

# **The Adoption Patterns of Mobile Telephones by Micro and Small Enterprises in Ghana**

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# Introduction

- **Development literature is full of information on the catalytic role micro and small enterprises (MSEs) play in the economies of developing countries.**
- **The MSEs are important because they significantly contribute to economic growth and employment.**
- **They offer opportunities for people who are excluded from paid employment in large businesses to enter into the productive market.**
- **They also have the capacity to introduce innovations into the market and support the economies of the areas they operate.**
- **However, the growth of the MSEs depends largely on access to inputs, knowledge of product qualities, market requirements and cost-effective support systems.**
  - **Access to technologies (within a sound business environment) could form part of the support systems which could engender innovativeness in their operations**

# Methodology

- Geographic classification of the country
- Study Areas – less urban and rural areas
- Sample size (600 with 200 MSEs from each zone)
- Combination of purposive and snowball sampling technique was used
- Tools of data collection

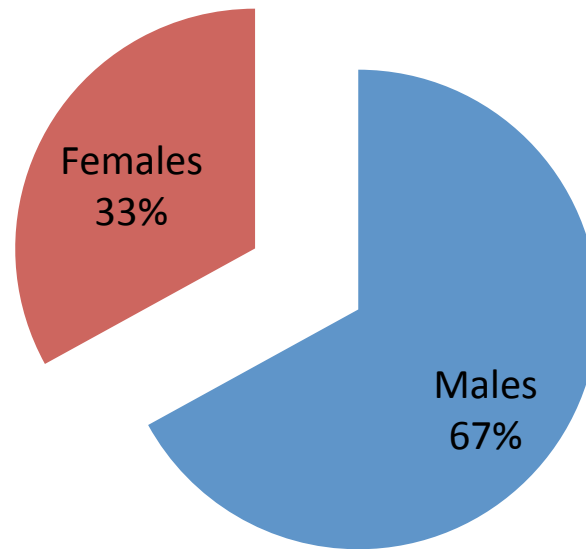
# Methodology Contd

**Table 1: Classification of Businesses**

Sector	Total
D: Manufacturing	115
F: Construction	26
G: Wholesale & Retail, Repair works	218
H: Hotels & Restaurants	100
I: Transport, Storage & Communications	76
M&N&O: Education, Health, Social work, Social & Personal services	65
Total	600

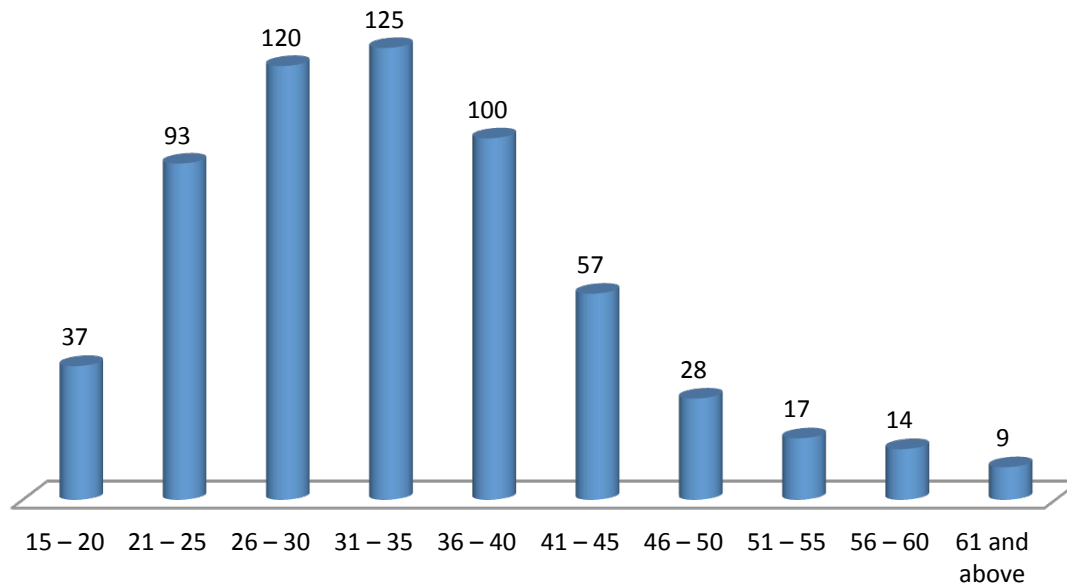
# Sample Characteristics

## Distribution of Respondents by Gender



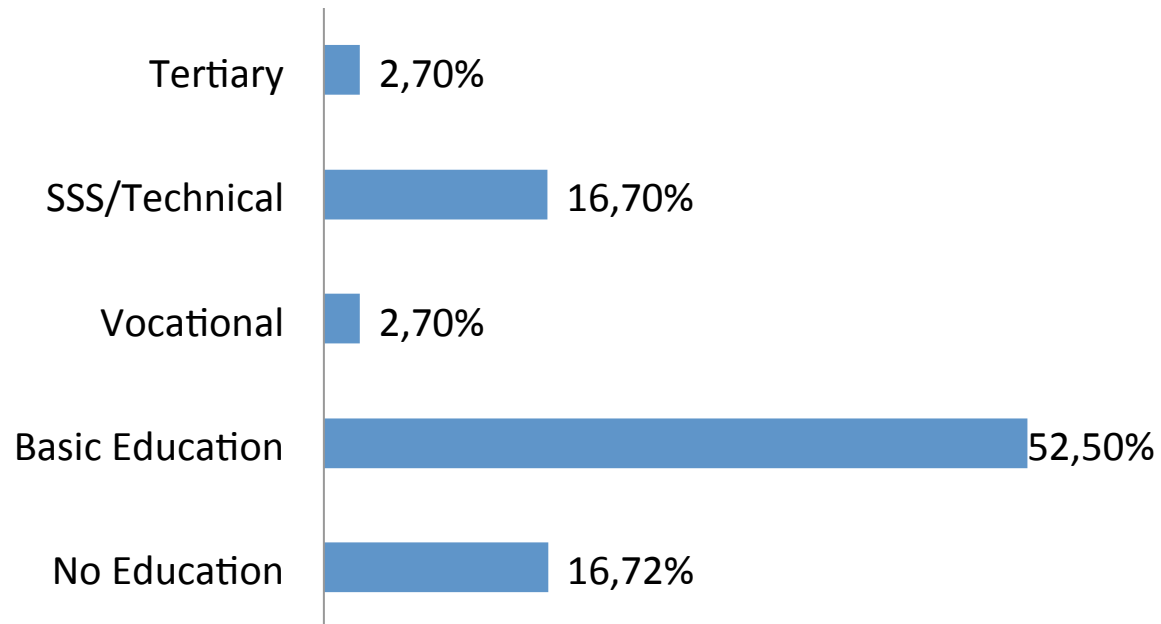
# Sample Characteristics Contd.

## Age Group of MSE Operators



# Sample Characteristics Contd.

## Educational Background



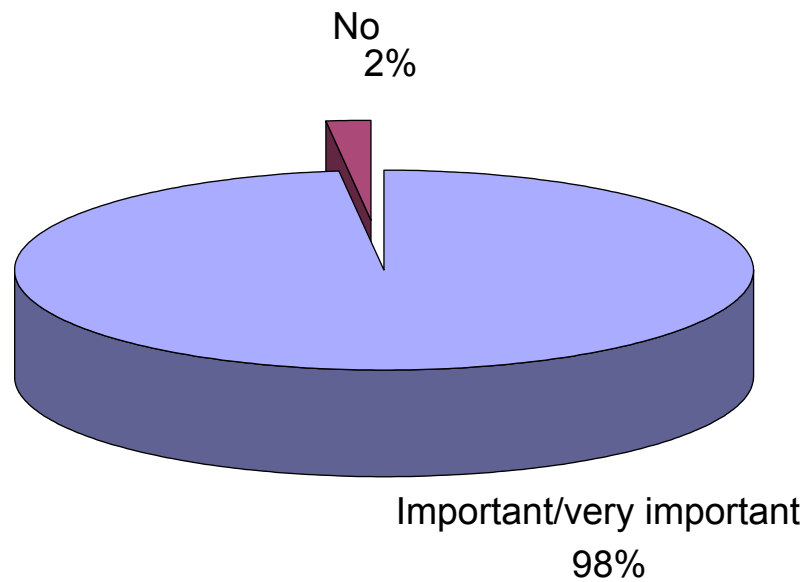
# Sample Characteristics Contd.

## Ownership of Telephones on Industrial Classification Basis

<b>Sub-sector</b>	<b>M o b i l e telephones</b>	<b>Fixed lines</b>	<b>Both</b>	<b>N o response</b>	<b>Total</b>
Manufacturing	95	0	2	18	115
Construction	23	0	1	2	26
Wholesale & Retail, Repair works	169	0	15	34	218
Hotels & Restaurants	72	1	8	19	100
Transport, Storage & Communications	64	0	4	8	76
Education, Health, Social work, Social & Personal services	45	2	5	13	65
<b>Total</b>	<b>468</b>	<b>3</b>	<b>35</b>	<b>94</b>	<b>600</b>

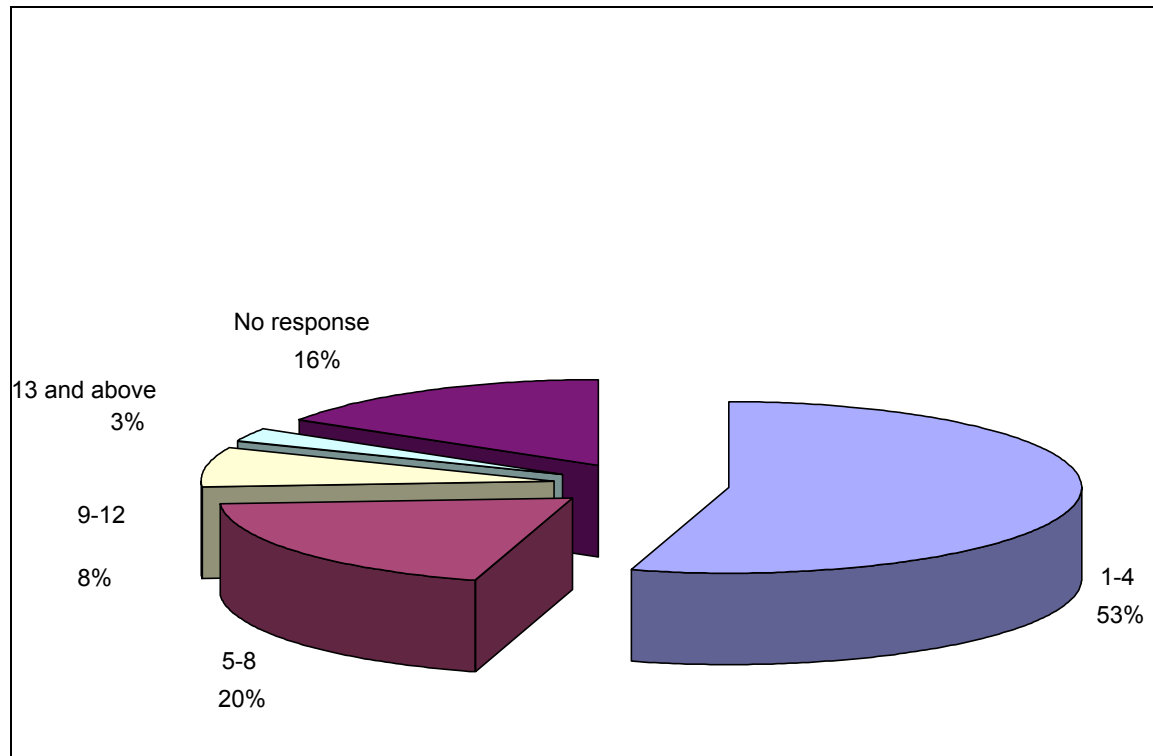
# Business Usage of Mobile Telephones

**Relevance of Mobile Telephones to Business**



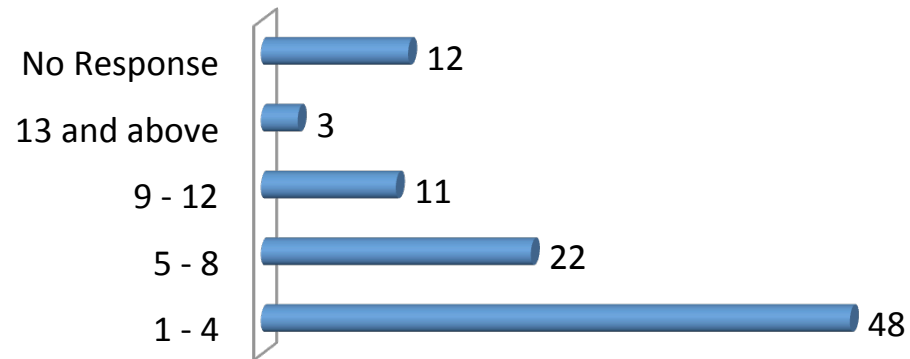
# Business Usage of Mobile Telephones Contd.

## Daily Business Related Calls Made



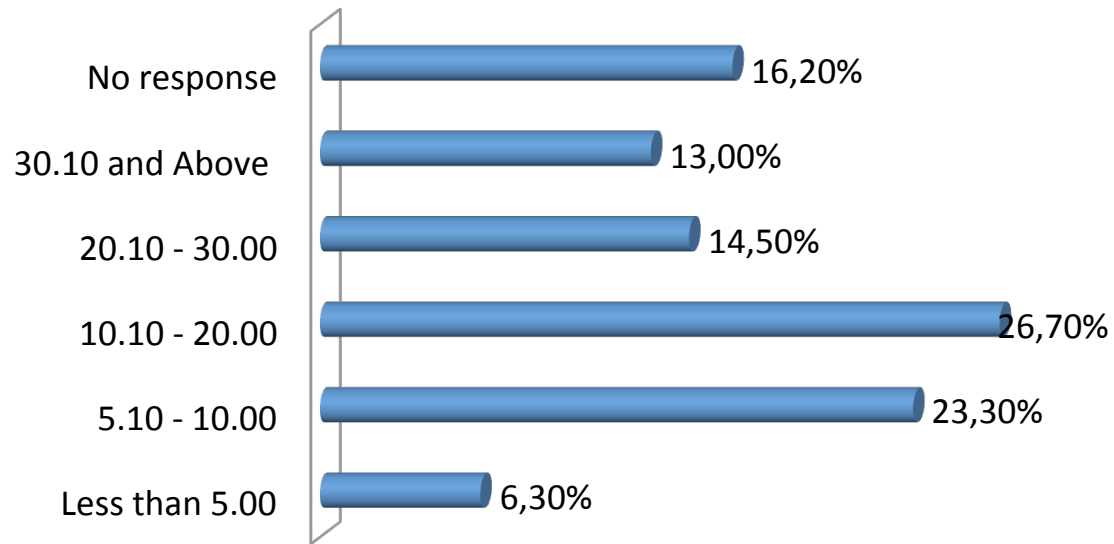
# Business Usage of Mobile Telephones Contd.

## Business-Related Calls Received in a Day



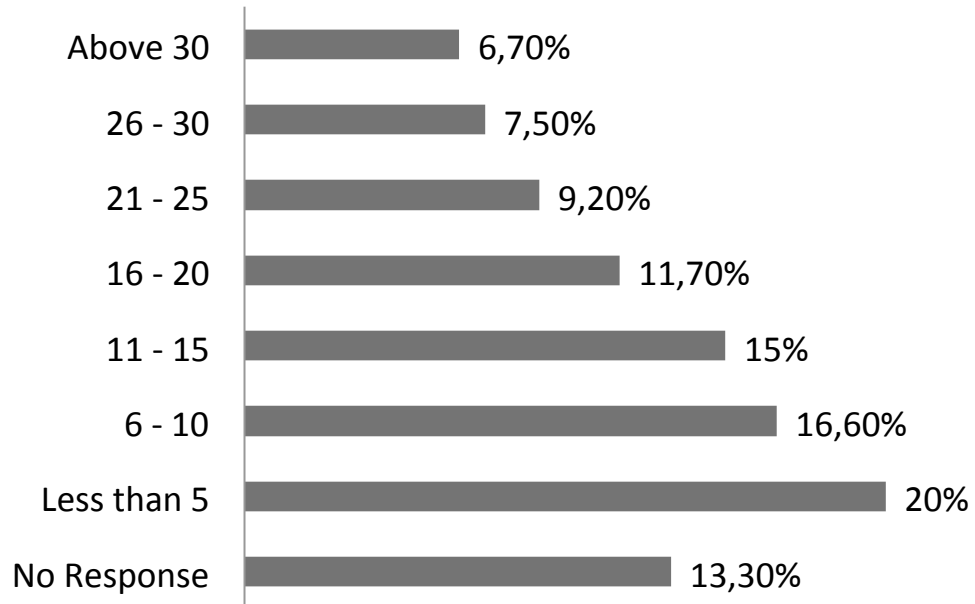
# Business Usage of Mobile Telephones Contd.

**Monthly Expenditure on Business-Related Calls (US\$)**



# Business Usage of Mobile Telephones Contd.

## Transactions made through Mobile Telephone in a Week



# Business Usage of Mobile Telephones Contd.

## Successful Weekly Transactions

	<b>Frequency</b>	<b>%</b>
None	30	5.0
1- 3	209	34.8
4- 6	115	19.2
7- 9	46	7.7
10 and above	103	17.2
No response	97	16.2
Total	600	100.0

# Business Usage of Mobile Telephones Contd.

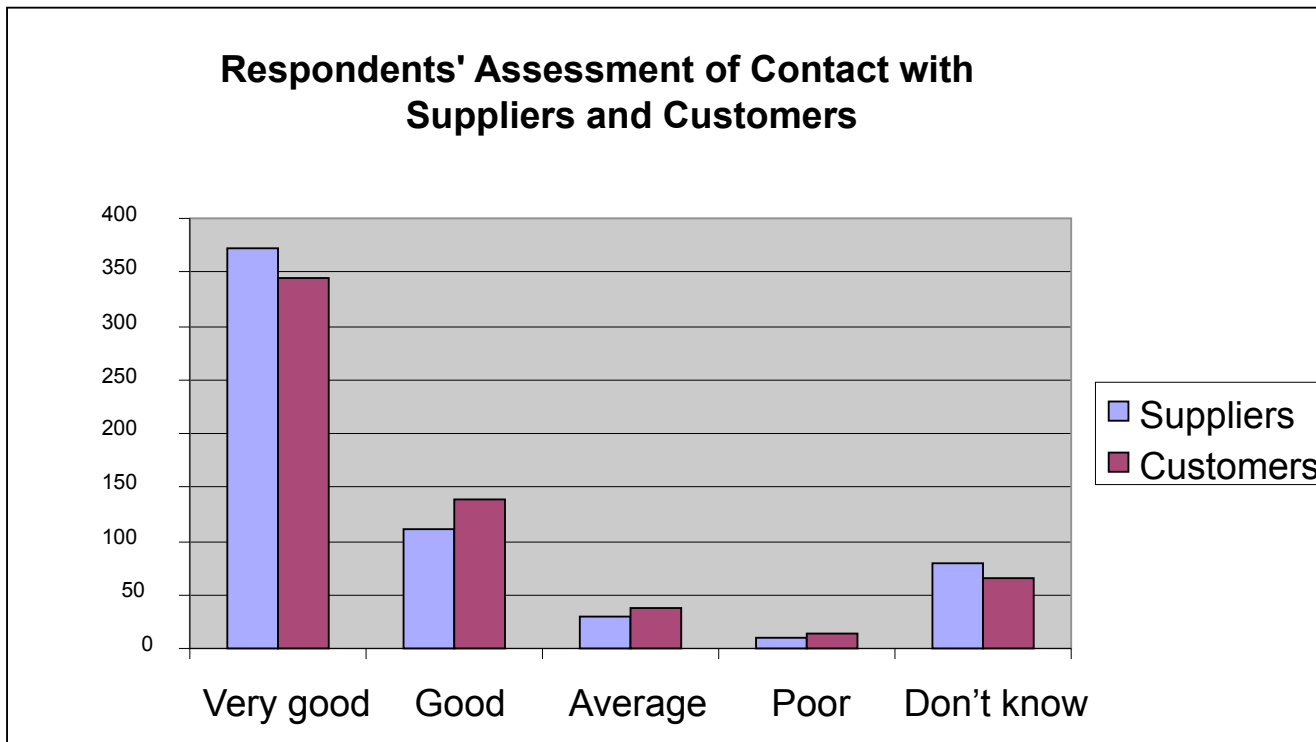
## Business Activities for which Mobile Telephones were Used

Activity	Frequency	%
Check prices	273	45.5
Order raw materials	280	46.7
Call service providers	138	23
Check on customers for orders	315	52.5
Collect debt from customers	248	41.3
Check for new products	101	16.8
Check market demand trends	66	11
Others	99	16.6

# Access to Facilities

- **Access to Banking Facilities**
  - only 30% of the MSEs had bank accounts
  - Only few MSEs (13%) were aware of cellphone banking
  - Of this number less than 1% had ever used cellphone banking
  - Confirms earlier work by Frempong (2007) where also less than 1% of 280 SMEs used cellphone banking

# Access to Market



# Policy Implications

- **Pricing of Services**
- **Cellphone Banking**
- **Strategic Business Tool**

# Conclusion

The mobile telephone adoption patterns by the MSEs have been discussed in this paper. The indication is that there is increased application and use of mobile telephones for diverse activities. This should encourage the service providers to develop innovative ways of making the service available to the majority of Ghanaians