Customer perception of adoption and use of digital financial services and mobile money services in Uganda

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Abstract

Purpose – This paper aims to investigate the impact of fintech, mobile money and digital financial services in Uganda and factors impacting adoption of the services. The study will also determine their social impact through financial inclusion in the Ugandan market.

Design/methodology/approach – This study covers the adoption and use of fintech, mobile money and digital financial services in Uganda. A case study approach was used through a survey questionnaire for 400 randomly selected participants within the Kampala region. Questionnaire was designed to measure customer perception of digital financial services and adoption including mobile money and agency banking.

Findings – The adoption of mobile money services is driven by mobile devices penetration and the need for access to financial products and services for the unbanked. Results support CGAP (2013) that observed that mobile money adoption was based on two key variables: social network and social interactions of the customer and a segment of customers who can be described as mobile technology leaders (early adopters). There has been positive impact on person to person transfers, grocery payments and mobile money providers have to continue to simplify the access to financial services and bring convenience to the bottom of the pyramid. And mobile money positively impacts sustainable developmental goals covering Gender Equality (SDG5), SDG 8 – Decent Work and Economic Growth; expanding financial inclusion through mobile money and SDG 10 – Reduce Inequalities.

Research limitations/implications – This study has limitations commonly prevalent with qualitative research, including the small size limited to Kampala and challenges of making generalisations beyond this context.

Practical implications – The paper might serve as a valuable source of information for government and fintech companies in developing the digital financial services ecosystem as well as for students and academics for further case studies in this area.

Originality/value – This paper serves as one of the first qualitative research papers concerning mobile money and digital financial services adoption, solely focused on Uganda. Its value is in its showcasing of the importance of mobile money among customers in emerging markets.

Keywords Disruptive innovation, Mobile money, Financial inclusion, Fintech, Digital financial services

Paper type Research paper

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1. Introduction

The surge in fintech use, involving the financial and non-financial services sectors, is consistently growing and has revolutionised the way in which financial services are conducted. (Amer, Barberis, and Buckley, 2015). Accenture (2016) points to a growth of $5.3bn in fintech investments which translates to an increase of 67% compared to the year prior.

Fintech is a portmanteau of financial technologies covering mobile banking and digital financial services that are transforming the financial landscape. The innovative products and services developed by fintech companies are gaining traction and empowering individuals to gain greater control over their financial fortunes and enabling small independent financial institutions “to compete with large global institutions and technology firms” (McKinsey, 2016a, 2016b).

This study will however focus more on mobile money and digital payments as driven by mobile network operators (MNOs) as it constitutes a major adjacent market service revenue stream for mobile network operators.

According to the GSM Association (GSMA) (2016), over a billion people in developing markets do not have bank accounts but have mobile phones. Due to the lack of formal banking channels the unbanked population is susceptible to high transaction costs and theft as they resort to informal financial networks. Mobile money is filling in this gap by offering convenient digital financial services over mobile phones. The major success story of mobile money service in Africa Safaricom’s Mpesa in Kenya wherein close to 20 million customers transact via mobile money service.

The current pandemic COVID-19 has resulted in a surge towards digital payments as opposed to cash since WHO flagged cash as another conduit for COVID-19 transmission (McKinsey, 2020). In Uganda, this addresses two components:

(1) facilitating social distancing and cashless payments; and

(2) driving financial inclusion and closing the digital divide.

Uganda banks and fintech players (MNOs) have responded and are changing their work models and services to “help lower barriers to mobile banking and payments to bring more people to the cashless economy” as they have zero rated the person to person and wallet to bank and bank to wallet during the pandemic (McKinsey, 2020).

The purpose of the study is to ascertain the fintech developments that have claimed a substantial market share in the financial services industry and assess their impact on an array of financial services offered by retail banking institutions in Uganda.

2. Literature review

According to Bergara and Ponce, referencing the World Fintech Report (2017), the rise of fintech has been aided by a “perfect storm”, created by growing venture capital funding, growing customer expectations, faster technological evolution and fewer barriers to entry (Bergara and Ponce, 2017). Most importantly, the industry has been ripe for fintech in large part due to incumbent institutions not meeting customer needs. Fintech companies have delivered on customer expectations through superior personalised and digital transactions. Customers are steadily adopting fintech products with 50.2% of the global customers surveyed having done business with at least one fintech provider (World Fintech Report, 2017).

The implementation of mobile money services has gathered momentum, particularly in developing nations, to overcome the infrastructural hurdles that traditionally hindered the low-end segment of the population (Dermish et al., 2012).
2.1 Mobile money service

Mobile phones are essential in most aspects of our lives. Since their introduction, their features have grown from mere person-to-person calling to almost endless and diverse capabilities. One of these features, mobile money, has significantly altered financial services on a global scale. According to Jenkins (2008), mobile money can be defined as “money that can be accessed and used via mobile phone.” Mobile money has been the catalyst in upgrading the mobile phone from just a device for communication, to a digital financial instrument. GSMA (2010) defined mobile money as “a service in which the mobile phone is used to access financial services.” It is a secure and accessible electronic payment system that has become a popular alternative to bank accounts for its ability to store and send small amounts of money, and its ease of use on not only smartphones, but less advanced, feature phones.

According to EY (2014), 20% of mobile phone users in the global group surveyed use mobile money. “In many developing nations, more people have mobile phones than bank accounts,” and for this reason, the services’ adoption has markedly proliferated in developing nations, addressing the once-unaddressed low-end segment (EY, 2018, p. 6). Banks have begun collaborating with mobile network operators (MNOs) to provide financial services and products.

GSMA (2016) pointed out that the factors contributing to the adoption and success of mobile money includes its ease of use when rolled out by MNOs, a regulatory environment which enables and encourages mobile money services, and traditional financial services access.

Mobile penetration is currently 65% of the population, and “97% of the population is covered by one or more of the MNOs’ networks” (USAID, 2012, p. 8). Financial services are less prominent in rural areas than urban areas as they only reach 14% of the rural population. Some districts in the country are not served by any commercial banks. On average, 62% of Uganda’s population has no access to financial services. Slightly over 10% of the population in Uganda has a personal savings account and, traditionally, the banks’ common account holder demographic is the middle-class and upwards (Mugisa, 2013).

According to the World Bank (2016) report and supported by the BOU annual report (2016), by using the “distribution of commercial bank branches across the country as a proxy measure for bank concentration” (World Bank, 2016, p. 4), it is clear that banks are primarily situated in Kampala, the capital city, and surrounding areas with a thin spread across the country mainly in urban areas. It clearly evident that rural areas are still significantly underserved. This characteristic of banking in Uganda and other sub-Saharan African countries has continued to limit access to financial services, especially to those in rural areas, who are perceived to have limited demand or need for financial services.

2.2 Regulatory framework of banking and payments

The regulatory framework affecting fintech is changing in dynamic and will make a significant impact on the industry’s development. In many markets, regulators are adopting a more hands-on approach and are often encouraging development of the industry (Anand and Mantrala, 2019). For example, in October 2014, the Financial Conduct Authority in the United Kingdom launched Project Innovate, which assists technology start-ups through following regulations and makes the case for expedited responses to questions and applications. More and more, regulators are shaping the fintech industry’s growth and evolution, and “are also increasingly involved in nurturing fintech clusters, organising large educational and community-building events in many markets” (Dietz et al., 2016, p. 5).
It remains unclear how the costs of regulatory developments will impact the key players, and start-ups in particular. However, regulators will continue to play a balancing act of curtailing the risks to the financial services sector and encouraging innovation. With the blurring of boundaries among jurisdictions, entities and activities, policymakers need to consider the implications for legal principles and common standards, to the extent that they align with national priorities.

In Uganda, BOU recently (August 2017) instituted the agency banking framework/guidelines to enable the banks to deepen their reach and be able to compete with MNOs offering mobile money services (fintech). Agency banking is defined by the UNCDF as “an extension of services traditionally offered in bank branches whereby third parties (agents) offer these services on behalf of banks” (UNCDF Uganda, 2019, p 6). The use of these third parties in extending services allows banks to expand their reach to rural areas and improve financial inclusion at a low cost.

Regulatory decisions can affect the profitability and scalability of mobile money, as evidenced by the recent introduction of taxes (1% across the board) on mobile money transactions as of 1 July 2018, which resulted in many customers shunning the service until the Ministry of Finance reduced the tax rate from 1 to 0.5% for cash withdrawal transactions only (Excise Duty (Amendment) (No. 2) Bill, 2018, Government of Uganda).

For any market, a key determinant of success is a regulatory framework developed for the “specific characteristics of offering digital financial services” (Staschen, 2015). In this context, there are two particularly important regulatory issues:

1. Legality of the use of third-party agents for provision of financial services; and
2. Legality of non-banks (e.g. MNOs) to issue electronic money without having to adhere to the regulations that are applicable to banks. When the BOU, in 2011, commissioned a diagnostic on its legal framework to gain insight into options for regulating digital financial services, it determined that banks did not have permission to use agents, and that non-banks could not issue electronic money without applying for and obtaining a bank license.

Despite such challenges, the BOU was able overcome unfavourable financial sector laws, allowing mobile financial services to emerge. In consequence, between 2009 and 2011, the country’s four biggest MNOs launched mobile financial services that in essence follow, the model implemented by other countries that allows non-banks to offer electronic money services, with the exception being that the partner bank is regulated and not the MNO (Staschen, 2015). Compared to the alternative of directly licensing an MNO, the current approach’s outcome is that the bank, being the main supervised entity and carrying the regulatory risk, has a bigger role in the monitoring of the MNO’s performance. It could be considered, therefore, that the BOU outsourced part of its supervisory powers to partner banks. The BOU proceeded with drafting more formal guidelines in cooperation with the UCC, released in July 2016 (BOU, 2016 and USAID, 2012). A committee motivated to improve financial inclusion drafted the guidelines, closely with consultants to arrive at innovative financial services that could be offered to the low-end segment of the population (USAID, 2015). The “potential of mobile money to extend financial services to the rural poor is immense,” prompting the Ugandan cabinet to approve agency banking guidelines (Mugisa, 2013). As a result of the approval, agents like shops, kiosks and hawkers can now provide general mobile money services to the public (Staschen, 2015).
2.3 Factors driving mobile market share growth

According to Kshetri and Acharya (2012), several factors are driving the adoption and growth of mobile payments, including socioeconomic conditions, rapid diffusion of mobile phones, increased efficiency and convenience and lower costs. New initiatives like the GSMA Development Fund and the Gates Foundation – Mobile money for the unbanked programme are key levers to reduce poverty and achieve inclusive economic growth. Research by the CGAP (2013) concluded that mobile money adoption was based on two key variables: social network and social interactions of the customer and a segment of customers who can be described as mobile technology leaders (early adopters).

In the Ugandan context, due to literacy rates and complexity of banking products including cumbersome know your customer (KYC) requirements, mobile money service has to address the following:

- customers are looking for simple products;
- customers are prone to adopt innovation, especially on mobile; this has been evidenced by the current trends in voice and data service adoption; and
- customers are looking for cheap and convenient ways of sending money.

As articulated above, the Uganda market’s financial services are not addressing the mass market or the financial needs of the informal sector and the rural folk. There is huge potential for mobile money services due to the following:

- low banking penetration;
- high mobile penetration; and
- high prices for alternative transfer means.

While there are certain more “upscale” or wealthy customers who use phones, an above-average section of the customer base is likely customers who do not usually have access to traditional or conventional financial services and are seeking lower costs.

The main ingredients for mobile money adoption are building awareness, customer education, value proposition and product availability through agent network.

Building awareness of mobile money service through:

1. Campaigns developed to create awareness of mobile money:
   - Develop communications that introduce, first, what mobile money service is all about, second, the value proposition – how it could be useful to customers in their daily life – and third, explain exactly how the service works;

2. Build one segment, one message (Send and receive money – Simple Secure Instant);

3. Distinguish product from competition – through value proposition communication.

Educating customers on value proposition of mobile money:

- Above the line and below the line campaigns focused on customer education and building knowledge.

Driving customer adoption and activation:

- Below the line activities; collaborating with distribution channel; promotional activities including loyalty programmes, referral schemes, etc.
- Client activation strategy potentially including outbound calls/SMS programmes.
Develop branding and merchandising guidelines for agents:

- Avail appropriate agent branding materials for the channel.

GSMA (2012) summarised the key barriers to digital financial growth as illiteracy, including digital illiteracy, unfavourable regulatory framework, poor infrastructure, including absence of affordable devices and digital financial strategy. This is supported by the World Bank report of 2015 that cites lack of technological development and national identification in the country as other barriers.

2.4 Fundamental aspects of financial inclusion through mobile technology

The Centre for Financial Inclusion defines financial inclusion as “a state in which all people who can use them have access to a full suite of quality financial services, provided at affordable prices, in a convenient manner, and with dignity for the clients (Centre for Financial Inclusion).” Others have broadened this definition to include that the target of these financial services at affordable prices are vulnerable groups such as low-income earners, who may have difficulty accessing credit or getting loans (Joshi, 2011). But why has financial inclusion become so important? Indrawati (2015) stated that 30% of the world’s poor population, who live on less than $2 a day, have no access to any formal kind of financial service, and that giving them access to the financial system leads to increased job creation, savings and access to credit. The researcher cites the example of Mexico, which in 2002 opened 800 bank branches focused on low-income clients that then led to a 7.6% increase of informal business owners (World Bank, 2009). Total employment also increased by 1.4% and average income rose by about 7% (World Bank, 2009). As a result of this shift in mindset, World Bank Group President Jim Yong Kim declared that “Universal access to financial services is within reach – thanks to new technologies, transformative business models and ambitious reforms” (World Bank, 2013, para. 2). He further noted that over 50 countries had committed to targets of financial inclusion, adding: “If they fulfil their commitments, if other countries also set bold targets, and if the private sector responds by unleashing its resources and know-how – then we can reach universal access by 2020” (World Bank, 2013, para. 3).

Global Findex (2017) advised that:

[…] although significant progress has been made in Africa, approximately 57% of the adult population have no access to a formal account, be it mobile money or a traditional bank account. Africa is the world leader in adoption of mobile money with 20% of the continent’s adult population having access to a mobile money account compared to the world average of 4.4% (Global Findex, 2017, p. 3).

Chibba (2009) asserted the significance of financial inclusion in addressing issues of equity and poverty. The researcher further pointed out that the mobile money platform eliminates barriers to financial services access. Research carried out by Bhavhani et al. (2008) and Dermish et al. (2012) seems to suggest that, as noted by Nyagilo et al. (2017), person to person transfers eliminate the need for intermediaries, reducing costs, promoting transparency and increasing repeat transactions. Mobile money allows customers to benefit from international remittances more conveniently, which improves the economic well-being of the low-end segment. (Alleman and Rappoport, 2010; Morawczynski and Pickens, 2009).

3. Methods

The study was conducted in Uganda, in the Kampala and Wakiso region and a random sampling technique was used to select the 400 participants. The research adopted a 70% return rate of questionnaires. Leedy and Omrod (2013) asserted that a sample size of 400
suffices beyond a certain population size. A total of 400 randomly selected customers of MNO who use mobile money services.

3.1 Instruments and tools of data collection
The main instrument used for collecting primary data was the survey method through the Survey Monkey tool. Questionnaires were uploaded on the tool and links were sent to the target respondents. Responses were tracked through the same tool.

3.2 Structured questionnaire
Structured questionnaire (Appendix) was used to gather primary data from the sample under study. The key challenge in the design of the questionnaires was to translate the research objectives into specific primary data-gathering questions. The factors that were taken into consideration in the design of the questionnaires were content of question and response format.

3.3 Testing the instruments
Pilot questionnaires to test the instruments were sent out to selected customers to uncover and correct any faults before the final copy was sent out. The pilot study also checked for relevance and completeness of the questions in the questionnaires.

3.4 Administering the instruments
The main questionnaire was dispatched to the respondents on with an introductory note as part of the survey detailing the purpose of the survey and ethical data issues. This was achieved through Survey Monkey link to random selected databases of customers requested from the marketing business intelligence team. Tracking mechanism was achieved by use of outbound calls through a service obtained through a third-party calling platform.

3.5 Data analysis
For this study, Survey Monkey tools were used for an overall analysis summary of respondents to focus the analytical attention on the results. Data were further extracted to Microsoft Excel to determine further correlation and group the responses for different themes. The themes were developed according to the empirical data and research questions (King, Horrocks, and Brooks, 2015).

This study sought to establish the effect of technological innovation (fintech) on the customer adoption and impact on financial inclusion. Data was gathered by use of questionnaires and interviews carried out in addition to secondary data analysis. This study used Microsoft Excel for analysis of primary data. Consistent with the position of Ammar et al. (2008) that averages and linear regression, among other statistical methods, are most frequently used to analyse survey data, the analysis in this study used some of these measures to profile and describe the customers’ attributes and behaviour and to observe structural relationships amongst the constructs of the model.

4. Results
This study used one questionnaire and the response rate is summarised in Table 1.

4.1 Demographics
Demographics findings summary:
- 92% of the respondents were between the ages of 25 and 40 years, which is representative of the Ugandan age distribution of the population (Figure 1).
95% of the employed respondents were largely from the 25–40 age group. 100% of the self-employed respondents were from the 25–40 age group. 59% of the respondents were male compared to 41% who were female, which represents a gap in women’s access to financial services since the normal male to female ratio is 49 to 51% as representative of the Ugandan population.

4.2 Bank branch availability in city/suburb

- 63% of respondents felt the bank branch was not readily available in suburbs and 73% of the respondents stated that the distance to the nearest branch ranged from 1 to 10 km compounded by waiting time of being served of over 5 min for 73% of the respondents (Figure 2 and 3).

4.3 Agent banking and third-party services

- 70% of the respondents proposed shopping centres as locations for bank agencies and 74% of the respondents were aware of other methods for banking transactions besides banking halls Figure 4, 5 and 7.

<table>
<thead>
<tr>
<th>Table 1. Response rate</th>
<th>Expected no. of respondents</th>
<th>Actual no. of respondents</th>
<th>Response rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer questionnaire</td>
<td>400</td>
<td>287</td>
<td>71.75</td>
</tr>
<tr>
<td>Structured questionnaire to customers</td>
<td>400</td>
<td>287</td>
<td>71.75</td>
</tr>
</tbody>
</table>

Figure 1. Composition of customer sample – age

Figure 2. Bank branch availability in city/suburb
Use of digital financial services

Figure 3. Distance to the nearest branch/agent

Figure 4. Branch queue waiting time to access banking service

Figure 5. Proposed location for bank agencies

Figure 6. Preferred source of cash withdrawals
• 74% of the respondents who preferred banking halls for cash withdrawals felt there were not enough branches/agents available in the city/suburb which point to the need for digital channels awareness and promotion (Figure 6).

4.4 Digital services

• 46% of the respondents stated that bank representatives/promoter/agent as the source of information on digital channels while 26% got informed through friends on digital channels. Usage of digital channels is on the increase as 51% of the respondents use digital channels daily and 23% use the service thrice a week.

• 70% of the respondents felt their money was safe when using digital channels (Figure 8-9).

4.5 Mobile money services

• 75% of the respondents stated that opening a mobile money account as simple and easy, and 89% were likely to recommends to friends and family to open mobile money accounts (Figure 11).

• 68% of the respondents pay for groceries using mobile money, and 91% felt the experience was hassle free which points to the ease of use (Figure 14).

• 63% of the respondents performed bank to wallet transactions accounts at least once a week, and 78% of the respondents perceived mobile money to a threat to retail banking services (Figure 16 and Figure 18).

Figure 7.
Awareness of other methods for banking transactions besides banking hall

Figure 8.
Information source of digital channels
Figure 9. Use of digital financial services

Figure 10. Feel money is safe when using digital channels

Figure 11. Ease of opening a mobile money account vs bank account

Figure 12. Payment method for grocery purchase
5. Discussion
Mobile money service has improved financial inclusion and its use has had a positive impact on the low-end segment of the population. The availability and simplicity of opening a mobile money wallet *vis-à-vis* a traditional bank account has increased the accessibility of financial services to the population in Uganda.

Due to the scarcity of branch network for bank and increased queuing time for service delivery, communities find it easier to adopt mobile money and digital financial services. The main ingredients for mobile money adoption are building awareness, customer education, value proposition and product availability through agent network (Figure 16).
Since 89% of the respondents were likely to recommend to friends and family to open a mobile money account and 73% advised that account opening was done in simple steps; this suggests that mobile money is convenient and easily embraced by MNO customers. The prevalence of bank to wallet transactions suggests that banks and MNOs need to integrate and build a financial services ecosystem that focusses on collaboration and innovation of new products and services. The fintech ecosystem has transformed the provision of financial services by being able to serve the once-financially excluded population. The
advent of mobile money services in Uganda has prompted banks to regroup and formulate a special purpose vehicle, namely, Agency Banking Company of Uganda; a complimentary new business model of agency banking that has been borne out of necessity to ensure banks were not outcompeted by the MNOs’ distribution network and product offering. There are notable policy requirements for regulatory bodies as it is evident that regulation can accelerate or hinder fintech ecosystem growth. This also calls for a comprehensive regulatory framework that is consistent and predictable, e.g. policy on taxation. (mobile money transactions attract tax whereas banking transactions were not being taxed as of July 2018 through Excise Duty (Amendment) No. 1).

5.1 Conclusion
Mobile money service adoption in Uganda has had a positive impact in closing the digital divide. It has increased the low-income access to affordable financial services with person to person and grocery payments being among the most prominent daily transactions with agent network within the community. There is still room for improvement in educating the communities on the benefits of financial services through the technology led digital financial services. With the current COVID-19 pandemic, moving from cash has a direct impact on the unbanked and the adoption and diffusion of mobile money needs to be accelerated. Non-governmental organisations have become a key player in accelerating digital financial services adoption as there are now gearing welfare payments to be distributed digitally.

5.2 Recommendations
The study recommends that mobile money providers have to continue to simplify the access to financial services and bring convenience to the bottom of the pyramid as mobile telephony penetration increases and reach previously unbanked communities.

The study has also established policy implications on fintech led mobile money.

Fintech led mobile money positively impacts Sustainable Developmental Goals:
- SDG 5 – Gender Equality; Giving women equal access to financial services through mobile money (41% of Women now have access to mobile money and there is room for improvement given the gender ration in Uganda).
- SDG 8 – Decent Work and Economic Growth; expanding financial inclusion through mobile money.
- SDG 10 – Reduce Inequalities; through promotion of economic inclusion for all.

5.3 Future research
The focus of this study has been to explore customer adoption of digital financial services and impact on financial inclusion. It is suggested that a study be carried out on cryptocurrency adoption in sub-Saharan Africa. The study would investigate the future of digital ecosystem in the African landscape and whether crypto currencies are the future of money as well as investigate the main drivers of adoption with respect to the regulatory framework.

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Further reading


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Appendix. Customer questionnaire
Structured questionnaire addressed to customers of banks and mobile operators to evaluate digital financial and mobile money services.

Introduction
My name is (redacted author name); I am currently conducting a research on the Customer perception and adoption of digital financial and mobile money services in Uganda. This questionnaire shall be used for academic purposes only and all responses will be treated with confidentiality. Completion of this questionnaire is completely voluntary and anonymity will be maintained. You may withdraw from this study without attracting any form of penalty. I therefore kindly ask you to honestly answer all questions and feel free to ask for assistance in answering. Your co-operation will be greatly appreciated.

Instructions: Unless a specific question instructs otherwise, please follow the answer guide below the question.

1. Which commercial/retail bank (mobile operator platform) do you transact with?

2. Based on your knowledge, how do you rank the rate at which the entire banking sector in Uganda is changing in respect of embracing digital channels?
   - High
   - Moderate
   - Low

3. How do you rate your bank’s ability to implement new digital channels that benefit customers?
   - High
   - Moderate
   - Low

4. In your opinion, how do you rate the differences in digital capabilities among banks in Uganda?
   - High
   - Moderate
   - Low
   - Do not know

5. How do you rate your bank’s overall service delivery?
   - High
   - Moderate
   - Low

6. How many years have you used digital channels?
   - Less than 3 years
   - 3 to less than 5 years
   - More than 5 years
   - Never used

7. Who told you first about digital channels?
   - Friend
   - Someone else
   - Bank-personnel/promoter
   - Leaflet
   - Nobody

8. Who explained how they function?
   - Friend
   - Someone else
   - Bank-personnel/promoter
   - Leaflet
   - Nobody

9. How user-friendly do you find digital channels?
   - Very friendly
   - Reasonably friendly
   - Not sure
   - Not at all friendly

(continued)
10. On average, how often do you use digital channels?
   - Daily
   - Three times a week
   - Once a week
   - Once a month
   - Once a year

11. How long do you have to queue before it is your turn to use banking services in a branch?
   - No waiting at all
   - Less than 5 minutes
   - Over 5 minutes
   - Do not remember

12. How do you rate the online availability of digital channels?
   - Above 80%
   - 51 - 80%
   - 21 - 50%
   - 0 - 20%

13. Where would you like to see more agencies for mobile money operators?
   - Shopping-centres
   - Service stations
   - Railway-stations
   - Bus-stations
   - Theatres
   - Other (please specify)

14. What functions do you use often?
   - Withdrawal
   - Transfer (person to Person)
   - Utility payments
   - Statement request
   - Balance check

15. Are there additional functions that you would like added on digital channels?
   - Yes
   - No

   If YES, please specify _____________________________

16. Is it easy to make mistakes when you use digital channels?
   - Yes
   - No

   IF YES, How easy / difficult is it to correct these mistakes?
   - Very easy
   - Easy
   - Not sure
   - Difficult
   - It is too late to do something

17. In your opinion, are there enough branches/agents in your city/suburb?
   - Yes
   - No

(continued)
18. Do you feel your money is safe when you use digital channels?
   Yes
   No

19. What do you prefer to use when you need to make cash withdrawals?
   Banking Hall
   Agent
   Other (please specify)

20. How many kilometres (about) is it to your nearest branch/agent?

21. What makes you use digital channels?
   Avoid long queues in banking halls
   Only source for cash after hours
   Availability of services everywhere
   Other (specify)

22. What payment method do you use when buying groceries?
   Mobile Money
   VISA
   Cash
   Other (please specify)

   If answer above is Mobile Money then go to 23 otherwise go to 24.

23. Is the transaction hassle free?
   Yes
   No

IF NO, what causes the delays?
   Link breakdown
   Assistant not sure
   Other (please specify)

24. How do you rate the bank’s digital channels?
   Excellent
   Very Good
   Good
   Never used the facility

Mobile Money

25. How easy is to open a mobile money account/wallet compared to a bank account?
   Very simple steps and easy
   Need assistance via an agent/promoter
   Complicated
   Other (specify)

26. Is the mobile money account (wallet) your first bank account?
   Yes
   No

(continued)
26.1. What are the major uses of the wallet?
- Person to Person transfers
- Business transactions
- Utility payments
- Cash in/Cash out
- Savings
- Other (please specify) __________________________

26.2. If there was no mobile money banking, do you believe you were likely to open a bank account?
- Yes
- No

26.3. What is impact of the mobile money account in your livelihood?
- Very High
- High
- Moderate
- Low

26.4. Are you likely to recommend this service to your community/friends?
- Yes
- No
- Not sure

27. Do you prefer mobile money banking services compared to your own bank’s digital services?
- Yes
- No

IF Yes, How often do you perform bank to wallet transactions?
- Every Day
- Every week
- Once a month
- Other (please specify) __________________________

28. Are you aware of any other method of carrying out banking transactions without going to the banking hall?
- Yes
- No

If YES, please specify __________________________

29. How effective is the option of obtaining cash from agents in remote areas?
- Very efficient
- Depends on network availability
- A hassle
- Do not know

30. How does the mobile money banking service fare in terms of utilisation and awareness in the market?
- Better service being offered
- Similar service to the banks’ digital channels
- Convenient to the customer
- Other (Specify) __________________________

31. Do you think the mobile money banking service is a potential threat to retail banking service?
- Yes
- No

(continued)
32. Gender?
   - Female
   - Male

33. Marital Status?
   - Single
   - Married
   - Divorced
   - Widowed

34. Occupation
   - Employed
   - Unemployed
   - Self Employed

35. Age?
   - Less than 25
   - 25 to less than 40
   - 40 to less than 60
   - Over 60 years

Thank you for taking part in this research

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