

Mobile use at the Base of the Pyramid: Case Studies

Request for Expressions of Interest and Terms of Reference

infoDev, Closing Date, 10 October 2011

infoDev requests Expressions of Interest for research and development of country case studies on the use of mobiles at the base of the pyramid in Kenya and South Africa. *infoDev* would welcome proposals that cover either both countries or only one. Although the call for EOI is open to all relevant proposals, *infoDev* is particularly interested in hearing from research organizations.

Background

The adoption of mobile devices continues to grow around the world but, as the global user base spreads beyond the current five billion, it is increasingly amongst communities at the “base of the pyramid” (BOP) where new users are to be found. Studies by the World Bank, CGAP, LIRNEasia, and others have pointed to the need for innovative services, technological solutions, business models, and policies that would facilitate the realization of this potential. They show that poor people are frequently prioritizing mobile phone ownership over acquisition of other products, services, or resources, and are willing to spend up to 20 per cent of their income to keep in touch and as a source of work. Mobile usage at the BOP, among those who live on less than \$2.5 per day, has distinctive features, such as the use of missed calls, multiple SIM cards, and no-credit accounts. But mobile phone ownership also holds significant potential for economic empowerment. It is critical, therefore, to understand actual and potential usage patterns among BOP communities. Relying in part on the expertise of the five *infoDev* regional mobile application labs, or mLabs, launched as part of the Ministry for Foreign Affairs of Finland / *infoDev* / Nokia program on *Creating Sustainable Businesses in the Knowledge Economy*, this new analytical project seeks to explore in detail the demand for innovative mobile applications, services, and products with the potential to increase economic opportunities for users at the BOP, and to present concrete options for new and scalable product and service development.

Objectives

The key objectives for the study are the following:

- To increase understanding of the actual usage of mobile services, products, and applications at the Base of the Pyramid and to understand their potential for economic (and social) empowerment;
- To identify scalable examples of services, products, and applications at the concept, prototype, or early product development stages;
- To develop tools and instruments to map viable operation models and logics of various segments of BOP markets and to identify user needs.
- To formulate recommendations for business planning and policy development that can support this potential.

Scope of work

The research will include between two and five country case studies, with Kenya and South

Africa covered in Phase I, followed by Armenia, Pakistan and Vietnam in Phase II, if funding is available. In each case, the work will include:

- A review of relevant literature and existing research, pertaining directly to the countries of focus;
- Analysis of the size and segmentation of the potential BOP market and the use/applicability of mobile technology;
- Analysis of the potential of the mobile technology to foster access and service delivery in selected markets;
- Preliminary analysis of the potential of the mobile technology (and related ICT) industry to create employment and foster other economic opportunities in selected BOP markets, including via non-traditional activity such as microwork;
- Primary research on the usage of mobile services, products, and applications by a sample of users at the Base of the Pyramid in selected markets, using a diary-based survey methodology;
- Survey of existing services, products, and applications targeting users at the Base of the Pyramid in selected markets, and an evaluation of their scalability; Services, products, and applications targeting non-BOP users that can be appropriately adjusted for the BOP market will be included where possible. This survey may highlight the successes of some mobile network operators (e.g., Bharti Airtel, Safaricom) and their experience with new market segments, including BOP. Failed models may prove equally important to document and informative.
- Survey of existing services, products and applications targeting users at the Base of the Pyramid in selected markets; an evaluation of their scalability that can be appropriately adjusted for the non-BOP market will be included where possible;
- Survey of business plans for the provision of services, products, and applications in the BOP market, and an evaluation of barriers and critical success factors for each approach.
- Survey and discussion of regulatory issues as they relate to the findings. In particular, the studies will consider potential impact of universal service programs (e.g., universal access funds or other subsidiary mechanisms), network capacity limitations, and backbone management practices.

Where possible, a list of Performance Indicators (PIs) will be included.

Based on a synthesis of the above components, each study will produce business planning and policy recommendations with the goal of increasing the potential of the mobile industry to create economic opportunity in the BOP segment in selected markets. The study will also highlight promising BOP-targeted solutions.

This project will be implemented in three phases:

- The first phase will include country case studies in Kenya and South Africa.
- The second phase will be executed only if sufficient funding is secured and will focus on an additional three countries, namely Armenia, Pakistan, and Vietnam.
- The third phase will review all case studies and produce a summary discussion paper based on recommendations of the studies and will focus on dissemination and exploration of potential partnerships and projects based on the findings, including through a workshop in June 2012. This discussion paper may also suggest additional markets which may have innovation potential but which were not included in this study due to

scope and funding limitations.

Deliverables

The studies will uncover mobile usage trends at the BOP in each country and explore the role and potential of mobile devices for economic value generation through innovative micro and small business models. The studies will include examples of practical and scalable mobile-enabled products, services, and business models, which will be published, shared, and discussed with development practitioners, mobile operators and handset manufacturers, mobile applications developers, and policymakers at a workshop in 2012. They will also provide a baseline for future research.

For the case studies, the deliverables should include:

- An inception report presenting an agreed methodology and approach, for delivery within two weeks of contract signature.
- A questionnaire to be used in the primary research, delivered in draft form within one month of contract signature, and thereafter revised following review.
- A first draft report on the case study covering the issues listed in the Scope of Work above, within three months of contract signature;
- A revised report on the case study, within four months of contract signature;
- Detailed, collated results from the primary research, for instance in the form of a spreadsheet, on the completion of the report;
- A synthesis of lessons and recommendations with broader relevance, as an executive summary of the report;
- A detailed description of methodology used, presented in a way that would enable other researchers to replicate for interested parties to map potential BoP markets. conduct market research, and/or elaborate market entry strategies in this segment. This should be delivered as an annex to the main report.

Timeline (for the project as a whole)

- Phase 1: September 2011 – April 2012: Commissioning and completion of country case studies in Kenya and South Africa. A progress report and draft case studies available for comment will be due by February 1, 2012.
- Phase 2 (pending funding): January – June 2012: Commissioning and completion of country case studies in Armenia, Pakistan and Vietnam. If possible, preliminary results will be discussed at the Open Africa Innovation Summit in early 2012.
- Phase 3: June - December 2012: Review of all case studies and production of a summary discussion paper based on recommendations of each study. Dissemination and workshop.

Call for Expressions of Interest

Please respond to this call for EOI, indicating in which countries you wish to work, via the World Bank's eConsult system, at: <https://wbgeconsult2.worldbank.org>, selection #1049795, no later than 11.59 pm on Monday 10 October.