



*Mozambique Entrepreneurial Environment Report 2021*  
Understanding and working with micro-entrepreneurs in Mozambique

Women IN Business (WIN) Program  
TechnoServe Mozambique



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# Executive summary

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## Background

**This report sets out to fill in the missing information around micro-entrepreneurs in Mozambique and how to engage them further in the economy: the context, entrepreneurial behaviors and business practices that affect their everyday life and growth opportunities.**

Mozambique's entrepreneurial culture is constantly evolving because of ongoing socio- economic, political, technological, and cultural changes. Harnessing Mozambique's entrepreneurial spirit will be critical to driving the economy.

Resources, such as the Global Entrepreneurship Index (GEI) from The GEDI Institute, or the World Bank's "Doing Business" platform provide a high-level understanding of a country's entrepreneurial ecosystem, especially regarding access to financial resources, infrastructure, markets, and political developments.

However, these sources primarily assess areas of opportunity among SMEs, usually defined as established registered companies. There is limited information on the vast majority of entrepreneurs in Mozambique, who are informal and small or even micro in scale. There is almost no data available dis-aggregated by male and female entrepreneurs.

The private sector is increasingly engaging with models such as last-mile distribution and mobile technology to reach the informal sector. Information about this target group can help organizations better tailor their products, services and business models.

## Key Findings

Perceptions and expectations related to business

- Mozambican micro-entrepreneurs are mostly confident in the way they manage their businesses
- Mozambican micro-entrepreneurs are also confident about the future, despite current economic challenges

Trends in business practices and activities

- Overall, there are very few good business practices that are widely undertaken by micro-entrepreneurs
- Within sales practices, customer service is a more popular practice than marketing or promotions
- Financial management practices are particularly poor, with the most common practice (savings) reported by only 31% of micro-entrepreneurs
- The most common practice applied in managing stock are organizing their stock properly (40%) and regularly planning stock purchases (29%)
- Micro-entrepreneurs mostly invest in their current business than new endeavors, and generally prefer investing in new equipment for productive activities
- Investment activity is more common among men and among youth
- Many micro-entrepreneurs were able to save despite the COVID-19 pandemic, with M-Pesa being the single most used platform
- Formal savings methods are more common among men, and among youth
- Overall, business practices have a higher adoption among younger generations than older, whereas gender plays less of a role

### Women-owned businesses

- Women-owned enterprises are often overlooked as clients or suppliers
- The perception of women in the workforce is evolving but is still rife with paradoxes; women micro-entrepreneurs still navigate within a patriarchal system
- Women are perceived to be capable of managing businesses and feel supported by their families
- Men are far more skeptical in women's abilities to manage their households and businesses concurrently. And more than half of men believe that there are certain businesses or activities that women cannot do

- Communication with micro-entrepreneurs needs to use multiple platforms, taking into account disparities in access between urban and rural populations
- Companies can consider combining the tradition of word-of-mouth channels with new means like social media, for example by using social influencers

### Communication channels and habits

- Most micro-entrepreneurs, especially women, prefer informal to formal means of communication
- TV and radio are convenient forms of communicating with micro-entrepreneurs in urban settings
- Internet and social media use is growing rapidly, but still mostly concentrated in urban areas. Lower-income entrepreneurs engage only with basic applications, such as WhatsApp

### Conclusions and recommendations

- Companies can capitalize on optimism among entrepreneurial Mozambicans, who want to evolve their businesses for the better
- Knowledge building and improved business practices are key areas where companies can support micro-entrepreneurs and grow in parallel with them
- Financial services are a critical and convenient entre point to working with micro-entrepreneurs. Women and younger people can particularly benefit

## About WIN and TechnoServe

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Women IN Business (WIN) is a five-year program launched by the Swedish Development Cooperation Agency (Sida) in 2019 and implemented by TechnoServe. WIN works through private and public sector partners to help organizations realize the opportunity of working with women entrepreneurs, leading to business growth and economic empowerment.

TechnoServe is a non-profit focused on business solutions to poverty, with offices in more than thirty countries around the world and a presence in Mozambique for over twenty years.

# 1. Methodology

## 1.1. Report objective

This report references findings from two baseline surveys undertaken by IPSOS for the WIN program. The surveys' purpose was to establish the current situation of women entrepreneurs and measure the impact of various investments made by the program.

Additional experience from the WIN team in supporting businesses to engage low-income entrepreneurs is also leveraged in this report.

Using the main insights from these surveys, this report highlights entrepreneurship findings and seeks to summarize the present reality of women and men entrepreneurs in Mozambique, in order to help actors in the public or private sector better understand and target this audience.

## 1.2. Sampling

Study 1 is the main source of information for this research, and was conducted in-person, through IPSOS data collection teams spread across Mozambique.

540 men and women micro-entrepreneurs were randomly selected, during December 2020 and January 2021.

Study 2 involved a sample size of 1,050 and a margin of error of 5.2% for a 95% confidence level. The target criteria included individuals aged 15 years old and above, residents in the urban and peri-urban areas of capital cities, who are either unemployed, inactive, or active informal micro-entrepreneurs.

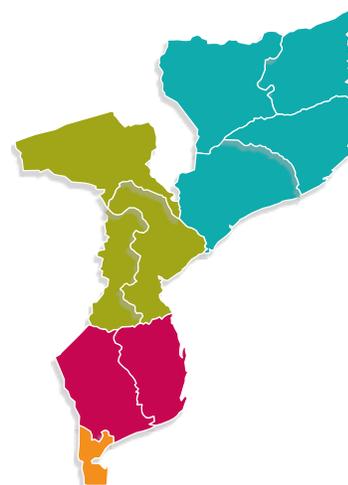
For the purposes of this report, Study 2 was used to corroborate findings from Study 1. If the findings differed, it is noted throughout the report.

## 1.3. Location of study

The studies were conducted in all provinces of Mozambique, mainly in urban areas of capital cities. Both studies are similarly distributed, but as seen on Figure 1, the North Region is the main source of responses and the South Region provides the least amount of responses.

Figure 1: Province of Residence and Province Map

Region	Study 1	Study 2
<b>North</b>	<b>44%</b>	<b>41%</b>
Nampula	19%	4%
Cabo Delgado	2%	8%
Niassa	7%	18%
Zambézia	16%	11%
<b>Center</b>	<b>19%</b>	<b>25%</b>
Manica	6%	7%
Sofala	7%	10%
Tete	6%	8%
<b>South</b>	<b>11%</b>	<b>13%</b>
Gaza	5%	5%
Inhambane	6%	8%
<b>Maputo Area</b>	<b>26%</b>	<b>21%</b>
Maputo Province	15%	13%
Maputo City	11%	8%



## 2. Introduction

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### 2.1. Context

Much economic activity in Mozambique remains informal. Approximately 40% of the country's GDP is currently produced in the informal economy — about average for Sub-Saharan Africa. In fact, more than 80% of economically active Mozambicans operate their small businesses in the informal sector.<sup>1</sup>

Representing the majority of working-age Mozambicans, micro-entrepreneurs have massive potential as clients and service suppliers to larger companies. Recognizing this, the private sector is increasingly engaging with models such as last-mile distribution and mobile technology to reach the informal sector. Information about this segment can help organizations better tailor their products, services and business models.

Considering how access to communication means is still developing in Mozambique, understanding how entrepreneurs consume information is critical for helping the private sector/potential partners understand the best means of disseminating information.

### 2.2. Key characteristics of micro-entrepreneurs in Mozambique

Given the overwhelmingly informal nature of the Mozambican economy, it is useful to divide entrepreneurs into two types: opportunity and necessity entrepreneurs, the former are largely driven by perceived opportunities while the latter are driven by need. This distinction is important because opportunity entrepreneurs are usually better prepared, have superior skills, and earn more than necessity entrepreneurs. **Most micro-entrepreneurs in Mozambique fall into the necessity category, characterized by seasonal work and lower incomes from the informal sector**, namely from farming or agriculture as well as petty trade and low-skilled services (“biscate”). We have found that micro-entrepreneurs tend to focus on the relationship aspects of the business to increase sales and ensure retention. By relationship aspects, we mean focusing on customer relations to increase sales.

Any differences in how the micro-entrepreneurs prioritize their business activities are mostly explained in the data by age differences. Younger micro-entrepreneurs, especially in the 25-34 age range, are more likely than older generations to invest in their current or a new business. However, **the lack of innovation and diversification seems to be a common factor across all groups and demographics.**

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<sup>1</sup> The ILO in Mozambique (2016)

## 2.3 Types of entrepreneur

Mozambique has a wide range of micro-entrepreneurs with various levels of formality. These were all interviewed in the studies:

### Informal Traders

- **Boladas:** Buy or find products such as perfumes, phones or bags to sell at a higher price in shops through the internet or to friends, acquaintances and relatives.
- **Mukheristas:** Buy products in South Africa or other bordering countries to sell in Mozambique at a higher price.
- **Hawkers:** They walk the streets carrying products close to their bodies (without a vehicle), in their own hands or in a cardboard box, to sell to passersby.
- **Txova:** Push vehicles called Tchovas, with products for sale.
- **Table Top:** Place products on walkways, gardens, informal markets, etc. They usually stay in the same place.
- **Barracas:** Usually sell in a fixed, fragile structure, made of precarious materials.
- **Almost formal trade:** Have shops made of a solid structure of wood, cement, or metal. Such entrepreneurs can include grocery stores, take-aways, hairdressers, and semi-informal restaurants.



Boladas



Hawkers



Txova



Table-Tops



Barracas



Semi-formal

### Informal Workers

- **Non-qualified biscate:** Provide an unqualified service, such as shoe shining, car washing or rubbish collection, usually on the street.
- **Semi-qualified biscate:** Provide semi-skilled occasional services when opportunities arise. Includes various repair, maintenance, or setup services
- **Qualified biscate:** Provide highly qualified occasional services when opportunities arise. These roles require higher education and/or vast professional experience.
- **Farmers / Fishermen:** Carry out agricultural/fishing activities on their own. They consume what they produce at home or sell surpluses.



Non-qualified biscate



Qualified biscate



Domestic workers



Farmers

### 3. Perceptions and expectations related to business

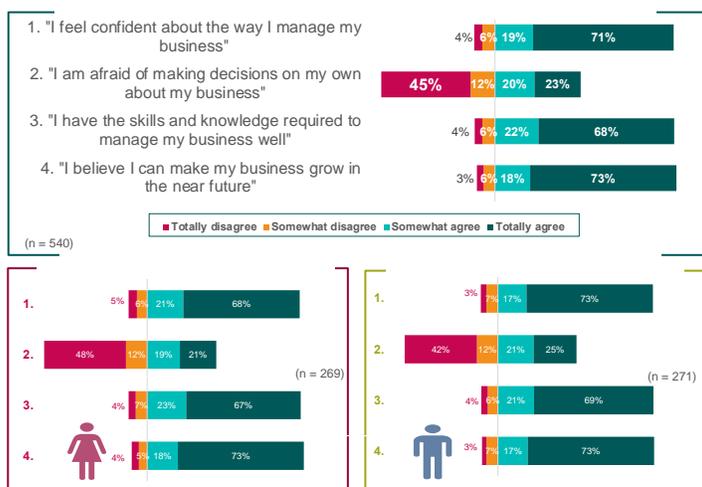
The surveys asked micro-entrepreneurs how much they agreed with various statements relating to business and economic outlook. Entrepreneur confidence is a good indicator of the economy as it can lead to investing activity.

#### 3.1. Self-confidence

**Mozambican micro-entrepreneurs are confident or very confident in their activities and even optimistic about the future**, despite the effects of the COVID-19 pandemic (90% for Study 1). In fact, the females were slightly more optimistic than men (Figure 2), while those 55 and older had the lowest expectations of growth in the next months. Level of education and occupation do not play a key factor in respondents' level of confidence.

In general, respondents expressed very high confidence about their management skills and business knowledge (~90%, Figure 2). However, **43% are afraid of making decisions on their own about their businesses** (Figure 2). Men and women present very similar levels of confidence,

Figure 2: How confident are you in what relates to your business?



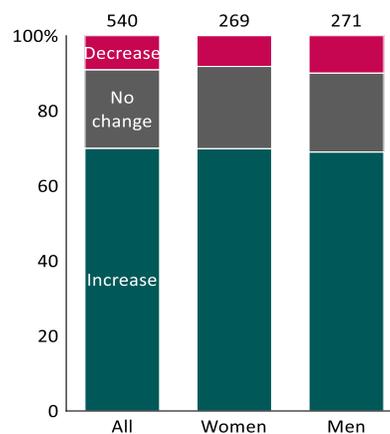
although men are slightly more confident about the way they manage their businesses and about their skills. Perhaps surprisingly, fewer women than men reported being afraid of making decisions on their own.

#### 3.2. Outlook on business

**Micro-entrepreneurs are also optimistic about their business futures**, with 70% of survey respondents expecting a profit increase over the next 3 months (Figure 3). Female and male respondents provided similar responses, although women were slightly more optimistic when thinking about significant increases in profits (42% vs. 39% of men).

Proportionally fewer people (58%) in the 55+ year old range expect their profits to increase when compared to younger respondents. Furthermore, the majority of micro-entrepreneurs report that they are planning to invest in their current business or a new business in the near future (75% of men and 64% of women respondents).

Figure 3: What are your expectations for your profits, regarding the next 3 months?



**→ Key takeaways**

- Mozambican micro-entrepreneurs are mostly confident in the way they manage their businesses
- Mozambican micro-entrepreneurs are also confident about the future, despite current economic challenges

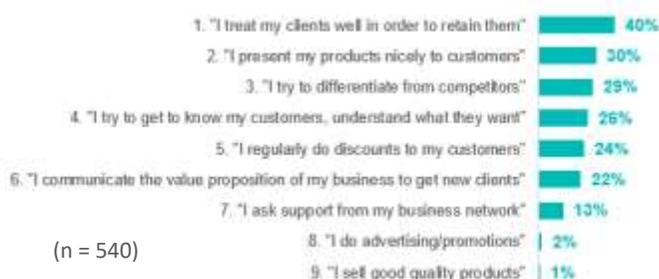
## 4. Trends in business practices and activities

Micro-entrepreneurs were asked about their business habits, as an indication of level of formality and sophistication in their practices. **Overall, there are very few good business practices that are widely undertaken by micro-entrepreneurs**; with the most common practices (such as treating clients well) receiving mention by around 40% of the surveyed group.

### 4.1. Increasing sales by focusing on the customer

**Our research shows a tendency for micro-entrepreneurs to focus on relational aspects (e.g. with customers) of the business to increase sales and ensure retention.** When asked about activities performed to increase sales, the top response was to treat clients well. Next most important was to “present products nicely to customers”, “differentiate from competition”, and “get to know and understand my customers well”. In a nutshell, most sales efforts focus on customer relationship management and effective presentation (Figure 4).

*Figure 4: What do you currently do to ensure you can consistently increase/ have sales in your business?*



Customer service and relationships are more relevant for women than for men, and women tend

to be slightly more proactive in their sales efforts. Study 1 also shows that women offer discounts more frequently than men do.

### 4.2. Financial management

**Micro-entrepreneurs associate managing business finances well with efforts to save money, regularly calculating profit margins and registering sales.**

The most cited financial management practice – striving to save money – made up just 31% of all responses. The second most frequent activities – regularly calculating profit margins and registering sales – consisted of 26% and 25% of the responses, respectively (Figure 5).

Men and women reported similar practices, although significantly more women than men mentioned registering sales (31% vs. 19%). On average, both men and women reported 2.3 practices to manage their businesses finances well vs. 2 practices to increase sales.

*Figure 5: What do you currently do to make sure you are managing your business finances well?*



There are many other practices which could contribute significantly to improving financial management but are not as widely practiced by micro-entrepreneurs in Mozambique. These include: guaranteeing stock levels of most sold items, repaying loans, evaluating different investment options or financial services and paying themselves a salary.

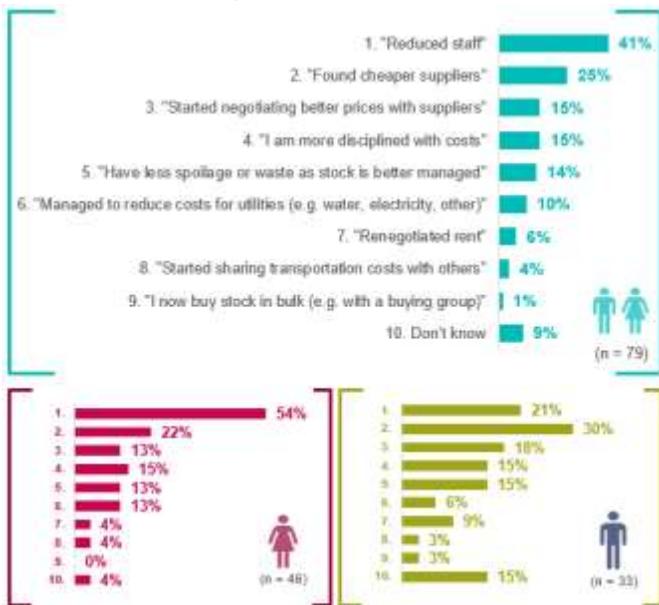
### 4.3. Managing costs

**Very few micro-entrepreneurs (approx. 15% of respondents) were able to reduce costs in the previous 3 months.** Within the context of the COVID-19 pandemic, micro-entrepreneurs might have wanted to reduce their costs but were unable, either because of the rising cost of imports or because they were unaware of how to do so.

Of those that were able to reduce costs, the most cited activity was reducing staff with 41% of all responses. This reason was especially common among female respondents, with 54% mentioning it, compared to just 21% of male respondents (Figure 6).

Men, instead, more frequently cited that they had found cheaper suppliers and that they have started negotiating better prices with existing suppliers.

*Figure 6: Why do you believe your costs have decreased in the past 3 months?*



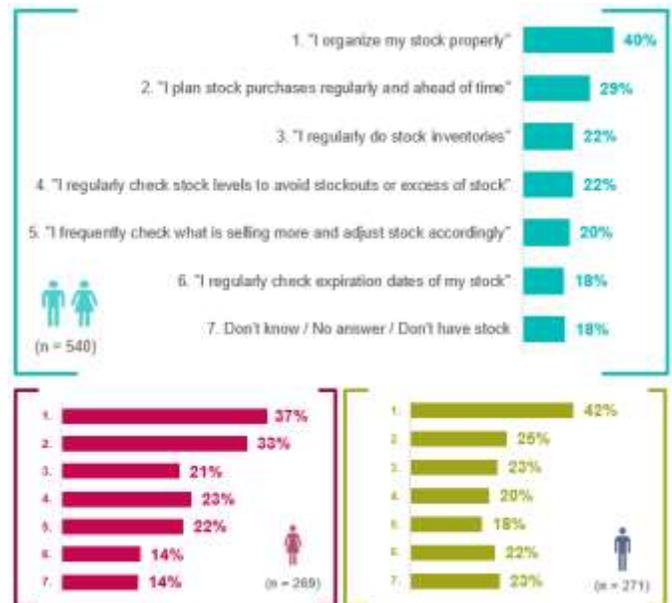
### 4.4. Managing stock

**The most common practice applied in managing stock are organizing their stock properly (40%) and regularly planning stock purchases (29%)** (Figure 7).

When considering gender, more men than women mention organizing their stock well (42% vs. 37%) and regularly checking expiration dates of stock (22% vs. 14%) while more women mention planning stock purchases regularly and ahead of time (33% vs. 25%) and regularly checking what is selling more and adjust stock accordingly (23% vs. 20%) (Figure 7).

Naturally, *Mukheristas* (cross-border traders) reported doing comparatively more to manage stock when compared to others as they mainly deal in wholesale.

*Figure 7: What do you currently do to ensure you are managing your stock well?*



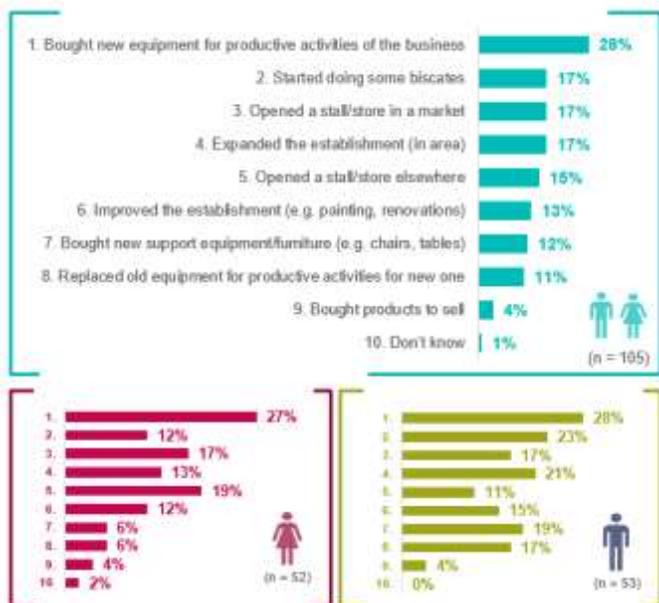
### 4.5. Differences in investment practices

**Micro-entrepreneurs mostly invest in their current business rather than new endeavors, and generally prefer investing in new equipment for productive activities.**

Study 1 showed that 39% of micro-entrepreneurs reported having invested in their current business in the past 6 months and 19% reported having invested in a new business.

In both surveys we found that slightly more men than women have recently invested in their business; however, there’s a significant difference by age group. Younger entrepreneurs (age 25-34) are more likely to invest in their business (49%) than older generations (35% for age 35-44 and 29% for age 45+)

Figure 8: What investments have you done and / or which new business have you invested in, in the past 6 months?



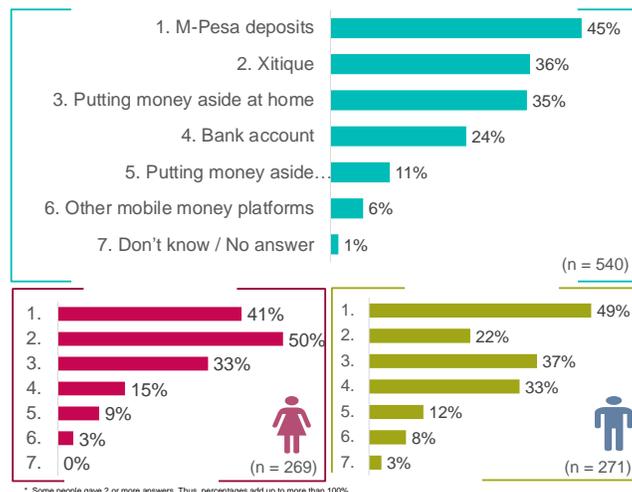
Furthermore, those in the more formal enterprises are more likely to invest, especially compared to farmers/fishermen. Many micro-entrepreneurs, especially farmers/fishermen, appear to be showing some interest in expanding their offerings with *biscates* (“odd-jobs” in Portuguese).

Despite lack of investments in the past months, the intention to invest in near future - whether in current or new businesses - is more positive than recently performed investments for all segments.

## 4.6. Savings methods and channels

Around two thirds of micro-entrepreneurs reported having been able to save money they earned from their business in the past six months. In the context of the COVID-19 pandemic and looking at different types of micro-entrepreneurs, more *Hawkers* and *Barracas* managed to save “a lot of money” (15% and 11%, respectively), whereas more *Txovas* and *Mukheristas* were not able to save at all (40% and 36%, respectively).

Figure 9: In terms of saving money you earn in your business, where did you save it in the past 6 months?



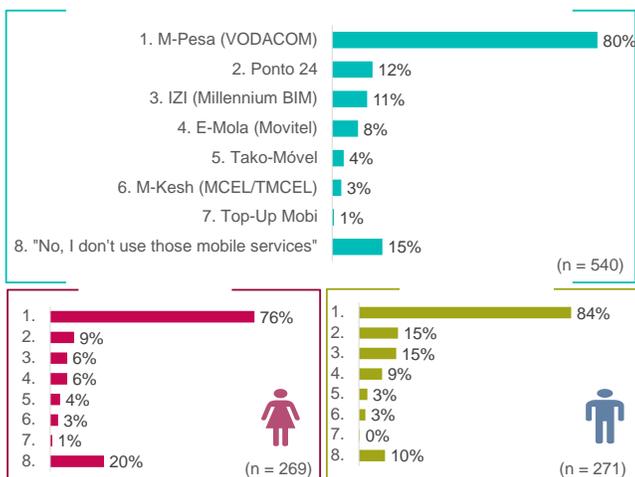
Our research further indicates that older segments of the population save less in general, and if they do, it is largely by putting money aside at home. Conversely, younger segments were more likely to use M-Pesa and other mobile money platforms. **Unsurprisingly, younger people are engaging in more modern and safer ways to save money than older generations.**

The proliferation of banking services over the years is mainly due to the penetration of mobile account services, which due to their ease of access and use, has allowed fewer women to be financially excluded. However, more than twice as many women still save informally through *Xitique* (savings

groups) compared to men (50% vs. 22%, Figure 9), whereas **men save twice as much as women through formalized bank accounts** (33% vs. 15%). Women saved more than men using informal methods (92% vs. 71%), whereas men saved more than women using formal options.

An overwhelming majority of respondents (80%) uses M-Pesa (Figure 10) to make payments or pay bills through their phones, with more men using this platform (84% vs. 76% of women).

Figure 10: Do you use any mobile money service? Which?



\* Some people gave 2 or more answers. Thus, percentages add up to more than 100%

## 4.7. Different age groups use different practices

**Younger entrepreneurs appear to engage in more business practices than older groups.** As age increases, entrepreneurs are less likely to employ basic business practices such as: using mobile money to keep money safe, evaluating different financial services, repaying loans, and paying themselves a salary. The generational factor influences practices related to performing stock inventories, checking expiration dates and planning stock purchases regularly and ahead of time i.e. higher planning skills are eventually correlated to younger generations.

Mid-aged generations seem focused on day-to-day management e.g. checking stock levels to avoid stockouts or excessive stock (29% amongst 45-54 years old). Although the lack of innovation and diversification seems to be a common factor across all groups and demographics, gender plays less of a role in the **adoption of good business practices, suggesting women are just as effective entrepreneurs as men.**

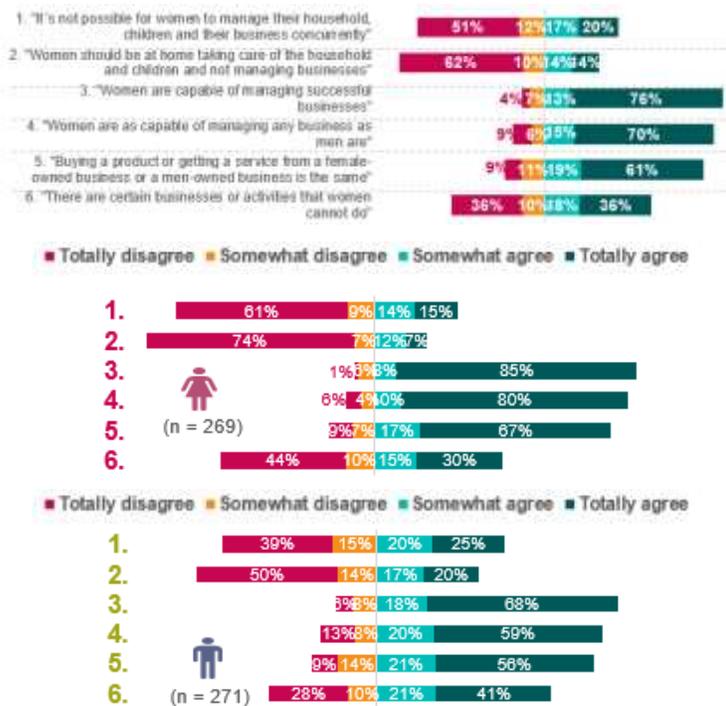
### → Key takeaways

- Overall, there are very few good business practices that are widely undertaken by micro-entrepreneurs
- Within sales practices, customer service is a more popular practice than marketing or promotions
- Financial management practices are particularly poor, with the most common practice (savings) reported by only 31% of micro-entrepreneurs
- The most common practice applied in managing stock are organizing their stock properly (40%) and regularly planning stock purchases (29%)
- Micro-entrepreneurs mostly invest in their current business than new endeavors, and generally prefer investing in new equipment for productive activities
- Investment activity is more common among men and among youth
- Many micro-entrepreneurs were able to save despite the COVID-19 pandemic, with M-Pesa being the single most used platform
- Formal savings methods are more common among men, and among youth
- Overall, business practices have a higher adoption among younger generations than older, whereas gender plays less of a role

## 5. Women-owned businesses

Women-owned businesses are often overlooked as clients or suppliers, due to being on average smaller and less well-connected, or due simply to inherent biases of potential partners. In fact, their economic influence and potential for entrepreneurial development is extremely relevant in Mozambique. In the micro-retail sector alone, women make up an estimated 60% of the labor force, working in market stalls or as street vendors. In the agricultural sector, where farming is often conducted as a family enterprise, still 29% of all small and medium farms are headed by women (usually because they are single or widowed), and they are active participants in male-headed farms.<sup>2</sup>

Figure 11: What are your perceptions of what women can and cannot do?



Yet, women typically have smaller businesses and are more likely to work informally than men.<sup>3</sup> The culture of entrepreneurialism among Mozambican women is created by the need to survive, but their agency is limited by societal norms and expectations which create high domestic work burdens, and low levels of autonomy and decision-making within their homes and communities.

**Our findings from the surveys indicate that the perception of women in the workforce is evolving but is still rife with paradoxes.**

Respondents in both surveys resoundingly perceived women to be capable of managing businesses and feel supported by their families.

However, a considerable proportion think that women are not capable of managing businesses as well as the household and children - 45% of men and 29% of the women surveyed responded as such (Figure 11).

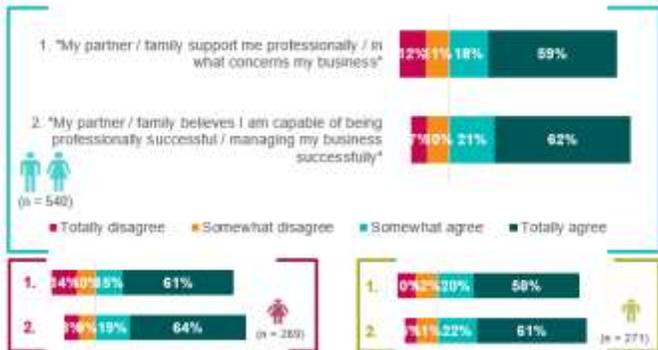
Moreover, 28% of respondents believe that women should be at home and not managing business and 54% believe that there are certain businesses or activities that women cannot do (Figure 11).

<sup>2</sup> DESAFIOS E OPORTUNIDADES NO DESENVOLVIMENTO DA AGROINDÚSTRIA EM MOÇAMBIQUE- CTA & TechnoServe

<sup>3</sup> The ILO in Mozambique (2016))

When these results are broken down by gender, it shows **that men are far more skeptical in women’s abilities to manage their households and businesses concurrently**, and **many seem to think that women should stay home or do not perform certain tasks**.

*Figure 12: How supported do you feel by your partner / family?*



That said, most respondents felt supported and positively recognized by their partner/family in what concerns their businesses, with 78% of male and 76% of female respondents agreeing (Figure 12).

### → Key takeaways

- Women-owned enterprises are often overlooked as clients or suppliers
- The perception of women in the workforce is evolving but is still rife with paradoxes; women micro-entrepreneurs still navigate within a patriarchal system
- Women are perceived to be capable of managing businesses and feel supported by their families
- Men are far more skeptical in women’s abilities to manage their households and businesses concurrently. And more than half of men believe that there are certain businesses or activities that women cannot do

## 6. Communication channels & habits

Communication is a critical element of running a business, from finding business partners to marketing products and services to different client segments. Micro-entrepreneurs in Mozambique use various forms of communication and this is evolving rapidly with the use of social media. WIN cross-referenced its own findings on the communication habits of micro-entrepreneurs with general trends in Mozambique.

### 6.1. Norms

**Most micro-entrepreneurs prefer informal to formal systems of communications.** This is especially true for women, who rely on interpersonal networks for accessing information. Men have greater access to formal channels including TV, radio and social media.

An analysis of the advertising campaign used for one of WIN's interventions showed that **word-of-mouth (WOM) was the most consistently effective channel for driving awareness**, with 31% of viewers informed by friends, neighbors or colleagues.

Notably, those with lower education levels appeared more dependent on WOM than those with higher levels.

### 6.2. TV and radio

**Radio and TV are among the most convenient mediums for disseminating information.**

**TV continues to rule in urban areas**, as people love watching local news and soap operas. The attractive low-cost packages helped maintain this popularity.

Radio reaches approximately 16% of the population (usage has decreased in recent years), and is preferred platform for rural, lower-income and more informal sectors.

#### Key Statistics on mobile phone usage

- ⇒ Half of the Mozambican population has a mobile phone connection: 15.31m and this has grown 5.8% (+ 842k new users) in a year.
- ⇒ Of these mobile connections, 64% are broadband (3-5G) access and 86% of web traffic originates from android devices.
- ⇒ There are 5.63m internet users, which constitutes 17% penetration - this has grown 8.9% (+ 439k new users) between 2019 and 2020.
- ⇒ At 2.5m people, there are less active social media users (8.1% penetration) - but these numbers have grown 17% in less than a year (+ 368k new users in 9 months).
- ⇒ Communication with rural areas is limited by a widespread lack of telephonic or cell phone service including the capacity to afford them.

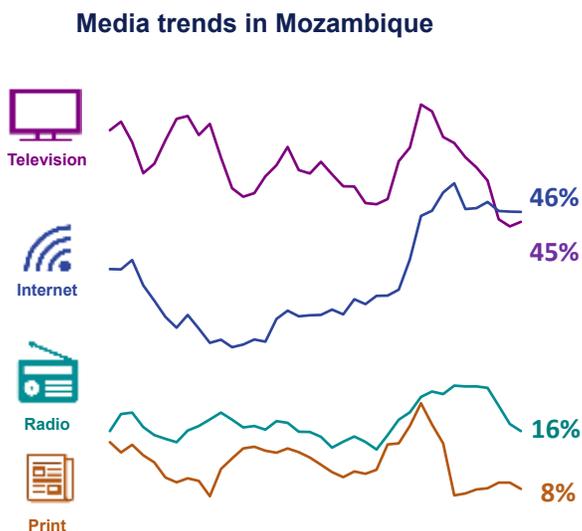
Source: Digital 2020 Mozambique Report

However, **Mozambican media generally provides very little in the way of business information.** Most do not discuss the specific challenges and opportunities that entrepreneurs face, and they primarily cater to men.

### 6.3. Access to the internet

**Internet consumption has been growing steadily since the end of 2020** due to the attractive packages launched by telecoms companies, addressing low-end consumers and the increased usage of youth and higher socio-economic groups.

Figure 13: Ipsos monthly Audience tracker  
(n=3600 per month)



Study 2 outlines how **smartphone use has proliferated in Mozambique** and is used by 61% of the urban population (although in rural areas this number is likely to be much lower).

Inevitably, internet consumption has increased also due to the digitalization triggered by the 2020 COVID-19 pandemic.

## 6.4. Social media use and platforms

**Among higher income entrepreneurs, many have access to a basic Android smartphone.**

For them, Facebook is the most popular social media platform and used widely as a business tool, using the platform as a business website, including communicating with their clients and making sales through the platform.

This is not as much the case for most low-income entrepreneurs, but many of these are active users of applications such as WhatsApp, and mobile money platforms.

However, there is a gap in social media use between women and men. For example, Facebook advertisements' reach is 60% male.

Though, women engage more with content; they like and comment more, and click on adverts more.

### Key Statistics

- ⇒ Facebook reaches 2.30m (40% women)
- ⇒ LinkedIn reaches 340k (28% women)
- ⇒ Instagram reaches 260k (44% women)
- ⇒ Twitter reaches 57k (34% women)
- ⇒ 97% of social media users access it via a mobile phone.
- ⇒ WhatsApp is the most used form of communication (44%) and 33% state to read news on social media

Source: Digital 2020 Mozambique Report

### → Key takeaways

- Most micro-entrepreneurs, especially women, prefer informal to formal means of communication
- TV and radio are convenient forms of communicating with micro-entrepreneurs in urban settings
- Internet and social media use is growing rapidly, but still mostly concentrated in urban areas. Lower-income entrepreneurs engage only with basic applications, such as WhatsApp

## 7. Conclusions & recommendations

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Mozambican micro-entrepreneurs have great potential as private sector suppliers or distributors of products, and as important clients for sectors including financial services and media.

On one hand, our research shows that most Mozambican micro-entrepreneurs are confident not only about the way they manage their own businesses, but about business outlook in general – in spite of current economic challenges.

On the other hand, many micro-entrepreneurs are not actually developing or implementing best practices. If these businesses are not already struggling to grow, then they are likely to struggle in the future.

Companies and institutions that engage small-scale entrepreneurs and also help them develop their skills, can reap the benefits of this transaction. Among the sectors of interest include distribution (serving informal markets), financial services (tailored to the needs of micro-entrepreneurs) and media / communications.

### 7.1. Capitalizing on Mozambican optimism

Optimism among entrepreneurial Mozambicans indicates a willingness to consider new options and evolve their businesses, and lives, for the better.

For entrepreneurs and the institutions that want to engage with them, matching this enthusiasm can result in novel ideas for new products, services, or businesses having a bigger probability of success.

### 7.2. Focus on building knowledge

Considering how education poses an obvious barrier to success, we encourage companies to develop simple communications to help micro-entrepreneurs understand the products and services they have to offer.

Specifically, our studies show there is a need to develop business knowledge with regards to managing business finances and investments. This could be particularly relevant for the financial services sector. Similarly, brands, distributors and wholesalers have an interest in helping micro-entrepreneurs develop stock management and sales practices. One option is to take advantage of existing communications and trade marketing activities, to insert short messages around financial education or business management.

#### ***Janete! Nada é Impossível***

The WIN program is supporting Anima, a media production company, to develop a resource for entrepreneurs, focusing on women. *Janete* is a *radio novela* featuring a woman entrepreneur who expands her business, overcoming challenges along the way. The show is being converted into a social media platform with tools, videos, stories and trainings for entrepreneurs to learn and implement basic business practices.

To listen to *Janete*, dial 84321 for free from any Vodacom line.

To find out more about becoming a partner in *Janete*, please contact the WIN team (details below).

## 7.3. Financial services

The proliferation of financial services over the years is mainly due to the penetration of mobile account services. From this report, we have identified two population segments that would benefit from further engagement from the Financial Services sector: women and younger micro-entrepreneurs.

More than twice as many women still save informally compared to men and typically save more than men when they do. That women are inclined to save, but do not utilize formal systems, presents an opportunity for mobile network operators to convert the informal women savers to potential customers.

Secondly, younger people are engaging in more modern and safer ways to save money than older generations. This younger segment is also an opportunity for companies to develop new products or channels to reach a relatively large, untapped market.

## 7.4. Maximizing reach

Institutions need to carefully consider how they reach their target populations. Our findings show that Mozambican micro-entrepreneurs are more likely to adopt practices that are established locally, and that pay careful attention to their habits and access to recourses.

The prevalence of WOM communication offers an effective starting point when trying to maximize reach to target audiences. In fact, if communicating via social media or other mediums, it is worth considering how to leverage the influence of WOM by engaging 'influencers' as role models for entrepreneurial initiatives and to share content in a language and style that is informal and accessible to communities –especially women.

We see social media and tech-enabled communications as a significant opportunity for reaching women entrepreneurs as potential partners and customers. The private sector should

consider developing marketing strategies around these ideas and while also navigating the gap in social media use between men and the women who engage more with content.

### → Key takeaways

- Companies can capitalize on optimism among entrepreneurial Mozambicans, who want to evolve their businesses for the better
- Knowledge building and improved business practices are key areas where companies can support micro-entrepreneurs and grow in parallel with them
- Financial services are a critical and convenient entry point to working with micro-entrepreneurs. Women and younger people can particularly benefit
- Communication with micro-entrepreneurs needs to use multiple platforms, taking into account disparities in access between urban and rural populations
- Companies can consider combining the tradition of word-of-mouth channels with new means like social media, for example by using social influencers

### Find out more!

Many companies want to reach women and men clients, including entrepreneurs, but don't know how.

WIN's *Gender Scope* studied 35 businesses across Mozambique to find that:

- gender inclusion is an important part of a company's mission in 80% of cases
- however, only 28% have filled their management roles with more than 50% women
- around 50% of companies offer a product or service specifically for women, but very few analyze their data by gender or conduct research on male and female clients

For more information, contact the WIN team.

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