
CONSUMERS IN SUB-SAHARAN AFRICA READY FOR NEXT STEP IN M- COMMERCE

- Ericsson ConsumerLab study identifies ways of using m-commerce in three African countries
- Traditional advertising alone won't work for m-commerce; education helps users trust and adopt new services
- M-commerce players should take special notice of women in sub-Saharan Africa - they are responsible for household finances

In a new [report](#) from its ConsumerLab, Ericsson (NASDAQ: ERIC) maps out the potential of transformation within m-commerce across the region of sub-Saharan Africa.

Based on in-depth, extensive interviews with mobile phone users in Ghana, South Africa, and Tanzania, the report has four key findings: that consumers are constantly looking for new ways to improve their personal budgets; the speed and convenience of m-commerce points to great potential in the market; current behaviors and social structures indicate that the use of mobile payment services will expand; and that consumers need more information about the functionality and security of m-commerce transactions.

Consumers tell Ericsson researchers that they use mobile payment services for person-to-person transfers and purchasing airtime on their mobile subscriptions, and that they like the convenience of accessing money everywhere and at anytime, regardless of service hours. In Tanzania, for example, 38% of subscribers send money person-to-person over the mobile phone.

Another conclusion of the report is that people who use m-commerce keep little separation between private and business accounts. "Many consumers are entirely self-employed and are prompted to make transfers from private accounts for business purposes, so they gain experience with m-commerce," says Anders Erlandsson, Senior Advisor, Ericsson ConsumerLab.

Experience leads to greater trust, and the report finds that 44% of non-users of m-commerce are very worried about the integrity of their account information in case of theft or loss of their phones. "Face-to-face introductions, when an agent meets consumer, are crucial," says Erlandsson. "Just as personal access to a bank leads to higher acceptance of more abstract bank services, trust in mobile services also grows with personal experiences, rather than merely through advertising."

The report gives some insight into how household finances are traditionally handled and guidance for telecom operators in launching services that consumers will like and use. Where men and women share a household, men are generally expected to be breadwinners and women responsible for household finances.

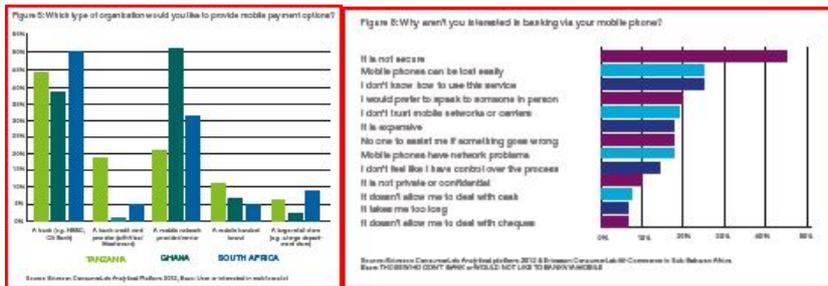
A 45-year old man in Tanzania says: “If we are out of money and we have to buy something, my wife will usually solves it somehow. I don’t know how she does it, women always have their ways.”

Users put a high value on easy access to their money, Erlandsson continues: “Network reliability is another important factor, where concerns have to be addressed. For example, if you lose connectivity, you cannot access your money.

“Operators are reliable and technologically adept, providing a service that is personal and available to everybody. There is a window of opportunity in mobile money services for operators who already have an established relationship with consumers, because they have wide presence also in rural areas,” he concluded.

Ericsson ConsumerLab gains its knowledge through a global consumer research program based on interviews with 100,000 individuals each year, in more than 40 countries and 15 megacities - statistically representing the views of 1.1 billion people. Both quantitative and qualitative methods are used, and hundreds of hours are spent with consumers from different cultures.

Ericsson m-commerce has a global focus on accelerating access and interconnection between the m-commerce ecosystem and the existing financial world.



Graphs from ConsumerLab “M-commerce in sub-saharan Africa.” August 2012.

NOTES TO EDITORS

Ericsson [ConsumerLab](#) report archive

[Media kit on m-commerce](#)

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