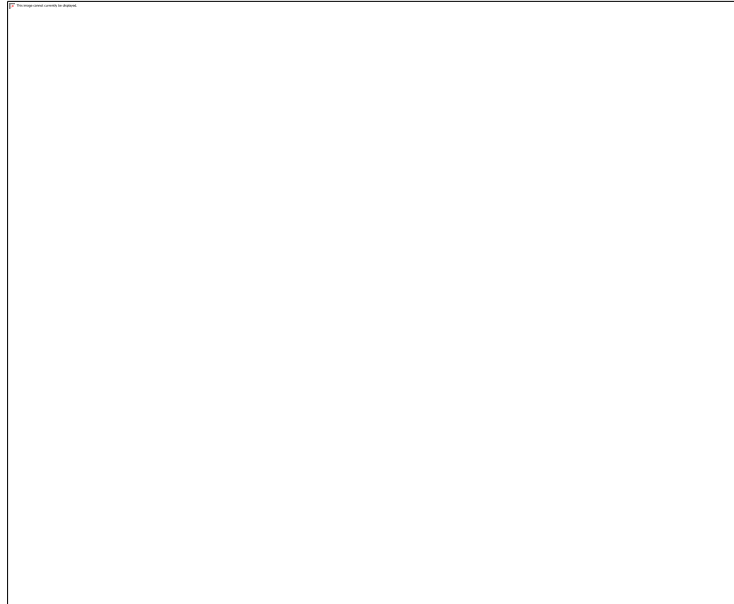


**BINDURA UNIVERSITY OF SCIENCE EDUCATION**

**FACULTY OF COMMERCE**

**DEPARTMENT OF BANKING AND FINANCE**



**TITLE:** the impact of mobile banking in driving financial inclusion and access on financial services in zimbabwe. a case study of steward bank.

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**A DISSERTATION SUBMITTED IN PARTIAL FULFIMENT OF THE  
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**RELEASE FORM**

**AUTHOR NAME : B201481B**

**DESSERTATION TITLE: THE IMPACT OF MOBILE BANKING IN  
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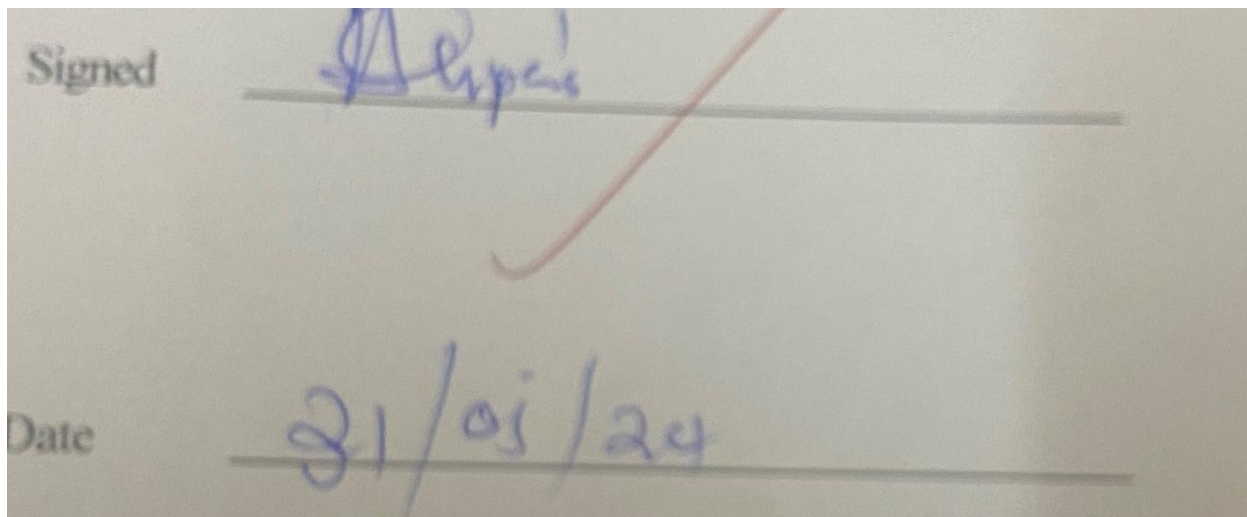
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## **DECLARATION**

I, B201481B, hereby declare that this research report is the result of my original work, except as noted in the acknowledgement, references, and by comments made in the report's body, and that it has not been submitted in whole or in part for another degree from another university.

Signed N. Chinganga

Date 23/09/24

## **Dedication**

When a person does something good, there is always an inspiration behind. As for me, I would like to dedicate this piece of work to the below people. I dedicate my work especially to my beloved family for their valuable support from all angles (financially and emotionally), from which I have received great motivation and boost to do the research. I feel honoured to have such a wonderful family. I feel indebted for your uncompromising support. You guide me and show confidence in me, I would not have done this on my own. Your support strengthened me.

## **Abstract**

*The report emphasizes how important mobile banking is to Zimbabwe's access to services and financial inclusion. Due to the nation's sparse physical banking infrastructure and sizable unbanked populace, mobile phones and network connectivity have become widely used. Research objectives are as follows, to ascertain the effects of mobile banking on financial, to find out the benefits associated with mobile banking to various stakeholder in the financial sector and to identify barriers of financial inclusion. SPSS and Microsoft excel were used to to analyse data and was presented in form of tables and graphs. A simple random sampling technique was utilized in a sample of 89 people from Steward Bank customers and staf Underprivileged groups, especially those living in rural and remote places, can now be included thanks to mobile banking. It provides an affordable substitute for conventional banking services, improves accessibility and backs financial literacy campaigns. Additionally, it promotes the expansion of small enterprises and entrepreneurship. There are still issues, though, like poor digital literacy, spotty connectivity in rural areas and worries about cybersecurity and data privacy. To harness positive impact of mobile banking, cooperation between financial institutions, network providers and regulatory agencies is essential.*

## **Acknowledgement**

Firstly, I would like to express my sincere gratitude to the almighty God for his mercy, grace and healthy mind, good ideas and unconditional daily blessings. Secondly, I would also want to extend my appreciation to my guardians who have been supportive through this research., their support gave me strength to keep pushing and it has made me a strong person ever. I am sincerely indebted to them for their love, support and advice to keep me in the right track. I would also want to express my heartfelt gratitude to the management of Steward Bank Limited Zimbabwe for the permission granted to enable the research to take place at their esteemed organisation and also providing a well-equipped researching environment. Furthermore, I acknowledge the researchers, policymakers and practitioners who have dedicated their time and expertise to studying and promoting financial inclusion in Zimbabwe. Finally, an intense gratitude goes to Bindura University of Science Education for their support and providing a well-equipped learning environment and banking department staff for their theoretical knowledge impartation, which has made it easier for me to understand practical aspects of banking. **Profound Credit goes to my supervisor-** for his excellence in supervision and devotion to inspire me during this study. Without his untiring assistance, direction, encouragement, suggestion, support, ideas and constructive criticism throughout, this study could not have been fruitful. This study would not have been possible without the support and collaboration of all these stakeholders. I express my heartfelt appreciation to each and every one of them for their contributions in this research.



## Contents table

RELEASE FORM.....	1
APPROVAL FORM .....	2
DECLARATION .....	5
Dedication .....	6
Abstract.....	7
Acknowledgement .....	8
LIST OF TABLES.....	12
LIST OF FIGURES.....	13
CHAPTER 1.....	1
INTRODUCTION .....	1
1.0 Introduction .....	1
1.1 Background of the Study.....	1
1.1.1 Mobile Banking Worldwide.....	1
1.5 Significance of the Study .....	5
1.6 ASSUMPTIONS.....	6
Steward Bank Avondale Branch Map.....	6
1.8 Limitations.....	7
1.9 Definition of Terms .....	7
1.10 Summary .....	8
CHAPTER 11.....	9
LITERATURE REVIEW .....	9
2.0 Literature Review .....	9
2.1 Mobile Banking and Financial Inclusion in Zimbabwe .....	9
2.2 Financial Inclusion .....	12
2.2.1 Benefits of Mobile Banking in Zimbabwe .....	13
2.3 Strategies that can be Adopted to Enable Positive Impact of Mobile Banking in Zimbabwe.....	16
2.4 Theoretical Framework .....	17
2.4.1 Technology Acceptance Model .....	17
2.7 Emperical review.....	19
2.7.1 Increased access to Financial services .....	20
2.7.2 Improved financial Inclusion .....	20
2.7.3 Enhance Savings and Financial Management .....	20
2.7.4 Economic Impact.....	20

2.8 Research Gap .....	20
2.9 Chapter Summary .....	21
CHAPTER THREE .....	22
RESEARCH METHODOLOGY .....	22
3.0 Introduction .....	22
3.1 Research Philosophy .....	22
3.2 Research Strategy .....	23
3.3 Research Design .....	<b>Error! Bookmark not defined.</b>
3.4 Justification of Research Design.....	23
3.4.1 Qualitative Research .....	24
3.5 Targeted Population.....	24
3.5.1 Sample Size .....	24
3.6 Research Instruments .....	25
3.6.1 Questionnaire .....	25
3.7 Data Validity and Reliability .....	26
Validity .....	<b>Error! Bookmark not defined.</b>
3.7.2 Reliability.....	26
3.8 Data Analysis and Presentation .....	26
3.8.1 Primary Data .....	26
3.8.1 Secondary Data .....	27
3.9 Data Analysis and Presentation .....	27
3.10 Ethical Consideration .....	27
3.11 CHAPTER SUMMARY .....	27
CHAPTER FOUR .....	29
DATA ANALYSIS AND PRESENTATION .....	29
4.1 Introduction .....	29
4.1 Response Rate.....	29
4.2 Socio-Demographic Characteristics of Respondents .....	30
4.2.1 AGE.....	30
4.2.2 Sex .....	31
4.2.3 Education Level .....	32
4.2.4 Employment Status .....	33
4.3 Mobile Banking Usage.....	34
4.3.3 Types of Transaction .....	35
4.3.4 Mobile Banking Platforms.....	37
4.4 Financial Inclusion and Access .....	38

4.4.2 Mobile banking contribution on financial inclusion in Zimbabwe.....	38
4.5 Barriers of Financial Inclusion .....	39
4.5.2 Ways of Overcoming Barriers of Financial Inclusion.....	40
4.6 Benefits of Mobile Banking .....	41
4.6.2 Effects of Mobile Banking in Zimbabwe.....	41
Table 4.6.2 Effects of Mobile Banking.....	42
4.7 Future Intentions and Recommendations .....	42
4.7.2 Additional Features or Suggestions on Mobile Banking for Positive Impact. ....	43
4.7.3 Future Intentions .....	45
4.8 Summary .....	45
CHAPTER 5.....	46
SUMMARY, CONCLUSION AND RECOMMENDATION .....	46
5.0 Introduction .....	46
5.1 Executive summary .....	46
5.2 Summary of Major Findings .....	47
5.3 Conclusion .....	49
5.4 Recommendations .....	49
5.5 Summary .....	50
REFERENCE.....	51
LIST OF APPENDIX .....	58

## LIST OF TABLES

Table 1 3.5.1 sample Size .....	25
Table 2 4.1 Response Rate .....	29
Table 3 4.2.1 Age.....	30
Table 4 4.2.2 Gender.....	31
Table 5 4.2.3 Education Level .....	32
Table 6 4.2.4 Employment Status .....	33
Table 7 4.3.1 Usage of Steward Bank Services.....	35
Table 8 4.3.2 Frequency of Transactions .....	35
Table 9 4.3.3 Types of Transactions.....	35
Table 10 4.3.3 Mobile Banking Platforms .....	37
Table 11 4.4.1 Access to Financial Services .....	38
Table 12 4.4.2 Mobile Banking Contribution to Financial Inclusion .....	38
Table 13 4.5.1 Barriers of Financial Inclusion .....	39
Table 14 4.5.2 Ways of Overcoming Barriers of Financial Inclusion in Zimbabwe .....	40
Table 15 4.6.1 Benefits of Mobile Banking .....	41
Table 16 4.7.1 Recommending Mobile Banking as a Means of Financial Inclusion.....	42

## LIST OF FIGURES

Figure 1 1.7 Steward Bank Avondale Branch Map.....	7
Figure 2 4.2.1 Age of Participants .....	31
Figure 3 4.2.3 Education Level .....	33
Figure 4 4.2.4 Employment Status .....	34
Figure 5 4.3.3 Types of Transactions.....	36

## **CHAPTER 1**

### **INTRODUCTION**

#### **1.0 Introduction**

Mobile banking has emerged as a pivotal driver of economic progress as noted by Maimbo (2010). Financial inclusion aims to ensure universal access to financial services such as bank accounts, credit and insurance. Mobile banking has played a vital part in advancing financial inclusion particularly in the developing nations. It provides a means of delivering financial services through mobile phones, encompassing mobile money transfer, mobile loans, and mobile savings. This technology holds the potential to reach millions, including both banked and unbanked population, as well as those lacking access to traditional financial services. According to Demombynes and Thegeya (2012), mobile banking developments have transformed the lives of many Africans. Asoungu (2012) further argues that mobile money transfers serve as a conduit for financial inclusion, experiencing substantial growth and penetration across Africa based on the rapid expansion of mobile telephone. At the global level, financial inclusion has been a key focus for international organizations, with the agendas of Millennium Development Goals (MDGs) and Sustainable Development Goals (SDGs) addressing this critical issue as noted by Palazzo (2020).

#### **1.1 Background of the Study**

The absence of financial inclusion is causing severe harm to the economy of the country and hindering access to financial services on a global, regional and local scale. The importance of mobile banking in driving economic growth has been acknowledged by the World Bank (Jack et al, 2011).

##### **1.1.1 Mobile Banking Worldwide**

Mobile banking has revolutionized the financial landscape, offering unparalleled convenience, accessibility and affordability for individuals and businesses worldwide (World Bank, 2021). It began with SMS banking in 1995 by Merita bank in Finland which allows people to check their accounts balances and transfer funds using SMS text

messages. According to CFI team, before the introduction and enablement of mobile web services in 1999, mobile banking was primitively completed through text and SMS which was known as SMS banking. European banks followed suit in 1999, with the Royal Bank of Scotland launching the world's first fully functional banking app in 2011. The app was initially available only on Apple devices and also rolled out to BlackBerry and Android users as stated by natwestgroup.com.

### **1.1.2 Mobile banking in Africa**

Research has indicated that financial exclusion is a widespread issue, although it is particularly evident in developing nations such as Sub-Saharan Africa. Because many African banks were owned, controlled and subject to strict government regulations as monopolies, financial inclusion in the continent was delayed until the financial sectors were liberalized in the 1980s. This situation made it difficult for banking industry to adopt cutting-edge technologies. The banking industry has seen a shift in patterns from antiquated systems to more advance, tech-driven systems, such as online and mobile banking. According to Aker and Mbiti (2010) mobile phone usage has grown quickly across Africa, resulting in unanticipated changes to communications technology.

In Africa, mobile banking technology made it possible for customers to send money across large distances. With the introduction of M-PESA in March 2007, Kenyan mobile phone firm Safaricom formalized the mobile money transfer service. With this SMS-based money transfer product, users may use their phone to deposit, send and withdraw money. In the eight months since its launch, the site has over 1.1 million registered users and has processed US\$87 million in transfers (Safaricom,2012). By the September 2011, these numbers had increased to \$14 million and \$7 billion respectively, which is roughly equivalent to 25% of Kenya's GDP (Safaricom, 2012). In 2010, Standard Bank of South Africa introduced MyMo services, which include an extensive range of mobile banking functionalities like bill payment and airtime top-up and microloans.

Launched in 2014, the Pockets app by ICICI bank offered an easy-to-use mobile banking platform with various features, such as fast money transfers in India, investment possibilities and account aggregation.

### 1.1.3 Mobile banking in Zimbabwe

According to Momani (2015) traditional procedures in the early 1990s were associated with problems such as payment delays, fraud, long queues and variety of faults. These difficulties resulted in low client satisfaction, a smaller customer base and fewer profitability (Matide and Munyoro, 2014). Many financial organisation in Zimbabwe have dissolved and failed to resurrect, including Kingdom Bank and Barclays Bank, as a result of problems with traditional banking systems and non-performing loans. Zimbabwe experienced hyperinflation, causing investments in technologically based financial products to suffer (Chikoko, 2012). The 2006 to 2008 Global financial crisis which resulted in collapse of more than 10 financial institutions with depositors losing their cash, resulted in people losing trust in the Zimbabwean banking system. It is estimated that at least US\$2,5 billion is flowing outside the traditional banking system (RBZ, 2012). The introduction of multicurrency for example bitcoins and Real Time Gross Settlement (RTGS) stabilised the economy, with business mostly in financial and telecommunications sectors generating new goods channelled through ATMs, point-of sale (POS), mobile phones and internet.

Econet Wireless, one of the Zimbabwe's major mobile network carriers, released the country's first mobile money platform, Ecocash, in 2002, allowing clients to transfer money, pay bills and conduct other financial activities with their phones. Other operators such as NetOne and Telecel, followed suit in the years that followed, expanding the country's mobile banking reach even further. Following the launch of mobile money services by mobile network operators such as Econet, commercial banks became the first traditional financial institutions to offer mobile banking in Zimbabwe. CBZ Bank was one of the first banks to develop a mobile banking platform back in 2012. The mobile banking app allowed consumers to check balances, transfer funds, pay bills and buy airtime. Subsequently, other prominent financial institutions including Stanbic Bank, Standard Chartered Bank and Central African Building Society (CABS), released their own mobile banking applications and services. In Zimbabwe, where the average individual earns less than \$5 per day and many institutions are situated in metropolitan areas, mobile banking is creating new chances for economic growth and financial inclusion.



According to McKay et al, (2010), mobile banking offers enormous potential to reach a large number of low-income, unbanked people at inexpensive pricing, offering a diverse range of solutions to address their complicated financial demands. Thus, the potential benefits of mobile banking should not be underestimated because it provides access to both banked and unbanked individuals. The number of financial organizations that offer mobile banking services has grown significantly. According to the RBZ, fifteen financial institutions have implemented mobile banking services in conjunction with network providers as of January 31, 2012. For example, FBC Bank in collaboration with NetOne and Telecel, introduced Zipit and One wallet.

## **1.2 Problem Statement**

Zimbabwe has had economic issues, including hyperinflation and limited access to traditional banking services, particularly in rural areas. Traditional banking systems are time consuming, resources-intensive, and frequently unavailable, resulting in financial exclusion and impediments to economic participation. The development of mobile banking was a reaction to these challenges, as it lowers operation cost while increasing maintenance costs. Steward Bank has introduced a variety of banking services including online banking, internet banking, Kashagi loan, kambudzi banking, Square application, Visa application and video banking. Through Kashagi loans, the bank has managed to distribute more than 400 000 million loans to individuals across the country. However, the performance of financial banks has been uneven, with some expanding significantly while others struggling owing to liquidity difficulties and volatile currency for example Standard Chartered Bank Zimbabwe which fully divest its operation from Zimbabwe due to growing costs. The question of whether mobile banking has enhanced financial inclusion persists, given that banks are responsible for client and stakeholders monies.

## **1.3 Research Objectives**

The primary objective of this study is to ascertain the impact of mobile banking on financial inclusion in Zimbabwe.

The main objectives of the research were to:

- To ascertain the effects of mobile banking on financial inclusion

- To find out the benefits associated with mobile banking to various stakeholders in the financial sectors
- To identify barriers of financial inclusion in Zimbabwe
- To investigate the strategies which can be adopted in order to enable positive impact of mobile banking services on financial inclusion

#### **1.4 Research Questions**

- What are the benefits of mobile banking to various forms of stakeholders in the financial sector?
- What are the strategies that can be adopted in order to enable positive impact of mobile banking?
- What are the barriers of financial inclusion in Zimbabwe?
- How can mobile banking increase access to financial service?

#### **1.5 Significance of the Study**

It is intended that this research will help the following stakeholders in different respective ways.

##### **Steward Bank**

The Bank can draw in more unbanked and underbanked individuals by providing mobile banking services. In line with bank's social responsibility objectives, the study might provide guidance for broader financial inclusion initiatives. Steward Bank can get a competitive edge by providing cutting-edge mobile banking solutions, which will draw clients looking for easily accessible and convenient financial services.

##### **Financial Institutions**

It is hoped that financial institutions will get more knowledge on positive strategies that can be implemented on mobile banking and thus find means of survival in a competitive environment. It also will help them identify a gap in the market and find ways of satisfying their clients.

##### **Clients**

They can obtain opportunity to air out their views on mobile banking for example through questionnaires and focus groups. Clients can learn more information about mobile banking, possible drawbacks and its benefits.

### **Future Researchers**

Lastly, this research will help future research with a backbone to relate further researches on the topic. It will also help them with ideas on further studies in this same

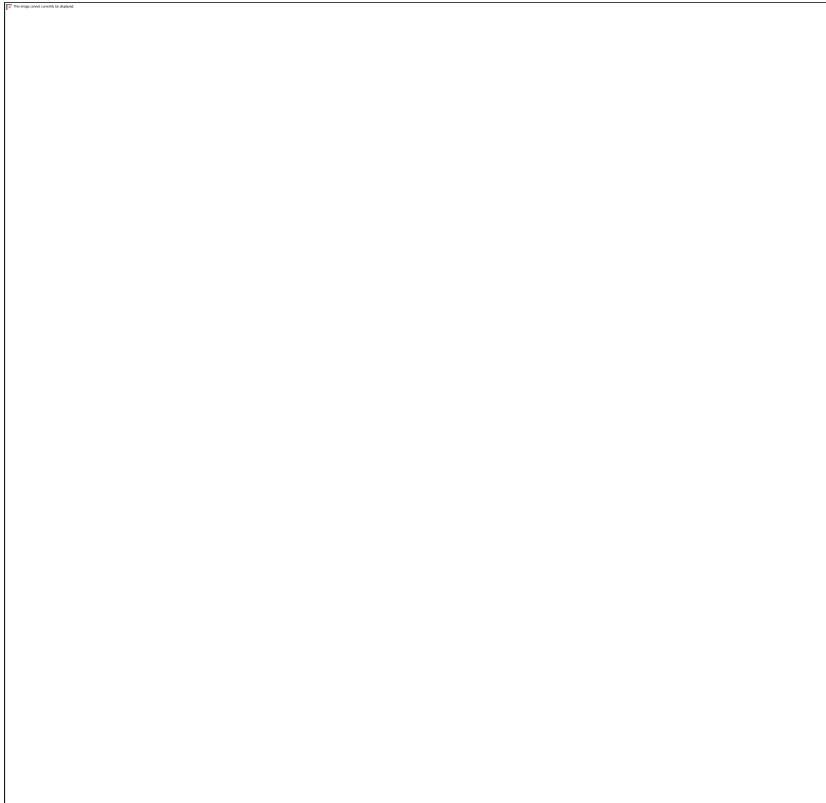
### **1.6 ASSUMPTIONS**

- The study will be conducted using Steward Bank branches
- The researcher will have access to the information in time to finish the data analysis
- The targeted population will cooperate in goodwill

### **1.7 Delimitations**

Greater focus was on exploring impacts of mobile banking in driving financial inclusion with the study mainly on Steward Bank Harare branches. Mostly preferred Steward bank as a case study because they have been active participant and some of the gaps were observed during internship period at the organisation. The period under the study is 2015-2023. The respondent of the study are clients and employees or staff from Steward Bank Branches mostly Avondale branch.

### **Steward Bank Avondale Branch Map**



**FIGURE 1 1.7 STEWARD BANK AVONDALE BRANCH MAP**

**Source: Google maps**

## **1.8 Limitations**

Protocol for approval may take too much time hence affecting time allocated to research. Confidentiality and privacy were key challenges that the researcher came across. The researcher did not have enough resources to go around all branches of Steward bank. In addition, employees were reluctant to share their information of customer database in fear of losing out legitimate confidence of their consumers.

However, some of these limitations were managed after fully convincing the respondents that the researcher is an academic part and the data acquired will be strictly academic purposes and will be kept private.

## **1.9 Definition of Terms**

**Mobile banking** refers to the provision of banking and financial services through the help of mobile telecommunication devices (Pentland et al, 2016)

**Financial inclusion** refers to the ability to access financial services

**Electronic payment** the modern way of carrying out online transactions accomplished by use of technology to deliver banking products through electronic and interactive communication channels

### **1.10 Summary**

This chapter focused on introducing the theme of the study and provided different sections to analyses and understand the impact of mobile banking in driving financial inclusion. The chapter also included periphery that is where the researcher is expecting to conduct the study. The researcher highlighted the main obstacles that were faced in the course of carrying out the study. The following chapter will be focusing on the literature review of the study which is comprehensive search of relevant literature laying the theoretical framework and giving the foundations of the present study.

## **CHAPTER 11**

### **LITERATURE REVIEW**

#### **2.0 Literature Review**

Financial inclusion and access to financial services are of utmost important for the economic development and well-being of individuals and different societies. Literally mobile banking has emerged as a powerful tool to expand financial inclusion, mostly in developing countries like Zimbabwe. The literature covers the impact of mobile banking in driving financial inclusion and access to financial services in Zimbabwe, shed more light on barriers to financial inclusion, benefits of financial inclusion and the strategies that can be adopted in order to enable positive impact of mobile banking. Theoretical frameworks that can help analyse the role of mobile banking in driving financial inclusion and access to financial services includes Technology Acceptance Model, Innovation Diffusion theory and Institutional Theory. These theoretical frameworks provide lens to understand the complex dynamics and multidimensional aspects of mobile banking's role in driving financial inclusion. They help identify barriers, enablers and strategies for promoting effective implementation and maximizing the impact of mobile banking initiatives on financial inclusion outcomes.

#### **2.1 Mobile Banking and Financial Inclusion in Zimbabwe**

Mobile banking refers to the use of mobile devices, such as smartphones to conduct various financial transactions including payments, savings, loans and insurance. According to Consultative Group to Assist the Poor, branchless banking (mobile banking) refers to a new distribution channel that allows financial institutions and other commercial actors to offer financial services outside the traditional banking premises. Mobile banking can be described as a set of mobile banking services, involving the use of portable devices connected to telecommunications network that enable users to

access mobile payments, transactions and other banking services linked to consumer accounts without the assistance of traditional banking institutions (Diniz et al, 2011). In Zimbabwe, the introduction of mobile banking services network service providers such as Ecocash, One Money and Telecash has played a vital role in enhancing financial inclusion. Since financial innovation is one of the core pillars of financial inclusion, financial institutions have adopted mobile banking as a form of financial innovation as they are drifting away from traditional ways of banking.

### **Impact of Financial Inclusion**

Mobile banking has played a significant role in expanding financial inclusion in Zimbabwe. Chigada et al (2018), mobile banking services have enabled previously unbanked population to access financial services including saving accounts, loans and insurance. Unlike internet banking, it uses software usually called apps for example Steward bank square app and Visa application, provided by financial institutions for the purpose of accessing financial services. Mobile banking caters for everyone wherever they are and always available 24-hour basis. Transactions through mobile banking depend on the features of the mobile banking app and they include obtaining account balance, account statement, check deposits, electronic bill payment and funds transfer between a client's or another's accounts.

### **Overcoming Barriers of Financial Inclusion**

Mobile banking has emerged as a powerful weapon to fight the barriers that traditionally hindered financial inclusion. The convenience, affordability and accessibility of mobile banking platforms have empowered individuals especially those in remote areas. It has overcome physical and geographical barriers in accessing financial services. Masocha (2016) and Klapper et al (2017) proposed that various individuals in low income and remote areas who lack access to banks or finding it difficult to meet the requirements of opening traditional banking accounts can access financial services without the need to travel long distances to traditional brick and mortar banks. (Kumar 2018) also agree that mobile banking allows individuals to access financial services using basic mobile phones by passing the need for physical infrastructure. This has resulted in cost and time savings for users cost and time savings for users and has encouraged greater participation in the formal financial system.

### **Access to Credit and Insurance**

Furthermore, mobile banking has opened up new opportunities for individuals to access credit and insurance services. Aker et al (2016) suggested, that by analysing mobile banking data and transaction history, financial institutions can assess creditworthiness and offer loans and insurance products to individuals who were previously excluded from formal financial systems. . In addition, mobile banking has enable access to microcredit and other small scale lending services for example Kashagi Loan, empowering individuals and small businesses to access capital and invest in income generating activities.

### **Lack of Formal Identification**

Multitudes of people in Zimbabwe lack formal identification documents required by traditional banks. Mobile banking solutions have introduced alternative identification methods such as biometrics or SIM card registration thereby allowing individuals without formal IDs to access financial services (Mas, 2016).

### **Enhanced Financial Literacy and Education**

Mobile banking services have also contributed to enhancing financial literacy and education in Zimbabwe. Mapuranga et al (2019) and Mbiti et al (2010), mobile banking platforms have provided users with access to financial information, transaction history and budgeting tools thereby promoting financial awareness and responsible financial behaviour. This empower individuals to make informed decisions regarding their finances thereby promoting transparent and reducing information asymmetry within financial sector. Integrate educational materials and security tips within the mobile banking apps and websites for example developing dedicated website with comprehensive information on mobile banking security, FAQs and reporting mechanisms for example Steward Bank Square application.

### **Regulatory Environment**

The regulatory environment plays a crucial role in shaping the landscape of mobile banking and financial inclusion. In Zimbabwe, the Reserve bank of Zimbabwe has implemented regulations and guidelines to ensure the stability and security of mobile



banking services and these regulations include Know Your Customer (KYC) requirements, transaction limits and transaction protection measures as well as consumer protection. During 2007 to 2009 Financial crisis which led to the collapse of several banks such as Royal Bank Zimbabwe Limited, Trust Bank Corporation and Rapid Discount House Limited which were placed under curatorship, most people lost confidence in the financial system thus regulations help to build trust among users, protect their rights and ensure transparency and sustainability of mobile banking services. Regulators promoted the use of agent banking, banking correspondents and authorized non/banking entities to provide basic tailor made financial services on behalf of the bank. This enables customers in remote areas to access banking services through trusted local agents. The Bankers Association of Zimbabwe (BAZ) has called for tighter regulations on mobile money, citing concerns about the security of depositor's funds.

### **Leveraging Technology for Innovation**

Mobile banking has not only expanded access to existing financial services but it has also fostered innovation in financial products and services delivery. For instance, mobile banking platforms have facilitated the development of mobile based insurance products (Ecosure), digital lending platforms and investment services. These innovations have potential to address specific needs of unbanked population and provide them with tailor made financial products or solution as stated by Technology Acceptance Model theory. Cloud computing has revolutionized mobile banking by enabling financial institutions to store and manage data securely and efficiently. This has led to cost reductions, increased scalability and improved accessibility for mobile banking services. Artificial Intelligence-powered chatbots and virtual assistants have enhanced the customer experience by providing instant support, personalized recommendations and fraud detection capabilities. Block chain technology which offers a secure and transparent platform for mobile banking transactions may streamline cross-border payments, reduce transaction costs as well as enhancing security by eliminating the need for intermediaries.

### **2.2 Financial Inclusion**

The act of making relevant, inexpensive, and timely financial products and services like loans available to individuals and organisation is known as financial inclusion.

Financial inclusion is the availability, accessibility and prompt provision of a variety of financial products or services to the less fortunate members of the community (Minakshi, 2018). Turegano et al. (2018) state that lending to people without excessive income and providing money for small to medium-sized businesses are two ways to achieve financial inclusion.

Financial inclusion will lessen economic volatility, close the wealth gap and guarantee financial stability in a crippled economy. Policymakers view financial inclusion as essential (Sarma et al., 2008). Demirgüç-Kunt et al. (2012) state that policies promoting financial inclusion can promote financial stability. There is a favourable correlation between financial inclusion and economic growth across various dimensions, including penetration of banking industry, availability of banking services and services utilization (Sharma, 2016). Kim (2016) added that financial inclusion reduced income inequality, which benefits economic growth more in high-instability nations than in low-instability nations. Based on empirical research, financial inclusion has the potential to end poverty, lessen income inequality and boost the wealth of those with low incomes (Honohan, 2008).

### **2.2.1 Benefits of Mobile Banking in Zimbabwe**

Financial inclusion has numerous benefits that include boost economic growth, reduction of income inequality, poverty alleviation, increases revenue streams of many financial services, efficient allocation of financial services, provision of credit facilities as well as meeting the unique needs of the individuals which include increased consumption of goods and services which then boost the welfare of low income earners in the society (Campel, 2006).

#### **Financial empowerment**

Mobile banking provides individuals with greater control over their financial lives. It enables them to monitor their account balances, track expenses, set savings goals and make informed decisions (GSMA, 2018). This promotes individuals to manage their finances more effectively and improve their overall financial wellbeing.

#### **Facilitation of Small Business Growth**

World Bank (2019), mobile banking can be a catalyst for small business growth especially for micro-entrepreneurs. This can enable them to access credit, make and

receive payments and manage their finances more efficiently and effectively. It encourages entrepreneurship, foster economic development and contributes to poverty reduction. According to a study by Chigada (2018), mobile banking platforms have facilitated easy and secure payment transactions for small business enable them to expand their operations, customer base and improve financial management. The main core objective of financial inclusion is increase access to financial services by everyone in the country thus allows more firms to operate in the country (IMF, 2020). These enable individuals to save and government to raise more revenue through increased taxes thereby leading to economic growth.

### **Financial Stability and Resilience**

Access to mobile banking services can help individuals and communities build financial resilience. It enables individuals to save money securely, access insurance products for example Ecosure, and obtaining credit during emergencies or unexpected events such as death and financial crisis for example Global Financial Crisis. This can help mitigate the impact of financial shocks and improve overall stability (GSMA, 2018).

### **Poverty Alleviation**

Khan (2012) noted that, financial inclusion allows people to escape poverty and deal with the unexpectedly huge cost. Mobile banking can make it easier for people to receive remittances for example Mobile money operators such as inn bucks, Hello Paisa and Mukuru. Masocha (2016) also agrees that remittances play a crucial role in Zimbabwe's economy with many individuals relying on money sent by family members working abroad. Mobile banking has revolutionized the remittance landscape, providing a convenient and cost effective way to send and receive money. Research by Masocha (2016), indicates that mobile banking platforms have reduced the cost and time associated with remittances benefiting both senders and recipients. Through access to financial products people can save money and build a cushion for emergencies and this can help to avoid falling into a cycle of poverty

### **Data for Financial Inclusion**

Mobile banking transactions generate valuable data that can be leveraged to expand financial inclusion. Financial institutions can analyse user behaviour, transactions

patterns and creditworthiness of potential clients to develop innovative financial products and services tailored to the needs of underbanked population. The data driven approach enables better risk assessment, promotes responsible lending and encourages financial institutions to serve previously excluded segments (CGAP, 2018). For example, increased leveraging Artificial Intelligence which have algorithms that can analyse vast amounts of data, including alternative data sources such as transaction history and social media to generate more credit scores and risk assessment.

### **Mobile Banking and Agriculture**

Zimbabwe has a predominantly agriculture economy and mobile banking has the potential to play a transformative role in the agriculture sector. The mobile banking platforms can provide farmers with access to financial services such as loans, savings and insurance enabling them to invest in their farming activities, manage risks and improve productivity. Moreover, mobile banking can facilitate the disbursement of government subsidies and supportive programs, ensuring efficient and transparent delivery of agriculture support.

### **Women Empowerment**

Mobile banking can play a significant role in promoting gender equality and women's empowerment. It enables women to access financial services independently without relying on male family members and engage in economic activities. Studies have shown that women who access to mobile banking have greater control over their finances, increased economic opportunities and improved social standing (GSMA, 2019).

### **Reduction of income inequality**

Financial inclusion can lead to greater equality of opportunity as it gives everyone access to financial products. This will enable to strike a balance between the playing field and give people from low income backgrounds the opportunity to build their wealth. Financial inclusion through mobile banking can provide education which may help to reduce the knowledge gap that exist between those who have access to

traditional banking services and those who do not. In Zimbabwe it reduces income inequality between rural and urban dwellers because can borrow and obtain credit through mobile banking for example Kashagi loan and this will enable them to manage and increase their savings.

### **2.3 Strategies that can be Adopted to Enable Positive Impact of Mobile Banking in Zimbabwe**

#### **Expanding Network Infrastructure**

World Bank (2019), investing in the expansion and improvement of mobile network infrastructure can help ensure wider coverage and more reliable connectivity in both urban and rural areas of Zimbabwe. This will promote more individuals to access mobile banking services and benefit from financial inclusion.

#### **Tailoring Services to Local Needs**

Designing mobile banking services that take into consideration the specific needs, preferences and challenges of the Zimbabwean population can help drive adoption and usage of mobile banking. This may involves offering vernacular language support, customized user interfaces and targeted financial products (Fin Mark Trust, 2016).

#### **Ensuring Regulatory Framework and Consumer Protection**

Establishing clear and supportive regulatory frameworks for mobile banking in Zimbabwe can help build consumer trust and confidence in financial sector. Regulations should ensure data privacy, security and fair practices. Furthermore, consumer protection measures should be in place to safeguard the interest of mobile banking users (Reserve Bank of Zimbabwe, 2020). Mobile Banking Guidelines which provide specific requirements for mobile money operators regarding customer identification, transaction security, fraud prevention and dispute resolution should be put in place (RBZ, 2011)

#### **Addressing Trust and Security Concerns**

Building trust and addressing security concerns is crucial for widespread adoption of mobile banking. The financial institutions should prioritize robust security measures, such as two-factor authentication and encryption, to protect user data and transactions. Educating users about safe practices and fraud prevention can help build trust in the

financial system (FinMark Trust, 2016). National Financial Inclusion strategy which was proposed by RBZ emphasizes the importance of security in promoting financial inclusion through mobile banking (RBZ, 2016). National Financial Inclusion calls for robust development of a robust regulatory framework to protect consumers and ensure the integrity of the system. Cybersecurity and Data Policy (2020) outlines the RBZ's approach to cybersecurity and data protection in the financial sector must be adhered to for further security management. Security measurements such as KYC, transaction limits, fraud monitoring and Two-Factor Authentication (2FA) must be adopted to address the issue of security when using mobile banking.

#### Continuous Innovation and User Feedback

Mobile banking providers should continuously innovate and improve their services based on user feedback and consumer preferences or changing needs of the population. This can involve introducing new features, streamlining processes and incorporating user suggestions to enhance the usability and effectiveness of mobile banking platforms (Reserve Bank of Zimbabwe, 2020).

#### Integration with Other Financial Services

Integrating mobile banking with other financial services such as microfinance and savings groups, can create synergies and provide a more comprehensive suite of financial services to users in Zimbabwe (CGAP, 2019). This can promote savings, access to credit and financial resilience among individuals and communities.

## **2.4 Theoretical Framework**

There several theoretical frameworks that can be used to explain the impact of mobile banking in driving financial inclusion in Zimbabwe.

### **2.4.1 Technology Acceptance Model**

The theory was first developed by Fred Davis in 1989, it is a widely used framework to understand users' acceptance and adoption of technology. Crandall's (2004) , suggest that the effects of technology and innovation on the world, and argues that these forces are making the world more connected, more globalized and more competitive. The theory suggests that individual's intention attitudes to use a technology is influenced by

two main factors which are perceived usefulness and perceived ease of use. in the context of mobile banking in Zimbabwe, individuals perceive mobile banking a useful because it provides them with access to basic financial services such as money transfer, bill payments and saving without the need for traditional banking account. Perceived usefulness refers to an individual's belief that using mobile banking will enhance their financial inclusion. In the context of Zimbabwe, mobile banking can offer various benefits such as convenient access to financial services, reduced transaction cost and increased financial security. By providing these advantages, mobile banking can be seen as a useful weapon for individuals especially those in underserved areas to overcome barriers of financial inclusion.

Perceived ease of use refers to an individual's perception of how easy it is to use mobile banking. In Zimbabwe, where access to traditional banking services may be limited, mobile banking can provide a user-friendly and intuitive interface, simplified processes and easy to understand instructions. By ensuring that mobile banking platforms are user-friendly and accessible, individuals are more likely to perceive mobile banking as easy to use leading to increased adoption. In Zimbabwe, if population perceive mobile banking as a valuable and convenient solution for accessing financial services, it can positively impact their intentions to adopt and utilize mobile banking thereby driving financial inclusion. In Nigeria, researchers have used the TAM to investigate the adoption of mobile banking services such as USSD-based banking platforms and its implications for financial inclusion. The study revealed that perceived usefulness and perceived ease of use significantly influenced users' attitudes towards mobile banking which subsequently led to increased adoption and financial inclusion particularly among the unbanked and underbanked population.

#### **2.4.2 Diffusion Theory**

The theory was introduced by Rogers (1962) and he examined how new ideas, products and technology spread and adopted by individuals. According to Dearing (2018), he explores how new technologies spread throughout a population. The diffusion of mobile banking can be further analysed using framework, taking into account factors such as the perceived relative advantage, complexity, trial ability, compatibility and

observability of mobile banking services as noted by Rogers (2003). In Zimbabwe, the diffusion of mobile banking has been facilitated by factors such as affordability, network coverage and availability of mobile money agents which has fuelled the adoption and usage of mobile banking leading to financial inclusion.

### **2.4.3 Institutional Theory**

Scott (2014), the formal and informal rules, norms and practices within the society shape individual behaviour. In the role of mobile banking and financial inclusion. Institution theory can help analyse the role of regulatory frameworks, policy initiatives, and industry practices in the adoption and impact of mobile banking services in accordance to Scott (2014). In Zimbabwe, the government and regulatory authorities (RBZ) have played a crucial role in promoting and supporting mobile banking initiatives through policies and regulations that facilitate financial inclusion and protect consumer rights. Reserve Bank of Zimbabwe (2016), RBZ has established guidelines for mobile banking services offered by banks and mobile network operators, ensuring that they are secure, reliable and accessible to a wide range of individuals. The availability and accessibility of banking infrastructure such as ATMs and bank branches can influence the adoption of mobile banking (Mahere, G. (2018)).

Nyamwanza, O.(2015), proposed that the collaboration between banks, mobile network operators and other stakeholders is essential for success of mobile banking initiatives. In Zimbabwe, partnerships between banks and mobile network operators have facilitated the integration of mobile banking services with existing financial systems, enabling users to link their mobile wallets to bank accounts and access a wide range of financial services. For example, Steward Bank and Econet wireless network provider. Institutional theory also recognizes the influence of social norms and trust in shaping the adoption of mobile banking Mutandwa, E (2016). In Zimbabwe, where trust in formal financial institutions may be limited, the wide spread use of mobile phones and the familiarity of sending and receiving mobile money transfers have contributed to the acceptance and adoption of mobile banking services.

## **2.7 Empirical review**

Empirical reviews on mobile banking's driving financial inclusion in Zimbabwe have shown positive outcomes. Here are some key findings from research studies conducted on this topic.



### **2.7.1 Increased access to Financial services**

Mobile banking has significantly expanded access to financial services in Zimbabwe, especially among the unbanked population. According to a study by Nyasha et al. (2018), mobile banking has allowed individuals in remote areas to perform transactions and access banking services that were previously inaccessible.

### **2.7.2 Improved financial Inclusion**

Research studies indicated that mobile banking has contributed to increased levels of financial inclusion in Zimbabwe. A study by Kusena and Nyanhete (2019) found out that mobile banking has facilitated financial transactions for previously excluded groups, improving their overall financial well0being and reducing inequality.

### **2.7.3 Enhance Savings and Financial Management**

It has also been found to promote better savings habits and financial management on both clients and financial institutions. A study by Matavire and Mupfiga (2020) suggested that mobile banking users in Zimbabwe were more likely to engage in savings practices and had greater control over their finances compared to non-users.

### **2.7.4 Economic Impact**

Mobile banking has demonstrated positive impacts on the economy of Zimbabwe. A study by Chigwedere et al. (2021) found that mobile banking has contributed to increased economic activity, job creation and improved livelihoods, particularly in rural areas. Mashocha M (2022) noted that, regarding farmers in Zimbabwe, financial inclusion has been widely discussed as a critical aspect of fostering smallholder financial stability and economic development.

These empirical reviews highlight the significant role of mobile banking in driving financial inclusion in Zimbabwe, improving access to financial services, enhancing financial management and fostering economic growth.

## **2.8 Research Gap**

Numerous studies addressing the notion of mobile banking and financial inclusion have been conducted by prior scholars. The adoption of mobile banking and the factors that influence financial inclusion have been emphasized by these academics leaving a void on the strategies that may be used harness the benefits of mobile banking such as

security concerns, the digital divide. Ongoing innovation and user feedback. The influence of mobile banking on financial performance, client base growth and revenue creation is still up for debate.

## **2.9 Chapter Summary**

A literature review of the project is covered in this chapter. The definitions of financial inclusion and mobile banking were thoroughly covered. The value of mobile banking for financial inclusion to investors and financial institutions alike is also discussed in this chapter. Innovation Diffusion Theory, Institution Theory and the Technology Acceptance model are three theories that influenced the development and rise of mobile banking and financial inclusion. It examined numerous earlier research projects carried out by diverse scholars in Zimbabwe, Africa and other countries. This study's identification of the gap left by the previous researcher. Next up, the researcher will talk about the research strategy that was employed to finish the study.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.0 Introduction**

This chapter covered the methods used in the study to accomplish the research objectives. The study's methodology is given in both full and condensed form. The chapter goes into greater detail on the data gathering procedure, data processing, demographics, sampling and research instruments.

#### **3.1 Research Philosophy**

Scholars Saunders et al. (2009) define research philosophy as the process and nature of knowledge formation. Studies from positivism, interpretivism, and critical realism can all be used to examine how mobile banking contributes to financial inclusion in Zimbabwe. As such, the research strategy and the decisions made regarding it are based on the philosophy that was selected for this study. A philosophy can influence the research methodology and data collection techniques used, as well as provide a distinct viewpoint on the topic.

In quantitative studies, positivism is a popular research ideology (Fisher, 2010). It focuses on objective observations and testing of hypotheses to demonstrate causal links between variables, according to Sobh and Perry (2006). A positivist approach would entail analysing sizable datasets to find relationships between mobile banking adoption rates and enhanced access to financial services in the context of mobile banking's contribution to financial inclusion in Zimbabwe. This strategy will offer insightful quantitative data regarding how mobile banking affects financial inclusion.

**Conversely, interpretivism places more emphasis on the individual's interpretation of social context and human behaviour. Through the collection of user narratives and lived experiences through questionnaires and interviews,**

**interpretivist research can shed light on social and cultural factors that influence the adoption and effectiveness of mobile banking for financial inclusion.**

### **3.2 Research Design**

The broad method and plan that researchers employ to investigate a specific phenomenon is referred to as research design. By definition, the study design is a strategy for gathering and analysing data (Wilkinson 2012). Data collection and analysis are facilitated by a research design, according to Bryman and Bell (2007). A thorough plan that addresses the who, what, when, where and how issues regarding a particular research problem is what Teo (2011) characterized as a research design. According to Devalues (2001), a study design should make sure that the data gathered allows for a clear response to the original question. A thorough plan outlining the methodology of your research is known as research design, according to Njanike (2015). He goes on to describe the several kinds of research design, such as experimental, survey, case study and qualitative research. The four primary categories of research design are mixed methodologies, arts-based, quantitative and qualitative according to Khalifa (2013). The quantitative method strategy was employed in this investigation. According to Amin (2005), Quantitative analysis was used to ascertain information that relied on numerical data.

### **3.3 Research Strategy**

A research strategy is a methodical approach to information collection and analysis aimed at addressing a particular research issue. In cross-sectional research, information is gathered from a sample of people or households at one particular moment in time. To investigate the connection between the adoption of mobile banking and financial inclusion, the researcher can conduct a survey among both mobile banking users and non-users. Through data analysis, scholars may evaluate the degree to which mobile banking advances financial inclusion and pinpoint any discrepancies or obstacles that may be present.

### **3.4 Justification of Research Design**

The study used descriptive research design for a single area in Zimbabwe, taking into account the growing population in all parts of the country. Steward Bank was chosen to represent Zimbabwe's financial sectors. The potential benefits of mobile banking

such as increased access to financial services, reduced transaction cost and more efficient payment and undertake an in-depth investigations of the level of financial inclusion in the financial sector using research methods. A descriptive research design ensures that the researcher has collected detailed data and produces an accurate description of the situation from respondents by using multiple data collection methods.

### **3.4.1 Qualitative Research**

According to Creswell (2014), qualitative research is an investigational process of comprehension grounded in a particular methodological tradition of inquiry that examines the contributions of individuals and groups to a human problem. Research tools like surveys, in-person interviews, and observations defines qualitative research as an inquiry process of understanding based on specific methodological tradition of inquiry that explore individuals or groups attribute to a human problem. Qualitative data is collected using research instruments such as questionnaires, observations and structured interviews and others. This kind of data is crucial since it provides depth, detail and inspires respondents to give in-depth responses that can be used for new topics areas. However, collecting data using qualitative instruments has its own drawbacks such as time consuming in gathering necessary information and also respondents maybe reluctant to share full information about the topic in question. Saunders et al (2014), argued that the results obtained through qualitative research cannot be premeasured to ascertain their reliability or viability because of the beliefs, understanding of the object and the state of mind of the respondents.

### **3.5 Targeted Population**

Taylor (2002), defines population as a group of people who have one or more qualities that the researcher is interested in. A population is a group of people who share one or more characteristics Vaslo (2014). Managers, bank accountants, customer's services officers and other direct stakeholders would be among targeted population. Mostly preferred Steward bank because the researcher has been an active participant and some of the gaps were observed during industrial attachment at the institution. A target population of 89 bank customers and staff members at Steward Bank Avondale branch were included in the research study because they provide relevant information related to the research problem.

#### **3.5.1 Sample Size**

Molenberghs (2011) defines a population sample as the subset of the population under investigated or studied. The employees size of the financial sector is large and in particular Steward bank is large and the researcher chose only those employees who are close the study. The possibility and feasibility of covering all the respondents influence the research to concentrate on the selected few individuals.

**TABLE 1 3.5.1 SAMPLE SIZE**

SAMPLE CLUSTERS	POPULATION SIZE	SAMPLES	PERCENTGE OF SAMPLES
NON-MOBILE BANKING USERS	20	10	50%
MOBILE BANKING USERS	15	13	86,67%
CUSTOMER SERVICES	30	28	93%
OTHER DEPARTMENTS	12	10	83.3%
Total	77	61	58.7

Source: Author's compilation

### **3.6 Research Instruments**

Saundres et al (2012) defines data collection instruments as a tool which is used to gather data, such as a survey, interview or observation. Lawrence N (2011) viewed data collection instruments as any device, tool or procedure used by researchers to obtain specific data. Choice of instruments is crucial for ensuring that the data collected is valid and reliable Njanike N (2015).

#### **3.6.1 Questionnaire**

Arlene F (2010) described a questionnaire as a data collection instrument that consist of a series of questions designed to collect information from respondents. Questionnaires can be administered in paper or electronic form, and they typically have both open-ended and closed-ended questions Peter D (2003). For conducting a survey

or questionnaires, the data collection procedure would include creating questionnaire, selecting the sample and administering the survey questionnaire on google.

### **3.7 Data Validity and Reliability**

Ensuring both validity and reliability in data is of utmost important for producing high-quality and trustworthy research. By taking into account validity and reliability, researchers can ensure that their data properly represents the constructs of interest and the measurements are consistence and dependable.

#### **3.7.1 Validity**

Data validity refers to the extent to which a measurement or research instrument accurately measures what it intends to measure as noted by Devellis, R (2016). It assesses whether the data collected is truly accurate and represents the phenomenon under investigation. According to Pandey (2015), measuring instrument is of useful when it accurately measures what is expected to produce. After distributing the survey questionnaire, the researcher should be able to receive relevant and not biased information or responses pertaining the topic under investigation. In this work, the researcher was able to collect relevant data which is in line with other researchers.

#### **3.7.2 Reliability**

According to Black. W et al (2014), data reliability is the consistency and stability of a measurement over time or across different conditions. The researcher was able to use Test-Retest Reliability to assesses the consistency of measurement by administering the same questionnaire to the same participants at a different point in time and give a comparison of the results.

### **3.8 Data Analysis and Presentation**

They are two types of data which are primary data and secondary data. These types are well articulated below

#### **3.8.1 Primary Data**

Primary data refers to characterized crucial information as the first information got for a short report object as stated by Creswell (2014). Kumar (2019), defined primary data

as the information that is collected first hand, directly from the original source for a specific research purpose. The information will be explicit to the analyst and no individual has access to the information other than the analyst. Saundres et al (2016), Essential information is of the favourable position that it will be explicitness to the investigation because of innovation. Essential information is feasible when taking care of the current issue and the assessment procedure will be difficult to complete. The information under primary data will be gathered in this project utilizing survey, observation and questionnaires.

### **3.8.1 Secondary Data**

As noted by Saundres (2016), secondary data is gotten from libraries, server farms and distributions for example papers, budget reports, dairies as well as financial statements. It also referred to data that has already been collected by someone else for a different purpose as alluded by Kumar (2019). Auxiliary information is of uppermost important since they are ready available and can be used to make an analysis on the data.

### **3.9 Data Analysis and Presentation**

Data analysis refers to the process of inspecting, cleaning, transforming and interpreting data in order to derive meaningful insights, draw conclusions and support decision making as indicated by Field (2018). Gupta (2016), starts that, during data analysis, researchers often perform tasks such as data cleaning to remove errors, data transformation to enhance its usability and exploratory data analysis to gain initial insights into trends within data. Information gathered by the researcher was displayed by the use of tables, outline and graphs as well as ANOVA. Information displayed was obtained from distributions, different opinions of the respondents and multitudes of reports.

### **3.10 Ethical Consideration**

According to Saunders et al (2015), ethics refers to the appropriateness of the researchers behaviour in relation to rights of those people who become either the subject of your work or affected by it. General issues of ethical concerns were addresses through the study, seeking consent from all participants, and non-disclosure of identities to ensure privacy.

### **3.11 CHAPTER SUMMARY**



This chapter elaborate on the research strategies that has been used by the researcher while completing the exploration. The populace was gotten from the financial division set up. Two sources of data which are primary and secondary sources have been used to conduct the research. The research also Used a mixed research technique to vividly highlight the impact of mobile banking and financial inclusion on customers and steward bank financial activities.

## CHAPTER FOUR

### DATA ANALYSIS AND PRESENTATION

#### 4.1 Introduction

The objectives of this study are to investigate the strategies that can be adopted in order to enable positive impact of mobile banking services on financial inclusion, to ascertain the effects of mobile banking on financial inclusion, to find out the benefits of mobile banking on financial inclusion and to identify barriers of financial inclusion in Zimbabwe. Data was gathered from mobile banking customers who frequently visit Steward Bank Avondale branch. Section 4.1 gives the response rate. Section 4.2 presents the social and demographic characteristics of the sample studied. Section 4.3 presents mobile banking usage. Section 4.4 presents Financial Inclusion and Access to Financial Services. Section 4.5 presents barriers of mobile banking. Section 4.6 benefits of mobile banking, section 4.7 presents future intentions and recommendations. The chapter ends with 4.8 which summarise the chapter.

#### 4.1 Response Rate

TABLE 2 4.1 RESPONSE RATE

SAMPLE CLUSTERS	QUESTIONNAIRE DISTRIBUTED	QUESTIONNAIRE RETURNED	RESPONSE RATE
CUSTOMERS	30	25	83.3%
TREASURY DAPARTMENT	20	18	90%
CENTRALIZED PROCESSING	10	6	60%

OTHER DEPARTMENTS	40	38	95%
TOTAL	100	89	89%

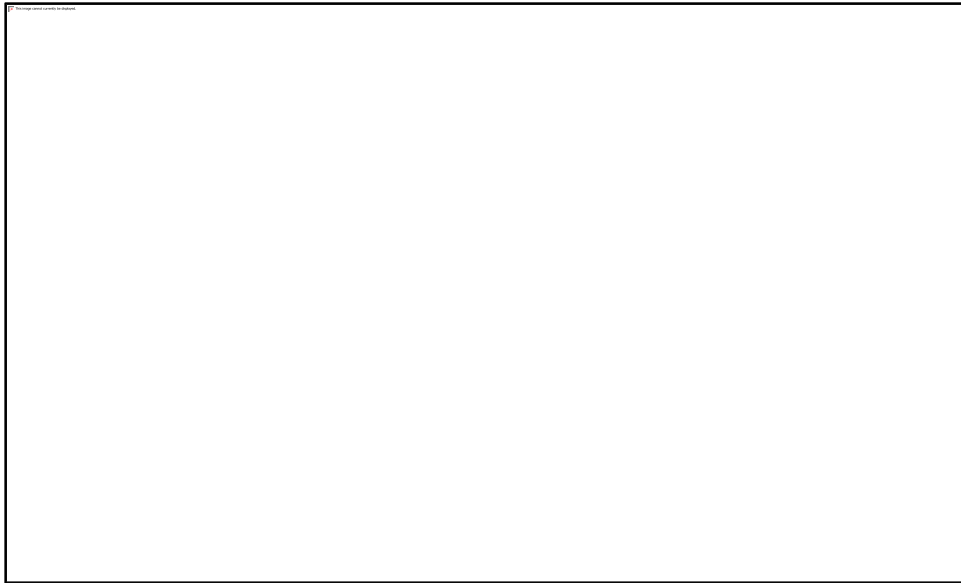
High response from three departments were a result of stringent circling back on and some closed and open ended survey questionnaires. The response rate was outstanding, a factor which gave the researcher the confidence to proceed the analysis.

## 4.2 Socio-Demographic Characteristics of Respondents

### 4.2.1 AGE

**TABLE 3 4.2.1 AGE**

	18-25	26-35	36-45	46-55	56 and above
Customers	9	9	5	3	0
Treasury Department	5	6	3	1	0
Centralized	3	2	1	0	0
Other departments	12	12	2	5	7
Total %	33%	33%	12%	10%	8%



**FIGURE 2 4.2.1 AGE OF PARTICIPANTS**

Survey respondents were middle aged and mostly concentrated between 18 and above years. The largest proportion, 33 % was aged 18-25 and 26 -35. These age groups were followed by 36-45 which consist of 12% of the sample. The 46-55-year age group comprised of 10% of the sample while 56-above years consist of 8%.

#### **4.2.2 Sex**

**TABLE 4 4.2.2 GENDER**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Female	47	52.8	52.8	52.8
Male	42	47.2	47.2	100.0

Total	89	100.0	100.0
-------	----	-------	-------

A question on the gender of respondents was asked and was specifically done to establish the profile of respondent. A total of 89 respondents completed the questionnaire. The customers surveyed were mostly females composing 52.8 percent of the responses while 47.2 percent being male. High cumulative percentage indicate that a large portion of the total observations or data points fall below a certain level.

#### 4.2.3 Education Level

**TABLE 5 4.2.3 EDUCATION LEVEL**

	High school	Diploma	Bachelors	Masters
Customers	5	8	10	3
Treasury Department	0	4	7	8
Centralized	0	0	4	2
Other departments	6	7	20	5
%	12,3%	21,3%	46,1%	20,2%



**FIGURE 3 4.2.3 EDUCATION LEVEL**

Respondents were requested to indicate the highest level of education they attained. The majority of participants were highly educated with 46,1%. About 21,3% of the respondents hold diploma certificates followed by master's degree consisting of 20,2%. The least level of education was high school. The results show that most of the respondents had high education qualifications and it can be safely assumed that participants clearly understood the questionnaire and the purpose of the study.

#### **4.2.4 Employment Status**

**TABLE 6 4.2.4 EMPLOYMENT STATUS**

	Employed	Self-employed	unemployed
Customers	7	13	6
Treasury Department	19	0	0
Centralized	6	0	0
Other department	24	6	8

%	63%	21%	16%
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**FIGURE 4 4.2.4 EMPLOYMENT STATUS**

The majority of the respondents about 63%, were self-employed. 21% of the participants reported that they were unemployed whilst only 16% confirmed that they were employed.

### **4.3 Mobile Banking Usage**

#### **4.3.1 Usage of Steward Bank Services**

The results show that 78.7% of the respondents have access to useful and affordable financial products and services offered by Steward Bank. The minority population of about 21.3% do not use Steward services.

**TABLE 7 4.3.1 USAGE OF STEWARD BANK SERVICES**

	Frequency	Percent	Valid Percent	Cumulative Percent
yes	70	78.7	78.7	78.7
Valid No	19	21.3	21.3	100.0
Total	89	100.0	100.0	

### 4.3.2 Frequency of Transactions

**TABLE 8 4.3.2 FREQUENCY OF TRANSACTIONS**

	Frequency	Percent	Valid Percent	Cumulative Percent
Daily	22	24.7	24.7	24.7
week	25	28.1	28.1	52.8
Valid Monthly	36	40.4	40.4	93.3
Rare	6	6.7	6.7	100.0
Total	89	100.0	100.0	

Survey respondent were asked about how frequently they use mobile banking and the majority 40.4% reported that they utilise mobile banking services monthly especially during month-end. This shows that most of the population transact, pay utility bills and transfers money monthly. The least 6.7 % of the participants rarely uses mobile banking service. About 28,1% uses mobile banking services weekly while 24.7% use Daily.

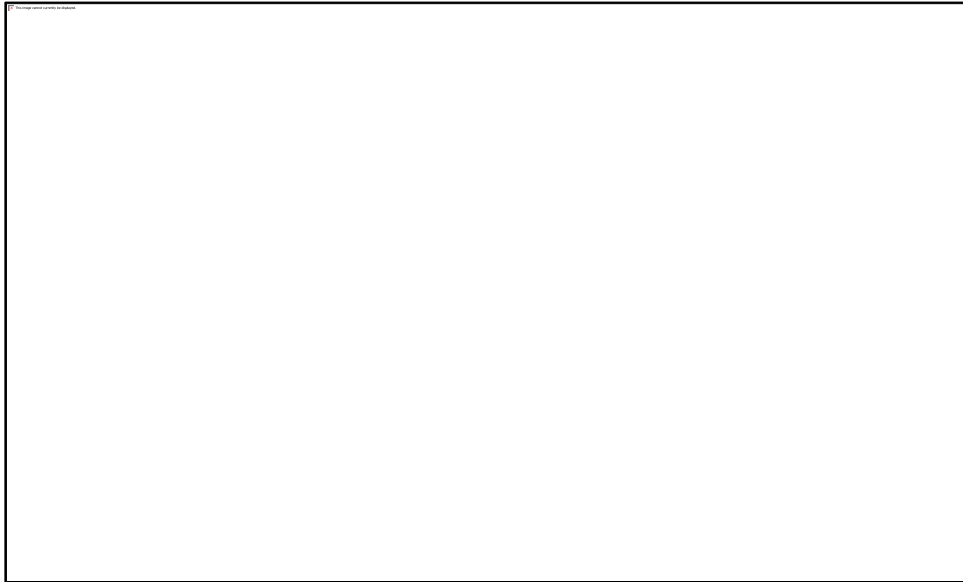
### 4.3.3 Types of Transaction

**TABLE 9 4.3.3 TYPES OF TRANSACTIONS**

Funds Transfer	Bill Payments	Airtime purchase	Loan Application	Other services
----------------	---------------	------------------	------------------	----------------



Customers	26	26	26	15	10
Treasury department	19	19	19	6	8
Centralized	6	6	6	1	5
Other departments	31	24	36	15	11
%	92%	84%	98%	42%	38%



**FIGURE 5 4.3.3 TYPES OF TRANSACTIONS**

Most participants reported they use mobile banking to purchase airtime and a population of about 98% confirmed it. About 84% of respondents conduct bill payments and funds transfer on mobile banking platforms of about 92%. Some least participants of about 42% reported that they usually engage loan application and other banking activities on Steward Bank mobile platforms has 38%.

#### 4.3.4 Mobile Banking Platforms

Steward bank has mobile banking platforms that enables everyday banking directly and easily from the phone at the comfort of one's home. About 33.7% use Square application to conduct their daily banking activities as well as checking their balances on the app. The results show that most of the participants uses Steward Bank Visa application mostly for forex trading, transfers and payments for example Beforward car purchase. About 29.2% of respondents confirmed that. The other 29.2% also said that they use Steward bank Zipit platforms (x210# and x263#) downloading statements, balance enquiry, funds transfer as well as opening account. The participants of about 7.9% reported that they use Steward Bank World remit to send and withdraw their funds received from abroad. This is shown by the table below :

**TABLE 10 4.3.3 MOBILE BANKING PLATFORMS**

	Frequency	Percent	Valid Percent	Cumulative Percent
Steward bank Visa application	26	29.2	29.2	29.2
Steward bank square application	30	33.7	33.7	62.9
Zipit	26	29.2	29.2	92.1
World remit	7	7.9	7.9	100.0
Total	89	100.0	100.0	

## 4.4 Financial Inclusion and Access

### 4.4.1 mobile banking increasing access to financial services

TABLE 11 4.4.1 ACCESS TO FINANCIAL SERVICES

	N	Minimum	Maximum	Mean	Std. Deviation
Has mobile banking improved your access to financial services?	89	1	3	1.15	.441
Valid N (listwise)	89				

Respondents were asked on whether mobile banking has increased access to financial services and inclusion. A significant portion of respondents about 50% reported that it has significantly improved their access to financial services thereby leading to financial inclusion 30% of the targeted population highlighted that, mobile banking has somehow improved their access to financial services while 16% agreed that it has no change on their level of accessing financial services. A least portion of respondents 4% declined that mobile banking increases their access on financial services.

### 4.4.2 Mobile banking contribution on financial inclusion in Zimbabwe

TABLE 12 4.4.2 MOBILE BANKING CONTRIBUTION TO FINANCIAL INCLUSION

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Agree	41	46.1	46.1	46.1
Agree	35	39.3	39.3	85.4
Neutral	5	5.6	5.6	91.0
Disagree	8	9.0	9.0	100.0
Total	89	100.0	100.0	

According to the report, there is a significant relationship between Zimbabwe's financial inclusion measures and mobile money usage. About 46.1% of the participants reported that mobile. Approximately 46.1% of the participants strongly concur that mobile banking has aided in Zimbabwe's financial inclusion. Of the sample population, 39% agreed that mobile banking had helped promote financial inclusion, whereas 8% disagree. At least 5% are unbiased about the specific subject or matter being looked into.

#### 4.5 Barriers of Financial Inclusion

##### 4.5.1 Barriers of Financial Inclusion in Zimbabwe

**TABLE 13 4.5.1 BARRIERS OF FINANCIAL INCLUSION**

	N	Minimum	Maximum	Mean	Std. Deviation
What are the barriers of financial inclusion in Zimbabwe?	89	1	5	2.92	1.554
Valid N (listwise)	89				

The average perceived severity of barriers to financial inclusion in Zimbabwe is around 2.92, indicating a moderately high level of difficulty. However, there is a significant degree of variability in how these barriers are assessed, with some viewing them as

more severe than others. This information could help policymakers and stakeholders understand the current financial inclusion challenges in Zimbabwe and potentially targeted areas where barriers seem most pronounced. The standard deviation of 2.554 suggests a fair amount of variability in the assessments.

#### 4.5.2 Ways of Overcoming Barriers of Financial Inclusion

**TABLE 14 4.5.2 WAYS OF OVERCOMING BARRIERS OF FINANCIAL INCLUSION IN ZIMBABWE**

	Frequency	Percent	Valid Percent	Cumulative Percent
Mobile banking and digital financial services	28	31.5	31.5	31.5
Agent banking	17	19.1	19.1	50.6
Financial literacy	13	14.6	14.6	65.2
Valid programs				
Affordable financial products	15	16.9	16.9	82.0
Simplified KYC requirement	16	18.0	18.0	100.0
Total	89	100.0	100.0	

32.5% of participants offered the use of digital financial services and mobile banking as a potent tool to break down barriers to financial inclusion when discussing strategies of overcoming them. A sample population of about 19.1% said they preferred agent banking especially in rural regions. 18% said that simplified KYC may be used. 16.9% of the sample size revealed that providing accessible financial products lowers obstacles to financial inclusion. About 14.6% of the respondents

emphasized that financial literacy initiatives can be used to get over obstacles to financial inclusion in Zimbabwe.

## **4.6 Benefits of Mobile Banking**

### **4.6.1 Benefits of Mobile Banking in Zimbabwe**

**TABLE 15 4.6.1 BENEFITS OF MOBILE BANKING**

	Frequency	Percent	Valid Percent	Cumulative Percent
Lower transaction cost	25	28.1	28.1	28.1
Faster processing of transactions	16	18.0	18.0	46.1
Valid Higher accessibility	22	24.7	24.7	70.8
Extended client base	9	10.1	10.1	80.9
Reliability	17	19.1	19.1	100.0
Total	89	100.0	100.0	

According to a sample size of 28% of participants, transaction cost is reduced by mobile banking. Mobile banking offers higher accessibility to the users, about 24,7% participants confirmed that while 19.1% claimed that it is dependable or reliable. It is faster at completing or processing transactions, according to 18% of respondents. 10.1% said that one possible advantage of mobile banking is increased or extended client base.

### **4.6.2 Effects of Mobile Banking in Zimbabwe**

**Table 4.6.2 Effects of Mobile Banking**

	Frequency	Percent	Valid Percent	Cumulative Percent
Increased access to financial services	19	21.3	21.3	21.3
Improved efficiency	15	16.9	16.9	38.2
Increased financial literacy	21	23.6	23.6	61.8
Increased savings	14	15.7	15.7	77.5
Empowerment of marginalized group	20	22.5	22.5	100.0
Total	89	100.0	100.0	

The large potential effects of mobile banking in Zimbabwe is increased financial literacy according to 23.6% of the participants whereas participants of about 22.5% suggest empowerment of marginalized group. 21.3% reported that, mobile banking can increase access to financial services to the users. Improved efficiency is one of the potential effects of mobile banking said the 16.9% of the participants. 15.7% clearly states that, mobile banking increase savings of various people.

## 4.7 Future Intentions and Recommendations

### 4.7.1 Recommending Mobile Banking as a Means of Financial Inclusion

**TABLE 16 4.7.1 RECOMMENDING MOBILE BANKING AS A MEANS OF FINANCIAL INCLUSION**

	Frequency	Percent	Valid Percent	Cumulative Percent
Definitely	46	51.7	51.7	51.7
Probably	21	23.6	23.6	75.3
Valid Not sure	13	14.6	14.6	89.9
Probably not	9	10.1	10.1	100.0

Total	89	100.0	100.0
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Participants of about 51% definitely recommend mobile banking as a powerful weapon for financial inclusion. 23.6% participants agreed that, they may probably recommend mobile banking as a means to improve financial inclusion in Zimbabwe. About 13% of the sample population were not sure whether to use recommend mobile banking on financial inclusion. A least portion of the sample of about 9% reported that, they probably not recommend mobile banking as a means of financial inclusion.

#### **4.7.2 Additional Features or Suggestions on Mobile Banking for Positive Impact.**

To enhance the role of mobile banking in driving financial inclusion in Zimbabwe, participants suggested that biometric authentication, multilingual support, simplified user interface, offline functionality and integration with government programs as well as peer-to-peer lending will promote positive impact of mobile banking. Population of about 85% reported that security and data privacy risks and poor network connectivity were the major concern of the clients. So to address such issues, the participants air out their views and suggest the below points:

1. **Biometric Authentication:** implementation of biometric authentication methods such as fingerprint or facial recognition would enhance security to a greater extent. This would be useful especially for individuals who may have challenges in remembering complex passcodes or PINS. This also helps to prevent hackers from accessing user's identity. Regulatory bodies must establish guidelines and requirements for data security and privacy on all financial institutions to safeguard customer information for example General Data Protection Regulations (GDPR). This will minimise fraud risks such as phishing attacks, account takeover and unauthorized transactions.



2. **Multilingual Support:** providing support for multiple local languages such as Shona and Ndebele, in addition to English would enable a broader segment of population to use mobile banking services comfortably.
3. **Simplified User Interface:** designing a user friendly and intuitive mobile banking platforms or applications would make it easier for individuals with limited digital literacy to access and navigate the platform. The interface must be simple and associated with clear instructions and visual cues.
4. **Offline Functionality:** The majority of the sample population were complaining about poor network challenges in remote areas and the expensive of data in Zimbabwe. Developing an offline mode for mobile banking app would allow users to perform various transactions and access essential information such as account number and statement even if they are offline. The app can synchronize with server once an internet connection is avail. About 25% of the participants suggested that, mobile network providers should collaborate with banks to ensure wider coverage of network across the country as well as enabling better network connection.
5. **Integration with Government Program:** collaborating with government initiatives like social welfare programs or subsidy schemes would enable direct transfers of funds to beneficiaries' mobile banking account. This integration would enhance convenience and accessibility of financial services for underprivileged individuals.
6. **Peer-to-Peer Lending:** facilitating per-to-peer lending through the mobile banking platform would allow individuals and small business owners to access credit mere easily. This feature will promote entrepreneurship and economic growth among the unbanked or underbanked population.
7. **Fraud Detection systems:** Financial institutions can implement fraud detection systems that monitor user behaviour and detect unusual patterns or suspicious activity. This will help to prevent fraudulent transactions and protect user's accounts.
8. **Regular Updates and Patches:** regularly updating and patching mobile banking applications can help to prevent security vulnerabilities and ensure that application is up-to-date with the latest security measures. Frequently conducting vulnerability assessments can help to identify and address potential security risks and vulnerabilities in the mobile banking application.

9. Encryption: encryption is a security method that converts data into a code that is difficult for unauthorized user to access. Financial intuitions can use encryption to protect user's sensitive information, even if they intercept the transaction.
10. Advocate for Regulatory Reform: the regulatory framework for mobile banking is still evolving. Financial institutions should advocate for regulatory reforms that promote the adoption of mobile banking and protect consumers.

#### **4.7.3 Future Intentions**

- . Expansion of Mobile Banking Services: expand mobile banking services to include more advanced features such as mobile wallets, peer-to-peer payments and online loan application.
- Increased use of Artificial Intelligence and Machine Learning: leverage artificial intelligence and machine learning to improve the efficiency and effectiveness of mobile banking services. Innovation such as fraud detection, mobile micro insurance, mobile credit scoring and block chain-based remittances could expand the mobile finance ecosystem.
- Development of mobile –based savings and investment products: these products will encourage low-income individuals to save and invest for the future.
- Development of specialized Mobile Banking Products: the products will cater for various segments of the population such as youth, women and small businesses.

#### **4.8 Summary**

The chapter covered presentation and analysis of all collected using questionnaire research instrument as discussed by chapter 3. The data was presented using pie chart, graphs and different tables. The findings were linked to the related studies by other scholars.

## **CHAPTER 5**

### **SUMMARY, CONCLUSION AND RECOMMENDATION**

#### **5.0 Introduction**

This chapter put in a nutshell the outcome in the preceding chapter of the study with reference to impact of mobile banking on financial inclusion, barriers of financial inclusion, benefits associated with mobile banking to stakeholders and strategies which can be adopted in order to enable a positive impact of mobile banking services which can be adopted in order to enable positive impact of mobile banking services on financial inclusion. The chapter consummate with conclusions and recommendations to the study.

#### **5.1 Executive summary**

The main objective of the research study was to find out the effects of mobile banking on financial inclusion and access to financial services.

Chapter one was there to present the background of the study and the research problem that is enlightening in detail the financial inclusion, mobile banking and how the two are related. Also the chapter consist of the research objectives, research questions, limitations and delimitations of the study as well as definition of some key terms and summary.

The second chapter, literature and theoretical frameworks were reviewed of the previous studies and theories. Sources such as research papers, online google journals, textbooks and dissertations written by other scholars were used.

Furthermore, the third chapter comprises of research methodology. The target population which consist of 100 individuals and the sampled population of 89 respondents using a survey questionnaire technique. This chapter discussed validity and reliability of the data collected during the research.

Data was analysed and presented in the chapter four of the dissertation. Primary data was used and google questionnaire was used as a data collecting tool. Analysation and presentation of data was done through the use of tables, charts and graphs.

## **5.2 Summary of Major Findings**

There are numerous factors which can be a hindrance to financial inclusion of customers through mobile banking. These factors include network problems, security concerns, low digital literacy, regulatory and policy barriers, cultural and behavioural factors as well as financial and literacy gaps. Survey respondents consistently expressed concern over weak network coverage they frequently experienced during transiting through mobile banking. Network problem were found to be the most effective barrier to financial inclusion of customers who used mobile banking services.

Collected data suggested that 75% of respondents expressed dissatisfaction with the security of mobile banking services. Moreover, statistical test in the form of z test revealed that customers were concerned with security challenges related to usage of mobile banking services. Findings from the study reveal that loss of mobile phones and

security passcodes were the biggest security issue customers encountered with regards to usage of mobile banking services.

Further findings of the study revealed that mobile banking services had a positive impact on financial inclusion. Mobile banking has enable transaction convenience, cost reduction, microfinance and small business growth, account ownership and increases accessibility. Mobile banking has facilitated a convenient and secure platform for conducting financial transactions. Users can perform various transactions such as bank transfers and bill payments using mobile phones at the comfort of their homes. This convenient fosters people to engage in formal financial transactions and reduce reliance on cash.

More so, mobile banking has reduced transactional cost on both users and financial providers. Compared to traditional banking system, mobile banking transactions tend to be more affordable, making financial services accessible to low-income individuals who may have been previously excluded in banking activities and also it provides tailor made financial services. The services on mobile banking applications such as Steward bank visa app provide educational components, such as tips on saving and budgeting. This has increased financial literacy among users, empowering them to make informed decisions and improve their financial well-being.

Furthermore, mobile banking has facilitated the growth of microfinance institutions and supported small business in Zimbabwe. It has enable the platform for easy loan disbursements and repayments, enabling entrepreneurs to access capital, expand their business as well as creating employment opportunities in Zimbabwe. By leveraging mobile technology, individuals and business most particularly those unbanked people in remote area and rural areas, have gained access to formal financial services, leading to economic empowerment and improved livelihoods of the citizens of Zimbabwe.

Results on strategies that can be adopted to enable positive impact of mobile banking services on financial inclusion and access to financial services were quite viable. The study respondents agreed that expanding and improving network coverage across the country, strengthen security measures, developing affordable mobile banking solutions, design user-friendly interfaces for mobile banking applications that are intuitive and easy to navigate, tailor services to specific needs, promote financial education and implementing regulations that suit digital banking.

### **5.3 Conclusion**

The role of mobile banking in driving financial inclusion and improving access to financial services in Zimbabwe cannot be overstated. Mobile banking has emerged as a powerful tool that has potential to reach and empower individuals who were previously unbanked. By harnessing the widespread adoption of mobile phones, mobile banking has bridged the gap between unbanked population and financial services. In addition, mobile banking has promoted the growth of agent networks, enabling individuals to perform transactions and receive assistance in their local communities. Despite the positive impact of mobile banking on financial inclusion, continuous efforts are required. These efforts include expanding networks, fostering regulatory supports, addressing security concerns and embracing technology innovation. By addressing these recommendations, Zimbabwe can continue to harness the potential of mobile banking drive financial inclusion, empower individuals and foster economic growth.

### **5.4 Recommendations**

The recommendations were derived from the result of the study and they are as follows:

- Strengthen security measures to protect mobile banking transactions and customer data as well as enabling trust and confidence in the financial system. Implementing robust encryption protocols, two factor authentication and regular security audits to foster trust in the mobile banking ecosystem.
- Expanding network infrastructure will help overcome connectivity challenges and enable more people to use mobile banking.
- Establish an extensive network of mobile banking agents in rural and remote areas to provide in-person assistance, facilitate cash in and cash out and addressing any concerns arise to the users.
- Embrace technological advancements and continuously innovate to meet evolving customer needs. This could include emerging technologies such as artificial intelligence, biometrics and block chain to further enhance security, efficiency and accessibility of mobile banking services.
- Encourage collaborations between mobile network operators, financial institutions and fintech companies to develop integrated solutions that offer a range financial services through single mobile platform. This enables widespread of mobile banking usage among Zimbabweans.

- Work towards reducing the costs associated with mobile banking services such as transactional costs and data charges. This is possible through collaboration of network operators and financial institutions to explore innovative pricing models and subsidies particularly for low-income individuals who may be more financially vulnerable. This also fosters a wide range of financial services avail to mobile banking users. This include offering savings accounts, insurance products, microloans and other innovative financial solutions tailored to meet the needs of various people.
- Launch financial literacy programs to educate the population about functionalities and usage of mobile banking. Workshops, community outreach initiatives and collaboration with local organizations can help raise awareness and build trust in mobile banking ecosystem.

## **5.5 Summary**

The chapter summaries on the previous chapters, on findings. Recommendations and conclusion. Steward Bank overall benefits to a greater extent if they should invest much in the mobile banking ecosystem.

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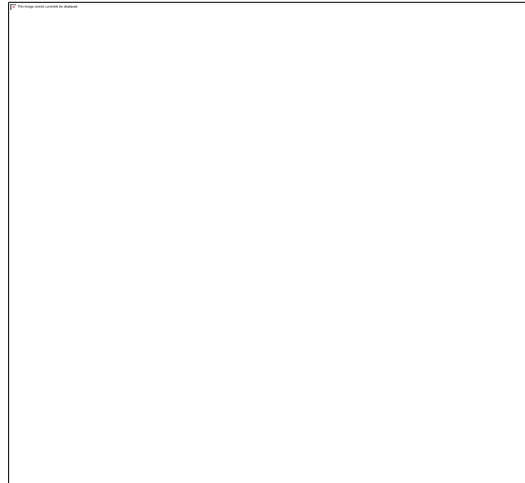
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**LIST OF  
APPENDIX 1  
BINDURA  
SCIENCE**



**APPENDIX  
UNIVERSITY OF  
EDUCATION**

**FACULTY OF COMMERCE**

Dear Respondent

My name is B201481B, a final year student pursuing a Bachelor of Commerce with Honours in Banking and Finance at Bindura University of Science Education's faculty of commerce. I am researching "the role of mobile banking in driving financial inclusion and access to financial services in Zimbabwe" as required by the aforementioned degree program. For this reason, I am pleading with you for help and

cooperation so that you can complete the enclosed questionnaire. Please be aware that the data will be kept private and used exclusively for academic research.

Contact details

Mobile number 0786 665 132

Email address [chinganet98@gmail.com](mailto:chinganet98@gmail.com)

## **APENDIX 11**

### **INSTRUCTIONS**

- 1) Do not write your name on the questionnaire.**
- 2) Show your response by ticking in the space provided.**
- 3) Where necessary please give your opinion on the blank space provided.**

**Questionnaire title: the role of Mobile Banking in Driving Financial Inclusion and Access to Financial Services in Zimbabwe.**

**Please tick in the box below for correct answer**

### **Section A: Demographic Information**

**1 Age:**



18 to 25 years	
26 to 35 years	
36 to 45 years	
46 to 55 years	
56 and above years	

## 2. Gender

Male	
Female	

## 3.What is your level of education?

High School	
Diploma	
Bachelor's Degree	
Master's Degree	

## 4. What is your employment status?

Employed	
Self-employed	
Unemployed	

## Section B: Mobile Banking Usage

### 5. Do you currently use Steward Bank mobile banking services?

Yes	
No	

6. How frequently do you use Steward Bank Mobile Banking services?

Daily	
Weekly	
Monthly	
Rarely	

7. What types of transactions do you conduct through mobile banking? (Select all that apply)

Funds transfers	
Bill payments	
Airtime purchase	
Loan applications	
Other (please specify)	

8. Which mobile banking application do you use to perform your transactions on?

Steward Bank visa application	
Steward Bank square application	
Zipit	
World remit	

### Section C: Financial Inclusion and Access

9. Has Mobile banking improved your access to financial services?

Significantly improved	
Somewhat improved	
No change	

Decline	
---------	--

10. Do you believe mobile banking has contributed to financial inclusion in Zimbabwe?

Strongly agree	
Agree	
Neutral	
Disagree	

#### **Section D: Barriers of Financial Inclusion**

11. What are the barriers of financial inclusion in Zimbabwe?

Security concerns	
Capital laws	
Limited access to financial infrastructure	
High transactional cost	
Stringent documentation requirement	

12. List ways of overcoming barriers of financial inclusion.

Mobile banking and digital financial services	
Agent banking	
Financial literacy programs	
Affordable financial products	
Simplified KYC requirement	

#### **Section E: Benefits of Mobile Banking**

13. Outline potential benefits associated with adoption of mobile banking in Zimbabwe.

Lower transaction cost	
Faster processing of transactions	

Higher accessibility	
Extended client base	
Reliability	

14. What are the effects of mobile banking.?

Increased access to financial services	
Improved efficiency	
Increased financial literacy	
Increased savings	
Empowerment of marginalized group	

## Section F: Future Intentions and Recommendations

15. Would you recommend mobile banking to others as a means to improve financial inclusions?

Definitely	
Probably	
Not sure	
Probably not	

16. What additional features or improvements do you think would further enhance the role of mobile banking in driving financial inclusion in Zimbabwe?

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## APPENDIX 3

