GSMA

Empowering women micro-entrepreneurs with mobile

Kenya findings



BILL & MELINDA GATES foundation

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The GSMA is a global organisation unifying the mobile ecosystem to discover, develop and deliver innovation foundational to positive business environments and societal change. Our vision is to unlock the full power of connectivity so that people, industry and society thrive. Representing mobile operators and organisations across the mobile ecosystem and adjacent industries, the GSMA delivers for its members across three broad pillars: Connectivity for Good, Industry Services and Solutions and Outreach.

This activity includes advancing policy, tackling today's biggest societal challenges, underpinning the technology and interoperability that make mobile work and providing the world's largest platform to convene the mobile ecosystem at the MWC and M360 series of events.

We invite you to find out more at gsma.com Follow the GSMA on Twitter/X: @GSMA

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This research and report have been funded by the Bill & Melinda Gates Foundation. This report is part of a wider project on empowering women micro-entrepreneurs via mobile in low- and middle-income countries.

GSMA Connected Women

The GSMA's Connected Women programme works with mobile operators and their partners to address the barriers to women accessing and using mobile internet and mobile money services. Connected Women aims to reduce the gender gap in mobile internet and mobile money services and unlock significant commercial opportunities for the mobile industry and socioeconomic benefits for women.

For more information, please visit www.gsma.com/connectedwomen

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Basis Research is a consumer research consultancy working with global clients to deliver insight activation. Our qualitative team tackles research briefs of all kinds, using a range of innovative methods to build bespoke methodologies for our partners. From conducting ethnographic deep-dives into harder-to-reach communities, to constructing novel ways to discuss sensitive topics in challenging contexts, we draw from our experience to adapt to the unique challenges of markets in the global south. We have applied this expertise to our partnership with the GSMA, crafting an approach tailored to the specifics of The Mobile Gender Gap Report series.

http://basisresearch.co.uk

For this study, Basis worked with the GSMA as a partner in the qualitative field research and analysis. The views expressed in this report do not necessarily reflect those of Basis.

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Definitions

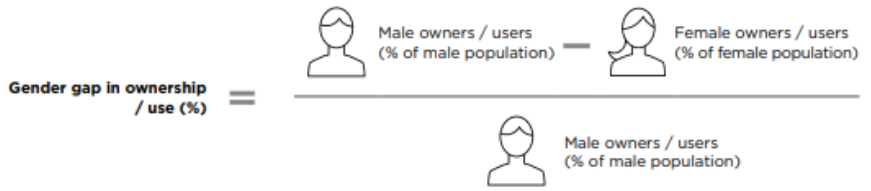
In this report, the following definitions apply:

Micro-entrepreneur: A self-employed individual working either full-time or part-time, with fewer than nine employees (paid or unpaid). Micro-entrepreneurs may work formally or informally.

Mobile owner: "Mobile phone owner" and "mobile owner" are used interchangeably in this report to mean a person who has sole or main use of a SIM card (or mobile phone that does not require a SIM) and uses it at least once a month. The vast majority of SIM owners also have sole or main use of a handset.

Mobile-for-business user: A mobile-for-business user is a micro-entrepreneur who reports having used a mobile phone to support their business. This could be by using their own mobile phone or borrowing someone else's. Business use includes mobile use by both microentrepreneurs themselves and by any of their employees to support the business.

Mobile Gender Gap: The gender gap in mobile phone ownership and mobile internet use is calculated using the following formula:



Mobile Internet user: A person who has used the internet on a mobile phone at least once in the past three months. Mobile internet users do not have to personally own a mobile phone. Therefore, they can be non-mobile phone owners who use mobile internet by accessing it on someone else's mobile phone.

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Introduction

Empowering women micro-entrepreneurs can have significant economic and social impacts, from increasing incomes to creating jobs to strengthening household resiliency. Mobile phones can be a source of economic and social empowerment by providing access to information, services and resources that many women would not be able to access easily otherwise.

This report focuses on women micro-entrepreneur's use of mobile phones for business in Kenya, focusing on the drivers, barriers and opportunities.

It is based on face-to-face quantitative and qualitative research with both male and female micro-entrepreneurs in Kenya, including those who currently use mobile phones to support their business and those who do not.

The report showing data from all countries can be found at: *https://www.gsma.com/solutions-and-impact/connectivity-for-good/mobile-for-development/gsma_resources/understanding-women-micro-entrepreneurs-use-of-mobile-phones-for-business/*

Quantitative research: 1,253 micro-entrepreneurs in Kenya were surveyed on their ownership and use of mobile phones for business, and the barriers they face as part of the annual quantitative GSMA Consumer Survey. This nationally representative survey of the adult population (aged 18 and over) was conducted between September and December 2022. The questions for micro-entrepreneurs were asked to any respondent who reported being self-employed (either full-time or part-time) and had no employees or fewer than nine (paid or unpaid). To achieve a larger sample size of micro-entrepreneurs, a booster sample of 500 microentrepreneurs was included using the same selection criteria as with the core sample. Interviews with these micro-entrepreneurs were conducted in the same sampling points as the main survey, in both urban and rural locations, with equal proportions of men and women.

Qualitative research: This research was conducted with 58 male and female micro-entrepreneurs in Kenya aged 18 or over, who used a mobile phone for business (either one they owned or borrowed from someone else). It included ethnographic observations, mini focus groups, photo diaries plus interviews with gatekeepers and in-country experts on the digital inclusion of women micro-entrepreneurs.

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Key Findings



Key findings: Kenya (I)

1. Women micro-entrepreneurs are less likely than men to use a mobile for business, even when they use one in their personal lives. When they do, they use it for fewer business activities than men.

2. A micro-entrepreneur's "business drive" is the most important factor in determining their use of mobile for business. Women micro-entrepreneurs face more constraints to realising that drive.

3. The most common ways that women micro-entrepreneurs use mobile for business include: communicating with customers and suppliers, making/receiving payments, saving or storing money in an account.

4. Awareness is an important barrier preventing micro-entrepreneurs from adopting and using a mobile for business. Apart from communication and core mobile money services, micro-entrepreneurs have low awareness of other ways mobile can support their business, especially women.



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Key findings: Kenya (II)

5 Other barriers preventing micro-entrepreneurs who own a mobile phone from using it for business or using it more include a lack of relevance / preference for cash, not having the right kind of phone, affordability of data / services, safety and security concerns and a lack of confidence and digital skills.

6 Most micro-entrepreneurs who use a mobile phone for business report that they could either not run their business without one or would find it more difficult to do so, although women are less likely than men to report this.

7 Stakeholders can reach Kenyan women micro-entrepreneurs with mobile through better understanding how they are using mobile for business, improving awareness of the different ways a mobile phone can support their business, building knowledge, confidence and digital skills to use mobile for business, ensuring access to suitable handsets, and designing services that are relevant, reliable, easy-to-use, safe and affordable.



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Key factors influencing the use of mobile for business



In Kenya, micro-entrepreneurs tend to use mobile phones for four key business needs

- The research revealed **12 common business needs**.
- Micro-entrepreneurs in Kenya most commonly use mobile phones to meet four of these needs, indicated by the star:
  - **Communicate with suppliers**
  - **Communicate with customers and employees**
  - **Make/receive payments**
  - **Manage and save money**
- These tended to be the “starter needs” or onramps to mobile use for business.
- Mobile use for business differed quite substantially by gender, business type and other demographic factors

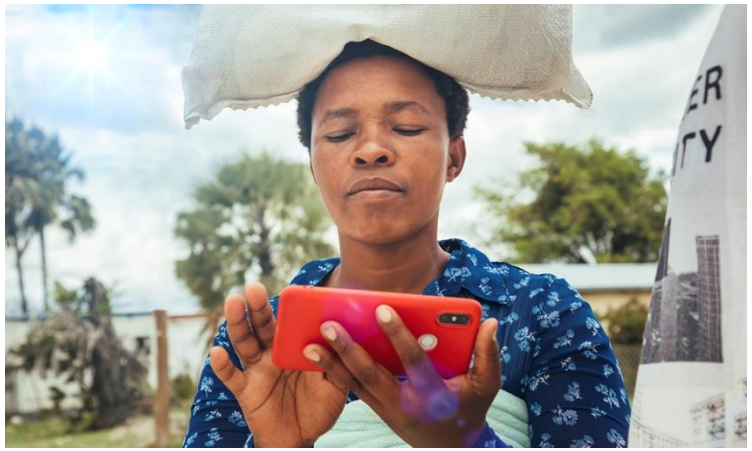


= ‘Starter’ and most common need for mobile use

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A micro-entrepreneur's "business drive" is the most important factor determining mobile use for business…

Subsistence focused	Business as usual	Highly driven
Lower use of mobile for business	Medium use of mobile for business	High use of mobile for business
Lower drive Higher constraints	**Moderate drive Moderate constraints**	**Higher drive Lower constraints**







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...but women micro-entrepreneurs face more constraints to realising that drive



“I have to go to work and also come home and look after my children. This is actually a big challenge. If I do not go to work, then my children won’t get something to eat.”

Woman micro-entrepreneur, Rural Kenya

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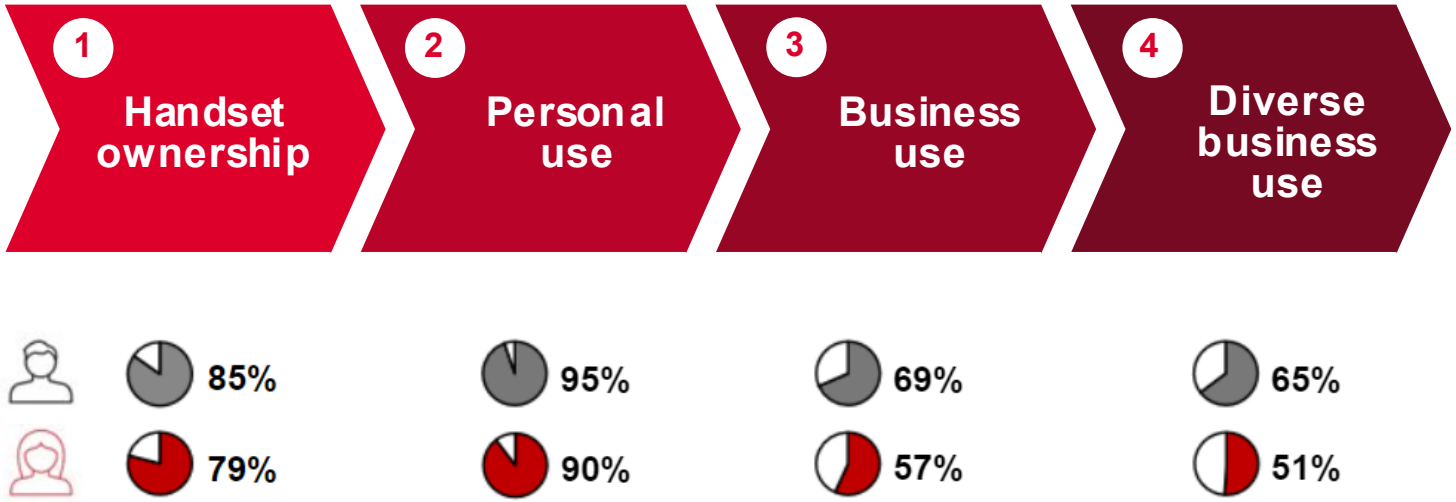
Gender gaps along the customer journey



Women micro-entrepreneurs are less likely than male micro-entrepreneurs to use a mobile for business

The micro-entrepreneur's customer journey

% of micro-entrepreneurs surveyed in Kenya



- Almost all micro-entrepreneurs in Kenya use a mobile for personal reasons.
- Micro-entrepreneurs are much less likely to use a mobile for business, especially women. While 90% of women micro-entrepreneurs in Kenya use a mobile for personal reasons, only 57% use a mobile for their business.
- Once men and women micro-entrepreneurs start using a mobile for their business, the majority tend to use it for a diverse range of use cases. E.g. 51% of women micro-entrepreneurs use a mobile for at least 3 business use cases every month

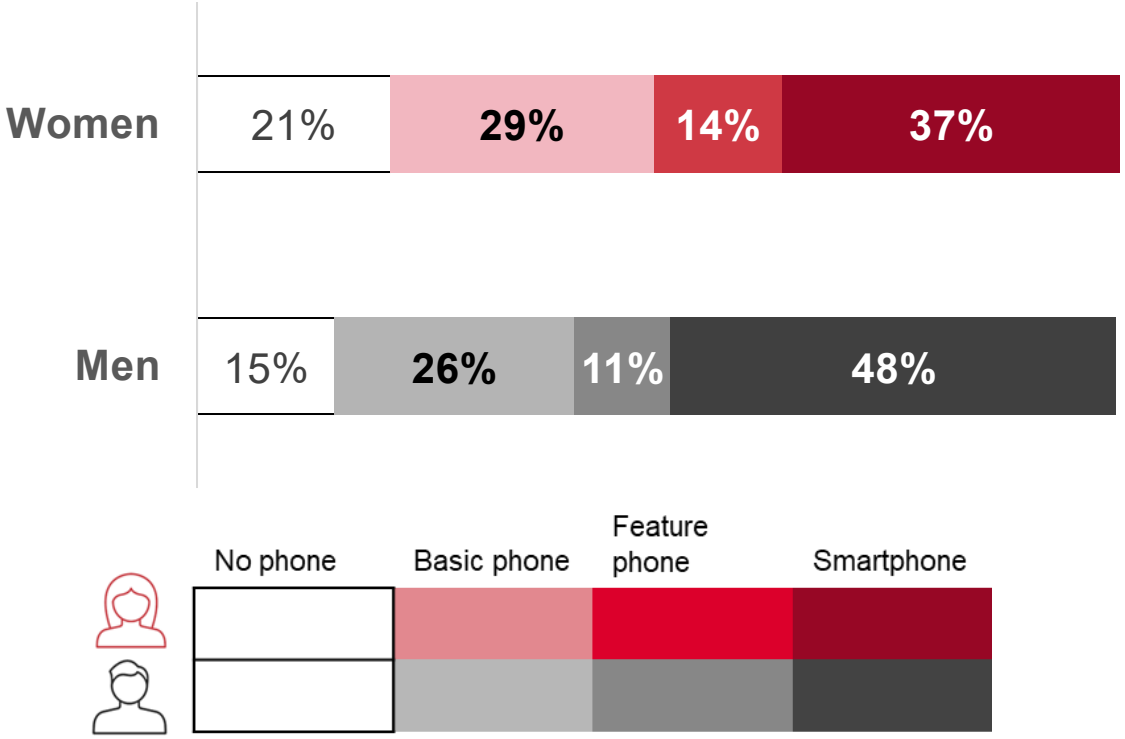
Personal use is defined as having used a mobile in the past three months. Business use is defined as having used a phone for business in at least one way. Diverse business use is defined as having used a phone for business in at least different ways.
n= 637 for female micro-entrepreneurs and n= 616 for male micro-entrepreneurs

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Mobile ownership is an important barrier preventing micro-entrepreneurs from using a mobile for business, especially women

Share of micro-entrepreneurs in Kenya by handset type

% of micro-entrepreneurs surveyed



- A significant proportion of micro-entrepreneurs still do not own a mobile phone, especially women (15% of men vs 21% of women)
- The type of handset also matters. Specifically, a smartphone increases frequency/diversity of business use for micro-entrepreneurs, giving them access to more services than more basic handsets.
- There is a notable gender gap in smartphone ownership among micro-entrepreneurs in Kenya (48% of men vs 37% of women).

Respondents are categorised according to the most advanced device they own and can only be included in one category. Smartphone owners that also own a basic or feature phone are counted only as smartphone owners.
n= 637 for female micro-entrepreneurs and n= 616 for male micro-entrepreneurs

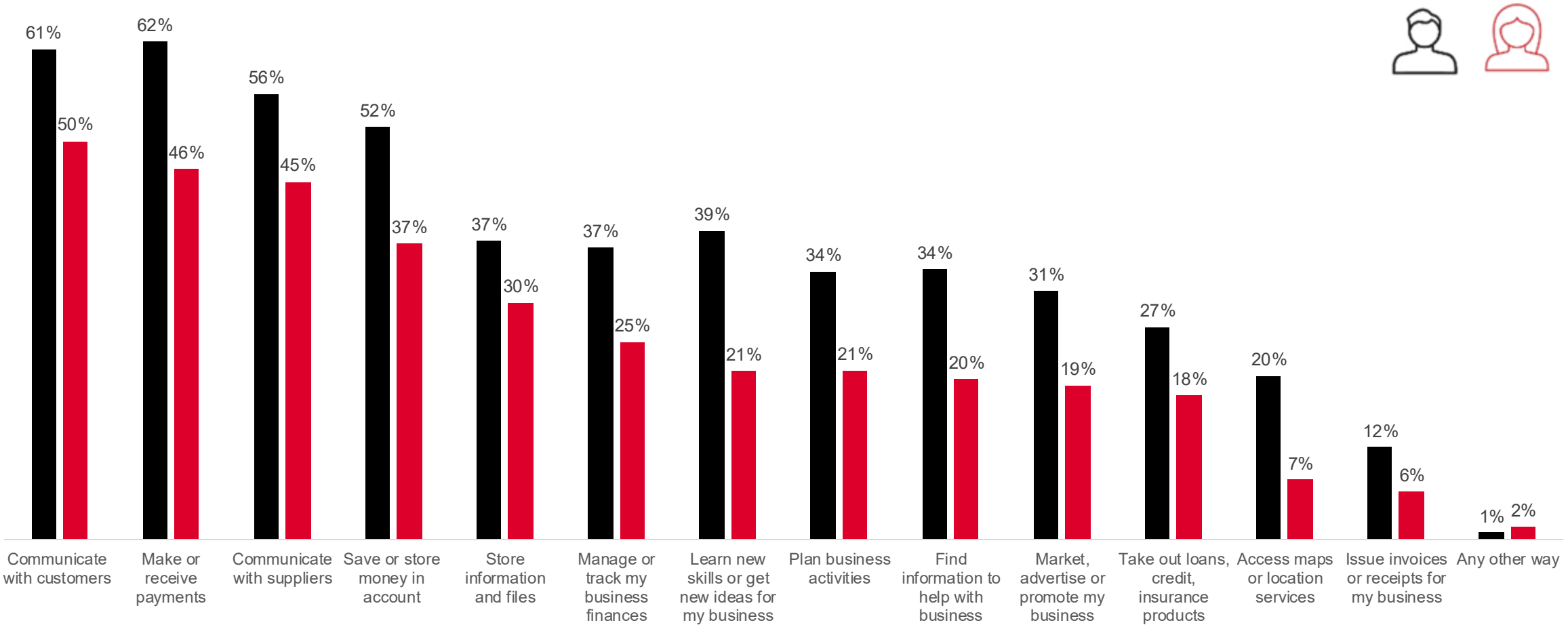
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The most common use of mobile for business is communication and core mobile money services, but there are gender gaps for all use cases

Proportion of micro-entrepreneurs who have performed each activity in the past 3 months in Kenya

% of micro-entrepreneurs surveyed



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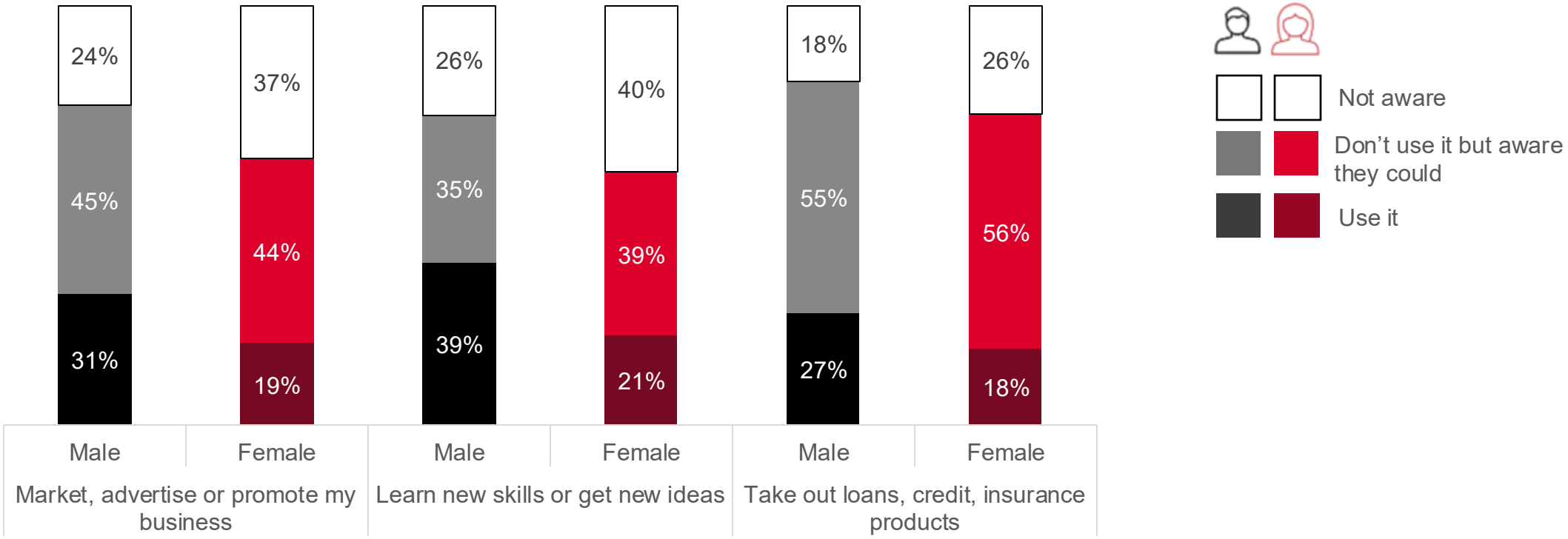
n= 637 for female micro-entrepreneurs and n= 616 for male micro-entrepreneurs

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Awareness of use cases beyond communication and core mobile money services is relatively low, especially among women micro-entrepreneurs

Awareness and use of selected mobile for business activities among micro-entrepreneurs in Kenya

% of micro-entrepreneurs surveyed in Kenya



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n= 637 for female micro-entrepreneurs and n= 616 for male micro-entrepreneurs

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Our research in Kenya revealed 5 key barriers preventing mobile-owning micro-entrepreneurs from starting to use a mobile for business, or using it more



1. **Relevance / preference for cash**
2. **Don't have the right kind of phone**
3. **Affordability of data / services**
4. **Safety and security concerns**
5. **Lack of digital skills and confidence**

- The barrier to using mobile for business or using it more are very similar, but once micro-entrepreneurs start using it, they report fewer barriers to using it more.
- The barriers are similar for men and women, however women report these barriers more and these figures represent a lot more women (since fewer are using mobile for business).

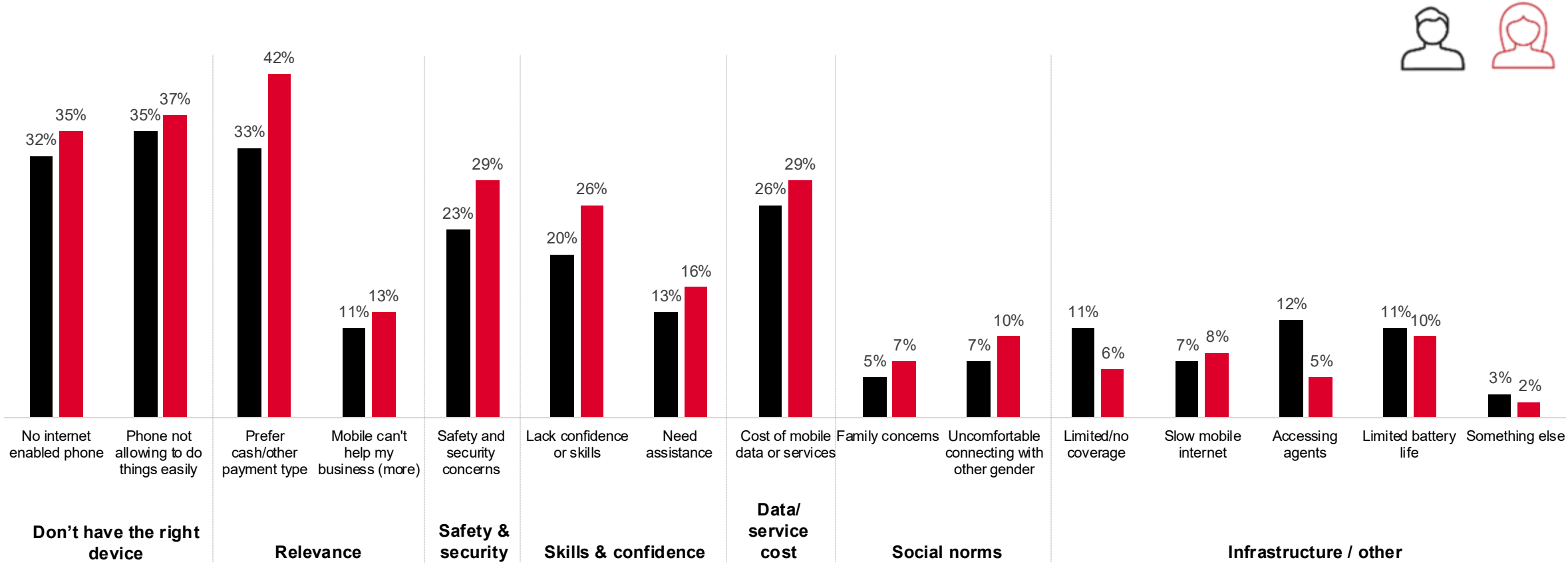
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For micro-entrepreneurs who own a mobile, not having the right kind of device and a preference for cash are key reasons preventing them from starting to use it for business

Barriers preventing micro-entrepreneurs in Kenya who already own a mobile phone from starting to use a mobile for business

% of micro-entrepreneurs surveyed who own a phone and do not use mobile for business



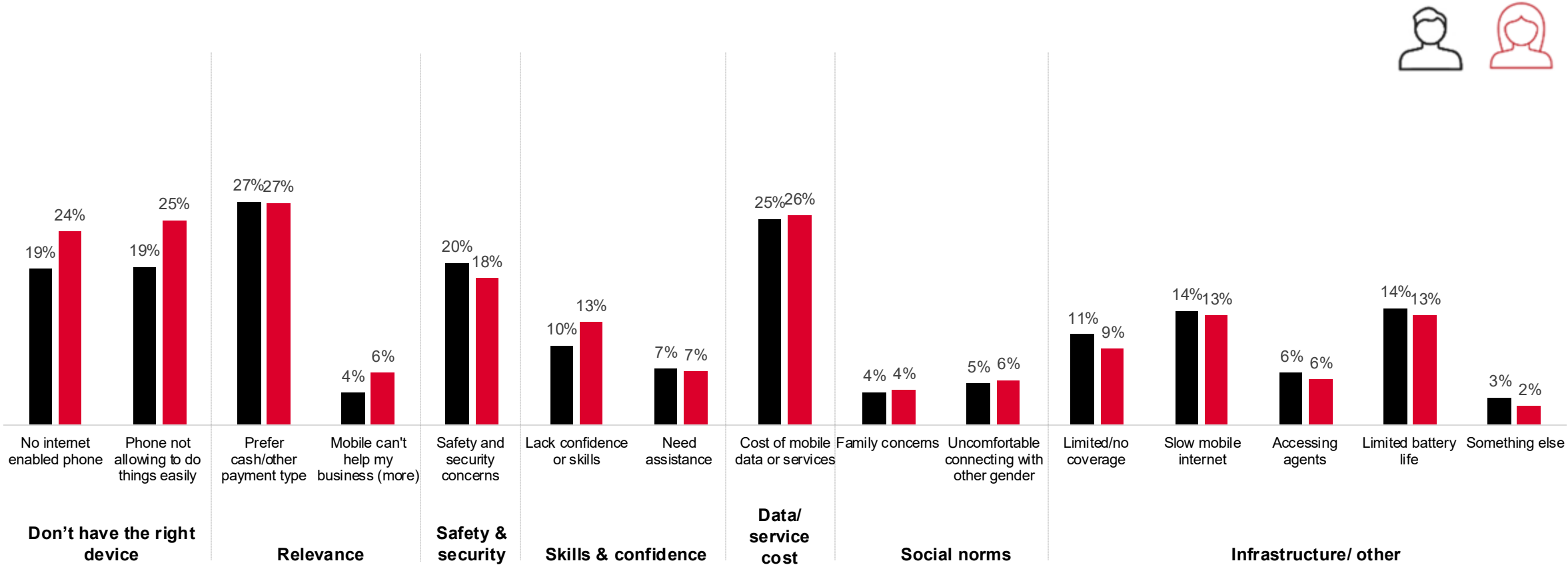
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n= 170 for female micro-entrepreneurs and n= 114 for male micro-entrepreneurs

Once micro-entrepreneurs use mobile for business, both women and men report fewer barriers and experience them more equally

Barriers preventing mobile-owning micro-entrepreneurs in Kenya who already use a mobile for business from using it *more*

% of micro-entrepreneurs surveyed who own a phone and use mobile for business



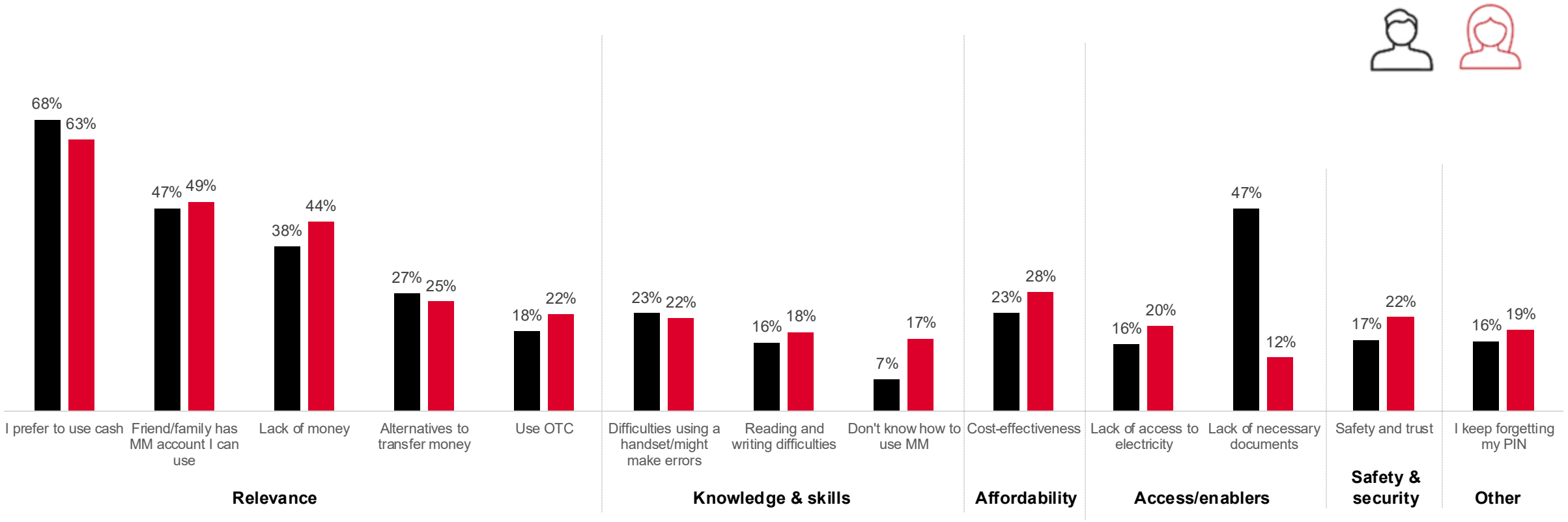
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n= 400 for female micro-entrepreneurs and n= 463 for male micro-entrepreneurs

Mobile money focus: a preference for cash is the main barrier preventing micro-entrepreneurs who own a mobile phone from having an account

Barriers to having a mobile money account

% of micro-entrepreneurs who own a phone and are aware of mobile money but do not use it



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n= 49 for female micro-entrepreneurs and n= 47 for male micro-entrepreneurs

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“I use cash to pay my suppliers, most of the time the suppliers do not want you sending the money on the phone because of transaction costs.”

Female micro-entrepreneur,
Rural Nairobi, Kenya

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What if I market my business online but I'm not perfect? I fear some comments. I remember someone posted something she had knitted on Facebook, and she was getting very negative comments."

Female micro-entrepreneur,
Urban Nakuru, Kenya

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Recommendations



Potential opportunities for reaching women micro-entrepreneurs

1

Understand how women micro-entrepreneurs are using mobile for business

This could include;

- Collecting, analysing and tracking gender-disaggregated data on women microentrepreneurs' use of mobile for business
- Conducting robust research to better understand the needs, circumstances and preferences of women micro-entrepreneurs in different contexts, and the factors (e.g. social norms) that enable/limit their access to and use of mobile
- Evaluating existing products, services and initiatives to assess their effectiveness in reaching and supporting women micro-entrepreneurs

2

Improve awareness of the different ways mobile can support their business

This can be achieved through actions such as;

- Undertaking or supporting awareness-raising and/or marketing campaigns. These should feature women micro-entrepreneurs as active users of mobile services for their businesses.
- Appointing local female micro-entrepreneurs as “advocates” (e.g. when delivering marketing, awareness-raising or training campaigns)
- Considering the role of gatekeepers in facilitating women’s use of mobile for business (e.g. marketing/awareness-raising campaigns that demonstrate the value of women engaging in micro-entrepreneurship and how using a mobile can benefit a woman’s business/the family through improved household income)

3

Build knowledge, confidence and digital skills to use mobile for business

For example,

- Providing and/or supporting training to improve the confidence and digital skills of women micro-entrepreneurs, paying attention to their needs, interests, pain points and circumstances. This training could focus on relevant mobile apps and services that women microentrepreneurs already use in their personal lives, but not yet for business, and could offer tips of staying safe and identifying / reporting fraud.
- Increasing the number and accessibility of trainers, especially women trainers.

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Potential opportunities for reaching women micro-entrepreneurs

4

Ensure access to suitable handsets

This could include:

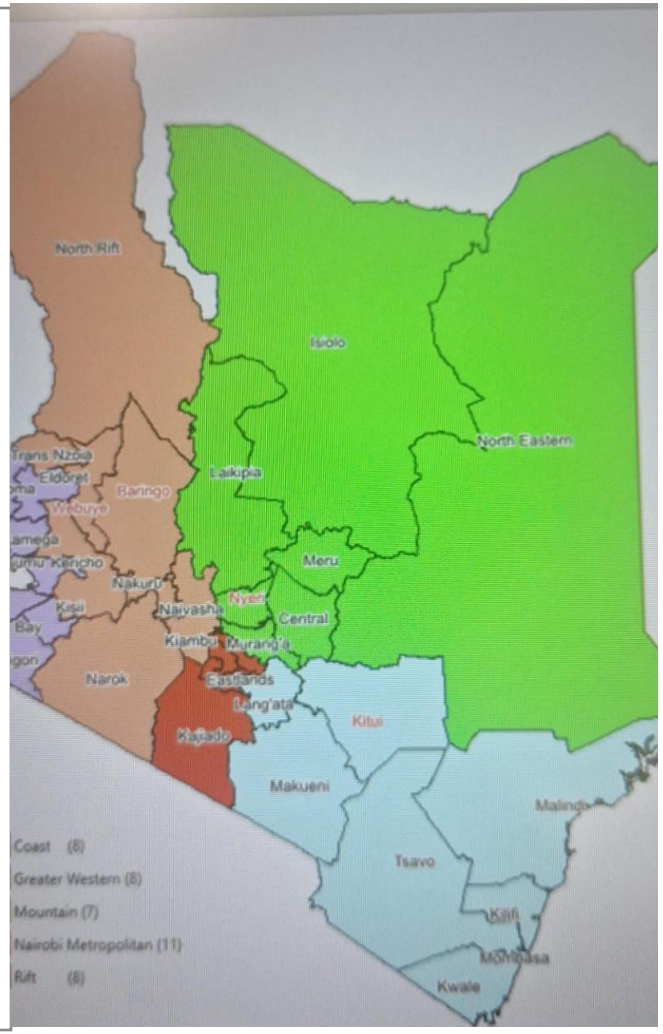
- Targeting handset subsidies (e.g. from governments, donors) to the most underserved women micro-entrepreneurs
- Providing handset financing options (e.g. service providers and other ecosystem players)
- Reviewing and removing sector-specific taxes and fees on handsets to lower costs for consumers (e.g. governments could consider removing import taxes that treat handsets as luxury items)

5

Design services that are relevant, reliable, easy to use, safe and affordable

This could include:

- Making business apps and services easy to use, particularly for those who are less literate and lack digital skills or confidence. For example, clear user menus with fewer steps, use of icons/symbols/pictures in addition to (or instead of) text.
- Offering services in local languages
- Considering service features that enhance the confidence and trust of women micro-entrepreneurs in using the service. For example, services and apps set to higher privacy settings by default
- Considering creative data pricing (e.g. relatively low cost for basic use)



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