Using mobile phones for business

Informal sector women transact at fingertips

Mobile phones are a useful tool for women carrying out informal business activities and can be used for communicating with customers. **Chenai Chair** writes about how women running shebeens, hair dressing salons and food catering businesses are using mobile phone technology.

One way to reduce poverty and potentially improve people's lives is through inclusion. Inclusion is understood as the move away from being excluded, 'left out', in social, cultural, economic and digital participation in society and to become involved and able to influence outcomes. Gender-based exclusion finds women left out of social and economic participation due to limited skills, and little investment in advancement of their education or little support in balancing important caretaker roles. The informal sector – a complex creature itself – defined in parallel to the formal sector, provides a form of economic inclusion. In this sector women who failed to find work or were frustrated by their formal work set up manage to set up unregulated businesses.

Said one woman: 'I can call the customers who owe me. I don't have to be going house to house to collect my money. I just buy airtime. And when I call them they know'.

Another pointed out: 'I never sleep on an empty stomach. That's what I love. I don't work (formally). But I never go to bed hungry. I never ask for bread from my neighbours'.

This article looks into how women in the informal sector make use of mobile phones to enhance their well-being and their businesses. In studies of information technology for development, it is argued that, through digital inclusion, information technologies have the potential to improve people's lives.

Mobile phone ownership and access is high in South Africa and increasingly people are accessing the Internet via their mobile phones. The mobile phone is the widely used ICT in the informal sector as well. The argument is that mobile phone access and use may enable participation in the informal sector to be effective in reducing poverty and developing women. Digital inclusion is taken to mean the incorporation of mobile phones in everyday lives of women, and their particular social contexts. Through the conceptual framework of social inclusion and inclusive growth, the social and economic outcomes through digital inclusion were the main indicators for the effectiveness of mobile phones in business.

IN CAPE TOWN TOWNSHIPS

Four broad resources were identified as crucial in using technology that would lead to social inclusion and growth for individuals: physical, digital, human and social. These are not fixed categories but rather provide a framework in which to assess effective use of ICTS, and in this case mobile phones. Physical resources are linked to access to the mobile phone and its functional capabilities. Digital resources refer to information available online, in this instance information derived from the mobile phone which is relevant and understandable.

Human resources refer to the abilities required to use the mobile phone that covers education, literacy and e-skills. E-skills include a wide range of communication skills that allow one to participate in online forums and use the Internet at various levels. Social resources refer to the social structures that support the use of mobile phones. The underpinning of social resources is rooted in the theory of social capital, based on social relations and trust that one holds within their social network.

Using a qualitative interview and observation approach, fieldwork was carried out in the township of Khayelitsha and Philippi. Women interviewed were in the service

Hot meals: Open air restaurants in Khayelitsha, Cape Town.

industries of the informal sector – a shebeen owner, two hairdressers and two cooked-meat sellers.

The women in this research were located in poor communities, with high criminal activity. They were the main breadwinners with only one respondent's income contributing to the household expenses as she stayed with her partner. Businesses were being operated within communities they resided in either out of their houses or at designated sites. The level of education was limited to secondary schooling and there were no records kept for the business.

Mobile phones were a highly valued asset by the women but the question remained on how they used them for business.

Looking at the physical resources, the distinction lay in the type of phone one owned and had access

to. Respondents were divided between basic phone owners: SMS and voice calling functions and feature phone owners: Internet enabled phones. The growing affordability of feature and smart phones has meant an increasing number of people in the lower income segment accessing the Internet via their mobile phones. However, this excluded those with basic phones with a desire to make use of functions on feature phones. Physical resources show differing levels of inclusion based on the functions of the phone.

Access and use of digital resources by women were limited due to lack of relevant content from the Internet and limited initiative to look for the information. Women with access to the Internet became a source of relevant local content via Internet-based platforms such as

Facebook and Whatsapp. Localised information exchange through digital platforms allowed for increased community connections. Women with basic phones were excluded from this digital platform, as information exchange was limited to word of mouth.

Human resources were found in the set of e-skills with social media being used for marketing and advertising. Social resources, based on local community networks allowed for effective use of mobile phones for economic and social participation. Phone numbers were distributed to other clients as a form of reference for services rendered by satisfied clients. Mobile phones provided an alternative and were complimentary to face-to-face communication with suppliers and clients because of already existent social relations.

Summary of findings and analysis		
Findings		**Analysis**
Physical Resources	• Diverse phones owned and accessed • Voice, SMS and Internet main functions used	• Voice only communication with suppliers • Voice, SMS and social media communication with customers • Use determined by extent of function of mobile phones
Digital Resources	• No online business related searches • Women sharing business information online	• Virtual notice board through Facebook and Whatsapp • Localised information exchange
Human Resources	• Literacy skills to use basic features • E-skills limited to social media	• Social media for marketing and advertising • Limited use of voice and SMS for marketing
Social Resources	• Presence of community support, social relations and trust	• Mobile phones provided a platform to increase communication in existent social relations

Mobile phones were being used to better the way business was being done but there were non-existent innovative ways of doing business with the mobile phone. Challenges faced in a cash-based sector such as crime were not being remedied with mobile phone use. These women had not adopted for example mobile money payment methods, which have caused all the rage in East Africa.

At the time of this study cost of communication was an issue for the women as they were all on the MTN SA network one of the most expensive mobile networks at that time. Data on Internet-enabled phones provided a more affordable option over calling and SMS prices yet it was not used in a cost-effective way of buying data bundles.

Whilst mobile phones contribute to increased communication with existent customers and bring in new customers, external factors mitigate this benefit. All of the women were in businesses dependent on clients' ability to purchase the service. However,

seasons and provision of extra services determined whether clients would show up.

CONCLUSION
The effective use of technology is embedded within a particular social context. The women in this study perceived mobile phones as important for their business. Digital inclusion fell along a continuum for the women with the level of access of information and communication dependent on how and for what they could use their phones. Women incorporated the use of mobile phones in the everyday running of their business resulting in increased communication with customers and suppliers and became a source of relevant information in their communities.

It was not possible to determine tangible change through effective and efficient communication with quantifiable measures, as there was no record-keeping. Challenges that were faced by the women were beyond the functions of their mobile phones as these were

structurally based. Issues of crime, types of business and limited use of mobile solutions limited the potential for social and economic inclusion that would allow for women to shape their outcomes. Communication over Internet facilities was localised as a convenient option but it still remained costly given the cost of data in South Africa. Exclusion for women is now occurring on the basis of those who can or cannot make use of Internet-based services to enhance their business. Mobile phone use effect changes in their everyday use but the question remains of how it can be utilised sustainably to lead to inclusion and poverty reduction for marginalised women in the informal sector. LB

Chenai Chair is an Intern researcher with Research ICT Africa.

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Two-in-one: Hairdressers home and place of business.