



Digittances Baseline Demand-Side Study

Low Income Jordanians

March 2017

Overview of Baseline Study

- The goal of this Baseline study was to provide an overview of key financial and remittance behaviours of Syrian refugees and low income Jordanians and assess the demand, usage and preferences of current and potential customers of both formal and informal domestic payments and international remittance services.
- The Baseline consisted of a quantitative survey of 2,132 Syrian refugees and low income Jordanians (low-income Jordanians (monthly household income of 400 JOD or lower) comprise 50% of the Jordanian population).
- 1041 (49%) survey participants were Syrian refugees and 1091 (51%) were low income Jordanians.
- 1017 (48%) of participants were men and 1115 (52%) were women.
Of those, 483 were Syrian men, 558 were Syrian women, 534 were Jordanian men and 557 were Jordanian women.
- The study also included four focus groups with Syrian refugees and low income Jordanians in East Amman, Mafraq and Irbid.

Overview of Baseline Report Contents

- Participant Profile
- Information and Technology Access
- Financial Institutions and Services
- Mobile Wallet Awareness and Use
- Remittance Overview
- International Remittance Behaviour of Low Income Jordanians
- Domestic Remittance Behaviour of Low Income Jordanians
- Remittance Market Sizing
- Concept Testing
- Remittance Forecasting
- Product Suggestions



Deutsche Gesellschaft
für Internationale
Zusammenarbeit (GIZ) GmbH

Baseline Demand-Side Study on Digital Remittances in Jordan

PARTICIPANT PROFILE



Baseline Demand-Side Study on Digital Remittances in Jordan
Low Income Jordanians

Demographic Profile



Demographic profile of low income Jordanians

Though limited population data is available, in general data collected aligns with general demographics for overall target population in Jordan.

Gender



49% male
51% female

Employed (Full or part time)



29%

Average Age



40

Average Monthly Household Income



255 JOD

Completed Secondary School



42%

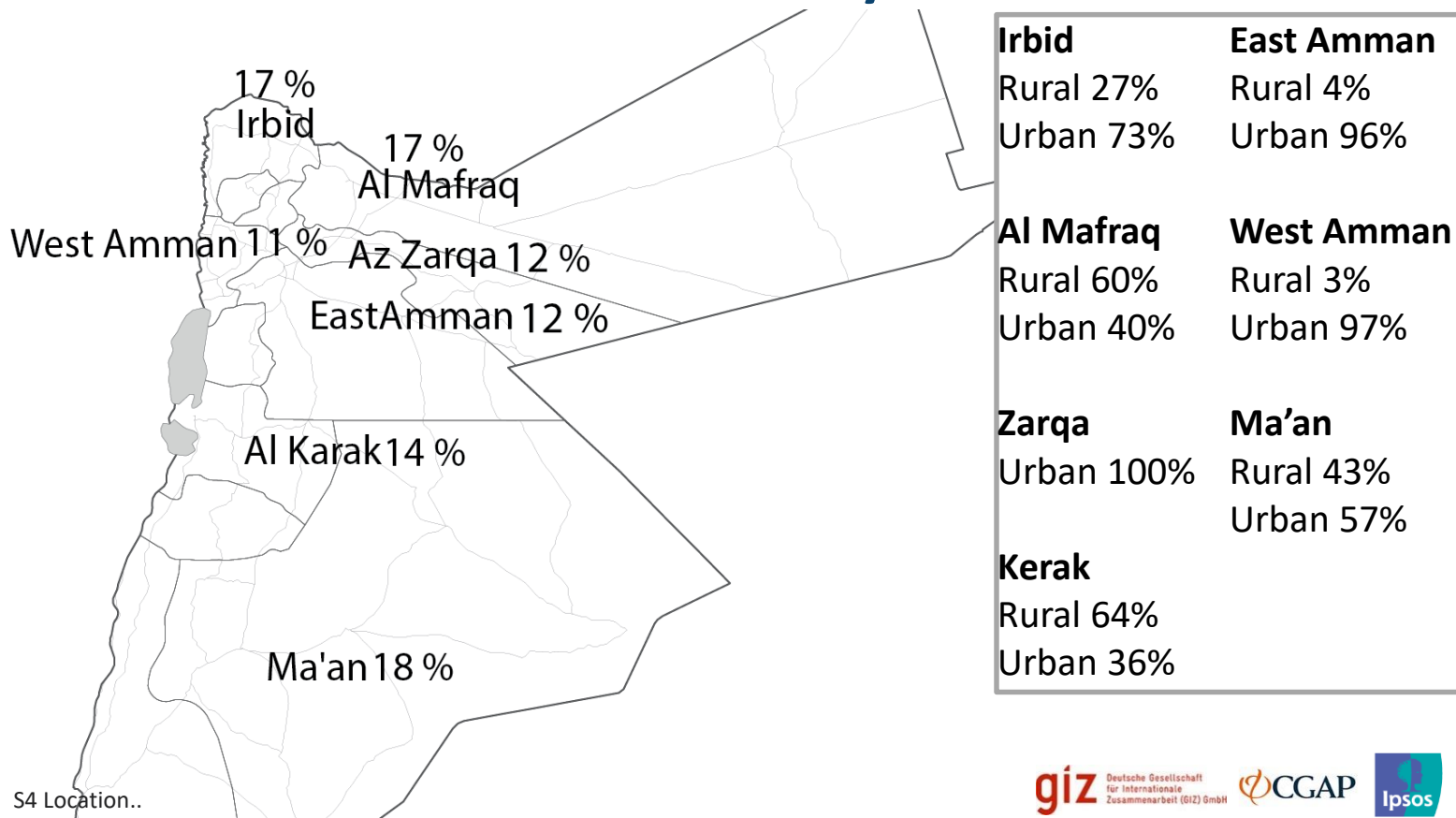
Locations



68% Urban | 32% Rural

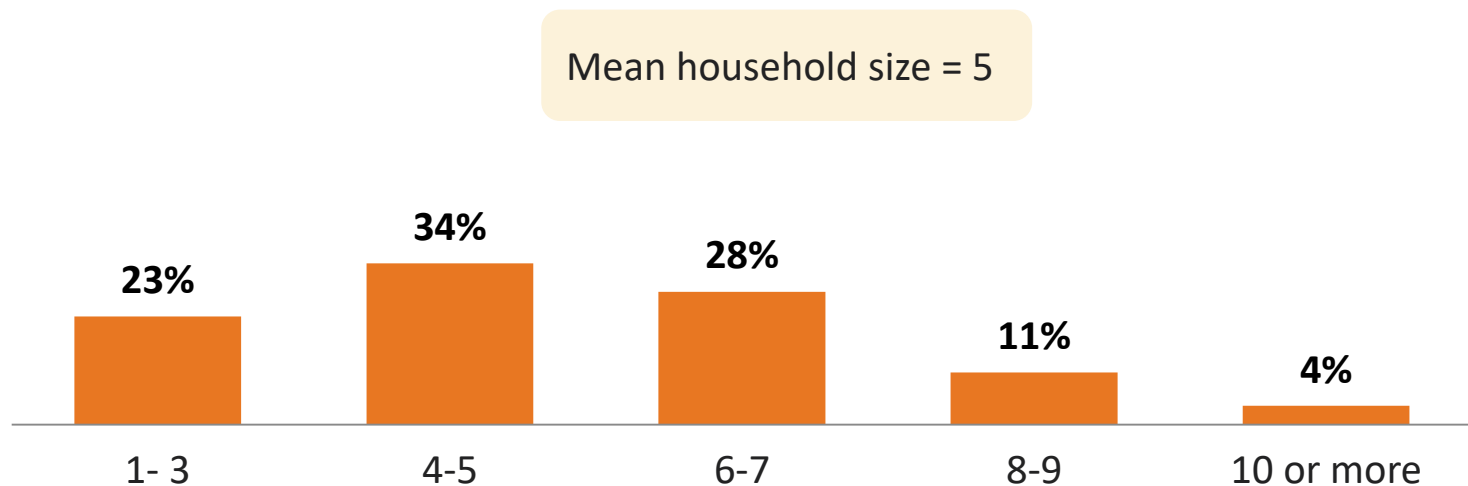


Location of low income Jordanians surveyed



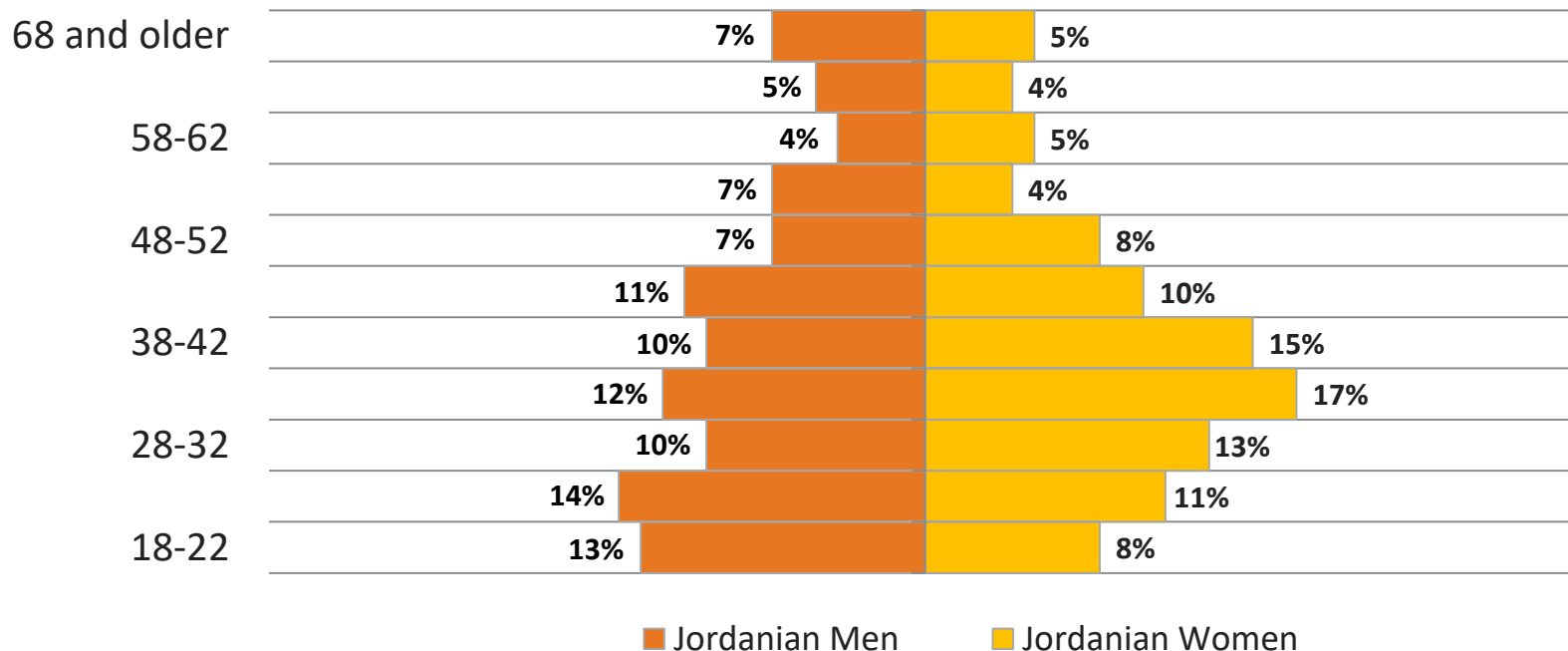


The average size of low income Jordanian households surveyed is 5



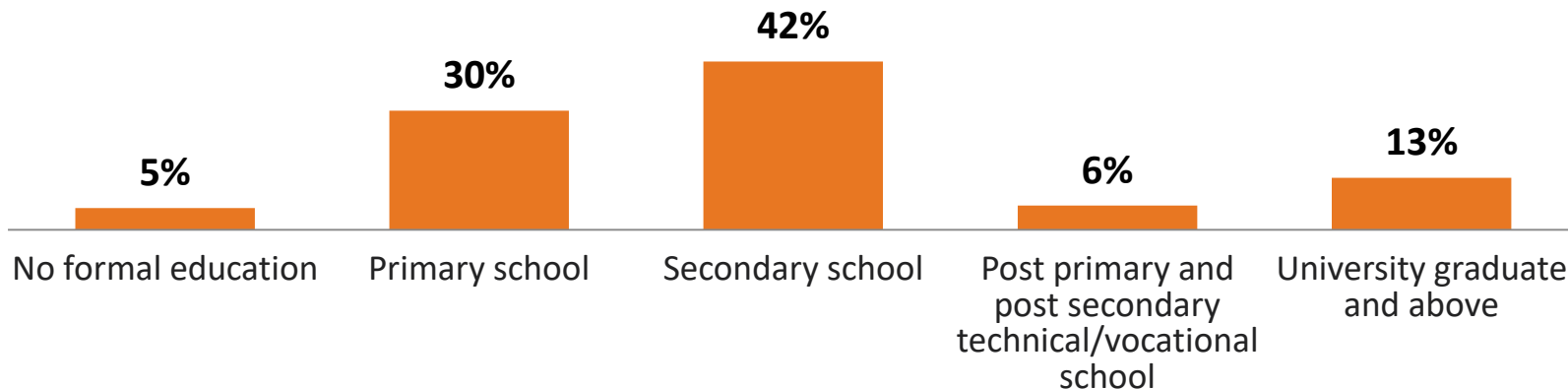


The average age of low income Jordanians surveyed is 40 years old



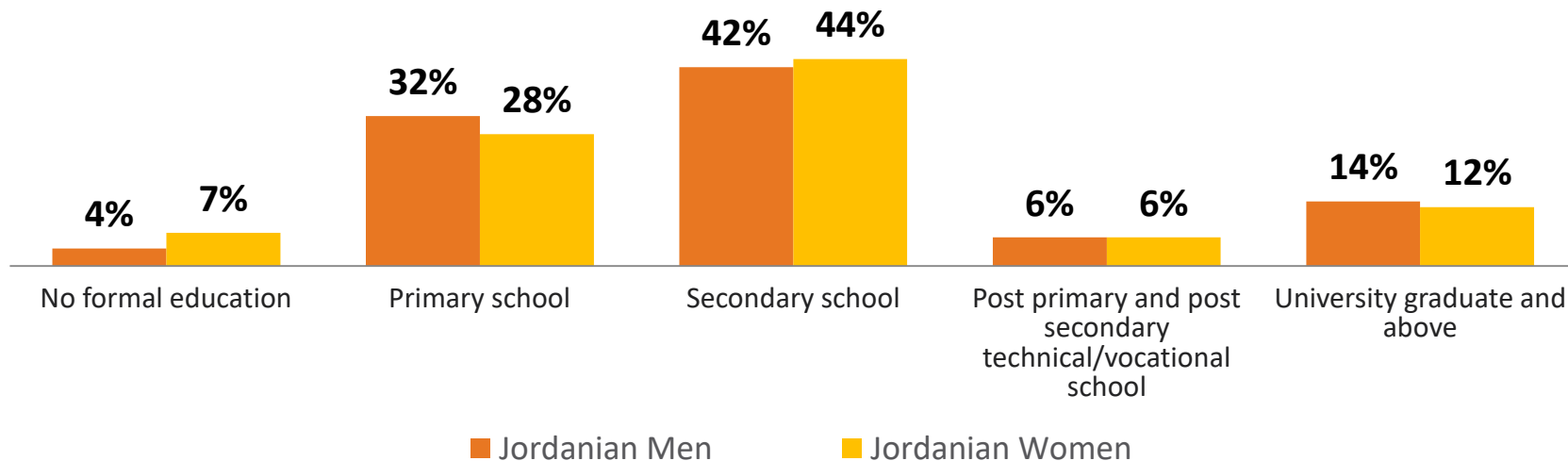


Almost half of low income Jordanians surveyed have completed secondary school



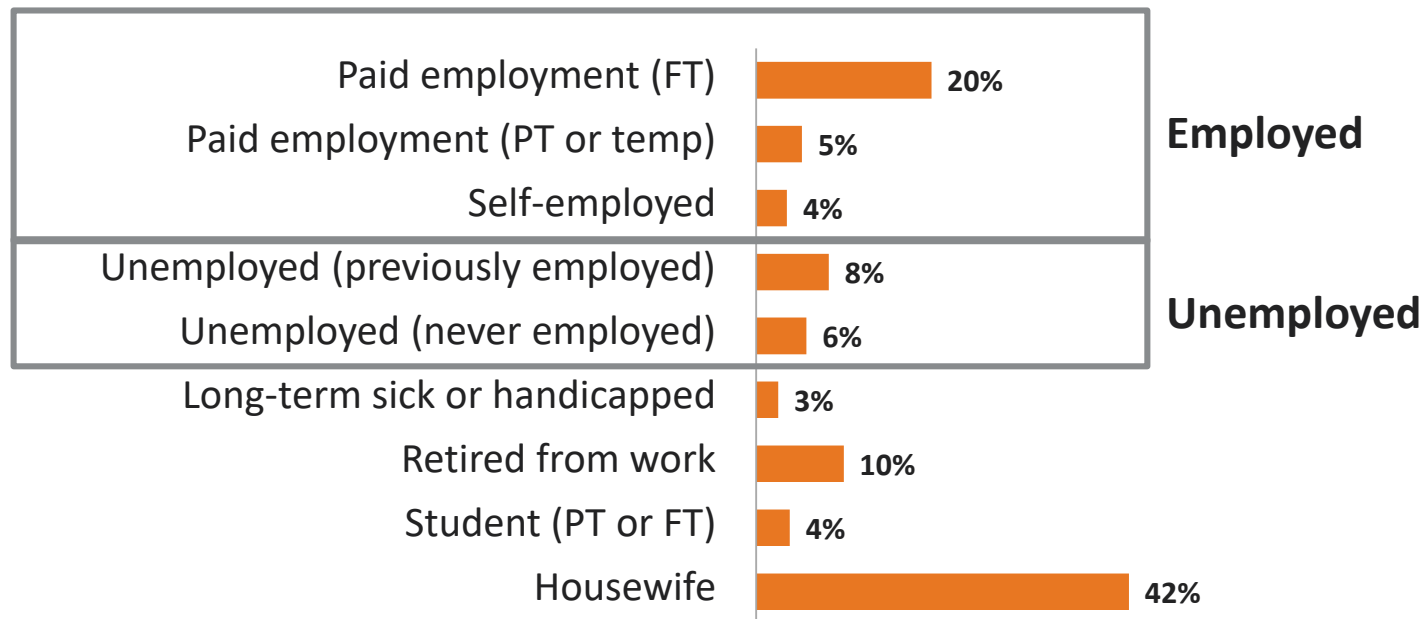


Women and men report similar levels of education





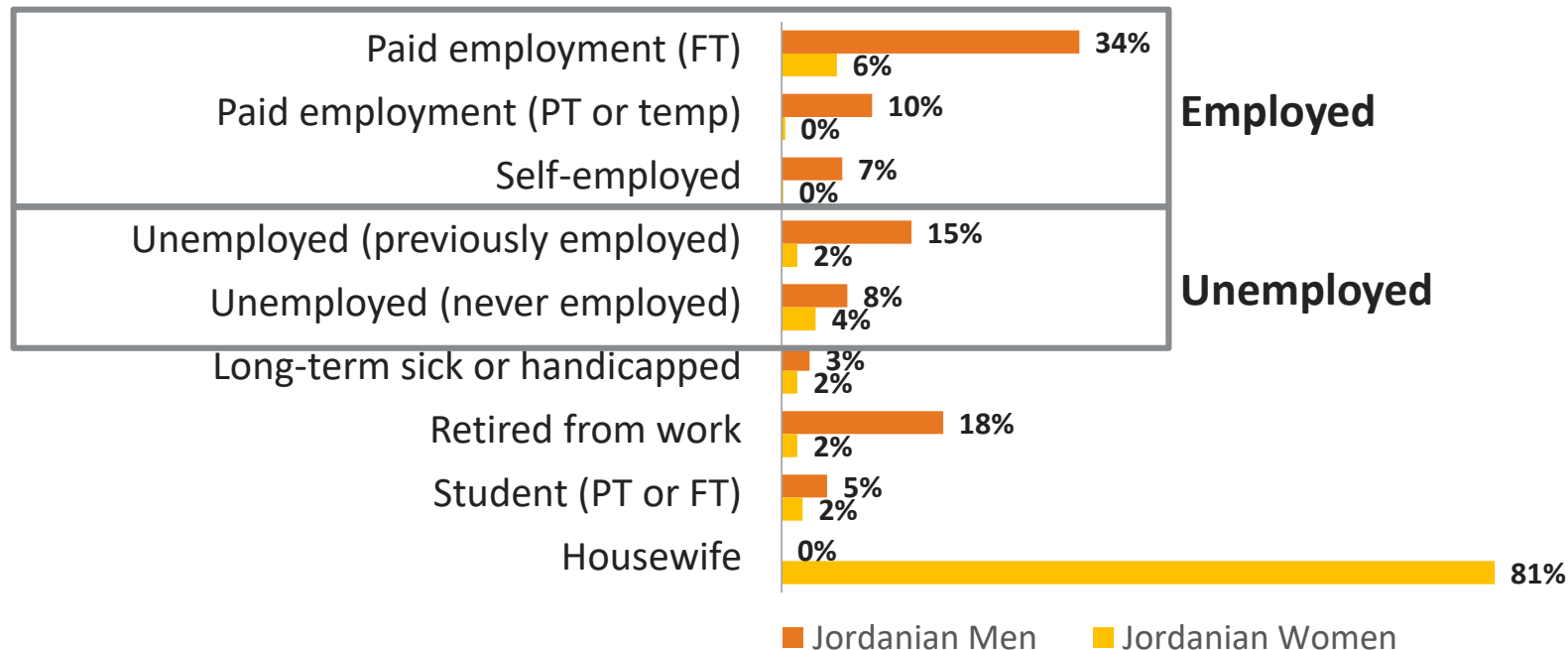
A fifth of low income Jordanians surveyed are employed full time





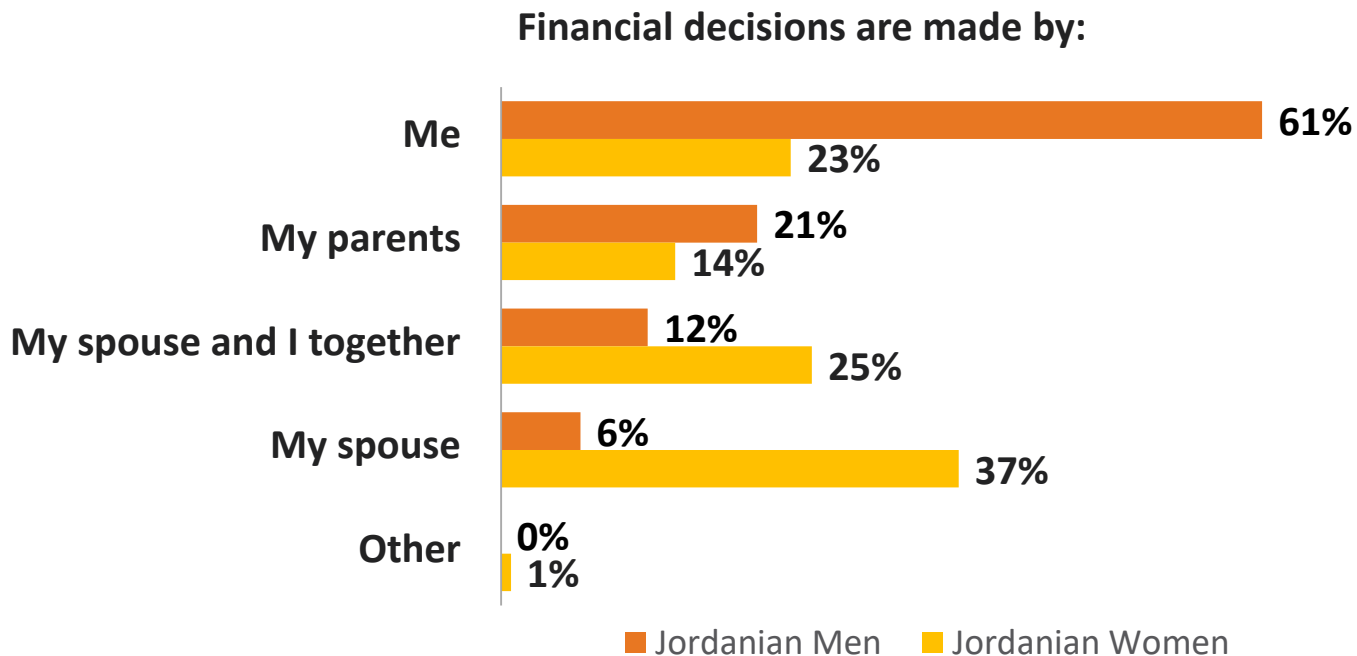
Almost all women surveyed are housewives, while around half of men are employed

Employment Situation





Men are more likely than women to report that they are responsible for household financial decisions





However, in focus groups women were generally perceived as being better able to make household financial decisions than men

“I do [the finances] because we are aware of the house needs, because the husband might not know what is needed at home, but the housewife knows what is needed and how to prioritize.”

Jordanian Woman, Amman

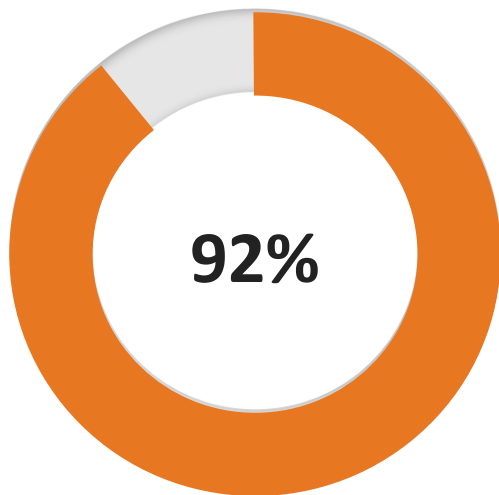
“The wife does a better job deciding where to spend the money than men, women are strict and make better judgments. If all decisions were made by women, then our lives would have been better.”

Jordanian Man, Irbid

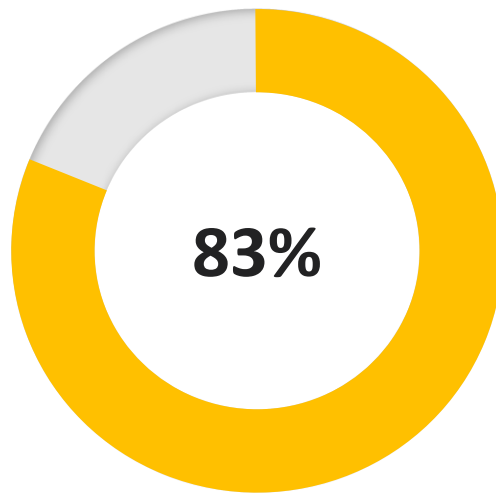


Most low income Jordanians surveyed have basic numeracy skills

Correctly answered a basic math question



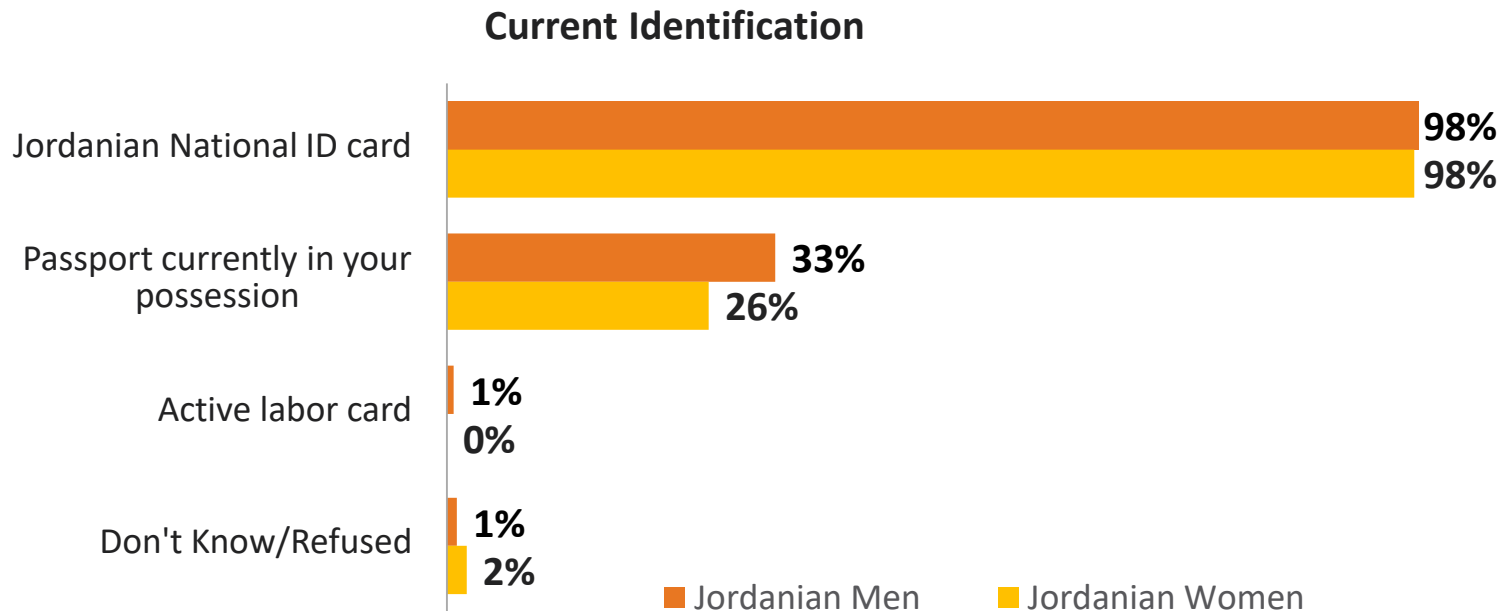
Jordanian Men



Jordanian Women



Almost all low income Jordanians surveyed have a national ID, while about a third also have a passport



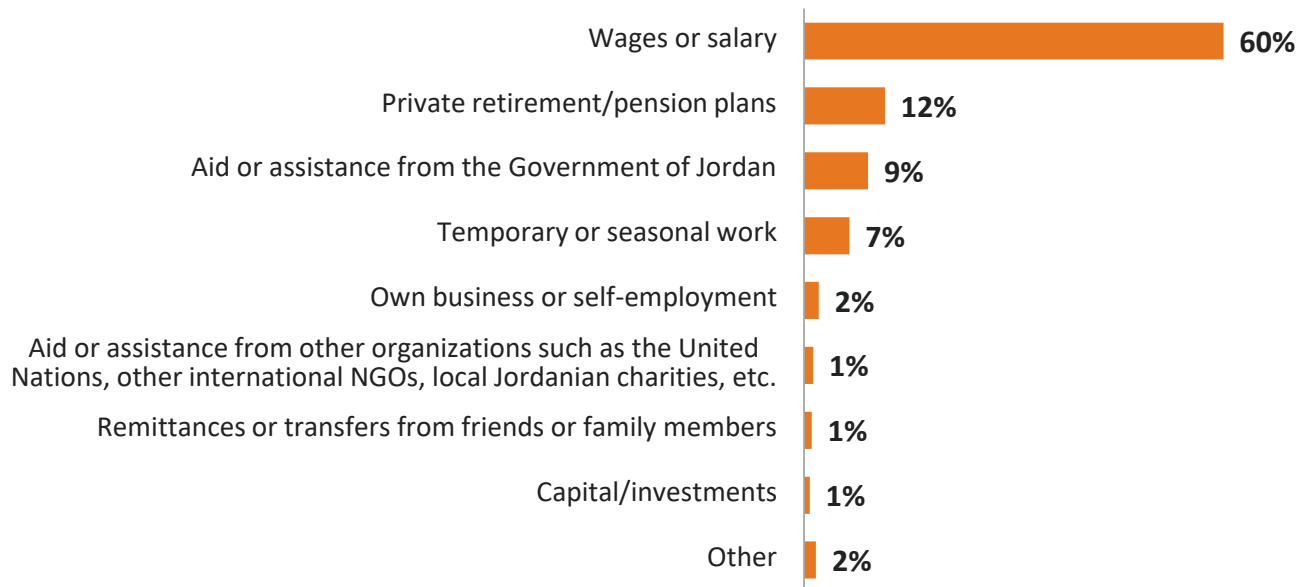


Baseline Demand-Side Study on Digital Remittances in Jordan
Low Income Jordanians

Personal Finances

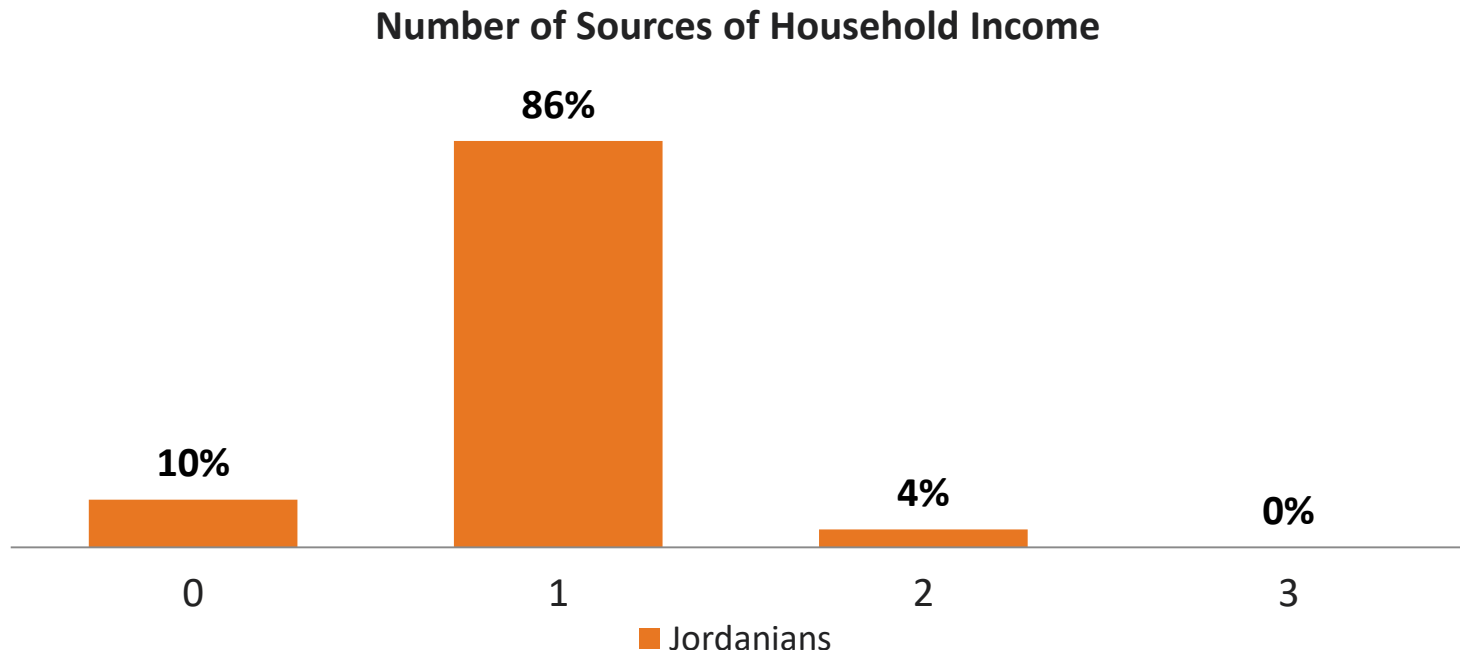
The primary source of household income is wages or salary

Sources of Household Income





Most low-income Jordanians report 1 source of household income

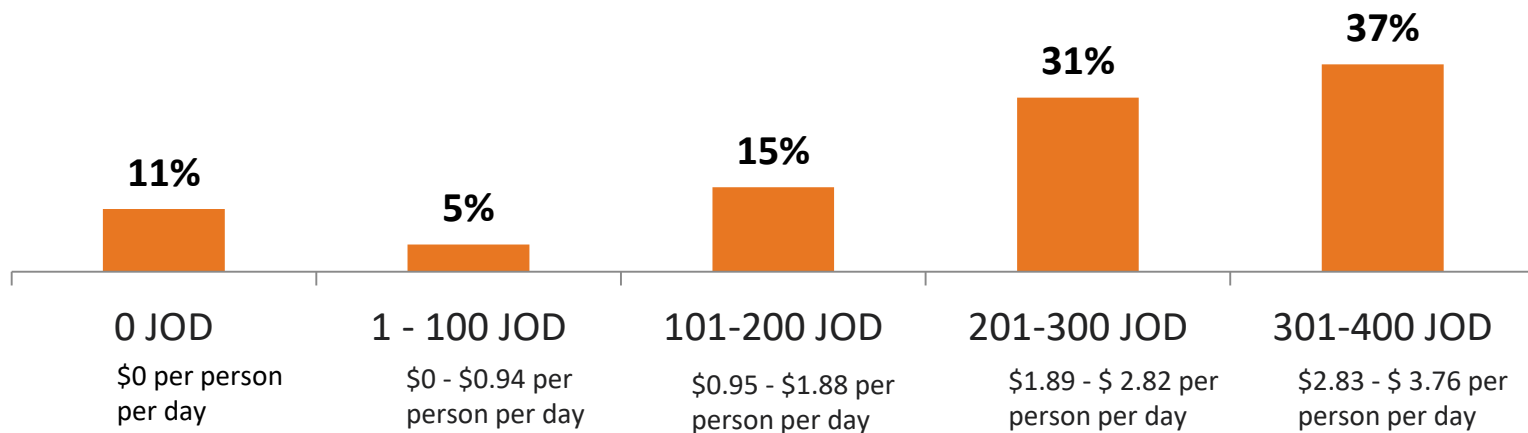




Most households have an income between 200 and 400 JOD a month

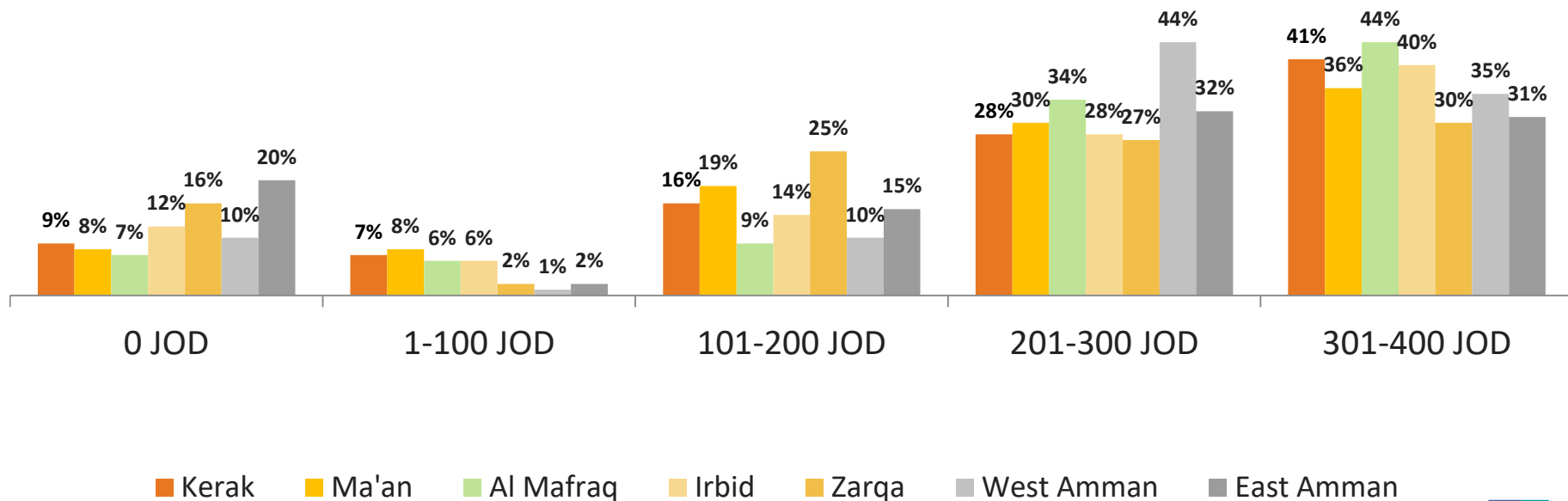
Average Household Monthly Income (capped at 400 JOD per month)

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)



Those in Amman tend to have a higher household income

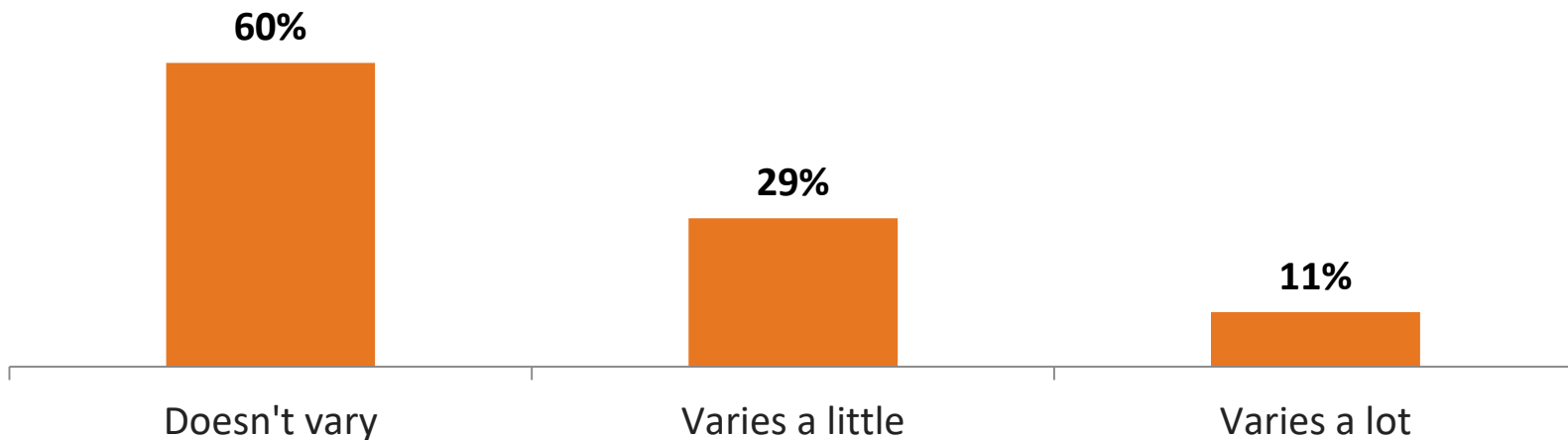
Average Monthly Household Income by Location
(capped at 400 JOD per month)





Most report that their income doesn't vary or varies a little from month-to-month

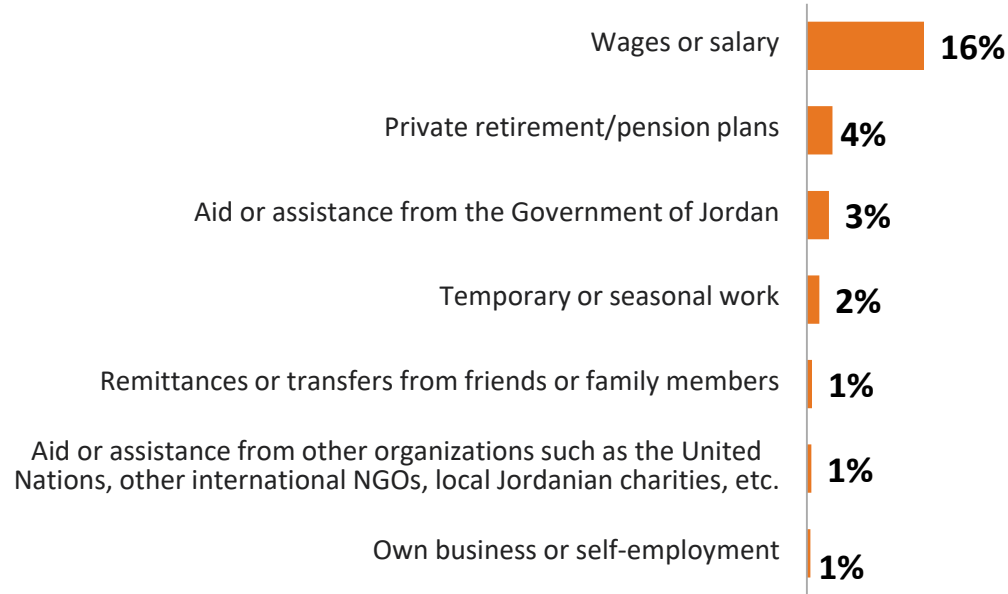
Variation of Household Income





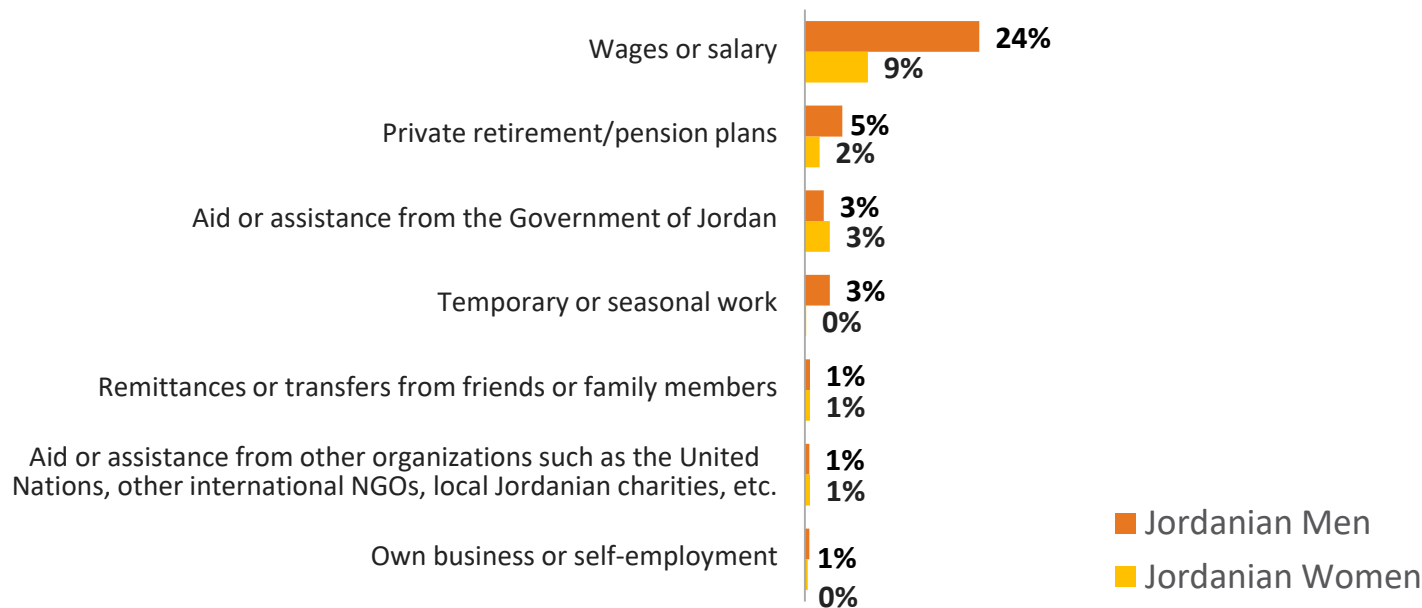
The primary source of individual income of low income Jordanians is wages or salary

Sources of Individual Income



More men report earning wages or salary than women

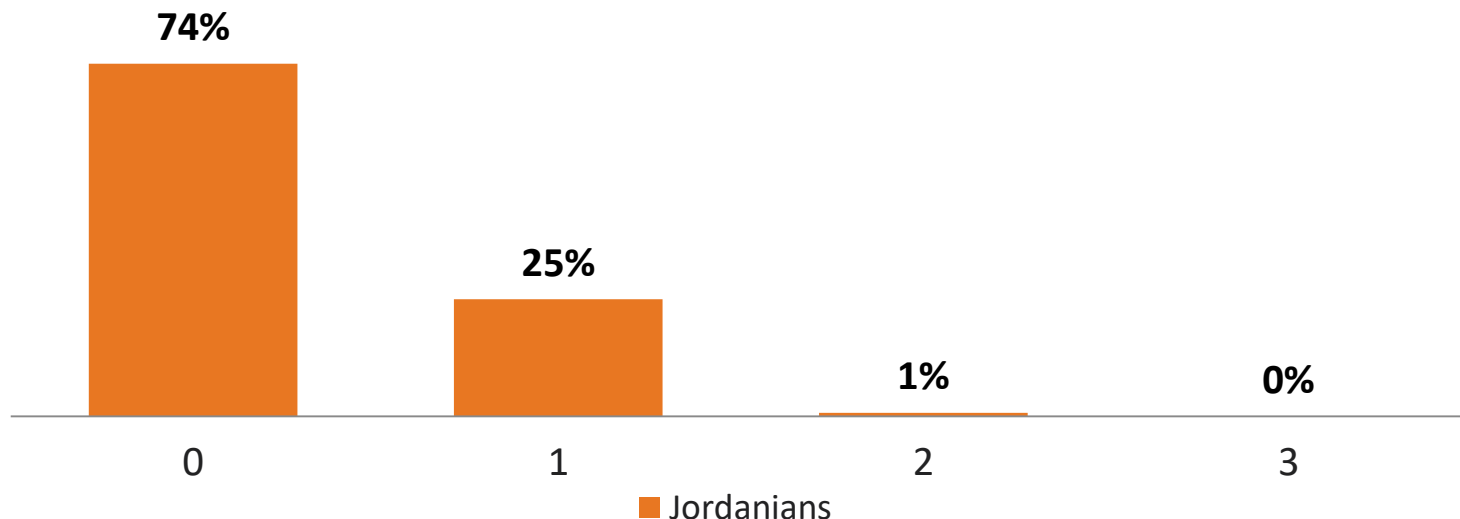
Sources of Individual Income



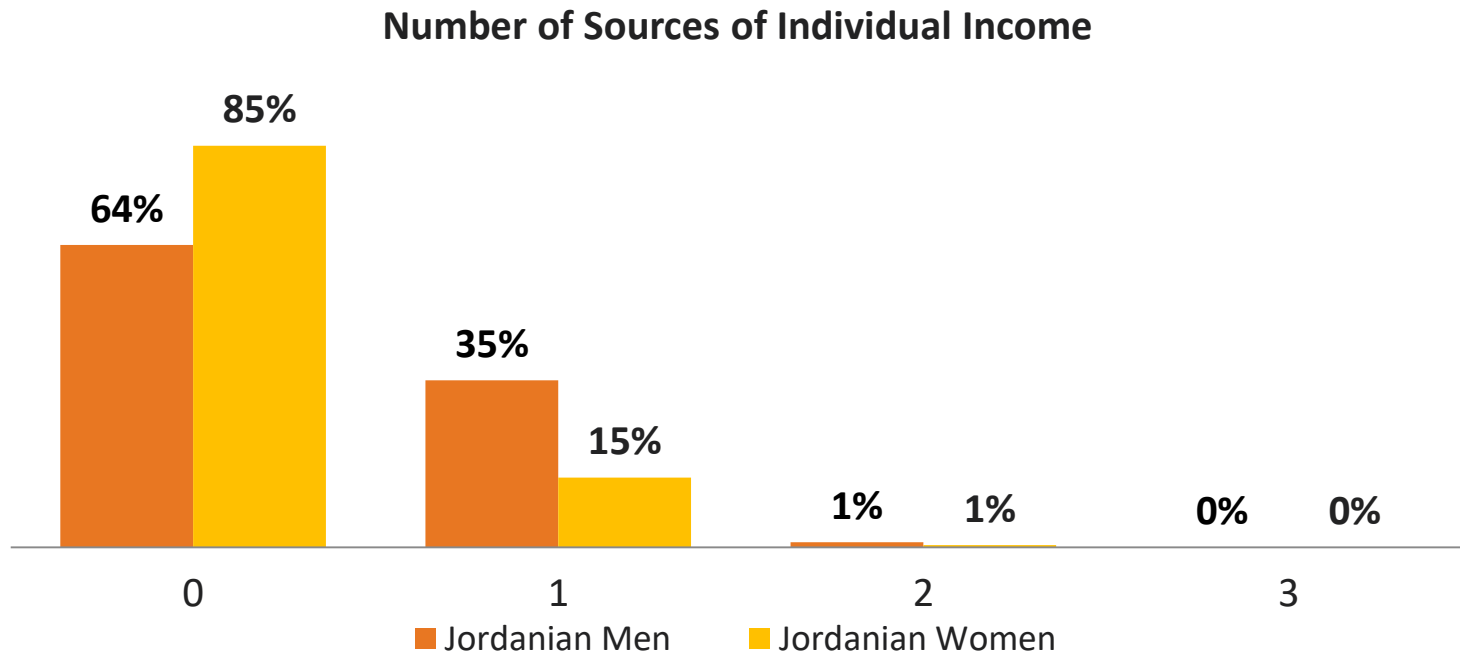


Most low-income Jordanians report that they don't have any sources of individual income

Number of Sources of Individual Income



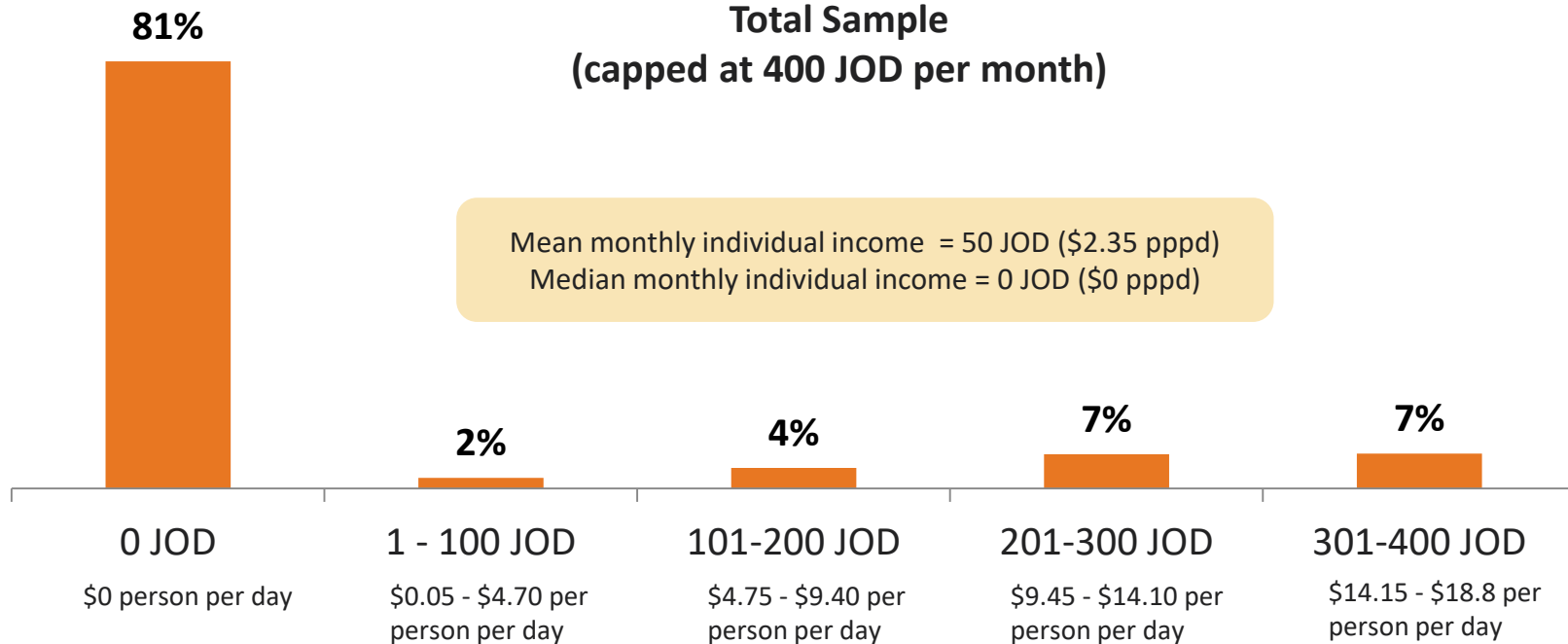
Women report less sources of individual income than men





The average individual income for low income Jordanians is 50 JOD

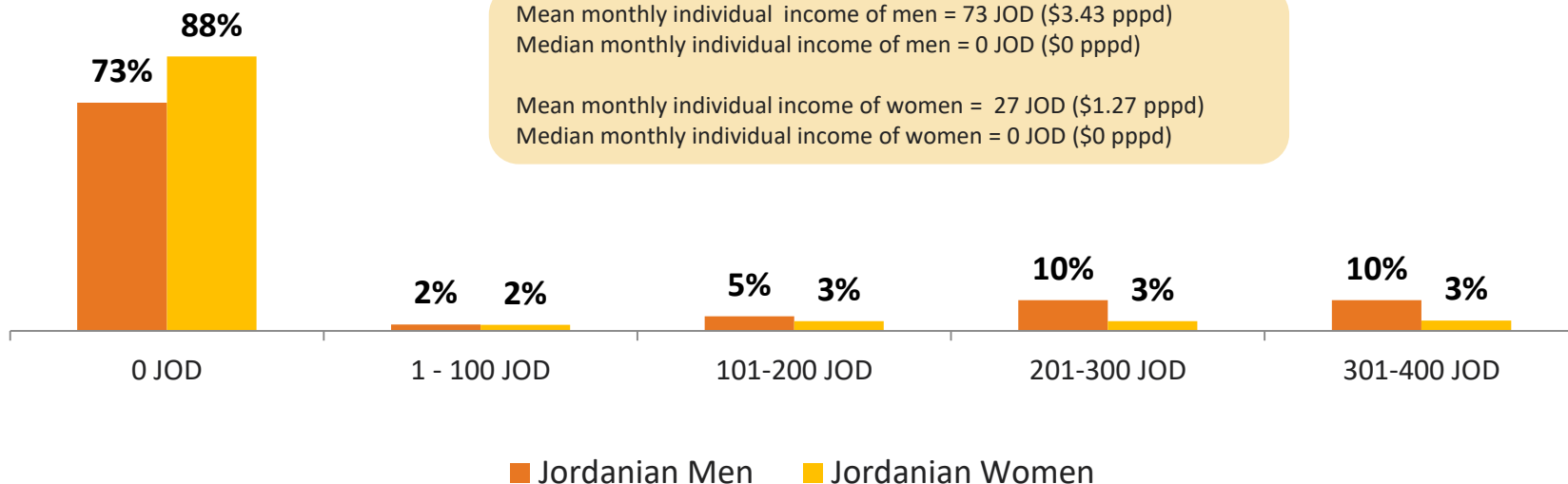
Average Monthly Individual Income
Total Sample
(capped at 400 JOD per month)





Low income Jordanian men report a higher income than low income Jordanian women

Average Monthly Individual Income Total Sample (capped at 400 JOD per month)





Demographic profile of low income Jordanians who reported having no (0 JOD) individual income

Gender



45% male
55% female

Employed (Full or part time)



24%

Average Age



40

Average Monthly Household Income



251 JOD

Completed Secondary School



43%

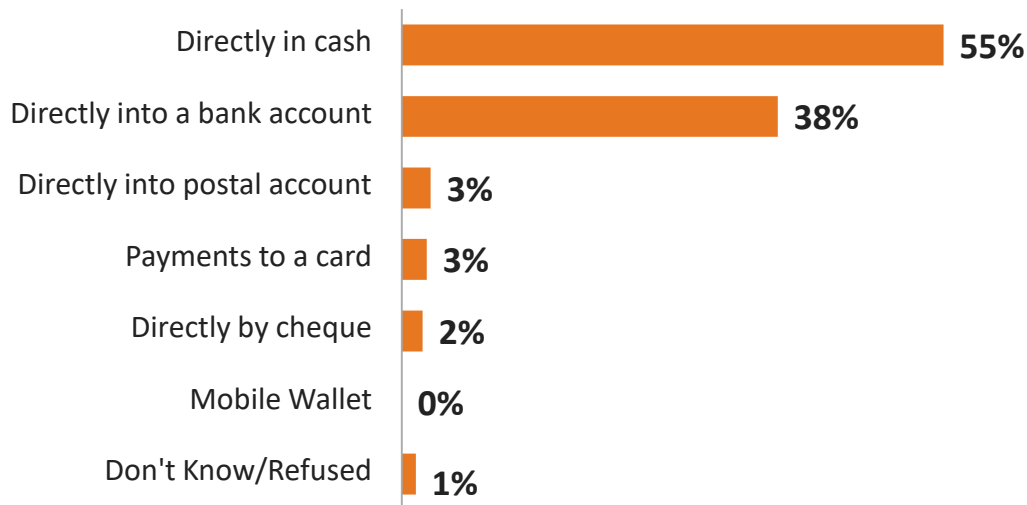
Locations



68% Urban | 32% Rural

The majority of those with individual income report receiving it directly in cash

Method of Receiving Individual Income (of those who receive individual income)



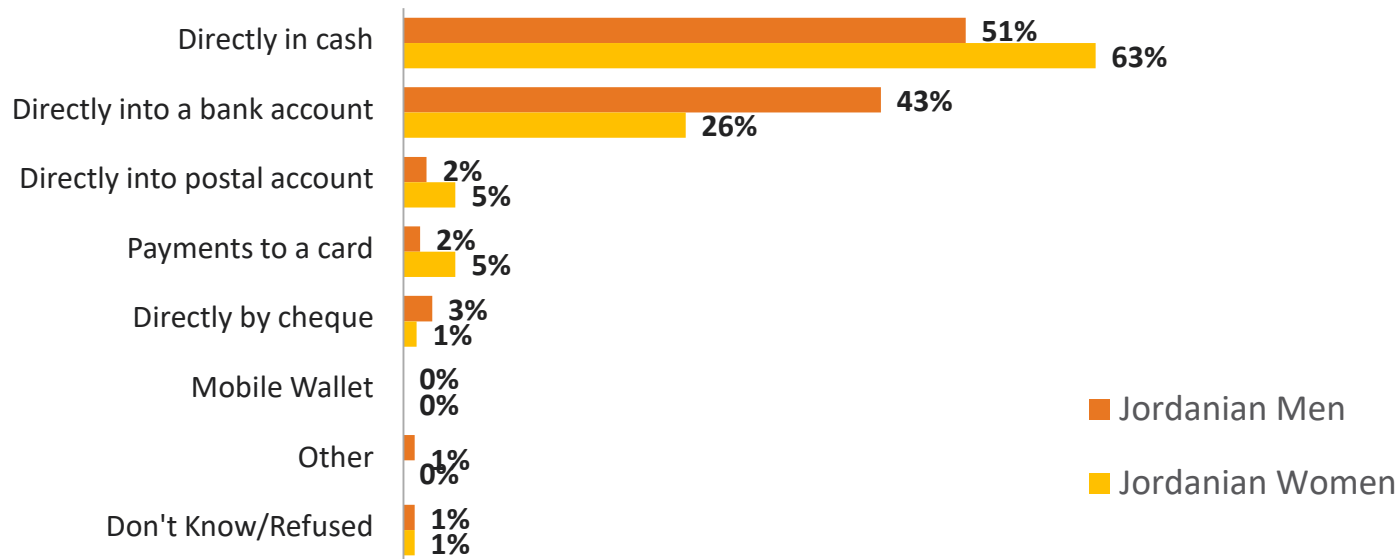
Base size:
n=280

Q2.4 And for [INSERT ANSWER FROM 2.1] how did you receive this money?
(Yes – Individual income)



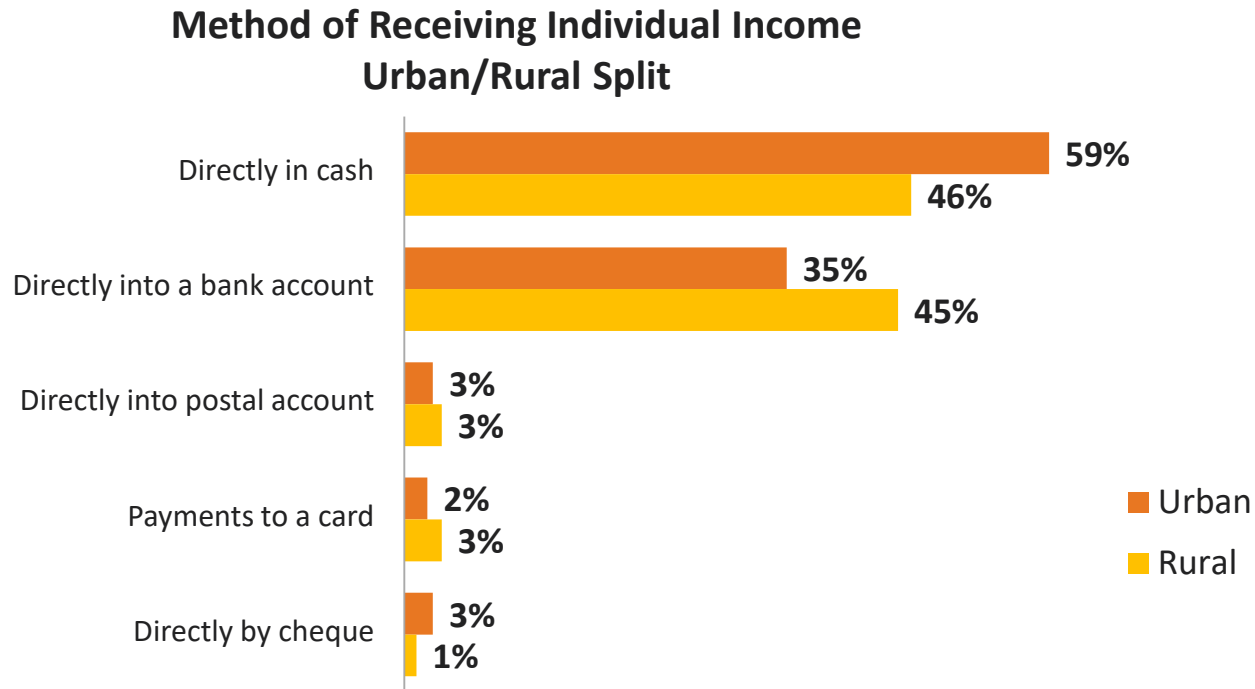
Women reported receiving their income in cash more often than men

Method of Receiving Individual Income (of those who receive individual income)



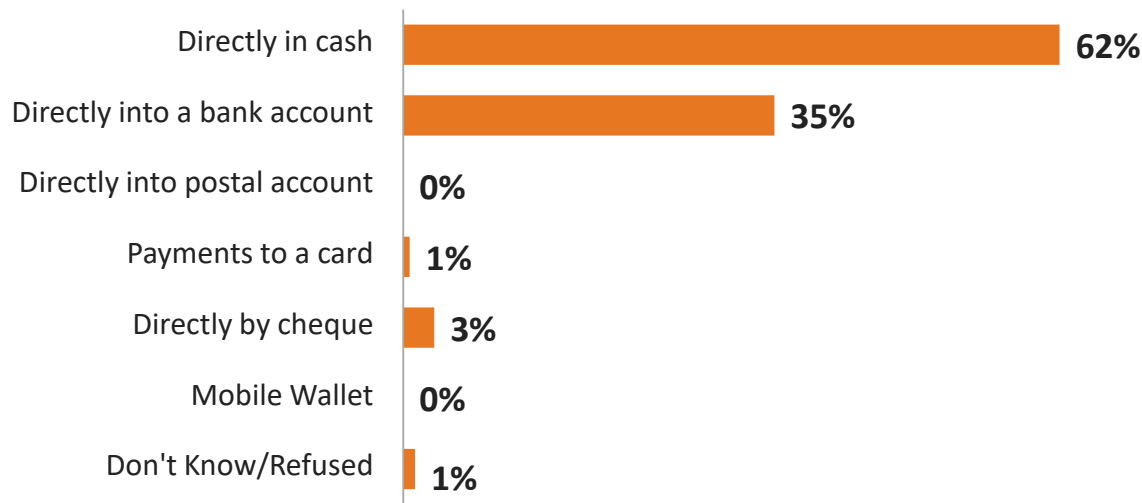
Base sizes:
n=194 for Jordanian men
n=86 for Jordanian women

Those in rural location are more likely to receive their income directly into a bank account



Those with individual income as wages or salary most often receive their income directly in cash

Method of Receiving Individual Income
(of those who receive wages or salary)



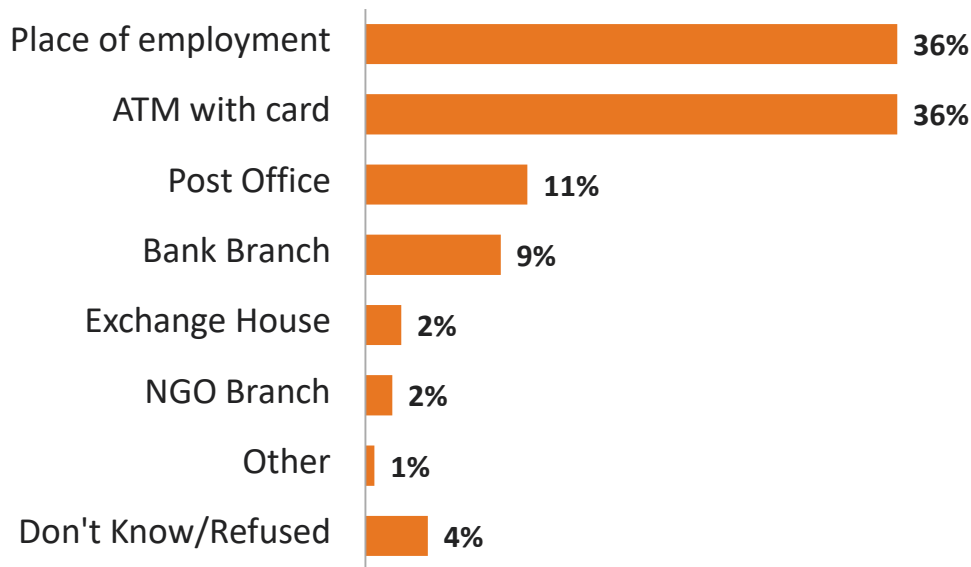
Base size:
n=175

Q2.4 And for [INSERT ANSWER FROM 2.1] how did you receive this money?



Low income Jordanians mostly receive their income at their place of employment or via an ATM with a card

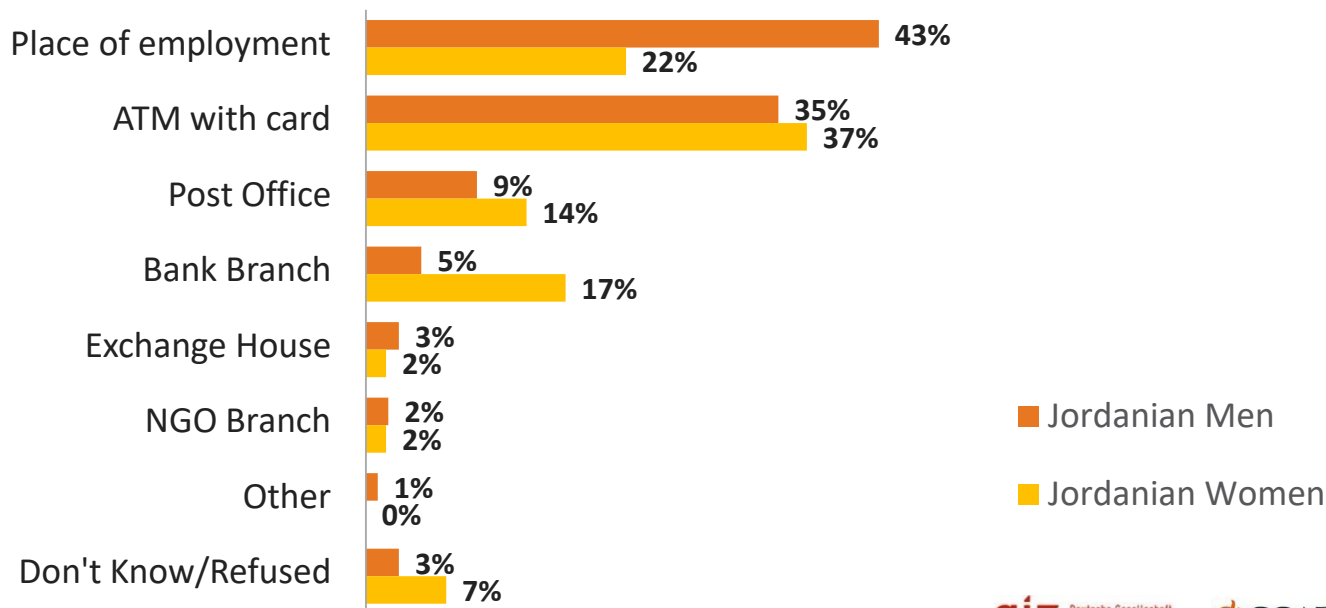
Location of Individual Income Received
(of people who receive payments in cash, by cheque or to a card)



Base size:
n=165

Women were more likely to use a bank or post office branch, while men receive income at the place of their employment

Location of Individual Income Received
(of people who receive payments in cash, by cheque or to a card)

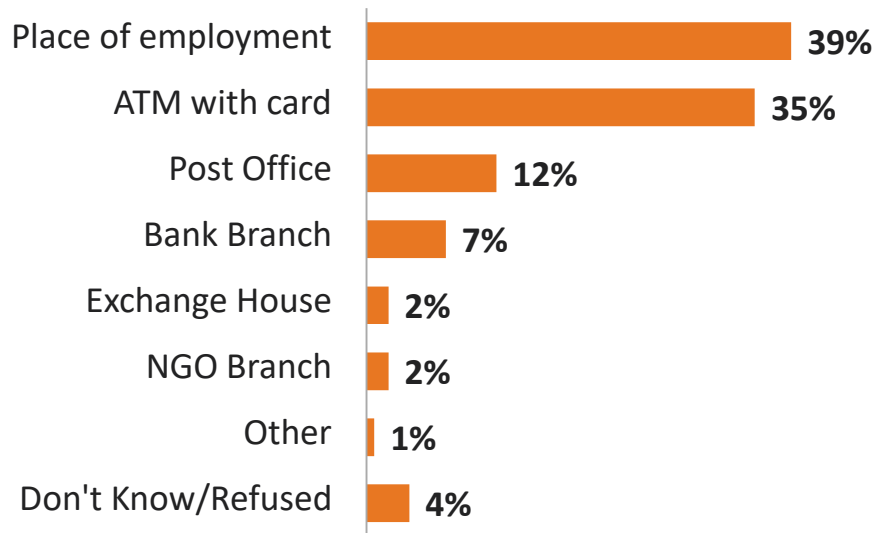


Base sizes:
n=106 for Jordanian men
n=59 for Jordanian women



Of those who received their income in cash, over a third reported that they received it at an ATM with a card.

Receive Income in Cash
Location of Individual Income Received

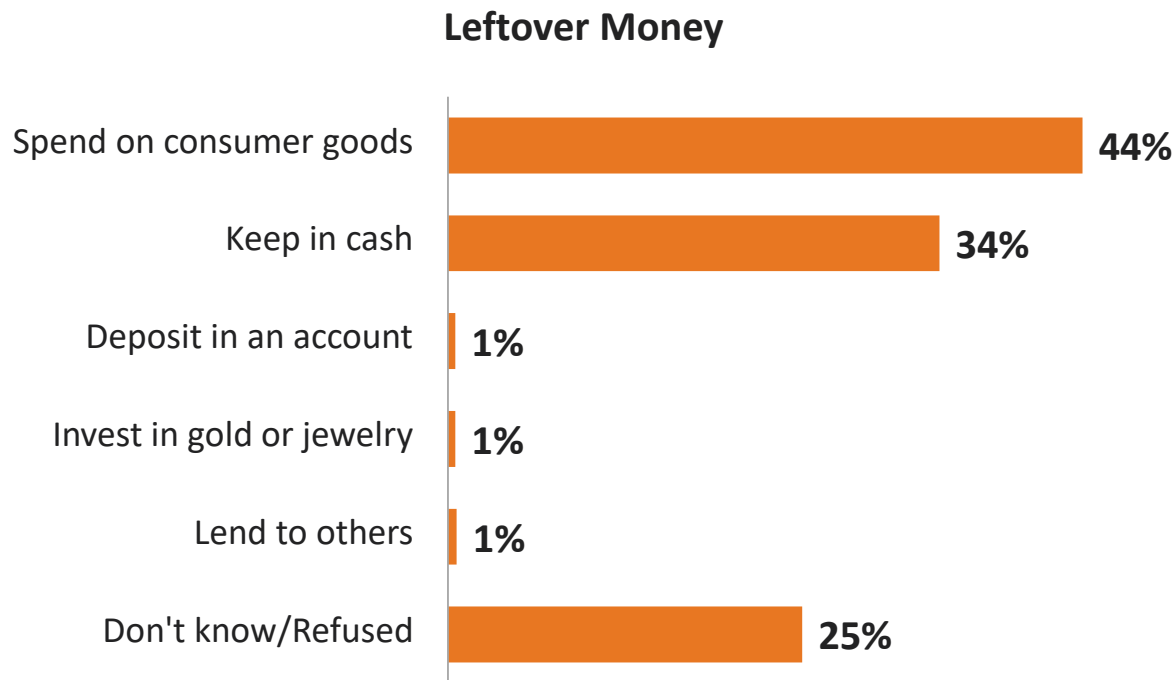


Base size:
n=153

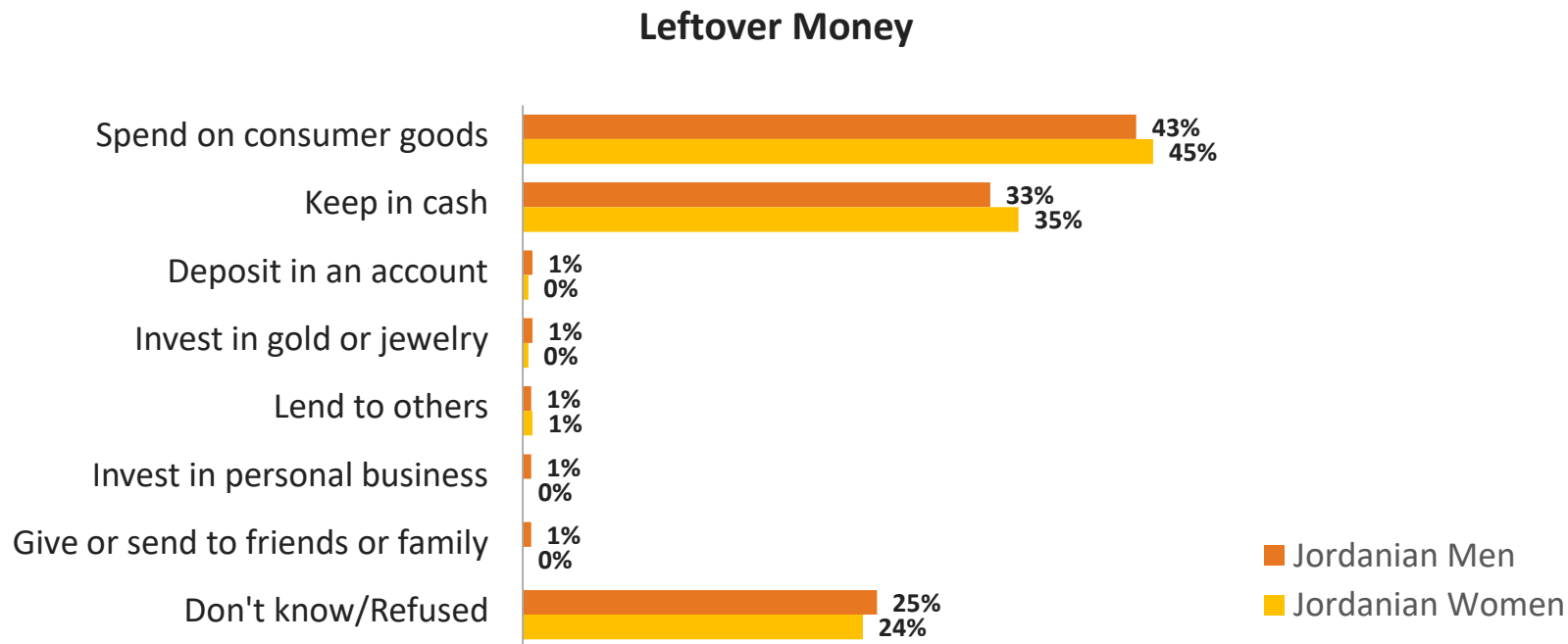
Q2.5 And for [INSERT ANSWER FROM 2.1] where did you receive this money?



More than one third of low income Jordanians said that if they had leftover money they would save it



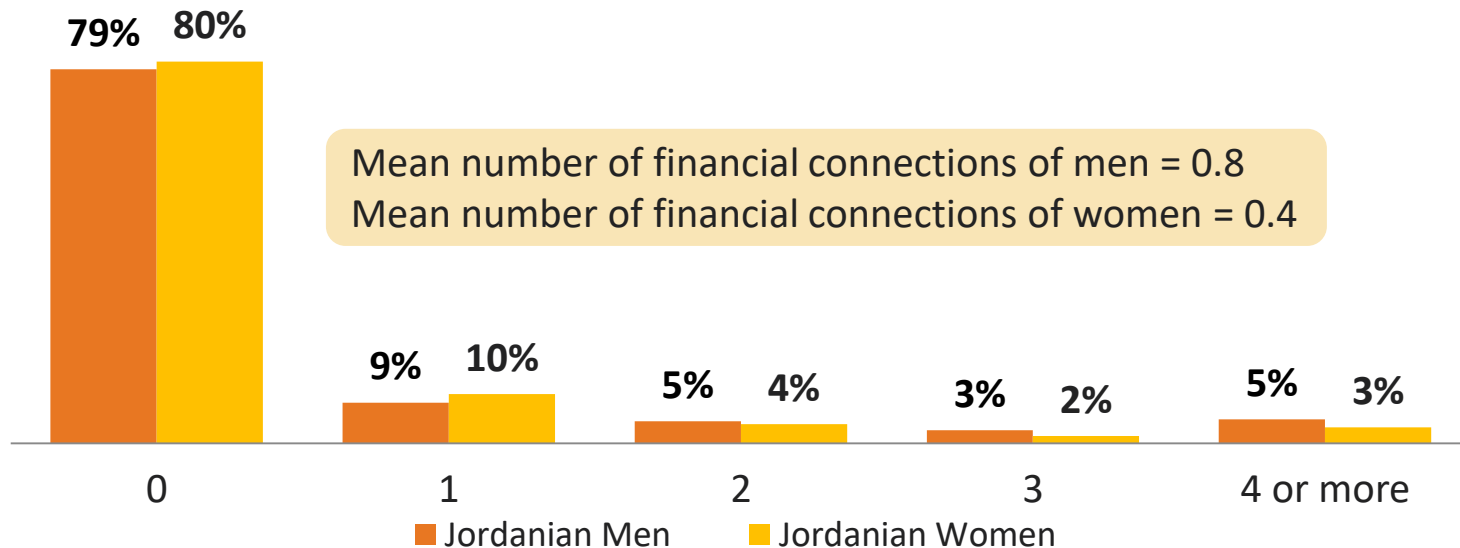
Men and women report similar uses of leftover money





One fifth of low income Jordanians report having financial connections with people outside of their households

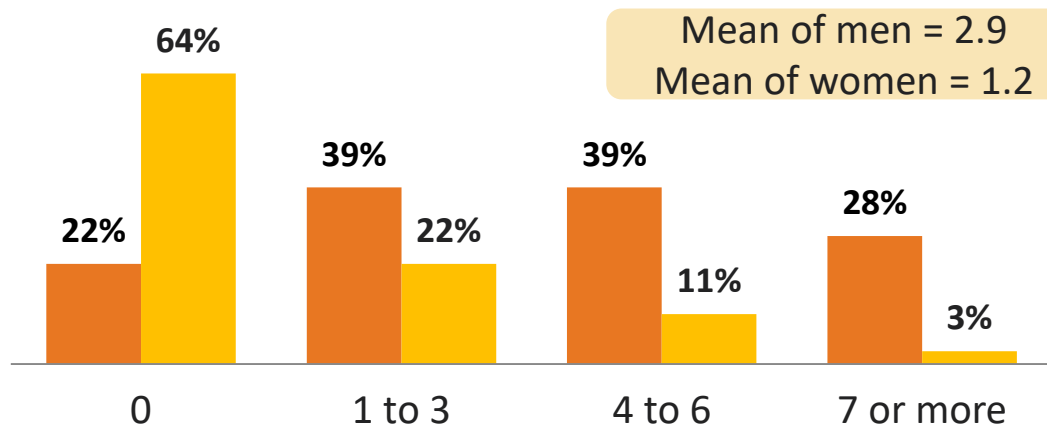
Number of Financial Connections





Of those that have financial connections, most report being financially responsible for people located in Jordan

Number of People Financially Responsible For
(of those who have a financial connection)



Location of People

Jordan



89%, 92%

Syria



3%, 5%

Bahrain, Palestine,
Iraq, Lebanon 1%, 0%

Base sizes:

n=88 for Jordanian men

n=39 for Jordanian women

Jordanian Men
Jordanian Women

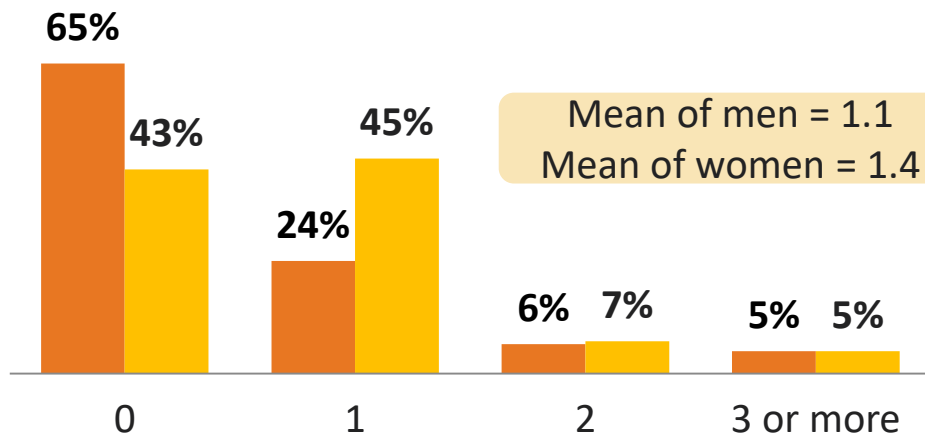
Base sizes:
n=113 for Jordanian men
n=109 for Jordanian women

Jordanian Men Jordanian Women



About half of low income Jordanians report being financially dependent on one or more people, mostly within Jordan

Number of People Financially Dependent On
(of those who have a financial connection)



Base sizes:
n=113 for Jordanian men
n=109 for Jordanian women

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D8 How many individuals are you financially dependent on?
D9 Where are the people you are dependent on located?

Location of People

Jordan



80%, 80%

Palestine



2%, 1%

Lebanon



2%, 1%

Syria



2%, 2%

Bahrain



4%, 0%

Pakistan, Saudi Arabia

0%, 1%

Jordanian Men
Jordanian Women

Base sizes:
n=55 for Jordanian men
n=83 for Jordanian women



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Digital Remittances in Jordan

INFORMATION AND TECHNOLOGY ACCESS



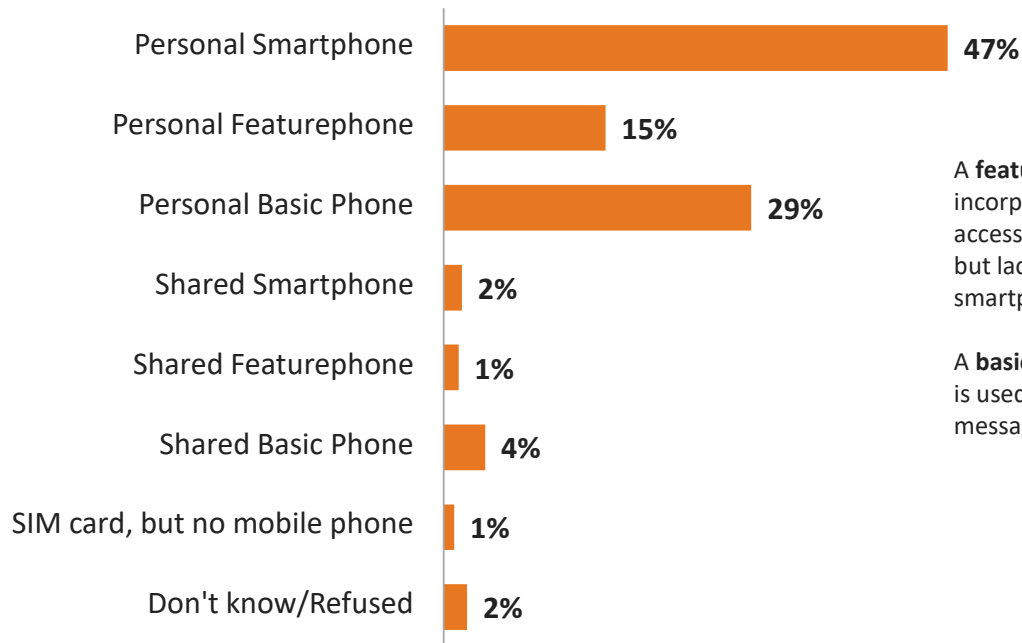
Baseline Demand-Side Study on Digital Remittances in Jordan
Low Income Jordanians

Information and Technology Access



Almost all low income Jordanians have a personal phone, and nearly half of those are smartphones

Access to Mobile Phones



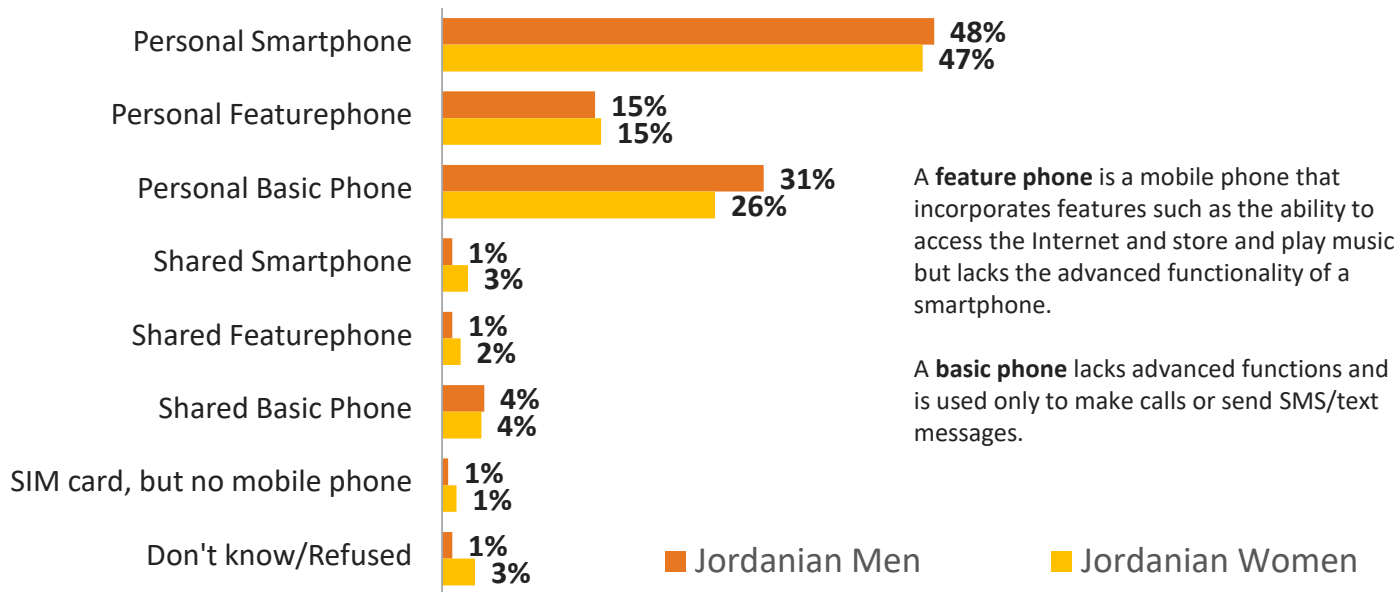
A **feature phone** is a mobile phone that incorporates features such as the ability to access the Internet and store and play music but lacks the advanced functionality of a smartphone.

A **basic phone** lacks advanced functions and is used only to make calls or send SMS/text messages.



Men and women report similar access to mobile phones

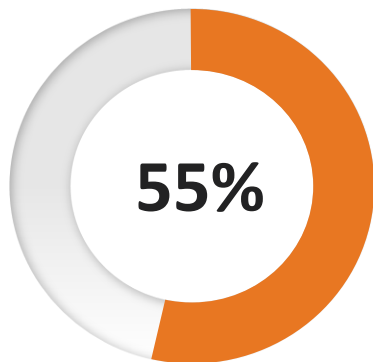
Access to Mobile Phones



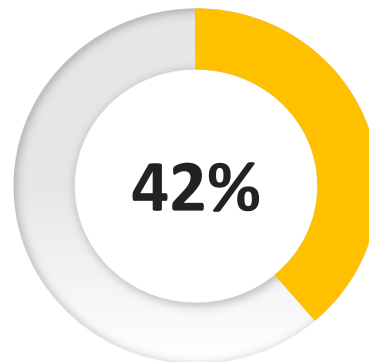


Of those who have a shared phone, more men than women have their own SIM card

Have Own SIM Card for Shared Phones
(of those who have access to a shared phone)



Jordanian Men



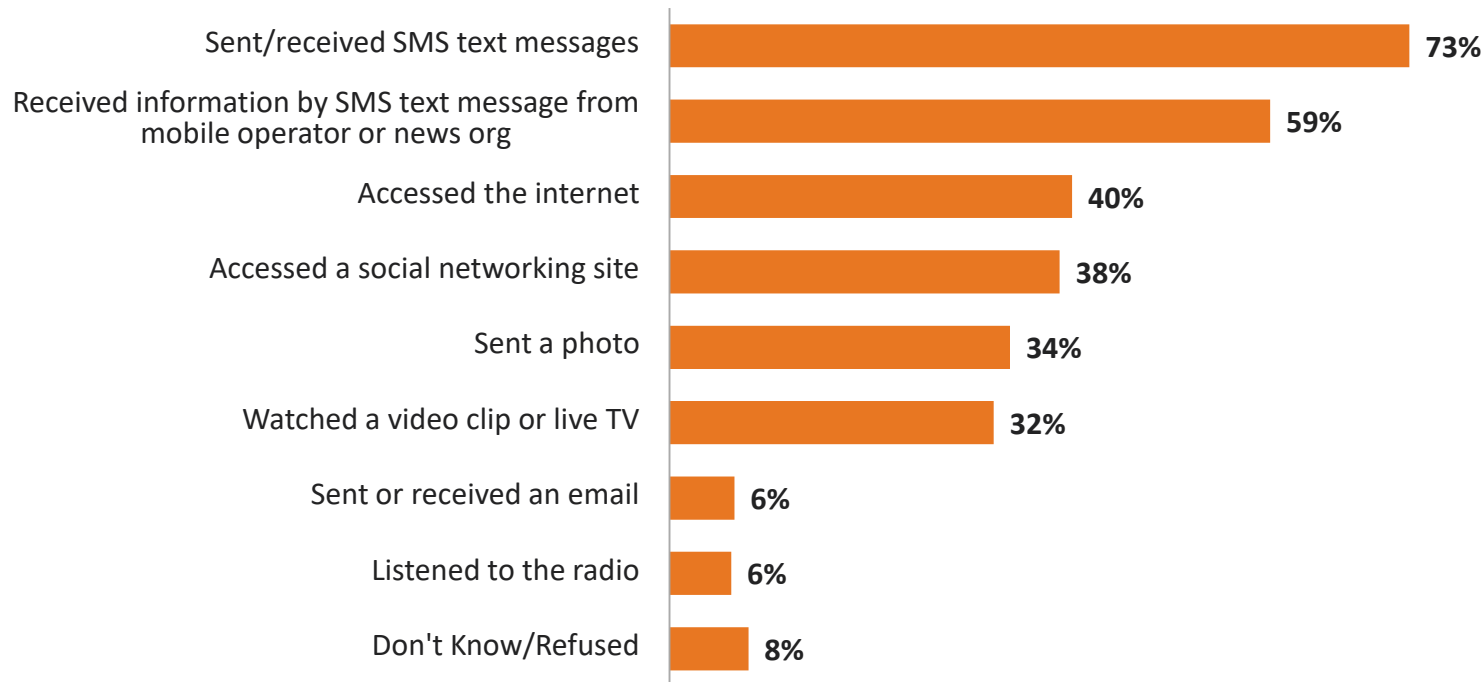
Jordanian Women

Base sizes:
n=31 for Jordanian men
n=45 for Jordanian women



SMS text messaging is the most common mobile phone activity reported

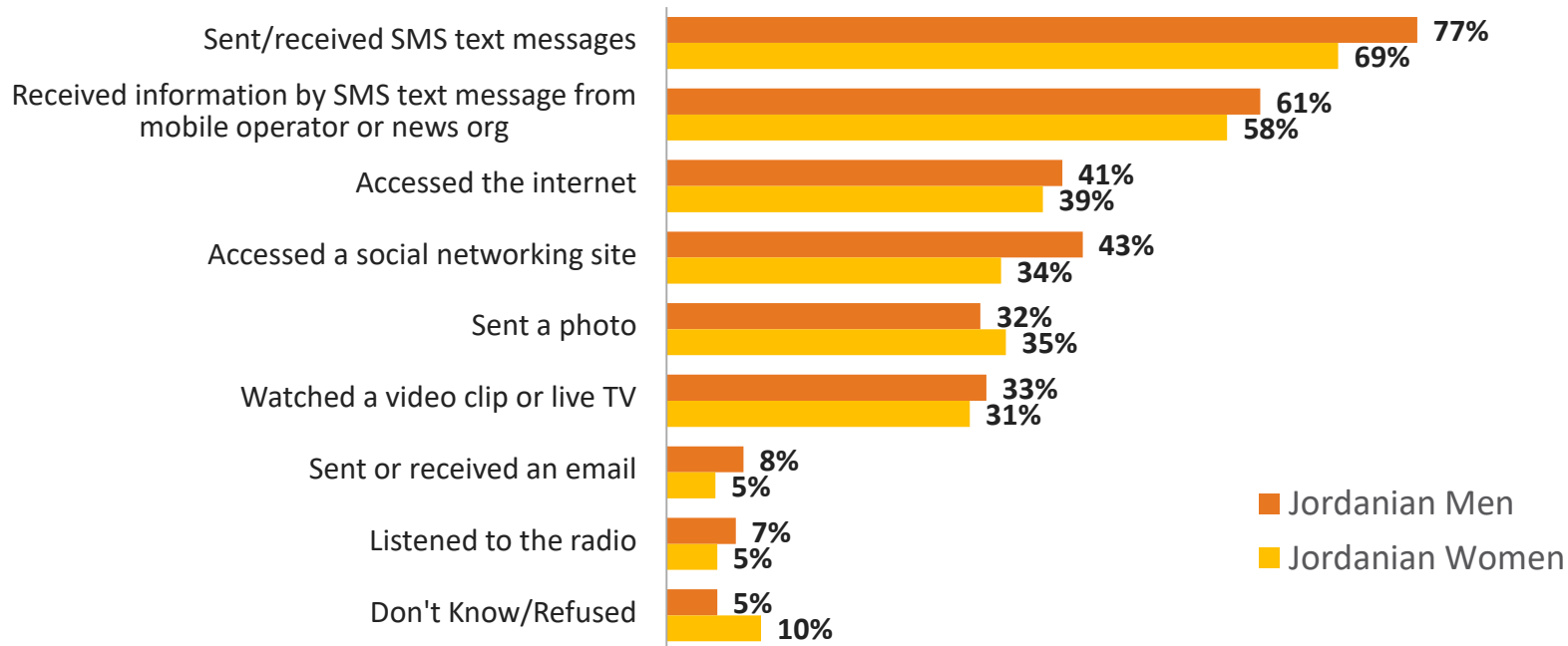
Mobile Phone Activity





Slightly more men than women report using their phone for SMS messages

Mobile Phone Activity





Low income Jordanians find mobile phones convenient for work, study, and socialization

**Jordanian Woman,
Amman**

“[I use it for] work, for example, a client needs to talk to me and order, she uses WhatsApp instead of coming all the way. My nephews in America, I socialize with them more.”

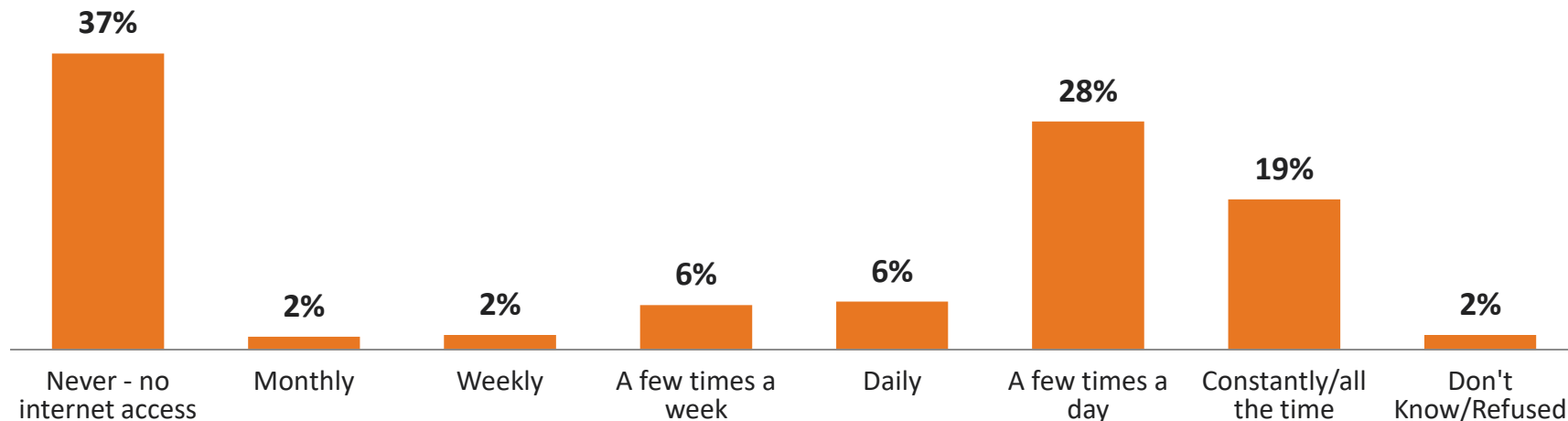
**Jordanian Man,
Mafrq**

“I use it [my phone] for everything, for entertainment like Facebook and WhatsApp, to communicate with others, sending emails, I prefer to use the mobile over the laptop because it is more compact and easier to use and move around without cables, I use the phone to help me with my MA studies which I can access online through my phone.”



A third of low income Jordanians report accessing the internet a few times a day

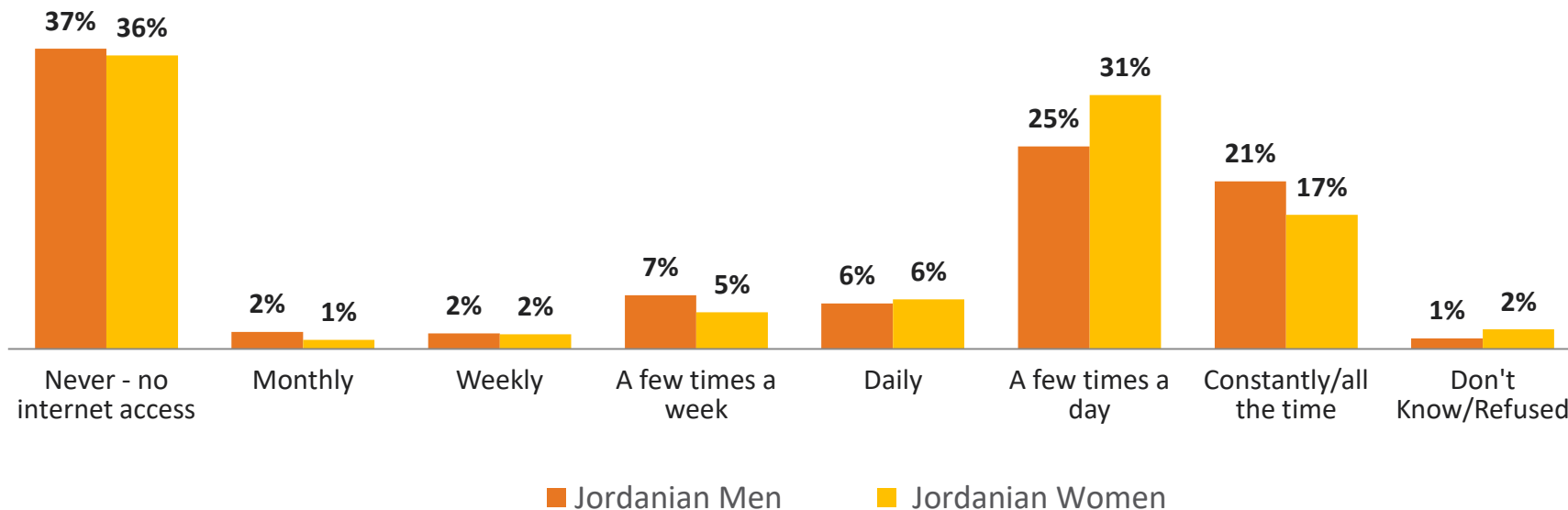
Frequency of Internet Access





A third of low income Jordanians report accessing the internet a few times a day

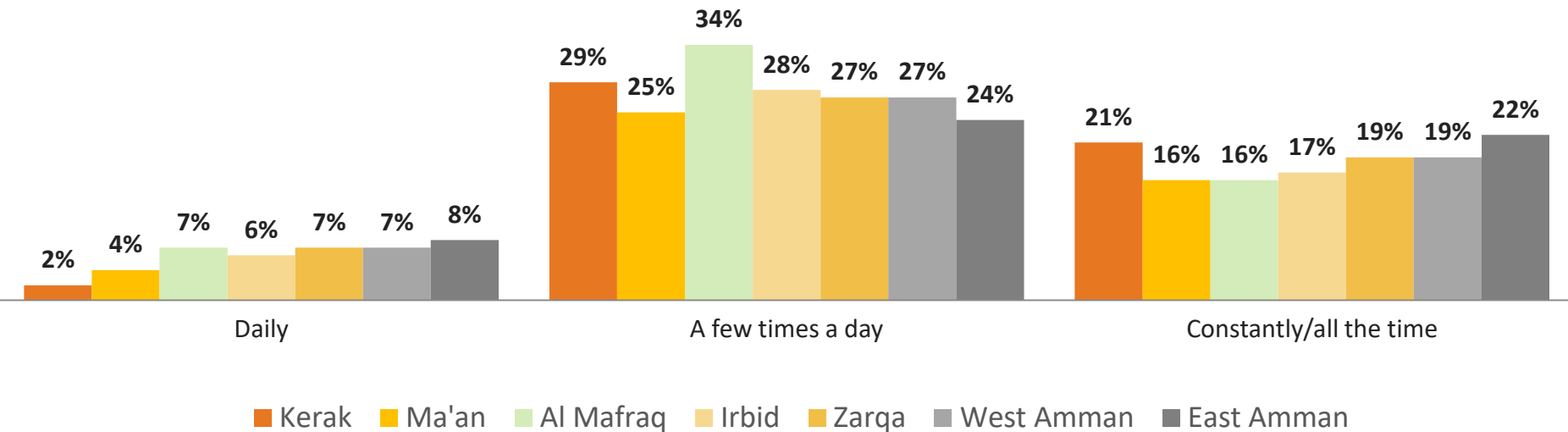
Frequency of Internet Access





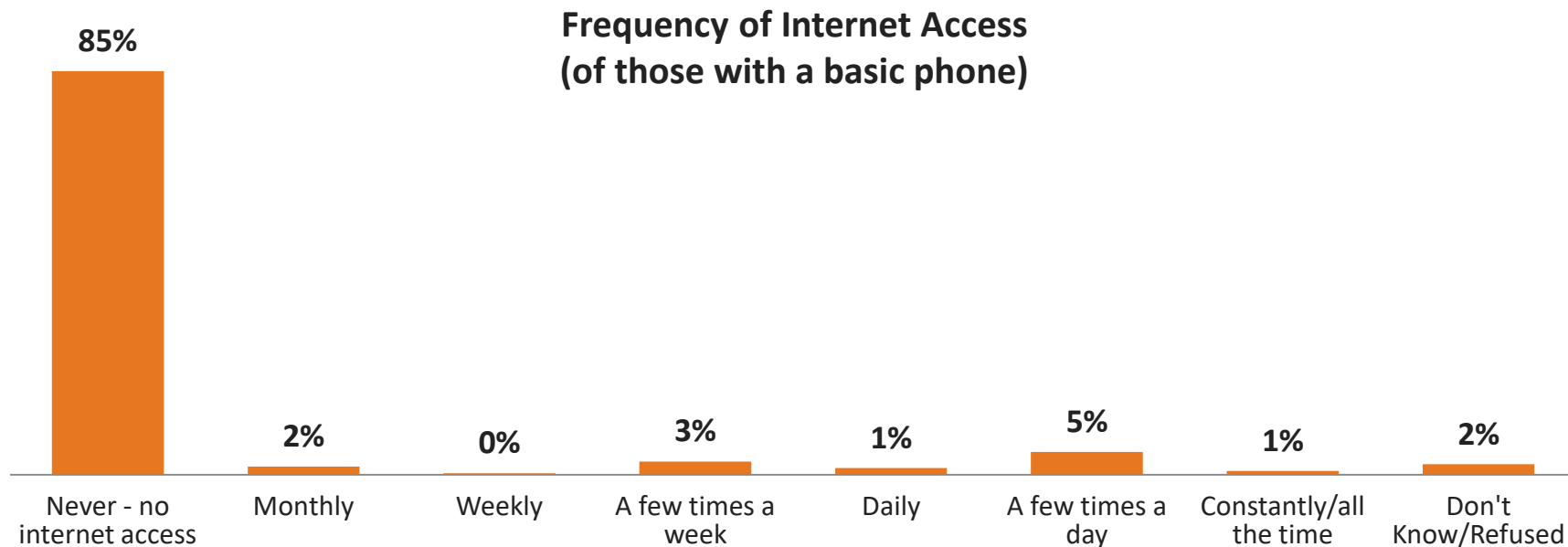
Of those who access the internet daily or more, those in Al Mafrq report slightly higher frequency of access

Frequency of Internet Access
(Daily or More)





Most low income Jordanians with basic phones reported having no internet access



Base sizes:
n=356



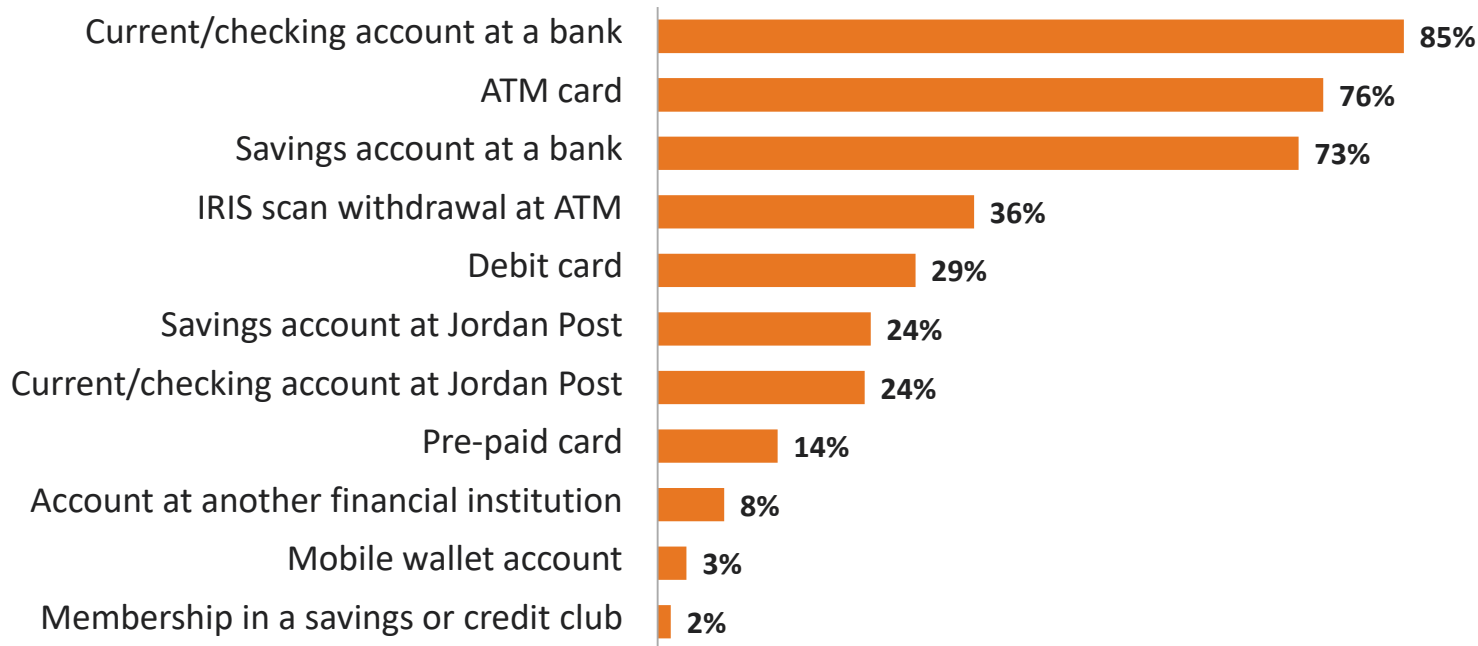
Baseline Demand-Side Study on Digital Remittances in Jordan Low Income Jordanians

Awareness and Use



Most low income Jordanians are aware of savings and checking accounts at banks as well as ATM cards

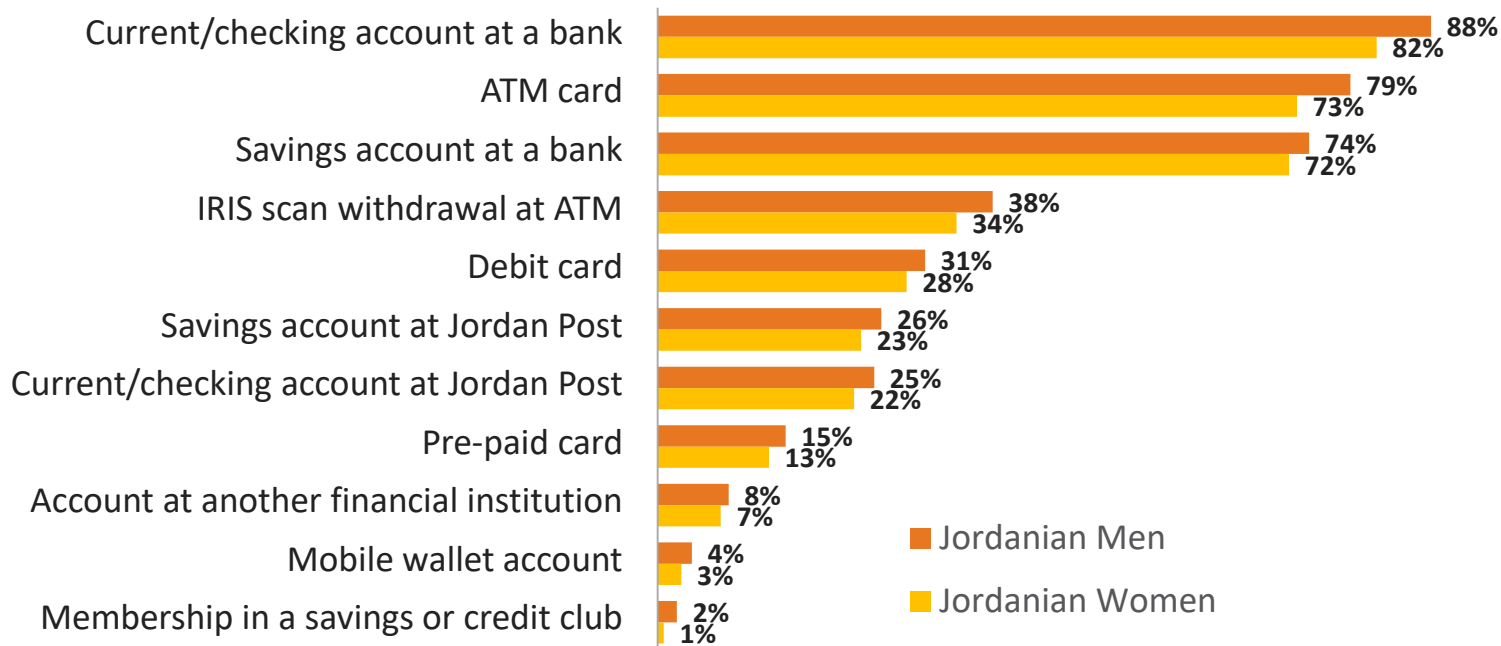
Total Awareness of Financial Institutions and Services





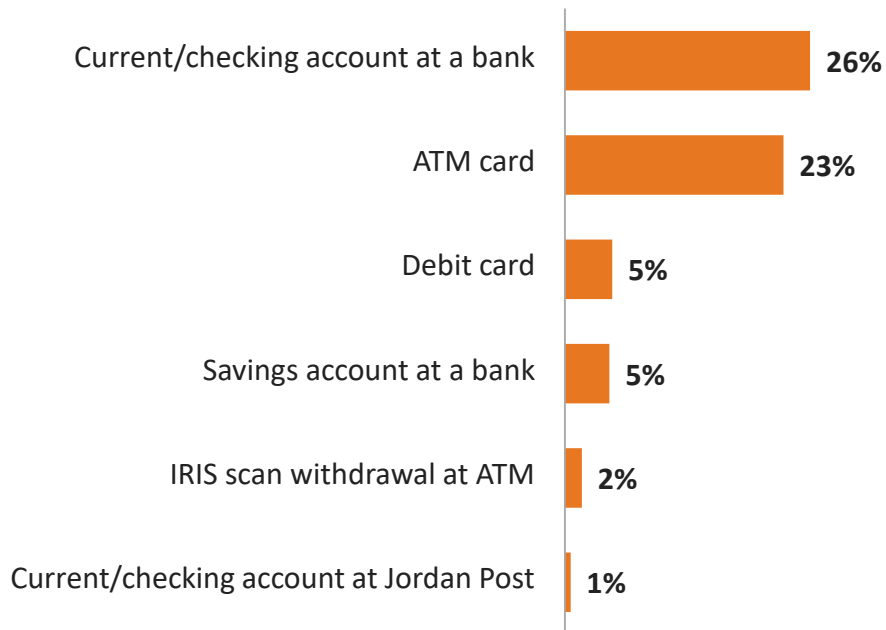
Most low income Jordanians are aware of savings and checking accounts at banks as well as ATM cards

Total Awareness of Financial Institutions and Services



About a quarter of low income Jordanians have checking accounts at banks and ATM cards

Use of Financial Institutions and Services

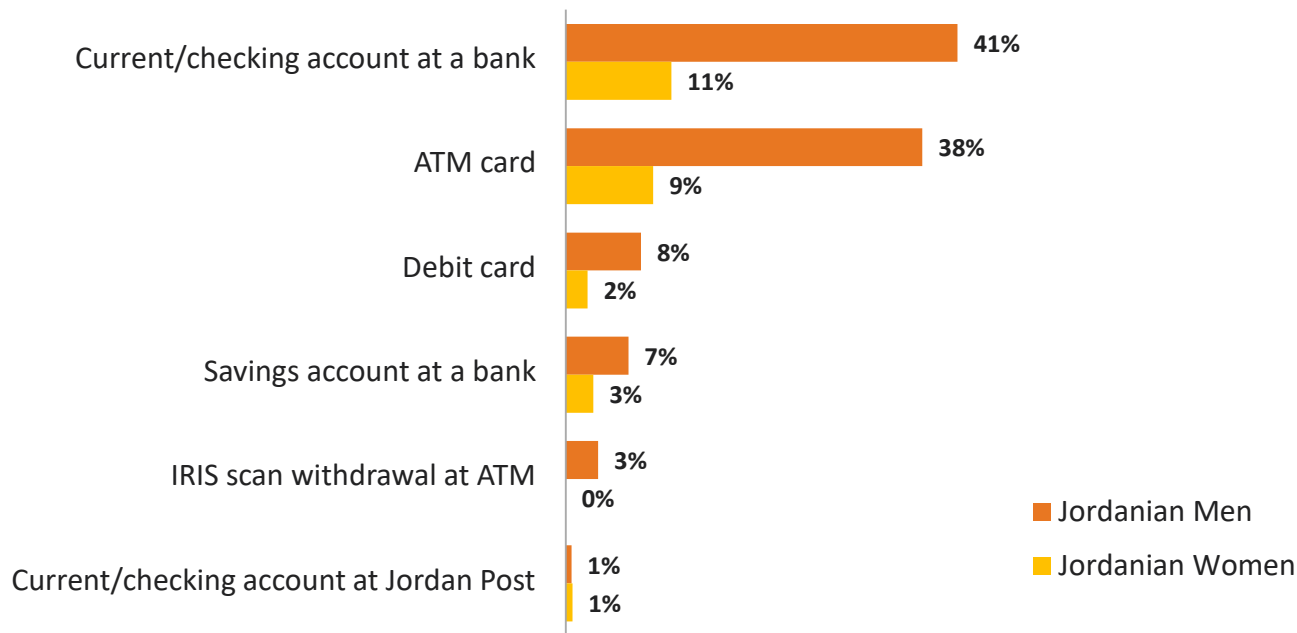


- In terms of overlap, 35% of all low-income Jordanians report that they use a financial service.
- Of those who have a current/checking account, 63% also have an ATM card.



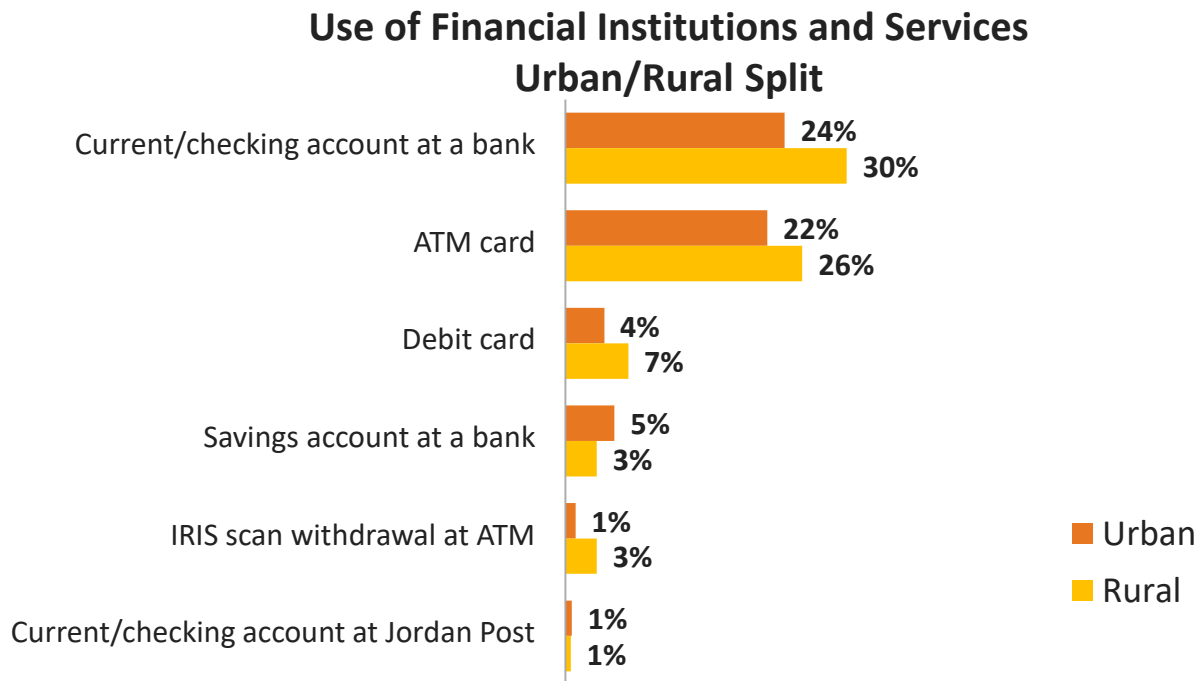
However, men are more likely to have accounts than women

Use of Financial Institutions and Services





Those who live in rural areas are slightly more likely to use financial institutions or services





Demographic profile of low income Jordanians who use financial institutions or services

Gender



75% male
25% female

Employed (Full or part time)



54%

Average Age



40

Average Monthly Household Income



255 JOD

Completed Secondary School



40%

Locations

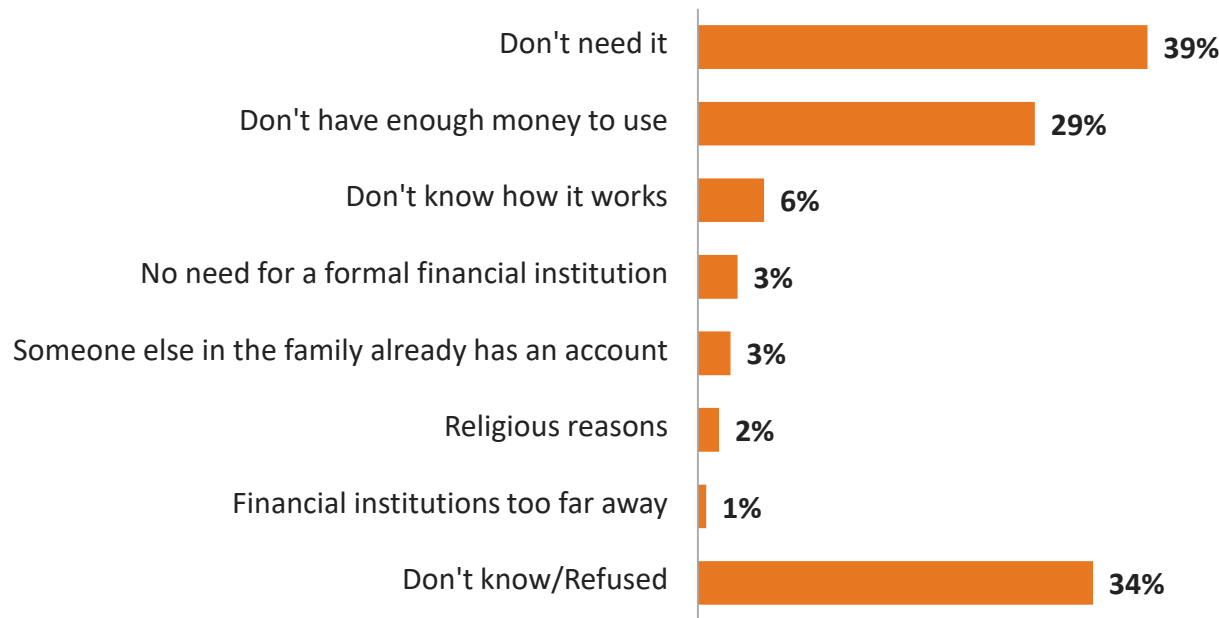


65% Urban | 35% Rural



Low income Jordanians don't use financial services because they don't need them or don't have the money to use them

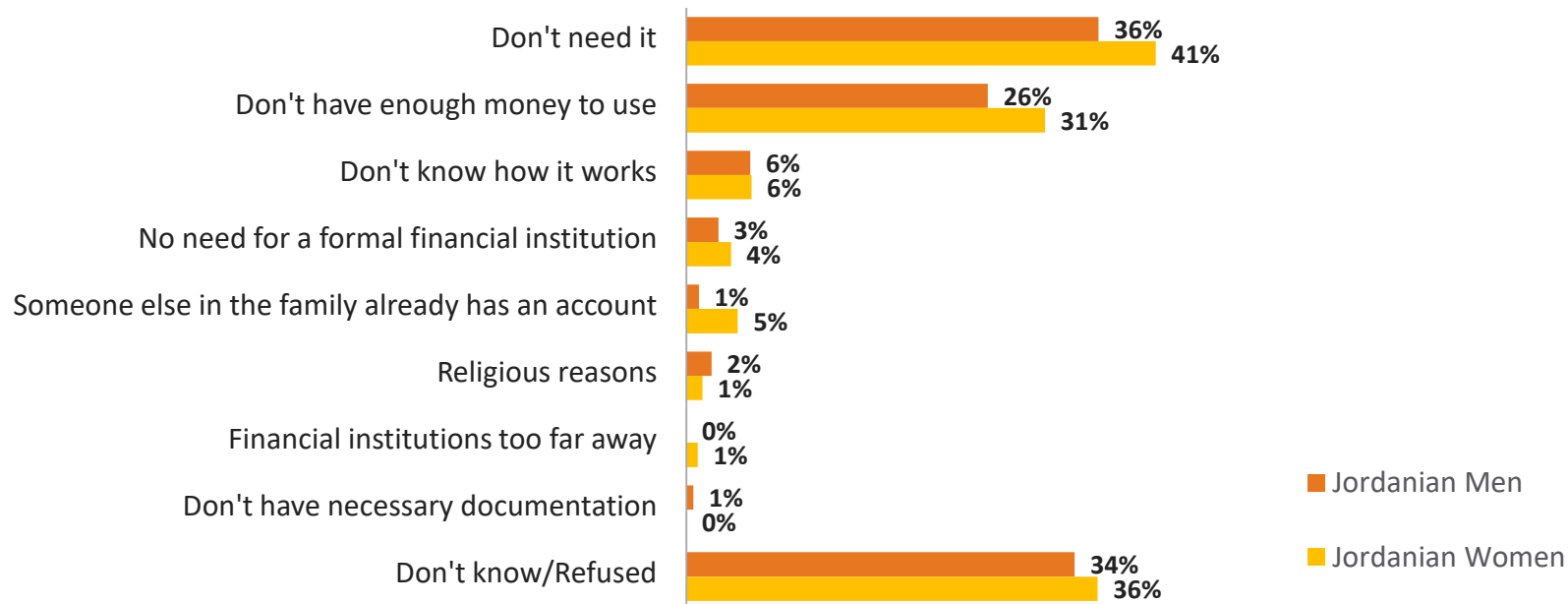
Reasons For Not Using Financial Services





Women were more likely to report that they don't need financial services, or don't have the money to use them

Reasons For Not Using Financial Services





Low income Jordanians believe financial institutions are safe and convenient, but many do not think they need them

“If you had your money in the house and have to sleep on it you’d stay anxious, but when they are in the Bank it’s of comfort.”

Jordanian Woman, Amman

“Those who earn a lot of money can afford and benefit from financial services, but most of us have a limited income which is barely enough.”

Jordanian Man, Mafrq

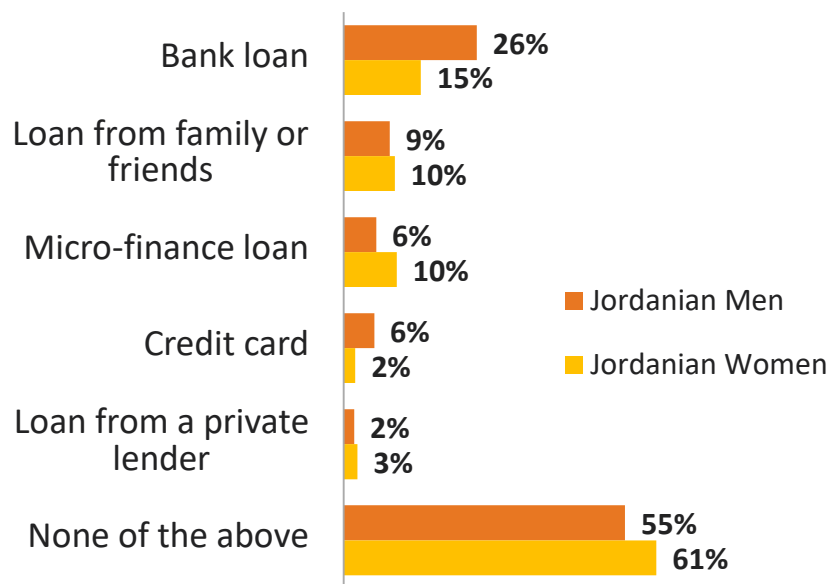
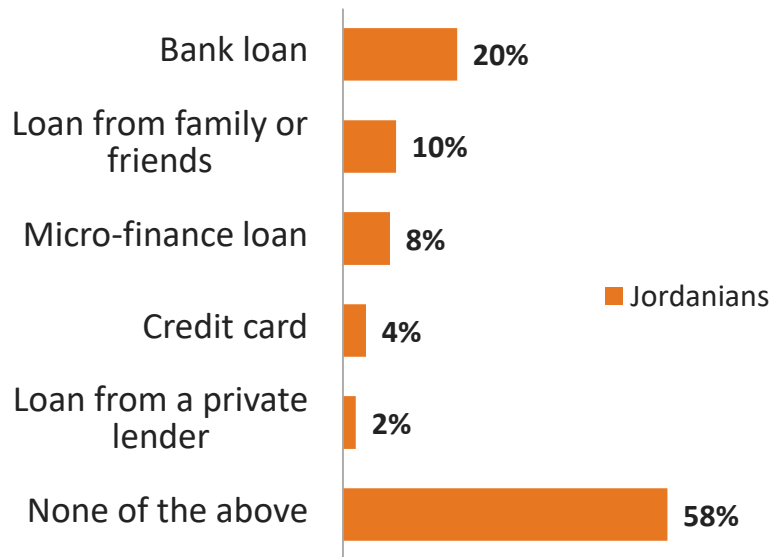
“I don't have a lot of money to save it in the bank...some people earn money daily and don't have a monthly salary, so they wouldn't need an account.”

Jordanian Man, Irbid



Few low income Jordanians report using any type of financing

Use of Financing





Demographic profile of low income Jordanians who have any type of financing

Gender



54% male
46% female

Employed (Full or part time)



38%

Average Age



40

Average Monthly Household Income



276 JOD

Completed Secondary School



45%

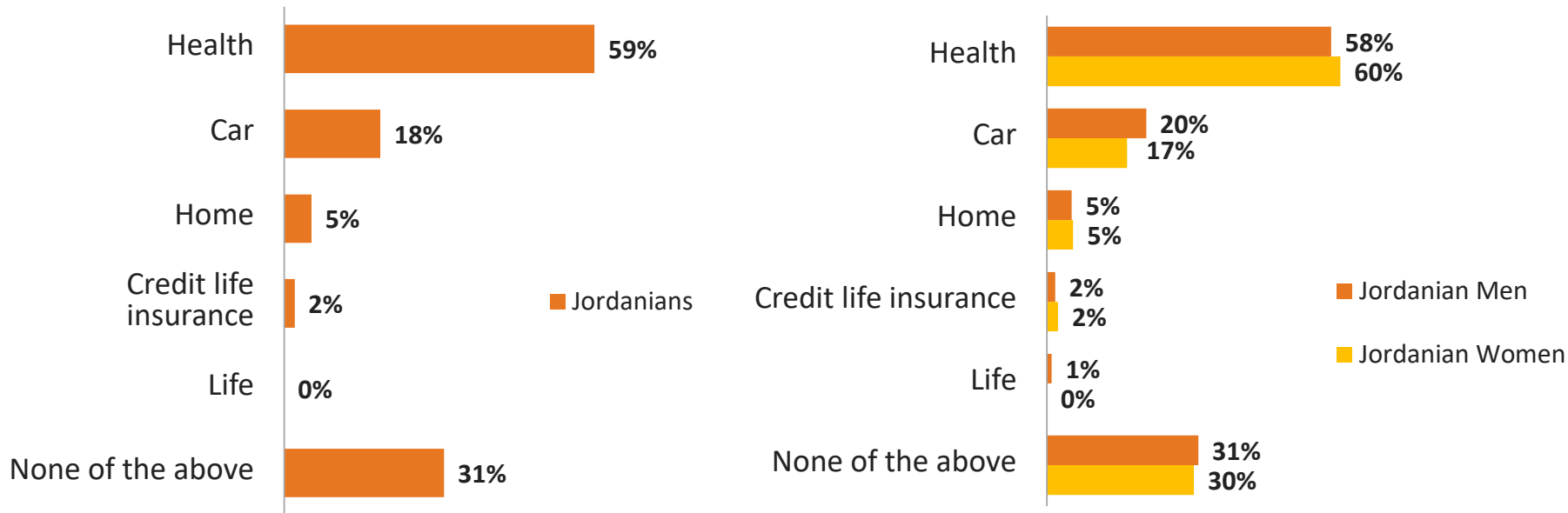
Locations



60% Urban | 40% Rural

The majority of low income Jordanians report having health insurance

Use of Insurance





Demographic profile of low income Jordanians who have any type of insurance

Gender



49% male
51% female

Employed (Full or part time)



30%

Average Age



42

Average Monthly Household Income



266 JOD

Completed Secondary School



41%

Locations



65% Urban | 35% Rural



Baseline Demand-Side Study on Digital Remittances in Jordan
Low Income Jordanians

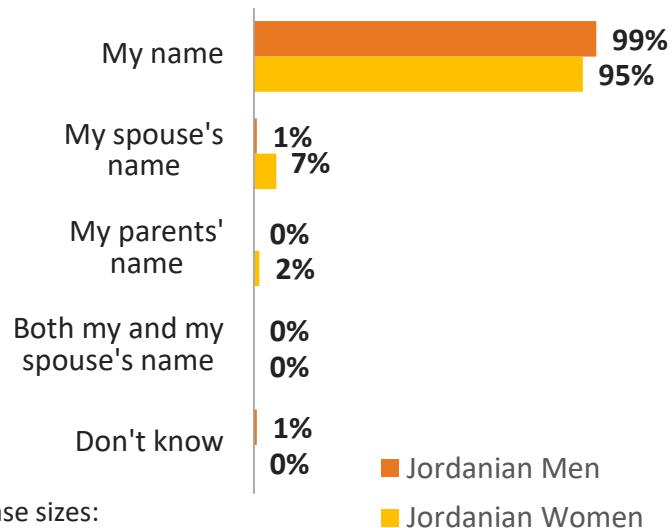
Financial Services Used

This section focuses on the top 2 financial services that Jordanians reported using. Only those who reported using each service responded to these questions.



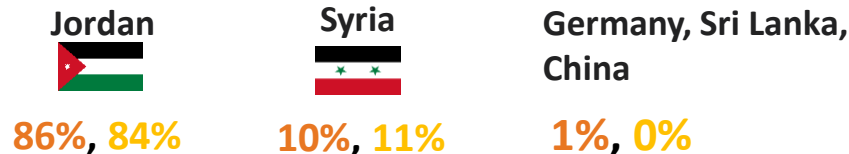
Overview – Those who use checking accounts at a bank

Name on Accounts



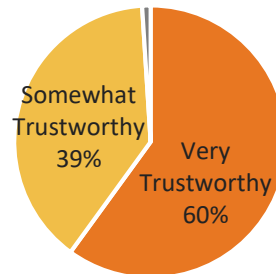
Base sizes:
n=220 for Jordanian men
n=62 for Jordanian women

Location of Accounts

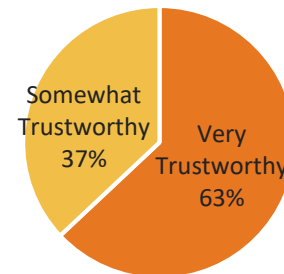


Trustworthiness of Accounts

Jordanian Men



Jordanian Women



Q3.4. Is this account held in your name, your spouse's name, jointly between you and your spouse, your parents' name, or someone else's name?

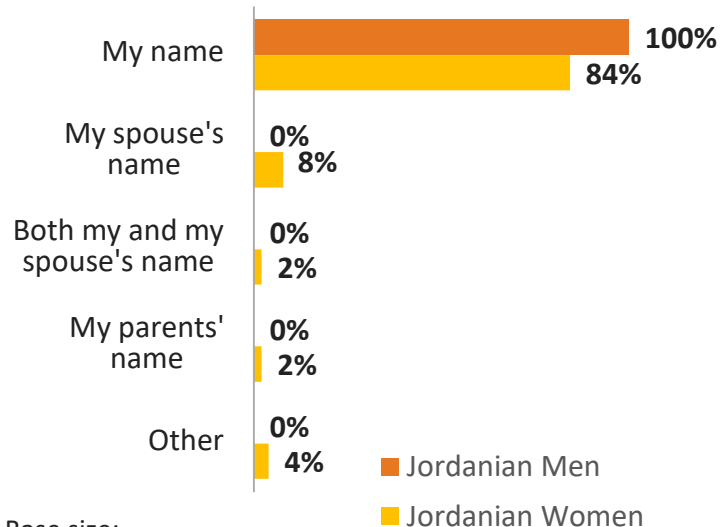
Q3.5 Where is the [SUB IN FROM 3.1B] account located?

Q3.6 How trustworthy do you find this account?



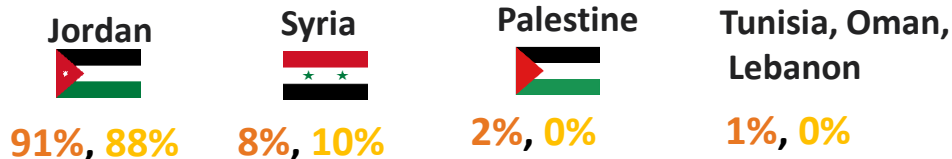
Overview – Those who use ATM cards

Name on Accounts



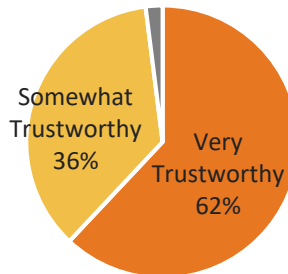
Base size:
n=200 for men
n=51 for women

Location of Accounts

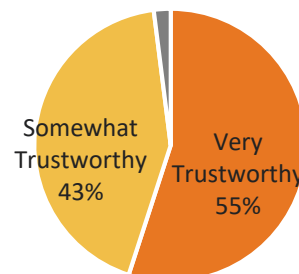


Trustworthiness of Accounts

Jordanian Men



Jordanian Women



Q3.4. Is this account held in your name, your spouse's name, jointly between you and your spouse, your parents' name, or someone else's name?

Q3.5 Where is the [SUB IN FROM 3.1B] account located?

Q3.6 How trustworthy do you find this account?

PARTICIPANT PROFILE



LOW INCOME JORDANIANS

Demographic profile of low income Jordanians with financial accounts located in Syria

Note low base size (n=45)

Gender



76% male
24% female

Employed (Full or part time)



78%

Average Age



37

Average Monthly Household Income



342 JOD

Completed Secondary School



47%

Locations



71% Urban | 29% Rural



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Baseline Demand-Side Study on
Digital Remittances in Jordan

MOBILE WALLET AWARENESS AND USE

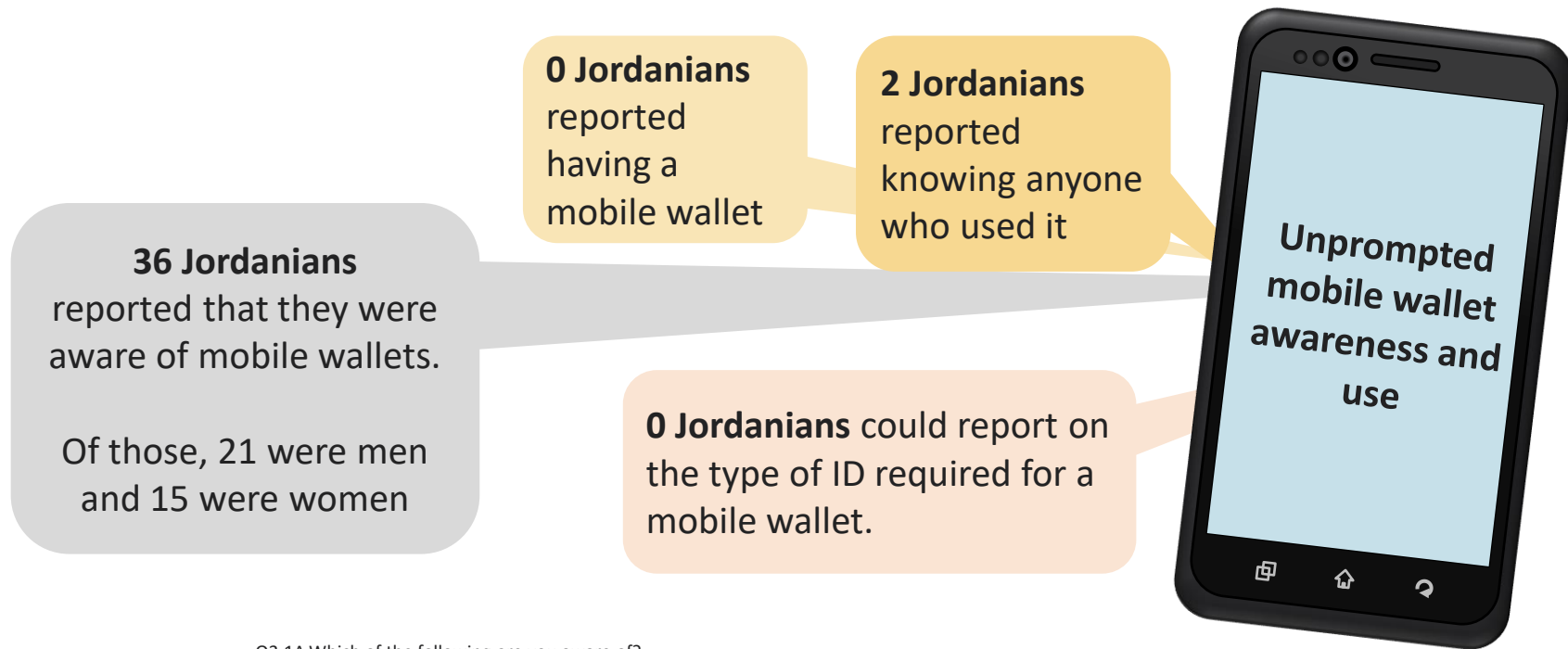


Baseline Demand-Side Study on Digital Remittances in Jordan
Low Income Jordanians

Awareness and Knowledge of Mobile Wallet Services



When not prompted, very few low income Jordanians report awareness of mobile wallet services



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

Q3.1B And do you currently have this?

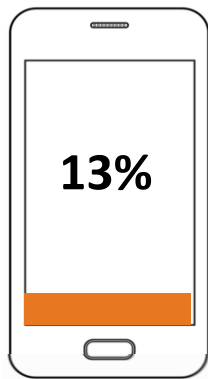
Q4.2 Do you know anyone who has a mobile wallet account?

Q4.1. Can you name a mobile wallet service?

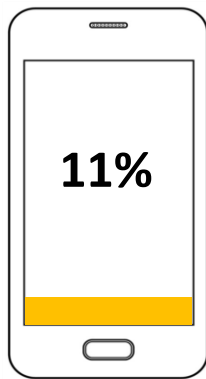
Q4.3 What type of ID was required for you to open a mobile money account?

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

Have Heard About Mobile Wallets (Prompted)

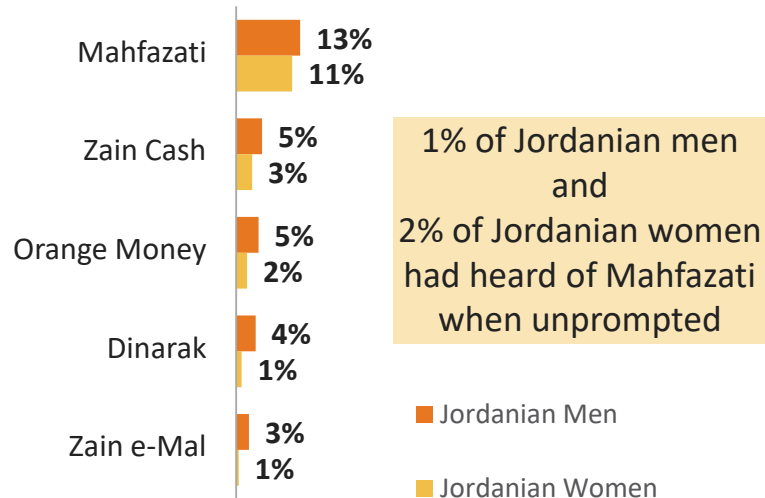


Jordanian Men



Jordanian Women

Have Heard of Specific Mobile Wallet Services (Prompted)



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?



However, 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, Mafrqa

"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, Mafrqa



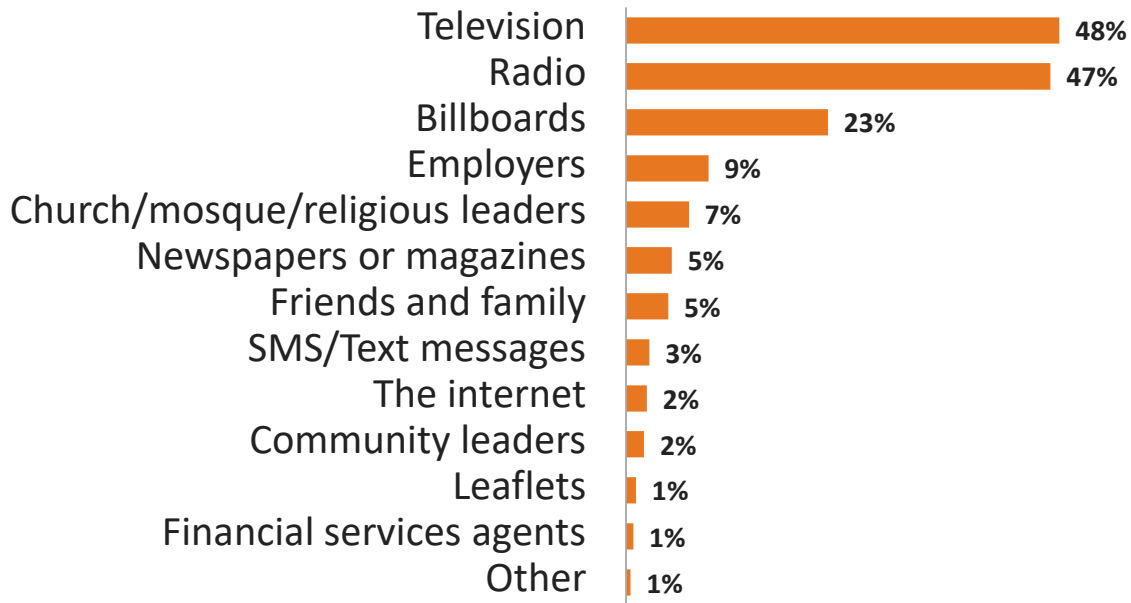
Baseline Demand-Side Study on Digital Remittances in Jordan Low Income Jordanians

Trust of Information Sources



The majority of low income Jordanians report trusting television or the radio for information about financial services

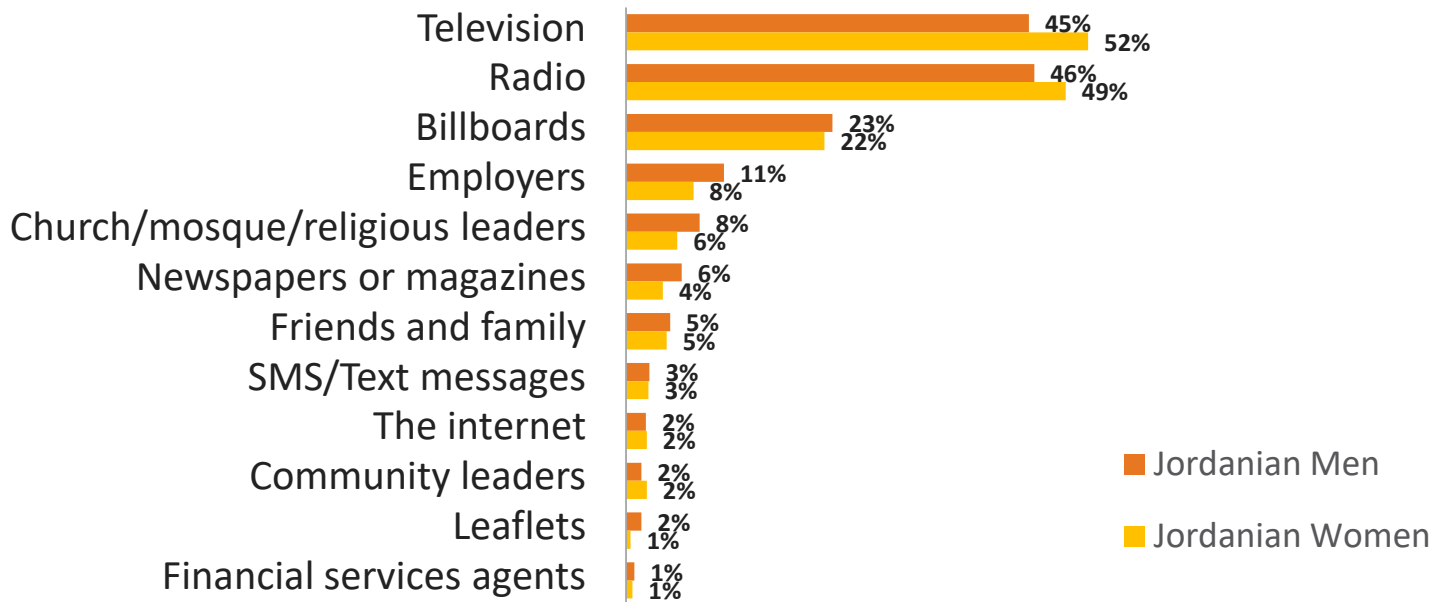
Total Trust in Information Sources on Financial Products and Services





The majority of low income Jordanians report trusting television or the radio for information about financial services

Total Trust in Information Sources on Financial Products and Services





However, in focus groups, low income Jordanians reported that they don't rely on ads for information about financial decisions

Female and male participants tended to trust educated family members and friends over banks, showing that personal connections matter most.

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

Jordanian Man, Irbid

"Ads have an impact, but not as strong as from what we hear from people who already tried that services [sic], because they've tried it before."

Jordanian Woman, Mafrq



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Baseline Demand-Side Study on
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REMITTANCE BEHAVIOUR OVERVIEW



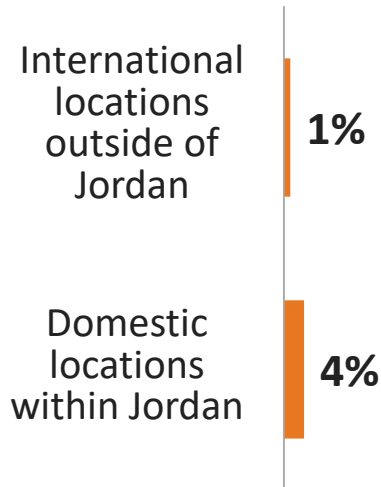
Baseline Demand-Side Study on Digital Remittances in Jordan
Low Income Jordanians

Remittance Behavior Overview

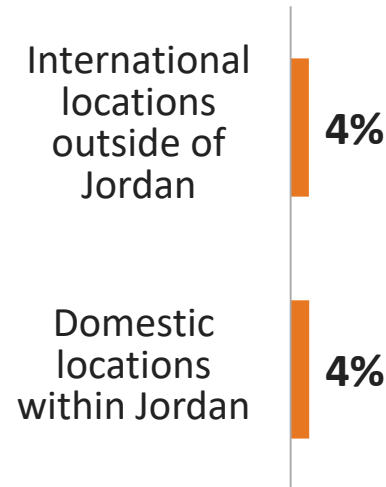


Low income Jordanians send and receive remittances domestically more than internationally

Location of Money Sent in the Past Year



Location of Money Received in the Past Year

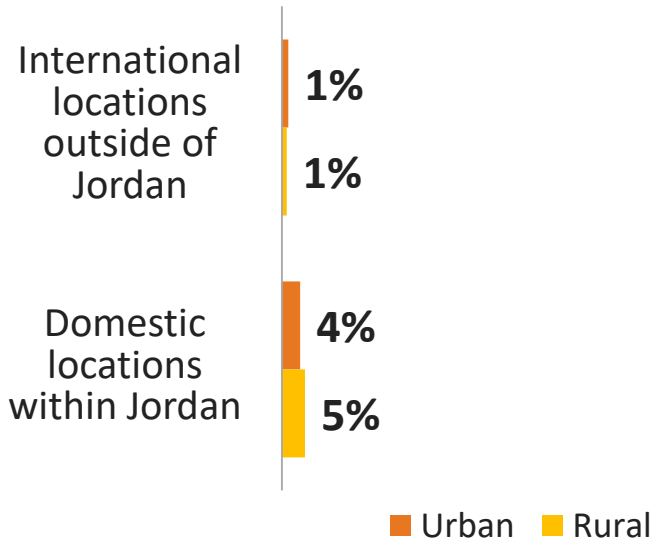




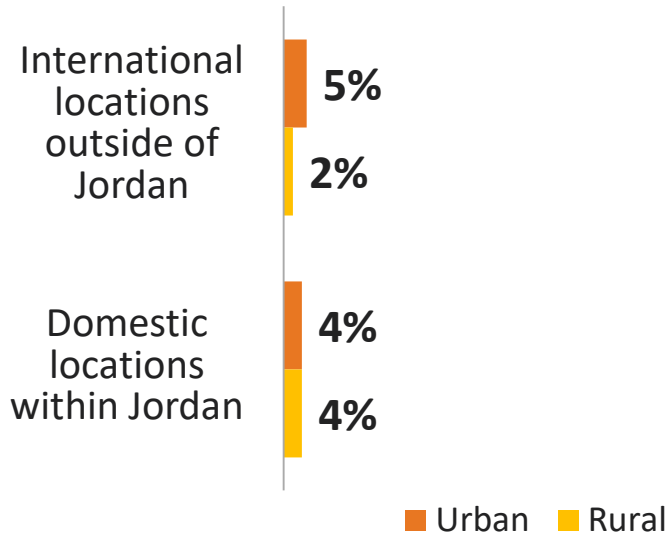
There is little difference in frequency of sending remittances between those in rural or urban locations

Urban/Rural Split

Location of Money Sent in the Past Year



Location of Money Received in the Past Year





Low income Jordanians tend to only participate in one type of remittance activity

13.6% Total incidence of all remittance activities

11.3% Total incidence of any remittance activity

2.3% Overlap of remittance activity



Demographic profile of those engaged in international remittance activities

Gender



65% male
35% female

Employed (Full or part time)



44%

Average Age



41

Average Monthly Household Income



266 JOD

Completed Secondary School



39%

Locations



82% Urban | 19% Rural



Demographic profile of those engaged in domestic remittance activities

Gender



60% male
40% female

Employed (Full or part time)



44%

Average Age



39

Average Monthly Household Income



306 JOD

Completed Secondary School



29%

Locations

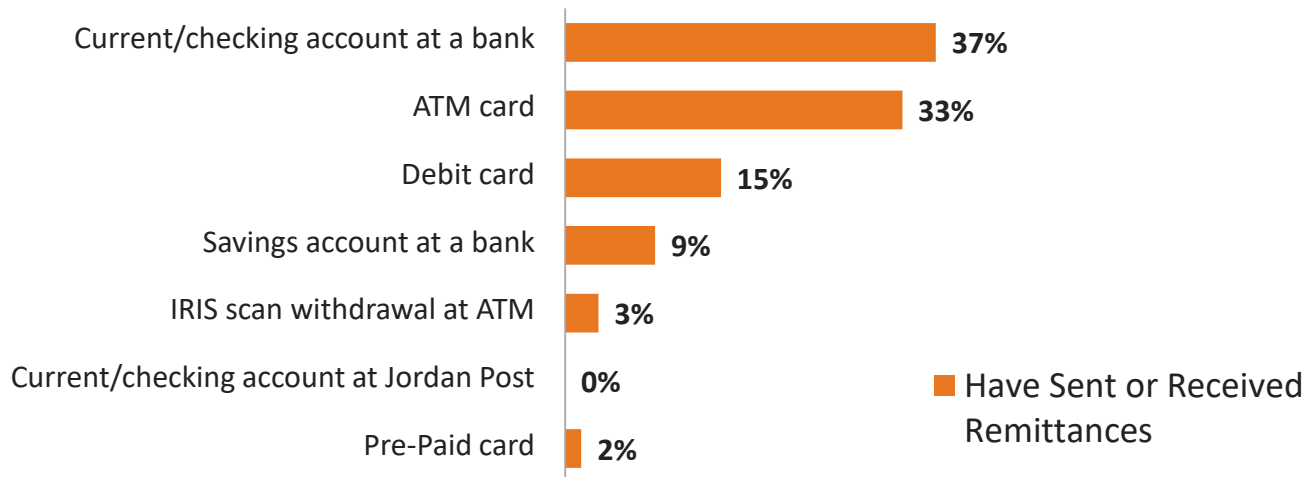


67% Urban | 33% Rural



Low income Jordanians who send or receive remittances are more likely to use financial institutions and services

Use of Financial Institutions and Services (of those who have sent or received remittances)



Base sizes:
n=123

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Q3.1B And do you currently have this?

Q5.1. Have you, personally, GIVEN or SENT any of your MONEY to a relative or friend in the PAST 12 MONTHS?

Q5.4. Have you, personally, RECEIVED any MONEY from a relative or friend in the PAST 12 MONTHS?



Some groups of low-income Jordanians are more likely to send or receive money domestically than others

-  Men are more likely than women to **send** money domestically.
-  Those with higher household income are more likely than those with lower household income to **send** money domestically.
-  Those with higher levels of education are more likely than those with lower education levels to **send and receive** money domestically.
-  Those with full-time employment are more likely to **send** money domestically than those without full-time employment.
-  Housewives are less likely to **send** money domestically.

Some groups of low-income Jordanians are more likely to send or receive money internationally than others



Men are more likely than women to **receive** money internationally.



Those with higher individual income are more likely than those with lower household income to **receive** money internationally.



Those with higher levels of education are more likely than those with lower education levels to both **send and receive** money internationally.



Those who are employed part-time or self-employed are more likely to **send and receive** money internationally.



Of those who sent or received remittances, about half had financial connections outside of their household.

Of those who reporting engaging in
any remittance activity

The fact that a large share of people engaging in remittances declare having no financial connections outside the household suggests the term may have been mistaken for "family."

46%
report having a financial
connection outside of the
household.*



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Baseline Demand-Side Study on
Digital Remittances in Jordan

INTERNATIONAL REMITTANCE BEHAVIOUR



Baseline Demand-Side Study on Digital Remittances in Jordan
Low Income Jordanians

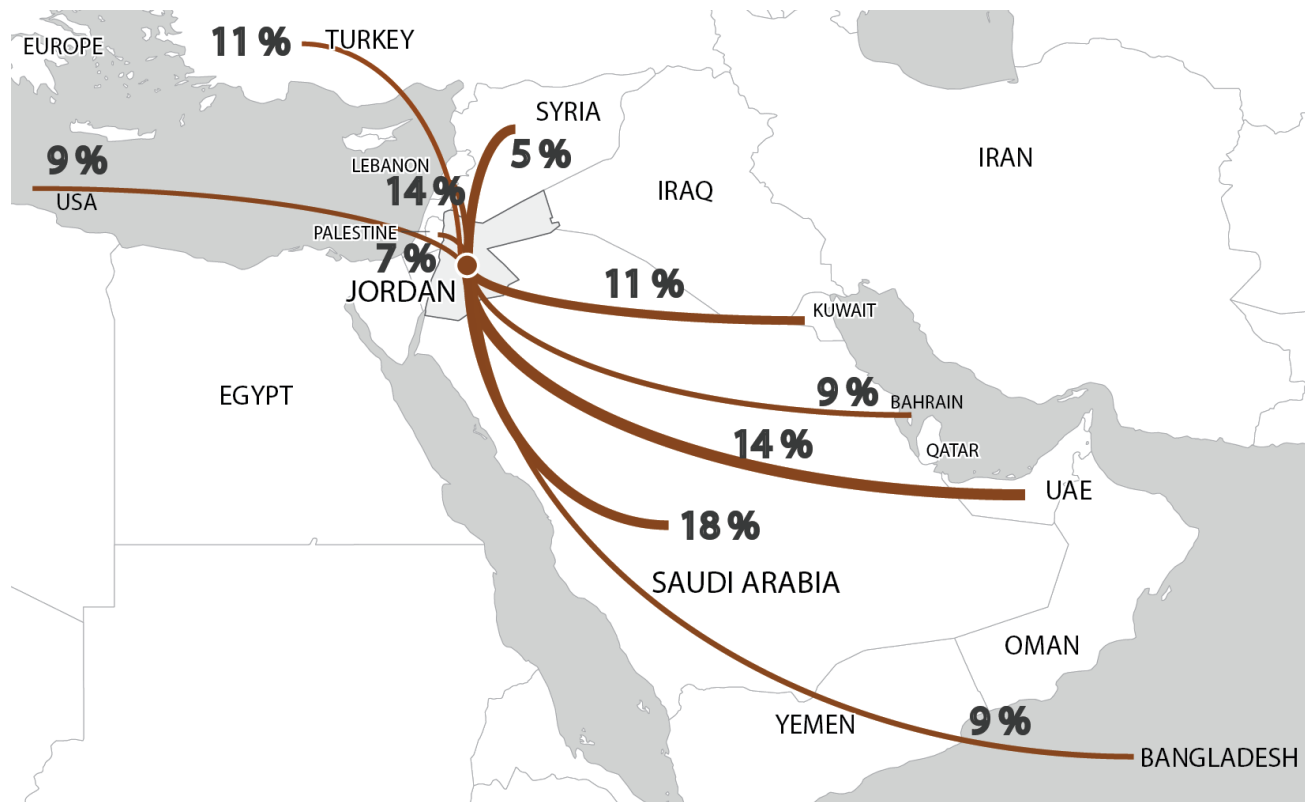
International Remittances Received

INTERNATIONAL REMITTANCES



LOW INCOME JORDANIANS

Locations low income Jordanians received international remittances from:



Saudi Arabia n=8

Lebanon n=6

UAE n=6

Kuwait n=5

Turkey n=5

United States n=4

Bahrain n=4

Bangladesh n=4

Palestine n=3

Syria n=2

Oman n=1

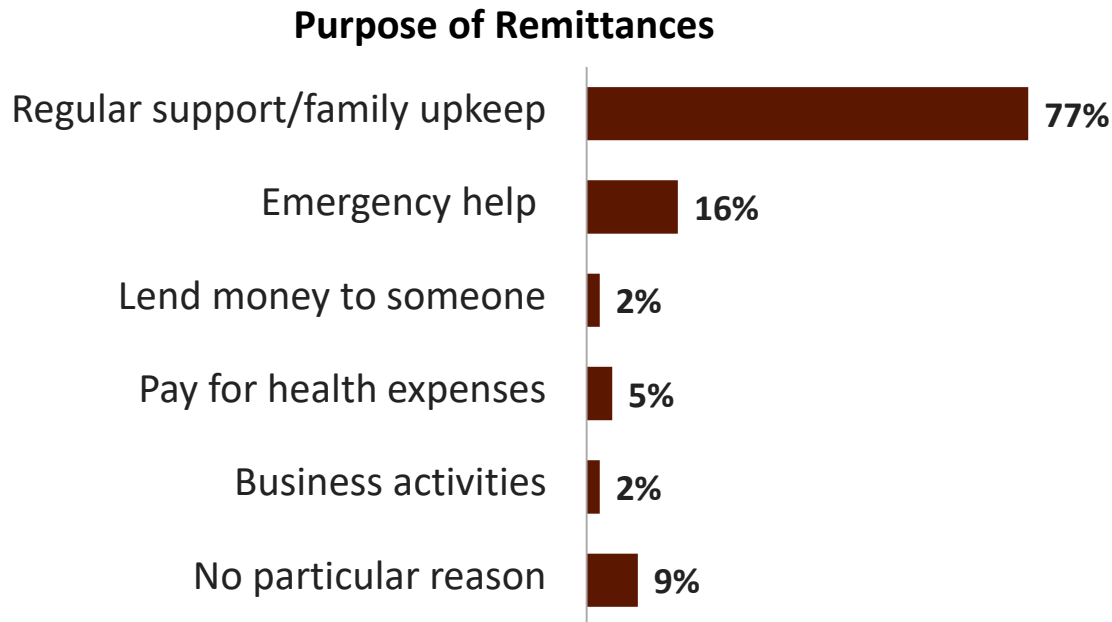
Qatar n=1

Iraq n=1

Europe n=1

n=44 for remittances
received internationally

Low income Jordanians report receiving money for regular family support and upkeep



6.1/7.1 For what purpose did you send/receive money to friends or relatives in [SUB IN ANSWER FROM 5.2/5.3]?

6.8/7.8 Who was this money sent to/received from in [SUB IN RESPONSE FROM 5.2/5.3]?

6.9/7.9 How do you generally send money to/receive money from your friends or relatives in [SUB IN RESPONSE FROM 5.2/5.3]?



Key Statistics (Means) of International Remittances Received

Frequency: 4 (times in the past year)

Total value: 719 JOD

***Amount per transaction: 237 JOD**

Cost per transaction: 10 JOD (1 JOD median)

***Cost as % of transaction: 4%**

Minimum amount: 259 JOD

Maximum amount: 308 JOD

n=44

Q6.3/7.3 Total value.

Q6.5/7.5 Transaction fee cost.

Q6.6/6.7 Minimum amount sent.

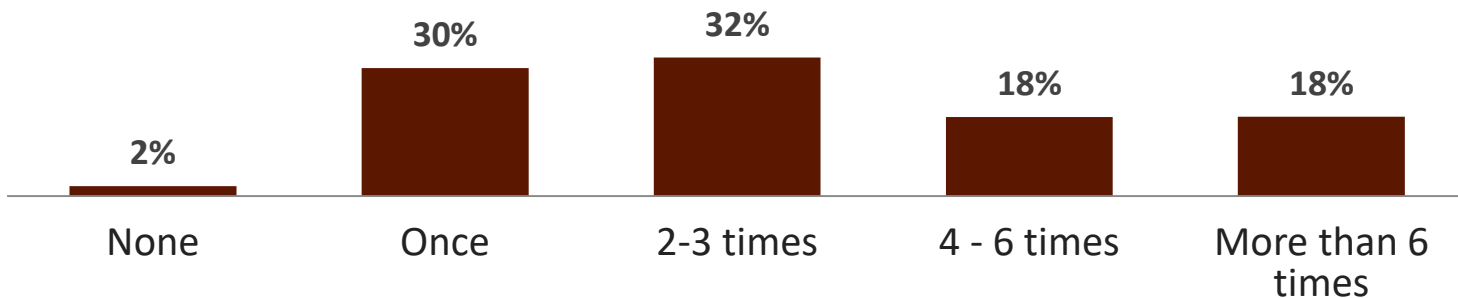
Q6.7/7.6 Maximum amount sent.



The majority of low income Jordanians report receiving money 3 times a year or less

Frequency of Remitting

Mean number of times per year money is received = 4
Median number of times per year money is received = 2

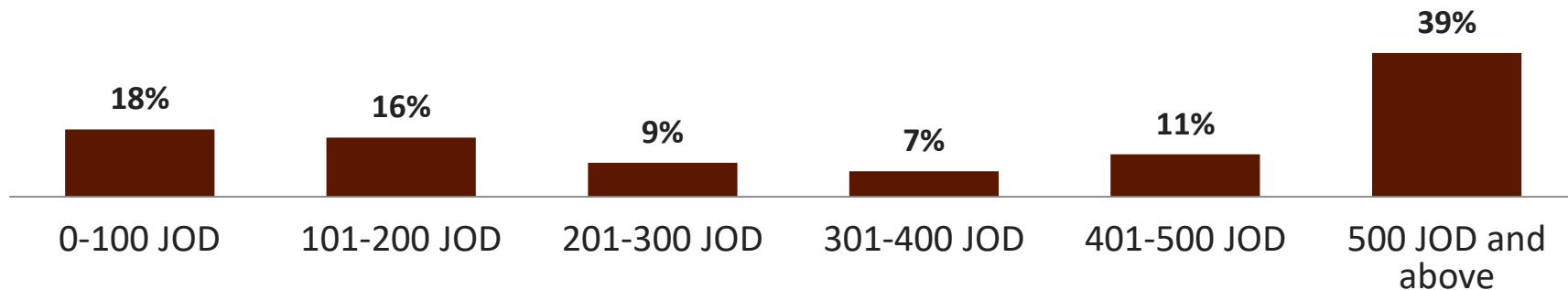




Low income Jordanians report receiving an average of 719 JOD in the past year

Total Value of Money Received In Past Year

Mean value of money remitted in past year = 719 JOD
Median value of money remitted in past year = 425 JOD

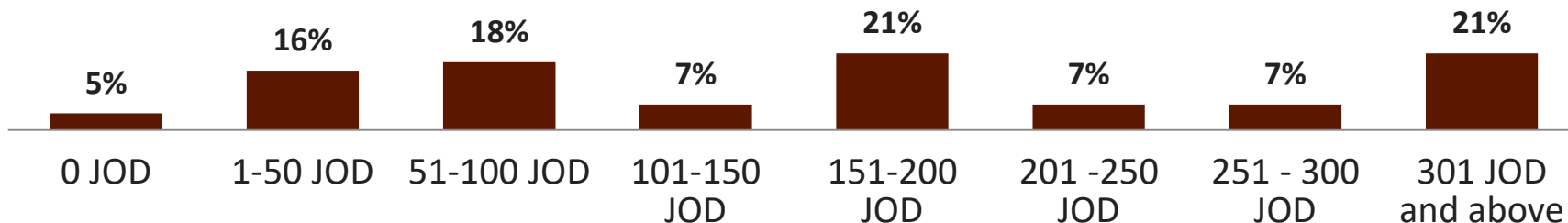




Low income Jordanians report receiving an average of 237 JOD per transaction

Average Value Per Transaction

Mean of average amount per transaction remitted = 237 JOD
Median of average amount per transaction remitted = 175 JOD

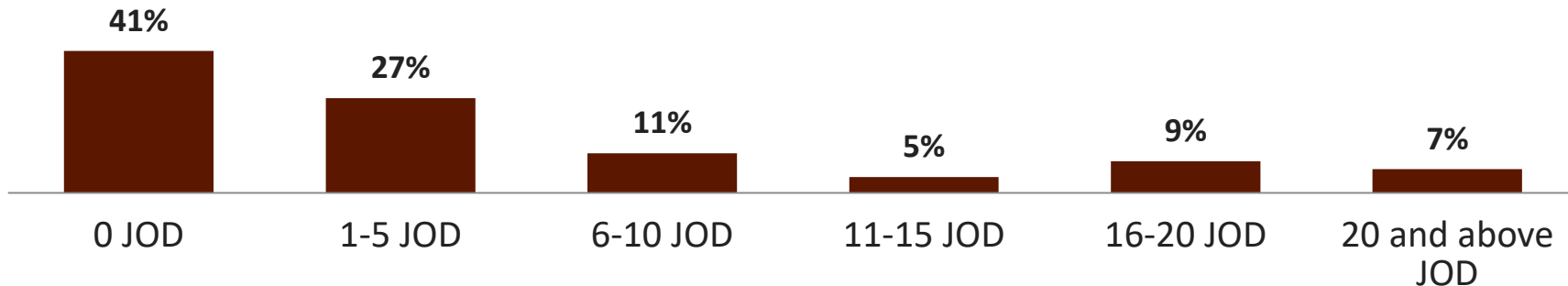




The average cost of receiving money is 10 JOD

Cost Per Transaction

Mean cost per transaction = 10 JOD
Median cost per transaction = 1 JOD

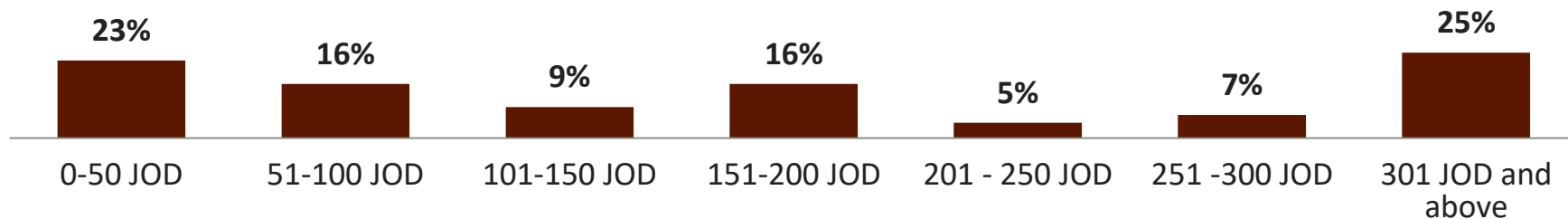




On average, low income Jordanians report receiving a minimum amount of 259 JOD per transaction

Minimum Amount of Money Received

Mean of minimum amount of money remitted = 259 JOD
Median of minimum amount of money remitted = 180 JOD

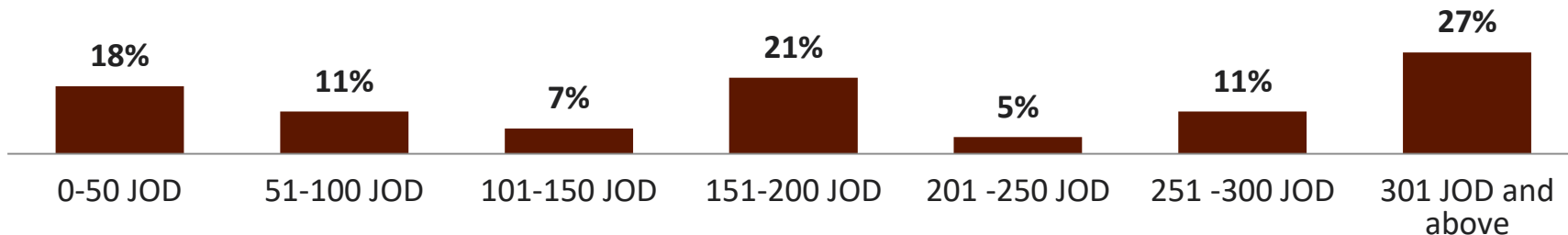




And an average maximum 308 JOD per transaction

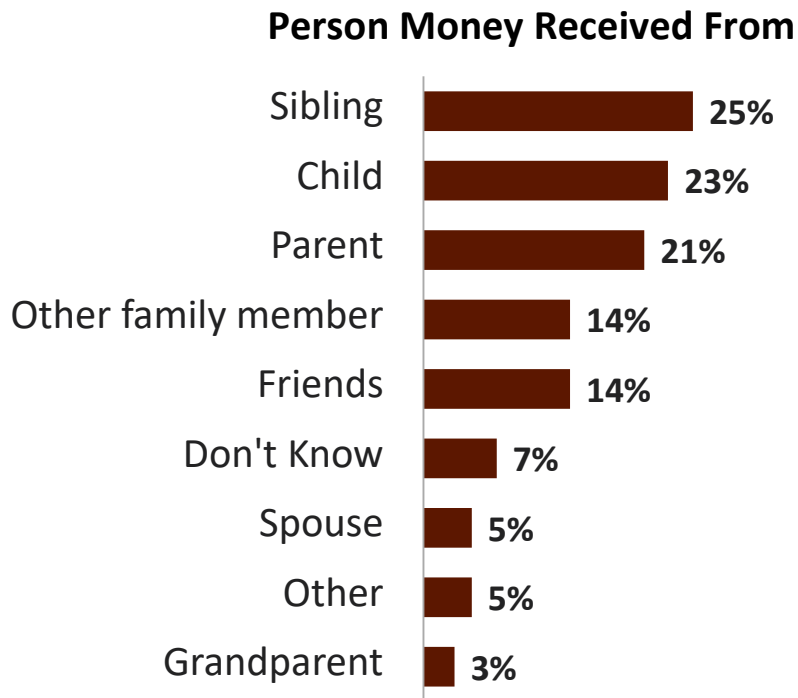
Maximum Amount of Money Received

Mean of minimum amount of money remitted = 308 JOD
Median of minimum amount of money remitted = 200 JOD



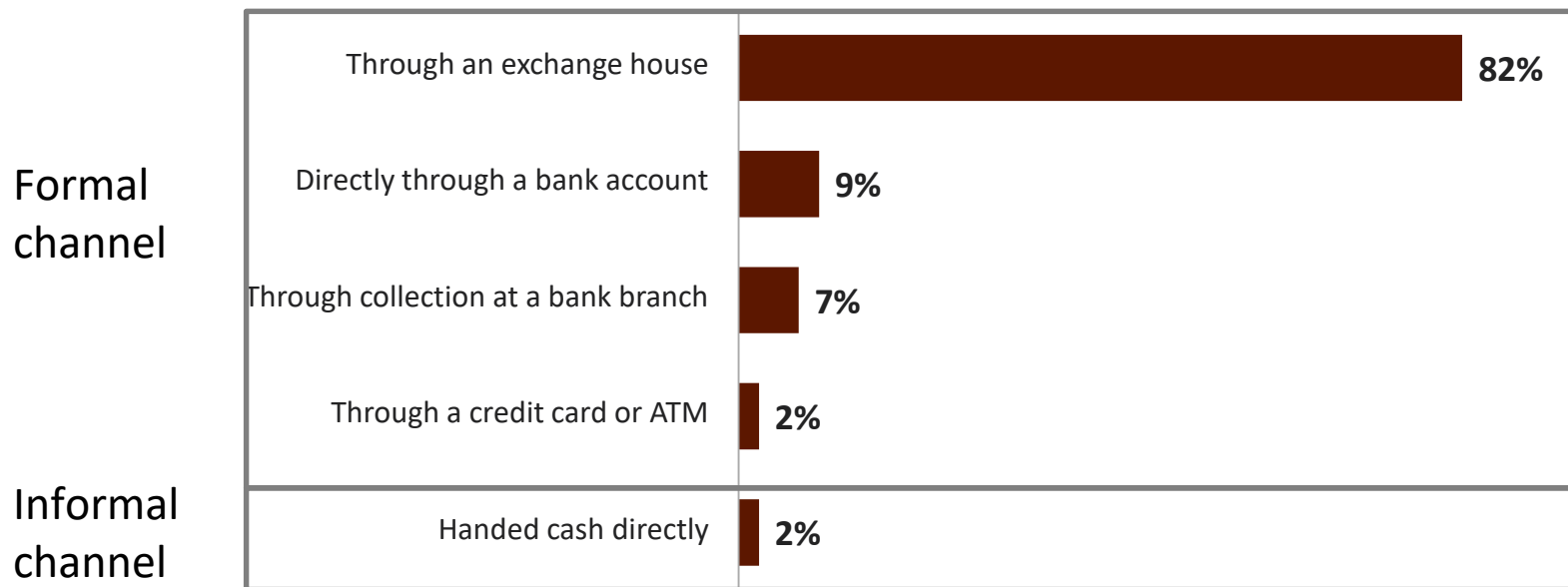


Low income Jordanians tend to receive money from their parents, siblings and children



An exchange house is the most common method reported for receiving money internationally

Methods Used to Receive Money





Low income Jordanians reported that using exchange houses to receive money internationally is convenient

“To send money through exchange centers, it means security, it is an official way of transferring money.”

Jordanian Man, Amman

“The exchange center is faster, also sending money with acquaintances can be safe but it takes time.”

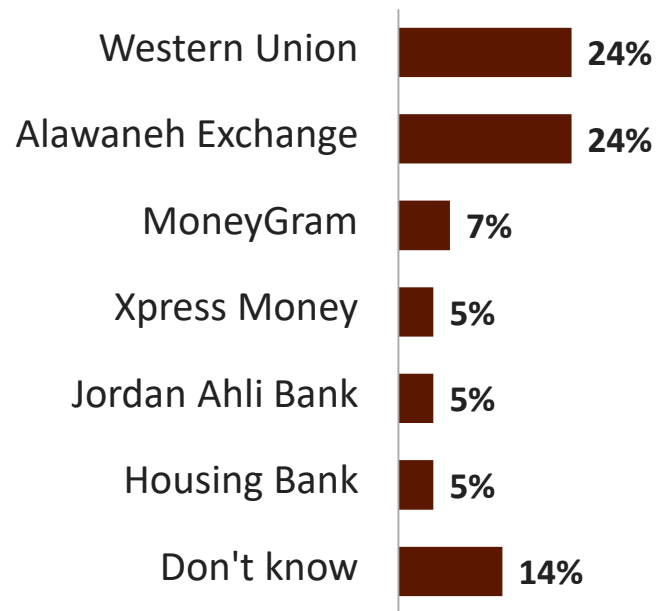
Jordanian Man, Irbid

“If I wanted to send money urgently and I don't have the bank account number with me, I'll go to the exchange center instead and send it because they don't require such information”

Jordanian Woman, Mafrq

Low income Jordanians reported they primarily used Western Union and Alawaneh Exchange to receive money

Name of Financial Company or Service Used to Receive International Remittances



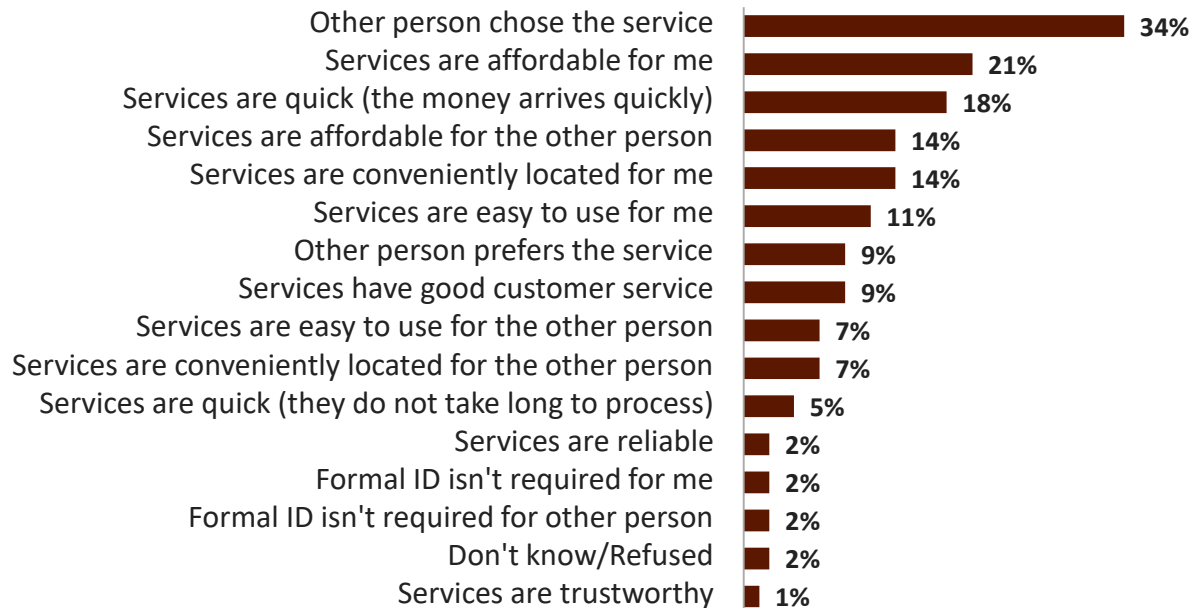
Respondents did not differentiate the service (e.g. Western Union) from the channel (e.g. Alawneh).

Base size:
n=42 for remittances received
through a bank, institution or service



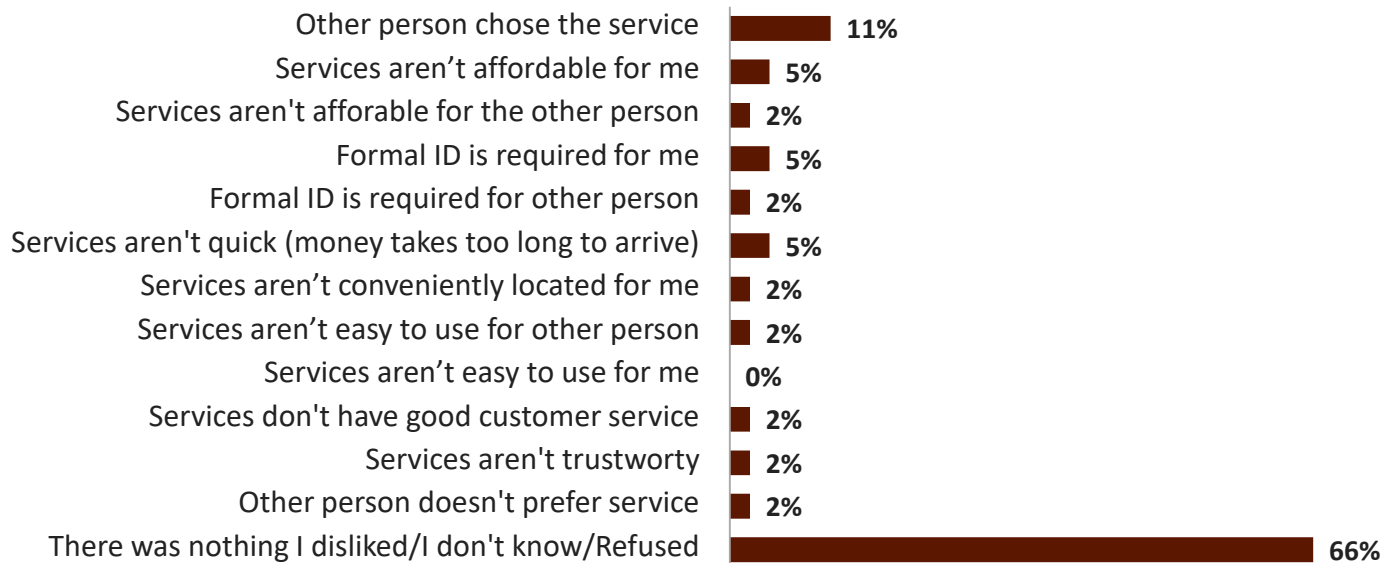
Low income Jordanians reported that when they received international remittances, the sender most frequently chose the remittance service

Reasons for Choosing Services to Send or Receive Money Internationally:



And they were mostly happy with the services they used

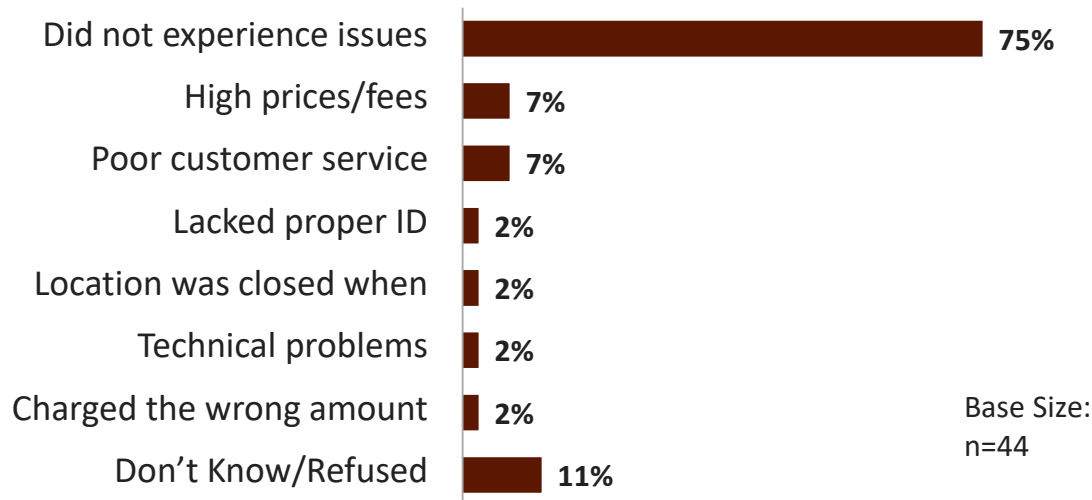
Dissatisfaction With Exchange House:





When receiving money internationally, the majority of low income Jordanians did not report any problems

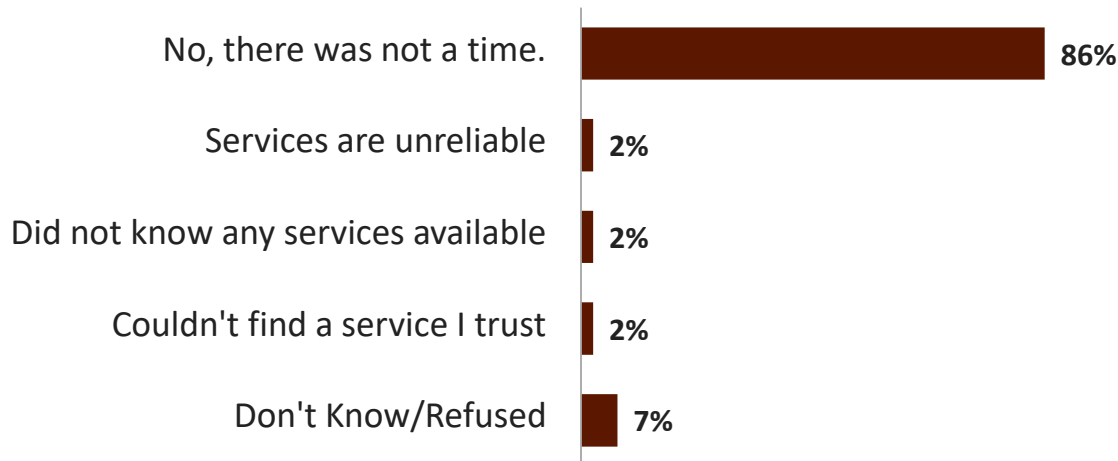
Problems Encountered When Receiving Money Internationally





The majority of low income Jordanians reported that there wasn't a time they wanted to send money but were unable

I couldn't receive money internationally because:





Baseline Demand-Side Study on Digital Remittances in Jordan
Low Income Jordanians

International Remittances Sent



Low-income Jordanians spoke about sending money internationally, though infrequently

Some reported sending money to family members abroad primarily for general financial help and special occasions

“I sent to my brother because he needed some money... It was for financial aid to the house... I sent to Saudi Arabia via a Saudi exchange center. I gave all the information and they contacted him on his mobile with the transfer number and he received it.”

Emad, 29, Amman

“I transferred money to Spain for my brother, and my cousin sent me money from Russia, both with Western Union.”

Nisreen, 39, Amman

Many reported using Western Union* for speed and cost reasons

“I have transferred money via Western Union to Egypt to my son. For me, I send money to my brother so he can buy me things from China.”

Rula, 43, Amman

“[Western Union is] more safe compared to people, not doubting people, but things happen. Western Union is more safe.”

Aminah, 42, Amman



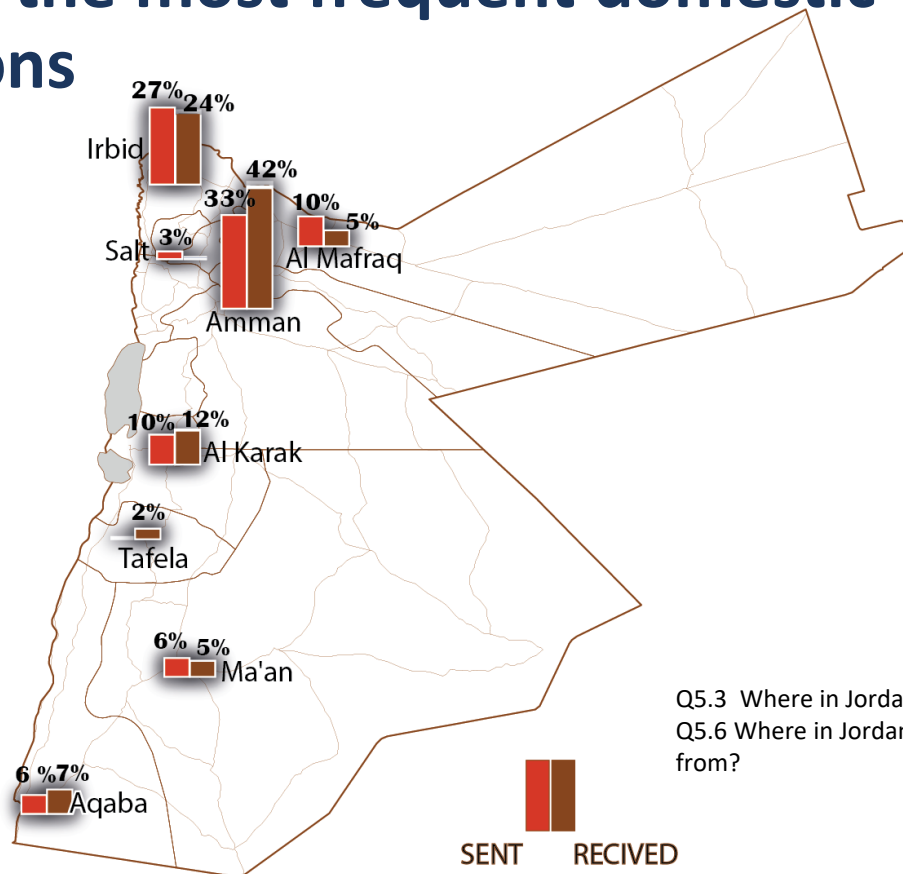
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Digital Remittances in Jordan

DOMESTIC REMITTANCE BEHAVIOUR OF LOW INCOME JORDANIANS

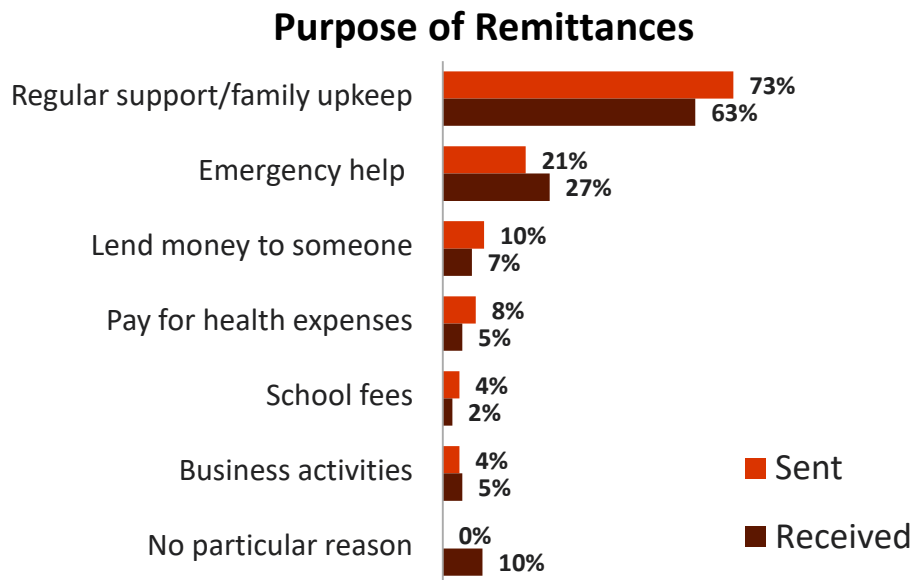
Amman and Irbid are the most frequent domestic remittance destinations

Sent n= 48	Received n=41
Amman	
16	17
Irbid	
13	10
Al Mafraq	
5	3
Kerak	
5	5
Aqaba	
3	3
Salt	
1	--
Ma'an	
3	2
Tafela	
--	1



Q5.3 Where in Jordan did you send money to?
Q5.6 Where in Jordan did you receive money from?

Low income Jordanians report that they send and receive domestic remittances for regular family support and upkeep



Base size:

n=48 for sent

n=41 for received

6.1/7.1 For what purpose did you send/receive money to friends or relatives in [SUB IN ANSWER FROM 5.2/5.3]?

6.8/7.8 Who was this money sent to/received from in [SUB IN RESPONSE FROM 5.2/5.3]?

6.9/7.9 How do you generally send money to/receive money from your friends or relatives in [SUB IN RESPONSE FROM 5.2/5.3]?

Key Statistics (Means) of Domestic Remittances Sent

Frequency: **9**

Total value: **454**

*Amount per transaction: **112**

Cost per transaction: **20 (6 median)**

*Cost as % of transaction: **20%**

Minimum amount: **157**

Maximum amount: **220**

n=48

Q6.3/7.3 Total value.

Q6.5/7.5 Transaction fee cost.

Q6.6/6.7 Minimum amount sent.

Q6.7/7.6 Maximum amount sent.

Key Statistics (Means) of Domestic Remittances Received

Frequency: 7 (times in the past year)

Total value: 703

***Amount per transaction: 286**

Cost per transaction: 16 (1 median)

***Cost as % of transaction: 12%**

Minimum amount: 276

Maximum amount: 373

n=41

Q6.3/7.3 Total value.

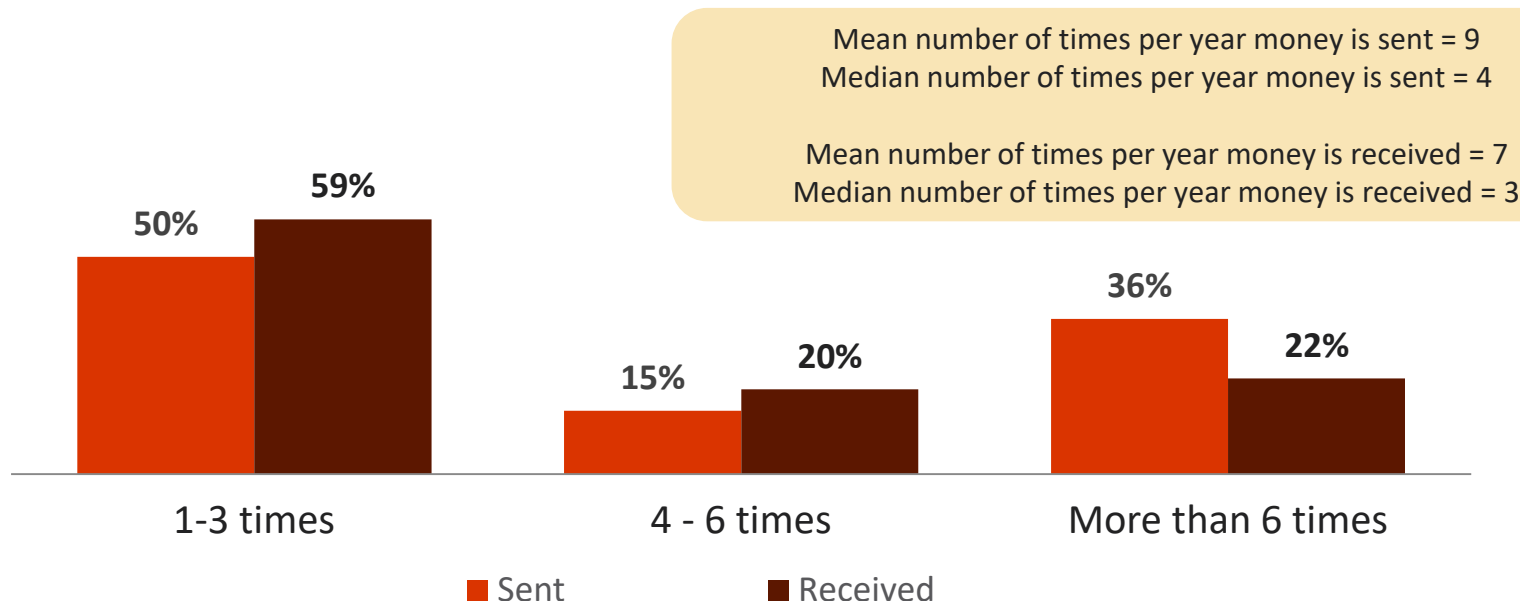
Q6.5/7.5 Transaction fee cost.

Q6.6/6.7 Minimum amount sent.

Q6.7/7.6 Maximum amount sent.

Low income Jordanians report sending money more often than receiving domestically

Frequency of Remitting



Base size:
n=48 for sent
n=41 for received

Q6.2/7.2 In the past 12 months, how many times did you send/receive money to/from friends or relatives outside of your household in [SUB IN RESPONSE FROM 5.2/5.3/5.5/5.6]?

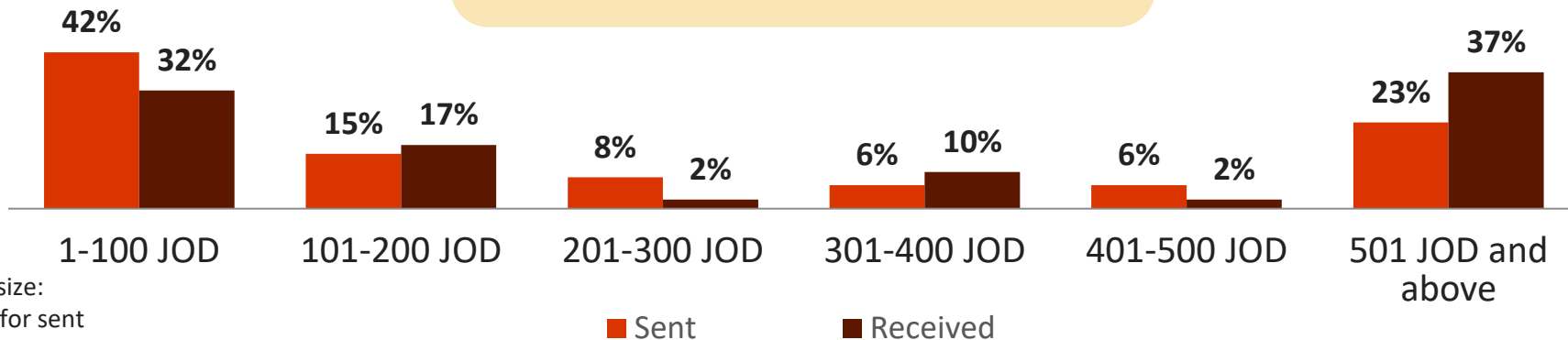


However, the total value of money received is larger than the value of money sent

Total Value of Money Remitted In Past Year

Mean value of money sent in past year = 454 JOD
Median value of money sent in past year = 189 JOD

Mean value of money received in past year = 703 JOD
Mean value of money received in past year = 250 JOD

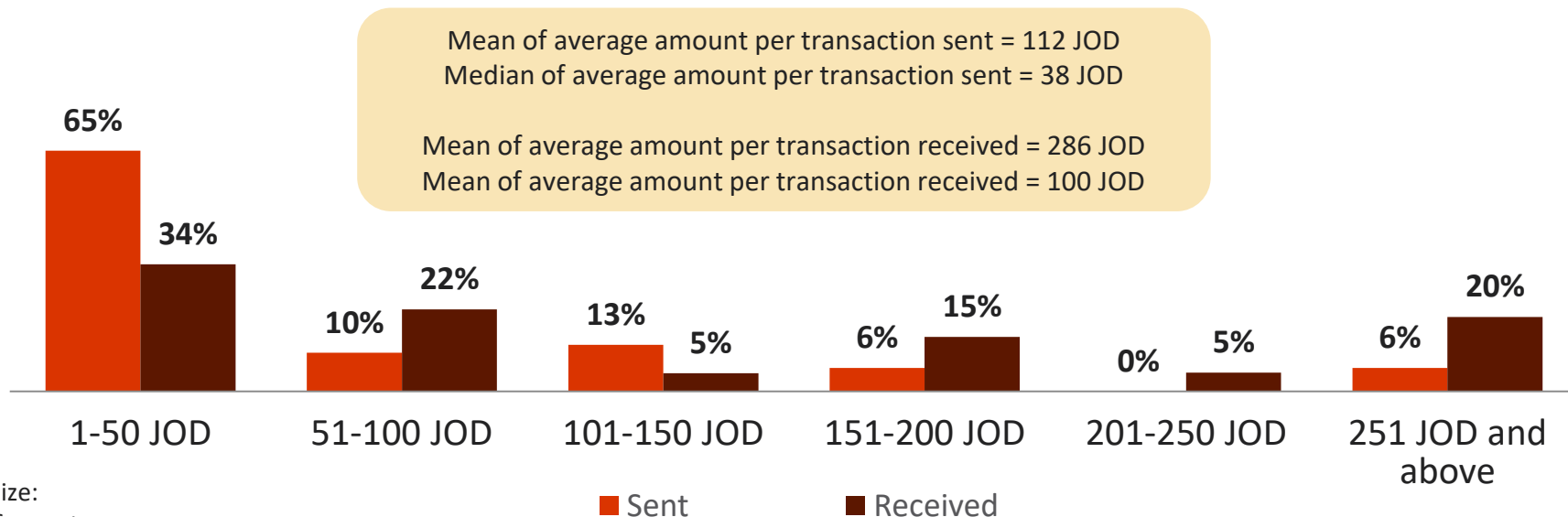


Base size:
n=48 for sent
n=41 for received



Similarly, the average transaction size for money received is more than double that of money sent

Average Amount Per Transaction



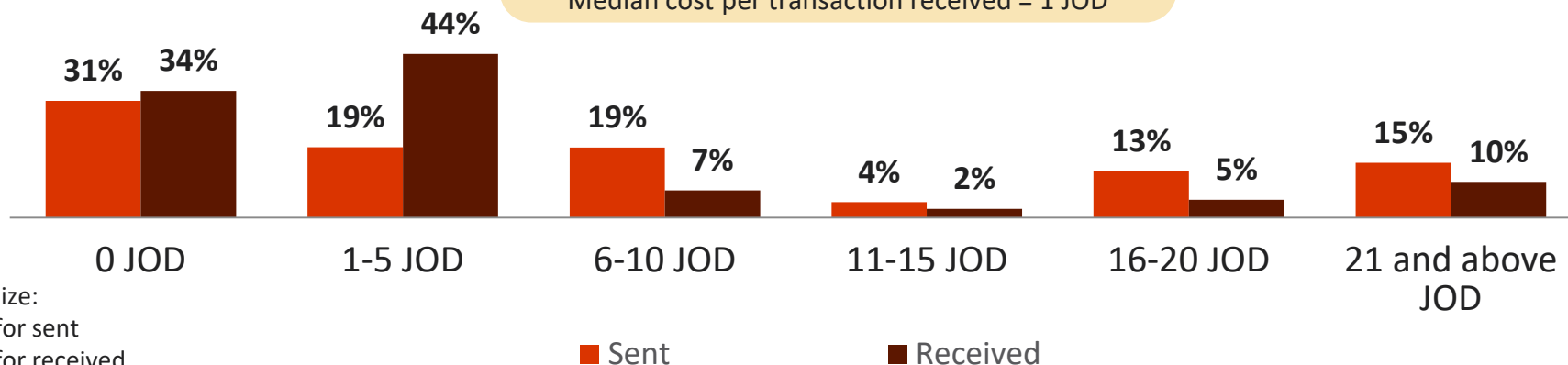
Base size:
n=48 for sent
n=41 for received

Sending remittances domestically costs slightly more than receiving them

Average Cost Per Transaction

Mean cost per transaction sent = 20 JOD
Median cost per transaction sent = 6 JOD

Mean cost per transaction received = 16 JOD
Median cost per transaction received = 1 JOD



Base size:
n=48 for sent
n=41 for received

Q6.5/7.5 On average, how much did you pay in fees per transaction to send money to/receive from friends or relatives in [SUB IN RESPONSE FROM 5.2/5.3/5.5/5.6]? Your best estimate is fine.



On average, the minimum amount of money received is much larger than that of money sent by low income Jordanians

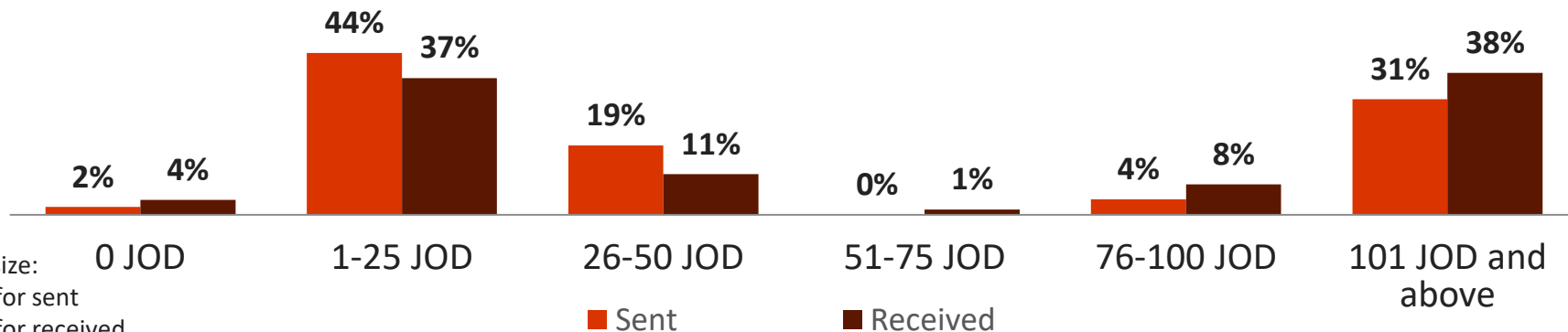
Minimum Amount of Money Remitted

Mean of minimum amount of money sent = 157 JOD

Median of minimum amount of money sent = 30 JOD

Mean of minimum amount of money received = 276 JOD

Median of minimum amount of money received = 100 JOD



Base size:
n=48 for sent
n=41 for received

As is the maximum amount of money received

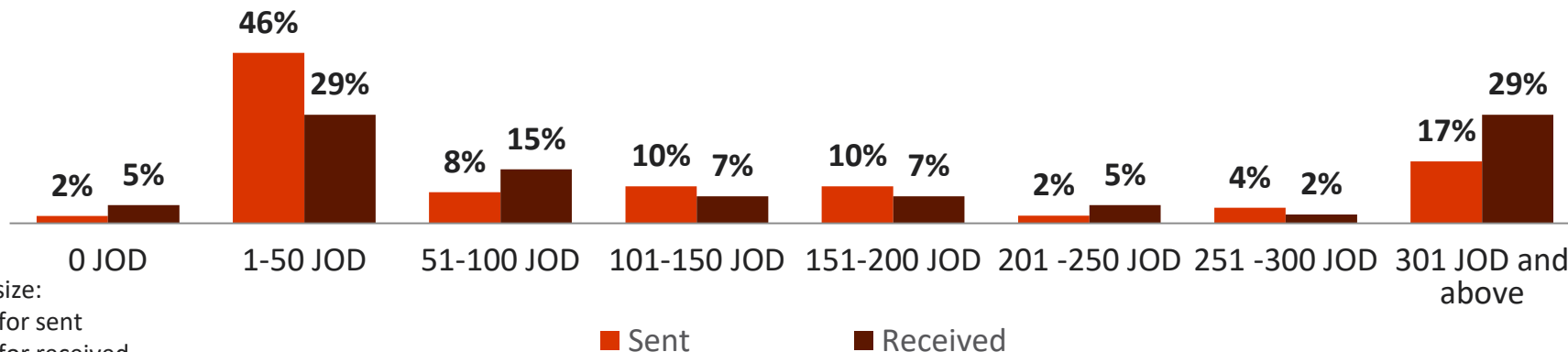
Maximum Amount of Money Sent and Received

Mean of maximum amount of money sent = 220 JOD

Median of maximum amount of money sent = 80 JOD

Mean of maximum amount of money received = 373 JOD

Median of maximum amount of money received = 120 JOD

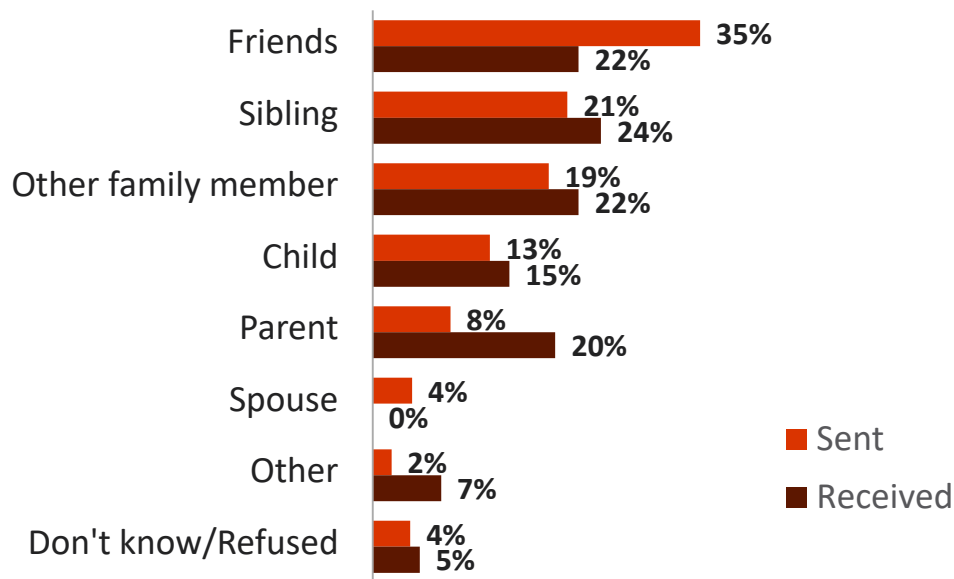


Base size:
n=48 for sent
n=41 for received



Low income Jordanians report that they most frequently send money to friends and receive money from family

Person Money Sent To and Received From



Base size:
n=48 for sent
n=41 for received

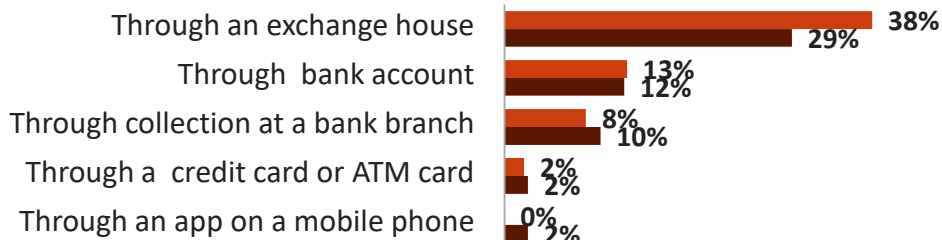
Q6.8/7.8 Who was this money sent to/received from in [SUB IN RESPONSE FROM 5.2/5.3/5.5/5.6]?



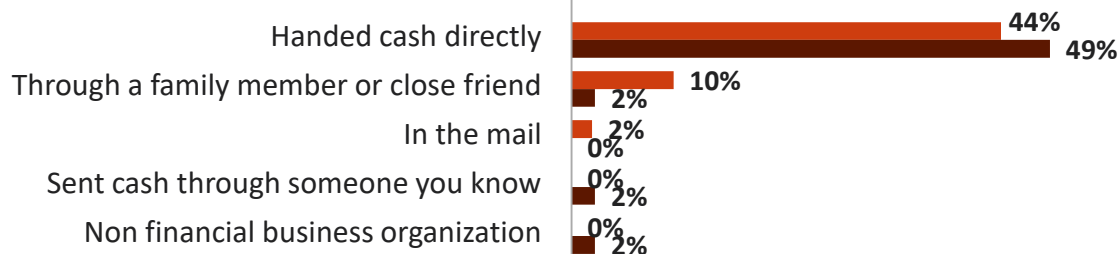
Low income Jordanians report that they primarily send and receive remittances by handing cash directly to someone

Methods Used to Send or Receive Money Domestically

Formal channel



Informal channel



■ Sent

■ Received

Base size:
n=48 for sent
n=41 for received

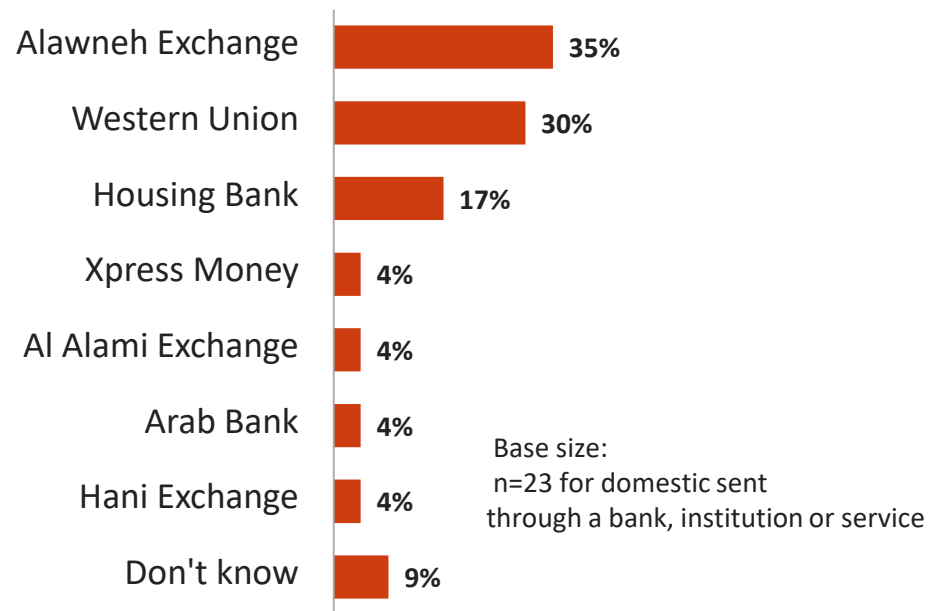
Don't know 0% 2%

Q6.9/7.9 How do you generally send money to/receive money from your friends or relatives in [SUB IN RESPONSE FROM 5.2/5.3/5.5/5.6]?

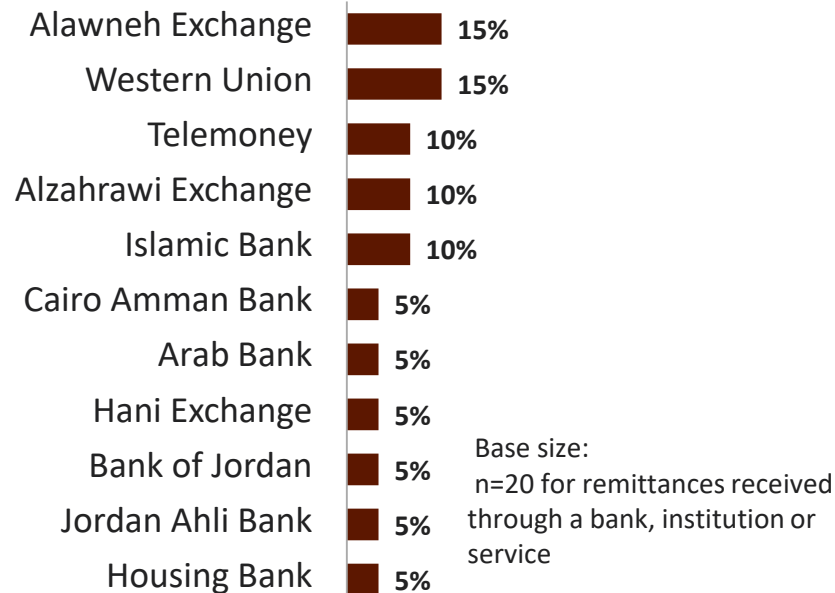


Low income Jordanians reported they used Alawneh and Western Union to both send and receive money (low base)

Name of Financial Company or Service Used to Send Remittances



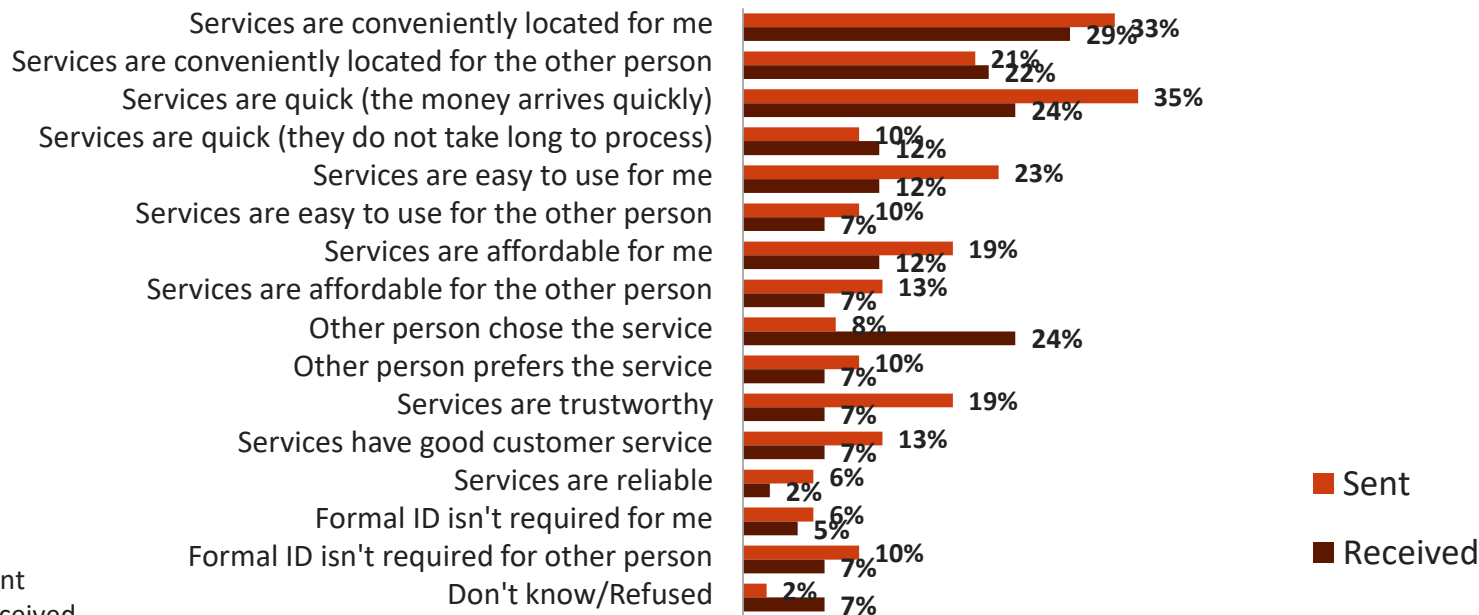
Name of Financial Company or Service Used to Receive Remittances





Low income Jordanians reported choosing services for sending based convenience and speed

Reasons for Choosing Services to Send or Receive Money Internationally:



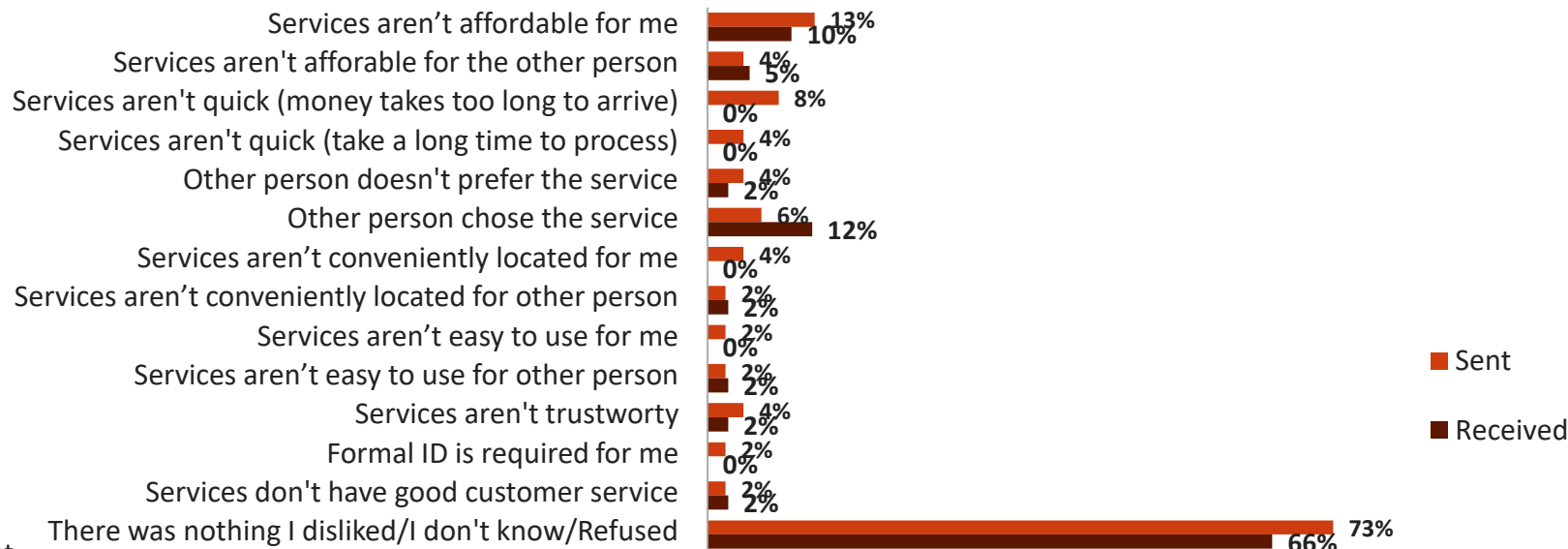
Base size:
n=48 for sent
n=41 for received

Q6.14/7.14 Why did you choose [SUB IN FROM 6.9/7.9] to send money to/ receive money from your family/friend in [SUB IN RESPONSE FROM 5.2/5.3/5.5/5.6]?



And they were mostly happy with the services they used

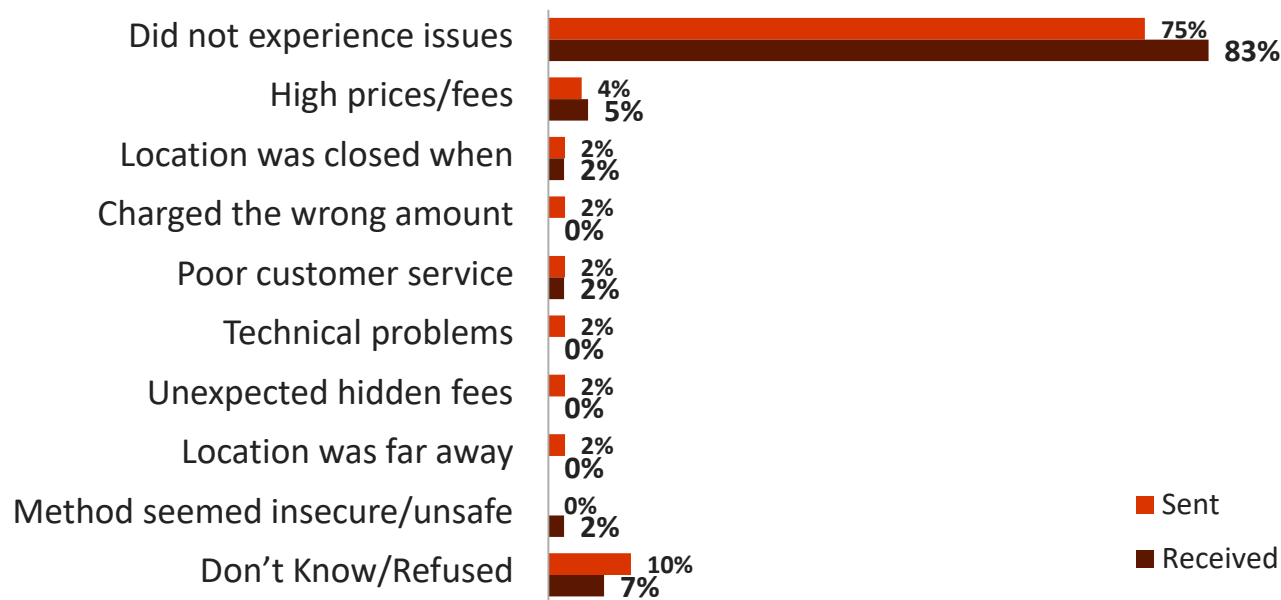
Dissatisfaction With Exchange House:



Base size:
n=48 for sent
n=41 for received

The majority of low income Jordanians did not report any problems when remitting money domestically

Problems Encountered When Sending or Receiving Money Domestically



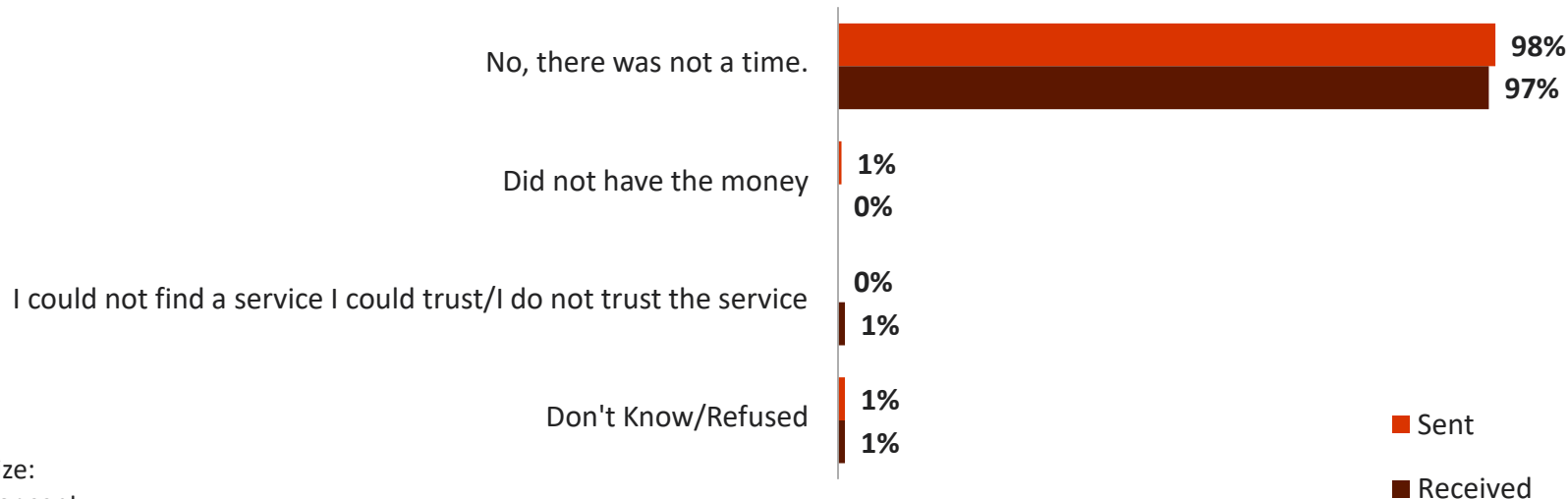
Base size:
n=48 for sent
n=41 for received

Q6.18/7.18 In the last 12 months, did you experience any of the following problems when trying to send money to/receive money from friends or family in [SUB IN ANSWER FROM 5.2/5.3/5.5/5.6]?



And in the past year, they didn't report a time when they wanted to send a domestic remittance, but couldn't

I couldn't send or receive money domestically because:



Base size:
n=48 for sent
n=41 for received



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Baseline Demand-Side Study on Digital Remittances in Jordan

REMITTANCE MARKET SIZING*

***Figures are discounted to cater for standard over-statements regarding financial topics observed in similar surveys, and as a result figures may differ from previous slides.**

Methodology

This section uses survey data combined with overall population data, and standard country-specific and methodology-specific overstatement discounts to determine the size of the current remittance market among target populations in Jordan.

This target represents a small remittance market. (The parallel supply-side study supports this by suggesting that low-income Jordanians and Syrian refugees are not major contributors to the remittance market in Jordan.)



Baseline Demand-Side Study on Digital Remittances in Jordan
Low Income Jordanians

Remittance Market Sizing



- The market sizing for low-income Jordanians was based on the following population statistics:
- Latest Jordanian census data has the total population of Jordan at approximately **9,500,000** people, of which **32%** are foreigners.
- This means the population of Jordanians is **6,460,000**. Since we are only including adults in this study, we eliminated the **40%** of Jordanians that are under the age of 18.
- Of the **3,876,000** adult Jordanians, **45%** are defined as low-income (SEC D-E, income less than 400 JOD per month).
- This leaves us with a population estimate of **1,744,200** adult low-income Jordanians.

Market size of international remittances received by low income Jordanians

	Receiving Money
Incidence	4.0%
Average number of transactions per person*	2.6
Average size per transaction (JOD)*	256
Average fee paid per transaction*	9
Average fee as % of transaction size	4%
Total size of market in transaction (JOD)	46,348,722
Total size of market in fees paid (JOD)	1,672,309

*Figures are modelled

Q6.3/7.3 Total value.

Q6.5/7.5 Transaction fee cost.

Q6.6/6.7 Minimum amount sent.

Q6.7/7.6 Maximum amount sent.



Market size of domestic remittances sent and received by low income Jordanians

	Sending Money	Receiving Money
Incidence	4.4%	3.8%
Average number of transactions per person*	5.8	4.2
Average size per transaction (JOD)*	98	205
Average fee paid per transaction*	19	25
Average fee as % of transaction size	20%	12%
Total size of market in transaction (JOD)	44,031,466	55,305,777
Total size of market in fees paid (JOD)	8,637,117	6,763,894

*Figures are modelled.

Q6.3/7.3 Total value.

Q6.5/7.5 Transaction fee cost.

Q6.6/6.7 Minimum amount sent.

Q6.7/7.6 Maximum amount sent.



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Baseline Demand-Side Study on
Digital Remittances in Jordan

MOBILE WALLET CONCEPT TESTING

CONCEPT TESTING

Overview

Respondents were asked for their ***opinions on and impressions of a hypothetical mobile wallet service for international remittances***, in which they would be able to use their mobile phone only, with no link to a banking, postal or pre-paid card account, to send money to or receive money from friends and family abroad.

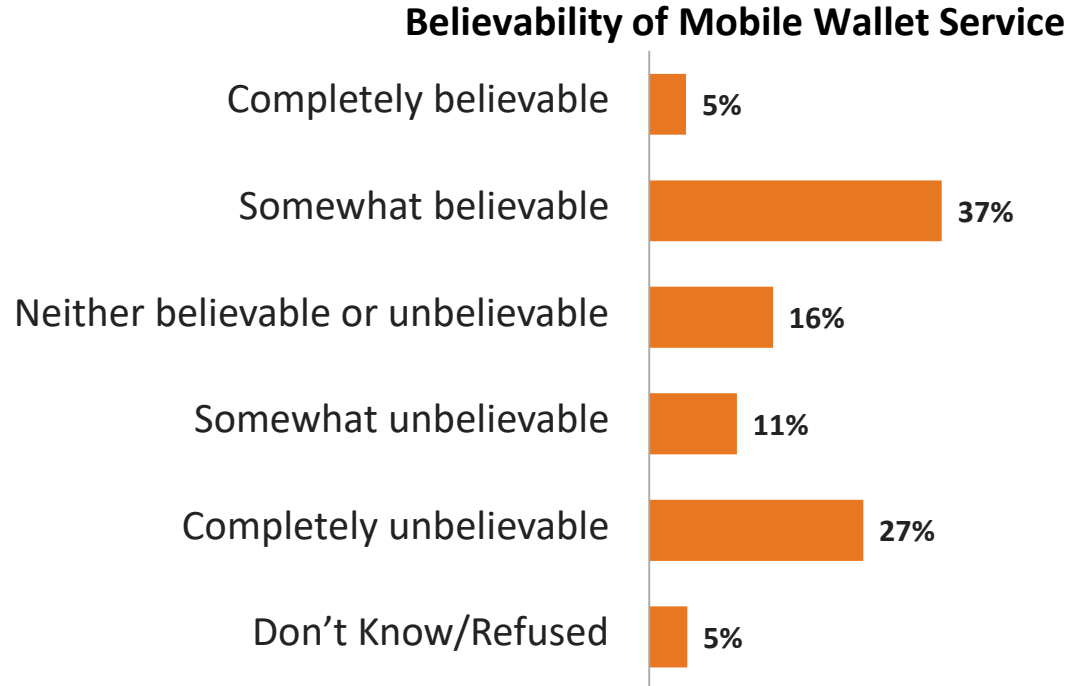
This section was asked to the entire sample, for both a hypothetical service to send money as well as a hypothetical service to receive money.



Baseline Demand-Side Study on Digital Remittances in Jordan
Low Income Jordanians

Concept Testing International

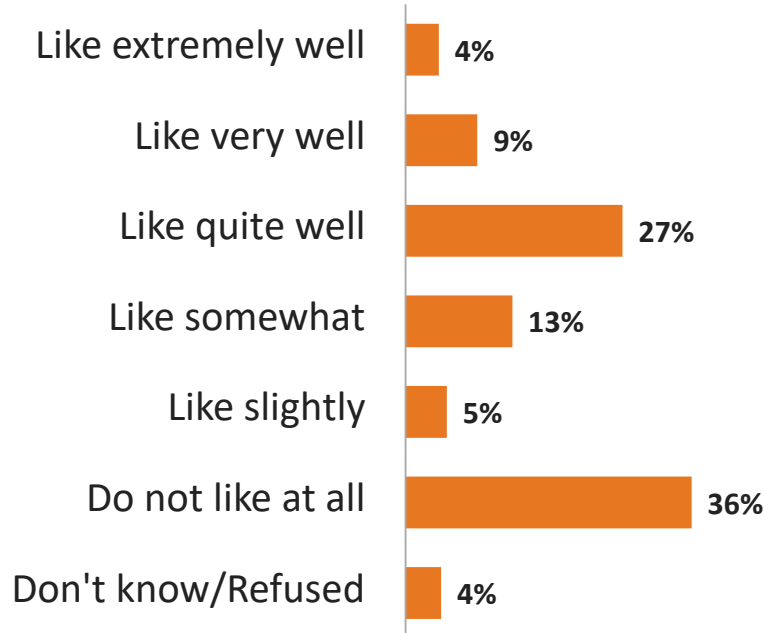
About half find the idea of making international transfers on their mobile phone believable



Q9.7C/E How do you feel about the statements made about this service?

And nearly half say they like the idea of the product to some extent

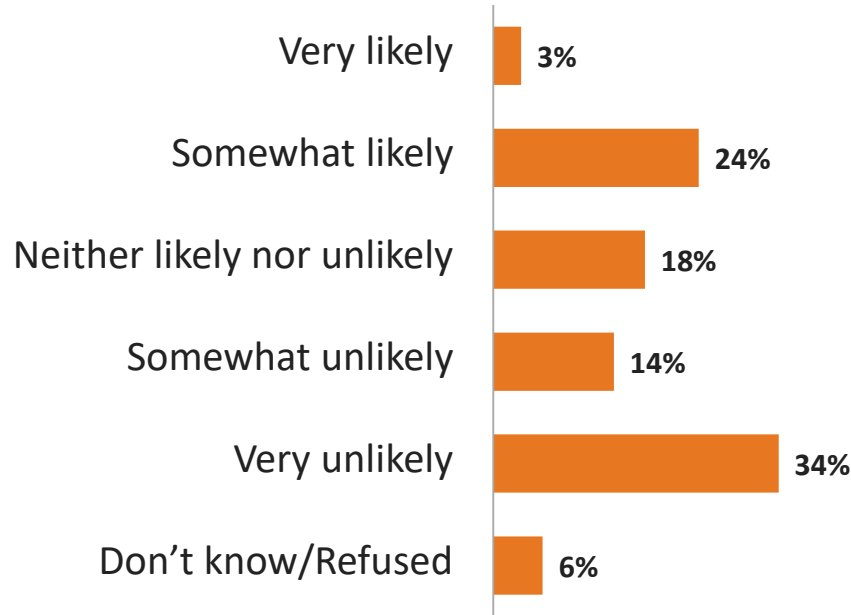
Opinion on Mobile Wallet Service



Q9.10C/E Which statement best describes how much you like this service?

However, only a third said they would be likely to seek more information about the service

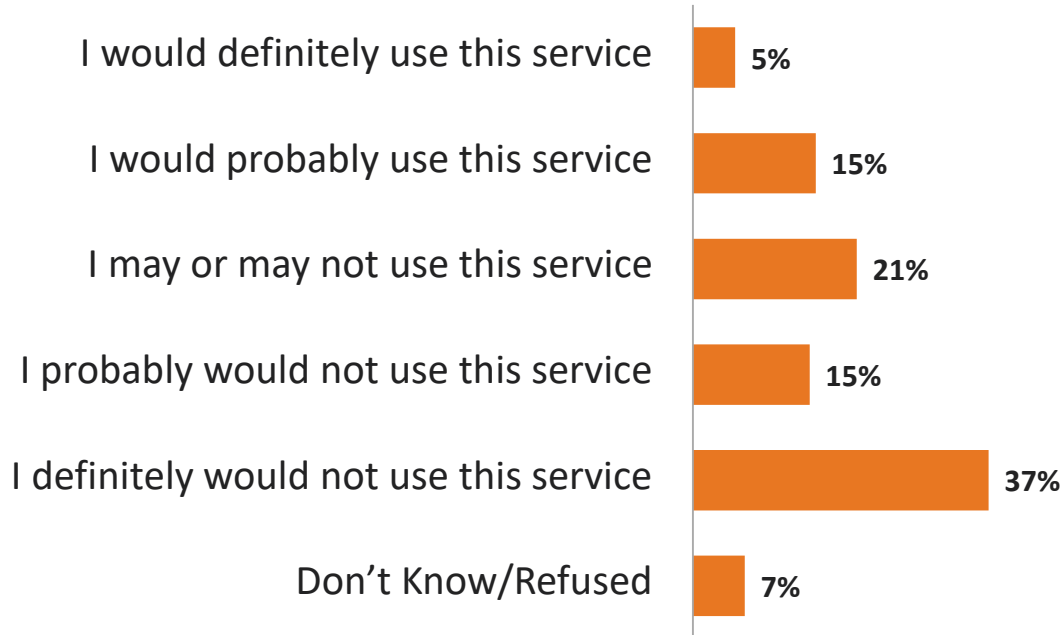
Likelihood of Seeking More Information About Mobile Wallet Service



Q9.8C/E Based on the description above, how likely would you be to seek more information about this service?

And around a quarter said they may use the service themselves

Likelihood of Using Mobile Wallet Service

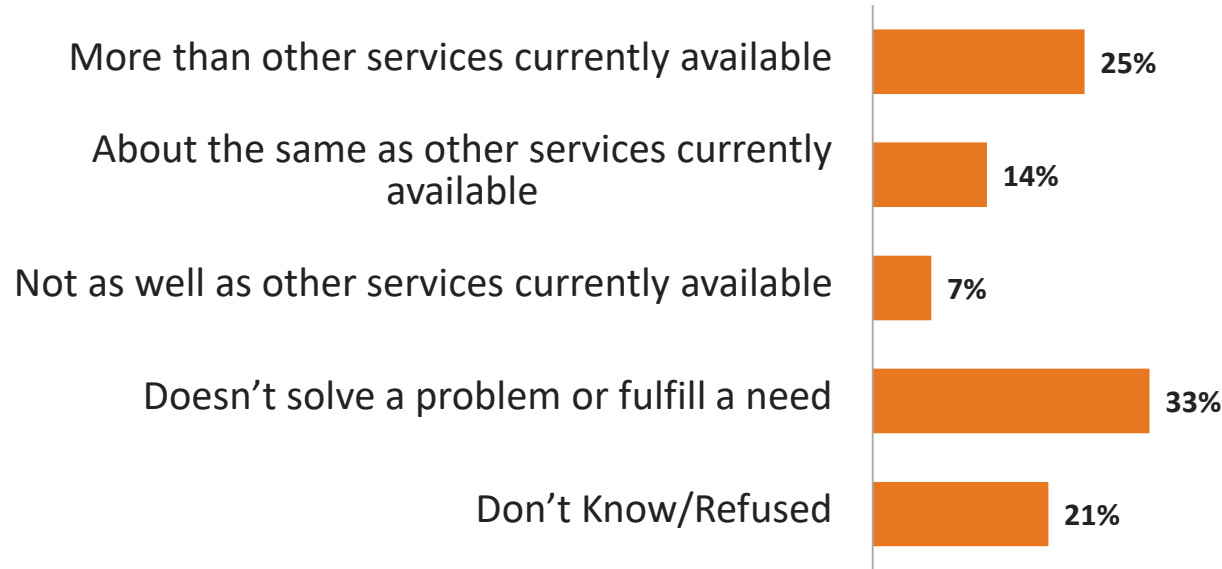


Q9.9C/E Which statement best describes how likely you would be to use this service?

CONCEPT TESTING - INTERNATIONAL

This may be driven by the 30% of respondents who said the product doesn't solve a problem or fulfil a need for them

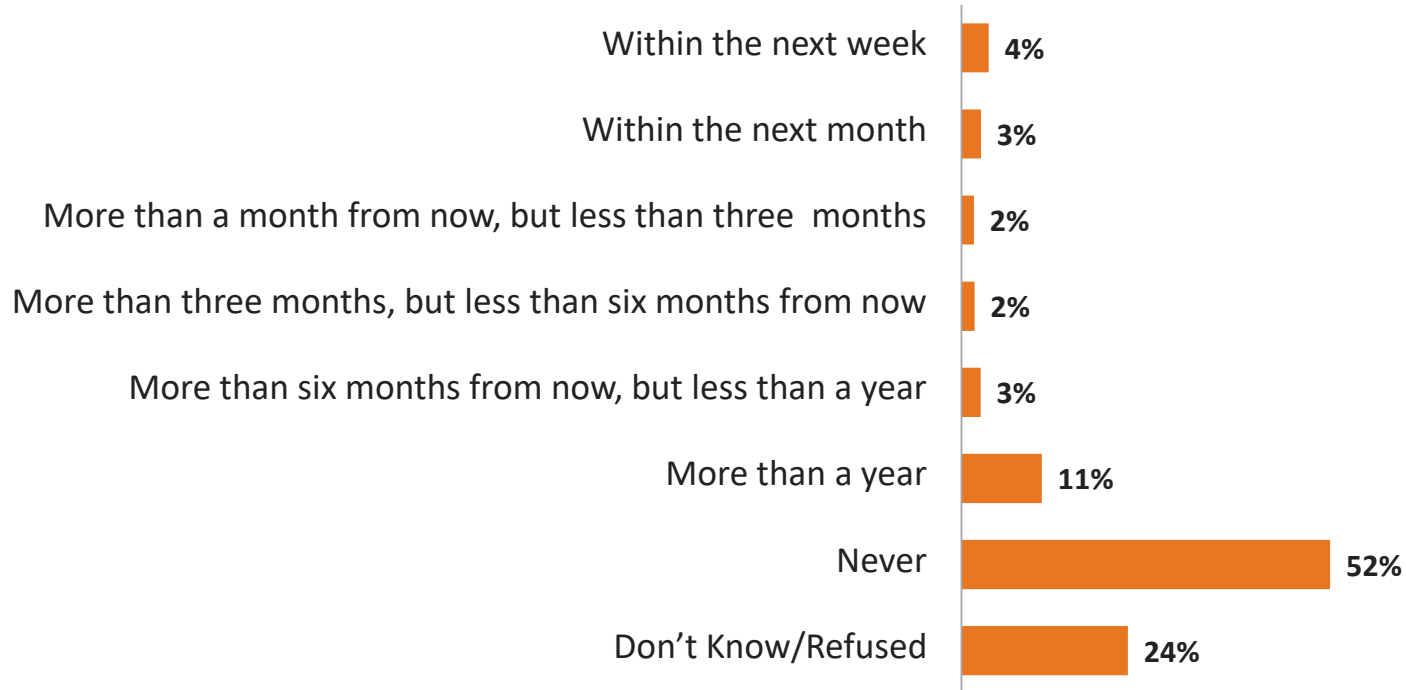
Ability of Mobile Wallet Service to Solve a Problem or Fulfil a Need



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

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

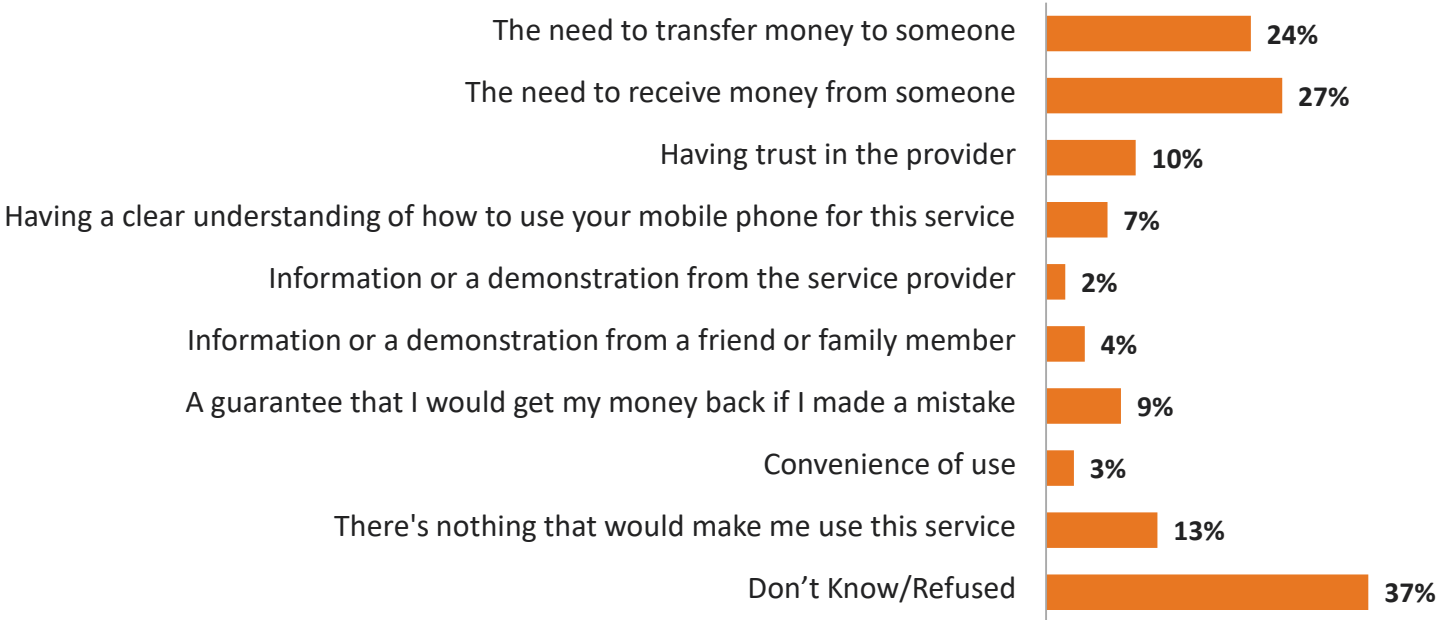
I would be most likely to use this service:



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

However, many said the need to send or receive money would potentially make them use it

Reason For Potentially Using Mobile Wallet Service



Q9.14C/E What would make you use this service?






Baseline Demand-Side Study on Digital Remittances in Jordan
Low Income Jordanians

Latent Class Analysis of Concept Testing International



Profiles of responses to concept test for sending/receiving money internationally

	Pragmatic Opportunists	Indifferent Believers	Outright Rejecters
Group			
Group Endorsements	Likely to use, solves a problem	Believable, solves a problem	Rejects concept
Size	7.1%	8.3%	84.6%

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)



Development of profiles by answer choices

	Pragmatic Opportunists	Indifferent Believers	Outright Rejecters
Service is believable	✗	✓	✗
Would seek more info	✗	⊖	✗
Would use service	✓	✗	✗
Like this service	✗	⊖	✗
Service solves problem	✓	✓	✗

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)



Those that responded more positively to the concept test are more likely to have smartphone and use the web daily

	Indifferent Believers vs. Outright Rejecters	Pragmatic Opportunists vs. Outright Rejecters
Have a Personal Smart Phone	 Believers are more likely to have smartphones than Rejecters	 Opportunists are more likely to have smartphones than Rejecters
Use Web Daily	 Believers are more likely to use the web daily than Rejecters	 Opportunists are more likely to use the web daily than Rejecters
Never Use Web	 Believers are less likely to never use the web than Rejecters	 Opportunists are less likely to never use the web than Rejecters



Baseline Demand-Side Study on Digital Remittances in Jordan
Low Income Jordanians

Concept Testing Domestic

CONCEPT TESTING – DOMESTIC

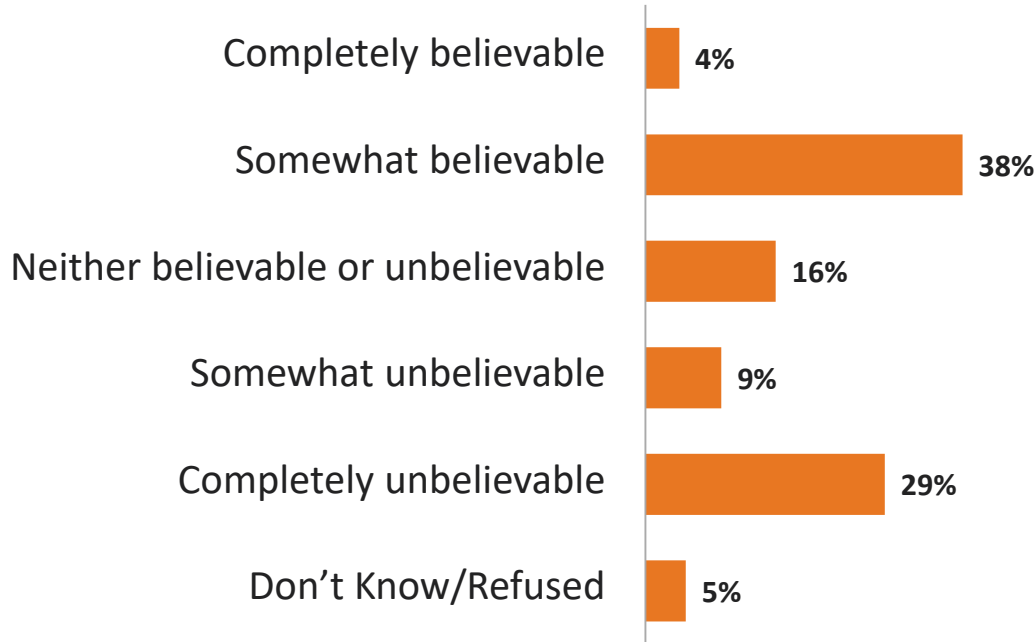
Concept Testing

- In the following section, respondents were asked for their ***opinions on and impressions of a hypothetical mobile wallet service for domestic remittances***, in which they would be able to use their mobile phone only, with no link to a banking, postal or pre-paid card account, to send money to or receive money from friends and family abroad.
- This section was asked to the entire sample, for both a hypothetical service to send money as well as a hypothetical service to receive money.

CONCEPT TESTING – DOMESTIC

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

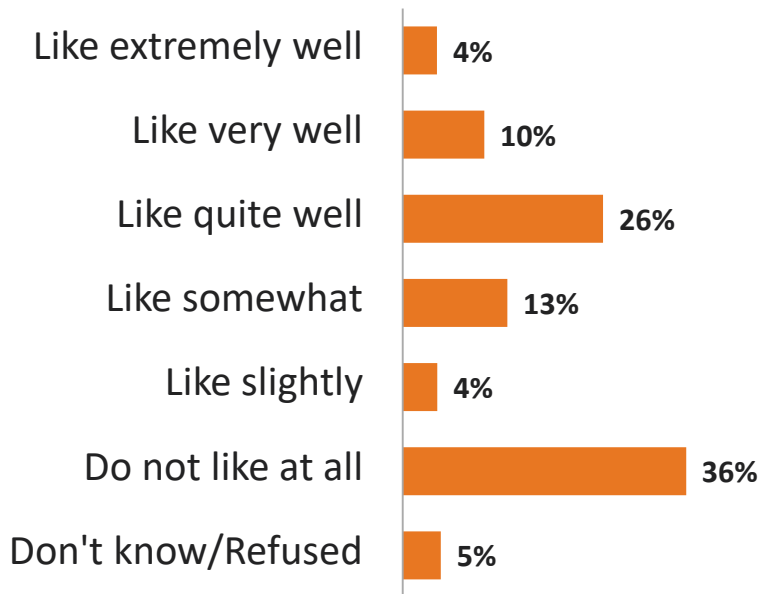
Believability of Mobile Wallet Service



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

And around half say they like the product to some extent

Opinion on Mobile Wallet Service

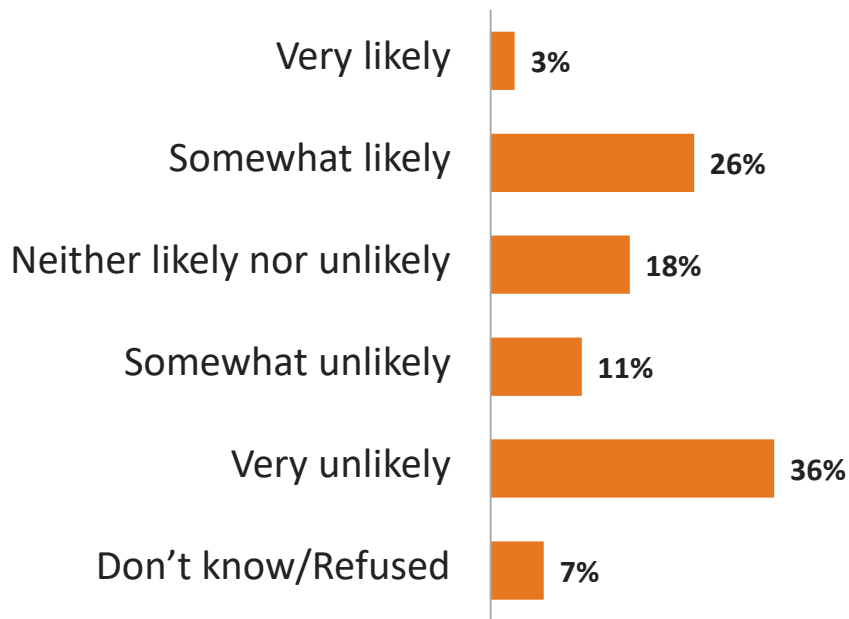


Q9.10D/F Which statement best describes how much you like this service?

CONCEPT TESTING – DOMESTIC

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

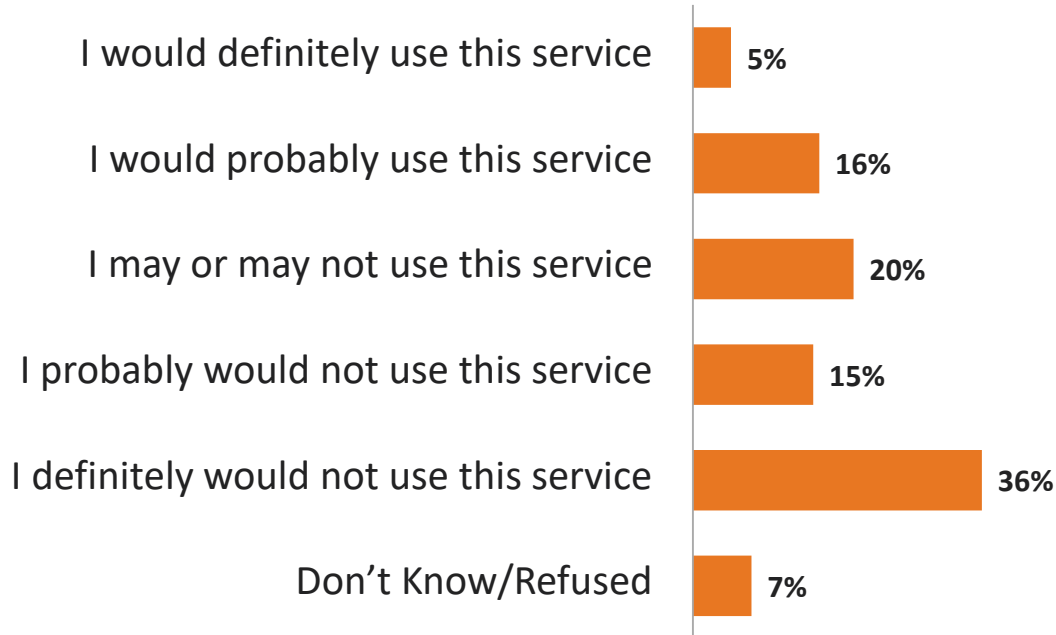


Q9.8D/F Based on the description above, how likely would you be to seek more information about this service?

CONCEPT TESTING – DOMESTIC

And around a quarter said they may use the service themselves

Likelihood of Using Mobile Wallet Service

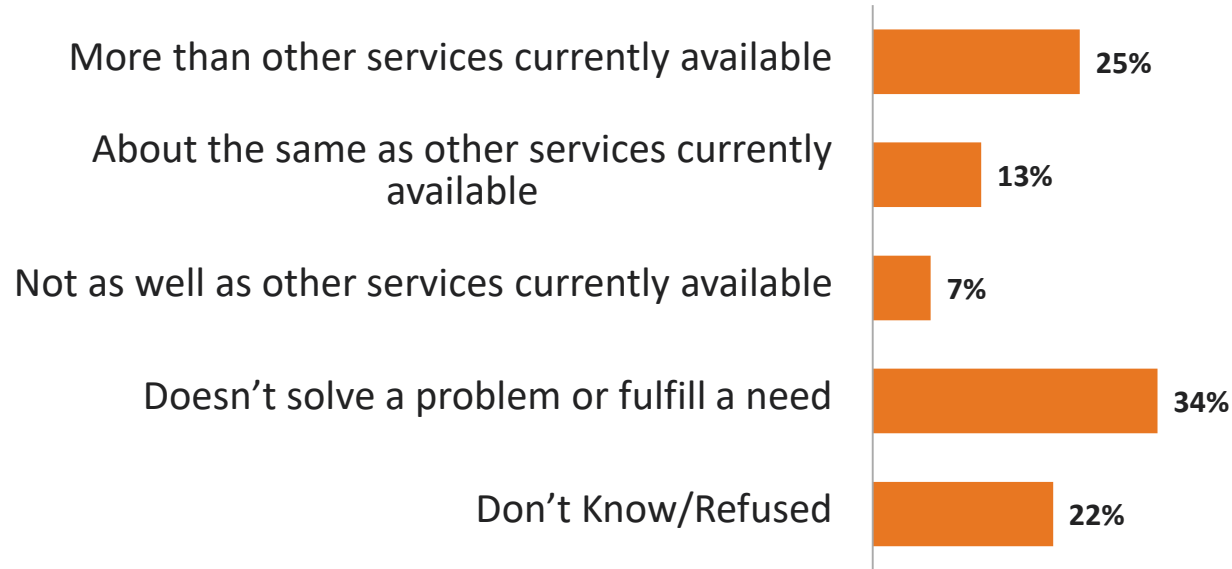


Q9.9D/F Which statement best describes how likely you would be to use this service?

CONCEPT TESTING – DOMESTIC

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

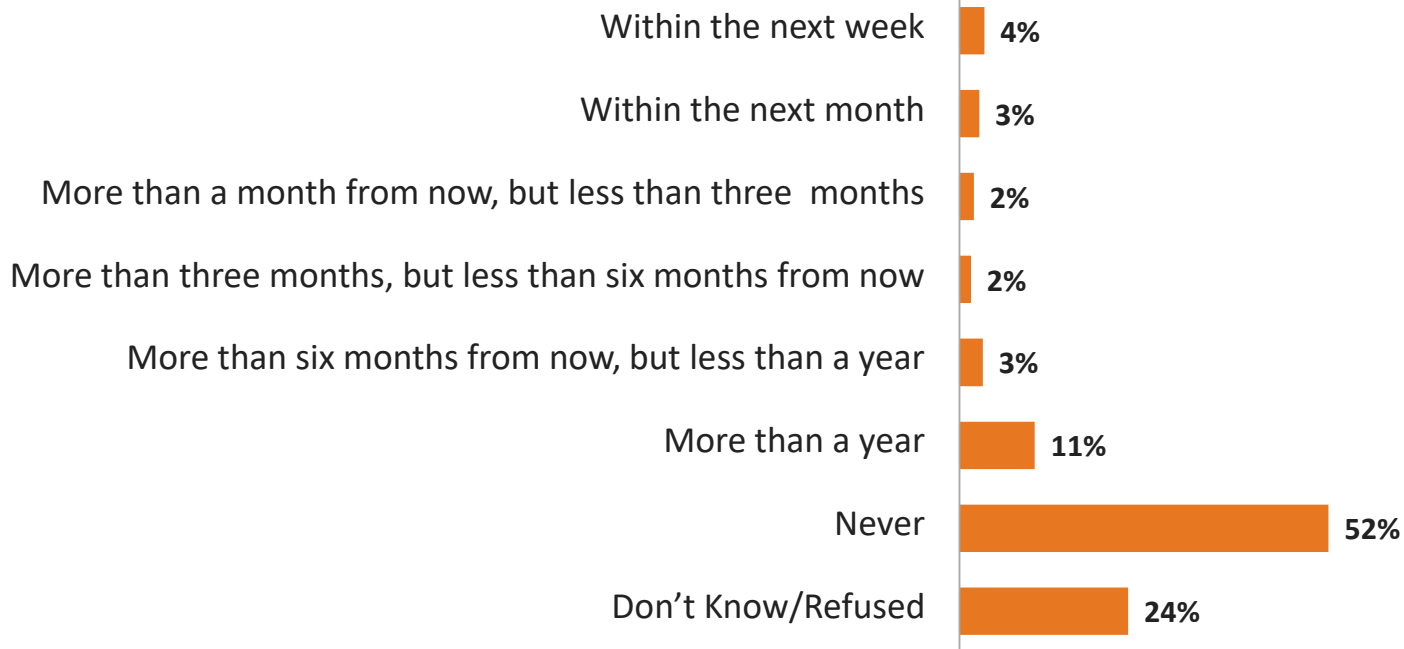
Ability of Mobile Wallet Service to Solve a Problem or Fulfil a Need



CONCEPT TESTING – DOMESTIC

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

I would be most likely to use this service:

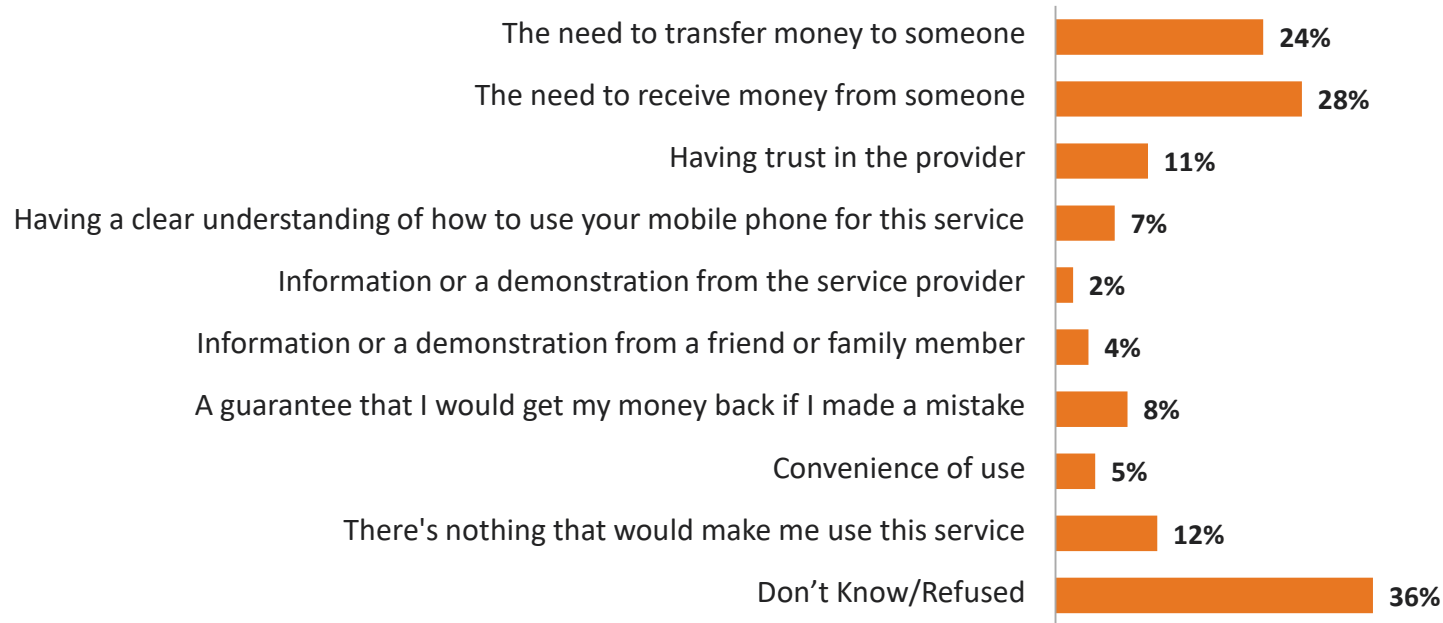


Q9.12D/F Which statement best describes when you think you would be most likely to use this service?

CONCEPT TESTING – DOMESTIC

However, many said the need to send or receive money would potentially make them use it

Reason For Potentially Using Mobile Wallet Service



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






Baseline Demand-Side Study on Digital Remittances in Jordan
Low Income Jordanians

Latent Class Analysis of Concept Testing Domestic



Profiles of responses to concept test for sending/receiving money domestically

	Pragmatic Opportunists	Outright Rejecters	Selectively Curious
Group			
Group Endorsements	Likely to use, solves a problem	Rejects concept	Believable, liked concept, seek info
Size	6.5%	87.2%	6.3%

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)



Development of profiles by answer choices

	Pragmatic Opportunists	Outright Rejecters	Selectively Curious
Service is believable	✗	✗	✓
Would seek more info	✗	✗	✓
Would use service	✓	✗	⊖
Like this service	✗	✗	✓
Service solves problem	✓	✗	✓

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)



Those that responded more positively to the concept test are more likely to have smartphone, be educated, and send or receive money

	Selectively Curious vs. Outright Rejecters	Pragmatic Opportunists vs. Outright Rejecters
Have a Personal Smart Phone	 The Curious are more likely to have smartphones than Rejecters	--
Be more highly educated	 The Curious are more likely to be educated than Rejecters	--
Sent or Received Money	 The Curious are more likely to send or receive money than Rejecters	--



Baseline Demand-Side Study on Digital Remittances in Jordan
Low Income Jordanians

Qualitative Concept Testing Domestic and International



In the focus group discussions, participants expressed enthusiasm at the potential for mobile wallet

Upon hearing about mobile wallet, focus group participants had a number of questions about the features, security, and concerns about the product. However, once these questions were answered, enthusiasm and optimism was expressed about 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, Mafrqa

"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



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Baseline Demand-Side Study on Digital Remittances in Jordan

REMITTANCE FORECASTING*

***Data from this section is modelled to account for typical overstatement and other known patterns of consumer behavior**

REMITTANCE FORECASTING

Methodology

This section uses survey data, population data, and standard Vantis forecasting methodologies to size the current remittance market among Syrian refugees and low-income Jordanians, and to forecast the market potential.

Market potential for new digital service was modeled through a battery of key consumer metrics (shown in the previous concept testing section) validated to predict financial service adoption rates.

Vantis* has 30 years of experience in forecasting services and has databased over 30,000 concepts in durables and services. This experience was put to use to remove country-specific and methodology-specific overstatement, as well as to turn stated interest into actual validated market sizing.

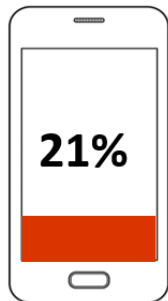


Baseline Demand-Side Study on Digital Remittances in Jordan
Low Income Jordanians

Forecasting Domestic Remittances

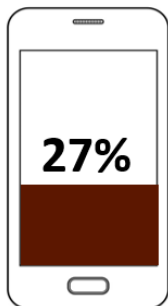


There is untapped need in the low income Jordanian market



Sent

- Of the 4.4% of low-income Jordanians that have sent money domestically in the past 12 months, **21%** have an untapped need (a need to send money domestically without an ideal way to do it).
- This represents an additional **.9%** of the overall population of low-income Jordanians that could use this service, or **5.3%** total.

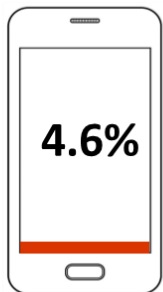


Received

- Of the 3.8% of low-income Jordanians that have received money domestically in the past 12 months, **27%** have an untapped need (a need to receive money domestically without an ideal way to do it).
- This represents an additional **1%** of the overall population of low-income Jordanians that could use this service, or **4.8%** total.

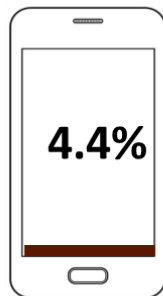


However service adoption potential among low-income Jordanians is low



Sent

- Of the **4.6%** of potential adopters for sending money domestically, **20%** will already send money and will switch services for **0%** of their transactions.
- **80%** will be people that do not currently have a need or have a need and no method.



Received

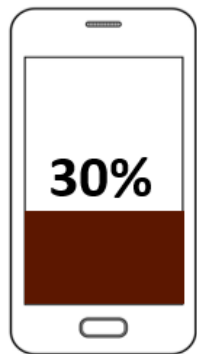
- Of the **4.4%** of potential adopters for receiving money domestically **16%** will already receive money and will switch services for **45%** of their transactions.
- **84%** will be people that do not currently have a need or have a need and no method.



Baseline Demand-Side Study on Digital Remittances in Jordan
Low Income Jordanians

Forecasting International Remittances Received

There is more untapped need in the international remittance receivers market for low income Jordanians

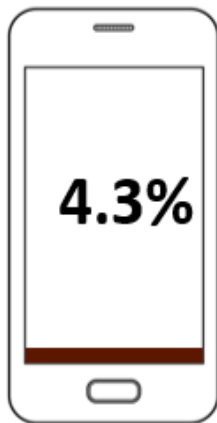


Received

- Of the 4% of low-income Jordanians that have received money internationally in the past 12 months, **30%** have an untapped need (a need to receive money internationally without an ideal way to do it).
- This represents an additional **1.2%** of the overall population of low-income Jordanians that could use this service, or **5.2%** total.



However service adoption potential among low-income Jordanians is low



Received

- Of the **4.3%** of potential adopters for receiving money internationally, **14%** will already receive money and will switch services for **66%** of their transactions.
- **86%** will be people that do not currently have a need or have a need and no method.



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Baseline Demand-Side Study on Digital Remittances in Jordan

PRODUCT SUGGESTIONS*

***Data from this section is modelled to account for typical overstatement and other known patterns in consumer behavior**

PRODUCT SUGGESTIONS

Optimal Pricing Methodology

In this section, the Van Westendorp price sensitivity meter is used to determine optimal pricing for potential products. After mobile wallet services were described to respondents in detail, they were asked the four questions below four times once for each remittance behavior.

- If you were to send/receive 100JD from a friend or family member abroad/within Jordan using your mobile phone, at what price would you consider the service to be so expensive that you wouldn't consider using it?
- If you were to send/receive 100JD to a friend or family member abroad/within Jordan using your mobile phone, at what price would you consider the service to be priced so low that you would feel the quality and/or reliability couldn't be very good?
- If you were to send/receive 100JD to a friend or family member abroad/within Jordan using your mobile phone, at what price would you consider the service starting to get expensive, so that it is not out of the question, but you would have to give some thought to using it?
- If you were to send/receive 100JD to a friend or family member abroad/within Jordan using your mobile phone, at what price would you consider the service to be a bargain – a great buy for the money?

The answers to these questions were then graphed and analyzed by the Ipsos marketing sciences team to determine the low and high end of pricing for each behavior, as well as the optimal price.



Baseline Demand-Side Study on Digital Remittances in Jordan
Low Income Jordanians

Remittance Product Suggestions



Optimal pricing for low income Jordanians is around 4% of transaction, and is similar across remittance categories

Optimal Pricing for New Service
(Fee for Transaction of 100 JOD)





On average, low income Jordanians would travel 26 minutes to access this type of service



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



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



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THANK YOU

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