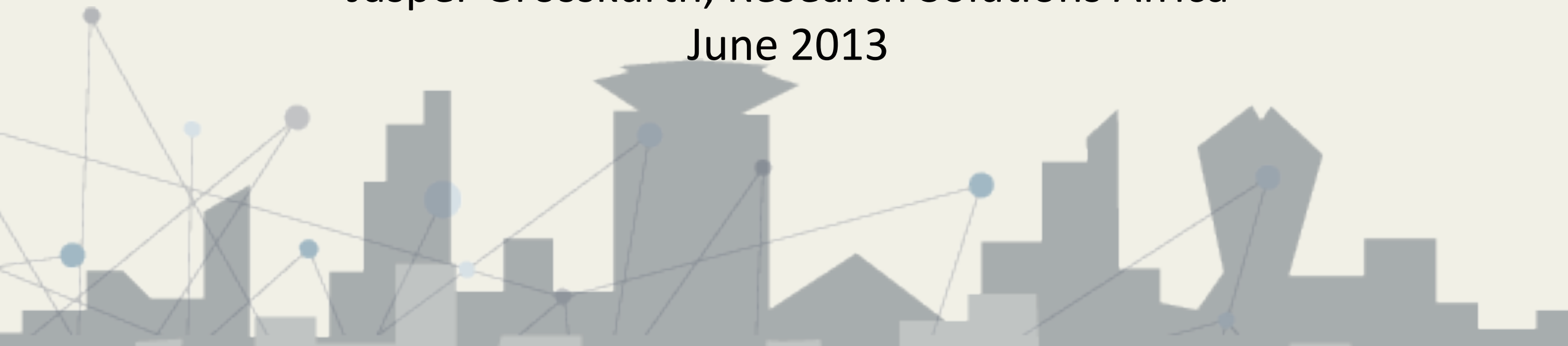# Mobile Phone Usage at the Base of the Pyramid in Kenya

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Jasper Grosskurth, Research Solutions Africa
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Research Solutions Africa Overview

– a leading Pan-African Market Intelligence Provider

Background

- Research Solutions Africa was founded in 1996, and is a leading Pan-African information solutions provider

- We serve businesses, NGO's, Governments and other institutions

- We provide market insights and offer full research services from survey design to data collection and analysis of findings

- Our focus research areas entail:
  - Market Assessment studies
  - Social research studies
  - Trade Research – retail & census
  - Consumer Research

- The Company operates throughout the African continent with local field forces in over 20 countries

Presence in Africa

West Africa
- Senegal
- Sierra Leone
- Ivory Coast
- Burkina Faso
- Niger
- Nigeria
- Chad
- Ghana
- Benin
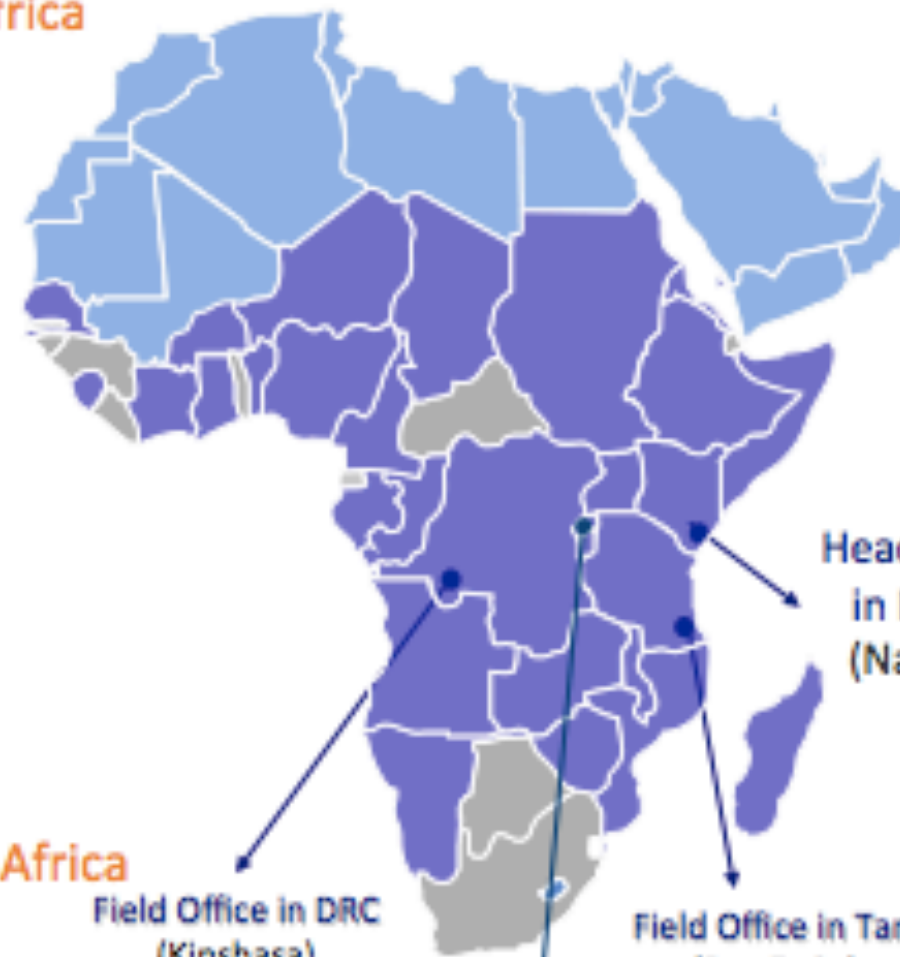
East Africa
- Kenya
- Tanzania
- Uganda
- Rwanda
- Burundi
- Somalia
- Sudan
- Ethiopia
- Eritrea

Southern Africa
- Zambia
- Malawi
- Madagascar
- Zimbabwe
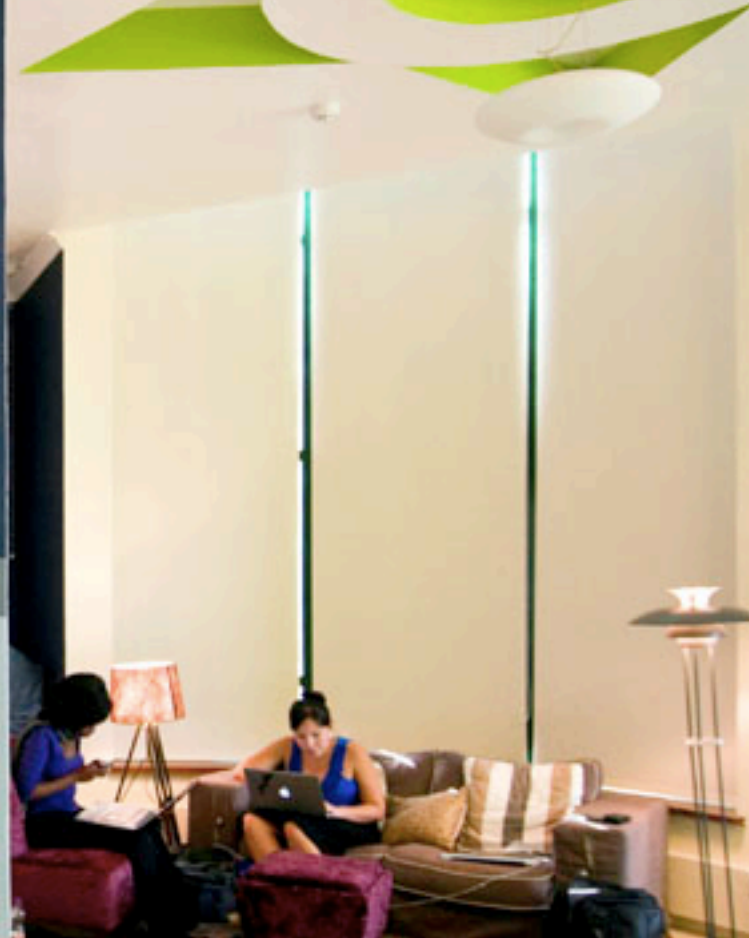- Angola
- Mozambique
- Namibia

Central Africa
- Cameroon
- Gabon
- Congo Brazzaville
- DRC (Democratic Republic of Congo)

Head Office in Kenya (Nairobi)

Field Office in DRC (Kinshasa)

Field Office in Tanzania (Dar Es Salaam)

Field office in Rwanda, (Kigali)

*iHub_ Research

Conduit for:

* local tech research

* building research capacity

Driving local tech research in Africa through social research and market research

Main Objectives

- Fully understand the use of mobile devices by BoP consumers;

- Detail the positive and negative socio-economic impacts of mobile devices at the BoP;

- Provide a guide for developing business models to maximize the benefits of mobile devices at the BoP.

BoP

- $2.50/day/person income line; adjusted for purchasing power parity (PPP) in 2006 prices. This comes to a poverty line of approximately 2,646.20 Kenyan Shillings per person per month.

- Also used Living Standards Measure (LSM) to categorize and screen our respondents.

- The two methods supported each other and all those categorized as BoP fit both requirements ($2.5/day/person/PPP) and LSM (category 1 - 10).

Summary of targeted and achieved survey outputs

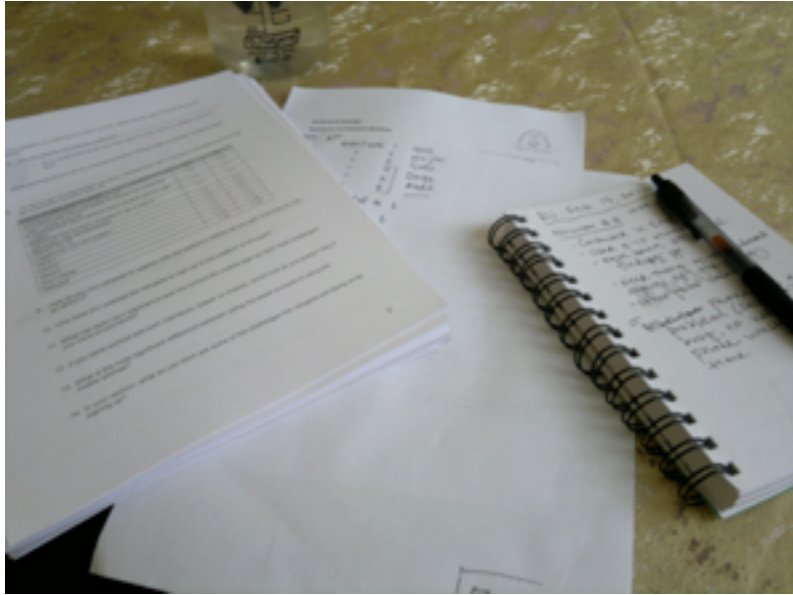| COUNTY		CONSTITUENCY	DELIVERABLES BY DATA COLLECTION APPROACH					
			QUANTITATIVE				QUALITATIVE	
			F2F		DIARIES		FGDs	
#	NAME		TARGETED	ACHIEVED	TARGETED	ACHIEVED	TARGETED	ACHIEVED
1	NAIROBI	WESTLANDS	76	124	19	22	1	1
		KASARANI	76	25	19	8	1	1
2	KISUMU	KISUMU TOWN EAST	72	75	17	22	1	1
		KISUMU RURAL	72	71	17	18	1	1
3	KILIFI	BAHARI	63	64	16	14	1	1
		KALOLENI	63	63	16	15	1	1
4	ELDORET	ELDORET EAST	63	57	16	13	1	1
		ELDORET NORTH	63	67	16	22	1	1
5	NAKURU	NAKURU TOWN	63	63	16	10	1	1
		MOLO	63	63	16	16	1	1
6	NYERI	NYERI TOWN	63	63	16	12	1	1
		OTHAYA	63	61	16	6	1	1
TOTAL		TARGETED	800		200		12	
		ACHIEVED		796		178		12
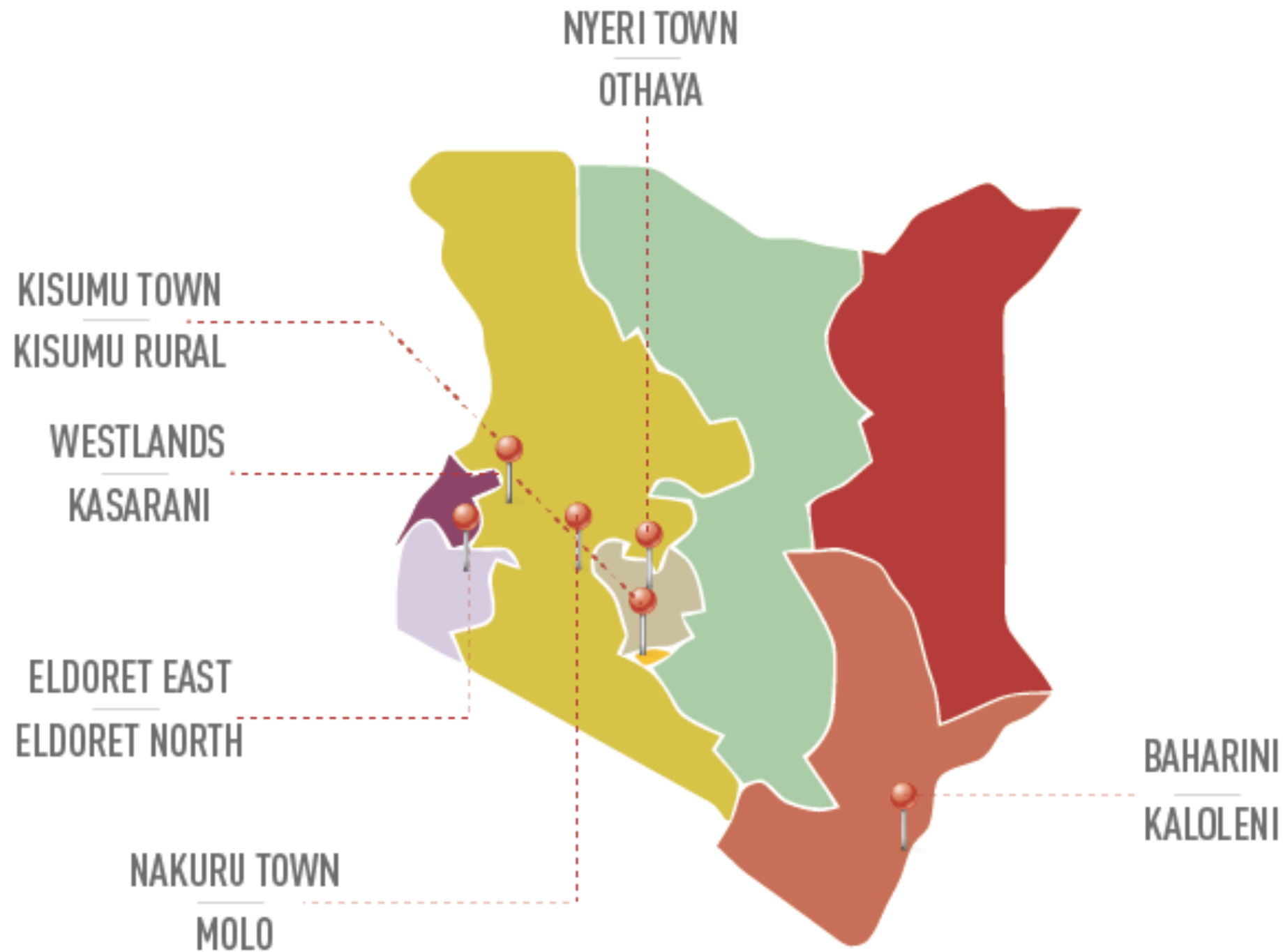
Methodology

Qualitative and quantitative approaches

Specifically,

- 10 key informant interviews,
- 12 focus group discussions,
- 796 face-to-face interviews,
- 178 diaries, and
- desk research.

- advanced open source and proprietary statistical analysis software
- qualitative data research and analysis software

Major Findings

Little Sharing of Handsets

- 93% had 1 mobile phone

- 65% do not share their handset with anyone else in the household

- 32.6% had more than 1 SIM card

Additional Services Desired
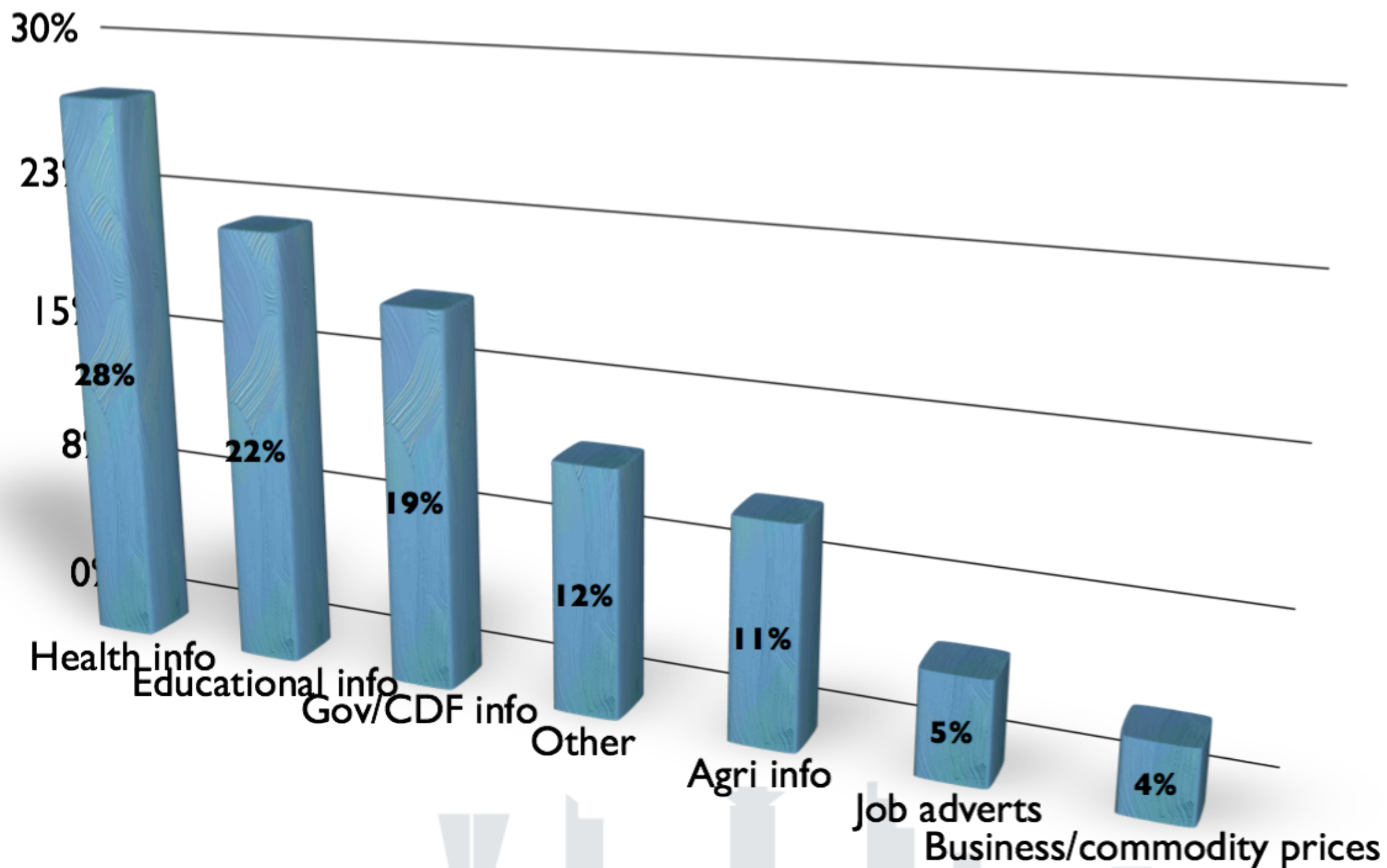
N=138

Phone Functionalities

- Calculator (97%)

- Alarm (94%)

- Clock (93%)

- Torch/flashlight (50%)

- Web browser (42%)

- QWERTY keypad (15%) --> "smart" phones?

66% prefer their current phone because it has "all the functionalities I need."

Phone Activities/Services

- 100% make/ receive calls

- 82.7% send/ receive SMS

- 78% send/receive money via mobile (higher than country-wide usage, ~ 50%)

Source: Anjana Ravi and Eric Tyler. Savings for the Poor in Kenya May 2012..

Mobile Internet usage

25.3% of BoP browse the Internet on their mobile handset. Surprising? Or not...

In the latest CCK report (Q1 2013), for the quarter ending in Dec 2012, 40% of Kenyans were accessing Internet.

99% of Kenyan Internet users access via mobile GPRS/EDGE or 3G.

Further, many MNOs offer special deals:

Essar Yu - free Facebook browsing
Orange Kenya - free Wikipedia access

$ making potential via mobile

- 83% of those who had earned money by having a mobile phone did so by directly getting more work because they were more "reachable."

- BUT only 22% of all study respondents said that they had earned money through the use of their mobile phone.

- It seems that microwork has still yet to reach the BoP in Kenya.

Forgone items

- 21% of respondents had foregone some usual expenditure in order to reload their mobile phone with airtime.

- On average, those that do, forgo approx. 72 Ksh (86 US cents) a week. (max 999 ksh, min 10 ksh).

- Most people forgo food stuff, or bus fare.

Charging of Mobiles

Where do you usually charge your phone?		
Place	**Responses**	
	Count	Percent
In the house, at home	470	59.8
At the work place	51	6.5
At home and at the work place	48	6.1
At a friend's place/house	50	6.4
At a nearby commercial outlet	167	21.2
Total	786	100.0

Awareness of Services
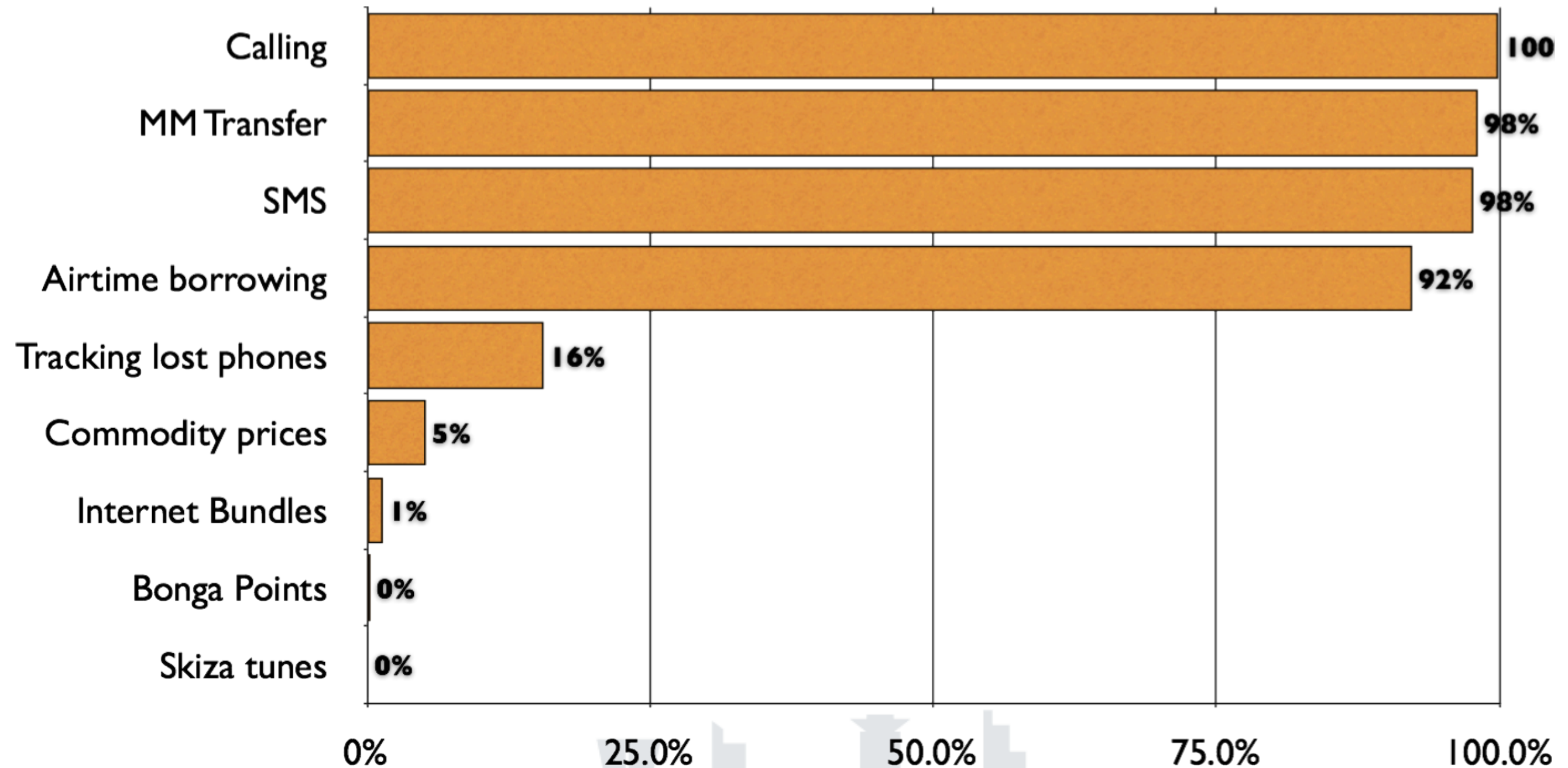
Actual Usage

- In terms of actual use,

  - calling (100%),

  - SMS (85%),

  - M-Pesa (84%), and

  - borrowing of airtime (73%) were used by the greatest number of people at the BoP.

Conclusions

- Calling, SMS, and mobile money services reach the BoP on a large scale and offer potential for access and income.

- Even in Kenya, added mobile phone services have not reached the BoP on a large scale.

- Internet access at the BoP is limited to a select group and very few websites.

- The cost-benefit analysis on the use of mobile phones at the BoP is still incomplete.

Thank you!

Comments & Suggestions appreciated.

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Reports and Videos

- For the full Kenyan report, go to:
  http://www.infodev.org/articles/mobile-usage-base-pyramid-kenya

- For the full South African report, go to:
  http://www.infodev.org/articles/mobile-usage-base-pyramid-south-africa

- For videos of Kenyan BoP speaking on their use of mobile phones, go to:
  http://www.youtube.com/playlist?list=PLlHgn35wlEWHiZtzuGiI3CR9-Ld9YY6d7