Randomized entry

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Abstract

We study the direct and indirect effects of randomized entry. In partnership with the two largest service providers in Ghana, we implement a three-step design that randomizes the entry of new financial mobile money vendors, who also sell non-financial goods/services, across local markets. This mixed financial and non-financial services setting is widespread and naturally emerges as the market entry approach for several real-world financial markets. Randomized entry increases firm conduct and service quality and decreases price-cost markups, indicating positive consumer surplus. We find evidence of within-market revenue reallocation and expansion for mobile money and a large services multiplier: revenues for non-financial goods/services increased (+20%), with aggregate service industry revenues increasing. These improvements emphasize the "real effects" of financial markets on the local economy, and come from adoption externalities and aggregate increase in household expenditures. Entry increases local economic activity, and it does so not only by changing markets for digital financial services, but also by transforming the non-financial services sector. These effects are key ingredients for advancing basic and applied knowledge on firm entry in industry equilibrium.

Keywords: *Randomized Entry* (**L22**), *Externalities* (**D62**, L25), *Microenterprises* (**L26**, O12), *Mobile Money* (**D18**, O12), *Multiplier* (D62, **L25**)

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I Introduction

Theoretical and applied work on firms has explained firms' endogenous entry decisions and its direct effects on incumbents, e.g., on exit decisions, as well as the sources of competitive pressure in several real-world markets (see, Bresnahan and Reiss JPE1991 and Syverson JPE2004 for static entry and Collard-Wexler EMCA2012, Ryan EMCA2011, and Dunne et al. RJE2013 for dynamic entry). But in industry equilibrium, entry can also have indirect external effects on other actors and sectors. For instance, entry may affect peer firms through revenue reallocation, market expansion etc., or non-peer firms in other sectors through bundling of common services, or consumers through improvements in prices and nonprice outcomes such as firm conduct, service quality, and transparency.

Despite its evident importance, there are major gaps in research on the in/direct effects of firm entry and competition. In particular, randomized supply-side entry interventions are limited. As a result, the key ingredients for advancing basic and applied knowledge—mechanisms, impacts of entry, and, especially externalities/multiplier from entry—are often unidentified (Borusyak et al. 2024). This paper addresses these gaps in two ways. First, we collect original data on the organization of local businesses, market facts and frictions, and firm and consumer household outcomes. Second, we run a combined market- and individual-level field experiment measuring how local markets endogenously respond to randomized entry of new entrant vendors.

In collaboration with the two largest commercial service providers in Ghana, MTN MM Ltd (90% market share of all MNO-led mobile money services) and GCB Ltd G-Money (100% share of all Bank-led mobile money services), we conduct a large-scale experiment that implements a three-step design, randomizing the entry of financial mobile money service (MOMO) vendors, who also sell non-financial goods/services such as rice (MICROE) across 136 geographically independent, distinct low-income localities. Mobile money has emerged as a promising approach to provide financial services, most prominently in develop-

ing countries. By integrating the widespread mobile technology with the financial system, it allows consumers to access financial services through their mobile phone-linked accounts and a network of retail agents (Annan JPEForthcoming, B&MGF2021, Jack and Suri AER2014, Suri et al. VOXDEVLIT2023). In rural areas where brick-and-mortar banks are nonexistent, the agents serve as the backbone of financial transactions and are often referred to as "Human ATMs," derived from the practice where local businesses, such as corner stores, are "enlisted" by service providers to serve as agents, facilitating deposits, withdrawals, and transfers while also acting as gatekeepers to digital financial services and tools. As a result, the heartbeat of the local economy can be felt through the fingertips of the rapidly-expanding mobile money agents.[1]

Enlisting local non-financial businesses to retail financial services—a widespread and scalable practice globally[2]—can create a multiplier: both the financial services sector and non-financial goods/services sector separately respond to the entry process, and if the services and sectors are strategic complements, it can lead to further growth in aggregate local services industry — an important channel that remains open and high priority area of research on firm entry and competition with bundled services (Gentzkow AER2007, Iaria and Wang 2020), especially in markets for digital financial services (Annan et al. OXREP2024).[3] We

[1] In Ghana, where our study is based, the number of mobile money agents expanded from 505 thousand to 609 thousand between 2022 and 2023, an increment of 21% (Bank of Ghana 2023). The Global System for Mobile Communications (GSMA) reports a staggering 8.3 million active mobile money agents globally in 2023, with a year-on-year growth rate of 14% (GSMA 2024). Most of that global expansion in agency, however, came from Sub-Saharan Africa, where registered agents grew by a third. These financial agents digitized more than two-thirds of all the money entering the mobile money ecosystem: $307 billion in 2023 (the total cash-in transactions), which is 12% higher than 2022.

[2] For example, in the United States, Wells Fargo & Co. including other institutions expanded their financial services by adding in-store ATMs/outposts in supermarkets such as Safeway, Raley's, Von's and Ralph's (https://www.sfgate.com/business/article/Wells-Fargo-s-Supermarket-Strategy-Traditional-2996187.php). Several examples for such "low-cost" financial market expansion approach can be found in other contexts including India, Kenya, Indonesia, etc.

[3] This indirect/multiplier effect has implications for welfare and market efficiency. For firms,

examine whether such multiplier in services exists and measure how markets for digital financial services (MOMO) improve service industries in rural economies — a channel implied by the velocity of money equation: by increasing the volume of money within the locality and the frequency that it changes hands, mobile money can boost the nominal value of transactions and service industries.

We leverage the fact that service providers have earmarked low-income communities to expand their financial services. Moreover, these markets for mobile money exhibit significant variation in agent per capita across villages (which suggests room for additional vendors), vendor misconduct (agents overcharge on over 30% of transactions)[4], and limited consumer trust (50% of customers express mistrust in vendors), with over 80% of market participants expecting randomized entry to improve misconduct, consumer trust, etc. (entry matters).[5] These features, which we show at baseline, are also widespread in other countries (see, IPA CP Research Initiative2020), and further motivate our intervention.

A locality contains around 5,000 people with 4.5 incumbent mobile money vendors. First, for each of the 136 markets, we gather a pool of existing MICROE (~5 per locality). Second, we assign the markets in equal proportions to either of control (no entry), treatment 1 (+1 additional vendor each, a representing +25% increase relative to either baseline vendorship or eligible nonfinancial firms), and treatment 2 (+3 additional vendors each, representing a +70% increase relative to either baseline vendorship or eligible nonfinancial firms). Third,

this can generate economies of scale in selling (Zhou EMCA2017). For consumers, this could generate complementarity in consumption, reflecting synergies in consumption (Gentzkow AER2007, Iaria and Wang 2020), or transport costs in shopping (Pozzi AEJ:Micro2012, Thomassen et al. AER2017), or preference for variety (Hendel I. AER1999).

[4] For detailed discussion and measurement of firm misconduct—failure to comply with rules/ laws/standards—which is prevalent and costly, see Egan, Matvos, and Seru (JPE2019) and Annan (JPEForthcoming).

[5] Together with IPA, we separately published a blog highlighting these four critical facts about markets for mobile money in July 2024. https://poverty-action.org/unlocking-potential-competition-insights-ghanas-mobile-money-market

for each treatment locality, we randomly select 1 or 3 out of 5 eligible MICROE stores to enroll as MOMO agents. Altogether, we successfully established +170 new financial MOMO entrant vendors out of a theoretical target of +181 across the treatment villages. The design generates experimental variation both across- and within-markets, allowing us to measure the direct and indirect effects of randomized entry on markets and microbusinesses. We measure outcomes combining market census, surveys of firms and consumers, audit study, trust games, and administrative data from service providers.

We have five set of results — leading us to conclude that financial markets for mobile money, now pervasive in developing countries and being transformed by their rapidly-expanding retail agent networks that also sell non-financial goods/services, meaningfully unlock rural services industries, and that the design and evaluation of specific market entry and expansion interventions need to account for such market-wide responses. First, the intervention dramatically induces entry and market participants are informed of such randomized entry. Overall, entry to retail financial MOMO services is +49 percentage points (pp) more likely at endline among all eligible nonfinancial firms in treated localities.[6] Predictably, the effect is smaller at 43pp in low-entry and larger at 51pp in high-entry treatment localities. When asked, around +36pp of non-entrant firms and +23pp of consumers report being aware or informed of the new entrant stores. These indicate that the intervention worked.

Second, randomized entry increases firm conduct (+50%) for financial MOMO services and decreases prices for nonfinancial MICROE goods/services. Misconduct measured using an audity study is -28% lower for entrants compared to incumbents in treated villages (direct effect) and -35% lower for incumbents in treated localities compared to incumbents in control villages (indirect effect), with a net effect of -50%. The net effect on prices of non-financial goods/services among MICROE stores is around -9% (but insignificant at the

[6] In practice, firms directly promoted their financial MOMO services with the non-financial MICORE services and vice versa to sell their goods/services, e.g, they may offer a nonfinancial service gift or add-on to new clients of mobile money.

5% level). Importantly, price-cost markups for the nonfinancial goods/services decreased (-0.06/0.22=-27%) at the market level. Combined with a (+20%) increase in aggregate household expenditures, this indicates positive consumer surplus.

Third, we report evidence of within-market revenue reallocation and expansion for financial MOMO, and a large services multiplier: revenues for non-financial goods/services in the MICROE sector significantly increased (+20%), with aggregate service industry revenues increasing. The are no effects on overall profits. The treatment effects do not correlate well with *pre*-experiment predictions about randomized entry effects, are larger in high-entry treatment localities (with more competition with bundling), and are larger in markets where the stores are geographically closer in location and offer common services (where competition is predictably more intense). These results so far indicate that entry increases local economic activity, and it does so not only by changing markets for MOMO but also by transforming the non-financial MICROE goods/services, which is novel and interesting. The results are not only important for welfare and policy but are key ingredients for advancing basic and applied knowledge on firm entry in industry equilibrium. Market design and evaluation of entry interventions need to account for these broader market-wide responses.

Fourth, the results on prices are consistent with standard models of competition with bundling (Zhou EMCA2017; Armstrong and Vickers RESTUD2010) — which predict under fairly general conditions that competition with bundling raises prices when there are many bundled firms. We report consistent evidence that prices for goods/services are relatively higher for nonfinancial firms that were onboarded as financial vendors compared to those firms not onboarded within the same local market. Predictably, such price differences are three times larger in high entry localities where the number of bundled firms are many compared to low entry localities. The existing models on competition with bundling, however, are "blind" about the potential indirect effects on non-bundled firms, which we show decreased their prices and more so when the number of nearby bundled firms are many.

Fifth, what drives the improvements in consumer and firm outcomes? Our evaluation

indicates that the improvements come from both adoption externalities and an aggregate increase in household expenditures. For adoption externalities, we estimate that competitor firms in treatment villages also added financial mobile money to their non-financial businesses (+10pp), and that businesses in the treatment markets switched from cash to cashless payments for non-financial goods/services (+22pp), implying reduced transaction costs and increased savings. For household expenditures, which meaningfully increased in treated villages by +20%, we estimate that consumers are more likely (+10pp) to make purchases within their home locality (substitution from markets in the city), and that when combined with the savings from reduced vendor misconduct activities, this translates into large aggregate savings that rationalize the expenditure increases.

We make two main contributions to the existing literature. First, we advance the literature on firm entry and competition. We design and implement a three-step experiment that measures in/direct and multiplier impacts of entry which are often unidentified (Borusyak et al. 2024). Previous studies have examined the effects of entry on competitive conduct (Bresnahan and Reiss JPE1991), productivity (Syverson JPE2004), prices and welfare (Atkin et al. JPE2018, Busso and Galiani AEJ-A2019, Bergquist and Dinerstein AER2020), and quality (Matsa QJE2011, Bennett and Yin RESTAT2019). Yet, we are not aware of any work that experimentally randomizes entry at different intensities with within- and across-market variation to study multi-sector industry equilibrium effects of entry in real-world markets. Market design and evaluation of entry and expansion interventions need to account for such market-wide responses, which we show are large and significant.

Second, we contribute to the literature on household finance and digital payments. There is a growing body of research on the consumer effects of digital payments but there is a dearth of evidence on the supply side and supply-side behavior (Annan JPEForthcoming; Higgins AER2024). Studies, mostly quasi-experimental, have explored the impacts of mobile money on consumption smoothing (Jack and Suri AER2014; Suri and Jack SC2016), substitution between cash and digital payments (see, Chodorow-Reich et al. QJE2020 for e-wallet trans-

actions; Alvarez and Argente 2022 for banning cash to pay for Uber rides), and externalities in digital payments adoption (see, Crouzet et al. JPE2023 for mobile payments; Higgins AER2024 for debit cards; Alvarez et al. 2024 for electronic P2P payment app). The drivers of digital payments—prices, quality, trust, coordination, etc.—depend on the underlying market structure, yet how market structure affects the use of digital payments remains an open question (Annan et al. OXREP2024). We provide the first evidence that forced entry improves vendor conduct, service quality, and usage with broader impacts on consumers and firms that vend financial mobile money services. We then highlight a channel implied by the velocity of money equation that previous literature has ignored: a large services multiplier generated by entry of new financial vendors, who also sell non-financial goods/services.

From a policy perspective, our results highlight how understanding entry effects in equilibrium are particularly important and first-order in markets for digital financial services that at present are evolving, with new players entering the business environment to expand financial services, and to serve the poor (ReFinD Research Initiative2022). Available evidence indicates that these markets exhibit significant consumer protection concerns (IPA CP Research Initiative2020), making it crucial then to understand how entry and competition interventions might affect firm misconduct, services quality, and consumer trust, including the aggregate spillovers on the local economy.

We proceed as follows: In Section II, we describe the research setting, and in particular, four critical facts about markets for financial mobile money at baseline. Section III contains the description of our experimental design and data. Section IV presents our main results and interpretations. In Section V, we discuss the implications of our results, heterogeneity, and describe the connection with models of competition with bundling. We conclude the paper with Section VI.

II Research Setting

A. Financial Mobile Money Services: MOMO

The market for mobile money (MOMO) in Ghana, similar to other countries, is organized vertically. Four upstream providers interact with consumers via downstream vendors (agents) of which there are around four per locality. MTN Mobile Money Ltd. is the dominant provider, claiming 90% market share. The remaining 10% is split between G-Money, VodaCash, and TigoCash. Vendors retail the financial services on behalf of the providers and are nonexclusive in that they can offer services for multiple providers simultaneously. They serve as human ATMs, providing consumers with various digital financial services such as the ability to open new Mobile Money accounts (wallets), purchase SIMs, or cash-in (deposits) and cash-out (withdrawals). Around 80% of vendors, however, also provide non-financial services such as groceries which classifies as their minor line of business.

The average MOMO vendor is a small-medium enterprise with around $400 in daily sales revenue and $2 in daily profits. Vendors are free to enter and exit the MOMO market although providers require startup capital (a minimum of $300), business training (about the transaction tariffs, commissions, and services), a business operating permit, and a signed agreement that specifies their contractual relationship with the providers. MTN is unique in that it is not only the largest provider in Ghana with broader presence of vendor networks in rural communities but, at the time of our experiment, it had also imposed a moratorium on establishing new vendors. As we discuss below, our experiment lifts this moratorium allowing us to further examine its commercial viability.

Consumers in these markets are typically vulnerable as they are poor, financially less sophisticated, and they engage in formal financial transactions for the first time. As a result, the impact of mobile money has been profound in that it has increased welfare and decreased poverty of households in Sub-Saharan Africa and Asia through several channels (Suri and Jack SC2016, B&MGF2021). Despite these benefits, vendor misconduct including poor service quality is prevalent and limits the value of mobile money. As part of the contractual agreement, providers set transaction tariffs *ex-ante*, making it possible for the researcher to observe the extent to which vendors overcharge. We define misconduct as overcharging, an

analog of double marginalization: this occurs because the downstream vendor imposes illegal markups after the upstream provider has already set the official tariff (around 1% of the transaction value), this 1% fee is later shared between the provider (60%) and vendor (40%). Indeed, vendors are known to overcharge on transaction charges and consumers report high levels of mistrust. Transactions that are especially prone to overcharging are SIM purchases, account openings, and over-the-counter transactions (in which consumers use someone else's MOMO account for a transaction while paying in cash). Any misconduct suggests that there is room to improve consumer welfare because it diminishes consumer trust and reduces demand (Annan JPEForthcoming).

B Nonfinancial Microenterprise Goods/Services: MICROE

Purely non-mobile money businesses also operate in most localities. Such microenterprises (MICROEs) are small firms or corner stores, offering groceries (e.g., rice), building materials, clothing, pharmaceuticals, etc. Entry and exit in this sector is also free. The average MICROE earns around $200 in daily sales revenue and $5 in daily profits. We note three features of MICROEs that make them appealing as potential entrants for MOMO vendorship. First, they have more liquidity, so they can easily convert money between physical cash and digital currency. This addresses major concerns about illiquidity and hence failed transactions that are common in markets for mobile money. Second, they have a good reputation for doing local business. Third, they have an existing customer base that visits them for non-financial goods. MOMO vendorship in MICROEs allows consumers now to conduct both non-financial goods/services and financial services, as well as pay for the non-financial goods/services using digital payments.

C Descriptive Motivating Facts

We use detailed baseline data combining a market census, surveys, audit study, and trust games in the field to document four critical facts about markets for financial mobile money.

Through locality-to-locality and door-to-door visits, we construct a unique census of markets for MOMO, including a survey of MICROEs and consumers across 136 localities in 13 different districts (see, Figures A.1-A.5) between March-May 2023. We use a master gazetteer of localities kept by the Ghana Statistical Service (GSS), our survey and fieldwork implementation partner for the project. The localities have a population between 900-9,000 people as of 2018. This baseline data collection exercise was comprehensive and yields a total of 627 MOMO vendors (incumbents) with an average of 4-5 vendors per locality, 575 MICROE stores, 4,872 consumers (2,755 customers intercepted immediately after conducting a transaction and 2,117 nearby households). The large number of localities allows for randomization at the market level. We turn to the critical facts about the market that suggest room and value for entry.

Fact 1: There is untapped entry potential.

There is a direct relationship between the number of agents and the market size in a village. We find an unsurprising positive correlation between the number of agents and population size at the village level. Nevertheless, we still observe significant variation in agent density across villages, suggesting there is room for additional vendors. The number of agents observed per 1000 people ranges from 1 to 8 (Figure A.7). The majority of existing agents (77 percent) and potential entrant stores (98 percent) believe that the market can sustain new entrants. Therefore, there is an opportunity for market expansion without hurting existing operators.

Fact 2: Low service quality.

We observe high rates of failed transactions, absent agents, and overcharging (Figure A.8). There is an alarming rate of failed transactions, missing agents, and overcharging that was uncovered through the audit study. This was compounded by a lack of price transparency, as only a small fraction of vendors disclose prices verbally or through physical tariff postings.

These findings, echoed by consumer perceptions in our survey, highlight a critical concern over service quality and consumer protection within the market.

Fact 3: Limited consumer trust.

Using self-reports in surveys in addition to a trust game described below, we observe alarming levels of consumer mistrust towards MOMO vendors and considerable variation across villages (Figure A.9). This fact is supported by the low number of transactions per consumer within the past 90 days, indicating limited consumer trust overall. Poor service quality combined with a lack of trust may present a significant barrier to market growth and a reason to worry about consumer protection.

Fact 4: Closure: Entry matters.

We observe that consumers as well as vendors are optimistic about the effects of new vendors on misconduct and service quality. Consumers state that they believed that factors such as vendor misconduct, service quality, and trust in financial vendors would improve (Figure A.10) when asked what they thought would happen when new agents entered the market. Potential and existing vendors expressed willingness to exert effort to maintain or build a customer base (Figure A.10) when asked what they would do if more agents opened up shop. In particular, they state that they would improve customer service quality, transaction success, and availability. This highlights how new agents entering the market can drive competition, thus potentially improving service quality and consumer trust in digital fincancial services.

Facts A.7-A.10 suggest entry matters, which is the focus of our randomized experiment. These market facts provide an interesting view of the landscape for digital financial services, highlighting ample opportunities for market entry interventions. While consumers may not fully trust mobile money services in the status quo, an influx of new agents may improve service quality and, in turn, consumer trust with the potential to improve consumer wel-

fare. We evaluate how these local markets adjust as we randomly allocate new vendors to some markets. We evaluate whether this increased competition increases important market outcomes including vendor growth, as well as how it affects local economic activity.

III Experiment: Design

Intervention. Our randomized entry intervention enlists existing MICROEs, who sell non-financial goods/services, to offer MOMO services across rural communities. This "mixed" MOMO and MICROE services setting is a pervasive phenomenon (80%+ of all financial agents globally) and the approach of enlisting existing MICROEs to also offer MOMO services is the typical market entry approach for digital financial markets, from MOMO in Ghana, to MPESA in Kenya, to FINO CI/CO merchants in India, to Bank agents in India or Indonesia, to Wells Fargo & Co. in-store ATMs/branches in Safeway Inc.'s supermarkets in the United States, among others. As a result, we study the broader market-wide impacts of an intervention that is widespread and scalable. In our case, we establish the selected nonfinancial MICROEs to offer both MTN MOMO and G-Money financial services, akin to the incumbents who are non-exclusive.

Entrants Assignment. We combine a market- and individual-level design, randomizing the 136 localities into three programs: control (no entry), treatment 1 (low entry), and treatment 2 (high entry). Entrants assignment is in three steps. First, for each locality, we gather a pool of ~5 existing MICROEs. A joint team of staff from both MTN and GCB (our implementation partners), under the supervision of the GSS, is deployed to each locality to list the MICROEs. Enterprises are identified based on the service providers set rules: startup capital ($\geq$\$300), presence of store infrastructure, minimum literacy, and a proof of business operating permit. In practice, we observe that over 70% of MICROEs do not have business permits and so we supported them to obtain permits. Second, we assign localities in equal proportions to either of control (no entry), treatment 1 (+1 additional agent each,

representing a +25% increase relative to either baseline vendorship or eligible nonfinancial firms), and treatment 2 (+3 additional agents each, representing a +75% increase relative to either baseline vendorship or eligible nonfinancial firms). Third, for each treatment locality, we randomly select 1 or 3 out of 5 eligible nonfinancial MICROE stores to enroll as new financial MOMO vendors.

This three-step design creates three different exogenous variations at the market- and individual-levels: (i) a subset of localities receive entry and so we can compare the impacts of entry vs not, (ii) we vary the density of entry and so we can use this to trace out equilibrium impacts, and (iii) a subset of the eligible MICROEs were enrolled which allows us to compare business impacts on enrolled vs not and measure equilibrium impacts. We stratify based on population and baseline vendor density, and all misfits are resolved and randomly assigned. Figure A.6 displays the spatial distribution of the treatment assignments, indicating that most localities are spatially distinct.

Entrants Enrollment. We establish the selected MICROEs to offer both MTN MOMO and G-Money services, akin to the incumbents who are non-exclusive. There are three major steps, which takes around 6 months to complete, for the new MOMO entrants to be operational. Step #1 is onboarding and paperwork. The operations officer verifies all entry requirements, including the business operating permit (BOP), and then completes the vendor registration forms and agreement. If needed (which occurs 70% of the time), we subsidize the MICROE with either 50% or 100% of the total BOP cost of ~$15 depending on how much the entrant can contribute at the time of our visit to acquire their BOP. The entrant then signs the contractual agreement with the providers (for sample Agreement Forms, see Appendix A).

Step #2 is due diligence and approvals. The operations officer sends the completed agreement and supporting documents to their headquarters for evaluation. If passed, a managerial approval is granted and a vendor-specific SIM card with a shortcode is generated. Step #3 is activation and mini branding. The officer re-visits the entrant's outlet, delivers SIM cards,

trains the entrant firm about the operation and retailing of MOMO, and then brands the outlet with stickers or tariffs. They conclude the re-visits with customer acquisitions, whereby a few potentail customers are identified to conduct mobile money transactions at the new entrant outlet in the presence of the operations officer. We successfully established +170 new MOMO entrant vendors out of a theoretical target of +181 across the treatment villages. Table 1 shows the timetable of all field activities.

Data Collected. We gather information from multiple sources and rounds of data collection (Table 1): (i) combined listing and baseline market census/surveys of firms and consumers; (ii) baseline audit study (approach discussed below); (iii) baseline trust game (approach discussed below); and (iv) 29-weeks and above follow-up market surveys, 29-weeks audit study and trust game, and transaction-level data from the administrative files of service providers, which we call an endline.

Market Census and Survey Data. We measure several repeated outcomes at different stages of the study. At baseline, we implement a firm census of MOMO vendors (to get MOMO incumbents, n=627), firm survey of MICROEs (to get competitor MICROE stores and potential entrants pool, n=575), and consumer intercepts (n=2,755) and household surveys near vendors (n=2,117) (to get the customers pool, N=4,872). With these measurements, we gather data from both sides of the market, which allows us to cross-validate outcomes and examine market-wide impacts. For consumers, we solicit their usage of MOMO, views about vendor misconduct, subjective trust in vendors, household expenditures, prices for goods/services, satisfaction, poverty (Schreiner 2015), and others. For MICROE and MOMO businesses, we track their sales revenue, profits, prices for goods/services, including other intermediate outcomes. See Appendix A for definitions of relevant select variables.

Administrative Data. We complement the market survey and census data with vendor x

transaction-level data from providers. This provides measures of incumbent and entrant financial MOMO vendors' business activity, money account balances (business capital), and commissioning account balances.

Audit Data: Measuring Misconduct Objectively. Trained customers (n=40) were given money (physical cash and e-money) to make real transactions at mobile money vendor points across the 136 localities (Annan JPEForthcoming and Appendix A provide details). We fix and use the modal transaction value of 140GHS (inferred from our consumer intercepts data) and then include all MOMO-relevant transaction types: cash-in, cash-out, over-the-counter, SIM purchase, account opening, and airtime purchase. We define misconduct to entail transactions that are over-charged when compared to the provider-approved tariff rates (we estimate around 30%+ of transactions are overcharged). We also track other service quality outcomes during our audit study visits: agent absence, failed transactions, and price transparency (Figure A.8).

Trust Data: Measuring Trust Objectively. Trained enumerators (n=40) implement trust games at-scale in the field. There is a trustor/p2 corresponding to 1 representative, anonymous vendor per village (N=136) and a trustee/p1 corresponding to 10 real customers per village (N=1,044), each endowed with 40GHS (Appendix A provide details and visual illustrations). In its basic form, the game is as follows: p1 decides how much (GHS s) to send to p2. We triple it (GHS $3\times s$) and give it to p2. Next, p2 then decides how much (GHS r) to send back to p1. All payouts depend on their choices and are made directly via mobile money. We define trust (or lack thereof) as the amount (i) p1 sent to p2, (ii) p1 expected from p2, or (iii) p2 sent to p1. The baseline results indicate limited consumer trust in agents of 50% (19.94 out of 40GHS), with substantial variation across villages similar to the self-reports from consumer surveys (Figure A.9).

Summary Statistics, Balance, and Validity of Design. In our estimation of treatment effects, we will compare treated and untreated units, untreated units across treated and untreated markets (where applicable), and treated units across treated markets (based on the intensity of entry treatment). To test for randomization balance, for non-financial MICROE firms, we run separate regressions of baseline outcomes against a constant and against two indicators for the different treatment arms: treated firms in a treated market and untreated firms in a treated market. For consumers, or for financial MOMO firms, we run separate regressions of baseline outcomes against a constant and against an indicator for consumers/firms in treated markets. The coefficient of the constant measures the average of the variable in the "pure control" group of firms/consumers in untreated markets, while the other coefficients measure the average difference in the variable relative to the pure control group. We include randomization strata dummies and cluster standard errors at the market level. Tables A.1-A.3 report the results, providing strong evidence in favor of balance on both sides of the market, with no difference across the groups.

In terms of summary statistics, around 40% of consumers are females and married with an average age of 28 years. Almost all consumers have mobile money accounts, they transact with around 1-2 vendors and do not frequently switch agents in their locality, perhaps due to limited number of nearby financial vendors. The demographic characteristics of firms compare well with that of consumers, except that operators/owners of microenterprise firms are much older, averaging 35 years. For business operations, 40% of firms accept/use digital payments and operate their shops for roughly 10 hours/day. Predictably, the microenterprise stores are older (7 years) and valued more (22,000GHS) than the mobile money stores (4 years old and valued at 11,000GHS). With a baseline weekly revenue of 2,074GHS and profit of 548GHS, the profit rate (profit/revenue) is about 26% for nonfinancial goods and services. For financial mobile money services, the profit rate is 1.5%, which reveals some of the vendor misconduct. The official tariff is around 1% of the transaction value and the vendor receives about 40% of this 1% fee, which can hardly justify a profit rate of 1.5%

for their financial services, unless all of this is implausibly coming from measurement error. It also turns out that the profit rate for the financial services is much smaller in bundled MOMO stores compared to the unbundled. This further motivates why we might want to promote bundling with competition, as we do in the experiment. Such bundling incentives could reflect either (static) loss-leader pricing strategies or (dynamic) reputational concerns.

Response Rates and Attrition. Table 2 displays the breakdown of response rates conditional on been assigned to either the treatment or control group. To maximize response rates at endline, trained field officers conduct multiple visits at different times, varying either weekdays or weekends. In all measurements, the response rates remained extremely high and very similar in treatment and control groups: 93% for firm surveys, 95% for consumer surveys, 90% for audit study, and 62% for trust games which were attempted only once. The difference in response rates or attrition, which is less than 3 percentage points overall, is not significant at the 10% level.

IV Experiment: Results

We present and discuss the treatment effects. We estimate treatment effects using versions of the model

$$y_{ivd} = \beta \mathbf{Treated}_{iv} \times \mathbf{ENTRY}_v + \delta \mathbf{ENTRY}_v + \eta_d + \epsilon_{iv}$$

which links various endline outcomes y_{ivd} of subject (consumer household or firm) i in locality v in randomization strata d to the random treatment variables: $\mathbf{Treated}_{iv}$ is a dummy for those firms assigned to treatment and $\mathbf{ENTRY}_{vd}$ is dummy for being in any treatment locality (where any positive percent of nonfinancial MICROEs are treated)[7], and strata-level (stratification unit) dummies η_d. β measures the direct effect of randomized entry (holding

[7] We reserve the distinction between +1 financial vendor (low) versus +3 financial vendors (high) entry localities to section V: Discussions and Heterogeneity.

fixed indirect effects), δ measures the indirect effect (allowing for +100% entry), and $\beta + \delta$ measures the net effect of entry (accounting for externalities or indirect effects) compared to the super-control locality. Notice that outcomes gathered directly from households allow for only cross-village comparisons (we estimate the model where $\beta = 0$). We report cluster-robust standard errors for outcomes with more than one observation per locality and heteroskedasticity-robust standard errors when there is one observation per locality. The results are robust to multiple testing (Romano and Wolf 2005) and post-double-selection LASSO over a vector of controls (Belloni et al. 2014).

Randomized Entry (1)

We begin by examining whether the intervention worked and whether market participants were informed of it. Tables 3 displays the results.

Program Participation: Indeed, among all the eligible nonfinancial MICROE firms, those assigned to the randomized entry program are +49% more likely to have established as MOMO vendors and offer financial services (that is, to have entered) at endline. Predictably, the effect is smaller at 43% in low-entry localities and larger at 51% in high-entry treatment localities. As supplemental evidence, Figure A.11 draws on administrative data from the service provider to report the distribution of entrant and incumbent financial MOMO vendors. The MICROEs established as entrants are active and promising: 94% are classified as very active in MOMO business at endline by the provider, and they are keeping meaningful money and commission account balances but predictably, their balances are smaller than that of the incumbents.

Shock to Market: To examine how the intervention reorganized the local markets, we report treatment effects on two standard measures of market structure: number of MOMO vendors and Herfindahl-Hirschman Index (HHI) at endline. The results are significant and consistent: the number of MOMO vendors increased (+40%), while the market-level HHI decreased (-30%), indicating the intervention was a shock to the local market structure (Panel

B). We will show treatment effects on price-cost markups later to help interpret the results. The program induces some business exits (2.7% more likely in treatment localities), but not at a statistically significant level in the high-entry localities. Unpredictably, business exits, while quantitatively small at 2.7%, were only significant and concentrated among MICROE firms.

Market Participants' Knowledge: We next examine whether market participants are informed of financial MOMO store entry in their community. Non-entrant firms (that is, unlucky MICROEs that were not onboarded and MOMO incumbents) and consumers are +23pp and +33pp more likely to report being aware of new entrant stores. These facts indicate that not only did we onboard nonfinancial stores as new MOMO vendors that reorganized the local markets, but consumers and competitor firms are informed of this entry.

Treatment Effects on Consumer Outcomes (2)

The main outcomes we examine are related to consumers and firms. For consumers, we observe that randomized entry has an effect on firm misconduct, prices, and consumer satisfaction, but not on consumer trust. Tables 4 and 6 display the results.

Seller Misconduct: In treatment localities, firm misconduct in MOMO services falls by -50%. This effect captures both direct and indirect effects of firm entry: within treated localities, MOMO entrants are -28% less likely to exhibit misconduct than incumbents and MOMO incumbents are -35% less likely to exhibit misconduct than control group firms.

Quality and Consumer Trust: Service quality for MOMO as measured by failed transactions, vendor absence, and price transparency improves by 10% (net effect). Despite these positive impacts, consumer trust in their financial agents as measured by both self-reports and the objective trust game is surprisingly unaffected. These results are interesting because whilst consumers believe that vendors are not overcharging them as a result of the intervention, their perceptions about vendors' honesty (trust) does not change.

Prices and Consumer Satisfaction: The effects of randomized entry on the prices of

non-financial goods/services in MICROE stores is more nuanced. Consumers report a -5% decrease in prices for rice, the most common food item purchased from local stores (p-value=0.001). From the firm surveys, prices are higher among entrants within treated localities but lower when comparing the untreated competitor nonfinancial stores and control localities. The net effect is around a -9% decrease in prices, which is not significant at the 5% level. Consumers' satisfaction with firms regarding both financial and non-financial services they receive increases by +9%. As we show later in Table 10, aggregate household expenditures also increase by +20% (276GHS) in treated localities. Together, these results on consumer outcomes indicate an increase in consumer surplus.

Treatment Effects on Business Revenues (3)

Revenues: Tables 7 and 8 report the treatment effects on revenues (Figure A.12 provides a graphical illustration), including price-cost markups μ at the locality level. We calculate μ assuming constant returns to scale in production, $\mu = 1/(1 - s_\pi)$, where the profit rate s_π = profit/revenue and is directly observed from the firms survey data (Basu JEP2019). For nonfinancial goods or services, randomized entry has a positive +20% net effect on revenues but no meaningful effect on overall profits. Market-level revenues increased while price-cost markups decreased (-0.06/0.22=-27%). This decrease in markups in the MICROE sector suggests a positive consumer surplus and is consistent with both the decrease in prices and the increase in revenues for nonfinancial goods/services.

For MOMO services, we provide evidence of noteworthy within-market reallocations and expansions. Market-level revenues and markups did not change as one would expect, yet as we report in Table 4, consumer welfare possibly increased due to improvement in non-price outcomes: firm misconduct, service quality, and consumer satisfaction. We do not observe meaningful treatment effects on the revenues or profits of MOMO services at the market level. Similar patterns emerge when we look at administrative data on the financial vendors from the provider. However, these results mask noteworthy effects on business operations.

For instance, incumbents in treatment localities keep +50% larger commissions and +59% larger money account balances compared to entrants in treatment localities. When combined, the overall results imply aggregate revenues for local services increased by at least +5% (that is, the +4,900GHS revenue increase from nonfinancial goods/services-only over a total control mean of 100,000GHS across both financial and nonfinancial sectors). The results indicate meaningful growth in aggregate revenues for the local service industry due to randomized entry or competition with bundling, and emphasize how consumer welfare might increase regardless of changes in price-cost markups.

Intermediate Outcomes: Table 9 reports effects on intermediate firm outcomes: number of customers, firm's household expenditures, capital investment, and work hours reflecting the number of days per week and hours per day stores are opened for business. We find positive net effects. So, randomized entry decreases price-cost markups for nonfinancial goods/services and increases quality for financial services (Tables 4 and 6), some of which is due to increases in marginal cost (more hours, and more capital) and some fixed costs (more capital). Moreover, household expenditures for firms increased by around +10%, which is consistent with but smaller than the observed increase in household expenditures for consumers of 20%.

What Drives the Improvements: Quantification (4)

A positive story emerges with price-cost markups for nonfinancial goods/services falling, consumer expenditures rising, and firm revenues growing. To understand the mechanisms driving these results, it helps to examine treatment effects on firm adoption. Untreated nonfinancial stores in treatment localities are 10pp more interested in adding financial MOMO services than stores in control localities but this desire for entry does not generally translate into actual entry. Table 10 shows the results. Firms that offer nonfinancial goods/services are 18pp more likely to switch from cash to cashless payments, implying reduced transactions

costs for businesses.

We examine possible drivers of the effect on aggregate household expenditures, which increased by +20% (276GHS) in treated localities (column 3). First, households in treated localities increase the purchases they conduct within their home locality by about 10% (that is, a substitution from markets in the city). With an average household expenditure of 1,700GHS in control localities and 500 households per locality, this effect amounts to a large increase in expenditures of 85,000GHS per month. Second, another important effect of treatment is the increase in consumer savings due to lower firm misconduct. Compared to financial MOMO stores in control localities, MOMO stores in treated localities exhibit a -0.5GHS decrease in the average amount appropriated via financial vendor misconduct for every 100GHS transaction. The average weekly transaction amounts to 100GHS, thus the total consumer savings in a locality of 500 households can be as large 10,000GHS per month. We conclude that the increase in home-based purchases of goods/services (substitution from markets in the city) and reduced vendor misconduct that generate savings to consumers (savings from reduced unofficial overcharges) explain the estimated increase in aggregate household expenditures.

V Discussions and Heterogeneity

A Discussions

The broader improvements in consumer and business outcomes are noteworthy and raise three immediate questions and implications.

Implication 1: Do financial mobile money services unlock nonfinancial goods/services? The entry intervention randomly enlisted nonfinancial microenterprises to provide financial services for the poor. The overall revenues are higher for treated nonfinancial stores compared to untreated nonfinancial stores in treatment localities, but the revenue for these untreated in treatment localities are much higher than the untreated in super-control localities, where

no randomized entry intervention took place. This generates a positive spillover effect of financial markets on the non-financial goods/services (+20%), which is large and significant. Indeed, many wonder how markets for digital financial services, such as mobile money, will transform service industries in rural economies, akin to structural transformation within rural services sector. Our results emphasize a channel implied by the velocity of money equation: by increasing the volume of money within the locality (here e.g., through several channels including changes in intermediate outcomes, substitution from markets in the city, consumer savings from reduced misconduct) and and the frequency that it changes hands, mobile money can boost the nominal value of transactions and service industries.

Implication 2: Did the market equilibrium had sufficient entry and if not, why? The randomized entry intervention increased the services industry revenues and consumer welfare outcomes, suggesting that entry was insufficient *pre*-experiment. In theory, insufficient entry may be related to either (i) the shape of demand, (ii) barriers like business registration costs/ hassle/ moratorium on entry, (iii) firm misconduct/ incumbent's hidden behavior, or (iv) selection issues. First, we rule out selection as there was limited firm exit following the intervention. Second, the intervention lifted the moratorium and business registration constraints. Third, nonfinancial firms that were not enrolled but were in treatment localities immediately expressed strong interest to operate as financial vendors after the incumbents significantly reduced their misconduct. We therefore believe entry was (inefficiently) too low due to misconduct/ mistrust (i.e., linked to incumbent firm's behavior) and/or MTN's moratorium on new licenses (linked to a commercial policy banning entry).

Implication 3: Learning externality from forced entry? Financial vendor misconduct might arise in equilibrium if firms do not understand their demand curve very well (Annan JPEForthcoming). The result that incumbent financial vendors reduced their misconduct (columns 1b and 1d of Table 5) is interesting and suggests that there may be a learning

externality from the forced entry: incumbents reduce their misconduct as a result of the randomized entrants not engaging in misconduct.[8] Such "learning externality" may be an important channel for inducing short-term entry, even if it leads to losses in the short term for incumbents. This externality from reduced vendor misconduct also makes the case for potential government intervention or regulation, particularly in market settings where the service provider does not have the incentive to reduce misconduct at the downstream. All the benefits of reduced vendor misconduct do not go to the provider, and as such might not internalize the consumer welfare benefits.

B. Heterogeneity

The analyses so far assume that the direct and indirect effects of the randomized entry intervention are uniform. Here, we examine heterogeneity along four dimensions (i) *pre*-experiment beliefs about randomized entry effects, (ii) variation in the intensity of entry intervention, (iii) *pre*-intervention incumbent vendor density and randomization strata, and (iv) geographic distance between stores and commonness of services offered across stores. This heterogeneity analysis helps identify compliers of the randomized entry intervention and re-affirm the main results.

First, and motivated by DellaVigna and Pope (JPE2018), we examine predictability of the treatment effects for the two main financial outcomes: misconduct and consumer trust in financial vendors. At baseline, we solicited perceptions of vendors and consumers, asking them to predict the entry intervention's likely effects (displayed in Figure A.10). The estimated treatment effect on misconduct at the market level is around -40%, yet vendors predicted a reduction of -74% while consumers predicted a reduction of -91%. For consumer trust, the treatment effect at the market level is about +0% (generally insignificant across models), yet vendors predicted an increase of +86% while consumers predicted an increase

[8] This is an analog of firms using rivals' prices as a benchmark in setting their own prices. https://www.wsj.com/business/retail/the-old-school-spy-tactics-helping-to-set-your-grocery-prices-603f0204

of +95%. Vendors perceptions are less optimistic compared to consumers, although both are generally incorrect in their forecasts. Formally, we regress the endline outcomes against an indicator for entry interacted with baseline perceptions. Table A.4 shows the results. We find a weak correlation of the treatment effects with baseline predictions similar to the descriptive comparisons. These results suggest imperfect forecasts, limited selection on the treatment and further indicate the significance of the main estimates.

Second, markets assigned the high entry program, whereby around +70% of nonfinancial firms were onboarded as financial vendors, are likely to respond more to randomized entry compared to markets assigned the low entry program (+25% of nonfinancial firms onboarded). In our research design, we created experimental variation in the intensity of entry to examine such potential nonlinear effects. Table A.5 shows consistent evidence for the main financial and nonfinancial outcomes: misconduct, prices, price-cost markups, and revenues. The impacts of the intervention are larger in markets where a higher fraction of nonfinancial firms were onboarded as financial vendors across all outcomes, except for the price of major item in store.

Third, and motivated by previous work (Matsa QJE2011), we examine heterogeneity by baseline market conditions or competition. In our research design, we stratified the intervention by both the population of a locality (reflects differences in market size, operational costs, etc) and the number of incumbent vendors in a locality (reflects differences in prevailing competition, supply side effects, etc). This stratification generates four distinct strata that are representative of the market, with power to compare the treatment effects across strata. Table A.6 shows the results for the main financial and nonfinancial outcomes. The impacts of randomized entry seem concentrated in localities with (i) smaller populations and fewer number incumbents and (ii) larger populations and more incumbents.

Fourth, the entry effects may vary with geographic distance, and plausibly differently for competitors and non-competitors based on the services offered across stores. We have data on the location (latitude/longitude) of firms and the listing of all services offered across

stores. We use this to construct two measures of closeness by location and by services, and then classify markets as either (i) stores closer in location and services common among stores, (ii) stores not closer in location but services common, (iii) stores closer in location but services not common, and (iv) stores not closer in location and services not common. Table A.7 shows the results for the main financial and nonfinancial outcomes across these four groups. Predictably, and except for the misconduct outcome, the broader impacts of randomized entry are concentrated in localities where competition is likely more intense — i.e., where stores are closer in location and services are common.

C Models of Competition with Bundling

The price results (summarized in Table A.8) are consistent with standard models of competition with bundling (Zhou EMCA2017; Armstrong and Vickers RESTUD2010) — which predict under fairly general conditions that competition with bundling raises (or lowers) prices and benefit firms when the number of bundled firms are relatively many (or few). The intuition is as follows: when there are many firms, a firm's marginal consumers tend to have a high valuation for its product because with a high chance their valuation for the best rival product is high. That is, they tend to be positioned on the right tail of the valuation density, and since bundling yields a thinner tail, it tends to induce fewer marginal consumers and so a less elastic demand. Firms then raise their prices. In contrast, when there are relatively few firms in the market, the average position of marginal consumers is close to the mean, and since bundling makes the valuation density more peaked, it tends to induce more elastic demand. Firms then lower prices.

The randomized assignments of select nonfinancial firms and experimental variation in the number of stores that bundle nonfinancial goods/services with financial services across localities allow us to test these predictions from models of competition with bundling. First, we report consistent evidence that prices for goods/services are relatively higher for nonfinancial firms that were onboarded as financial vendors compared to those firms not onboarded

within the same local market. Second, and predictably, such price differences are three times larger in high entry localities where the number of bundled firms are many compared to low entry localities (column 2 of Table A.8), although standard errors do not allow ruling out that the two price differences are statistically different.

VI Conclusion

This paper provides new evidence about how entry in industry equilibrium—featuring consumer protection concerns—matters for efficiency. We implement a widespread and scalable intervention that randomizes the entry of new financial mobile money vendors, who also sell non-financial goods/services across rural communities. Randomized entry has broader benefits for consumers and businesses across sectors. We estimate a very large negative direct and indirect effects on mobile money vendor misconduct, with a net effect of -50%. There is a positive direct effect but negative indirect effect on prices for non-financial goods/services in the MICROE sector, consistent with standard models of competition with bundling (Zhou EMCA2017; Armstrong and Vickers RESTUD2010). Price-cost markups for the nonfinancial goods/services decreased (-27%) at the market level. Combined with an observed increase in aggregate household expenditures, this indicates positive consumer surplus. We report evidence of within-market revenue reallocation and expansion for financial mobile money, and a large services multiplier: revenues for non-financial goods/services in the MICROE sector significantly increased (+20%), with aggregate service industry revenues increasing of +5%. Randomized entry operates through two major channels: adoption externalities and an aggregate increase in household expenditures.

Our results provide a proof-of-concept that entry increases local economic activity, and it does so not only by changing markets for digital financial services but also by transforming the non-financial goods/services sector. We highlight a distinct channel implied by the velocity of money equation that previous literature has ignored: a large nonfinancial services multiplier generated by entry of new financial vendors. The results show the "real effects"

of financial markets on the local economy (Bond et al. ARFE2012). Market design, industrial policy, and evaluation of entry interventions need to account for broader market-wide responses, which we show are meaningful. We identify the nature of externalities from firm entry and evaluate conditions under which entry may be inefficient.

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Main Results for Text

Table 1: **STUDY TIMELINE**

	DATE	ACTIVITY
Part 1	January-June 2020	**Pilot work**
Part 2	Mar 2023	**Baseline:** Market census and surveys
	Apr 2023	**Trust games I (Baseline)**
	Apr/May 2023	**Audit study I (Baseline)**
Part 3	Jun 2023	**Intervention:** Markets and entrants assignment
	Jun - Oct 2023	**Intervention:** Entrants enrollment
Part 4	Apr 2024	**Endline:** Market surveys
	Apr 2024	**Trust games II (Endline)**
	Apr 2024	**Audit study II (Endline)**
	Mar/Apr 2024+	**Administrative data:** Market records from provider

Table 2: **RESPONSE RATES**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
				Response rates to 7 months measurements			
Status	Baseline census/surveys	Number sampled for endline follow-up	Number of responses at endline	All	Treatment	Control	Difference
Firms survey	1,186 627 (incumbents) 181 (lucky entrants) 378 (unlucky entrants)	1,186 627 (incumbents) 181 (lucky entrants) 378 (unlucky entrants)	1,105	0.932	0.932	0.931	0.001 (0.016)
Consumer survey	4,872	1,130 (w/ backup sample=454)	1,138	0.940 (among original sample)	0.950	0.930	0.024 (0.016)
Trust game	1,130	1,130 (w/ backup sample=454)	695	0.615	0.632	0.580	0.052 (0.040)
Audit study	358 358 (incumbents) 0 (lucky entrants) 0 (unlucky entrants)	539 358 (incumbents) 181 (lucky entrants) 0 (unlucky entrants)	487 345 (incumbents) 142 (lucky entrants) 0 (unlucky entrants)	0.904	0.899	0.921	-0.022 (0.030)

Note: Table reports the number of responses to the endline measurements conducted 7 months after the deployment of intervention, separately for firm surveys, consumer surveys, trust game and audit study. Incumbents are financial MOMO vendors, lucky entrants are nonfinancial MICROEs assigned/onboarded as new financial MOMO vendors, unlucky entrants are MICROEs that were not assigned/not onboarded. The lottery participants include lucky and unlucky nonfinancial enterprises. Columns 4-6 report response rates and column 7 shows the difference between columns 5 and 6 (standard errors are reported in parenthesis).

***Significant at the 1 percent level.

**Significant at the 5 percent level.

*Significant at the 10 percent level.

Table 3: **Take-up: Randomized entry and re-organization of local markets**

	A. Program Participation Among MICROEs		**B. Shock to Market Structure and Re-organization**				**C. Market Informed of New Entrants**		**D. Firm Exit by Endline**	
	Entry indicator		No. MOMO vendors		Market index: HHI		Awareness indicator		Not operating indicator	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Any entry	0.490***		1.401***		-0.146***		0.229***		0.027*	
	(0.042)		(0.266)		(0.034)		(0.032)		(0.014)	
Low entry		0.432***		0.832***		-0.094**		0.206***		0.041**
		(0.074)		(0.289)		(0.038)		(0.037)		(0.017)
High entry		0.508***		1.983***		-0.199***		0.256***		0.014
		(0.049)		(0.347)		(0.037)		(0.043)		(0.018)
Observations	512	512	136	136	136	136	939	939	1,105	1,105
Control mean	0.073	0.073	3.644	3.644	0.480	0.480	0.250	0.250	0.049	0.049
Sample & level	L & UL entrants	L & UL entrants	Locality	Locality	Locality	Locality	UL entrants & incumbents	UL entrants & incumbents	Firms (all)	Firms (all)
Measurement	Firm Surveys	Firm Surveys	Firm Surveys	Firm Surveys	Firm Surveys	Firm Surveys	Firm Surveys	Firm Surveys	Firm Surveys	Firm Surveys

Note: Observations are either at the firm or market level. Dependent variables are endline survey-based measures. Includes randomization strata dummies. L denotes lucky entrants and refers to nonfinancial microenterprise stores onboarded as financial vendors. UL denotes unlucky entrants and refers to nonfinancial stores not onboarded as financial vendors. MICROEs denotes non-financial microenterprise stores, MOMO denotes financial mobile money stores, and the Herfindahl-Hirschman Index (HHI) = $\sum_{i=1}^{n} s_i^2$ is constructed using firm sales, s_i is the local market share of firm i, and a lower index reflects higher levels of market competition. Firm exit is defined as stores that stopped operating by the endline follow-up. Cluster-robust standard errors at market (locality) level are reported in parenthesis, except in panel B where heteroskedasticity-robust standard errors are reported.

***Significant at the 1 percent level.

**Significant at the 5 percent level.

*Significant at the 10 percent level.

Table 4: **Effects of randomized entry on consumer outcomes for financial services**

	A. Financial Services: Mobile Money						
	Misconduct indicator	Misconduct amount (GHS)	Transparency: disclose tariff	Quality: vendor absent indicator	Misconduct indicator	Consumer trust indicator	Consumer trust (GHS)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
ENTRY (δ)	-0.171***	-0.492**	0.213***	-0.013	-0.136***	0.086	1.523
	(0.035)	(0.253)	(0.054)	(0.031)	(0.034)	(0.058)	(1.317)
Observations	1,493	1,493	1,493	1,493	1,143	1,143	695
Control mean	0.372	1.044	0.337	0.089	0.209	0.511	25.07
Analysis sample & level	Firms (all) x transactions	Firms (all) x transactions	Firms (all) x transactions	Firms (all) x transactions	Consumers	Consumers	Consumers
Measurement	Audit study	Audit study	Audit study	Audit study	Consumer surveys	Consumer surveys	Trust games

Note: Observations are either at the firm x transaction or consumer level. Dependent variables are endline audit-based, survey-based, or trust game-based measures. Includes randomization strata dummies. In column (5), misconduct measures households'/customers' estimate that that their last transaction at vendor points was overcharged. Consumer trust measures their trust in vendors when asked (column 6) and the amount the consumer transferred to an anonymous vendor in the trust game (column 7). Outcomes gathered directly from consumers allow for only cross-village comparisons. Cluster-robust standard errors at market level are reported in parenthesis.

***Significant at the 1 percent level.

**Significant at the 5 percent level.

*Significant at the 10 percent level.

Table 5: **Effects of randomized entry on consumer outcomes for financial services**

	A. Financial Services: Mobile Money							
	Misconduct indicator				Transparency: disclose tariff indicator			
	(1a)	(1b)	(1c)	(1d)	(2a)	(2b)	(2c)	(2d)
Treated x ENTRY (β)	ne			-0.110***	ne			0.307***
				(0.029)				(0.038)
ENTRY (δ)	ne	-0.140***	-0.171***	-0.139***	ne	0.125**	0.214***	0.125**
		(0.035)	(0.035)	(0.036)		(0.054)	(0.054)	(0.054)
Net effect of	ne			-0.250***	ne			0.433***
randomized entry ($\beta + \delta$)				(0.041)				(0.054)
Observations	322	1,171	1,493	1,493	322	1,171	1,493	1,493
Control mean	0.000	0.372	0.372	0.372	0.000	0.337	0.337	0.337
Analysis sample & level	L & UL entrants x transaction	Incumbents x transaction	Firms (all) x transactions	Pooled: x transactions	L & UL entrants x transaction	Incumbents x transaction	Firms (all) x transactions	Pooled: x transactions
Measurement	Audit study	Audit study	Audit study	Audit study	Audit study	Audit study	Audit study	Audit study

Note: Observations are at the firm x transaction level. Dependent variables are endline audit-based measures. Includes randomization strata dummies. L denotes lucky entrants and refers to nonfinancial microenterprise stores onboarded as financial vendors. UL denotes unlucky entrants and refers to nonfinancial stores not onboarded as financial vendors. ne is not estimable because financial audit outcomes are not observed for nonfinancial stores that were not onboarded. Cluster-robust standard errors at market level are reported in parenthesis.

***Significant at the 1 percent level.

**Significant at the 5 percent level.

*Significant at the 10 percent level.

Table 6: **Effects of randomized entry on consumer outcomes for non-financial services**

	B. Non-Financial Goods/Services: Microenterprises						**C. Market Experience**
	Price major item in store (GHS)				Price 5kg rice bag (GHS)	Value-for-money [scale: 1-10]	Consumer's overall satisfaction [scale: 1-10]
	(1a)	(1b)	(1c)	(1d)	(2)	(3)	(4)
Treated x ENTRY (β)	27.16*			11.32			
	(14.07)			(14.78)			
ENTRY (δ)	-35.12***	-19.22	-19.44	-22.96	-4.195***	0.453***	0.645***
	(13.51)	(25.62)	(14.71)	(15.08)	(1.182)	(0.150)	(0.160)
Net effect	-7.962			-11.64			
of randomized entry ($\beta + \delta$)	(18.10)			(18.50)			
Observations	512	254	766	766	1,143	1,143	1,143
Control mean	73.59	73.32	73.51	73.51	91.45	7.146	7.140
Analysis sample & level	L & UL entrants	Incumbents	Firms (all)	Pooled	Consumers	Consumers	Consumers
Measurement	Firm surveys	Firm surveys	Firm surveys	Firm surveys	Consumer surveys	Consumer surveys	Consumer surveys

Note: Observations are either at the firm or consumer level. Dependent variables are endline survey-based measures. Includes randomization strata dummies. Firms include all financial and nonfinancial microenterprise services/goods stores. L denotes lucky entrants and refers to nonfinancial microenterprise stores onboarded as financial vendors. UL denotes unlucky entrants and refers to nonfinancial stores not onboarded as financial vendors. Outcomes gathered directly from consumers allow for only cross-village comparisons. Cluster-robust standard errors at market level are reported in parenthesis.

***Significant at the 1 percent level.

**Significant at the 5 percent level.

*Significant at the 10 percent level.

Table 7: **EFFECTS OF RANDOMIZED ENTRY ON BUSINESS REVENUES FOR FINANCIAL SERVICES**

	A. Financial [Mobile Money] Services						
	Revenue/wk (GHS)				Market-level revenue/wk (GHS)	markups μ	Profit/wk (GHS)
	(1a)	(1b)	(1c)	(1d)	(2a)	(2b)	(3)
Treated x ENTRY (β)	3226**			-8466***			
	(1658)			(1254)			
ENTRY (δ)	3641*	-2807	-4952***	-2634	9857	0.001	-6.254
	(2075)	(1910)	(1787)	(1909)	(10982)	(0.003)	(14.19)
Net effect	6867***			-11100***			
of randomized entry ($\beta + \delta$)	(1713)			(1711)			
Observations	176	593	769	769	136	136	769
Control mean	3,666	20,951	20,587	20,587	86,925	1.014	193.2
Analysis sample & level	L & UL entrants	Incumbents	Firms (all)	pooled	Locality	Locality	Firms (all)
Measurement	Firm surveys	Firm surveys	Firm surveys	Firm surveys	Firm surveys	Firm surveys	Firm surveys

Note: Observations are at the firm level. Dependent variables are endline survey-based measures. Includes randomization strata dummies. L denotes lucky entrants and refers to nonfinancial stores onboarded as financial vendors. UL denotes unlucky entrants and refers to nonfinancial stores not onboarded as financial vendors. Revenue is sales made per week. For mobile money, this captures all cash-in/cash-out/money transfers made at financial vendor's outlet and for microenterprise goods, it captures all non-financial goods and services at the store. Market-level revenue sums all the revenues of individual firms in a locality. Assuming constant returns to scale in production, the markup of price-cost, $\mu = 1/(1-s_\pi)$, is estimated using profit rate s_π=profit/revenue, which is directly observed from the firms survey data. (Basu JEP2019) (column 2b). Profit is income earned after paying all business expenses. Cluster-robust standard errors at market level are reported in parenthesis, except in columns (2a) and (2b) where heteroskedasticity-robust standard errors are reported.

***Significant at the 1 percent level.

**Significant at the 5 percent level.

*Significant at the 10 percent level.

Table 8: **EFFECTS OF RANDOMIZED ENTRY ON BUSINESS REVENUES FOR NON-FINANCIAL SERVICES**

	B. Non-Financial [Microenterprise] Goods/Services						
	Revenue/wk (GHS)				Market-level revenue/wk (GHS)	markups μ	Profit/wk (GHS)
	(1a)	(1b)	(1c)	(51d)	(2a)	(2b)	(3)
Treated x ENTRY (β)	-16.31			798.5***			
	(296.8)			(195.6)			
ENTRY (δ)	802.6**	215.2*	455.7***	274.3*	4919***	-0.060**	57.38
	(324.0)	(122.4)	(152.8)	(155.1)	(1529)	(0.023)	(35.93)
Net effect	786.3***			1072***			
of randomized entry ($\beta + \delta$)	(277.1)			(224.0)			
Observations	459	593	1,052	1,052	136	136	459
Control mean	2,407	1,771	2,046	2,046	14,919	1.222	337.5
Analysis sample & level	L & UL entrants	Incumbents	Firms (all)	Pooled	Locality	Locality	L & UL entrants
Measurement	Firm surveys	Firm surveys	Firm surveys	Firm surveys	Firm surveys	Firm surveys	Firm surveys

Note: Observations are at the firm level. Dependent variables are endline survey-based measures. Includes randomization strata dummies. L denotes lucky entrants and refers to nonfinancial stores onboarded as financial vendors. UL denotes unlucky entrants and refers to nonfinancial stores not onboarded as financial vendors. Revenue is sales made per week. For mobile money, this captures all cash-in/cash-out/money transfers made at financial vendor's outlet and for microenterprise goods, it captures all non-financial goods and services at the store. Market-level revenue sums all the revenues of individual firms in a locality. Assuming constant returns to scale in production, the markup of price-cost, $\mu = 1/(1-s_\pi)$, is estimated using profit rate s_π=profit/revenue, which is directly observed from the firms survey data. (Basu JEP2019) (column 2b). Profit is income earned after paying all business expenses. Cluster-robust standard errors at market level are reported in parenthesis, except in columns (2a) and (2b) where heteroskedasticity-robust standard errors are reported.

***Significant at the 1 percent level.

**Significant at the 5 percent level.

*Significant at the 10 percent level.

Table 9: **Effects of randomized entry on intermediate firm outcomes**

	No. customers/wk		Firm's hh. expense last 1mn (GHS)		Capital investment last 3mn (GHS)		Hours of work/wk (Hrs)	
	(1a)	(1b)	(2a)	(2b)	(3a)	(3b)	(4a)	(4b)
Treated x ENTRY (β)		31.01		288.1**		-726.5		1.361
		(19.64)		(121.5)		(1031)		(1.791)
ENTRY (δ)	30.77**	24.01*	239.8*	176.7	3130***	3,288***	3.561***	3.264**
	(12.85)	(13.58)	(143.5)	(146.1)	(481.3)	(537.9)	(1.335)	(1.329)
Net effect of		55.02***		464.8***		2,562***		4.625**
randomized entry ($\beta + \delta$)		(19.75)		(171.0)		(930.6)		(2.087)
Observations	1,105	1,105	1,047	1,047	1,105	1,105	1,105	1,105
Control mean	181.7	181.7	2,039	2,039	4,828	4,828	76.65	76.65
Analysis sample & level	Firms (all)	Pooled: L & UL entrants & incumbents	Firms (all)	Pooled: L & UL entrants & incumbents	Firms (all)	Pooled: L & UL entrants & incumbents	Firms (all)	Pooled: L & UL entrants & incumbents
Measurement	Firm surveys	Firm surveys	Firm surveys	Firm surveys	Firm surveys	Firm surveys	Firm surveys	Firm surveys

Note: Observations are at the firm level. Dependent variables are endline survey-based measures. Includes randomization strata dummies. L denotes lucky entrants and refers to nonfinancial microenterprise stores onboarded as financial vendors. UL denotes unlucky entrants and refers to nonfinancial stores not onboarded as financial vendors. Cluster-robust standard errors at market level are reported in parenthesis.

***Significant at the 1 percent level.

**Significant at the 5 percent level.

*Significant at the 10 percent level.

Table 10: QUANTIFICATION OF DRIVERS OF IMPROVEMENTS IN BROADER MARKET OUTCOMES

	A. Adoption externalities			B. Aggregate consumer household expenditures		
	Interest to add MOMO indicator (Entry interest)	Added MOMO at endline indicator (Actual entry)	Firm switch to cashless payments indicator	Hh. expense last 1mn (GHS)	Substitution: Hh. make purchases within home locality indicator	Consumer savings from reduced vendor misconduct (GHS)
	(1a)	(1b)	(2)	(3)	(4)	(5)
Treated x ENTRY (β)			0.101***			-0.026
			(0.040)			(0.159)
ENTRY (δ)	0.100**	0.014	0.076**	276.9**	0.093***	-0.485*
	(0.039)	(0.024)	(0.037)	(130.5)	(0.029)	(0.254)
Net effect of			0.177***			-0.511*
randomized entry ($\beta + \delta$)			(0.041)			(0.284)
Observations	346	346	1,105	1,143	1,143	1,493
Control mean	0.822	0.065	0.584	1,720	0.841	1.044
Analysis sample & level	UL entrants	UL entrants	Pooled: L & UL entrants & incumbents x transaction	Consumers	Consumers	Pooled: L & UL entrants & incumbents x transaction
Measurement	Firm surveys	Firm surveys	Firm surveys	Consumer surveys	Consumer surveys	Audit study

Note: Observations are either at the firm or consumer level. Dependent variables are endline survey-based and audit-based measures. Includes randomization strata dummies. L denotes lucky entrants and refers to nonfinancial microenterprise stores onboarded as financial (MOMO) vendors. UL denotes unlucky entrants and refers to nonfinancial stores not onboarded as financial vendors. Outcomes gathered directly from consumers allow for only cross-village comparisons. Cluster-robust standard errors at market level are reported in parenthesis.

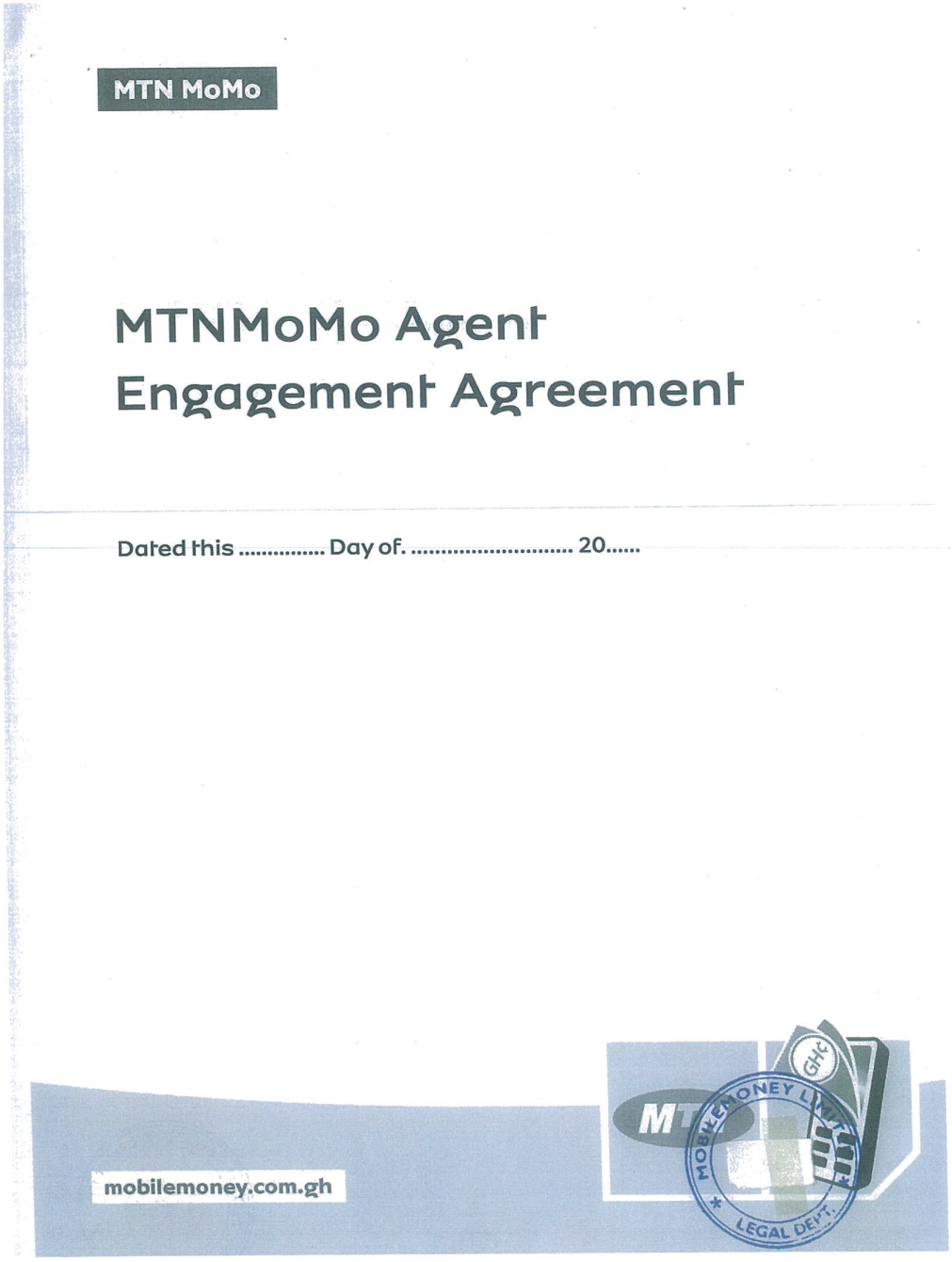
***Significant at the 1 percent level.

**Significant at the 5 percent level.

*Significant at the 10 percent level.

Randomized Entry Programs

A. Provider #1: MTN MML Vendor Agreement Forms



MTN MoMo

MTNMoMo Agent
Engagement Agreement

Dated this ..... Day of. ..... 20.....

mobilemoney.com.gh

THIS Agreement is made this ..... day of .....20.....

BETWEEN

MOBILEMONEY LIMITED a company incorporated under the laws of the Republic of Ghana with its head office situated at Independence Avenue, MTN House Ridge Accra, Ghana and whose postal address is P.O. Box TF281, Trade Fair La, Accra (hereinafter referred to as **"the Company"**) acting per its **Mobile Financial Services General Manager** and authorized representative **Eli Hini** of the one part;

AND

Name and Address of Agent.
.....
.....
.....
(hereinafter referred to as **"the Agent"**) of the other part.

WHEAREAS:

A. The Company is a leading company in Ghana's mobile financial services industry;

B. The Agent is desirous of engaging in the business of mobile financial transactions on behalf of and in collaboration with the Company;

C. The Company is committed to a policy of openness and integrity in the conduct of its business;

D. This commitment is based on a fundamental belief that business should be conducted honestly, fairly, ethically and legally;

E. In furtherance of this belief, the Company has formulated the following rules and guidelines for the moral and ethical conduct of Agents who work for/with the company and who conduct business and interact with stakeholders on behalf of the Company; and

F. This Agreement shall be binding on all Agents always and Agents shall conduct themselves always in a manner which contributes to the highest standards of ethical business practices.





3.7. The Agent shall at all times maintain a float of a minimum of **Two Thousand Ghana Cedis** (GHS2000.00) in both electronic and physical cash.

3.8. The agent shall not use the account for any e-currency transactions without license from the regulator to perform such transactions.

4. **BRIBERY CORRUPTION AND FRAUD**

4.1. The Company has a zero tolerance for bribery, corruption and fraud. Examples of conduct that amount to bribery and corruption and fraud includes but are not limited to the following:

4.1.1. Charging unapproved fees for MoMo transactions.

4.1.2. Providing customer's transaction details and other confidential information to unauthorized third parties.

4.1.3. Conducting unapproved/unauthorized transactions such as withdrawals on a customer's account.

4.1.4. Engaging in wrongful Mobile Money Registrations such as deliberately inputting wrong or incorrect data.

4.1.5. Inducing and misleading customers to obtain their MobileMoney PIN numbers and other confidential information.

4.1.6. Forgery or Falsification of Mobile Money documents/records.

4.1.7. Engaging in money laundering.

4.2. The above list is non-exhaustive and shall be updated as and when the need arises.

4.3. An Agent who is found to be involved in bribery, corruption and fraud shall have their accounts terminated and shall be handed over to the Police for investigation and prosecution where necessary. The Company hereby enjoins all MobileMoney Agents to report to the Company any knowledge, awareness or suspicion of improper, unethical, fraudulent and or criminal conduct by an Agent, Customer, Staff of the Company or any other third party.

5. **MONEY LAUNDERING:**

5.1. The Agent shall report all suspected cases of money laundering or fraud, relating to customers or other Agents or third parties having dealings with the Company to the Partner bank, the Company's designated representatives or to the Police.

5.2. The Agent shall at all times comply with the rules of this Agreement and the procedures specified in the Mobile Money Agent Manual, as updated

maintenance of acceptable standards of both personal and corporate governance so as to benefit all parties and third parties to this Agreement.

IN WITNESS WHEREOF the Parties have hereunto set their hands the day and year first above written

Signed on behalf of MobileMoney	Signed by the within named Agent Ltd by:
Name:	Name: .....
Title:	Title: .....
Signature:	Signature: .....
Date:	Date: .....
Witnessed By:	**Witnessed By:**
Name:	Name: .....
Title:	Title: .....
Signature:	Signature: .....

MOBILEMONEY LIMITED

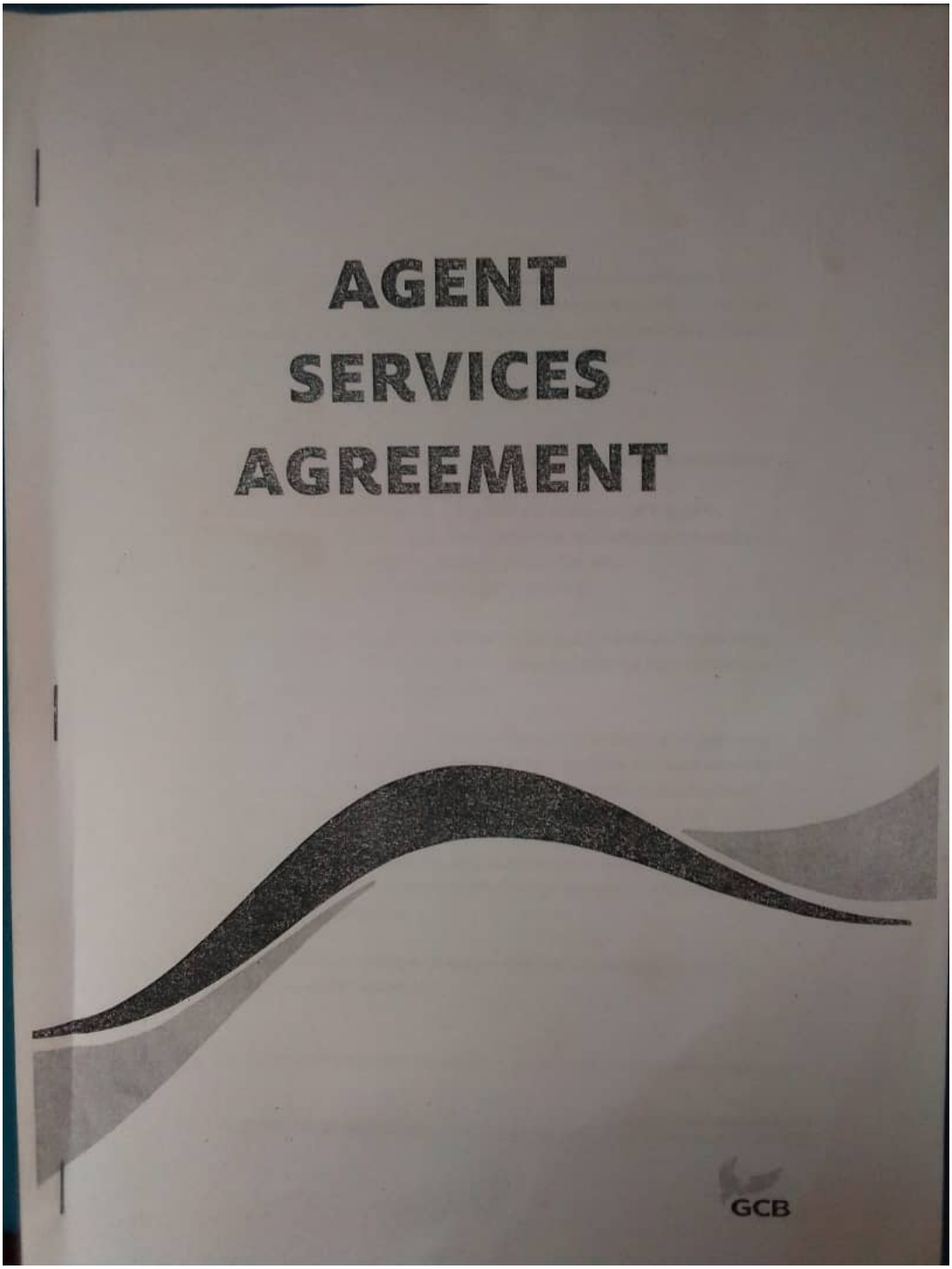
APPENDIX 1

Approved Customer Fees at Agent Point

Transaction type	Fees
Money Transfer (Token/Cash In/sending)	GHS 2.50 (GHS1 – 50)
	5% (Above 50)
Money Transfer (Token Cash Out)	No charge
Deposit (onto the wallets of registered subscribers)	No charge
Withdrawal/Cash Out (by subscribers)	GHP 50 (1 – 50)
	1% (Above 50) 10GHS (Above 1000)
Bill Payment - DStv	No fees charged
- GoTv	GHS 1.00
Bill Payment - ECG	GHP 50 – flat fees
Airtime Top-Up	Free

MOBILEMONEY LIMITED

B. Provider #2: GCB Ltd Vendor Agreement Forms



17.0 ***NO ASSIGNMENT OR TRANSFER***

This Agreement is personal to the Agent and no assignment of any kind whatsoever shall be permitted but in the event of individuals the obligations set out in this Agreement shall bind the personal representatives of the Agent and in case of corporate bodies it shall bind its successors and assigns

18.0 ***SEVERABILITY***

Any provision of this Agreement held by a Court of competent jurisdiction to be contrary to any law shall be severed from this Agreement, but such severance shall not render the remaining provisions of this Agreement ineffective. The remaining provisions of this Agreement will remain in full force and effect

19.0 ***GOVERNING LAW***

This Agreement shall be governed by and construed in accordance with the laws in force in Ghana and parties submit to the exclusive jurisdiction of Ghanaian courts.

20.0 **DISPUTE RESOLUTION**

The Parties shall endeavour to resolve amicably by direct informal negotiation, any dispute, controversy or claim arising out of or incidental to this Agreement or the breach, termination or invalidity thereof. However, in an event of the failure to resolve such disputes amicably, the matter shall be settled by arbitration in accordance with the Alternate Dispute Resolution Act 2010, (Act 798). The arbitral tribunal shall consist of one person who shall in the absence of agreement be appointed by the Ghana Arbitration Centre. The arbitration shall be in English and shall be held in Accra, Ghana. The cost of arbitration shall be borne by the parties in equal share.

21.0 **INCORPORATION BY REFERENCE**

1. The terms and conditions of the G-Money System published on the GCB BANK LIMITED website (http://www.gcb.com.gh) and amended from time to time is hereby incorporated by reference into this Agreement.

IN WITNESS WHEREOF THE PARTIES HAVE SET THEIR HANDS THE DAY AND YEAR FIRST WRITTEN ABOVE

SIGNED and DELIVERED by

..... for and on behalf of

and in the name of GCB BANK LIMITED

in the presence of:-

Name:

Signature:

Address:

SIGNED and DELIVERED by

.....

for and on behalf of the .....

(Agent herein)

in the presence of:-

.....

for and on behalf of the .....

(Agent herein)

in the presence of:-

Name: [redacted]

Signature: [redacted]

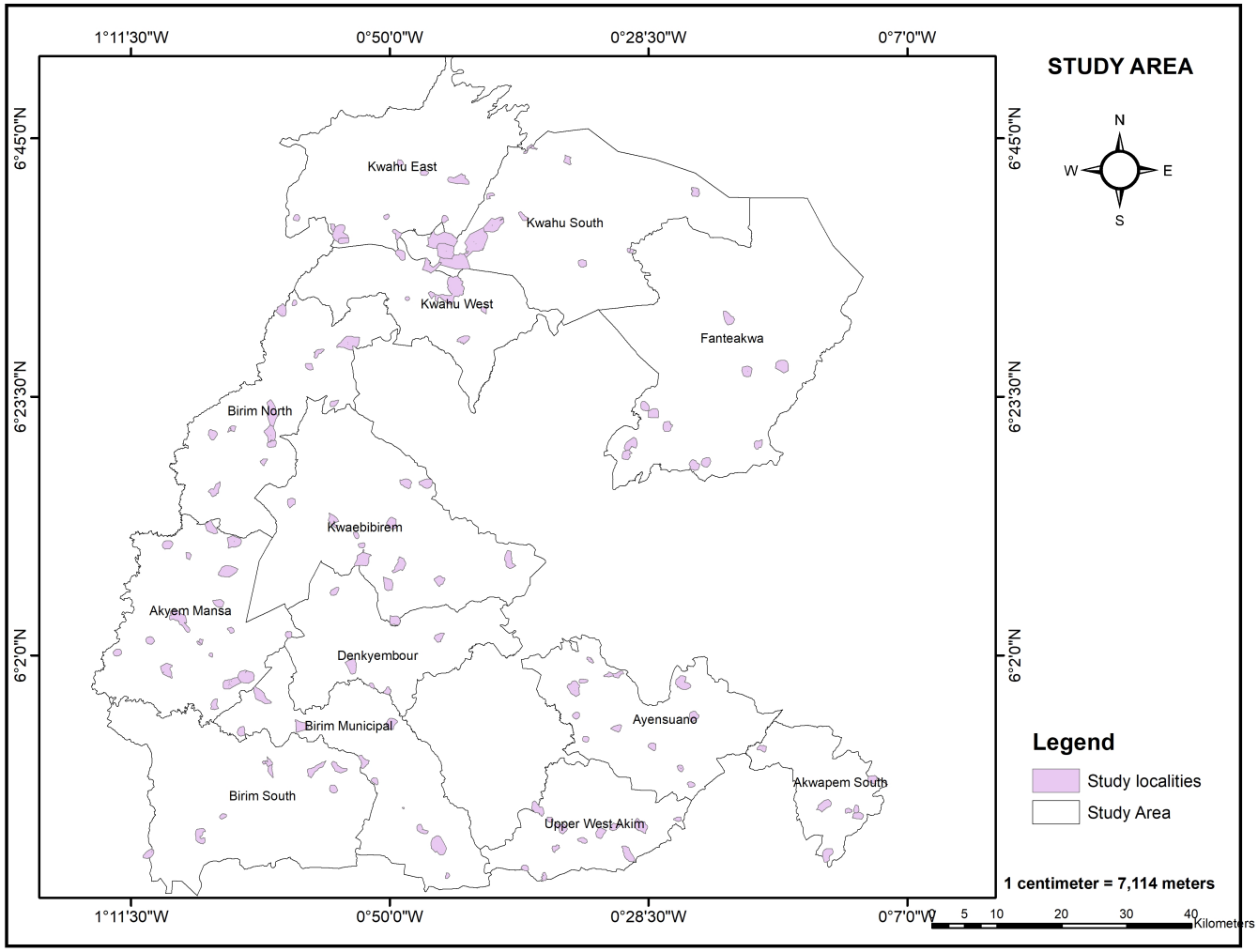
Address:

Supplementary Appendix (For Online Publication)

A Setting, Randomization Balance, and Further Results

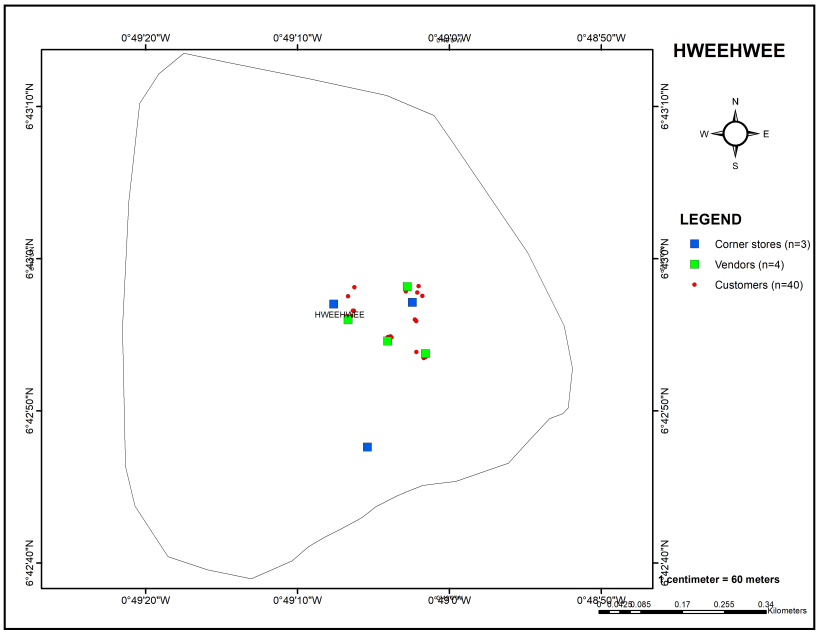
A.1 The Setting

Figure A.1: MAP OF STUDY LOCALITIES



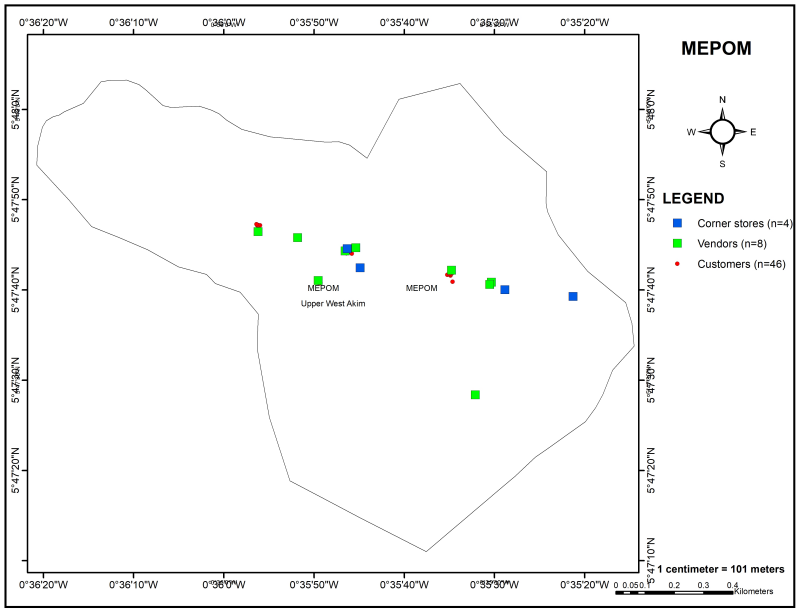
136 LOCALITIES, 13 DISTRICTS IN EASTERN GHANA

Figure A.2: SPATIAL DISTRIBUTION OF RESPONDENTS IN HWEEHWEE COMMUNITY



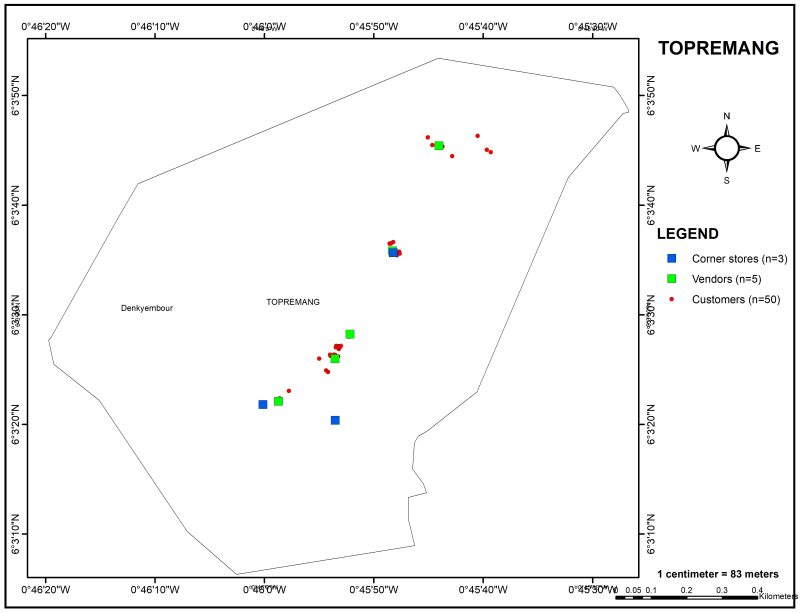
MARKET: HWEEHWEE

Figure A.3: SPATIAL DISTRIBUTION OF RESPONDENTS IN MEPOM COMMUNITY



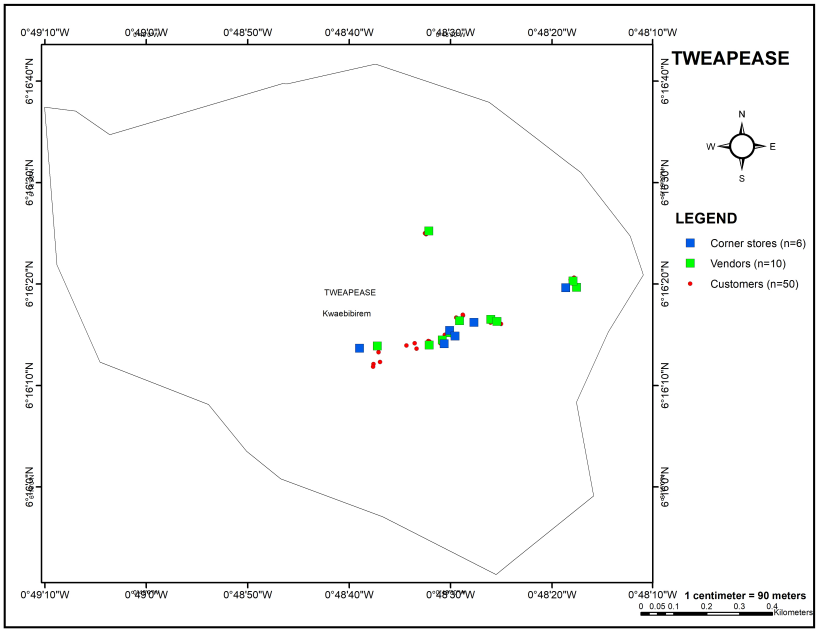
MARKET: MEPOM

Figure A.4: SPATIAL DISTRIBUTION OF RESPONDENTS IN TOPREMANG COMMUNITY



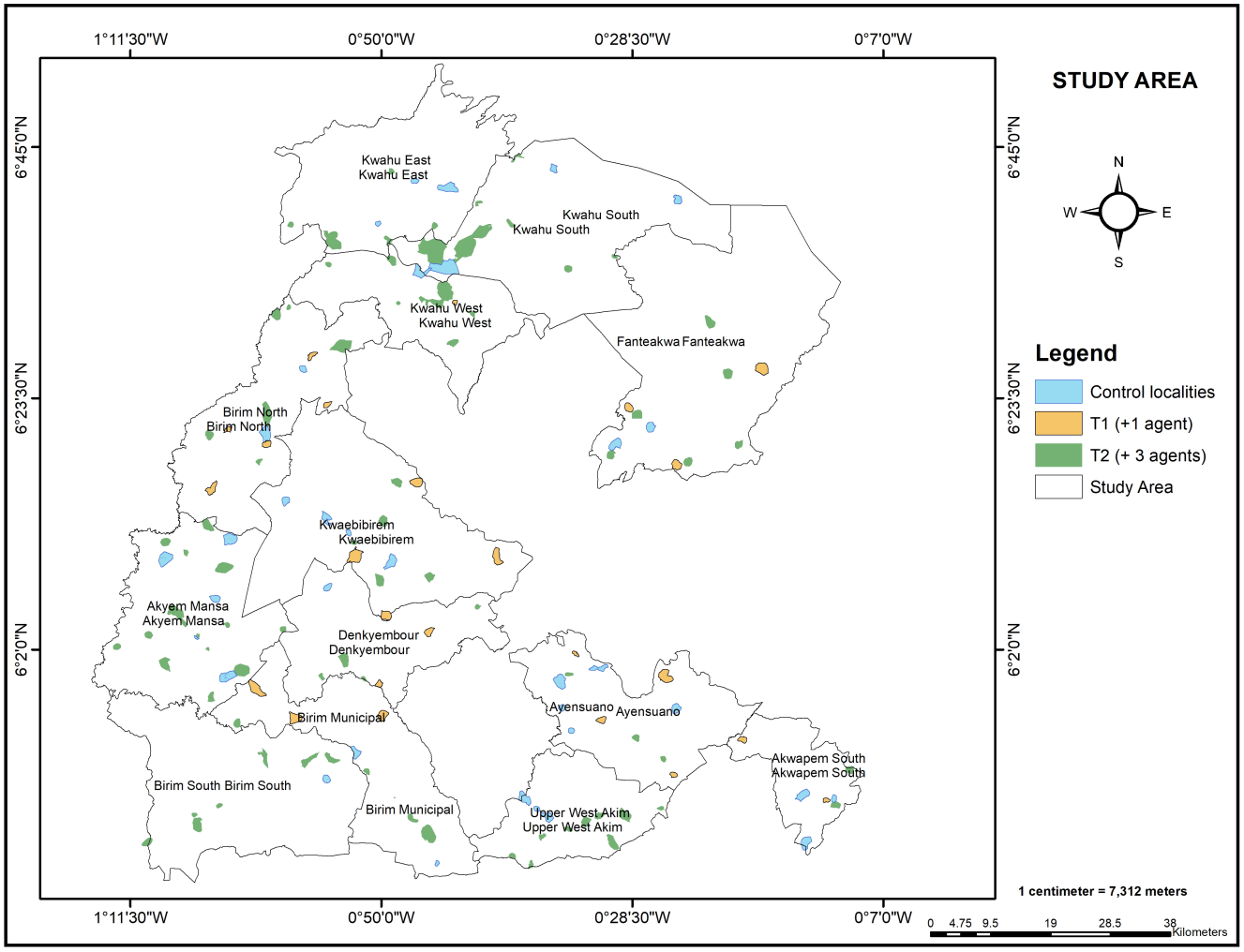
MARKET: TOPREMANG

Figure A.5: SPATIAL DISTRIBUTION OF RESPONDENTS IN TWEAPEASE COMMUNITY



MARKET: TWEAPEASE

Figure A.6: MAP OF STUDY LOCALITIES BY TREATMENT ASSIGNMENTS



136 LOCALITIES, 13 DISTRICTS IN EASTERN GHANA

A.2 Four (4) Motivating Market Facts

Figure A.7: There is untapped entry potential

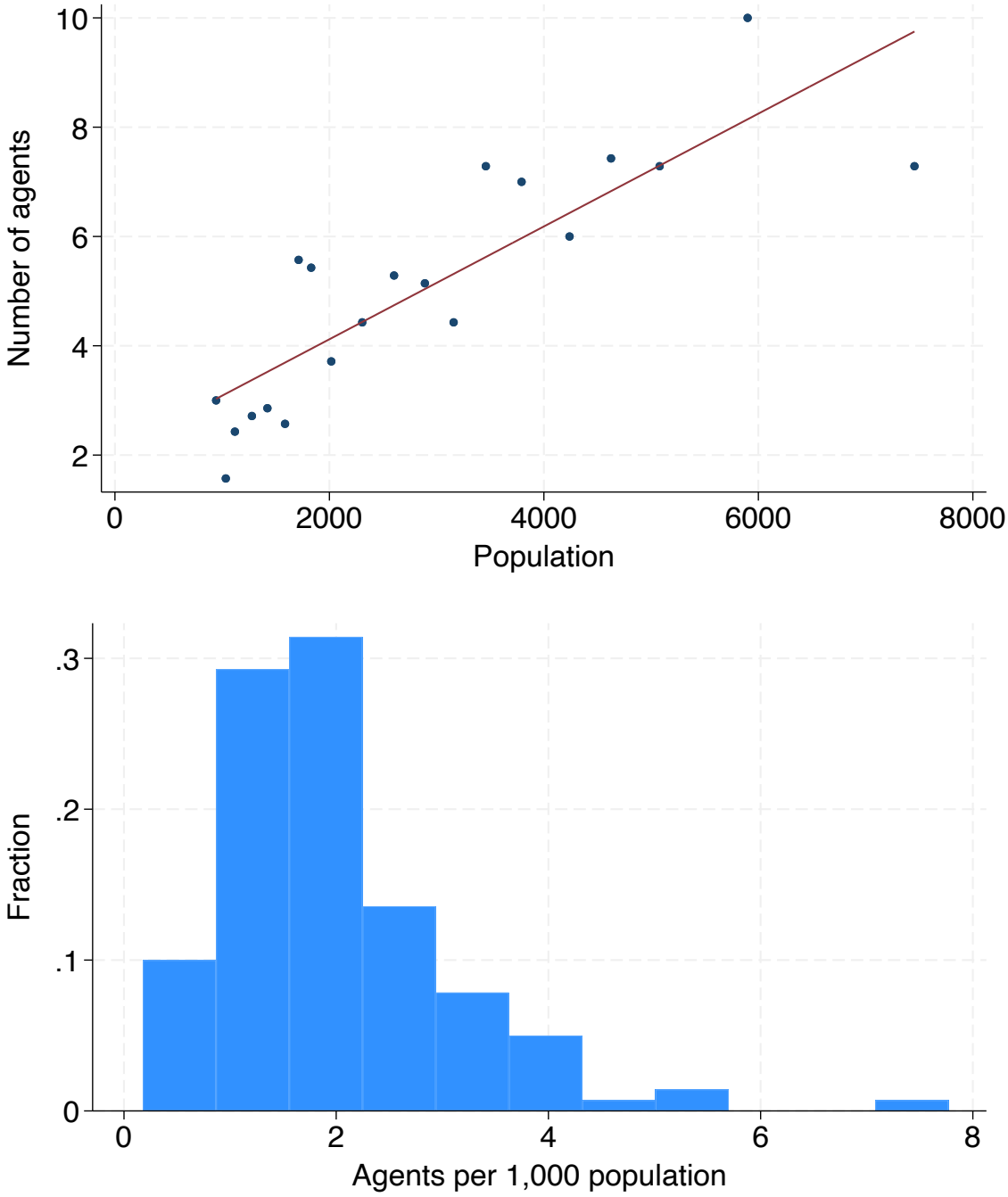


Figure A.8: Low service quality

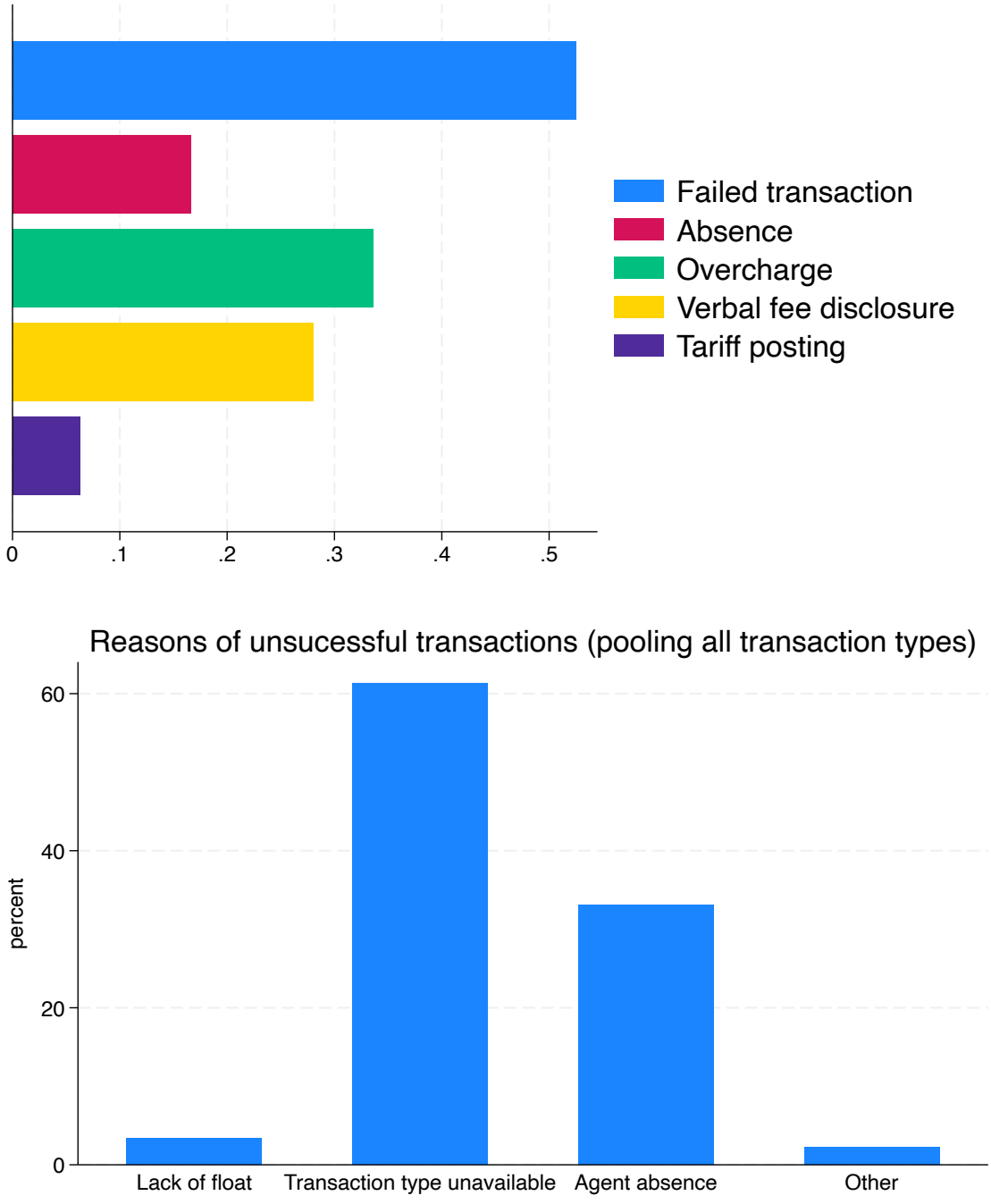
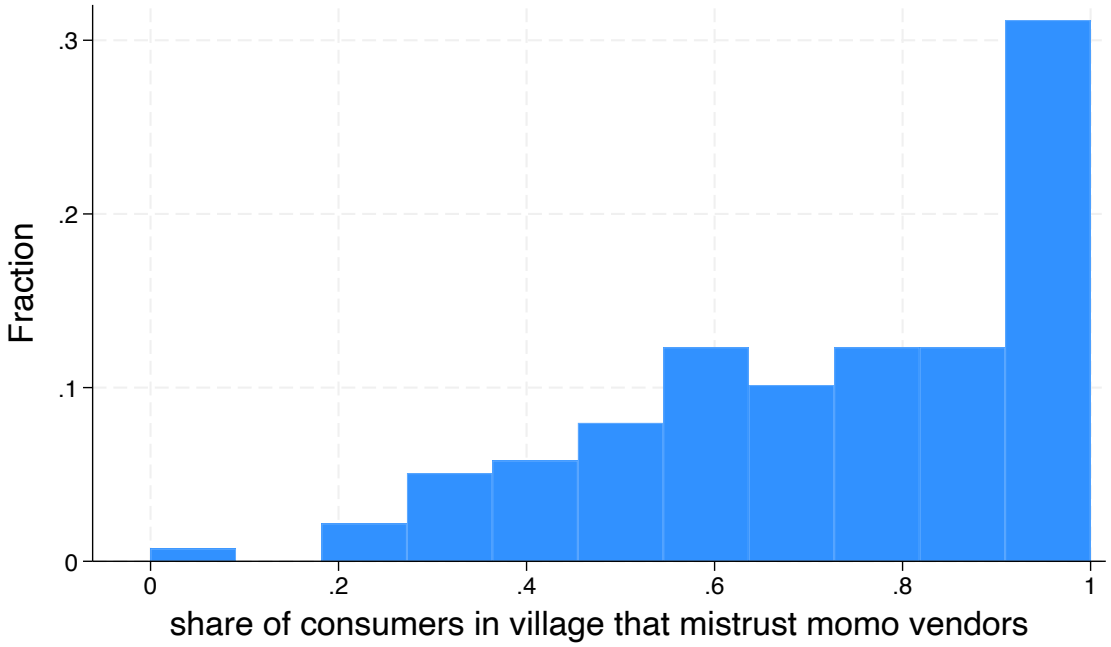


Figure A.9: Limited consumer trust



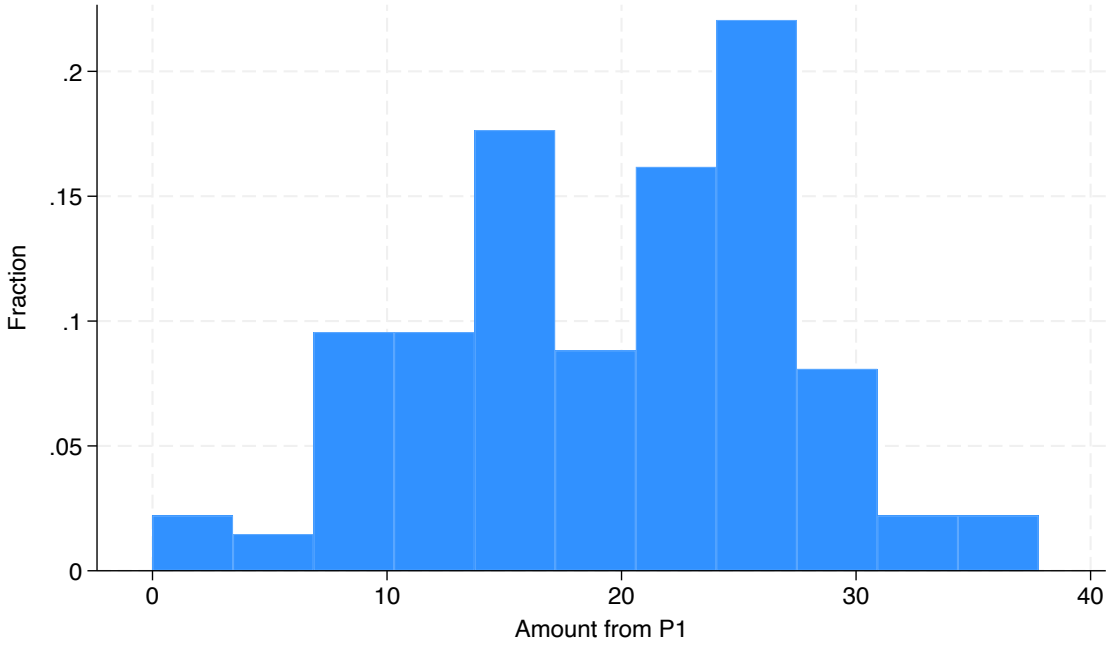
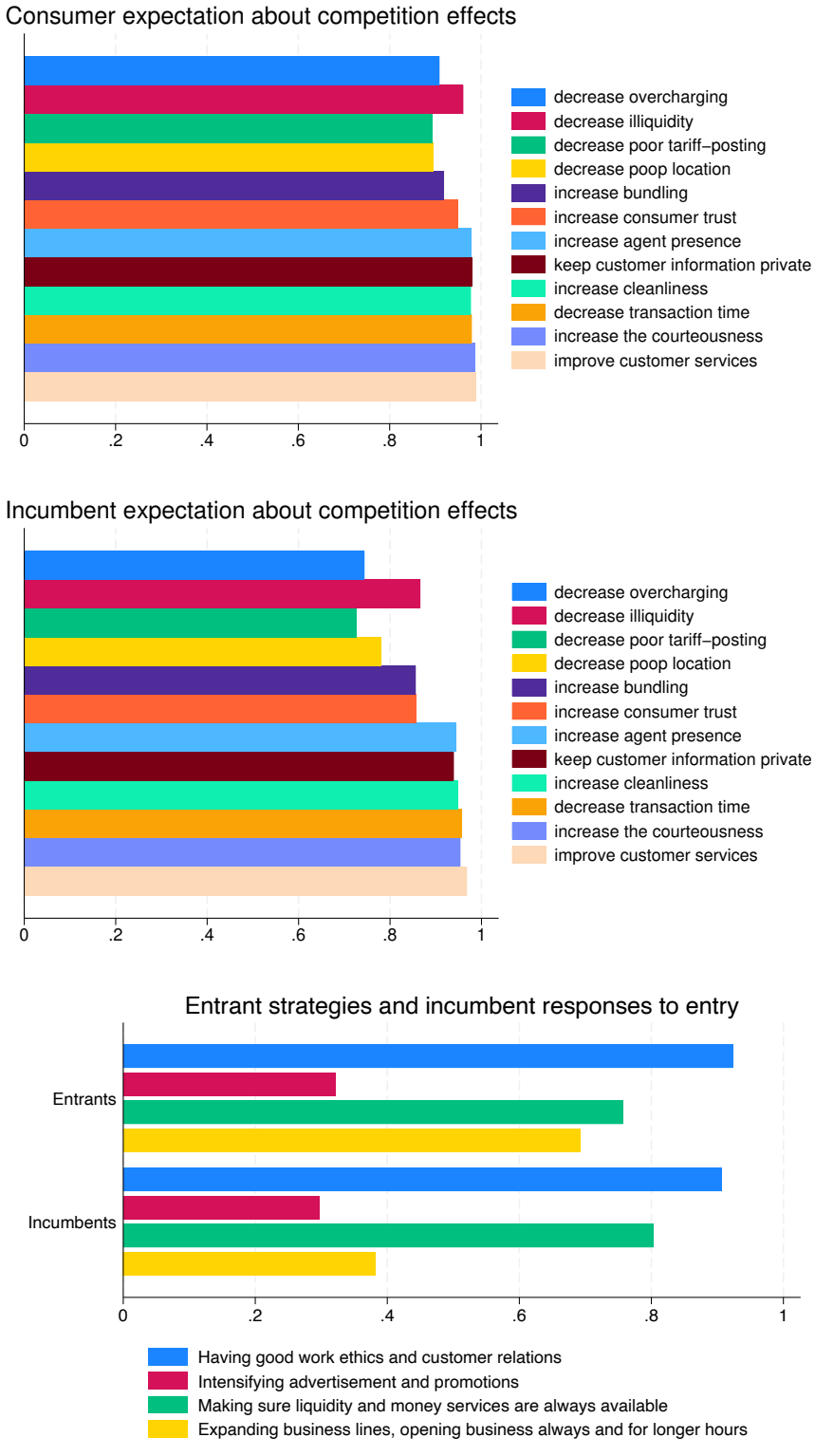


Figure A.10: Closure: Entry matters



A.3 Randomization Balance

Table A.1: **BALANCE TEST: PRE-INTERVENTION TREATMENT-CONTROL DIFFERENCES**

	Consumers	
	Constant	Any entry
	(1)	(2)
A. Demographic characteristics		
Age (yrs)	28.33***	1.001
	(0.871)	(0.706)
Female	0.409***	-0.003
	(0.049)	(0.042)
Education (high school)	0.811***	-0.010
	(0.028)	(0.021)
Married	0.382***	0.025
	(0.020)	(0.019)
Ethnicity (Akan)	0.606***	0.006
	(0.048)	(0.036)
B. Financial Mobile Money Services		
Has mobile money account	0.974***	0.001
	(0.005)	(0.005)
Has bank account	0.316***	0.007
	(0.031)	(0.030)
Value of last transaction (GHS)	257.4***	-23.47
	(21.02)	(22.62)
Mistrust vendors	0.234***	0.002
	(0.032)	(0.026)
Overcharging is common (misconduct)	0.778***	0.004
	(0.050)	(0.050)
Frequently switch agents in locality	0.362***	-0.002
	(0.040)	(0.037)
Number vendors used last 3 months	1.809***	-0.079
	(0.821)	(0.060)
C. Non-financial Microenterprise Goods/Services		
Total household expenses (GHS)	1682***	174.7
	(159.3)	(176.1)
Joint F-test (linear), p-value	0.887	
Chi-squared test (probit), p-value	0.883	
Observations	4,725	

Note: Observations are at the consumer level. Each row is a separate regression and controls for randomization strata dummies. The F and Chi-squared tests are conducted using the pooled indicator **1**(Entry Assignment) as the outcome. The results indicate strong evidence of balance across treatment arms and are similar to results from a more saturated model (which we do not report here to conserve space) where we include separate indicators for Low entry (+1 entrant each localities) and High entry (+3 entrants each localities) in treated markets. Cluster-robust standard errors at market (locality) level are reported in parenthesis.

***Significant at the 1 percent level.

**Significant at the 5 percent level.

*Significant at the 10 percent level.

Table A.2: **BALANCE TEST: PRE-INTERVENTION TREATMENT-CONTROL DIFFERENCES**

	MICROE: Non-Financial Microenterprises		
	Constant	Treated firms in treated locality	Untreated firms in treated locality
	(1)	(2)	(3)
A. Demographic characteristics:			
Age (yrs)	35.41***	1.037	-0.105
	(1.311)	(1.207)	(1.200)
Female	0.519***	0.043	0.021
	(0.059)	(0.063)	(0.063)
Education (high school)	0.840***	-0.016	0.033
	(0.042)	(0.038)	(0.034)
Married	0.532***	0.032	-0.030
	(0.050)	(0.051)	(0.050)
Ethnicity (Akan)	0.674***	0.016	-0.038
	(0.066)	(0.055)	(0.054)
B. Business outcomes:			
Age of business (yrs)	7.349***	-0.426	-0.984
	(0.797)	(0.894)	(0.861)
Revenue last week (GHS)	2074***	-162.1	113.8
	(255.7)	(298.4)	(294.1)
Profit last week (GHS)	548***	-90.77	-8.018
	(56.55)	(60.34)	(65.37)
Hours of work last week (hrs)	74.59***	-1.929	1.939
	(3.038)	(3.416)	(3.315)
No. customers last week	3.343***	0.138	0.108
	(0.161)	(0.180)	(0.182)
Any digital payment	0.411***	0.010	-0.045
	(0.053)	(0.062)	(0.055)
Value of firm (GHS)	22147***	-1768	-3023
	(2508)	(2940)	(2833)
Total household expenses (GHS)	2554***	-41.16	204.3
	(278.5)	(296.1)	(305.8)
Joint F-test (linear), p-value		0.965	
Chi-squared test (probit), p-value		0.966	
Observations		559	

Note: Observations are at the firm level. Each row is a separate regression and controls for randomization strata dummies. Value of firm is the current value of all inventories, raw materials and holdings (ie. the price the owner will accept to hand over entire business). Number of customers binned: 1=[1-10], 2=[11-30], 3=[31-50], 4=[51-80], 5=[80+]. The F and Chi-squared tests are conducted using the pooled indicator $\mathbf{1}$(Entry Assignment) as the outcome. The results indicate strong evidence of balance across treatment arms and are similar to results from a more saturated model (which we do not report here to conserve space) where we include separate indicators for Low entry (+1 entrant each localities) x treated firms, Low entry (+1 entrant each localities) x untreated firms, High entry (+3 entrants each localities) x treated firms, and High entry (+1 entrant each localities) x untreated firms in treated markets. Cluster-robust standard errors at market (locality) level are reported in parenthesis.

***Significant at the 1 percent level.

**Significant at the 5 percent level.

*Significant at the 10 percent level.

Table A.3: **BALANCE TEST: PRE-INTERVENTION TREATMENT-CONTROL DIFFERENCES**

	MOMO: Financial Mobile Money	
	Constant	Any entry
	(1)	(2)
A. Demographic characteristics:		
Age (yrs)	28.67***	0.602
	(0.892)	(0.732)
Female	0.437***	-0.035
	(0.051)	(0.043)
Education (high school)	0.763***	0.017
	(0.043)	(0.035)
Married	0.394***	0.026
	(0.057)	(0.043)
Ethnicity (Akan)	0.643***	-0.018
	(0.060)	(0.042)
B. Business outcomes:		
Bundling MOMO (major)	0.871***	0.041
with MICROE (minor)	(0.031)	(0.027)
Age of business (yrs)	4.005***	-0.240
	(0.321)	(0.255)
Revenue last week (GHS)	14167***	-273.0
	(1663)	(1561)
Profit last week (GHS)	218.02***	0.492
	(16.70)	(14.12)
Hours of work last week (hrs)	77.40***	3.217
	(2.527)	(3.170)
No. customers last week	200.1***	-13.33
	(21.41)	(22.91)
Any digital payment	0.422***	0.010
	(0.040)	(0.034)
Value of firm (GHS)	11641***	-1510
	(1049)	(935.4)
Total household expenses (GHS)	2356***	4.054
	(237.9)	(274.3)
Joint F-test (linear), p-value		0.932
Chi-squared test (probit), p-value		0.924
Observations		627

Note: Observations are at the firm level. Each row is a separate regression and controls for randomization strata dummies. Value of firm is the current value of all inventories, raw materials and holdings (ie. the price the owner will accept to hand over entire business). The F and Chi-squared tests are conducted using the pooled indicator $\mathbf{1}$(Entry Assignment) as the outcome. The results indicate strong evidence of balance across treatment arms and are similar to results from a more saturated model (which we do not report here to conserve space) where we include separate indicators for Low entry (+1 entrant each localities) and High entry (+3 entrants each localities) in treated markets. Cluster-robust standard errors at market (locality) level are reported in parenthesis.

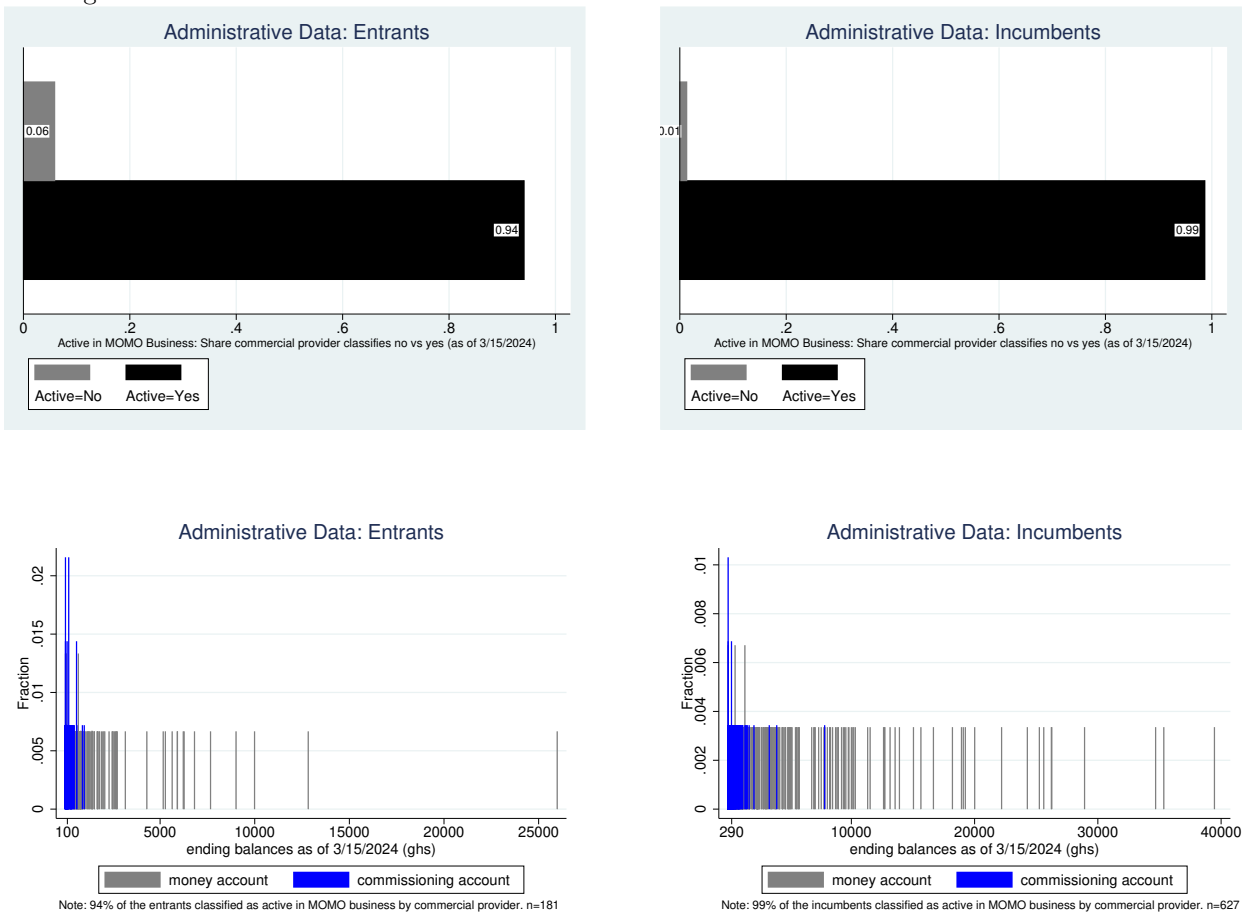
***Significant at the 1 percent level.

**Significant at the 5 percent level.

*Significant at the 10 percent level.

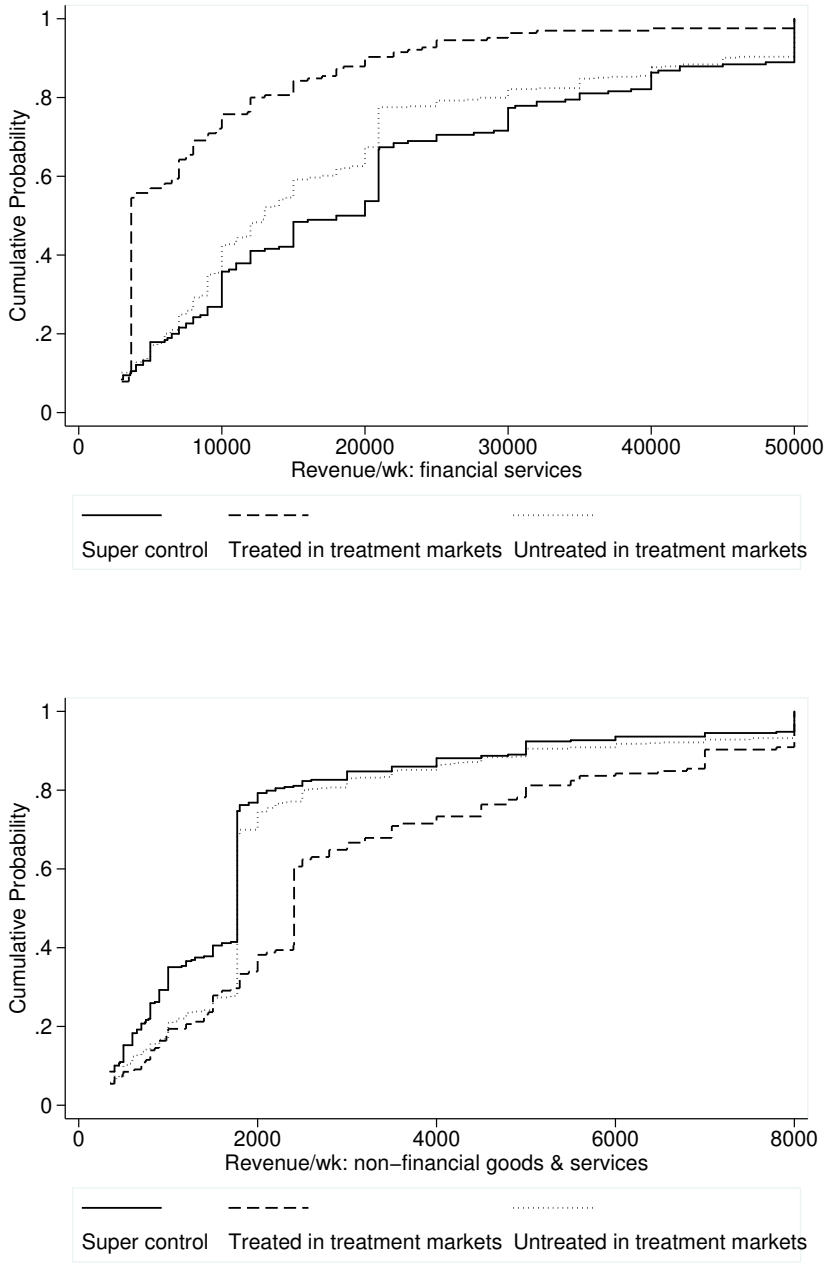
A.4 Further Results

Figure A.11: **Take-up: Randomized entry and re-organization of local markets**



Note: Administrative data from service provider.

Figure A.12: **Business revenue impacts by treatment**



Note: Figure plots distributions (CDFs) of firm revenues at endline for the different experimental subsamples. Observations are at the firm level. Revenue is sales made per week. For mobile money, this captures all cash-in/cash-out/money transfers made at financial vendor's outlet and for microenterprise goods, it captures all non-financial goods and services at the store. From a Kolmogorov–Smirnov test for the equality of distributions, p-value ≤ 0.013 in all cases for financial services and p-value ≤ 0.001 in all cases for nonfinancial goods/services.

Table A.4: PREDICTIONS ABOUT RANDOMIZED ENTRY EFFECTS

	A. Correlation of Treatment Effects with Financial Vendors' Baseline Predictions				B. Correlation of Treatment Effects with Consumers' Baseline Predictions			
	Misconduct indicator	Misconduct indicator	Consumer trust indicator	Consumer trust indicator	Misconduct indicator	Misconduct indicator	Consumer trust indicator	Consumer trust indicator
	(1a)	(1b)	(2a)	(2a)	(3a)	(3b)	(4a)	(4b)
ENTRY (δ)	-0.135***	0.008	0.105*	0.372	-0.135***	-0.044	0.105*	0.449
	(0.031)	(0.086)	(0.056)	(0.285)	(0.031)	(0.328)	(0.056)	(0.882)
x Baseline Prediction		-0.187*		-0.307		-0.099		-0.358
		(0.111)		(0.325)		(0.354)		(0.919)
Baseline Prediction		0.028		(0.355)		-0.150		0.474
		(0.080)		(0.259)		(0.301)		(0.881)
Observations	136	136	136	136	136	136	136	136
Control mean	0.366	0.366	0.472	0.472	0.366	0.366	0.472	0.472
Sample & level	Locality	Locality	Locality	Locality	Locality	Locality	Locality	Locality
Measurement	Audit study	Audit study	Consumer surveys	Consumer surveys	Audit study	Audit study	Consumer surveys	Consumer surveys

Note: Observations are either at the firm or consumer level, aggregated by locality. Dependent variables are endline audit-based and consumer survey-based measures. Includes randomization strata dummies. Heteroskedasticity-robust standard errors are reported in parenthesis.

***Significant at the 1 percent level.

**Significant at the 5 percent level.

*Significant at the 10 percent level.

Table A.5: **Heterogeneity by experimental variation in intensity of entry intervention for main outcomes**

	A. Financial [Mobile Money] Services			**B. Non-Financial [Microenterprise] Goods/Services**		
	Misconduct indicator	Markups μ	Revenue/wk (GHS)	Price major item in store (GHS)	Markups μ	Revenue/wk (GHS)
	(1)	(2)	(3)	(4)	(5)	(6)
Low ENTRY (δ_1)	-0.112***	0.001	-4309*	-35.58**	-0.054**	419.5**
	(0.040)	(0.003)	(2193)	(14.61)	(0.025)	(181.2)
High ENTRY (δ_1)	-0.215***	0.001	-5460***	-3.951	-0.062**	489.5***
	(0.037)	(0.002)	(1827)	(17.55)	(0.024)	(184.4)
Observations	1,493	136	769	766	136	1,052
Control mean	0.372	1.014	20,587	73.51	1.222	2,046
Sample & level	Firms (all) x transactions	Locality	Firms (all)	Firms (all)	Locality	Firms (all)
Measurement	Audit study	Firm surveys	Firm surveys	Firm surveys	Firm surveys	Firm surveys

Note: Observations are either at the firm or locality level. Dependent variables are endline audit-based and firm survey-based measures. Includes randomization strata dummies. Low ENTRY is an indicator for +1 entrant each treated localities, where +1 nonfinancial microenterprise was enrolled as a financial vendor and represents about 25% increase relative to either the number of incumbent financial vendors (4-5 per locality) or the number of eligible nonfinancial microenterprises pool (5 per locality). High ENTRY is an indicator for +3 entrants each treated localities, where +3 nonfinancial microenterprises were enrolled as financial vendors and represents about 70% increase relative to either the number of incumbent financial vendors (4-5 per locality) or the number of eligible nonfinancial microenterprises pool (5 per locality). Cluster-robust standard errors at market level are reported in parenthesis, except in columns (2) and (5) where heteroskedasticity-robust standard errors are reported.

***Significant at the 1 percent level.

**Significant at the 5 percent level.

*Significant at the 10 percent level.

Table A.6: **Heterogeneity by baseline number of incumbents and randomization strata for main outcomes**

	A. Financial [Mobile Money] Services			**B. Non-Financial [Microenterprise] Goods/Services**		
	Misconduct indicator	Markups μ	Revenue/wk (GHS)	Price major item in store (GHS)	Markups μ	Revenue/wk (GHS)
	(1)	(2)	(3)	(4)	(5)	(6)
ENTRY (δ) **x** Low pop. &	-0.146***	0.002	-8344***	1.925	-0.040	659.7***
Low # incumbents	(0.042)	(0.002)	(1902)	(21.33)	(0.028)	(250.1)
ENTRY (δ) **x** High pop. &	-0.164***	0.002	-8682***	-22.44	-0.058*	367.9
Low # incumbents	(0.055)	(0.005)	(2419)	(18.72)	(0.030)	(278.1)
ENTRY (δ) **x** Low pop. &	-0.148**	-0.002	-2332	6.280	-0.057	140.7
High # incumbents	(0.057)	(0.002)	(3134)	(34.29)	(0.032)	(220.5)
ENTRY (δ) **x** High pop. &	-0.198***	-0.001	-3419	-36.89***	-0.059**	426.2**
High # incumbents	(0.043)	(0.003)	(2072)	(13.80)	(0.026)	(184.7)
Observations	1,493	136	769	766	136	1,052
Control mean	0.372	1.014	20,587	73.51	1.222	2,046
Sample & level	Firms (all) x transactions	Locality	Firms (all)	Firms (all)	Locality	Firms (all)
Measurement	Audit study	Firm surveys	Firm surveys	Firm surveys	Firm surveys	Firm surveys

Note: Observations are either at the firm or locality level. Dependent variables are endline audit-based and firm survey-based measures. Low pop. denotes below average population localities and low # incumbents denotes below average number of incumbent financial vendors localities. The average population across localities is 5,000 people and the average number of incumbent financial vendors is 4.5 per locality. Cluster-robust standard errors at market level are reported in parenthesis, except in columns (2) and (5) where heteroskedasticity-robust standard errors are reported.

***Significant at the 1 percent level.

**Significant at the 5 percent level.

*Significant at the 10 percent level.

Table A.7: **Heterogeneity by both store locations and commonness of services for main outcomes**

	A. Financial [Mobile Money] Services			B. Non-Financial [Microenterprise] Goods/Services		
	Misconduct indicator	Markups μ	Revenue/wk (GHS)	Price major item in store (GHS)	Markups μ	Revenue/wk (GHS)
	(1)	(2)	(3)	(4)	(5)	(6)
ENTRY (δ) **x** Stores closer &	0.025	0.006	-9825***	-45.27***	-0.059*	967.0**
Services common	(0.059)	(0.005)	(1875)	(15.06)	(0.036)	(488.1)
ENTRY (δ) **x** Stores not closer but	-0.150*	0.001	-5222**	-0.040	-0.021	785.8
Services common	(0.079)	(0.003)	(1993)	(31.08)	(0.044)	(488.1)
ENTRY (δ) **x** Stores closer but	-0.164***	0.001	-2977	-22.52	-0.063**	339.5*
Services not common	(0.039)	(0.003)	(2265)	(17.23)	(0.026)	(176.1)
ENTRY (δ) **x** Stores not closer &	-0.215***	0.001	-5880	-16.40	-0.059**	391.2**
Services not common	(0.041)	(0.002)	(2069)	(16.01)	(0.024)	(176.4)
Observations	1,493	136	769	766	136	1,052
Control mean	0.372	1.014	20,587	73.51	1.222	2,046
Sample & level	Firms (all) x transactions	Locality	Firms (all)	Firms (all)	Locality	Firms (all)
Measurement	Audit study	Firm surveys	Firm surveys	Firm surveys	Firm surveys	Firm surveys

Note: Observations are either at the firm or locality level. Dependent variables are endline audit-based and firm survey-based measures. Includes randomization strata dummies. Stores closer is an indicator that firms in a given locality are more-than-median likely closer to each other based on geographic distance. Services common is an indicator that firms in a given locality are more-than-median likely to offer the same business services/goods. This is used to classify markets as either (i) both stores closer in location and services common among stores, (ii) stores not closer in location but services common, (iii) stores closer in location but services not common, and (iv) stores not closer in location and services not common. Cluster-robust standard errors at market level are reported in parenthesis, except in columns (2) and (5) where heteroskedasticity-robust standard errors are reported.

***Significant at the 1 percent level.

**Significant at the 5 percent level.

*Significant at the 10 percent level.

Table A.8: **Price effects and Models of competition with bundling**

	Non-Financial Goods/Services	
	Price major item in store (GHS)	
	(1)	(2)
Treated x ENTRY (β)	27.16*	
	(14.07)	
ENTRY (δ)	-35.12***	
	(13.51)	
Treated x Low ENTRY (β_1)		11.86
		(16.76)
Low ENTRY (δ_1)		-37.16***
		(13.23)
Treated x High ENTRY (β_2)		29.40
		(21.69)
High ENTRY (δ_2)		-30.88*
		(18.60)
Observations	512	512
Control mean	73.59	73.59
Analysis sample & level	L & UL entrants	L & UL entrants
Measurement	Firm surveys	Firm surveys

Note: Observations are either at the firm or locality level. Dependent variables are endline audit-based and firm survey-based measures. Includes randomization strata dummies. L denotes lucky entrants and refers to nonfinancial microenterprise stores onboarded as financial vendors. UL denotes unlucky entrants and refers to nonfinancial stores not onboarded as financial vendors.Cluster-robust standard errors at market level are reported in parenthesis.

***Significant at the 1 percent level.

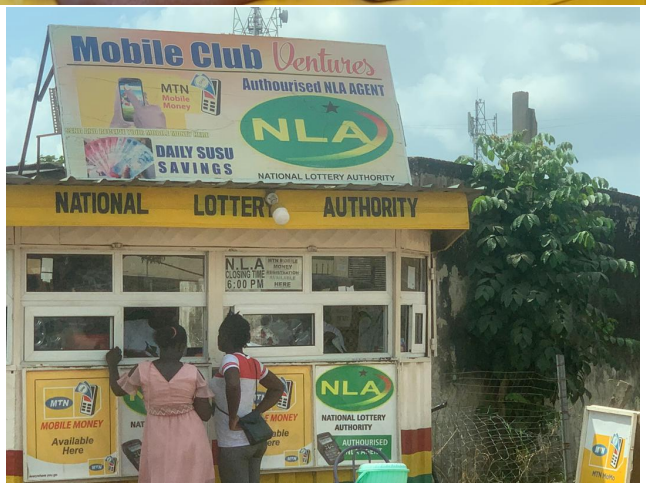
**Significant at the 5 percent level.

*Significant at the 10 percent level.

Financial Mobile Money Vendor Outlets [MOMO]

Figure A.13: **MOMO: VENDOR POINTS – PHOTOS**





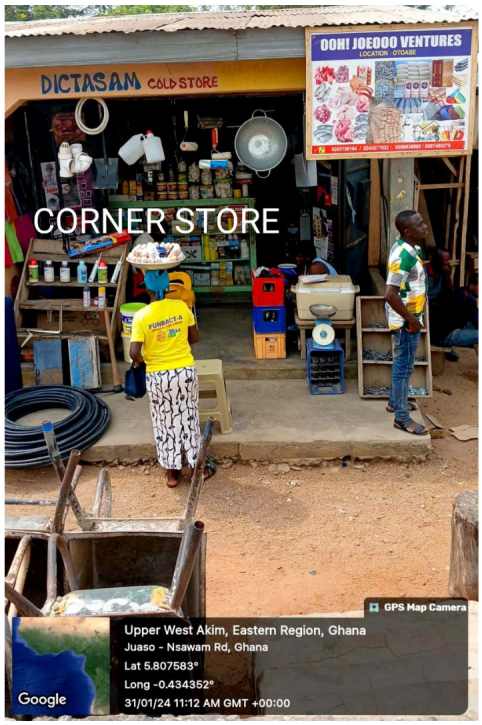




Note:

Nonfinancial Microenterprise Outlets [MICROE]

Figure A.14: **MICROE: MICROENTERPRISES – PHOTOS**





Note:

A.5 Surveys - Select Measurement Questions

A. Financial Mobile Money Services

Qx. [Revenue/week (GHS)] What was the total MOMO business sales made during the last 7 days/ last week (MOMO revenues)? (NOTE: think about all cash-in and cash-out transaction volume records) `ghs`

Qx. [Profit/week (GHS)] What was the total MOMO business income earned during the last 7 days / last week after paying all expenses including wages of employees, but not including any income you [owner] paid yourself? [NOTE: think about Total commissions -Wage expenses to MOMO worker(s) + any extra money that the Providers pay you] (MOMO profits) `ghs`

Qx. [Hours of work/week (hrs)] How many hours did you operate your MOMO shop during the last 7 days/last week (labor supply)? `...hours (estimate)`

Qx. [Capital investment last 3mn (GHS)] Consider the last 90 days -- how much capital (both physical + e-cash) are you using for your MOMO business? `...ghs (estimate)`

Qx. [No. customers/week] Total number of customers that transacted / did MOMO business with your business during the last 7 days/ last week (excluding the owner; customers)? `...number (estimate)`

B. Non-financial Microenterprise Goods/Services

Qx. [Revenue/week (GHS)] What was the total business sales made during the last 7 days/ last week (revenues)? `ghs`

Qx. [Profit/week (GHS)] What was the total business income earned during the last 7 days / last week after paying all expenses including wages of employees, but not including any income you [owner] paid yourself? [NOTE: think about Total Profits/Revenues-Wage expenses to worker(s)] (nonmomo profits) `ghs`

Qx. [Major item in store] What is the major product or service item you offer at your store? `[please provide the one that brings you the highest sales or customers] enter`

Qx. [Price major item in store (GHS)] What is the selling price of this item in your store now? `ghs`

Qx. [Digital payments] Which way do you use or accept payment technologies or df? (multiple responds allowed) `SELECT ALL APPLICABLE (MULTIPLE): 1=pay employees (B2E), 2=pay bills (electricity, water, taxes, etc.) (B2G), 3=pay input suppliers (B2B), 4=accept as payments for output to customers/buyers (C2B), 5=accept loans on it (B2B), 6=accept payments from government on it (G2B), 7=i don't use or accept any payment technologies or df, 8=other (specify)...`

Qx. [No. customers/week] Total number of customers that transacted / did business with your business during the last 7 days/ last week (excluding the owner; customers)? `...number (estimate)`

C. General Questions

Qx. [Hours of work/week (hrs)] How many hours did you operate your shop during the last 7 days/last week (labor supply)? `...hours (estimate)`

Qx. [Capital investment last 3mn (GHS)] Consider the last 3 months / last 90 days -- how much capital are you using for all your businesses (both MOMO and NONMOMO)? `...ghs (estimate)`

Qx. Qx. [Listing of services in store] Now – Can we list all services/products/goods you offer? `SELECT ALL APPLICABLE: 1=MOMO (Cash-In and Cash-Out), 2=Provisions (Groceries, Beverages, Cream, Toothpaste, Bread/Drinks, Appliances etc), 3=Pharmacy/Herbal/Drug store., 4=Agrochemicals & Farm Tools., 5=Digital (Printing Press, Airtime, SIMs, Phones, Bookshop and Phone Accessories, etc)., 6=Tailoring., 7=Beautician (Hairdressing, Barbaring, Perdicure, Menicure, etc)., 8=Fashion (Clothing, Garments, Shoes, Wigs, Boutiques, etc)., 9=Electricals., 10=Building Materials (cements, woods, iron rods, plumbing, roofs, etc)., 11=Drinking Spot. , 12=Others - specify .....`

Qx. [Total household expenses (GHS)] What is the total household expenses (i.e., food, bills, education, health, durables/appliances/accessories, personal care, durables) made over the last 30 days/ last month by your household? `ghs`

Qx. [Total household rice-only expenses] Have you purchased a bag of rice from any shop within this community over the past 30 days/ last month? [any brand] `1=yes 2=no`

Qx. [Total household rice-only expenses (GHS)] What is the total expenditure for your rice purchase over the past 30 days/ last month? `ghs`

Qx. [Consumer trust] How much do you trust each of the following or you haven't you heard enough to say? `1=not at all, 2=very little, 3=somewhat, 4=a lot, 5=haven't heard enough to say`

- (xa) Mobile Money provider-MTN MOMO
- (xb) Mobile Money provider-VodaCash
- (xc) Mobile Money provider-Tigo-Cash
- (xd) Mobile Money provider-G-Money
- (xe) Mobile Money Agents

- (xf) Carrying out transaction with Mobile Money agents (cash-in, cash-out, transfers, opening accounts, etc.)
- (xg) Consumer's family and friends
- (xh) Microfinance Institutions
- (xi) Commercial and Rural Banks (e.g., ADB, GCB, Fanteakwa Rural Bank, Kwahu Rural Bank, etc.)
- (xj) Bank of Ghana (the regulator of financial services in Ghana)

Qx. [Consumer trust] In my view, consumers mistrust M-Money vendors in this locality. NOTE: "consumer mistrust" = general lack of trust towards both vendors and conducting services at vendor points. `1=Agree, 2=Disagree`

Qx. [Vendor misconduct] In my view, overcharging is a common major issue at retail M-Money vendor points. NOTE: "Overcharging" = tendency for a vendor to overcharge consumers for services. `1=Agree, 2=Disagree`

Qx. [Home-based purchases] In the past 6 months/ past 180 days, did you do most of your mobile money transactions inside or outside this community? `1=own community, 2=outside community`

Qx. [Home-based purchases] Where did you do either your last momo or non-momo transaction? `1=own community, 2=outside community`

A.6 Auditors' Training - Measuring Financial Vendor Misconduct

- Attempt the following transactions:
  - (i) t1: cash-out (140ghs) + (ii) t2: SIM purchase + (iii) t3: open account (deposit 5ghs and verify);
  - (iv) t4: cash-in (140ghs);
  - (v) t5: otc / third-party transfer (140ghs) + (vi) t6: airtime purchase (10ghs), where the modal transaction across these local markets is roughly 140ghs
- Respondents: 3 incumbents per village (the same ones as selected for the baseline audit) (n=357) + all lucky entrants (n=181)

- **Transaction approach:** We all use the following very simple language and approach, no deviations allowed: (1) Good morning/afternoon/evening. I want to make a MOMO transaction [use code: A. t1-t3, B. t4, C. t5-t6]. (2) Present the necessary details: phone number and sender or recipient's details. Follow the instructions given to you by the agent and don't ask about fees and alternatives upfront. Keep the conversation friendly, natural, and focused on the transaction. (3) Thank you for your service. (4) Right after the visit, immediately complete the short questionnaire (see the Questions below) using your assigned tablets.

Select Measurement Questions:

Qx. What is your mobile money balance before transacting? [CHECK YOUR BALANCE IN YOUR ACCOUNT USING THE MOBILE APPLICATION AFTER THE AUDIT VISIT] ...ghs

Qx. Take a screenshot of your balance before your audit visit and upload it here.

Qx. Please select the group of transaction types you will be completing with this agent today based on your tracking sheet. A: 1=cash-out (140ghs), 2= SIM purchase, 3= open account (deposit 5ghs and verify), B: 4= cash-in(140ghs), C: 5= over-the-counter/ transfer (140ghs), 6= airtime purchase (10ghs) ...A= 1,2,3; B= 4; C= 5,6

Qx. Which provider will you use for this mystery shopping visit? 1=MTN M-Money, 2=Tigo-AirtelCash, 3=VodaCash, 4=G-Money

Qx. [This is the X attempt to this agent for this group of transaction(s)]...X=1 if first attempt, X=2 if second attempt, X=3 if third and last attempt

Qx. Was the agent present when you visited? 1=yes, 2=no, 3=lucky entrant not operational yet

Qx. Was the price list posted, visible, clear, or clarified? 1=yes, 2=no

Qx. For which providers, does the agent have a price list displayed? SELECT ALL APPLICABLE (MULTIPLE): 1=MTN M-Money, 2=Tigo-AirtelCash, 3=VodaCash, 4=G-Money

Qx. Was the transaction successful (able to complete the assigned transaction)? 1=yes, 2=no

Qx. If unsuccessful, did the agent explain why the transaction failed before you asked? 1=yes, 2=no

Qx. If unsuccessful -- what reason did the agent give for the transaction not succeeding? 1=network down, 2=lack of float/ insufficient liquidity, 3=agent says this type of transaction is not possible with this provider, 4=agent doesn't know how to do the transaction, 5=agent offer the service (e.g., SIM, open account) but is out of stock now, 6=location does not offer the service at all, 7= Other (specify)...

Qx. Wait or queue time: How many minutes did you wait before you were served? `if you did not have to wait enter 0 (mins) minutes`

Qx. Transaction time: How many minutes did you spend conducting the transaction with agent? `(min) minutes`

Qx. Did the agent discuss and/or well-inform you of the price before conducting the transaction? `1=yes, 2=no`

Qx. How much in total did you pay to complete the transaction? This includes all fees charged to your account by the provider, all extra funds transferred to the agent's account, and all extra cash given to the agent. Do not count in the transaction value. Remember to include taxes. `(ghs) ghs`

Qx. Did the agent tell you how much the fee was, and if so when? `1=agent did not ever state the fee, 2=agent told me the fee before completing the transaction, 3=agent told me the fee after completing the transaction.`

Qx. Did the agent tell you whether you would pay cash or from your account (or both) before completing the transaction? `1=yes, with cash, 2=yes, from the account, 3=yes, with cash and from the account, 4=no`

Qx. How did you pay the fee? `SELECT ALL APPLICABLE (MULTIPLE) 1=fee was automatically deducted from my account by the provider, 2=fee was sent from my account to the agent, 3=fee was paid in cash`

Qx. How much did you pay in fees that was automatically deducted from your account by the provider? `ghs`

Qx. How much did you pay in fees to the agent from your account? `ghs`

Qx. How much of the fee did you pay in cash? `ghs`

Qx. The allocation of fees between provider, account, and cash does not equal to the total fees you said you were charged. Please check your inputs again: [sum 19, 20, 21] = 15 `...ghs`

Qx. Enumerator verification: check your sms receipt. Did the receipt show a total charge of more than 141.4ghs for the 140 cash out you just did? If yes, enter the total charge from the receipt. Enter ghs if yes (overcharged), `Enter 999 if no (not overcharged) [ONLY show this question for Q3=A and transaction type = T1]`

Qx. Enumerator verification: call your colleague recipient to verify if a total of 140ghs was received or less. If no, enter the total amount the recipient received. `Enter ghs if no (overcharged) Enter 999 if yes (not overcharged) [ONLY show this question for Q3=C and transaction type = T5]`

Qx. Enumerator verification: enter the amount of cash you handed over to the agent for 10ghs airtime: `Enter the amount of airtime you received CAPI: two fill numbers in the blank; Enter cash handed over (...ghs); Enter airtime received (...ghs); Enter AGENT NUMBER from your airtime SMS receipt (...10 digits) [ONLY show this question for Q3=C and transaction type = T6]`

Qx. What is the official fee or rate for this transaction? `ghs`

Qx. [Misconduct incidence] Was the transaction overcharged? (Hint from CAPI: "The correct official fee or rate for this transaction T is X") X = 1.4ghs and automatically deducted if T1, X = 10ghs cash to the agent if T2, X = minimum 5ghs cash to the agent to be deposited in your account (so verify) if T3, X = 0ghs if T4, X = 1.4ghs cash to the agent if T5, X = 0ghs, you should receive exactly the amount of cash you gave to the agent if T6 `...1=yes 2=no`

Qx. [Misconduct severity] If overcharged, then by how much? `ghs`

Qx. Did you receive any confirmation (receipt, paper, code, etc.) after the transaction was completed? `1=yes, 2=no`

Qx. Please upload a photo of the confirmation [Use the screenshot function on your phone, not a different phone]

Qx. What is your mobile money balance after transacting? [CHECK YOUR BALANCE IN YOUR ACCOUNT USING THE MOBILE APPLICATION AFTER THE AUDIT VISIT] `ghs`

Qx. Take a screenshot of your balance after your mystery shopping visit and upload it here.

Qx. Was the transaction simulated or actual? `1= simulated, 2= actual` [ONLY show this question for Q3=A and transaction type = T2 or T3]

A.7 Training - Measuring Consumer Trust

This game is played by pairs of individuals locality by locality: i.e., 10 select MOMO consumers (trustors) vs one randomly selected anonymous MOMO agent (trustee). Each pair is made up of a **Player 1 (select MOMO consumers; trustors)** and a **Player 2 (anonymous MOMO agent; trustee)** from the same locality. None of you will know exactly with whom you are playing with. Only [Insert name of researcher; RA XX] knows who is to play with whom and will never tell anyone else. [Insert name of researcher; RA XX] will give 40ghs to each Player 1. Player 1 then has the opportunity to give a portion of their 40ghs to Player 2. They could give 40ghs, or 30ghs, or 20ghs, or 10ghs, or nothing 0ghs. Whatever amount Player 1 decides to give to Player 2 will be tripled by the research before it is passed on to Player 2. Player 2 then has the option of returning any portion of this tripled amount to Player 1.

Then, the game is over.

Player 1 (MOMO consumers) goes home with whatever he or she kept from their original 40ghs, plus anything returned to them by Player 2. Player 2 (MOMO agent) goes home with whatever was given to them by Player 1 and then tripled by [Insert name of researcher; RA XX], minus whatever they returned to Player 1.

TRIAL EXAMPLES – ONE BY ONE (Enumerators Task)

Here are some examples [you should work through these examples by having all the possibilities laid out in front of people, with Player 1's options from 40ghs to 0ghs and a second column showing the effects of the tripling. As you go through each example demonstrate visually what happens to the final outcomes for each Player:

- EG 1: Imagine that Player 1 gives 40ghs to Player 2. [Insert name of researcher] triples this amount, so Player 2 gets 120ghs (3 x 40ghs = 120ghs). At this point, Player 1 has nothing and Player 2 has 120ghs Then Player 2 has to decide whether they wish to give anything back to Player 1, and if so, how much. Suppose Player 2 decides to return 30ghs to Player 1. At the end of the game Player 1 will go home with 30ghs and Player 2 will go home with 90ghs.
- EG 2: Imagine that Player 1 gives 20ghs to Player 2. [Insert name of researcher] triples this amount, so Player 2 gets 60ghs (3 x 20ghs = 60ghs). At this point, Player 1 has 20ghs and Player 2 has 60ghs. Then Player 2 has to decide whether they wish to give anything back to Player 1, and if so, how much. Suppose Player 2 decides to return 30ghs to Player 1. At the end of the game Player 1 will go home with 50ghs and Player 2 will go home with 30ghs.
- EG 3: Imagine that Player 1 gives nothing to Player 2. There is nothing for [insert name of researcher] to triple. Player 2 has nothing to give back and the game ends here. Player 1 goes home with 40ghs and Player 2 goes home with 0ghs.

Now, can you work through this example for me (Players task):

Imagine that Player 1 gives 10ghs to Player 2. So, Player 2 gets 30ghs (3 x 10ghs = 30ghs). Then, suppose that Player 2 decides to give 10ghs back to Player 1.

- Q1: At the end of the game Player 1 will have how much? [ENUMERATOR: The initial 40ghs-10ghs (given to Player 2) = 30ghs + return from Player 2 of 10ghs = 40ghs. If they are finding it difficult, talk through the math with them and be sure to use demonstration with the actual money; repeat process if necessary].

- Q2: And Player 2 will have how much? [ENUMERATOR: 60ghs (after the tripling of the 30ghs sent by Player 1) - 10ghs they returned to Player 1 = 50ghs. If they are finding it difficult, talk through the math with them; repeat process if necessary].

NOW LET'S PLAY THE GAME FOR REAL MONEY – ONE BY ONE

First player: You are Player 1 (MOMO consumers). Here is your 40ghs. [At this point 40ghs is placed on the table in front of the player.] While I [RA] am turned away, you must hand [Insert name of researcher; RA XX] the amount of money you want to be tripled and passed on to Player 2. You can give Player 2 nothing 0ghs, 10ghs, 20ghs, 30ghs, or 40ghs (**NB: Taking into account all contingencies and risks**). Player 2 will receive this amount tripled by me. Remember the more you give to Player 2 the greater the amount of money at his or her disposal. While Player 2 is under no obligation to give anything back, we will pass onto you whatever he or she decides to return. [Now the player hands back whatever he or she wants to have tripled and passed to player 2.]

[ENUMERATORS: NOW ASK CONSUMER]:

- What will be the MAXIMUM (in the best possible case) you would expect Player 2 to send back to you? [ENUMERATOR COMPLETE THIS, SEE FIRST PLAYER SCRIPT] _____ghs (max)
- What will be the MINIMUM (the worst possible case) you would expect Player 2 to send back to you? [ENUMERATOR COMPLETE THIS, SEE FIRST PLAYER SCRIPT] _____ghs (min)
- Taking into account all contingencies and risks -- how much do you expect Player 2 (anonymous MOMO agent) to send back to you? [ENUMERATOR COMPLETE THIS, SEE FIRST PLAYER SCRIPT] _____ghs

[Note to researcher; RA XX: Finish all Player 1's and send them to a third holding location— they must not return to the group of Player 1's who have not played and they must not join the Player 2's. Once all Player 1's have played you can begin to call Player 2's. Player 2's can be paid off immediately after they play and sent home.]

Second player: You are Player 2 (MOMO agent). This pile represents Player 1's initial 40ghs. [Put this 40ghs in front of the researcher.] Now [Insert name of researcher; RA XX] will show you how much Player 1 decided to give to you. It will be tripled. Then you must hand back the amount that you want returned to Player 1. [Take Player 1's offer out of the pile representing Player 1's stake and put it down in front of Player 2. Then add to Player 1's offer to get the tripled amount. Receive back Player 2's response.] Remember, you can choose to give something back or not. Do what you wish. While I [RA] am turned away,

you must hand [Insert name of researcher; RA XX] the amount of money you want to send back to Player 1. [Now the player hands back his return for Player 1.] You are now free to go home, but do not visit with any of the waiting players.

Select Measurement Questions:

Qx. The amount Player 1 (MOMO consumer) handed back to RA to be tripled and passed to Player 2 (anonymous MOMO agent)? [ENUMERATOR=OFFICER 1 COMPLETE THIS] ___ghs

Qx. What will be the MAXIMUM (in the best possible case) you would expect Player 2 to send back to you? [ENUMERATOR=OFFICER 1 COMPLETE THIS, SEE FIRST PLAYER SCRIPT] ___ghs (max)

Qx. What will be the MINIMUM (the worst possible case) you would expect Player 2 to send back to you? [ENUMERATOR=OFFICER 1 COMPLETE THIS, SEE FIRST PLAYER SCRIPT] ___ghs (min)

Qx. Taking into account all contingencies and risks -- much do you expect Player 2 (anonymous MOMO agent) to send back to you? [ENUMERATOR=OFFICER 1 COMPLETE THIS, SEE FIRST PLAYER SCRIPT] ___ghs

Qx. How confident are you of your answers to Q2a-Q2c? 1=No confidence at all, 2=Not very confident, 3=Somewhat unconfident, 4=Somewhat confident, 5=Very confident, 6=Certain

Qx. Under Players Task (SEE TRAIL EXAMPLES SCRIPT), how many attempts did it take Player 1 (MOMO consumer) to answer both follow-up questions correctly? [ENUMERATOR=OFFICER 1 COMPLETE THIS] 1=Correct at first attempt, 2= Correct at second attempt, 3= Correct at third attempt, 4= Correct at fourth attempt, 5= Correct at fifth attempt, 6= Correct at six and above attempts

Qx. Much money did Player 2 (anonymous MOMO agent) send back to Player 1 (MOMO customer)? [ENUMERATOR=OFFICER 2 COMPLETE THIS, SEE FIRST PLAYER SCRIPT] ___ghs

Qx. ASK PLAYER 1 TO ENTER ADDITIONAL COMMENTS. . . [ENUMERATOR=OFFICER 1 COMPLETE THIS] ENTER TEXT

Qx. ASK PLAYER 2 TO ENTER ADDITIONAL COMMENTS. . . [ENUMERATOR=OFFICER 2 COMPLETE THIS] ENTER TEXT

Qx. What was the TOTAL payout to Player 1? [ENUMERATOR=OFFICER 1 COMPLETE THIS] ___ghs

Qx. What was the TOTAL payout to Player 2? [ENUMERATOR=OFFICER 2 COMPLETE THIS] ___ghs

Figure A.15: TRUST GAME IN PICTURES

