

Challenging Exclusion: Refugees' Uptake of Mobile Money



Digital Experiment Report

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Gaza Camp, Jerash
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Digital Experiments

Digital experiments are interventions in the current business, awareness, or communication strategies governing digital financial services. To ensure that strategic or development decisions are well-informed, digital experiments put claims and theories to the test and study the impact of various interventions on the uptake of digital financial services. JoPACC conducts surveys, observational and experimental studies in partnership with providers of digital financial services, aiming to better understand the service offering and customer experience and identify any gaps or challenges, and areas of improvement. JoPACC employs lessons learned from experiments in providing recommendations to the financial sector and distributes these educational results to the local community for public benefit.

The ultimate aim of Digital Experiments is to extract and disseminate knowledge from the market, to reverse this drift between the service provider and the consumer, in the hopes of the former offering products and services that will better meet the needs of the latter. This leads to promoting digital financial services and achieving financial inclusion.

Concept of the Implemented Experiment

In realizing its strategic objectives, JoPACC is driven by the high-level objective: comprehensive and innovative digital payments benefiting all and contributing to the financial inclusion in the kingdom and to achieving a digital economy. This objective is closely connected to the two high-level goals of the National Financial Inclusion Strategy that focus on increasing financial inclusion and reducing the gender gap. JoPACC gives special focus to females' access to and active uptake of financial services and experiments with different tools to engage them. To understand users' needs and serve them better, JoPACC carried out a digital experiment in collaboration with SEP, Orange Money, and Madfootcom. The experiment was implemented in the Gaza Camp in the governorate of Jerash, in the north of Jordan. The experiment aimed to study the impact of comprehensive awareness and incentivizing the usage of mobile wallets by refugee women on their sustained active usage of mobile wallets. The experiment was implemented for five months, from September 2020 to January 2021.

Mobile wallets are electronic financial accounts that are accessible through a mobile application. They offer a variety of use cases, including money transfer, interest-free saving, bill payment, purchases, and eCommerce. Each wallet is linked to a unique mobile

phone number, which acts as its account number and unique identifier. Residents in Jordan can have a maximum of two wallets linked to two separate mobile numbers. There are seven mobile Payment Service Providers (mPSPs) offering mobile wallets in the Kingdom and the service is regulated by the Central Bank of Jordan. JoPACC is the operator of the system that enables mobile wallets- JoMoPay.

After the outbreak of the COVID-19 pandemic in Jordan, and the lockdown and limited mobility that were enforced to limit the spread of the virus, many public and private entities as well as development and aid agencies embraced digital payments. SEP, the Social Enterprise Project, was one of them. SEP is a fashion and lifestyle business with a social impact focus. SEP was the first Jordanian private company to set up in the Jerash “Gaza” Camp in Jordan. It works with refugee artists and craftswomen who produce embroidered luxury fashion and accessories that are sold worldwide. Following the outbreak of the pandemic, SEP introduced mobile payments to its network of artists in the camp and started paying their wages through mobile wallets. The network includes over 500 women, and nearly 200 opened mobile wallets and started using them in the months that followed the emergence of COVID-19.

For an unbanked community, this rapid shift to digital money under stressful circumstances was expected to be challenging. Comprehensive awareness is required to ensure users understand the financial tool in their hands, feel confident to use it, and trust it will add value to their lives. Therefore, the experiment aimed to educate SEP female artists on mobile wallets and incentivize awareness and active usage of mobile wallets to encourage the uptake and active usage of mobile wallets and attract more artists to open mobile wallets and use them. The main objective of the experiment was to explore and gather evidence on how to attract women into the formal financial system through different interventions.

Partners

The experiment was implemented in collaboration with four partners. Each partner had an agreed-upon contribution to the experiment, as explained below. The collaboration followed an agile approach, where interventions were amended, as the experiment proceeded, to maximize their benefit and impact.

JoPACC: JoPACC offered the training sessions in the camp and the evaluation that followed some sessions, coordinated the reward program, offered technical assistance

during the experiment, and analyzed the data collected on the impact of the experiment on user behavior.

SEP: SEP coordinated and hosted the training sessions in its academy at the Gaza Camp and communicated all technical questions and challenges faced by their artists to JoPACC to be addressed with the partners.

Orange Money: Orange Money is the main mobile wallet service provider for SEP. Orange Money contributed to the training sessions, introducing their services, and helping the artists navigate their mobile wallet application. They have further offered an incentive to training session attendees who don't have smartphones and have awarded 68 smartphones to feature phone holders who scored highest in the quiz that followed the training sessions. Moreover, Orange Money had an integral role in addressing all technical challenges faced by the women, whether in the app or with agents.

Madfoatcom: Madfoatcom, the operator of eFAWATEERcom system for the national electronic presentment and payment of bills, trained women on the payment of bills electronically through their mobile wallets. Additionally, they incentivized the electronic payment of bills by issuing weekly refunds for electronically paid bills through a draw, which was a key factor in encouraging the uptake of mobile wallets in the experiment.

Target Group

This experiment mainly targets all female refugees, mostly Palestinian, who work with SEP in Gaza Camp in Jerash. While attendance of awareness sessions was open to residents of the camp to ensure knowledge dissemination to as many people as possible, only women who work with SEP and attend awareness sessions were part of the rewards program. The total number of women who participated in the experiment from SEP network is 262.

Experiment Interventions

The experiment entailed several intervention techniques to build trust in mobile money and encourage the active uptake by female refugees in making financial transactions.

Awareness

- Training Sessions

Assessment

- Rewarded Post-Training Assessment

Reward

- Bill Payment Weekly Draws

1. Awareness Sessions

The first pillar of the interventions was increasing digital financial awareness and literacy. Offering comprehensive information and training on the use of a new service is crucial to guaranteeing its acceptance by users. To familiarize the artists with mobile money, the experiment started with offering training sessions that introduce what mobile wallets are, their use cases, companies that offer them, and the oversight and supervision role of the Central Bank on the service. Use cases highlighted in the training include cash-in/ cash-out, money transfer, bill payment, purchases and eCommerce, and saving. Sessions also covered the role of agents in mobile money, the rights and responsibilities of users, and what to do when facing challenges. The sessions also included a live demonstration of paying bills, and of using a mobile wallet application. Sessions were interactive in nature and attending women expressed keen interest in understanding the use cases and in trying them. A total of **262** women attended awareness sessions over nearly three weeks.



2. Rewarded Post-Training Assessment

It is estimated that nearly 200 women of the 500 in SEP’s network of artists have feature phones. Since mobile wallets are designed to be used through a mobile app on a smartphone, only one of the seven mobile payment service providers (mPSPs) offered all or some mobile wallet services on feature phones through the USSD code. To enable comprehensive access to mobile wallets, the second intervention included separate awareness sessions for feature phone users, where participants took a post-training evaluation, and the highest-scoring participants won a smartphone. A total of 68 smartphones were distributed.



3. Weekly Bill Payment Draws

Bill payment is a universal financial transaction for almost all households in Jordan. Most regularly paid for bills include water, electricity, and mobile/phone lines. Following the training on how to pay bills electronically through a mobile wallet, and to encourage

the active adoption of this use case, the experiment launched a weekly draw that pays back bill payers the amount of the paid bill or part of it. A total of 17 weekly draws were held, and there were 57 winners in the draws, where 2-4 winners received their paid money back every week. The number of users increased weekly and winners of draws demonstrated regular usage of eFAWATEERcom for bill payment.

User Journey

The mobile wallet journey encompasses several elements that determine the user experience: a comprehensive understanding of the service, the technical experience, agents, and mPSP customer support. On the one hand, the technical experience defines how easy the application is to navigate and use, and its continued and consistent responsiveness and availability. On the other hand, the agents are at the forefront of serving customers, offering cash-in/ cash-out, and enrolling new customers in addition to guiding clients generally. Moreover, the mPSP customer support center plays a crucial role in building customers' trust in their service provider. A flaw in any of the elements will carry a negative impact on the customer's appetite for the service and may lead to pushing them away.

In the conducted experiment, users reported facing challenges with some agents. Some agents refused to cash out small amounts or charged for services more than what is advertised by the service provider. While the service provider has addressed raised issues, users expressed a lack of trust in those agents. Female users expressed preference in being served by a female agent, referring to the conservative nature of their community. However, this preference could be related to the negative experience encountered with some agents.

Some SEP artists could not register new wallets. This is because they were oblivious to the fact that their mobile numbers were already associated with a mobile wallet. This challenge has been largely faced following the growing uptake of mobile wallets during the pandemic. Many users get wallets opened for them without understanding the service, its uses, or the associated application. When they later opt for opening a mobile wallet, they receive a rejection because their mobile number is associated with an existing mobile wallet, without knowing which wallet it is. JoPACC is supporting in wallet registration inquiry through its call center and social media channels and has further enabled self-inquiry through a search engine on its mobile wallets gateway; a website that offers access to all

mobile wallet registration links, information on mobile wallet providers and their transaction fees, and general information on the use of mobile wallets in addition to the mentioned search engine.

When asked about their experience with customer support centers, SEP artists had no complaints or precise feedback, which indicates satisfaction with offered services. Reaching call center assistance promptly and getting the needed support of the call center play a fundamental role building trust in and loyalty towards the service provider.

Analyzing User Behavior

Out of the 262 trained women, 232 have mobile wallets. Their behavior was analyzed (one month before, four months during, and one month after the experiment) to analyze the impact of awareness and of the reward program on encouraging their active and regular usage of mobile wallets. As for women who don't have a mobile wallet, their reasons varied from not owning a mobile line to not having a smartphone to cultural barriers that prevented them from having personal mobile phones but rather have a single mobile phone for the family or the head of the household.

During the interventions

During the period of the experiment, 79% of the 232 wallet holders in the target group have used their wallets at least once. A crucial component of the experiment is to investigate the impact of the reward program on the behavior of the target group, to answer the question of **whether bill payment refund draws incentivize the active usage of the mobile wallet for bill payment**. Of the 232 users, and over a period of four months, 57 made eFAWATEERcom transactions, which is nearly 25% of the target group. The eFAWATEERcom user behavior varied in frequency, where 60% made one to three transactions on the system, and 40% used it at least four times, making them very active users. 16% of eFAWATEERcom users used it ten times or more, demonstrating a high level of activity. Since the reward program was based on refunding the amount paid in efawateercom transactions to winners, where the payment ranged from 1.5 to 20 JOD, no connection was established between the amount paid back and the level of activity.

Winners of small amounts were among active users on efawateercom, and winners of the highest amounts were not necessarily identified as very active.

The second question the experiment aims to answer is **whether rewarding awareness session attendance and knowledge testing encourages the active uptake of the mobile wallet**. Of the 68 women awarded smartphones during awareness sessions, 70% used their mobile wallets at least once, and 90% of those used the wallet beyond just cashing the money out. Most of these transactions ranged in number between 1-4 transactions, and 29% used the mobile wallets more than 5 times, making them very active users. 15% of the winners made eFAWATEERcom transactions. 7 winners of smartphones won also in the weekly eFAWATEERcom draw, which is 1% of the smartphone winners. This indicates that rewarding active participation in awareness sessions has motivated the use of the wallets generally, but not the active usage of eFAWATEERcom for bill payment specifically.

With regards to the volume of usage of different wallet services by the target group, the top use case was money transfer, where 59% of the target group transferred money at least once. The second highest use case was eFAWATEERcom payments. Services like ATM cash-out, purchases, and P2P QR had 5 users or less out of the 232 women. Only 10% made cash-out transactions. Figure 1 highlights the usage of every service.

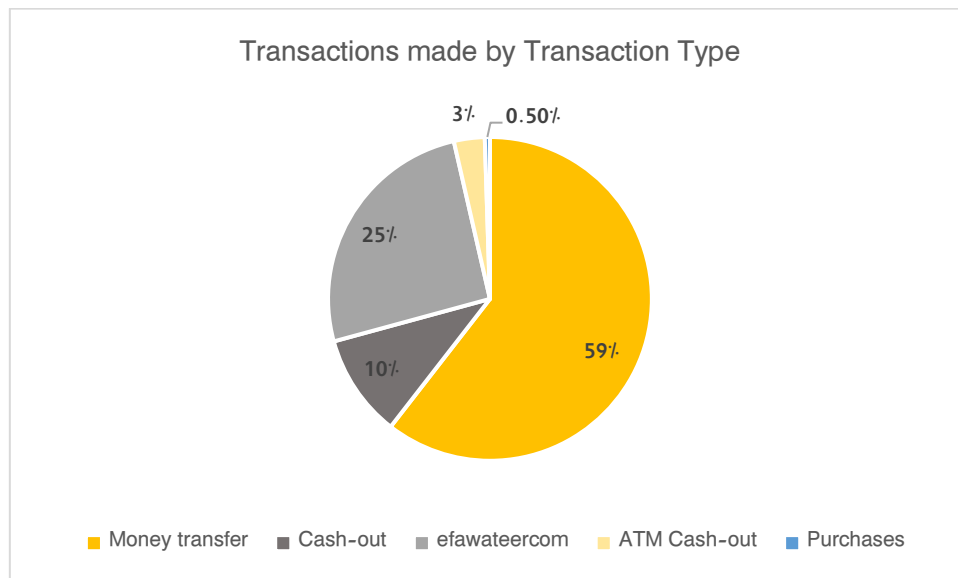


Figure 1: Transactions made by Transaction Type

The majority of cash-out transactions were relatively high in value, ranging from 20 to 400 JODs per transaction, with an average value of 179 JOD. As for money transfers, the

average value of transactions was 28 JOD. With regards to the frequency of transactions by month, a stable behavior was detected, where the numbers of transactions were consistent in all the months of the experiments.

Another specific group segment whose behavior was analyzed is SEP staff members. 13 staff members were included in the reward program to encourage them to champion the uptake of mobile money and be a role model to their network of SEP artists. The level of activity by staff members was very high, where most of them made between 15 and 66 transactions over a period of four months. Transferring money was the most dominant use case in their behavior and they demonstrated high levels of receiving transfers. 70% of the staff members made multiple eFAWATEERcom transactions. Their behavior indicates that they are comfortable with using the wallets, which could have a positive impact on encouraging the uptake of SEP's network of women.

Pre-intervention behavior

To be able to compare the impact of the interventions on the behavior of the target group, it was imperative to investigate their behavior before the intervention to establish a baseline and measure change against it. Most of the wallets of the target group were opened 1-3 months before the start of the experiment. 33% of the target group made transactions during the month preceding the experiment (August 2020). That percentage increased to 79% during the experiment, highlighting significant growth in the uptake of mobile wallets as a payment tool. Moreover, the number of transactions made doubled between August and September, indicating the immediate influence of awareness (and rewarded awareness) on the level of activity of the target group. The dominant use case in their behavior is money transfer, where 68 out of 77 users transferred money. Only 6 users used eFAWATEERcom, in comparison to 57 during the experiment. Before the experiment, 4 ATM cash-out transactions and 9 agent cash-out transactions were made.

Post-intervention behavior

Following the conclusion of all interventions, the behavior of the women was monitored for one month to determine if the interventions resulted in a sustainable impact on their financial behavior. The number of transactions dropped slightly by less than 20%, and a total of 104 women made transactions, which is 57% of the women who made transactions

during the experiment. Money transfer remained the top use case in comparison to other use cases, and eFAWATEERcom transactions were the second highest. Purchases and ATM cash-out remained relatively low throughout the 6 months, while a notable increase in QR payments was witnessed post-interventions. This reflects an appetite for fast solutions and an increased level of confidence to try new use cases and payment methods. 79% of bill refund draw winners continued to use their wallets and made transactions following the cessation of the reward program, and all SEP staff members who made transactions during the experiment continued to do so in the post-intervention phase.

While some numbers have decreased in the post-intervention phase, sustained active usage can be tracked across many fronts, which leads to the conclusion that the interventions have a long-term impact on usage and on the behavior of users.

This table demonstrates the behavior of the target group before, during, and after all interventions.

Type of activity	Pre-experiment	During experiment	Post experiment
Mobile wallet users who made transactions	24%	79%	49%
Number of transactions	172	Average 260 transactions monthly	206
Top use case	Money transfer	Money transfer	Money transfer
Efawateercom transactions of all transactions	12%	25%	24%
Person to Person QR payment	n/a	3 transactions	16 transactions

Figure 2 provides deeper insights on the percentage per transaction type of all transactions made before, during, and after all interventions.

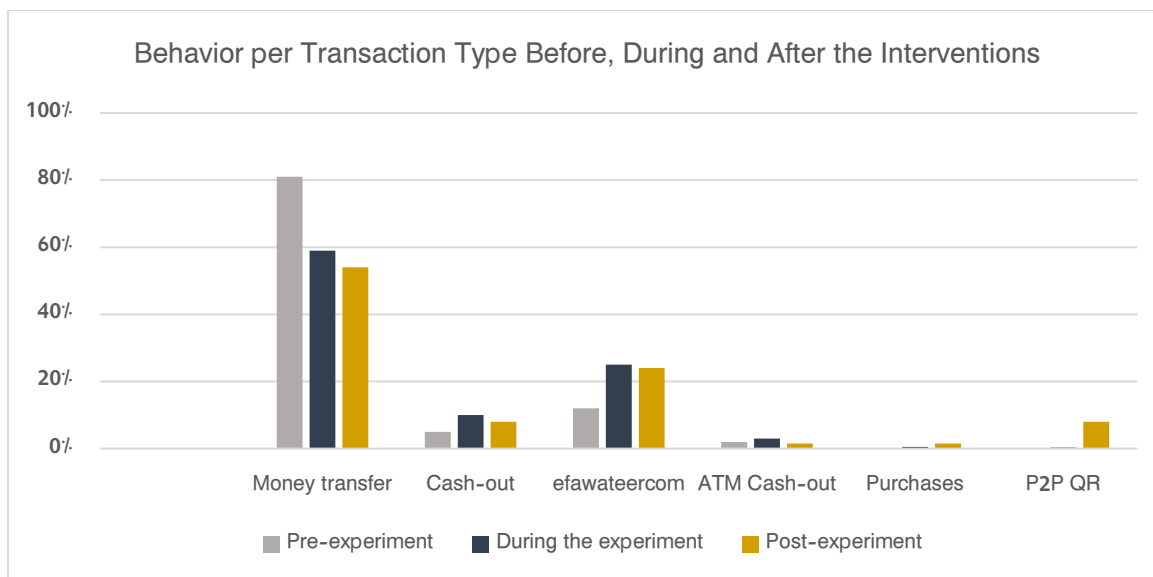


Figure 2: Behavior per transaction type before, during and after the interventions

To summarize, the various interventions proved to bear fruit on the level of activity of users and their uptake of mobile wallets to make payments and conduct financial transactions. While some women have raised their level of activity during the reward program to increase their chance to win and became less active after the program, a key achievement has been realized; those women used the wallets confidently and regularly which increases the likelihood of them using the wallets in the future.

Recommendations

Throughout this experiment and previously conducted experiments, women continued to demonstrate an increased appetite to learn and to experiment with digital forms of financial services. The fact that unbanked refugee women in the Gaza camp started using QR code for payments and cash withdrawals through ATMs gives promise of their potential to join the formal financial ecosystem if appropriately approached and equipped with the needed knowledge and incentives.

Since mobile money is relatively new to Jordan, many people do not know what a mobile wallet is and how it could serve them and ease their lives. Therefore, regular marketing may not attract new users. The following recommendations were extracted from the experiment and represent evidence-based practices that could increase the uptake of mobile money if adequately adopted by the mPSPs and relevant stakeholders.

- **Comprehensive awareness** surpasses information shared on social media and in marketing campaigns and requires equipping the user with the know-how of using all services of a mobile wallet and answering the user's questions. Training users on what a mobile wallet is and how to use it is bound to encourage responsible, sustained, and active usage.
- **Incentivizing usage** at the beginning of the uptake of mobile money has so far been effective in gaining new active users who become motivated and gradually build confidence in using digital financial services they had no access to before. It also builds trust in the service provider and strengthens customer loyalty.
- **Close follow-up with agents** should be one of the top priorities of mPSPs to enhance the offering of mobile money. Since the inception of mobile money in Jordan, issues continued to emerge with agents; from increasing cash-out fees on customers to arbitrarily refusing to serve customers. Users should be directly encouraged by their mPSP to report any issues with agents to them to be able to solve issues and correct wrong practices.
- **Partnerships** can maximize undertaken outreach efforts and their results and give users confirmation of the resilience of the financial sector and the organized collaboration of its stakeholders.

Conclusion

Digital experiments were developed as a research concept to extract knowledge that informs decision-making and enhances the offering of digital financial services. More accurately, they revolve around the financial service user; aiming to understand their need, serve them better, and identify opportunities to integrate them in the financial ecosystem. JoPACC developed and adopted this research concept in its first strategy and was determined to implement it repeatedly in partnership with various sector players to expand access to knowledge and evidence-based practices. The concept has brought value to the decision-making in the financial sector in Jordan and is encouraged to be adopted as a regular exercise by all financial market stakeholders and players.

Because the gender gap in financial inclusion in Jordan is one of the highest, and financial inclusion of women is at 27% (according to the World Bank Global Findex data of 2017), this experiment aimed to contribute with research on how to increase the financial inclusion of women, focusing on a specific segment that may not take priority: refugee women.

Shifting women from absence to access to practice in the financial ecosystem is aligned with Jordan's National Financial Inclusion Strategy and with the SDGs, and equally carries benefits to families and households. The experiment findings defy stereotypes about vulnerable communities' readiness to adopt and actively use mobile money and call for structured efforts to target and integrate women in financial services.

