

**THE CONTRIBUTION OF MOBILE BANKING ON BUSINESS
GROWTH, PERCEPTIONS OF SME CUSTOMERS OF NMB
BANK: A CASE OF KENYATTA ROAD BRANCH,
MWANZA TANZANIA**

**By
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**A Dissertation Report Submitted in Partial Fulfillment of the Requirements for
Award of the Masters of Business Administration (MBA)
of Mzumbe University**

2015

CERTIFICATION

We, the undersigned, certify that we have read and hereby recommend for examination of the Dissertation *entitled The Contribution of Mobile Banking on Business Growth, Perceptions Of SMEs Customers of NMB Bank, Kenyatta Road Branch, Mwanza Tanzania, in* fulfillment of the requirement for the degree of Master of Business Administration in Cooperate Management of Mzumbe University.

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DECLARATION

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I, **David Lugangira** declare that this dissertation is my own original work and that it has not been presented to any university whatever.

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Finally, whereas the technical and network support contributed towards production of this study finding by professional and stakeholders are ever acknowledged with thanks, the shortcomings, in this report, shall remain my responsibility.

DEDICATION

I dedicate this dissertation to my parents Mr. and Mrs. Deusdedith Mutahaba Rugangila by investing in my education; they have opened so many doors for me.

ABSTARCT

This study identified the customers' perceptions on the contribution of mobile banking on business growth. The study used different research objectives as to find out SMEs perceptions on facilitation conditions of NMB Mobile banking services, to find out SMEs perceptions on challenges facing NMB Mobile banking and to analyze SMEs perceptions on the contribution of NMB Mobile banking on business growth. In this study, a researcher collected data from 125 SMEs and 50 NMB Employees from department of commercial, Customer Services. IT and back office; making total sample size equals to 175 respondents, using questionnaires and document analysis techniques. The data was analyzed using percentages and frequency distribution and content analysis.

The study findings conclude that, Mobile Banking is an important component of financial development, including opportunities for banking to population in rural areas. Indeed, evidence from this study has shown that more than half population perceived NMB Mobile banking to have improved business growth, increased sales, increased profitability, increased customer base, lower transaction costs and lower income inequality. In addition to facilitating business growth, Mobile banking helped individuals smooth their income, transfer funds, and broaden investment opportunities. Testimonies have been evidenced in promoting individuals fund transfer, reduced long queue in banking hall, saved individual time and money, facilitated trade and commerce and improved individual accessibility to different banking product and services.

Despite this positive contribution, Contribution of NMB Mobile banking on business growth is hindered by low population that own mobile phones, inadequate awareness on facilitating conditions of NMB mobile banking, high transaction costs of mobile banking, inadequate education on how to use NMB Mobile banking.

Therefore the most important factor for prosperous future of contribution of NMB Mobile banking on business growth is honest and mutual concern for all those involved to serious finance development and application of NMB Mobile banking products and services.

It is recommended that NMB Bank should improve facilitating conditions of NMB Mobile banking by lowering transaction costs that help to facilitate the growth of client businesses, increasing education awareness campaign on product and services provided by NMB Mobile banking to the public to make them aware on the facility, offering training and coaching their clients on entrepreneurship and business management skills, minimizing risks associated with NMB Mobile banking by improving security handling, password hijacking and fraudulent acts from irresponsible staff, be flexible and offer favorable terms and conditions. Also, the recommendation was made to the SMES and business community avoiding sharing of password to improve security, enrolling with NMB Mobile banking product and services, formalization of property rights and documentation and protect their password.

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CHAPTER ONE

INTRODUCTION AND BACKGROUND OF THE STUDY

1.0 Introduction

This chapter introduced the background of the problem, statement of the problem, research questions, and objective of the study, scope of the study and significance of the study.

1.1 Background of the study

Mobile banking is a service provided by financial institutions in cooperation with mobile phone operators. It is about providing banking services to the customers without necessarily queuing at the bank halls and to those who do not have bank access near their living places, and those who are at the bottom of the economic pyramid, often living in remote areas. They receive the benefits of banking services such as being able to save and borrow in a cost-efficient and secure way, making transfers between accounts, or paying bills via a mobile device such as a mobile phone.

In recent time Mobile banking is most often performed via SMS or the Mobile Internet but can also use special programs called clients downloaded to the mobile device (Salzaman, Palen and Harper, 2001). In recent years, banks, payment system providers, and mobile operators have begun experimenting with branchless banking models which reduce costs by taking small-value transactions out of banking halls and into local retail shops, where agents such as airtime vendors, gas stations, and shopkeepers, register new accounts, accept client deposits, process transfers, and issue withdrawals using a client's mobile phone to communicate transaction information back to the telecommunication provider or bank.

This enables clients to send and receive electronic money wherever they have cell phone network coverage. They need to visit a retail agent only for transactions that involve depositing or withdrawing cash (Salzaman, Palen and Harper, 2001). In the banking world, developments in information technology have had an enormous effect in development of more flexible payment methods and more user-friendly banking services (Akinici, Aksoy, and Atilgan, 2004). The remarkable gains made towards mobile phone access have seen a steady progress in the scope of innovations emanating from exploitation of these fairly new technologies.

Mobile banking is one innovation which has progressively rendered itself in pervasive ways cutting across numerous sectors of economy. An appropriate banking environment is considered a key pillar as well as an enabler of economic growth (Koivu, 2002). With the continuously emerging wave of information driven economy, the banking industry in Tanzania has inevitably found itself unable to resist technological indulgence. The need for convenient ways of accessing financial resources beyond the conventional norms has seen the recurrent expansion and modernization of banking patterns.

And given the huge demand for finance oriented services, institutions beside the historical banks have joined the fray in an attempt to grab a piece of the perceived cake of opportunity within the banking industry. Sarker and Wells (2003) assert that the only single access requirement or barrier to the resultant mobile banking will be the mobile phone. However, worldwide market penetration of affordable cellular devices and growing network service diffusion makes this intricacy almost fully resolved hence setting a firm pedestal for mobile banking escalation.

This type of banking offers a range of highly valued benefits – the efficient use of time, real-time control of spending and finances, budgetary control, convenience and ease of use. As technology, it helps consumers achieve many things which are important to them (Sarker and Wells, 2004).

The main purpose that banks have been serving since their inception is to ensure that money is under safe custody and while doing so, they also let us earn a certain amount of interest on the money deposited with them. Banks have improved access to financial services, such as savings, deposits, insurance and remittances. Savings can help poor people to invest in productive assets like livestock, a loan may help to expand business activities, and insurance can provide income for a family if a breadwinner becomes sick.

In today's world, Mobile phones play an incredibly large role in the way the world exists in general, and the majority of tasks could actually not be completed if not for the use of these mobile phones. They have helped to make life significantly easier, productive, and more convenient for us all. Many poor people already have access to mobile phones. A positive aspect of mobile phones is that mobile networks can reach remote areas at low cost. Furthermore a mobile handset can easily be adapted to handle banking transactions (Pikkarrainen, Karjaluoto and Pahlila, 2004).

At its core, Banking involves the collection, storage, transfer and processing of information assets and Mobile phones in the current lifestyle and technology are incredibly powerful and efficient tool for handling these information processes. Mobile banking has been around for quite some years now, but has really only become prominent over the past five years or so in particular. It offers an array of different advantages to the user, including: account balances and history including year-to-date information, the ability to transfer money from one account to another and to payees for bill payments, check history, reorders, and stop payments, check credit card balances and statements, complete online loan applications, secure interactive messaging with staff, and much more (Venkatesh, 1999).

1.1.1 The National Microfinance Bank

National Microfinance Bank Plc (NMB) is one of the largest commercial banks in Tanzania, providing banking services to individuals, small to medium sized corporate clients, as well as large businesses.

It was established under the National Microfinance Bank Limited Incorporation Act of 1997, following the break-up of the old National Bank of Commerce, by an Act of parliament .Three new entities were created at the time, namely: NBC Holding Limited, National Bank of Commerce (1997) Limited and National Microfinance Bank Limited. Initially NMB could only provide payment services as well as offer savings account, with limited lending capabilities, before becoming a fully-fledged universal retail bank.

In 2005, the Government of the United Republic of Tanzania privatized the bank when it sold part of its shareholding (49%) to a consortium led by the Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. ('Rabobank Group').

Subsequently, there was further divestiture in 2008 when the Tanzanian Government off loaded another 21% of its shareholding to the Tanzanian public through an Initial Public Offering (IPO). The listing of the bank's stock on the Dar es Salaam Stock Exchange has led to a diversified ownership structure.

1.2 Statement of the Problem

Different studies have been undertaken in order to understand the contribution of mobile banking on economic development (Williams, 2006, Beshauri et al. 2010, Waema et al. 2011). However, there is still inadequate dissemination of information on the economic contribution of mobile banking on business growth. This means that successful cases are not clearly understood, and as a consequence, are not being easily replicated (Dioniz et al. 2011).

This suggests that lessons are not being learnt from the places where the system has been successfully adopted. Furthermore, it is suspected that the obstacles to mobile banking adoption to rural community of developing are not being investigated deeply enough to allow implementation strategies to be employed on the basis of reliable business models. If these issues can be clarified, the potential social and economic impacts of mobile banking can be more effectively measured and this can persuade policy-makers to create favourable regulatory environments for fostering the practice of digital payments that focus on business growth.

In view of the importance of mobile banking on business growth, and the gaps in the current state of knowledge in the field, the objective of this study is to provide a knowledge base on the contribution of mobile banking, based on the analysis of perceptions of SMEs Customers of NMB bank, Kenyatta Road Branch, Mwanza City Tanzania. The study can be employed to identify significant experiences, together with the models being deployed by NMB bank which can be replicated to other financial institutions in extending financial services to SMEs.

Specifically, the study will find out types of mobile banking services provided by NMB bank, Customers awareness of Mobile banking services, driving forces for demand and supply of mobile banking services and analysis of the customers' perceptions on the contribution of mobile banking on business growth.

1.3 Objective of the study

1.3.1 General Objective

The general objective of the study was to identify the customers' perceptions on the contribution of mobile banking on business growth.

1.3.2 Specific Objectives

- i. To find out SMEs perceptions on facilitation conditions of NMB Mobile banking services.
- ii. To find out SMEs perceptions on challenges facing NMB Mobile banking.
- iii. To analyze SMEs perceptions on the contribution of NMB Mobile banking on business growth.

1.4 Research Questions

- i. What are the SMEs perceptions on the facilitating conditions of NMB Mobile banking?
- ii. What are the SMEs perceptions on challenges facing NMB Mobile banking?
- iii. What are the SMEs perceptions on the contributions of NMB Mobile banking on business growth?

1.5 Scope of the study

This study employed scientific means to arrive at the study conclusion, but the findings reflected perceptions of SME customers of NMB Bank, Kenyatta road Branch, Mwanza Tanzania. The findings from this study may therefore, not be open to generalization unless similarities can be identified in other regions of Tanzania.

1.6 Significance of the study

The findings of this study may be useful to different groupings of the population. Firstly, business owners may use the findings to educate themselves on the many avenues and platforms that NMB mobile banking affords them and their acceptance can help to reveal the underlying logic of Practitioners' strategic decisions in growth of their businesses. Secondly, the findings may be used by mobile phone operators and banking institutions to improve or expand their services in a way geared to economic empowerment to all involved and also provides information for managers and software vendors seeking to enhance the efficiency of mobile banking technology particularly in Tanzania and Africa as whole.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

Mobile Banking as activities performing balance checks, account transactions, payments and credit applications via a mobile device or Personal Digital Assistant (PDA). It includes provision of banking and financial services with the help of mobile telecommunication devices. The scope of offered services may include facilities to conduct bank and stock market transactions to administer accounts and the access of customized information.

Furthermore, the Mobile banking system is also referring to SMS Banking as a technology that enables services offered by banks to its customers by permitting them to operate over their mobile phones using SMS messaging (Davis, 2010).

2.2 Theoretical framework

2.2.1 History of M-Banking

The earliest mobile banking services were offered via SMS with the introduction of the first primitive smart phones with WAP support enabling the use of the mobile web. In 1999, European banks started to offer mobile banking on this platform to their customers. Mobile banking until 2010 often been performed via SMS or the Mobile Web.

The M-Banking system operates in such a way that a specific sequence of SMS messages will enable the system to verify if the client has sufficient funds in his or her wallet and authorize a deposit or withdrawal transaction at the agent. Also, when depositing money, the merchant receives cash and the system credits the client's bank account or mobile wallet. In the same way the client can also withdraw money at the merchant: through exchanging SMS to provide authorization, the merchant hands the client cash and debits the merchant's account.

2.2.2 Definition of key concept

Financial services provided through digital mobility technologies have multiple configurations, goals, and characteristics. Depending on the combination of agents, technologies and objectives, they may have banking features, which are known as mobile banking. They may also have transaction payment features, which are recognized as mobile payments. Finally, they may also replicate the concept of money with digital features, which is then called mobile money.

However, the definitions of these concepts are not rigid and their delimitations are not very clear. In fact there is a considerable confusion with regard to the terms which are often used freely, regardless of their original meanings. This confusion of terms is not restricted to mobile services, but also to their objectives. For example, the term “bankarization” has been used as a synonym for financial inclusion or even economic inclusion, although these concepts are quite distinct.

The wide use of these inaccurate definitions led us to establish an initial conceptual basis, to support the literature review. It should be stressed that the definitions given below are not the results of the review carried out in this study, but was prepared as a preliminary phase on the basis of related work (Jenkins et al, 2008; Laukkanen et al., 2008; Shen, 2011).

Table 2.1: Definition of the main concepts employed in this research study .

Concept	Definition
Mobile transactions	This refers to transactions carried out through mobile technologies and devices. In addition to mobile payments, it includes every kind of mobile transaction offered by technology, whether it involves financial values or not
Mobile payments	Mobile payments include payments made or enabled through digital mobility technologies, via handheld devices, with or without the use of mobile telecommunications networks. These payments are digital financial transactions, although not necessarily linked to financial institutions or banks. There are several models of mobile payments that are currently employed worldwide
Mobile banking	Mobile banking can be understood as a set of mobile banking services, involving the use of portable devices connected to telecommunications networks that provide users with access to mobile payments, transactions and other banking and financial services linked to customer accounts, with or without the direct participation of traditional banking institutions. This concept can also be regarded as the banking channel through which the digital mobile services are provided by the institutions to their clients, i.e. by integrating the concepts of service and channel
Mobile money	Electronic money – being essentially digital – has attributes related to mobility and portability, and is equivalent to mobile-money or mobile-cash. It can be differentiated from other means of electronic payment (such as credit cards, debit cards, smart cards, etc.) because of its ability to replicate the essential attributes of traditional money, such as: liquidity, acceptability and anonymity.

2.2.3 Services Provided By M-Banking Systems

Laukkanen et al., (2008) identified that mobile banking can offer services such as account information, mini statements, checking of account history, alerts on account activity (passing of set thresholds) monitoring of term deposits, access to loan statements, access to card statements, mutual funds (equity statements, stop payment on cheque, ordering cheque books, balance checking in the account .

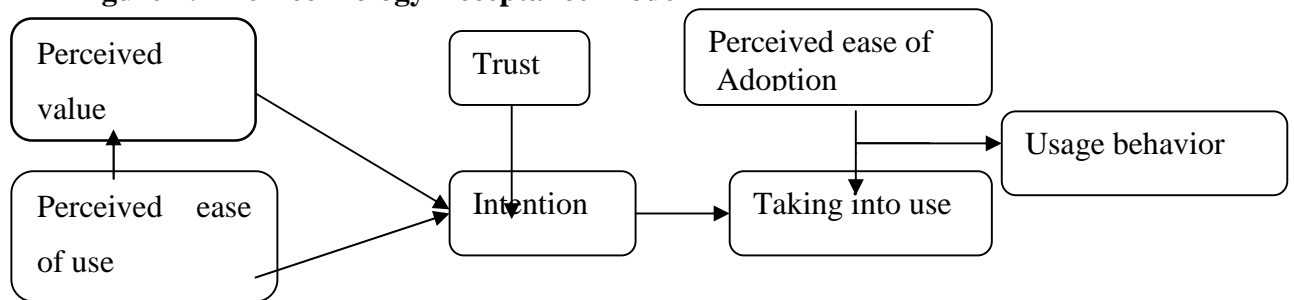
Also, it can do payments, deposits, withdrawals, and transfers such as domestic and international fund transfers, micro-payment handling, mobile recharging, commercial payment processing, bill payment processing, peer to peer payments, withdrawal at banking agent and deposit at banking agent.

2.2.4 The Technology Acceptance Model (Tam)

The Technology Acceptance Model (TAM) is an information system theory that models how users come to accept and use a technology. It is essential for anyone willing to study user acceptance of technology to have an understanding of the Technology Acceptance Model (Mohammad Chuttur, 2009).

TAM is an adoption of the theory of reasoned action (TRA) to the field of IS. It posits that perceived usefulness and perceived ease of use determine an individual's intention to use a system with intention to use a system with intention to use serving as a mediator of accrual system use. The model suggests that when users are presented with new technology, a number of factors influence their decision about how and when they will use it (Venkateshand Bala, 2008).

Figure 1: The Technology Acceptance Model



Source: Venkateshand Bala, (2008).

Hence, from above model the usage behavior of mobile subscribers (customers) in using a technology (M-Banking) are predicted to be much dependable on the perceived value of the technology and the perceived ease use of it that will bring forward the intention to use the perceived technology.

The following are defined factors influencing users with the usage behaviors of the new technology:

- Perceived usefulness (PU)

This was defined as a degree to which a person believes that using a particular system will enhance his or her job performance (Fred Davis, 1989).

- Perceived ease of use (PEOU)

It was defined a degree to which a person believes that using a particular system would be free from effort (Fred Davis, 1989).

However, since technologies and elements of uncertainty exists in the minds of decision makers with respect to the successful adoption of them, people tends to form attitudes and intention towards trying to learn to use the new technology prior to initiating efforts directed at using(Bagozziand Warshaw,1992).

2.3 Empirical Literature review

2.3.1 SMEs usage of Mobile Phones in Kenya and Tanzania

A survey conducted during 1999-2000 in Tanzania and Kenya revealed that mobile phones were considered to contribute significantly to regional market expansion by most enterprises, followed by fixed phones and faxes. Mobile phones were considered to contribute significantly to regional market expansion by most enterprises, followed by fixed phones and faxes (Matambalya, and Wolf: 2001: 15). A study by Kinda and Loening (2010) showed that improved access to markets by SMEs would have the strongest effect on employment growth followed by access to rural finance.

This study found out that rural cell communication was ranked third in this context. It was considered to reduce transaction costs and facilitating market information (Kinda and Loening, 2010:197 and 200). An earlier survey of 14 African Response Rateries (2008) has found out that ‘within the SME sector, ICTs play a role in reducing transaction costs (thereby increasing efficiency) and increasing market access; mobile phones have overtaken computers as tools in supporting the running of SMEs, given their prevalence and accessibility’ (Esselaar, et al, 2007a:98-9).

2.3.2 Differences in attitudes and behaviors between Kenyan and Tanzanian micro entrepreneurs

Nickerson (2013) studied about the mobile payments among the micro entrepreneurs in Kenya and Tanzania. It has been observed by this study that there were marked differences in attitudes and behaviors between Kenyan and Tanzanian micro entrepreneurs. It was found out that the Tanzanian micro entrepreneurs demonstrated less usage of mobile payments. It was mentioned that Tanzanians had less personal experience with mobile payments and thus less favorable views of benefits of mobile payments on their businesses.

The study found correlations between the level of usage of mobile payment for paying suppliers/receiving payment from customers and the number of new hires, increase in the number of customers and business income growth. The correlation was the highest between the level of usage of mobile payment for paying suppliers and business income growth. It was claimed that this observation along with the data related to mobile adoption factors implied that in some cases micro entrepreneurs have yet to fully exploit the benefit of mobile payments (Nickerson, 2013: 92-93).

Also a National survey in Kenya in mid-2009 and Tanzania in mid-2010 which included questions about use and knowledge of mobile money. Researchers have highlighted the significant differences between Kenya and Tanzania in geography, population density, economic development and access to financial services, which put Tanzanian m-money service providers at a relative disadvantage. Indeed, at the two-year point, the surveys showed that only 11.5% of Tanzanian adults had used an m-money service, versus 56% of Kenyans.

2.3.3 Advantages and Disadvantages of SMEs using Mobile phones in business Transactions

It has been considered by Esselaar, et al, (2007b:68) that mobile technology is both an advantage and disadvantage for SMEs. It was considered as an advantage because it provided an SME with a low cost base yet the ability to communicate with suppliers and customers very easily. Contrarily, it was also cited as a disadvantage because of its limited functionality in terms of its ability to develop as an SME develops.

With the existing technology, it was said that mobile phones cannot be used to track inventory, provide cash flow and income statements, or even more basically, produce formal letters, marketing campaigns or brochures. Therefore, these authors suggested that 'a policy focus should be to either encourage the development of SME-specific tools for mobile handsets or to encourage lower ICT (specifically computer) costs'.

Ilahiane (2011) studied about the mobile phone usage and the transformation of social and economic ties of micro-entrepreneurs in urban Morocco. It has been argued by him that mobile phone use expanded the productive opportunities of certain types of activities by enabling social networks, reducing risks associated with employment seeking, and enabling *bricolage* or freelance service work, leading to higher incomes. Further, it has been demonstrated how the use of mobile phones for *bricolage* jobs began to transform, rather than simply augment and reinforce, the social and economic ties of micro-entrepreneurs (Ilahiane, 2011:31).

Moreover, Esselaar et al (2007), argues that the mobile phones have many advantages as they can be used with little training and increasing number of people have mobile phones and this is resulting in benefits due to the network externality effect. Contrarily, many other forms of ICTs such as fax machine and post box have a rapidly declining network effect as fewer people continue to use them. Nevertheless, mobile phones have limited functionality in terms of their ability to develop as any SME develops and they also have high usage charges (p.92 and 99). However, the smart phones are breaking these barriers.

In May 2013, taking advantage of mobile internet, Indiamart.com has introduced an India mart mobile site m.Indiamart.com and an Android app on Google Play aiming at easing business possibilities of SMEs. It is reported to connect users to 1.2 million suppliers and 6.5 million buyers on its platform. MTN South Africa has also introduced MTN mobile fleet management solution for SMEs in South Africa. Smart mobile applications are also being experimented in Kenya to turn the mobile phone into a vital tool for any business (Kisini 2012). Thus, new frontiers using mobile phones are emerging specifically for SME sector. It is expected that with these developments, the mobile phones will become much handier for the SMEs.

2.3.4 Mode of Mobile Phone Transfers in Tanzania

Tanzania is also considered to be a successful example of mobile-phone money transfer services known as *m-pesa*, *tigo-pesa*, *airtel money* and *dezympesa* offered through the various mobile phone service providers. Many Tanzanian SMEs are also using the mobile-phone money services for their business transactions. A study conducted by InterMedia in 2013 focused on the use, barriers and opportunities for the mobile money in Tanzania. It found out that ‘about one-fifth (21 percent) of registered users of Vodacom M-Pesa used mobile money for business purposes versus 12 percent each of Airtel Money and TigoPesa registered users. Of those registered m-money users who used m-money for business purposes, the majority purchased inventory.

It was found out that out of 191 respondents covered for this study, 74% said that mobile money is more likely to be used for transactions with the suppliers than with the customers, 23% claimed that it could be used for receiving payments from the customers, 10% indicated payment for bills and only 7% mentioned payment to the employees. There was no difference among rural, urban and peri-urban registered users in the way they used m-money for business’ (Inter Media, 2013:17-18).

However, Vodacom is the market leader with 8,426,097 subscribers followed by Airtel with 5,901,634 subscribers, Tigo with 4,575,534 subscribers, Zantel with 1,586,516, Tanzania Telecommunication Company Limited with 256,064, Sasatel with 23,071 and BOL with 2571 subscribers (Tanzania Communications Regulatory Authority report, 17th January 2011).

2.3.5 Financial Inclusion in Mobile Banking in Tanzania

Furthermore, mobile money in Tanzania remains primarily a tool for the banked and the well to do. Only 3.9% of respondents among Tanzania are financially excluded or unbaked. Similarly, only 7% of Tanzanian respondents with a household income of less than \$2 a day reported having used m-money.

There is further room for optimism for development groups pushing m-money as a tool of financial empowerment for BOP individuals, if only because more lower-income Tanzanians are now owning mobile phones in larger and larger numbers.

In the Tanzanian, there is a strong connection between m-money use and mobile phone ownership. The survey defined recent adopters of the mobile phone as those who first acquired a mobile phone in the past year, and revealed that this group includes many more lower-income individuals than those who adopted mobile phones earlier (between two and five years ago).

Thus, as mobile phone usage reaches further down the income scale, there is a greater chance that BOP individuals will use m-money services. The Audience scales data indicate that mobile phone ownership remains a key determinant of m-money usage. Just over 92% of those who have used m-money also said that they are mobile phone owners. This connection was also found in the 2009 Kenya survey, with some 86 percent of m-money users in the survey owning their own mobile phone.

The research findings by ODI (Overseas Development Institute, 2009) on financial inclusion, household investment and growth through Fin Scope Survey shows that in Tanzania, there is higher usage of informal mechanisms than formal financial services. Rural inhabitants save and borrow more for an agricultural investment while in urban money is used for starting business. In Tanzania, men are more likely to save or borrow to invest than women.

However, most people have never been able to go into a bank because of the minimum deposits to be so high. It can be the first step into the formal financial system for low income Africans with mobile phone operators to connect their payment customers to opportunity Bank operated out of trucks and storage containers across 21 countries in Africa at a cost of 3% or 4% transaction (Abbie Laugtug, 2010).

During the second quarter of 2010, Tanzania had a total of 19,592,795 mobile subscribers. By September 2010 there were about 20,771,487 subscribers who were receiving services from seven telecommunications companies (Vodacom, Airtel, Tigo, Zantel, TTCL, Sasatel and Benson Informatics (BOL)).

The majority of Tanzania's (41 million inhabitants) live on less than \$2 a day and only 12percent have a formal bank account. But almost half of Tanzanians own a mobile phone, through which they can save money and handle financial transactions without needing a bank account (Abbie Laugtug, 2010).

The mobile phone providers are setting up networks of agents such as shops, petrol stations and post offices who will transfer funds to and from a customer's mobile money account, increasing and decreasing the electronic value stored in the phone. However, Tanzania covers 364,900 square miles and has fewer than 500 retail bank branches and people rely on informal networks to transfer money such as sending cash to family members through a taxi driver who will be traveling near their home village.

The July 2010 estimates of Tanzania total population was estimated to be 41,892,895, thus the population under which Tanzania has registered mobile subscribers occupies 49.58% of the total population. The number of mobile subscribers under the above Telecommunication company with M-Banking system occupies 48.9% of the total population i.e 20,489,781 of which 16,391,824.8 i.e. 39% of total population are rural people living under poverty (TCRA, 2011). The Bank of Tanzania (BoT) and Tanzania Communication Regulatory Authority (TCRA) have signed a MoU to regulate mobile money transfer services due to strong growth of mobile payment services in the country.

2.3.6 Contribution of mobile banking on growth of SMES

Mobile banking has enabled business community to have an interest-bearing savings, strengthens people's understanding of saving, fostering entrepreneurship and facilitates increased access to banking services.

Furthermore, convenience of mobile payments spares members the trip to the nearest town to pay for supplies is a way to protect the capital and savings (Laugtug, 2010).

The new system of mobile payments has made it possible for individuals to save as little as \$1 or \$2 at a time, amounts too small for deposits to formal banks given the 30% cost of a deposit, said Dennis Ripley (A senior vice president at Opportunity International, 2010). In Tanzania, the cost of transportation can be a barrier to receiving health care but a hospital in Dar es Salaam that wanted to figure out a reliable way to cover patients' costs has been done using a mobile phone system called Vodafone M-PESA. This simplified payment mechanisms.

However, the rise of banking transactions through mobile phones is giving a whole new meaning to pocket money in parts of the developing world that lack banks or cash machines. Mobile money applications are emerging as potent financial tools in rural and remote areas of the globe, allowing people with no bank accounts to get paid, send remittances or settle their bills.

Mobile phones can offer a wide range of banking solutions, from sending transfers to a relative to buying goods in a store or putting money aside for a rainy day, all by dialing a few numbers on one's phone. Mobile banking can also make life easier for people in parts of Africa where paying a simple bill can be time-consuming, said Reg Swart, regional (2011) an executive director of Fundamo, a company that makes banking applications.

2.3.7 Factors influencing mobile banking

User adoption of mobile commerce applications has been hindered by many factors. Literature findings identify some of the issues and factors associated with mobile banking, which are also related to other IS/IT applications; these factors are further used to generate the constructs applicable to this research in order to build the initial research model and investigate the research objectives. The factors can be organized into five categories: risk and security, socioeconomic background and culture, service characterization, cost of service and device, and device features.

2.3.7.1 Risk and security

Security and trustworthiness of a service was identified as one of the most important factors within every target customer segment when deciding on the use of a banking service delivery channel. Some agreed that "using mobile phone in banking is trustworthy" (Mattila, 2002, p.10). Fain and Roberts (1997, p.53) defined "risk is a perception of consumer, not a characteristics of a product". It was found that the security factor could influence consumers' attitudes towards online banking in China (Laforetand Li 2005).

Furthermore, it was considered to be one of the greatest concerns in adoption of mobile banking services (Luarn and Lin, 2004; Brown et al, 2003), as individuals may worry about security issues during mobile banking service transactions such as data input and output mechanisms (Laukkanen and Lauronen, 2005), loss of connection risk (Kuisma et al., 2007; Black et al, 2001) and personal performance mistakes (Laukkanen and Lauronen, 2005; Kuisma et al., 2007). As a result, many people may decide not to use this service and ignore the extra benefits of using mobile banking.

However, some previous studies have argued that, on the contrary, security issues were not major obstacles for consumers in adopting mobile banking (Suoranta, 2003; Laukkanen and Lauronen, 2005). It can be concluded that the security aspect is to be investigated as an important element which influences the use of mobile banking. As an example, Soroor (2005; 2006) focused on the security issue in mobile banking and proposed some evaluation techniques which could be used to improve the system in Iran and elsewhere:

- 1) First, the establishment of a secure channel to provide data confidentiality and integrity between the client and the bank service.
- 2) Secondly, the authentication of the client at the beginning of a mobile banking session (e.g. entity authentication, transaction authentication).

2.3.7.2 Socio-economic background and culture

Laforet and Li (2005) found that the lack of understanding of the concepts and benefits was a main barrier to consumers using mobile banking, subsequently, users of mobile banking were not intended to be highly educated and were typically younger people in China; this was in contrast to the situation in the western countries as discussed by Karjalainen, Mattila, and Penttinen, (2002). As discussed by Trappey and Trappey (2001), the Chinese are used to carrying cash, and have little confidence in traditional financial management.

Compared other Asian consumers, Chinese consumers seem to be more traditional and less affected by new technology advancements. Heinonen (2004) and Forman and Sriram (1991) found that some customers simply prefer to deal directly with a bank clerk instead of utilizing “arms-length technology” (e.g. mobile banking). In addition, Singh (2004) outlined that males used mobile banking more than females, and mobile banking users tended to come from high-income groups such as small business owners, salaried employees and senior managers.

Furthermore, a negative, hard-to-use image (Fain and Roberts, 1997) of technologies and computers may have been perceived by consumers when thinking about using mobile banking. Therefore, the socio-economic background and culture of potential users could be factors that influence the usage of mobile banking.

2.3.7.3 Service characteristics

The account balance service is one of the most promising mobile banking services, and is designed to help customers check their account balance and latest transactions immediately anytime/anywhere (Laukkanen, 2007). Luakkanen and Lauronen (2005) found that location free access created convenience in requesting account balances. Furthermore, accessibility and portability are classified as dimensions of convenience in the consumer behaviour literatures (Yale and Venkatesh, 1986; Gehrtand Yale, 1993). Consequently the spatial and temporal distance between need recognition and need satisfaction can be considered important for doing banking via mobile phone.

The ability to allow consumers to have more control over their financial situation is one attraction of mobile banking services (Laukkanen and Lauronen, 2005), as the consumer prefers to act for himself/herself when dealing with his /her own monetary transactions through the mobile device. Luakkanen (2005) found that the flexibility of being able to use the service wherever and whenever the users want enables immediate completion of banking tasks (transferring money or paying a bill). This would save time and be perceived as convenient and efficient.

The bank provides several services through mobile media, information based, transaction-based and personal services (Laudon, and Laudon, 2002). The SMS service is the easiest way to check account balances and latest transactions via mobile phone (Laukkanen, 2007). Laukkanen et al (2007) found that speed of data transmission and the user interface impaired the added value of mobile services. Therefore, the characteristics of the service as perceived by the user and provided by the banking institution and service provider are important factors influencing the usage of mobile banking.

2.3.7.4 Cost of service and device

According to Nah, Siau, and Sheng (2005), the cost of mobile devices and mobile services was identified as an investment concern. Luarn and Lin (2004) argued that financial cost was one of the greatest concerns in adoption of mobile banking services. Furthermore, Ram and Sheth (1987; 1989) stated that it was not viable for consumers to change their way of performing their banking tasks without offering a strong performance-to-price advantage.

The price of banking services may have an opposite effect with respect to the adoption of mobile banking, which may result in consumers preferring the traditional banking services (Laukkanen et al, 2007). Users agree to pay a reasonable fee to use this service; however this would depend on the banking and service provider.

Provision of a lower service cost is also a major benefit for users using mobile banking and performing banking transaction functions through a mobile device; so the “value for money” barrier may be another factor influencing the adoption of mobile banking services.

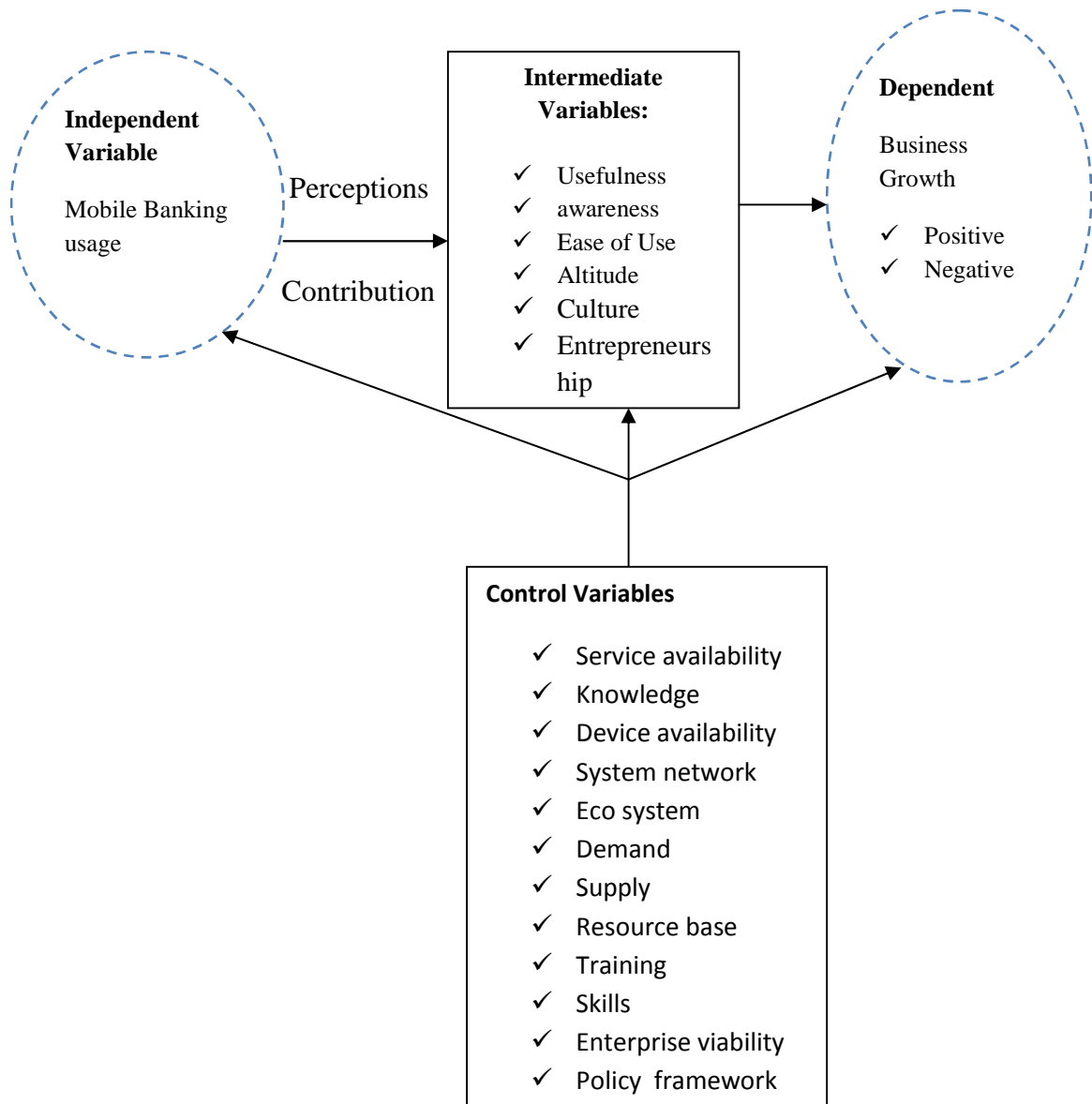
2.3.7.5 Device features

The somewhat limited input and display capability of current mobile devices is seen as limiting the use of mobile banking applications (Pousttchi, and Schurig, 2004; Laukkanen, and Lauronen, 2005). For example, a mobile phone’s small screen cannot accommodate enough information about an account , and scrolling up and down would be needed. However, the mobile phone device itself may have little effect; Laukkanen (2007) found that when customers had experience in using a mobile phone service, they did not stress the importance of screen size in the service, but rather focused their attention on the spatial issues in the service consumption. Therefore device features may not be an issue for bank customers when considering using mobile banking.

2.4 Conceptual framework

The conceptual framework has four parts, independent Variables, intermediate variable, control variables and dependent variable.

Figure 2.1: Conceptual framework



This framework entails to reflect the relationship between independent variables and dependent variables. The Mobile banking usage has been taken as an independent variable that is assumed to contribute to business growth (dependent variable). The rate of usage of mobile banking is depending on the intermediate variables such as

perceived ease of use, usefulness, altitude in adoption, culture and entrepreneurial skills. Under normal circumstances there are factors which should be kept constant as intervening variables such as services availability, customers' awareness, knowledge the prevailing policies, supply and demand of mobile banking, resources bases and business environment.

2.5 Theory guiding the study

This study is based on two theories, technological acceptable model and Schumpeter's theory. According to TAM perceived usefulness and perceived ease of use determine an individual's intention to use a system with intention to use a system with intention to use serving as a mediator of accrual system use. The model suggests that when users are presented with new technology, a number of factors influence their decision about how and when they will use it (Venkateshand Bala, 2008).

On the other hand Schumpeter's theory argues that entrepreneurs both create and commercially exploit new knowledge which either did not exist in the economic system and that have far reaching effects throughout the whole economy. Such innovations also challenge the existing order (Glancey and McQuaid, 2000). Schumpeter saw innovation as fundamental to the entrepreneurial process of wealth creation and entrepreneurs as individuals who sought monopolies based on some innovation (Wickman, 2006).

Entrepreneurs must do something new or there is no point in their entering a market. To Schumpeter, innovation encompasses any new way of doing something so that value is created. Innovation can also mean a new product or service, but can also include a new way of delivering an existing product or service so that it is cheaper or more convenient for the user (Wickman, 2006).

Bank and mobile service providers saw an opportunity in the unbanked rural population and went on to exploit this opportunity by creating agencies down to the village level. This gave the banks, mobile service providers and the SME sector a chance to create new possibilities, the chance to offer the market a fresher, more affordable pie (Venter and Rwigema, 2004). The study sought to establish the

Contribution of mobile banking on business growth, perceptions of SME customers of NMB Bank Mwanza Kenyatta road Branch.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This part of the study describes how the study was conducted and how the collected data was analyzed. It covers the study area, research design, how the sample size as selected, type of data and data collection methods, and data analysis methods.

3.1 Type of the study

This study is a mixture of qualitative and quantitative study. The simultaneously standard survey instruments, namely quantitative methods were used to conduct the

study. These instruments were qualified by interviews, observations and safe reported experiences.

3.2 Study Design

This study is a survey design. The survey design aims to systematic, representative and reliable information about the research population. It is very useful in obtaining factual and attitudinal information about large populations. In case of this study, the survey focused on SMEs perception on the contribution of mobile banking on business growth.

3.3 Study Area.

This study was conducted in Mwanza City involving two districts namely Nyamagana and Ilemela, covering two divisions and 21 wards. According to the 2012 National Census, Mwanza region has a total population of population of 2,772,509, where Nyamagana and Ilemela districts have a population of 706,453 in total. The annual natural growth rate is 3 percent and rural to urban immigration almost 8 percent and population density is 293 people per square kilometer (National Population census 2012).

Nyamagana and Ilemela districts were selected because of their geographical relation to each other that made it easier for data collection logistics. However, the two districts had wider SMEs who are NMB mobile banking consumers. These facts increased reliability of the information collected, and hence and valid of conclusion.

3.4 Study Population

A study population is a group of individuals, objects or items from which samples are taken for measurement. It refers to entire group of persons or elements that have at least one thing in common. Population also refers to the larger groups from which the sample is taken (Kombo and Tromp, 2006). For that matter, The study also involved population from NMB staff of Kenyatta road with its respective agencies of PPF and Regional drive.

3.5. Sample Size

According to Kothari (2004) sample size refers to the number of items to be selected from the universe to constitute a sample. The sample size was drawn using simple random sampling base on 5 digit intervals from the Kenyatta road loan portfolio report as at 31st March 2015. A total of 50 staff of NMB Kenyatta road branch was included in the sample. In order to select SMEs, we used the following sampling formulae:

$$n = N/1+N ()^2$$

Where: n is the sample size

N is the sample population = i.e182 SMEs as at 31st March 2015 NMB Kenyatta Road Branch Monthly portfolio report

is the margin of error = 5% that generate confidence interval of 95%

$$\begin{aligned} \text{Thus the required random Sample size is} &= 182/1+ (182) (0.05)^2 \\ &= 182/1+ (182 \times 0.0025) \\ &= 182/1+0.455 \\ &= 182/1.455 \\ &= 125 \end{aligned}$$

Therefore, the required sample size 125 SMEs that generated 95% confidence level and 5% margin error. The total Sample size comprised of 125 SMEs and 50 NMB Employees from department of commercial, Customer Services. IT and back office; making total sample size equals to 175 respondents.

3.6 Sampling Techniques

The study applied both purposive sampling and cluster sampling. The study selected samples from the population of SMEs who are Customers of NMB bank Kenyatta road branch and who have registered with NMB mobile banking. The clusters were based on the location of the business in either Ilemela District or Nyamagana District. The SMEs population was drawn from end of March 2015 SMEs Portfolio report.

3.7 Source of Data.

Both primary and secondary data were collected in order to support the findings of this study.

3.7.1 Primary Data

Primary data were obtained through structured interviews and questionnaire. Interviews were conducted on one-by-one basis. Focused group discussion of NMB bank officers were conducted to get majority opinions over (1), Facilitating conditions of NMB Mobile banking, (2) Challenges facing NMB Mobile banking and (3) the Contribution of NMB mobile banking on business growth. Primary data was based on perceptions. How SME customers of NMB Bank Kenyatta road Branch perceived NMB Mobile banking in relation to Conditions, challenges and contributions. Interviews were scheduled to consume maximum 40 minutes. Questionnaires were administered by researcher and research assistants.

3.7.2 Secondary Data.

Secondary data was obtained from NMB Kenyatta Road branch annual report, Monthly Loan officer portfolio report, Sector analysis reports, NMB mobile banking report, and Current articles on Mobile banking industry. Records of SMEs books of accounts, Reports from telecommunication industry especially Vodacom, Airtel Money and Tigopesa on rate of usage of NMB mobile banking products and services

3.8 Data Collection Methods

Different methods were used to collect data to suit preference of respondent, time factor and validity of information. The following methods were used:

3.6.1 Interview

Interview method involved presentation of face to face and replies using Interview guide. Interview were conducted to get in-depth view on, facilitating conditions of NMB Mobile banking, challenges facing NMB Mobile banking and the contribution of NMB mobile banking on SMEs growth. Through interview the researcher and researcher assistants enabled to qualify information that was obtained via questionnaire that was not possible to be accommodated in the questionnaire.

3.6.2 Questionnaire

The use of the questionnaire method was intending for the collection of primary data. The questionnaire instrument was administered to SMEs and employee of NMB Kenyatta road branch.

3.7 Data Analysis and interpretations

The data was coded and analyzed in the form of tables, percentages, and inferential analysis. The interpretations was based on descriptive and cross table statistical methods obtained by the use of SPSS (Scientific Package for Social Science).

Nominal and ordinal variables were descriptively analyzed by cross tabs and odds ratios. The T-test was described using differences mean of the two groups of analysis. Furthermore, interval and ratio variables were analyzed by means of regression analyzes and therefore correlations were determined by Pearson's or Spearman's.

CHAPTER FOUR

PRESENTATION AND DISCUSSION OF FINDINGS

4.1 Introduction

This chapter details analysis and discussion of the findings. On the basis of the sample, the findings largely represent views, perceptions and experiences of SMEs on contribution of NMB Mobile banking on growth of SMEs. The structure or composition of the sample is largely determined by the mixture of judgment, convenient, purposeful and systematic random sampling techniques. Sample characteristics include SMEs and Bank officers of NMB Kenyatta Road Mwanza City living under different social-economic conditions.

Respondents had equal chances of being targeted and selected for interviews. The inference drawn from respondents' collective view is believed to represent Tanzanian's public consensus on the contribution of NMB Mobile banking on Growth of Business. Combinations of qualitative and quantitative data are analyzed to establish the findings represented in this report. The margin of error is plus or minus 5 percent at a 95 percent confidence level. Variables analyzed and discussed include the following:

- ✓ The demographic Characteristics of the sample
- ✓ SMEs perception on Facilitating Condition on NMB Mobile Banking
- ✓ SMES perception on Challenges Facing NMB Mobile banking
- ✓ Statistical analysis of SMEs perceptions on the contribution of NM Mobile banking on business growth.

Given the different roles played by respondents, the questionnaire probed the same questions to SMEs and Bank staff. The information extracted from the respondents underlies the basis for the analysis of the findings presented in this chapter and policy recommendations and lessons learned are presented in chapter five.

4.2 Analysis of the Sample

A total of 125 SMEs Customers and 50 Bank officers constituted the sample for this study. SMEs Customers were extracted from NMB Loan officer monthly portfolio report as at March 31st 2015. Only SMEs who were bank customers for the past four years were selected in the sample.

4.2.1 Gender Category of the Sample

Respondents were required to state the gender category and the results are presented in Table 1. The total respondents for SMEs are 125 whereby male representation is 49 (39.2%) and female representation is 57 (60.8%). Respondents for bank staff are 50 whereby 32 (46.3%) are male and 18 (36.0%) are female. For the combined SMEs and Bank officer respondents, male are 81(46.3%) while female are 94 (53.7%). From this study we can infer that the branch of NMB Kenyatta road has more male

staffs than female; while for SMEs Customers there are more females than males. Indeed the combined responses indicated that in this study female constitutes more respondents than male. The findings above implies that female were more involved in mobile banking than males.

Table 4.1: Gender of Respondent

			Gender of Respondent		Total
			Male	Female	
Type of Respondent	SME	Frequency	49	76	125
		Percentage	39.2	60.8	100.0
	Bank Staff	Frequency	32	18	50
		Percentage (%)	64.0	36.0	100.0
Total		Frequency	81	94	175
		Percentage (%)	46.3	53.7	100.0

Source: Field data (2015)

4.2.2 Age Group of the Sample

The study was interested to know the age group of the respondents. Table 2 shows the age group of the respondents. For SMEs the age group between 26-35 years represents the majority counting 51 (48.0%) while for bank staff the majority of respondents are in the age group between 26-35 years counting for 33 (66.0%). Combined respondents indicated that the majority of respondents are in the age group between 26-35 years counting for 84 (48.0%). The age group between 26-35 years is active and productive. It is energetic and therefore NMB bank needs to capitalize on this age group to ensure positive performance of SMEs.

Table 4.2: Age Group of Respondent

Type of Respondents	Age of Respondent						Total
	Below 18 yrs	18-25 yrs	26-35 yrs	36-45 yrs	46-55 yrs	Above 55 yrs	

SME	Frequency	5	22	51	25	16	6	125
	Percentage (%)	4.0	17.6	40.8	20.0	12.8	4.8	100.0
Bank	Frequency	0	6	33	9	2	0	50
Staff	Percentage (%)	0.0	12.0	66.0	18.0	4.0	0.0	100.0
Total	Frequency	5	28	84	34	18	6	175
	Percentage (%)	2.9	16.0	48.0	19.4	10.3	3.4	100.0

Source: Field data (2015)

4.2.3 Education Background of Respondents

During data collection respondents were asked to indicate their level of education as shown in the table 3. Among SMEs, 3.20% do not have formal education. 13.60% are primary school educated, 31.20% are secondary educated, 26.40% have passed vocational training schools, 17.6% are university diploma or first degree holders and 8.0% are trained above university degree.

From these findings it can infer that SME population has wide variety of education and the bank need to employ strategies that accommodate all cadre of education. Likewise among bank staff 12.0% are primary school leaver, 42% secondary school leaver, 6% vocation training, 32% university degree and 8% post University degree. This implies NMB bank accommodates all cadre of education.

Table 4.3: Education Background of Respondents

Type of Respondent and response rates		Education Background						Total
		Informal	Primary school	Secondary school	Vocation training school	University degree	Post university degree	
SME	Frequency	4	17	39	33	22	10	125
	Percentage (%)	3.2	13.6	31.2	26.4	17.6	8.0	100.0
Bank	Frequency	0	6	21	3	16	4	50
Staff	Percentage (%)	0.0	12.0	42.0	6.0	32.0	8.0	100.0

Total	Frequency	4	23	60	36	38	14	175
	Percentage (%)	2.3	13.1	34.3	20.6	21.7	8.0	100.0

Source: Field Data (2015)

4.2.4 Business Occupation of Respondents

The study was interested to know the business occupation of the respondents. Table 4 presents findings and analysis of the occupation of the respondents of SMEs. Decoration and ornaments constitutes 0.8%, Mobile phone and Accessories 1.1%, M-Pesa, Rechargeable Vouchers and Communication constitutes 1.7%, Computer and accessories 1.6%, grocery 3.2%, Electric and electronics 2.4%, Stationery 6.4%, Food processing 8.8%, Clothes 10.4 %, general merchandise 22.4% and hardware 24.8%. From this finding it can be deduced that the majority of SME respondents' business occupation is hardware which counts for 24.8%. This means that majority of SMES that use NMB mobile banking for making different business transaction operates hardware business. Therefore NMB bank need to pay more attention to construction industry since it has majority of SMEs customers.

Table 2.4: Business Occupation of Respondents

Business Occupation	Frequency	Percent (%)
General merchandise	28	22.4
Clothes	13	10.4
Shoes	11	8.8
Hardware	31	24.8
Stationary	28	6.4
Food processing	8	8.8
Electric and electronics	11	2.4
Soft drinks	3	4.8
Grocery	6	3.2
Mobile phone and accessories	4	1.6
Decoration and ornaments	2	0.8
Cosmetics	1	2.4
Computer and accessories	3	1.6
M-pesa, reachable voucher and communication	2	1.6

Total	175	100
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Source: Field Data (2015)

4.2.5 Monthly Profit of Respondents

During data collection, respondents were asked to indicate their Monthly Profit as shown in the table 5. Results show that 12.8% of respondents reported profit to be below Tsh 100,000, 6.4% had profit between Tshs 100,001 and Tshs 500,000, 16.8% between Tshs. 500,001 and Tshs. 1,000,000, 12.8% had profit between 1,000,001 and 1,500,000, 20.0% had profit between Tshs. 1,500,001 and Tshs.2, 000,000, 14.4% had profit between 2,000,001 and Tshs 2,500,000, 12% had profit between Tshs 2,500,001 and Tshs 3,000,000. While 4.8% had profit above Tshs 3,000,000/. The finding shows that majority of respondents had a profit between Tshs 1,500,001- 2,000,000. This implies that NMB need to be careful during loan appraisal. In order to ensure sustainability of business growth, monthly installment that required to be paid monthly should range between Tshs1, 500,001- 2,000,000.

Table 4.3: Monthly Profit of Respondents

SMEs	Monthly Profit								Total
	Below 100,000	100,001-500,000	500,001 -1,000,000	1,000,001-1,500,000	1,500,001-2,000,000	2,000,001-2,500,000	2,500,001-3,000,000	Above 3,000,000	
Frequency	16	8	21	16	25	18	15	6	125
Percentage (%)	12.8	6.4	16.8	12.8	20.0	14.4	12.0	4.8	100.0

Source: Field data (2015)

4.2.6 Mobile Service provider of Respondents

Respondents in the field were required to state the Mobile Service provider. Five Mobile Service provider were mentioned by the respondents as shown in Table 6. A result indicates that 27.2% of the respondents uses Vodacom as Mobile Service provider, while 31.2% of the respondents uses Airtel as Mobile Service provider. Data field continue to reveal that 20.8% of the respondents in the study area uses Tigo as Mobile Service provider. It was further revealed that only 12.0% of the

respondents uses Zantel as Mobile Service provider and 8.8% uses TTCL as Mobile Service provider.

The findings presented above concur with the study done by(Riquelme and Rios, 2010). Mobile banking is a system that allows customers of financial institution to conduct a number of financial transactions through a mobile device such as a mobile phone or tablet. People access mobile banking via wireless devices. Currently, there are four m-money products on the market: Vodacom M-Pesa, Tigo Pesa, Airtel Money and Ezy Pesa (Zantel Z-Pesa). In addition, the National Microfinance Bank (NMB) offers a mobile application, Pesa Fasta which allows its customers to use their mobile phones to send money to any person in Tanzania, who does not have a bank account. Among the services available to the users of m-money are domestic and international money transfers, mobile payments (airtime top-ups, merchant payments, utility bill payments, and salary transfers) and mobile banking (balance inquiries, withdrawals, deposits and credit services).

Table 4.4: Mobile service provider of respondent

Type of Respondent		Mobile service provider of respondent					Total
		Vodacom	Airtel	Tigo	Zantel	TTCL	
SME	Frequency	34	39	26	15	11	125
	Percentage (%)	27.2	31.2	20.8	12.0	8.8	100.0

Source: Field data (2015)

4.3 SMEs perceptions on Facilitation Conditions of NMB mobile banking services

It is important to know the extent to which the public perceive on the facilitating conditions and challenges facing NMB Mobile banking before rightly discussing its contribution to business growth. Responses from SMEs, Bank officers and focus group helped to assess the level of public perceptions on facilitating conditions for enabling NMB mobile banking to operate.

The study also assessed challenges facing NMB mobile banking and strategies to enhance effectiveness and efficiency of NMB mobile banking Products and services and its contribution to business growth. Conditions mentioned by combined respondents include: Availability of NMB Mobile banking network, rate of community awareness on NMB Mobile banking network, Clear instructions on how to use NMB mobile banking, accessibility of NMB mobile banking, and availability of NMB Help desk customer support.

Risks of personal detail confidentiality when using NMB Mobile banking network, bills of payment, funds transfer, information interception and general risks of NMB Mobile banking compared to other banking options, transaction charges of NMB Mobile banking were assessed. Also assessment was on Charges related to SMS alert when using NMB Mobile banking and cost of NMB mobile banking compared to other banking options.

Understanding on how NMB Mobile banking works, customer ability to use NMB Mobile banking services, comfort in using NMB mobile banking, customer time availability, self learning on how to use NMB Mobile banking, Accessibility of information explaining about NMB Mobile banking products, becoming skillful in using NMB Mobile banking, customer saving when using NMB Mobile banking in terms of time and money, usefulness, convenience and overall attitude towards NMB Mobile banking were other facilitating conditions that were assessed. The response and discussion of these facilitating conditions are presented in the next sections:

4.3.1 Perceived Availability of NMB Mobile banking Network Coverage

The first and foremost condition for effective and efficiency operation of NMB Mobile banking is the availability of the network and its coverage. Respondents were requested to affirm to what extent they agree or disagree on the availability of the NMB network coverage all the time. Table 7 presents the response rates. For

combined responses, 26.9 % strongly disagreed while 35.4% disagreed that network coverage is present all the time. 5.1% agreed and 1.1 percent strongly agreed that network coverage is present all the time. On average 62.3% of combined response disagreed while only 37.7% agreed that network coverage is present all the time. Therefore, from these findings it can be inferred that more than half of the population perceived network coverage as a facilitating condition of NMB Mobile banking to be poor. This means that network coverage affects negatively on the contribution of mobile banking on business growth.

The findings presented above concur with the study done by Blank (2013). Consumer Perception can be defined as consumer behavior by analyzing motivations for buying or not buying particular items. Furthermore, three areas of consumer's perception theory are self perception, price perception and perception of a benefit to quality of life.

The study of consumers helps firms and organizations improve their marketing strategies by understanding issues such as how. The psychology of how consumers think, feel, reason, and select between different alternatives (e.g., brands, products, and retailers) and the psychology of how the consumer is influenced by his or her environment (e.g., culture, family, signs, media);

Table 4.5: Availability of NMB Mobile banking Network coverage

Type of Respondents		Network coverage is Present all the time					Total
		Strongly disagree	Disagree	Agree	Strongly agree	Indifferent	
SME	Frequency	40	46	23	14	2	125
	Percentage (%)	32.0	36.8	18.4	11.2	1.6	100.0
Bank Staff	Frequency	7	16	21	6	0	50
	Percentage (%)	14.0	32.0	42.0	12.0	0.0	100.0
Total	Frequency	47	62	44	20	2	175
	Percentage (%)	26.9	35.4	25.1	11.4	1.1	100.0

Source: Field Data (2015)

4.3.2 Promotion Support of NMB Bank on increasing community Awareness

With regard to NMB support to make the public understanding the NMB mobile banking products and services, the combined responses and response rates are summarized in table 8. The findings indicate that 9.7% strongly disagreed and 26.9% disagreed that there is there is substantial support from NMB Bank Limited in terms of Manuals and demonstration. On the other hand, 41.7% agreed, and 21.7% strongly agreed that there is substantial support from NMB Bank Limited in terms of Manuals and demonstration.

Thus on average 36.6% of combined responses disagreed while 73.4% agreed that there is substantial support from NMB Bank Limited in terms of Manuals and demonstration. Therefore, from the findings, it can be generalized that more than half of the population perceives NMB bank to have been making substantial effort to make NMB mobile banking products and services known to the public as and hence increasing chances of NMB mobile banking to have positive contribution to business growth.

Table 4.6: Increasing community Awareness of NMB mobile banking

Type of Respondent		There is substantial support from NMB Bank Limited (Manuals, demonstration)				Total
		Strongly disagree	Disagree	Agree	Strongly agree	
SME	Frequency	14	35	52	24	125
	Percentage (%)	11.2	28.0	41.6	19.2	100.0
Bank Staff	Frequency	3	12	21	14	50
	Percentage (%)	6.0	24.0	42.0	28.0	100.0
Total	Frequency	17	47	73	38	175

	Percentage (%)	9.7	26.9	41.7	21.7	100.0
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Source: Field data (2015)

4.3.3: Clear Instructions on How to Use NMB Mobile Banking

Regarding to the statement “Clear Instructions on How to Use NMB Mobile Banking”. Results from the field indicate that 26.3% of the respondents strongly disagreed and 25.1% disagreed that clear instructions are provided on how to use NMB mobile banking effectively while 47.4% of the respondents agreed and 1.1% strongly agreed that clear instructions were provided on how to use NMB mobile banking effectively. On the average 54.4% of respondents disagreed while 43.6% of the respondents agreed that clear instructions were provided on how to use NMB Mobile banking effectively.

This means that the 54.4% of the public does not have clear instructions on how to use NMB mobile banking effectively and hence does not understand adequately on how to use the services. Inadequate understanding on how to use NMB mobile banking leads to negative contribution of NMB mobile banking to business growth. Therefore to ensure positive contribution of NMB mobile banking, NMB needs to provide clear instructions on how to use NMB mobile banking.

Table 7: Clear instructions on using NMB mobile banking

Type of Respondents		Clear instructions are provided on how to use NMB mobile banking effectively				Total
		Strongly disagree	Disagree	Agree	Strongly agree	
SME	Frequency	39	28	57	1	125
	Percentage (%)	31.2	22.4	45.6	0.8	100.0
Bank Staff	Frequency	7	16	26	1	50
	Percentage (%)	14.0	32.0	52.0	2.0	100.0
Total	Frequency	46	44	83	2	175
	Percentage (%)	26.3	25.1	47.4	1.1	100.0

Source: Field data (2015)

4.3.4 Accessibility of NMB Mobile Banking

With regard to the statement “Accessibility of NMB Mobile Banking “. It is important for NMB mobile banking to be easily accessible to customers. The combined response rates indicate that 9.1% strongly disagreed and 26.9 % disagreed that NMB mobile banking was readily accessible while 5.6% agreed and 11.4% strongly agreed that NMB Mobile banking was readily accessible. On the average 35.0% of respondents disagreed while 65.0% respondents agreed that NMB Mobile banking was readily accessible. This means that 35% of the respondents perceives that NMB mobile banking was not readily accessible. It was further revealed that 35% of the population had difficult in accessing NMB mobile banking and hence face difficult in using it. In order to ensure effective contribution of NMB mobile banking on business growth the bank need to ensure that NMB mobile banking is readily accessible to the whole community.

Table 4.8: Accessibility of NMB Mobile Banking

Type of Respondents		NMB Mobile banking is readily accessible				Total
		Strongly disagree	Disagree	Agree	Strongly agree	
SME	Frequency	11	38	62	14	125
	Percentage (%)	8.8	30.4	49.6	11.2	100.0
Bank Staff	Frequency	5	9	30	6	50
	Percentage (%)	10.0	18.0	60.0	12.0	100.0
Total	Frequency	16	47	92	20	175
	Percentage (%)	9.1	26.9	52.6	11.4	100.0

Source: Field data (2015)

4.3.5 Availability of NMB Help desk Customer Support

From the statement that, “Availability of NMB Help desk Customer Support”, the findings in table 11 revealed that 24.6% of the respondents strongly disagreed that availability of NMB Help desk Customer Support and 28.6% disagreed that helpdesk was available to assist with any NMB mobile banking difficulties while 28.6% agreed and 18.3% strongly agreed that helpdesk was available to assist and NMB Mobile banking difficulties.

On the average 53.2% of respondents disagreed while 46.8% responses agreed that help desk support was available to assist with any NMB mobile banking difficulties. From this finding we can infer that 53.2% (more than half) of the population does not get assistance from helpdesk support when they face difficulties in using NMB mobile banking. This has negative implications on business growth. Therefore, NMB bank should improve the helpdesk support department to be available all the time to assist with any NMB mobile banking difficulties.

Table 4.9: Availability of NMB Help desk Customer Support

			Helpdesk is available to assist with any NMB mobile banking difficulties				Total
			Strongly disagree	Disagree	Agree	Strongly agree	
Type of Respondent	SME	Frequency	30	39	35	21	125
		Percentage (%)	24.0	31.2	28.0	16.8	100.0
Respondent	Bank Staff	Frequency	13	11	15	11	50
		Percentage (%)	26.0	22.0	30.0	22.0	100.0
Total	Frequency		43	50	50	32	175
	Percentage (%)		24.6	28.6	28.6	18.3	100.0

Source: Field data (2015)

4.3.6 Risk of personal details confidentiality

Regarding to the statement “Risk of personal details confidentiality”, the findings in 12 revealed that 35.4 % of the respondents strongly disagreed that risk of personal details confidentiality and 28.0 % disagreed that using NMB Mobile banking puts personal details at risk for confidentiality while 29.7% agreed and 6.9% strongly agreed that using NMB Mobile banking puts personal details at risk for confidentiality.

On average 63.4% disagreed while 36.6% agreed that using NMB Mobile banking puts personal details at risk for confidentiality. The above findings shows 63.4% of the population believes that using NMB mobile banking does not puts personal details at risk for Confidentiality. This has positive contribution to business growth because it increases speed of population to adopt NMB mobile banking in making their business transaction.

Table 4.10: Risk of Personal Detail Confidentiality

Type of Respondent		Using NMB Mobile banking puts personal details at risk for confidentiality				Total
		Strongly disagree	Disagree	Agree	Strongly agree	
SME	Response rate	49	28	42	6	125
	Percentage (%)	39.2	22.4	33.6	4.8	100.0
Bank Staff	Frequency	13	21	10	6	50
	Percentage (%)	26.0	42.0	20.0	12.0	100.0
Total	Frequency	62	49	52	12	175
	Percentage (%)	35.4	28.0	29.7	6.9	100.0

Source: Field data (2015)

4.3.7 Risks of Bills Payments

With regard to the statement “Risks of Bills Payments.”, the findings in the table13 show that 28.6% of the respondents strongly disagreed that another important variable of awareness of NMB mobile banking is the risks associated with payment of bills. Table 14 shows that and 37.1% disagreed while 27.4 % agreed and 6.9 % strongly agreed that using NMB mobile banking for paying bills has a potential risk. On average 65.7 % of respondents disagreed that using NMB mobile banking for paying bills has a potential risk while 34.3% agreed that using NMB mobile banking for paying bills has a potential risk.

This indicates that 65.7% of the population does not believe that using NMB Mobile banking for paying bills has potential risk, while 34.3% of the population believes that using NMB Mobile banking for paying bills has a potential risk. This has positive contribution on business growth because more than half of the population adopts NMB mobile banking because it believes it has no potential risks in making payment for different bills.

Table 4.11: Using NMB Mobile banking for paying bills has a potential risk

Type of Respondent		Using NMB Mobile banking for paying bills has a potential risk				Total
		Strongly disagree	Disagree	Agree	Strongly agree	
SME	Frequency	36	41	39	9	125
	Percentage (%)	28.8	32.8	31.2	7.2	100.0
Bank	Frequency	14	24	9	3	50
Staff	Percentage (%)	28.0	48.0	18.0	6.0	100.0
Total	Frequency	50	65	48	12	175
	Percentage (%)	28.6	37.1	27.4	6.9	100.0

Source: Field data (2015)

4.3.8 Risks of funds transfer

Fund transfer is another risk associated with NMB Mobile banking product and services. Table 15 depicts response rated on risks of funds transfer. Combined response indicates that 21.7 percent strongly disagreed, 43.4 percent disagreed, 20.6 percent agreed and 14.2 percent strongly agreed that using NMB mobile banking for fund transfer has potential risk.

On average 65.5 percent disagreed that using NMB mobile banking for transferring fund has potential risk while 34.5 percent agreed that using NMB mobile banking for transferring funds has potential risk. This means 65.5 percent of the respondents' does not believe that using NMB mobile banking for transferring funds has potential risk. This has positive contribution on business growth because more than half of the

population is willing to adopt NMB mobile banking technology because it has positive perceptions.

Table 4.12: Using Mobile banking for transferring fund has potential risks

		Using NMB Mobile banking for transferring fund has potential risk				Total
		Strongly disagree	Disagree	Agree	Strongly agree	
SME	Frequency	28	49	25	23	125
	Percentage(%)	22.4	39.2	20.0	118.4	100.0
Bank Staff	Frequency	10	27	11	2	50
	Percentage (%)	20.0	54.0	22.0	4.0	100.0
Total	Frequency	38	76	36	25	175
	Percentage (%)	21.7	43.4	20.6	14.2	100.0

Source: Field data (2015)

4.3.9 Risks of Information Interception

Risks of information interception are another variable of NMB mobile banking awareness. Table 16 depicts respondent's response rates on NMB Mobile banking risks of information interception. Combined response indicates that 24 percent strongly disagreed and 47.4 % disagreed while 22.9% agreed and 5.7 % strongly agreed that NMB mobile banking is open for information interception.

On average 71.4 % disagreed while 38. 6 % agreed that NMB mobile banking is open for information interception. This indicates that more than half of the population (71.4 %) perceives NMB mobile banking to be safe from information interception. This has positive contribution on business growth because more than half of the population is willing to use NMB mobile banking in making business transactions.

Table 4.13: NMB mobile banking is open for information Interception

		NMB mobile banking is open for information Interception				Total	
		Strongly disagree	Disagree	Agree	Strongly agree		
Type of Respondent	SME	Frequency	30	58	32	5	125
		Percentage (%)	24.0	46.4	25.6	4.0	100.0
	Bank Staff	Frequency	12	25	8	5	50
		Percentage (%)	24.0	50.0	16.0	10.0	100.0
Total		Frequency	42	83	40	10	175
		Percentage (%)	24.0	47.4	22.9	5.7	100.0

Source: Field data (2015)

4.3.10 Risks comparison between NMB Mobile banking and other banking options

From the statement that, “Risks comparison between NMB Mobile banking and other banking options” Perception of NMB mobile banking transaction risk compared to other transactions risks is shown in table 17. On total 73.7% disagree that NMB Mobile banking is more risky than other banking options, while 26.3% agree that NMB mobile banking is more risky than other banking options. This implies that more than half of the population (73.7%) perceives that NMB mobile banking is not more risky than other banking options. This has positive contribution to business growth because more than half of the population is willing to use NMB mobile banking in making business transaction.

Table 4.14: NMB Mobile banking is more risky than other banking option

			NMB Mobile banking is more risky than other banking option				Total
			Strongly disagree	Disagree	Agree	Strongly agree	
Type of Respondent	SME	Frequency	43	45	33	4	125
		Percentage (%)	34.4	36.0	26.4	3.2	100.
	Bank Staff	Frequency	17	24	9	0	50
		Percentage (%)	34.0	48.0	18.0	0.0	100.0
Total		Frequency	60	69	42	4	175
		Percentage (%)	34.3	39.4	24.0	2.3	100.0

Source: Field data (2015)

4.3.11: Transaction Charges of NMB Mobile Banking

Regarding to the statement “Transaction Charges of NMB Mobile Banking”, Perception on Transaction charges of NMB Mobile Banking is shown in table 17. On average combined responses indicate that 62.8% strongly disagree that transaction charges is expensive when using NMB Mobile banking while 37.2% agree that transaction charges is expensive when using NMB Banking. This means that more than half of the population (62.8%) perceives transaction charges not to be more expensive when using NMB mobile banking. This has positive contribution on business growth because more than half of the population is willing to use NMB mobile banking in making business transaction.

Table 4.15: Perception on Transaction charges of NMB Mobile Banking

			Transaction Charges is expensive when using NMB Mobile banking				Total
			Strongly disagree	Disagree	Agree	Strongly agree	
Type of Respondent	SME	Frequency	20	61	26	18	125
		Percentage (%)	16.0	48.8	20.8	14.4	100.0
Bank Staff	Bank Staff	Frequency	7	22	14	7	50
		Percentage (%)	14.0	44.0	28.0	14.0	100.0
Total		Frequency	27	83	40	25	175
		Percentage (%)	15.4	47.4	22.9	14.3	100.0

Source: Field data (2015)

4.3.12: SMS Alert Charges when using NMB Mobile banking

In total combined response rates indicated in table 18 shows that 51.4% disagree that SMS alert charges are expensive when using NMB Mobile banking while 48.6% agree that SMS alert charges are expensive when using NMB mobile banking. This implies that half of the population perceives SMS alert charges are expensive when using NMB mobile banking while another half of the population does not perceive that SMS alert charges are expensive when using NMB mobile banking.

This has negative contribution on business growth because half of the population might not use NMB mobile banking in making business transaction because of fear of SMS alert charges. Therefore NMB bank needs to reduce SMS alert charges when using NMB mobile banking to attract more customers to use NMB mobile banking in making business transaction.

Table 4.16: SMS Alert charges are expensive when using NMB Mobile banking

			SMS Alert charges are expensive when using NMB Mobile banking						Total
			Strongly disagree	Disagree	Agree	Strongly agree	5	6	
Type of Respondent	SME	Frequency	16	43	36	28	0	2	125
		Percentage (%)	12.8	34.4	28.8	22.4	0.0	1.6	100.0
Respondent	Bank	Frequency	7	24	14	3	2	0	50
	Staff	Percentage (%)	14.0	48.0	28.0	6.0	4.0	0.0	100.0
Total		Frequency	23	67	50	31	2	2	175
		Percentage (%)	13.1	38.3	28.6	17.7	1.1	1.1	100.0

Source: Field data (2015)

4.3.13 Cost of NMB Mobile banking compared to other banking options

Fro the statement ‘‘ Cost of NMB Mobile banking compared to other banking options’’results indicates that 57.1% of the respondents disagreed that NMB Mobile banking is more expensive than any other banking options while 42.9% agreed that NMB Mobile banking is more expensive than other banking options. This implies that more than half of the population (57.1%) does not perceive NMB mobile banking to be more expensive than other banking option. This has positive contribution on business growth because more than half of the population is willing to use NMB mobile banking to make business transactions.

Table 4.17: NMB Mobile banking is more expensive than any other banking options

			NMB Mobile banking is more expensive than any other banking option				Total
			Strongly disagree	Disagree	Agree	Strongly agree	
Type of Respondent	SME	Frequency	23	48	30	24	125
		Percentage (%)	18.4	38.4	24.0	19.2	100.0
Bank Staff	Bank	Frequency	4	25	17	4	50
		Percentage (%)	8.0	50.0	34.0	8.0	100.0
Total		Frequency	27	73	47	28	175
		Percentage (%)	15.4	41.7	26.9	16.0	100.0

Source: Field data (2015)

4.3.14 Knowledge on how NMB Mobile banking works

With regard to the statement “Knowledge on how NMB Mobile banking works” Table 20 indicates the respondents understanding on how NMB mobile banking works. In total combined responses indicate that 36% disagree that they easily understand how NMB Mobile banking works, while 64% agreed that they easily understand how NMB Mobile banking works. This means that more than half of the population understands easily how NMB mobile banking works. This has positive contribution on business growth because more than half of the population is willing to use NMB mobile banking in making business transaction.

Table 4.18: Knowledge how NMB mobile banking works

			I easily understand how NMB mobile banking works				Total
			Strongly disagree	Disagree	Agree	Strongly agree	
Type of Respondent	SME	Frequency	23	27	56	19	125
		Percentage (%)	18.4	21.6	44.8	15.2	100.0
	Bank Staff	Frequency	0	13	33	4	50
		Percentage (%)	0.0	26.0	66.0	8.0	100.0
Total		Frequency	23	40	89	23	175
		Percentage (%)	13.1	22.9	50.9	13.1	100.0

Source: Field data (2015)

4.3.15 Ability to use NMB Mobile banking service

From the statement that, “Ability to use NMB Mobile banking service”. The response and response rates are indicated in table 21. In total combined responses indicate that 65.2% disagreed that they were able to use NMB mobile banking even if there was no one around to show them how to use it while 34.8% agreed that they were able to use NMB mobile banking even if there was no one around to show them how to use it.

This means that more than half of the population (65.2%) perceives difficulty in using NMB mobile banking. They need someone to educate them as they cannot use at their own. This has negative contribution on business growth because more than half of the population might not fail to use NMB mobile banking in making business transaction.

Table 4.19: Ability to use NMB Mobile banking on oneself

			I am be able to use NMB mobile banking even if there could be no -one around to show me how to use it				Total
			Strongly disagree	Disagree	Agree	Strongly agree	
Type of Respondent	SME	Frequency	38	53	18	16	125
		Percentage (%)	30.4	42.4	14.4	12.8	100.0
	Bank Staff	Frequency	16	7	26	1	50
		Percentage (%)	32.0	14.0	52.0	2.0	100.0
Total		Frequency	54	60	44	17	175
		Percentage (%)	30.9	34.3	25.1	9.7	100.0

Source: Field data (2015)

4.3.16 Time availability on use of NMB Mobile banking

Respondents were asked to confirm if they have enough time to use NMB Mobile banking. Their response is shown in table 23. In total 38% disagreed that they always have enough time to use NMB mobile banking while 61.7% agree that they have always have enough time to use NMB mobile banking. This means that more than half of the population has enough time to use NMB mobile banking in making business transaction and hence positive contribution on business growth.

Table 4.20: Time to use NMB mobile banking

			I always have enough time to use NMB mobile banking				Total
			Strongly disagree	Disagree	Agree	Strongly agree	
Type of Respondent	SME	Frequency	16	33	63	13	125
		Percentage (%)	12.8	26.4	50.4	10.4	100.0
	Bank Staff	Frequency	1	17	28	4	50
		Percentage (%)	2.0	34.0	56.0	8.0	100.0
Total		Frequency	17	50	91	17	175
		Percentage (%)	9.7	28.6	52.0	9.7	100.0

Source: Field data (2015)

4.3.17 Skills in using NMB Mobile banking

Regarding to the statement “Skills in using NMB Mobile banking” as shown in Table 25. In total 63.4% disagreed that becoming skillful at using NMB mobile banking is easy while 36.4 % agreed that becoming skillful at using NMB banking is easy. This means that respondent awareness on becoming skills on using NMB banking such as knowing shortcut keys, transferring funds, advance options is only 36.4%. Therefore more than half of the population is not skilled in using NMB mobile banking. This has a negative contribution on business growth because more than half of the population might fail to use NMB mobile banking in making business transaction.

Table 4.21: Becoming skillful at using NMB mobile banking

			Becoming skillful at using NMB mobile banking is easy. (knowing shortcut keys or Advanced options.)				Total
			Strongly disagree	Disagree	Agree	Strongly agree	
Type of Respondent	SME	Frequency	34	50	27	14	125
		Percentage (%)	27.2	40.0	21.6	11.2	100.0
Respondent	Bank	Frequency	5	22	22	1	50
	Staff	Percentage (%)	10.0	44.0	44.0	2.0	100.0
Total		Frequency	39	72	49	15	175
		Percentage (%)	22.3	41.1	28.0	8.6	100.0

Source: Field data (2015)

4.3.18 Time Saving

Respondent Response rates NMB mobile banking time saving is shown in table 26. On total 50.3 % disagreed that using NMB mobile banking save time while 49.7% agreed that using NMB mobile banking saves time. This means that Respondents awareness on time saving of using NMB mobile banking is 49.7%. This has negative contribution on business growth because only half of the population perceives using NMB mobile banking to save their time. This might reduce the speed of the population to use NMB mobile banking in making business transaction.

Table 4.22: Using NMB Mobile banking saves me time

			Using NMB mobile banking saves me time				Total
			Strongly disagree	Disagree	Agree	Strongly agree	
Type of Respondent	SME	Frequency	17	50	30	28	125
		Percentage (%)	13.6	40.0	24.0	22.4	100.0
	Bank Staff	Frequency	4	17	10	19	50
		Percentage (%)	8.0	34.0	20.0	38.0	100.0
Total		Frequency	21	67	40	47	175
		Percentage (%)	12.0	38.3	22.9	26.9	100.0

Source Field data (2015)

4.3.19 Usefulness of NMB banking in Business Transaction

Table 27 shows respondents' response rates on usefulness of NMB mobile banking in business transaction. On total 23.4% of respondents disagreed that using NMB Mobile banking was useful for business transactions while 76.6% of respondents agreed that using NMB mobile banking was useful in business transactions. This means that Respondents perception on usefulness of NMB mobile banking in business transaction was positive by 76.6%. This has positive contribution on business growth because more than half of the population is willing to use NMB mobile banking in making business transaction.

Table 4.23: Usefulness of NMB mobile banking in business transaction

			Using NMB mobile banking is useful for business transaction					Total
			Strongly disagree	Disagree	Agree	Strongly agree	5	
Type of Respondent	SME	Frequency	9	22	36	53	5	125
		Percentage (%)	7.2	17.6	28.8	42.4	4.0	100.0
	Bank Staff	Frequency	0	10	14	23	3	50
		Percentage (%)	0.0	20.0	28.0	46.0	6.0	100.0
Total		Frequency	9	32	50	76	8	175
		Percentage (%)	5.1	18.3	28.6	43.4	4.6	100.0

Source: Field data (2015)

4.3.20 NMB Mobile banking Convenience

Respondents' response rates on convenience in using NMB mobile banking is shown in table 28. In total 26.3% of respondents disagreed that using NMB mobile banking is convenient for paying bills, making business transactions, fund transfers, and balance inquiries while 73.7 % of respondents agreed that using NMB mobile banking is convenient in paying bills, making business transactions, fund transfers, and balance inquiries. This means that 73.7% of the population has positive altitude on the convenience on use of NMB mobile banking. This has positive contribution on business growth because more than half of the population is willing to use NMB mobile banking in making business transaction.

Table 4.24: Convenience of NMB mobile banking

			Using NMB mobile banking is convenient						Total
			Strongly disagree	Disagree	Agree	Strongly agree	5	6	
Type of Respondent	SME	Frequency	12	25	53	30	1	4	125
		Percentage (%)	9.6	20.0	42.4	24.0	0.8	3.2	100.0
Bank Staff	Bank	Frequency	5	4	22	17	2	0	50
		Percentage (%)	10.0	8.0	44.0	34.0	4.0	0.0	100.0
Total		Frequency	17	29	75	47	3	4	175
		Percentage (%)	9.7	16.6	42.9	26.9	1.7	2.3	100.0

Source: Field data (2015)

4.3.21 Overall attitude towards NMB Mobile banking

Overall altitude towards NMB mobile banking is shown in table 29: In total 50.8% disagreed that on overall, their altitude was that NMB mobile banking was good idea while 49.2% agreed that on overall, NMB mobile banking was good idea. This means that on overall half of the population have negative attitude towards NMB Mobile banking. This has negative contribution on business growth because half of the population might not be willing to use NMB mobile banking in business transaction.

Table 4.25: Overall attitude towards NMB Mobile banking

			Overall, my attitude is that NMB banking is a good ideas				Total
			Strongly disagree	Disagree	Agree	Strongly agree	
Type of Respondent	SME	Frequency	18	55	32	20	125
		Percentage (%)	14.4	44.0	25.6	16.0	100.0
Respondent	Bank	Frequency	5	11	22	12	50
	Staff	Percentage (%)	10.0	22.0	44.0	24.0	100.0
Total	Frequency		23	66	54	32	175
	Percentage (%)		13.1	37.7	30.9	18.3	100.0

Source: Field data (2015)

4.4 SMEs perceptions on challenges facing NMB Mobile banking

The second objective of this study was to assess SMEs perceptions on challenges facing NMB mobile banking and strategies to minimize these challenges. The respondents mentioned 13 challenges facing NMB mobile banking.

The response and response rates on challenges facing NMB Mobile banking is presented in table 30. In Total 19.4 percent of respondents perceived the challenges of unreliability of NMB mobile banking for making business transactions and the challenge of frequent network cut off. Other challenges include: unreliable electricity 12%, poor help desk support from NMB bank officer 11.4%, risky of making mistake 8.6%, difficult in using NMB Mobile banking 6.9%, NMB mobile banking products not well known 5.7%, Mobile service provider not well supportive 2.9 %, possibility of pass word hijack by un authorized persons 2.3 percent, NMB mobile banking high transaction cost 1.7%, few population own mobile phone 0.6 percent and bank officers fraud 0.6%. These responses indicates that 38.4%of SMEs perceived unreliability of NMB mobile banking and frequent network cut off to be the most challenges facing NMB mobile banking.

The above challenges have negative contribution on business growth because SMEs fail from time to time to make business transaction. As it can be evidenced in the findings unreliable electricity causes network cutoff, low battery charge and frequent damage of mobile devices. These inconveniences reduce speed of business transaction through mobile banking.

Poor help desk support from NMB bank officer cause inconvenience in using mobile banking to make business transaction. Testimonies from leading questions and focus group discussion revealed that some time a customer might transfer funds wrongly. If this happens staff of helpdesk support are not frequent available to assist. Sometime they use harsh language that demoralizes using mobile banking in business transaction.

It is also evidenced that the mobile banking products and services are not well known especially to the rural society. Thus 5.7% of the population perceives this as a challenge that might impinge positive contribution of mobile banking in business growth. NMB bank therefore should invest in promoting mobile banking products and services to make the population understand.

Table 4.26: Challenges Facing NMB Mobile Banking

Challenges Facing NMB Mobile Banking	Frequency	Percent (%)
Using NMB Mobile for making Transaction is difficult	12	6.8
Using NMB mobile banking for making transaction is risky	15	8.5
using NMB Mobile banking for making transactions is not Reliable	34	19.4
NMB Mobile banking is facing frequently Network Cut off	34	19.4
Unreliable Electricity Causes Network Unreachable	21	12
Mobile Service Provider are not supportive	5	2.8
NMB Mobile banking products/Services are not well known	10	5.7
Possibly of wrong Money Transfer wheny Using NMB Mobile banking	15	8.5
Poor help desk support from NMB Bank	20	11.4
NMB Mobile banking has higher Transaction Costs compared to other products	3	1.7
Few Population own of Tanzania own mobile phones	1	0.5
Possible of Password Haijacking from Thieves	4	2.3
NMB Mobile banking is facing risk of fraud from Bank Officers	1	0.5
Total	175	100

Source: Field data (2015)

4.5 Strategies for Managing NMB Mobile Banking Challenges

Respondents were asked to mention strategies that NMB Bank should do to manage NMB mobile banking challenges. The response and response rates are shown in table 31: majority of the respondents said that ensuring reliability of electricity which was supported by 30.9%, training Customers in security handling of the password was supported by 26.3%, Training customers about NMB mobile banking products and services 21.6%, increasing amount of Money Transaction was supported 8.6%,

reducing transaction costs supported by 6.3%, conduct market information was also supported by 5.1%, ensuring reliability of network coverage 1.1 percent and prevent fraud from NMB bank officer 0.6%.

Ensuring reliability of electricity was seen to be the most important strategy. This strategy will ensure reliability of network coverage. It will also enhance performance of Mobile phone batteries and hence increase communication network. Reliable electricity will also enable the SMEs to smoothen their productivity. This means mobile banking will have positive contribution on business growth because the population will be able to use mobile banking in making transaction at any time.

Training customer security handling was seen to be the second strategy. Because of inadequate knowledge in security handling customer shares passwords. This leads to fraudulent acts from dishonesty people. This in turn makes SMEs fears to use NMB mobile banking because they lose their money to untruthful people especially bank staff that pretends to help them in making transaction. The bank therefore should train their customers in security handling.

The third strategy raised by respondents was the bank to increase the amount of money transacted using NMB mobile banking. Currently amount of money allowed transacting using NMB mobile banking is only Tshs 1,000,000. This is not enough to make payment for goods purchased that brings profitable. While it is possible to transact up to Shs 5,000,000 through mobile money such as VODACOM, Airtel Money and TIGO but it is not possible to transact such amount with NMB mobile banking. This leads to most SMEs to use Mobile money than NMB mobile banking. Therefore, NMB should increase the amount of transaction in order to attract more SMEs to use NMB mobile banking in making business transaction and hence bring positive contribution on business growth.,

In order to attract more SMEs to use NMB mobile banking in business transaction, the bank is advice to reduce transaction cost. This will attract more SMEs and hence increase utilization of NMB mobile banking in making business transaction. Preventing fraud from bank officers and increase promotion campaign about NMB mobile banking are other strategies mentioned by respondents.

Generally, it can be concluded that all the strategies mention by the respondents should work together in good coordination to increase positive contribution of NMB banking on business growth.

Table 4.27: Strategy for the bank to manage challenges

Strategy for the bank to manage challenges	Frequency	Percent (%)
Training Customers about NMB Mobile banking products and services	37	21.1
Training Customers in Security Handling of the password	46	26.3
NMB Bank should ensure Reliable Electricity	56	30.9
NMB should ensure Reliability of Network coverage	2	1.1
NMB Mobile Banking Transaction Costs should be Reduced	11	6.3
NMB should conduct product market information	9	5.1
NMB should increase amount of Money transaction using NMB Mobile Banking	15	8.6
NMB should increase amount of Money transaction using NMB Mobile Banking	1	0.6
Total	175	100

Source: Field data (2015)

4.6 Analysis of SMEs Perception on the Contribution of NMB Mobile banking on SMEs business Growth

The third objective of this study was to analyze the SMEs perceptions on the contribution of NMB Mobile banking on SMES business growth. The contribution was attributed to increase in business volume, increase in sales, increase in profitability, increase in customer base, reduction in business operating costs and increase in social well being.

4.6.1 Increase in Business Volume

The respondents were required to confirm if there was a change in business volume due to enroll win NMB mobile banking. The response and response rates are shown in table 32. In total 69.1% indicated that their business has large increase in volume after being enrolled in NMB mobile banking, 20.6% had small increase in volume, 9.1% had no significant increase in business volume and 1.1% had large decrease in business volume. This means generally SMEs business volume increased by 89.7% (combined large and small increase). Therefore it might well be argued that NMB mobile banking has contributed to increase in business volume of SMEs customers by 89.7% which is a significant contribution.

Table 4.28: Changes of Business volume due to usage of NMB mobile banking

Type of Respondents		Over the past two years (or since your business started), how has the volume of your business changed due to use of mobile banking?				Total
		large increase	small decrease	no change	large decrease	
SME	Frequency	85	26	12	2	125
	Percentage (%)	68.0	20.8	9.6	1.6	100.0
Bank Staff	Frequency	36	10	4	0	50
	Percentage (%)	72.0	20.0	8.0	0.0	100.0
Total	Frequency	121	36	16	2	175
	Percentage (%)	69.1	20.6	9.1	1.1	100.0

Source: Field data (2015)

4.6.2 Increase in Monthly sales

To gauge respondent responses on increase in business volume the study analyzed the sales provided in credit files of SMEs. Data on sales before introduction of NMB mobile banking and after the SMEs has enrolled with NMB mobile banking was analyzed. Findings on monthly sales of respondents before enrolling with NMB Mobile banking are presents in table 33 while monthly sales of respondents after enrolling with NMB Mobile banking are shown in table 34 and figure 36 respectively.

It is very interesting to find that before enrolling with NMB mobile banking 52 percent of respondents had monthly sales between Tshs 21.0 Mln to Tshs 30.0 Mln, 26.9% had Monthly sales ranging from Tshs 30.0 mln toTshs 40.0 Mln and 21.1 percent had monthly sale ranging from Tshs 11.0 Mln to Tshs 20.0 Mln. This means that half of SMEs customer under the study had monthly sales ranging from Tshs 21.0Mln to 30.0Mln before enrolling with NMB mobile banking.

Finding on monthly sales after enrollment with NMB Mobile banking shows that 54.9 % had monthly sales between Tshs 30.0Mln and 40.0 Mln, 22.9% had monthly sales above Tshs 50.0 mln, 18.9% had monthly sales between Tsh 21.0 toTsh30.0 and only 3.4 percent had monthly sales Tshs 11.0Mln to 20.0Mln. The analysis shows that after enrollment with NMB mobile banking SMEs with Monthly sales between 30.0m to 40.0 increased from 26.9% to 54. 9% while SMEs monthly sales above 40.oMln increase from 0 percent to 22.9%. It important to note that SME monthly sales between 11.0 to 20.0 Mln dropped from 21.1% before enrolling with NMB mobile banking to 3.4% after enrolling with NMB mobile banking. Therefore from this finding we can infer that NMB Mobile banking has positively contributed on SMEs business growth.

Table 4.29: Monthly sale Before Enrolling with NMB Mobile Banking

			Before Enrolling with NMB Mobile Banking (Sales in Tshs)			Total
			11.0-20.0Mln	21.0-30.0Mln	30.0-40.0Mln	
Type of Respondent	SME	Frequency	28	63	34	125
		Percentage (%)	22.4	50.4	27.2	100.0
	Bank Staff	Frequency	9	28	13	50
		Percentage (%)	18.0	56.0	26.0	100.0
Total		Frequency	37	91	47	175
		Percentage (%)	21.1	52.0	26.9	100.0

Source : Filed data (2015)

Table 4.30: Monthly sales After Enrolling with NMB Mobile Banking

			After Enrolling with NMB Mobile Banking				Total
			11.0-20.0Mln	21.0-30.0Mln	30.0-40.0Mln	Above 40.0Mln	
Type of Respondent	SME	Frequency	5	23	70	27	125
		Percentage	4.0	18.4	56.0	21.6	100.0
	Bank Staff	Frequency	1	10	26	13	50
		Percentage	2.0	20.0	52.0	26.0	100.0
Total		Frequency	6	33	96	40	175
		Percentage	3.4	18.9	54.9	22.9	100.0

Source: Field data (2015)

4.6.3 Profit Contributions

In order to deepen the understanding of the contribution of NMB mobile banking on business growth the study looked at how SMEs use the profit obtained from the business. The findings are presented in table 35. In total 48.0% of respondents indicated that the profit is used to expand the business by acquiring another line of business, 23.4% indicated that part of the profit is used to finance family expenses in rural areas, 20.0 percent indicated that profit is used to reinvest in the same business and hence expansion of business capital.6.4% of respondents indicated that the profit is save in bank for accumulation of capital, 1.1% of respondents indicated that the profit is used for household needs and entertainment respectively.

From this finding we can infer that large portion (48%) of the profit is used to expand the business both horizontally and vertically. Horizontal business growth is evidenced in acquiring another line of the business while vertical business growth is evidence in product diversification and increase in business asset. Therefore, we can generalize that NMB mobile banking contributes on business growth by 48%.

Other contributions are noted in financing family expenses, reinvestment, savings and accumulation of capital for further investment.

Table 4.31: Profit Contribution

Profit Contribution	Frequency	Percent (%)
use for household needs	2	1.1
re-invest in this business	35	20.1
re-invest in this business	84	48.0
re-invest in another business	41	23.4
give to family in rural area	11	6.3
put into savings	2	1.1
Total	175	100

Source: Field data (2015)

4.6.4 Transaction contribution

SMES acknowledged that NMB mobile banking had a positive contribution in making different business transaction at cheaper cost of which without it the cost would have been high. The findings are presented in table 36. in total NMB Mobile banking contributed to make the following transactions: Balance inquiry 37.1%, cash withdraws 16.0%, Money transfer 13.1%, buys air time 8.6%, cash deposit 7.4 percent, purchase of goods and services 2.9%, requesting mini statement 1.1 % and Money transfer 0.6 %. This means that cost of visiting banking hall for balance inquiry and printing statement has been waived due to NMB mobile banking. More over payment to customer who is far from the business premise is now possible. This saves time and money and hence increases business profitability.

Table 4.32: Frequent transaction do you perform using NMB Mobile banking

Frequent transaction do you perform using NMB Mobile banking	Frequency	Percent (%)
Buy air time	25	8.6
Balance Inquiry	65	37.1
Cash Deposits	13	7.4
Cash withdraws	28	16.0
Money Transfer	23	13.1
Paying Electricity Bills	14	8.0
Paying water bills	9	5.1
Requesting Mini Statement	2	1.1
Purchasing Goods and Services	5	2.9
Money Transfer	1	0.6
Total	175	100

Source: Field data (2015)

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter gives the summary of the study, conclusions and recommendations for both action and further research concerning the customers' perceptions on the contribution of mobile banking on business growth. The presentation is guided by the research objectives and questions raised in Chapter One.

5.1 Summary of the Study

This study sought to identify the customers' perceptions on the contribution of mobile banking on business growth. The study was mainly qualitative although some quantitative elements were employed. Different categories of respondents were involved in order to provide extensive and complimentary information about the problem being investigated. In order to guide the data collection process, several research questions were designed and used in the study as shown in chapter one of this research work. These were:

- (i) What are the SMEs perceptions on the facilitating conditions of NMB Mobile banking?
- (ii) What are the SMEs perceptions on challenges facing NMB Mobile banking?
- (iii) What are the SMEs perceptions on the contributions of NMB Mobile banking on business growth?

The findings in this research have shown the SMEs perceptions on the facilitating conditions of NMB Mobile banking were Perceived Availability of NMB Mobile banking Network Coverage, promotion Support of NMB Bank on increasing community Awareness, Clear Instructions on How to Use NMB Mobile Banking. The study findings indicate that most of the respondents had a positive perception towards the facilitation conditions of NMB Mobile banking.

The research findings have shown SMEs perceptions on challenges facing NMB Mobile banking. The findings are summarized as follows, Using NMB Mobile for making Transaction is difficult, Using NMB mobile banking for making transaction is risky, NMB Mobile banking is facing frequently Network Cut off.

The study further summarizes that Unreliable Electricity Causes Network Unreachable and sometimes NMB Mobile banking products/Services are not well known. Additional, on the question of SMEs perceptions on the contributions of NMB Mobile banking on business growth. The study summarizes that, the contribution was attributed to increase in business volume, increase in sales, increase in profitability, increase in customer base, reduction in business operating costs and increase in social well being.

5.2 Conclusions

Mobile Banking is an important component of financial development, including opportunities for banking to population in rural areas. Indeed, evidence from this study has shown that more than half population perceived NMB Mobile banking to have improved business growth, increased sales, increased profitability, increased customer base, lower transaction costs and lower income inequality. In addition to facilitating business growth, Mobile banking helped individuals smooth their income, transfer funds, and broaden investment opportunities. Testimonies have been evidenced in promoting individuals fund transfer, reduced long queue in banking hall, saved individual time and money, facilitated trade and commerce and improved individual accessibility to different banking product and services.

Despite this positive contribution, Contribution of NMB Mobile banking on business growth is hindered by low population that own mobile phones, inadequate awareness on facilitating conditions of NMB mobile banking, high transaction costs of mobile banking, inadequate education on how to use NMB Mobile banking. Therefore the most important factor for prosperous future of contribution of NMB Mobile banking on business growth is honest and mutual concern for all those involved to serious finance development and application of NMB Mobile banking products and services.

5.3 Recommendations

The study recommends that, in order to eliminate mass failures of Mathematics, the following should be done. The study, based on the findings mentioned above recommends the following in order to improve the contribution of NMB Mobile banking capital on business growth.

NMB Bank should improve facilitating conditions of NMB Mobile banking by lowering transaction costs that help to facilitate the growth of client businesses, increasing education awareness campaign on product and services provided by NMB Mobile banking to the public to make them aware on the facility, offering training and coaching their clients on entrepreneurship and business management skills, minimizing risks associated with NMB Mobile banking by improving security handling, password hijacking and fraudulent acts from irresponsible staff, be flexible and offer favorable terms and conditions. Also, the recommendation was made to the SMES and business community avoiding sharing of password to improve security, enrolling with NMB Mobile banking product and services, formalization of property rights and documentation and protect their password.

5.4 Areas for Further Research

- ❖ Other research should conduct their study on the inclusion in mobile banking: issues, options and strategies.
- ❖ Other research should conduct their study on the impact of Mobile banking on traditional banking product and services.
- ❖ Other research should conduct their study on the contribution of Mobile Money on reduction of income poverty.

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A.07	Types of NMB Mobile service provider of respondents (you may tick more than one)	1 [] Voda Com 3 [] Tigo 5 [] TTCL 6[]Others (Please specify.....)	2[] Air Tel 4[] Zantel

PART TWO

Perception of NMB Mobile Banking

Perception on Facilitating Conditions of NMB Mobile banking					
	Question	Answer Categories			
		1	2	3	4
		Strongly Disagree	Disagree	Agree	Strongly agree
B.01	There is network coverage at all times				
B.03	There is substantial support from NMB Bank Limited (Manuals, demonstration)?				
B.04	Clear instructions are provided to use SMS mobile banking effectively				
B.05	Mobile banking is readily accessible				
B.06	Helpdesk is available to assist with any SMS mobile banking difficulties				
Perception on risks of NMB Mobile Banking					
	Question	Answer Categories			
		1	2	3	4

		Strongly Disagree	Disagree	Agree	Strongly agree
B.07	using SMS mobile banking puts personal details at risk for confidentiality				
B.08	Using SMS mobile banking for paying bills has a potential risk.				
B.09	Using mobile banking for transferring funds has potential risks				
B.010	SMS mobile banking is open for information interception				
B.11	Mobile banking is more risky than other banking options				
Perception on NMB Mobile banking costs					
	Question	Answer Categories			
		1	2	3	4
		Strongly Disagree	Disagree	Agree	Strongly agree
B.12	Bank charges are expensive when using SMS mobile banking.				
B.13	SMS charges is expensive when using SMS Mobile Banking				
B.14	SMS Alerts from the bank are expensive when using SMS mobile banking				
B.15	SMS mobile banking is more expensive than any other banking options				

Perception on self-efficacy of NMB Mobile Banking					
	Question	Answer Categories			
		1	2	3	4
		Strongly Disagree	Disagree	Agree	Strongly agree
B.16	I easily understand how SMS mobile banking works.				
B.17	I am be able to use SMS mobile banking even if there could be no-one around to show me how to use it.				
B.18	I feel comfortable using SMS mobile banking on my own.				
B.19	I always have enough time to complete SMS mobile banking				

Perception on ease of use of NMB Mobile Banking					
	Question	Answer Categories			
		1	2	3	4
		Strongly Disagree	Disagree	Agree	Strongly agree
B.20	Learning to use SMS mobile banking is easy.				
B.21	SMS mobile banking is easy to understand.				
B.22	Getting the information I want from SMS mobile banking is easy.				

B.32	Becoming skilful at using SMS mobile banking is easy. (Knowing shortcut keys or Advanced options.)				
B.23	SMS mobile banking will be easy to use				

Perception on the usefulness of NMB Mobile Banking

	Question	Answer Categories			
		1	2	3	4
		Strongly Disagree	Disagree	Agree	Strongly agree
B.24	Using SMS mobile banking saves me time.				
B.25	Using SMS mobile banking saves me money.				
B.26	Using SMS mobile banking is convenient.				
B.27	Using SMS mobile banking is useful for business transaction				
B.28	Using SMS mobile banking is useful for paying bills				

Perceptions on the altitude towards NMB Mobile Banking

	Question	Answer Categories			
		1	2	3	4
		Strongly Disagree	Disagree	Agree	Strongly agree

B.29	In my opinion it is desirable to use SMS mobile banking for business transaction.				
B.30	I think it will be good for me to use SMS mobile banking for payment of bills.				
B.31	Overall, my attitude toward SMS mobile banking is favorable.				
B.32	I think using SMS mobile banking is a good idea.				
B.33	Generally speaking, I like the idea of SMS mobile banking				
B.34	I think using SMS mobile banking is a good idea.				

PART THREE

SMEs Usage of NMB Mobile banking Services						
A survey from bank monthly Reports for the year 2014 i.e. from January to December 2014						
No.	Type of transaction	Bank Channel				
		1	2	3	4	5
		Mobile	ATM Machines	Internet,	Tellers	Total
C.01	Buy air Time					
C.02	Balance Inquiry					
C.03	Cash Deposits					
C.04	Cash Withdrawals					
C.05	Money Transfers					
C.06	Paying Electricity Bills					
C.07	Paying water bills					
C.08	Mini- statements					
C.09	Paying store accounts					
C.10	Electronic Bank transfers					
C.11	Set up Debt Order					
C.12	Set Up Stop Order					
C.13	Check Deposit					
Total						

Part Four

Perceived Challenges Facing SMEs in using NMB Mobile Banking		
No.	Question	Answer Categories
D.01	What are the most three important challenges do you think face using NMB Mobile Banking in NMB Bank Limited?	<p>1 [] using mobile transaction is difficult</p> <p>2 [] Using SMS Mobile Banking is not secure</p> <p>2 [] Using Mobile banking is not reliable</p> <p>3 [] There is frequent network cut off</p> <p>4 [] Unreliable electricity causes network unreachable</p> <p>5 [] Mobile service providers are not supportive</p> <p>6 [] Mobile banking product is not well known</p> <p>7 [] Possibility of wrong Money transfer</p> <p>8 [] Poor help desk support</p> <p>9 [] High transaction costs compare to others</p> <p>10[] Few population own mobile</p> <p>11[] user of mobile banking shares pass world</p> <p>12[] Frauds from bank officers</p> <p>18[] Others (Please specify.....)</p>

Part Five

PERCEIVED STRATEGIES FOR MANAGING CHALLENGES FACING MOBILE BANKING IN NMB BANK LIMITED		
No.	Question	Answer Categories
E.01	What THREE STRATEGIES would you consider most IMPORTANT for you the bank should do to manage challenges Resulting from using NMB mobile banking?	<p>1 [] Training customers about mobile banking</p> <p>2 [] Training customers in security handling</p> <p>2 [] NMB to ensure reliable electricity</p> <p>3 [] Ensure reliability of network coverage</p> <p>4 [] reduces transaction fee</p> <p>5 [] improve help desk support</p> <p>6 [] strengthening electronic digital signature</p> <p>7 [] intensify sales and marketing promotion</p> <p>8 [] conduct product Market information</p> <p>9 [] increase amount of transaction</p> <p>10[] prevent bank officers frauds</p> <p>11[] enabling non account holders to use mobile Banking</p> <p>12[] Advisory services on legal matters</p> <p>13[] Others (Please specify.....)</p>

Part Six

Perceived Contribution Of Mobile Banking On Business Growth		
F.01	What was your primary occupation before you started this business?	1 [<input type="checkbox"/>] Unemployed 2 [<input type="checkbox"/>] Housewife (home maker) 3 [<input type="checkbox"/>] In school 4 [<input type="checkbox"/>] Employed in formal sector 5 [<input type="checkbox"/>] Worked for someone else in this same line 6 [<input type="checkbox"/>] Ran another business in this same line 7 [<input type="checkbox"/>] Worked for another business in another line 8 [<input type="checkbox"/>] Ran another business in another line 9 [<input type="checkbox"/>] Other (EXPLAIN:
F.02	Do you still work in that capacity?	1 [<input type="checkbox"/>] Yes 2 [<input type="checkbox"/>] No
F.03	Including this business and any others, for how many years have you been in this type of business, either employed or as the owner?	[<input type="text"/>]
F.04	Why did you decide to start your own business?	1 [<input type="checkbox"/>] Parents/relatives were/are in business 2 [<input type="checkbox"/>] Too few wage opportunities 3 [<input type="checkbox"/>] Saw a profitable opportunity 4 [<input type="checkbox"/>] Was encouraged to start by relative/friend 5 [<input type="checkbox"/>] Needed to supplement my income 6 [<input type="checkbox"/>] Had no better options 7 [<input type="checkbox"/>] Other (EXPLAIN:
F.05	Why did you choose this type of business	1 [<input type="checkbox"/>] Had experience/skills in this line of business 2 [<input type="checkbox"/>] Friends/relatives in this type of business 3 [<input type="checkbox"/>] Felt there was a market for this type of business 4 [<input type="checkbox"/>] Was encouraged to start this type by friends/r'tives 5 [<input type="checkbox"/>] Start-up capital could only afford this type of b. 6 [<input type="checkbox"/>] No apparent reason 7 [<input type="checkbox"/>] Other (EXPLAIN:

F.06	If you were to get a paid job now, would you leave your business?	1 [<input type="checkbox"/>] Yes 2 [<input type="checkbox"/>] No 3 [<input type="checkbox"/>] Not sure – would depend on salary	
F.07	Did you start the business from scratch, purchase it, or did you inherit it?	1 [<input type="checkbox"/>] Started from scratch 2 [<input type="checkbox"/>] Purchased 3 [<input type="checkbox"/>] Inherited 4 [<input type="checkbox"/>] Other (EXPLAIN:	
F.08	How much money did you spend to start this business	Tshs :	
F.09	What was the principal source of your money/assets to start the business?	1 [<input type="checkbox"/>] Loan from family/friends 2 [<input type="checkbox"/>] Given free from family/friends 3 [<input type="checkbox"/>] Moneylender 4 [<input type="checkbox"/>] Own savings from agriculture 5 [<input type="checkbox"/>] Own savings from employment 6 [<input type="checkbox"/>] Own savings from other business 7 [<input type="checkbox"/>] Inherited business 8 [<input type="checkbox"/>] Loan – from banks and other formal fin. institutions 9 [<input type="checkbox"/>] Loan - Microfinance program 10 [<input type="checkbox"/>] Loan – Savings association 11 [<input type="checkbox"/>] Loan from Rotating Savings and Credit Ass.(ROSCAs) 12 [<input type="checkbox"/>] Loan – from other (explain 13 [<input type="checkbox"/>] Other (EXPLAIN:	
F.10	Have you received credit for your business other than NMB from any of the following ? Consider all types of credit – family, moneylenders, rotating credit societies, banks, etc.	1 [<input type="checkbox"/>] None 2 [<input type="checkbox"/>] Loan (not free) from family/friends 3 [<input type="checkbox"/>] Moneylender 4 [<input type="checkbox"/>] Formal credit institution 5 [<input type="checkbox"/>] Microfinance program 6 [<input type="checkbox"/>] Supplier credit 7 [<input type="checkbox"/>] Savings clubs 8 [<input type="checkbox"/>] Other (EXPLAIN:	

F.11	Thinking about all the sources of cash income for your household (including farming, employment, and any other income), how much of your household's income comes from this particular business?	1 [<input type="checkbox"/>] More than half of all income 2 [<input type="checkbox"/>] About half of income 3 [<input type="checkbox"/>] Less than half of income 4 [<input type="checkbox"/>] Don't know	
F.12	When were you born?	Year _____ -	
F.13	What is your current marital status	1 [<input type="checkbox"/>] Single – never married 2 [<input type="checkbox"/>] Married 3 [<input type="checkbox"/>] Divorced/separated 4 [<input type="checkbox"/>] Widowed	
F.14	How many dependents are you responsible for?	[<input type="text"/>]	
F.15	What are your THREE MOST CRITICAL business problems now, in order of importance?	1 [<input type="checkbox"/>] None 2 [<input type="checkbox"/>] Low demand for products 3 [<input type="checkbox"/>] High competition from other businesses 4 [<input type="checkbox"/>] High cost of inputs 5 [<input type="checkbox"/>] Low prices for products sold 6 [<input type="checkbox"/>] Insufficient working capital 7 [<input type="checkbox"/>] Lack of funds to buy equipment/fixed assets 8 [<input type="checkbox"/>] Lack/poor market for products 9 [<input type="checkbox"/>] Shortage/unavailability of inputs/products to sell 10 [<input type="checkbox"/>] Lack of proper workspace 11 [<input type="checkbox"/>] Lack of skilled workers 12 [<input type="checkbox"/>] Lack of trusted workers 13 [<input type="checkbox"/>] Harassment from authorities 14 [<input type="checkbox"/>] Lack of access to utilities (water/electricity/tel) 15 [<input type="checkbox"/>] Poor access roads to business 16 [<input type="checkbox"/>] Lack of proper management skills (EXPLAIN) 17 [<input type="checkbox"/>] Other (EXPLAIN)	a) b) c)

F.16	Over the past two years (or since your business started), how has the volume of your business changed due to use of mobile banking?	1 [] Large increase 2 [] Small increase 3 [] No change 4 [] Small decrease 5 [] Large decrease 6 [] Don't know	
F.17	To whom do you sell your products or provide services? (TICK THE TWO MOST IMPORTANT)	1 [] Final Consumer 2 [] Traders 3 [] Other Businesses 4 [] Export 5 [] Manufacturer 6 [] Marketing Board 7 [] Other (EXPLAIN:	

(FOR EACH ROW, check if appropriate, leave blank otherwise, and code "don't know" as Average)

	Jan (a)	Feb (b)	Mar (c)	Apr (d)	May (e)	June (f)	July (g)	Aug (h)	Sept (i)	Oct (j)	Nov (k)	Dec (l)	Total
High													m)
Average													n)
Low													o)

		Before enrolling with NMB Mobile bank	After Enrolling with NMB mobile bank
F.18	For "high" months, how much did you sale?	Tshs	
F.19	For "average" months, how much did you sales?	Tshs	
F.20	For "low" months, how much did you sales?	Tshs	
F.21	During the past month, what was the value of your total sales?	Tshs	

F.22	Was last month a high, average, or low month for sales?	1 [] High sales month 2 [] Average sales month 3 [] Low sales month	
F.23	After being enrolling with NMB mobile banking, how much money did you spend on business expenses, including these categories and any other?	Stock/inventory: Tshs _____ Hired Labor Tshs _____ Transport Tshs _____ Rental Tshs _____ Maintenance/Repairs Tshs _____ Other Tshs _____ TOTAL TSHS _____	a) b) c) d) e) f) g)
F.24	After all costs are considered, how much profit did you earn in the business last week?	Tshs _____ (Consider goods received in barter or purchased from proceeds as part of profits)	
F.25	What are the THREE MOST important things you do with profits from this business?	1 [] use for household needs 2 [] Re-invest in this business 3 [] Re-invest in another business 4 [] Give to family in rural area 5 [] Put into savings 6 [] Use for entertainment 7 [] School fees 8 [] Other (EXPLAIN:	