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**DEPARTMENT OF BANKING AND FINANCE**



**TOPIC**

**An Analysis On The Impacts Of Mobile Money In Reducing Cash Shortages  
(A Case Of Zb Bank Bindura)**

**BY**

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I certify to the best of my knowledge, that the required procedures have been followed and the preparation criteria has been met for this dissertation.

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## **DEDICATION**

This research is dedicated to my family members, especially my parents whose prayers and sacrifices keep me going.

## **ABSTRACT**

This study looked at the analysis on the impact of mobile money in reducing cash shortages in Zimbabwe and it was carried out in the town of Bindura. The research objectives were to determine the impact of mobile money, the advantages of using it, the factors that influence adoption of mobile money, and the steps that should be taken to increase uptake of mobile money. The research design employed a descriptive research methodology. The target population of mobile money users in Bindura was selected, and a sample of 100 respondents was provided. Data was collected using both questionnaires and interviews. This data was presented in form of graphs, pie charts and tables using Microsoft excel 2007. According to the research findings, mobile money can serve as a substitute for hard cash, which lowers the need for it and reduces cash shortages. Users gain from using mobile money since it is accessible, secure, quick, simple, and portable, according to the research. The study concluded that mobile payments were indeed a feasible solution to the cash crisis distressing the country as the respondents were comfortable with using the services. In order to increase consumer confidence, the study then advised Mobile Network Operators to launch strong marketing and public relations efforts for their mobile money services and to upgrade their system infrastructure. It is also recommended that regulators assist Mobile Network Operators in providing mobile money services as efficiently as possible.

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## **LIST OF ABBREVIATIONS AND ACRONYMS**

GDP- Gross domestic purpose

RBZ- Reserve bank of Zimbabwe

TAM- Technology Acceptance Model

SME- Small and Mid-size Enterprise

ATM- Automated Teller Machines

MNO- Mobile Network Operators

# CHAPTER 1

## INTRODUCTION

### 1.0 Introduction

The study attempts to examine how mobile money helps in reducing cash shortage. The chapter provide such aspects as the background of the study, statement of the problem, research objectives, and significance of the study, assumptions, delimitation and limitations of the study.

### 1.1 Background of Study

Mobile money enables mobile phone owners to deposit, transfer, and withdraw funds without owning a bank account. It is therefore distinct from mobile banking, which allows access to one's existing bank account via a mobile phone, (Suri, 2017).

Mobile money has taken off around the world as it makes it easier for users to access their payments. A large number of wealthy countries have set up procedures that have been allowed for a smooth transition and adoption of plastic money, which has now surpassed cash as the most widely, used method of payment. Mishra, (2007) also pointed out that the use of electronic money has allowed cardholders to access their funds from the comfort of their own homes, rather than being restricted to official banking hours.

With the rapid advancement of technology that led to the introduction of smart phones, European banks were among the first to offer mobile banking to their customers. However, as the number of phones running the Google Android operating system has grown, it has cleared the way for the use of mobile applications that a person can simply download on his or her phone and use to conduct transactions. The introduction of mobile banking to the banking industry has improved the efficiency with which banking and commercial activities are carried out (Tiwari & Buse, 2007). Mobile money includes services such as mobile payments, mobile banking, and mobile financial services (Chibango, 2014). Econet Wireless introduced mobile money in Zimbabwe in 2011, and since then, many people have been aware of and eager to adopt mobile money services. Mobile money was once intended to target the people who were not using banking services, particularly



in rural regions, but it is today recognized as the most simple and convenient means to keep and move money. Banks in Zimbabwe are rushing to employ the latest technology to cut costs and expand their customer base that is why they are collaborating with telecommunication firms.

The global expansion of information technology is becoming a critical factor in the advancement of businesses and financial institutions. Client happiness has the potential to grow an organization's customer base, improve its reputation, and encourage the use of a more volatile customer mix (Davis, 1989). ZB Bank is a financial services company that specializes in commercial banking, investment banking, mortgages, and life insurance and reinsurance. It is traded on the Zimbabwe Stock Exchange and represents a wide range of financial institutions, including a commercial bank, a building society, a reinsurance company, a life insurance company, and transfer secretaries.

Customers have embraced ZB bank's mobile banking service, which was launched recently. Mini-statements and account history checking, payment due date alerts, account activity or onset crossing alerts, access to loan statements, account balance checking, card statements access, PIN provision, domestic and international fund transfers, mobile recharging, peer to peer payments, and deposit at banking agent are all part of mobile banking (Mohammad, 2010).

ZB bank has increased profits since the introduction of mobile banking, owing to its large customer base. Unlike other banks, such as Standard Chartered and Barclays, which are very selective when it comes to opening accounts, ZB bank accepts all types of customers, including high and low income earners, schools, churches, government and private companies. This was due to a significant shift in the economy, with mobile money transfers and transactions becoming the norm. In 2017, when cash was scarce, many people were forced to open bank accounts because they could not get cash. ZB bank would open at least 5 personal accounts per day, indicating that it had a large customer base.

## **1.2 Problem Statement**

Despite the observed wide use of mobile money, long queues are being seen in banking halls. Mobile money improvement has offered consumers a convenient method of making payments to anyone, anywhere and at any time, even in the comfort of their houses. However, cash shortages have remained the challenge as long queues are still be noticed at some banks. Therefore, the research will be carried on to assess the impact of mobile money in reducing cash shortages.

## **1.3 Objective**

### **1.3.1 General Objective**

The study has two aspects that it will focus on that is, main objective of the study and primary objectives prior to the impact of mobile money in reducing cash shortages.

### **1.3.2 Main objective**

- To identify the impact of mobile money in reducing cash shortages.

### **1.3.3 Primary objectives**

- To evaluate the advantages of mobile money.
- To understand the factors influencing the adoption of mobile money.
- To raise the measures to encourage the uptake of mobile money.

## **1.4 Research questions**

- How does mobile money affect the amount of cash in short supply?
- What are the advantages of mobile money?
- What are the factors influencing the adoption of mobile money?
- How can the use of mobile money be promoted?

## **1.5 Significance of the study**

The research study was suggested based on information that was already available about the role of mobile money in preventing cash shortages. Numerous stakeholders participating in this study will profit from it, including the government as decision-makers (RBZ), the Zimbabwe banking sector, and ZB bank clients.

### **1.5.1 Reserve Bank of Zimbabwe (RBZ)**

The government (RBZ) is having some challenges in finding a solid solution to the cash shortage problem. RBZ is encouraging for use of plastic money and electronic transfers to reduce demand for physical cash. Mobile banking has the potential to assist the government to realize this objective.

### **1.5.2 Zimbabwe Banking sector**

The main goal of the study is to evaluate how well mobile money addresses the present cash shortages impacting Zimbabwe's banking sector. The study will offer in-depth knowledge

regarding mobile banking and the variables that affect bank customers' adoption of mobile banking. Since the cash shortage issue affects all banks in the Zimbabwean banking sector, this also benefits other banks.

### **1.5.3 ZB bank**

ZB bank benefits from the research to some extent that the bank may know whether it is performing the correct measure to minimize cash shortage. The study will assist ZB bank in understanding the success and difficulties of mobile banking so that the bank can develop and improve this service for the bank and its clients.

### **1.5.4 ZB bank Customers**

The study's findings will be beneficial to ZB bank customers in that once an answer to the cash shortage situation is found, issues like sleeping at banks, wasting time and resources trying to access cash, and convenience will be addressed.

## **1.6 Delimitation of the study**

The research was restricted in terms of the following:

### **1.6.1 Period of focus**

The researcher focused on the period 2013 to 2021 because this is the period when banks started to face cash shortages since the implementation of multicurrency system.

### **1.6.2 Geographical delimitation**

All banking customers in Zimbabwe are affected by the cash shortage, but this study concentrates on ZB Bank head branches in the central province of Mashonaland. This was due to the researcher's location in Bindura and the fact that the research was done while the researcher was simultaneously occupied with other difficult final-year modules.

## **1.7 Limitations of the study**

The researcher found the following limitations during study:

### **1.7.1 Population size**

Clients of ZB Bank are not the only bank customers and the general public in Zimbabwe that are affected by the cash shortage. The lack of cash has a severe impact on even shady traders'

operations. Therefore, the researcher also conducted interviews to obtain a thorough assessment of the cash shortfall. However, the researcher employed a larger sample comprised of ZB bank clients in Bindura to arrive at research conclusions that may be generalized.

### **1.7.2 Time constraints**

The study was conducted while the researcher was also committed to other challenging final year modules, but the researcher will establish a strategy and manage her time well to make the study successful. Additionally, in order to finish the research in the allotted time, the researcher uses a sample rather than a census.

### **1.7.3 Limited Literature**

Because there is no much literature about cash shortages and mobile money in Zimbabwe, the researcher must rely more on journal articles from other nations, websites, and news sources to conduct successful study.

## **1.8 Research Assumptions**

In the research, the writer makes the following assumptions:

- The economic environment is not going to change during the course of study.
- There is a gray market.
- Respondents answers honestly to interviews and questionnaires.

## **1.9 Definition of terms**

### **1.9.1 Mobile money**

It can be called electronic or green banking. It is an umbrella term for the process by which a customer may perform banking transactions by electronic means without visiting the bank. It can also be described as the services that allow electronic money transactions over a mobile phone. It is also referred to as mobile financial services, mobile wallet and mobile payment.

### **1.9.2 Cash Shortage**

Cash shortages is the inability of individuals or firms to obtain desired normal balances of cash. This have become a daily problem in Zimbabwe as evidenced by longer queues at banks and at some Automated Teller Machines (ATMs).

## **1.10 Chapter summary**

This chapter of the research highlighted the problem statement, research objectives and questions. It also looked at the assumptions, justification of the study, delimitations and limitations of the study. The next chapter will focus on the literature review thereby setting this research in its broad context.

## **CHAPTER 2**

### **LITERATURE REVIEW**

#### **2.0 Introduction**

This chapter reviews both the theoretical and empirical literature on mobile money that has been put out by various scholars. Through the citation of several texts, publications, journals, and articles that relate to the subject under research, the literature review provides a thorough picture of the study. The purpose of the literature review is to highlight prior research on the use of mobile money in order to provide answers to the research questions established from the research objectives.

#### **2.1 Conceptual Framework**

A conceptual framework is a written or visual work that uses story or graphics to illustrate the main ideas being studied. It presents the key concepts, ideas, or variables together with the presumptive relationships between them (Miles and Huberman, 1994). A conceptual framework has been developed, as shown below, to bring clarity to the subject matter of the research, which is the role of mobile banking in reducing cash shortages. The study is guided by this conceptual framework, which explains the connections between variables.

##### **2.1.1 An overview on mobile money**

Payments made and transferred through the use of equipment connected to mobile communication networks (CPSS, 2012). "With the use of mobile money, people without bank accounts can deposit, transfer, and withdraw money using their phones. This makes it different from mobile banking, which gives users access to their current bank accounts through a mobile device. Suri: 2017.

Mobile banking refers to banking done on computers and mobile devices, such as your I-tel, Samsung, or any other gadget with internet connectivity and a reliable text messaging system. According to Tiwari et al (2006), mobile banking is the transfer of ownership or rights to use goods or services that is initiated or completed by employing mobile access to computer-mediated

networks with the help of an electronic device. Typically, it is a mobile phone application that gives users access to and control over their bank accounts whenever and wherever they want. For the benefit of its clients, all commercial banks in Zimbabwe currently offer mobile banking services.

### **2.1.2 Cash Shortage**

Cash shortages have become a daily problem in Zimbabwe as evidenced by longer queues at banks and at some Automated Teller Machines (ATMs).

### **2.1.3 Causes of cash shortages**

Mangudya (2016) opposed that all of the other currencies in the multi-currency carrier, were supplemented by the USD in 2009 and some of the currencies includes Rand, Euro, British Pound, Yuan, Pula, Australian Dollar, Indian Rupee, and Japanese Yen. Mangudya (2016) went on to say that a number of organized factors, are to blame for the lack of USD cash in Zimbabwe, as evidenced by the lengthy lines at the majority of banks and Automated Teller Machines (ATMs). These factors include the cost of services and devices, low levels of plastic money, low confidence, and disorganized sharing of limited foreign exchange resources.

#### **2.1.3.1 Cost of service and device**

The main cost attached to mobile banking is the cost of the device and services offered. Users view this as an investment and as such affects the rate of uptake of the service. Sheth (1989) pointed out that consumers would only change the way they carry out 23 financial activities if the performance and price are more favorable than the existing status quo.

#### **2.1.3.2 Low usage of plastic money**

Mangudya (2016) states that Zimbabwe is mainly a cash economy. Many Zimbabweans particularly those in rural areas are comfortable to transact using hard cash. In short, plastic money refers to use of cards such as ATM cards to perform financial transactions. This reduces the demand for holding cash. By this responses to the cash shortages, many banks have started to offer instant ATM cards, but the uptake by banking customers is still very low in Zimbabwe.

#### **2.1.3.3 Peoples' demand for money**

The demand for money is also a giving factor to cash shortages (Tambudzai & Charumbira, 2004). People needs cash for many reasons. Chibango (2014) argues that it is the precautionary motive

for holding money, which sees consumers' indication the little cash and U.S Dollars available. People have also lost confidence in the financial sector due to many bank failures, thus they prefer to transact outside the banking system. Consequently, this has left very little cash in circulation in the financial system, resulting in the cash shortage crisis.

#### **2.1.4 Impacts of cash shortages**

There are certain negative effects on the economy as a whole from the cash shortage. Continuous cash shortages are expected to have a significant impact on the economy. Low demand for products and services, which has an adverse effect on production and investment and worsens stagflation, is one of the issues the scarcity may cause. Another effect is a decline in trust in banks, which could cause bank runs and cause the institutions to fail. Long lines at banks are evidence of this as they cannot keep up with depositor demand for withdrawals, as described by (RBZ, 2016). As a result, the government spent more money creating massive amounts of currency (notes) to keep pace with the inflationary spiral.

Reducing the necessity for the typical person to utilize cash on a regular basis could mitigate the negative effects of the cash crisis. Mobile money can be utilized as an alternate payment method, ensuring that the limited funds be utilized to their fullest potential and distributed to areas where they are most desperately needed.

#### **2.1.5 Benefits of mobile payments**

The benefits of using mobile payments are numerous and multi-faceted. They can be better looked at in categories, that is, benefits to consumers, benefits to mobile network providers and benefits to the economy at large.

##### **2.1.5.1 Benefits to consumers**

###### **Reduction in transaction costs**

Despite the fact that this has yet to be demonstrated in the Zimbabwean case, mobile payments offer consumers the primary benefit of lowering transaction costs. This is consistent with the



assertion made by Field (2011) and Maurer (2012) that the use of mobile payments reduces the transaction costs that are associated with cash and coins. These costs include the risk of theft, walking or driving to the courier's house and back, paying commissions to the courier, and so on. et al., Kufandirimbwa al. (2013) concur with this assertion as well, adding that a mobile phone could be used to send money as well as notify recipients that cash has been sent. As a result, mobile payments are used to reduce the transaction costs associated with sending or transacting with actual cash, particularly to recipients located far away.

### **Convenient payment option**

According to Levin (2013), the unbanked population has more convenient payment options with mobile payments. A typical illustration of this is the ease with which any consumer, banked or not, can use their Ecocash, Telecash, or One Wallet accounts to pay for their utilities or Dstv subscriptions from the convenience of their homes. Having to first get cash and then go to the utility or Dstv service provider's offices to pay for the service is obviously less convenient. Because they eliminate the issue of "change," mobile payments also make life easier for customers. Customers were able to pay the exact amount instead of being rounded up to the nearest dollar when Ecocash was introduced and used in retail establishments (Levin, 2013). For example, if a consumer wanted to buy something for \$5.85, they would probably end up spending \$6. However, thanks to mobile payments, customers can now effortlessly transfer the required \$5.85 into the seller's account and there is no need to look for change.

#### **2.1.5.2 Benefits to the service providers**

If they take full advantage of the mobile money service, the Mobile Network Operations (MNO) that provide it could save a lot of money. By selling airtime on this mobile platform instead of the traditional distribution channels for scratch cards, providers can save money by reducing the printing of new cards and the total commissions paid to those selling scratch juice cards. Zimbabwe's MNOs have utilized this feature. According to Ernst & Young (2009), MNOs can gain market share by providing mobile money services.

#### **2.1.5.3 Benefits to the whole economy**

According to Masha (2016), the benefit of mobile payments is that they increase financial intermediation by expanding access to finance for a significant portion of the unbanked population. This viewpoint is also supported by Levin (2013), who says that mobile payments connect the

formal and informal sectors. For instance, formal utility bills can be paid through mobile phones rather than the formal banking system.

Mavhiki et al. (2015) argue that because mobile payments are seen as a good way to reduce the use of anonymous cash, they also improve financial integrity. Their argument is based on the fact that mobile payments are typically easier to trace than cash and, as a result, can be subject to transaction monitoring and restrictions much more easily than cash can. As a result, this might help stop some illegal activities and cash flows. On the other hand, it could be argued that this possibility might deter potential customers who value their privacy.

## **2.2 Theoretical framework**

Now that there is more competition in the banking industry, all banks in Zimbabwe are working to improve client satisfaction and cash shortages. In other words, there are theories about how to reduce cash shortages that can be put into practice. These theories include Theories of Money Demand and the Technology Acceptance Model (TAM).

### **2.2.1 Theory of Demand for Money**

Money's history may be traced back to British economist Keynes (1936), who assumes that logical economic agents will keep money on hand for transactions, precaution, and speculative purposes. The Cash in Advance model by Clower (1976) is the foundation for the transaction motive. According to this model, all transactions must be paid for in full up front, thus agents keep cash on hand to conduct everyday business. Cash must be available for unexpected events due to the precautionary motive, which is based on the need to protect against the unobserved. The opportunity cost of holding money is at the heart of the speculative incentive, as agents will not hold cash if it may accept great profits elsewhere. According to this theory of liquidity preferences, speculative holding is dependent on predicted returns, whereas transactions and prudential demand for money are functions of income.

Goldfield (1976) discussed the problem of missing money in the financial sector when technology is used. He learned that financial innovation has an impact on the demand for money and that this influence might lead to issues with missing money. When the predicted demand for money is higher than the actual demand, this situation is referred to as missing money. As a result, the financial sector's adoption of technology has had a big impact on the need for money.

### **2.2.2 Technology Acceptance model**

Technological Theory either adoption or technology Developed by Davis in 1989, the acceptance model is a theory of information systems. The approach seeks to capture how people acquire and apply technology. Users assess a variety of criteria when presented with new technology, which influences their decision as to when and how to use it (Davis, 1989). The characteristics that influence attitudes and behavioral intentions to utilize technology are perceived utility and simplicity of usage. The attitude toward adoption and usage of technology would be poor if it were viewed as difficult and elitist.

### **2.3 Empirical evidence**

In Keetmanshoop, Namibia, a study on the impact of mobile banking on customer satisfaction was carried out in 2018 by Maseke (2018). He surveyed 60 mobile banking customers from each of the four banks in his study. The study found that many people who responded and those who used mobile banking were aware of paperless banking. The customer is aware of the advantages of paperless banking and the steps they take to conduct online transactions. However, customers' failure to complete transactions, difficulty reversing improperly transferred funds, and failure to purchase electricity from the Keetmanshoop municipality were all causes for concern (Maseke, 2018).

Chinhengo (2018) conducted research to determine the efficacy of mobile payments in Zimbabwe's economy, which had a pressing need to adopt a cashless society. Males were found to use mobile payments more frequently than females, according to the study. Additionally, the majority of user groups were employed, followed by students, self-employed individuals, and unemployed individuals, respectively. In addition, the study found that respondents only agreed that the high costs of mobile money services (including agent fees and commissions) were one of the barriers to their adoption. Chinhengo (2018) came to the conclusion that people are aware of mobile payment services and that a significant number of them have adopted them and now use them frequently. Chinhengo (2018) suggested that the Reserve Bank of Zimbabwe and the government as a whole should uphold the rule of law against agents or retailers who ask for more money if they are paid with mobile money instead of cash.

In the Bindura Urban area, Shumba (2018) conducted a study to investigate the effect of plastic money on the performance of SME organizations. According to the findings of the study, a

statistically significant and favorable relationship existed between plastic money and a variation of 77% in SMEs' sales turnover in Bindura Urban. According to Shumba (2019), the owners or management of small and medium-sized businesses should encourage their customers to pay with plastic money because it is convenient and will improve their organization's performance.

Bayayi (2018) conducted a study that examined the perspectives of sole proprietors regarding the use of plastic money in their business. According to the study's findings, sole proprietors in Bindura did not reap the benefits of using plastic money. According to the findings of the study, inflation has affected the use of plastic money in Zimbabwe, causing it to lose value in the bank. Bank fees and changes in currency affect money in the bank. According to a recommendation made by Bayayi (2018), businesses that make use of point-of-sale services require incentives to encourage customers to have faith in the banking system.

Chikarara (2015) carried out a study to find out what factors affected mobile money in the Mashonaland west province of Zimbabwe. She came to the conclusion that word of mouth referrals played a role in the adoption of mobile money services because 43% of the people in the study learned about the service from friends and family or from advertisements in the media. The convenience of sending and receiving money, the widespread availability of mobile money agents, and the population's need for a bank were additional factors that influenced adoption. Chikarara (2015) then suggested that portable cash specialist organizations should teach the general public consistently to guarantee convenience. Ads or the hiring of knowledgeable marketers could be used to carry out the education.

## **2.4 Knowledge gap**

Numerous studies have been conducted in the area of mobile money, focusing on several particular concerns such the acceptance, usage, and advantages of mobile money. Unfortunately, no research has been done in the current Zimbabwean setting when a cashless society is no longer a choice but a necessity because there is actually no physical cash for transactions while at the same time business must continue as usual. To determine how mobile money affects Zimbabwe's cash shortages, more study is required.

## **2.5 Chapter summary**

This chapter reviewed the literature around the study area. Various concept relating to the study were also explored in order to gain better insight into the study area. The chapter also highlighted empirical evidence from previous researches, relating to the objectives of this research. The next chapter outlines the methodology that was used in the research.

## **CHAPTER 3**

### **RESEARCH METHODOLOGY**

#### **3.0 Introduction**

This chapter seeks to give a detailed description on how the research was conducted. The focus is to outline and discuss the research design of the study, the population and the sampling techniques and procedures that were used in this research in order to fulfill the objectives of the study. Mugenda & Mugenda (2013) defines methodology as a way of approaching problems and seeking solutions and answers. This chapter shows the way the research project was conducted. The chapter expand on the research design, population of the study, sample size, data sources, sampling method, data collection and data analysis. The survey was done in Bindura ZB bank main branch. The questionnaires were administered to the individuals in the ZB bank main branch who are ZB bank customers

#### **3.1 Research Design**

The research design is a strategy that the researcher chooses to combine the different components of the study in a coherent and logical way hence; it ensures effective address to the research problem. Creswell (2013) research designs are types of inquires done which are either qualitative, quantitative or mixed approaches of research to give specific direction for the procedures. It highlights the questions studied, collected data which was relevant and the way results were analyzed. The aim of the research study was to provide results that are judged to be reliable and are assumed to be true. The research design type employed in gathering data for the study is referred to as descriptive research method. Both qualitative and quantitative research were engaged such that most desirable results were managed.

#### **3.2 Descriptive research design**

According to Fitzpatrick et al. (2012), a descriptive research design entails gathering and/or evaluating data in order to distinguish a group, hypothesis, or phenomenon. Both quantitative and

qualitative approaches may be used. It is effective to perform descriptive research to obtain evidence for developing hypotheses and recommending associations (Moisen and Horn, 2008). According to Gravette and Orzano (2012), descriptive research traditionally entails evaluating a variable or set of variables as they occur. The clarity of each particular variable worries it. The focus of descriptive research, according to Johnson and Larry (2010), is on describing the variables that occur under specific conditions and, occasionally, on defining the relationships that exist between different variables.

### **3.2.1 Justification of descriptive research design**

This design yielded qualitative information which was functional to the researcher as it could be presented without difficulty and reasonably by data presentation tools. The reasons why the investigator used the descriptive research design was employed to find out the impact of mobile money in reducing cash shortage. The researcher opted for the descriptive research design as it presents an opportunity to fuse both quantitative and qualitative data hence all the required information was accessed, hence it is cheap and relevant data was collected. Burns and Grove (2003) argued that descriptive research is designed to give a picture of a situation as it naturally happens. Kothari (2014) explains that qualitative data virtually include any information that can be employed that is not numerical in nature and the major groups and types include in depth interviews, direct interviews and questionnaires.

The survey was done in Bindura ZB bank main branch. The questionnaires were administered to the individuals in the ZB bank main branch. However respondents were not truthful and behaved in a different way once they noticed that they are being assessed. To overcome this the researcher clarified that the research was for academic purposes only and issued out questionnaires.

### **3.3 Target population**

A population from which the researcher aims to take his or her sample is called a target population. According to Cooper and Schindlser (2003), the term population refers to the entire collection of variables from which the researcher hopes to draw some conclusions. Kothari (2004) defines population as a group of people who share one or more characteristics. According to Kotler & Armstrong (2011), a study population can also be defined as a group of people, elements, or events that are of interest to the researcher and the subject of the investigation. The ZB bank main branch

in Bindura was the population of this study as well as the bank customers (public individuals) and the bank manager and teller in Bindura.

### **3.4 Research sample**

#### **3.4.1 Sample size**

According to Kumar (2011), a sample is a group of people chosen by the researcher. A sample, according to Cooper & Schindler (2003), is also a method for selecting a specific population from which characteristics of the entire population from which data are derived. A sample is important in this study because it simplifies the process and tends to increase the concentration of the recorded data. This is because it is difficult to observe each member of the population. Because the survey respondents are fewer and require less long-distance travel, a sample is also less expensive than a census. In point of fact, a sample of 100 customers was used in this study.

### **3.5 Sampling Technique**

Creswell (2013) defines a sample as a subset or portion of the research population chosen to participate in a study that serves as a representative sample. The respondents were chosen through purposive or judgmental sampling. In order to guarantee that the sample used in the research study was a true and fair representation of the population, this procedure was put into place. Both simple random sampling and judgmental sampling were used by the researcher. The researcher believes that the public can contribute to the study based on the manner in which cash shortage issues were discussed.

#### **3.5.1 Judgmental sampling**

According to Saunders et al. (2004), sampling allows you to apply judgment to choose cases that will help you to achieve your goals and provide the best answers to your queries. When numerous groups are to be chosen, the technique maintains a balance of group sizes while being simple and inexpensive to employ.

#### **3.5.2 Simple random sampling**

Cooper and Schindler (2003) referred random sampling to an equal chance as known, non-zero chance of selection. Simple random sampling is considered to be a fair way of selecting a sample from a target population. It is an unbiased random selection and a representative of the sample population.



## **3.6 Research instruments**

Kothari (2004) asserts that research instruments are methods for obtaining crucial data from a community or sample. Because some of the participants lacked the time to complete the questionnaire, the researcher chose to use interviews instead.

### **3.6.1 Questionnaire**

A questionnaire, according to Mugenda et al. (2013), is a document designed for data collection that asks the same questions to all participants in the target population. The researcher directly distributed questionnaires to respondents in order to address a number of research-related questions. Both closed-ended and open-ended questions were included in the questionnaire. Standard responses were provided by closed-ended questions. Respondents were given the opportunity to provide more in-depth responses to open-ended questions.

When compared to other methods, questionnaires have the advantages of requiring fewer skills to administer and capturing a large number of responses in a short amount of time at a relatively low cost. The use of questionnaires allowed for standardized response collection, making it simple to analyze and present the data. Because respondents were given ample time to answer the questions and complete the responses at their own pace, there is a high probability that they will provide accurate information regarding the use of plastic money.

However, the problem was that because some of the questions could be left unanswered, questionnaires typically have a low response rate. The researcher encountered a significant obstacle when using the questionnaire: respondents' lack of commitment due to other busy schedules. To avoid this, simple, semi-structured questionnaires were also used because people may interpret each question differently and respond based on their own interpretation. The researcher used interviews to find a solution.

### **3.6.2 Interviews**

When necessary, interviews were conducted to obtain objective firsthand information. The respondents needed to be scheduled for appointments that were convenient for the researcher. A set of pre-prepared interview questions were asked during the interviews. Open-ended face-to-face interviews were carried out. The researcher gained the most benefit from conducting interviews by initiating a one-on-one conversation that allowed the researcher to investigate and gather

pertinent data for the study. Interviews were used to accommodate those who preferred to communicate verbally rather than in writing.

The interviewee could knowingly provide false information to please the researcher, which was a drawback of the method. The researcher took note of nonverbal signs like facial expressions and gestures to alleviate this issue. The questions were designed to find out how consumers felt about using plastic money and the factors that influenced their perception. Notwithstanding, this information assortment technique supplemented the auxiliary information.

### **3.7 Data Collection Techniques**

#### **3.7.1 Primary Data**

Primary data are those that were initially gathered by the researcher (Leedy, 1990). In this study, the researcher used questionnaires and interviews to gather data. Utilizing primary data benefits the legitimacy and dependability of the data gathered because primary data is more recent. When it came to the data from bank customers who were regarded to be essential to the research, questionnaires and interviews were able to suit specific research goals, which improved the quality and objectivity of the data obtained.

The use of primary data collecting allowed for a deeper comprehension of some study topics that were difficult to grasp when using secondary data collection techniques including reading books, policy documents, and journals.

#### **3.7.2 Secondary Data Analysis**

According to Cooper and Schindler (2003), secondary data is information that has been published and was gathered by other researchers for their own purposes but is also useful for the subject at hand. Secondary data was gathered with the aid of reference books, policy documents, reputable newspaper articles, and working papers.

### **3.8 Validity and reliability of data**

Validity includes an analysis of the methods employed in data collection to govern whether or not they have effectively measured the results. In order to improve the validity of this study, the researcher designed specific and appropriate questions that covered the area under study. The researcher also did a pilot test with questionnaire and then corrected it before distributing them.

Reliability is how consistently a method measures something. To ensure dependability, the interviewer used structurally sound questions as well as category questions to elicit consistent responses. These would allow other researchers to reach similar conclusions.

### **3.9 Data presentation and analysis**

Since it is simple to deal with, the research findings will be provided in qualitative form. The questionnaire responses are displayed as percentages. The results are converted into bar graphs, tables, and pie charts using MS Excel. These are useful for analyzing the collected data. The qualitative data collected from interviews is presented and analyzed as descriptive analysis, and it serves as the foundation for a summary of findings when compared to previous research findings.

### **3.10 Ethical Considerations**

The researcher thought that the information she got from her participants was private and could only use it for the study. To safeguard participants' identities from potential harm in the future, the researcher did not include a section on the questionnaires that listed their names. The study only included participants who were willing to participate. In order to assure respondents that the information they provided was for study purposes, the researcher created a consent form and attached it to the questionnaires.

### **3.9 Summary**

This chapter was focusing on the methods or techniques that were used in guiding the research, it looked at the research design, sources of data, data collection methods and instruments, and sampling techniques. Descriptive research design was considered to be the most suitable for the research. The researcher collected data using questionnaires which were administered to respondents. The next chapter will look at the presentation on the key findings from the data gathered.

## **CHAPTER 4**

### **DATA PRESENTATION, ANALYSIS AND DISCUSSION**

#### **4.0 Introduction**

The previous chapter highlighted the research methodology strategies used to gather information. In this chapter the researcher will be focusing on the presentation and analysis of the data to show how well research findings are answering the research questions. Both qualitative and quantitative means were employed by means of tables, graphs, pie charts and comments to assist the analysis and interpretation of data.

#### **4.1 Data collected using questionnaire**

To match the number of selected sample population, one hundred (100) questionnaires were issued out. The researcher issued these questionnaires to bank manager, bank tellers and general-public. The researcher undertook twenty interviews and they were successful.

#### **4.2 Response Rate**

One hundred (100) questionnaires were administered to respondents as a way to gather information concerning the impact of mobile money in reducing cash shortage. Out of one hundred questionnaires issued, eighty-eight participants responded which give a response rate of 88%. Leedy, (1990) is of the notion that, a well-designed questionnaire has a rate of 70%-80% positive impact on the response rate. 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 22%. The researcher therefore considered the response rate reliable enough for making an analysis and interpretation of results.

The table 4.1 below showing the response rate from the selected sample.

| <i>Composition</i>         | <i>Sample</i> | <i>Response</i> | <i>Response rate</i> |
|----------------------------|---------------|-----------------|----------------------|
| <i>Bank manager</i>        | 1             | 1               | 100%                 |
| <i>Bank teller</i>         | 8             | 3               | 37.5%                |
| <i>General public</i>      | 37            | 36              | 97.2%                |
| <i>University students</i> | 54            | 48              | 88.9%                |
| <b>TOTALS</b>              | <b>100</b>    | <b>88</b>       | <b>88%</b>           |

Source: Primary data

### 4.3 Demographic characteristics of the respondents

This section examined the description of the demographics, including the size of the population, distribution of respondents by gender, qualifications, and information about respondents' age groups. The study's respondents included people who were employed, unemployed, or self-employed, as well as college students

#### 4.3.1 Gender distribution Table

The table 4.2 below showing gender distribution

| <b>GENDER</b> | <b>FREQUENCY</b> | <b>PERCENTAGE</b> |
|---------------|------------------|-------------------|
| <i>MALE</i>   | 68               | 77.3%             |
| <i>FEMALE</i> | 20               | 22.7%             |
| <b>TOTAL</b>  | <b>88</b>        | <b>100%</b>       |

Source: Primary Data

According to the data presented in table 4.2 above, 22.7 percent of the population is female and 77.3% is male. This suggests that men use mobile money more frequently than women do. As shown in the table above, mobile money usage was influenced by gender. Kaseke (2012) came to the conclusion that many women are reluctant to use mobile money and prefer to use cash.

### 4.3.2 Age Group

The table below shows that the number and percentage of respondents fell in the different age groups.

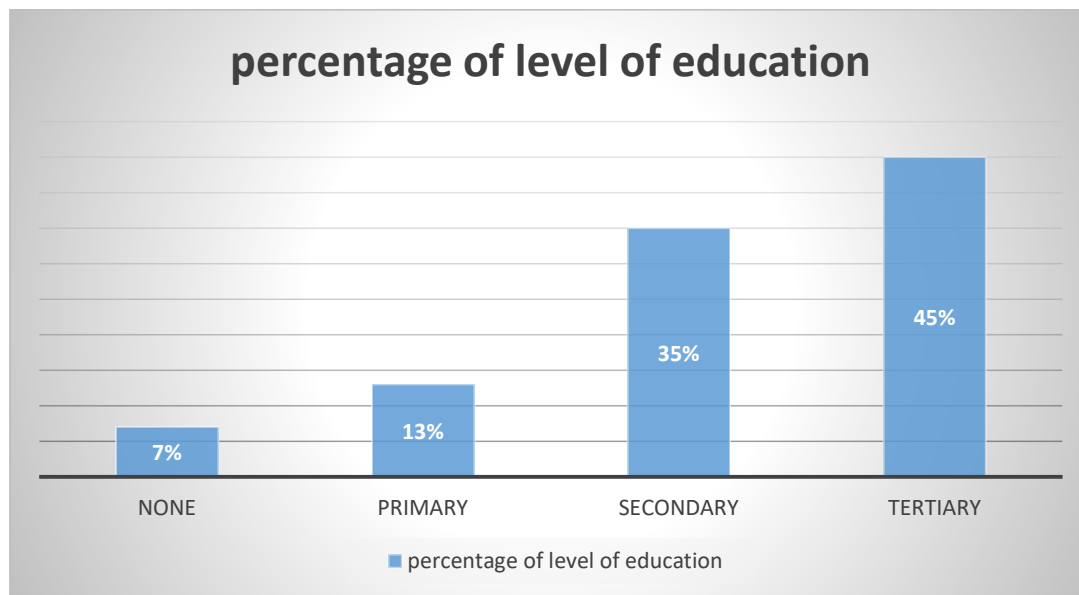
**Table 4.3 below showing Age of respondents**

| <b>Age group</b> | <b>Number of response</b> | <b>Percentage</b> |
|------------------|---------------------------|-------------------|
| 20-30            | 48                        | 54.6%             |
| 31-50            | 24                        | 27.2%             |
| 51-60            | 13                        | 14.8%             |
| 60 and above     | 3                         | 3.4%              |
| Total            | 88                        | 100%              |

54.6% were in the age group 20-30, followed by 27.2% in the age group 31-50, 14.8% in the age group 51-60, and 3.4 percent in the age group 60 and older. This suggests that younger people are using mobile money more effectively than older people. These findings are comparable to those of Baro (2018), who demonstrated that gender played a role in the adoption and utilization of mobile money. The findings demonstrated that men use plastic money more frequently and are more adept at technology than women.

### 4.3.3 Highest level of education

Fig 4.1 is the bar graph below that is showing the level of education of the respondents

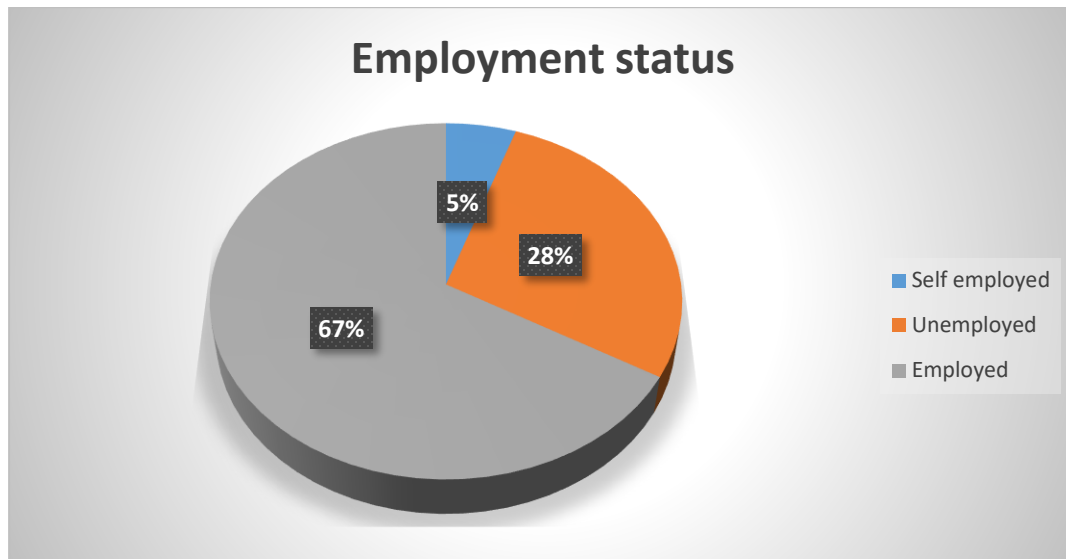


*Source: Primary Data*

According to the bar graph above, 45% of people went to tertiary school, 35% went to secondary school, 13% went to primary school, and 7% had no education at all. This study shows that people with high levels of education are more open to technological innovations like mobile money than people with low levels of education. This study has demonstrated that education plays a significant role in the adoption of mobile money in Zimbabwe. Field (2011) contend that a person's decision to use electronic banking platforms is positively correlated with their literacy level.

#### 4.3.4 Employment status

The pie chart below (fig 4.2) illustrates the various employment statuses of the respondents.



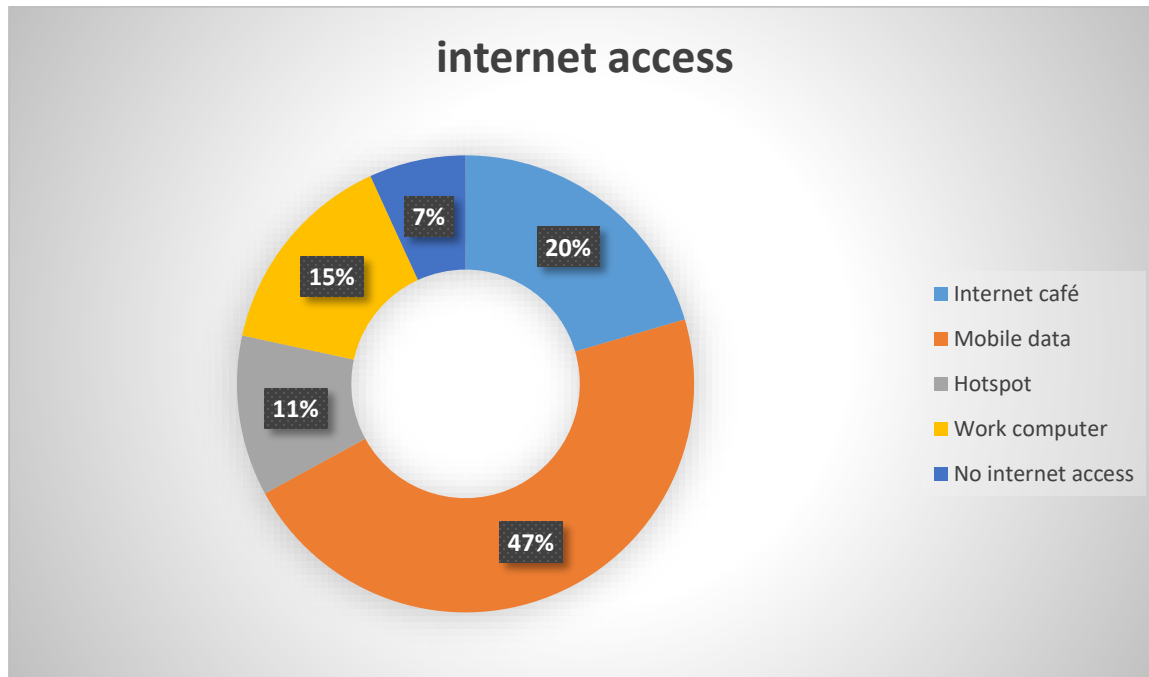
*Source: primary data*

The majority of the respondents, that is 66.67%, were employed people who were formally employed in various organizations. 28.07% of the respondents stated that they were unemployed and not engaged in any income generating activities and the larger number of them are the university students. Lastly, only 5.26% of the respondents were self-employed, that is, they were not formally employed but undertook their own income generating activities such as vending.



### 4.3.5 Internet access respondents' rate

Fig 4.3 below showing respondents on internet access



Source: primary data

18 out of 88 respondents confirmed that they use an internet café to access ZB services, or 20.45%, as depicted in the preceding pie chart (fig. 4.3). There are 41 people who use mobile data, for a percentage of 46.59 percent. 10 individuals use area of interest which gives 11.36%, 13 use work PCs which give 14.77% and 6 individuals affirmed that they have no web access which gives a level of 6.83%. The data above clearly demonstrates that the majority of ZB Bank mobile service users use their own mobile data.

### 4.3.6 Computer literacy responses rate

Table 4.4 below showing computer literacy respondent's rate

| Computer literacy | Number of people | Percentage |
|-------------------|------------------|------------|
| Expert            | 18               | 20.45%     |
| Advanced          | 20               | 22.74%     |
| Intermediary      | 35               | 39.77%     |
| Beginner          | 10               | 11.36%     |

|                       |    |       |
|-----------------------|----|-------|
| No computer knowledge | 5  | 5.68% |
| Total                 | 88 | 100%  |

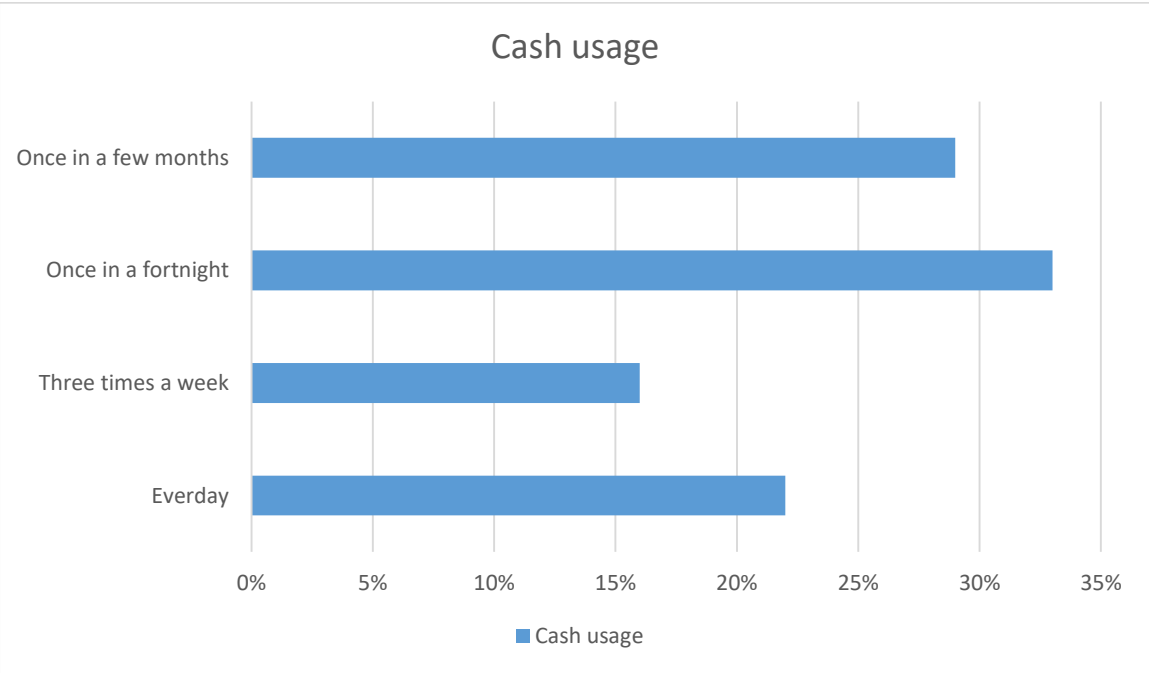
Source: primary data

Respondents' levels of computer literacy are shown in table 4.4. The table clearly demonstrates that the majority of ZB customers are computer literate. Intermediaries make up a large portion of those who respond, and while they are familiar with computers, they do not know everything. As a result, ZB Bank employees must provide customers with complete information. However, the bank is responsible for instructing 5.68 percent of customers who do not know how to use computers.

**4.4 How often do you use cash?**

This question sought to gather information about how frequent respondents use cash when making payments. If respondents use cash more often it means cash shortages will continue to deepen whilst if respondents do not use cash more often it means that the demand for hard cash will be low and cash shortages would have been reduced through the use of mobile money.

**Fig 4.4 Graph below illustrates respondent`s cash usage**



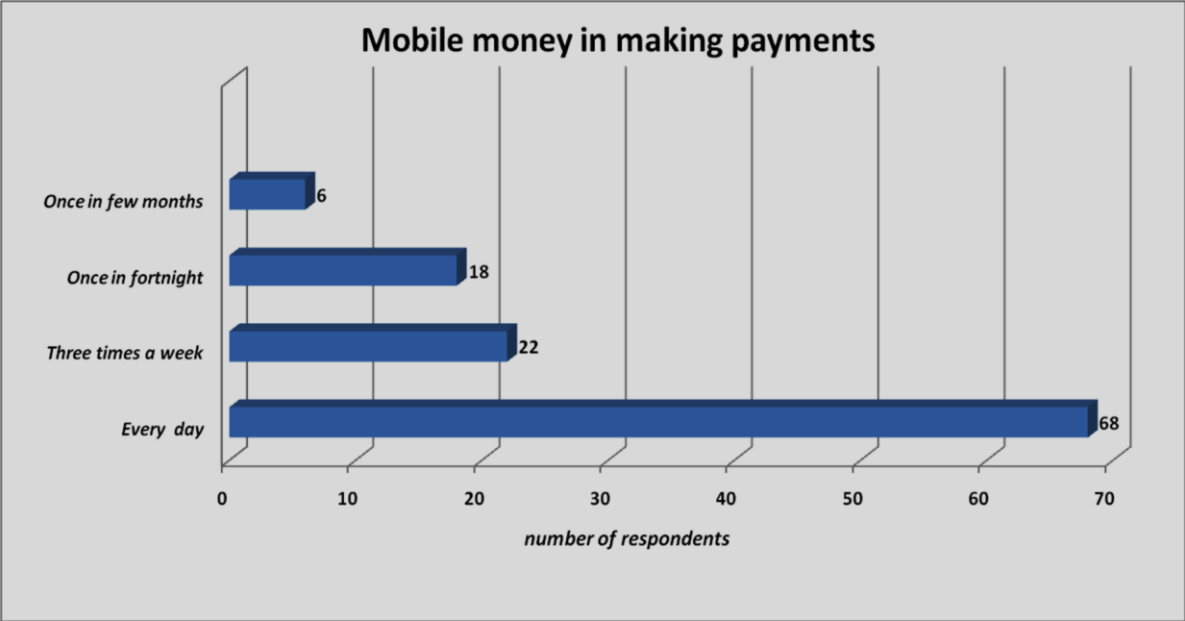
Source: Primary Data

According to the bar graph (fig. 4.4) above, 22% of the 88 respondents use cash daily, 16% use cash three times a week, 33% use cash once every two weeks, and 29% use cash once every few months. This indicates that, despite the use of mobile money, consumers continue to purchase certain goods with hard cash, such as tomatoes and vegetables.

**4.4.1 How often do you use mobile money in making payments?**

This question looked at the patterns people use mobile money in making payments. The more the population use mobile money the less demand for hard cash as people can make payments electronically using mobile money.

**Fig 4.5 shows how often respondents use mobile money in making payments.**



*Source: Primary Data*

A responsive illustration of how frequently respondents use mobile money to make payments is provided by the bar graph above (fig. 4.5). 68% of those polled use mobile money on a daily basis, which is a good sign that people are actually moving toward a cashless economy and will no longer require physical cash. As a result, mobile money helps alleviate cash shortages. The researcher can deduct from the findings that mobile money is preferred by consumers due to its ease of use and lower risk of theft compared to traditional cash.

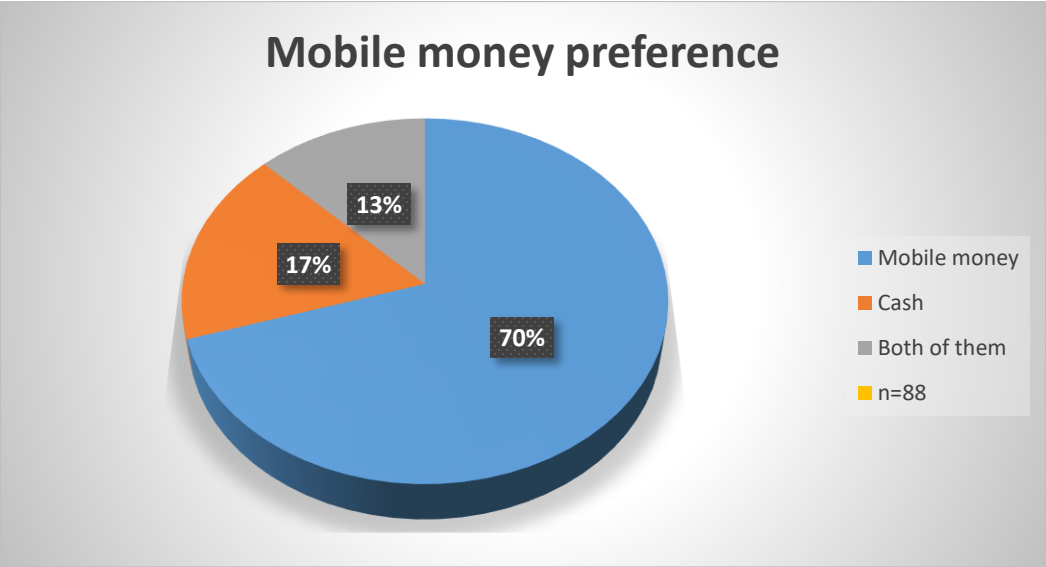
The frequency with which respondents use mobile money to make purchases is depicted in the bar graph above (fig. 4.5). 68% of respondents reported using mobile money on a daily basis, indicating a clear shift toward a cashless society in which hard currency will no longer be required. As a result, mobile money contributes to the alleviation of the cash crisis. Based on the findings, the researcher can deduce that mobile money is preferred by customers due to its convenience and lower risk of theft compared to real currency.

**4.4.2 Do you prefer paying using cash or mobile money?**

The question analyze the preferred methods of payment with individuals when making payments. If the larger population prefer mobile money than hard cash it means the cash shortages would have been reduced.

The pie chart below shows a number of respondents and methods of payments they prefer whenever making their payments.

**Fig 4.6 shows Respondent`s mobile money preference**



*Source: Primary Data*

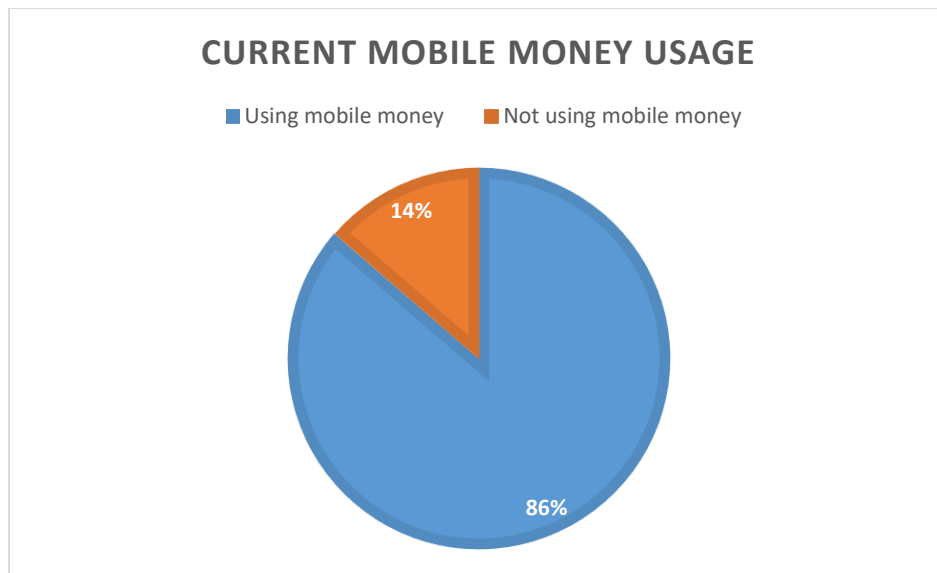
Fig 4.6 above shows the payment options respondents choose to use. Only 12.54 percent of the 88 respondents prefer using both cash and mobile money, compared to 70.20 percent who prefer mobile money and 17.26 percent who choose cash. Given that 70.20% of people prefer mobile money, it is obvious that a bigger percentage does as well. A smaller group, 17.26%, prefers hard currency, perhaps because they find the transaction fees associated with utilizing plastic money to

be too expensive. This suggests that the majority of individuals prefer utilizing mobile money notwithstanding a tiny percentage who still favor real currency. This is consistent with Sharma's (2012) findings, which indicated that most people prefer plastic cards (bank cards) since they are practical, portable, and banks give their customers good services so they feel safe.

#### 4.5.1 Are you currently using plastic money when making payments?

This question analyze whether the respondents are using mobile money or not. The researcher gathered information concerning the usage of mobile money by the respondents. The more usage of mobile money reduces the cash shortages in the economy. The chart below summarizes the data collected.

**Fig 4.7 shows respondent`s current mobile money usage**



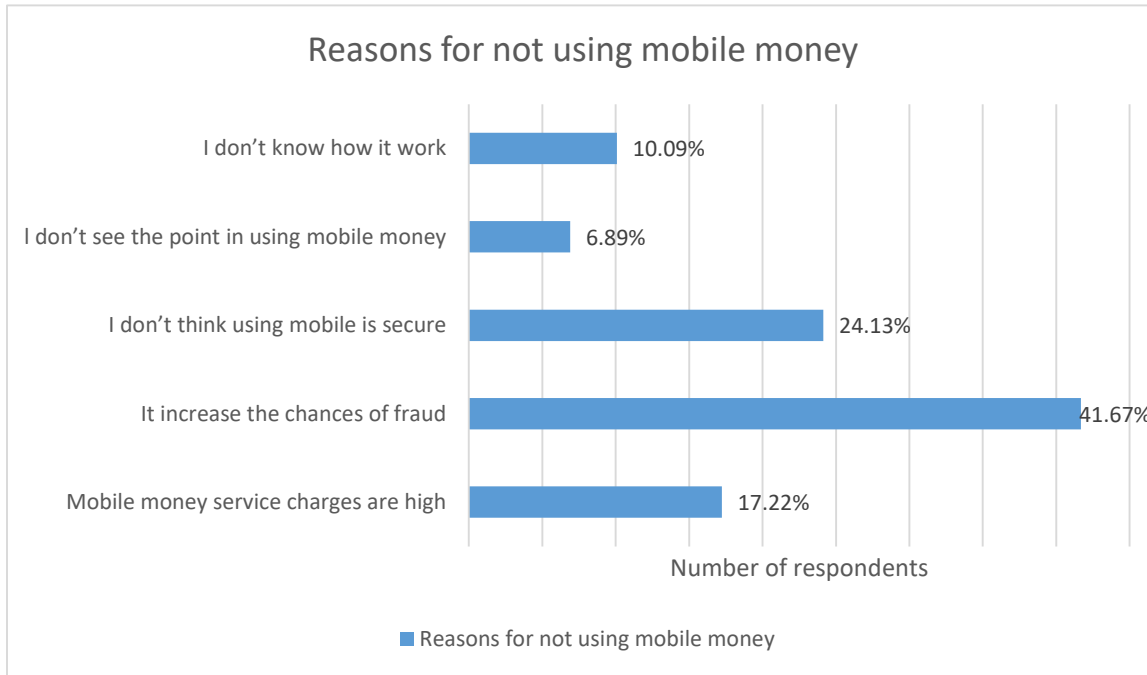
*Source: Primary Data*

As shown from the above pie chart (fig 4.7), 86.36% agreed that they are currently using mobile money. 13.64% of the population was not using mobile money. These results imply that a larger population in Zimbabwe is using currently using mobile money.

#### 4.5.2 If NO what is the reason for you not using plastic money?

From the above responses we noted that only 12 respondents out of 88 are currently not using plastic money. The bar graph below summarizes data collected from respondents.

**Fig 4.8 shows respondents' reason for not using mobile money**



*Source: Primary Data*

The findings revealed that because bank fees are too high and plastic money is more expensive, 17.22% of people do not use mobile money. 41.67% of respondents stated that they do not use mobile money because it encourages additional fraud. Security is a major concern for those who use mobile money. Similar findings from Ndlovu (2016) suggested that using a credit card could lead to fraud, but consumers should use plastic money after weighing the advantages and disadvantages.

In response, 23.53 percent stated that using mobile money was not secure. 5.89 percent of people do not use mobile money because they do not see the benefits of doing so. This shows that there are still misconceptions about mobile. Lastly, 11.76 percent of respondents claimed to have no idea how it works. This recommends that the utilization of portable cash was impacted by instruction level.

#### **4.7 Benefits of mobile payment**

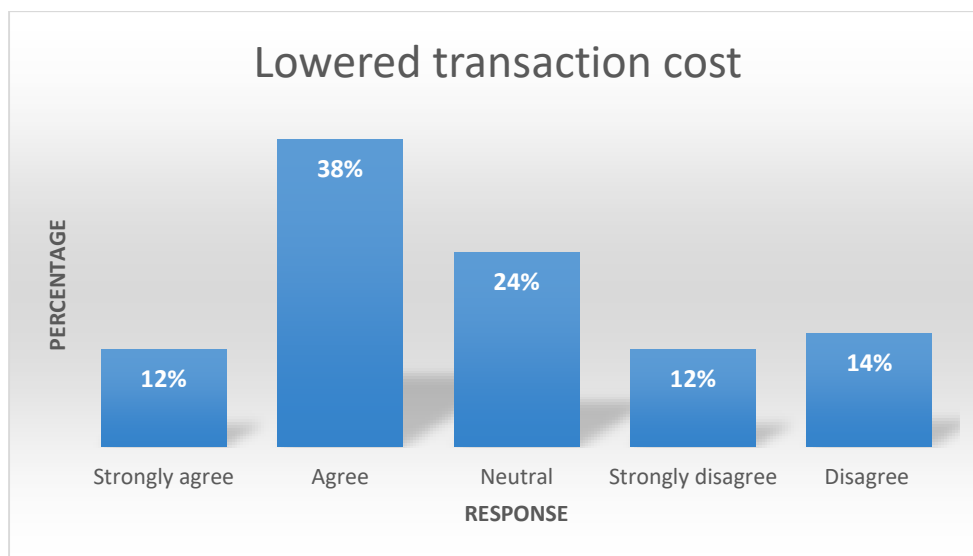
The aim of this question was to determine the benefits that mobile money users enjoyed from the use of electronic mobile money service. This was essential since the benefits derived have an

impact on the mobile money in reducing cash shortage. Respondents were asked to rank how they felt about some of the established benefits of mobile money.

#### 4.7.1 Low transaction costs

Respondents were asked to highlight to what extent they agreed with the statement “Mobile money services have low transaction costs”. Their responses to this statement are shown on the graph below

**Fig 4.9 illustrates results of responses for lowered transaction costs**



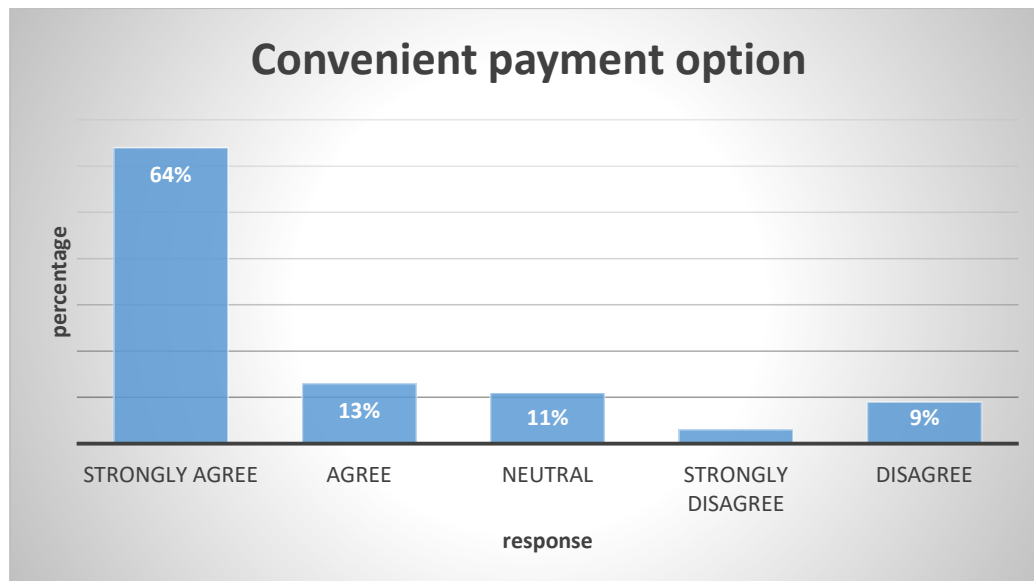
*Source: Primary data*

As shown by Fig 4.9, 12% of respondents strongly disagreed with the statement, 14% disagreed, 24% were neutral while 38% of the respondents agreed and 12% of the respondents strongly agreed with the statement. The majority of the respondents were of the opinion that mobile money has low transaction costs. Field (2011) and Maurer, (2012) also found out that mobile money has lowered transaction costs such as bank costs and transportation costs

#### 4.7.2 Convenient payment option

Respondents were asked for their opinion regarding the notion that electronic mobile money was the most convenient payment option as opposed to other means such as the traditional use of cash.

**Fig 4.10 showing responses for convenience**



*Source: Primary data*

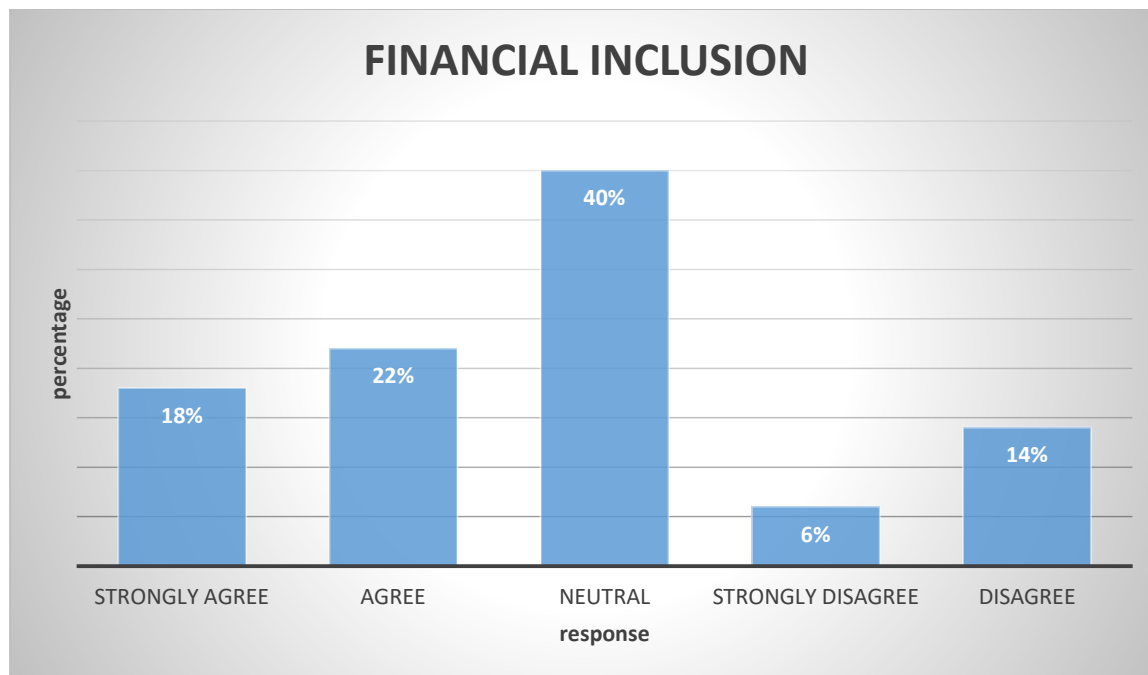
According to Fig. 4.9, 64% of respondents strongly agreed that mobile money was a convenient method of payment. While 11% of respondents remained neutral on this issue, 13% of respondents agreed that mobile money was convenient. Three respondents (3%) expressed a strong disagreement with the statement, and nine percent of those polled disagreed that using mobile money was a convenient method of payment. According to Levin (2013), mobile payments provided the unbanked population with greater convenience.

### **4.7.3 Financial inclusion**

This question was to determine whether mobile money has enhanced financial inclusion or not. It was intended to establish if mobile money had enabled just about everyone to access financial services. Again, the respondents were asked to rank the extent to which they agreed that financial inclusion had been enhanced as a result of the use of mobile money.



Below is Fig 4.11 illustrating Responses for enhanced financial inclusion



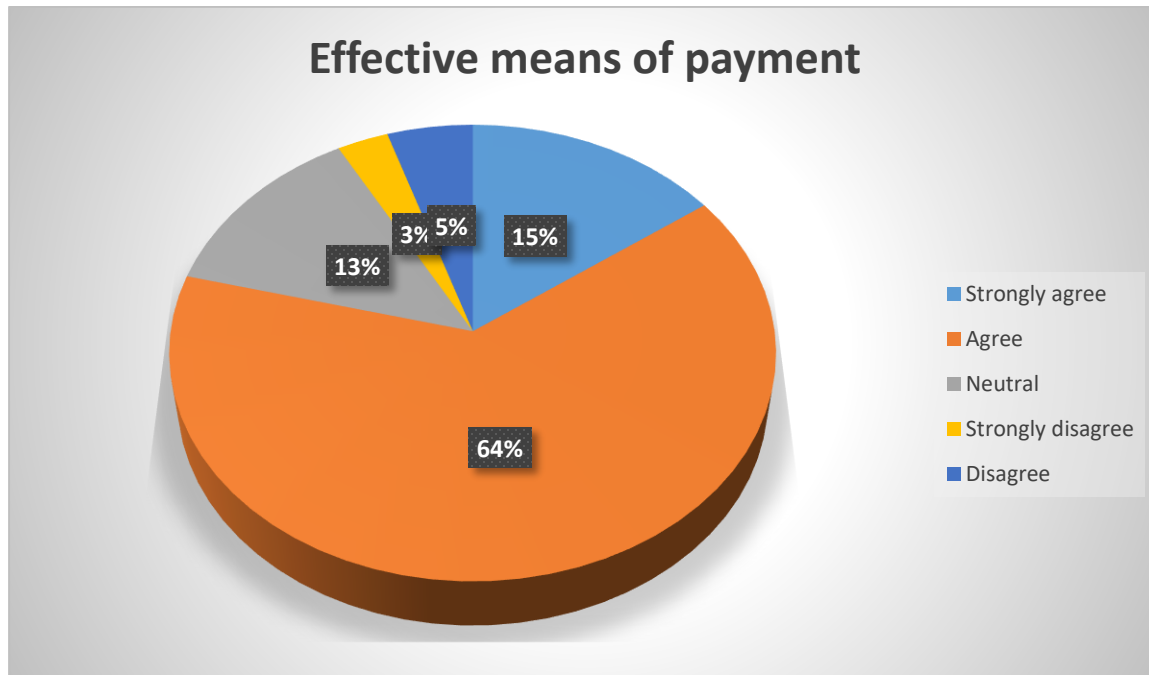
Source: Primary data

The majority of respondents gave a neutral response, with 40% of them doing so. Additionally, 14% of respondents disagreed with the idea and 6% strongly disagreed with the point. However, 22% of respondents concurred that mobile money had increased financial inclusion, and 18% of respondents strongly concurred. In total, 40% of respondents agreed that mobile money makes financial inclusion easier. However, this was still significantly higher than the 20% of respondents who disagreed that mobile money promotes financial inclusion. Mutepfa (2016) discovered that mobile payments had reduced financial exclusion in Zimbabwe by 18%, thereby increasing financial inclusion.

#### 4.7.4 An effective way of paying anyone at any time

The aim of this question was to investigate if the respondents were comfortable with using mobile money for any form of payment.

**Fig 4.12 Showing responses for effective means of payment**



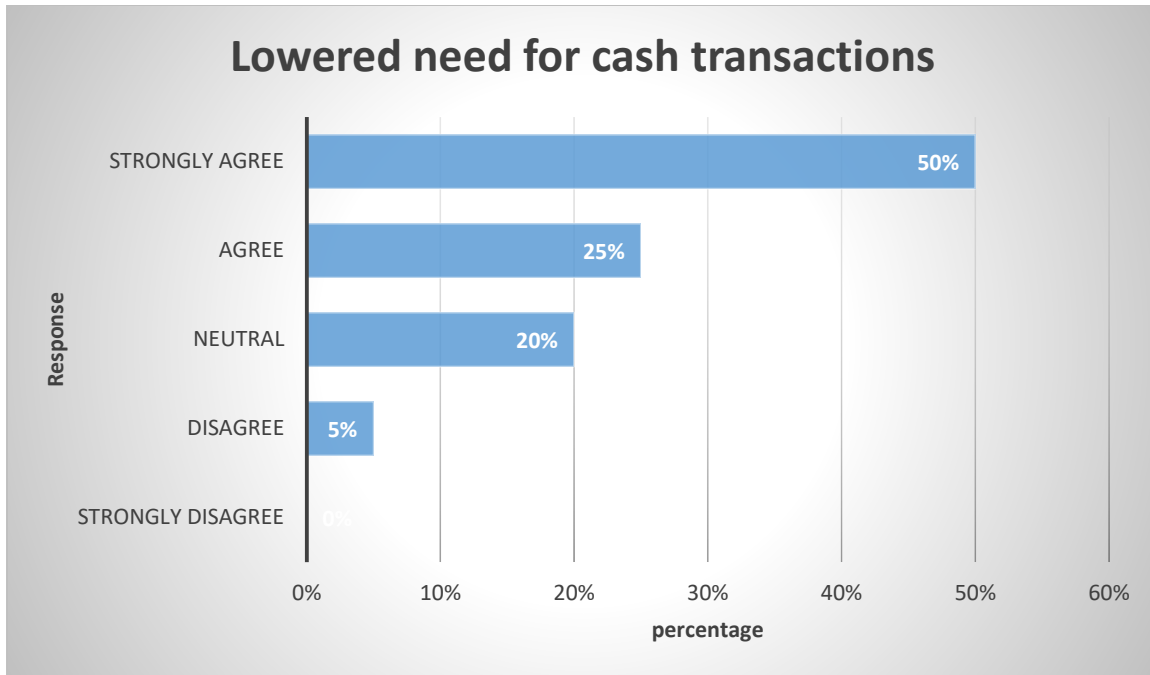
*Source: Primary data*

The majority of respondents, as shown in Fig. 4.12 above, were enthusiastic about the convenience of using mobile money to pay for anything and everything. 15 percent of respondents strongly agreed that mobile money is a good way to pay, 64 percent agreed that mobile money is a good way to pay, and 13 percent remained neutral. However, 5% and 3% of respondents strongly disagreed that mobile money is an efficient mode of payment. This suggests that the majority of respondents were content with the use of mobile money.

#### **4.7.5 Lowered need for cash transaction**

50 percent of respondents strongly agreed, as shown in Fig. 4.13 below, that the use of mobile money has reduced the need for cash transactions. Twenty percent of respondents were neutral on the idea that mobile money had reduced the need for cash, while twenty percent of respondents agreed that mobile money had reduced the need for cash. Only 5% of respondents strongly disagreed with the assertion that mobile payments had reduced the need for cash transactions. Because mobile money has made it less necessary to use cash in a variety of transactions, mobile money can take the place of cash.

**Fig 4.13 Showing responses for lowered need for cash transactions**



*Source: Primary data*

This data serves to prove that the use of mobile money has indeed lowered the need for cash transactions.

## **4.8 Factors influencing the adoption of mobile payments**

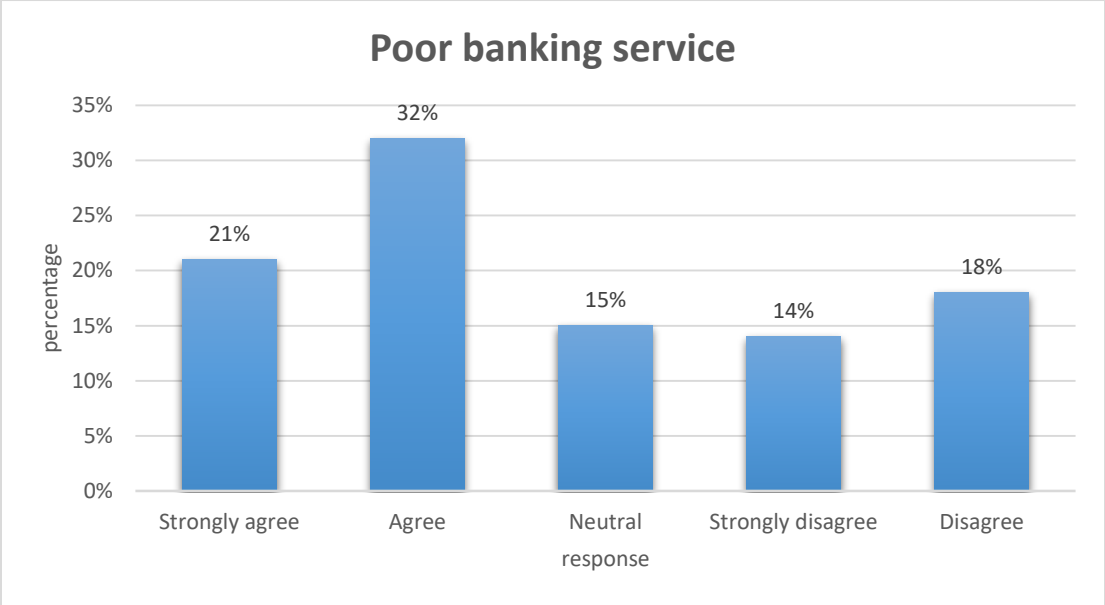
The major objective of this question was to ascertain the view of respondents towards some factors which are deemed to be influencing the adoption of mobile money. With this intention, respondents were asked to rank how much they agreed with a set of factors that are influencing the uptake of mobile money services. The responses will be discussed below

### **4.8.1 Poor banking services**

The purpose of the inquiry was to determine whether consumers' adoption of mobile money services was influenced by the country's inadequate banking services. As can be seen in the graph in Fig. 4.14, the respondents had varying opinions regarding this issue. 22% of respondents strongly agreed that poor banking services increase mobile money adoption, 30% agreed that poor banking services increase mobile payments adoption, and 15% remained neutral on the issue. On the other hand, 18% of respondents disagreed and 15% strongly disagreed that poor banking

services increase mobile payment adoption. Overall, 52% of respondents believed that poor banking services would increase mobile money adoption, while 33% disagreed.

**Fig 4.14 Showing responses for poor banking services**

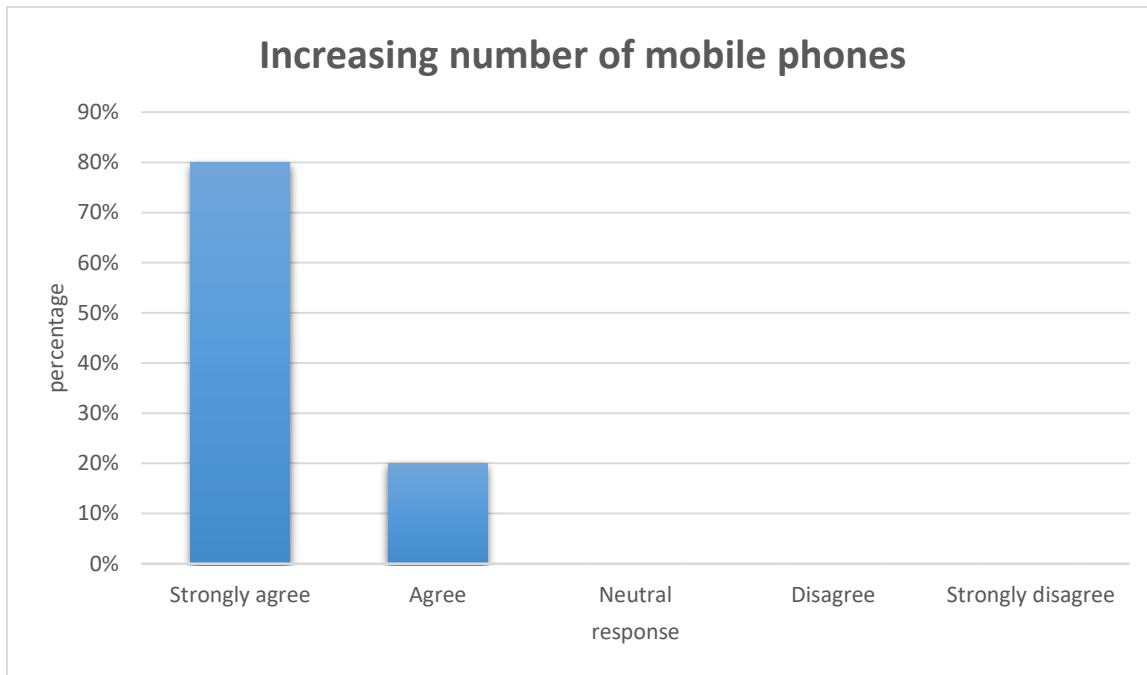


*Source: Primary data*

**4.8.2 Increasing number of mobile phones**

The objective of this question was to find out what the respondents thought about the increasing number of mobile phones resulting in the increased adoption of mobile money services.

**Fig 4.15 Showing Responses for increasing mobile phones**



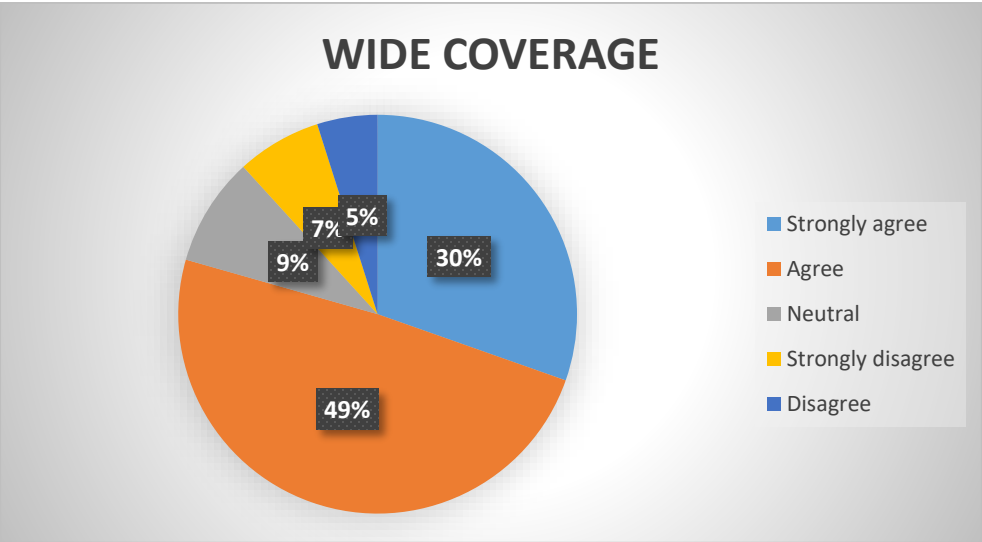
*Source: Primary data*

As depicted by the graph in Fig 4.15, 20% of the respondents agreed while 80% strongly agreed that the increasing number of mobile phones was influential in increasing the adoption of mobile payments, meaning that 100% of the respondents agreed. No respondents disagreed or were neutral on this point.

### **4.8.3 Wider coverage of mobile money service providers**

This question sought to investigate if the wider coverage of the country by mobile money service providers had a bearing on the uptake of mobile money services. As shown in Fig 4.16 below, only 7% of the respondents strongly disagreed that the wide coverage of mobile money services increased their usage and 5% disagreed. 9% stated that they were neutral. 50% of the respondents agreed that wider coverage of mobile money service providers increased the adoption of mobile payments while 30% strongly agreed on this point. Chikarara, (2015) found that wider coverage of mobile money service provider agents boosted adoption of mobile money usage.

**Fig 4.16 Showing Responses for wider coverage of mobile money service providers**

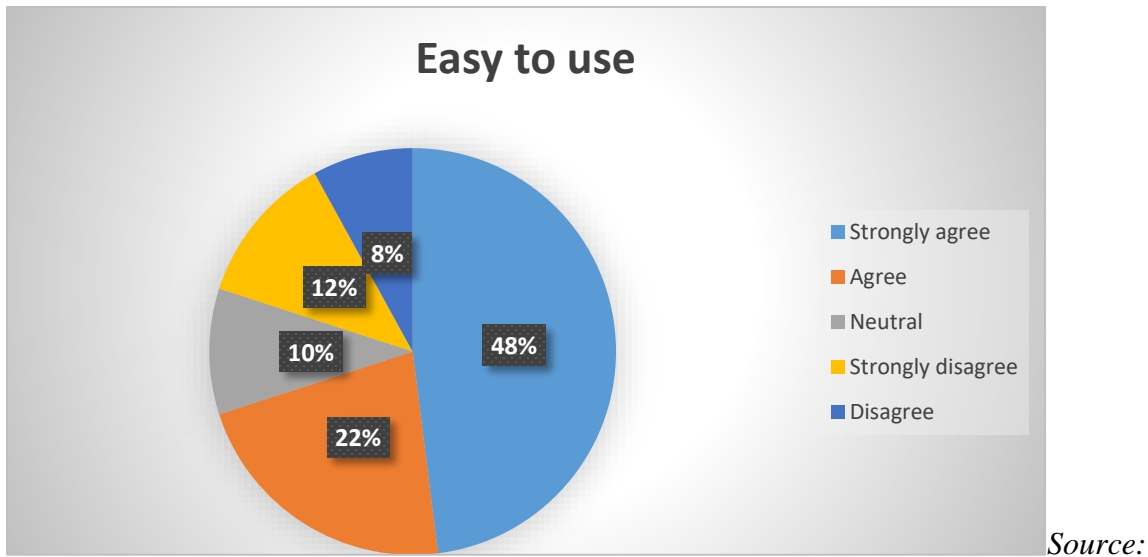


*Source: Primary data*

**4.8.5 Ease of use of mobile payments**

This question sought to find out if respondents thought that the adoption of mobile money increased because of its significant ease of use. The respondent expressed various opinions on this point, though the majority of them agreed as illustrated below in fig 4.17

**Fig 4.17 Showing Responses for ease of use of mobile payments**



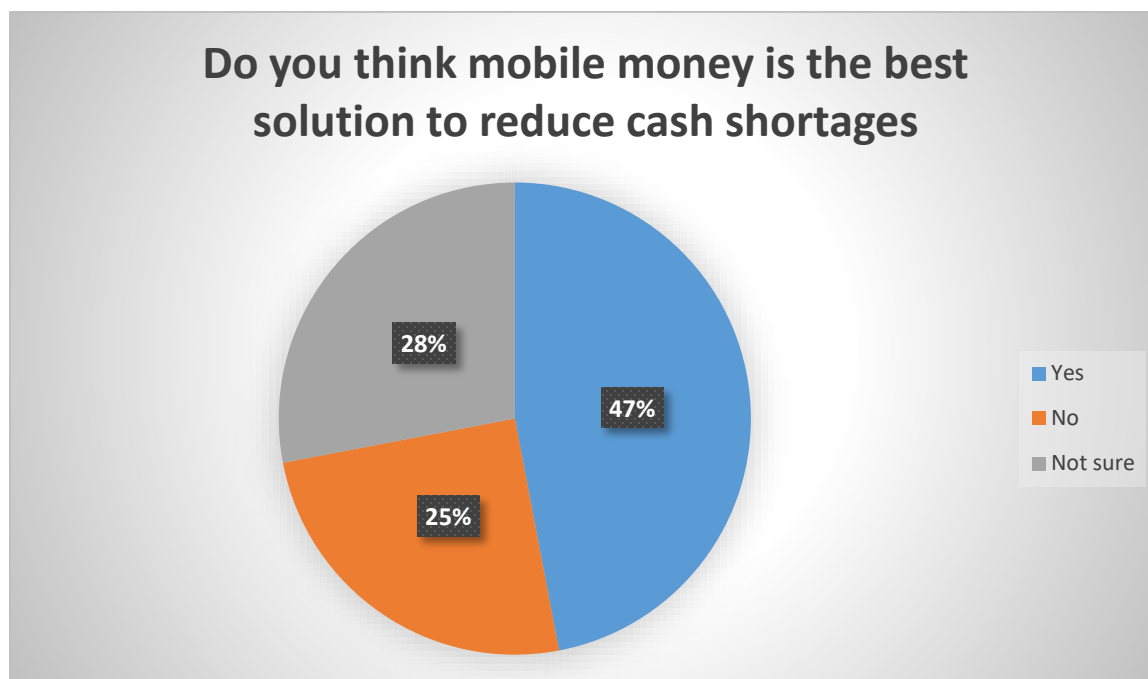
*Primary data*

As depicted by the graph in Fig 4.17, 12% of the respondents strongly disagreed that the adoption of mobile money increased because it is ease of use, 8% disagreed and 12% of the respondents were neutral. The majority of the respondents (48%) agreed that the ease of use of mobile money had increased their adoption while 22% of the respondents strongly agreed, bringing the total of supporting respondents to 70%. This is also in line with assertions by the Technology Acceptance Model by Davies (1989). Mbele Sibotshiwe (2013) concluded that perceived ease of use was related more positively to the adoption of mobile payments as compared to other perceptions of consumers.

#### **4.10 Are mobile payments the best solution?**

Respondents was asked if they thought that electronic mobile payments were the best solution to the current cash crisis tormenting the entire country, given everything they knew and had experienced in relation to mobile payments. This question was meant to be answered after some thought since the answers required justification. The responses acquired to this question are as shown in Fig 4.18.

**Fig 4.18 Are mobile payments the best solution to the cash crisis?**



*Source: Primary data*

As shown in Fig. 4.18, 47% of respondents responded "yes" to the question, indicating that they considered mobile payments to be the most effective means of addressing the current cash shortage. 25% of respondents responded "no," indicating that they did not believe mobile payments were the best option. 28% of respondents stated that they were unsure if mobile payments were the best option.

The most referred to reason among the people who believed that versatile installments are the best answer for the money emergency was that everybody in the economy had now acknowledged them for the purpose of installment; on both official and unofficial platforms, and they arrived immediately. Levin (2013) found that consumers don't have to put in a lot of effort when using mobile payments to pay for services and utilities instantly and conveniently.

It was suggested by some respondents that it would be preferable to concentrate on a combination of solutions rather than just one. Some people thought that mobile payments weren't the best option because they couldn't replace cash and the government needed to work on currency issues. Others



thought that banking services, like debit cards, were the best option, and others complained about the extra commissions that mobile money agents were charging in addition to the standard fees.

#### **4.11 Chapter summary**

This chapter has presented and analyzed the data collected in the research. The chapter has shown the feasibility of using mobile money as a solution to the cash crisis. Benefits of mobile payments and factors influencing the adoption of mobile money were all established. The next chapter will look at the summary of the findings, the conclusion and recommendations on the way forward.

## **CHAPTER 5**

### **Summary, Conclusions and Recommendations**

#### **5.0 Introduction**

This chapter aims to provide a comprehensive analysis of the research on the impact of mobile money on the reduction of cash shortages in Zimbabwe through the use of the ZB Bank Bindura case study. Before making some suggestions, the study's findings will be summarized in this chapter. Based on the findings of the research, there will be recommendations as well as suggestions for additional research.

#### **5.1 Summary of major findings**

The study was motivated by the necessity of determining the impact of mobile money in an economy, such as Zimbabwe's, that was compelled to adopt a cashless society. This particular study used convenience sampling, a non-probability sampling method, with a focus on Bindura Township and a questionnaire response rate of 88%. Additionally, complimentary interviews were conducted, to which 100% of respondents responded. The study's objectives were to determine how mobile money affects cash shortage reduction. Additionally, it sought to determine potential advantages and factors that would encourage customers to use mobile money.

Males were found to use mobile money more frequently than females, according to the study. In addition, students made up the majority of the user groups, followed by employed people, self-employed people, and unemployed people.

One of the goals of the study was to figure out the advantages of using mobile money in the country. The study was successful in identifying the advantages of mobile money. These include lower transaction costs, an easy way to pay, a reliable method of payment that can be used anytime,

anywhere, and less cash is needed for transactions. However, the majority of respondents were unable to firmly assert that mobile payments had increased economic financial inclusion.

Additionally, the research sought to determine the factors influencing mobile money adoption across the nation. The widespread use of mobile money was also attributed to a few factors that were identified. Poor banking services, the rising number of mobile phones, a wider range of mobile money service providers than banks, and the simplicity of mobile money services are just a few examples.

In addition, the study found that only the high costs of mobile money services (including agent fees and commissions) were cited as a barrier to their use by respondents as a barrier to their adoption. They didn't know how it works and some didn't see the point in using it, and there was a high risk of fraud or loss.

## **5.2 Conclusion**

The study's findings led the researcher to the conclusion that many people are aware of mobile money, have adopted the service, and now regularly use it. It is also obvious that consumers utilize mobile money to make payments easily for their regular daily activities.

In addition to being crucial for the nation's future, mobile money also provides users with a variety of advantages, including reduced reliance on cash transactions and unparalleled accessibility. The researcher comes to the conclusion that increasing mobile money usage would be advantageous for the country as a whole.

Another inference that can be made from the survey is that there aren't many obstacles preventing the widespread adoption of mobile payments because the services are generally well-liked by respondents. Just more people need to be made aware of the services' many advantages for customers.

The researcher came to the additional conclusion that, as suggested by the Technology Acceptance Model, consumer perceptions directly influence the adoption of mobile payments. The uptake of mobile payments is influenced by perceptions of prices, usability, and security.

The researcher comes to the final conclusion that mobile money can definitely help Zimbabwe's liquidity crisis and is a workable answer to the current cash shortage. To encourage all potential

users to embrace the services and increase confidence in the service, as well as to ensure maximum usage of mobile money services in every nook and cranny of the nation, work still needs to be done.

### **5.3 Recommendations**

The recommendations in this part are based on the findings of the study and the conclusions reached. To all of the numerous stakeholders in the use of mobile payments, the recommendations will be made categorically.

#### **5.3.1 Recommendations to Mobile Money Service providers**

Customers' confidence in mobile money services must be bolstered by service providers' actions. System upgrades are necessary to prevent transaction duplication and to warn users when they are about to make an error. For instance, if a transaction is started while the system network is down and the customer receives a report that the transaction has failed, even though the transaction was actually completed or carried out as soon as the system was up, the customer should be notified when they attempt to start the same transaction again.

In order to stop their agents from exploiting their customers, mobile money service providers should also closely monitor their employees. Because this lowers consumer confidence and the extent to which they are willing to use the service, it is necessary to ensure that these agents are not charging additional commissions when clients want to transact using mobile payments or when they want to withdraw cash.

In addition, service providers should conduct extensive marketing and advertising campaigns to promote the use of mobile payments in all contexts and raise awareness, even in secluded areas that are typically overlooked. In the same vein, there is a pressing need to increase the number of mobile money agents who will serve as ambassadors for mobile payments in remote areas. This will ensure that every mobile phone owner has access to these services.

#### **5.3.2 Recommendations to regulators**

The Reserve Bank of Zimbabwe (RBZ) and the government as a whole are affected by these suggestions. The additional fees associated with mobile money transactions are the primary issue surrounding mobile money regulation. The RBZ must uphold the rule of law against agents and retailers who ask for more money when they are paid with mobile money instead of cash. This is

to make sure that mobile payments are treated in the same way as other forms of payment, like cash, and that the price of goods won't change no matter what method of payment is used.

The mobile money service providers must also be promoted in any way the government can. In order to avoid customer exploitation, it is necessary to level the playing field in the mobile money industry and prevent the dominance of a single service provider. Additionally, the government ought to provide infrastructure support to mobile money service providers, particularly in remote areas where service providers typically hesitate to enter.

### **5.3.3 Recommendations to users**

Users of mobile payments should cooperate with service providers to raise service quality and show a lot of patience with them. They should let the service providers know as soon as possible about any difficulties they encounter when using the mobile money services so that they can work to improve them. Users of mobile money shouldn't give up on the service too quickly; rather, they should remain hopeful and helpful.

### **5.4 Areas for future study**

To firmly establish that the findings of this study can be applied to the entire population of Zimbabwe, a replication of the study must be conducted in other regions of the country. In order to offer the mobile money service providers with a foundation for marketing campaigns and strategies to increase the broad usage of mobile payments, additional research on the elements that serve as incentives or barriers to the use of mobile money should also be conducted.

### **5.5 Chapter summary**

This chapter was the final chapter of the study on impacts of mobile money in reducing cash shortages in Zimbabwe. It highlighted the summary of the major findings, the conclusions and finally the recommendations of the study. Areas for future study are in this chapter.

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**APPENDICE A**  
**BINDURA UNIVERSITY OF SCIENCE EDUCATION**  
**FACULTY OF COMMERCE**



Dear respondent

I am a final year undergraduate at Bindura University of Science Education. I am conducting this research in partial fulfillment of the Bachelor of Commerce Honors Degree in Banking and Finance. My research is on the analysis on the impact of mobile money in reducing cash shortages.

I am therefore asking for your assistance in carrying out this research by the way of completing the following questionnaire. Please note that your response will be used purely for academic purposes only and will be treated with the strictest of confidentiality. I would appreciate it very much if the questionnaire could be returned at your earliest convenience. Counting on you kind cooperation.

Thank you very much for taking your time to participate in the study.

Yours sincerely

B1851218

**APPENDIX: A QUESTIONNAIRE**

**SECTION 1: DEMOGRAPHICS**

**NB: Please tick in the box given below the question to answer**

**1. Sex**

Male.....  Female.....

**2. Age**

15-30  31-50  51-60  61 and above

**3. Highest Level of Education**

Primary level  Secondary level  Tertiary  None

**4. Employment status**

Unemployed  employed  self-employed

**5. Computer literacy**

Expert  advanced  intermediate  beginner  No computer knowledge

**6. Internet access method**

Internet cafe  own mobile phone  Hotspot  work computer  No access

## **SECTION 2: AWARENESS OF MOBILE MONEY**

**NB: Please tick in the box given below the question to answer**

### **1. How often do you use cash?**

Every day  Three times a week  Once in a fortnight  Once in few months

### **2. How often do you use mobile money in making payments?**

Every day  Three times a week  Once in a fortnight  Once in few months

### **3. Do you prefer paying using cash, mobile money?**

Cash  Mobile money  All of them

### **4. Are you currently using mobile money in making payments?**

Yes  No

### **5. If NO. What is the reason for you not using mobile money?**

- ❖ I don't know how they work
- ❖ I don't see the point in using plastic money
- ❖ I don't think using plastic money is secure
- ❖ It increases the chances of fraud
- ❖ Bank charges are high

## **SECTION 3: BENEFITS OF USING MOBILE MONEY**

Please rank the following statements as follows (indicate your choice by ticking under the appropriate column):

NB\*

1. Strongly disagree (1SD) 2. Disagree (2D) 3. Neutral (3N) 4. Agree (4A) 5. Strongly agree (5SA)

| <b>BENEFIT</b>                                | <b>1SD</b> | <b>2D</b> | <b>3N</b> | <b>4A</b> | <b>5SA</b> |
|---|------------|-----------|-----------|-----------|------------|
| 6. low transaction costs                      |            |           |           |           |            |
| 7. convenient payment option                  |            |           |           |           |            |
| 8. result in financial inclusion              |            |           |           |           |            |
| 9. effective way of paying anyone at any time |            |           |           |           |            |
| 10. lowered the need for cash transaction     |            |           |           |           |            |

#### **SECTION 4: ADOPTION OF MOBILE MONEY**

Please indicate response by ranking the following statements (indicate your choice by ticking under the appropriate column)

11. How strongly do you feel about the following statements relating to the adoption of mobile money?

| <b>Statement</b>  | <b>1 SD</b> | <b>2 D</b> | <b>3 N</b> | <b>4 A</b> | <b>5 SA</b> |
|---|-------------|------------|------------|------------|-------------|
| Poor banking services have increased adoption of mobile money               |             |            |            |            |             |
| increase number of mobile phones has increased the adoption of mobile money |             |            |            |            |             |

|  |  |  |  |  |  |
|--|--|--|--|--|--|
| Increased in network coverage of mobile money service providers has increased the adoption of mobile money |  |  |  |  |  |
| Ease of use of mobile payments have increased the adoption of mobile money                                 |  |  |  |  |  |

**SECTION FIVE : RECOMMENDATIONS TO MOBILE MONEY**

Please indicate the appropriate response by ticking the appropriate box or by filling in the space provided.

**12.** Do you think mobile money is the best solution to reduce cash shortages?

Yes  No  Not sure

Explain why.....  
 .....

**13.** What do you think on the current quality of services offered by mobile money service providers?

.....  
 .....

**14.** What do you recommend to be done to make mobile money to reduce cash crisis shortages?

.....  
 .....

THANK YOU FOR YOUR TIME!!!

## **APPENDIX B INTERVIEW GUIDE**

- 1) How long have you been using mobile money?
- 2) What are the challenges that you faced as a mobile money user?
- 3) What do you think are the factors affecting the adoption of mobile money?
- 4) How do you build trust from the mobile money users?
- 5) What are the benefits you identified from the use of mobile payments?
- 6) Do you think mobile payments are the solution to the current cash crisis?