

Chapter 14

Adoption and Use of Mobile Money Services in Nigeria

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ABSTRACT

Nigeria, like many developing economies, has been fighting financial exclusion through different mechanisms and with a financial inclusion target set at 80% by 2020 by its National Financial Inclusion Strategy, and mobile money has been identified as a platform for achieving this goal. Consequently, 21 mobile money operators were licensed by the apex bank (Central Bank of Nigeria) to provide mobile money services to millions of Nigerians as a means of bridging the gap between the financially served, the under-served, as well as the un-served. Using empirical evidence from two nationwide mobile money adoption and financial inclusion surveys, and a synthesis of technology acceptance and use models, this chapter explores the causes of mobile money adoption and extent of use across the adult population. It further provides recommendations to policymakers, mobile money operators, and agents, as well as institutions that support the enhancement of financial inclusion towards optimizing the benefits of mobile money and realization of the 80% financial inclusion target.

INTRODUCTION

The Bill and Melinda Gates Foundation [BMGF] (2013) reports that more than two billion people globally are outside the formal financial sector and are either financially excluded or underserved. Increasing access to quality and affordable financial services accelerates the well-being of households, communities, and economies especially those in the developing world. One promising way to deliver financial services to the poor both profitably and at scale is through digital payment platforms delivered through

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mobile telephony. With many challenges and difficulties, including infrastructure, policy and regulatory constraints, associated with access to financial services through the bricks and mortar model, driving financial inclusion using mobile money has been considered a veritable approach, especially for rural dwellers.

The Central Bank of Nigeria licensed twenty-one mobile money operators (see Table 1) to provide mobile money services to millions of Nigerians as a means of bridging the gap between the financially served, the underserved and un-served. However, unlike some Kenya where 70% of the population are active mobile money subscribers with just six licensed mobile money operators, Nigeria, with more MMOs has less than a million (about 0.8%) adult as active mobile money subscribers (EFInA, 2014) indicating low adoption and acceptance of mobile money, most prominent in rural areas where bank penetration is low (Kama & Adigun, 2013, p.33; KPMG, 2015, p.13).

MNOs and financial institutions remain key drivers of mobile services although this is dependent on the licensing and regulatory framework in place. To determine which of these categories is first mover in terms of deployment is largely the dictate of regulatory authorities (Lal & Sachdev, 2015). In Nigeria, MNOs provide voice, data, auxiliary services including mobile payments, in partnership with banks and other third parties. MNOs have the infrastructure and capacity to operate at scale, yet, great challenges to adoption and use of services continue to threaten operations and growth of the sector.

This chapter explored causes of mobile money adoption in Nigeria alongside recommendations to policy makers, mobile money operators, agents and institutions promoting financial inclusion. The state of Nigeria's mobile money services is established through a quantitative analytical approach using data from EFInA's Access to Finance and InterMedia's Financial Inclusion Insight nationwide surveys.

Table 1. Registered Mobile Money Operators in Nigeria

Mobile Money Service	Company	Website	Status	Model
ReadyCash	Parkway Projects	http://www.readycash.com.ng/	Active	Non Bank-led
UMo	UBA AfriPAY	www.umo.net	Inactive	Bank-led
GTMobileMoney	GTBank	http://www.gtbank.com/mobile-money	Active	Bank-led
FirstMonie	FirstBank	http://www.firstmonie.com	Active	Bank-led
PocketMoni	eTranzact	http://www.pocketmoni.com	Active	Non Bank-led
Paga	PagaTech	http://www.pagatech.com	Active	Non Bank-led
Fortis Mobile Money	Fortis MFB	http://www.fortismobilemoney.com	Active	Non Bank-led
*909# Mobile Money	Stanbic IBTC	https://web.909wallet.com/	Active	Bank-led
Monitise	Monitise MM Nigeria Ltd	http://monitisemmnigeria.com.ng	Inactive	Non Bank-led
FetsWallet	FETSWALLET	https://www.fetswallet.com	Active	Non Bank-led
Ecobank Mobile Money	Ecobank	http://www.ecobank.com/mobilemoney.aspx	Active	Bank-led
QikQik	Eartholeum	http://www.eartholeum.com/about-qikqik-1.html	Active	Non Bank-led
Teasy Mobile	Teasy Mobile	http://teasymobile.com	Active	Non Bank-led
Mimo	Mkudi Limited	https://www.mimo.com.ng/about	Active	Non Bank-led
EazyMoney	Zenith Bank	http://www.eazymoney.com.ng	Active	Bank-led
PIDO	PayCom	http://www.paycom-ng.com/	Active	Non Bank-led
Vcash	Virtual Terminal Network	https://www.virtualterminalnetwork.com/	Active	Non Bank-led
Cellulant Wallet	Cellulant Nigeria Ltd.	https://www.cellulantwallet.com	Active	Non Bank-led
Zinternet Mobile Money	Zinternet Nigeria Limited		Inactive	Non Bank-led
Fidelity Mobile	Fidelity Bank	https://www.fidelitybank.ng/mobile-money/	Active	Bank-led
Zoto Mobile Money	Hedonmark Management Services Ltd	www.zoto.com.ng	Active	Non Bank-led

Source: Central Bank of Nigeria

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