



ALLAN SHARAD | 665782

IQBAL SHARIFF | 665356

MyChama

Connecting Savings Groups to Smart Financial Tools

School of Science and Technology, United States International

University-Africa

APT3065 Mid-Term Project

Data Gathering Summary

1. Introduction

To understand the feasibility, user needs, and market potential of the MyChama digital platform, both primary and secondary data were collected. This dual approach ensured a combination of direct user feedback and validated, existing data sources. The aim was to uncover challenges, expectations, and technological readiness among savings groups (chamas), as well as assess the regulatory and market environment for digital financial tools in Kenya.

2. Primary Data Collection

2.1 Methodology

We used four key tools for primary data collection: surveys, interviews, focus groups, and field observations. Each method targeted specific stakeholder categories including chama members, leaders (chairpersons, treasurers, secretaries), and fintech professionals.

- Surveys were distributed via Google Forms and WhatsApp to ensure accessibility.
- Semi-structured interviews were conducted in person and via Zoom.
- Focus groups were held in the urban chama members to foster deeper discussion.
- Field observations were conducted during three scheduled chama meetings to study manual processes, communication methods, and record-keeping habits.

2.2 Participants and Sample Size

A total of 66 individuals participated in the primary data gathering process:

- 50 survey respondents from 15 different chamas in Nairobi.
- 12 interviewees, including treasurers, secretaries, and fintech experts.
- 1 focus groups (6–8 participants) in Nairobi.

- 3 chama meetings were observed directly.

2.3 Key Insights from Primary Data

Several patterns emerged:

- a. Manual record-keeping is still dominant in over 75% of the groups surveyed, leading to frequent errors and disputes.
- b. Transparency issues were repeatedly raised; many members do not receive regular financial updates or reports.
- c. Loan tracking is a major pain point. Most groups manage loans on paper, with unclear balances and delayed repayments.
- d. Mobile money (M-Pesa) is commonly used, but not always integrated with any tracking system, leading to reconciliation challenges.
- e. Members are tech-aware but not tech-savvy. While smartphone usage is high (over 80%), most prefer very simple, intuitive apps.
- f. Communication and meetings are often disorganized, relying heavily on WhatsApp chats or last-minute phone calls. Members expressed interest in structured scheduling, digital agendas, and voting tools.
- g. Leadership roles are often overburdened due to manual follow-ups and limited support tools.

3. Secondary Data Collection

3.1 Sources Used

We consulted a broad range of credible sources:

- Academic literature on digital transformation in informal finance (e.g., Kariuki & Omwenga, 2019; Mburu & Ouma, 2020).
- Government data from the Kenya National Bureau of Statistics (KNBS, 2023) and Central Bank of Kenya (FinAccess 2021 Survey).
- Industry reports from FSD Kenya, PwC (2022), and GSMA (2021) covering fintech adoption and mobile money trends.
- Market news outlets, such as TechTrendsKE, highlighting user trends and digital savings app usage in Kenya.
- Regulatory documentation, including the Data Protection Act, 2019 and guidelines by the Office of the Data Protection Commissioner (ODPC, 2023).

3.2 Summary of Insights from Secondary Data

Kenya presents a significant market opportunity for digital financial platforms targeting informal savings groups. According to the Kenya National Bureau of Statistics (KNBS, 2023), there are over 300,000 active chamas in the country, collectively managing an estimated KES 100 billion annually, most of which is handled through informal means. This volume of financial activity underscores the potential impact that digitization could have in improving efficiency, transparency, and accountability within these groups.

In addition, the widespread adoption of mobile money in Kenya, with over 32 million active users as of 2021 (GSMA, 2021), provides a strong foundation for mobile-based financial management tools. Users appear increasingly ready to embrace digital solutions. Reports by FSD Kenya and PwC (2022) indicate that many individuals are willing to adopt fintech platforms if they are user-friendly, transparent, and trustworthy. This readiness is a key driver of innovation and suggests high adoption potential for platforms like MyChama.

At the policy level, the government is actively supporting digital inclusion through frameworks such as the Digital Economy Blueprint (Kenya ICT Authority, 2022). Data protection and user privacy are being addressed through laws and standards implemented by the Office of the Data

Protection Commissioner (ODPC, 2023). Despite these advances, studies by Kariuki and Omwenga (2019) and Wambua and Mutisya (2021) reveal ongoing challenges among chamas, including weak governance structures, limited accountability mechanisms, and gaps in digital literacy. These issues must be carefully considered and mitigated by any digital solution aiming for long-term success in this space.

4. Conclusion

The primary and secondary research phases revealed consistent patterns of inefficiency, mistrust, and poor record-keeping within chamas. These challenges are compounded by a lack of digital tools designed specifically for group financial management. However, the readiness of users to transition to digital solutions; especially mobile-first tools is evident. MyChama is well-positioned to address these gaps by providing an easy-to-use platform that supports contribution tracking, financial transparency, digital communication, and data security. The findings from both data streams will directly inform system design, features prioritization, and implementation planning.

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Appendix

Appendix A: Sample Survey Questions for Chama Members

Section 1: General Information

1. What is your age range?
☐ 18–24 ☐ 25–34 ☐ 35–44 ☐ 45–54 ☐ 55+
2. What is your gender?
☐ Male ☐ Female ☐ Prefer not to say
3. Where is your chama located?
☐ Urban ☐ Semi-urban ☐ Rural

Section 2: Group Operations

1. How does your chama currently track member contributions?
☐ Manual ledger ☐ Excel/Spreadsheets ☐ Mobile app ☐ Other (specify)
2. What challenges have you experienced in managing group finances?

Section 3: Technology Use

1. Do you use a smartphone?
☐ Yes ☐ No
2. Are you comfortable using mobile applications for financial tasks?
☐ Yes ☐ No ☐ Somewhat
3. Would you be willing to adopt a digital platform for your chama if it improves transparency and convenience?
☐ Yes ☐ No ☐ Maybe

Appendix B: Interview Guide for Chama Leaders (Treasurers, Secretaries)

Introduction

- Brief explanation of research purpose and consent.
- Duration: 15–20 minutes.

Questions

1. Can you describe your current system for managing contributions and loans?
2. How do you notify members about meetings or payments?
3. What are the biggest challenges in your role as a treasurer/secretary?
4. Have you ever used a digital tool to help you manage group finances?
5. What features would be most helpful in a mobile app for chama management?
6. What concerns do you have about digitizing your group's records?

Appendix C: Focus Group Discussion Guide

Participant Profile: 6–8 chama members of different roles, in either urban, peri-urban, or rural groups.

Discussion Themes

1. Trust & Transparency: What makes you trust or mistrust how your chama is run?
2. Record-Keeping: How accurate are your group's records? Have you had disputes?
3. Technology Use: What do you currently use for group communication or money management?
4. Feature Brainstorm: What would an ideal chama app help you do?

Appendix D: Field Observation Checklist

Field Observation Checklist Table

Item	Observed	Comments
Manual recording of contributions	Yes / No	E.g., ledger book or notebook
Mobile money transactions	Yes / No	M-Pesa, Airtel Money, etc.
Use of digital tools	Yes / No	Specify any if observed
Meeting structure	Yes / No	Agenda, voting, minutes kept
Leader-member interaction	Strong / Weak	Based on trust, feedback