

Assessing mobile money consumer trends in the wake of the COVID-19 pandemic

Insights from seven mobile money markets

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Introduction

Since the start of the COVID-19 pandemic, mobile money has been promoted as an alternative of choice to cash payments, particularly for unbanked populations in low-and-middle-income countries (LMICs). To this end, mobile money providers, governments and regulators have been implementing measures to promote digital payments such as mobile money. These include, among others, measures such as:

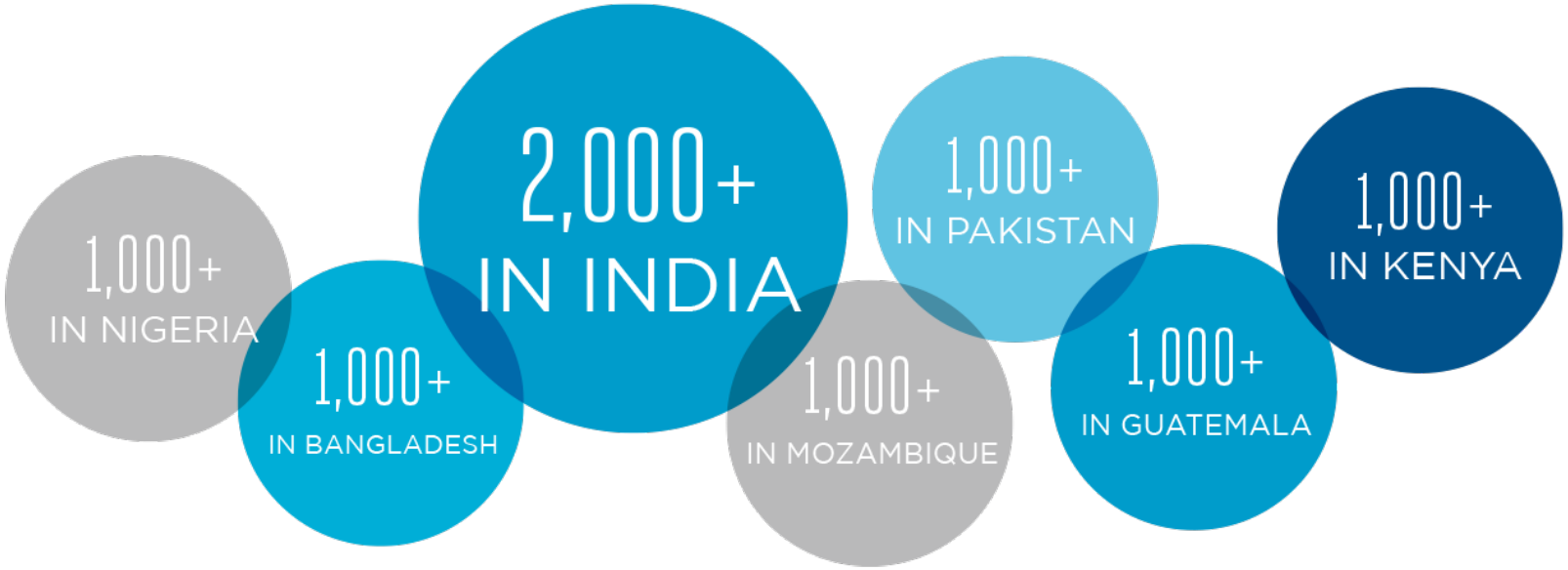


While this increased focus on mobile money is encouraging, many remain excluded from using mobile money, due to reasons such as lack of awareness or other socio-demographic factors (gender, illiteracy, disability, and so on). With mobile money becoming increasingly ubiquitous, particularly as a result of COVID-19, the social cost of financial exclusion is likely to be exacerbated.

As such, using data collected through the GSMA Intelligence's annual Consumer Survey, this report identifies key demand-side trends on general mobile money awareness and adoption levels, as well as the specific effects of COVID-19 on mobile money adoption and usage, including its impact on the diversification of use cases, frequency of transactions and agent interactions.

Methodology

The results presented in this report are based on a nationally representative survey of over 8,000 adults in 7 LMICs, conducted as part the GSMA Intelligence 2020 Consumer Survey.



The survey, implemented by Ipsos, is representative of the adult population of these countries, thanks to applied quotas in line with census data (or other appropriate sources). However, the results are subject to sampling error (typically +/- 2-3%), as well as other potential sources of error.

Figures from the GSMA Intelligence Consumer Survey 2019 and 2018 have also been included in the analysis to present trends in mobile money awareness and uptake, covering the same countries and sample sizes as in the 2020 survey.

Additional details on the survey's methodology are provided in the appendix.

Key findings (1/5)

Mobile money awareness is growing in most of the seven markets in our sample, particularly in those with lower initial awareness levels. Similarly, account ownership has been consistently increasing in a number of markets such as Bangladesh, India, Pakistan and Mozambique, but has stabilised in Nigeria, Guatemala and Kenya – the latter due its already high penetration rate.

As self-reported by respondents, the growth in account ownership can be partially attributed to the COVID-19 outbreak, as a potential result of the promotion of digital payments by governments and other stakeholders alike.

Throughout our sample, over 13% of mobile money users (including OTC services) claimed the pandemic has prompted them to do so.

Key findings (2/5)

Beyond awareness and usage, the response to the pandemic seems to have contributed to the diversification of mobile money use cases. Throughout our sample, a substantial amount of mobile money users claimed that COVID-19 prompted them to:



Use more sophisticated financial services such as credit, savings and insurance



Start getting paid via mobile money (for their labour or products/services sold)



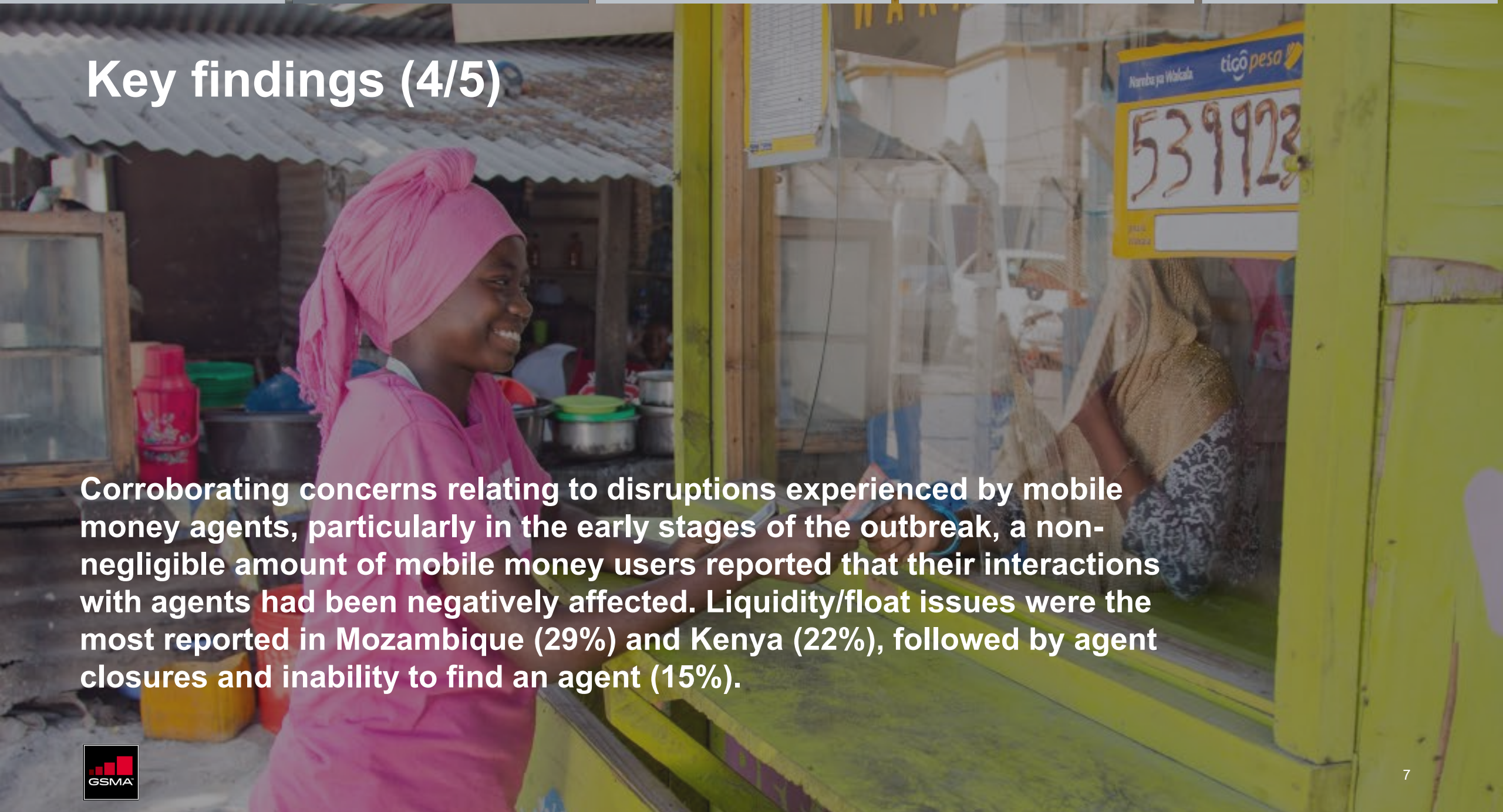
Start paying for products and services, as well as bills

Key findings (3/5)

However, at an aggregate level, most respondents do not believe that COVID-19 has impacted the frequency of their mobile money transactions, whether outgoing or incoming. As far as incoming transactions are concerned, more mobile money users reported a negative impact than a positive one.

Moreover, while many governments and international organisations endeavoured to digitise new or existing social & humanitarian cash transfer schemes, responses received do not suggest a significant surge of this type of transaction.

Key findings (4/5)



Corroborating concerns relating to disruptions experienced by mobile money agents, particularly in the early stages of the outbreak, a non-negligible amount of mobile money users reported that their interactions with agents had been negatively affected. Liquidity/float issues were the most reported in Mozambique (29%) and Kenya (22%), followed by agent closures and inability to find an agent (15%).

Key findings (5/5)

While the pandemic partially stimulated mobile money uptake in all 7 countries in our sample, account ownership levels have yet to reach their potential:



In all surveyed markets but Kenya, less than half of respondents own a mobile money account – less than 12% in 4 out of 7 markets (Pakistan, India, Nigeria and Guatemala)



A substantial gender gap in account ownership remains in India (73%), Pakistan (72%), Bangladesh (66%). With account registrations growing faster for men than women, a few markets have actually seen the gender gap growing.



A large proportion of respondents are aware of at least one mobile money brand but do not own an account.



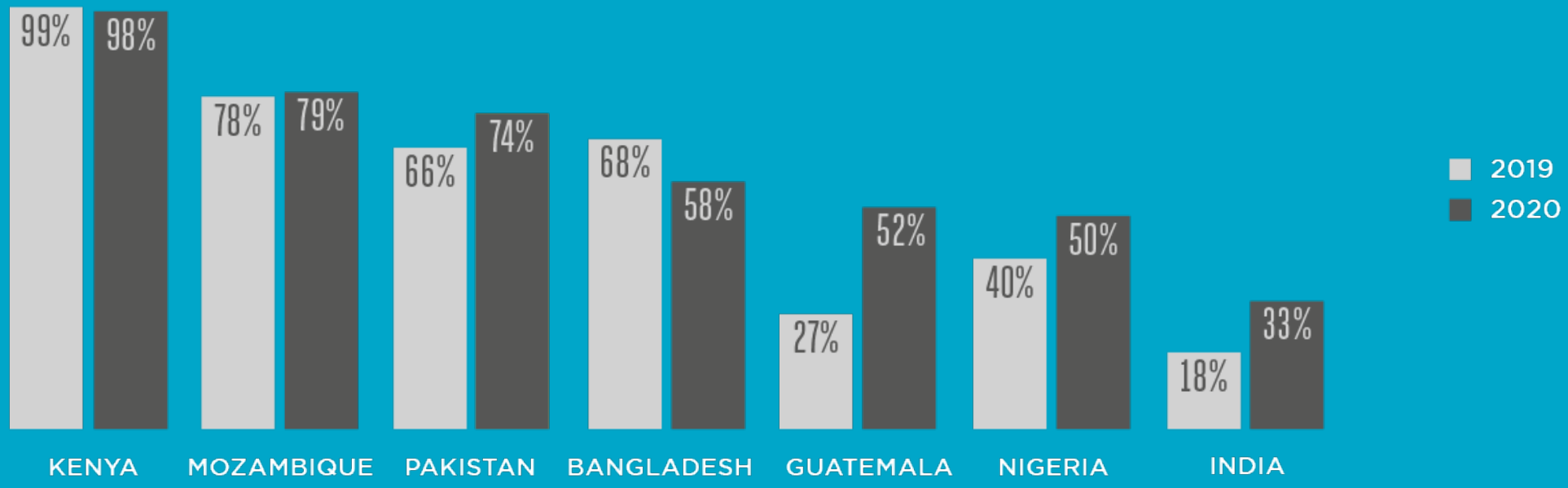
Many mobile money users still exclusively use over-the-counter (OTC) money transfer services, rather than accounts – particularly in Nigeria, Pakistan and Guatemala.



Mobile money awareness and adoption

Mobile money awareness is growing in most markets, particularly in those with low initial awareness levels

Share of respondents aware of at least one mobile money brand (2020 and 2019)*

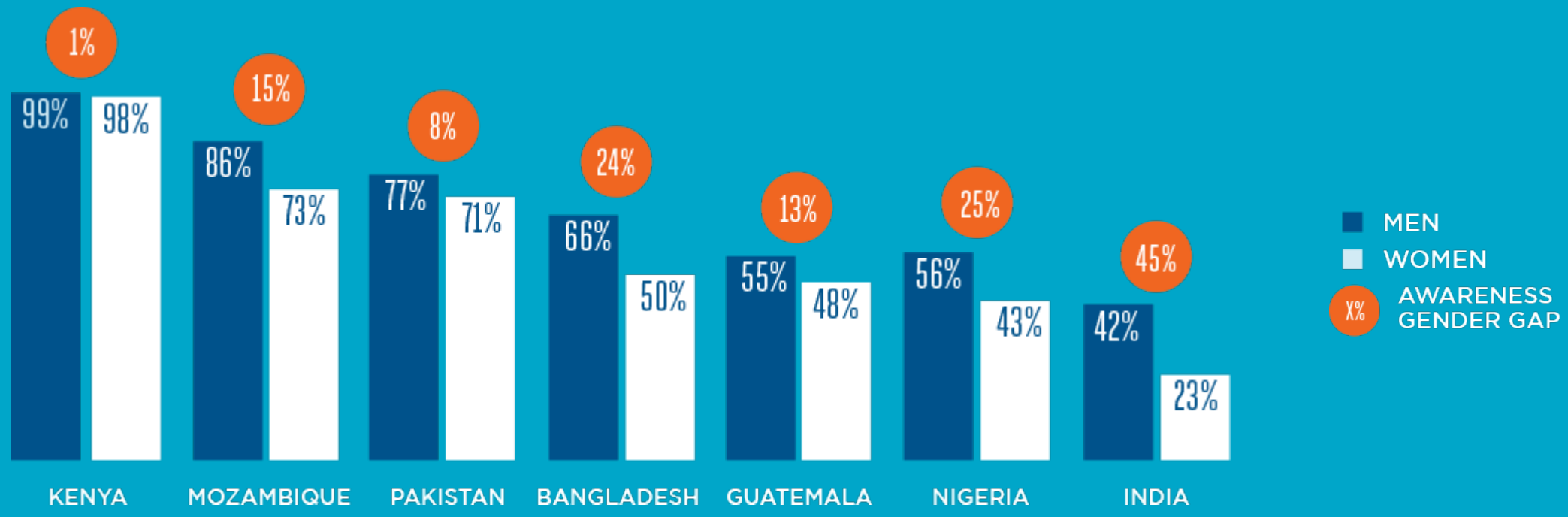


Between 2019 and 2020, awareness levels increased substantially in India, Guatemala, Pakistan and Nigeria, while they remained stable in Mozambique and Kenya – the latter having reached near full awareness).

*further investigation may be required to understand the observed drop in Bangladesh

Across all markets, women are less aware of mobile money than men

Share of respondents aware of at least one mobile money brand (by gender, 2020)

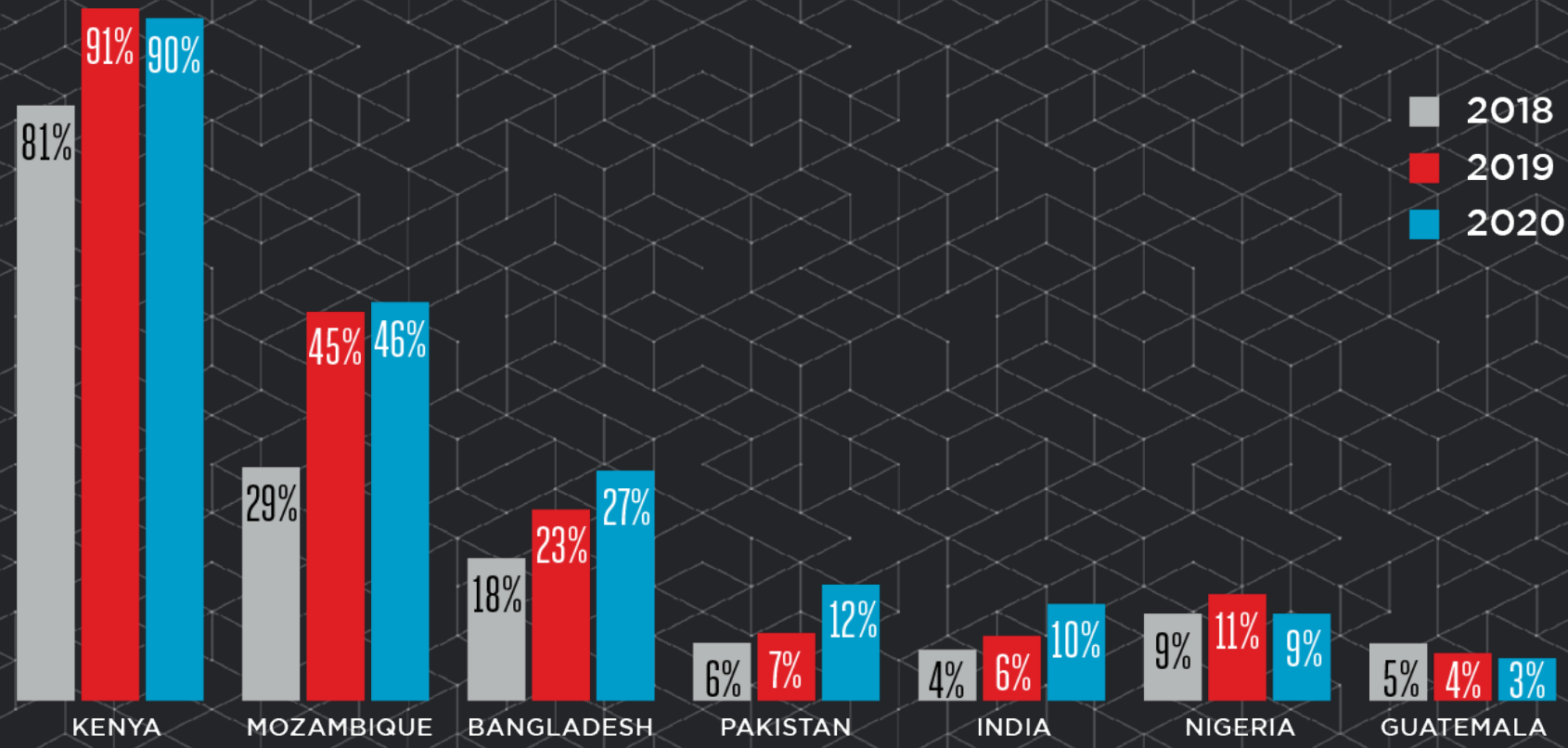


While the gender gap in mobile money awareness is gradually closing, it remains significant in India, Nigeria, Bangladesh and Mozambique.

Mobile money account ownership is growing in 4 out of 7 markets

Mobile money account ownership grew the fastest in India and Pakistan, with increasing growth rates in 2020 compared to 2019. Adoption growth rates are slower in Guatemala and Nigeria, where mobile money penetration remains low.

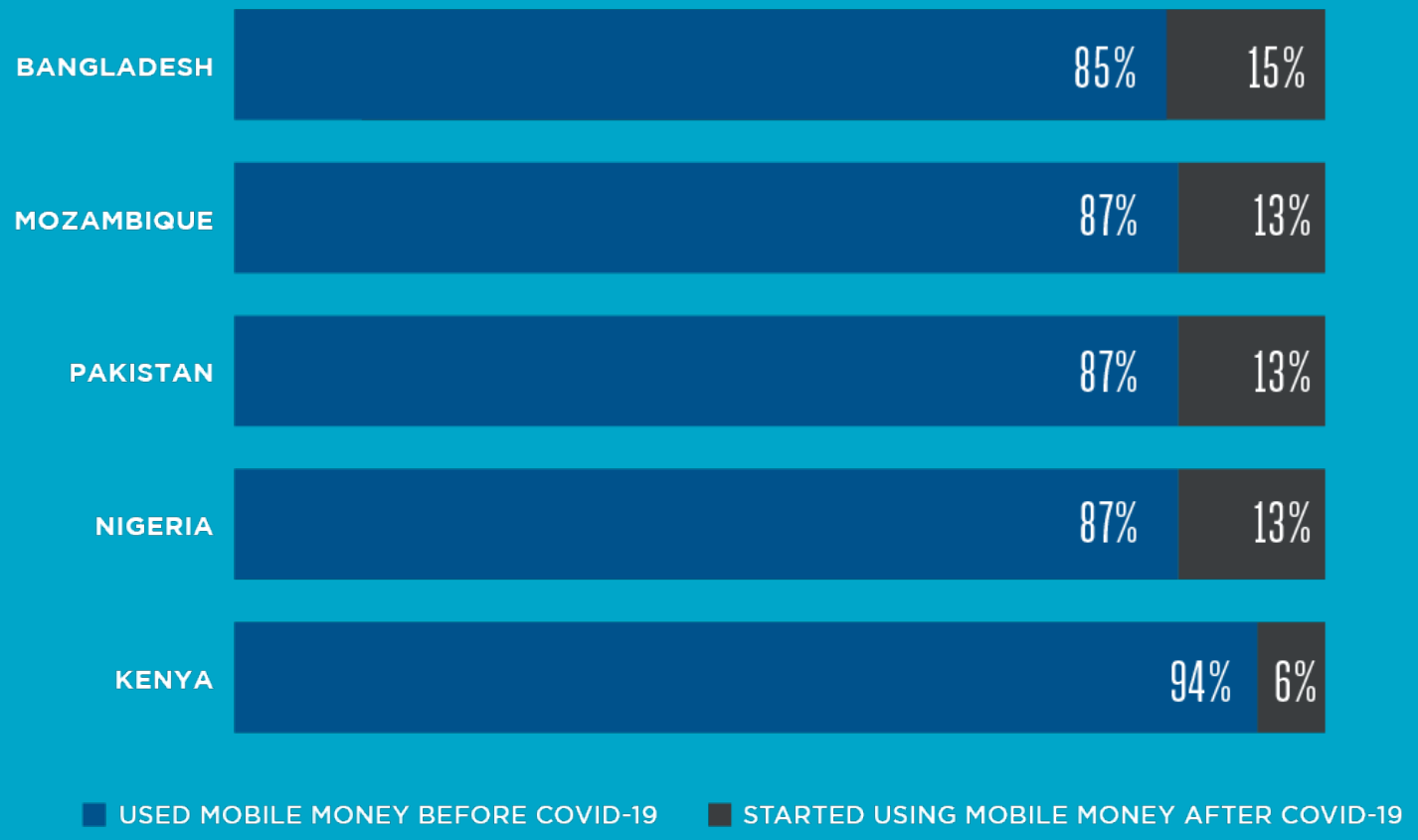
Percentage of respondents with a mobile money account (per country and year)



COVID-19's digitisation push contributed to increasing mobile money uptake in all markets

Out of 269 mobile money account owners interviewed in Bangladesh, 15% registered an account due to COVID-19, revealing the impact of the pandemic on the digitisation of payments in the country.

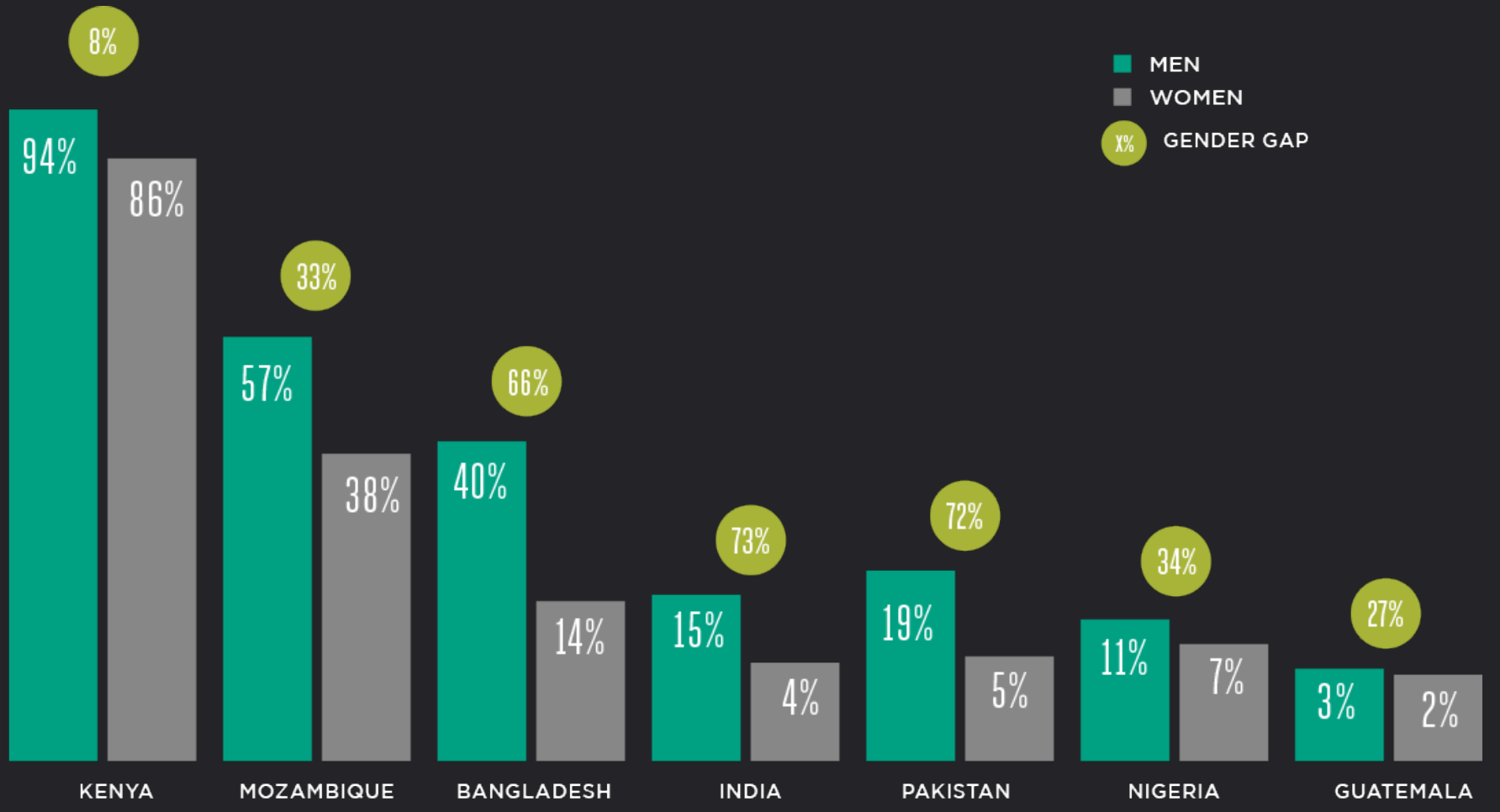
Share of account owners who started using mobile money after the COVID-19 outbreak*



* Responded "applies to me" to the question: "Thinking now about coronavirus and your use of mobile money, for each of the following please tell me whether this applies to you or not - before the Coronavirus outbreak I didn't use mobile money services at all (either through a mobile money account or over the counter through an agent or shop), but have started using it now." Base: 269 in Bangladesh, 465 in Mozambique, 94 in Nigeria, 121 in Pakistan, 899 in Kenya.

Women's account ownership remains significantly lower than men's in most countries in our sample

Percentage of respondents with a mobile money account (per country and gender)

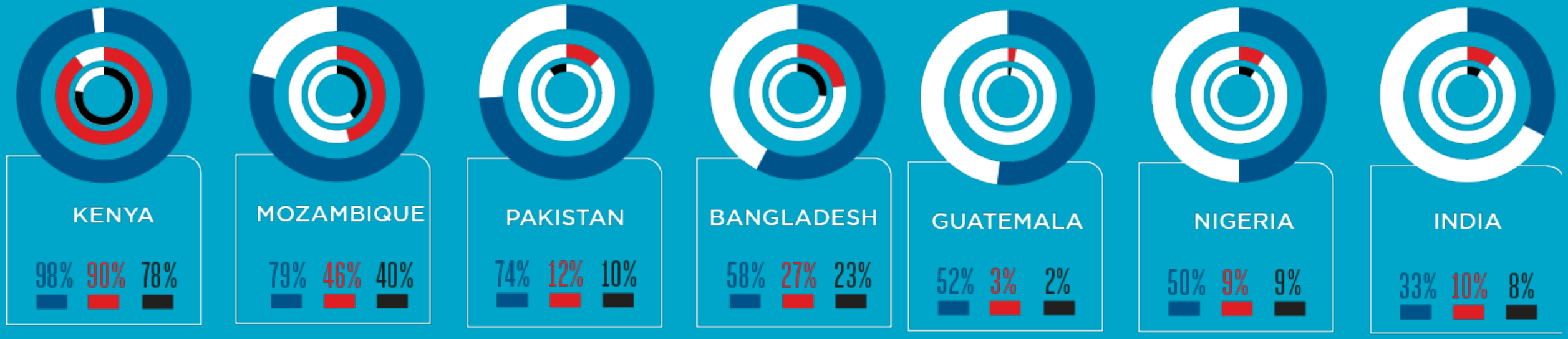


As substantial gap remains between mobile money awareness and account ownership

A significant gap remains between account ownership and awareness in most markets, even in comparatively more established ones such as Mozambique.

When asked to clarify whether the account they own is registered in their own name, a non-negligible share of respondents claimed that this is not actually the case.

Mobile money awareness vs. account ownership



AWARE OF AT LEAST ONE MOBILE MONEY BRAND

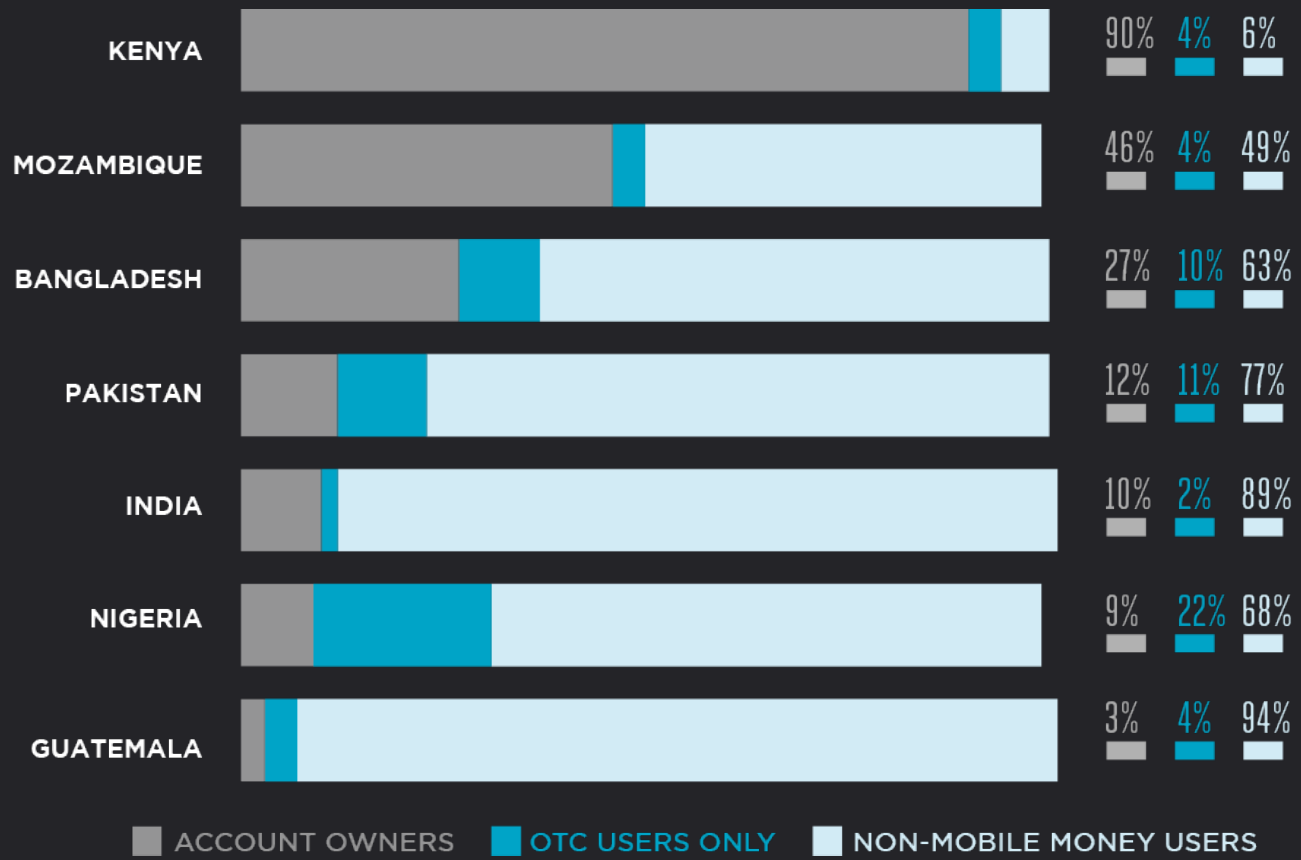
ACCOUNT OWNERS

ACCOUNT REGISTERED IN THEIR OWN NAME

A considerable proportion of mobile money users in Nigeria, Guatemala and Pakistan only use OTC mobile money services, and are yet to open an account

Over two thirds of mobile money users in Nigeria only use OTC services and do not own an account. In Pakistan, a formerly OTC-driven market, close to half of mobile money users still do not own an account, and exclusively transact via OTC.

Share of respondents aware of at least one mobile money brand (by gender, 2020)*



*In markets with little or no OTC prevalence, respondents may have misinterpreted OTC as another type of transaction

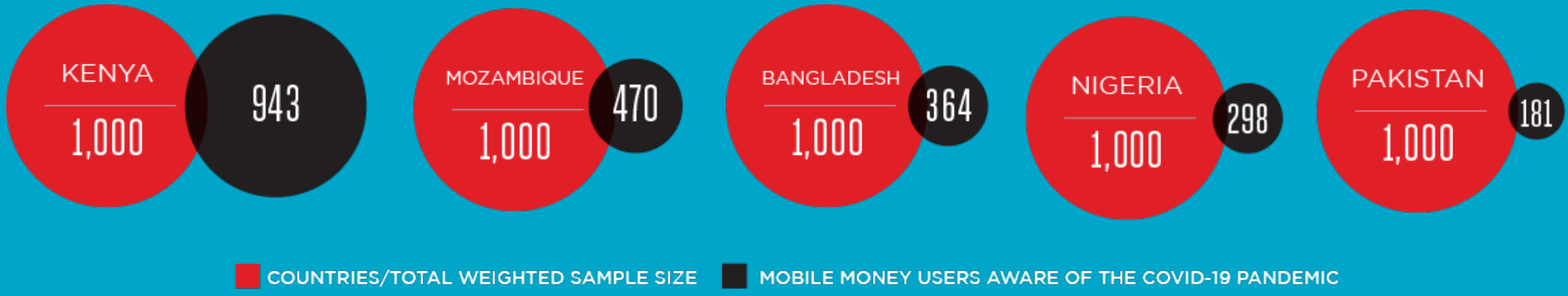


COVID-19’s impact on mobile money use cases and ecosystem transactions

Measuring the impact of the pandemic on mobile money use cases and wider ecosystem transactions

In addition to assessing mobile money awareness and uptake, our research focused on understanding the impact of the pandemic on specific use cases or usage patterns such as: Payments for goods or services, social & humanitarian cash transfers, financial services such as credit, savings and insurance, overall frequency of payments, and interactions with mobile money agents.

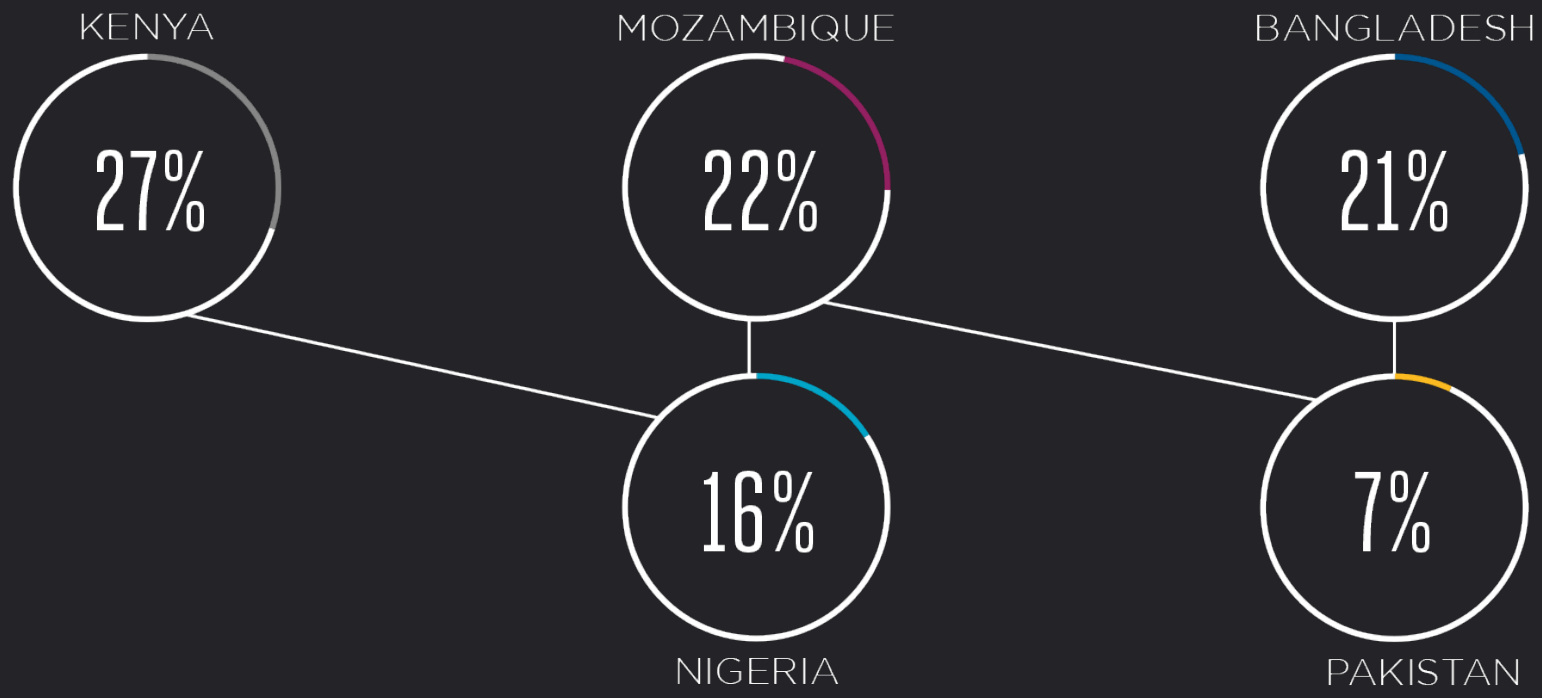
To measure this, Ipsos asked a series of questions to mobile money users – either account owners or users of over-the-counter services (OTC) – who are aware of the COVID-19 pandemic*



*Guatemala was excluded from our subsequent analysis due to a small sample size. India was not included due to pending data collection.

COVID-19 led a large proportion of mobile money users to use more sophisticated financial services such as credit, savings and insurance

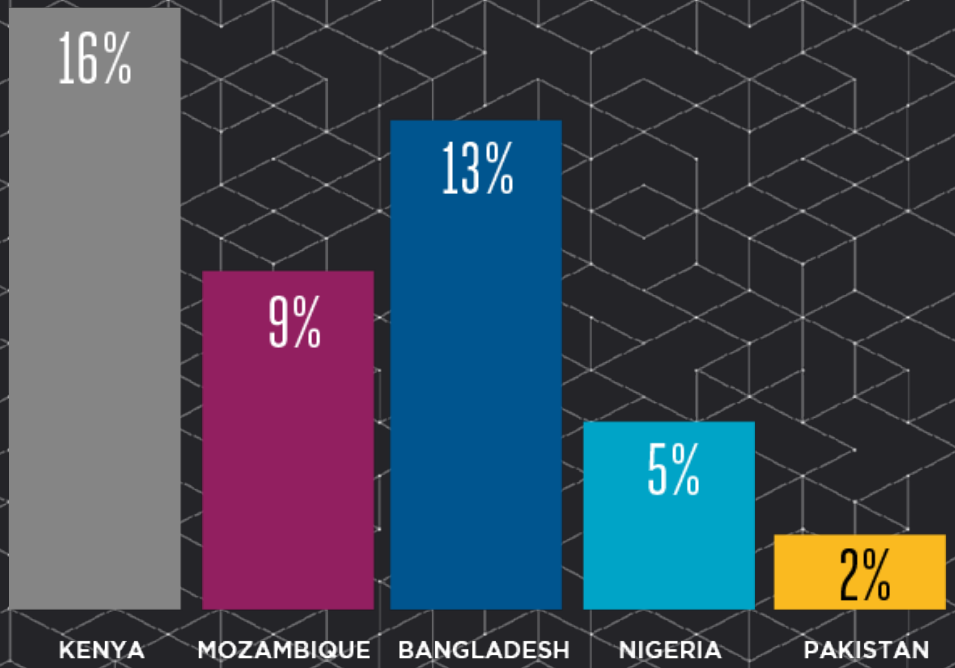
Share of mobile money users who used credit, savings or insurance services via mobile money due to COVID-19



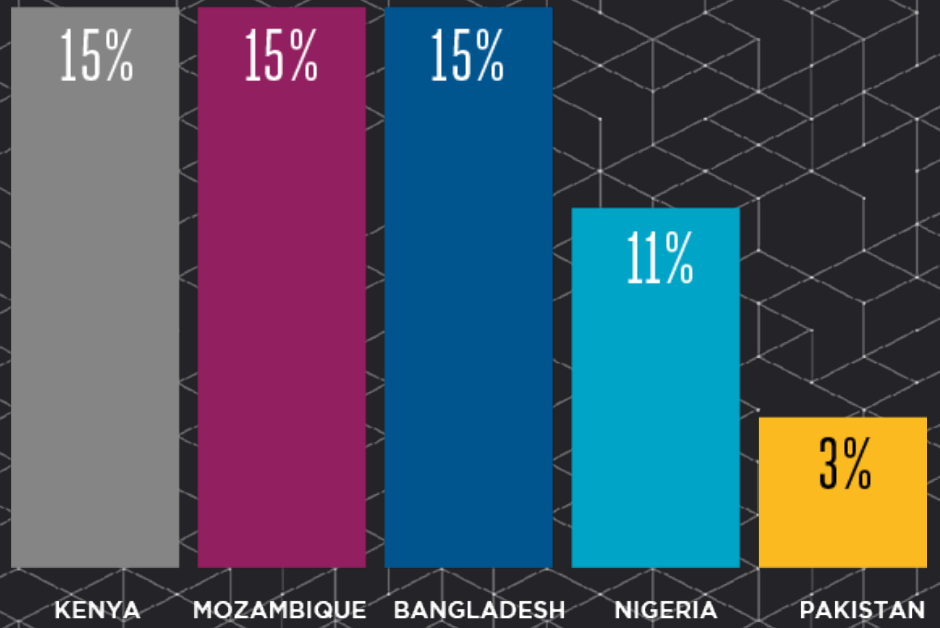
In Kenya, over a quarter of respondents attributed their use of at least one such financial service to the pandemic.

This trend was particularly driven by credit and savings products…

Share of mobile money users who took a loan via mobile money due to COVID-19

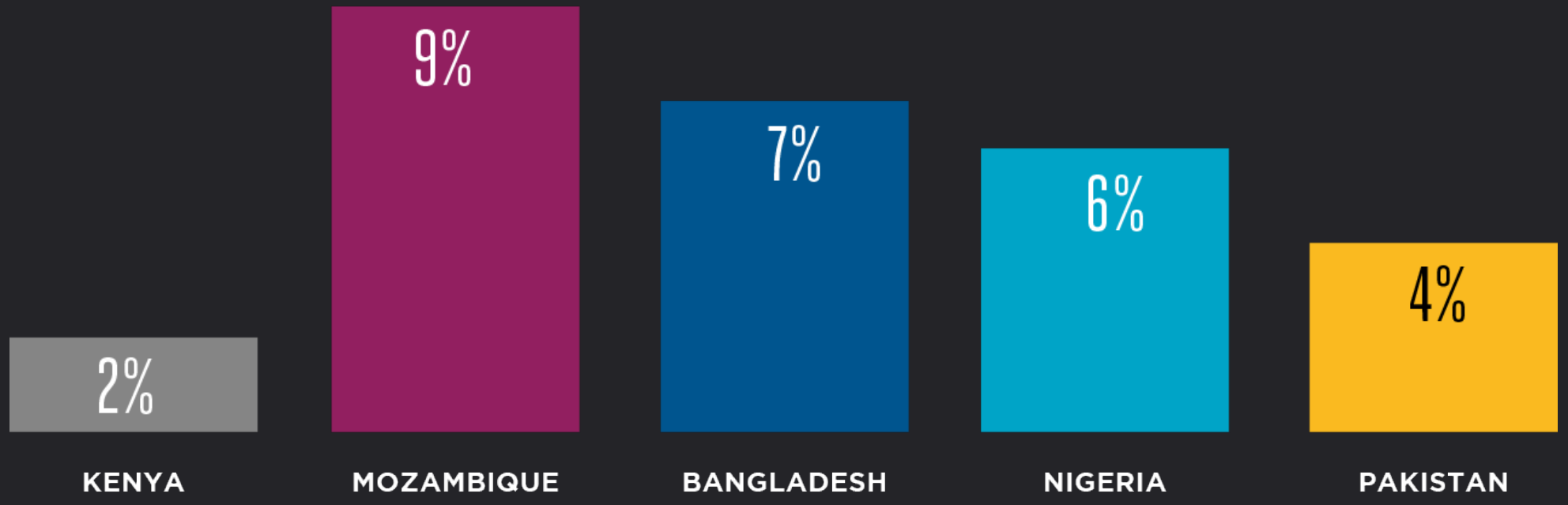


Share of mobile money users who started saving in a savings account via mobile money due to COVID-19



…while a lower proportion of respondents took out a mobile money-enabled insurance product

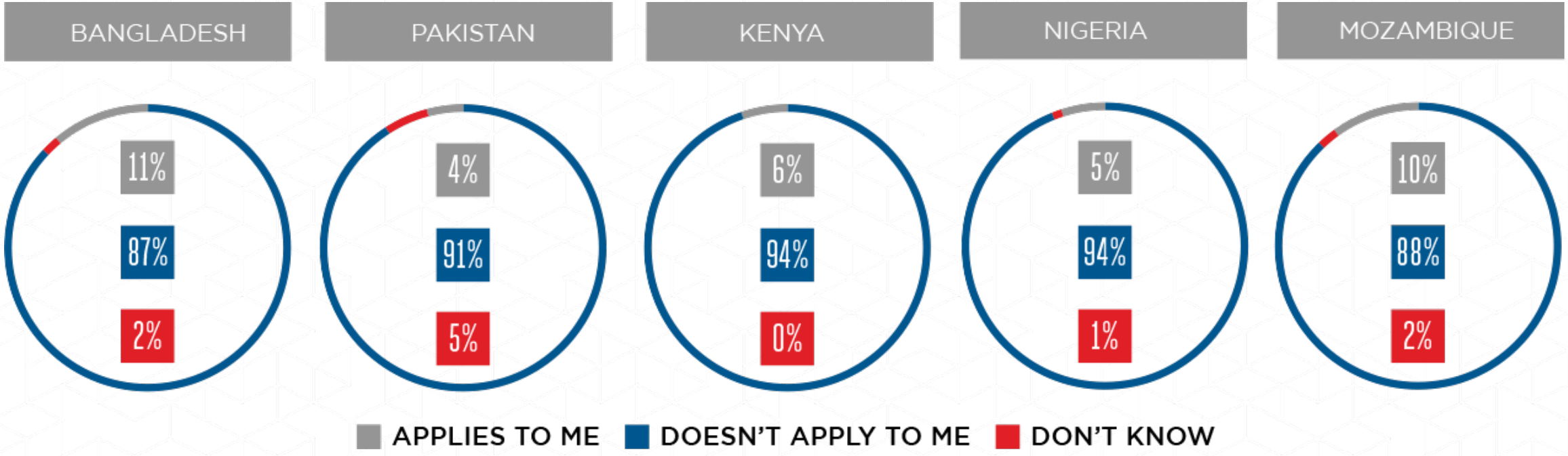
Share of mobile money users who took out a mobile money-enabled insurance product due to COVID-19



With a commonly lower penetration rate than credit and savings, insurance uptake is showing promising signs in some of the surveyed markets.

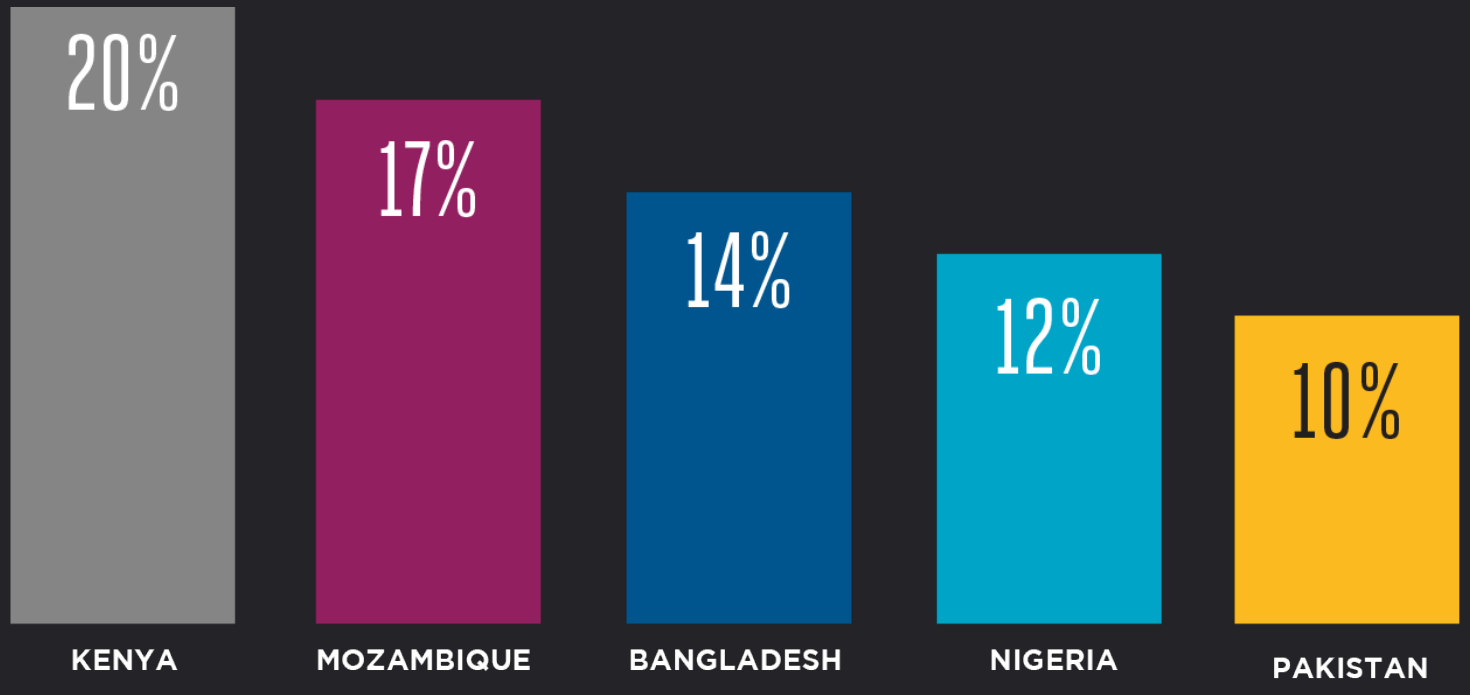
Across all countries in our sample, few mobile money users received pandemic-related social and humanitarian cash transfers via mobile money

Share of mobile money users who received payments from a government, local authority, donor or charity via mobile money due to COVID-19



Beyond cash transfer schemes, the outbreak led to a higher proportion of respondents getting paid via mobile money

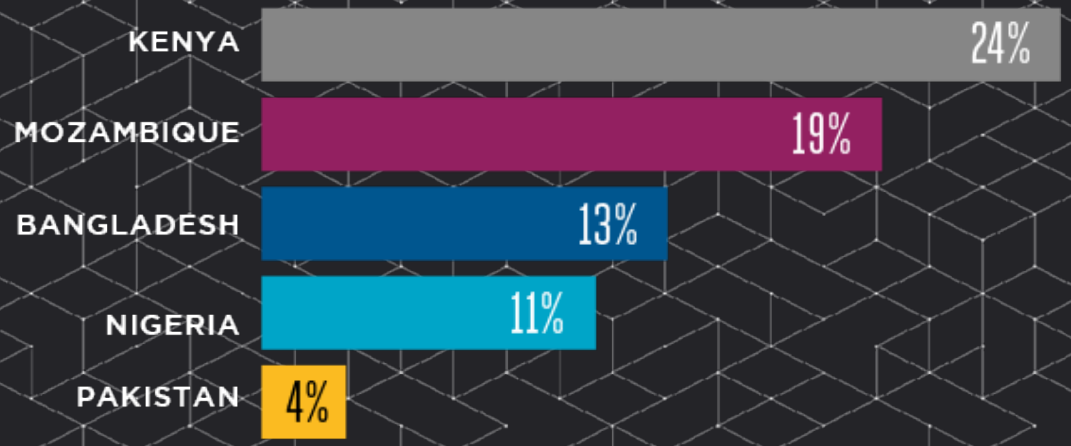
Share of mobile money users who started getting paid via mobile money due to COVID-19 (for work or products/services sold)



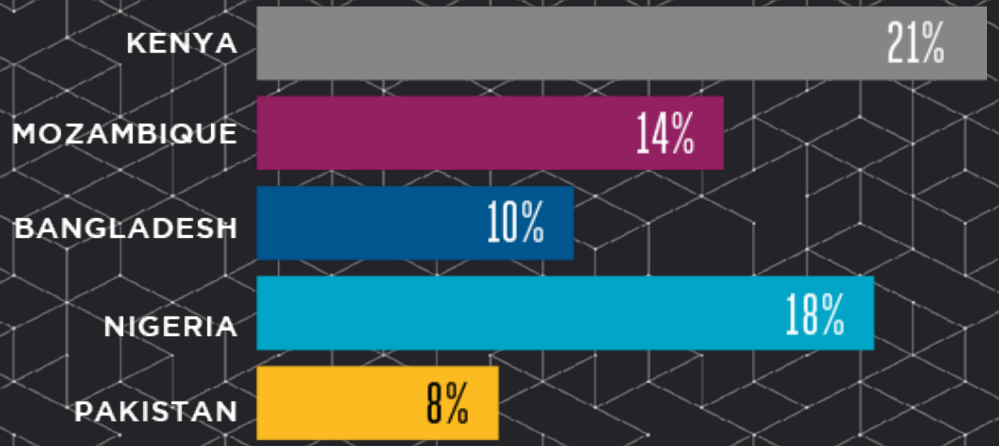
About 20% of mobile money users in Kenya claimed that they started receiving payments via mobile money for their work or products/services sold.

Even in more established markets, the pandemic prompted a large share of mobile money users to start purchasing products & services via mobile money

Share of mobile money users who started buying products via mobile money due to COVID-19



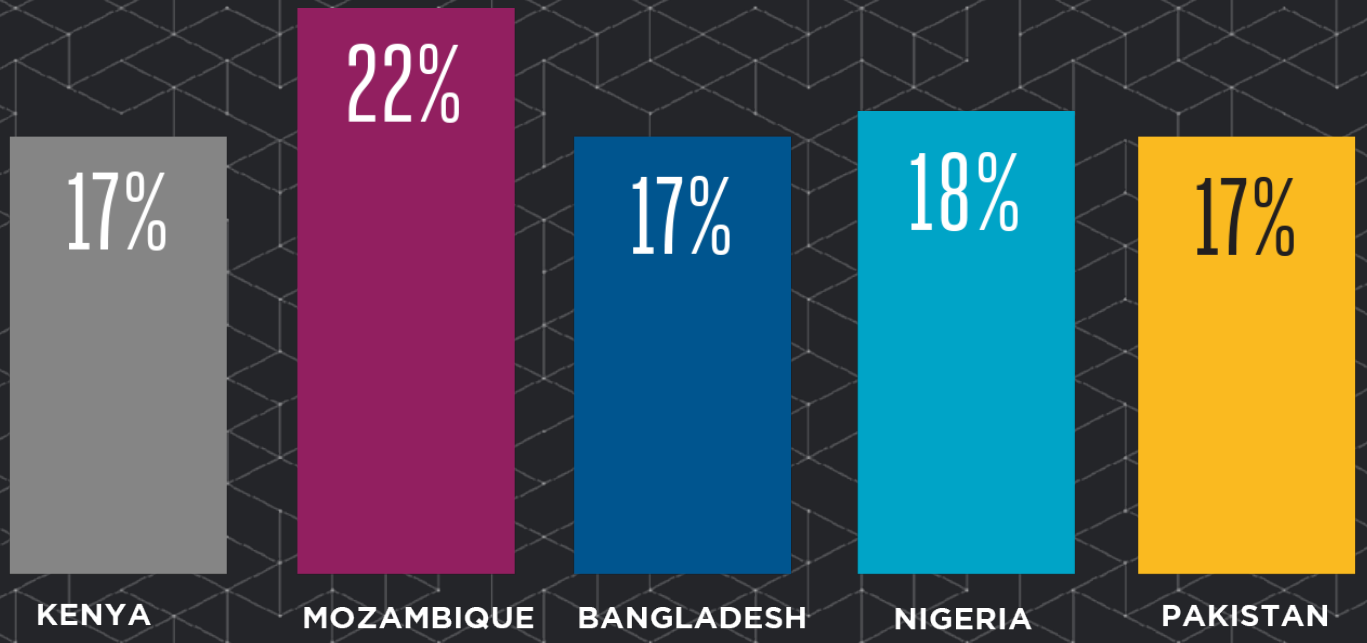
Share of mobile money users who started paying for services (excluding bills) via mobile money due to COVID-19



It is unclear whether respondents who answered positively made their purchases through dedicated channels such as merchant payments, or used the standard P2P channel.

Similarly, a significant share of respondents started paying for bills via mobile money as a result of the pandemic, particularly in Mozambique

Share of mobile money users who started paying for bills (electricity, water, taxes, school fees, and so on) via mobile money due to COVID-19



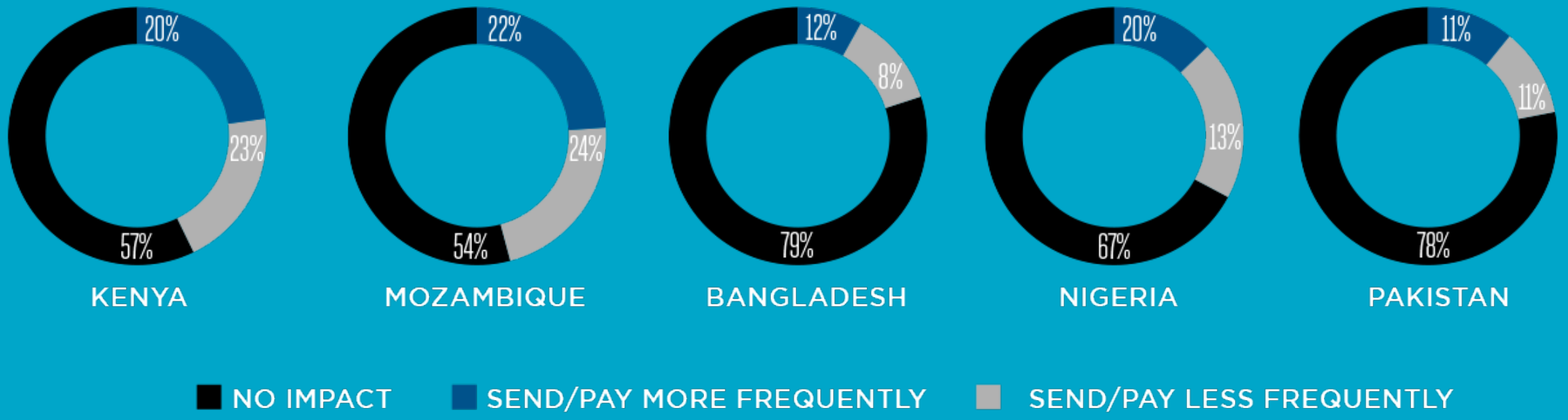
Between 17 and 22 per cent of respondents in surveyed markets claimed to have started paying bills via mobile money – including OTC.



COVID-19's impact on usage frequency and agent interactions

While COVID-19 seems to have accelerated the uptake of diverse mobile money use cases, most respondents do not think the pandemic increased how frequently they send money or make payments

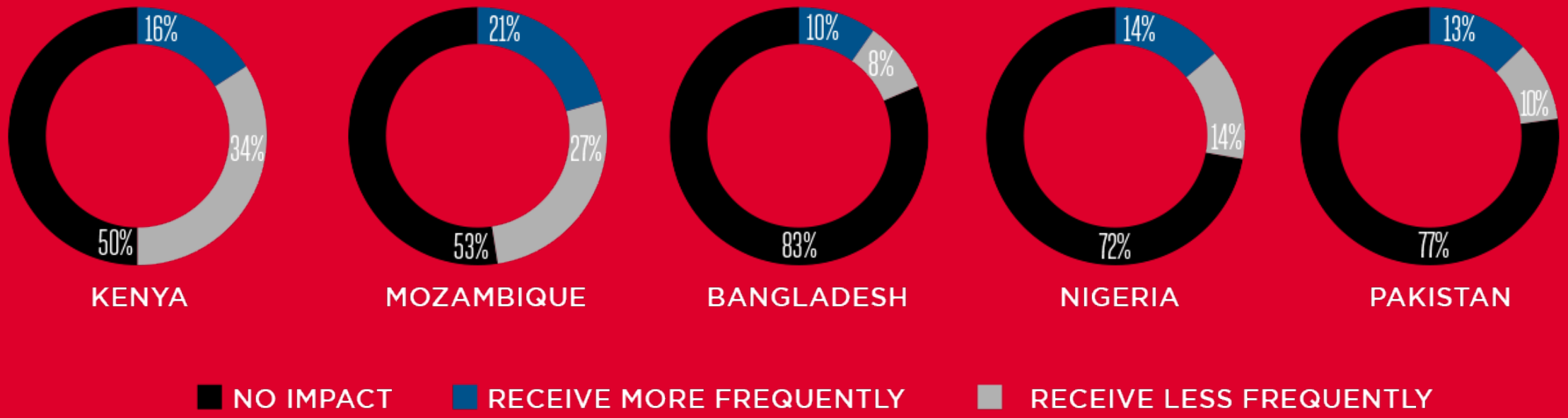
What, if any, has been the impact of coronavirus on how frequently you use mobile money to send money or to make payments (including OTC services)?



The majority of respondents in all markets do not think the pandemic had any impact on the frequency of their mobile money remittances or payments.

A majority of respondents felt that the pandemic did not have any impact on the amount of funds received via mobile money, though more people reported a negative impact, rather than a positive one

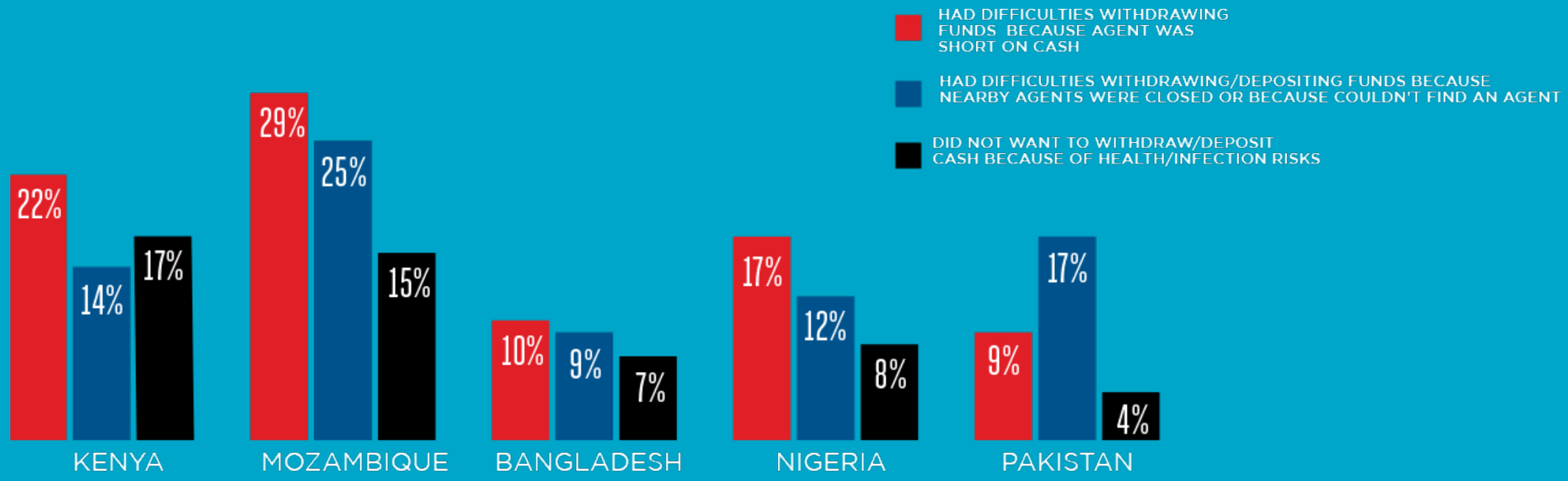
What, if any, has been the impact of coronavirus on how frequently you use mobile money to receive money (including OTC services)?



Adverse effects were primarily reported in Kenya and Mozambique, the two most established mobile money markets in our sample

Cash-in/cash-out agent interactions were adversely affected, including in more established markets

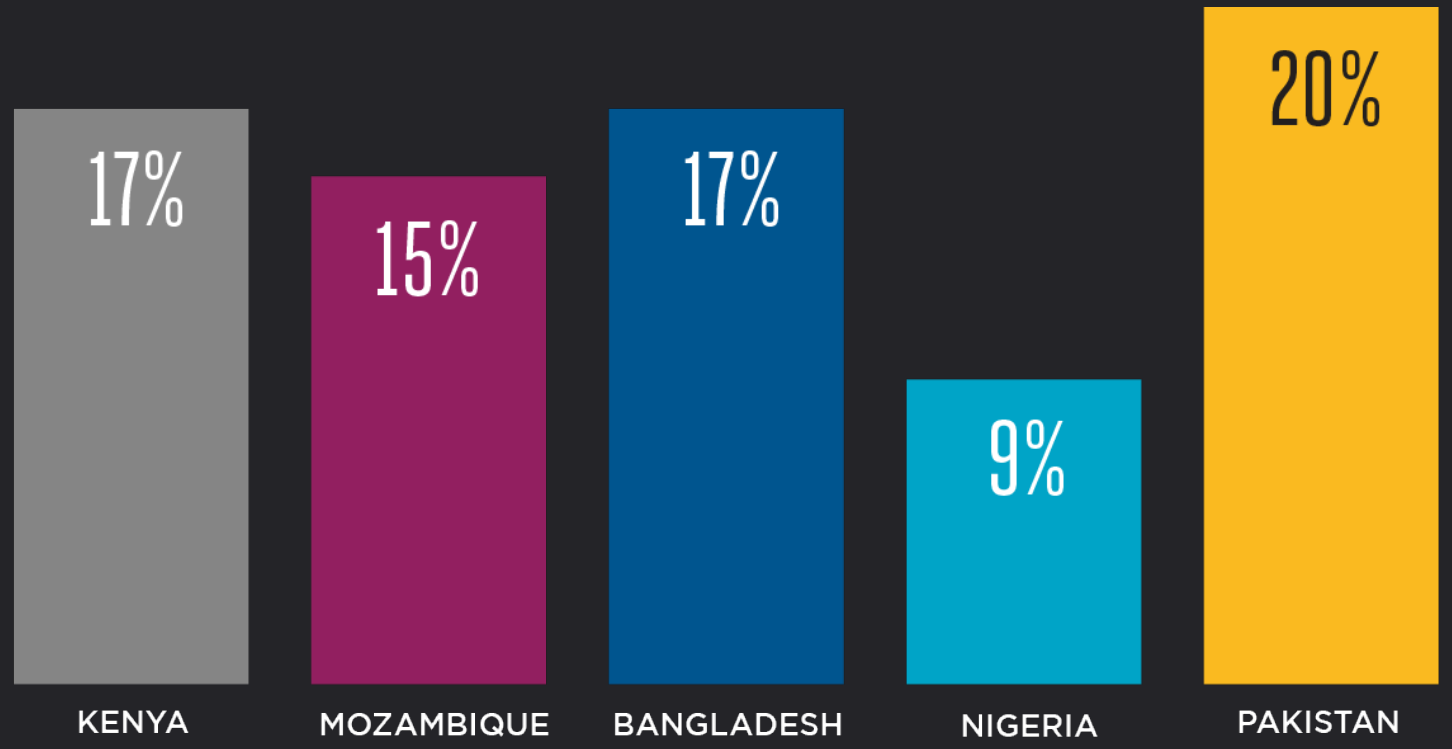
What, if any, has been the impact of coronavirus on your use of mobile money services through an agent?



Particularly in the early stages of the pandemic, concerns were raised regarding mobile money agents' ability to operate in light of mitigation measures implemented. As perceived by mobile money users surveyed, liquidity issues were the most reported agent-related challenge, particularly in Mozambique (29%) and Kenya (22%).

The pandemic has led a sizeable proportion of account owners to increasingly transact digitally, reducing their cash withdrawals

Share of respondents who claim to withdraw less funds than before due to COVID-19 because they spend more through their mobile money account directly*



*sample includes account owners only, excluding OTC-only users



Appendix – Methodology

Sampling and fieldwork

Methodology – data weighting and limitations

A nationally representative sample of the adult population aged 18 and over was selected in each country in line with census data (or other appropriate sources). Quotas were applied on:

- Age category by gender;
- Urban and rural distribution by gender;
- Region/state; and
- Socio-economic class (SEC) to ensure a representative segment of lower income respondents were included (no such quota was applied in Mozambique in the absence of reliable SEC profiling data)

Sampling points where interviews were conducted were distributed proportionately between urban and rural areas. To achieve wide geographical coverage and reduce the effects of clustering, a minimum of 100 sampling points were used in each country (200 in India). Depending on the country, sampling points were either randomly distributed — with an administrative area's probability of selection proportionate to the size of its population (random sampling) — or selected to reflect the linguistic, cultural and economic variations of each country (purposive sampling). Local experts and national statistics offices checked the sampling frames to ensure they were valid and representative.

The survey was delivered via interviewer-administered computer-assisted personal interviewing (CAPI). Survey interviews were conducted in the local language by both female and male interviewers. Interviews were conducted in respondents' homes. Within sampling points, systematic random routes were used for residence selection.

Methodology – sampling and fieldwork

Weights were applied to the data using a random iterative method (RIM) whereby several non-interlocking quotas were applied in an iterative sequence and repeated as many times as needed for the quotas to converge. This corrected any imbalances in the profiles, although weightings (and the resulting impact on effective sample sizes) were minimised as much as possible by controlling key quota variables over the course of the fieldwork.

The sampling approach was designed to achieve full national representativeness where practical; however, some more remote rural areas or regions with ongoing unrest or security concerns were excluded from sampling. This may have had an impact on results, especially since mobile phone coverage, access and use will be different, and likely most limited, in these areas, particularly for women.

As a consequence of the coronavirus pandemic, no interviewing was conducted inside a home, with interviewing instead taking place on the doorstep or other appropriate location. All necessary precautions were taken to ensure the safety of interviewers and respondents to comply with guidelines issued (e.g. sanitising of materials and use of PPE).

The results are subject to sampling error (typically +/- 2-3%), as well as other potential sources of error. It is also important to recognise that fieldwork took place during the coronavirus pandemic and this created challenges in accessing some areas, leading to extended fieldwork period.



The GSMA represents the interests of mobile operators worldwide, uniting more than 750 operators with almost 400 companies in the broader mobile ecosystem, including handset and device makers, software companies, equipment providers and internet companies, as well as organisations in adjacent industry sectors. The GSMA also produces the industry-leading MWC events held annually in Barcelona, Africa, Los Angeles and Shanghai, as well as the Thrive Series of regional conferences.

For more information, please visit the GSMA corporate website at www.gsma.com

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Mobile Money

The GSMA's Mobile Money programme works to accelerate the development of the mobile money ecosystem for the underserved.

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