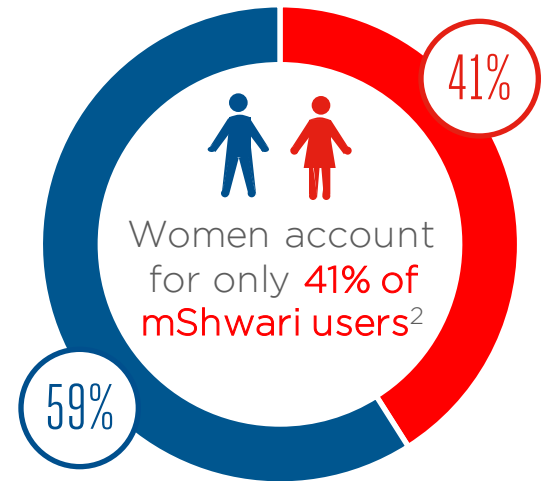
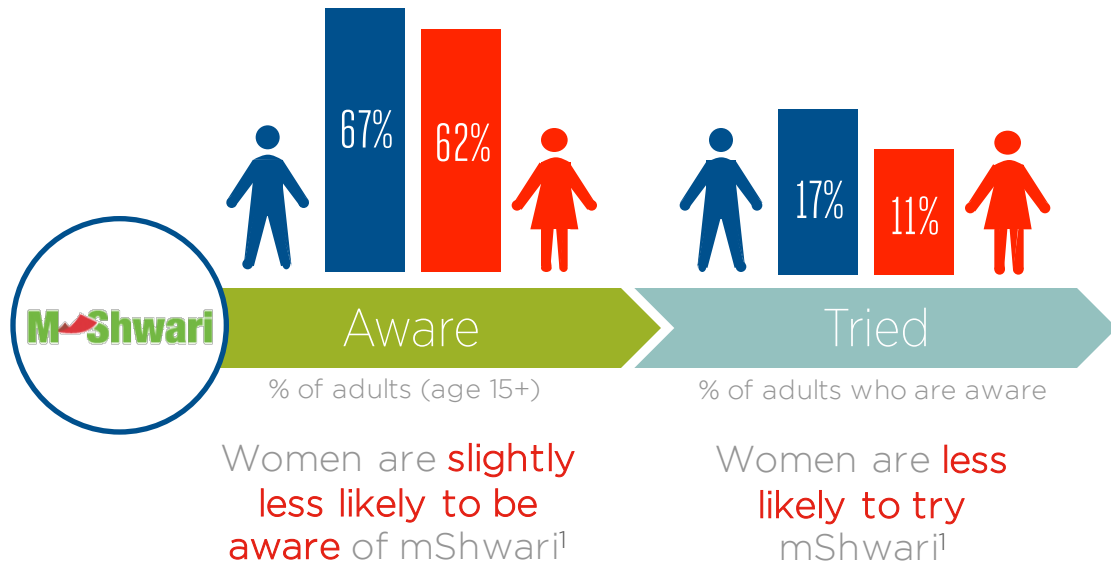
# Women are consistently less likely to be aware of newer mobile financial services





# Women are also less likely to try new services

Example: mShwari (mobile savings and loans product)





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What are the drivers of the gender gaps?





## 3 Summary

Ethnographic interviews and focus groups with men and women were conducted to identify gender differences in attitudes to mobile money services.

The most striking difference between men and women was in attitudes towards transaction fees. Women were far more likely to cite fees as a barrier to frequent use. This may be because women tend to be more meticulous money managers but could also be driven by the fact that women tend to make smaller, more frequent transactions, reducing overall value for money.

Women also appeared to be more risk averse than men when trying new services, particularly if they hadn't been shown how to use them. However, we did not see marked differences between the male and female groups in their ability to use mobile money.

In many cases existing mobile financial services were less likely to suit women's financial behaviour than men. Women are more likely to save via savings groups and receive an informal income, two areas where current products are less relevant.





# Qualitative research highlighted gender differences in attitudes to mobile money

## Confidence and awareness

Women are less likely to have heard of newer services or know how to use them

Women are more likely than men to say that they are worried about making a mistake and losing money when using mobile services

## Price sensitivity

Women are more likely than men to say that transaction fees are too expensive

Women are more likely to make smaller, more frequent transactions, reducing overall value for money

## Product relevance

Current products not well suited to savings groups and women are more likely than men to use savings groups

Current products not well suited to informal economy and women are more likely than men to have informal income sources



# Lower awareness and risk aversion means women often less likely to try new services

Majority of people first hear of new services through ATL marketing

ATL is the main tool for raising awareness of new services. 91% of men and 90% of women first heard of mShwari through ATL marketing<sup>1</sup>

ATL marketing seems to be less effective for women than men

Women are less likely than men to have heard of newer services suggesting current ATL marketing techniques are less effective for women

Women are slightly more risk averse when trying new services

26% of women (vs. 20% of men) said they are prevented from using mobile services more as they are worried they might make a mistake a lose money<sup>2</sup>

I've seen M-Shwari...but I'm not sure what the service is

I think it's for people who are rich and saving lots of money

Many women in the study had misconceptions about new services<sup>3</sup>

Word of mouth is a highly effective tool in encouraging trial

Being shown in person made me feel confident as before I wasn't sure how to use anything apart from M-PESA



# Transaction fees appear to be a bigger barrier for women than men

Women often have less spending power than men

In rural areas men and women have similar average earnings but there is a significant income gap in urban areas<sup>1</sup>

Women tend to make smaller, more frequent transactions

Women tend to manage the majority of day to day expenses while men are often responsible for larger transactions<sup>1</sup>

Women can be more price sensitive

Women tend to be more meticulous money managers than men and more aware of the total cost of transaction fees<sup>2</sup>

Women are more likely to cite transaction fees as a barrier to frequent use<sup>2</sup>

Mobile money comes with too many fees, I only have a small amount of money I can't afford it

We prefer to use cash, who will pay for the fees?

If it saves me time then it's worth it

Men are often less concerned by the cost of fees



# Savings and loans products don't fit with women's savings group culture

Women are more likely than men to use savings groups

Among lower-income households 82% of adult women are a member of a savings group versus just 42% of men<sup>1</sup>

P2P is used when members can't attend in person

MM is a helpful tool when members aren't able to attend the group in-person but most groups remain cash based<sup>2</sup>

Newer products don't serve need of most savings groups

There is no way to create a group mShwari account. Safaricom has a group savings product (mChama) but there are fees to transact into and out of the account<sup>2</sup>

I always carry cash as I need it for my groups

Sometimes if you cannot attend you can use M-PESA

If there was a way to pay into my savings groups for free I would love it

Fees cited as the biggest barrier to use of mobile money for savings groups

Savings groups are predominantly cash-based for many women





# Women face challenges receiving farming income through mobile money

Majority of Kenyan smallholder farmers are female

Studies suggest women constitute up to 80% of Kenyan's smallholder farmers<sup>1</sup>

P2P often seen as expensive and risky in the informal market

Small, frequent transactions make P2P an expensive option for many farmers. MM also seen as risky if the customer is someone you don't know well

Many farmers selling to large buyers are still receiving payments in cash

Agribusinesses making a large number of transactions (e.g. dairy processors) often see Bulk Pay mobile money services as too expensive

If it's a buyer I don't know I'll make sure we use cash because that way I have the money straight away

Cost and risk create challenges for use of MM in the informal market

My customers prefer cash, it's quicker and cheaper

Products don't yet fulfil need of many large buyers

It's too expensive for us to pay all of our farmers with M-PESA



# For rural women, cash is the best option for day to day expenses

Women tend to manage the majority of day to day expenses

Women are more likely to take responsibility for the purchase of everyday household items such as food and clothing<sup>1</sup>

P2P is a back-up option for most customers

Small, local shops commonly say that P2P is most often used when customers have run out of cash and need to use another store of money<sup>2</sup>

Lipa na M-PESA not well adapted to small, informal shops

Lipa na M-PESA not common amongst smaller shops as there is not enough demand and formalisation can be seen as a threat to business<sup>2</sup>





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## What separates an Infrequent User from a Power User?







## ④ Summary

In this study focus groups and ethnographic interviews were conducted with rural women at differing levels of mobile money use. The objective was to understand what separates a woman who uses mobile money very infrequently from a regular user of mobile money services.

Interestingly, the three barriers: confidence and awareness, value for money and product relevance applied to all women interviewed. However, these barriers applied to a lesser degree for women who are regular users of mobile money.

Women who were well connected socially were likely to have higher confidence and awareness of how to use services. Women with higher income levels and greater liquidity were less likely to see transaction fees as a barrier and women who were more integrated with the formal economy were more likely to see mobile financial services as relevant to them.

However, it is important to note that even those rural women interviewed who were using mobile money on a daily basis were still making at least half of their transactions in cash.



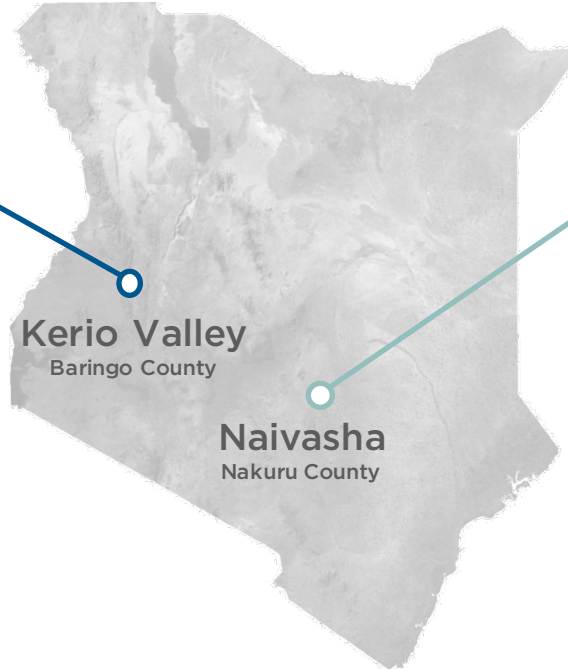
# Comparing two rural Kenyan women



**Anne**

## POWER USER

Anne is a farmer, a school teacher and a mother of school-aged children. Her primary crop is cotton but she also grows small amounts of maize, millet and sorghum which she sells in the community. She is well connected socially and is part of 3 formal and informal savings groups: a farmer co-operative, a church group and a women's savings group.



**Kerio Valley**  
Baringo County

**Naivasha**  
Nakuru County



**Ruth**

## INFREQUENT USER

Ruth is a farmer living in a village outside of Naivasha. She is a single mother of three school-aged daughters. She lives on her 1.5 acre farm, where she is also building a house with any extra income she gains. She grows and sells maize, carrots, onions, potatoes, spinach which she sells at the market. She also owns two cows, three sheep and five goats.



# How Ruth manages transactions

- Rarely with MM
- Occasionally with MM
- Regularly with MM



Ruth

INFREQUENT USER

Frequency of MFS use: 30 day active

## Savings & loans

## Business

## Household expenses

**Domestic remittances**

Uses M-PESA to receive remote payment from family member

**Inputs purchase**

Uses cash as shop owner demands transaction fees must be covered by the customer

**School Fees (PayBill)**

School requests PayBill but not confident with using service so asks local agent to do it

**Government remittance**

Paid into bank account or directly to school for fees

**Produce sales (crops)**

Small amounts sold and money spent immediately so prefers cash

**Household items**

Uses cash as purchasing small amounts and market sellers prefer it

**Borrow from local community**

Typically cash as small amounts needed and money spent immediately

**Produce sales (dairy)**

Paid daily by her broker, prefers cash due to trust issues but occasionally uses M-PESA



# How Anne manages transactions

- Rarely with MM
- Occasionally with MM
- Regularly with MM



Anne

**POWER USER**

Frequency of MFS use: everyday

## Savings & loans

## Business

## Household expenses



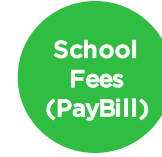
**Domestic remittances**

Uses M-PESA to send and receive remote payments with family members



**Produce sales**

All cotton farmers receive payment in Sacco account



**School Fees (PayBill)**

Pays via PayBill three times a year (shown how to use by school bursar)



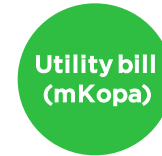
**Savings (mShwari)**

Uses every month to get a short-term loan to bridge period before salary payment



**Teaching salary**

All teachers receive salary in Sacco account



**Utility bill (mKopa)**

mKopa promoted in village and Anne chose to install it



**Savings groups**

Member of 3 groups: all use cash as it means no transaction fees



**Farm labour payment**

Cash for ease if in-person payment, M-PESA used if labourer has left village by time of payment



**Household items**

Local shops only accept cash as amounts are small



# Barriers affect both types of user



Ruth

## HOW BARRIERS CAN AFFECT AN INFREQUENT USER



Anne

## HOW BARRIERS CAN AFFECT A POWER USER

### Confidence & awareness

- Socially isolated and not playing an active part in community social groups.
- Cut-off from advice about MFS and has only heard of new services through the radio

- Has had a lot of support in using MFS: she was introduced to mShwari by a friend and was shown how to use PayBill by the bursar at her school

### Price sensitivity

- Very low spare income and low liquidity, therefore transaction fees are a noticeable
- Much more likely to be a passive recipient of MM (e.g. through remittances) than to send it

- Has greater income and liquidity and so regularly sends mobile money
- Fees are still a barrier to mobile money use for small, frequent transactions such as depositing in savings groups

### Product relevance

- Has limited interactions with institutions and has an informal business
- Lack of mobile financial services that support her informal payments

- Despite being a Power User, current services fail to meet her needs in two areas: her savings groups and her farming business.



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What can MFS providers do to better target women?







## ⑤ Summary

At its launch in 2007, M-PESA was targeted at urban, male migrant workers sending money home. This was estimated to be no more than 3 million Kenyans, or 14% of the adult population. Today, over 55% of adult Kenyan's are using mobile money at least once a month and mobile financial service providers must look to new segments to drive growth.

Connected Women research estimates just 25% of lower-income women (vs. 49% of lower-income men) are sending mobile money each week. This dramatic gender gap shows the clear opportunity that exists to grow the revenue from this segment.

The gender differences identified in this study highlight areas where current mobile money products are less well suited to women than men. By adjusting fee structures, employing innovative BTL marketing techniques and designing products that are more relevant to rural women, mobile financial services providers could see a step change in rural women's engagement with the mobile money ecosystem.







# Innovative marketing techniques could increase adoption of new services amongst women

**Women have lower awareness and are more risk averse**

Women are less likely to have heard of newer services or know how to use them

Women are more likely than men to say that they are worried about making a mistake and losing money when using mobile services

**Social networks are crucial to adoption**

People with 5 or more mobile money users in their social network are over 3.5 times more likely to adopt than people with 1<sup>1</sup>

Women are significantly more likely to try new services if they have been shown how to use them by a friend or family member

**How to harness the power of influencers?**

Can an analysis of voice, SMS and mobile money records be used to identify most likely targets for adoption?

What is the best way to incentivise regular users to sign up friends and family to new services?



# A change to the current fee structure is needed before rural women can go cashless

Women are more price sensitive to fees

Women are more likely than men to say that transaction fees are too expensive

Women are more likely to make smaller, more frequent transactions, reducing overall value for money

Halo effects on MFS ecosystem are substantial

Cash is often preferred when transactions are small and done in-person as it is seen as “free”.

When women are spending in cash they are more likely to ask for their income in cash and vice versa. We see a halo effect reducing women’s overall integration with the mobile money ecosystem.

How to price to incentivise frequent use?

Could a freemium or subscription model incentivise the use of MFS for smaller, in-person transactions?

If women are more price sensitive to fees, would they also be more sensitive to discounts and loyalty bonuses?



# New products needed to capture transactions in savings groups and agriculture

**Current product mix is less relevant for women**

Current products not well suited to savings groups and women are more likely than men to use savings groups

Current products not well suited to informal economy and women are more likely than men to have informal income sources

**Opportunity in savings groups and agriculture**

Savings groups and smallholder farming are two areas most frequently cited by women as dominated by cash transactions

These two areas represent a significant proportion of transactions made in rural areas and the use of cash has halo effects across the ecosystem

**How to price to develop new products that work?**

How can a cost-effective and secure solution be developed for savings groups?

How can products be designed to work across actors in key value chains such as dairy, tea and coffee?



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# About this report



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**Delivering socio-economic benefits to women and the broader mobile ecosystem by reducing the gender gap**

GSMA Connected Women works with mobile network operators and their partners to reduce the gender gap in connectivity and improve access to mobile money services by overcoming barriers to women's ownership and use of mobile phones. Progress in this area will deliver substantial socio-economic benefits for women, business and the wider economy. The initiative also promotes greater inclusion of women as employees and leaders in the mobile industry.

[www.gsma.com/connectedwomen](http://www.gsma.com/connectedwomen)

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