Gap between Mobile Application Developers and BoP

Lessons from Kenya

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Dr. Tonny K. Omwansa
Ms. Angela Crandal
Prof. Timothy M. Waema

School of Computing and Informatics
University of Nairobi
Introduction
Introduction

• Kenya mobile penetration about 75% penetration
  – As in many countries

• Significant effort to develop mobile applications
  – Particularly after M-Pesa

• There are problems that m-Apps can solve

• New business models that benefit BoP are emerging

• Start-ups struggling to scale their applications
What can be learned about the development and usage of mobile applications at the BoP in Kenya?

- What is the level of uptake of mobile applications among the BoP in Kenya?

- How well is the BoP mobile phone consumer market segment understood by the mobile applications developer community in Kenya?

- How relevant and supportive is the regulatory framework in Kenya?
Review of related literature
Topics in LR

- Potential for mobile phone applications for the poor
- Challenges in Scaling of mobile applications
- Specific challenges for the developers
- Recommendations for designing mApps that would succeed
- Development of mobile applications for the poor in Kenya
- Emerging models for BoP in developing markets
Designing mApps that would succeed [Lemaire (2011)]

i. Plan for sustainability & scalability from conceptualization

ii. Perform assessments to identify real needs of beneficiaries

iii. Identify existing similar initiatives and players

iv. Avoid duplication by collaborating with other organizations

v. Secure early stakeholders buy-in e.g. government & communities

vi. Educate & engage end-users in applications development
Designing mApps that would succeed [Lemaire (2011)]

- Collaborate with local implementation partners
- Align applications capabilities with the local & national priorities
- Establish strategic partnerships to support scaling of the projects
- Perform M & E using meaningful measurable metrics
- Maintain flexibility in project implementation to adapt to changing needs & priorities of beneficiary populations & avoid failures
Methodology
Data set

• 796 BoP, rural & urban face-to-face interviews 6 Kenyan districts
• 178 participants completed a phone use diary to record over 4 days
• 12 FGDs among phone users in the BoP target group
• 10 Key Informant Interviews with stakeholders in telecom industry
• Range of interviews with BoP targeting entrepreneurs
• Extensive desk research and literature review.
• RIA national representative data set
Clear gap

High mobile penetration but low apps adoption by BoPs

- Ownership upwards of 75% in Kenya.
- 60.5% of BoP population in Kenya owned a mobile phone.
- Numerous start-ups developing applications.
- Hardly any applications taking off.
- The poor, who are main target, hardly know about them.
Clear gap

**Characteristics at BoP**

- BoP generally characterised by low, unpredictable & irregular income
- Reaching BoP would primarily be through Radio/Print media/Mobile
- Trust and transaction fees drive their adoption decision making
There are several needs that mobile could solve in sectors like health, education, agriculture, transport etc.

- Majority use basic and feature phones
- BoP use functions provided by MNOs
Clear gap

Over 80 mobile applications for BoP

- Accounting
- Education
- Documents
- Sports
- Government
- Natural Disasters
- Service Delivery
- Health
- Agriculture
- Employment
- Financial
- Water
- Transport
- Maps
- Entertainment
Clear gap

Developers poorly understand BoP consumer needs
- Start-ups have limited social capital, financing and time.
- Developers conduct little R&D to get relevant applications.
- Developers depend on their own views to design applications.
- Marketing through TV, radio & newspaper is very limited, hence low awareness and uptake.
Lessons and Recommendations
Opportunities

Support to local mobile applications developers

-Kenya’s Constitution 2010 gives right to access of information.
  -Government to support m-applications for delivery of m-gov.
  -Regulator should support development & scaling of m-apps that can uplift the poor.
Universal Access Fund & National ICT Strategy

-UAF relevant objectives:
  - ICT & technological innovations capacity building
  - Development & access to local relevant content.

- Mobile application development should move higher in national ICT agenda starting with review of ICT strategy
The Tech Community

**Challenges**
- Lack of understanding of the BoP consumer
- BoP Consumer uses basic and feature phones
- Lack of resources to conduct rigorous R & D

**Solutions**
- Incubation & collaboration with research & academic institutions
- Government support in skills development on mobile applications
- Collaboration between start-ups, MNOs, Financial Institutions etc

**Characteristics**
- Simplicity
- Trust
- Strong Relationships
- Education
- Convenience
Thank you!

Dr. Tonny K. Omwansa
School of computing and informatics
University of Nairobi
@tomwanssa