

## Chapter 9

# A Stakeholder's Analysis of the Effect of Mobile Money in Developing Countries: The Case of Orange Money in Mali

**Mahamadou Kante**

 <https://orcid.org/0000-0002-5544-8166>

*Université virtuelle de Côte d'Ivoire, Côte d'Ivoire*

**Macire Kante**

 <https://orcid.org/0000-0001-5425-4549>

*University of Johannesburg, South Africa*

### ABSTRACT

*Understanding the stakeholders of mobile money services and systems in developing countries remain critical issues that need to be addressed. Using the Stakeholder Theory, along with the Diffusion of Innovation Theory and Unified Theory of Acceptance and Use of Technology, this study gathered data from 110 respondents to contribute to the understanding of the mobile money (Orange Money) stakeholders in Mali. The results characterized the stakeholders of the mobile money system and revealed that each stakeholder has its unique drivers and challenges towards the adoption of the mobile money system. These findings suggest that specific attention should be paid to each stakeholder by the mobile money operator in developing countries.*

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## **INTRODUCTION AND BACKGROUND**

Mali is a landlocked developing country in West Africa. It has a surface area of 1,241,000 km<sup>2</sup> (Traore, Gakou, Traore, & Tolno, 2012), with a population of 19,677,354 (Worldometers, 2019). The adults' literacy rate is approximately 33.1% (INSTAT, 2015). Information and Communication Technology (ICT), particularly the use of mobile phones is growing in Sub-Saharan African countries with approximately 420 (representing 43%) million unique mobile subscribers (Olsen, 2017). This growth is more important in some countries than others. In West Africa for instance, Mali has the highest mobile phone penetration rate with 91% as of January 2019, which represents 17.71 Million users (HootSuite, 2019). Additionally, Internet usage is growing in Mali with a penetration rate of 64 per cent (HootSuite, 2019). The growing usage of mobile phones in sub-Saharan and Mali in particular provides an opportunity to deliver services such as mobile money to the population in Sub-Saharan countries, including Mali.

Mobile money is a tool that allows individuals to make financial transactions using cellular networks and technology (William Jack & Suri, 2011). Mobile money is also defined as a means towards a cashless economy, in which all transactions are conducted through electronic channels and/or means such as the use of mobile phones or credit/debit cards (Garg & Panchal, 2016). This does not mean that there is a total absence of cash-based transactions but rather it is an optional setting in which electronic media (mobile phones) are used to buy and pay for goods and services (Omotunde, Sunday & John-Dewole, 2013).

The use of mobile phones in Mali can be traced to the 90s (Kante, Oboko, & Chepken, 2019), while mobile money services erupted more than a decade later. The first mobile money service in the country was Orange Money, launched in 2010 by the Orange network provider. Orange Money became popular in the country with about 3.5 million users in 2016 (Orange, 2017). This represents a growth of about 0.7 million users per year. The provision of mobile money services (Orange Money) presents an opportunity for the unbanked population, which represents about 83.5% in Mali (Kodjo, 2018). Mobile money service could facilitate the flow of money amongst this vast majority of the population in the country who do not own a bank account. Furthermore, a cashless economy through the mobile money service can be a means to stop black money and to reduce money laundry (Garg & Panchal, 2016). Therefore, there is a huge opportunity for this service (mobile money) in Sub-Saharan African countries in general and in Mali in particular.

However, there are also challenges around the cashless economy especially mobile money with regard to security, laws, and policies in Sub-Saharan Africa. These challenges restrain the adoption of mobile money service in Africa. For instance, Kante (2017) argues that business depends on customers' data protection as the

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