KENYA

QUICKSIGHTS REPORT
FII TRACKER SURVEY
Conducted September 2014

December 2014
THE KENYA FII TRACKER SURVEY - DETAILS

Survey summary

- Annual, nationally representative survey (N=2,995) of Kenyan adults aged 15+
- Face-to-face interviews lasting, on average, 64 minutes
- Second survey (wave 2) conducted from 9/10/2014 to 9/30/2014
- Tracks trends and market developments in DFS based on the information gathered in the first survey, conducted from 9/12/2013 to 10/1/2013

Data collected

- Basic demographics
- Poverty measurement (Grameen Progress Out of Poverty Index)
- Access/use of mobile devices
- Access/use of mobile money
- Access/use of formal financial services (e.g., bank accounts)
- Access/use of semi-formal and informal financial services (e.g., SACCO, cooperatives, self-help groups)
- Financial literacy and preparedness
- Technical literacy
Survey Demographics

<table>
<thead>
<tr>
<th>Demographic</th>
<th>% of Survey (N=2,995)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>49%</td>
</tr>
<tr>
<td>Female</td>
<td>51%</td>
</tr>
<tr>
<td>Urban</td>
<td>36%</td>
</tr>
<tr>
<td>Rural</td>
<td>64%</td>
</tr>
<tr>
<td>Above the $2.50/day poverty line</td>
<td>49%</td>
</tr>
<tr>
<td>Below the $2.50/day poverty line</td>
<td>51%</td>
</tr>
<tr>
<td>Ages 15-24</td>
<td>36%</td>
</tr>
<tr>
<td>Ages 25-34</td>
<td>26%</td>
</tr>
<tr>
<td>Ages 35-44</td>
<td>16%</td>
</tr>
<tr>
<td>Ages 45-54</td>
<td>11%</td>
</tr>
<tr>
<td>Ages 55+</td>
<td>11%</td>
</tr>
</tbody>
</table>

Figures are weighted to reflect national census data demographics.

Source: InterMedia Kenya FII Tracker survey (N=2,995, 15+), September 2014.
**NOTABLE STATISTICS**

- Sixty-five percent of Kenyan adults have a financial services account either through a bank, mobile money service or a nonbank financial institution (NBFI), with an additional 10 percent accessing financial services through someone else’s account.
  - Sixty-three percent of Kenyans have a mobile money account, while an additional 10 percent have access to mobile money through someone else’s account; in line with 2013.
  - Twenty-eight percent of Kenyans have bank accounts. Of those who have active bank accounts, 96 percent have access to digital services, either through ATMs/credit cards, mobile/internet or cash transfer capabilities.
  - Ten percent of Kenyans have accounts with NBFI such as Savings and Credit Cooperative Organizations (SACCOs), microfinance institutions (MFIs), cooperatives or Post Office banks.

- **Socio-economic and demographic gaps persist, despite some positive growth in certain segments.**
  - Among women, 54 percent have active mobile money accounts registered in their names compared with 61 percent of men.
  - In 2014, the gap between those above and below the poverty line remains high with 74 percent among those well-off reporting active registered mobile money accounts compared with 42 percent of the below-the-poverty-line segment.
  - The gap between urban and rural users’ mobile-money account adoption also persists, with a 70 percent to 51 percent gap, respectively, in line with the previous year.
• Nearly all Kenyans know at least one service provider; fewer (68 percent) understand the services. It appears those who understand the concept of mobile money are more likely to use the services.

• Safaricom M-PESA remains the dominant mobile money provider with 99 percent of active mobile-money account holders using the services. While Airtel Money saw a slim increase in its market share, the provider is far from catching up with the market leader.

• Person-to-person transfers remain the main trigger for opening a mobile money account, with 42 percent having opened an account to receive money and 21 percent to send. In addition to this P2P use, mobile money accounts are used most frequently for deposits, withdrawals and airtime top-ups.

• Use of mobile money services beyond basic cash transfers is picking up: A fifth of active mobile money account holder use their accounts to save/set aside money, and 17 percent, each, pay bills and make inter-account transfers.

• Now over a quarter of active mobile-money account holders report using any value-added services: Almost twice as many as in 2013: Twenty-six percent of active account holders report using M-Shwari and 15 percent use Lipa na M-PESA compared with 15 percent and four percent, respectively, in 2013.

* Mobile money users can use more than one service provider.
Nearly four in five Kenyans have access to financial accounts mostly via mobile money or banks; about three in five are active account holders

**Bank and mobile-money (MM) account access and use: 2013 vs. 2014***
(Shown: Percentage of Kenyan adults who fall into each category, 2013 (W1) N=3,000, 2014 (W2) N=2,995)

* Differences in waves are not significant at the 95% confidence level for access to a bank account, bank account holders, MM account holders and active MM account holders. Categories are not mutually exclusive.

*Source: InterMedia Kenya FII Tracker surveys Wave 1 (N=3,000, 15+), September-October, 2013, and Wave 2 (N=2,995, 15+), September 2014.*
Mobile money activity surpasses that of banks and nonbanks, especially for urban dwellers and those above the poverty line.

Financial inclusion measures by key demographic groups
(Shown: Percentage of each subgroup)

Account categories are not mutually exclusive.

Source: InterMedia Kenya FII Tracker survey (N=2,995, 15+), September 2014.
Three in 10 have digital stored-value accounts; but digital accounts are not typically used to access advanced financial services

<table>
<thead>
<tr>
<th>Main FSP Indicator</th>
<th>%</th>
<th>Base n</th>
<th>Base Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adults (15+) who have active digital stored-value accounts</td>
<td>59</td>
<td>2,995</td>
<td>All adults</td>
</tr>
<tr>
<td>Poor adults (15+) who have active digital stored-value accounts</td>
<td>43</td>
<td>1,502</td>
<td>All poor</td>
</tr>
<tr>
<td>Rural women (15+) who have active digital stored-value accounts</td>
<td>47</td>
<td>1,068</td>
<td>All rural females</td>
</tr>
<tr>
<td>Adults (15+) who have active digital stored-value accounts and use them to access other financial services (beyond basic wallet, P2P, and bill pay)</td>
<td>26</td>
<td>2,995</td>
<td>All adults</td>
</tr>
<tr>
<td>Poor adults (15+) who have active digital stored-value accounts and use them to access other financial services (beyond basic wallet, P2P, and bill pay)</td>
<td>13</td>
<td>1,502</td>
<td>All poor</td>
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<td>13</td>
<td>1,068</td>
<td>All rural females</td>
</tr>
</tbody>
</table>

Digital stored-value accounts = accounts in which a monetary value is represented in a digital electronic format and can be retrieved/ transferred by the account owner remotely. For this particular study, DSVAs include a bank account or NBFI account with digital access (a card, online access or a mobile phone application) and a mobile money account.

Source: InterMedia Kenya FII Tracker survey (N=2,995, 15+), September 2014.
More Kenyans know about mobile money brands than about the concept of mobile money (MM)

Concept awareness (Recognize concept of MM)
- Aware: 32%
- Unaware: 68%

Among those aware
- 100% are aware of at least one mobile money provider
- 84% have used mobile money
- 75% have registered mobile money accounts

Brand awareness (Recognize at least one MM provider)
- Aware: 95%
- Unaware: 5%

Among those aware
- 71% are aware of the concept of mobile money
- 76% have used mobile money
- 66% have registered mobile money accounts

Those who understand the concept of mobile money are more likely to be users than those who know provider brands.

Source: InterMedia Kenya FII Tracker survey (N=2,995, 15+), September 2014.
Over half of Kenyan adults have active registered mobile money accounts, including vulnerable populations

Demographic trends for active registered mobile money account use*
(Shown: Percentage of Kenyan adults who fall into each category, W1 N=3,000, W2 N=2,995)

* Differences in waves are not significant at the 95% confidence level for access to a bank account, bank account holders, MM account holders and active MM account holders. Categories are not mutually exclusive.

Source: InterMedia Kenya FII Tracker surveys Wave 1 (N=3,000, 15+), September-October, 2013, and Wave 2 (N=2,995, 15+), September 2014.
Radio and television remain the top initial exposure channels for mobile money; family and friends remain important in promoting services

**"From which source of information did you first learn about this mobile money service?"**

<table>
<thead>
<tr>
<th>Rank</th>
<th>Top 5 initial sources (percentage of active mobile money account holders)</th>
<th>% 2013 (W I) (n=1,999)</th>
<th>% 2014 (W 2) (n=1,859)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Radio</td>
<td>74</td>
<td>68</td>
</tr>
<tr>
<td>2</td>
<td>Television</td>
<td>25</td>
<td>31</td>
</tr>
<tr>
<td>3</td>
<td>Family and/or friends</td>
<td>12</td>
<td>18</td>
</tr>
<tr>
<td>4</td>
<td>Billboards</td>
<td>8</td>
<td>13</td>
</tr>
<tr>
<td>5</td>
<td>Field agents/promoters of mobile money</td>
<td>5</td>
<td>6</td>
</tr>
</tbody>
</table>

Categories are not mutually exclusive.

Source: InterMedia Kenya FII Tracker surveys Wave 1 (N=3,000, 15+), September-October, 2013, and Wave 2 (N=2,995, 15+), September 2014.
Kenyans still open mobile money (MM) accounts mostly for person-to-person transfers; saving/storing money has less appeal

<table>
<thead>
<tr>
<th>Rank</th>
<th>Top reasons for starting to use an MM account <em>(percentage of active account holders n=1,859)</em></th>
<th>%</th>
<th>Rank</th>
<th>Top uses for MM accounts <em>(percentage of active account holders n=1,859)</em></th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>I had to receive money from another person</td>
<td>42</td>
<td>1</td>
<td>Deposit money</td>
<td>90</td>
</tr>
<tr>
<td>2</td>
<td>I had to send money to another person</td>
<td>21</td>
<td>2</td>
<td>Withdraw money</td>
<td>87</td>
</tr>
<tr>
<td>3</td>
<td>I wanted a safe place to keep/store our money</td>
<td>8</td>
<td>3</td>
<td>Buy airtime top-ups</td>
<td>68</td>
</tr>
<tr>
<td>4</td>
<td>I wanted to start saving money with a mobile money account</td>
<td>6</td>
<td>4</td>
<td>Receive money from other people for regular support/allowances, or emergencies</td>
<td>54</td>
</tr>
<tr>
<td>5</td>
<td>A person I know tried it and recommended it to me</td>
<td>3</td>
<td>5</td>
<td>Receive money from other people for other reasons or no particular reason</td>
<td>43</td>
</tr>
<tr>
<td>6</td>
<td>Most of my friends/family members are already using the services</td>
<td>2</td>
<td>6</td>
<td>Send money to other people for other reasons or no particular reason</td>
<td>38</td>
</tr>
</tbody>
</table>

*Question allowed for multiple responses.*

*Source: InterMedia Kenya FII Tracker survey (N=2,995, 15+), September 2014.*
Safaricom M-PESA continues to dominate the market, in line with 2013

Active mobile money provider account holdings
(Shown: Percentage of active mobile-money account holders who report using specific providers, by wave)

- **Safaricom M-PESA**: 99% (2014), 99% (2013)
- **Airtel Money**: 7% (2014), 4% (2013)
- **yuCash**: 1% (2014), 0.8% (2013)
- **Orange Money**: 0.8% (2014), 0.4% (2013)
- **MobiKash**: 0.6% (2014), 0 (2013)
- **Tangaza**: 0.3% (2014), 0 (2013)

Airtel Money shows an increase in its market share, yet it's still far from competing with Safaricom M-PESA

Active MM account holders can have accounts with more than one provider.

*Source: InterMedia Kenya FII Tracker surveys Wave 1 (N=3,000, 15+), September-October, 2013, and Wave 2 (N=2,995, 15+), September 2014.*
Airtel Money has more urbanites; Safaricom M-PESA has more rural active account holders

Demographic trends for active mobile money account use, by provider
(Shown: Percentage of active account holders for each provider)

Safaricom M-PESA
(n=1,836)

Gender

Urban/Rural

Above/Below Poverty Line

Male
Female
Urban
Rural
Below poverty line
Above poverty line

Airtel Money
(n=72)

Gender

Urban/Rural

Above/Below Poverty Line

Active MM account holders can have accounts with more than one provider.

Source: InterMedia Kenya FII Tracker survey (N=2,995, 15+), September 2014.
Bill pay, savings and inter-account transfers are the most common advanced uses for mobile money, followed by receiving wages and paying for small purchases.

**Advanced mobile money (MM) account uses***
(Shown: Percentage of active mobile-money account holders n=1,859)

<table>
<thead>
<tr>
<th>Activity</th>
<th>2013 (n=1,999)</th>
<th>2014 (n=1,859)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bill pay</td>
<td>14%</td>
<td>17%</td>
</tr>
<tr>
<td>Saving/setting aside money</td>
<td>10%</td>
<td>17%</td>
</tr>
<tr>
<td>Make mm2mm or mm2bank transfers</td>
<td>NA</td>
<td>6%</td>
</tr>
<tr>
<td>Receive wages</td>
<td>17%</td>
<td>8%</td>
</tr>
<tr>
<td>Pay for small purchases at a store</td>
<td>3%</td>
<td>4%</td>
</tr>
<tr>
<td>Loan activity</td>
<td>2%</td>
<td>4%</td>
</tr>
<tr>
<td>Receive G2P payments</td>
<td>0.8%</td>
<td>2%</td>
</tr>
<tr>
<td>Investment</td>
<td>0.3%</td>
<td>1.0%</td>
</tr>
<tr>
<td>Insurance activity</td>
<td>0.2%</td>
<td>1%</td>
</tr>
<tr>
<td>Pay for large acquisitions (land, dwelling, etc.)</td>
<td>0.3%</td>
<td>0.9%</td>
</tr>
</tbody>
</table>

*Due to the changes in the questionnaire between Waves 1 and 2, some data points are not directly comparable.

*Question allowed for multiple responses.

Source: InterMedia Kenya FII Tracker surveys Wave 1 (N=3,000, 15+), September-October, 2013, and Wave 2 (N=2,995, 15+), September 2014.
M-Shwari and Lipa na M-PESA enjoy an increase in their user base since 2013; other value-added services are also attracting users

Use of value-added services
(Shown: Percentage of active mobile money account holders who use each VAS)

- M-Shwari: 26% (2014) vs 15% (2013)
- Lipa na M-PESA: 15% (2014) vs 4% (2013)
- M-KESHO: 5% (2014) vs 2% (2013)
- Lipa Karo na M-PESA: 5% (2014) vs 2% (2013)
- M-KOPA: 4% (2014) vs 1% (2013)

M-Shwari and Lipa na M-PESA show the highest increase in use since 2013

Source: InterMedia Kenya FII Tracker surveys Wave 1 (N=3,000, 15+), September-October, 2013, and Wave 2 (N=2,995, 15+), September 2014.
M-Shwari user demographics are changing to include more vulnerable populations: rural users of mobile money and those below the poverty line.

**M-Shwari user demographics**
(Shown: Percentage of M-Shwari users who fall into each category, n=497)

Source: InterMedia Kenya FII Tracker surveys Wave 1 (N=3,000, 15+), September-October, 2013, and Wave 2 (N=2,995, 15+), September 2014.
More than half of active bank account holders engage in advanced financial activities, including savings and bill pay

<table>
<thead>
<tr>
<th>Top uses for active bank accounts (n=666)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Withdraw money</td>
<td>97</td>
</tr>
<tr>
<td>Deposit money</td>
<td>92</td>
</tr>
<tr>
<td>P2P transfers</td>
<td>36</td>
</tr>
<tr>
<td>Save/set aside money</td>
<td>47</td>
</tr>
<tr>
<td>Bill pay</td>
<td>44</td>
</tr>
<tr>
<td>Receive wages</td>
<td>34</td>
</tr>
<tr>
<td>Make MM2MM / MM2Bank transfer</td>
<td>25</td>
</tr>
<tr>
<td>Loan activity</td>
<td>19</td>
</tr>
<tr>
<td>Buy airtime top-up</td>
<td>16</td>
</tr>
</tbody>
</table>

- The most common bank account uses still mainly involve withdrawing and depositing
- Saving money and bill pay are the most common advanced uses
- More than a third of active account holders receive their salaries via direct deposit to their bank accounts

*Question allowed for multiple responses.*

*Source: InterMedia Kenya FII Tracker survey (N=2,995, 15+), September 2014.*
A quarter of adult Kenyans can access a bank account via digital means; 20 percent are active digital bank account holders.

**Digital bank account access**

(Shown: Active digital bank account holders, n=636)

- Debit/ATM or credit card: 97%
- Can be accessed via internet or mobile: 76%
- Can't transfer money digitally: 68%

Digital bank accounts offer at least one of the following options: debit/ATM or credit cards, internet or mobile access, or a digital money transfer capability.

**Active digital account holders (10%) use a variety of methods**

- 74%
- 4%
- 1%

Digital bank account users, not registered
- Lapsed digital bank account holders
- Active digital bank account holders
- Do not have digital access to a bank account

*Question allowed for multiple responses.

Source: InterMedia Kenya FII Tracker survey (N=2,995, 15+), September 2014.
**KENYA**

Fewer use nonbank financial institutions compared with banks and mobile money, mostly for basic purposes, saving and loans

### Financial institution usage
(Percentage of nonbank financial institution account holders among the total population N=2,995)

<table>
<thead>
<tr>
<th>Financial Institution</th>
<th>Active user</th>
<th>Registered user</th>
<th>User</th>
</tr>
</thead>
<tbody>
<tr>
<td>SACCO</td>
<td>4%</td>
<td>6%</td>
<td>8%</td>
</tr>
<tr>
<td>MFI</td>
<td>3%</td>
<td>4%</td>
<td>5%</td>
</tr>
<tr>
<td>Post Office bank</td>
<td>2%</td>
<td>2%</td>
<td>5%</td>
</tr>
<tr>
<td>Cooperative</td>
<td>0.8%</td>
<td>1%</td>
<td>2%</td>
</tr>
</tbody>
</table>

### How nonbank financial institutions are used
(Shown: Percentage of nonbank financial institution users)

<table>
<thead>
<tr>
<th>Activity</th>
<th>SACCO users (n=248)</th>
<th>MFI users (n=168)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Save money/set aside money</td>
<td>72%</td>
<td>80%</td>
</tr>
<tr>
<td>Basic uses (cash-in/cash-out, buy airtime)</td>
<td>78%</td>
<td>70%</td>
</tr>
<tr>
<td>Take loans</td>
<td>56%</td>
<td>76%</td>
</tr>
<tr>
<td>Invest money</td>
<td>32%</td>
<td>26%</td>
</tr>
<tr>
<td>For P2P transfers</td>
<td>28%</td>
<td>26%</td>
</tr>
<tr>
<td>To make payments to or receive payments from organizations (salary, G2P payments, bill pay)</td>
<td>29%</td>
<td>19%</td>
</tr>
</tbody>
</table>

*All differences are statistically significant at the 95% confidence interval.

Question allowed for multiple responses.

Source: InterMedia Kenya FII Tracker survey (N=3,001, 15+), September 2014.
GLOSSARY OF TERMS

• **Access** – Access to a bank account or mobile money account means a respondent can use bank/mobile money services either via their own account or via an account of another person.

• **Active account holder** – An individual who has a registered DFS account and has used it in the last 90 days.

• **Active user** – An individual who has used any DFS for any type of transaction in the past 90 days via his/her own account or somebody else’s account.

• **Adults with DFS Access** – Adults who either own a DFS account or have access to someone else’s 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.

• **Digital stored-value account (DSVA)** – accounts in which a monetary value is represented in a digital electronic format and can be retrieved/transferred by the account owner remotely. For this particular study, DSVAs include a bank account or NBFI account with digital access (a card, online access or a mobile phone application) and a mobile money account.

• **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.

• **Lapsed registered/non-registered 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 (MM)** – A service in which a mobile phone is used to access financial services.

• **Registered active user** – A person with a registered DFS account that has used it in the last 90 days.

• **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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