

Özet / Abstract:

What determines the adoption and usage of electronic payment instruments by SMEs? How do these instruments affect business outcomes? To shed light on these questions, we offer a random sample of restaurants and pharmacies in Nairobi's central business district the possibility to sign up for free and on their behalf, for a novel mobile money payment instrument designed to facilitate Person to Business (P2B) transactions. Our experimental intervention eliminates informational and financial barriers to adopt the technology. We find that 62% (21%) of the treated restaurant (pharmacy) owners revealed their willingness to take up. In particular, businesses with past exposure to standard electronic-money instruments (such as M-Pesa) and with less financial transparency concerns are more willing to adopt the technology. Sixteen months after our intervention, we observe that firms that were induced to adopt the technology are more likely to continue utilizing it, feel safer, and have more mobile-money loans. The impact on mobile-money loan usage is especially pronounced for small-size establishments.