



Partnership for **FINANCE**  
in a **DIGITAL AFRICA**

# Micro-entrepreneurs in a platform era

*Understanding the platform practices  
of micro-entrepreneurs in Kenya*



## ACKNOWLEDGEMENTS

The following Caribou Digital authors wrote this report for the Partnership for Finance in a Digital Africa: Annabel Schiff, Kishor Nagula and Jonathan Donnor. The report was supported by the Mastercard Foundation.

---

## NOTES

The views presented in this paper are those of the author(s) and the Partnership, and do not necessarily represent the views of the Mastercard Foundation or Caribou Digital.

For questions or comments please contact us at [ideas@financedigitalafrica.org](mailto:ideas@financedigitalafrica.org).

---

## RECOMMENDED CITATION

Partnership for Finance in a Digital Africa, "Micro-entrepreneurs in a platform era," Farnham, Surrey, United Kingdom: Caribou Digital Publishing, 2019. <https://mse.financedigitalafrica.org>.

---

## ABOUT THE PARTNERSHIP

The Mastercard Foundation Partnership for Finance in a Digital Africa (the "Partnership"), an initiative of the Foundation's Financial Inclusion Program, catalyzes knowledge and insights to promote meaningful financial inclusion in an increasingly digital world. Led and hosted by Caribou Digital, the Partnership works closely with leading organizations and companies across the digital finance space. By aggregating and synthesizing knowledge, conducting research to address key gaps, and identifying implications for the diverse actors working in the space, the Partnership strives to inform decisions with facts, and to accelerate meaningful financial inclusion for people across sub-Saharan Africa.

[www.financedigitalafrica.org](http://www.financedigitalafrica.org)

[www.mastercardfdn.org/financial-inclusion-program/](http://www.mastercardfdn.org/financial-inclusion-program/)

[cariboudigital.net](http://cariboudigital.net)



This work is licensed under the Creative Commons Attribution-NonCommercial-ShareAlike 4.0 International License. To view a copy of this license, visit <http://creativecommons.org/licenses/by-nc-sa/4.0/>.

Readers are encouraged to reproduce material from the Partnership for Finance in a Digital Africa for their own publications, as long as they are not being sold commercially. We request due acknowledgment, and, if possible, a copy of the publication. For online use, we ask readers to link to the original resource on the [www.financedigitalafrica.org](http://www.financedigitalafrica.org) website.

# Contents

## Introduction /1

*Micro-enterprises in a platform era* /2

*Takeaways and next steps* /3

*About the research* /3

## Takeaways /4

*Takeaways for platforms and partnering fintechs* /4

*Takeaways for development institutions* /8

*Takeaways for research* /12

## Meet the micro-entrepreneurs /15

*How Benard uses platforms* /16

*How Daniel uses platforms* /17

*How Dorcas uses platforms* /18

*How Faith uses platforms* /19

*How Robert uses platforms* /20

## Findings /21

*Search, promotion, discovery* /21

*Transactions, on and off platforms* /25

*Credibility* /29

*Learning and literacy* /33

*Tech and touch* /39

*The digital side hustle* /44

## Background /50

*What are microenterprises, and why are they important for economic inclusion?* /50

*Microenterprises and ICTs* /53

*Interview methods* /55

*Platform practices* /57

*Top reads* /61

*Bibliography* /62

# Introduction

We talked to 27 micro-entrepreneurs in Kenya about how they use platforms (from social media sites to ecommerce marketplaces and online freelancing websites) in their day-to-day business. The platform practices these conversations revealed include: the prevalence of social media use, the intermingling of online and offline worlds, the adjustments made to tweak online credibility, and the unique approaches to upskilling. Platform product designers should build with these practices in mind. Our research aims to develop a deeper understanding of what it means to be a micro-entrepreneur in the platform era, and how the spread of platforms presents new opportunities—and challenges—for their economic and financial inclusion.

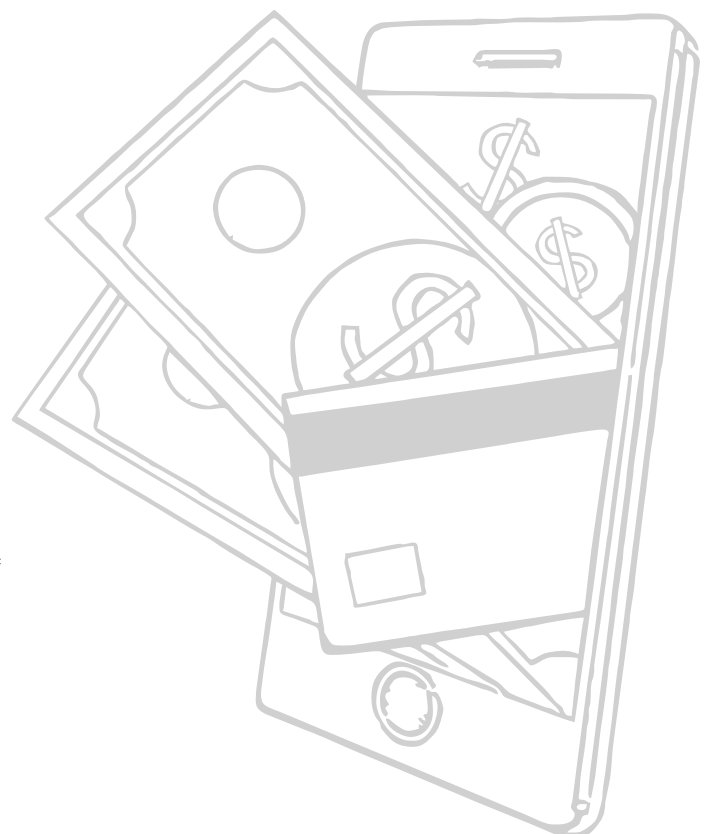
Visit our website for this research:  
<https://mse.financedigitalafrica.org/>.

# Microenterprises in the platform era

The Internet is almost everywhere, and half the world is online. Platforms are a key fixture in the global Internet landscape.<sup>1</sup> From messaging and content sharing in social media, to ridesharing, e-commerce virtual storefronts, and gig work, these platforms are transforming markets around the world.

Even small and informal enterprises in the developing world are caught up in platformization. If Google maps can “see” a tiny informal roadside tea shop, that tea shop is online, and could prosper by cultivating its online presence. If the African e-commerce platform Jumia lets an artisan sell a beautiful handicraft to a buyer 5000 miles away, that artisan (or at least, her competitor) is online and has to understand how to operate in a market where succeeding on Jumia can be the difference between subsistence and prosperity. For some microenterprises, platformization presents an opportunity. For others, it may be an unwelcome development.

In Kenya, the site of our study, there are roughly seven million non-agricultural microenterprises with less than ten employees<sup>2</sup> that, in total, contribute roughly 30% of the Kenyan national output. From the enterprising 20-something who sells electronics over Jumia, to the juice saleswoman who teaches herself the latest juice-making techniques through YouTube, to the aspiring freelance writer who looks for assignments on Facebook, platforms are increasingly entrenched in the daily lives of micro-entrepreneurs in Kenya.



<sup>1</sup> <https://medium.com/fida-partnership/how-can-platforms-improve-financial-inclusion-in-africa-33b088473c8>

<sup>2</sup> Kenya National Bureau of Statistics, “2016 Micro, Small and Medium Enterprises (MSME) Survey Basic Report” (KNBS, March 2017), <https://www.knbs.or.ke/2016-micro-small-and-medium-enterprises-msme-survey-basic-report-2/>.

# Takeaways and next steps

This study, conducted by The Mastercard Foundation Partnership for Finance in a Digital Africa (FiDA),<sup>3</sup> shines a light on the cutting edge of microenterprises and platforms. It studies “[platform practices](#),” highlighting how microenterprises have adapted to the changing, more digital marketplaces in which they act and how micro-entrepreneurs have created livelihood strategies that work for them. The project has three intended audiences, and we offer each a “takeaway” essay with tailored action items and implications:

- 1 **[For those interested in building new products and services](#)** to serve the microenterprise market, our results underscore that it is time to move beyond the false dichotomy of consumer apps and enterprise apps. The small enterprise, particularly the informal enterprise, has a unique set of business needs that platforms can address.
- 2 **[For policymakers and development professionals](#)** interested in promoting broad-based economic inclusion and financial inclusion in the global South, we document intervention points where platforms can be encouraged to better respond to the needs of small enterprises.
- 3 And for **[the research community](#)** our study is one of only a handful that engages directly with how microenterprises use platforms (not just “phones”, “ICTs”, or “the Internet”).

# About the research

This first part of the study is qualitative, based primarily on [interviews](#) and “[digital day](#)” [exercises](#) with 27 businesses in Kenya. Every market is different, and just because the Internet is taking off among enterprises in Nairobi doesn’t mean it has been as widely adopted elsewhere in Kenya or sub-Saharan Africa more broadly. But the stories we have encountered, the practices we have documented, and the enthusiasm that some of our participants have for life in the platform era are worth documenting. We hope these stories will inspire and illuminate practices that will continue to spread and evolve well beyond Nairobi.

There is no set order to the pieces. Read what you like. Get to know the micro-entrepreneurs and their platform practices. Be inspired. And figure out how you can help design products and services that make the Internet work better for businesses large and small, formal and informal.

# Takeaways

## Takeaways for platforms and partnering fintechs

Insights from our research revealed both the opportunities and challenges a micro-entrepreneur faces in trying to generate business over digital platforms. Some of these challenges are manifested through design limitations. In this section, we offer three key takeaways highlighting areas that—through tweaks in design—could be leveraged as vectors of change resulting in positive impacts for micro-entrepreneurs, platforms and partnering fintechs

### Takeaways

- 1 **Credibility:** Buyers and sellers across many platforms could benefit from a better way to assess each other's credibility when doing business.
- 2 **Upskilling:** Platforms can help micro-entrepreneurs become better at conducting business online by guiding them through best practices.
- 3 **Transactions:** By integrating payments into messaging applications, platforms can consolidate the number of applications used by micro-entrepreneurs and inject the necessary trust to alleviate the fears of both parties.

### 1 Credibility

Buyers and sellers across many platforms could benefit from a better way to assess each other's credibility when doing business

#### — Challenge

When conducting business in person, both the buyer and seller leverage a range of different methods—from word of mouth to rapport building—to determine if they can trust one another. In the digital world, where your exposure and interaction with the other party occurs digitally through a platform, it is substantially more difficult to assess credibility. FIBR's recent research on MSMEs and Superplatforms in Tanzania found trust to be a constant variable in online selling, either “driving or inhibiting interactions”.<sup>4</sup> Similarly, we recognize **building trust and credibility as a challenge** across the platforms we researched in Kenya. For example, on online work platforms (such as iWriter, Upwork and Studybay)<sup>5</sup> we heard of account holders **selling their highly rated accounts to new users**, resulting in questions around the credibility of the rating system.

#### — Existing approaches

Platforms are addressing these credibility issue in a number of ways:

- **Upwork** offers a range of skills tests<sup>6</sup> to their freelancers, enabling them to demonstrate their skills to potential clients. This enables clients to more effectively evaluate the value a freelancer could bring to their project.

4 [dropbox.com/s/wg6c2g8cotjb8p8/FIBR\\_Webinar\\_Superplatforms\\_and\\_MSMEs.pdf?dl=0](https://dropbox.com/s/wg6c2g8cotjb8p8/FIBR_Webinar_Superplatforms_and_MSMEs.pdf?dl=0)

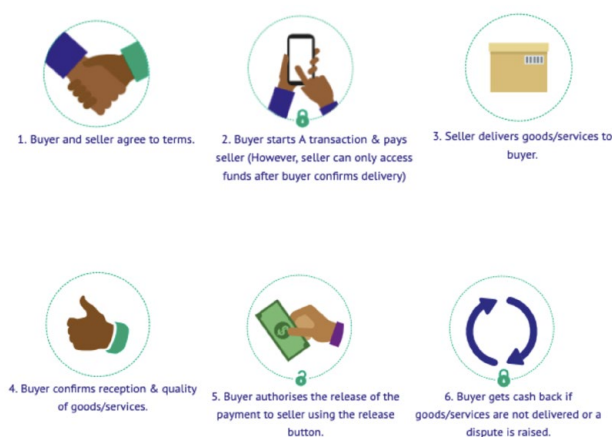
5 [iwriter.com](https://iwriter.com/); [upwork.com](https://upwork.com/); [studybay.com/write-my-essay/](https://studybay.com/write-my-essay/)

6 [support.upwork.com/hc/en-us/articles/211063198-Skills-Tests](https://support.upwork.com/hc/en-us/articles/211063198-Skills-Tests)



- **Jumia** operates as a trusted intermediary between buyer and seller, managing operations, logistics, and transactions. This approach injects a degree of trust between parties, helping to build confidence in the buying and selling journey.
- **Lipasa** (Figure 1) is an escrow service for small transactions recently launched in Kenya and integrated with M-PESA. FIBR's research<sup>7</sup> recommends them as a potential solution to help build trust and reduce friction in online transactions with small MSME sellers.

#### 1 How does Lipasa work?



Source: Lipasa.com

#### — Design consideration

- More platforms could operate as the trusted intermediary (similar to Jumia) where, in the case of e-commerce, they manage the distribution of the goods to the user and hold the purchase price of the good in an escrow.
- Additionally, FIBR's research suggests platforms provide "standardized customer service and protection"<sup>8</sup> to help build trust through returns, exchanges, and refunds.
- More platforms could create a ratings system—similar to the ones ride-sharing platforms such as Uber and Bolt (formerly Taxify) use—but, critically, with more attention to providing instructions on how to score. Having a formalized and standardized rating system would help buyers and sellers evaluate each other so that future parties would be able to properly understand and set expectations in future transactions

## 2 Upskilling

Platforms can help micro-entrepreneurs become better at conducting business online by guiding them through best practices

#### — Problem

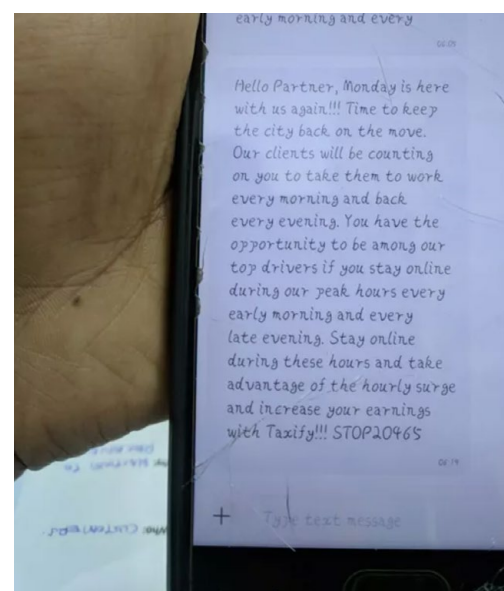
As we saw with the 27 micro-entrepreneurs we met, each seemingly had their own unique approach to generating business over platforms. Micro-entrepreneurs discover these approaches via a range of methods, from trial and error to direct platform-led upskilling. We believe, although this requires more research, that we should be encouraging platforms working in Africa to provide more direct training to their users. It's our hunch that an upskilling model, either run by the platform or through a trusted intermediary, is a powerful way to drive broad-based financial and economic inclusion among microenterprises in Africa. In turn we believe platforms would benefit from accelerated sales through improvements in the quality of goods and services on offer.

#### — Existing approaches

Some platforms provide online and offline guidance to micro-entrepreneurs to help them improve their digital businesses. We refer to these active approaches by platforms to upskill their users as "transformational upskilling". Some examples include:

- Periodic text messages sent to drivers on the Bolt (formerly Taxify) ride-hailing app guide their drivers as to where they should go to maximize earnings (Figure 2).

Taxify 2



<sup>7</sup> [dropbox.com/s/wg6c2g8cotjb8p8/FIBR\\_Webinar\\_Superplatforms\\_and\\_MSMEs.pdf?dl=0](https://dropbox.com/s/wg6c2g8cotjb8p8/FIBR_Webinar_Superplatforms_and_MSMEs.pdf?dl=0)

<sup>8</sup> [dropbox.com/s/wg6c2g8cotjb8p8/FIBR\\_Webinar\\_Superplatforms\\_and\\_MSMEs.pdf?dl=0](https://dropbox.com/s/wg6c2g8cotjb8p8/FIBR_Webinar_Superplatforms_and_MSMEs.pdf?dl=0)






- Offline training conducted by employees of the platform helps coach micro-entrepreneurs through consultative tactics to improve their business. For example Jumia Kenya provides offline training to all their vendors for free.<sup>9</sup>

## — Design considerations

The below table (Figure 3) provides a menu of upskilling opportunities. Platform players will have to do their own research to best match these possible upskilling opportunities to the needs of their specific users.

FIDA's Examples of Transformational Upskilling for Platforms 3

	 <b>Direct</b> <i>Training clearly delivered as training</i>	 <b>Indirect</b> <i>Cues delivered via nudges &amp; feedback</i>	 <b>Third-party</b> <i>Off platform</i>
Domain-Specific Practices	Tips on how to be a better professional	Client feedback via ratings and testimonies	Tutorials conducted digitally or in person
Digital Literacies	Guidelines on how to conduct business digitally	UI on platform guides user towards proven tactics	Peer-coaching forums about managing a business digitally
Financial Literacies	Advice on how to manage finances	Nudges by the platform guide users towards better financial hygiene	Partnerships with third party financial training organizations

Source: Caribou Digital, v1.0 April 2019, © BY-NC-SA 4.0

## 3 Transactions

By integrating payments into messaging applications, platforms can consolidate the number of applications used by micro-entrepreneurs and inject trust in the digital system

### — Problem

A significant number of micro-entrepreneurs we spoke to use a sequence of different applications (often including a social messaging app) to promote their products, build rapport with a customer, facilitate delivery, and **close a transaction**. For example **Dorcas**, a baker, starts with lead generation through Facebook, moves to rapport-building over a combination of Messenger, Whatsapp, and phone; distributes her products through Uber; and accepts payment over M-PESA.

While end-to-end applications are available—and although as highlighted by izi's research<sup>10</sup> at least 70% of African platforms offer a card option for consumer payments—the use of platforms with an integrated payment mechanism appears to be the exception rather than the rule among micro-entrepreneurs. In Kenya, this is likely influenced by the fact that the most popular platforms used by the micro-entrepreneurs are Facebook and WhatsApp.

There is an opportunity for messaging applications to differentiate from the competition by adding, or integrating, a transaction component to their applications. This would not only minimize the number of applications the micro-entrepreneur needs to cycle through for a given transaction but could inject more trust into an online system.

<sup>9</sup> [vendorhub.jumia.co.ke/2018/12/20/book-your-offline-training/](https://vendorhub.jumia.co.ke/2018/12/20/book-your-offline-training/)

<sup>10</sup> [izifacility.org/insights/blog/the-rise-of-african-digital-platforms?entity=blog](https://izifacility.org/insights/blog/the-rise-of-african-digital-platforms?entity=blog)

## — Existing approaches (and rumors!):

Some of the leading messaging apps are already integrating their own payment applications, or are rumoured to be thinking about it:

- Since May 2018, WhatsApp has been trialing payments in India<sup>11</sup>
- Facebook is also rumored to be developing its own cryptocurrency<sup>12</sup>
- South Korean social messaging giant Kakao integrated payments into their KakaoTalk<sup>13</sup> service in 2014 and has since expanded into other financial services by launching a digital bank last year<sup>14</sup>

Other, smaller FinTechs have built products within these messaging apps to help close the transaction facilitation gap, for example:

- Nigerian Kudi<sup>15</sup> launched in January 2017, facilitates payments through messaging channels. Kudi helps customers buy airtime, pay bills, and send money to friends and family via messaging applications like Facebook Messenger, Telegram, Skype, and Web chat.
- In Nigeria, online lending fintech OneFi<sup>16</sup> has recently acquired payments company Amplify<sup>17</sup> and plans to offer payment options for clients on social media apps including WhatsApp.<sup>18</sup>

## — Design considerations

Echoing izi,<sup>19</sup> the crux of the design challenge is that platforms need to step up to match the cash management needs and behaviors of micro-entrepreneurs on the one hand, and the needs and behaviors of would-be buyers on the other. Our research is one more indication that design efforts to help platforms facilitate transactions, in the forms that match everyday life, is an ongoing design (and ecosystem) challenge. Each platform might want to investigate and prioritize what makes the most sense for the type of transactions it hosts. Below we have provided two examples of current efforts to expand mobile money transaction support to platforms, but reiterate that different approaches will make sense for different business models:

- Integrating USSD mobile payments into mobile apps is hard, often resulting in the transaction opening in a separate window, and/or in users having to key in

hard-to-remember text strings. Hover<sup>20</sup> helps overcome these issues through its software development kit (SDK) for Android, which enables developers to initiate USSD commands, read responses, and auto-fill inputs in the background of any application running Android 4.3 or above. With the use of Hover's SDK, mobile money can be integrated into any Android application. This enables app developers to enable their users—buyers and sellers—to access payment mechanisms through the app.<sup>21</sup>

- In markets where mobile money has transformed the payments landscape, micro-entrepreneurs could also benefit from what GSMA refers to as the “payments as a platform”<sup>22</sup> model. In this scenario the payment provider is the platform. By providing plug-and-play access to their mobile money service through APIs, the platform can layer additional services and offerings over their initial payments use case. One example is Safaricom's launch of its social messaging app Bonga<sup>23</sup>—which is currently in the public beta phase—and e-commerce marketplace Masoko.<sup>24</sup>

## Concluding thoughts

### How this research links to the Mastercard Foundation's 'Young Africa Works' strategy

The Mastercard Foundation are in the early stages of trying to understand broader technology and business trends, specifically around job creation for youth in Africa. With a young and fast-growing population in Kenya, many Kenyan micro-entrepreneurs are, inevitably, young men and women looking for ways to generate a sustainable income. As platforms transform markets around the world this presents new opportunities, and challenges, for young micro-entrepreneurs to find work they see as dignified and fulfilling. We hope that by identifying both the positive and negative ways platforms are changing the future of work, we are contributing to the development of a platform landscape that provides youth in Kenya, and across the African continent, meaningful livelihood opportunities and more avenues for financial and economic inclusion.

11 [ft.com/content/e045cdd2-0503-11e9-99df-6183d3002ee1](https://ft.com/content/e045cdd2-0503-11e9-99df-6183d3002ee1)

12 [independent.co.uk/life-style/gadgets-and-tech/news/facebook-cryptocurrency-whatsapp-bitcoin-telegram-signal-a8802651.html](https://independent.co.uk/life-style/gadgets-and-tech/news/facebook-cryptocurrency-whatsapp-bitcoin-telegram-signal-a8802651.html)

13 [kakaocorp.com/service/KakaoTalk?lang=en](https://kakaocorp.com/service/KakaoTalk?lang=en)

14 [finextra.com/newsarticle/30898/new-south-korean-digital-bank-signs-up-one-million-users-in-five-days](https://finextra.com/newsarticle/30898/new-south-korean-digital-bank-signs-up-one-million-users-in-five-days)

15 [kudi.ai](https://kudi.ai)

16 [onefi.co](https://onefi.co)

17 [amplifypay.com](https://amplifypay.com)

18 [techcrunch.com/2019/03/21/nigerian-fintech-startup-onefi-acquires-payment-company-amplify/](https://techcrunch.com/2019/03/21/nigerian-fintech-startup-onefi-acquires-payment-company-amplify/)

19 [http://izifacility.org/insights/blog/the-rise-of-african-digital-platforms?entity=blog](https://izifacility.org/insights/blog/the-rise-of-african-digital-platforms?entity=blog)

20 Note: Caribou Digital, who lead and host FiDA, is an investor in Hover though Caribou Digital Investments

21 [medium.com/use-hover/automate-any-ussd-service-on-android-45aa9dd9d9fa](https://medium.com/use-hover/automate-any-ussd-service-on-android-45aa9dd9d9fa)

22 [gsma.com/mobilefordevelopment/wp-content/uploads/2019/02/Embracing-payments-as-a-platform-for-the-future-of-mobile-money.pdf](https://gsma.com/mobilefordevelopment/wp-content/uploads/2019/02/Embracing-payments-as-a-platform-for-the-future-of-mobile-money.pdf)

23 [qz.com/africa/1265519/m-pesa-bonga-app-to-integrate-chatting-with-safaricom-mobile-money-transactions/](https://qz.com/africa/1265519/m-pesa-bonga-app-to-integrate-chatting-with-safaricom-mobile-money-transactions/)

24 [masoko.com](https://masoko.com)

# Takeaways for development institutions

This takeaway piece is designed to help development institutions (donors, foundations, etc) think about where and how to intervene to shape the platform era to work best for micro-entrepreneurs. With businesses becoming increasingly digital, micro-entrepreneurs need platforms that work for them, include them and empower them, instead of exploiting them. On this page we offer **three key takeaways for development institutions**, highlighting areas where the right support could help **micro-entrepreneurs** thrive across platforms

- 1 **Support micro-entrepreneurs offline to help ease digital transitions**
- 2 **Encourage platforms to be drivers of transformational upskilling**
- 3 **Develop strategies to protect the burgeoning online work community**

We recognised that these three takeaways are small suggestions to help unlock a much bigger opportunity, that comes with its own big challenges. The success of the platform era in Africa is not guaranteed. As a recent report<sup>25</sup> commissioned by the Mastercard Foundation points out, “*there are many uncertainties shaping the trajectory of growth, and impact of these technology-enabled business models*”. We hope our research will help highlight levers of action, recognising that these need to be addressed in tandem with much wider policy actions<sup>26</sup> that will set the stage for promoting platformization, digital commerce and employment across Africa.

## 1 **Support micro-entrepreneurs offline to help ease digital transitions**

There are clearly winners and losers when it comes to the platformization of markets. Those who struggle tend to be individuals who are not yet fully digitally included in terms of device, data, and digital literacy. From our research, we identified a number of reasons why micro-entrepreneurs either struggle to get online, or are pushed offline. These range from monetary constraints when it comes to the cost of data, to digital literacy constraints in terms of a lack of understanding around how to build online credibility or navigate the complexity of e-commerce platforms.

We heard many examples of micro-entrepreneurs responding to these challenges by looking for offline support. For example, **Daniel** learnt how to access and navigate the iWriter online work platform through the help of a friend. And **Robert**, who sells mobile phone accessories through e-commerce platforms, benefits greatly from the offline support and training provided through Jumia. What’s important to note here is that despite digitization and platformization of markets, finding a balance between **tech and touch** is fundamental in helping micro-entrepreneurs transition to digital.

### — *Examples of off-platform support tools*

- **Rural Connectivity Hubs:** China’s Rural Taobao model<sup>27</sup> (see Figure 4) is based on 30,000 service centers located in rural areas across China and designed to help rural customers, through support and training, shop online through their e-commerce platforms. Our partners at MercyCorps AgriFin

<sup>25</sup> [mastercardfdn.org/wp-content/uploads/2019/03/BFA\\_Digital-Commerce-White-Paper\\_FINAL\\_Feb-2019-aoda.pdf](https://mastercardfdn.org/wp-content/uploads/2019/03/BFA_Digital-Commerce-White-Paper_FINAL_Feb-2019-aoda.pdf)

<sup>26</sup> Ibid.

<sup>27</sup> [alibabagroup.com/en/ir/pdf/160614/09.pdf](https://alibabagroup.com/en/ir/pdf/160614/09.pdf)

Accelerate<sup>28</sup> are starting to explore the concept of a similar rural hub model for their smallholder farmers.<sup>29</sup> These hubs are designed to help smallholder farmers access transformative digital products and services in a physical offline location. The hubs would bring together different agricultural ecosystem actors, aggregating services while also providing offline training opportunities on how to utilize the digital products on offer.

- **Offline Digital Literacy Training:** Many low-income, first-time smartphone users lack the necessary digital skills<sup>30</sup> needed to meaningfully adopt and use the digital services on offer. While at present it appears that many of these skills are learnt through trial and error, some initiatives are trying to tackle these digital divides. A good example is GSMA's "Mobile Internet Skills Training Toolkit"<sup>31</sup> (Figure 5), which provides an introduction to using the mobile Internet—focusing on Google, WhatsApp, and YouTube—on an entry-level android smartphone. This toolkit is specifically designed for MNOS, NGOs, development organizations, and governments as a toolkit for offline training.

Rural taobao centre teaching residents of a village how to shop online 4



Source: Global Times.cn

GSMA's Mobile Internet Skills Training Toolkit 5



Source: GSMA

## — Proposed areas of support

Development institutions (donors, foundations etc) could help by:

- Develop a clearer understanding of the digital literacy needs of micro-entrepreneurs in the platform era and meaningful ways that providers, governments, and NGOs can facilitate necessary training.
- Encouraging platform players to find the right balance of tech and touch for both merchants and customers that transact across their platforms. Find inspiration here<sup>32</sup> from our partners Accion Venture Labs.

## 2 Encourage platforms to be drivers of transformational upskilling

As noted above, the shift to platform use requires continuous support, as well as upskilling, and reskilling. We observed a number of channels, both on and off platforms, **through which micro-entrepreneurs learn new skills and literacies**. These ranged from comprehensive, platform-led training modules, to an informal helping hand from a family member or friend. We refer to the former—platforms that actively support and upskill micro-entrepreneurs—as “transformational platforms” providing “transformational upskilling”, and are eager to explore how this approach could positively impact both platforms and the micro-entrepreneurs that work across them.

<sup>28</sup> [mercycorpsafrica.org](http://mercycorpsafrica.org)

<sup>29</sup> [mercycorpsafrica.org/2018/05/10/improving-rural-connectivity-in-east-africa/](http://mercycorpsafrica.org/2018/05/10/improving-rural-connectivity-in-east-africa/)

<sup>30</sup> [d20x8vt12bnfa2.cloudfront.net/reports/Stepping+Into+Digital+Life+-+Digital+Skills+Observatory+Research+Report.pdf](https://d20x8vt12bnfa2.cloudfront.net/reports/Stepping+Into+Digital+Life+-+Digital+Skills+Observatory+Research+Report.pdf)

<sup>31</sup> [gsma.com/mobilefordevelopment/connected-society/mistt/](http://gsma.com/mobilefordevelopment/connected-society/mistt/)

<sup>32</sup> [accion.org/the-tech-touch-balance](http://accion.org/the-tech-touch-balance)

## — Transformational Upskilling

Transformational upskilling allows platforms to prosper by facilitating learning, in win-win-win relationships with participants and labor markets. Platforms win by accelerating sales and increasing the quality of goods and services on offer. Producers win by learning new skills and improving their craft. Regions and countries win by increasing the human capital of their workforce.

## — Examples of transformational upskilling

- **Jumia:** Jumia Kenya provides comprehensive online<sup>33</sup> and offline<sup>34</sup> training tutorials for their merchants. In addition the Jumia Vendor Hub<sup>35</sup> provides information on how to use and maximize the backend Sellers Centre dashboard, as well as other basic tutorials on how merchants can grow their Jumia businesses. Jumia also supports a Facebook group<sup>36</sup> and YouTube channel<sup>37</sup> dedicated to providing access to e-commerce experts and other sellers.




- **Upwork:** Upwork, a popular online work platform among Kenyan micro-entrepreneurs, provides a number of channels for support and upskilling. Through their online community hub<sup>38</sup> freelancers can ask questions, be linked to helpful tips and best practices, and access tutorial videos and webinars.<sup>39</sup> They also provide skills tests<sup>40</sup> and Upwork huddles<sup>41</sup>—meetups hosted by top-rated freelancers.

## — Proposed areas of support

We believe, although this requires more research, that we should be encouraging platforms working in Africa to be more **transformational**, by providing opportunities for producers working across platforms to “learn new skills and improve their craft”. It’s our hunch that a transformational upskilling model, either run by the platform or through a trusted intermediary with support and guidance from the platform, is a powerful way to drive broad-based financial and economic inclusion among microenterprises in Africa.

Below (Figure 6) is a rough taxonomy of how, according to our research, platforms can upskill their users. We encourage more investigation and research around this theme:

FiDA's Examples of Transformational Upskilling for Platforms 6

	 <b>Direct</b> <i>Training clearly delivered as training</i>	 <b>Indirect</b> <i>Cues delivered via nudges &amp; feedback</i>	 <b>Third-party</b> <i>Off platform</i>
Domain-Specific Practices	Tips on how to be a better professional	Client feedback via ratings and testimonies	Tutorials conducted digitally or in person
Digital Literacies	Guidelines on how to conduct business digitally	UI on platform guides user towards proven tactics	Peer-coaching forums about managing a business digitally
Financial Literacies	Advice on how to manage finances	Nudges by the platform guide users towards better financial hygiene	Partnerships with third party financial training organizations

Source: Caribou Digital, v1.0 April 2019, © BY-NC-SA 4.0

33 [vendorhub.jumia.co.ke/university/](https://vendorhub.jumia.co.ke/university/)  
34 [vendorhub.jumia.co.ke/2018/12/20/book-your-offline-training/](https://vendorhub.jumia.co.ke/2018/12/20/book-your-offline-training/)  
35 [vendorhub.jumia.co.ke](https://vendorhub.jumia.co.ke)  
36 [facebook.com/groups/199516830451891/](https://facebook.com/groups/199516830451891/)  
37 [youtube.com/channel/UCrTXm2vgcgLkExtueUIZ\\_Ww](https://youtube.com/channel/UCrTXm2vgcgLkExtueUIZ_Ww)  
38 [community.upwork.com/](https://community.upwork.com/)  
39 [community.upwork.com/t5/Content-Corner/Updated-List-of-Webinar-Recordings/td-p/231284](https://community.upwork.com/t5/Content-Corner/Updated-List-of-Webinar-Recordings/td-p/231284)  
40 [support.upwork.com/hc/en-us/articles/211063198-Skills-Tests](https://support.upwork.com/hc/en-us/articles/211063198-Skills-Tests)  
41 [support.upwork.com/hc/en-us/articles/115006987308-Host-an-Upwork-Huddle](https://support.upwork.com/hc/en-us/articles/115006987308-Host-an-Upwork-Huddle)



### 3 Develop strategies to protect the burgeoning online work community

Our research in Kenya reinforces other studies<sup>42</sup> suggesting that many Kenyan micro-entrepreneurs have taken to online work platforms to support their side-hustles. This “[online work](#)” consisted mainly of freelance writing, product reviews, and surveys via online work platforms such as Upwork, iWriter, and Uvocorp.

In our [platform practices](#) section we discuss how users adapt technologies to fit their needs. [We saw the appropriation and adaptation of platforms in full force](#) when observing how micro-entrepreneurs behave across online work platforms. The impetus for this adaptation was due to both gatekeeping issues as well as issues of oversupply of labor.<sup>43</sup> For example, to stand out from the crowd, micro-entrepreneurs risked incriminating themselves by buying pre-made and pre-rated accounts from third parties, using VPNs (virtual private networks) to change their “location”, and posting fake profile pictures in a bid to improve their credibility. We also observed work being outsourced from these platforms. This outsourcing, or reintermediation, results in an exaggerated race to the bottom<sup>44</sup> for wages with already low fees being divided further.

#### — *Examples of initiatives focused on protecting and empowering the online work community*

- Mark Graham and the Oxford Internet Institute<sup>45</sup> have done some great analyses of online gig work in Africa and Asia, interviewing 125 micro-entrepreneurs in a bid to understand how regulators and platforms can help work towards a more fair world of online work. They argue that much of this activity passes under regulators’ radar. Their Fair Work<sup>46</sup> project is aimed at identifying best and worst practices in emerging platform economies, and their recently launched Fair Work ratings<sup>47</sup> highlights working conditions among a range of global and local platforms
- The International Labour Organisation have proposed a human-centered agenda for the future of work,<sup>48</sup> which puts people at the center of economic and social policy. On the topic of online work, they argue for the establishment of a “Universal Labour Guarantee” whereby all workers would enjoy fundamental workers’

rights, an “adequate living wage” (ILO Constitution, 1919), maximum limits on working hours, and protection of safety and health at work.

#### — *Proposed areas of support*

Development institutions (donors, foundations etc) could provide support by:

- Raising awareness among local African regulators
- Encouraging international standards for global online work platforms
- Helping local African online work platforms develop standards and best practices around protecting online micro-entrepreneurs

### Concluding thoughts

#### How this research links to the Mastercard Foundation’s ‘Young Africa Works’ strategy

The Mastercard Foundation are in the early stages of trying to understand broader technology and business trends, specifically around job creation for youth in Africa. With a young and fast-growing population in Kenya, many Kenyan micro-entrepreneurs are, inevitably, young men and women looking for ways to generate a sustainable income. As platforms transform markets around the world this presents new opportunities, and challenges, for young micro-entrepreneurs to find work they see as dignified and fulfilling. We hope that by identifying both the positive and negative ways platforms are changing the future of work, we are contributing to the development of a platform landscape that provides youth in Kenya, and across the African continent, meaningful livelihood opportunities and more avenues for financial and economic inclusion.

<sup>42</sup> [scholar.google.com/scholar?cluster=16867601068171673163&hl=en&as\\_sdt=0,22&sciodt=0,22](https://scholar.google.com/scholar?cluster=16867601068171673163&hl=en&as_sdt=0,22&sciodt=0,22)

<sup>43</sup> [www.markgraham.space/blog/2017/12/22/labour-oversupply](https://www.markgraham.space/blog/2017/12/22/labour-oversupply)

<sup>44</sup> [theatlantic.com/technology/archive/2018/08/fiverr-online-gig-economy/569083/](https://theatlantic.com/technology/archive/2018/08/fiverr-online-gig-economy/569083/)

<sup>45</sup> [oii.ox.ac.uk/publications/gigwork.pdf](https://oii.ox.ac.uk/publications/gigwork.pdf)

<sup>46</sup> [fair.work/about/](https://fair.work/about/)

<sup>47</sup> [fair.work/ratings/](https://fair.work/ratings/)

<sup>48</sup> [ilo.org/wcmsp5/groups/public/-/-dgreports/-/-cabinet/documents/publication/wcms\\_662410.pdf](https://ilo.org/wcmsp5/groups/public/-/-dgreports/-/-cabinet/documents/publication/wcms_662410.pdf)

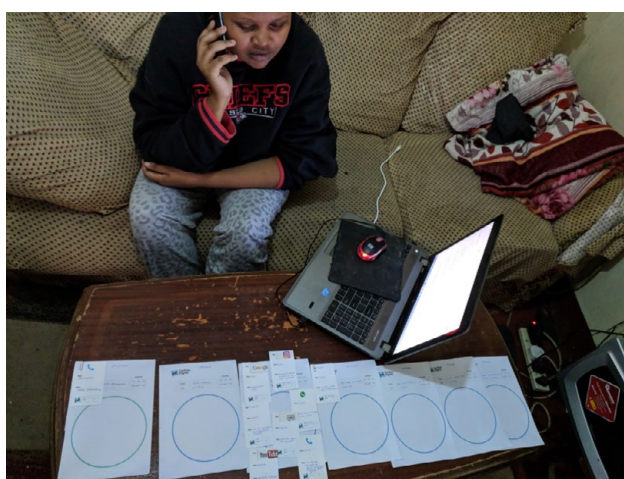
# Takeaways for research

This takeaway piece is designed to help researchers build on this project in their own inquiries, advancing our emerging understanding about how micro-entrepreneurs have changed to thrive in the platform era.

## Takeaways

In this takeaway section we extrapolate from our 27 in-depth conversations with micro-entrepreneurs to highlight implications for future research in key topics that we think this work exemplifies, and areas that demand further attention.

The Digital data exercise creates a minute-by-minute view of ICT use, and is the basis for more extended conversations



Source: Caribou Digital

### — *Changing conversations—from phones and ICT to platforms*

In one sense, these findings are the latest in a line of research, going back at least 20 years, focused on microenterprises' use of ICTs. We detail this work in one of the background essays, so we won't revisit it here. But the basic takeaway is that neither the work on phones/mobile phones nor the work on ICTs and the Internet in general is sufficiently calibrated to the realities that microenterprises across sub-Saharan Africa face today. Here, markets are being platformitized in two basic ways:

- 1 Individual micro-entrepreneurs use social media platforms for informal and real-time coordination with suppliers and customers. WhatsApp and Facebook are the dominant players in this space, and to be clear, we are not talking about specialized “WhatsApp for business”, targeted at allowing larger businesses to respond to customers, or Facebook for business, also targeted at larger firms with formal web presences. These are simply the consumer facing omnibus communication platforms that are the lingua franca of digital Kenya. Our research, echoing BFA's work with Tanzanian MSMEs,<sup>49</sup> underscores the remarkable flexibility with which micro-entrepreneurs have adapted these channels for their own purposes. The social media platforms are like toll-free numbers, customer relationship managers, billboards and direct mail, presales advertising, and after sales support all rolled into one.
- 2 These markets are also being platformitized by the entrance of transaction platforms: specific websites designed to host multi-sided markets between buyers and sellers. OLX and Jumia were most active in Kenya. These sites have scrambled the traditional means of finding, transacting, and supporting customers. They



increase exposure of MSEs to customers, but they also increase competition and our work only scratches the surface of what this does to the bottom-lines and profitability of small enterprises. Strikingly little has been written on whether transaction platforms work well for small-scale producers—those who wish to sell via the platform. Instead, the platform literature has focused mostly on consumer welfare (lower costs, more choice) and the attractiveness of the platform model for platform operators themselves. We hope this work underscores, for the development/inclusion research community, the importance of focusing on the profitability and sustainability of being a small-scale producer or a self-employed gig worker on transaction platforms like OLX and Jumia.

— *The importance of asking “how”, not just “whether”*

In our work, we are excited about how the application of the FiDA **platform lens**, dividing platform functions into aggregation and discovery; transaction support; credibility; and ancillary data, enables us to detail not only whether but specifically how platforms are altering the landscape and prospects for small enterprises. We feel strongly that this approach has merit for future studies, and we suggest that researchers zero in on specific models of change—specific ways in which the platforms they study, be they Facebook and WhatsApp, or specialized transaction platforms like OLX, are actually transforming the markets they enter. It’s also important that we get to granularity, not just the phone or even the platform. Specific affordances matched with specific functions is where the rubber meets the road or, in this case, where the material meets the digital.

— *The need for specificity and replication*

Ours was a relatively small scale study that engaged with a only handful of microenterprises in and around Nairobi. A close read of our findings should quickly underscore the need for (1) *replication* beyond Nairobi, (2) *specificity*, into various market segments and types of microenterprise, and (3) *complementarity* of methods. Our interviews were largely qualitative, but there’s a need to drill down into documenting changes to livelihoods and quantifying any changes in the profitability and sustainability of these businesses. Our study also suffers from survivorship bias: we have only spoken to “live” microenterprises, and are unable to ascertain whether some micro-entrepreneurs are being driven from their markets thanks to platformization..

— *The need to avoid detaching studies of digitized, platformized markets from the real world*

Our two blurring sections, on *tech and touch* and the *digital side hustle* illustrate the material component of digital pursuits. On the one hand, tech and touch shows that the realities of doing business in resource-constrained contexts may require more face-to-face time, more trust-building, more hand-holding, more creative ways of bridging the last mile in goods and services. But what of those workers who bridge the digital and the material? What about those who require a combination of offline and online behaviors to earn a living? These dynamics are best unpacked with the type of ethnographic or qualitative work we were able to do in this study, and are worthy of future replication and exploration. As for the side hustles, digital or not, they challenge what we mean by a “job” or “a livelihood”. These digital side hustles, such as online essay writing or virtual assistant work, blur the lines between being an entrepreneur and being a contract worker, between being self-employed and being a franchisee, between being responsible for one’s own fate and captive to someone else’s algorithm. The work underway at the Fair Work Foundation<sup>50</sup> and other research institutions is developing a body of evidence around digitized platform work in the global South. Our work contributes a key new finding regarding individuals who keep a foot in both worlds, one in a job or a tangible/material micro-business and the other, at night or in slack time, moonlighting in the digital space. Our discussions of what it means to use the Internet to pursue digital livelihoods, either as a primary or secondary means of income, can benefit from this attention to moonlighting in side hustles.

— *The need to put this research in dialogue with other efforts*

There is a range of emerging research around platforms, from highly critical media-studies approaches to pragmatic development and business model inquiries. Admittedly, our work resonates with the latter approaches. One ongoing focus of work in this area can be found among the researchers engaged with DIODE,<sup>51</sup> the Development Implications of Digital Economies Strategic Research Network, convened by the University of Manchester from 2017 to 2019. We found interactions with network members invaluable in formulating some of our ideas about how to study platforms and platformization, and we hope this work serves as a belated but still helpful contribution to the overall slate of DIODE outputs. Another

<sup>50</sup> [oii.ox.ac.uk/research/projects/a-fairwork-foundation-towards-fair-work-in-the-platform-economy/](http://oii.ox.ac.uk/research/projects/a-fairwork-foundation-towards-fair-work-in-the-platform-economy/)

<sup>51</sup> [diode.network/about/](http://diode.network/about/)

helpful exchange has been with our co-travelers in the Mastercard Foundation community of practice, specifically BFA's FiBR project,<sup>52</sup> which has been looking at platforms used by micro-entrepreneurs in Tanzania, and Mercy Corps's research into agricultural platforms in Africa.<sup>53</sup> As a triad, these research efforts are highly complementary and shed light on changing practices, and changing market conditions, in eastern Africa and beyond.

— *The need to explore paths forward, perhaps particularly, of transformational upskilling*

Finally, our work surfaced a few broad topics that could be avenues for further research. These include continuing challenges in maintaining and policing credibility; in creating trustworthy environments for transactions to occur, both on and off platforms; and in setting the conditions that promote local production and retention of value even in platformitized markets.

We are particularly excited about the prospects for platforms to build upon what they've already started, becoming digital spaces in which participants acquire a variety of skills and digital literacies required to thrive in the platform era. We call this "transformational upskilling" and will spend much of 2019 looking at this topic in a more comprehensive way. In the meantime some initial thoughts are available in the [policy summary](#) section.

---

<sup>52</sup> [dropbox.com/s/wg6c2g8cotjb8p8/FiBR\\_Webinar\\_Superplatforms\\_and\\_MSMEs.pdf?dl=0](https://dropbox.com/s/wg6c2g8cotjb8p8/FiBR_Webinar_Superplatforms_and_MSMEs.pdf?dl=0)

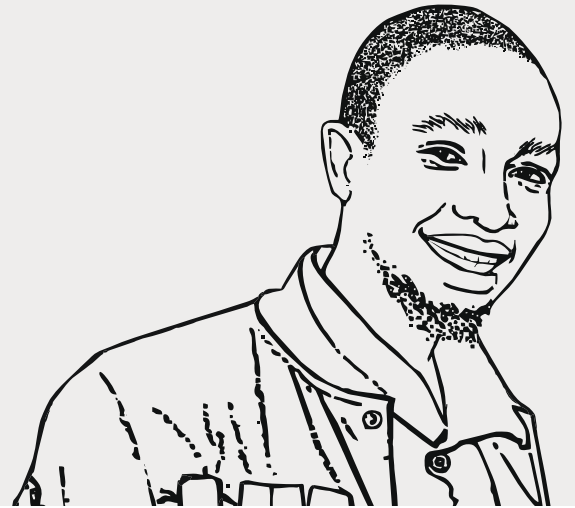
<sup>53</sup> [mercycorpsafrica.org/2018/10/26/super-platforms-connecting-farmers-to-markets-in-africa/](https://mercycorpsafrica.org/2018/10/26/super-platforms-connecting-farmers-to-markets-in-africa/)

# Meet our micro- entrepreneurs

*We interviewed 27 micro-entrepreneurs in Kenya. Meet 5 of these entrepreneurs on the following pages.*

# How Benard uses platforms

*Selling shoes in one of the busiest markets in Nairobi*



## About Benard

Benard was born and raised in Nairobi. He likes football and reggae music, and has been selling shoes since he was 14. Initially he sold them informally, to teachers and fellow students at school, but now he has a small market stall— shared with three other friends and fellow shoe merchants—in Gikomba.

While he uses his store to attract new customers, he relies on **WhatsApp** to communicate with existing clients and market new products.

He finds it faster, cheaper, and easier to communicate with clients through **1:1 WhatsApp messages** than phone calls, especially given WhatsApp's ability to send and receive multiple pictures at once. WhatsApp also helps him communicate with customers who live outside Nairobi.

He promotes new shoes, and receives customer requests through a **WhatsApp group** he created for his customers. He is also a member of another WhatsApp group that he uses to source shoes from suppliers (see Figure 7).

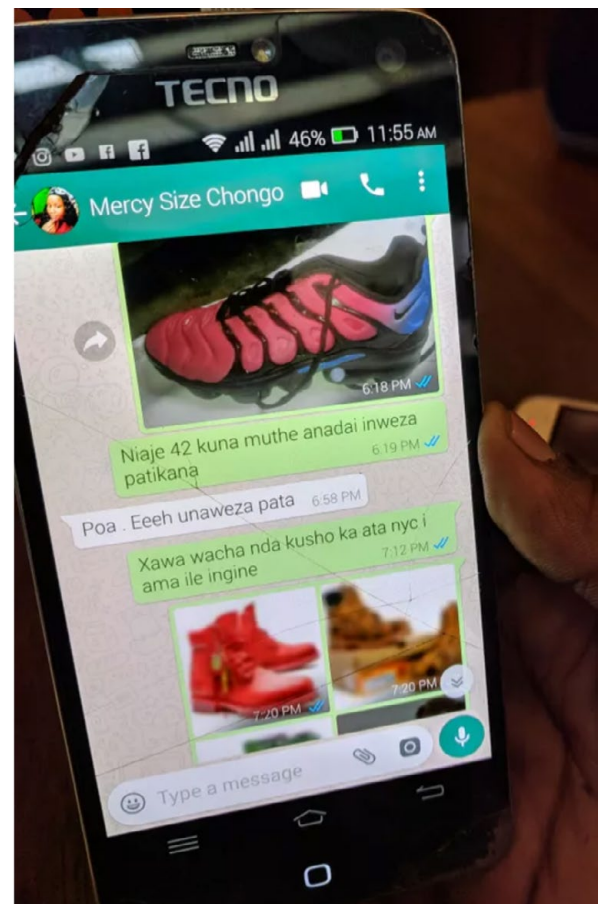
After closing a sale through WhatsApp he delivers the shoes in-person and receives payment. He prefers to be **paid in cash**, but will accept **M-PESA** if a customer doesn't have cash on them. In sum, he dips in and out of **offline and online worlds** as he completes a sale.

He had a **Facebook** page at one point, but he stopped using it for business due to concerns that some Facebook users are "*just not that serious.*" Also, he would have been willing to pay to promote his Facebook page but was unsure how to do so and how much it would cost. These **digital challenges** pushed him off Facebook for business use. He now only communicates through WhatsApp.

He also uses **Instagram** for inspiration, and sometimes posts photos of shoes on his Instagram account. However, he is concerned that he doesn't have a good enough camera to post high quality pictures.

In five years time he hopes to have expanded his shoe business to be selling all over Nairobi.

WhatsApp group used to source shoes from suppliers 7





# How Daniel uses platforms

*As a shopkeeper and online freelance writer*



Daniel is a member of various Facebook groups dedicated to online freelance writing <sup>8</sup>

## About Daniel

Daniel inherited his duka (small mom-and-pop shop) from his mother. The shop has been around for about 20 years and was one of the first on its now busy street.

He mainly interacts with his duka customers in-person but occasionally uses phone calls, SMS, and Whatsapp.

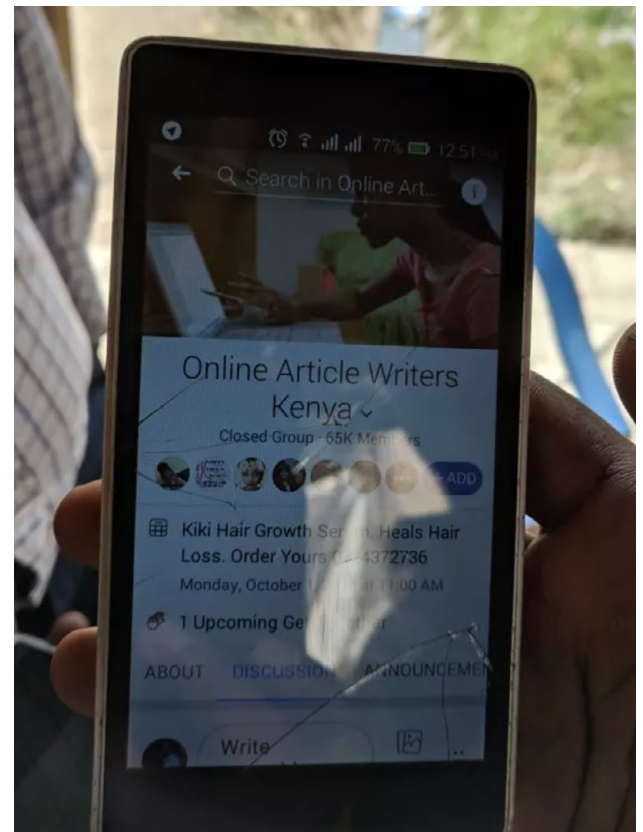
Most transactions are done in cash. Although he accepts M-PESA, his customers tend to consider it too expensive because of the transaction fee.

Daniel is part of TechnoServe's 'SmartDuka Program'<sup>54</sup> through which he benefits from training on how to better manage his business. He is also a member of the SmartDuka Whatsapp group where shopkeepers discuss different marketplace items as a collective and negotiate better prices.

In the evening Daniel does online freelance writing as a digital side-hustle. He works on both iWriter and Upwork, writing articles and doing product reviews. For his research he uses Google. He was trained on how to use iWriter through a friend, who taught him everything from how to navigate the platform, to how to build a profile and research online.

He is a member of various Facebook groups dedicated to online freelance writing (see Figure 8). He uses the groups to get advice on how to get the most out of these online work platforms. Through the Facebook groups he also connects with "trainers" who teach him how to write well and succeed with online assignments.

In five years time he expects he will focus predominantly on online writing. Perhaps you'll no longer find him at his duka.



# How Dorcas uses platforms

*For her baking and online freelance writing*



In the evenings she logs on to online work platforms such as iWriter and Upwork where she does product reviews, article writing, and surveys. She used to work as a virtual assistant, but now works only as a baker and writer.

## About Dorcas

Dorcas is a baker and does online freelance writing in the evening. She used to work in communications and ran her own PR business before, sadly, she developed Lupus. Due to her illness she is homebound and relies on technology to do most of her work.

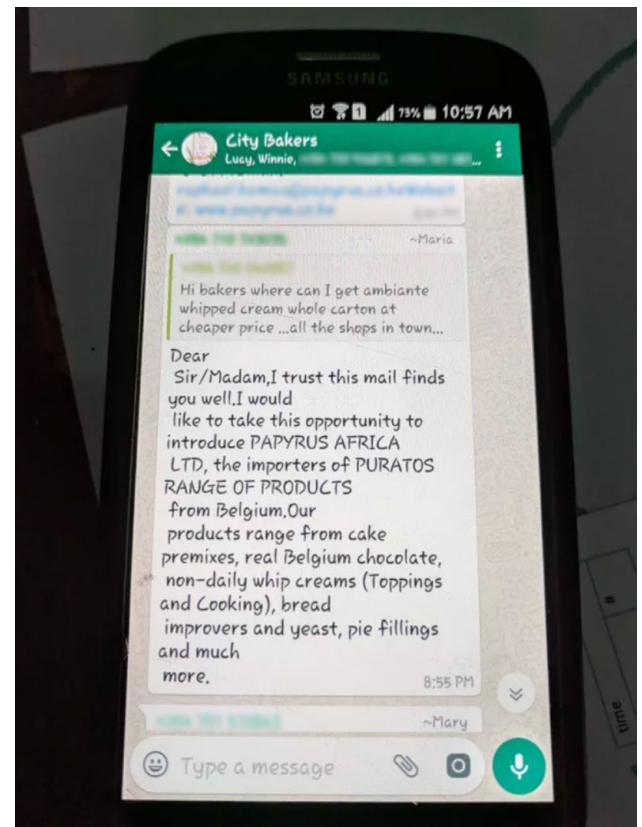
Dorcas started her baking business—Sweet Purpose Cakes—two years ago and differentiates herself by offering healthy cake options made with less sugar. She uses a number of different apps to market her products and communicate with clients.

She advertises by posting pictures of her cakes on her personal Facebook page. She has a separate page for her business, but few people have joined. She occasionally uses Twitter to run promotions. Most of her conversations with clients start on Facebook messenger and then, once she confirms they are a potential customer, she moves the conversation to WhatsApp. WhatsApp is her primary way of connecting and communicating with customers (Figure 9). She's also a member of a WhatsApp baking group which is used for networking, referrals, and information on where to get ingredients.

She prefers to have deposits paid through M-PESA rather than with cash so that she has a paper trail of her expenses and sales. She relies on delivery apps, such as Uber and Taxify, to deliver her cakes.

Dorcas also uses Pinterest for inspiration and YouTube to learn new techniques on how to bake. She also sometimes pays for online baking tutorials through MasterClass.<sup>55</sup>

Whatsapp Baing Group 9



# How Faith uses platforms

*To make and sell fresh juice*



Faith shares her Whatsapp status 10

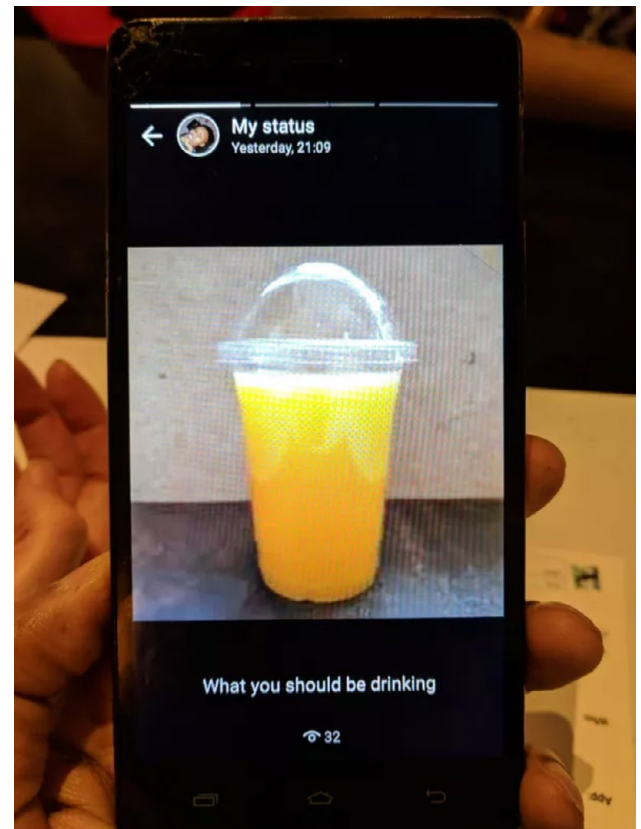
## About Faith

Faith was born in Nakuru but moved to Nairobi to find work. She now sells fresh fruit juice in and around Nairobi. She started her business in July 2018 when a woman she met told her how she was struggling to find fresh, healthy juice for her children. This woman, Esther, continues to give her advice on how to grow and manage her business. Faith also connects with a business coach she met through **Instagram** who gives her tips on how to improve her juice business. She's received valuable advice via both online and offline channels.

Faith learned to make juice by watching **YouTube** tutorials. Through YouTube she's also learned how to sell to customers, how to package her juice, and about the importance of keeping a hygienic work environment. From her friend Esther to YouTube, she uses a number of platforms and offline tools to upskill herself.

Each day she promotes her juice through **sms, WhatsApp, and Instagram**. She also uses her **WhatsApp status** as a marketing tool (Figure 10). She rarely uses **Facebook** for business. She once got a customer through **Facebook** that she didn't know and was scared to pursue the lead. She feels much more comfortable using WhatsApp, because she knows her Whatsapp customers personally.

She delivers pre-ordered juice to customers either to their door or to a set location. Any remaining juice she sells by hawking on the street. All of her customers pay her in cash.





# How Robert uses platforms

*To sell mobile phone accessories online*



Robert receives an email from the Jumia Seller Center 11

## About Robert

Robert is 28 years old and grew up in Eastern Kenya. He moved to Nairobi in 2008 for work. He has two small shops in the Central Business District of Nairobi where he sells mobile phone accessories and does mobile phone repairs. He also sells mobile phone accessories across a number of e-commerce platforms.

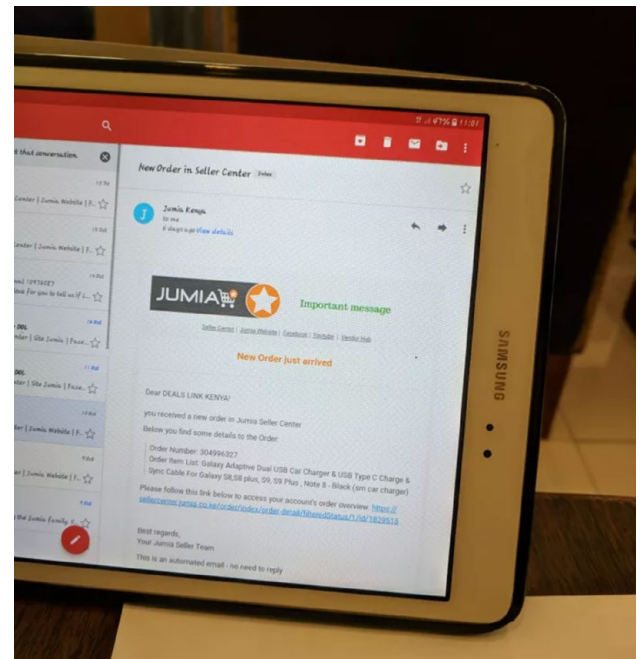
For his e-commerce business he uses **Jumia**, **Skyygarden**, and **OLX** to **market and sell his goods**. He started selling on Jumia after he saw a pop-up advert on **Facebook**. Jumia has provided him with **lots of training opportunities** (both **online and offline**), giving him advice on how to grow and run a successful online business.

On Jumia he works hard to maintain a **high seller score** (rating) as the higher his rating, the higher his product sits on the Jumia landing page. On the day we spoke to Robert he had delivered about 35 packages to the Jumia hub where they send orders out to customers.

He is notified of new Jumia orders via **email** (Figure 13). While Jumia manages delivery and payments for their merchants, on OLX Robert is responsible for delivering goods directly to customers and receiving **cash on delivery payments**.

Although he has a Facebook page to promote his mobile phone accessories, he primarily uses the app for his role as a **Jumia affiliate**. In this role he gets a commission for posting links for Jumia goods on social media platforms.

Like many Nairobians, Robert also has a small shamba (farm) outside Nairobi where he grows beans.



# Findings

## Search, promotion, discovery

### Facilitating promotion and discovery, matching supply with demand, and enabling network effects

*“You see like Facebook now we’ll be going for the masses. It will not just be limited to a few people within our sphere.”*

—Kamau, Small Trader of Flash Disks

Markets are easy to recognize. Sellers come together in one place to promote their goods in order to attract buyers. Buyers flock to a set location to search for the products they wish to purchase. The concepts of bringing together buyers and sellers in one place, be it in physical, dusty market or across a digital, data-fuelled platform, are similar. Usually, and ideally, both modes enable supply to be matched with demand, and benefit from the network effects of additional buyers and sellers.

But one key to digital markets is that they facilitate better, broader discovery, by (hopefully) the ‘right’ customers, with little geographic constraints. This section, one of four detailing “[platform practices](#)”, describes how the [27 micro-entrepreneurs](#) we [interviewed](#) use platforms to promote products and services, and find new customers.

### Summary of findings

- 1 Micro-entrepreneurs use a variety of channels, including Facebook and WhatsApp, to connect and coordinate with customers
- 2 E-commerce platforms are leveraged by more digital savvy micro-entrepreneurs
- 3 Digital trade unions’ are emerging over WhatsApp
- 4 Micro-entrepreneurs promote their writing skills across online work platforms

### 1 Micro-entrepreneurs use a variety of channels, including Facebook and WhatsApp, to connect and coordinate with customers

Despite e-commerce sites (like Jumia<sup>56</sup> and SkyGarden)<sup>57</sup> providing an end-to-end service, we observed that self-contained, all-in-one messaging and coordination is the exception not the rule. Instead, most of the micro-entrepreneurs we spoke to use a patchwork of different social media platforms, along with phone calls and in-person meetings, in the selling and buying cycle. In Kenya, Facebook and WhatsApp are the platforms most widely used by micro-entrepreneurs as ‘marketplaces’ to connect with buyers<sup>58</sup>. Of the 27 micro-entrepreneurs we spoke to in Kenya, 24 used Facebook and WhatsApp to promote, advertise and secure business. As Kioko, one entrepreneur, told us: *“In fact, a lot of business is coming from social media. Per day I can sell like 5 flash disks through the social media.”* Below we look at how these different digital and non-digital tools are used, and what influences this behaviour.

<sup>56</sup> [jumia.co.ke](http://jumia.co.ke)

<sup>57</sup> [sky.garden/home](http://sky.garden/home)

<sup>58</sup> Note that Facebook Marketplace, the platform’s digital marketplace launched in 2016, is not yet available in Kenya.

## — Facebook:

Many micro-entrepreneurs use Facebook as a powerful marketing tool, leveraging the network effects of social media to connect with a wider audience beyond their direct friends and contacts. Several of the people we spoke with commented on the role Facebook played towards customer acquisition:

*“You see like Facebook now we’ll be going for the masses. It will not just be limited to a few people within our sphere....You reach more people through Facebook groups. I post in eighty groups.”*

—Kioko, Small Trader of Flash Disks

*“On Facebook...I’m in like 100 groups.”*

—Kipchoge, Online Merchant and Freelance Writer

*“Facebook and Instagram...some people are just friends you have never met them in person. You are just social media friends.”*

—Zawadi, Baker

Facebook is seen as a volume game, where interactions are based on quantity not quality. It serves as a perfect channel for exposure, but doesn’t provide the level of personal interaction people need to make a sale or purchase. Sales are generally achieved through more personalised interaction.

## — WhatsApp:

While micro-entrepreneurs leverage Facebook to expand their networks and connect with potential buyers, customer enquiries are rarely dealt with over the platform. After promoting through Facebook, exchanges tend to move to WhatsApp, or directly to phone calls and in-person meetings.

One-to-one WhatsApp messages are used as a coordination tool for existing customers, or for direct communication with new customers. Dorcas, a baker and online freelance writer, told us about how she moves customers she discovers on Facebook over to WhatsApp. *“Most of our conversations start on Facebook messenger. Following a series of communication, once I confirm you are a potential client, I give you my personal WhatsApp number.”* But the journey doesn’t always flow from Facebook to WhatsApp. Some micro-entrepreneurs, such as Benard a shoe merchant, move their customers directly onto WhatsApp. He uses his market stall to promote his shoes and build customer relationships, and having solidified these relationships he then moves the conversations over to WhatsApp. *“By the way, most of*

*the customers I sell to (in the market), after that I just deal with them through WhatsApp.”* WhatsApp one-on-one messages are the new SMS for many of the micro-entrepreneurs we spoke to.

In addition to direct messages, WhatsApp groups are a fascinating, critically important and not well understood channel for sales. WhatsApp groups support daily life in Kenya. They’re used for church groups, high school reunion classes, neighborhood associations, and even to connect women that visit the same hair salon. Moving business transactions over to WhatsApp groups is a totally natural thing to do, and one that almost every micro-entrepreneurs we talked to was taking advantage of. When WhatsApp groups are used as a promotional tool, the reach is confined to a smaller pool of contacts, resulting in its applicability for more intimate product promotion. Otieno, another shoe merchant, explained to us why he preferred to promote his products in WhatsApp groups rather than Facebook groups: *“The fact that you know the people rather than Facebook or Twitter where you don’t even who you are talking to.”*

The fact that people can market products within WhatsApp groups, and then also use the same channel for low budget customer relationship management is interesting. While both could be done across Facebook, WhatsApp feels more personal, perhaps due to its connection to a person’s phone number, and therefore greater level of personal connection.

While WhatsApp groups are the primary form of communication on WhatsApp, a fair number of micro-entrepreneurs use their WhatsApp status (similar to Instagram stories) to promote their products or services. It is notably the younger and more digitally savvy who have adopted the WhatsApp status as a promotional channel. Faith, a fresh juice seller, showed us how she promotes her drinks on her WhatsApp status (see image). Kipchoge, a seasoned merchant across various ecommerce and social media platforms, also leveraged his WhatsApp status to promote his products: *“On WhatsApp, I usually don’t post to groups on WhatsApp because WhatsApp groups can be disturbing because of too many notifications...So I just post the images on my status, and I’m done.”*

## — Phone calls and In-person meetings:

Phone calls and in-person meetings build further trust in a sale, from both the buyer and seller perspective. Kerubo, a jewellery designer and dancer, explained why micro-entrepreneurs move conversations from WhatsApp to phone calls. *“I don’t know why Kenyans believe that (by) talking to a person...(you) get the clear information...They might think that I am this person who wants the deposit...so after chatting online they make a call then clarify.”* This move to phone calls, or ultimately

in-person meetings, not only shows commitment to a sale in terms of the time people are willing to invest, but also demonstrate how trust builds the closer buyers and sellers move towards physical contact. These offline channels are also critically for **transaction facilitation** with no payment mechanisms available over WhatsApp or Facebook. We discuss more about the shift from online to offline tools during the buying and selling cycle in our **Tech and Touch** section.

## 2 E-commerce platforms are leveraged by more digital savvy micro-entrepreneurs

Kenya boasts a range of e-commerce sites from Jumia<sup>59</sup> (a B2C site similar to Amazon) to OLX<sup>60</sup> (a c2c Ebay model), as well as newer entrants such as Sky Garden<sup>61</sup> and Kilimall.<sup>62</sup> OLX and Jumia, the two most popular ecommerce platforms, differ in terms of the level of control they exert over the relationship between buyer and seller, as well as the level of support they provide to their users. While OLX simply hosts a platform for sellers and buyers to connect, leaving communication and payment to happen independent of the platform, Jumia acts as an intermediary between the two restricting direct communication and therefore intermediating all forms of interactions. As described by **Robert**, an e-commerce merchant: *“OLX is also very good because one it lets you have direct contact with the buyer, so once you get to a buyer, the buyer can also give you a referral of even around five buyers.”* However, acting as a trusted intermediary Jumia arguably provides more growth opportunities for their micro-entrepreneurs through various **upskilling opportunities** and online **ratings and reviews**. Jumia also provides an end-to-end service through online **transaction facilitation**, where in contrast OLX users have to move off the platform to complete payment.

While many Kenyan microenterprises are using social media platforms to find customers, some micro-entrepreneurs—the more digital savvy ones—are leveraging the e-commerce platforms on offer. There is a general perception among these micro-entrepreneurs that the success they have conducting their business over these platforms is due to the ability of e-commerce platforms to match them with more serious buyers. One of the micro-entrepreneurs we interviewed, Kioko who sells flash disks over Facebook and OLX, shared his opinion *“On OLX you post for*

*serious people. When I get a customer from OLX I just know he is serious.”* Similarly Kipchoge, who promotes and sells various products over WhatsApp, Facebook and OLX, explained why he prefers to use a dedicated e-commerce channel *“I get more potential customers from OLX, Facebook not as much because it’s flooded.”*

Micro-entrepreneurs are using these sites as an online marketplace through which they can more efficiently market their products to a larger pool of active buyers. When we asked **Robert**, a Jumia Merchant, why Jumia was his preferred e-commerce platform, he told us: *“Their marketing is very wide, they have experience with their marketing, the platform is also trusted by a high percentage.”* Thanks to these platform attributes, e-commerce sites are generating business for microenterprises. **Robert** averages 40 orders a day through Jumia. For Wambui, an ornament maker, 70% of her business comes through OLX. However, not all merchants are equally benefitting from these platforms. While the more business and tech savvy micro-entrepreneurs appear to thrive across these platforms, access constraints prevent some from benefiting from such opportunities. One interviewee complained about the level of detail required to sell items across Jumia, such as submitting the weight of each product.

Beyond traditional merchant activities, some e-commerce platforms provide additional avenues for income generation. For example Jumia hires representative to 1) promote their goods across other platforms, such as Facebook and Twitter (as part of their affiliate program)<sup>63</sup> and 2) help sell their products to offline customers (as part of their JForce program).<sup>64</sup> Some of the micro-entrepreneurs we spoke with have ventured into these different revenue channels—as heard from **Robert**: *“I generate a link from Jumia website, I paste it on Facebook so once you click that website and place an order from Jumia, I get a commission.”*

Despite the income generating opportunities provided by e-commerce sites, use of social media and e-commerce aren’t mutually exclusive. Robert promotes his products through his Facebook page, and Kipchoge uses Jumia to set a pricing benchmark to help with sales arbitrage across Facebook. As heard from Kipchoge, *“For example, this smartwatch that I have in my arm, if you are to purchase it on Jumia it goes for around 15–1600 shillings. Plus shipping charges which is around 200 which comes to 1700. In town, I’ll get the same smartwatch at 1200–1100 and I’ll sell it at 1500–1600.”* This behavior suggests that there is

59 [jumia.co.ke](http://jumia.co.ke)

60 [olx.co.ke](http://olx.co.ke)

61 [sky.garden](http://sky.garden)

62 [kilimall.co.ke](http://kilimall.co.ke)

63 [affiliates.jumia.com/?utm\\_source=affiliategarage&utm\\_medium=referral](http://affiliates.jumia.com/?utm_source=affiliategarage&utm_medium=referral)

64 [jumia.co.ke/jforce/](http://jumia.co.ke/jforce/)



no standardized price for products and for the savvy business person, they are able to exploit information asymmetries for profit. It's also an example of how micro-entrepreneurs develop "digital repertoires" which skillfully combine more than one digital tool at a time to pursue livelihood specific goals. When businesses combine information and contacts across multiple channels and platforms, digital information moves and aggregates in unanticipated and sophisticated ways; and as a result, markets work more efficiently.

### 3 Digital 'trade unions' are emerging over WhatsApp

Aside from matching supply and demand, the networking effects of social media platforms have enabled microenterprises to come together in new ways. We saw evidence of microenterprises forming groups through WhatsApp to share trading ideas, negotiate better prices, manage staffing issues and advertise assets for rent and sale. What could be described as the fringes of a digital trade union, the coming together of microenterprises on social media platforms such as WhatsApp has facilitated important interactions among informal trade groups. In the absence of formal trade structures, it is interesting to see the development of these WhatsApp craft unions.

*"WhatsApp is where the wholesalers and those who have shops have one group. So, there is where we discuss. Someone can post that "let us increase the price"...so from there you learn and change also."*

—Odeke, Bottled Water Distributor

On the purpose of the Taxify WhatsApp group:

*"Purposely it is to bring the drivers together in case they want to communicate...they talk about if you need to hire a car or if you're selling you can even sell there..."*

—Kipn'getich, Taxi Driver

*"We also formed a group called 'smart duka' where you get to meet suppliers of various commodities. We meet on a weekly basis, Wednesday and be able to negotiate for better prices."*

—Daniel, Shopkeeper

These WhatsApp groups are formed by micro-entrepreneurs working in the same region, in trades that have been digitally augmented by platforms, but whose end service or product is tangible—be it a taxi ride, birthday cake, fresh juice or new bracelet.

### 4 Micro-entrepreneurs promote their writing skills across online work platforms

From our research we also spoke to micro-entrepreneurs who were leveraging platforms to promote their writing skills and win small, task-based online writing jobs such as product reviews and freelance writing. Through platforms such as Upwork, Freelancer, Uvocorp, iWriter and Studybay<sup>65</sup> some micro-entrepreneurs were able to find work either to supplement their primary income, or as their main business.

While we heard of some gatekeeping issues that prevented micro-entrepreneurs from thriving across these platforms—ranging from challenges with opening accounts to issues winning jobs due to an oversupply of labour—tweaks and hacks appear to breakdown some of these barriers. One apparent common behaviour to circumnavigate some of these gatekeeping issues was to accept outsourced work often advertised on Facebook groups dedicated to online writing (see Figure 12 below from one of these groups). These tricks to overcome gatekeeping issues have enabled a wider range of micro-entrepreneurs to benefit from the business available across these platforms. More about these online work practices in our [Digital Side Hustle](#) section.

Screenshot from a Facebook group dedicated to Kenyan online freelance writers 12



# Transactions, on and off platforms

## Enabling the exchange of money for information, goods, or services

What's a transaction? A customer finds a good or service they want to buy. A seller is eager to provide the good or service that the customer desires. Customer and seller discuss terms, and, if the terms are appropriate, the customer and seller exchange money for the good or service. This structure is fundamentally the same across geography and demographics, as customers continue to search, negotiate, and transact for goods and services.

What differs, however, is how money is exchanged. In Kenya we observed the use of cash, M-PESA, buying on credit, and bank account transfers as mechanisms through which micro-entrepreneurs receive payments.

The tangibility of cash is often a driver to use physical money, as explained by Wawira a micro-entrepreneur who works at a veterinary shop: *"I don't know if this is an African thing but basically I love to touch money."* As Benard, a shoe merchant reiterated, *"The real thing is that we love cash transactions."* Zawadi, a baker, prefers to use cash due to convenience and cost: *"Maybe people just don't like the process of going to your phone to start paying for something...and sometimes you know when you want to pay with M-PESA...there is a charge."* While Nakesa, who runs a small construction business highlighted similar concerns about the cost of M-PESA. She weighed this against the benefits it brings in terms of financial management: *"...but I like it because it gives me a track of my finances."*

With M-PESA as prevalent as it is in Kenya, many micro-entrepreneurs like to transact using this medium of exchange (often in tandem with cash), leveraging its convenience, security, and incentives to save. As Rehema, a caterer in Kibera, told us, *"M-PESA is safe because no-one has your M-PESA PIN. No one can steal, even if your phone gets lost your M-PESA will be safe."* Chepkirui, a hairdresser, explained that she preferred her customers pay her through M-PESA rather than cash because it reduces temptations to spend: *"When I get paid through M-PESA, it is very hard for me to misuse the money."* And Kerubo highlighted the convenience of M-PESA for her jewellery business, telling us she prefers it to cash because *"it's on my phone...it's so easy, there is no movement."*

In other instances, and as a way to compete against other nearby businesses, some micro-entrepreneurs extend a line of credit to their customers. This is often not the preferred method of transacting, but fierce competition sometimes forces micro-entrepreneurs to explore alternative modes of attracting customers.

It was also interesting to hear that a number of micro-entrepreneurs have a bank account for saving money and/or as a requisite for receiving payments through some platforms (more on this below!). Otieno, a shoe merchant, told us he likes to transfer profits from M-PESA directly into his bank account on a daily basis, leaving some float in his M-PESA account for the next day's expenses.

However, beyond preferences, platforms influence the scope of these exchanges in platformized markets. This section, one of four detailing "**platform practices**", describes how the **27 micro-entrepreneurs** we interviewed have adjusted their transaction behaviors in response to what the platforms do (and do not) offer in terms of transaction support.

## Summary of findings

### 1 Off-Platform Transactions

- 1 Limited functionality of social media platforms forces micro-entrepreneurs to explore cumbersome methods of receiving payment.
- 2 The lack of an online payment mechanism on some e-commerce platforms pushes transactions offline.
- 3 Some micro-entrepreneurs use off-platform digital credit to meet their businesses' needs.

### 2 On-Platforms Transactions:

- 1 Some e-commerce platforms provide an end-to-end service from promotion to payments.
- 2 Online work platforms pay freelancers through a variety of online payment methods, including M-PESA.

## 1 Off-platform transactions

- *Limited functionality of social media platforms forces micro-entrepreneurs to explore cumbersome methods of receiving payments for goods and services.*

Micro-entrepreneurs in Kenya often use social media platforms to **promote their goods and services**, from computer accessories to cupcakes, and from professional product reviews to article writing. If a customer is interested in the good or service, they often respond to the post publicly before **migrating to a one-on-one conversation on a social media platform** (generally WhatsApp). They then tend to leave the platform and negotiate final terms through a phone conversation or in-person meeting, and ultimately exchange money off the platform. The method of payment is often determined by preference or geography. Kioko, a small trader of flash disks, is paid cash-on-delivery for items he delivers in person and through M-PESA for goods he sends via post or friends. This use of multiple online applications and offline tools to close a sale is cumbersome and time intensive.

Offline, unprotected transaction exchanges are also more risky. In response, some micro-entrepreneurs find ways to formalize this offline payment process. **Faith**, a fresh-juice seller who uses WhatsApp to communicate with clients, requests an email from customers to confirm large orders so that there is a reliable record that an order has been placed and payment made. *"If it's something like a bash, and it's a lot of money, you have to write me an email as proof so that we can just trust each other...I prefer an email because in WhatsApp I could just delete it by mistake, but in email*

*I'm not likely to delete it."*

Generally, the savvy social media sellers ask for a deposit before sending a good or service. The amount of the deposit varies, but the experienced seller generally asks for enough money to recoup the cost of the good in the event that the customer fails to pay the full balance (or pay at all). Nduku, a micro-entrepreneur who has a small clothes shop, often uses WhatsApp to promote new stock with existing clients. If a customer expresses interest in buying an item of clothing, she requests a deposit via M-PESA before sending the item. *"Before that thing is delivered you pay 50%, because there is also transport, so that I don't lose out."*

The lack of transactions facilitation across social media platforms, from Facebook to WhatsApp, forces micro-entrepreneurs to transact offline and often in-person, adding a time-intensive and inefficient layer to the sales process.

- *The lack of an online payment mechanism on some e-commerce platforms pushes transactions offline.*

While some Kenyan e-commerce platforms, such as Jumia, provide an end-to-end service for their merchants (more on this below!), others fall short, forcing buyers and sellers to transact offline. OLX (a c2c eBay model) is a good example. While OLX brings buyers and sellers together enabling **broader discovery and efficient matching of supply and demand** and **provides nudges of advice to help merchants make the most of the platform on offer**, their service more or less stops there. Any type of interaction between buyer and seller, be it communication or monetary exchanges, happens independent of the platform. As a result, payments have to be organized off the platform, usually through cash or M-PESA.

- *Some micro-entrepreneurs use off-platform digital credit to meet their businesses' needs.*

We spoke to a number of micro-entrepreneurs who were either accessing digital credit offerings, or were interesting in doing so. All of these digital credit offerings were accessed through apps, independent of platforms. Chepkirui, a hairdresser, prefers to access credit through Tala and Branch rather than M-PESA's M-Shwari due to the speed at which credit limits grow on Tala and Branch. Of the two, she prefers Tala, again due to the superior speed at which her credit limit grows. *"I think Branch take their time, to add money as compared to Tala. Tala each time you pay back the loan you get a thousand more if you want to loan again. So I can take a loan today maybe one thousand, pay it back tomorrow and next week if I want to take the money again they can give me two thousand."* Odeke, a bottled



water distributor also uses Tala loans to buy new stock. He likes the instantaneous nature of the digital credit offering, which gives him immediate and emergency loans. Like Chepkirui he uses both the Tala and Branch apps.

While these insights aren't specifically related to platform practices, the off-platform financial behavior of micro-entrepreneurs should be of interest for platform players designing for this segment.

## 2 On-platform transactions

### — *Some e-commerce platforms provide an end-to-end service from promotion to payments.*

Jumia, (a B2C site similar to Amazon), differs from OLX in terms of the level of control it exerts over the relationship between buyer and seller. Jumia acts as a middleman, and trusted intermediary, intermediating interactions and transactions between buyers and sellers. When it comes to payments, Jumia's escrow account builds trust between both parties and negates the need for merchants to request deposits for goods, as we observed with transactions made after social media interactions between buyers and sellers. In brick and mortar businesses, customers can see the good or service and use their intuition and judgement to determine if it's worth the price. But when doing business over platforms, it's significantly more difficult to assess the quality of the good or service and determine if the seller is trustworthy. The escrow account offered by Jumia mitigates some of these concerns.

In terms of payments, Jumia merchants are paid via bank transfer or check, either on a weekly or monthly basis.

### — *Online work platforms pay freelancers through a variety of online payment methods, including M-PESA.*

As discussed in our **Digital Side Hustle** section, we encountered a number of micro-entrepreneurs who were leveraging online work platforms, Upwork, Freelancer, Uvocorp, iWriter, and Studybay<sup>66</sup> to sell their freelance writing services from product reviews to academic writing. These platforms provide a purely online service to their freelancers, and, as such, payments are also managed digitally on the platform.

For an online work platform such as iWriter, freelance writers create an account, build a profile [explored further in the **Credibility** section], and explore freelance assignments as posted by individuals

or businesses. Some of these websites function like an auction in which the writer reviews the instructions for the assignment and places a bid on how much they'll charge for the assignment. At the discretion of the client, the writer with the most **appropriate profile** and the most cost effective bid wins the work. Once the job is complete, the client sends the bid amount plus the website fee via an escrow service that is released either through a bank transfer or third-party such as PayPal.

Upwork enables freelancers to transfer earned money directly to their bank accounts as well as through third-party payment vendors such as PayPal and M-PESA (only in Kenya). Withdrawing funds, however, is not necessarily instantaneous. It depends on the type of contract with hourly contracts usually based on a weekly billing cycle and fixed-priced contracts based on milestones.

Under this scenario, the platform operates as the trusted intermediary between parties that ensures the transaction—money for a written assignment in this case—is completed by both sides. As Mary described it, “...now when you use a site like Freelancer, the client is regulated by that company, so... before you start writing that assignment, the client has already paid, and basically, the money is being held by the site, so once you finish, they now give you the money.” With online work platforms, there is an implicit trust when using these dedicated services as opposed to those that are retrofitted for purpose.

However, not all micro-entrepreneurs can access online work platforms and benefit from the integrated services on offer. As discussed in our **Digital Side Hustle** essay, due to various gatekeeping issues, some micro-entrepreneurs are locked out of online work platforms and look for outsourced work. Outsourced work is either found through friends, family, or dedicated social media groups (see Figure 13 below from a Facebook group). When work is taken off the platform, so are interactions and exchanges. Accordingly, the trust that digital escrow accounts provide to these freelancers erodes.

A number of the micro-entrepreneurs we spoke with highlighted the risk of accepting outsourced work through Facebook groups dedicated to online writing due to the high probability of being conned into completing services without being paid. Mary told us, based on her experience in Kenya, that “there are many people who have not paid their (outsourced) writers.”

13 Screenshot from a Facebook group dedicated to Kenyan online freelance writers



Among the platforms we observed micro-entrepreneurs using in Kenya, there was a clear distinction between platforms that mediate business transactions (Jumia, online work), and those that don't (social media, OLX). While transactions mediated by platforms engender trust through escrow accounts, we must be careful of labelling one as good and the other not. Online payment mechanisms bring benefits, but access and gatekeeping issues prevent some micro-entrepreneurs from using these online payment tools.

# Credibility

## Quantifying and verifying the quality of micro-entrepreneurs

*“Yeah, the other challenge is...they can give a small rating, so it affects your account rating, that means it will affect your ability to get jobs.”*

—Mary, Online Freelance Writer

Platforms manage and influence information about the quality and credibility of micro-enterprises: formally, through rating systems; semi-formally, through likes and comments; and informally, through in-person communication. Credibility can either elevate or tarnish micro-entrepreneurs’ growth across platforms. This section, one of four detailing “[platform practices](#)”, describes how the [27 micro-entrepreneurs](#) we [interviewed](#) manage this new environment for credibility and reputation, highlighting approaches, responses and awareness.

### Summary of findings

- 1 Ratings rule the game, especially when it’s all you have.
- 2 Offline feedback is easier to manage.
- 3 Micro-entrepreneurs react to Facebook feedback in a variety of ways, but they don’t seem that worried about it.
- 4 Some micro-entrepreneurs try to game the system.
- 5 Micro-entrepreneurs can also rate their customers.

## 1 Ratings rule the game, especially when it’s all you have

The further micro-entrepreneurs are removed from the ability to physically interact with clients, the more they rely on their ratings on transaction platforms.[4]

### — Ratings on e-commerce platforms

Jumia, a B2C e-commerce model, restricts direct communication between buyers and sellers. At no point in the customer journey are merchants able to communicate with their customers, and vice versa. Because of this, buyers rely on the rating system to determine which sellers are credible, and sellers rely on these ratings to complete sales. As Robert, who sells phone accessories across Jumia, explained: *“To maintain my seller score, I should deliver the right item at the right time because once the item gets to the customer at the right time you will be very happy and you will give me five stars...so my items will be on the landing page all the time, so I will make sales.”*

Micro-entrepreneurs understand not only the impact of high ratings, but also low ratings. As Robert told us: *“The impact of the three stars and below...means my item is not correct or it’s not delivered. From there I think the item might end up being deleted from the website, so I will end up missing the sales. So I think I should keep an eye on the seller score.”* Ratings clearly rule the game for Jumia merchants. As with any successful rating system, higher rated merchants win more work than those with lower ratings. In a bid to support merchants in this environment, Jumia poses strict rules around issues such as packaging or product specifications which, if violated, result in a fine. This encourages Jumia merchants to focus on quality and consistency, and consequently protects their reputation and rating. As Robert shared: *“Sometimes I used to take the correct items but maybe the color is different so once*

*the item is rejected you are charged KSH 500 from there is when I went back, I settled my mind then from there I started my verification process.*" This theme of platforms supporting micro-entrepreneurs is discussed further in our [Upskilling](#) section.

While ratings rule the game for Jumia merchants, on OLX, a c2c e-commerce platform, the lack of a rating system is supplemented by the ability to directly communicate with customers. This results in both conversations and sales moving off the platform because micro-entrepreneurs use a "repertoire" of multiple channels and sites to complete transactions. As Kioko, a micro-entrepreneur who sells flash disks, explained: *"I had one customer from Malindi, he saw my [OLX] advert and he called me, but he could not trust me and I could not trust him, so I couldn't send the goods. So, he called and said, 'I have a relative who is in Nairobi' and that I should go and deliver it to his relative. He works at the bus station. So, I went and delivered to the relative, who confirmed after which he sent the money."*

### — Online work ratings

Across online work platforms, ratings, or what Upwork fittingly calls "Job Success Scores", help freelancers win work. With an oversupply of labor<sup>67</sup> on these platforms, ratings help micro-entrepreneurs and the self-employed stand out from the crowd. Mary, an online freelance writer, relayed how integral ratings are in the bidding process for the three online work sites she uses (Freelancer.com, Upwork, and Uvocorp):

*"For someone who is looking for someone to work for them, they definitely will look for the rating. They won't go for somebody who disappointed their client so when they see that the clients that you have worked for are happy, you have a higher chance of getting the job."*

On the other hand, those who struggle to build a reputable rating suffer. Given the excess supply of labor, winning jobs and building credibility is a long and arduous process. Kipchoge described the journey to improving his rating on StudyBay: *"For you to move a level, there are several qualifications. In most cases in the beginning you need to at make at least \$1500 dollar... complete at least 100 orders, have at least 30 likes... If the client likes you, that is one like less [needed to move] to the next level."*

The challenge of building a solid rating score distinguishes those who flourish across these online work platforms from those who struggle. Credibility on these platforms is governed by two things: your rating and the number of reviews you have. Similar to buying a product on Amazon, both components contribute to a freelancer's credibility: quality of

service [ratings] and volume of service/experience [number of reviews]. While Mary has hired four people to help manage her online writing business, [Daniel](#), who does online writing as a digital side hustle, struggles to compete with highly rated, seasoned freelancers: *"Upwork has good pay but the problem is bidding. You can stay for two months without getting a job."* He struggles to compete against those who have both strong ratings and lots of jobs under their belts.

As with e-commerce sites, ratings on online work platforms are particularly important for micro-entrepreneurs unable to interact directly with their clients. On Upwork, as with OLX, the platform enables freelancers and clients to communicate directly with each other. However Uvocorp, like Jumia, acts as an intermediary between writers and clients. As Mary explained: *"(On) Uvocorp you don't talk to the client... They have like a support system where they get their jobs, they talk to their clients, then they give you the job. Like now they're delegating it to you."*

In our [Digital Side Hustle](#) section, we further explore the challenges and opportunities of working across these online work platforms.

## 2 Offline feedback is easier to manage

While some micro-entrepreneurs interact and transact across purely digital platforms, the majority use a blend of online platforms and offline tools in their buying and selling cycles. Many micro-entrepreneurs personally interact with their clients towards the end of the customer journey, either through phone calls or in-person meetings. This face-to-face communication opens the door to offline feedback.

Among our interviews, the general trend was to deal with in-person complaints in real time. Complaints either start and end with an explanation, or they start with an explanation and end with a free service. [Faith](#), a fresh juice seller, was able to address in-person complaints about rising prices by explaining that her ingredient prices had increased. Chepkirui, a hairdresser, and Makena, a tailor, both offer their customers a free service if they are unhappy with the initial outcome of their transaction. Makena is even willing to lose money to maintain a customer, highlighting the value of maintaining one's credibility. She explained that, if a customer is unhappy with her work, she would look for a qualified tailor to remake the garment. *"In business you have to make profit and loss,"* she told us.

The ability to respond to informal, in-person complaints quickly and efficiently helps maintain trust

between buyers and sellers. Before their credibility is tarnished, micro-entrepreneurs are able to explain and rectify an unsatisfactory experience. As **Faith** shared, responding to these complaints is important because *“...it will be like yeah this girl can listen to us. We can just talk to her and she can hear our advice.”* The fluidity of dealing with offline complaints sits in stark contrast to the rigidity of documented online feedback.

### 3 Micro-entrepreneurs react to Facebook feedback in a variety of ways, but they don't seem that worried about it

While formal online feedback and ratings (through platforms like Jumia and Upwork) is structured, documented, and *encoded*, and offline feedback is fluid, undocumented, and *“organic”* feedback through social media sits somewhere in between. On Facebook, for example, there are no rules regarding how feedback should be provided. Informally, individuals leverage “Likes” and “Comments” to provide opinions on a product or service. Kioko, a micro-entrepreneur who sells flash disks both online and offline, explains the informality of feedback shared on Facebook:

*“Maybe you saw my post on Facebook, then you came and bought my flash, so tomorrow, I post another one. So, you come and comment and say I bought this flash and it's still good.”* While the feedback leads to informal reputations rather than formal ratings, the results are digitally documented. This can have negative and positive knock-on effects, both of which are amplified by the network effects of social media. While positive feedback can help build trust and credibility, negative (at times unjustified) feedback can effectively ruin a micro-entrepreneur's business. Kioko shared his experience with unjustified negative feedback on Facebook: *“I get many such negative comments. Someone has not even bought from you and he just says this is fake.”*

Beyond Facebook, we saw unjustified feedback affecting micro-entrepreneurs on other, non-social media platforms. Kipngetich, a taxi driver, explained the spectrum of feedback he receives from riders: *“Sometimes customers are not the same. You may offer customers good service and (they) give you even a one star, and you have offered her service worth five stars and he or she gives you one star.”* He specifically argued that customers should have guidelines for rating drivers.

In the absence of a formal rating system or trusted intermediary, micro-entrepreneurs adopt a variety of approaches to manage complaints. Although some understand the importance of addressing negative reviews to maintain their reputations, others focus on removing the evidence. Kioko, when asked how he

responds to negative Facebook comments, bluntly told us: *“I hide them.”* Others seem unaware of the impact or significance of such feedback. Both Rehema, a caterer, and Odeke, a water vendor, felt Facebook comments affect their morale more than their sales. Odeke, for instance, is secure in the idea that his online reputation won't translate into his offline work: *“Actually, it would affect my mind but not the business. Nobody knows where the business is.”*

Micro-entrepreneurs respond to informal, but documented, Facebook feedback in a variety of ways. Either it is ignored, unrecognized, or, we assume (but didn't find any specific evidence of this), addressed directly. However, all in all it is held in less regard than formal online feedback which translates into official “star ratings” and “levels”.

### 4 Some micro-entrepreneurs try to game the system

When ratings rule the game, micro-entrepreneurs will go to any lengths to grow their credibility. This is particularly true across online work platforms.

**Daniel**, a part-time online writer, told us that some freelancers improve their ratings by signing in as clients, posting jobs, then accepting the jobs from their own writing accounts, and issuing a glowing reference (for themselves!) upon completion: *“Kenyaans are very crafty, creative and bright. To create a higher level, you log in as a client.”* As their ratings grow, some even look to sell these accounts, knowing how hard it is to build credibility. As **Daniel** told us: *“If the profile goes higher, you sell the account. It's very interesting.”*

However, credibility isn't just about levels and ratings. Unfortunately, image also matters. One online writer, Kipchoge, uses a picture of a white person as his profile picture on his StudyBay account because *“...the clients we are dealing with are usually from the West.”* More about these practices are discussed in the **Digital Side Hustle** section.

And this practice of tweaking the rules of the game to increase one's credibility isn't limited to online writing platforms. Odeke ran us through how you “cook” a message on Facebook to give the appearance that you have more customers and a bigger business than you have in reality. While adapting technology to fit one's needs isn't new, it's interesting to see this being applied to credibility and ratings.

## 5 Micro-entrepreneurs can also rate their customers

While so far this analysis of credibility has focused on how micro-entrepreneurs are rated, ratings go both ways. Uber drivers can rate their passengers, Upwork freelancers can review their clients, and a Facebook seller can post feedback about a buyer. On Jumia, merchants can also rate the platform itself. With Jumia in charge of delivery, a delayed delivery will impact the merchant's seller score. In such an instance the merchant can give Jumia a negative rating. Asked about his own ratings of Jumia, **Robert** told us, *"If I rate, I think the message goes directly to the Managing Director so from there he will be able to get back to the staff and he will ask them why this has not been delivered to the customer at the right time."* It was unclear from our discussion if this rating system had any further purpose or impact.

Kipn'getich, a Taxify taxi driver, also rates his customers. As with his rating, it appears that there is no set criteria for the customer rating process. However, Kipn'getich evaluates his customers by the following criteria: *"The approach; how the customer approaches you. How she or he talks. The waiting time,"* and highlighted that he developed this process himself.



# Learning and literacy

## The transfer of skills and upgrading of human capital

“YouTube is like a tutor.”

—Doris, Craftswomen

This section, one of four detailing “[platform practices](#)”, describes how the [27 micro-entrepreneurs](#) we [interviewed](#) use the information and services available on (and off) platforms not only to buy and sell but also to learn about buying and selling. In our [platform lens](#), information about the market is one of four attributes. Within this general category we found that the transfer of skills and upgrading of human capital was the most salient and interesting thread to pursue.

We observed a number of channels, both on and off platforms, through which micro-entrepreneurs learn new skills and literacies: Platforms directly offer information and training to their users; advice and training is offered through third party platforms (YouTube videos, Facebook, and WhatsApp groups, etc.); support is provided offline through friends and family; or micro-entrepreneurs are self-taught. While our first section discusses direct support, the sections 2, 3, 4 and 5 highlight third-party, self-taught and offline learning and literacy practices. These sections draw attention to gaps and point to needs of micro-entrepreneurs that platforms are not currently meeting.

## Summary of findings

- 1 Direct Learning: Micro-entrepreneurs receive varying levels of training and advice from e-commerce, ride sharing, and online work platforms
- 2 Peer Learning: micro-entrepreneur-developed online support groups
- 3 Consumptive Learning: Proliferance of Self-learning through YouTube
- 4 Offline Learning: In-person training still plays an important role in upskilling micro-entrepreneurs
- 5 A-B Iterative Learning: Through trial and error, micro-entrepreneurs figure out how to use the platform for business

### 1 Direct learning

Micro-entrepreneurs receive varying levels of training and advice from e-commerce, ride sharing, and online work platforms

We observed direct support delivered by e-commerce, ride-sharing, and online work platforms. By direct support we refer to platforms that not only provide the channel for skills acquisition and learning, but also designing the content. In comparison social media sites, while providing support channels through the likes of Facebook and WhatsApp groups, don’t directly design and deliver the literacies and livelihood skills themselves. While Facebook shares guidelines<sup>68</sup> (albeit only for buying and selling on their Marketplace which is yet to launch in Kenya) and commerce policies for their groups, these are designed to protect users rather than upskill them. We therefore tackle the use of social media support groups in the third-party support section.



## — Training and support from e-commerce platforms

The relationships e-commerce platforms have with micro-entrepreneurs is, to varying degrees, a matter of upskilling these small enterprises and enabling them to thrive across their platforms. While Jumia offers comprehensive digital and in-person training, and OLX takes a more light-touch approach, e-commerce platforms as a whole want microenterprises to grow and prosper.

Jumia guides sellers through various best practices from how to run a promotion to how to package products. This training is delivered online through generic emails, targeted messages, and in-person training. Either online or offline, it appears that detailed advice and support is on offer across all lines of the business. As **Robert**, a Jumia merchant, succinctly told us: *“When it comes to Jumia...[their] training is perfect.”*

Jumia’s stringent quality-control procedures, and penalties, also encourage merchants to refine their product offerings and, in turn, improve their online business. **Robert** explained that items are rejected, and merchants are penalized if they don’t match their online descriptions: *“Sometimes I used to take the correct items but maybe the color is different so once the item is rejected you are charged five hundred shillings, so from there is when I went back, I settled my mind then from there I started my verification process, so from that time now I could deliver the correct item.”*

We also observed that through the use of algorithms some e-commerce platforms guide users on how to best use their platform to conduct and generate business. Tips like “use more colorful descriptions”, or suggestions to include more photos in posts were often sent to our micro-entrepreneurs if their posts did not attract many views or clicks. Once they incorporated these suggestions, they often saw more views and, in most cases, were able to generate some business. Both Jumia and OLX use backend data analytics to deliver programmed advice to micro-entrepreneurs on how to improve posts and adverts. **Dorcas**, a baker, shared how OLX offered tips on marketing across the platform: *“They send you a message when they see your ad does not have so many views...they told me that, if you want to post something about food, you don’t write ‘chapatti’, you write ‘food’, the overall word for that so that when people are searching for that, they get it.”* Similarly **Wambui**, an artisan who sells her goods on e-commerce platforms, after receiving no clicks on her initial OLX post, was nudged by the platform to use more images to help bring the item to life. This resulted in more activity around her posts. The fact that training and support is

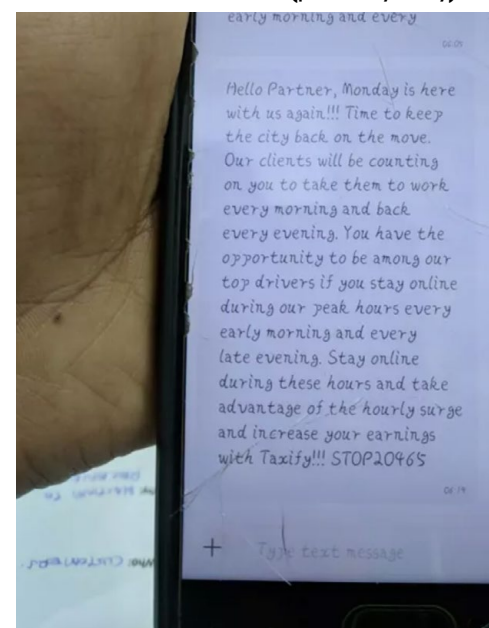
on offer highlights these platforms’ desire to support their merchants.

However, in general, OLX takes a much more hands-off approach than Jumia in terms of merchant support and upskilling. This is evident in the communication channels they open up to their merchants. Having recently moved their offices and customer support center out of Kenya,<sup>69</sup> OLX is only contactable via email. As **Robert** told us: *“Nowadays you just write an email (to OLX), from the email you cannot call them directly because they moved their office from Nairobi to South Africa.”*

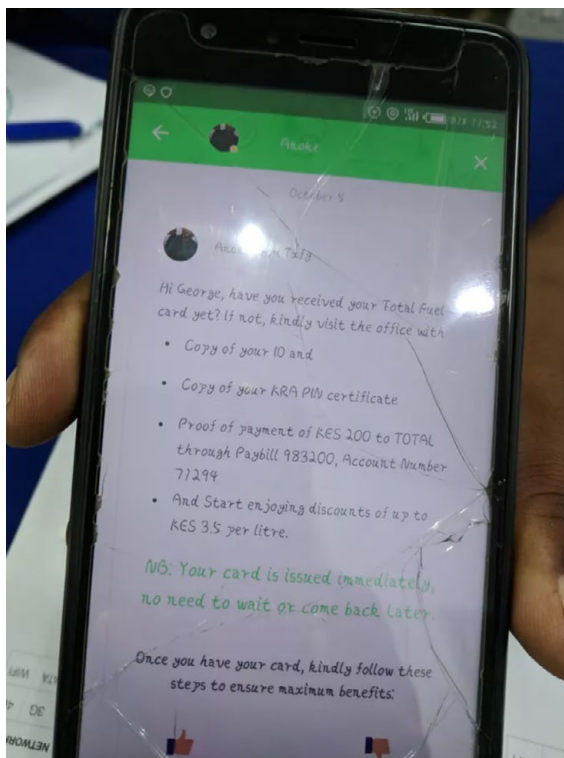
## — Training and support from ride-sharing platforms

Ride-sharing platforms also offer a variety of support and guidance to their micro-entrepreneurs. Some ride-sharing platforms, such as Taxify (now Bolt), send both sms and in-app messages to their drivers. These are generic (see Figure 14), personal (see Figure 15), or targeted (see image Figure 16) messages, with the latter triggered by things like bad behavior. Topics covered include ways to reach more customers, improve their customer service, increase their ratings, and benefit from the promotions and deals on offer. While we only gathered insights around information and advice sent to Taxify drivers, we heard of similar levels of support on offer through other ride-sharing platforms in Kenya.

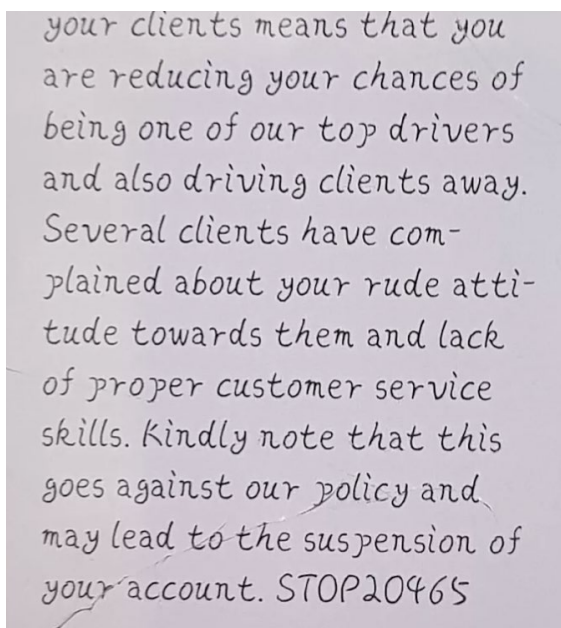
A message from Bolt (previously Taxify) 14



## 15 A message from Uber



## 16 A message from Bolt (previously Taxify) to one of their drivers



## — Online work platforms

Online work platforms, such as Upwork, iWriter, and Uvocorp, also help upskill their workers. Uvocorp, a freelance writing platform, gives new writers a mentor for one or two months or until they are able to complete jobs by themselves. The mentors are designed to coach users through best practices in completing assignments as well as understanding business etiquette in managing relations with clients. This support ranged from tactical support like teaching grammar and the importance of syntax. to business support like how to manage different types of clients. As Mary discussed: *“Yes, they give you a mentor, who gives you jobs...they show you your mistakes, in which after like two months, you can graduate and become an independent writer.”* Other channels used by these platforms include free online skills tests<sup>70</sup> and online training centers.<sup>71</sup> Along with this on-platform support, off-platform advice and training can be found on Facebook and WhatsApp groups. We discuss this in greater detail below.

## 2 Peer learning Micro-entrepreneur-developed online support groups

While the previous section focused on direct support and training offered through platforms, this section (and the two subsequent sections) highlight bottom-up improvisations. These aren't platform observations in terms of highlighting what platforms are doing for micro-entrepreneurs but rather what platforms should consider doing.

Online support groups developed across social media platforms appear to be a popular skills and advice acquisition channel for micro-entrepreneurs. As mentioned above, while this may be viewed as a direct platform training practice, we view the use of social media groups for upskilling as a third-party practice. Rather than the platform itself designing and delivering the training, social media platforms simply provide a channel through which users can develop their own content. This focus on user-led upskilling is evident in Facebook's recent Mentorships program.<sup>72</sup>

We observed micro-entrepreneurs leveraging the network effects of social media to develop support groups across various business sectors. For example Naisula, a cook, told us how she visits a Facebook group to search for recipes and cooking tips: *“I go to ‘How to cook Kenyan meals’. Yeah, there you can find everything...it teaches people how to make new meals...”*

70 [support.upwork.com/hc/en-us/articles/211063198-Skills-Tests](https://support.upwork.com/hc/en-us/articles/211063198-Skills-Tests)

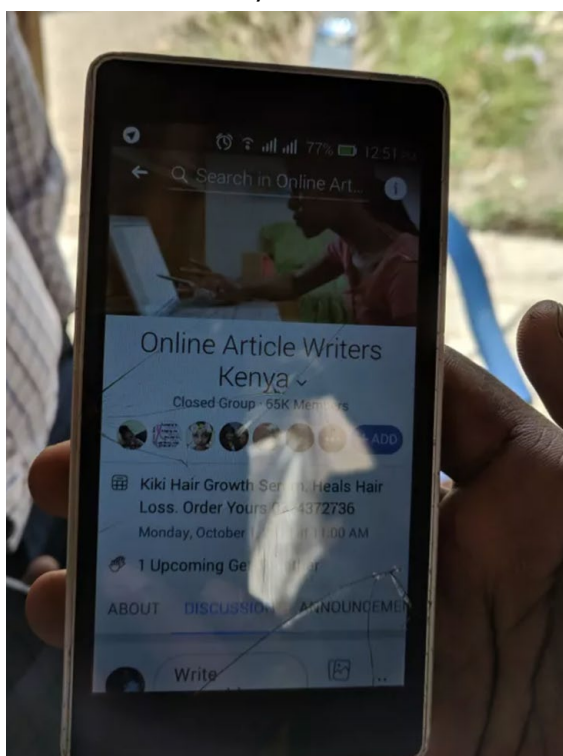
71 [blog.iwriter.com/writer-course/](https://blog.iwriter.com/writer-course/)

72 [techcrunch.com/2018/08/09/facebook-launches-mentorships-matching-people-within-groups-to-help-them-guide-each-other/](https://techcrunch.com/2018/08/09/facebook-launches-mentorships-matching-people-within-groups-to-help-them-guide-each-other/)

*everybody is a teacher there.*” Similarly, on Instagram, **Faith** connects with a business coach who gives her advice on how to grow her fresh juice business: *“She has helped because nowadays...I don’t give out debts. If you’re buying, just buy and if you don’t want, just leave it. It’s not about taking juice and then you pay tomorrow. That is how she has helped me.”*

Beyond Facebook and Instagram (as mentioned in the Search, Promo, and Discovery Section) the network effects of WhatsApp have enabled micro-entrepreneurs to come together in smaller more intimate groups. These online support groups, or what we call “digital trade unions”, have enabled important lesson sharing among micro-entrepreneurs working within a given sector. For example Odeke connects with fellow bottled-water distributors through a WhatsApp group; they discuss prices and share advice. *“In WhatsApp mostly, people post business opportunities so you can tell people, I am making profit in this thing, you can just try it and see what you do.”* Organizations such as TechnoServe and FIBR have also begun to leverage the power of WhatsApp through TechnoServe’s Smart Duka Program<sup>73</sup> and FIBR’s micro-consulting pilot.<sup>74</sup>

17 A Facebook group dedicated to online writers in Kenya



Micro-entrepreneurs working on online work platforms also use social media groups for support. **Daniel** and Mary joined a number of online writing groups on Facebook (Figure 17) and WhatsApp to better understand the nuances of joining the growing gig-economy. Through these channels they were able to figure out how to build a suitable and enticing profile for Western clients, learn how to satisfy different types of client demands, and in some cases search for mentors to coach them through the process. Some advice is learned simply by browsing the thousands of messages posted in these groups and noting the *dos* and *don’ts*, while more specific and tailored advice is obtained by directly messaging different contributors.

The unregulated nature of these groups results in advice ranging from the ethical to the potentially unethical when it comes to tips on how to ‘game the system’. This theme is discussed further in the **Credibility** and **Digital Side Hustle** sections. The organic nature of these support groups also presents risks to users. We heard time again that it’s dangerous to trust unverified strangers on Facebook; we also heard stories of micro-entrepreneurs being cheated out of money because of their naivete. The more discerning micro-entrepreneurs tend to be cautious in whom they engage over Facebook and, if they seek out personal advice, ensure it is from someone who has been verified and validated by others through positive comments and Facebook “Likes”.

### 3 Consumptive learning Proliferance of self-learning through YouTube

Beyond Facebook and WhatsApp, YouTube is another popular tool for learning. Micro-entrepreneurs tend to leverage YouTube channels to learn more about a specific craft. For example:

- **Faith** learned how to make more complicated juices *“by watching tutorials on YouTube.”* Through YouTube she also learned about how to plan her day, sell to customers, package her products, and meet health and safety standards.
- Kerubu taught herself to dance through YouTube, which she now does professionally. *“Youtube is so much awesome, you just see how it’s done...”* she shared.
- And Wambui taught herself how to make her bracelets and ornaments through the platform. For her, *“Youtube is like a tutor.”*

73 [technoserve.org/our-work/projects/smart-duka-empowering-shopkeepers-in-nairobi](https://technoserve.org/our-work/projects/smart-duka-empowering-shopkeepers-in-nairobi)

74 [medium.com/f4life/what-if-we-offered-business-support-to-small-merchants-over-whatsapp-1538ebad6a5](https://medium.com/f4life/what-if-we-offered-business-support-to-small-merchants-over-whatsapp-1538ebad6a5)



Even information about farming, a popular side-hustle among many microenterprises, is found on YouTube. Kohe, a tax and insurance consultant with a small shamba (farm) watches YouTube videos to get *“smart about farming.”*

We heard from some of our micro-entrepreneurs that, because of the commentary under YouTube tutorials, they can quickly determine if the video is helpful or not. It is infinitely less challenging than trying to assess the validity of online written commentary on WhatsApp or Facebook where there are many different variables (comprehension, presentation, articulation), outside of the content itself, that can influence the quality of support.

#### 4 Offline learning

### In-person training still plays an important role in upskilling micro-entrepreneurs

Despite the variety of online avenues through which micro-entrepreneurs receive support and training, in-person support still plays a significant role. In addition to formal in-person training, friends, family, and acquaintances support micro-entrepreneurs as they seek to grow their businesses. This type of training is often the preferred method. Among the micro-entrepreneurs we spoke with:

- **Daniel** used a friend to help him navigate the iWriter freelance writing platform.
- **Faith**, despite leveraging WhatsApp and Instagram for guidance, still found personal advice from friends the most valuable source of information. When asked where she got the best advice, she shared: “From Esther...because its face-to-face and I can tell her this is what I want and this is what I’d like to do and she would tell me no; do this and this.”
- Chepkirui relied on in-person training for her hairdressing business, indicating that not all skills are conducive to online training: *“it is hard for me to follow instructions from a video.”*

We discuss in-person training in more detail in our **Tech and Touch** section.

#### 5 A-B iterative learning

### Through trial and error, micro-entrepreneurs figure out how to use the platform for business

The more cavalier micro-entrepreneurs appear to develop their own unique processes to generate leads, marketing their products and closing transactions over platforms by trying different approaches. Through this method, each of the micro-entrepreneurs found a unique style that resonated with customers and gave them an idea of what types of posts, messages within posts, and images in posts attracted customers.

For instance, Atieno, the owner of a food condiments company, spent quite a bit of time trying to figure out what images resonated best with her customers. At first, she spent lots of time manicuring the image so that the condiment and the place setting looked perfect because she thought that’s what the customer wanted. She was quickly proven wrong as each of these well staged photos received few comments or Likes, the social media proxy for success. After experimenting with different looks and settings, she saw customers reacted best to images where the condiments were in use (Figure 20).

Atieno’s Instagram page 18



She subsequently changed her Instagram approach and posted photos exclusively of her interacting with the condiments; her Instagram posts have since netted significantly more sales.

Kioko, a flash disk salesman, uses Photoshop to create different advertisements that he posts across his different social media channels (Figure 19). Initially, he cropped pictures of his goods using images on the internet and, at times, watermarked photos. He eventually noticed that when he used images with a watermark, customers would not respond so he changed his approach and avoided using watermarked images.



We consistently saw behavior like this—whether creating, editing, and adding new content to advertisements or posting more lifelike photos of goods on Instagram—among many of the micro-entrepreneurs we interviewed. This ability to adapt based on trial and error seems to be driven by the hustle of the entrepreneur. Whereas some, like Asmani, would give up if they were unable to attract interest from a post, others, like Kipchoge, persistently post and make constant adjustments knowing that customers bite if the posts are positioned correctly.

## Conclusion

As you’ve just read, learning and skills acquisition was a key and common practice among the 27 micro-entrepreneurs we interviewed. Some of this direct learning (section 1 above) was happening on platforms, designed and driven by the platforms themselves. But the majority (sections 2, 3, 4, and 5) happens outside platforms. While there is a gap in platform-driven learning, we believe this presents an opening for platforms to look at practices 2, 3, 4, and 5 as inspiration to add more value and increase relationships with platform users. Read more about our next step suggestions on this theme in the [Policy and Interventions](#) Takeaway section.



# Tech and touch

## The blurring of online and offline worlds

*“The importance of meeting someone (in person)? According to us the importance is that you persuade that person and now he or she becomes a client.”*

—Rehema, Caterer

Despite the increased digitization of both personal and business domains, there is no clear line between online and off. Rather, people engage in ‘tech and touch’. ‘Tech’ refers to online, mediated interactions and ‘touch’ to face-to-face communication. When looking at micro-entrepreneurs’ behavior across platforms, the reasons for the blurring of the online and offline worlds range from issues around trust to digital literacy constraints.

We see the blending of digital and human interactions across all technologies, from the use of e-commerce to simple mobile phone calls. Chepkirui, a hairdresser and one of the [27 micro-entrepreneurs](#) we interviewed for our research, described why she uses both tech and touch with her clients: *“I just tell them to come so that we can speak face-to-face, because on phone it is so hard to convince someone.”*

Findings from our research build on themes we’ve heard from our partners—and beyond—around the hybridity of tech and touch:

- Accion Venture Labs’ Tech and Touch Balance<sup>75</sup> report shares lessons from successful startups that have managed to find innovative ways to balance digital tech with appropriate human interaction to better serve their customers.

- FIBR’s MSME and Superplatform research<sup>76</sup> in Tanzania revealed how digitally augmented micro-entrepreneurs expressed interest in investing in offline services. All seven of the micro-entrepreneurs interviewed in the research were interested in the concept of a “pop up shop”, a temporary physical storefront enabling customers to come and try out products before they buy them online or in-person.
- BFA’s Catalyst Fund<sup>77</sup> has also witnessed how tech and touch has positively impacted inclusive FinTech companies as they work to broaden and deepen financial inclusion. FinTechs that are not ready to fully digitize the customer journey have found that human interaction at the point of customer acquisition helps build trust and maintain customers.
- TechnoServe’s Smart Duka<sup>78</sup> program in Nairobi, leverages both in-person trainings and WhatsApp support groups to upskill and upscale selected high-potential corner stores.
- Donner and Maunder highlight the blurring of online and offline strategies in their analysis of internet use by informal microenterprises in Kenya and South Africa. Using marketing as an example, Donner and Maunder discuss how “the market landscape in many places is becoming a melange of the old and new approaches: the offline and the online, the appropriated and the purpose built.”<sup>79</sup>

This section, one of two detailing “additional observations”, shares insights from [our interviews](#) around the interplay between online and offline practices among micro-entrepreneurs in Kenya and the underlying incentives for them to dip in and out of platformized markets as they go about their daily business.

75 [accion.org/the-tech-touch-balance/](https://accion.org/the-tech-touch-balance/)

76 [superplatforms.tumblr.com/](https://superplatforms.tumblr.com/)

77 [static1.squarespace.com/static/564afbe2e4b07f8c73636439/t/5c13b8db352f53ad3e3a3413/1544796471394/Inclusive+Fintech+Brief+-+Final+-+For+Print.pdf](https://static1.squarespace.com/static/564afbe2e4b07f8c73636439/t/5c13b8db352f53ad3e3a3413/1544796471394/Inclusive+Fintech+Brief+-+Final+-+For+Print.pdf)

78 [youtube.com/watch?v=C2\\_V7pe34ic](https://youtube.com/watch?v=C2_V7pe34ic)

79 [researchgate.net/publication/268845911\\_Beyond\\_the\\_phone\\_number\\_Challenges\\_of\\_representing\\_informal\\_microenterprise\\_on\\_the\\_Internet](https://researchgate.net/publication/268845911_Beyond_the_phone_number_Challenges_of_representing_informal_microenterprise_on_the_Internet)

## Summary of findings

- 1 Touch driving use of technology
- 2 Tech and touch working in tandem
- 3 Tech pushing micro-entrepreneurs back to touch
  - a Lack of trust
  - b Lack of transaction facilitation
  - c In-person training
  - d Access constraints

## The flow of “Tech and Touch” moves is multi-directional

From our in-depth user research, we saw the journey between tech and touch moving in multiple directions. Below we go through the three basic journeys we found:

### — Touch driving use of technology

With new technologies, human interaction is often needed to build trust, drive adoption, and encourage use. Even in the case of mobile money in Kenya, with 13 years of digital transactions under its belt, human interaction is still required at various points along the customer journey.<sup>80</sup> In the case of micro-entrepreneurs and platforms, given that platforms are a relatively new technology for this user group, human touch is particularly important. In the **Upskilling** section we discuss in detail how micro-entrepreneurs leverage in-person training and support to navigate and get the most out of the various platforms on offer. **Faith**, a fresh juice seller, despite leveraging various platforms (from Instagram to YouTube and WhatsApp) for upskilling purposes, found her most reliable source of information and advice was her mentor, Esther. Similarly **Daniel**, a micro-entrepreneur who runs a duka (small kiosk) during the day, and does online freelance writing in the evening, was trained on his evening side-hustle by a friend. Asked how he knew how to use iWriter, a freelance writing platform, he told us: *“My friend explained it to me and I did a few articles. It’s a learning process.”*

Micro-entrepreneurs also use human touch to build relationships with their customers before they move conversations online. **Benard**, a shoe merchant, uses his physical store to help market his shoes, attract customers, and build relationships. He then tends to

move regular customers over to WhatsApp for on-going marketing and communication purposes. *“By the way, most of the customers I sell to (in the market), after that I just deal with them through WhatsApp.”*

### — Tech and touch working in tandem

Tech and touch can also work together, complimenting each other. Rehema, a caterer, told us how in-person meetings with potential clients help build trust and solidify relationships while her Facebook page is a great way of promoting her products and services. *“You see some people will like to see what you do...It is hard for someone just to trust you once. You can’t just tell someone I know how to cook and maybe you don’t have evidence.”* As discussed in the Search, Promotion, and Discovery section, many micro-entrepreneurs use a blend of social media platforms and offline tools in their buying and selling journey.

Despite e-commerce sites (like Jumia<sup>81</sup> and SkyGarden<sup>82</sup>) providing an end-to-end service, we observed that self-contained, all-in-one messaging and coordination is the exception not the rule. Instead, most of the micro-entrepreneurs to whom we spoke use a patchwork of different social media platforms alongside phone calls and in-person meetings in the selling and buying cycle. For example **Benard**, a shoe merchant, communicates with his clients via WhatsApp, but he goes offline to deliver the shoes in-person and receive payment. Similarly **Faith**—despite using a variety of platforms to communicate with clients, promote her goods, and upskill herself—delivers her juices in-person. Indeed, touch often comes into play for micro-entrepreneurs for the last mile delivery component.

### — Tech pushing micro-entrepreneurs back to touch










While the two above journeys, *touch driving technology adoption* and *technology and touch working in tandem*, are perhaps less surprising observations, our third journey focuses on technology pushing micro-entrepreneurs back into the offline world. The impetus for this is usually tied to a micro-entrepreneur’s issue with a platform, be it a breakdown in trust or inability to complete a sale (due to lack of a payment mechanism). We have mapped the drivers of this movement—from tech to touch and touch to tech—to the platforms most widely used by the 27 micro-entrepreneurs we interviewed in Kenya in the table below (Figure 20).

80 [centerforfinancialinclusion.org/uniting-tech-and-touch-why-centaur-products-are-better-for-consumers-and-providers-evidence-from-kenya](https://centerforfinancialinclusion.org/uniting-tech-and-touch-why-centaur-products-are-better-for-consumers-and-providers-evidence-from-kenya)

81 [jumia.co.ke](https://jumia.co.ke)

82 [sky.garden/home](https://sky.garden/home)

20 Drivers of movement from tech to touch

Platform	 Lack of Trust	 Lack of Transaction Facilitation on Platform	 In-person training	 Access and Literacy Constraints
	●	●		●
	●	●		●
			● <i>Jumia-led training courses</i>	●
		●		●
			● <i>Friend &amp; family-led training courses</i>	●

Source: Caribou Digital, v1.0 April 2019, © BY-NC-SA 4.0

Below we discuss each of these drivers in more detail.

## Lack of trust

Trust is critical in all commercial transactions. When platforms work for micro-entrepreneurs, trust plays a central role.

Our conversations with micro-entrepreneurs revealed a lack of trust predominantly across social media platforms. Users of these large social media platforms contribute to the erosion of trust. Odeke, a micro-entrepreneur who uses a small team to distribute water for him in the traffic in Nairobi, explained that he had been scammed when looking for a job on Facebook. *“Jobs that are being posted there are cooked, most of them. To get a genuine one is difficult. There are contacts there. When you call that person, they will tell you send money. So, it’s a game.”* Privacy concerns are also raised around Facebook. As Makena, a tailor, told us: *“You know Facebook has a lot of things and if you want to protect yourself, your privacy, you don’t just go on Facebook.”*

Further, while the network effects of social media allow micro-entrepreneurs to increase their exposure exponentially, there is insufficient personal interaction

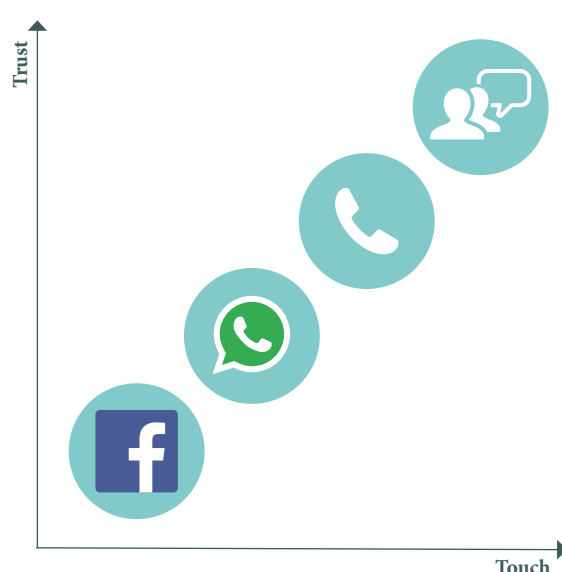
to build trust-based sales. This is especially important for small businesses that rely on personal cachet rather than brand and reputation. Large platforms, such as Facebook, enable micro-entrepreneurs to widen their customer reach, but the larger their audience grows the less intimate it becomes. As Zawadi, a baker, told us: *“When it comes to Facebook, the challenge is not everyone knows you, you are just Facebook friends.”* As a result, when micro-entrepreneurs find a potential customer on Facebook, the relationship is often moved to WhatsApp.

Micro-entrepreneurs appear to trust WhatsApp more than Facebook; accordingly WhatsApp plays a larger role in facilitating interactions and closing sales. The higher level of trust on WhatsApp may derive from the user experience and interface of WhatsApp as well as its closer connection to SMS messages. The fact that it is linked to a person’s phone number, a more tangible form of ID than a Facebook profile page, may also be a contributing factor. Otieno, a shoe merchant, told us why he views WhatsApp as more trustworthy than other social media platforms: *“The fact that you know the people rather than Facebook or Twitter where you don’t even who you are talking to...”*

As observed in FIBR's MSME and Superplatform research a number of our respondents commented on the overwhelming number of messages they receive through WhatsApp. Kioko, a small trader of flash disks, complained, *"I don't like WhatsApp groups...you wake up in the morning and you find like 200 messages."* Kipchoge had a similar attitude towards the platform, choosing to post on his WhatsApp status rather than through WhatsApp groups. In order to stand out among the sea of WhatsApp messages, Nduku, a micro-entrepreneur who runs a thrift store, calls clients before sending a WhatsApp message. *"I will talk to you first so that you expect it. I don't just go posting, because you may see something from me and you don't know what it means."*

Ultimately, when micro-entrepreneurs find a potential customer on a social media platform, a phone call or in-person meeting is seen as the most powerful and reliable way to close a lead. We're not saying that no social media platform supports trust, rather trust grows when micro-entrepreneurs and their customers move from Facebook to WhatsApp and, ultimately, in-person communication (see Figure 21). Despite using Facebook and WhatsApp, Nduku who owns small thrift store, viewed face-to-face interactions as her most powerful sales tool. A number of our micro-entrepreneurs also leverage their physical shop location to build trust with customers. Kerubo, a micro-entrepreneur who sells beaded jewellery, shared how she builds trust with customers: *"I just tell them come to my shop at Ngara and see for yourself if you don't believe."*

21 Touch and trust spectrum



Source: Caribou Digital, v1.0 April 2019, © BY-NC-SA 4.0

## Lack of transaction facilitation

The fact that micro-entrepreneurs cannot transact financially across certain platforms (namely social media), and therefore close sales, also forces them offline. And this isn't unique to the platforms that micro-entrepreneurs have appropriated to fit their business needs, such as social media. Some e-commerce sites also take a hands-off approach when it comes to transaction facilitation. Unlike Jumia, which handles all transactions and interactions between buyers and sellers (even cash-on-delivery payments), OLX does not provide any mechanisms for payment. To transact and close a sale, buyers and sellers that have connected across the OLX platform must move their conversations offline and transact in-person. While there are inclusion benefits of enabling cash on delivery payments, it is "expensive, inefficient, and time-consuming for both merchants and buyers."<sup>83</sup>

## In-person training

While various platforms provide opportunities for online upskilling (see more details in our **Upskilling** section), in-person support still plays an important role. We observed in-person training either purposefully being provided by a platform, or organically provided by family and friends to fill a skills gap. For the latter, friends, family, and acquaintances were called upon to help fulfill a variety of literacy and livelihood training needs. For example:

- Kipchoge was trained on how to use StudyBay, an online freelance writing platform, by his girlfriend.
- While **Faith** uses YouTube to watch upskilling videos and chats with a business coach via Instagram, her most valuable source of information is from a friend: *"Yeah, because it's face-to-face and I can tell her this is what I want and this is what I'd like to do, and she would tell me no, do this and that."*
- And Chepkirui relies on in-person training for her hairdressing business, highlighting that not all skills are conducive to online training: *"it is hard for me to follow instructions from a video."*

## Access constraints

Access barriers also contribute to the tech and touch approach. A number of microenterprises we spoke with connected their fragmented use of social media to the cost of data bundles. Zawadi, a baker, explained why she sometimes chooses to send an SMS over WhatsApp: *"If it's WhatsApp, if someone doesn't have data or maybe WiFi, they won't see it on time."*

Similarly, when we asked Kioko, a micro-entrepreneur who sells flash disks through various on and offline channels, how Facebook could better help his business, he replied: *“Stop charging. I can post anywhere, any time.”* This metered mindset, in which people dip in and out of Internet access due to pricing constraints, is an important access concern and illustrates why a microenterprise might wish to transition a potential customer onto a platform that requires less data, or to phone calls or face-to-face communication. WhatsApp is also cheaper than Facebook, which could explain the transition from Facebook to WhatsApp or, as in the case of Benard, bypassing of Facebook completely: *“And my business, most of them, I do through WhatsApp... You see for the first thing WhatsApp is fast and WhatsApp is cheap.”*

We also noted access constraints on online work platforms. A number of micro-entrepreneurs to whom we spoke had opened accounts on online work platforms but struggled to access jobs due to the massive oversupply of labor on these platforms. This pushed micro-entrepreneurs off the platforms, to either look for people who were selling pre-made, highly rated accounts (see more on this in the [Digital Side Hustle](#) section) or to look for outsourced work. Mary, a micro-entrepreneur we interviewed who employs four people to support her online writing, explained to us how she trained her staff off the platform: *“I realized working on my own, I don’t make much and I can actually pay someone to do it for me at a lower price. I got some people that I trained, now I just get to delegate them together on those jobs,”* It appears that various gatekeeping issues bounce some micro-entrepreneurs straight back into the offline world.



# The digital side hustle

A side hustle is a money-earner employed in addition to a primary business or job. Side hustles come in all shapes and sizes, and are prevalent in some countries such as Kenya particularly among young men and women. As Muthoni Mwaura’s Kenyan study found *“the notion of side hustling is particularly important for understanding youth livelihoods in contemporary contexts.”*<sup>84</sup>

It is hard to find a Kenyan who doesn’t have some sort of venture or job bubbling away on the side to supplement their main income. As Wambui succinctly put it: *“Everything here is just hustling, hustling, hustling.”*

There are many offline examples of side hustles, such as those described by two of our interviewees, Rehema and **Robert**, below:

*“Like for me I’m a hustler, when we don’t have these jobs, I try some other things....Like me at where I stay I’ll cook chapatis and sell 15 bob each.”*

—Rehema, Caterer

*“It’s a farm... That one is my side hustle.”*

—Robert, E-Commerce merchant

But in this piece, we focus on digital side hustles which leverage platforms.

This section, one of two detailing “additional observations”, shares insights from our **27 interviews** around how micro-entrepreneurs in Kenya are building their digital side hustles through online work platforms.

## Summary of findings

- 1 Building an online account that stands out from the crowd
- 2 Outsourcing work
- 3 Off-platform support
- 4 Making the side hustle your full-time business

### — Defining the digital side hustle

In our research, the majority of digital side hustles were fulfilled through online work platforms. These platforms enable the sale and purchase of online task-based services, such as microwork and online freelancing. Among the microenterprises we spoke to who do online work, most of their work consisted of freelance writing, such as product reviews and academic writing. The sites they use included Upwork, Freelancer, Uvocorp, iWriter, and StudyBay.<sup>85</sup> Most of our respondents also did online survey work, the channel through which we recruited the majority of our panel.

### — Small sample, fascinating findings

Our research in Kenya reinforces other work suggesting that a number of “traditional” Kenyan micro-entrepreneurs have taken to platforms to support their side hustles with remarkable aplomb. Among the 27 micro-entrepreneurs we met, 11 had side hustles, four of which were “digital”. This is in addition to two micro-entrepreneurs who do online digital work as their primary business. Read on for details about each of these six entrepreneurs:

<sup>84</sup> [open docs.ids.ac.uk/open docs/handle/123456789/12985](https://open docs.ids.ac.uk/open docs/handle/123456789/12985)

<sup>85</sup> [upwork.com](https://upwork.com); [freelancer.com](https://freelancer.com); [uvocorp.com](https://uvocorp.com); [iwriter.com](https://iwriter.com); [studybay.com/write-my-essay/](https://studybay.com/write-my-essay/)

### Working with online work platforms as a side hustle:

- Otieno, a shoe merchant who does academic work on the side at night, averages 5-6 hours of online work a week, which he starts doing when he gets home at around 8:30 pm.
- Kamau, a pastor with a real estate business, completes roughly 15 surveys a month.
- Dorcas, a baker, makes 40% of her earnings through online work such as iWriter and Upwork.
- Daniel, who runs a small duka (convenience store) writes articles and does product reviews online in the evening through iWriter and Upwork.

### Working with online work platforms as a primary business:

- Over the past two years Mary, an experienced online academic writer, has hired a staff of four to help support her online writing business.
- Kipchoge, an academic writer and Jumia representative, has completed 178 assignments on StudyBay over the last two years, which he considered a small number. Along with his girlfriend, they have five “freelancers” to whom they outsource work.

While we appreciate our sample size is small, we believe the insights we gathered from these six microentrepreneurs present an intriguing opportunity for further study and investigation. In our introductory **Platform Practices** section we discuss how technologies are adapted to fit the needs of the user and ensure they get the most out of what these technologies offer. Online work platforms are no different. Both those who thrive and struggle across these platforms develop ways of improving their platform experience. In this section we will look at how a small selection of Kenyan micro-entrepreneurs behave across these online work platforms and how they bend rules to maximize these online work opportunities.

## 1 Building an online account that stands out from the crowd

Given the popularity of digital side hustles, competition is stiff and the oversupply of labor phenomenal. Research by the Oxford Internet Institute<sup>86</sup> has quantified the incredible oversupply of labor among Kenyans working across one of the leading online work platforms. Their data from 2016 shows that, across one specific platform, only 6.9% of the potential Kenyan workforce billed at least one hour of work or earned at least \$1.

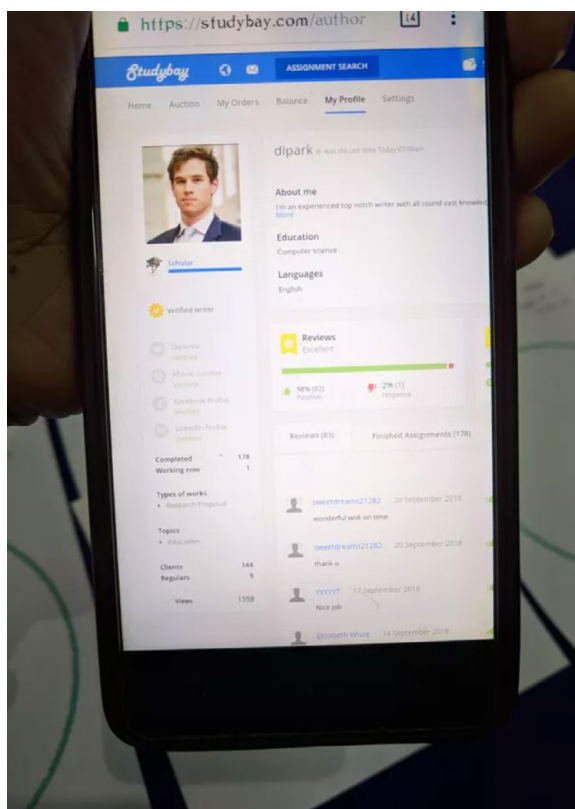
Despite being the most successful freelance writer we spoke to, Mary shared her experience of the oversupply of labor and undersupply of jobs: *“In the five clients that you talk to, one of them gives you a job... but initially you could even go for a whole week...you talk to hundreds and hundreds of clients...”* This competition, and ensuing race to the bottom when it comes to fees and wages, was evident in our user research. Kipchoge, another successful online freelance writer spoke of his experience with being outbid across online work platforms: “There are writers who under-bid others because they already understand the instructions. For example, if an order is supposed to be paid USD\$50 and this writer she has understood the order, the writer will under-bid me from my bid of \$50 and place a bid for \$40 or \$35.” Daniel also emphasized the extent to which fees are undercut on iWriter: *“For a 500-page doc, you are paid \$3-5.”*

Faced with this stiff competition, micro-entrepreneurs do what they can to stand out from the crowd. Below we highlight a number of strategies that they employ:

### — Designing an online profile

While we only have snippets of information on each of these subcategories, these observations were consistent among the six micro-entrepreneurs we interviewed who use online work platforms. These insights show the lengths to which micro-entrepreneurs will go to promote their online work profiles across heavily saturated platforms. Kipchoge, a seasoned user of StudyBay—an academic writing workspace—uses the picture of a white man as his profile picture (see Figure 22). When we asked why he chose this picture, he said: *“Because the clients we are dealing with are usually from the West.”*

## 22 Kipchoge's StudyBay page



example Njeru told us that some online micro-entrepreneurs in Kenya “review themselves” by logging into a platform as a client, posting a job, accepting and completing the job from their freelancer profile, and issuing their own review of their work! “Kenyans are very crafty, creative and bright,” he told us.

### — Buying second-hand accounts

We also found evidence of people selling and buying accounts for online work platforms. A number of micro-entrepreneurs told us about accounts being sold through Facebook groups, such as the image captured from one of these groups below (Figure 23). These pre-made profiles are designed to help users who either struggle to open their own accounts or want to buy highly rated, and skill tested<sup>87</sup> accounts to access higher paid jobs. For the account seller it's a money earner in itself, creating a business by selling access to accounts on online work platforms. All they need to do is open an account, pass some skills tests, complete a couple of assignments, and then share the log-in credentials and related account details with the new account owner. Njeru explained what you get if you buy one of these accounts: “Everything will be done for you, inputting profile information including email address and linking it to Paypal.”

### — Setting a “home” location

Along a similar vein, Njeru uses a VPN (a virtual private network) to trick his iWriter clients into thinking that he is located outside of Africa. He told us “If you want to write for such a site, you will get a virtual private network, it will ask for your IP. They always have jobs. If you are in Australia you get more jobs than in Kenya.”

### — Building up ratings and reviews

As discussed in detail in the [Credibility](#) section, ratings rule the game across these platforms. The more traditional mode of building up ratings and reviews is to complete more jobs; to do so many digital side hustlers work late into (or even through) the night. However, some bypass this conventional approach in a bid to stand out from the crowd. Mary and Kipchoge who do online freelance writing as their main business “employ” freelancers to whom they outsource additional work. This inevitably increases the speed at which they can complete jobs and in turn build up their ratings. This is discussed in more detail in the following “Outsourcing Work” section.

While credibility is intended to be built on experience and quality of work, some entrepreneurs have learned how to hack the rating system. For

Screenshot from a Facebook page dedicated to online freelance writers 23

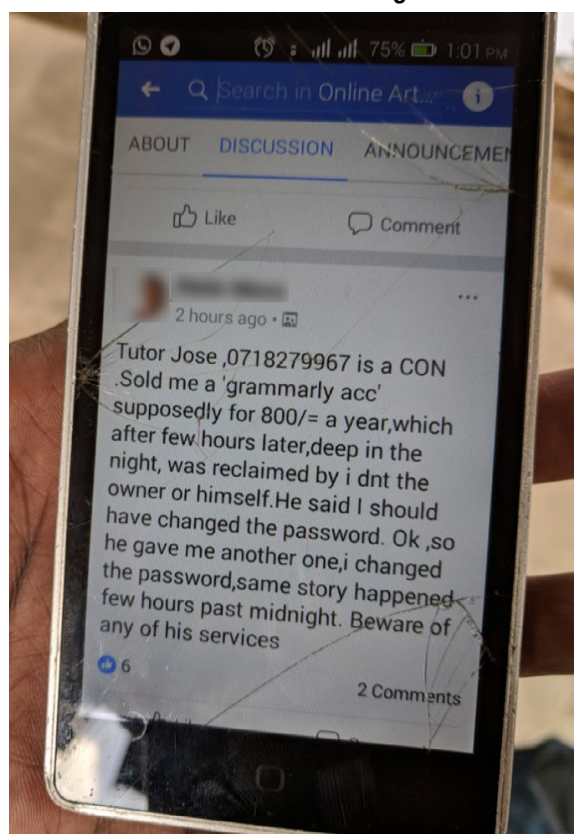


Otieno, a shoe merchant and part-time online freelance writer, didn't hesitate to tell us about the Upwork account he purchased. “I bought an (Upwork) account from somebody...A friend of mine sold it to me.”

Various factors influenced his decision to buy an account, stemming from technology and literacy constraints in opening his own account, to challenges in passing Upwork skills tests and lack of reviews and ratings to help him win his first assignments.

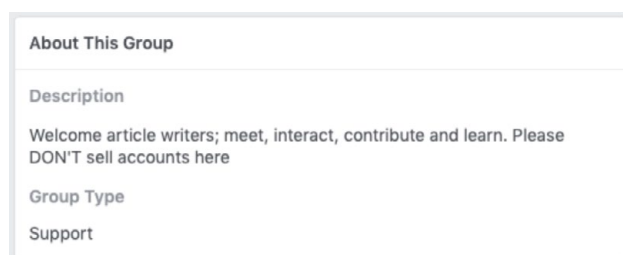
There are inevitable risks involved in the somewhat unethical purchase of pre-made accounts which are often (in the case of Upwork, Freelancer, and Uvocorp) linked to freelancers' skill-level through various tests. The image below (Figure 24), of a message sent across one of these Facebook groups, demonstrates the risks of purchasing a second-hand account.

**24 Message sent through a Facebook group dedicated to online freelance writing**



Interestingly, one of the Facebook groups dedicated to this type of online work, warns group members against selling accounts (see Figure 25):

**25 Message from Facebook group warning group members against selling accounts**



## 2 Outsourcing work

According to our research the practice of outsourcing work acquired through online writing platforms is common for a number of reasons. Firstly, it helps those who can't access their own online work (usually due to barriers to opening their own accounts or inability to win work due to intense competition), find outsourced work off the platform. Secondly, it enables those that have their own accounts but wish to grow their online work business to complete more jobs and generate more income. Thirdly, it assists those who purchase a secondhand account—and, in doing so, take on the account holder's platform identity and experience—to complete assignments that the new user is unable to do based on their own knowledge and experience.

This process of reintermediation, in which successful online entrepreneurs become intermediaries themselves, has been found in other markets. Graham, Hjorth, and Lehdonvirta found evidence of successful online entrepreneurs in the Philippines and Kuala Lumpur purposefully *"taking on more work that a single person can handle, and hiring other workers on the platform to carry out the work for them."*<sup>88</sup>

In our own Kenyan research, Mary, who employs four people to support her online writing, explained: *"I realized working on my own, I don't make much and I can actually pay someone to do it for me at a lower price. I got some people that I trained, now I just get to delegate them together on those jobs."*

While outsourcing work isn't endorsed by platforms, it is a common practice. As Mary told us, *"the sites that we are using, they don't know that we delegate to staff...they think that you're working on your own...I am not sure whether it is okay if those websites learned that we do this."* Account owners usually find extra staff through friends, family, or Facebook groups (see Figure 26 and 27). Of the two Facebook groups we saw dedicated to online writing, one had over 100,000 members and the other over 55,000 members. From a quick review of one of these groups, we saw the proliferation of outsourced work in action. Image 6 is a screenshot from one of these Facebook groups through which a member is trying to recruit outsourced writers.







through Facebook groups). Moreover, in addition to driving wages down, there are increased risks when a middleman, unregulated by the platform, is introduced into the workflow process. A number of the microentrepreneurs to whom we spoke highlighted the risk of accepting outsourced work through Facebook groups dedicated to online writing due to the risk of being conned into completing services without being paid. As Mary told us based on her experience in Kenya: *“There are many people who have not paid their (outsourced) writers.”*

### 3 Off-platform support

The world of online work can be an overwhelming place. Online entrepreneurs, or those who desire to enter the world of online work, often seek support from off the platform. We found evidence of micro-entrepreneurs leveraging in-person support as well as Facebook groups. While beneficial, this off platform support has its limitations. For **Daniel**, while a friend initially upskilled him on iWriter it took over a year to work out how to master the process: *“My friend explained it to me and I did a few articles. It’s a learning process.”* Kipchoge learned how to use StudyBay from his girlfriend. Initially she gave him some of the less complicated jobs. After building up enough experience, he got his own account. *“Before I was in a position to actually complete a paper from a client, it took me like three months.”*

Facebook groups dedicated to the world of online writing also provide support and guidance. Across these groups users share tips on how to set up accounts on the different online writing platforms. There are also opportunities to connect with trainers who teach people how to write and complete assignments.

### 4 Making the side hustle your full-time job

Through the process of bending rules, appropriating technologies, and hacking systems, some online entrepreneurs have been able to build relatively successful businesses through these online work platforms. As research by OII similarly found: *“Some workers are able to thrive in platforms that reward entrepreneurialism by skilfully building their ranking scores, aligning their self-presentation with the needs of clients, and re-outsourcing tasks to be performed for even lower wages.”*<sup>90</sup> Two of our interviewees, Kipchoge and Mary, “employ” staff to help manage their online academic and article writing businesses. Their digital

side hustles have become their primary business. For example, Kipchoge earns 70% of his money through online writing. Mary does online freelance writing full time. She told us that many of her friends from university also do this type of work, mostly academic writing, as a full time job. *“Yeah, some of them even come from the university to do it,”* she told us. *“They concentrate on it... They even have big offices, and they have writers in there...”* Mary refers to her work as a business, not a side hustle.

But this work isn’t all smooth sailing. While gig work provides more jobs and the flexibility to either run it as a side hustle or main business, it comes at a cost. In addition to the challenges that come with an oversupply of labor, and the race to the bottom in terms of fees and work conditions, these platform exhibit an obvious imbalance of power between clients and freelancers, tilted toward the former. The idea that the client is always right rings loud and clear. As Mary explained, *“Okay, so, academic writing specifically, you get some very unreasonable clients.”* Kipchoge also pointed out this imbalance. *“For the platform administrators, clients are their customers so they don’t disappoint the customers. In most cases, they actually punish the writer.”*

# Background

## What are microenterprises, and why are they important for economic inclusion?

*Note: we shared an earlier version of this post on Medium.<sup>91</sup>*

Apart from agriculture, Micro, Small, and Medium Enterprises (MSMEs) are the greatest source of employment in much of sub-Saharan Africa. Long a focus of interest to the development community,<sup>92</sup> as digitization transforms the nature of work—from gig economies to international supply chains—the links between MSMEs and information and communication technologies (ICTs) are increasingly important.

We'd like to share the results of an exercise we conducted to help focus our research. It's basically a 2x2, but in this case we think it's durable and useful to share (Figure 28).

The first dimension in our table is the size of the firms in question. In our discussions, we found that the definition of MSME was quite broad; accordingly, we distinguish 'Micro' from 'Small and Medium.' However, there is no hard and fast rule for drawing this line. Some countries define microenterprises as firms with <10 employees, others draw the line at <5 employees. For sub-Saharan Africa, where firm sizes tend to be smaller (and the majority of firms are sole proprietorships), we think the <5 delineation makes more sense.

Firms with fewer than five employees—both sole proprietorships and microenterprises—are the most common type of enterprises. Many are informal, and most struggle to grow. Microfinance rose as a community of practice specifically to address the needs of these tiny businesses. The literature on microenterprises, their use of ICTs, and their challenges is now quite robust.

By contrast, Small and Medium Enterprises (SMEs) are usually formal, registered businesses that pay taxes. These firms also face challenges vis-a-vis financial services, but they are not so much challenges of access as of suitability or affordability — loan terms might be too short, bank fees too high, etc.

The second dimension refers to the nature of the enterprises' relationships to the digital economy. As Duncombe and Heeks have explained, there's a key distinction between small firms that benefit from ICTs and small firms that produce ICTs. We see a durable conceptual split between "the broader economy," which benefits from and is being transformed by digitization, and the subset of firms with "digital DNA", which are making the products, delivering the services, and writing the code that underpins that digitization.

A related but distinct category of firms are the platforms themselves—the handful of multinational superplatforms as well as a larger set of local and regional electronic marketplaces—that are transforming sectors of the economy in real time. This is what we mean by "the platform era": platform logic has become central to the ways in which digitization and the internet are changing economies, and this platformization is a major theme for our work in the year ahead. Our typology is more clear if we place platforms in a different section of our framework.

<sup>91</sup> [medium.com/fida-partnership/how-to-study-msmes-in-the-digital-era-735a002e268d](https://medium.com/fida-partnership/how-to-study-msmes-in-the-digital-era-735a002e268d)

<sup>92</sup> Richard Duncombe and Richard Heeks, "Enterprise across the Digital Divide: Information Systems and Rural Microenterprise in Botswana," *Journal of International Development* 14, no. 1 (January 2002): 61–74, <https://doi.org/10.1002/jid.869>; Donald C. Mead and Carl Liedholm, "The Dynamics of Micro and Small Enterprises in Developing Countries," *World Development* 26, no. 1 (January 1, 1998): 61–74, [https://doi.org/10.1016/S0305-750X\(97\)10010-9](https://doi.org/10.1016/S0305-750X(97)10010-9).

## 28 A typology to guide MSME research

		Type of Business		Platforms
		Digitally augmented – “conventional” non-agricultural enterprises – services, manufacturing, retail, transport etc, everyone uses ICTs.	Digitally native businesses – “Startups” and firms whose DNA is digital.	
Size of enterprise.  M and SME belong in separate categories	M is for ‘micro’.  Self employed, or with less than 10 employees. Most of the enterprises in the world fit here. Often informal, untaxed, or unregistered.	<b>1</b> <b>Changing digital practices</b>  How do microenterprises thrive (or still struggle) in the platform era? What are implications for Financial Inclusion?	<b>2</b> <b>New livelihood models</b>  How are digital microenterprises / entrepreneurs striving through their use of digital platforms? Zero in on gig economy – are gig workers on platforms microenterprises or workers?	<b>5</b> <b>Platforms, aggregators and intermediaries serving MSMEs</b>  How are platforms intermediating financial inclusion for microenterprises and SMEs?  Transaction platforms that host other businesses—labor (Turk), services (Zomato), manufacturing (China Taobao villages), retail (Jumia) etc.
	SME.  10 employees and up. Always formal.	<b>3</b> <b>Small business, big internet</b>  How are SMEs navigating platform economies? Advertising? Inventory? New distribution, etc. Where do financial inclusion tools fit in?	<b>4</b> <b>Global startups</b>  How are startups and larger firms navigating platform economies? Where do financial inclusion tools fit in?	

Source: Caribou Digital, 2018, © BY-NC-SA 4.0

The result is a 2×2 with a modified adjunct for the platforms themselves. As you can see, the research topics that emerge are distinct enough to clarify the most relevant research questions:

- Box 1 involves the largest number of firms in any economy. Here we are dealing with the struggle of the everyday, how firms—from small restaurants and fix-it shops to retail establishments—might utilize national and global platforms in new ways. Research here would explore how the traditional clients of microfinance institutions are adapting to the platform era. So, in this project, we focus on the ways in which micro-entrepreneurs appropriate social media and the personal Internet to fit their needs, even when the lines between the entrepreneur and their enterprise are blurred.
- Box 2 is quite different in that in this case some platforms are providing new opportunities for small-scale economic organizations with “digital DNA” to offer products and services in entirely new ways. The best, and perhaps most controversial, example of this might be gig work whereby individual proprietors or small firms utilize the infrastructures of labor platforms to earn livings in the cloud, mediated completely by the platform.
- Box 3 involves a country’s established, formal SME class. How are these firms adapting to the platform era? Thanks to digitization a host of innovations, from inventory and product management to advertising and financing, can be offered at lower cost and higher value to these firms. How, precisely, are platforms involved with these new offerings?
- Box 4 involves digital startups: the stuff of businesses coming out of accelerator programs and preparing to take off. Many digital startups write the software or design the new hardware that is customizing the global Internet and other digital technologies for African markets. There’s a great deal of enthusiasm around these businesses, but the research necessary to understand a digital startup differs from the research needed to understand the motorcycle repair shop down the street. Both are enterprises but, structurally, they occupy very different places, both in terms of their local economies and their international visibility.
- Box 5 is our floating adjunct to the 2×2, an acknowledgment that the platforms themselves deserve and require significant scrutiny. From Jumia to Sendy to WhatsApp for business, the terrain of platform-related digital services is shifting and

expanding. Insight2impact, together with Research ICT Africa have identified over 280 platforms active in sub-Saharan Africa.<sup>93</sup>

All in all, there's a lot of work to be done. The point of this post is to sensitize readers to the importance of a bit of specificity regarding terms so that a generalized enthusiasm for platforms and/or MSMEs does not get in the way of refined research questions that can uncover new insights. Our work, in this project, focuses mostly on "Box 1" with a bit of "Box 2" (the side hustle) mixed in.

---

93 Insight2impact Facility and Research ICT Africa, "African Digital Platforms and the Future of Digital Financial Services," izifacility.org, accessed December 27, 2018, <http://izifacility.org/insights/articles/african-digital-platforms-and-the-future-of-digital-financial-services?entity=news>.

# Microenterprises and ICTs

To get a sense of how [microenterprises](#) use technologies and what we know about the impact of technologies on the livelihoods of microenterprises, it's best to stop thinking about "a mobile phone". This is difficult because the mobile handset is *the* ubiquitous game changer. It's the device/technology that has done the most to open new possibilities to the microenterprise market segment. Moreover, micro-entrepreneurs were among the earliest adopters of mobile phones in many emerging markets and were quick to see their value.

But what is the value? Because the mobile handset is many things, we've outlined its discrete functions:

- The value of a **phone call** is the oldest and most demonstrable. Phone calls substitute for journeys allowing people to exchange information and coordinate activities at a distance. This has direct implications for productivity and the creation of functioning markets wherein everybody knows the going price for their products.<sup>94</sup> Mobile technologies "leapfrogged" fixed line installations in the developing world due to better economics: it is less expensive (for both the telco and the user) to add connections to a mobile network than to dig/string new fixed lines to homes and businesses.
- The value of a **mobile phone call** is newer. Whereas landlines allow people to call places, mobile's allow people to call people. This is a remarkable, newer advantage for small enterprises without a fixed place of business—such as people who work on call or travel to job sites.<sup>95</sup>
- Mobile phones, even basic ones, allow for text messaging and, more recently, for IP-based chat like WhatsApp or Facebook messenger. **Asynchronous, text-based messaging** is a cost-effective complement to the requirements of a person-to-person phone call. Micro-entrepreneurs can use these channels incredibly effectively to cultivate and maintain business ties over distance, to signal that products or services are ready for delivery or for sale, and to exchange all kinds of information about the markets in which they participate.<sup>96</sup>
- Mobile phones, even mid-range ones, grant access to the Internet and the World Wide Web. The web is a **source for business information**. It's better in big languages than small, better for some markets than others, but there's no doubt that having access to Google, YouTube, Wikipedia, and more puts a lot more information in the hands of micro-entrepreneurs. It also increases the visibility/discoverability of many businesses to potential customers.
- A **litany of business services** now run on apps—everything from small-scale accounting and inventory management to translation services and design tools. Not every business needs every app, but almost every business can benefit from one or two apps that have been tailored for a given sector.<sup>97</sup> For example, [TechnoServe's Smart Duka](#) program helps shopkeepers in Kenya manage inventory and recordkeeping.<sup>98</sup>

94 Robert J. Saunders, Jeremy J. Warford, and Björn Wellenius, *Telecommunications and Economic Development*, 2nd ed. (Baltimore, MD: Johns Hopkins University Press, 1994); Robert Jensen, "The Digital Provide," *The Quarterly Journal of Economics* 122, no. 3 (2007): 879–924, <https://doi.org/10.1162/qjec.2009.124.4.ix>.

95 Martha A. Chen, "Technology, Informal Workers and Cities: Insights from Ahmedabad (India), Durban (South Africa) and Lima (Peru)," *Environment and Urbanization* 28, no. 2 (October 1, 2016): 405–22, <https://doi.org/10.1177/0956247816655986>; Jonathan Donner, After Access: Inclusion, Development, and a More Mobile Internet (MIT Press, 2015); Md Mazharul Islam, Essam M. Habes, and Md Mahmudul Alam, "The Usage and Social Capital of Mobile Phones and Their Effect on the Performance of Microenterprise: An Empirical Study," *Technological Forecasting and Social Change* 132 (July 1, 2018): 156–64, <https://doi.org/10.1016/j.techfore.2018.01.029>.

96 Chen, "Technology, Informal Workers and Cities: Insights from Ahmedabad (India), Durban (South Africa) and Lima (Peru)."

97 Jonathan Donner, "Mobile-Based Livelihood Services in Africa: Pilots and Early Deployments," in *Communication Technologies in Latin America and Africa: A Multidisciplinary Perspective*, ed. M. Fernández-Ardévol and A. Ros (Barcelona: IN3, 2009), 37–58, <http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.205.2894&rep=rep1&type=pdf>.

98 Alice Waweru, "Helping the Digital Revolution Reach the Corner Store: Piloting Mobile Solutions for Micro-Retailers," *Next Billion*, January 2019, <https://nextbillion.net/digital-solutions-for-micro-retailers/>.



- **Mobile money and digital financial services** offer a distinct and important set of functionality to MSMEs<sup>99</sup> — in some geographies more than others.
- Relatively recently, we have seen the emergence of specialty apps and websites, or sometimes even simply text messages, that create **virtual marketplaces**.<sup>100</sup> These are the **platforms** creating new markets for buying and selling.
- And don't forget the flashlight, or the radio, or the camera. **Each little addition** to the suite of tools available on a mobile handset can serve micro-entrepreneurs.

Of course, not all microenterprises can take advantage of all technologies in the same way. The various services described above (phone calls, asynchronous messaging, findability, information processing and storage, information and training, business services, and digital marketplaces/platforms) are useful in different combinations in different industry sectors. What makes sense for the motorcycle repair specialist (who may need a mobile phone to be on-call all the time) might not make sense for an accountant (who needs a spreadsheet, a mouse, and a bigger screen). What's best for retail isn't best for a wholesaler or a middleman.

Similarly, differences in skills/literacies, attitudes, and approaches to technology mean that not everybody will make use of the same tools as effectively.<sup>101</sup> “Situated practices” match learned, yet informal craft to specific, complex contexts,<sup>102</sup> often via **side hustles** that defy easy categorization into single livelihoods.<sup>103</sup> To fail to account for this is to fail to appreciate the ways in which technologies don't “impact” people so much as people react to and use technologies. We will explore some of this in the **Practices and Digital Literacies** sections elsewhere in the report.

For all of the reasons discussed above, when one claims that “a phone” helps “a business,” it's important to ask “how?” and “which business?” Indeed, the evidence for how the various functions of the mobile phone are impacting the landscapes for inclusive participation in marketplaces is mixed. So far,

middlemen don't seem to have disappeared so much as shifted. So too, mobile phones don't seem to help people start new businesses so much as they help people run their existing businesses more effectively.<sup>104</sup> But given the scope of this topic, these technologies being used in a myriad of ways by hundreds of millions of people around the world, the evidence is still fairly scarce and inconclusive.<sup>105</sup>

All told, it's clear why we need to revisit ICT use by micro-entrepreneurs: to reflect on the arrival of the platform era. As good as it is, the research we have hasn't done enough to demonstrate the impact of these new technologies, especially these new online marketplaces, on the livelihoods of small enterprises. Just because we know how a small business makes phone calls, sends text messages, or keeps its books digitally doesn't mean that we know how successful that business will be in navigating new online, platformitized markets, mediated by algorithms and inscrutable processes, filled with opportunity but rife with new forms of competition.

Although we can draw on scores of studies that illustrate how basic mobile telephony has done more to amplify existing business structures than to transform them, these studies are not really applicable to an era when almost any business can use WhatsApp, put up a Facebook page, browse Instagram for design ideas, or even set up a virtual shop on a trading platform. This study explores how *platforms* (Google, Facebook, Alibaba, etc.) create new models for (and avenues to) financial inclusion, and is thus among a much smaller set of precursors<sup>106</sup> to what we hope will become a broad line of inquiry.

---

99 Dylan Higgins, Jake Kendall, and Ben Lyon, “Mobile Money Usage Patterns of Kenyan Small and Medium Enterprises,” *Innovations: Technology, Governance, Globalization* 7, no. 2 (April 1, 2012): 67–81, [https://doi.org/10.1162/INOV\\_a\\_00129](https://doi.org/10.1162/INOV_a_00129).

100 Yannis Bakos, “The Emerging Role of Electronic Marketplaces on the Internet,” *Communications of the ACM* 41, no. 8 (August 1998): 35–42, <https://doi.org/10.1145/280324.280330>.

101 Chen, “Technology, Informal Workers and Cities: Insights from Ahmedabad (India), Durban (South Africa) and Lima (Peru).”

102 K. Bajpai, J. B. Larson, and K. Mehta, “Like a Hustler: Aligning Intervention Design with Informal Labor Practices,” *Of the Sixth International Conference on ...*, 2013, <https://dl.acm.org/citation.cfm?id=2516624>.

103 Grace Muthoni Mwaura, “The Side-Hustle: Diversified Livelihoods of Kenyan Educated Young Farmers,” *IDS Bulletin* 47, no. 3 (May 31, 2017), <https://doi.org/10.19088/1968-2017.126>; Susan P. Wyche, Andrea Forte, and Sarita Yardi Schoenebeck, “Hustling Online: Understanding Consolidated Facebook Use in an Informal Settlement in Nairobi,” in *Proceedings of the SIGCHI Conference on Human Factors in Computing Systems*, CHI '13 (New York, NY, USA: ACM, 2013), 2823–32, <https://doi.org/10.1145/2470654.2481391>.

104 Jonathan Donner and Marcela X. Escobari, “A Review of Evidence on Mobile Use by Micro and Small Enterprises in Developing Countries,” *Journal of International Development* 22, no. 5 (2010): 641–58, <https://doi.org/10.1002/jid.1717>.

105 Vigneswara Ilavarasan and Albert Otieno, “Tiny Impact of ICTs and Paucity of Rigorous Causal Studies: A Systematic Review of Urban MSMEs in the Developing World,” *Information Technologies and International Development* 14 (2018).

106 FIBR, “Superplatforms: How Will Merchants Benefit from E-Commerce in Africa?,” 2018, <https://superplatforms.tumblr.com/>.  
Wyche, Forte, and Yardi Schoenebeck, “Hustling Online: Understanding Consolidated Facebook Use in an Informal Settlement in Nairobi.”

# Interview methods

This research project is based on semi-structured interviews with 27 micro-entrepreneurs. In this note, we will describe how we selected them, how we interviewed them, and how we analyzed the results.

## Sample selection

Like most qualitative research, our sample was purposive rather than strictly representative.<sup>107</sup> This approach allowed us to identify a wider range of experiences and themes. This qualitative work will be paired with a representative, quantitative sample of micro-entrepreneurs in 2019.

That said, we were guided by the “2016 Micro, Small, and Medium Enterprises (MSME) Survey” issued by the Kenya National Bureau of statistics.<sup>108</sup> This report suggests there are 7.07 million non-agricultural enterprises with fewer than 10 employees in Kenya, the bulk of which are sole proprietorships, or businesses consisting of a single employee. The top categories for MSMEs are retail trade and apparel. Roughly 81% of microenterprises are informal, meaning they do not maintain a registry with the registrar of companies.

We began with a baseline to mirror this distribution, but then reallocated some of the interviewees away from the retail field. Our final distribution looks like this:

- **Wholesale/Retail** (e.g., retail trade, auto mechanics, wholesale trade): 9
- **Accommodation & Food Services** (e.g., hotels, bakers, food delivery): 5
- **Service activities** (e.g., computer repair, sports activities): 5

- **Manufacturing** (e.g., apparel, food products, fabricated metal products): 3
- **Other** (transportation, financial and insurance activities, education): 4

We worked with a Kenyan researcher and recruiter to identify prospective interview candidates. Interviewees received 2000 KSH (22 USD) as an honorarium for participation. The goals and methods of the study were fully explained at the time of recruiting and again at the interview. Participants indicated informed consent via a signed document. Participants also agreed, separately, to include their photograph or not in the study. All of the participants’ names have been changed, apart from the five persons who agreed to have their videos. and details about their businesses, on this microsite.

## Study design

For the interviews, an experienced researcher was paired with an enumerator/translator to capture data. The interview was a mix of semi-structured and open-ended questions about each entrepreneur’s history with their business(es), their current operation(s), and aspirations for the future.

Additionally, about half the interview was conducted using a “digital day” reconstruction/ elicitation technique (Figure 29). In one sense, this is as simple as asking people what they did yesterday. However, Caribou Digital has modified the basic technique to fit mobile-centric and mobile-only users in the global South.<sup>109</sup>

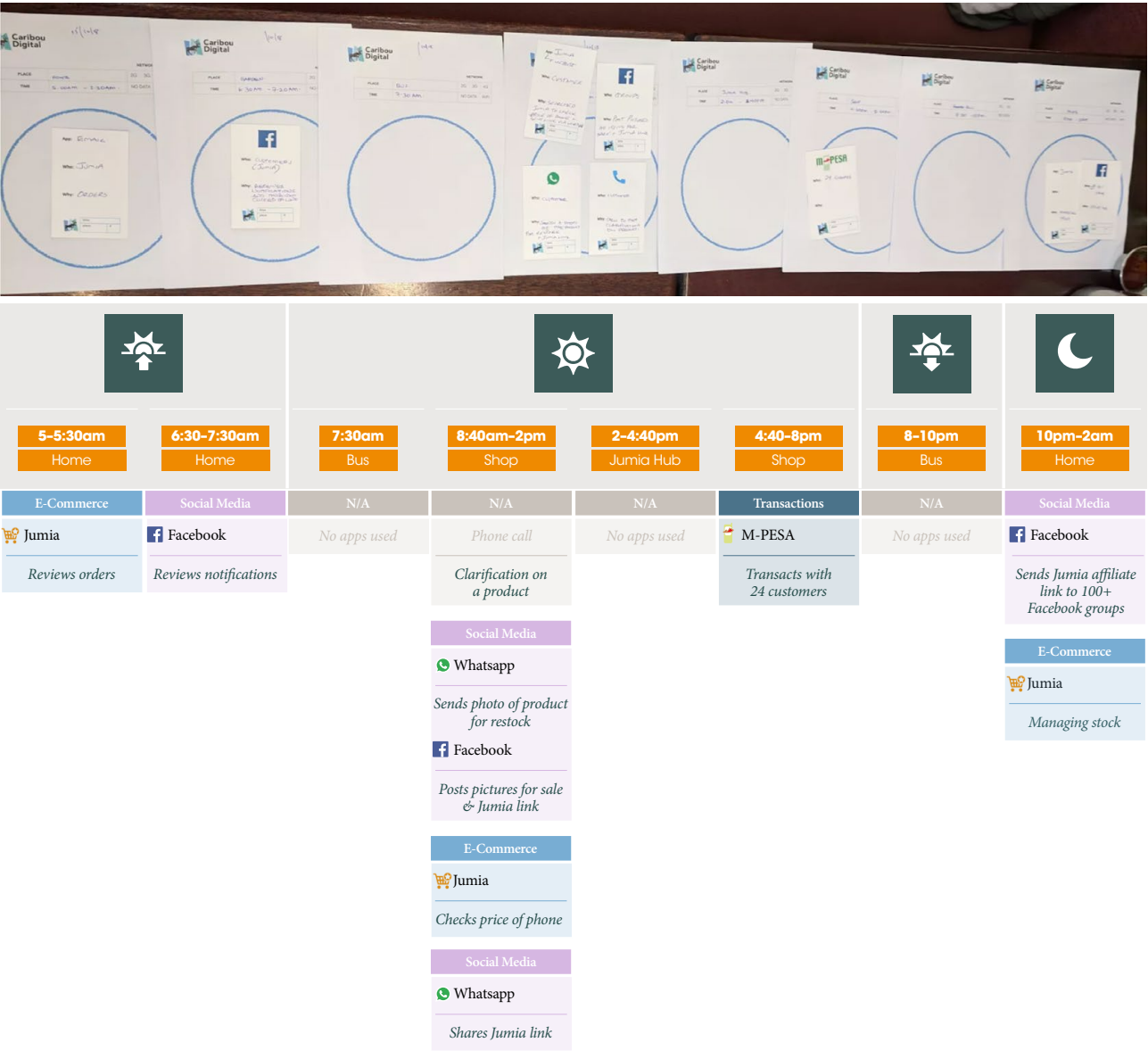
107 Dorothy Horsburgh, “Evaluation of Qualitative Research,” *Journal of Clinical Nursing* 12, no. 2 (March 1, 2003): 307–12.

108 Kenya National Bureau of Statistics, “2016 Micro, Small and Medium Enterprises (MSME) Survey Basic Report” (KNBS, March 2017), <https://www.knbs.or.ke/2016-micro-small-and-medium-enterprises-msme-survey-basic-report-2/>.

109 Savita Bailur et al., “Digital Lives in Ghana, Kenya and Uganda” (Caribou Digital, December 2015), <http://cariboudigital.net/wp-content/uploads/2015/12/Caribou-Digital-Digital-Lives-in-Ghana-Kenya-and-Uganda.pdf>.

Here is an example of a completed digital day from the study.

29 A completed digital day



Source: Caribou Digital, 2019, © BY-NC-SA 4.0

Analysis

Analysis proceeded along two tracks: one structured, one more inductive.

The structured component mapped key platform practices to the “FiDA platformization lens”.<sup>110</sup> That lens identifies four core functions of marketplace platforms for fragmented, inefficient markets in the global South: **convocation, aggregation, and gatekeeping; transaction support; credibility and governance; and ancillary value creation via data aggregation.** We scanned interview notes for the platform practices—that is, the user behaviors carried out in reaction to platform functionality—corresponding to each of these four elements, which are discussed in the four “platform practices” sections linked above.

The inductive component of our analysis allowed for the fact that not everything we observed fit cleanly into one of these four categories. Through our discussions on the research team (Nagula, Schiff, and Donner), we identified three main themes of “blurring” which required further discussion: **“tech and touch”**; **“learning the ropes”** (literacy); and **“the digital side hustle”**. We wrote an essay on each of these blurring themes.

The final set of essays, “takeaways”, merges the results/observations uncovered in the deductive and inductive essays to translate these observations into potential actions linked to specific stakeholders in the broader community: **policymakers, technologists/ product planners, and researchers.**

110 Marissa Dean and Jonathan Donner, “How Can Platforms Improve Financial Inclusion in Africa?”, *FiDA Medium Channel*, September 10, 2018, <https://medium.com/fida-partnership/how-can-platforms-improve-financial-inclusion-in-africa-33bo88473c8>.

# Platform practices

Our guiding concept for this research is the underlying belief, drawing on decades of social science research, that people are not passive users of complex digital technologies like platforms. Instead, they actively participate in appropriation, adaptation, and adoption.<sup>111</sup>

## Our lens for analyzing platforms

FiDA has designed a lens to explore the impact of platforms on financial and economic inclusion.<sup>112</sup> The term platform is used a lot, in different ways by different institutions. Based on our review of the multidisciplinary literature, we see platforms as mechanisms for hosting interaction and exchange between third parties in which the host *a) facilitates value creation (financial or otherwise) and b) takes a share of that value but c) doesn't completely control the scope of interactions or their outcomes.*

There are two main platform flavors. **Innovation platforms**, like operating systems or developer tools, emerge when an institution invites others to use its code or other assets to encourage further innovation in the provision of products and services. Windows and Android are great examples of innovation platforms. Meanwhile, **transaction platforms** create multi-sided markets by hosting interactions that match buyers and sellers. Transaction platforms are proliferating and touch every sector of the economy. eBay's marketplace, Google's paid search, Facebook's ad market, and Airbnb's homestays are all examples of transaction platforms. In 2018 and 2019, much of FiDA's research focuses on transaction platforms.

It can be helpful to further differentiate transaction platforms by the types of transactions they facilitate:

- **E-commerce:** online marketplaces where third parties sell goods to consumers. All transactions are processed through the website host.
- **Online work:** also called online outsourcing, refers to the contracting of workers or providers to supply services or perform tasks via Internet-based marketplaces. Two major segments include microwork and online freelancing.
- **Offline-to-online:** connecting buyers and traditional service providers (delivery, domestic work, taxi, etc.) that previously transacted offline.
- **Attention:** platforms that treat a potential consumer's attention as a resource or asset.
- **Data:** hosted marketplaces where data providers offer data sets for a price, and data consumers can purchase or subscribe and use data for research, modelling, or analysis.

Across all these industries and kinds of exchange, transaction platforms transform markets in at least four ways: 1) aggregation and distribution, 2) transaction facilitation, 3) credibility enhancement, and 4) information analysis and advice. These four elements are both a "menu" for designing business models and user experiences—not all platforms offer all functions in the same ways—and a means of evaluating the impact of a platform's entry into a market. Through these elements, platforms alter markets and can impact the prospects for success of buyers and sellers participating in it. Looking at the impact of platforms through these features enables us to develop a deeper understanding of how platforms may, or may not, create new avenues to prosperity and financial inclusion.

111 François Bar, Matthew S. Weber, and Francis Pisani, "Mobile Technology Appropriation in a Distant Mirror: Baroquization, Creolization, and Cannibalism," *New Media & Society*, February 5, 2016, 1461444816629474, <https://doi.org/10.1177/1461444816629474>.

112 Marissa Dean and Jonathan Donner, "How Can Platforms Improve Financial Inclusion in Africa?," *FiDA Medium Channel*, September 10, 2018, <https://medium.com/fida-partnership/how-can-platforms-improve-financial-inclusion-in-africa-33bo88473c8>.

# An interaction, not just an impact

So yes, technologies have remarkable power to shape or “impact” livelihoods. The choices that platform companies make about which people to allow to transact, how to feature goods or services on the site, which types of transactions to support, how to maintain credibility, etc. combine to create the user experience. Platforms set the rules of the game.<sup>113</sup> Or, if you prefer the highfalutin language of media and technology studies, platforms create the affordances and constraints that govern the behavior of those on the platform.<sup>114</sup>

At the same time, people adapt. They adopt. They appropriate. For as long as there have been technologies, there have been user reactions to them. Social conventions emerge, like deciding to say “hello” when picking up the phone, or, lately, deciding not to make phone calls at all. Sometimes these adaptations become products or features; like hashtags on social media, or missed calls in India and sub-Saharan Africa. Users invent and create new ways to get the most out of whatever affordances and constraints technologies provide them, and technologies, in turn, adapt to those adaptations.<sup>115</sup>

This study focuses on that process of adaptation and appropriation. *We are eager to understand the digital literacies, scripts, and emergent strategies that people have developed about what works, and what doesn't, as they tried to bend the platforms to make the most of them, to prosper in the digital age.* Some of this comes down to simply finding new ways to find more and better customers, or lower-cost suppliers, or better employees online. The classic challenges of running a business are completely recognizable in the new digital era. People still have to combine labor and raw materials and sell something for more than it costs to make. But one level down, playing out in the new digitized markets hosted or facilitated by the platforms, the scripts that work, the strategies that pay off, the ways in which platforms can be harnessed for livelihoods are brand-new and demand our scrutiny and understanding.

If we are to build or shape platforms that promote greater economic inclusion, and more broad-based prosperity and value creation, we need to understand how they are being used, and what gaps may exist where practices can be turned into products and

services so that the cycle of innovation, adaptation, and re-innovation can continue.

## Related literature

This is our general theory of the case: that documenting user practices—focused on adaptation appropriation, and adoption—will allow us to see important patterns and developments as micro-entrepreneurs adjust their livelihood strategies to meet the new realities presented by the digitization of their markets by the platforms. But we're not the first or the only researchers to be exploring this topic. Our work is inspired by and in dialogue with several studies that came before, including some of the following:

- The FiBR project, a collaboration between Bankable Frontiers Associates and the Mastercard Foundation, and a FiDA portfolio partner, has been exploring the space recently, looking at the practices that Tanzanian small enterprises are using as they move retail online.<sup>116</sup> For example, they spoke to a merchant, who explained “I use Whatsapp to build a relationship and trust with my customers. Before sending a package, I take a picture, upload on the platform and then send it.” How did she learn that this works? Do her customers expect the photos? If they don't yet, will they? It's a tiny thing, this quote, but the subtlety of building trust by using images and messaging is a digital literacy that is hard to teach, but undoubtedly important to her success.
- Slavova and Karanasios have used a practices lens to look at the interplay between shifting “institutional logics” and hybridized individual informal practices as Ghana's agricultural sectors adapt to increasing levels of digitization. The paper covers a great deal of ground and is more deeply engaged with theory than we can be in this study, but its focus on the “interaction modalities” offered by variable ICTs, available for different tasks at different times, helps link the macro and micro levels of the puzzle quite nicely, and is a good example of the power of the affordances/practices/appropriation lens.<sup>117</sup>
- Wyche, Forte, and Schoenebeck cover some related questions in their study of how micro-entrepreneurs and the self-employed “hustle online” in the slums of Nairobi, using Facebook's personal pages (not

113 Jean-Charles Rochet and Jean Tirole, “Platform Competition in Two-Sided Markets,” *Journal of the European Economic Association* 1, no. 4 (2003): 990–1029, <https://onlinelibrary.wiley.com/doi/abs/10.1162/154247603322493212>; Dean and Donner, “How Can Platforms Improve Financial Inclusion in Africa?”; Christopher Foster et al., “Digital Control in Value Chains: Challenges of Connectivity for East African Firms,” *Economic Geography* 94, no. 1 (January 1, 2018): 68–86, <https://doi.org/10.1080/00130995.2017.1350104>.

114 Donald A. Norman, *The Design of Everyday Things*, 1st Basic paperback. (New York: Basic Books, 2002), <https://openlibrary.org/books/OL3702614M/opds>.

115 Wanda J. Orlikowski, “The Duality of Technology: Rethinking the Concept of Technology in Organizations,” *Organization Science* 3, no. 3 (August 1, 1992): 398–427, <https://doi.org/10.1287/orsc.3.3.398>.

116 FiBR Project, “Superplatforms: How Will Merchants Benefit from E-Commerce in Africa?,” 2018, <https://superplatforms.tumblr.com/>.

117 Mira Slavova and Stan Karanasios, “When Institutional Logics Meet Information and Communication Technologies: Examining Hybrid Information Practices in Ghana's Agriculture,” *Journal of the Association for Information Systems* 19, no. 9 (2018): 4, <https://aisel.aisnet.org/jais/vol19/iss9/4/>.



dedicated business pages) not only for socializing or entertainment, but also to advance livelihood schemes based on self-promotion and finding market niches.<sup>118</sup> These are patterns that Bajpai, Larson, and Mehta call online “identity work” related to livelihoods.<sup>119</sup> The personal pages and newsfeed of Facebook are not built for job searches or to advertise small businesses. How and why have they been appropriated in this way? And how do the people who use the platform in this way know it will work? These stories reflect how some Facebook users are turning to the app to look for jobs. Additionally, as many as two million female homemakers in India are reselling lifestyle and clothing products through Facebook and WhatsApp by obtaining the items from local suppliers who have goods in bulk and then charging a 15 to 20% commission.<sup>120</sup>

- It’s not just Facebook. In India, a woman living in Manipur reflected that other apps are increasing her knowledge in her sector, “I watch how to make hand embroidery and how to use new machines on YouTube.”<sup>121</sup>
- Maunder and Donner found similar patterns of identity work, including misrepresentation and status climbing/signaling, on job boards in Cape Town. What are, in essence, the emergent platform practices to support a livelihood via a Facebook page, or to upskill by watching YouTube, or try one’s luck on the online job boards?
- Of course, the use of platforms is not universal among informal workers and micro-entrepreneurs; entrenched class constructions and gender norms<sup>122</sup> still influence uptake and use. For instance, in a study conducted across Peru, South Africa, and India, Chen suggests that while organizations that advocate for informal workers are beginning to use ICTs in their work and organizing, individual informal workers primarily use simple mobile phones. Chen reminds us that there were limits to using ICTs as many informal workers did not have the device needed to access the internet—smartphones or computers—and many lack the necessary literacies to use the services. Among

the handful in the study sample who do use the Internet, the usage is primarily restricted to the instant messaging app WhatsApp, which allows them to communicate with customers.<sup>123</sup>

- Another study in Kenya highlights class distinctions in job platform use: young people described LinkedIn as a platform for professional networking and looking for jobs, targeted to higher-income people who already have formal employment, whereas for low-income young adults, in the Habari neighborhood, Facebook has taken up some of the functions associated with LinkedIn.<sup>124</sup>

## Literacy is only part of the story

We choose the word “practices” because it encompasses literacy without being limited to it. Without a doubt, digital literacy, entrepreneurial literacy, and financial literacy are all important contributors to running a successful business online. But there is a craft—a context specificity to finding livelihood strategies that work for a given market in a given geography, with a given set of competitors—that is more than simply having the skills to put together a profile or create an Excel spreadsheet. The idea of situated practice is broader than literacy, but it should not diminish the important role that literacies will play in supporting inclusive livelihoods.

Some practices are quite specialized. For example, Venter documents emerging skills and tricks designers need to develop to use low-end mobile and shared computers to break into digital design in Cape Town. Practices also include some *intuitions*, like how to understand the algorithms that drive visibility on platforms.<sup>125</sup> Donner and Maunder found a form of search engine optimization, demonstrated by jobseekers in Khayelitsha, a former Township area of Cape Town, who discovered they could have more success by listing their locations as prosperous neighborhoods like Sea Point or Clifton than their own neighborhoods.<sup>126</sup>

118 Susan P. Wyche, Andrea Forte, and Sarita Yardi Schoenebeck, “Hustling Online: Understanding Consolidated Facebook Use in an Informal Settlement in Nairobi,” in *Proceedings of the SIGCHI Conference on Human Factors in Computing Systems*, CHI ’13 (New York, NY, USA: ACM, 2013), 2823–32, <https://doi.org/10.1145/2470654.2481391>.  
Jonathan Donner and Andrew Maunder, “Beyond the Phone Number: Challenges of Representing Informal Microenterprise on the Internet,” in *Living inside Mobile Social Information*, ed. James E. Katz (Dayton, Ohio: Greyden Press, 2014), 159–92.

119 K. Bajpai, J. B. Larson, and K. Mehta, “Like a Hustler: Aligning Intervention Design with Informal Labor Practices,” *Of the Sixth International Conference on ...*, 2013, <https://dl.acm.org/citation.cfm?id=2516624>.

120 Digbijay Mishra, “Homemakers Generate \$9b in Sales through WhatsApp, Facebook: Report,” *The Times of India*, June 1, 2017, <https://timesofindia.indiatimes.com/business/india-business/homemakers-generate-9b-in-sales-through-whatsapp-facebook-report/articleshow/58936563.cms>.

121 S. K. Chinmayi and Rohini Lakshané, “Of Sieges and Shutdowns,” 2018, [http://thebachchaoproject.org/wp-content/uploads/Of\\_Sieges\\_and\\_Shutdowns\\_2018\\_06\\_The\\_Bachchao\\_Project.pdf](http://thebachchaoproject.org/wp-content/uploads/Of_Sieges_and_Shutdowns_2018_06_The_Bachchao_Project.pdf).

122 Savita Bailur and Silvia Masiero, “Women’s Income Generation through Mobile Internet: A Study of Focus Group Data from Ghana, Kenya, and Uganda,” *Gender, Technology and Development* 21, no. 1–2 (May 4, 2017): 77–98, <https://doi.org/10.1080/09718524.2017.1385312>.

123 Martha A. Chen, “Technology, Informal Workers and Cities: Insights from Ahmedabad (India), Durban (South Africa) and Lima (Peru),” *Environment and Urbanization* 28, no. 2 (October 1, 2016): 405–22, <https://doi.org/10.1177/0956247816655986>.

124 Piia Jäntti, “The Usage of Social Media among Young Adults Living in Nairobi, Kenya: Only Entertainment or Contributions to Societal Change?,” 2015, <https://jyx.jyu.fi/handle/123456789/45684>.

125 Erin Klawitter and Eszter Hargittai, “It’s Like Learning a Whole Other Language: The Role of Algorithmic Skills in the Curation of Creative Goods,” *International Journal of Communication Systems* 12 (2018): 21, <http://ijoc.org/index.php/ijoc/article/view/7864>.

126 Donner and Maunder, “Beyond the Phone Number: Challenges of Representing Informal Microenterprise on the Internet.”

By focusing on “platform practices”, linking behaviors to the same four platform functions we described above, we can connect top-down design affordances to bottom-up adjustments and appropriation. Moreover, we can document the cycles of adaptation and evolution that drive innovation, and will, in turn, recommend how designers and product managers can better serve the micro-entrepreneur segment in Kenya and beyond.

---

- 1 Bailur, Savita, and Silvia Masiero.  
[“Women’s Income Generation through Mobile Internet: A Study of Focus Group Data from Ghana, Kenya, and Uganda.”](#)  
Gender, Technology and Development 21, no. 1–2 (May 4, 2017): 77–98.
- 2 BFA.  
[“Digital Commerce and Youth Employment in Africa.”](#)  
Somerville, MA: BFA, February 27, 2019.
- 3 Coryell, Stout, and Amee Parbhoo.  
[“The Tech Touch Balance: How the Best Fintech Startups Integrate Digital and Human Interaction to Accelerate Financial Inclusion.”](#)  
Cambridge, MA: Accion, October 2018.
- 4 Donner, Jonathan, and Marcela X. Escobari.  
[“A Review of Evidence on Mobile Use by Micro and Small Enterprises in Developing Countries.”](#)  
Journal of International Development 22, no. 5 (2010): 641–58.
- 5 Duncombe, Richard, and Richard Heeks.  
[“Enterprise across the Digital Divide: Information Systems and Rural Microenterprise in Botswana.”](#)  
Journal of International Development 14, no. 1 (January 2002): 61–74.
- 6 Foster, Christopher, Mark Graham, Laura Mann, Timothy Waema, and Nicolas Friederici.  
[“Digital Control in Value Chains: Challenges of Connectivity for East African Firms.”](#)  
Economic Geography 94, no. 1 (January 1, 2018): 68–86.
- 7 Gachoka, Anne, and John Won.  
[“How Small Merchants in Africa Are Using Superplatforms.”](#)  
presented at the FiBR Webinar, February 28, 2019.
- 8 Graham, Mark, Isis Hjorth, and Vili Lehdonvirta.  
[“Digital Labour and Development: Impacts of Global Digital Labour Platforms and the Gig Economy on Worker Livelihoods.”](#)  
Transfer (Brussels, Belgium) 23, no. 2 (May 2017): 135–62.
- 9 GSMA.  
[“Connected Society Mobile Internet Skills Training Toolkit.”](#) London: GSMA, 2017.
- 10 Insight2Impact.  
[“Africa’s Digital Platforms and Financial Services: An Eight Country Overview,”](#) March 2019.
- 11 Mead, Donald C., and Carl Liedholm.  
[“The Dynamics of Micro and Small Enterprises in Developing Countries.”](#)  
World Development 26, no. 1 (January 1, 1998): 61–74.
- 12 Mercy Corps Agrifin Accelerate.  
[“Super Platforms: Connecting Farmers to Markets in Africa,”](#)  
October 26, 2018.
- 13 Muthoni Mwaura, Grace.  
[“The Side-Hustle: Diversified Livelihoods of Kenyan Educated Young Farmers.”](#)  
IDS Bulletin 47, no. 3 (May 31, 2017).
- 14 Reynal, Laura de, and Bobby Richter.  
[“Stepping into Digital Life.”](#)  
Mountain View, CA: Mozilla, December 2016..
- 15 Slavova, Mira, and Stan Karanasios.  
[“When Institutional Logics Meet Information and Communication Technologies: Examining Hybrid Information Practices in Ghana’s Agriculture.”](#)  
Journal of the Association for Information Systems 19, no. 9 (2018): 4.
- 16 Wyche, Susan P., Andrea Forte, and Sarita Yardi Schoenebeck.  
[“Hustling Online: Understanding Consolidated Facebook Use in an Informal Settlement in Nairobi.”](#)  
In Proceedings of the SIGCHI Conference on Human Factors in Computing Systems, 2823–32. CHI ’13. New York, NY, USA: ACM, 2013.

# Top reads

# Bibliography

- Ahmed, Wajiha. "Proven Strategies for Making Fintech Inclusive." Somerville, MA: BFA Catalyst Fund, August 2018. <https://static1.squarespace.com/static/564afbe2e4b07f8c73636439/t/5c586b97419202ad74c306d6/1549298593436/Inclusive+Fintech+Brief+Oct+2018.pdf>.
- Alibaba. "Make a Better Rural China." Hangzhou: Alibaba, 2017. <https://www.alibabagroup.com/en/ir/pdf/160614/09.pdf>.
- Bailur, Savita, Jonathan Donner, Chris Locke, Emrys Shoemaker, and Charlotte Smart. "Digital Lives in Ghana, Kenya and Uganda." Farnham, UK: Caribou Digital, December 2015. <http://cariboudigital.net/wp-content/uploads/2015/12/Caribou-Digital-Digital-Lives-in-Ghana-Kenya-and-Uganda.pdf>.
- Bailur, Savita, and Silvia Masiero. "Women's Income Generation through Mobile Internet: A Study of Focus Group Data from Ghana, Kenya, and Uganda." *Gender, Technology and Development* 21, no. 1–2 (May 4, 2017): 77–98.
- Bajpai, K., J. B. Larson, and K. Mehta. "Like a Hustler: Aligning Intervention Design with Informal Labor Practices." *Proc. ICTD 2013*, 2013, 177–84.
- Bakos, Yannis. "The Emerging Role of Electronic Marketplaces on the Internet." *Communications of the ACM* 41, no. 8 (August 1998): 35–42.
- Bar, François, Matthew S. Weber, and Francis Pisani. "Mobile Technology Appropriation in a Distant Mirror: Baroquization, Creolization, and Cannibalism." *New Media & Society*, February 5, 2016, 1461444816629474.
- BFA. "Digital Commerce and Youth Employment in Africa." Somerville, MA: BFA, February 27, 2019. [https://mastercardfdn.org/wp-content/uploads/2019/03/BFA\\_Digital-Commerce-White-Paper\\_FINAL\\_Feb-2019-aoda.pdf](https://mastercardfdn.org/wp-content/uploads/2019/03/BFA_Digital-Commerce-White-Paper_FINAL_Feb-2019-aoda.pdf).
- Chen, Martha A. "Technology, Informal Workers and Cities: Insights from Ahmedabad (India), Durban (South Africa) and Lima (Peru)." *Environment and Urbanization* 28, no. 2 (October 1, 2016): 405–22.
- Chinmayi, S. K., and Rohini Lakshané. "Of Sieges and Shutdowns: How Unreliable Mobile Networks and Intentional Internet Shutdowns Affect the Lives of Women in Manipur." Manipur, India: IRDSO, July 2018. [http://thebachchaoproject.org/wp-content/uploads/Of\\_Sieges\\_and\\_Shutdowns\\_The\\_Bachchao\\_Project\\_2018\\_12\\_22.pdf](http://thebachchaoproject.org/wp-content/uploads/Of_Sieges_and_Shutdowns_The_Bachchao_Project_2018_12_22.pdf).
- Coryell, Stout, and Amee Parbhoo. "The Tech Touch Balance: How the Best Fintech Startups Integrate Digital and Human Interaction to Accelerate Financial Inclusion." Cambridge, MA: Accion, October 2018. [https://content.accion.org/wp-content/uploads/2018/10/1122\\_TechTouch-RO6-Singles.pdf](https://content.accion.org/wp-content/uploads/2018/10/1122_TechTouch-RO6-Singles.pdf).
- Dean, Marissa, and Jonathan Donner. "How Can Platforms Improve Financial Inclusion in Africa?" FiDA Medium Channel, September 10, 2018. <https://medium.com/fida-partnership/how-can-platforms-improve-financial-inclusion-in-africa-33b088473c8>.
- Donner, Jonathan. *After Access: Inclusion, Development, and a More Mobile Internet*. Cambridge, MA: MIT Press, 2015.

- . “Mobile-Based Livelihood Services in Africa: Pilots and Early Deployments.” In *Communication Technologies in Latin America and Africa: A Multidisciplinary Perspective*, edited by M. Fernández-Ardèvol and A. Ros, 37–58. Barcelona: IN3, 2009.
- Donner, Jonathan, and Marcela X. Escobari. “A Review of Evidence on Mobile Use by Micro and Small Enterprises in Developing Countries.” *Journal of International Development* 22, no. 5 (2010): 641–58.
- Donner, Jonathan, and Andrew Maunder. “Beyond the Phone Number: Challenges of Representing Informal Microenterprise on the Internet.” In *Living inside Mobile Social Information*, edited by James E. Katz, 159–92. Dayton, Ohio: Greyden Press, 2014.
- Duncombe, Richard, and Richard Heeks. “Enterprise across the Digital Divide: Information Systems and Rural Microenterprise in Botswana.” *Journal of International Development* 14, no. 1 (January 2002): 61–74.
- FIBR. “Superplatforms: How Will Merchants Benefit from E-Commerce in Africa?” 2018. <https://superplatforms.tumblr.com/>.
- Foster, Christopher, Mark Graham, Laura Mann, Timothy Waema, and Nicolas Friederici. “Digital Control in Value Chains: Challenges of Connectivity for East African Firms.” *Economic Geography* 94, no. 1 (January 1, 2018): 68–86.
- Gachoka, Anne, and John Won. “How Small Merchants in Africa Are Using Superplatforms.” presented at the FiBR Webinar, February 28, 2019. [https://www.dropbox.com/s/wg6c2g8cotjb8p8/FIBR%20Webinar\\_%20Superplatforms%20and%20MSMEs.pdf?dl=0](https://www.dropbox.com/s/wg6c2g8cotjb8p8/FIBR%20Webinar_%20Superplatforms%20and%20MSMEs.pdf?dl=0).
- Graham, Mark, Isis Hjorth, and Vili Lehdonvirta. “Digital Labour and Development: Impacts of Global Digital Labour Platforms and the Gig Economy on Worker Livelihoods.” *Transfer* (Brussels, Belgium) 23, no. 2 (May 2017): 135–62.
- Graham, Mark, Vili Lehdonvirta, Alex Wood, Helena Barnard, Isis Hjorth, and David Peter Simon. “The Risks and Rewards of Online Gig Work At the Global Margins.” Oxford: Oxford Internet Institute, 2017. <https://www.oii.ox.ac.uk/publications/gigwork.pdf>.
- GSMA. “Connected Society Mobile Internet Skills Training Toolkit.” London: GSMA, 2017. [https://www.gsma.com/mobilefordevelopment/wp-content/themes/theme\\_mobilefordevelopment/mistt/pdfs/Mobile\\_Internet\\_Skills\\_Toolkit\\_2018\\_English\\_Final.pdf](https://www.gsma.com/mobilefordevelopment/wp-content/themes/theme_mobilefordevelopment/mistt/pdfs/Mobile_Internet_Skills_Toolkit_2018_English_Final.pdf).
- . “Embracing Payments as a Platform for the Future of Mobile Money.” London, 2019. <https://www.gsma.com/mobilefordevelopment/wp-content/uploads/2019/02/Embracing-payments-as-a-platform-for-the-future-of-mobile-money.pdf>.
- Higgins, Dylan, Jake Kendall, and Ben Lyon. “Mobile Money Usage Patterns of Kenyan Small and Medium Enterprises.” *Innovations: Technology, Governance, Globalization* 7, no. 2 (April 1, 2012): 67–81.
- Horsburgh, Dorothy. “Evaluation of Qualitative Research.” *Journal of Clinical Nursing* 12, no. 2 (March 1, 2003): 307–12.
- Ilavarasan, Vigneswara, and Albert Otieno. “Tiny Impact of ICTs and Paucity of Rigorous Causal Studies: A Systematic Review of Urban MSMEs in the Developing World.” *Information Technologies and International Development* 14 (2018).
- Insight2Impact. “Africa’s Digital Platforms and Financial Services: An Eight Country Overview,” March 2019. <https://indd.adobe.com/view/1e02103c-a03b-4aa7-9dae-658152c04400>.
- ‘Insight2impact and Research ICT Africa.’ “African Digital Platforms and the Future of Digital Financial Services.” [i2ifacility.org](http://i2ifacility.org/insights/articles/african-digital-platforms-and-the-future-of-digital-financial-services?entity=news), December 20, 2018. <http://i2ifacility.org/insights/articles/african-digital-platforms-and-the-future-of-digital-financial-services?entity=news>.
- International Labour Organization. “Work for a Brighter Future – Global Commission on the Future of Work.” Geneva: ILO, 2019. [https://www.ilo.org/wcmsp5/groups/public/---dgreports/---cabinet/documents/publication/wcms\\_662410.pdf](https://www.ilo.org/wcmsp5/groups/public/---dgreports/---cabinet/documents/publication/wcms_662410.pdf).



- Islam, Md Mazharul, Essam M. Habes, and Md Mahmudul Alam. "The Usage and Social Capital of Mobile Phones and Their Effect on the Performance of Microenterprise: An Empirical Study." *Technological Forecasting and Social Change* 132 (July 1, 2018): 156–64.
- Jäntti, Piia. "The Usage of Social Media among Young Adults Living in Nairobi, Kenya: Only Entertainment or Contributions to Societal Change?" MA, University of Jyväskylä, 2015. <https://jyx.jyu.fi/bitstream/handle/123456789/45684/URN%3aNB%3afi%3ajyu-201504211638.pdf?sequence=1&isAllowed=y>.
- Jensen, Robert. "The Digital Provide." *The Quarterly Journal of Economics* 122, no. 3 (2007): 879–924.
- 'Kenya National Bureau of Statistics'. "2016 Micro, Small and Medium Enterprises (MSME) Survey Basic Report." Nairobi: KNBS, March 2017. <https://www.knbs.or.ke/2016-micro-small-and-medium-enterprises-msme-survey-basic-report-2/>.
- Klawitter, Erin, and Eszter Hargittai. "It's Like Learning a Whole Other Language: The Role of Algorithmic Skills in the Curation of Creative Goods." *International Journal of Communication Systems* 12 (2018): 21.
- Mastercard Foundation. "Young Africa Works Strategy 2018–2030," 2018. <https://mastercardfdn.org/strategy/>.
- Mead, Donald C., and Carl Liedholm. "The Dynamics of Micro and Small Enterprises in Developing Countries." *World Development* 26, no. 1 (January 1, 1998): 61–74.
- Mercy Corps Agrifin Accelerate. "Improving Rural Connectivity in East Africa." Mercy Corps Agrifin Accelerate, May 10, 2018. <http://mercycorpsafrica.org/2018/05/10/improving-rural-connectivity-in-east-africa/>.
- . "Super Platforms: Connecting Farmers to Markets in Africa," October 26, 2018. <http://mercycorpsafrica.org/2018/10/26/super-platforms-connecting-farmers-to-markets-in-africa/>.
- Mishra, Digbijay. "Homemakers Generate \$9b in Sales through WhatsApp, Facebook: Report." *The Times of India*, June 1, 2017. <https://timesofindia.indiatimes.com/business/india-business/homemakers-generate-9b-in-sales-through-whatsapp-facebook-report/articleshow/58936563.cms>.
- Muthoni Mwaura, Grace. "The Side-Hustle: Diversified Livelihoods of Kenyan Educated Young Farmers." *IDS Bulletin* 47, no. 3 (May 31, 2017). doi:10.19088/1968-2017.126.
- Norman, Donald A. *The Design of Everyday Things*. New York: Basic Books, 2002.
- Orlikowski, Wanda J. "The Duality of Technology: Rethinking the Concept of Technology in Organizations." *Organization Science* 3, no. 3 (August 1, 1992): 398–427.
- Reynal, Laura de, and Bobby Richter. "Stepping into Digital Life." Mountain View, CA: Mozilla, December 2016. <https://d2ox8vt12bnfa2.cloudfront.net/reports/Stepping+Into+Digital+Life+-+Digital+Skills+Observatory+Research+Report.pdf>.
- Rochet, Jean-Charles, and Jean Tirole. "Platform Competition in Two-Sided Markets." *Journal of the European Economic Association* 1, no. 4 (2003): 990–1029.
- Saunders, Robert J., Jeremy J. Warford, and Björn Wellenius. *Telecommunications and Economic Development*. 2nd ed. Baltimore, MD: Johns Hopkins University Press, 1994.
- Samuels, Alana. "The Online Gig Economy's 'Race to the Bottom.'" *The Atlantic*, August 31, 2018. <https://www.theatlantic.com/technology/archive/2018/08/fiverr-online-gig-economy/569083/>.
- Slavova, Mira, and Stan Karanasios. "When Institutional Logics Meet Information and Communication Technologies: Examining Hybrid Information Practices in Ghana's Agriculture." *Journal of the Association for Information Systems* 19, no. 9 (2018): 4.
- Waweru, Alice. "Helping the Digital Revolution Reach the Corner Store: Piloting Mobile Solutions for Micro-Retailers." *Next Billion*, January 2019. <https://nextbillion.net/digital-solutions-for-micro-retailers/>.
- Wyche, Susan P., Andrea Forte, and Sarita Yardi Schoenebeck. "Hustling Online: Understanding Consolidated Facebook Use in an Informal Settlement in Nairobi." In *Proceedings of the SIGCHI Conference on Human Factors in Computing Systems*, 2823–32. CHI '13. New York, NY, USA: ACM, 2013.



*Partnership for* **FINANCE**  
*in a* **DIGITAL AFRICA**