

What Drives Behavioral Intention of Mobile Money Adoption? The Case of Ancient Susu Saving Operations in Ghana.

By Dr. Eric Osei-Assibey

GHANA



The study sought to explain sociocultural factors that influence the acceptance of MM systems by operators and users, based on a sample of local markets in Ghana's two most populous regions.

The susu (deposit) savings scheme has traditionally been an important, effective way for low-income and financially-excluded people in Ghana to save money. It is not cost-effective for formal banking institutions to handle large volumes of small deposits or to physically provide service to isolated rural

Adoption of mobile money

Encouraged by the recent success of mobile phone-based money transfer and microfinance systems in Kenya, however, many formal banking institutions in Ghana, are attempting to institute mobile money (MM) transfer systems. This study by IMTFI



areas, and the cost of sending savings deposits to banks is prohibitive, effectively precluding poor people in urban and rural areas from using them.

Susu savings schemes provide a convenient, informal, flexible, and cost-effective mechanism for individuals to save money on a regular basis. The rotating savings and credit association is a type of susu scheme in which an operator reaches an agreement with a user regarding the amount to be collected, frequency of collection, and operator's commission. Collectors for the susu operator 'walk' to visit their users (on foot, bicycle, or motor bike) on a daily or weekly basis to collect their savings, and record it on a card often kept by the users. This is convenient for both parties, and creates a social contract based on mutual trust and obligating the user to physically give the money to the collector, and the collector to visit the user to collect it and then return the accumulated savings to them at the end of the month. No legal documentation is involved.

researcher Eric Osei-Assibey provides insights into the behavioral intention or willingness of susu collectors and users to adopt a mobile money (MM) platform as part of their savings practices.

The rapid diffusion of mobile phones throughout Ghana supports the use of MM to transfer funds. Growing evidence suggests that text message reminders sent by MM institutions effectively motivate clients to increase their savings. The MM platform overcomes operational inefficiencies associated with the susu system, and provides a higher return to clients due to lower transaction costs.

The study sought to explain that discrepancy by examining sociocultural factors that influence the acceptance of MM systems by operators and users, based on a sample of local markets in Ghana's two most populous regions. Respondents were interviewed regarding demographic characteristics and their experience with, and attitudes toward, the susu system, mobile phones and MM.

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Study findings

When asked why they use the susu system instead of formal banking institutions, the quality and quantity of social interaction between collectors and users proved to be a major determinant. The study found that the physical presence of the susu collector was the primary reason motivating susu users to honor their savings commitment and potentially an important factor in explaining why respondents were not sure whether an MM platform would be an effective method of saving.

A matter of personal interaction

Although almost all users all claimed to trust their collectors, over half of users, almost all of whom own a mobile phone, are apprehensive if they don't see their collectors every day, and will call to inquire when their collector fails to appear. Trust is also an issue for collectors, many of whom call users, primarily regarding issues related to the visitation schedule.

While a small percentage of collectors positively viewed MM as a way of reducing the 'walking' required by their jobs, half of respondents believed that MM is not compatible with the susu system, and approximately one-third viewed it as a threat to their business. Concerns included:

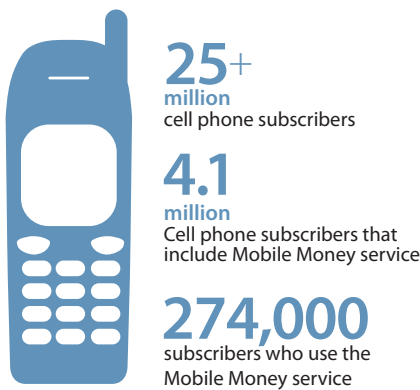
- The complexity of the MM system, especially for those with limited formal education;
- Issues associated with mobile phones, including poor network quality, stolen phones, and other problems that could cause money to be stolen and/or otherwise diminish trust between the parties; and
- Fears that they will forget to submit their contributions if personal interaction is not involved.

Conclusions

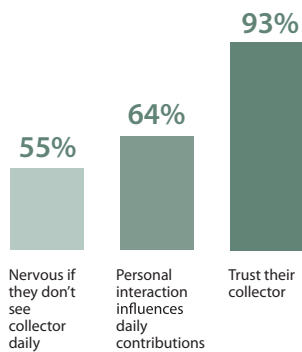
It therefore appears that most susu users place a high value on their frequent personal interaction with the collector, and a low value on the use of mobile phones for anything except verbal communication. The interdependence between the operator and user underlying susu system, based on a long-standing tradition of mutual trust and daily personal interface, effectively achieves the system's goal of facilitating savings, and appears to be an important facet of everyday life. While it may be possible to slowly integrate technology into this system to augment the system, it is evident that face-to-face interaction will remain the primary motivator and cohesive force.

2012 SURVEY RESPONDENTS

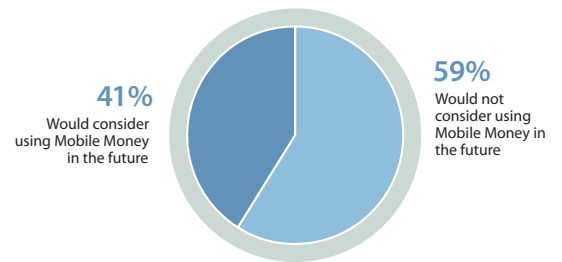
Mobile Money participation



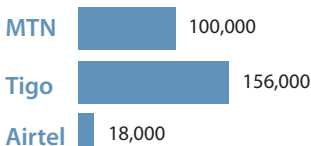
Relationship with susu collector



Mobile Money adoption



Mobile Money users by major cell phone carrier



76%

Those aware of the use of Mobile Money transfers

Reasons for not using

