

How Mobile Money Adoption Changes the Consumption Basket

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Abstract

Payments innovations are critical for retailers in emerging markets, and with the growth of smartphones and mobile applications, mobile payments methods seem a strategic tool to engage customers. Using household quasi-experimental data, we study how the adoption of a mobile money service innovation impacts the consumption basket of consumers in emerging economies via their consumption expenditure. Applying the nearest-neighbor matching method, we found that mobile money adoption has a significant effect on households' aggregate consumption expenditure and to a large extent their consumption baskets and consumption patterns.

Keywords: *Mobile money; Mobile marketing; Consumer behavior*

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