Future Adoption of a Digital Remittance Product

Baseline Demand-Side Study on Digital Remittances in Jordan

Presented September 27, 2016
Objectives

To understand potential for future adoption of a digital remittance product

- Response to concept
  - Future market analysis (forecasting)
  - Behavioral segmentation (latent class analysis)
  - Qualitative response
- Barriers to adoption of a digital remittance product
- Enablers of adoption of a digital remittance product
SURVEY RESPONSE TO THE DIGITAL REMITTANCE PRODUCT CONCEPT
CONCEPT TESTING

Half find the idea of making domestic transfers on their mobile phone believable

Q9.7D/F How do you feel about the statements made about this service?

Believability of Mobile Wallet Service

- Completely believable: 4% (Low Income Jordanians), 6% (Syrian Refugees)
- Somewhat believable: 38% (Low Income Jordanians), 41% (Syrian Refugees)
- Neither believable or unbelievable: 16% (Low Income Jordanians), 12% (Syrian Refugees)
- Somewhat unbelievable: 9% (Low Income Jordanians), 10% (Syrian Refugees)
- Completely unbelievable: 29% (Low Income Jordanians), 26% (Syrian Refugees)
- Don’t Know/Refused: 5% (Low Income Jordanians), 5% (Syrian Refugees)
And around half say they like the product to some extent

Q9.10D/F Which statement best describes how much you like this service?

Opinion on Mobile Wallet Service

- Like extremely well: 7% (Low Income Jordanians), 30% (Syrian Refugees)
- Like very well: 12% (Low Income Jordanians), 10% (Syrian Refugees)
- Like quite well: 30% (Low Income Jordanians), 26% (Syrian Refugees)
- Like somewhat: 10% (Low Income Jordanians), 13% (Syrian Refugees)
- Like slightly: 5% (Low Income Jordanians), 4% (Syrian Refugees)
- Do not like at all: 5% (Low Income Jordanians), 36% (Syrian Refugees)
- Don't know/Refused: 7% (Low Income Jordanians), 30% (Syrian Refugees)
However, only a third said they would be likely to seek more information about the service.

**Likelihood of Seeking More Information About Mobile Wallet Service**

- **Very likely**: 3% (Low Income Jordanians) vs. 4% (Syrian Refugees)
- **Somewhat likely**: 26% (Low Income Jordanians) vs. 28% (Syrian Refugees)
- **Neither likely nor unlikely**: 18% (Low Income Jordanians) vs. 17% (Syrian Refugees)
- **Somewhat unlikely**: 11% (Low Income Jordanians) vs. 12% (Syrian Refugees)
- **Very unlikely**: 36% (Low Income Jordanians) vs. 30% (Syrian Refugees)
- **Don’t know/Refused**: 7% (Low Income Jordanians) vs. 8% (Syrian Refugees)

**Q9.8D/F** Based on the description above, how likely would you be to seek more information about this service?
And only a quarter said they may use the service themselves

Q9.9D/F Which statement best describes how likely you would be to use this service?

- I would definitely use this service
- I would probably use this service
- I may or may not use this service
- I probably would not use this service
- I definitely would not use this service
- Don’t Know/Refused

Likelihood of Using Mobile Wallet Service

<table>
<thead>
<tr>
<th>Statement</th>
<th>Low Income Jordanians</th>
<th>Syrian Refugees</th>
</tr>
</thead>
<tbody>
<tr>
<td>I would definitely use this service</td>
<td>5%</td>
<td>8%</td>
</tr>
<tr>
<td>I would probably use this service</td>
<td>16%</td>
<td>19%</td>
</tr>
<tr>
<td>I may or may not use this service</td>
<td>20%</td>
<td>18%</td>
</tr>
<tr>
<td>I probably would not use this service</td>
<td>15%</td>
<td>13%</td>
</tr>
<tr>
<td>I definitely would not use this service</td>
<td>36%</td>
<td>33%</td>
</tr>
<tr>
<td>Don’t Know/Refused</td>
<td>7%</td>
<td>10%</td>
</tr>
</tbody>
</table>
CONCEPT TESTING

This may be driven by the third of respondents who said it doesn’t solve a problem or fulfill a need for them.

Q9.11D/F Which statement best describes how well the service would solve a problem or fulfill a need for you?

Ability of Mobile Wallet Service to Solve a Problem or Fulfill a Need

- More than other services currently available: 29% Low Income Jordanians, 25% Syrian Refugees
- About the same as other services currently available: 15% Low Income Jordanians, 13% Syrian Refugees
- Not as well as other services currently available: 6% Low Income Jordanians, 7% Syrian Refugees
- Doesn’t solve a problem or fulfill a need: 30% Low Income Jordanians, 34% Syrian Refugees
- Don’t Know/Refused: 20% Low Income Jordanians, 22% Syrian Refugees
CONCEPT TESTING

Or the half of respondents that said they wouldn’t use the service

Q9.12D/F Which statement best describes when you think you would be most likely to use this service?

I would be most likely to use this service:

- Within the next week: 4% (Low Income Jordanians), 7% (Syrian Refugees)
- Within the next month: 3% (Low Income Jordanians), 4% (Syrian Refugees)
- More than a month from now, but less than three months: 2% (Low Income Jordanians), 2% (Syrian Refugees)
- More than three months, but less than six months from now: 2% (Low Income Jordanians), 2% (Syrian Refugees)
- More than six months from now, but less than a year: 3% (Low Income Jordanians), 4% (Syrian Refugees)
- More than a year: 11% (Low Income Jordanians), 8% (Syrian Refugees)
- Never: 52% (Low Income Jordanians), 46% (Syrian Refugees)
- Don’t Know/Refused: 24% (Low Income Jordanians), 28% (Syrian Refugees)
However, many said that future need to send or receive money may make them use it.

Q9.14D/F What would make you use this service?

- The need to transfer money to someone: 24% (Low Income Jordanians) 25% (Syrian Refugees)
- The need to receive money from someone: 11% (Low Income Jordanians) 12% (Syrian Refugees)
- Having trust in the provider: 7% (Low Income Jordanians) 12% (Syrian Refugees)
- Having a clear understanding of how to use your mobile phone for this service: 2% (Low Income Jordanians) 6% (Syrian Refugees)
- Information or a demonstration from the service provider: 2% (Low Income Jordanians) 6% (Syrian Refugees)
- Information or a demonstration from a friend or family member: 4% (Low Income Jordanians) 8% (Syrian Refugees)
- A guarantee that I would get my money back if I made a mistake: 8% (Low Income Jordanians) 12% (Syrian Refugees)
- Convenience of use: 5% (Low Income Jordanians) 5% (Syrian Refugees)
- There's nothing that would make me use this service: 8% (Low Income Jordanians) 12% (Syrian Refugees)
- Don’t Know/Refused: 36% (Low Income Jordanians) 35% (Syrian Refugees)
FORECASTING THE FUTURE USE OF A DIGITAL REMITTANCE PRODUCT
Potential adoption rate for a digital remittance products for low income Jordanians*

- Potential adoption rate for sending domestic = 4.6% of total population
  - This = 80,233 of low income Jordanians
  - 80% of these are new users of remittances

- Potential adoption rate for receiving domestic = 4.4% of total population
  - This = 76,745 of low income Jordanians
  - 84% of these are new users of remittances

- Potential adoption rate for receiving international = 4.3% of total population
  - This = 75,001 of low income Jordanians
  - 86% of these are new users of remittances

*There is insufficient evidence that low income Jordanians have a need to send remittances internationally to forecast a future market for this group.
Potential adoption rates for an international digital remittance product for Syrian refugees

- **Potential adoption rate for sending = 5% of total population**
  - This = 17,008 of Syrian refugees
  - 77% of these are new users of remittances

- **Potential adoption rate for receiving = 6% of total population**
  - This = 20,410 of low Syrian refugees
  - 73% of these are new users of remittances

*There is insufficient evidence Syrian refugees have a need for a domestic remittance product to forecast a future market for this group.*
Baseline Demand-Side Study on Digital Remittances in Jordan

BEHAVIOURAL SEGMENTATION USING LATENT CLASS ANALYSIS
## BEHAVIOURAL SEGMENTATION USING LCA

### LOW INCOME JORDANIANS

**Likely to send or receive money domestically**

<table>
<thead>
<tr>
<th>Group Endorsements</th>
<th>Pragmatic Opportunists</th>
<th>Outright Rejecters</th>
<th>Selectively Curious</th>
</tr>
</thead>
<tbody>
<tr>
<td>Likely to use, solves a problem</td>
<td>😊 6.5%</td>
<td>😞 87.2%</td>
<td>🤔 6.3%</td>
</tr>
<tr>
<td>Rejects concept</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Believable, liked concept, seek info</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Q9.7C Do you feel this service is completely believable?
Q9.8C Would you be very likely to seek more information about this service?
Q9.9C Would you definitely use this service?
Q9.10C Do you extremely like this service?
Q9.11C Which statement best describes how well the service would solve a problem or fulfill a need for you? (More than other services currently available)
## Low Income Jordanians

### Behavioral Segmentation Using LCA

Likely to send or receive money domestically

<table>
<thead>
<tr>
<th></th>
<th>Pragmatic Opportunists</th>
<th>Outright Rejecters</th>
<th>Selectively Curious</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service is believable</td>
<td>✗</td>
<td>✗</td>
<td>✓</td>
</tr>
<tr>
<td>Would seek more info</td>
<td>✗</td>
<td>✗</td>
<td>✓</td>
</tr>
<tr>
<td>Would use service</td>
<td>✓</td>
<td>✗</td>
<td></td>
</tr>
<tr>
<td>Like this service</td>
<td>✗</td>
<td>✗</td>
<td>✓</td>
</tr>
<tr>
<td>Service solves problem</td>
<td>✓</td>
<td>✗</td>
<td>✓</td>
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Q9.10C Do you extremely like this service?
Q9.11C Which statement best describes how well the service would solve a problem or fulfill a need for you? (More than other services currently available)
### BEHAVIOURAL SEGMENTATION USING LCA

#### SYRIAN REFUGEES

**Likely to send or receive money internationally**

<table>
<thead>
<tr>
<th>Group</th>
<th>Pragmatic Opportunists</th>
<th>Skeptical Users</th>
<th>Outright Rejecters</th>
<th>Indifferent Believers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Likely to use, solves a problem</td>
<td>Believable</td>
<td>Rejects concept</td>
<td>Believable, solves a problem</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Group Endorsements</th>
<th>Size</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>10.1%</td>
<td>4.2%</td>
<td>80.2%</td>
<td>5.5%</td>
</tr>
</tbody>
</table>

Q9.7C Do you feel this service is completely believable?
Q9.8C Would you be very likely to seek more information about this service?
Q9.9C Would you definitely use this service?
Q9.10C Do you extremely like this service?
Q9.11C Which statement best describes how well the service would solve a problem or fulfill a need for you? (More than other services currently available)
BEHAVIOURAL SEGMENTATION USING LCA

Likely to send or receive money internationally

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<th></th>
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<th>Skeptical Users</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Service is believable</td>
<td>✗</td>
<td>−</td>
<td>✗</td>
<td>✓</td>
</tr>
<tr>
<td>Would seek more info</td>
<td>✗</td>
<td>✓</td>
<td>✗</td>
<td>✗</td>
</tr>
<tr>
<td>Would use service</td>
<td>✓</td>
<td>✓</td>
<td>✗</td>
<td>✗</td>
</tr>
<tr>
<td>Like this service</td>
<td>✗</td>
<td>✓</td>
<td>✗</td>
<td>−</td>
</tr>
<tr>
<td>Service solves problem</td>
<td>✓</td>
<td>✓</td>
<td>✗</td>
<td>✓</td>
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Q9.7C Do you feel this service is completely believable?
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Q9.9C Would you definitely use this service?
Q9.10C Do you extremely like this service?
Q9.11C Which statement best describes how well the service would solve a problem or fulfill a need for you? (More than other services currently available)
Baseline Demand-Side Study on Digital Remittances in Jordan

QUALITATIVE RESPONSE TO CONCEPT
In the focus group discussions, participants expressed enthusiasm at the potential for mobile wallet.

“I like the idea that I can use the mobile which is always with us, and not having to go to a place to send the money.”
Jordanian Female, Mafraq

“I like it, because it is convenient, easy to use, saves us trips to the exchange centers, no need to pay for transfer commissions.”
Jordanian Male, Amman

“I would use this service to save money because I can’t open a bank account with small amounts like 50-100 dinars, but with this service I can save my money in my mobile.”
Jordanian Male, Irbid

“I would save my own personal money that I want to save for later use, even if it was 5 dinars.”
Jordanian Female, Mafraq
In the focus group discussions, participants expressed enthusiasm at the potential for mobile wallet

“[Mobile wallet is] convenient, because there is no need to leave the house and be bothered to visit the store, also it can be helpful if someone needed to send money urgently and you couldn’t go out.”  
Syrian Female, Amman

“If you hadn’t explained this today, I might have ignored the ad [for mobile wallet services] even if I’ll receive it many times.”  
Syrian Male, Mafraq

“If this was available today, I’ll use it. This is better than cash because when I have cash in my pocket I might spend more money.”  
Syrian Male, Mafraq

“After I'll use it, make sure it is safe, and find out that it is better than the conventional ways I'll deposit any suitable amount”  
Syrian Female, Irbid

Q6.15/7.15 Was there anything about this service you didn’t like?
Baseline Demand-Side Study on Digital Remittances in Jordan

BARRIERS TO ACCESSING A DIGITAL REMITTANCE PRODUCT
Limited Resources
Q2.2 What is your typical monthly household income including all the items you mentioned above?

Mean monthly household income of low income Jordanians = 255 JOD ($2.40 pppd)
Median monthly household income of low income Jordanians = 300 JOD ($2.82 pppd)
Limited Resources

One third of respondents reported that they would save leftover money if they had any

Q2.7 If you have any money left before the next revenue comes in, what do you usually do with it?

- Spend on consumer goods: 44%
- Keep in cash: 34%
- Deposit in an account: 1%
- Invest in gold or jewelry: 1%
- Lend to others: 1%
- Don't know: 25%
Q2.2 What is your typical monthly household income including all the items you mentioned above?

**LIMITED RESOURCES**

**SYRIAN REFUGEES**

Average monthly household income for Syrian refugees was **164 JOD**

Mean monthly household income of Syrian refugees = **164 JOD ($1.28 pppd)**

Median monthly household income of Syrian refugees = **150 JOD ($1.18 pppd)**

- **10%** of households earn **0 JOD**
- **22%** earn **0 - 100 JOD**
- **41%** earn **101-200 JOD**
- **18%** earn **201-300 JOD**
- **9%** earn **301-400 JOD**

$0 per person per day

$0 - $0.78 per person per day

$0.79 - $1.57 per person per day

$1.57 - $2.35 per person per day

$2.36 - $3.13 person per day
One third of respondents reported that they would save leftover money if they had any any

Q2.7 If you have any money left before the next revenue comes in, what do you usually do with it?

- Spend on consumer goods: 51%
- Keep in cash: 31%
- Keep money on the card: 4%
- Give or send to friends or family: 1%
- Don't know: 18%
- Refused: 1%
Few Financial Connections
FEW FINANCIAL CONNECTIONS

Only 2 in 10 low income Jordanians report having financial connections with people outside of their households.

D5 How many relatives, extended family, or close friends do you have a financial connection with – that is, people that you may give, lend, or borrow money to or from living outside your household?
FEW FINANCIAL CONNECTIONS

Similarly, only 2 in 10 Syrian refugees report having financial connections outside of their household.

D5 How many relatives, extended family, or close friends do you have a financial connection with – that is, people that you may give, lend, or borrow money to or from living outside your household?
Limited Experience of Formal Financial Services
FORMAL FINANCIAL SERVICES

Awareness of traditional financial institutions and services among low income Jordanians is relatively high

Q3.1A Which of the following are you aware of?

- Current/checking account at a bank: 85%
- ATM card: 76%
- Savings account at a bank: 73%
- IRIS scan withdrawal at ATM: 36%
- Debit card: 29%
- Savings account at Jordan Post: 24%
- Current/checking account at Jordan Post: 24%
- Pre-paid card: 14%
- Account at another financial institution: 8%
- Mobile wallet account: 3%
- Membership in a savings or credit club: 2%
FORMAL FINANCIAL SERVICES

LOW INCOME JORDANIANS

However, usage of financial services is low, particularly among women

<table>
<thead>
<tr>
<th>Financial Service</th>
<th>Total Usage</th>
<th>Usage (Jordanian Women)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current/checking account at a bank</td>
<td>41%</td>
<td>11%</td>
</tr>
<tr>
<td>ATM card</td>
<td>38%</td>
<td>9%</td>
</tr>
<tr>
<td>Debit card</td>
<td>8%</td>
<td>2%</td>
</tr>
<tr>
<td>Savings account at a bank</td>
<td>7%</td>
<td>3%</td>
</tr>
<tr>
<td>IRIS scan withdrawal at ATM</td>
<td>3%</td>
<td>0%</td>
</tr>
<tr>
<td>Current/checking account at Jordan Post</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Pre-paid card</td>
<td>1%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Q3.1B And do you currently have this?

26% of all low income Jordanians
24% of all low income Jordanians
5% of all low income Jordanians
5% of all low income Jordanians
2% of all low income Jordanians

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And most low income Jordanians report having health insurance but very few use other types of insurance or financing.

### Use of Forms of Financing

<table>
<thead>
<tr>
<th>Financing Type</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank loan</td>
<td>20%</td>
</tr>
<tr>
<td>Loan from family or friends</td>
<td>10%</td>
</tr>
<tr>
<td>Micro-finance loan</td>
<td>8%</td>
</tr>
<tr>
<td>Credit card</td>
<td>4%</td>
</tr>
<tr>
<td>Loan from a private lender</td>
<td>2%</td>
</tr>
<tr>
<td>None of the above</td>
<td>58%</td>
</tr>
<tr>
<td>Other</td>
<td>1%</td>
</tr>
</tbody>
</table>

### Use of Forms of Insurance

<table>
<thead>
<tr>
<th>Insurance Type</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health</td>
<td>59%</td>
</tr>
<tr>
<td>Car</td>
<td>18%</td>
</tr>
<tr>
<td>Home</td>
<td>5%</td>
</tr>
<tr>
<td>Credit life insurance</td>
<td>2%</td>
</tr>
<tr>
<td>None of the above</td>
<td>31%</td>
</tr>
<tr>
<td>Don't Know</td>
<td>2%</td>
</tr>
</tbody>
</table>

Q3.2 Which, if any, of the following forms of financing do you currently have?
FORMAL FINANCIAL SERVICES

While awareness of Iris scan accounts is high, awareness for most other traditional financial services is low

Q3.1A Which of the following are you aware of?

- IRIS scan withdrawal at ATM: 88%
- ATM card: 54%
- Savings account at a bank: 46%
- Current/checking account at a bank: 45%
- Debit card: 17%
- Savings account at Jordan Post: 10%
- Current/checking account at Jordan Post: 10%
- Pre-paid card: 8%
- Account at another financial institution: 4%
- Mobile wallet account: 2%
- Membership in a savings or credit club: 1%
FORMAL FINANCIAL SERVICES

Use of financial services is low across the board

IRIS scan withdrawal at ATM
- Syrian Men: 26%
- Syrian Women: 20%

ATM card
- Syrian Men: 10%
- Syrian Women: 7%

Debit card
- Syrian Men: 1%
- Syrian Women: 1%

Q3.1B And do you currently have this?

23% of all Syrian refugees
8% of all Syrian refugees
And most Syrian refugees report not having health insurance or other forms of financing.

Q3.2 Which, if any, of the following forms of financing do you currently have?

**Use of Forms of Financing**
- Loan from family or friends: 21%
- Loan from a private lender: 1%
- Buying from a store on credit: 2%
- None of the above: 70%

**Use of Forms of Insurance**
- Health: 31%
- Credit life insurance: 1%
- Home: 1%
- None of the above: 64%
- Don't Know: 3%
Lack of Perceived Need
## Reasons For Not Using Financial Services

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Don't need it</td>
<td>39%</td>
</tr>
<tr>
<td>Don't have enough money to use</td>
<td>29%</td>
</tr>
<tr>
<td>Don't know how it works</td>
<td>6%</td>
</tr>
<tr>
<td>No need for a formal financial institution</td>
<td>3%</td>
</tr>
<tr>
<td>Someone else in the family already has an account</td>
<td>3%</td>
</tr>
<tr>
<td>Religious reasons</td>
<td>2%</td>
</tr>
<tr>
<td>Financial institutions too far away</td>
<td>1%</td>
</tr>
<tr>
<td>Don't know</td>
<td>25%</td>
</tr>
<tr>
<td>Refused</td>
<td>9%</td>
</tr>
</tbody>
</table>

Q3.7 Can you tell me why you do not have [INSERT FOR EACH 2 @ 3.1B]?
Perceived need for financial services is low amongst Syrian refugees

**Reasons For Not Using Financial Services**

- Don't need it: 38%
- Don't have enough money to use: 24%
- Don't know how it works: 3%
- Don't have necessary documentation: 1%
- Religious reasons: 1%
- Someone else in the family already has an account: 1%
- No need for a formal financial institution: 1%
- Don't know: 22%
- Refused: 10%

Q3.7 Can you tell me why you do not have [INSERT FOR EACH 2 @ 3.1B]?
Lack of Awareness of Mobile Wallet
When not prompted, very few low income Jordanians report awareness of mobile wallet services

36 Jordanians reported that they were aware of mobile wallets.

Of those, 21 were men and 15 were women.

0 Jordanians reported having a mobile wallet.

2 Jordanians reported knowing anyone who used it.

0 Jordanians could report on the type of ID required for a mobile money account.

Q3.1A Which of the following are you aware of?
Q3.1B And do you currently have this?
Q4.2 Do you know anyone who has a mobile wallet account?
Q4.1. Can you name a mobile wallet service?
Q4.3 What type of ID was required for you to open a mobile money account?
When prompted, more low income Jordanians have heard of mobile wallets, but their awareness is still low.

### Have Heard About Mobile Wallets (Prompted)

- **Jordanian Men**: 13%
- **Jordanian Women**: 11%

### Have Heard of Specific Mobile Wallet Services (Prompted)

- **Mahfazati**: 13%
- **Zain Cash**: 11%
- **Orange Money**: 5%
- **Dinarak**: 4%
- **Zain e-Mal**: 3%

1% of Jordan men and 2% of Jordanian women had heard of Mahfazati when unprompted.
MOBILE WALLET AWARENESS

When not prompted, very few Syrian refugees report awareness of mobile wallet services

25 Syrians reported that they were aware of mobile wallets.

Of those:
- 22 were men and 3 were women
- 6 were inside a camp and 19 were outside a camp

0 Syrians reported having a mobile wallet
0 Syrians reported knowing anyone who used it
0 Syrians could report on the type of ID required for a mobile wallet.
MOBILE WALLET AWARENESS

When prompted, more have heard of mobile wallets, but their awareness is still low

Have Heard About Mobile Wallets (Prompted)

- Syrian Men: 16%
- Syrian Women: 10%

Have Heard of Specific Mobile Wallet Services (Prompted)

- Mahfazati: 9% Syrian Men, 2% Syrian Women
- Zain Cash: 1% Syrian Men, 1% Syrian Women
- Orange Money: 1% Syrian Men, 1% Syrian Women
- Dinarak: 0% Syrian Men, 0% Syrian Women
- Zain e-Mal: 0% Syrian Men, 0% Syrian Women

Q9.5 I would like to ask you about your familiarity with services called “mobile wallet”. Can you tell me if you have heard of them before?
Q9.6 It doesn’t matter if you have never used the mobile network itself, but can you tell me if you have heard of any of the following mobile wallet services?
Baseline Demand-Side Study on Digital Remittances in Jordan

ENABLES FOR ACCESSING A DIGITAL REMITTANCE PRODUCT
Literacy and Numeracy are High
LITERACY AND NUMERACY

More than half of low income Jordanians surveyed have completed secondary school

D1 What is the highest level of schooling you have completed?

<table>
<thead>
<tr>
<th>Level</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>No formal education</td>
<td>5%</td>
</tr>
<tr>
<td>Primary school</td>
<td>30%</td>
</tr>
<tr>
<td>Secondary school</td>
<td>42%</td>
</tr>
<tr>
<td>Post primary and post secondary technical/vocational school</td>
<td>6%</td>
</tr>
<tr>
<td>University graduate and above</td>
<td>13%</td>
</tr>
</tbody>
</table>
LITERACY AND NUMERACY

And most low income Jordanians surveyed have basic numeracy skills

Correctly answered a basic math question

92% Jordanian Men

83% Jordanian Women

D12 What does 100 plus 330 equal?
LITERACY AND NUMERACY

More than half of Syrian refugees surveyed have completed primary school

D1 What is the highest level of schooling you have completed?

- No formal education: 10%
- Primary school: 60%
- Secondary school: 19%
- Post primary and post secondary technical/vocational school: 3%
- University graduate and above: 4%
LITERACY AND NUMERACY

And most Syrian refugees surveyed have basic numeracy skills

Correctly answered a basic math question

86%
Syrian Men

78%
Syrian Women

D12 What does 100 plus 330 equal?
Widespread Access to Technology and Information
TECHNOLOGY ACCESS

Mobile phone usage, and particularly smart phone usage, is high among low income Jordanians

Q8.1 Do you have regular access to a mobile/cell phone? If yes, what kind of phone?

<table>
<thead>
<tr>
<th>Phone Type</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Smartphone</td>
<td>47%</td>
</tr>
<tr>
<td>Personal Featurephone</td>
<td>15%</td>
</tr>
<tr>
<td>Personal Basic Phone</td>
<td>29%</td>
</tr>
<tr>
<td>Shared Smartphone</td>
<td>2%</td>
</tr>
<tr>
<td>Shared Featurephone</td>
<td>1%</td>
</tr>
<tr>
<td>Shared Basic Phone</td>
<td>4%</td>
</tr>
<tr>
<td>SIM card, but no mobile phone</td>
<td>1%</td>
</tr>
<tr>
<td>Don't know/Refused</td>
<td>2%</td>
</tr>
</tbody>
</table>

A **feature phone** is a mobile phone that incorporates features such as the ability to access the Internet and store and play music but lacks the advanced functionality of a smartphone. However, it is not app-enabled.

A **basic phone** lacks advanced functions and is used only to make calls or send SMS/text messages.
Mobile phones are used for texting and accessing the internet

Q8.3 Aside from making phone calls, which, if any, of the following have you done on a mobile phone in the past month?

- Sent/received SMS text messages: 69% (Jordanian Men), 61% (Jordanian Women)
- Received information by SMS text message from mobile operator or news org: 41% (Jordanian Men), 58% (Jordanian Women)
- Accessed the internet: 39% (Jordanian Men), 37% (Jordanian Women)
- Accessed a social networking site: 43% (Jordanian Men), 43% (Jordanian Women)
- Sent a photo: 32% (Jordanian Men), 35% (Jordanian Women)
- Watched a video clip or live TV: 33% (Jordanian Men), 31% (Jordanian Women)
- Sent or received an email: 5% (Jordanian Men), 3% (Jordanian Women)
- Listened to the radio: 7% (Jordanian Men), 7% (Jordanian Women)
- Don't Know/Refused: 10% (Jordanian Men), 10% (Jordanian Women)
Similarly, the majority of Syrian refugees have their own personal phone

<table>
<thead>
<tr>
<th>Phone Type</th>
<th>Syrian Men</th>
<th>Syrian Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Smartphone</td>
<td>44%</td>
<td></td>
</tr>
<tr>
<td>Personal Featurephone</td>
<td>11%</td>
<td>12%</td>
</tr>
<tr>
<td>Personal Basic Phone</td>
<td>38%</td>
<td></td>
</tr>
<tr>
<td>Shared Smartphone</td>
<td>3%</td>
<td>4%</td>
</tr>
<tr>
<td>Shared Featurephone</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Shared Basic Phone</td>
<td>3%</td>
<td>9%</td>
</tr>
<tr>
<td>SIM card, but no mobile phone</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Don't know/Refused</td>
<td>1%</td>
<td>3%</td>
</tr>
</tbody>
</table>

Q8.1 Do you have regular access to a mobile/cell phone? If yes, what kind of phone?

A **feature phone** is a mobile phone that incorporates features such as the ability to access the Internet and store and play music but lacks the advanced functionality of a smartphone. However, it is not app-enabled.

A **basic phone** lacks advanced functions and is used only to make calls or send SMS/text messages.
Q8.3 Aside from making phone calls, which, if any, of the following have you done on a mobile phone in the past month?

- Sent/received SMS text messages: 76% Syrian Men, 72% Syrian Women
- Received information by SMS text message from mobile operator or news org: 66% Syrian Men, 59% Syrian Women
- Accessed the internet: 33% Syrian Men, 31% Syrian Women
- Sent a photo: 31% Syrian Men, 30% Syrian Women
- Watched a video clip or live TV: 30% Syrian Men, 28% Syrian Women
- Accessed a social networking site: 23% Syrian Men, 35% Syrian Women
- Listened to the radio: 8% Syrian Men, 4% Syrian Women
- Sent or received an email: 5% Syrian Men, 1% Syrian Women
- Don't Know/Refused: 3% Syrian Men, 10% Syrian Women

Text messaging and accessing the internet are the most common mobile phone activities.
TECHNOLOGY ACCESS

While over a third of low income Jordanians report they have no internet access, nearly half say they access it at least a few times a day.

Q8.4 How frequently are you able to access the internet?
Nearly half of Syrian refugees have no access to the internet, however more than 4 in 10 access the internet at least daily.

Q8.4 How frequently are you able to access the internet?
The majority of Jordanians report trusting television or the radio as a medium for information about financial services.

Total Trust in Information Sources on Financial Products and Services

- **Television**: 45% (52% for Jordanian Men, 49% for Jordanian Women)
- **Radio**: 46% (49% for Jordanian Men, 46% for Jordanian Women)
- **Billboards**: 23% (22% for Jordanian Men, 23% for Jordanian Women)
- **Church/mosque/religious leaders**: 8% (6% for Jordanian Men, 6% for Jordanian Women)
- **Newspapers or magazines**: 6% (4% for Jordanian Men, 6% for Jordanian Women)
- **The internet**: 2% (2% for Jordanian Men, 2% for Jordanian Women)
- **SMS/Text messages**: 3% (3% for Jordanian Men, 3% for Jordanian Women)

Q8.5 Which of the following sources do you trust when it comes to information about financial products and services, including sending/receiving money, payments, insurance, etc.? 
The majority of Syrian refugees report trusting television or the radio as a medium for information about financial services.

Total Trust in Information Sources on Financial Products and Services

- Television: 62% (Syrian Men) vs. 66% (Syrian Women)
- Radio: 41% (both Syrian Men and Women)
- Billboards: 14% (Syrian Men) vs. 8% (Syrian Women)
- Church/mosque/religious leaders: 9% (Syrian Men) vs. 12% (Syrian Women)
- Newspapers or magazines: 8% (both Syrian Men and Women)
- The internet: 2% (Syrian Men) vs. 1% (Syrian Women)
- SMS/Text messages: 1% (both Syrian Men and Women)

Q8.5 Which of the following sources do you trust when it comes to information about financial products and services, including sending/receiving money, payments, insurance, etc.?
In the focus group discussions, participants expressed that they also rely on informal networks for advice.

“I would take more than one opinion...from people that I know with experience.”

Syrian Female, Amman

“We'll ask those who have tried the service before and take their advice. After asking them we'll make the decision... each of us has a person that looks for their opinions.”

Jordanian Male, Irbid

 “[We get information and advice from] someone who is close to us, not necessarily a family member, it could be a close friend or a family member that we trust.”

Syrian Male, Amman

“I'll ask the person who has tried that service before, and even after asking them for all the information I'll still visit the source for more information.”

Jordanian Female, Mafraq
Trust in Financial Institutions
Those that use financial services find them very trustworthy

**Trustworthiness of Checking Accounts**
- Very Trustworthy; 61%
- Somewhat Trustworthy; 38%
- Don't Know; 1%

**Trustworthiness of ATM Cards**
- Very Trustworthy; 61%
- Somewhat Trustworthy; 37%
- Don't Know; 0%

Q3.6 How trustworthy do you find this account?
In the focus group discussions, participants expressed trust in financial services and remittance providers

“If this company is supported by a strong bank [we will trust it]. If not, people may not trust them and think that they are taking the money to fool them.”

Jordanian Female, Amman

“[I prefer] exchange centers, because it is faster and secure, where if you give someone money to deliver it, he might lose it or take a long time.”

Jordanian Male, Amman

“The bank is more credible, I can [remit] with the bank and save money.”

Jordanian Male, Irbid

“We trust Banks now and put unlimited money in it.”

Jordanian Female, Amman
Those that have financial services find them very trustworthy

Q3.6 How trustworthy do you find this account?

- **Trustworthiness of Iris Scan Accounts**
  - Very Trustworthy; 65%
  - Somewhat Trustworthy; 37%
  - Untrustworthy; 2%

- **Trustworthiness of ATM Cards**
  - Very Trustworthy; 67%

[ CATEGORY NAME], [VALUE]
In the focus group discussions, participants expressed trust in financial services and remittance providers

“It is well known that the most trusted bank in each country is the central bank, because it is backed up by the government.”

Syrian Female, Amman

“I prefer banks because they are fast, easy and secure.”

Syrian Male, Mafraq

“The exchange center is better and more secure...exchange centers provide a secure way of transferring money also a prof of where the money came from.”

Syrian Male, Mafraq

“The central bank is backed up by the government, it supports projects, loans, salaries for employees. I would support any organization that is backed by the government.”

Syrian Female, Amman

Q6.15/7.15 Was there anything about this service you didn’t like?
Price and Convenience
On average, low income Jordanians would pay a 4% transaction fee for this types of service.

**Low Income Jordanians**

Optimal pricing for low income Jordanians is around 4% of transaction value.

- **Too high travel cost:** 6 JOD
- **Optimal travel cost:** 3 JOD

**Q9.19** Transaction time too long
**9.20** Ideal transaction time
**9.21** Travel time too long
**9.22** Ideal travel time
**9.23** Travel cost too high
**9.24** Ideal travel cost

- **Too long a transaction time:** 41 minutes
- **Optimal length of time for transaction:** 26 minutes

- **Too long travel time:** 78 minutes
- **Optimal travel time:** 26 minutes
PRICE AND CONVENIENCE

On average, low income Syrian Refugees would pay a 3-4% transaction fee for this type of service.

Optimal pricing for Syrian refugees is around 3-4% of transaction value.

Too long a transaction time: 1 hour 31 minutes
Optimal length of time for transaction: 21 minutes

Too high travel cost: 10 JOD
Optimal travel cost: 4 JOD

Too long travel time: 48 minutes
Optimal travel time: 14 minutes

Q9.19 Transaction time too long
9.20 Ideal transaction time
9.21 Travel time too long
9.22 Ideal travel time
9.23 Travel cost too high
9.24 Ideal travel cost
Baseline Demand-Side Study on Digital Remittances in Jordan

SUMMARY
Summary

- Response to concept in the quantitative survey was lukewarm:
  - Limited experience and understanding of the product described led to a poor forecast for future adoption and a large behavioral segment of “outright rejecters”.

- However, the qualitative research demonstrated that when explained thoroughly, both Syrian refugees and low income Jordanians were extremely open to the concept of a digital remittance product.

- While barriers such as low income and small networks limit the potential market, high literacy, access to technology, and trust in financial institutions may signal strong product potential.
Baseline Demand-Side Study on Digital Remittances in Jordan

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