

Mobile Money Customer Insights

**Key Findings from Focus Group Discussions
with Users and Non-Users of Mobile Money**

December 11, 2015

- A. Objectives and Methodology of the Study**
- B. How Respondents' Manage Their Finances**
- C. Key Insights from Active Mobile Money Users**
- D. Key Insights from Non-users of Mobile Money**
- E. Opportunities for Deepening the Uptake and Usage of Mobile Money**

A. Objectives and Methodology of the Study

Objectives & Methodology of the Study

In late September/early October 2015, as a precursor to the EFInA Access to Financial Services in Nigeria 2016 survey, and to gain further customer insights on usage/non-usage of mobile money, EFInA commissioned a research firm to conduct a few Focus Group Discussions (FGDs). The FGDs were designed to assess:

- Usage and perceptions of mobile money by users
- Opportunities for increasing the uptake and usage of mobile money in Nigeria
- Incentives that could drive the sustained usage of mobile money in Nigeria

Structure of Focus Group Discussions

6 FGDs were conducted across three states. All the groups were mixed-gender.

	Mobile Money Use	State	Urbanisation	Location	Age Bracket
1	Active MM users	Lagos	Urban	Ikeja	18-29
2	Active MM users	Lagos	Urban	Ikeja	30-45
3	Active MM users	Ogun	Urban	Abeokuta	18-45
4	Active MM users	FCT Abuja	Urban	Wuse	18-45
5	Non-users and/or inactive users	Lagos	Rural	Badagry	18-29
6	Non-users and/or inactive users	Lagos	Rural	Badagry	30-45

B. How Respondents' Manage Their Finances

How Active Mobile Money Users Manage Their Finances

What do you spend money on?



Accommodation



Transportation



Clothing



Domestic remittances



Food



Utility payments

"I send money to my village in Cross River State in Yala local government."

Male, 18-45 years, Abuja, Urban

How do you pay for these items?



Cash



POS



Funds transfer



Mobile money



ATM

"DSTV can go off during the weekend and from the comfort of your house... and after hours you just reinstate."

Female, 18-45 years, Abuja, Urban

How Non-Users of Mobile Money Manage Their Finances

What do you
spend money
on?



Food



School fees



Shelter



Savings with
cooperatives



Commodity
purchases



Utility payments

"I buy jewelleries so that when I do not have enough money, I can sell it and make money."

Female, 30-45 years, Lagos, Rural

How do you
pay for these
items?



Cash



Card Payments

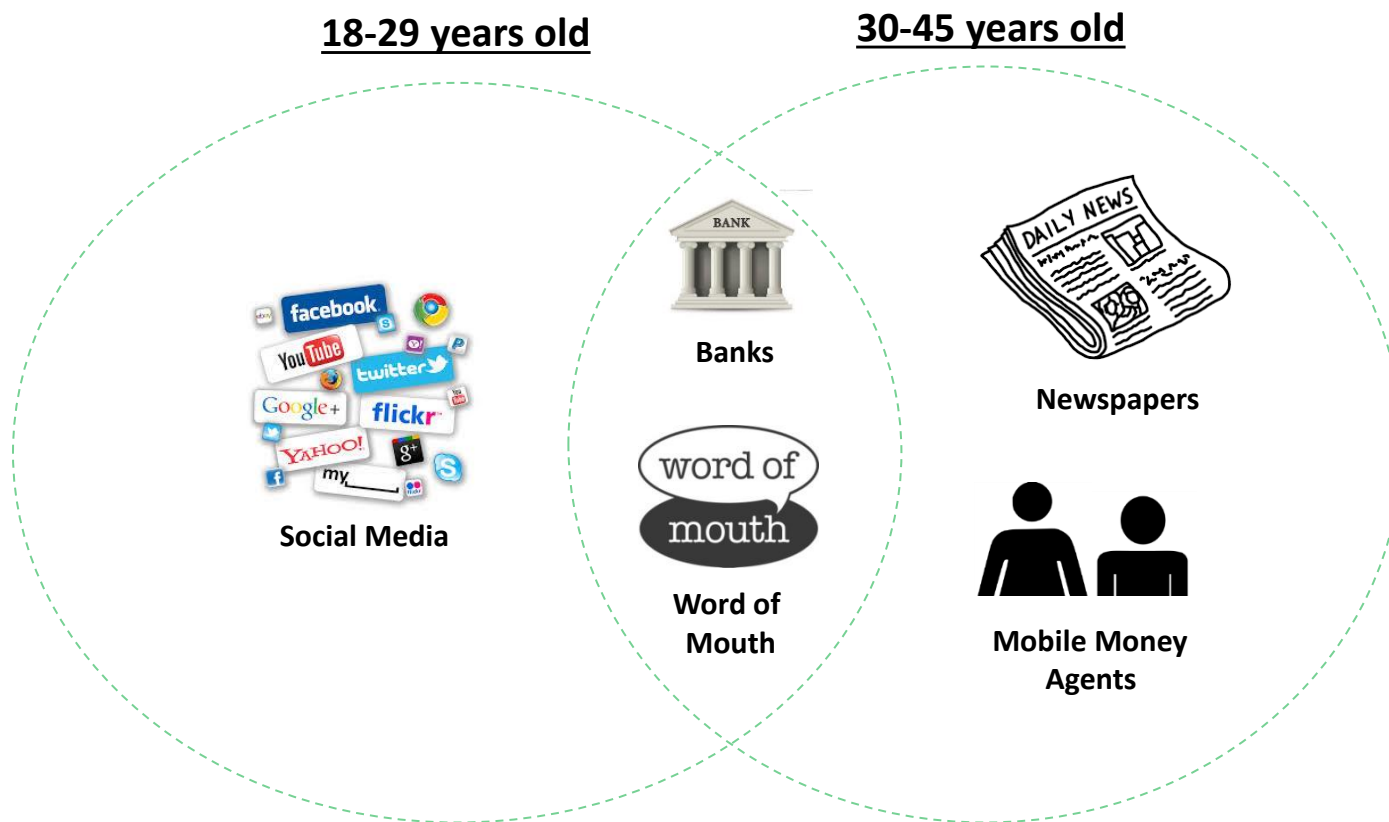
"Generally, people request for cash, POS are not everywhere, service is usually unavailable and there is not enough sensitisation."

Male, 30-45 years, Lagos, Rural

C. Key Insights from Active Mobile Money Users

Comparisons Between Age Groups of Mobile Money Users

- All mobile money users that participated in the study, irrespective of age, also used deposit money banks
- All mobile money users, irrespective of age, said that they use the Internet for conducting financial transactions
- Generally, respondents heard about mobile money through the following channels:



Transactions Conducted Using Mobile Money

Mobile money services used by active users include:

- **Airtime Purchases**

"Maybe I am somewhere and I want to buy airtime, I just use my mobile money account."

Male, 30-45 years, Lagos, Urban

- **Money Transfer**

"I use mobile money on weekends when there are no banks available."

Male, 18-45 years, Ogun, Urban

- **Bill Payments**

"I transfer only from my account and sometimes I transfer from my phone through mobile money to pay for DSTV."

Female, 30-45 years, Lagos, Urban

- **Internet Subscriptions**

"Subscription is very funny, it can finish at anytime."

Female, 18-29 years, Lagos, Urban

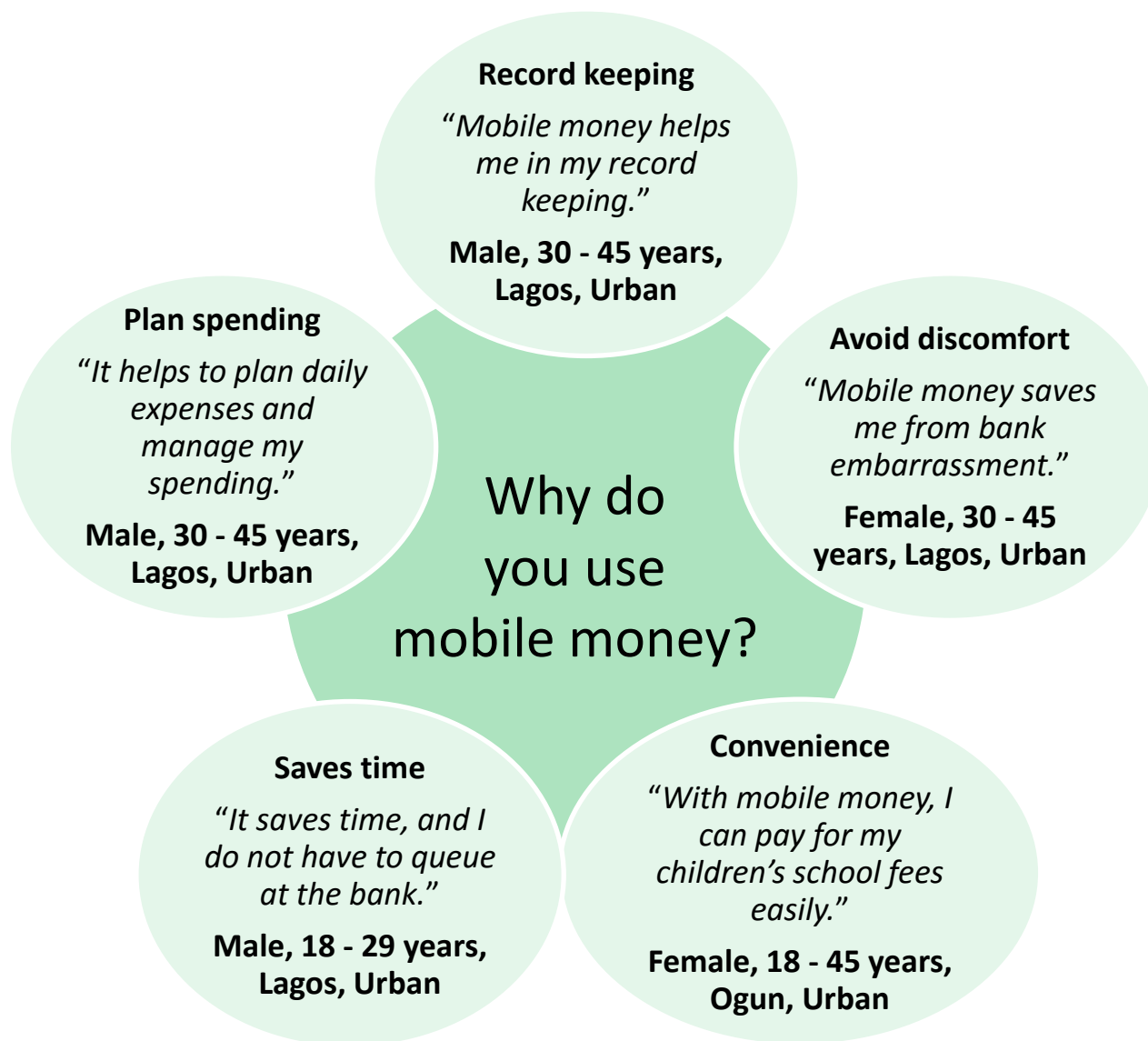
- **Saving**

"With mobile money I can limit my daily spending. If I hold cash, I spend more. With my mobile banking account I spend more, it does not limit me."

Male, 30-45 years, Lagos, Urban

- For respondents in the 18-29 age group as well as in the 30-45 age group, mobile money was most frequently used for airtime purchase
- For participants in both age groups, mobile money was used least for saving

Why Active Mobile Money Users Prefer Mobile Money



Mobile Money Operators Used by Respondents

- Nine different mobile money operators were used by respondents
- GT Mobile Money was the service most frequently used by respondents across all age groups

Which mobile money operator do you use?



SEND MONEY AND RECEIVE FROM YOUR MOBILE PHONE

GT Mobile Money



Paga



Diamond Y'ello



Firstmonie



Eazy Money



Pocket Moni



Fortis Mobile Money



Quick-pay



Ecobank Mobile Money

Reasons for Choosing a Mobile Money Operator

Mobile money users gave the following reasons for selecting a particular mobile money operator:

Linking Mobile Money and Bank Accounts

Some mobile money operators have linked mobile money and mobile banking accounts together to facilitate a more robust experience.

"With my GT Mobile Money account, I can switch from my mobile money to my mobile banking account and back."

Male, 18 - 29 years, Lagos, Urban

Bonuses, Promo, Free Airtime

Many of the 18-29 year old respondents used a particular MMO because of incentives.

"I use my Diamond Y'ello account only when there is awoof. Like if I request for N500 they will double it to N1,000. So I get twice the recharge amount when I use it."

Male, 18 - 29 years, Lagos, Urban

Ease of Use

Some respondents selected a particular MMO because of ease of use of the application.

"Is it to check balance, to send money, to buy airtime? With my own mobile money account it is very easy. All I need to do is to scroll to it."

Female, 30 - 45 years, Lagos, Urban

Challenges Faced Using Mobile Money

Mobile money active users said they had experienced the following challenges when using mobile money:

Network issues

"You might send someone money and it won't get to the person on time."

Female, 30 - 45 years, Lagos, Urban

Fraudsters

Some participants, especially in the 30-45 year age groups, were sceptical of some mobile money operators

Transaction failure

"There was a challenge because the money was not sent."

Female, 18 - 45 years, Abuja, Urban

Not enough agents

Many of the participants did not know where the agent closest to them was located

Inadequate infrastructure

"If a call comes in you get booted off and depending on the type of phone you have to start again."

Male, 18 - 45 years, Abuja, Urban

Additional Services Respondents' Would Like to Use Mobile Money for

Active mobile money users would also like to use mobile money for the following:

"pay for my rent"

Male, 18-29 years, Lagos, Urban

Transportation

"pay for okada...."

Male, 18-45 years, Abuja, Urban

"paying tithes and offering"

Female, 18-45 years, Ogun, Urban

"pay for watching football matches"

Male, 18-45 years, Ogun, Urban

"Government payments"

Female, 18-29 years, Lagos, Urban

"pay for bills at the restaurant"

Male, 30-45 years, Lagos, Urban

Customary payments

"I will like to pay dowry through mobile money."

Male, 18-45 years, Abuja, Urban

"purchase goods at the market"

Female, 30-45 years, Lagos, Urban

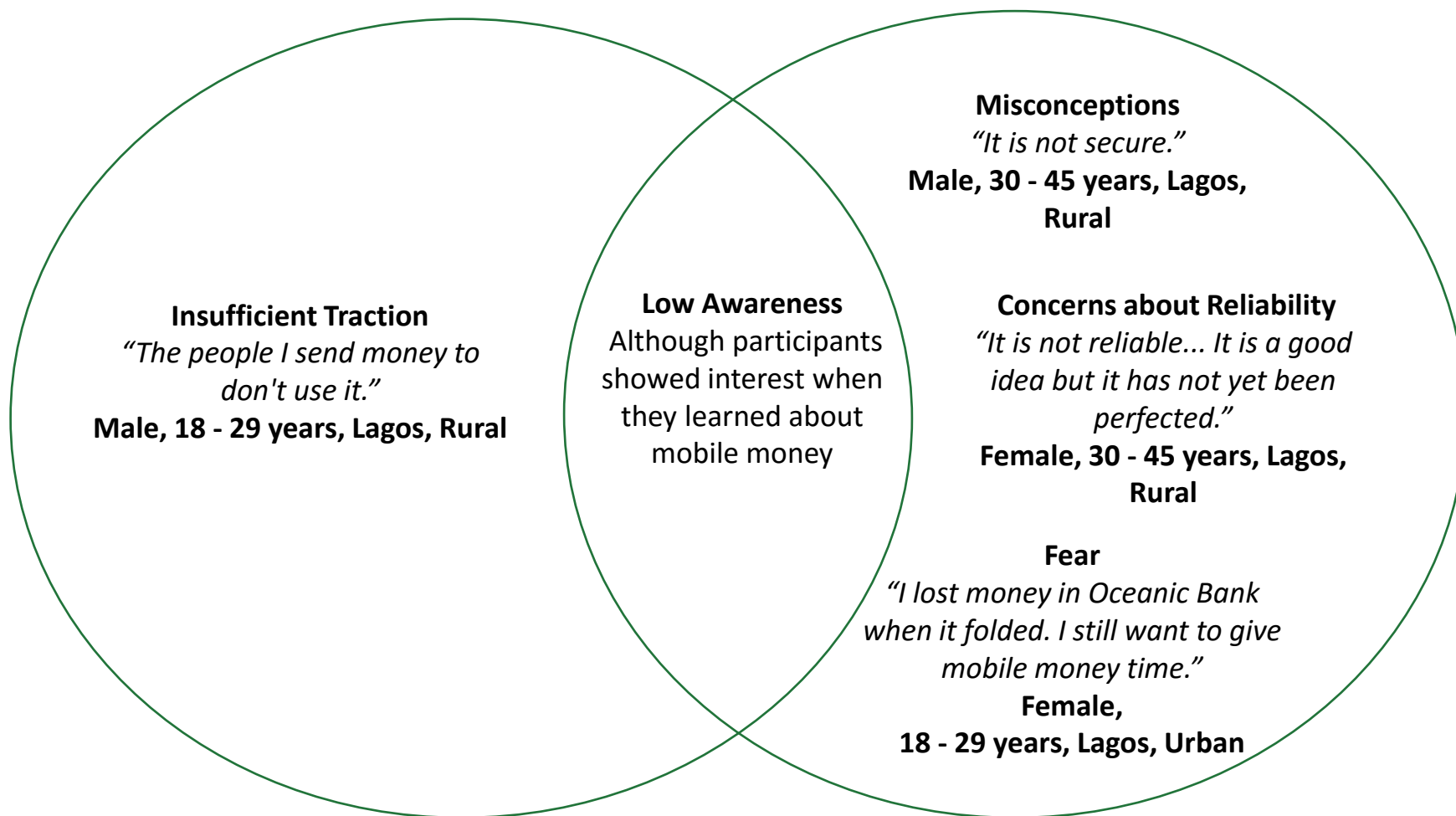
D. Key Insights from Non-users of Mobile Money

Barriers to Using Mobile Money for Non-users

- Older respondents were more cautious about the concept of mobile money when it was first introduced

18-29 years old

30-45 years old



What Would Encourage Non-Users to Use Mobile Money

Non-mobile money users said that they would be interested in using mobile money if:

Material interest is paid on savings

"If the interest rate on savings is high, I will open a mobile money account."

Female, 18 - 29 years, Lagos, Rural

Mobile money is more cost effective than banking

"I will consider opening an account with mobile money if the charges are lesser than bank charges."

Female, 30 - 45 years, Lagos, Rural

An agent is within reach and is accessible

"If I am assured that there will be an agent to deposit and withdraw money around my area, then mobile money is a welcome idea."

Male, 18 - 29 years, Lagos, Rural

Mobile money services work despite network issues

"If the operation is not network dependent because there will be network issues sometimes."

Male 18 - 29 years, Lagos, Rural

Government or salary payments are made via mobile money

"If my monthly salary is tied to a mobile money account I will definitely have one."

Female 30 - 45 years, Lagos, Rural

E. Opportunities for Deepening the Uptake and Usage of Mobile Money in Nigeria

Driving the Uptake and Usage of Mobile Money

When asked what could be done to drive the uptake and usage of mobile money in Nigeria, the following suggestions were made by both mobile money users and non-users:

Improve Quality of Service

- Better customer service
- Faster response times for transactions
- Increasing agent footprint
- Improving quality of infrastructure

MMOs should Provide Incentives

- Internet subscriptions, free Wi-Fi or data packages
- Give customers twice the value of airtime they purchase
- Discount on goods purchased, which should be in line with the amount customers spend on mobile money
- Free coupons
- Free spa treatments
- Free tickets to movies, shows, concerts
- Cash rebates
- *“Serious promo to win a car”*

Male, 30 - 45 years, Lagos, Urban

Recommendations to Drive the Sustained Usage of Mobile Money in Nigeria

Mobile money operators can strengthen the customer value proposition by:

- Providing or promoting services that customers find useful, such as being able to pay for transportation using mobile money
- Providing user-friendly interfaces
- Providing competitive pricing
- Mitigating against network challenges, to the extent possible
- Preventing transaction failures or delays and providing good customer service when issues occur
- Ensuring that agents are both widespread and visible to target customers
- Using incentives to encourage customers to start using mobile money, as well as drive sustained usage
- Promoting awareness of mobile money through various channels (social media, newspapers, etc.)

Government/Policy Makers can promote mobile money by:

- Ensuring/mandating that certain types of government payments can/should be made through mobile money
- Paying all cash conditional transfers through mobile money