

# THE STATE OF INCLUSIVE INSTANT PAYMENT SYSTEMS IN AFRICA 2024

## CONSUMER RESEARCH INSIGHTS

Algeria



# INTRODUCTION

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*The State of Inclusive Instant Payment Systems (SIIPS)* in Africa report is an AfricaNenda research and advocacy initiative conducted in collaboration with the World Bank and the United Nations Economic Commission for Africa.

SIIPS 2024 marks the third edition of this flagship series. The report aims to inform public and private sector payment stakeholders within Africa and beyond about advancements in Africa's instant retail payment system (IPS) landscape. The report includes insights on the inclusivity of the continent's live systems based on how accessible and useful they are for all end users, and whether all licensed payment providers in the country have equitable opportunities to provide input into their design and governance.

The SIIPS 2024 analysis includes IPS that were operational with live transactions as of June 2024. The data was compiled using public sources, complemented by a survey of central banks and IPS operators, and by comprehensive stakeholder interviews—all conducted between February and June 2024.

The consumer research reflected in this presentation also took place between February and March 2024. It involved in-country quantitative surveys and qualitative interviews featuring low-income adults and micro and small enterprise (MSME) owners in Algeria.

Though the consumer research sample is not nationally representative, it aims to provide insights to better inform the design of IPS to meet end-user needs.



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# SECTION 1

## METHODOLOGY OVERVIEW



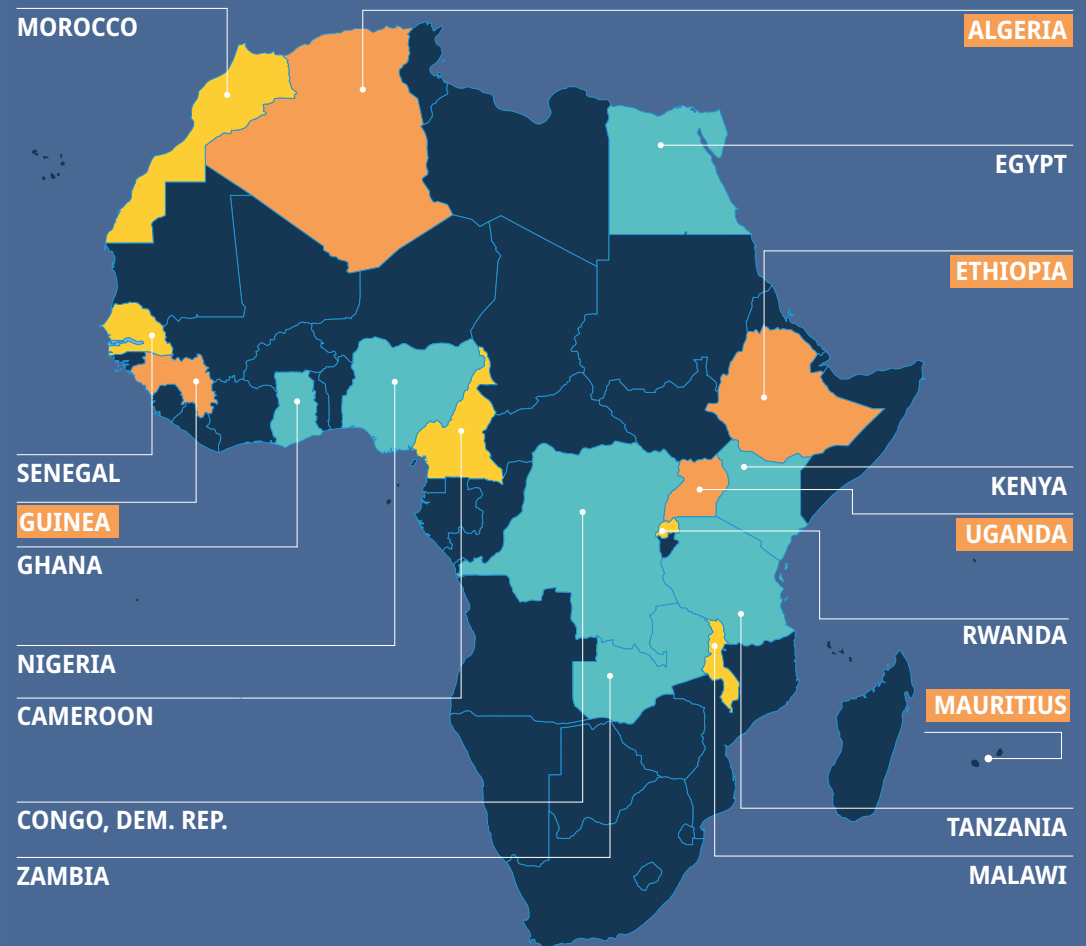
# Sampled countries:

Algeria, Ethiopia, Guinea, Mauritius, and Uganda

The 2024 consumer research was conducted in five sample countries: Algeria, Ethiopia, Guinea, Mauritius, and Uganda.

Cross-country averages are based on these five sample countries.

The research complements research done in 2022 and 2023 using a similar methodology. The seven 2022 sample countries were Democratic Republic of Congo, Egypt, Ghana, Kenya, Nigeria, Tanzania, and Zambia. In 2023, the five sample countries were Cameroon, Malawi, Morocco, Rwanda, and Senegal.



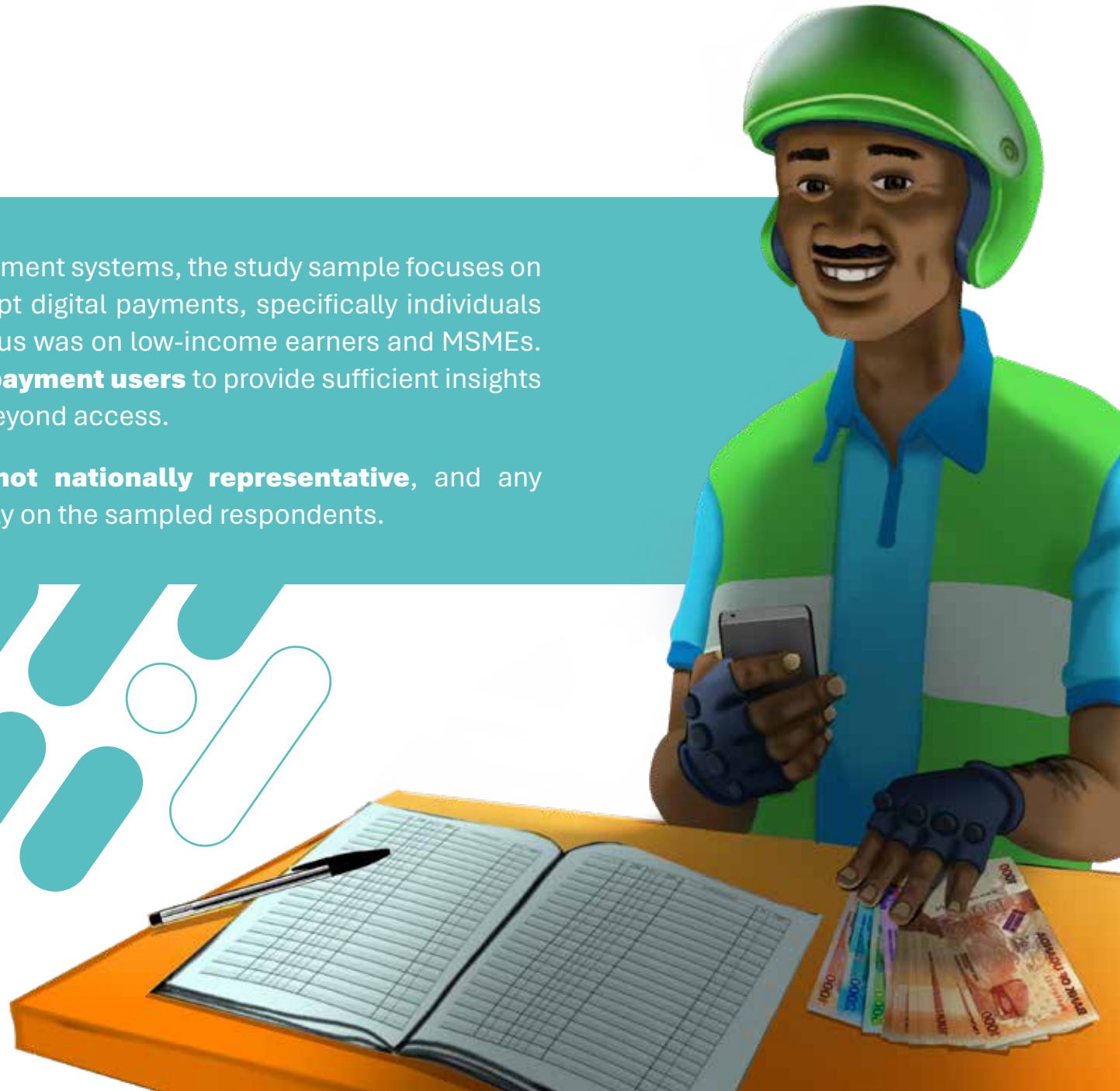
● 2024 Sampled Countries ● 2023 Sampled Countries ● 2022 Sampled Countries

## Methodology:

### Sampling approach

To inform the inclusive design of instant payment systems, the study sample focuses on the **“emerging market”** expected to adopt digital payments, specifically individuals in **urban and peri-urban** settings. The focus was on low-income earners and MSMEs. Additionally, the sample **targeted digital payment users** to provide sufficient insights into early and habitual usage constraints beyond access.

These consumer research findings are **not nationally representative**, and any country-specific inferences are based solely on the sampled respondents.



# Methodology:

## Overview



### RESEARCH METHODOLOGY AND CORRESPONDING OBJECTIVES

	Survey	In-depth interviews
Survey objectives	<ul style="list-style-type: none"><li>• Understand depth of consumer usage</li><li>• Measure the frequency of digital payment usage and the popularity of transaction types</li><li>• Rank the most-used payment instruments</li></ul>	<ul style="list-style-type: none"><li>• Map use-case characteristics and payment behavior</li><li>• Determine consumer perceptions of inclusive instant payment systems, using access, adoption, and usage frameworks</li><li>• Frame consumer journey</li></ul>
Sample size target per country	<ul style="list-style-type: none"><li>• Identify core barriers</li><li>• Number of individuals = 60</li><li>• Number of MSMEs = 40</li></ul>	<ul style="list-style-type: none"><li>• Number of individuals = 10</li><li>• Number of MSMEs = 10 (out of them one is a mobile money agent)</li></ul>



### FIELDWORK ITINERARY

- Fieldwork was carried out in Algeria, Ethiopia, Guinea, Mauritius, and Uganda
- Quantitative data collection: Feb 11 – March 7, 2024
- Qualitative data collection: Feb 7 – February 28, 2024

# Methodology:

## Sampled groups overview



### INFREQUENT INCOME EARNERS



### FREQUENT INCOME EARNERS



### MICRO ENTREPRENEURS\*



### SMALL BUSINESSES\*

#### Definition

Lower and infrequent income earners include the urban poor, who survive “hand to mouth” due to the absence of regular employment and stable earnings. They include intermittent piece job/gig workers, and people dependent on family/community or social grants.

Lower and frequent income earners are the slightly more affluent part of the lower-income mass market. They earn a steady income (wages) or a salary in the formal or informal sector.

Individual traders/merchants such as hawkers, fruit and vegetable sellers, cobblers, and other crafts traders.

Traders who have small, fixed premises or (mostly informal) shops/service providers, as well as smallholder farmers and small agribusinesses.

#### Sample proportion (survey)

26%

34%

17%

23%

**69%** of the total sample for the **quantitative survey** are **digital payment users** (individuals and MSMEs) and **70%** of the total sample for the **qualitative research components** are **digital payment users** (individuals and MSMEs).

Within each of the four groups, **adequate coverage of women and youth** was ensured. The businesses sampled represent a mixture of different business activities.



# SECTION 2

## DIGITAL PAYMENTS USAGE PATTERNS



## Country context overview:

Algeria displays low digital payment usage and financial inclusion levels despite relatively high levels of digital inclusion.

		Emerging cluster
		Algeria
Financial inclusion		
Digital payment usage	Proportion of the population using digital payments over the past year [Findex 2021]	34%
Transaction account penetration	Proportion of the adult population that owns a formal account [Findex 2021]	44%
Number of mobile money agents	Number of registered mobile money agent outlets per 1,000 km <sup>2</sup> [IMF 2022]	-
Number of branches	Number of commercial bank branches per 100,000 adults [IMF, 2022]	5.3



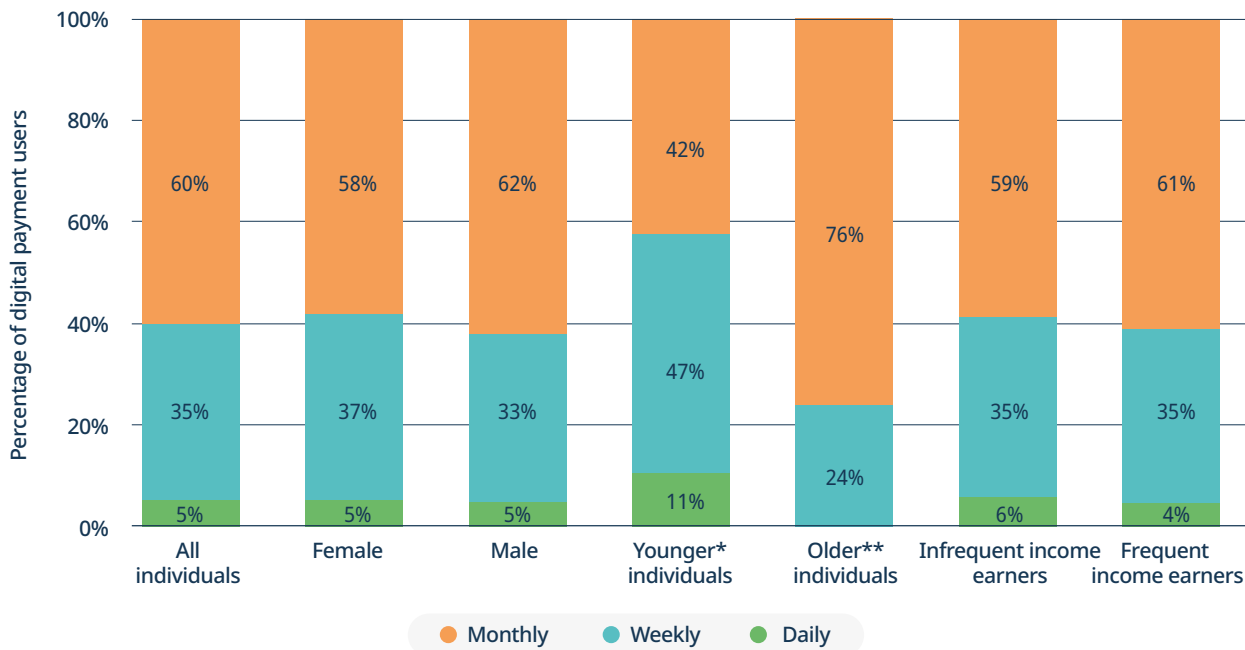
		Emerging cluster
<b>Digital inclusion</b>		Algeria
<b>Mobile network coverage</b>	Proportion of the population within range of at least 4G /LTE mobile-cellular signal [ITU, 2022]	86%
<b>Internet penetration</b>	Proportion of the population using the internet from any location over the past 3 months [ITU, 2022]	71%
<b>Mobile phone penetration</b>	Proportion of the population that owns a mobile (cellular) or smart telephone with at least one active SIM card for personal use [ITU]	88% (2018)
<b>Smartphone penetration/adoption</b>	Proportion of individuals using a smart telephone with at least one active SIM card for personal use [ITU] Percentage of mobile phone connections (excluding licensed cellular IoT) which are through a smartphone [GSMA]	29% (GSMA, 2018)

- Algeria is classified as an emerging country in digital payment adoption with about one-third of the population using digital payments.
- There is high mobile network coverage, internet penetration, and smartphone penetration, but low transaction account penetration.
- The Algerian financial market has a dominant service provider offering card and payment apps. This has driven some uptake and usage of digital payments, with POS as the most common digital payment channel.
- Students receive university scholarships via bank accounts, which drives digital payment usage ([Ministry of National Education, 2024](#)).
- A lack of familiarity with digital payments and a limited choice of digital payment providers prevent respondents from using them more frequently.
- Most digital payments users in the Algerian sample use them less than three times a month.

# Section 2.1: User group usage patterns

## Individual user group analysis — frequency of digital payment usage:

Younger individual respondents are at the forefront of digital payment use.



Total number of individual digital payment users sampled: 40

**Younger\* individual respondents use digital payments more frequently:**

- Students receive university scholarships via bank accounts, which drives digital payment usage (Ministry of National Education, 2024).
- Older individuals are hesitant to use digital payments due to security concerns such as fear of fraud and longstanding use of cash.

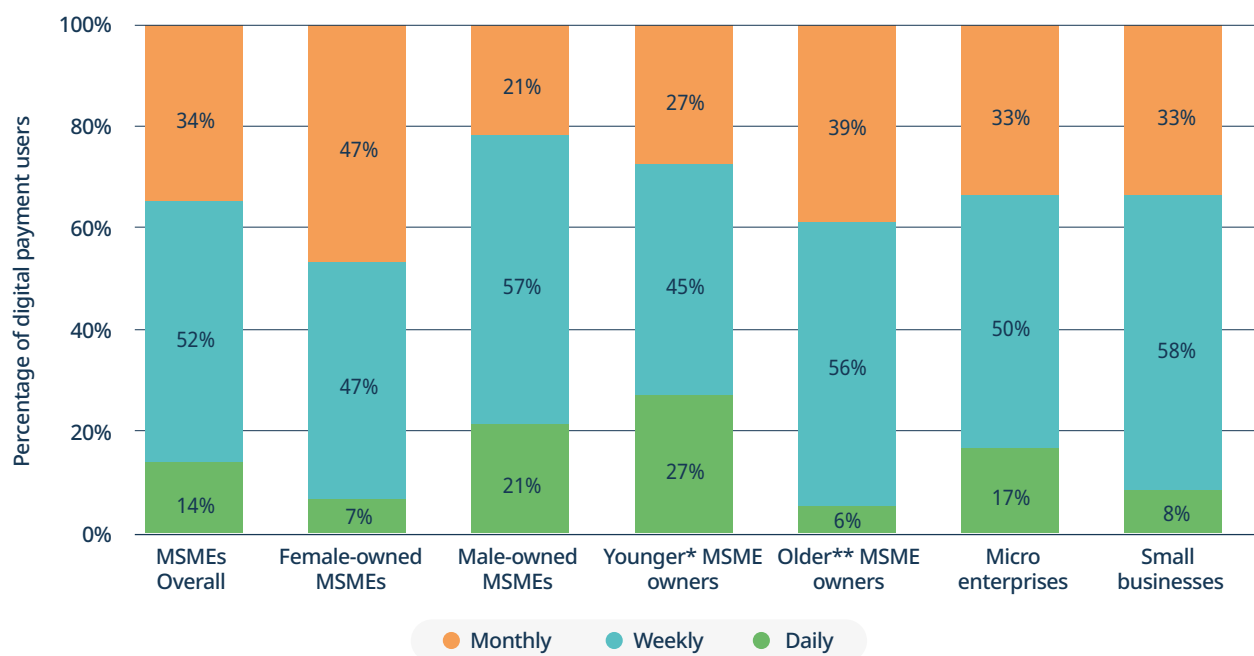
“People are afraid of electronic fraud. It happened to someone I know. She used to find missing money whenever she went to withdraw.”

— Female, non-user

\*Younger means that respondents are 18-29 years old. \*\*Older means older than 30.

# MSME user group analysis—frequency of digital payment usage:

Surveyed women-owned MSMEs use digital payments far less frequently than MSMEs owned by men.



\*Younger means that respondents are 18-29 years old. \*\*Older means over 30.

**Disclaimer:** This quote reflects the views of the speaker and should not be interpreted as the opinion of the entire Algerian sample or of the AfricaNenda Foundation.

Total number of MSME digital payment users sampled: 29

- The gender gap in digital payment usage is partially driven by **gender role expectations** (see deep dive on next slide).

“Men would use it better. In our communities, it is the man who controls and deals with it {digital payments} better than a female.”<sup>1</sup>

—Female, non-user, micro-enterprise owner

- A lack of awareness and knowledge among the **older demographic** contributes to the age gap in the frequency of digital payment usage among MSMEs.

“People are not open for it (digital payments) because the information is not spread, and people don’t know about it yet.”

—Male, user, small business owner

“Not all people heard that this method is available and not all people have the app to use, and they think the process is long.”

—Male, user, micro-enterprise owner

## Deep dive on gender:

### Lack of information and cultural norms pose a hurdle.

**Lack of information:** Female respondents face a greater information gap regarding digital payment methods compared to men. Limited access to information and education about functionality beyond receiving salaries can hinder their understanding and willingness to adopt digital payments.

“I think you can only get money with it and nothing else. I thought about it, but I didn’t know that I could make digital payments with it because I would have loved it. I only heard about this in France!”

— Female, non-user, small business owner

**Cultural Norms:** Expectations around gender roles act as a barrier for female respondents in adopting digital payments. For some of the respondents, control over finances is seen as a male domain, discouraging women from using digital payment methods.

**Lack of digital payment options:** Even among female respondents interested in using digital payments, the limited acceptance of these options by merchants is a significant barrier. This hinders wider adoption for women.

“Sometimes when it’s late and I have no cash on me I would love to go into a supermarket and pay with a credit card but unfortunately, we don’t have that yet.”

— Female, user

**Not seeing a need to use digital payments:** Older female respondents, especially those who are not already familiar with digital payments, perceive digital payments as offering no significant advantages over cash-based transactions.

“In my surrounding all the girls my age use it except for my old aunties and grandmother, and I think it’s because they don’t have the time or because it won’t be beneficial to them.”

— Female, user

#### Female case study 1

**Respondent details**

**Occupation:**

**Income:** Micro enterprise

“Families won’t approve of this freedom and this technology because this method would give the Algerian female a certain freedom that is not acceptable in the Algerian family’s mentalities.

In our communities it’s the man who controls, so basically the man deals with it better than a female.

Even if she’s single she could control the credit card until she gathers with a man, and he takes control.”<sup>2</sup>

<sup>2</sup> **Disclaimer:** This quote reflects the views of the speaker and should not be interpreted as the opinion of the entire Algerian sample or of the fricaNenda Foundation.

#### Female case study 2

**Respondent details**

**Occupation:** Hairdresser

**Income:** Micro enterprise

“They should inform the citizens about it {digital payments} just like they informed us before about the Wi-Fi that everyone started using.

If they knock on my salon and they tell me about digital payments, I would love to use it since my clients are supposed to be employees which means that digital payment would be suitable and more practical for them.”

## Deep dive on MSMEs:

MSME respondents are influenced by their clients to adopt digital payments.

<b>Main early use driver</b>	Customers wanting to pay digitally	<p>“The clients suggested this method since some of them live far away and couldn’t pay cash, so we use this method and even now we directly use it when the client lives far without the need of moving and coming to us.”</p> <p>— <b>Female, user, micro-enterprise owner</b></p>
<b>Main habitual use driver</b>	Safe payments	<p>“I prefer by card because for me it’s easier to carry the card and not the money. It’s more secure like this.”</p> <p>— <b>Female, user, micro-enterprise owner</b></p>
<b>Main barrier</b>	Digital payments are not always accepted	<p>“Well because when I go to buy from my suppliers, I pay directly. I don’t find the digital payment as an available method.”</p> <p>— <b>Female, user, micro-enterprise owner</b></p>

### MSME case study 1

**Respondent details**      **Gender:** Female  
**Occupation:** Small business owner

“Look in fact we like dealing with the card but we found out that most of our clients are cash users. You need to work with what your customers prefer.

This is the main reason knowing that we would like to work with digital payment methods.”

### MSME case study 2

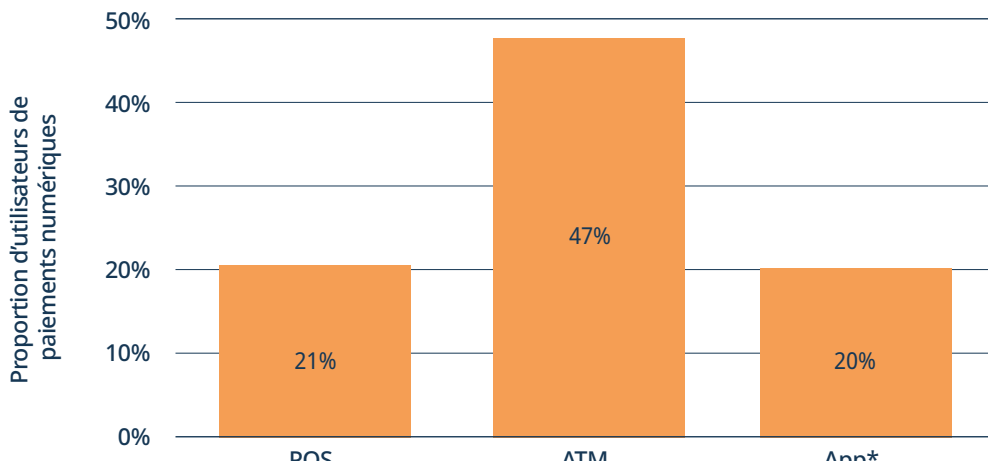
**Respondent details**      **Gender:** Male  
**Occupation:** Small business owner

“Of course, it’s a good method if a client comes to buy materials worth two to three million, I prefer that he pays by the credit card rather than bringing the cash with him and risks himself or something.”

# Section 2.2: Payment channel usage patterns

## Payment channel usage patterns:

There is strong prevalence of POS among respondents due to the main service provider providing adequate card facilities.



**71%** of respondents stated that **cash** is their primary payment method

Total number of respondents sampled: 100

- The convenience of accessing funds without waiting in queues at the banking halls, combined with the flexibility of payment, encourages the usage of ATMs and POS in Algeria.

“To avoid the crowd at the post office and when you have something you need to pay for urgently and don’t have cash on you, only the card can save you.”

— Male, user

- Wide acceptance of the predominant payment service provider drives individuals to use the digital channels it provides such as POS and apps.

“I most frequently use the application {Provider 1} from my mobile. It’s an app for those who have a {Provider 1} account, and it’s easier to work with.”

— Female, user, micro-enterprise owner



# Section 2.3: Use case patterns

## Use case patterns:

Most P2B and B2B transactions remain in cash.

**Total number of individual users: 40**  
**Total number of MSME users: 29**

Most frequent use cases ranked	#	Individuals	MSMEs
	1	Pay for household goods	Receive customer payments
	2	Receive wage	Supplier payments
	3	Save money	Save business income
	4	Airtime	Staff salaries
	5	Send money to family and friends	Transport money for staff

■ Use case for which less than 40% of respondents made or received a digital transaction over the past month
 ■ Use case for which between 40% and 70% of respondents made or received a digital transaction over the past month
 ■ Use case for which above 70% of respondents made or received a digital transaction over the past month

Storing money digitally is seen as a good form of saving.  
 “I usually keep my savings at the bank and let out an amount for my expense.”  
 — **Male, user**

Some employers remunerate digitally but there is still a lot more potential for further digitalization of this use case.  
 “I first started using the bank because a society I was working with obliged me.”  
 — **Female, user**

Paying for household goods is not well digitalized yet because of the low penetration of digital options in stores.  
 “I have no choice. I have to use cash in certain stores because they don’t have a digital payment option.”  
 — **Male, user**

Customers and merchants find digital payments more convenient when making long-distance transactions and this increases the digitalization of customer payment receipts.  
 “It makes things easier, for example you could buy whatever you want to just from your house through an application.”  
 — **Female, user, small business owner**

Digital payments allow businesses to monitor and save their business income, which owners like. However, only a few have moved to saving digitally.  
 “I put my money in my bank account as soon as I get paid to avoid spending it. When I need something I either use the app or take out some in cash and buy what I want.”  
 — **Male, user, micro-enterprise owner**

Utilizing prepaid metro cards for transportation expenses contributes to the increased digitalization of transportation funds.  
 “If you live far, you are given residence and if you live near, they provide you with a free tramway card.”  
 — **Male, user**

# SECTION 3

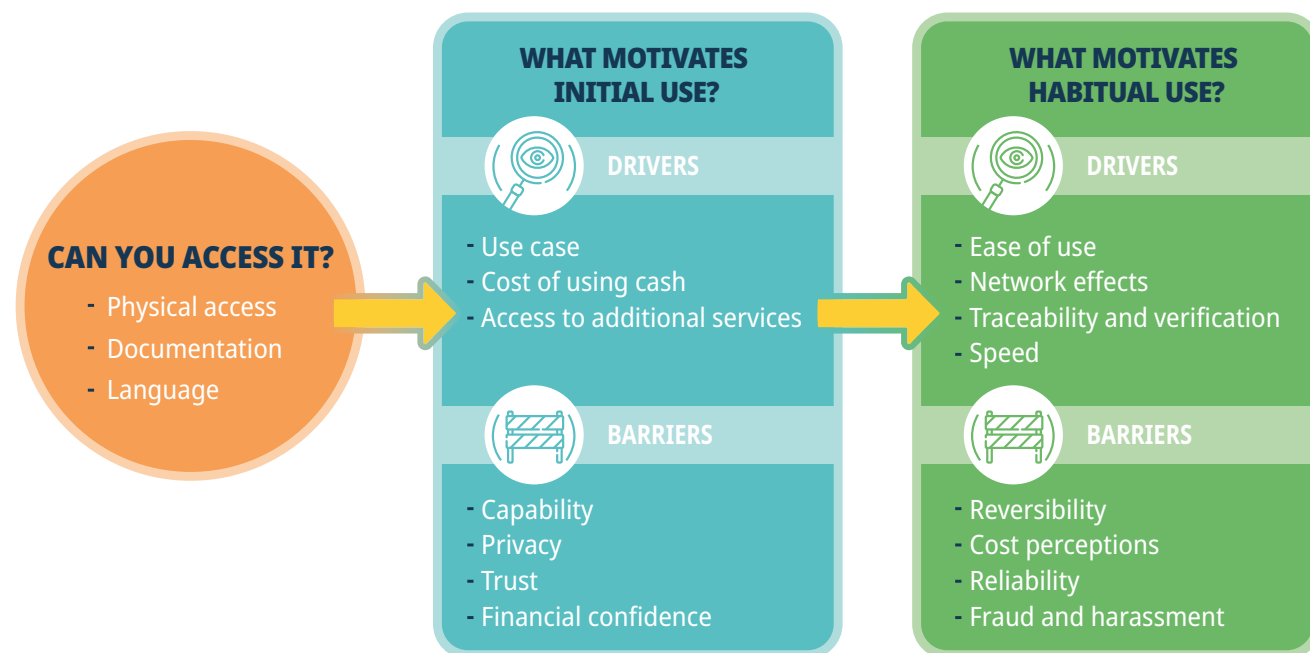
## ENABLERS AND BARRIERS TO ADOPTION AND USE OF DIGITAL PAYMENTS



# Section 3.1: Pathway towards habitual use of digital payments

## Digital payment usage framework:

The path from access to habitual digital payment use follows three phases.






# Section 3.2: Access barriers

## Access barriers:

Among those respondents that voiced access constraints, language issues and affordability dominate.



Total number of non-users sampled: 31

Ranking of barrier based on % of non-users that stated it		MSMEs vs. individuals	Women vs. men	Qualitative insights	
1	 Instructions are not in my language	More pronounced for <b>individuals</b>	More pronounced for <b>men</b>	No further evidence on this barrier from the field.*	
2	 Cannot afford digital payments	More pronounced for <b>individuals</b>	More pronounced for <b>men</b>	Some individuals perceive digital payment costs as expensive.	“Every time you try to transfer money or purchase something, they take an amount. I think it’s high. If the transaction charges get higher, I will stop using it {digital payments}.” —Female, user, micro-enterprise owner
3	 No phone	More pronounced for <b>individuals</b>	More pronounced for <b>men</b>	No further evidence on this barrier from the field.*	

**Legend for color gradient:** Gap in percentage points (pp) between two user groups in terms of the proportion of non-users that identified the barrier as significant

- 5-9 pp
- 10-15 pp
- Larger than 15 pp




\*Overall, only a low percentage of respondents noted access barriers in the survey. In Algeria, access barriers are relatively lower due to high internet and smartphone penetration. Given the small qualitative sample, no further insights on access barriers were mentioned. The predominant barriers are more related to early usage factors such as lack of need and lack of awareness about digital payments.

# Section 3.3: Enablers and barriers to early use

## Early use barriers:

Longstanding cash dependence is inhibiting early use of digital payments among Algerian respondents.

Total number of respondents sampled: 100

Ranking of barrier based on % of respondents that stated it	MSMEs vs. individuals	Women vs. men	Qualitative insights
1  <b>Do not need digital payments</b>	No significant variance	No significant variance	Longstanding habits of using cash and limited exposure to digital payments create a preference for the familiar, making the transition to digital methods seem unnecessary or inconvenient for some individuals. “It’s just us who are stuck with paying cash...I just don’t use them {digital payments}, there isn’t a thing you can do. I just find it logical to pay by cash!” <b>—Male, non-user</b>
2  <b>Data privacy concerns</b>	More pronounced for <b>individuals</b>	No significant variance	Anxiety about data security in digital payment systems is a barrier to early usage. People have heard of various breaches that resulted in scams or fraud, making them believe that their information is unsafe. “Some people are afraid of using the card method. They are afraid of spying, afraid that someone could log into their account and steal their information or their money.” <b>—Female, user, micro-enterprise owner</b>
3  <b>Lack of trust</b>	No significant variance	No significant variance	Factors such as lack of exposure to the usage of digital payments contribute to a lack of trust. “It’s probably because the lack of trust ... I mean some people don’t trust in new things until they try them, it’s the mentality.” <b>—Male, user, small business owner</b>




Legend for color gradient: Gap in percentage points (pp) between two user groups in terms of the proportion of non-users that identified the barrier as significant

- 5-9 pp
- 10-15 pp
- Larger than 15 pp

## Early use barriers (1/2):

Receiving income digitally is driving the uptake of digital payments in Algeria, especially among MSME respondents.

Total number of respondents sampled: 100

Ranking of driver based on % of respondents that stated it	MSMEs vs. individuals	Women vs. men	Qualitative insights
<p>1</p>  <p><b>I receive an income payment digitally</b></p>	More pronounced for <b>MSMEs</b>	No significant variance	<p>Direct deposit of salaries or payments into digital accounts is a powerful driver for user adoption of digital payment methods. Having their income readily available electronically can incentivize users to explore the functionality and convenience of digital wallets.</p> <p>“No, it was not by choice {receiving salary in digital payment} so I accepted what they had offered and opened an account.” —<b>Female, user</b></p>
<p>2</p>  <p><b>Recipient does not accept cash</b></p>	More pronounced for <b>MSMEs</b>	More pronounced for <b>women</b>	<p>When consumers encounter situations where cash is not accepted, they are compelled to adopt and familiarize themselves with digital payment methods.</p> <p>“I was introduced to digital payments with my friends when we wanted to attend a football game. The tickets were only sold online, so we all opened an account and started using it.” —<b>Male, user</b></p>
<p>2</p>  <p><b>Customers want to pay digitally</b></p>	No significant variance	More pronounced for <b>men</b>	<p>Customers’ preference to pay using digital payments drives MSMEs to adopt digital payments in their businesses.</p> <p>“The clients suggested this method since some of them live far away and couldn’t pay in cash, so we use this method and even now we directly use it when the client lives far without the need of moving and coming to us.” —<b>Female, user, micro-enterprise owner</b></p>



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- 5-9 pp
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- Larger than 15 pp

## Early use barriers (2/2):

Receiving income digitally is driving the uptake of digital payments in Algeria, especially among MSME respondents.

Total number of respondents sampled: 100

Ranking of driver based on % of respondents that stated it		MSMEs vs. individuals	Women vs. men	Qualitative insights
3	 <p><b>My family or friends recommended digital payments</b></p>	More pronounced for <b>individuals</b>	More pronounced for <b>men</b>	<p>Sharing personal experiences and recommendations is a key motivator, especially for those unfamiliar with or hesitant about digital payments.</p> <p>“I was in a bank when I got a call from my cousin saying he needed me for work. I remember I was 100 in line and when I told him he told me I was crazy for doing that. He said there is another way that’s much easier and told me about it. I went directly to open an account.”</p> <p>—Male, user, micro-enterprise owner</p>
3	 <p><b>Digital payments are the only option</b></p>	More pronounced for <b>individuals</b>	More pronounced for <b>men</b>	<p>Requiring digital payments for specific goods or services introduces users to these methods and potentially encourages wider adoption. While some may initially not be interested in mandatory use, experiencing the ease and convenience can lead to broader integration into financial routines.</p> <p>“Now it’s available and in cyberstores too, because when you need to buy match tickets its obligatory to use the card for big matches.”</p> <p>—Male, user</p>

**Legend for color gradient:** Gap in percentage points (pp) between two user groups in terms of the proportion of non-users that identified the barrier as significant

- 5-9 pp
- 10-15 pp
- Larger than 15 pp

# Section 3.4: Enablers and barriers to habitual use

## Habitual use barriers (1/2):

Difficulty in reversing or correcting digital transactions inhibits use, as does lack of acceptance by merchants.



Total number of users sampled: 69

Ranking of barrier based on % of users that stated it	MSMEs vs. individuals	Women vs. men	Qualitative insights
<p>1</p> <p><b>Difficulty in reversing or correcting a transaction</b></p>	<p>More pronounced for <b>MSMEs</b></p>	<p>More pronounced for <b>MSMEs</b></p>	<p>The complexity of reversing digital payments inhibits usage and leads to fear of making mistakes. Some users may be apprehensive about entering incorrect information, potentially leading to financial loss.</p> <p>“If it’s in a private bank it {recourse} would be quick but since {Provider 1} is part of the government and they have got a lot of pressure it will take some time.”  <b>—Female, user, micro-enterprise owner</b></p> <p>“It’s just a little bit complicated for me, I fear to charge the wrong number or something.”  <b>—Female, user</b></p>

**Legend for color gradient:** Gap in percentage points (pp) between two user groups in terms of the proportion of non-users that identified the barrier as significant



- 5-9 pp
- 10-15 pp
- Larger than 15 pp



## Habitual use barriers (2/2):

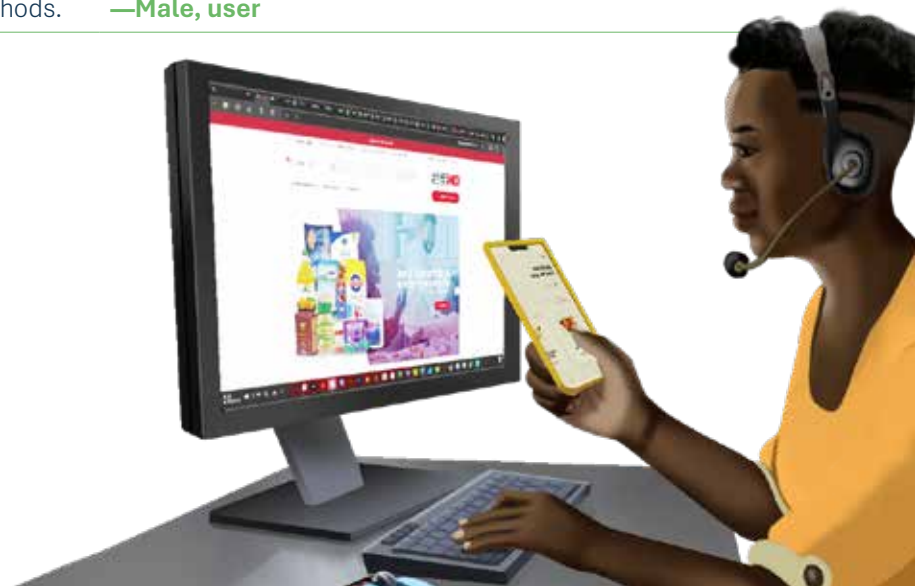
Difficulty in reversing or correcting digital transactions inhibits use, as does lack of acceptance by merchants.

Total number of users sampled: 69

Ranking of barrier based on % of users that stated it	MSMEs vs. individuals	Women vs. men	Qualitative insights
2  <b>Digital payments not always accepted</b>	More pronounced for <b>individuals</b>	More pronounced for <b>MSMEs</b>	<p>The limited acceptance of digital payments by merchants is a barrier to usage. Users who encounter situations where their preferred digital payment method is not accepted may be discouraged from relying solely on these methods and resort to cash.</p> <p>“I have no choice; I have to pay in cash in certain stores.” —<b>Female, user</b></p>
3  <b>Poor mobile network</b>	More pronounced for <b>MSMEs</b>	More pronounced for <b>men</b>	<p>Unreliable service or downtime experienced with digital payment providers can be frustrating for users and erode trust in these systems. This can discourage users from continuing to use digital payment methods.</p> <p>“I mean they complicate things. I would love if it was easier, and I could get paid and do the services from my phone, but they always complicate it. They say there is a network problem in the post office.” —<b>Male, user</b></p>

**Legend for color gradient:** Gap in percentage points (pp) between two user groups in terms of the proportion of non-users that identified the barrier as significant




● 5-9 pp   ● 10-15 pp   ● Larger than 15 pp



## Habitual use drivers:

The convenience of digital payments motivates respondents to regularly use them.

Total number of respondents sampled: 100

Ranking of driver based on % of respondents that stated it		MSMEs vs. individuals	Women vs. men	Qualitative insights
1	 <b>Convenience</b>	No significant variance	More pronounced for <b>women</b>	<p>The ability to make quick and easy purchases, avoid carrying cash, and pay bills remotely are all factors that incentivize users to continue using these methods.</p> <p>“It saves you time, this one time my mom got sick so I took her to the hospital and from the rush I did not carry cash with me. As soon as I arrived there, I used my card and pulled out money.”  <b>—Male, user, micro-enterprise owner</b></p>
2	 <b>Easy access to transaction history</b>	No significant variance	More pronounced for <b>men</b>	<p>Digital payments offer users greater visibility and control over their spending habits compared to cash. Users are able to monitor their outflows and make more informed financial decisions.</p> <p>“I choose to send funds to my bank account and will manage them as I like to know how to manage my spending. This is my objective by choosing this method.”  <b>—Male, user, micro-enterprise owner</b></p>
2	 <b>Speed</b>	No significant variance	No significant variance	<p>Users consider digital payments a “fast train,” as it allows them to complete transactions quickly. Being able to make quick and easy purchases is valuable.</p> <p>“I would probably like to call it {digital payments} the fast train because it’s a fast method and it’s good.”  <b>—Male, user</b></p>

**Legend for color gradient:** Gap in percentage points (pp) between two user groups in terms of the proportion of non-users that identified the barrier as significant

- 5-9 pp
- 10-15 pp
- Larger than 15 pp

# Deep dive on transaction cost experiences and perceptions:

Respondents in Algeria perceive transaction costs to be affordable.



Percentage of respondents that perceive the level of fees as unfair

23%

Sources of information

- Personal calculations
- Directly from post office
- Online

## Individuals

### Generally perceived as affordable

“I think that the cost is low, so it’s just for making any transaction. I think that the cost is from 10 da to 50 da per month.”

—Female, user

### Transaction costs do not have an impact on usage for some individuals

“For me, the costs linked to digital payments do not impact my use. I use them whatever the costs.”

—Male, user

## MSMEs

**Value perception:** MSME respondents generally perceive the transaction costs as affordable and feel they do not have a huge impact on the use of digital payments.

“The transaction costs aren’t high, they are lower than the money people would spend to take a taxi or a bus.”

—Female, user, micro-enterprise owner

**Financial stability:** The transaction costs associated with using digital payment methods are perceived as a larger burden for those who are financially unstable. Users with limited financial resources are perceived to be more sensitive to transaction costs, as even small charges can significantly impact their budgets.

“If the card user is financially stable it won’t affect him, but if the opposite is so it will. For someone who isn’t financially stable it affects because every time you use it, the figure will increase.”

—Female, non-user, micro-enterprise owner

# Deep dive on customer service experiences:

Unreliable customer service discourages respondents from digital payment usage.

“Once when I was with my husband, we tried to pay with a digital payment option, but it didn’t work because there was no network.”

—Female, user, micro-enterprise owner

For which issues do customers reach out for support?

- Network downtimes
- Transaction errors
- POS challenges

57% of respondents wanted to reverse a transaction but only 43% out of those were able to resolve their issues.

Customer service experience

- **Slow customer service:** Slow customer service, particularly such as delays in obtaining (POS) devices or encountering unresponsive customer support.
- **Unclear support channels:** Users may be unsure about whom to contact for support in case of problems. Unclear support channels create a sense of helplessness, hindering trust.
- **Perception of public institutions:** Users of government-related digital payment services state they expect a lag in recourse given they serve a lot of people.

“We never know really to whom we can complain or get information from, everything is not clear.”

—Female, user

“If it’s in a private bank it {recourse} would be quick but since {Provider 1} is part of the government and they have got a lot of pressure it will take some time.”

—Female, user, micro-enterprise owner

“We paid for it {POS Machine} and waited for more than three months. We no longer want them to bring it and we don’t need them. If they are not going to take it seriously and they are not going to send the machine, we don’t need it.”

—Female, user, micro-enterprise owner

Coping mechanisms

- Customers wait till the service provider resolves an issue
- Customers physically visit the service provider to report and retrieve their ATM card

Influence on digital payment behavior

Poor customer service discourages users and hinders the growth of digital payment ecosystems, as traders are unable to incorporate digital payment systems effectively.

# Section 3.5: Voice of the customer on opportunities to drive digital payment usage

## Voice of the customer on opportunities to drive digital payment usage (1/2):



### Increase customer awareness

- Increase visibility of digital payments through advertisements and social media presence.
- Empower customers with information on digital payment access, usage, benefits, and recourse to promote uptake.

“I think they should share it on Facebook or announce it on the TV that there are useful credit cards.”

—Female, non-user, small business owner

“Honestly, the people that I told you about are not aware of these methods of payments, so I think they just need the information that they exist and how to use it. I assure you they will never use cash again because it will make life so easy for them.”

—Female, user, small business owner



## Voice of the customer on opportunities to drive digital payment usage (2/2):



### Work on achieving widespread acceptance

- Customers call for broader availability of digital payment options across various merchants and business types.

“I mean it {digital payments} should be available everywhere. This is really necessary in supermarkets, shops, bakeries, butchers, beauty salons, and everywhere. Even when the citizen is abroad, they could use it.”

—**Female, user, micro-enterprise owner**

“It’s not available everywhere and we would love to have it.”

—**Male, user**



### Simplify the registration process

- Streamlining the signup process for digital payments would make it easier for new users to join and for existing users to explore different options, boosting overall adoption and use.

“I did in fact last week try to apply for a card and they told me they need a whole bunch of photos, documents with extra copies, and papers to sign. Then they told me it would last four months to be done. That’s when I dropped everything and didn’t return.”

—**Male, non-user**



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AfricaNenda Foundation is an independent, African-led organization created to accelerate the growth of inclusive instant payment systems that will benefit all Africans, including the poorest and currently financially excluded. AfricaNenda believes that inclusive instant payment systems can play a pivotal role in creating universal access to financial services for many financially excluded adults and are critical to achieving universal financial inclusion in Africa by 2030.

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