

## Research Article

# Consumption, Technology, and Development: The “Poor” as “Consumer”<sup>1</sup>

### Renee Kuriyan

renee.kuriyan.wittemyer@intel.com  
Director of Social Impact Corporate Responsibility Office, Intel Corporation  
Tech Park 1  
4721 Technology Parkway  
Fort Collins, CO 80528  
USA  
(970) 225-3924

### Dawn Nafus

dawn.nafus@intel.com  
Senior Research Scientist  
Intel Labs, Intel Corporation  
2111 NE 25th Ave.  
Mailstop JF2-60  
Hillsboro, OR 97124  
USA

### Scott Mainwaring

scott.mainwaring@intel.com  
Senior Research Scientist  
Intel Labs, Intel Corporation  
2111 NE 25th Ave.  
Mailstop JF2-60  
Hillsboro, OR 97124  
USA

### Abstract

*This article focuses on the case of M-PESA mobile payments service in Kenya. It critically analyzes the assumptions and cultural contradictions that underpin notions of the low-income consumer and their implications in practice for business strategy. The poor-as-consumer model assumes that, in order to target low-income groups, one needs to design products, services, and marketing specifically for the poor. We find a unifying notion of the consumer that is not based on income. Being an M-PESA consumer can enable low-income Kenyans to seemingly cross class boundaries and assume identities not linked to their traditional class status. Although the poor are price sensitive, our research shows the importance of not making them “feel” like they are, as a class, “the poor.” By examining and building on these assumptions and contradictions, Safaricom successfully tapped into market messages that met individual consumers’ desires and aspirations.*

### Introduction

If one were to think of the trajectory of international development as being comprised of a series of critical moments that have come to define it, the World Resources Institute’s “Eradicating Poverty Through Profit: Making Business Work for the Poor” conference in December 2004 marked such an instance.<sup>2</sup> It was a moment when the private sector was acknowledged as a new, powerful, and influential actor in poverty alleviation. This conference brought together 1,000 hitherto strange bedfellows, including individuals from traditional development agencies like the United Nations and World Bank, small NGOs, activists, and environmental organizations, along with corporations like Visa, Shell, Microsoft, Monsanto, and Intel. The conference explored the relationship between business strategies and economic development for the poor (Pralhad, 2004; Pralhad & Hammond, 2002). Information and communication technologies (ICTs) such as Internet-enabled computers and mobile phones collectively held a special role in these conversations, envisioned as devices that could enable the private sector to profit while simultaneously serving the “Bottom (Base) of the Pyramid” (BoP), i.e., the world’s poorest people.

---

1. An earlier version of this article was presented at the Institute for Money, Technology and Financial Inclusion (IMTFI), University of California, Irvine, at a workshop funded by IMTFI, the Discovery Grants Program at the University of California, and Intel Corporation. It was also presented at the 2009 American Anthropological Association Annual Meeting. We thank the participants and discussants for their valuable comments and suggestions. We are also grateful to the three anonymous reviewers for their feedback on drafts of this article. Their comments greatly strengthened the article. We would also like to thank Isha Ray for her feedback and insight.

2. <http://www.nextbillion.net/archive/sfconference>

This moment labeled the BoP population as “consumers,” a characterization which, in turn, reshaped discussions about development and poverty. Development discourse shifted from being primarily about providing aid, investment, support, institutions, and capacity to improve social and economic conditions (De Janvry, 1981; Easterly, 2006; Harris, Hunter, & Lewis, 1995) toward focusing on the poor as active agents within a consumer market, with legitimate spending needs, demands, desires, and constraints to be addressed (Hart, 2005; Prahalad & Hammond, 2001, 2002). The basic premise was that the “emerging markets consumer” was solely focused on low cost and basic functionality. Therefore, to target low-income groups, one needed to design products and services and market specifically for the poor. Corporations and other private entities, in conjunction with more traditional development agencies, began strategizing about how to advertise, design, and sell products to engage the desires and aspirations of these populations under the rubric of private-sector participation in an overall development agenda (Hart, 2005). Previously in the realm of corporate social responsibility teams or philanthropy efforts, new markets became more attractive to corporations with goals of looking to sell to the “next billion,” as part of core business strategies (Porter & Kramer, 2011). This new discourse around the “poor as consumers” combined consumer agendas with development goals. These consumer agendas were based on the hypothesis that “development” could be achieved through the market-based delivery of goods and services to low-income groups, rather than through a singular focus on raising income, infrastructure, or improvements in health (Prahalad, 2004). Embedded in the deliveries of these goods and services was the theory that they would bring direct or indirect economic or social welfare benefits for the poor. ICTs were given greater prominence in development discourse as a particularly effective delivery mechanism for products and services to these low-income consumers (*ibid.*).

While the aims and claims of many market interventions to serve the poor are broad, the assumptions behind them are often unarticulated, untested, and open to challenge. Within the BoP discourse, these assumptions are related to categories of actors, such as “consumers,” “the poor,” and “citizens,” which are frequently treated as near homo-

geneous. Such an analysis glosses over critical differences of position, power, behavior, and incentives within these categories, or the relations between low-income people and the state or private sector. This research article seeks to illuminate the politics underlying “successful” private-sector-led, consumer-focused ICTD cases by unpacking the power relations, assumptions, and cultural contradictions that are embedded within them. By doing so, we are thus able to clarify the constraints that limit and define the notion of poor-as-consumer, such as who should be serving them, who counts as included and who does not, and larger ideas about what it means to be part of the mass market.

This article explores the multiplicity of ways in which mapping “the consumer” onto “the poor” has provided useful tools for businesses and individuals to create opportunities for their own political, market, and personal agendas in the case of M-PESA in Kenya. M-PESA (Swahili for M-CASH) is a for-profit mobile phone money-transfer application that facilitates the direct transfer of Kenyan Shillings (in electronic form) between mobile phones without requiring either party to have a bank account. Safaricom, a Vodafone affiliate that is Kenya’s largest mobile network operator, launched M-PESA in 2007. M-PESA was launched with the dual goals of “deepening financial access for the poor” (Interview, Safaricom official, 2009), and at the same time, being a self-sustaining commercial product for the telecom company. Vodafone and the UK Department for International Development’s (DfID) Financial Deepening Challenge Fund contributed a grant of nearly £1 million to start M-PESA because of its aims to widen financial services access for the poor. M-PESA has been the recipient of many awards, including the World Business & Development Award in 2008, the GSMA 2008 Best Broadcast Commercial Nomination for Economic & Social Development, the Stockholm Challenge 2008 Winner for Economic Development, and it was also cited by Bill Gates in the keynote address of the ICTD2009 conference as a model of BoP projects. It has been positioned as a private-sector initiative that has led to 40% of adults in Kenya regularly using mobile phone-based electronic payment systems. This has been acclaimed as a successful BoP market intervention that has resulted in development impacts. M-PESA is often cited as a great example of how “low priced cell phones that provide mobile banking

services are helping the poor save money securely.” Porter uses this as an example of creating “shared value,” specifically addressing societal concerns while yielding productivity benefits to a firm (Porter & Kramer, 2011).

With these preliminary boundary-setting parameters in place, the next section provides more context on the “poor as consumer.” We then review the methods used in the research. The analysis of the M-PESA case forms the bulk of the article and takes an empirical look at both the contradictions embedded in the “poor as consumer” notion and implications for marketing and business strategy. Using this case, we find a unifying notion of the consumer that is not based on income. Being an M-PESA consumer can enable low-income Kenyans to seemingly cross class boundaries and assume identities not linked to their traditional class status. Although the poor are price sensitive, our research shows the importance of not making them “feel” like they are, as a class, “the poor.” The M-PESA example differs significantly from the “poor as consumer” simplifications in many other cases, because it explicitly recognizes these anxieties and differences and builds on them. By examining and building on these assumptions, Safaricom successfully tapped into market messages that met individual consumers’ desires and aspirations.

## The “Poor as Consumer”

Some common assumptions embedded in the poor-as-consumer market strategy are that low-income groups are highly price sensitive, have low literacy skills, and are looking for something easy to use or affordable (Prahalad, 2004). In Slater’s work on consumer culture, he states, “Commonsensibly, being a consumer is about knowing one’s needs and getting them satisfied: choosing, buying, using and enjoying—or failing in these” (1997, p. 3). According to this logic, the low-income consumer, like other consumers, is a pre-existing entity with a given set of preferences or needs, and the main challenge is to understand how to connect to them (Mazzarella, 2003). Yet every representation of the consumer is a more-or-less strategic representation of that world. The consumer is, in part, a construct invented by advertisers, marketers, and private and state entities that create a portrait of specific aspects of cultures that can be leveraged to encourage indi-

viduals to buy (Mazzarella, 2003; Slater, 1997). Slater says:

Statements of need are by their nature profoundly bound up with assumptions about how people would, could, or should live in their society: needs are not only social but also political, in that they involve statements about social interests and projects. (1997, p. 3)

Marketers see their segmentations of “low-end” and “high-end” markets as a mere management technique, when, in many respects, these are constitutive and creative techniques relying on underlying political and social assumptions. Building off this literature, we show how the poor-as-consumer strategy embedded in the BoP concept, such as the target M-PESA consumer, represents a particular portrayal of how the poor should and could live in their society.

There is an analogous process of abstraction, lack of attention to cultural patterns, power, and politics in the context of development programs targeted at the poor. In his seminal study of development, Ferguson (1994) explains that the practice of “rendering technical” the identification of development problems, questions, and availability of solutions is also a process of creating the nonpolitical. Ferguson describes the planned development apparatus as an “anti-politics machine” that “insistently reposes political questions of land, resources, jobs or wages as technical ‘problems’ responsive to the technical development intervention” (1994, p. 270). In this way, political-economic relations are often excluded from the equations of both what constitutes development and how it operates. However, erstwhile “objective interests” of communities being served are always located within other social, cultural, and political structures that are multilayered and contradictory (Li, 2007). We argue that situating low-income communities primarily as consumers is similarly de-politicizing, by means of de-emphasizing their political and cultural embeddedness. The criticism here is the failure of this approach to engage with issues of power and politics. By ignoring the cultural patterns, politics, and power struggles in development interventions, the processes that actually shape the relationships between programs and beneficiaries remain hidden. Such “engaging simplifications” (Li, 2002) risk failure, unsustainability, and inability to meet the underlying needs of

targeted beneficiaries. We show, through the M-PESA example, the complex, often contradictory manner in which consumers view themselves in relation to both their aspirations and consumer products. However, this example also shows how Safaricom embraced these social and often political understandings of low-income people in Kenya and built a successful marketing campaign to reach and include them.

Within this context, it is important to recognize that research shows it is challenging to create products or services designed specifically for the poor-as-consumer that build business or social value (Karnani, 2006; Kuriyan, Nafus, Mainwaring, & Kitner, 2010). Karnani (2006) argues that the BoP market is small, unlikely to be very profitable, and culturally heterogeneous, as well as that the costs of serving the markets at the bottom of the pyramid can be high. He notes that the most commonly mentioned examples in the BoP literature—shampoo sold in sachets and several other products in small packages specifically targeted at the poor (Pralhad, 2004, p. 16)—may create value by increasing convenience and helping to manage cash flow, but do not increase “affordability” for the poor. Innumerable failed attempts to develop and market low-cost PCs specifically for rural populations in emerging markets in the last five years exemplify this trend (Fonseca & Pal, 2006). Research on low-cost technologies and the factors that mediate technology adoption indicates that the purchase or use of ICT products and services is, at least as much as it is an economic or technological act, a social act (Burrell, 2008; Horst & Miller, 2005). ICT products are carriers of personal, social, and cultural meaning, such as establishing a new place in society, fulfilling an aspiration for the future and education of one’s children, and particularly important in the case of M-PESA, distinguishing oneself from those labeled or considered to be poor (Kuriyan et al., 2010). Low price and affordability may not be the sole drivers of a purchase for the poor. Instead, these less tangible, social, cultural, and psychological factors can drive consumer behavior. As our research in Kenya shows, low-income segments do not necessarily desire the cheapest products segmented for the “poor,” because of the cultural stigmas associated with poverty. Understanding the social viability of market strategies to reach low-income groups is important,

yet remains an underemphasized component of business strategy. Simplifying away cultural contradictions, assumptions, and conflicting aspirations can lead to a failure to meet actual desires and, thus, to missed market and development opportunities.

## Methods

To examine the opportunities and challenges created when governments and businesses use and understand the “poor as consumers,” we interviewed a range of stakeholders in the private and public sectors in Kenya over the course of field research trips separated by two years (2007 and 2009). Our research approach focused on understanding the perceptions of the poor and how technologies fit into their lives. Our research employed informal meetings, semistructured interviews, and participant observation. In May 2007, our fieldwork was conducted in Nairobi, interviewing M-PESA agents and customers, product managers in Safaricom and two of its competitors, and customer service personnel in Safaricom’s downtown store. This took place right after the M-PESA service was launched, as part of a broad survey of financial technology innovation.

In April 2009, we conducted follow-up fieldwork, both in Nairobi and in a distant rural area. To get the variation of perspectives from different stakeholders, we conducted 41 interviews in Kenya with government officials, telecoms, the private sector, development organizations, and consumers themselves. Four interviews were conducted with government officials—one in the Ministry of Education, a member of Parliament from a rural part of the country, one in the Ministry of Information Technologies, and one on the Kenya ICT Board—in order to understand government ICT policies and ICT priorities and projects for the government. We also interviewed four officials at the largest telecoms in Kenya: Safaricom, Zain, Kenya Data Networks, and Telkom Kenya, as well as one at a market research company, to explore the Kenyan mobile phone market and how they were positioning the consumer in their market strategies. We conducted nine interviews with private-sector representatives in Kenya, including large companies such as Microsoft, Intel, and Cisco, and small- and medium-sized businesses specifically in the IT sector. These interviews examined the ICT market environment for companies,

applicable entrepreneurial strategies, and the challenges of the Kenyan market, particularly in terms of the low-income segments. To get insights into how low-income consumers themselves perceived the “poor as consumer” notion, we interviewed 10 “consumers” from Nairobi (three who considered themselves to be wealthy, four who considered themselves middle-class, and three who considered themselves low-income), and seven individuals in a rural part of northern Kenya (six of whom considered themselves low-income, and one who considered himself a middle-income consumer). The intent was to understand individual perceptions of what a consumer identity means to these people in their lives, how they perceive products targeting the poor specifically, and their aspirations.

On both field visits, we had valuable conversations regarding agent strategies, types of customers, and challenges faced by agents and customers over the course of many hours spent observing agents as they operated their M-PESA kiosks.

## The M-PESA Consumer

We now turn to the case of the Kenyan M-PESA system to show how the figure of the consumer can be used for instrumental purposes by both the private sector and low-income groups themselves. M-PESA is considered one of the most famous—and probably the most successful—mobile phone money-transfer applications to date (Camner & Sjöblom, 2009). Since the launch of M-PESA in early 2007, it has rapidly grown and expanded. It now includes electronic bill payment, and localized versions have been launched outside of Kenya by selected global partners of Vodafone. The system was initially field-tested in a microfinance-facilitation pilot conducted in Kenya by the network operators, a microfinance institute, and a commercial bank (Hughes & Lonie, 2007; Morawczynski & Miscione, 2008). With the technical feasibility of the system proven in the pilot, the service was re-targeted as a general consumer mobile payment service and launched nationwide in March 2007.

Within one month, Safaricom registered 20,000 M-PESA customers, exceeding Safaricom’s initial business targets. Its initial target for year one was 500,000 customers. It quickly readjusted its figures to a target of 1 million customers, finishing the year with 2 million customers. In two-and-a-half years,

M-PESA gained a user base of over 8.5 million customers and 10,000 agents across the country (Camner & Sjöblom, 2009). The agents enabled cash withdrawals and deposits. They also played a critical role in registering and educating new users. The service was originally marketed as serving the unbanked prepaid segment of the population, who then constituted 79% of the Kenyan population. Similar to the populations of many other countries, a majority of Kenyans did not have access to financial services or banking facilities, due to their lack of access to banking infrastructure or inability to pay monthly account fees. But about 70% of the Kenyan population did have mobile phones (FinAccess, 2009).

Several factors have influenced the popularity of M-PESA in Kenya. First, Safaricom’s dominance of the market, with 79% of the market share in Kenya, contributed to its success. It was able to build an agent network based on its existing mobile phone airtime distribution. Additionally, the service was reasonably priced and competitive, and also more secure than other popular methods of sending money, such as cash couriers, postal money orders, or traditional banking (Camner & Sjöblom, 2009; Morawczynski & Miscione, 2008). Key drivers of customer willingness to pay were 1) the awareness and trust (Morawczynski & Miscione, 2008) Safaricom built through branding; 2) the consistent user experience and an extensive channel of retail agents; and 3) the customer pricing and agent commission structure (Mas & Ng’weno, 2009). While much has been written examining the success of M-PESA (Camner & Sjöblom, 2009; Mas & Ng’weno, 2009; Morawczynski & Miscione, 2008), we focus on the “poor as consumer” strategy to reach the BoP, the assumptions embedded in it, how it played out in terms of marketing and business strategy, and actual impacts it had for the very poor.

Marketing M-PESA was a challenge for Safaricom because it had to develop a payment system and introduce a new product category to a population that had little experience with, and even less trust in, financial services. Safaricom’s corporate reputation was a powerful brand in Kenya. Its marketing success has been attributed to its single, simple message, and to the value proposition it used in its early campaigns (Camner & Sjöblom, 2009; Mas & Ng’weno, 2009). Initial marketing campaigns emphasized the opportunities for the urban Nairobi



business population to “send money home” (in the language of the advertisements) to their relatives living in rural areas.

The “send money home” campaign and commercials featured a busy businessman working in front of his computer in a Nairobi office. While working at his desk, he glances down at a picture of his parents and smiles. He picks up his phone and hits the “send money” feature. Suddenly, money begins flying out of his phone in Nairobi and into the pocket of his mother, who is sowing the land in a rural part of Kenya. She hears a beeping and pulls her phone out of her apron to see an SMS message confirming receipt of the money. She walks to an M-PESA agent, shows him her identification card, and picks up the cash.

It is worth unpacking this “send money home” campaign to understand the source of its business value. Despite M-PESA’s awards and reputation for exemplifying the BoP model and creating value for the poor, the advertising campaign targeted the well-off urban dweller as the primary customer. As Mas and Ng’weno state, “This choice of the richer urban dweller as the initial customer created an aspirational image for M-PESA and avoided the impression that it was a low-value product aimed at the poor” (2009, p. 6). Certainly, this is an important factor behind the success of these advertisements, along with their eye-catching, fantastic images of shilling bills magically flowing through the air from cell phone to cell phone. And there is no doubt that Safaricom’s initial business model required convincing relatively well-off urban workers to buy into the as-yet-unproven system by paying the bulk of transaction fees. Indeed, one could argue that making the “richer urban dweller” the primary customer was not a *choice* made by Safaricom, but a market-driven mandate, given the functionality and fee structure of the product. Person-to-person money transfer in Kenya was predominantly an urban-to-rural affair; the urban-to-urban transfer market among the better off, often banked, population was already well served by traditional financial services, and rural-to-rural transfers were infrequent and low-volume in terms of total monetary value by their nature.

Mas and Ng’weno are right on point as to the aspirational image of M-PESA, but it is worth asking: Who is aspiring, and why? Is it urban wage-earners aspiring to be the well-dressed businessman

in his air-conditioned office? Is it rural mothers hoping their adult children would get good jobs in the city to send them money more safely, reliably, cheaply, and (last, but not least) more often? Is it young adults in rural areas wishing they could get high-paying jobs in the city to make their parents proud? Perhaps all of these—but each formulation is, just beneath the surface, complex.

The aspirations that the “send money home” ads played on and encouraged may have had to do with addressing, facilitating, and enabling the often-complex family bonds and obligations of urban and rural populations. Though the worker cannot go home, the money can, perhaps accompanied by a phone call or text message. In any case, Safaricom can get credit for addressing an emotional reality of a large subset of the Kenyan population, while also targeting for revenue the senders, as opposed to the receivers, of these virtuous transfers. In this regard, the launch and rapid growth of M-PESA demonstrates the inadequacy of painting the “emerging markets consumer” as solely focused on low-cost, basic functionality.

From our early interviews in 2007, it quickly became apparent that enhancing existing remittance behaviors was only one kind of M-PESA use. For example, a trader shuttling between Mombasa and Nairobi said that, for security, he preferred to store e-money on his mobile phone instead of cash in his wallet during the long bus trips back and forth. In another, a middle-aged woman brought her adult daughter into an agency to have the daughter figure out how to send money to the woman’s father, who, lacking cash, was unable to gain entrance to a hospital for medical treatment. Within months of the launch, people found many new uses for the service.

By 2009, the M-PESA network had grown to over 7,000 agents (no longer recruited, but instead selected through a highly competitive process), and from a few tens of thousands to over 6.5 million customers. Although implemented with the goal of serving the unbanked and the strategy of reaching the poor-as-consumers, the service became part of Safaricom’s successful strategy to reach the broader mass market, including the wealthiest segments of the country. Safaricom has now expanded the M-PESA services beyond money transfer to include services that provide convenience, such as bill payment, something for which our research showed all

income groups in Kenya were willing to pay. Services now include the ability to buy airtime with the money in an M-PESA account, bill payment, payment of insurance premiums, donations to charities, money withdrawal from an M-PESA ATM network, social payments, payment of salaries, and promotional payments. Many of these services emerged based on creative uses of consumers, growing organically and not formally facilitated by Safaricom. Nonetheless, sending money home continues to be one of the most important uses of M-PESA. Specifically, since M-PESA was introduced, the number of households receiving money has increased from 17% to 52% (Mas & Ng'weno, 2009).

By 2009, advertising had shifted from sending money from urban to rural populations to diverse cross-sectional portraits of Kenyan society. A Safaricom official said:

Our volumes of customers tend to be more low-value customers and definitely the concentration is to talk to masses, because the product is for masses. But with our marketing we go pervasive. We think that the service is for everyone. (2009)

The service was no longer positioned as solely sending remittances to unbanked populations in rural parts of Kenya. The marketing strategies now targeted a much broader section of the Kenyan population with a diversity of services. In the words of a Safaricom official:

In terms of our consumers now, the unbanked are definitely using it. But we [also] have the banked people who have the money, who[m] we weren't targeting at all in the beginning, but they get money into the system. They make less frequent transactions but of higher value. They are the kind of people who may be paying their staff, or their shamba [farm], or sending money home to cover a month's needs. They provide a higher value for us. Traders are also using it. If they travel somewhere they prefer not to carry the cash because it is insecure so they put money into their account and withdraw it at the other end of the trip. So many different people are using it beyond the unbanked. (2009)

Mas and Ng'weno pointed out in their study that, over time, the marketing images moved from "young, up market urban dwellers" sending money to their poor counterparts in rural areas to the mass market of more ordinary Kenyans from low-paid

professions. This builds on the idea that consumer culture develops and grows when there is a "generalization of commodity consumption to the entire population" (Slater, 1997, p. 26). Slater argues that consumer culture "serves a general public" and promotes the positive idea that it somehow "embraces everyone" equally (ibid.). Slater's work and the case of M-PESA highlight the contradictions underlying the "poor as consumer" notion. On one hand, there is the assumption that, to target low-income groups, one needs to design products and services and market specifically for the poor. On the other hand, however, part of the viral effect of M-PESA has been that it is not only about a service for the low-income groups or the unbanked. It is something that embraces everyone—businessmen in Nairobi, the rural woman on the farm, and eventually in its marketing, a variety of ordinary Kenyans from different income brackets (Camner & Sjöblom, 2009). As stated earlier, the M-PESA example is internationally recognized as a service that has effectively targeted the unbanked, a term which is often used interchangeably, but inaccurately, with "the poor."

Through their consumption of ICT services like M-PESA, low-income populations were able to construct middle-class identities. The literature on consumer culture argues that consumption can be used by individuals in the negotiation of status, identity, and communicating one's social position (Arnould & Thompson, 2005; Belk & Tian, 2006; Slater, 1997). Informed by interviews with Kenyans from different income groups in Nairobi (including those who identified themselves as wealthy, middle-class, and low-income) and in Samburu (a rural part of the country), our respondents agreed that Safaricom's M-PESA was a service "for all Kenyans." Our interviews with low-income segments indicated that, because Safaricom was not specifically marketed toward the poor, they felt that when they used the service they were part of the larger market of "respectable" Kenyans. For example, a young pastoralist man living and working in a rural area, who identified himself as low-income, talked about the notion that M-PESA was for everyone. He had this to say:

All types of people and across all levels use M-PESA. Travelers throughout Kenya use it for safety. Now we all don't have that horrifying feeling that we are going to get robbed when we

travel. Someone can just send you money when you get home, so that misery is gone. Business-people and top people are using it. Traders use it as well as people working from their homes. Even us pastoralists are using it; it's not just targeted at the poor. (2009)

This respondent then expressed his pride in the fact that, although aid organizations usually labeled him and his community as “poor,” he was now using a service that the most elite people in the country were using. He said, “My family looks at me with respect because I know how to use the service that wealthy people in Nairobi use.” He also said that the service made him feel like one of “those Nairobi people.” A small business owner in Nairobi made the distinction that “M-PESA targets the unbanked, and that is not the poor. There is a difference. A lot of Kenyans are unbanked—and that doesn't necessarily mean that they are poor.” He explained that there is a stigma attached to being poor in Kenya. Being poor is associated with being lazy, drunk, or uneducated. Being unbanked, however, was something that was not necessarily within one's control, but could be attributed to an unreliable banking infrastructure.

Despite the fact that the unbanked are traditionally equated with the poor by development agencies, here we find a unifying notion of the consumer that is not based on income. This enables both the poor and the wealthier classes to share a similar self-identification of being a consumer of M-PESA. Slater states, “In mundane consumption, we construct social identities and relations out of social resources with which we engage as skilled social agents. . . . [C]onsumption has become an ever more central means of enacting our citizenship of the social world” (2007, p. 4). Our interviews confirmed this and showed that being an M-PESA consumer enables low-income Kenyans to seemingly cross class boundaries and assume identities not linked to their traditional class status. By using the service, they associated, imitated, and aspired to middle-class figures of consumers. This enabled them to seemingly transcend their own socio-economic situation. Therefore, although the poor are certainly price sensitive, our research showed the importance of not making them “feel” like they are, as a class, “the poor.”

Safaricom's construct of the consumer at first appears universal, portrayed as a democracy, and

based on the right of all to engage in the financial market freely. And in fact, many of the low-income populations are using Safaricom because it is affordable and includes a broad range of Kenyans. However, despite its many awards for serving the poor, a recent study by the Gates Foundation indicates that the overall impact of M-PESA on access to financial services, specifically for the bottom of the pyramid population, remains relatively modest (Mas & Ng'weno, 2009). As a survey by Financial Sector Deepening Trust shows:

[T]he average M-PESA user is, in comparison to non-users, twice as likely to have a bank account (72% versus 36%). M-PESA users had annual expenditures about 65% larger than non-users, and 20% more assets. Users are also likely to be slightly more male, slightly older, more literate and better educated. (FinAccess, 2009)

Therefore, research shows that most marginalized poor groups, who were part of the target of the initial DfID grant to Vodafone for M-PESA, are still not using this service. Despite its “image” in the ICTD world, M-PESA is at least as much serving the aspiring or emerging middle classes as it is the poor. As other research has shown (Kuriyan, Ray, & Toyama, 2008), it is often challenging to be profitable and serve the poor as primary clients. As Mas and Ng'weno state:

A logical next step for M-PESA is for it to provide the payment rails on which a broad range of financial services can be delivered cheaply and conveniently to all. To do this, M-PESA will need to connect with banks which have the necessary vocation, customer insights, and marketing (including product development) skills to serve the three quarters of the Kenya public that remain unbanked. (2009)

This case shows that, however equitable an endeavor's marketing campaign may try to be to consumers, it may still be far from equal in terms of how it impacts the practice of consumption. Not targeting the low-income groups specifically, so as to not isolate them, but instead purposely encompassing a broader swath of society, has been an effective marketing strategy for Safaricom. But without targeted efforts to include marginalized groups, such as the very poor, there is a risk of reproducing existing inequalities and hierarchies.

The “poor as consumer” rhetoric can be useful



in some cases, and it has positioned M-PESA internationally as a successful strategy to deepen access to financial services. In actual marketing strategies, however, Safaricom de-emphasizes this rhetoric to entice low-income groups and the nonpoor to use the service. Safaricom recognized the aspirations and cultural context of low-income groups in Kenya and the importance of not making them “feel” like they are, as a class, “the poor.” The success and social viability of M-PESA can be significantly attributed to Safaricom’s sophisticated understanding of the underlying aspirations and cultural contradictions embedded in the broader Kenyan population.

### Iconic Brand and the Identity Myth

Safaricom has arguably become an iconic brand in Kenya, as the dominant player in the mobile phone space. As discussed earlier, Safaricom’s later marketing campaigns included a broader cross-section of Kenyan society, depicting individuals of different classes, tribes, and regions of the country. Whether it was an explicit move to incorporate citizenship into its brand strategy or not, the M-PESA brand performs an identity myth about a unified nation. According to Holt:

Identity myths are useful fabrications that stitch back together otherwise damaging tears in the cultural fabric of the nation. In their everyday lives, people experience these tears as personal anxieties. Myths smooth over these tensions, helping people create purpose in their lives and cement their desire[d] identity in place when it is under stress. (2004, p. 8)

Iconic brands perform identity myths that address these desires and anxieties. As mentioned above, Safaricom astutely tapped into the cultural contradictions in Kenyan society in its original marketing campaigns to target the unbanked by not creating a brand strategy solely targeted at them. Similarly, in its later marketing, M-PESA helped construct an identity myth depicting a unified Kenya and, in turn, confronted the cultural anxieties of citizens about ethnic divisions in the country, an issue we delve into below.

Historically, Kenyan politics have been considered among the most “ethnic” on the African continent (Orvis, 2001). Rooted in independence, and with battles over the constitution, ethnic divisions and electoral violence have been at the forefront of

national politics. For the most part, political parties are ethnically based, demanding strong loyalty from particular groups and geographic regions of the country. Electoral violence and division were common threats in the 1980s. Ethnic clashes have accompanied the demise of the one-party regime, and the violent and contested election of 1997, and the issue was again salient in the most recent highly political and violent election in 2007–2008 (Goldstein & Rotich, 2008). The elections fueled ethnic fears, anger, and divisions as a result of a contested election result. Kenyan politicians have sought support from their ethnic or sub-ethnic groups, and “citizens perceived most political battles to be about dividing the ‘national cake’ among the constituent ethnic groups” (Orvis, 2001). A study of two transitional periods in Kenya argues that rise of ethnic politics can be attributed to different and competing forms of citizenship in the nation-state, as well as in ethnic communities (Ndegwa, 1997). The study noted that not only different loyalties, but different forms of loyalties contribute to why ethnic ties can undermine national stability (ibid.).

The normative public discourse around these issues was a general frustration with the current government, which is a coalition of historically conflicting parties. In our interviews, respondents expressed that the government had not done enough within the country to promote unity among different ethnic groups of Kenyans. As one middle-class woman living and working in Nairobi as a manager at a small hotel stated:

The role of the president and government used to be really special. After they allowed all the violence to occur and different tribes of people to be killed over politics, they didn’t say anything to stop the violence. That’s when they lost it, so no one cares anymore. Because we won’t see changes as a population. (2009)

Our interviews revealed that businesses also felt the challenges that came along with the political and ethnic divisions within the country, with the managing director of a large telecommunications company in Kenya stating the following:

Political stability is one of the biggest challenges we face. The coalition government doesn’t inspire confidence for investments here as a market. We need a reasonable level of political stability and the post-election violence was a real thing that af-

affected our business. It is a much more critical aspect than the global economic crisis. (2009)

Informal shops with tin roofs in Nairobi even had signs in their windows stating “Nontribal shop,” which demonstrates the pervasiveness of the perception that unity “as Kenyans” should be seen—at least on the surface—as important.

Government officials in the Ministry of ICTs also emphasize the importance of being perceived as supporting “Kenyans,” rather than particular populations of the country. In discussions about broadband infrastructure and a national technology project,<sup>3</sup> government officials stressed that the services will be accessible to all Kenyans, regardless of income or location. A Kenyan government official working on the Digital Villages project talked about the need to manage the Kenyan population’s perception of the project as “being beneficial to all.” Specifically, when asked where the project implementation would begin, the official responded, “We can’t afford to appear to be favoring one area of the country because of what happened last January with the post-election violence. We have to start the Digital Villages’ project in all 50 areas at the same time.”

The aspirations revealed in the identity myth of a unified Kenya attempt to smooth over these tensions and help people create an identity vision that is different than their day-to-day reality. By no means, however, does it guarantee equity in terms of actually reaching everyone it sets out to reach, regardless of tribe, income group, or rural (as opposed to urban) location. In fact, it may actually validate certain groups as the preferred target group. It may mask deep injustices and inequalities under the guise of an equal society in which everyone is defined by his or her capacity to consume. But by supporting a unified consumer image in its brand strategy, Safaricom at least *appears*, on the surface, to be reaching out to all, a posture which has high stakes in a politically and ethnically divided environment.

The M-PESA brand strategy and the desires of individual Kenyans, businesses, and government officials to promote a unified Kenyan image are fraught with tensions that cannot be ignored. The

society remains divided, and ethnic politics are a daily reality regardless of individual sentiments that may hope to move beyond ethnic divisions. However, the M-PESA service, on the surface, seems to transcend these politics with the identity myth it constructs. With this myth and marketing strategy, Kenyans can move past their individual and ethnic differences through equitable access to a service that (at least outwardly) reaches out to all. The M-PESA example is different from the “poor as consumer” simplifications in many other cases because it explicitly recognizes these anxieties and differences and builds on them. It recognizes, as both Slater (1997) and Ferguson (1994) have pointed out, the very social and political aspect of “needs”—specifically, how the poor want to be identified and live in their society. There is recognition in the Safaricom marketing materials that “needs,” such as they are, are not only about affordability, but also have a social and political component. Through its marketing (whether intentional or not), Safaricom tapped into cultural understandings of Kenyans and their roles as citizens to create a vision that became an iconic brand of a consumer product and an internationally recognized BoP service.

## Conclusion

Critical analysis of market strategies to reach the BoP highlights what shapes notions of the consumers in practice. It enables an understanding of the constraints that limit notions of what the “poor as consumer” is, as well as underlying assumptions and contradictions about who should be serving them, and who is included and who is not.

This article aims to build new knowledge on how to develop socially viable interventions that take into account cultural contexts, untested or unarticulated assumptions, and the complexity of factors that contribute to their success or failure. In the case of M-PESA, we found that the mapping of the label of “the consumer” onto a broad cross-section of all Kenyans (as opposed to strictly the unbanked or poor) revealed anxieties within society, aspirations to be middle-class, and a desire to not be perceived or labeled as poor. By examining and building on these assumptions and contradictions, Safaricom success-

---

3. The “Digital Villages” project is being implemented by the Kenyan government through the Kenya ICT Board and in collaboration with the World Bank to “ease access to information for its citizens.” The goal is to set up entrepreneur-run telecenters across the country to provide electronic services to citizens.

fully tapped into market messages that met individual consumers' desires and aspirations.

Integrating such contradictions into business strategy may prove challenging, given short-term business outlooks, constrained budgets, and priorities. However, our research highlights the business value that can be created by critically understanding and taking seriously the contradictions that underpin consumer segments and their desires. Developing innovative methods by which to generalize and embed this type of analysis further into business strategy holds the potential to shift how consumers are defined, perceived, and targeted. ■

## References

- Arnould, E. J., & Thompson, C. J. (2005). Consumer culture theory (CCT): Twenty years of research. *Journal of Consumer Research*, 31(4), 868–882. Retrieved from [http://econpapers.repec.org/article/ucpjconrs/v\\_3a31\\_3ay\\_3a2005\\_3ai\\_3a4\\_3ap\\_3a868](http://econpapers.repec.org/article/ucpjconrs/v_3a31_3ay_3a2005_3ai_3a4_3ap_3a868)
- Belk, R., & Tian, K. (Eds.). (2006). *Consumption and the meaning of life*. Oxford, UK: Elsevier.
- Burrell, J. (2008). Problematic empowerment: West African Internet scams as strategic misrepresentation. *Information Technologies & International Development*, 4(4), 15–30.
- Camner, G., & Sjöblom, E. (2009). Can the success of M-PESA be repeated? A review of the implementations in Kenya and Tanzania. *Valuable Bits*. Retrieved from <http://www.valuablebits.com>
- De Janvry, A. (1981). *The agrarian question and reformism in Latin America*. Baltimore: The Johns Hopkins University Press.
- Easterly, W. (2006). *The white man's burden: Why the West's efforts to aid the rest have done so much ill and so little good*. New York: Penguin.
- Ferguson, J. (1994). *The anti-politics machine: Development, depoliticization and bureaucratic power in Lesotho*. Minneapolis, MN: Regents of University of Minnesota.
- FinAccess. (2009). *FinAccess National Survey 2009: Dynamics of Kenya's changing financial landscape*. Nairobi: Financial Sector Deepening Trust.
- Fonseca, R., & Pal, J. (2006). Computing devices for all: Creating and selling the low-cost computer. *Paper presented at the International Conference on Information Technologies and Development*, Berkeley, CA.
- Goldstein, J., & Rotich, J. (2008). Digitally networked technology in Kenya's 2007–2008 post-election crisis. *Berkman Center Research Publication*, No. 2008–09.
- Harris, J., Hunter, J., & Lewis, C. (1995). Introduction: Development and significance of NIE. In J. Harris, J. Hunter, & C. Lewis (Eds.), *The new institutional economics and third world development*. London: Routledge.
- Hart, S. (2005). *Capitalism at the crossroads: The unlimited business opportunities in solving the world's most difficult problems*. Upper Saddle River, NJ: Wharton School Publishing.
- Holt, D. (2004). *The principles of cultural branding: How brands become icons*. Cambridge, MA: Harvard Business School.
- Horst, H., & Miller, D. (2005). *The cell phone: An anthropology of communication*. Oxford, UK: Berg.
- Hughes, N., & Lonie, S. (2007). M-PESA: Mobile money for the "unbanked": Turning cellphones into 24-hour tellers in Kenya. *Innovations*, 2(1–2), 63–81.
- Karnani, A. (2006). Fortune at the bottom of the pyramid: A mirage, How the private sector can help alleviate poverty. *University of Michigan Ross School of Business Working Paper series*, Working paper no. 1035.
- Kuriyan, R., Nafus, D., Mainwaring, S., & Kitner, K. (2010). *Re-assessing ICTs and development*. Santa Clara, CA: Intel Corporation.
- Kuriyan, R., Ray, I., & Toyama, K. (2008). Information and communication technologies for development: The bottom of the pyramid model in practice. *The Information Society*, 24, 93–104.
- Li, T. (2002). Engaging simplifications: Community-based resource management, market processes and state agendas in upland Southeast Asia. *World Development*, 30(2), 265–283.

## CONSUMPTION, TECHNOLOGY, AND DEVELOPMENT

- Li, T. (2007). *The will to improve: Governmentality, development, and the practice of politics*. Durham, NC: Duke University Press.
- Mas, I., & Ng'weno, A. (2009). *Three keys to M-PESA's success: Branding, channel management and pricing*. Bill and Melinda Gates Foundation. Retrieved from <http://www.microfinancegateway.org/p/site/m/template.rc/1.9.45936>
- Mazzarella, W. (2003). *Shoveling smoke: Advertising and globalization in contemporary India*. Durham, NC: Duke University Press.
- Morawczynski, O., & Miscione, G. (Eds.). (2008). *Examining trust in mobile banking transactions: The case of M-PESA in Kenya*. New York: Springer.
- Ndegwa, S. (1997). Citizenship and ethnicity: An examination of two transition moments in Kenyan politics. *The American Political Science Review*, 91(3), 551–616.
- Orvis, S. (2001). Moral ethnicity and political tribalism in Kenya's "virtual democracy." *African Issues*, 29(1/2).
- Porter, M., & Kramer, M. (2011). The big idea: Creating shared value. *Harvard Business Review*.
- Prahalad, C. (2004). *The fortune at the bottom of the pyramid: Eradicating poverty through profits*. Delhi: Wharton School Publishing.
- Prahalad, C. K., & Hammond, A. (2001). *What works: Serving the poor, profitably: A private sector strategy for global digital opportunity*. Markle Foundation/World Resources Institute, Digital Dividend.
- Prahalad, C. K., & Hammond, A. (2002). Serving the world's poor, profitably. *Harvard Business Review*.
- Slater, D. (1997). *Consumer culture and modernity*. Cambridge, UK: Polity.