

FINANCIAL INCLUSION **insights**

APPLIED RESEARCH FOR  digital financial inclusion

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FII QUICKSIGHTS REPORT MOBILE MONEY CONSUMER AND AGENT EXPERIENCES WAVE 1

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THE FINANCIAL INCLUSION INSIGHTS (FII) PROGRAM

The FII research program responds to the need for timely, demand-side data and practical insights on the use of mobile money and other digital financial services (DFS), and the potential for their expanded use among the poor.

The program covers eight countries in Africa and Asia at different stages of DFS development. Research was launched in fall 2013.

FII is operated by global research group InterMedia and sponsored by the Financial Services for the Poor initiative of the Bill & Melinda Gates Foundation. All FII data and research is publicly available through the FII portal: www.finclusion.org.

QuickSights reports provide initial findings from each FII research project. These reports feed into subsequent Wave Reports which synthesize the results from all projects conducted during a wave of research in a given FII country.

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TRIANGULATING THE CUSTOMER EXPERIENCE



Key overarching objectives

- Mobile money agent in-depth interviews, customer exit interviews and mystery shopping exercises were conducted to provide a triangulated analysis of user experiences at cash-in-cash-out (CICO) points.
- The study focused on the dynamics between the mobile money provider, the agent and the customer at the agent location.
- The analysis aimed to highlight key barriers to uptake and registration, and best practices that stimulated continued use.
- The findings provide insights on potential provider- and agent-led improvements that can help agents better meet customer needs.

CONSUMER EXIT INTERVIEWS*

| Objectives | Key research questions | Selection |
|---|--|--|
| <p>50 one-on-one interviews were conducted to:</p> <ul style="list-style-type: none"> Capture immediate impressions of agent performance and quality of service. Identify routine problems and best practices customers may experience at the agent location. | <ul style="list-style-type: none"> How satisfied are customers with the service they received? How knowledgeable and helpful are agents in resolving problems? What does the agent do well? What are the routine problems they face while transacting with an agent? What can agents and providers do to provide better customer service? | <ul style="list-style-type: none"> Regions were selected based on mobile-money-use rate, according to the FII national survey (high use areas). Kampala was pre-selected as the urban location in the central region; in other regions, districts were randomly selected from FII national survey locations. Exit interviews were conducted in the urban areas of Kampala, Kasese and Jinja, and in the rural areas of Buikwe, Kasese and Jinja districts. Exit Interviews were conducted with every 2nd customer leaving a specified agent location after conducting a mobile money transaction. fspmaps.com was referenced for selecting agent locations against the following criteria: <ul style="list-style-type: none"> Agents of the main 5 mobile money providers; 30 urban and 20 rural agents; A range of agent premises (e.g., shop, stand, umbrella). We found instances where selected agents were no longer active and required replacement. |

MTN, Airtel, UTL, Ezeze, and Orange money agents were represented in all three research elements

**Fieldwork was conducted between Nov. 27 and Dec. 11, 2013.*

MYSTERY SHOPPING EXERCISES*

| Scenarios | What scenarios tested | Selection |
|--|---|--|
| <p>50 anonymous customer interactions were conducted with agents to:</p> <ul style="list-style-type: none"> Gain insight into agent performance in specific areas such as registration and troubleshooting. <p>To evaluate agent performance, researchers posed as customers and conducted transactions based on the following pre-set transaction scenarios:</p> <ul style="list-style-type: none"> Unregistered sending Registered, want to send Inactive, registered, lost PIN Receiving money Registered, sent money to the wrong number | <ul style="list-style-type: none"> Do agents encourage or discourage registration? Do agents provide adequate support for customers to register? How knowledgeable and helpful are agents in resolving problems? Do agents provide good service when customers need assistance (e.g., when they have sent money to the wrong number)? Do agents ask for customers PIN or charge extra fees? What are key problem areas at agent locations and how can agents improve service? | <ul style="list-style-type: none"> Regions were selected based on mobile-money-use rates, according to the FII national survey (high use areas). Kampala was pre-selected as the urban location in the central region; in other regions, districts were randomly selected from FII national survey locations. Mystery shopping exercises were completed in the urban areas of Kampala, Kyegegwa and Kamuli, and in the rural areas of Mpigi, Kyegegwa and Kamuli districts. fspmmaps.com was referenced for selecting agent locations against the following criteria: <ul style="list-style-type: none"> Agents of the main 5 mobile money providers; 30 urban and 20 rural agents; A range of agent premises (e.g., shop, stand, umbrella). We found instances where selected agents were no longer active and required replacement. |

*Fieldwork was conducted between Nov. 27 and Dec. 11, 2013.

AGENT IN-DEPTH INTERVIEWS*

| Objectives | Key research questions | Selection |
|---|---|---|
| <p>50 one-on-one interviews with agents were conducted to:</p> <ul style="list-style-type: none"> Gain an understanding of the agents perspectives on their relationship with the service provider and their customers. Understand the agent’s perspective on the overall mobile money business proposition for them. | <ul style="list-style-type: none"> Who is the agent’s customer base? What are the key issues and problems agents face in interacting with their customers and providing mobile money services? Are agents adequately supported by mobile money providers in conducting mobile money business? What does the agent think the providers can do better to support agents and their customers? Do agents think mobile money is a good business venture? What do agents need in order to provide better service? | <ul style="list-style-type: none"> Regions were selected based on mobile-money-use rate, according to the FII national survey (high-use areas). Kampala was pre-selected as the urban location in the central region; in other regions, districts were randomly selected from FII national survey locations. Agent interviews were conducted in the urban areas of Kampala, Masindi and Mbale, and in the rural areas of Lwengo, Masindi and Mbale districts. fspmaps.com was referenced for selecting agent locations against the following criteria: <ul style="list-style-type: none"> Agents of the main 5 mobile money providers; 30 urban and 20 rural agents; A range of agent premises (e.g., shop, stand, umbrella). We found instances where selected agents were no longer active and required replacement. |

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MAIN FINDINGS

Customers and agents complain about network instability, transaction charges and fraud. The fact that most agents are not displaying tariff information increases suspicions among customers.

Many customers understand the benefits of having a registered account but still want agents to help them transact.

Fast and knowledgeable agents are most sought after by customers. Agents' friendliness and their desire to help also is greatly valued by customers.

Most agents are exclusive to one service provider, and agents need further support from them to enhance branding, promote mobile money products and services, and attract and retain customers.

Most agents receive initial training from service providers but no follow up. As a result, many new agents are turning to their peers to learn how to conduct transactions and handle customer complaints.

Customers value privacy and safety while transacting on mobile money. Clean and organized agent locations also make them feel more comfortable.

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CONSUMER EXIT INTERVIEWS: THE CUSTOMER PERSPECTIVE



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MTN and Airtel remain dominant mobile money providers

- Most mobile money customers use either MTN Money or Airtel Money services.
- In most cases, a mobile money provider is also the main provider of users' mobile phone services. However, feedback from other people, especially about the quality of the network and transaction fees, is also important to users in choosing a mobile-money service provider.
- When it comes to agents, customers choose agents who are close to where they live/work, trustworthy, and friendly, and who usually have float and can provide good network connectivity.
- Consumer exit interviews demonstrated a range of opinions about service providers:
 - Customers disagree on which network is more reliable: those using MTN thought MTN's network was better, while Airtel users thought their provider's network was more reliable.
 - Most think MTN is less responsive to customer-care calls than Airtel.
 - Similarly, most blame MTN for having higher fees and more frequent unexplained airtime deductions than other providers.
 - Most feel Airtel offers more promotions and gifts, which encourages more frequent use.

Customers receive numerous text messages (SMS) from providers, including general marketing messages and explanations on technical aspects of mobile money services. Most consider the messages annoying and unhelpful in solving the problems they face while conducting mobile money transactions.

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Fast and knowledgeable agents are valued most by customers

- All customers appreciate agents who are efficient and knowledgeable about their business.
- They like to be greeted with a smile and told upfront what to expect from the mobile money transaction.
- Customers tend to blame agents even for problems beyond their control, like network failures, despite agent efforts to be helpful in difficult situations.

“Before the agent could transact, she told me the charges, and made me understand in my local language.” Rural male, exit interview respondent, age 36-50

Customers feel agents need training on a regular basis to make them more efficient. They are happy with agents who make an effort to solve their problems.

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The benefits of registering are clear to most customers

Why is it important to register?

- Transactions through a registered account are cheaper and more secure.
- Customers also think transactions through registered accounts are faster, more efficient and more convenient.
- Some customers say they are able to save and manage their money better on registered mobile money accounts.
- Some say having a registered account helps them pay utility bills on time.

What is stopping them from registering?

- The registration process is confusing for many.
- The process of collecting the required documents, especially correct IDs and photos, is frustrating.
- Some heard account activation might take a long time.
- Some agents cannot register customers because they do not have the mandate to do so.

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Registered customers still want an agent to help

- Many registered customers still want assistance from agents for routine transactions; some even use the agent's phone even though they are carrying out transactions for themselves.
- The main reason for this dependence on the agent is the fact that customers have difficulty navigating menus in English and may not understand the sequence of actions they need to take to complete various transactions.
- While agents like conducting transactions for customers with registered accounts because they can be done more quickly than those with non-registered accounts, agents generally do not promote registration or offer to help customers register because there is no incentive for them to do so. In many cases, agents do not even ask if the customer is registered – they assume that the customer needs assistance and they provide it.
- In rare cases, when agents do promote registration, it is usually because they are trying to retain customers by offering them a new value-added service (i.e., faster and different type of transactions like bill pay), if they register.

Customers want information on carrying out mobile money transactions to be translated into local languages so they can learn how to transact on their own.

MYSTERY SHOPS: MOBILE MONEY BUSINESS AND INFRASTRUCTURE



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Most agents operate close to main roads to target passing customers

- Agents position themselves in accessible areas, near main roads. Their main customers are those passing by regularly on their way to/from nearby schools, businesses or other institutions.
- Most agents have a clear mobile money provider's branding display on the exterior of their outlet, mostly as wooden boards or banners.
- Many agents get repeat customers but also get new customers regularly. They retain customers by virtue of high service quality.
- Almost half of the agents interviewed are women. One-third of the interviewed users of agent services are also women.
- Most agents have some sort of power at their shops: electricity, solar or a generator.

Many women are embracing the mobile money business. Both male and female customers feel female agents are more positive and helpful in solving the problems they have with mobile money transactions.

"On reaching her counter, I greeted her, the agent replied in a friendly way, I asked her to help me withdraw some money but the greeting was very good with a smile." Female mystery shopper, urban agent location

Among the 50 agents who participated in the exit and in-depth interview components, 23 (46%) were females. Two-thirds of female agents were found in urban areas.

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Privacy within the agent shop is key to a steady business; the shop also needs to be clean and spacious

“The environment of the store was good to conduct a financial transaction because there was space for customers to sit while serving one at a time, I felt comfortable, safe and had privacy while conducting my transaction.” Male mystery shopper, urban agent location

- Privacy at the agent’s location is key to getting new and repeat customers as the customers want to feel safe when transacting in a public place.
- Privacy concerns apply not only to stand-alone booths but to any type of agent location. For example, for an umbrella agent the consumers wanted the location to be away from crowds.
- Organized, clean and spacious agent locations were given the highest scores during the mystery shopping exercises.
- Poorly rated agent locations are generally those that are shared with another business, are very small, lack privacy, have non-customers hanging around and feel unsafe.

“The interior was clean, organized and the products were on display, easily seen and there was room for me to stand inside the store.” female mystery shopper, urban agent location

AGENT INTERVIEWS: RELATIONSHIP WITH MOBILE MONEY PROVIDERS AND CUSTOMERS



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Lack of transparency about tariffs is widespread among agents

- Although many agents say they inform customers about tariffs, there is no physical display of this information at most agent locations.
- Despite advising customers on transaction fees, customers' continuous complaints frustrate agents
- Many agents are aware of new mobile money taxes and think taxes are deducted from agent accounts by service providers, but they are not informed of any specific details.

*"I wish the service providers could bring for us more tariff charts and also reduce the charges on withdrawals because customers have been complaining why the rates were increased. The customers even find it costly to withdraw large sums of money because the rates are too high."
Mobile money agent,
male, urban*

Visible display of tariff information is required to enhance transparency in mobile money transactions to ensure customers are charged fairly.

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Most agents received initial basic training but more is required

- Service providers offer most agents start-up training covering the basic issues like book keeping, but, according to the agents, they leave out key transaction information, including customer service and transaction fees.
- New and less experienced agents tend to resort to their peers to learn some transaction issues and how to handle specific customer complaints like wrong number money transfers.
- While rather helpful, agent-to-agent training and learning might lead to same errors being repeated by several agents, stressing the need for continuous training to help them improve their performance.
- Mobile money providers don't usually contact agents and agents' efforts to contact them through customer-care helplines are usually futile. Many agents would like this to be improved through a dedicated agent helpline.

“The service providers trained and gave us written material but it was mainly verbal on how to conduct the various transactions, and to handle customers and to use the network.” Mobile money agent, male, urban

“A friend of mine did train me on various things to do with the mobile money service when I decided to take up the same business as he was doing.” Mobile money agent, female, urban

MTN Uganda * has the following downloadable resources for training agents on their website:

Mobile money agent training manual

Corporate partners training manual

Fraud awareness manual

Liquidity management

**<http://www.mtn.co.ug/MTN-Services/Mobile-Banking/MTN-MobileMoney-Agents.aspx>*

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Creative advertisement and clear branding at agents' locations can increase traffic and encourage customer engagement

- Most agents recognize that to attract and retain customers they need to invest time, money and effort into providing good customer service.
- However, they also feel the service providers should be actively involved in enhancing customer experiences through gifts, promotions and education.
- Part of such provider engagement should focus on visuals (i.e., t-shirts in provider brand colors help agents feel more professional and promote their businesses more effectively).
- Additional provider support should come from regular communication with agents about new products, changes in tariffs, etc.

“I do a lot of good explaining to ensure that customers do understand the products and services offered by me as an agent here, and I practice a lot of good customer care for them.” Mobile money agent, male, rural

GLOSSARY OF TERMS

- **Agent** – A person or business contracted/registered by a DFS provider to provide services to DFS customers using their own bank or mobile money account.
- **Below the Poverty Line** - In this particular study, adults living on less than \$2.50 per day, as classified by the Grameen PPI.
- **Digital financial services (DFS)** – Financial services that are provided through an electronic platform (mobile phones, electronic cards, the internet, etc.). **For this particular study, digital financial services include bank services and mobile money services.**
- **E-float/float** – When accepting deposits of cash from customers, mobile money providers issue “e-float,” measured in the same units as the national currency and held in a customer’s registered accounts. When a person sends/receives money through an agent, the agent has to have e-float (money on the agent’s account) available to transfer to the recipient’s account. Otherwise, the agent cannot complete the transaction.
- **Financial inclusion** – A state in which all people who are able to use them have access to a full suite of quality financial services, provided at affordable prices, in a convenient manner, and with dignity for the clients.
- **Grameen Progress out of Poverty Index (PPI)** – A poverty measurement tool from the Grameen Foundation wherein a set of country-specific questions are used to compute the likelihood that a household is living below the poverty line. PPI has been widely accepted in the sector of financial inclusion as the basic measure of poverty.
- **Lapsed user** – An individual who has used a DFS on their own or somebody else’s account, but has not done so in the last 90 days.
- **Mobile money (m-money)** – A service in which a mobile phone is used to access financial services.
- **Nonuser** - An individual who has not used a DFS on their own or somebody else’s account.
- **Services beyond basic wallet** – DFS transactions that go beyond simple deposits, withdrawals, or money transfers.
- **Over-the-counter (OTC) users:** Mobile money users who accessed the services over the counter (i.e., via a mobile money agent).
- **SIM card** – A removable micro-card that contains a subscriber identity module that securely stores the electronic codes used to verify subscribers’ identities on mobile phones and computers.
- **Tariff**- A list of the price a customer is charged for each type of (mobile money) transaction.
- **UGX** – The national currency of Uganda. The only currency for mobile money transactions.
- **Urban/rural** – Urban and rural persons are defined according to their residence in urban or rural areas as prescribed by the national bureau of statistics.

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