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Investigation On The Impact Of Mobile Banking On Financial Inclusion Amoung Rural Population A Case Study Of Mashonaland Central.

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APPROVAL FORM

The undersigned certify that they have supervised Locadia Usayi's dissertation entitled Investigation on the Impact of Mobile Banking on Financial Inclusion Among Rural Population (A case of Mashonaland Central), submitted in partial fulfillment of the requirement of Bachelor of degree in Banking and Finance

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EXTERNAL EXAMINER   DATE

DEDICATION

This project is dedicated to my parents and friends. To my loving parents, I owe you a great debt for you are my pillar of strength. The kindness and love you have showed me from childhood is now rewarded by this achievement in the family. To my friends Patience, Last, Cynthia, Tinovonga and Liberty l feel indebted for your uncompromising support.

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I would like to express my sincere gratitude and respect to the Almighty God who makes everything possible by leading my path all the way. It is not by mighty or by power but it's by the grace of God.

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I would like to offer special thanks to my family for the financial and emotional support throughout mu study.

However, I do retain both full responsibility for both views expressed in this study and for any deficiencies that might have escaped my conscience.

ABSTRACT

This study was entitled investigation on the impact of mobile banking on financial inclusion among rural population. The study was guided by the following objectives which are: to identify

obstacles to mobile banking on financial inclusion, the influence of mobile banking on financial inclusion among rural population and the approaches that can be implemented to ensure a beneficial influence on financial inclusion among rural population. This study therefore aimed to fill a gap by concentrating on the obstacles to financial inclusion and the iinfluence of mobile banking on financial inclusion. The study engaged quantitative data collection methods. A survey was used to capture data of a statistical nature on the impact of mobile banking services on financial inclusion. A sample of 59 mobile banking customers was nominated from the study population. The study was conducted in Mashonaland central under Mt Darwin, Shamva and Bindura district rural areas. The major outcomes of the study were mobile banking services and a positive impact on financial inclusion as well as the barriers to financial inclusion in the form of poor customer care network challenges, security concern related to mobile banking. Mobile banking enhanced savings among customers over time and efficiency and convenience in effecting financial transactions. However, usage of mobile banking services did not result in improvements in awareness to credit facilities. The main conclusion of the study was network and customer care in the use and access to mobile ban facilities. This research makes recommendation that mobile banking operators should create effective customer care among customers so that mobile banking platform will be appreciated as tradition banking channels

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EFTPOS   Electronic Funds at Point of Sale

CABS   Central Africa Building Society

MDGS   Millennium Developing Goals

POTRAZ   Telecommunication Regulatory Authorities of Zimbabwe

NCAER   National Council of Applied Economic Research

RBZ Reserve Bank of Zimbabwe

USSD Unstructured Supplementary Service Data

DOI Diffusion of Innovation

TAM Technological Acceptance Model

PU Perceived Usefulness

PEOU Perceived ease of use

PEOA Perceived ease of adoption

UB Usage Behavior

CHAPTER 1

THE PROBLEM AND ITS SETTING

1.0 Introduction

This chapter gives overview of the problem under investigation and will be structured as follows, statement of the problem, significance of the study, background of the study, research questions, delimitation of the study and limitations of the study. Definition of the key terms and chapter summary was also included.

1.1. Background of the Study

According to (IMF 2014) In developing policy locally financial inclusion is an essential and ultimate concept . This originates from accepting that inclusive monetary system is essential in reducing miserable poverty broadening collective evolution and promoting for supportable economic growth and development (World Bank, 2014). Comprehensive financial system permits low-income earners to deposit and withdraw allowing them to convey their resource capitalization in education and entrepreneurship and hence making their living values better. According to Akter Anwwar, Mustafa, and Ali, 2021), the underprivileged had further smooth their consumption and ensure themselves to socioeconomic susceptibilities. Because of the availability of a stable and accessible financial system, mobile banking has had a low level of acceptability in the developed countries (CGAP, 2012). Consequently, countries with well-functioning financial infrastructures, such as Automated Teller Machines (ATMs), credit cards, and online banking, use mobile money sparingly (Economist, 2012).

Conversely, because of the lack of well-developed banking institutions and other payment systems, mobile money services are widely used in poor countries. Because the financially disadvantaged have active monetary lives, appropriate financial products have been devised specifically for them (Asoungu, 2012). The poor's ability that can save, repay debts, and mitigate risk responsibly is hampered by the usage of informal financial tools (Donovan, 2012). These financial restraints upon this poor can stifle economic growth and exacerbate inequality on a macroeconomic level (Donovan, 2012).

According to the World Bank (2012), offering financial products to the 2.5 billion financially excluded people can help promote economic development. Financial services can assist people in paying for school, saving for a family, or starting a small enterprise which can employ people (Keli,2018). Distance limits and the absence of physical branches in remote areas are overcome by the fact that digital wallets can be accessible anywhere there is a cellular phone service (Chikoko & Mangwendeza, 2012). In Zimbabwe, the fast increase of penetration of mobile has created fertile ground for the growth of mobile money. The next section presents an overview of African mobile banking services. The purpose of this analysis is to provide background for a better appreciation of mobile banking and its influence on financial inclusion in emerging countries.

1.1.1. Mobile Banking in Africa

According to Jack and Suri (2011), the evolution of smartphones technology results in a lower communication prices, particularly in developing nations. According to Aker and Mbiti (2010), the rapid growth of mobile phones across Africa has resulted in unforeseen changes in communications technology. Since 2001, Africa's average yearly growth rate in phone users has been around 65 percent (Hosman & Fife, 2012). In the 1990s, the continent was cut off due to a lack of transportation and communication infrastructure, but today, more than 80% of Africans have access to cell phones (Bara and Mudzingi, 2012). As a result of these acts, purchasing power was transferred from the source to the destination (Jack & Suri, 2011). With the debut of M-PESA in April 2007, Safaricom, a Kenyan mobile phone provider, legalized the digital payment capability (Boro, 2017). The SMS-based money transfer system, which allows citizens to deposit, transfer, and withdraw monies using their smartphone without relying on airtime as a means for transferring purchasing power, has evolved quickly and is largely regarded as a positive story (Vaughn, 2007). In the 8 months since its launch, the platform has over 1.1 million subscribers and $87 million in payments (Safaricom, 2007). By September 2011, these amounts had risen nearly 1

By April 2010, the agent network had grown from 450 in 2007 to 18,000. (Safaricom, 2009: Vaughn, 2007). The integration of mobile adoption and M-affordability PESA's and security has brought significant changes in economic activity preparation, risk administration, and family dynamics (CGAP, 2012). A decade ago, communicating with family in distant parts of Kenya, as well as sending and receiving money, was impossible (Boro, 2017). When relatives are in need of assistance, they may now communicate and get support quickly. Even though the remittances

are tiny, they are frequent, and large sums are being sent to rural places (Morawcyznski & Pickens, 2009). In Kenya, mobile money services have had an impact on savings, according to Morawcyznski and Pickens (2009), stipulated that even though there is no interest, consumers save more money in their mobile wallets. Plyler (2010) also mentioned that some users maintain money in their digital wallets for security purposes, particularly while traveling long distances.

1.1.2. Mobile Financial Services in Zimbabwe

The Reserve Bank of Zimbabwe has been the first to encouraging financial institutions to use ways that promote financial inclusion. According to the Central Bank of Zimbabwe's Monetary Policy Statement from 2006, the majority of Zimbabweans do not have access to banking services. According to a research by FinMark (2012), 65 percent of Zimbabwe's population lives in rural areas, with only 5% of rural residents having access to a bank within 30 minutes' drive. The Reserve Bank of Zimbabwe, the banking system, and other stakeholders developed a Framework for Economic Cooperation (World Bank 2014). The framework's main goal is to make banks more accessible to 'unbanked' disadvantaged societies by building rural branches or using technology to develop new products that are accessible and with reasonably priced to the majority (Businge, 2018).

On September 30, 2011, the RBZ introduced Ecocash, a local fund transfer service (IMF, 2014). The advent of the Ecocash service into the financial industry has given the general public more convenience and easier access to banking services. The fact that Electronic money money transfers are available through all three mobile network providers ensures that everyone with a cell phone has access to the service. Ecocash announced a new product called Ecocash Save in October of 2013. Econet's new bank, Steward Bank, is home to the offering (formerly TN Bank). "Stewart Ban has taken banking to the unbanked," according to Stewart Bank's CEO (IMF, 2014).

Telecel as well as Kingdom Bank invented the Skwama mobile money services product, which enables Telecel users to use cellular phones to purchase airtime, bill payments, withdraw funds, transfer, and deposit cash. NetOne does have the one- wallet product, which would be run on its digital application and is restricted to FBC BANK clients. The Skwama mobile digital banking enables customers to bank using their smartphones in remote places with network availability

(Kabweza, 2012). This service, however, is no longer available. So according Kabweza (2012), banks are poised to harness the remote population into the financial sector through a variety of bank products tailored to be cheap and available to low-income earners through competition.

Kingdom Bank was the first to present a cell card product, in which client are notified via text message when their account is credited or debited, and moneys are accessed to use a bank card snatched at an Electronic Funds Transfer at Point of Sale (EFTPOS) machine located in urban and rural retail outlets (Bara and Mudzigiri.2016). The Central Africa Building Society (CABS) was indeed the second to implement the branchless notion, which also practices EFTPOS machines to allow retirees to access their monthly payments. On an agency basis, EFTPOS machines are placed in chosen rural and urban retail shops. Agribank and Zimpost formed a strategic relationship in which the bank will promote the branchless banking idea to 'unbanked' rural areas through selected Zimpost offices(Bara and Mudzingi 2016). Agribank is also agreed with Econet for an agency agreement of the Ecocash creation given the bank's extensive rural branch network (IMF, 2014). Zimbabwe banks are accompanying with telecommunication service providers to offer mobile banking Kabweza (2012) After Agribank then all other banks implemented the mobile banking services. 1.1. Problem Description

1.2 Problem statement

The majority of Zimbabweans reside in rural areas. Even if mobile banking is becoming more popular around the world, the rural population is falling behind. According to (Finmark, 2012), a number of people are financially excluded, which is where a teething problem exists. Mobile banking has now been proposed as a means of achieving financial inclusion, and the question now is to determine whether it is the best option in Zimbabwe. The majority of Zimbabweans are 'unbanked,' and unavailability, inconvenience, and excessive expenses have been mentioned as reasons why the poor and disadvantaged do not use financial services. As a result, it is necessary to assess whether mobile banking is a solution to financially excluded

.

1.3. Research Questions

The investigation will pursue to offer answers to the below questions:

• What are the obstacles to financial inclusion among rural population?

• What influence does mobile banking have on financial inclusion in rural areas??

• What approaches may be implemented to ensure that mobile banking services have a beneficial influence on financial inclusion?

1.4. Research Objectives

This study is directed by the succeeding objectives

•To Identify obstacles to financial inclusion among rural population.

• To Assess the influence that mobile banking have on financial inclusion in rural population.

•To Explore approaches that may be implemented to ensure that mobile banking ave a beneficial influence on financial inclusion.

1.5. Significance of the Study

"Research encourages the formation of logical habits and structure, as well as scientific and inductive thinking" (Donovan2012 .p12). This study makes a significant contribution to the following expectations of the various groups of individuals who will be concerned in the findings:

1.5.1 To the Researcher

The study will be used to complete a portion of the criteria for Bindura University of Science Education's Bachelor of Banking and Finance degree. The investigator will have gained more expertise conducting extensive research by the end of the experiment, which will serve as an excellent foundation for future work. The research also provides an answer to the research question to learn more about the topic under investigation, which is mobile banking.

1.5.2 To Policy Makers

The research is essential because it addresses the current topic. Financial isolation has been identified as one of the key reasons of poverty, and as a consequence, financial inclusion is

obtaining international consideration. Another of the eight Millennium Development Goals (MDGs) that Zimbabwe aims to fulfill by 2015 is scarcity alleviation (Kanyenze, 2011). The findings of this study are expected to be extremely useful to the Reserve Bank of Zimbabwe and the Postal and Telecommunications Regulatory Authorities of Zimbabwe (POTRAZ) as they examine the policy framework for mobile banking in order to considerably expand the degree of financial inclusion for rural areas.

1.5.3 To the university

This research will enhance to the existing literature and thus will aid academia in future research on comparable topics by providing more references. Other researchers may be able to use the study results to suggest areas that need more research. If the university so wants, the issues revealed in the research can be used to improve the academic course plan.

1.5.4 To the World

The corporate sector will also take a page from the investigations and implement approaches for addressing the study's opportunities and intimidations. The public would then make well-informed decisions about whether or not to use mobile banking services. By accomplishing the previously "unbanked," digital money has the potential to open up new markets for financial institutions. For a long-term competitive advantage, policies can be built over this new way of doing business.

1.6. Assumptions of the Study

The researcher believed the following in order to acquire accurate, full, and reliable data:

• During the research period, the economic climate will stay steady.

• The target population will enthusiastically support the study.

• The data collection instruments will gather data that is intended to be collected.

• The sample will be demonstrative of the entire population in the research region.

• The evidence gathered from responders must be considered accurate, thorough, and relevant, and it must be trusted.

.1.7. Delimitations of the Study

The study's major goal was to see how mobile banking affected the rural population in Mashonaland Central Province's Mt Darwin, Shamva, and Bindura districts. As a result, the study's scope is restricted to one of Zimbabwe's seven provinces. The effects of digital banking on rural populations with limited access to formal financial institutions will be the subject of this study. Bindura area will be used as a case study because it is Mashonaland Central Province's most populous and has had difficulty accessing financial services. The district of Bindura was chosen mostly due of its accessibility to the researcher. The research is limited to the opinions of persons who are well-informed.

1.8. Limitations of the Study

Firstly, the study was limited by insufficient research resources and services since there are limited secondary evidence of the problematic under study. Secondly, the respondents were preoccupied with their daily routines that some could not answer questionnaires therefore interviews had to be improvised while respondents. Thirdly, the researcher was faced with financial constraints in conducting the research. However, the researcher was fortunate to be given money by relatives to conduct the research.

1.9. Definition of key terms

Mobile banking. describes mobile banking as "a system that enables a financial institution's customers to complete a variety of financial transactions using a mobile device like a smartphone or tablet." (Oweny and Shipho,2011".

Financial inclusion: Chakrabarty (2013) postulates that is the distribution of financial services at reasonable prices to sections of underprivileged and low-income earners of society, in contrast to financial isolation where those services are unattainable or too expensive.

Rural unbanked: The rural unbanked are rural clients that do not have formal bank accounts who are activate in a cash economy while these people have insufficient access to bank loans, savings, and insurance (Medhi , 2010)

1.10. Chapter Layout

Chapter one has put the problem and its setting into context; chapter two outlines the theoretical framework through which the study will be perceived. Furthermore, chapter two will identify knowledge gaps in the reviewed literature which the current research aims to fill. Chapter three outlines the strategy to be employed in generating, presenting, analyzing, and interpreting data. Chapter four explores the generated data through presentation, analysis, and interpretation to answer research questions raised in chapter one then lastly chapter five stipulates an overview of the study, recommendations, and conclusion.

1.11. Chapter Summary

The leading chapter gave a summary of the research findings and its significance. It outlined the problem statement as well as the importance of the study. The chapter then goes through the study's boundaries and restrictions, as well as the chapter arrangement and definitions of essential terms. The next chapter, chapter two, focuses solely on the literature revi

CHAPTER 2

LITERATURE REVIEW

2.0 Introduction

Chapter one focused on the problem and its setting. The current chapter is dedicated to identification of knowledge gap to be filled by the study. The literature review illustrates the key concepts and presented information concerning mobile banking and financial inclusion. Accordingly, the researcher will outline the theoretical framework, conceptual framework, obstacles to financial inclusion on rural population, the influence of mobile banking on financial inclusion among rural population, approaches that can be implemented to ensure a beneficial influence on financial inclusion and chapter summary.

2.1 Theoretical Framework

This section presents the two theories on which the study is undertaken in view of variables under the study. Technological Acceptable Model (TAM) and Innovation diffusion theory

2.1.1 Technological Acceptable Model (TAM)

Since the 1980s, the TAM model has been utilized in studies aimed at determining consumers' intents when it comes to integrating and using new technology (Lule, Omwansa & Waema, 2012). According to TAM, the most important elements in deciding whether users accept and employ a new technology are perceived usefulness (PU) and perceived ease of use (PEOU) (Davis, 1989). The extent to which clients have faith in the technology, such as whether or not employing a particular technology improves one's performance. PEOU is also described as the degree to which a person considers that using a given technology would be painless (Davis, 1989).

TAM for mobile services, according to Kazi and Mannan (2013), is an expansion of Davis's (1989) original TAM; TAM for mobile services includes additional components such as trust (T), intention to use (I), perceived ease of adoption (PEOA), taking knowledge into practice (TU), and usage behavior (UB). The original TAM includes perceived ease of use (PEOU), and the extended model includes it as well. To the consumer, Kaasinen (2005) redefines perceived usefulness (PU) as perceived value (PV). Furthermore, in order to shift from intention to real usage, the user needs employ a certain mobile service. The construct PEOA has a big influence

on this movement. T, PV, SI, and PEOA are all enlarged structures further below.

In mobile services, trust (T) relates to the system's and service provider's perceived reliability. Risk and privacy concerns have an impact on the system's construct of trust. Furthermore, a user's confidence in his or her capacity to use the product has an impact on trust in the provider (Kaasinen, 2005). The notion that using new mobile services would give measurable benefit to the user is defined as perceived value (PV), a simplified concept of perceived usefulness (PU) from the original TAM (Davis, 1989). (Kaasinen, 2005). It is thought that PU does not fully embrace the motivation to facilitate mobile services (Kaasinen 2005)..

The other concept that could affect rural population to consider using mobile banking is Social influence (**SI**) .. Perceived ease of adoption (**PEOA**) is connected to current implementation and usage of mobile banking. PEOA is supplementary to the model when there is a need to change from target to use the structure to actual practice of the system. According to Kaasinen (2005), user features and environmental reputations influence how the user observes the acceptance of a mobile service. The extension of the TAM was used to pounded the research in information systems (Davis, 1989).

According to TAM the independent variables for the research are cell phone use, computer capability and awareness of mobile banking, sex, and race. The dependent variable for the study is the purpose to use m-banking products technology.

Figure 2.2.1 below shows the structure used in this research
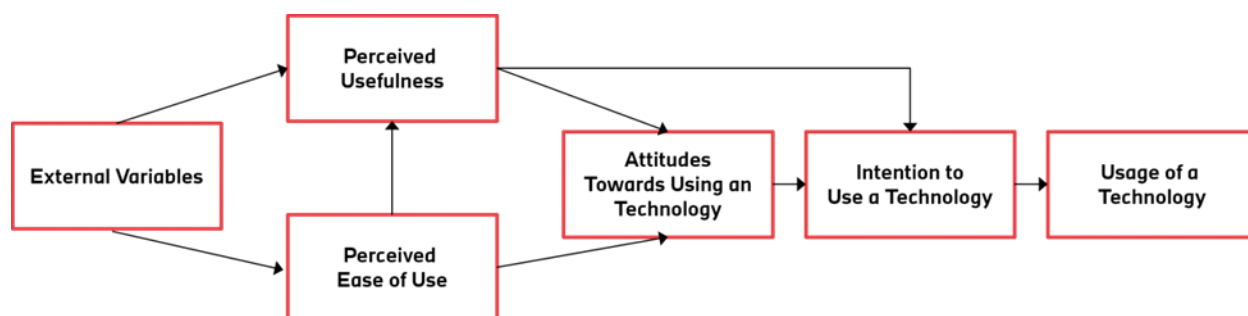
(diagram 1.0)Technology Acceptable Model (TAM) for Mobile Service as an expansion and alteration of TAM by Davis (1989)

2.1.2 Innovation diffusion theory

The theory of Diffusion of innovation was formulated by E.M. Rodgers in 1962. It is one of the earliest theory.To discuss how an idea or service develop traction through a the crowd or social system over time was used first in communication and diffuses (spread). The subsequent outcome of this distribution is that people accept a new idea, habit, or service as part of a social system. Implementation entails a person undertaking something distinct from what they formerly did (i.e., purchase of a new product, attain and implement a new performance, etc.). Embracing be contingent on the person's observation of the concept, or product as novel or unique. Diffusion is possible as a result of this.

Implementation of new idea is a process that a number of people is more likely to adopt the innovation than other people However acceptance of new concept, behavior or service it does not take place at the same time. People who adopt new changes firstly have a different characters as compared to those who accept it later according to findings. When marketing a development to the aimed community, it's difficult to find the natures of that population that will aid or deter adoption. While a number of the population are into one of the five defined adopter segments, it is still impotant to appreciate the characteristics of the target population. There are a variety of tactics that can be utilized to promote an idea.to appeal to the different adopter categories.
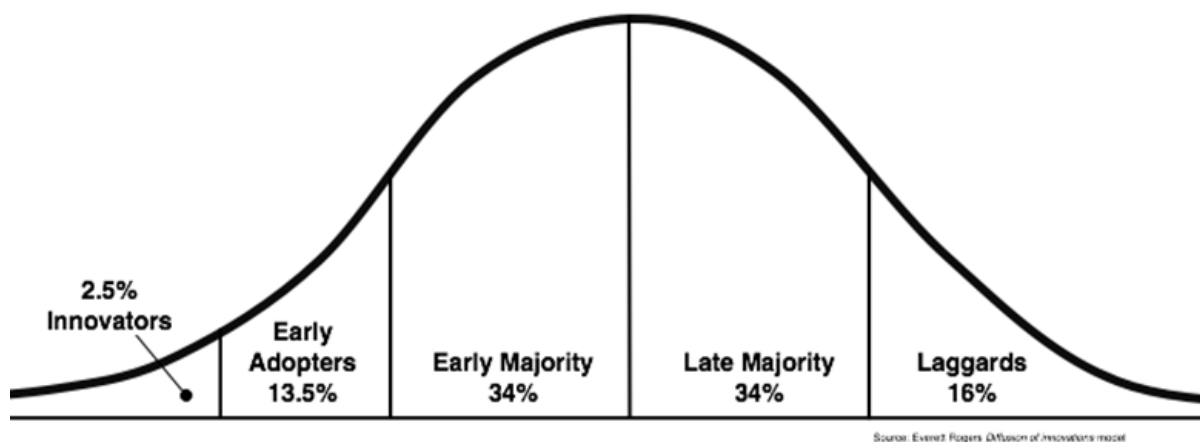
Figure 2.0 Innovation Diffusion theory

The above idea shows different users of mobile banking services who are divided into distinct segments. Firstly there is innovators who are always at the front to test an introduced product. They are alert and curious to an a new products. These people are willing to take risks and introduce new thoughts. To penetrate to this demographic, few, if something, needs to be done. They are trailed by early adopters, who hardly influential but do adopt new concepts ahead of everyone else. However, earlier they are interested in adopting an new ideas, they usually need to see evidence that it is perform its purpose. Positive sections and evidence of the invention's effectiveness are two tactics for attractive to this demographic.

There is also, late majority, who are relaxed of change they boost their confidence of using the product if other people tried it. Evidence on how many other people have tried the invention and successfully accepted it is one approach for pleasing to this demographic. Lastly, there are laggards, who are destined by tradition while they are extremely conventional as well. They do not want change and they are difficult to initiate. Statistics, fright petitions, and pressure from other adopter groups are all implemented to application to this demographic.

According to the researcher, the respondents under this study fall under late majority and laggards because people from rural areas are lagging behind regarding the adoption of mobile banking.

2.2 Conceptual Framework

This research will make use of mobile banking business models namely bank focused, bank-led, and nonbank-led models.

Models that fall under Digital Banking Business

Under this model, a variety of mobile banking which do not have branches are established. Nevertheless of the business model, however, the commercial model be contingent on bank representatives, that is, post office branches that handle financial transactions on behalf of telecom companies or banks when telephone banking is used to lure low-income demographics often in rural areas (Chakrabarty, 2013).. Many telecomunication providers work through their

local airtime resellers, however, banks in Colombia, Brazil, Peru, and other markets use pharmacies, bakeries (Bara, 2013).

These models vary primarily on the query that who will create the relationship such as account opening, deposit enchanting and loaning to the end customer, the bank, non-bank or telecommunication company(Donovan 2012). Another alteration lies in the nature of the assistance agreement between the bank and the non-bank. Models of branchless banking can be categorized into three broad classes - Bank Focused, Bank-Led and Nonbank-Led.

2.2.1 Bank focused model:

A bank-focused model emerges when a traditional bank uses non-traditional low- cost delivery channels to provide banking services to its existing customers. Examples range from the use of automatic teller machines (ATMs) to internet banking or mobile phone banking to provide certain limited banking services to banks' customers. This model is additive in nature and may be seen as a modest extension of conventional branch-based banking.

2.2.2 Bank-led model:

In contrast a bank-led model offers a distinct alternative to conventional branch-based Banking in that customer conducts financial transactions at a whole range of retail agents (or through a mobile phone) instead of at bank branches or through bank employees. This model promises the potential to substantially increase the financial services outreach by using a different delivery channel (retailers/ mobile phones), a different trade partner (Telco / chain store) having experience and target market distinct from traditional banks and may be significantly cheaper than the bank-based alternatives. The bank-led model may be implemented by either using correspondent arrangements or by creating a JV between Bank and Telco/non-bank. In this model customer account relationship rests with the bank**:**

The bank-led model is another to conventional branch-based banking where clients do their financial transactions at of retail mediators through mobile phone in its place of bank branches or through bank organizations (Chakrabarty, 2013). The model promises the potential to considerably upsurge in the financial services outreach by using a different delivery channel including retailers or mobile phones. In this model customer account relationship rests with the bank. Thus, the Central bank's objectives in financial inclusion to provide a greater role in modernizing the national economy by promoting the M-Banking system in the country could

possibly help in financial inclusion (Bara, 2013). The bank-led model helps in realizing the significance of M-Banking system in Zimbabwe since it may be cheaper than bank-based alternatives empirical framework

2.2.3 Nonbank-led ideal:

The non-bank-led model is when a bank has inadequate role in the day-to-day account administration. Naturally, its role in this model is restricted to the safeguarding of funds. Account management purposes are directed by a non-bank, for instance, Telco who has close contact with individual client.

2.3 Obstacles to mobile banking on financial inclusion among rural population

This sector will focus on the obstacles related to mobile banking which hinder financial inclusion. The obstacles identified in literature include inadequate knowledge and awareness, higher transaction cost, low levels of trust and security concerning mobile financial services, inefficiency customer care services and cash dominated rural society. The aspects are presented below in the order mentioned above

2.3.1 Rural users' inadequate knowledge and awareness regarding mobile financial services:

The most significant challenge of rural users is inadequate knowledge and low-level awareness about mobile financial services Bhuiyan and Rahman (2013). Rural users with low educational levels have insufficient knowledge about mobile financial services Bhuiyan and Rahman (2013). Although mobile phone usage is increasing among rural people, their mobile financial services usage is still at a very basic level. In Bangladesh, users are increasingly growing the digital lifestyle, but still, most users are not aware of mobile financial services (Hossain & Haque, 2014). Many rural users think mobile financial services can only be used for cash in and cash out. These people are lagging behind of advanced functions of digital financial services, for example, utility bill payment, transfer money to/from a bank or international remittance and getting a balance statement (Hossain & Haque,2014).

Bhuiyan and Rahman (2013) found that most of the mobile users in Bangladesh have very little or no education at all. Users with low-level education have difficulties in understanding the mobile financial services menu because of their little reading capabilities. Many rural Bangladeshis have access to basic or phone features and most Unstructured Supplementary

Service Data (USSD) menus are in English. It creates it difficult for them to understand or use mobile financial services properly. Some rural users cannot check mobile financial services balance or understand the basic functions of mobile financial services.

Additionally, rural users' low literacy effect confidence level when using mobile financial services. Ahmed, Imtiaz, and Kauser (2020) further added that many people have almost no knowledge about the most advanced features of mobile banking (Applications Most of the customers do not know how to write a message on mobile and most of them are unfamiliar with the English language due to illiteracy (Alam, Patwary & Rahim, 2013).

2.3.2 High transaction charges of mobile financial services

The previous study also discovered users are disappointed with the high transaction cost of mobile financial services (Hasan, 2020; Sarpong & Agbeko, 2020). In difference, Alam et al. (2013) found that most of the users have confidence that mobile banking has a lower cost compared to traditional banking. Therefore, most Indian banking customers prefer traditional ways of banking (Sushma, 2018). The transaction costs of transferring money through the mobile payment technology are affordable as compared to those of banks and cash transfer corporations (Omwansa, 2009).

Mallat (2007) also claims that if a consumer faces the transactional expenses, there is a negative association between transactional cost and rural adoption. According to Omwansa (2012), rural people make reasonable decisions when they want to select a mobile financial transfer service based on the expense of completing a payment. Cost, according to Qingfei et al. (2008), is a user's appraisal of the item world or authenticity, not his or her perspective. The writers appear to emphasize the role of psychological aspects in consumer behavior when they want to pick a mobile money transfer method.

Costs of accompanying mobile funds transfer technologies, registering fees, and transaction fee are thought to be included in the transaction costs in question. According to Agrawal (2008), persons who are unable to access official financial institutions turn to the informal sector, where they can obtain financial services at exorbitant prices. Limited credit choices, according to the author, are to blame for the unfavorable rates on the informal financial markets.

While the authors acknowledge that transaction costs have a positive impact on the implementation of mobile financial products, they overlook the importance of availability,

quality of service, and admission to other money transfer technologies, all of which may influence consumer choice of money transfer technologies. In Zimbabwe, for example, most money transfer technologies are only available to users who have access to the same mobile money transfer technology. More importantly, there is a lack of international money transfer technologies, which are critical for the rural people, as they rely on remittances from migrants overseas for the majority of their income.

2.3.3 Low level of security and trust concerning mobile financial services:

The current global financial crisis has made banks the biggest debtors (Charmaz & Belgrave 2012). People today have become very reluctant to trust banks, believing that anything their banks introduce is not dangerous and secure (Bhuiyan & Rahman, 2013 Correspondingly, the previous study found that numerous people still do not trust the mobile financial services system due to concerns about their guilt transactions or fraud (Ahmed et al., 2020; Ramdhony & Munien, 2013).

On the oter side, other researchers discovered that most people consider that mobile banking is fairly or highly secured (Alam et al., 2013; Bhuiyan & Rahman, 2013). Ahmed, Islam, Rayhan and Mahjabin (2012) and Liza (2014) argued that people have high levels of trust across all three outlooks:e banks, mobile products suppliers, and wireless infrastructure.

Many rural users have a problem remembering a PIN and entering it correctly. Hence, they use generic PINs like 1234. Sometimes they share them with others, including agents, increasing the potential risk of theft. Losing a user's mobile device often sows that criminals gain contact to the mobile financial services PIN and other sensitive information (Bai, 2019). Criminals use this information to blackmail other users. Bhuiyan and Rahman (2013) suggested that there are mobile financial services security concerns related to PIN confidentiality. Mostly, rural users cannot keep PIN secret and become victims of criminal activities.

2.3.4 The inefficiency of customer care services:

Sometimes rural users face problems with their mobile financial services which cannot be solved by agents. At that time, they need help from customer care services. Majority of respondents mentioned that contact with customer care centers is very expensive and difficult Islam (2013). Most of the time the connection remains busy, or no customer care representative receives the calls. Akhtaruzzaman et al. (2017) alluded that the mediators are not experienced in dealing with

customers' demands and complaints. They are not aware of providing entire services to clients. They are even liable for scheming with wrongdoers in prohibited transactions through mobile financial services in Mashonaland central (Islam 2013). Some respondents mentioned that there is no clear guideline about the complaining registration process and where to do that or how much time a mobile financial services provider needs to solve those problems. Sometimes, it takes months for rural users to get any solution for their problems of mobile financial services.

2.3.5 Cash dominated rural society

Rural areas are still lagging behind and mobile money adoption is still very low. All respondents mainly use cash in everyday life. Most users mentioned that there are very few places where they can use mobile money at all (Islam 2013). In the country everyone accepts cash instead of mobile money. Therefore, saving on mobile financial services account does not seem to be that useful for them.. Small shopkeepers in the countryside also do not accept digital money in some cases. So, they keep money in their wallet and not in mobile financial services account. Furthermore, Inam and Islam (2013) mentioned that mobile banking does not yet have a variety of deposit systems or investment/credit systems like traditional banking. Mobile financial services do not have wide acceptance or diversified systems like formal banks, so rural populations rarely prefer mobile financial services.

2.4 Influence of mobile banking on financial inclusion among rural population

Mobile banking has a variety of effects on financial insertion. Customers' contact to financial services, savings, credit, and financial security are all affected by mobile banking. Studies on the influence of mobile financial services on household savings show that mobile banking has both favorable and right effects on household savings. Rural households employ a variety of platforms to manage and save their money, according to Collins et al. (2009) and Banerjee and Duflo (2011)..

According to an investigation done by the National Council of Applied Economic Research (NCAER) and Max New York Life Inc., over 81 percent of Indian households save a portion of people's earnings, while 33 percent keep their cash at home. Another significant observation of the survey was that, despite being in debt, rural households save around 40% of their annual income. According to Ssonko (2010), membership in the official financial system leads to a greater level of financial management. Individuals without bank accounts, particularly rural populations, will face difficulties in making payments for electricity and other expenses,

according to Sarma (2008). Individuals will be more likely to lose money in unsecure and frequently deceptive informal markets..

According to Donovan (2012), mobile money has the ability to transform financial inclusion. Traditional financial inclusion methods, according to Donovan (2012), are predicated on the distribution of either loaning or depositing financial products. However, Mas and Radcliffe (2010) point out that the M-PESA experience was enhanced by the introduction of novel mobile money-based financial services like financial instruments that enabled bill payments and targeted cash transfers for poverty reduction. (2012, Donovan)

The key motive for the popularity of innovative technology based goods such as mobile banking is that they are less expensive and more convenient than traditional financial products. In a study conducted by Mckay and Pickens (2010), branchless banking was found to be 19 percent less expensive than traditional banking. For low-value transactions, such as money transfers, the price disparity doubled. In Kenya, M-Pesa saved between a third and half of the cost of other funds transfer methods. These savings are important for low-income Kenyans, and their expanded use makes financial sense. Countries like Botswana, on the other hand, have experienced a delayed adoption of mobile banking services, owing to high transaction costs. The minimal transaction cost is 8 pula, which is equivalent to $1.07. Mobile money transfer services which are robust give an efficient and convenient option for the performing public. The research that was done in Kenya when M-PESA was in its infancy showed that there was a decline in theft as compare to when people travelled with cash.

 Morawczynski (2009), stated that women were also able to save money without their husbands' permission. Traditionally, rural people saved their money with less liquid assets like cattle and gold. Financial markets can have a negative impact on these assets, and the fact that they are less liquid makes it difficult to sell them in an emergency. Transporting these types of valuables is extremely complicated and dangerous. As a result, mobile banking services provide the general public with a secure, risk-free way to save money that is always available.

2.5 Approaches that can be implemented to ensure a beneficial influence on financial inclusion among rural population.

Promoting understanding, awareness, as well as training about financial goods and services among banking clients are some of the approaches that may be taken to enable mobile banking services to have a beneficial impact on financial inclusion. To achieve financial inclusion, banks

and mobile network providers should run major customer education campaigns and offer a full suite of mobile banking products, including but not limited to loans and savings, according to (Bongomin & Ntayi, 2019). Mobile financial services are primarily accessible to low-income members of the rural population. As a result, using technology to reach rural areas is critical for service providers. Using technology, the required range for rural areas can be obtained at a minimal cost. Eighth and Khalily are two names for the same person (2017)

Ibeachu (2010) outlines the elements that must be addressed in order for mobile banking consumers to achieve financial inclusion. Financial institutions, among other things, must consider client considerations, the accessibility of inexpensive mobile financial services, and the supply of complete client evidence and transparency, according to the author. Evans (2018) underlines the importance of accessibility, affordability, uptake, and awareness when it comes to mobile banking services. In practice, client needs differ depending on their attitude and financial situation. According to Tuesta (2014), who was referenced in Ibeachu (2010), successful financial inclusion necessitates clients' having adequate awareness of financial institutions and services.

According to Chinoda and Kwenda (2019), serving the financial demands of rural customers is tough due to their small needs and poor business margins. According to Anderson and Billou (2007) in Ismail and Masinge (2011), in order for corporations to create real profits by serving the rural population, they must pursue experimentation techniques by generating appropriate product and service offerings. According to (Bongomin & Ntayi, 2019) .

 World Bank Financial Access (2009), bank branches and service centers must be positioned in strategic locations for people to find them. The distance individuals must travel to access these facilities, according to the World Bank Financial Access (2009), is an issue that has to be addressed by financial inclusion policies.

2.6 Knowledge gap
The mobile banking have attracted huge number of people to do researches , various studies in different countries have been carried out focusing on different issues such as effects of mobile banking on financial inclusion, obstacles to financial inclusion and the influence of mobile banking on financial inclusion. Most of the studies have on customer satisfaction have been carried out of Zimbabwe in countries that adapt technology and with unique technological

advancement and macro-economic condition. The change from traditional banking to mobile banking is slow in Zimbabwe as compared to other countries because some issues have been dealt with on the influence of mobile banking on financial inclusion to rural population. The question of whether mobile banking is satisfactory to rural population is still exist in poor technology economy. Therefore, the researcher is going to fill this gap by studying whether mobile banking brings satisfaction or not to customers in rural population.

2.7 Chapter Summary

Based on the investigations from the nominated literature research, it can be determined that mobile banking plays a significant role in financial inclusion. Building on literature results,te research examined whether mobile banking has the same influence on financial inclusion in Zimbabwe. The methodology of this study is deliberated in the next chapter.

CHAPTER 3

RESEARCH METHODOLOGY

3.0 Introduction

The previous chapter concentrated on the identification of knowledge gaps in the literature reviewed which the current research intends to address. This chapter focuses on the research methodology used in collecting data, giving special attention to research design (research paradigm and research approach), sample and sampling procedure, research instruments and tools, data collection and analysis procedures, research integrity and chapter summary.

3.1 Research design

The research design is the overall strategy used to assimilate different factors of the study in a coherent and logical way, thereby certifying the researcher efficiently addresses the research problem by outlining the blueprint for data collection measurement, and analysis (Empson, 2017). In this study the researcher used descriptive survey. According to Akhtar (2016), descriptive survey gives an accurate profile of people, events, or situations. Descriptive survey defines the research aspects namely, who, what, where, when, why and sometimes the how of the research. Such preparation affords one the opportunity to make the required changes before the process of data collection begins.

3.2 Population

Fricker (2017) suggests that a population is defined as a group of people, with at least one common feature c which differentiates that group from other individuals. Larget (2011) proposes that population refers to all members of any well-defined class of people, events, or objects under study. Mostly, in research population refers to a group of individuals the researcher used to carry out a logical study and obtained results. Thus, this study consists of population of mobile subscriber and mobile agents' systems in bandura district.

3.4 Sample and sampling procedures

Sampling is the process of selecting a sample from a group of people of a specific type (Elfil and Negida, 2017). The population is divided into multiple segments called sample units during sampling. In this study, sampling was utilized because of its advantages of reduced costs, less time consuming, high data accuracy, faster data collecting, and obtainability of population features (Tyrer & Heyman, 2016). However, selection has its own set of drawbacks, including the possibility of bias, the difficulty of selecting a truly representative sample, and the changeability of sample units..

A total of 59 mobile banking customers were chosen from at he whole population for this study (TechZim, 2012). Customers who used mobile banking before December 2012 were included in the study. This reflects 11 percent of the population (the number of registered mobile banking users in the research areas before December 2012) and is a population representation because it is more than the 5 percent recommended by Greener (2009).

3.4.1 Unit of Analysis

People who have mobile banking accounts before December 2012 and lived in Mashonaland central under Mt Darwin, Shamva district, or Bindura rural district were the study's units of analysis. The majority of low-income residential areas are rural. The low-income area was chosen because it has a varied range of socioeconomic origins among its mobile banking consumers.

3.4.2 Sampling Methods

Probability and non-probability sampling are two main typess of sampling methods and this study employed probability sampling methods (Elfil & Negida, 2017). Definitely, stratified random sampling and systematic random sampling were used to develop the sample for the study.

3.4.3 Probability Sampling

Probability sampling is defined as a sampling method in which the researcher selects samples from a larger population using a method based on the theory of probability(Elfil &Negida 2017). For a participant to be considered as a probability sample, he/she must be selected using a random selection (Elfil & Negida, 2017). Stratified random sampling was used in the study and it involves a method where the researcher divides a more extensive population into smaller groups that usually do not overlap but represent the entire population (Tyrer & Heyman, 2016

The most critical requirement of probability sampling is that everyone in your population has a known and equal chance of getting selected (Tyrer & Heyman 2016). For example, if you have a population of 100 people, every person must have an equal chance of getting selected. Probability sampling gives generates a sample that is truly representative of the population(Tyrer & Heyman, 2016)..

A standard method is to arrange or classify subjects by sex, age, ethnicity, and similar ways(Tam & Woo 2020). Splitting subjects into mutually exclusive groups and then using simple random sampling to choose members from groups. Members of these groups should be distinct so that every member of all groups get equal opportunity to be selected using simple random sampling.

3.5 Research instruments and tools.

Calanas (2017) states that research instruments are means and procedures used in the acquisition of data with which to test the research questions. Karim (2014) defines research instruments as tools used in the procedure of data collection. The researcher used interviews and questionnaires in this study.

3.5.2 Interviews

An interview is a sort of data gathering procedure in which the investigator and the subject have verbal conversations (Tyrer & Heyman, 2016). In analysis designs as well as empirical and eloquent investigations, interviews are regularly used (Empson 2017). Interviewing can take a range of forms, from entirely unstructured, in which the subject is free to talk about whatever they like, to highly structured, in which the subject's responses are inadequate to straightforward questions (Tam &Woo 2016).

Researchers can learn about the body language and facial emotions of research participants through interviews (Chrmaz & Belgrave 2012). Understanding their own views, values, and perspectives can also be extremely beneficial. Researchers can build a strong rapport with study participants. This can help the latter feel more at ease and involved in the process, resulting in a positive response.

Interviews, on the other hand, take time. Each interview could take a long time to complete. Furthermore, researchers must gather replies, code and organize them, and then evaluate them for final reporting. Interviews might lead to skewed results. Interviewers' perspectives on the world may influence interviewee responses (Tyrer & Heyman, 2016).

Interviews can occasionally be costly. For example, in order to obtain the best responses of the participants, the investigators must be capable interviewers. Many researchers, however, may not agree with this. As a result, they may need to be trained on how to conduct interviews, which can be costly (Tyrer & Heyman, 2016).

3.5.3 Questionnaires

To collect data from mobile banking consumers, the researcher used self-administered questionnaires. Respondents found it simple to complete questionnaires, and the researcher found it simple to examine findings objectively. Respondents might choose responses from a list of options offered in closed questions.

Questionnaires permitted for collection of larger quantities of data in a short period of time as compared to interviews and were comparatively cost-effective in collecting data from respondents. Respondents were able to complete the questionnaires at their convenience. Most respondents wanted to remain anonymous, and questionnaires ensured that t names were not requested and this bring about free expression of views and opinions hence reducing research unfairness.

The usual questions, on the other hand, restricted the amount of information acquired. This was due to the fact that the investigator and the respondents did not interact. In addition, the researcher was unable to explain issues with the respondents .

3.6 Data collection procedures

The researcher obtained an approval letter from Bindura University of Science Education especially from the Faculty of Commerce. The letter gave the researcher the permission to undertake the research from the selected school from the school authority and permission was granted. As mentioned above participants were selected randomly , and the research personally distributed the questionnaires to the respondents. The researcher explained questionnaire requirements and the purpose for which the study is being carried out to the respondents.

3.7 Data Analysis procedures

According to Matuku and Makonye (2016), data analysis entails establishing, accounting for, and creating sense of data in terms of the participants' interpretations of the situation, noting patterns, themes, categories, and regularities. The Statistical Package for Social Sciences was used to analyze data acquired from self-administered surveys, interviews, and secondary data

(SPSS). For tabular and graphical exhibitions, the Microsoft Excel suite was utilized extensively. In addition, other types of presentation were employed to derive conclusions, such as bar graph tables, pie charts, and percentages of real statistics. Statistics were formed to show associations between variables so that they may be better acknowledged .

3.8.1 Reliability and validity

According to Cohen (2011), validity is the capacity that the research instruments will be finding out what is intended to find. Hamed (2016) suggests that reliability is a matter of whether a certain instrument used repeatedly to the same participants and produced the same results all the time. To improve the questionnaires' dependability, the researcher conducted a pilot study to identify any potential issues before moving forward with the full-scale study. To confirm that the data was valid, triangulation was employed, which comprises using many data sources and ways to obtain data. This was done by conducting interviews with some mobile services agencies. The use of open-ended questions during face-to-face interviews minimized the element of bias as there was room for the respondents to express their views.

3.9 Chapter summary

This chapter outlined the strategy that was used in data collection and analysis through the following: research design, sample and sampling procedures, research instruments and tools, data collection and analysis procedures, research integrity and chapter summary.

CHAPTER 4

DATA PRESENTATION, ANALYSIS, AND INTERPRETATION

4.0 Introduction

The obtained data will be presented, evaluated, and interpreted in this chapter in order to provide answers to the research objectives outlined in the first chapter. With the use of SPSS, the findings were evaluated using frequency percentages and excel packages, and the findings were presented using tables and figures. The goal of this study is to identify the obstacles to financial inclusion posed by mobile funding , to analyze the effects of mobile banking on financial insertion, and to investigate the ways that can be used to allow a favorable inflluence of mobile financial products on financial inclusion. Mobile banking consumers in Mt Darin, Rushing, Bindura rural, and Shamva provided the information..

Table 4.1. **Questionnaire response**

Table 4.1 illustrates different response rates from the research participants

	Questionnaire distributed	Questionnaires returned	Percentage response
Bindura district	30	28	93%
Mt Darwin	22	17	77%
Shamva	16	14	87%
Total	68	59	86%

The response rate of 86 percent was achieved, as stated in table 4.1 above. The larger sample size can be explained by the fact that the study's topic sparked a lot of curiosity among respondents. Some participants who are unable to read or write were unable to respond to some of the questions, resulting in a non-response rate of 24%. According to the researchers, a high response rate is critical for validating the study as well as the accuracy of the results reported here after4.2.2 Interview response.

4.2 Demographic characteristics of participants

4.2.1 Age of respondent

		Frequency	Percent	Valid Percent	Cumulative Percent
AGE	15-19	3	5.1	5.1	5.1
	20-24	15	25.4	25.4	30.5
	25-29	12	20.3	20.3	50.8
	30-34	11	18.6	18.6	69.5
	35-39	5	8.5	8.5	78.0
	40-44	7	11.9	11.9	89.8
	45 and above	6	10.2	10.2	100.0
	Total	59	100.0	100.0	

4.2.2 Gender of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
GENDER	Male	28	47.5	47.5	47.5
	Female	31	52.5	52.5	100.0

	Total	59	100.0	100.0	

EDUCATION	no education	13	22.0	22.0	22.0
	O-A level	30	50.8	50.8	72.9
	Diploma -Degree	11	18.6	18.6	91.5
	Postgraduate	5	8.5	8.5	100.0
	Total	59	100.0	100.0	

There were 59 people in the sample, with 48 percent being men and 52 being women, according to demographic data. In terms of age, 5% of the participants were between the ages of 15 and 29. Twenty-five percent were between the ages of twenty and twenty-four. Twenty percent of the participants were between the ages of 25 and 29. 18% were between the ages of 30 and 34. 8% of those surveyed were between the ages of 35 and 39. 11 percent were between the ages of 40 and 45, and the remaining 10% were over 45. As a result of our investigation, teens aged 20 to 29 are more likely than all other age groups to use a phone.

In terms of education, 22% of respondents have no formal schooling, 50% have stopped at O - A level, 19% have stopped at secondary level, and 8% have completed tertiary level. The TAM Model illustrates that the perceived ease of use of technology carries a purpose to utilize the technology, but other research findings show that level of education counts trendy easy understanding of the technology. As a result, there is a strong link between the factor of educational attainment and the adoption of mobile banking technology, as people with no formal education have difficulty using the system.

4.2.3 Employment status

Figure 4.2.1 Percentage distribution of participants by employment status

employment level

Several respondents in rural area 45% were self-employed they do farm, fishing as their source of income. Thirty one percent of the participants stated that they are employed while the remaining twenty three percent were unemployed.

4.2.3 Users of mobile banking services

Figure 4.2Percentage distribution of participants by users of mobile banking services
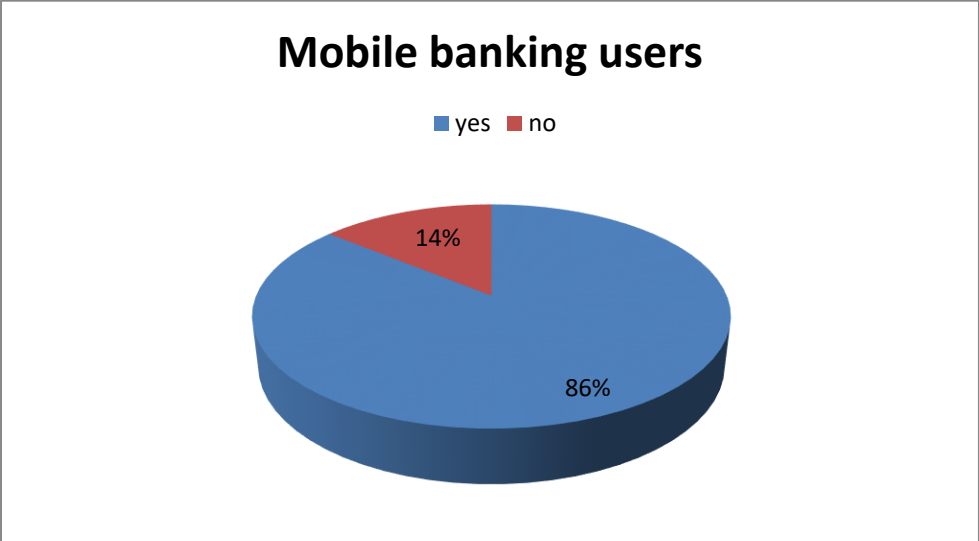
When asked if they are registered for mobile banking providers, 86 percent said they are registered , while 14 percent said they had never heard of mobile banking, as shown in figure 4.3 below. According to the findings, 86% of respondents learned about mobile banking through advertisements, word of mouth, and personal selling by mobile banking agencies employed by

service providers such as Econet, which targets rural customers through road shows that are far more popular than print and electronic media in rural areas. Mobile phones are compensating for inadequate banking services in Mashonaland Central, allowing a huge segment of Zimbabwe's rural population to access financial transaction services in a timely manner.in a way that has never been experience before

4.3 Obstacles of mobile banking on financial inclusion

This section covers the obstacles of mobile funding on financial insertion. Perception of survey defendants were questioned on the cost of accessing mobile banking security on mobile banking and efficiency of mobile banking services presented by mobile funding. These features are discussed below

Table 4.3 presents obstacles of mobile banking services

Descriptive Statistics

	N	Mean	Std. Deviation	Variance
1.Do you feel secure to send sensitive information when using mobile banking services(eg online payment)	48	3.69	.689	.475
2.Is the transaction fee (bank charges) of mobile banking expensive?	47	2.36	.987	.975
3Mobile banking services takes time to learn	48	2.85	.945	.893

4.Mobile banking services may not finish transaction because of network challenges	48	3.56	5.611	31.485
5.Is customer care for mobile banking services effective	48	3.42	1.069	1.142
Valid N (listwise)	47			

The other study objective destined to classify obstacles of financial inclusion on mobile funding customer. Table 4.2 shows the summary of standard deviation on mobile banking obstacles which are security concern, cost of mobile banking services, network challenges and the effectiveness of customer care of mobile banking. The mean was measuring between strongly disagree, disagree, agree and strongly agree.

4.3.1 Cost of transactions

The average transaction cost is $2.56 (3, disagree). It might be argued that transaction costs are not a big barrier to using mobile banking because it is relatively inexpensive for customers to utilize mobile banking because bank fees are reasonable. The low transaction cost of MFS made the majority of rural consumers happy, according to the survey. This pricing is affordable to poor and unbanked rural residents. In contrast, Alam et al. (2013) discovered that the majority of customers believe mobile banking is less expensive than traditional banking. As a result, the majority of Indian banking customers favor traditional banking methods (Sushma, 2018). Sending money through mobile payment technology has inexpensive transaction charges than transferring funds through banks or money transfer firms (Omwansa, 2009).However, other researchers criticized the outcomes. (Hasan, 2020; Sarpong and Agbeko, 2020 found that most of the users are dissatisfied with the high transaction charges of MFS.

4.3.2Security concern

Security issue has a standard deviation of 3.69 (>3. Agree), indicating that it is a substantial barrier to utilizing mobile banking. The findings suggest that banks have not given enough thought or resources to guarantee secure mobile banking services for their customers. Because customers use sensitive data and information in mobile banking, customers want to know that their banking transactions are secure. Other researchers have discovered that banks are the greatest defaulters as a result of the current global financial crisis. People today are wary of putting their trust in banks because they believe that whatever their institutions import is not safe and protected (Bhuiyan and Rahman, 2013) Other researchers, on the other hand, discovered that the majority of respondents believe that mobile banking is fairly or highly secured (Alam etal

4.3.3 Customer care

The mean of the results is 3,52 (>3, Agree). It might be argued that customer service is a key barrier to adopting mobile banking; as a result, banks must improve customer service for mobile banking services in order to increase acceptance. Sometimes rural users have issues with their MFS that agents are unable to resolve. They require assistance from customer support at that moment. The vast majority of respondents stated that contacting customer service centers is both costly and difficult. Most of the time, the line is busy or no customer service professional answers the phone. The findings are consistent with those of other scientists. According to Akhtaruzzaman et al. (2017), the agents are inept at dealing with customer inquiries and complaints

.

4.3.4 Network challenges

Network problem have got a mean of 3.56. The result suggests that network problem is a substantial obstacle in using mobile banking services. All process of mobile banking is done in wireless mode so there is

4.3.1 Cost of mobile banking services

Figure 4.3.1.1 Distribution of respondents by perception of costs of accessing mobile banking facilities
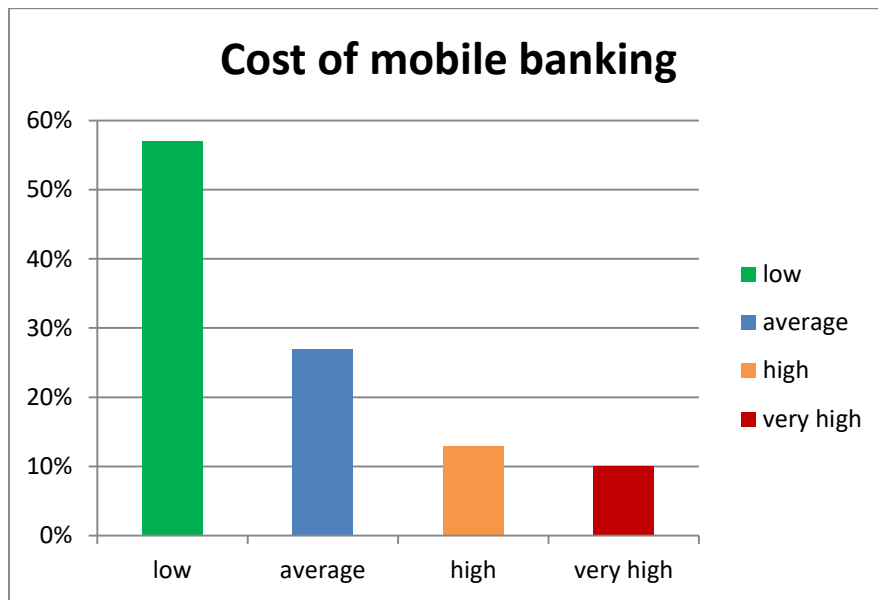
The respondents were inquired on preliminary setup cost or cost of retrieving mobile banking services. On the matter of set up costs the significant number of respondents, 57% reported that cost of attaining mobile banking products were low related to traditional banking because there is issue of transport cost simply because rural people are far away from banks, twenty seven percent reported that set up costs are high and the remaining twenty three percent reported that cost of accessing mobile banking services are high.

The results from the respondents imply that the cost of accessing mobile banking services is affordable as compared to traditional banking channels. This could be because rural people are far away from. banks, so they need transport cost which is high which is high as compared to setup costs. This study is in link with Omwansa (2012) who highlighted that the transaction cost of sending money through the mobile payment technology are lower than of bans and money

transfer). Also, Alam et al. (2013) establish that most of the users consider mobile banking has a lower cost compared to traditional banking.

4.3.2. Customer care on Mobile banking services

Figure 4.3.2.1 Percentage distribution of respondents by extend of satisfaction with customer care of mobile banking services

The defendants were requested on their degree of happiness with the customer care of mobile banking services A number of respondens,75% (see figure4.9) expressed frustration with the customer care of mobile banking services while 16% and9% of the respondents reported satisfaction with customer care of mobile banking services satisfied and very satisfied respectively The findings were in line with Akhtaruzzaman et al. (2017) who discovered that the agents are not knowledgeable in dealing with customers' requirements and complaints

4.4 Impact of mobile banking on financial inclusion

Figure 4.4.1 shows uses of mobile banking services
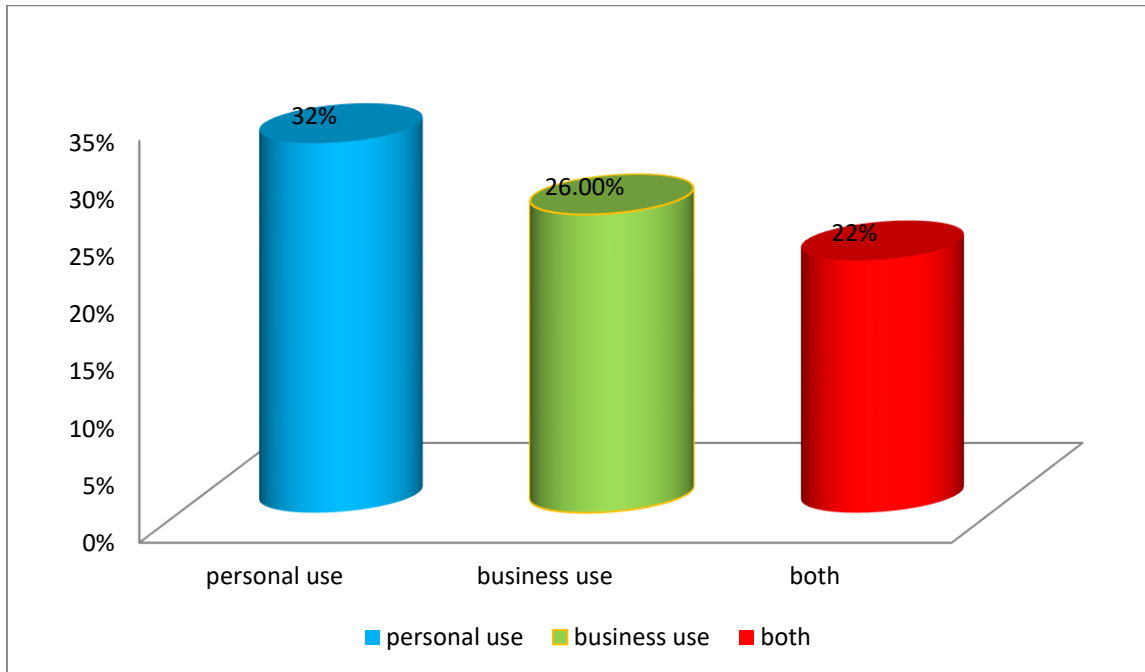
From the above findings 32% reported that they use mobile banking for personal use to buy airtime check balance transfer money for prepaid meter etc. Whilst 26% use mobile banking for business use for example purchasing building material for the company, paying the employees, pay school fees etc. the remaining 22% use for both personal use and business uses. The outcomes go against the finding of Chibango (2014) who postulated that there is little acceptance of mobile banking services in Zimbabwe

4.4.1 Perception of customer on mobile funding services

*Table 4.4.1 presents the level of perception of customers over mobile banking services*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Learning to use mobile banking is easy.	12	20.3	25.0	25.0

	Mobile banking is difficult to use message text to do the banking	17	28.8	35.4	60.4
	The current mobile banking purposes permit only simple banking tasks (e.g.: balance checking)	19	32.2	39.6	100.0
	Total	48	81.4	100.0	
Missing	System	11	18.6		
Total		59	100.0		

From the findings above respondents were asked to review their perception on mobile banking facilities. 25% indicated that mobile banking is easy to use, the researcher discovered that those who are educated to tertiary level are those who reported that mobile banking is easy to use because they are able to read and understand the instruction which are given by mobile banking. So, they find it easy to use mobile banking. Marumbwa and Mutsikiwa (2013) established that perceived ease of use, usefulness of the service, perceived trust and the perceived relative advantage are the main features which affect implementation of technology and usage which. On other hand 35% indicated that mobile banking is difficult to use message to do the banking due to the fact that several people in rural areas are not educated, so they find it difficult to process mobile banking using text messages. The remaining 39% reported that the current mobile banking functions permit only simple banking tasks for example balance enquiry.

4.4.2 Awareness with mobile banking loans

Table 4.7 shows percentage distribution of awareness with mobile banking loans
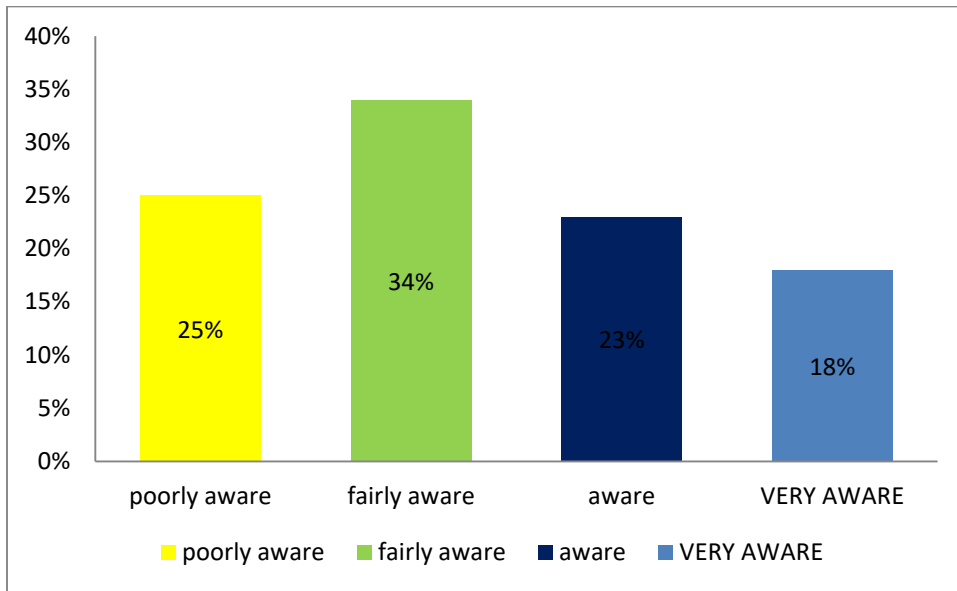
Survey defendants were examined about their awareness with mobile funding services. Twenty three percent and thirty four percent indicated that they are poorly aware and aware respectively. So, this means only 41% is aware about mobile loans facilities. All in all, the researcher finds out that, the respondents were not knowledgeable on how to use and access of mobile banking loans

4.4.3 Improvement in efficiency and convenience of withdrawals

Figure 4.4.3 shows percentage distribution of improvement and convenience with withdrawal
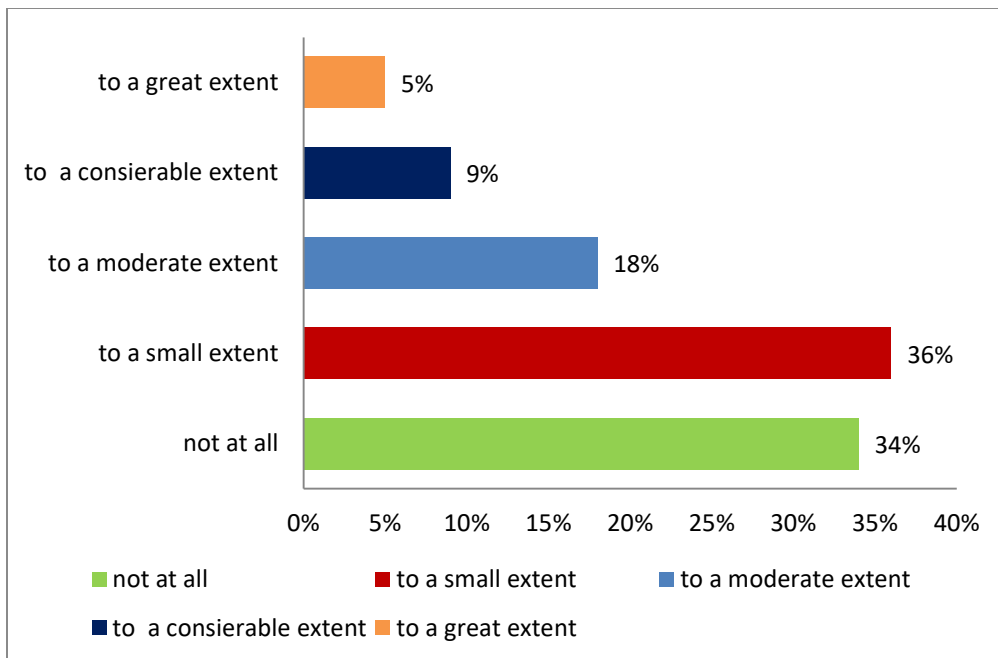
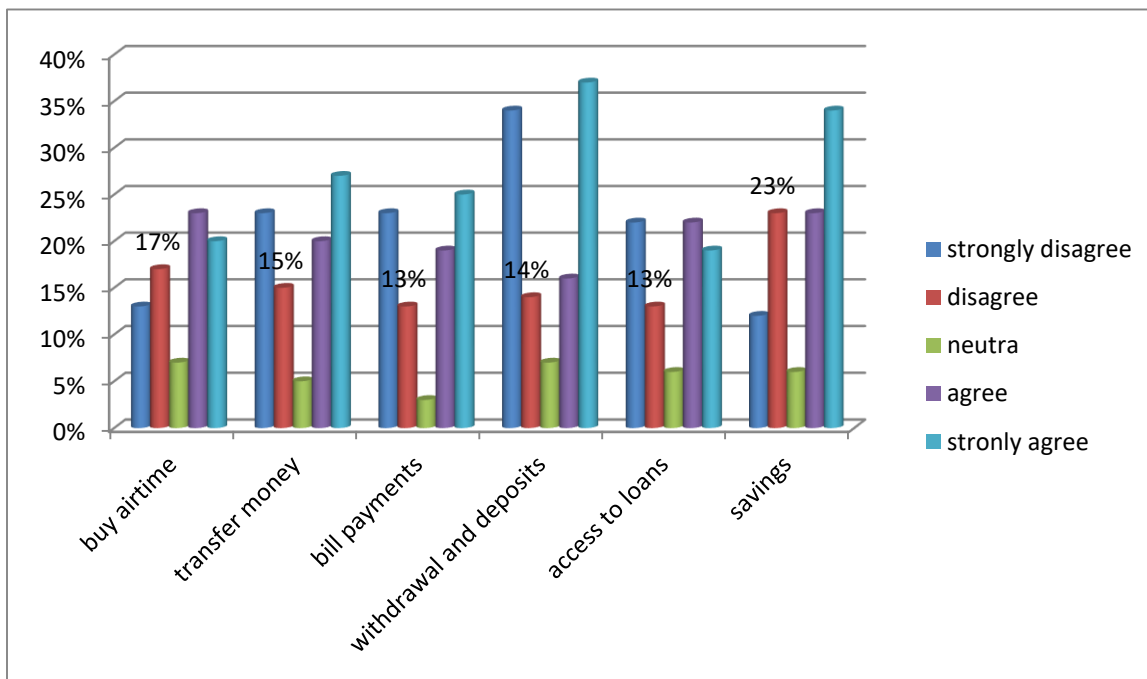When asked if they had noticed an increase in the effectiveness and accessibility of making withdrawals since using mobile funding, respondents said yes. A large number of respondents, 52 percent, stated that they had not noticed any developments in the competence and suitability of making drawings since using mobile banking. Since using mobile banking services, 14% of respondents reported increased efficiency and convenience when making withdrawals. The outcomes are shown in Figure.4.4.4

Table 4.4.4 shows percentage distribution of users of mobile banking services

When asked if they had noticed an increase in the effectiveness and accessibility of making withdrawals since using mobile funding, respondents said yes. A large number of respondents, 52 percent, stated that they had not noticed any developments in the competence and suitability of making drawings since using mobile banking. Since using mobile banking services, 14% of respondents reported increased efficiency and convenience when making withdrawals. The outcomes are shown in Figure.4.4.4

4.5 Approaches that can be implemented to ensure a beneficial influence on financial inclusion among rural population.

Customer education and aware ness, since mobile banking is new in rural areas people have to be educated about mobile banking through sending messages on their phone using Shona language so as for everyone to understand. Also road shows is of important when educating rural people because there is a room for asking questions, so at the end of the day rural customers will be satisfied

Wireless network, mobile banking use wireless network infrastructure for the process of transaction transfer and other banking process do due to lack of security there may be a risk of customer services so the banks have to provide a high infrastructure and good security for banking processes because wireless infrastructure highly sensitive data and information travelled well.

Another thing is also for making trust with clients they are not aware about these services so the banks have to train users about mobile products and its security and some basic things which help them to secure privacy and secure without any risk

Customer care is another issue. Service providers have to improve customer care services through sending messages to their customers about the current situation. Tis can be done through maintaining client relationship by inviting clients to meetings, buy gifts for the clients and phone conversation. At the end of the day there will be efficient customer care

4.6 Chapter summary

In this chapter, research results were examined, presented and debated making use of tables, graphs, pie charts and comments. Chapter five which follows gives a summary of the research study, conclusion and recommendation of the study

CHAPTER 5

5.1 Introduction

This chapter expands on the observations from previous part of the research, focusing on obstacles to mobile banking customers' financial inclusion, the influence of m - banking on financial intermediation, and approaches that can be implemented to ensure a beneficial effects of mobile financial products on financial inclusion. The chapter concludes with the study's conclusions and suggestions**.**

- **5.2 Summary of findings**
- There are numerous features that prevent users from gaining financial inclusion through mobile banking. Network issues, security threats, and customer awareness are among these challenges. Respondents to the survey frequently expressed concern about the poor network connectivity they frequently encountered when transacting on their mobile phones. Customers who utilize mobile banking services face a significant barrier to financial inclusion due to network issues.
- According to the data, 69 percent of respondents expressed dissatisfaction with the telephone banking network. Moreover, the findings reveal that the most security worries clients had when using mobile banking services were the loss of mobile devices and security passwords.
- Furthermore, the study's findings show that mobile financial services have a favorable influence on the financial inclusion. Customers' savings increased over time, as did the effectiveness and usability of mobile banking services for completing financial transactions. The use of mobile banking services, on the other hand, does not result in increased access to credit facilities.
- The outcomes of several methodologies that might be used to qualify a favorable influence of digital banking on financial inclusion were rather diverse. The most popular

approaches that can be implemented to ensure a beneficial influence of telephone banking on financial inclusion and access to credit facilities were enlightening the safety of mobile banking devices, improving access and addition of loans to customers, and enlightening telecommunication networks, according to study participants.

5.3 Conclusion

In a summary, mobile banking services increased financial inclusion by a statistically significant amount. Poor entree to loans or borrowing services, network coverage issues, as well as customer service issues are all examples of obstacles to financial inclusion. Mobile financial services are available. The need of raising awareness was stressed in the study of mobile banking's security. Furthermore, while the majority of the findings in this study corroborate those of prior studies, There is also a lot of additional information that has come out of the research that has been done in this field come to the surface In the use and access of mobile phones, network coverage and effective customer service are essential. For those who use mobile banking, all of these issues remain major concerns..

5.4 Recommendations

- The majority of Zimbabwe's population lives in rural areas where financial services are unavailable; therefore, policymakers should recognize this potential for the country and develop supportive policies to ensure economic development in the financial sector as well as rural financial development..

- In Zimbabwe, the mobile banking idea is still in its beginning, thus its full economic impact has yet to be realized. As a result, the authorities must make sure that a distinct regulatory authority is established to efficiently regulate this subsector, which has the opportunity as being a very high volume money transfer platform. This raises the possibility that mobile banking will leapfrog some conventional institutions. To save money for consumers, the management should make it compulsory for all mobile phone network carriers to engage in this product must take part in this product in order to save money for the consumer.

- When it comes to removing obstacles to financial inclusion for mobile banking users, mobile banking operators should focus on providing excellent customer service in order to boost the use of mobile banking as a traditional banking channel. There were certain restrictions to this study, particularly in terms of the technique used. Qualitative studies

as well as studies that combine exploratory and descriptive research approaches are needed. Such research will aid in a better understanding of the foundation of financial inclusion barriers, as well as the relationship between cause and effect of mobile banking.

- Mobile phone companies must devise strategies to empower all cell phone owners by assuring that mobile banking features are made easy to use while remaining safe, so that more people are encouraged to utilize the product. Customers' trust in technology usage behavior is reflected in the safety of the M-Banking system, which mobile enterprises need now consider. However, the study only covered Mashonaland Central Province, and the researcher wished to extend the study's coverage to other regions, but time and financial constraints prevented her from doing so. As a result, I recommend that other researchers conduct a follow-up problem of the study in rural areas that the investigator could not have enough money to support for the sake of completeness.

- Given that a weak telecoms network is a barrier to mobile banking adoption, mobile telecoms operators should upgrade their network demonstration to ensure a seamless flow of mobile financial businesses. Also, as companies add services to be conducted out buy a SIM card in existing networks, telecoms companies should improve their networks on a regular basis. This will assure superior network performance, which is highly wanted by mobile customers..

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5.5 Areas for further research

 The current study looked at the obstacles to mobile banking for financial addition, an influence of mobile funding on financial insertion, and the approaches that can be put in place to allow a beneficial influence on financial inclusion among the rural population usage rate, as and the factors that drive and inhibit mobile banking use in Mashonaland, which may not be applicable to the entire country. The following findings s should look at other fragments of the country or at Zimbabwe. New research should focus on the essential links between elements that initiate or impede the usage of mobile banking, so that mobile banking service operators can establish marketing policies that promote the use of mobile financial transactions

However, the study found that the M-Banking system has become almost everyone's desire for easy access to financial services, paving the way for development in financial services accessibility. The study also found that the sample size including major capitals in Zimbabwe was increased, allowing for possible generalization of results.

5.6 Chapter summary

This chapter concentred on summarising the research findings including attempts to answer all research questions and the   approaches that can be implemented to ensure a positive impact on mobile banking Also the recommendations and the area of further study were discussed in this chapter

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APPENDICES

APPENDIX 1: QUESTIONNAIRE USED

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Bindura University Of Science Education

Department of Commerce

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Questionnaire on the impact of mobile banking on financial inclusion

Dear respondents

Introduction

My name is Locadia Usayi. I am a final year student at Bindura University of Science Education(BUSE) enrolled in the Bachelor's degree in Banking and Finance program. I am required to carry out a dissertation on a topic of my choice. My topic of study focuses on mobile banking and financial inclusion among rural population. This questionnaire seeks to investigate

the impact of mobile banking on financial inclusion. I am therefore appealing for your assistance by filling in the attached questionnaire. Your participation is voluntary and you are free to answer or not answer question .You can also lay off the interview at any point or skip any questions that you do not wish to answer.

The questionnaire consists of three parts, section A, section B and section C. Please answer all the questions. Where choices are given please put a tick in the box provided. Where there are no choices provided please put your answer in the spaces provided.

The information you provide will be used strictly for academic research purposes and will be treated with the utmost confidentiality. If you have any questions regarding the questionnaire please feel free to contact me either by telephoning or sending a call me back on following mobile numbers; 0771808114. I would appreciate it if I could get the completed questionnaires back no later than 31 May 2022.

Yours Faithfully

Locadia Usayi

Questionnaire is for mobile banking users

Section A: background features of respondents

Q1. What is your age?

15-20	1
21-25	2
25-29	3
30-34	3
35-39	5
40-44	6
45-49	7

Q2. Indicate your gender

Male
Female

Q3. What is your level of education?

No education
O - A level
Diploma -Degree
Postgraduate

Q4. What is your employment status?

Employed	
Unemployed	
Self – employed	

SECTION B

Q5. Do you use any mobile banking services

Yes	
No	

Q6. Which electronic banking channels do you often use?

Mobile banking (SMS)	
Online banking	
Electronic Funds Transfer	
Point of sale banking	
ATMs and Debit card services	

Section B.what are the obstacles to financial inclusion

Q8.Are you satisfied with cost of mobile banking services

Dissatisfied	
Satisfied	
Very satisfied	

Q9. Do you feel secure to send sensitive information when using mobile banking services(eg online payment)

Very Satisfied [   ]   Satisfied [   ]   unsatisfied

Q10.Tick the box that best describe your answer

Scale: strongly agree (SA), disagree (D), agree (D), strongly disagree(SD)

	SD	D	A	SA
1. Is the transaction fee (bank charges) of mobile banking expensive?				

2. Mobile banking services takes time to learn				
3. Mobile banking services may not complete transaction because of network problems				
4. Is customer care for mobile banking services effective				
5. Is mobile banking services expensive?				

Section C The impact of mobile banking on financial inclusion

Q11.Do you use your mobile phone for personal transactions, business purposes, or both?

1 Personal transactions

2 Business purposes

3 Both

Q12.What is your level of awareness with mobile banking loans

Poorly aware	
Fairly aware	
aware	
Very aware	

Q13What is your perception of mobile banking facilities available to you

Learning to use mobile banking is easy.	

Mobile banking is complicated to use message text to do the banking	
Using mobile banking is often frustrating because you need to remember the access code to do further banking transaction each time	
The current mobile banking functions allow only simple banking tasks (e.g.: balance checking)	

SECTION D –

APROACHES WHICH CAN BE IMPEMENTED IN ORDER TO ENHANCE THE IMPACT OF MOBILE BANKING ON THE PERFORMANCE OF FINANCIAL INSTITUTIONS

1.In your view, what approaches can be implemented in order to enhance the impact of mobile banking on the performance of financial institutions

_____

APPENDIX 2: INTERVIEW GUIDE