Mobile Internet as the Key Driver to Internet Growth in Kenya: Factors Underpinning.

By

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Presentation Outline

1. Objectives of the Paper
2. Research Methodology
3. Research Framework
4. Findings
5. Conclusion
6. Policy Recommendations
1. Objectives of the Paper

- Review of factors underpinning the rapid growth of Mobile Internet in Kenya
  - Derived opportunities/enabled capabilities
  - Recommend policy direction
2. Research Methodology

➢ Primary data-RIA 2007/8 & 2011/12 surveys
  – Combination of urban and rural households
  – Data collected as per the RIA Methodology
    • 60% urban and 40% rural

➢ Secondary data sources
  – Document analysis
  – CCK (regulator) statistics and reports
  – Operators websites and annual reports
3. Research Framework

- Capability Approach (CA) - theoretical framework
  - CA is concerned with what people are able to do and be as a result of using the resources around them.
  - Main components are **means** to achieve, opportunities/freedoms/capabilities/ and achievements/outcomes/functionings
  - It recognises that while access to goods and services is a prerequisite to use, several factors plays a role on:
    - Whether to make use of these goods and services
    - How to make use them
    - Value attached to the usage and outcomes derived.
Enabled Capabilities

Choice

Mobile Internet

Environmental factors

Personal factors

Source: Adopted from Ndung’u, Waema & Mitullah (2012)
4. Findings—Factors Influencing Usage

➢ Environmental factors
  – Policy and regulatory environment
  – Communications infrastructure (3 Under sea fibre cables & NOFBI)
  – Competition and market forces
    • Reduced cost of mobile phone handsets
    • Reduction in Call tariffs
    • Low cost of data bundles

➢ Personal Factors
  – Demographic factors
    • Age, gender, income and education
  – Preferences and perceptions
    • Dictates the choices made
Selected Statistics

- 16.4 million Internet users in Kenya
- 9.6 Internet subscriptions
- Total available bandwidth-921,319 Mbps
- Total used bandwidth-307,307 (33.4%)
- Mobile network covers 89% of the population
- 34% of the total geographical area
- 75.8% (29.8 million) Subscribers. 98.7% prepaid
- 99% per cent of Internet users in Kenya are via mobile devices (dongles or direct)

*Source: (CCK, 2013)*
Share of 15+ that owned a mobile phone or active SIM card (2007/8 figure for 16+)

- South Africa: 87.0% (2011/2012), 62.1% (2007/2008)
- Kenya: 86.7% (2011/2012), 52.0% (2007/2008)
- Botswana: 83.5% (2011/2012), 59.5% (2007/2008)
- Ghana: 70.5% (2011/2012), 59.8% (2007/2008)
- Nigeria: 69.4% (2011/2012)
- Namibia: 66.5% (2011/2012), 49.3% (2007/2008)
- Uganda: 53.6% (2011/2012), 20.7% (2007/2008)
- Cameroon: 50.6% (2011/2012), 36.5% (2007/2008)
- Tanzania: 41.7% (2011/2012), 21.5% (2007/2008)
- Rwanda: 38.5% (2011/2012), 9.9% (2007/2008)
5. Conclusion

- Mobile Internet has been driving the growth of Internet in Kenya (99%).

- M-government adoption is still very low in relation to e-government
  - Content providers have not ensured that their content is also accessible via mobile platforms.

- Operationalization of the Universal Services Fund (USF) created by the 2009 Communications (amendment) Act has been very slow
  - While cost of Internet/data communication and price of mobile handsets have come down, availability of infrastructure is limited to urban areas.
6. Policy Recommendations

- Revision of the ICT Policy to include
  - M-government as one of the ways of delivering services to citizens
  - Content providers should be mandated to provide content that is accessible via mobile devices

- Policy/Regulatory intervention on infrastructure
  - Infrastructure sharing should be enforced
    - Way leaves should be provided to operators at a low or no cost.
  - County governments should recognize fibre network as a national resource
Thank You