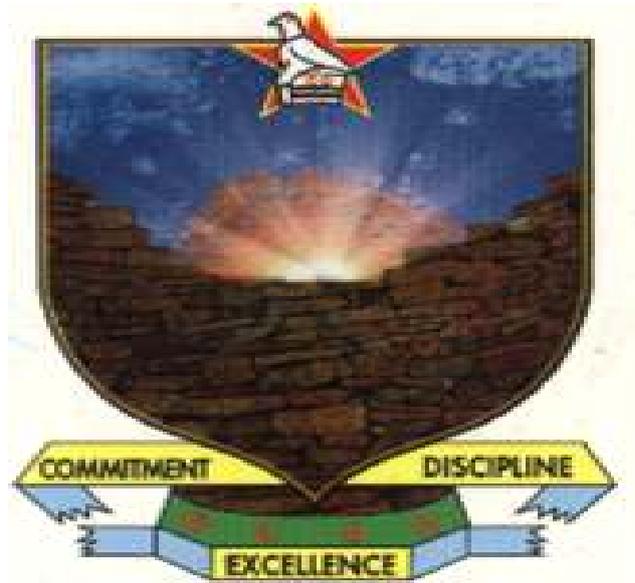


**BINDURA UNIVERSITY OF SCIENCE EDUCATION**

**FACULTY OF COMMERCE**

**DEPARTMENT OF MARKETING**



**FACTORS AFFECTING SLOW ADOPTION RATE OF ONEMONEY  
MOBILE FINANCIAL SERVICE AT NET ONE IN ZIMBABWE.**

**BY**

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**A DISSERTATION WRITTEN AND SUBMITTED IN PARTIAL  
FULFILLMENT OF THE BACHELOR OF BUSINESS STUDIES (HONOURS)  
DEGREE IN MARKETING OF BINDURA UNIVERSITY OF SCIENCE  
EDUCATION FACULTY OF COMMERCE.**

**MARCH 2019**

**Approval form**

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## **Dedication**

This research project is devoted to my children Emmaculate, Hazel and Emmanuel Baloyi who went without motherly love through my academic years, my parents, Mr and Mrs Chiriya and my brothers and sisters Nicholas, Raymond, Sharon and Daisy. I want to thank you all for your endless moral and unforced financial support.

## **Abstract**

Mobile financial services (MFS) are a recent development that is rapidly taking place in developing countries. The penetration of mobile financial services has been supported by rapid advances in wireless and mobile technologies in many countries across the globe and a number of developing countries. Mobile financial services adoption has been different from one country to another. Evidence shows that developed countries they have experienced faster mobile financial service adoption than other developing countries. This study investigated the factors affecting the slow adoption rate of OneMoney mobile financial services in Zimbabwe. The study hypothesises the following variables to have influence on the adoption of mobile financial service thus Perceived usefulness (PU), Perceived-ease-of-use (PEU), Perceived cost (PC), Perceived trust (PT), Perceived risk (PR) and Social influence. The construct validity of the measurement items was established by using principal axis factoring and the reliability was established by using Cronbach's Alpha coefficient. The hypothesis was tested by using binary logistic regression analysis to investigate if there is a relationship between the independent and dependent variables. The sample size used 300 respondents. The study revealed that perceived-ease-of-use and perceived trust have a significant positive influence on the adoption of mobile financial services. Perceived risk and social influence were found to have a significant negative influence on the adoption of mobile financial services. It was also revealed that perceived cost has no significant influence in the adoption of mobile financial services.

## **Acknowledgments**

I would like to thank the Lord Jehovah for giving me this chance and guiding me spiritually throughout my academic years. I would also like to give thanks to my project supervisor Doc Mukucha for his steadfast support and patience throughout my dissertation. I am really grateful for his mental and intellectual support. Much appreciation goes to my family especially my parents for their moral and financial support. God bless you. I am also grateful to my friends, Sinikhiwe Nyoni and Edna Mukuruve for the teamwork and academic support. May the Lord bless you all.

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## CHAPTER 1

### INTRODUCTION TO THE RESEARCH PROBLEM

#### **1.1 Introduction**

The researcher investigated factors influencing the slow adoption rate of One Money mobile financial services. The research is explained the variables that impact on the slow adoption rate. This chapter covered issues like the statement of the problem, objectives, research questions, significance of the study, limitations and delimitations of the study, definition of terms and the summary. The researcher also showed the reasons for undertaking such a study.

#### **1.2 Background of the study**

According to Potraz (2017), Net One Cellular is the first cellular system operator in the Zimbabwe based on Global System for Mobile Communications (GSM). It is a private company wholly owned by the government, formed as a subsidiary of the Posts and Telecommunications Corporation (PTC) in 1996. Its main focus and objective was to introduce and offer mobile cellular telecommunications to complement the fixed line telecommunication services presented by PTC (Net One). Net One is the original mobile company in Zimbabwe to implement the mobile transfer services One Wallet rebranded to One Money in 2017 yet today it is not significant as it is trailing way behind its competitors Econet (Ecocash) and Telecel

(Telecash). This was revealed by Postal and Telecommunications Regulatory Authority of Zimbabwe's (POTRAZ) Telecommunications Sector Performance Report for 2017 (POTRAZ, 2017).

POTRAZ (2018) report for the first quarter of the year showed Econet Ecocash mobile money service maintaining its market leadership after it added the most customers recording 272 605 new customers in the first quarter of 2018 from 4 574 409 to 4 847 014 which is 6% growth. Telecel added a marginal 0, 3% new users from 79 429 to 79 643. Net One remained in the third position in terms of total mobile subscriptions despite adding 26 028 new users from 52 940 to 78 968 thus 49, 2% growth from the previous quarter. The report showed the overall mobile money landscape in 2018 first quarter of the year remaining as it was from the previous fourth quarter in 2017 with Ecocash having 96, 8 % market share from 97,2%. Telecash had 1,6% market share from 1,1% in the previous quarter. OneMoney had also 1, 6% market share from 1, 7% (POTRAZ, 2018).

### **1.3 Mobile financial services**

Mobile financial service (MFS) is a term used to a range of financial ways conducted using mobile devices such as cellular phones or personal digital assistants (Cheney, 2008). MFS business models may be categorised as bank-led model (FI-led) and non-bank-led model (MNO- led) (Boyd and Jacob, 2007).

#### **1.3.1 Bank-led model**

In a bank-led model the customer conducts a variety of financial service using retail agents through a mobile phone or through a bank employee (Mwaura, 2009). It is the convergence of mobile technology and financial services (Dass & Pal, 2011). Mobile banking (m-banking) known as bank-led model is also termed mobile money is defined as a channel where the customer interacts with a bank via a mobile device, such as a mobile phone or personal digital assistant (PDA) (Barnes & Corbitt, 2003). M-banking can also be seen as the convergence of mobile technology and financial services (Chung & Kwon, 2009). M-banking is a subset of banking as it allows everyone easy access to their banking activities via mobile handsets (Yu & Fang,

2009). A mobile phone is used as a channel for banking services such as deposits, withdrawals, money transfers and balance inquiries. The customer links with the bank through use of mobile devices like mobile phone or a personal digital assistant (Boyd and Jacob 2007). It is a branchless bank which connects customers and their bank accounts using electronic platforms (AFI, 2012).

### **1.3.2 Non-bank-led Model**

Non-bank-led model is where a bank is not involved and non bank institutions perform all the functions. It is mostly regulated by mobile network operators (Chemonics International Inc, 2010). Customers conduct some transactions like initiating peer to peer payments thus sending money to each other through their mobile phones, payments for products or services like electricity bills. One is able to convert cash to electronic money and electronic money to cash but there is need to be physically present with an agent. This study focused on the adoption of mobile financial services, One Money, provided by a telecommunication company Net One which is a non-bank led model.

### **1.4 Statement of the problem**

Net One was the first Telecommunication Company in Zimbabwe to introduce mobile financial service One Wallet in 2010 yet today it is not significant as it would have been (Techno Magazine 2017). Despite having leap frogged other players in the industry to be the first mobile network operator, Net One has not had a very large subscriber base, 2,9million compared to 7,9 million of Econet subscribers( Techzim Magazine 2018), considering its early entry into the industry (Pindula News 2018).One Money's active users are a fraction of those of Ecocash who have 5 402 393 registered users compared to 78 968 OneMoney registered users (Techzim Magazine 2018).

Millions of Zimbabweans are using other mobile financial services to settle payments and this has become an acceptable way of payment across all sectors in Zimbabwe (Techno magazine, December 2107). One finds that in well known shopping supermarkets like OK and TM Pick n Pay, there are tills which are meant for Ecocash

payments only and there is nowhere one will see a till with One Money method of payment. This observation then prompted the researcher to find out the factors which have led One Wallet now rebranded One Money mobile service, to have a slow adoption rate.

## **1.5 Research objectives**

The objectives were divided into two thus general and specific objectives.

### **1.5.1 General objective**

To determine factors that influence consumer adoption rate of One Money mobile financial services.

### **1.5.2 Specific objectives**

1. To assess the influence of perceived usefulness on the adoption of One Money mobile financial services.
2. To assess the influence of perceived-ease-of-use on the adoption of One Money mobile financial services.
3. To assess the influence of perceived risk on adoption of One Money mobile financial services.
4. To assess the influence of perceived cost on the adoption of One Money mobile financial services.
5. To assess the influence of perceived trust on the adoption of One Money mobile financial services.
6. To assess the influence of perceived social influence on the adoption of One Money mobile financial services.

## **1.6 Research hypothesis**

**H<sub>1</sub>** Perceived usefulness has a positive effect on the adoption of One Money mobile financial services.

**H<sub>2</sub>** Perceived-ease-of-use has a positive effect on the adoption of One Money mobile financial services.

**H<sub>3</sub>** Perceived cost on mobile financial services has a negative significant effect on the adoption of One Money mobile financial service.

**H<sub>4</sub>** Perceived trust on mobile financial services has a positive influence on the adoption of One Money mobile financial services.

**H<sub>5</sub>** Perceived risk has a significant negative influence on the adoption of One Money mobile financial services.

**H<sub>6</sub>** Social influence has a positive influence on the adoption of One Money MFS.

## **1.7 Significance of the study**

The purpose of the study is to analyse the factors that influence the adoption rate of One Money. The research will influence a great deal of benefits to the following parties;

### **1. The Organisation**

Net One is going to benefit from this research as it is going to know the factors that influence the slow adoption rate of its mobile money. If the research is adopted, it will create a good framework for the company, hence they can make a turnaround and target the variables that would have been discovered to have effect on the slow adoption rate in which its customers subscribe to One Money services.

### **2. The Researcher**

The student was able to fulfill the partial requirement for completing Bachelors in Business Studies (Honours) Degree in Marketing. The research enlightened the

researcher's understanding of market research which enabled her to be a better practical researcher in future. It helped the researcher to test the relevance of theory learnt at the university and its link with the real world and application of theoretical models and concepts to the real area.

### **3. The University**

The research is going to add on to the body of literature which will be used by other academics. The research findings can be used as comprehensive literature for upcoming students who may wish to do studies in related areas and members of staff who in future may carry out researches on a similar subject.

### **4. The community served by Net One**

The research will help the community served by Net One to understand more about One Money and how it helps them through information offered by the service provider after they have understood why their customers are hesitant to register for their mobile money service.

#### **1.8 Assumption of the study**

- The researcher assumed that the results generated in the study will be generalized to the whole population.
- Researcher assumed that participants were willing to cooperate by responding positively and giving accurate and unbiased information.

#### **1.9 Delimitations of the study**

- The sample size is limited to Net One individual customers Harare only.
- A sample size of 300 individuals out of 78 968 registered active subscribers on Net One was used.
- The research was conducted in a period of one year.

- The study did not include the adoption of mobile financial services by businesses.

### **1.10 Limitations**

- The researcher had limited funds to cater for the travelling expenses from Mazoe where the researcher stays to Harare for data collection.
- Human resource was limited such that the researcher had to collect data alone and caused the researcher to visit areas that were easily accessible around the central business district of Harare only.
- Study was only confined to the Harare population that the researcher had access to of which the results may not embrace all findings affecting other customers in different parts of Zimbabwe.
- This study only concentrated on 6 variables while there could be other variables affecting the adoption of MFS.

### **1.11 Definition of terms**

**Adoption-** is a term used to describe the acceptance and continued use of a product (Lule, 2008).

**Mobile financial service (MFS)**– a range of financial activities conducted using mobile devices like cellular phones or personal digital assistant (PDA) (Cheney, 2008). It can also be defined as a set of applications that enable people to use their mobile telephones to manipulate their bank account, store value in an account linked to their handsets, transfer funds, or even access credit or insurance products (Donner & Tellez, 2008).

**Mobile money** – a bank account in the sim card protected by a four digit PIN code (Haushofer & Shapiro, 2013). The International Finance Corporation (IFC), a World Bank Group, defines mobile money as money that can be accessed and used via mobile phone (Jenkins, 2008).

**Mobile payments**– It is the use of a mobile device to conduct a payment transaction in which money or funds are transferred from a payer to a receiver via an intermediary, or directly without an intermediary (Niina, 2006).

### **1.12 Chapter summary**

This chapter looked at the introduction, purpose of the study as well as defining the research problem. It also well looked at the background of the study, delimitations and limitations, justification of the research, objectives of the research, research questions and the definition of terms. In the next chapter, the researcher will be looking into the literature review and empirical studies relevant for this study.

## CHAPTER 2

### LITERATURE REVIEW

#### **2.0 Introduction**

This chapter first discusses the theoretical framework on factors affecting consumer adoption and the empirical evidence which summaries information from different authors who have carried out researches in the same field.

#### **2.1 Adoption**

Lule (2008) depicts that adoption is the decision by an individual to become a regular user of a product. Adoption process is the mental process through which an individual passes, from hearing about an innovation through to the final adoption. According to GMSA-m Women (2013), there six stages of mobile money adoption. The six stage customer journey provides a useful way of understanding the opportunities and barriers in the pathway to the adoption of mobile financial service. The stages includes customer unaware of the service, awareness, understanding, knowledge, trial and regular use.

### **2.1.1 Customer unaware of the service stage**

In the unaware stage, the customer has no information and has certainly not heard of the service.

### **2.1.2 Awareness stage**

The awareness stage the customer has information about the mobile financial services but is sure if the services are useful to him or not.

### **2.1.3 Understanding stage**

In the understanding stage the customer learns the helpfulness of mobile financial services but does not know how to use the services.

### **2.1.4 Knowledge stage**

In the knowledge stage the customer realises that engaging in mobile financial services is ease to use and perceived ease of using mobile financial services is developed through practices.

### **2.1.5 Trial stage**

In the trial stage the customer develops trust on mobile financial services. The customer develops trust on technology; trust on interpersonal relationship and trust on distribution network. According to Tobbin and Kuwornu (2011) the adoption of mobile money is more likely to be adopted if the technology can be demonstrated to user or users be given an opportunity to try a new technology.

### **2.1.6 Usage stage**

Regular use, customers becomes regular users after learning that mobile financial services are useful, ease to use, free of risk and that they can be trusted.

## **2.2 Adoption Theories**

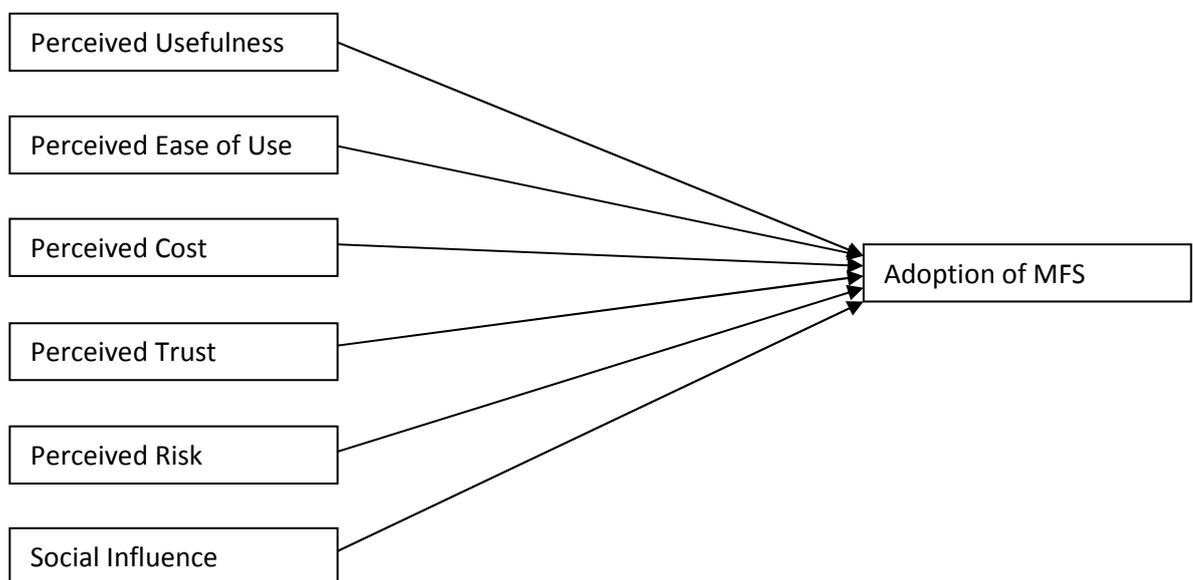
There are models and theories which have been used to study adoption of technology and these have been extended to be used in studying the adoption of mobile financial

services. These models include the Technology Acceptance Model (TAM) (Davis, 1989), Unified Theory of Use and Acceptance of Technology (UTAUT) (Venkatesh & Davis, 2000) and Roger’s Diffusion Innovation and Adoption theory (Rogers, 2003). These theories have been found to describe the adoption of a variety of technological solutions introduced into the market. These theories propose diverse constructs but they explain similar concepts. They can be and have been used in the research of adoption of mobile payment technologies though adoption varies from one place to another

### 2.3 Theoretical framework on factors affecting consumer adoption

The theoretical framework identifies the dependable variables and the independent variable that influence the adoption rate of MFS which are Perceived Usefulness, Perceived-ease-of-use, Perceived Cost, Perceived Trust, Perceived Risk and Social Influence. These variables are shown in Figure 2.1 below.

Figure 2.1 Conceptual Framework indicating the independent variables and the dependent variable.



**Independent variables**

**Dependent variable**

**Source:** Adopted & modified from Lee (2009); Chitungo & Munongo (2013); and Masinge (2010).

### **2.3.1 Perceived usefulness**

Perceived usefulness (PU) is the level to which a person believes that use of a certain service or system would boost his/her work performance or make his/her job easy (Davis, 1989). According to Davis (1989), first people use an innovation or application if they believe that it will perform their work better than before. They then adopt the innovation if they believe that the system is useful. People tend to test a service or innovation and when they realise it to be useful, they then start to use it.

### **2.3.2 Perceived-ease-of-use**

Davis (1989) defined perceived-ease-of-use as the degree to which a person believes that using a particular system would be free of effort. The impact of perceived-ease-of-use on a user's intention to adopt an innovation is directly or indirectly through perceived usefulness.

### **2.3.3 Perceived Cost**

Perceived cost is defined as the level to which someone believes that use of mobile financial services would cost money (Chitungo and Munongo, 2013). The price may embrace the transactional cost in the form of service charges, mobile network charges for sending communication traffic (including SMS or data) and mobile device cost (Chitungo and Munongo, 2013).

### **2.3.4 Perceived Trust**

Dass and Pal (2011) define trust as a psychological anticipation that a trusted part will not act opportunistically. The greater levels of trust in a service provider will direct to a greater intention on the part of user to take on in a mobile financial services (Masinge, 2010). Bangens and Soderberg (2008) say that a financial system and its actors must be trusted and must act on the values which encourage trust to customers.

### **2.3.5 Perceived Risk**

Perceived risk is uncertainty about the outcome of the use of the technology or system (Chitungo and Munongo, 2013). Lee (2009) defines perceived risk as a possible loss

due to deceit or a hacker compromising the safety of a new innovation, system or technology. He further on adds that unlawful intrusion may lead to monetary loss of users and violation of their privacy during use of an innovation. He identified five facets of perceived risk thus financial risk, security or privacy risk, social risk, time risk and performance risk.

According to Lee (2009) financial risk is defined as the potential for financial failure due to transaction error or account misuse which may create fear to users. Security risk is a potential loss due to fraud or a hacker compromising the security of an online account. Social risk refers to the possibility that using online system of financial service delivery may result in social disapproval of one's friends, family or work group. Time risk may refer to the loss of the time and inconvenience incurred due to the delays of receiving the payment due to system. Due to these kinds of risks it is of much concern that a user may not adopt a new innovation in fear of financial loss, password security, network errors, hacking and loss of personal information. It is therefore purported that perceived risk has a harmful influence on the acceptance of mobile financial services.

### **2.3.6 Social Influence**

Social influence is the level to which an individual perceives that others people believe that he or she should use the new innovation. It includes subjective norm, social factors and image, (Li, 2010). Venkatesh and Davis (2000) states that people adopt new technology because other people who are familiar use that technology.

## **2.4 Relationship between the independent variables and the dependant variable**

The research model seeks to find out if there is a relationship between the identified six independent variables mentioned in 2.3 and the dependant variable which is adoption

### **2.4.1 Relationship between Perceived Usefulness and Adoption of MFS**

Davis (1989) formulated a model, Technology Acceptance Model (TAM), which is used to study information system acceptance and has been extended to be used in

studying the adoption of mobile financial services. In this model Davis postulates that user's adoption of a new service or new technology is determined by the user's intention to use the system which is in turn determined by the user's beliefs about the system. If consumers perceive that mobile financial services are useful then they can easily adopt to the innovation. In other words the higher the consumers perceive usefulness of MFS, the faster the adoption rate.

#### **2.4.2 Relationship between Perceived-ease-of-use and Adoption of MFS**

Technology Acceptance Model by Davis in 1989 suggests that perceived-ease-of-use explains the user's intentions in adopting a new system or technology. Rogers (1995) through his Innovation Diffusion and Adoption theory identified five constructs which included relative advantage and complexity as factors which affected adoption of an innovation. These two constructs were then replaced by perceived-ease-of-use as they were considered to be a measure of a same trait (Davis, 1989; Vekantesh and Davis, 1986). Consumers will adopt mobile financial services if they perceive that it is easy to use. The higher the consumers perceive ease of use of MFS, the faster the adoption rate.

#### **2.4.3 Relationship between Perceived Cost and Adoption of MFS**

Perceived cost has a negative influence towards the adoption of an innovation. If the cost of an innovation is too high customers tend to shy off hence they do not adopt. Masinge (2010) posits that people with little income have a low purchasing power and are price sensitive. According to Micheni, Lule and Muke (2013), they say that if customers perceive that the cost of mobile money is acceptable they will adopt it easily and then use it. Dass and Pal (2011) found financial cost to have a negative influence on the adoption of mobile financial services. Furthermore, cost consideration may prevent people from adopting mobile financial services if it is high but if it is affordable it can be a motivation to faster adoption (Tobbin and Kuwornu, 2011).

#### **2.4.4 Relationship between Perceived Trust and Adoption of MFS**

If there is much trust in the service providers, customers tend to trust the new innovation hence they adopt it. There is a positive influence on the adoption of mobile financial service. The opposite is true in that if there is no trust in the service providers, customers do not adopt MFS. The higher levels of trust in a service provider will therefore lead to a greater intention on the part of user to engage in mobile financial transactions (Masinge, 2010).

#### **2.4.5 Relationship between Perceived Risk and Adoption of MFS**

Perception of risk among individuals has been proved in technology adoption literature as an important element in acquiring new technology or services. According to Communication Commission of Kenya (CCK), cell phone robbery and reuse issue is a main problem in several countries around the world. This means that the bigger the potential of loss of theft results in higher perceptions towards security risk. Subsequently, this discourages customers to adopt new technology. The higher the perceived risks, the lower the adoption rate of MFS.

#### **2.4.6 Relationship between Social Influence and Adoption of MFS**

Social influence impacts either way on adoption of an innovation. Friends, peers and family may either negatively or positively influence adoption of MFS. Venkatesh and Davis, (2000) argue that consumers adopt new technology because other people who are familiar use that technology. According to Venkatesh and Davis (2000) in TAM and UTAUT, social influence includes subjective norms, normative pressure and image. In their model (TAM2) they theorised that social influence affects the adoption because people need to connect to one another by using similar technologies. They maintained that individuals often respond to social normative influences to establish or maintain a favourable image within a reference group. Once there is an innovation hence friends, family and peers adopt it those around them are influenced to do the same. Social influence either positively or negatively impacts on the adoption of MFS.

## **2.5 Empirical literature review**

This section reviews studies done in the past on factors influencing the adoption of mobile financial services. According to Zikmund (2010), empirical evidence is a directed search of published work which includes books and periodicals. It is a comprehensive survey of previous enquiries related to the research questions.

### **2.5.1 Perceived Usefulness and adoption**

Several studies have found that perceived usefulness had a significant influence on mobile financial service adoption (Aboelmaged and Gebba 2013; Chitungo and Munongo, 2013; Davis, 1989; Li, 2010; Sayid, Echchabi, and Aziz, 2012. Lema (2014) conducted a study in Tanzania on a related research in Chamwino district and based his research on TAM methodologies. The researcher used perceived usefulness (PU), perceived-ease-of-use (PEOU), perceived cost (PC), perceived trust (PT) and social influence as independent variables and adoption as the dependent variable. The conclusion after the research showed that Perceived Usefulness had a significant positive influence on the adoption of MFS. Other variables had no significant influence and others had a negative influence on the adoption of MFS in the research. However, the research was based in a rural district outlining factors affecting the adoption of mobile financial services in a rural setup which may differ from factors affecting those in the urban areas. More studies have been done in different places showing how perceived usefulness has affected adoption of a new innovation.

Cheah, Teo, Sim,Oon& Tan (2011) conducted an empirical analysis on factors affecting Malaysian Mobile banking adoption. In the study perceived usefulness (PU) was found to be positively related to the intention to adopt mobile banking services. Munir and Idrus (2013) used the original TAM model with perceived-ease-of-use and perceived usefulness to study the acceptance of mobile financial services in Makassar City. Their findings revealed that perceived-ease-of-use and perceived usefulness have significant influence on the adoption of mobile financial services. Perceived usefulness was found to have a greater influence on the adoption behaviour than perceived-ease-of-use.

### **2.5.2 Perceived-ease-of-use and adoption**

Studies conducted have found perceived-ease-of-use to have a positive influence on the adoption of mobile financial services (Amin, Baba and Mohammed, 2007; Horne and Nickerson, 2013; Lule, 2008). Chitungo and Munongo (2013) in their study on the adoption of mobile financial services in Zimbabwe found that perceived-ease-of-use has a positive significant influence on the adoption of mobile financial service. Perceived-ease-of-use has been extensively studied with perceived usefulness and both have been found to have a positive influence on the adoption of mobile banking and mobile financial services (Yu, 2012). Li, Liu, and Ji (2014) in their study found perceived-ease-of-use to be insignificant in influencing the adoption of mobile financial services in China.

Tobbin and Kuwornu (2011) investigated the adoption of mobile financial services in Ghana. Their model investigated the influence of perceived-ease-of-use amongst other variables on the adoption of mobile financial services. Perceived-ease-of-use was significant amongst other factors influencing the adoption of mobile financial services. Jeong and Yoon (2013) in their study conducted in Singapore used Technology Acceptance Model (TAM) and had five factors which influence consumer's behavioural intention to adopt mobile banking and perceived-ease-of-use was amongst the factors. Four of the factors including perceived-ease-of-use had a significant influence on the adoption of mobile banking in the study.

### **2.5.3 Perceived Cost and adoption**

Micheni, Lule, and Muke (2013) investigated the influence of transaction cost and facilitating condition on the adoption of mobile financial services in Kenya and their study revealed that transaction cost was not significant in influencing the adoption of mobile financial services. The findings are contrary to the findings of Omwansa, Waema, and Lules (2012) who found cost significant in influencing the adoption of mobile banking.

Empirical evidence has also revealed that mobile financial adoption is highly encouraged by economic factors such as advantageous transaction service fees (Yang, 2009) or discouraged by economic considerations such as concerns on basic fees for

connecting mobile financial services (Yang 2009), cost burden for using mobile financial services (Cruze, Neto, Munoz-Gallego & Laukkanen, 2010) and high payment for using mobile financial services (Huili & Chunfang, 2011). By interviewing consumers in person, Luarn and Lin (2005) empirically identified perceived financial cost as a negative effect on behavioural intention to use mobile financial services. After analysing the respondents in the Sultanate of Oman, Sadi, Azad & Noorudin (2010) in their study, they noted that high cost was causing unwillingness to adopt the use of mobile banking. Similarly, a survey from bank customers in the Bangkok metropolitan area, Sripalawat, Thongmak & Ngramyarn (2011) supported that perceived financial cost was a leading factor influencing consumers to adopt mobile banking.

#### **2.5.4 Perceived Trust and adoption**

Dass and Pal (2011) in their research on the adoption of MFS in the rural unbanked in India found that villagers preferred channels which can be trusted in order to conduct monetary transaction. Their model has seven constructs which included perceived trust. The study found that lack of trust was a significant barrier to mobile financial adoption in rural unbanked population.

Masinge (2010) used the TAM model which included trust, perceived risk and perceived cost in studying the adoption of mobile banking in the bottom of the pyramid in South Africa. The study found that other variables had strong positive influence on the adoption of mobile banking than other variables. Perceived risk was found to have a negative influence with mobile banking adoption.

#### **2.5.5 Perceived Risk and adoption**

Studies conducted by Luo (2010) found that user's perception of risk is a crucial driver to determine innovative technology acceptance. Tobbin and Kuwornu (2011) investigated the adoption of mobile financial services in Ghana and their model investigated the influence of relative advantage, ease of use, usefulness, trialability, risk and trust on the adoption of mobile financial services. Risk was the only factor which was not significant but other factors were significant factors influencing the adoption of mobile financial services.

Masinge (2010) conducted a study on factors influencing the adoption of mobile banking services and used TAM. He added other constructs to TAM thus perceived cost, perceived trust as used by Lema (2014) and perceived risk. A study done by Luo (2010) found that customers' perception on risk is a critical driver to establish innovative technology acceptance. In Masinge (2010)'s research, perceived risk included five constructs which are security/privacy risk, performance risk, time/convenience risk, financial risk and social risk. The findings in the research showed that other factors had significant influence yet perceived risk had inverse significant influence on the adoption of mobile banking services.

Chitungo and Munongo (2013) used the extended TAM in which they added other constructs in studying the mobile banking adoption in the unbanked rural Zimbabwe. They extended the original TAM by including relative advantages, personal innovativeness, social norms, perceived risk and costs. Their study found that relative advantages, personal innovativeness and social norms have significant positive influence on user's attitude. The result of perceived risk and perceived costs revealed a significant negative influence on the adoption of mobile banking. The findings revealed that perceived risk and perceived cost deterred the adoption of the service and have negative relationship with the adoption of mobile financial services.

#### **2.5.6 Social Influence and adoption**

Sayid, Echchabi and Aziz (2012) in Somalia found social influence to be the prime factor influencing the adoption of mobile financial services in the model that used four constructs. Hamza and Shah (2014) in Nigeria found social norms to be significant in influencing the adoption of mobile financial services. Yu (2012) using the Unified Theory of Acceptance and use of Technology (UTAUT) found social influence the strongest factor influencing the adoption of mobile banking in Taiwan. Moreover Dass and Pal (2011) in their combined analysis of factors affecting mobile financial service adoption found social influence as prime factor influencing the adoption of mobile financial service. Social influence has been found to be one of the factors with a positive influence on the adoption of mobile financial services (Yan et al. 2009; Mbele-Sibotshiwe, 2013; Bhatti, 2007).

In a survey in Malaysia, Amin (2008) also used social influence as a variable and empirically found that individual intention to use mobile banking was significantly affected by persons surrounding them. Singh et al. (2010) in their study also found that individual decisions to adopt mobile commerce services were influenced by friends and relatives.

TAM methodologies have been widely used to study technological adoption in various circumstances with additional variables. Most studies have established that TAM methodology works but has to be adapted to fit in the particular environment of study and the nature of the service adopted. In this research TAM variables have been used and some other additional variables have been added from UTAUT and Rogers Diffusion of Innovation. According to Chitungo and Munongo (2013) adoption or rejection of an innovation begins when the consumer becomes aware of the product or service. The adoption of mobile financial services is not the same for all countries across the globe. The difference in economic environment determines the adoption of money transfer system thus the adoption in first world countries is not the same as in developing countries and the adoption in urban setup is not the same as in rural setups (Marumbwa and Mutsikiwa, 2013).

## **2.6 Chapter summary**

This chapter has paid attention on bringing the literature important to the research. This provided the researcher with the insights desired for conducting the research study. The chapter gave a theoretical structure for the study, explaining main variables in the research as well as empirical evidence. The next chapter details the research methodology adopted by the researcher in gathering information needed to answer the research.

## CHAPTER 3

### RESEARCH METHODOLOGY

#### **3.0 Introduction**

This chapter explains the procedure that was taken by the researcher in carrying out the project. The researcher looked at the research design, type of data, the sampling technique and sample size. The researcher examined the instruments that were used in research. The techniques applied were also outlined in this chapter.

#### **3.1. Research design**

According to Zikmund and Babin (2007), a research design is a master plan specifying the procedures for collecting and analysing data. It is a plan for the whole research study which provides the framework of the researcher's plan of action. This research study used a causal research design in finding the factors affecting the slow adoption rate of mobile financial services, One Money, at Net One in Zimbabwe. This type of research design aims to identify meaningful relationships and determine whether true relationships exist, or verify the validity of relationships between the marketing phenomena (Zikmund, 2003).

#### **3.2 Target population**

Population refers to all essentials, individuals, or units that meet the selection criterion for a group to be studied and from which a representative model shall be taken for detailed assessment (Cooper and Schindler, 2003). The research population comprised of 2, 9 million Net One subscribers in Zimbabwe.

### **3.3 Sample**

According to Zikmund (2003) a sample is a part or a subset of a larger population Zikmund (2000) defines a sample frame the original list of all the sample units within a population. The sampling frame in this research is a customer database obtained from the Net One Company which consists of 78 968 customers.

#### **3.3.1 Sample size**

Saunders, Lewis and Thornhill (2005) justify a sample size on the basis that the relationship between sample size and the overall population should be noted such that as the population increases, the sample size also increases at a diminishing rate. In this research the sample size was 300 subscribers from Net One. The sample size was calculated using the table in appendix 5.

### **3.4 Data type**

Berry (2000) defines data as the facts presented to the examiner from the study environment and it is from this data that a researcher gets into some conclusions for a research study. The researcher made use of both secondary and primary data.

#### **3.4.1 Secondary data**

Zikmund (2003) defines secondary information as data that has been previously collected for other purposes in the past but can still be used for current researches. Secondary data came from Net One internal databases that had collected information for its subscriber database encompassing the total number of its subscribers and the total number of registered customers on One Money.

#### **3.4.2 Primary data**

Primary data is the original data gathered from the field of concern of the research. It is gathered to suit the reason of the research objectives and question. Information was solicited from Net One subscribers in Harare, Zimbabwe.

### **3.5 Research instruments**

According to Bell (1992), research instruments are tools that are employed in collecting indispensable data from respondents. Cooper and Schindler (2003) say a research instrument is a device for systematically collecting data such as questionnaire, observation and interview schedule. A questionnaire was used by the researcher to collect data for the research. According to Saunders (2004), questionnaires are research equipment through which customers are asked to respond to the set of questions in a predetermined order, the use of them should fit the objective of the research. The questionnaire used in the survey was adopted from Lema (2014) in addressing the factors affecting the adoption of mobile financial services. The questionnaire aided the researcher to elicit correct information on views on the subject area.

The questionnaire has three sections, the first section collected data about respondents demographic data about gender, age, marital status, education level, occupation and range of income. The second part solicited data on whether a respondent was registered for One Money or not and it was measured on a dichotomous scale. A dichotomous scale has two groups thus a Yes/No. The other part went on to solicit on whether they used mobile financial services if they were registered. The third section used the five point Likert scale on the items to measure the constructs of the study. Respondents were asked to give their opinion by using a five point Likert scale with ranges from 1= strongly disagree, 2= Disagree 3= Neutral (neither disagree nor agree) 4= Agree and 5= Strongly Agree. A Likert scale is composed of a series of four or more Likert-type items that are combined into a single composite score or variable during the data analysis process (Bernard, 2006).

#### **3.5.1 Reliability of the research instrument**

Reliability measures the consistency of the research instrument (Zikmund et al, 2010). According to Marczyk, DeMatteo and Festinger (2005), reliability is concerned with the consistency or stability of the score obtained from a measure or assessment technique over and across settings or condition. Mitchell and Jolley (2010) puts forward that reliability does not guarantee validity but it is a prerequisite for validity

and establish a ceiling on how validity can be. The reliability of this study was established through the coefficient alpha. Alpha coefficient demonstrates whether or not the different items converge on the same point (Zikmund et al 2010).

The questionnaire used in this research was adapted from Lema (2014) and the reliability of the constructs ranged from 0, 70 to 0, 73. According to Zikmund and Babin (2007), a scale with a coefficient ranging from 0, 80 to 0, 95 are considered to have a very good reliability, scales ranging from 0, 70 to 0, 80 have a good reliability, scales ranging from 0, 60 to 0, 70 have fair reliability and those that range below 0, 60 are considered poor. The Cronbach's Alpha recommended in many studies is 0, 70 or greater (Mitchell and Jolley, 2010) henceforth Lema's (2104) constructs are considered reliable and recommendable.

### **3.5.2 Validity of the research instrument**

Validity is the accuracy of a measure to which a score truthfully represent a concept (Zikmund and Babin, 2007). It is concerned with what is measured and how well it is being measured (Marczyk, DeMatteo and Festinger, 2005). This research used multiple items to measure the constructs used in the study. Confirmatory Factor Analysis was used to establish if all the items were indeed measuring the same basic construct. Factor analysis was conducted by using SPSS 25 analysis. Bernard (2006) posits that if all items measure the same thing they must have the same variable in common.

The validity of the constructs in the questionnaire used for this research adapted from Lema (2014) ranged from 0, 31 to 0, 5. According to Bernard (2006) items with a factor loading from 0, 3 can be regarded to be worth in a model. Therefore, Lema's (2014) items in the questionnaire had good construct validity. Brown (2006) posits that when items adopted from other studies have been modified, they have to be retested again in order to establish if they are still valid henceforth the researcher is retesting them in this study.

### **3.6 Data Collecting Procedure**

Data analysed in this study was gathered by using a survey questionnaire which was distributed to respondents in different parts of Harare city in Zimbabwe. The study

used both self-administered questionnaires and face-to-face. Self-administered questionnaires are sent to respondents and respondents take the responsibility of reading and answering the question (Zikmund, Babin, Carr & Griffin, 2008). In this study, self-administered paper questionnaires were given out by the researcher to respondents in Harare city and later collected after being filled especially those who were employed by companies.

Some questionnaires were administered face-to-face to respondents who needed more clarification and more information on some of the items in the questionnaires. Bernard (2006) argues that a conversational style can produce valid, reliable and accurate data when respondents need clarification on unclear and difficult questions. The researcher had to explain to some respondents who needed to understand the questions before they answered. Some questionnaires were given to respondents in the streets especially vendors who had time to fill them.

Before a research commences there are ethical issues that are considered especially where human participants are used. These include obtaining the university approval and obtaining recommendation from skilled researchers to establish whether the study should be done (Mitchell and Jolley, 2010). American Psychological Association (APA) identifies some ethical philosophy which has to be maintained like avoiding harm(s.3.04), maintaining solitude and discretion (s.4), informed assent (s.3.10), obtaining institutional consent (s.8.01) and to avoid fraud in research (8.07) only to state a few. Ethical issues were considered in order to avoid conducting unscrupulous research, to steer clear of the likely risk to people who participated in the research and to avoid harm to participants.

### **3.7 Data Analysis Procedures and Presentation**

The researcher made use of the Statistical Package for Social Sciences (SPSS Version 25) for data testing. Factor analysis was implicated in the decrease of the data collected to a controllable size to permit the researcher to summarise, compare, synthesise and apply arithmetic techniques, which enabled the analysis of the results in relation to the research problem. The researcher used binary logistic regression analysis as it illustrates data and clarifies the association among a dependent binary

variable and one or more independent variables. In this research there are more independent variables as shown in figure 1.1 in chapter 2 versus a dependent binary variable which is adoption. Tables were used to show the results which helped in the interpretation and recommendations.

### **3.8 Chapter Summary**

This chapter identified the research methodology, research design, research instruments that have been used by the researcher in conducting the research. The chapter also highlighted the research target population, the sampling methods and the sample size. The reliability and validity of the data to be collected enclosed the research methodology as a convincing agent to the accuracy of all data gathered. The next chapter processes, analyses and presents the collected data.

## CHAPTER 4

### DATA PRESENTATION, INTERPRETATION AND DISCUSSION

#### 4.0 Introduction

This chapter focuses on the key findings of the research. There is data presentation, interpretation, presentation and discussion from which conclusions and recommendations were derived from. All the presented findings were processed using Statistical Package Social Sciences (SPSS) Version 25.

#### 4.1 Response rate

A sample size of 300 customers was used for this study and the response rate was 100% as shown on the table below.

**Table 4.1 response rate**

<b>Questionnaires</b>	<b>Frequency</b>	<b>Percentage %</b>
Administered	300	100
Completed	300	100
Not returned	0	0
Returned	300	100

*Source: Primary Data*

There were 300 questionnaires which were given to customers and all were completed and returned giving an overall response rate of 100%. The researcher achieved a high response rate because some of the questionnaires were filled on the spot as some of the customers needed further clarification. With regard to the high response rate achieved of 100%, it was therefore significant enough for the researcher to validate

the study and construct valid results of the situation under research. Bailey (2000) also instills that a study with a response rate of 50% is adequate but if it is above 70% it is deemed very good hence this research is deemed very good basing on that assertion.

#### **4.2 Demographic Profile**

The demographic results of the respondents who participated in the study are shown on the table below and explained beneath.

**Table 4.2 Demographic Statistics**

<b>GENDER</b>	<b>Respondents</b>	<b>%</b>	<b>AGE</b>	<b>Respondents</b>	<b>%</b>
Male	146	48.7	18 – 25	34	11.3
Female	154	51.3	26 – 35	110	36.7
			36 – 45	77	25.7
			Above 45years	79	26.3
<b>STATUS</b>			<b>EDUCATION</b>		
Single	72	24	Primary	21	7
Married	148	49.3	Secondary	123	41
Divorced	35	11.7	Tertiary	156	52
Separated	12	4			
Widowed	33	11			
<b>OCCUPATION</b>			<b>INCOME</b>		
Self employed	88	29.3	Less than 200	99	33
Employed in private sector	50	16.7	200 – 500	86	28.7
Employed in public sector	119	39.7	501 -1000	102	34
Retired	18	6	Above 1000	13	4.3

Student	25	8.3			
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*Source: Primary Data*

Table 4.2 reveals that of the 300 respondents who participated in the study, 146 were males and 154 were females. Females had a greater percentage of 51.3% than males who had 48.7%. The researcher was unable to get a balanced view from both males and females because the participants were randomly chosen in the streets of Harare. However, the results show that most females were registered with Net One than males. In the demographic table there is also the age range of the respondents who participated in the study. The age range ranging from 18- 25 years had respondents recording 11.3% of the sample size, 26-35 years age range had respondents giving 36.7% of the sample size, those within 36-45 years had respondents resulting in 25.7% of the sample size and those above 45 years had 29.3% respondents. The results show that the age range which recorded the most respondents ranged from 26-35 years.

Included also in table 4.2 are the marital statuses of the respondents. Single respondents were 24% of the sample size, married respondents were the majority recording 49.3% of the sample size, the divorced had 11.7% of the total number of participants. The separated and widowed respondents had 4% and 11% respectively. In the study as revealed by the demographic table above, the highest percentage of participants who had tertiary education had 52% of the sample size. Those with secondary education had 41% respondents and 7% had primary education. Of the 300 participants, 29.3% were self-employed and those employed by the private sector were 16.7% of the sample size. Most respondents who answered the questionnaires were employed in the public sector thus 119 participants recording 39.7% of the sample size. Retired participants had 6% and students had 8.3%.

Furthermore, respondents who earn less than \$200 resulted in 33% of the sample size, those who ranged in between \$200-500 constituted 28.7% of the sample size, those who ranged in between \$500-1000 were the most recorded having 34% of the sample size with 102 participants. Those who earn above \$100 recorded 43% of the sample size.

### 4.3 Measurement Scale Validation

Measurement scale validation was completed using Principal Axis Factoring (PAF) which used SPSS v25 software. PAF is a kind of Exploratory Factor Analysis (EFA) which restricts the variance that is common between variables thus it does not reallocate the variance to any one variable (Ngure, Kihor & Waititu, 2015). The researcher in this study wanted to determine the variables that affect the adoption of One Money thus identifying the common variables for application in further statistical tests linked to the hypotheses that were developed. According to Burton & Mazerolle (2011), before the extraction of constructs there are some tests which must be conducted to inspect the adequacy of the sample and the fitness of data for factor analysis. The researcher checked whether the sample was sufficient for factor analysis by using the Keiser-Meyer-Olkin (KMO) test (Keiser, 1970) which evaluates how powerful an item is correlated with other items in the EFA correlation matrix. Hair et al. (1995) postulate that KMO correlation ranges from 0 to 1 but 0.50 is considered suitable for factor analysis. Netemeyer et al. (2003) further on stated that if KMO correlation is above 0.6 it is considered sufficient for analyzing the EFA output. In this research the KMO results show a correlation of 0.837 in table 4.3 below which is way above the stipulated value hence deemed superb for factor analysis.

**Table 4.2** KMO and Bartlett's Test Results

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	0.837
Bartlett's Test of Sphericity	11670.115
Df	741
Sig.	.000

Source: Primary Data

Bartlett's Test of Sphericity (Bartlett, 1950) stipulates a chi-square output that must be significant. The test has to show that the matrix is not an identity matrix (Hair et al., 1995) and it should be significant ( $p < 0.5$ ) for the factor analysis to be suitable

(Tabachnick&Fidell, 2001).The Bartlett's test of sphericity in this research was significant at 741 degrees of freedom as shown in Table 4.3 .It shows that the correlation matrix is not an identity matrix ( $p=0.000$ ).

There were 39 items measuring the factors affecting the slow adoption of One Money which were entered into a dialogue box for PFA and rotation was used for the extraction of the variables. Factor rotation helps by maximizing high item loadings and reduces low item loadings (Brown et al., 2010). There are two types of rotations namely oblique and orthogonal. Oblique rotation is used when data does not convene priori assumptions (Costello & Osborne, 2005) thus in simpler terms the method produces items that are correlated. On the other hand orthogonal produces variables that are uncorrelated and has several options for rotation which are quartimax, varimax and equamax (Costello & Osborne, 2005). In this study, the researcher used varimax rotation which was developed by Thompson (2004). It is the most common form of rotational method used for EFA and regularly provide an easy structure and since the variables in this study are independent of each other.

According to Hair et al. (1995) an item which loads less than 0.5 should be deleted in factor analysis. Items labeled SI1, PEU3, PU1, PT6 and PT1 did not load significantly ( $p<0.5$ ) hence they were disqualified from further scrutiny. There was cross loading of items into 2 factors in this study hence Castello & Osborne (2005) say that if there are any cross loading items with  $< 0.32$  they should be excluded. In this case PEU2 cross loaded as factor 2 and 4, PEU1 cross loaded as factor 2 and 4, PT2 cross loaded as factor 5 and 7. PEU1 & PEU2 were excluded from further analysis after removing each item separately and reloading again .PT2 was not removed but it reloaded itself into factor 5. PT7, PU2, PU6 and PU7 were eliminated as the items did not conceptually belong to factor 1. The researcher reloaded again several times removing some items like PEU2, PEU4, PC4, SI6, PU3, PU4, PU5, SI5 and PR1.

Table 4.4 shows the final items that loaded into similar variables. There were 6 factors which were hypothesized in this research. Henson & Roberts (2006) argued that for a factor to provide an important interpretation it must have at least 3 items loadings or more. The reason for factor analysis is to lessen many character items into a few

numbers of variables. There were 48 items which needed to be reduced into a few number of variables hence after factor analysis 18 items loaded into 5 factors as seen in table 4.4 below. Factor 1 loaded with 5 items, factor 2 loaded with 4 items and factors 3, 4 and 5 loaded with 3 items each.

**Table 4.3 Final Rotated Factor Matrix**

	Factor				
	1	2	3	4	5
PR2	.920				
PR3	.914				
PR5	.895				
PR4	.878				
PR7	.698				
SI3		.879			
SI4		.778			
SI7		.761			
SI1		.711			
PEU5			.937		
PEU6			.904		
PEU7			.623		
PC2				.862	
PC3				.779	
PC1				.686	
PT2					.770
PT3					.739
PT4					.739

Source: Primary Data

Mitchell & Jolley (2010) argue that a factor loading ranges from -1 to 1 and that 0.70 and above is deemed very high and acceptable. Loading as factor 1 is Perceived Risk

(PR) accounting for %, factor 2 Social Influence (SI) with %, factor 3 Perceived-ease-of-use (PEU) with %, factor 4 Perceived Cost (PC) with % and factor 5 Perceived Trust (PT) with % respectively.

#### 4.4 Reliability and Validity

The constructs in the questionnaire in this research were tested for both reliability and validity.

##### 4.4.1 Reliability

The instrument used in this research was tested for reliability. Below is a table which shows the Cronbach's Alpha scores for the variables.

**Table 4.4 Reliability Scores**

<b>Construct</b>	<b>Cronbach's Alpha</b>
Perceived Risk	0.938
Social Influence	0.879
Perceived-ease-of-use	0.864
Perceived Cost	0.863
Perceived Trust	0.809

*Source: Primary Data*

Reliability tests scores for the variables used in this research showed that the tools were reliable as they ranged from 0.8 to 0.9. An average Cronbach's alpha of 0.8868 of the 5 constructs is acceptable as according to Nunnally (1978) who said that reliability of an instrument should be at least 0.7 and above.

##### 4.4.2 Validity

In this study, the researcher tested for convergent and discriminant validity of the constructs. Campbell & Fiske (1959) pointed the significance of using both discriminant and convergent validation when assessing new tests.

#### 4.4.2.1 Convergent Validity

According to Shiu (2010), convergent validity measures the level to which the scale correlates certainly with other measures of the similar construct and is frequently tested by using the Average Variance Extracted (AVE). Convergent validity tests that the constructs which are supposed to be related are indeed related. Fornell & Larcker (1978) stated that a measurement instrument is said to be valid if it scores 0.5 and above henceforth in this study, the constructs were acceptable as they scored coefficients of above 0.5. Below is a table showing the Average Variance Extraction Scores of the variables.

**Table 4.5 Average Variance Extractions Scores**

<b>Constructs</b>	<b>AVE Scores</b>
Perceived Risk	0.748
Social Influence	0.616
Perceived-ease-of-use	0.695
Perceived Cost	0.607
Perceived Trust	0.562

*Source: Primary Data*

Table 4.4 shows the scores of the constructs which are above 0.5 surpassing the threshold stated by Fornell & Lacker (1978) therefore meaning that the scale correlates with other measures of the similar constructs and deemed valid. The researcher then went on to test for discriminant validity as according to the emphasis by Campbell & Fiske (1959) who stressed that it is important to test for both validities when assessing new tests.

#### 4.4.2.2 Discriminant Validity

According to Hair et al. (1998), discriminant validity compares the squared correlations among each pair of constructs alongside the minimum of the average variance extracted for the two constructs. It shows that two measures which are not

expected to be related are truly unrelated. Discriminant validity passes when the R squared for the variable is beneath the minimum Average Variance Extraction.

**Table 4.6 Discriminant Validity**

Constructs	AVE Scores	R Squared
Perceived Risk	0.748	0.30
Social Influence	0.616	0.19
Perceived-ease-of-use	0.695	0.643
Perceived Cost	0.607	0.088
Perceived Trust	0.562	0.84

Source: Primary Data

Table 4.5 shows the AVE scores against the R squared scores whereby the R squared values are below the AVE values. This then means that the instrument passed discriminant validity test since according to Hair et al. (1998), R square values should be less than the minimum AVE scores.

#### **4.5 Hypothesis Testing**

The researcher went on to test the hypotheses using the Binary logistic regression so as to determine the relationship between the variables identified as factors affecting the slow adoption rate of One Money and adoption. Binary logistic regression was used as it used to illustrate data and clarify the association among a dependent binary variable and one or more independent variables. In this study there are 5 independent variables namely Perceived risk, Social influence, Perceived-ease-of-use, Perceived cost and Perceived trust and the dependent variable is Adoption which is measured on a dichotomous scale. Dichotomous scales have 2 groups thus for example yes/no or pass/fail. In this case the dependent variable is measured by a Yes/No thus whether one is registered for One Money or not. Table 4.7 shows the binary logistic results which are then used to show the relationship between the dependent variable and the independent” variable through the hypothesis testing.

**Table 4.7 Binary logistic results**

	Variables in the Equation				Sig.	Exp(B)
	B	S.E.	Wald	Df		
Social influence	-3.560	.491	52.654	1	.000	.028
Perceived cost	.379	.281	1.818	1	.178	1.460
Perceived trust	1.023	.477	4.598	1	.001	.360
Perceived risk	-2.185	.638	11.739	1	.001	8.893
Perceived-ease-of-use	1.732	.549	9.966	1	.002	5.650
Constant	1.573	4.030	.152	1	.696	4.820

Source: Primary Data

**4.5.1 H<sub>1</sub>: Perceived Usefulness has a positive effect on adoption of One Money mobile financial services.**

In hypothesis 1, it was proposed that Perceived Usefulness has a positive consequence on adoption of One Money. The researcher however did not test for this hypothesis as the Rotated Factor Matrix did not load any of the constructs to make the variable stand. This means that the hypothesis was rejected as there was no variable loading.

**4.5.2 H<sub>2</sub>: Perceived-ease-of-use has a positive effect on the adoption of One Money mobile financial services.**

Hypothesis 2 proposed that perceived-ease-of-use has a positive effect on the adoption of One Money. Table 4.7 reveals the result that there is a relationship between Adoption and Perceived-ease-of-use. It shows a significance level of 0.001 meaning that Perceived-ease-of-use of One Money influences the Adoption of the mobile financial services. According to Berger (2017) if ( $p < 0.001$ ) the variable shows that

there is a relationship between the independent and dependent variable. In other words Perceived-ease-of-use has a positive effect on the adoption of One Money meaning that as consumers perceive that it is easy to use One Money mobile financial services, they adopt to its usage. The researcher therefore accepted H<sub>2</sub> which states that perceived-ease-of-use has a positive effect on the adoption of One Money financial services.

#### **4.5.3 H<sub>3</sub>: Perceived Cost on mobile financial services has a negative significant effect on the adoption of One Money.**

In hypothesis 3, it was proposed that Perceived Cost on mobiles financial services has a negative significant effect on adoption of One Money. As shown by table 4.7, the results show that Perceived cost has no significance at all in the adoption of One Money financial services. The results show a significance level of 0.178 which is way above 0.001 meaning that Adoption is not influenced by Perceived cost. According to the results, Net One consumers are not affected by cost in the adoption of One Money mobile financial services. The researcher rejected H<sub>3</sub> as there is no relationship between perceived cost on mobile financial services and adoption of One Money.

#### **4.5.4 H<sub>4</sub>: Perceived Trust on mobile financial services has a positive influence on the adoption of One Money.**

In hypothesis 4, Perceived trust on mobile financial services is being proposed that it has positive influence on the adoption of One Money. Table 4.7 above shows that Perceived trust has significance in the adoption of One Money. The significance level is 0.001 meaning that it has impact on the adoption of MFS. Exp (B) shows a value that is positive thus 1.023 meaning that there is a positive significance. The researcher accepts H<sub>4</sub> which states that Perceived trust on mobile financial services has a positive influence on the adoption of One Money.

#### **4.5.5 H<sub>5</sub>: Perceived Risk has a significant negative influence on the adoption of One Money mobile financial services.**

Hypothesis 5 proposed that Perceived risk has significant negative influence in the adoption of One Money. Table 4.7 reveals that there is significant influence on the

adoption of One Money. As Berger (2017) postulates that if ( $p < 0.001$ ) the variable is significant, Perceived risk shows a significance value of 0.001. However, the significance is in a negative way as shown by Expo(B) -2.185 meaning that perceived risk affects adoption in a negative way. Perceived risk impacts negatively on the adoption of One Money. The researcher accepts  $H_5$  that was proposed which says that perceived risk has a significant negative influence on the adoption of One Money.

#### **4.5.6 $H_6$ : Social Influence has a positive influence on the adoption of One Money mobile financial services.**

Hypothesis 6 proposed that Social influence has a significant positive influence in the adoption of One Money. Table 4.7 shows that Social influence has a negative significant influence as it reveals a value that is below 0.001. Social influence is a significant factor in influencing the adoption of One Money but it does so in a negative way. In other words, those that are already registered with One Money may have had bad experiences with the mobile financial services hence influence others in a negative way. The researcher failed to accept  $H_6$  as there is a negative influence on the adoption of One Money.

#### **4.6 Discussion of findings**

The findings of the research are hereby discussed to examine the similarities and major findings between the current results and the results from other studies. Hypothesis 1 was not tested as the variable did not load as a factor. In other words the hypothesis was rejected as there was no variable standing. However, in other studies conducted by Chitungo and Munongo (2013) in Zimbabwe, they found that perceived usefulness was very significant in influencing user adoption. Lule (2008) in Kenya also did a research which also revealed that perceived usefulness was significant in the adoption of an innovation. The results imply that if customers perceive mobile financial services to be useful they will adopt it and use them. These conclusions moreover, suggest that people adopt mobile financial services when they meet their needs. However, in this study Perceived usefulness did not pass as a variable that influences the adoption of One Money.

Perceived-ease-of-use in this study has been found to have a positive effect on the adoption of One Money MFS. This then suggests that perceived-ease-of-use has a high predictive power in explaining user adoption of mobile financial services. Marumbwa Mutsikiwa (2013); Masinge (2010), have had studies where they also came up with the same results as in this study. Tobbin and Kuwornu (2011); Chitungo and Munongo (2013) also came up with the same results after conducting different studies that perceived-ease-of-use has a positive effect on the adoption of an innovation. However, some other findings found by Yan et al. (2009) in Malaysia and Sayid, Echchabi & Aziz (2012) in Somalia revealed that perceived-ease-of-use had no significant influence on the adoption of mobile financial services. The result is not consistent with the theoretical perspective of technology acceptance model which identifies ease-of-use as instrumental factors which influence the adoption of a new technology.

This research showed results that perceived cost has no significance in the adoption of One Money. The findings imply that perceived cost does not affect the adoption of One Money. There is no relationship whatsoever between Adoption and Perceived cost. The findings were in line with the results revealed by Micheni, Lule and Muke (2013) in Kenya. The study instituted transaction cost to be insignificant in explaining the adoption of mobile financial service. Jeong and Yoon (2013) also found that perceived financial cost has no significant influence on the adoption of mobile financial service.

However, there are other studies which found that perceived cost has a significant negative influence on the adoption of mobile financial services (Tobbin and Kuwornu, 2011; Marumbwa and Mutsikiwa, 2013; Dahlberg, Mallat and Oorni, 2004; Dass and Pal, 2011). Li, Liu and Ji (2014) in their study in also found that costs (continuous cost and sunk costs) were not significant. This implied that consumers considered the entry cost than continuous cost and sunk cost. The findings of this study suggest that increasing the cost or lowering the costs of mobile financial services cannot be a barrier or a motive to mobile financial service adoption.

The hypothesis of this research suggested that perceived trust has a significant positive effect on the adoption of One Money. The results of the regression analysis revealed

that perceived trust has positive significant influence on the adoption of mobile financial services. This means that the more Net One users trusted One Money MFS the more they adopt it. Trust has positive impact on the adoption of One Money. The findings complied with the results revealed by Li, Liu and Ji (2014) who found trust to have a significant influence on the adoption intention of mobile financial services. Moreover, studies by Chitungo and Munongo (2013) and Marumbwa & Mutsikiwa (2013) found perceived trust to have a significant influence on the adoption of mobile financial services.

Dass and Pal, (2011) in their study in India found that perceived trust was not significant. Wiedemann (2009) in the study done in German tested the hypothesis by using multiple regression analysis and found that perceived trust had no significant control on the adoption mobile payment system. Tobbin and Kuwornu (2011) expected a high coefficient for perceived trust in their study because most of their respondents used some form of money transfer regularly with most of it being through banks or friends and family though the result showed that perceived trust was not significant.

In this study Perceived risk has been found to have a significant negative influence on the adoption of One Money MFS. The hypothesis is based on literature that uncertainty about the outcome of mobile technology can be an obstacle to individual's adoption intention. The result of this research revealed that that perceived risk has a significant influence on the adoption of mobile financial services. In simpler terms, the results mean that Net One users do not adopt One Money due to perceived risks associated with mobile financial services.

The findings of this study were similar with findings of other studies which found a significant influence on the adoption of mobile financial services (Marumbwa and Mutsikiwa, 2013; Dass and Pal, 2011; Dahlberg, Mallat and Oorni, 2004). Contrary to these findings, Tobbin and Kuwornu (2011) conducted their study in Ghana found that perceived risk had no significant influence on the adoption of mobile financial service.

The hypothesis for social influence stated that it has positive influence on the adoption of One Money. However, the study results showed that there was a significant

negative influence on the adoption of One Money. Net One users did not adopt One Money mobile financial services because of negative social influence. In other words, social influence did impact negatively on the adoption of mobile financial services. Due to some bad or poor services received by those who are already registered on One Money, there might be some discouragement to other peers to register.

The findings of this study differ from Dass and Pal (2011) who found that social influence was in the category of strong determinants of mobile financial adoption. Sayid, Echchabi and Aziz (2012) in their study in Somalia found that social influence has a significant positive influence on the adoption of mobile money services. Ya et al, (2009) found peer influence to be the most significant factor influencing the adoption of mobile payment.

#### **4.7 Summary**

This chapter dealt on the presentation, analyzing and discussing the findings of the research. The major findings show that Perceived-ease-of-use and Perceived Trust have significant positive influence on the adoption of One Money mobile financial services. Perceived Risk and Social Influence on the other hand revealed that they have significant negative influence on the adoption of One Money. Perceived Cost is the only variable with findings that show that there was no significance at all which influenced the adoption of One Money. The next chapter shall look at the summary of these findings, conclusions, recommendations as well as considerations for future research on the subject.

## CHAPTER 5

### SUMMARY, RECOMMENDATIONS AND CONCLUSIONS

#### **5.0 Introduction**

This chapter of the research report outlines the summary of major findings and conclusions, recommendations as well as considerations for future research.

#### **5.1 Summary of the research findings**

The research subject was to discover factors affecting the slow adoption rate of One Money at Net One Telecommunications in Zimbabwe. The specific objectives were to assess the influence of perceived usefulness, perceived-ease-of-use, perceived cost, perceived trust, perceived risk and social influence in the adoption of OneMoney mobile financial services. A fusion of different authors' ideas in the literature review was done so as to assess the generalizations of the current body of knowledge. A causal research design was used to examine the relationship between the independent variables and the dependent variable which is adoption. 300 respondents answered the questionnaires and all were returned. Data was collected and analysed using SPSS version 25 and there was also usage of Microsoft Excel. Data was presented on tables and explained.

The researcher found out that there was a positive relationship between perceived-ease-of use and adoption. The findings from the respondents showed that perceived-ease-of-use has an impact in the adoption of One Money mobile financial services and in a positive way meaning that the easier it is to use One Money services, the more people adopt to its services.

The researcher failed to accept H3 which stated that perceived cost has a significant negative influence on adoption. The findings from the respondents showed that perceived cost has no significance at all in the adoption of One Money. Net One subscribers are not affected by the costs of either phones or costs of mobile money services in the adoption of One Money.

Perceived trust was hypothesized to have positive influence on the adoption of One Money. The findings from the respondents also revealed that there is indeed a significant positive influence of perceived trust on the adoption of mobile financial services. Customers are affected by trust issues on either the service providers or the mobile money services. This reveals that once customers have trust in either the service provider (Net One) or the mobile money services they become more willing to adopt One Money.

H5 stated that Perceived risk has a significant negative influence on the adoption of One Money. The results from the respondents revealed that there was significant negative influence on the adoption of One Money hence the hypothesis was accepted. Net One users do not adopt to using One Money services due to risks associated with the mobile financial services that may include failure to get compensation once an error occurs of sending money to a wrong number or someone accessing one's account. Such kind of risks may obstruct adoption.

The researcher had hypothesized that Social influence has a significant positive influence on the adoption of One Money mobile financial services. The findings however, show that there is a negative influence hence H6 was not accepted. This then means that Net One customers are discouraged by their peers and colleagues to adopt One Money mobile financial services. The reasons which may influence such may include bad experiences with the mobile financial services or the service providers themselves from those who are already registered.

## **5.2 Conclusions**

Given the findings given above, the researcher can conclude that adoption of mobile financial services is positively influenced by perceived-ease-of-use and perceived trust.

The study reveals that customers will accept mobile financial services if they are easy to use and if they are trustworthy. It can also be concluded that customers are not affected by costs which may either be costs of mobile phones or costs in terms of charges of mobile financial services in the adoption of One Money mobile financial services. Findings illustrate that perceived risk and social influence negatively manipulate the adoption of One Money meaning that rather than encourage they discourage adoption. Customers may fear that they may lose their money over mobile financial services and those who are already registered may impact negatively to their peers, friends and family socially such that these variables hinder the adoption of One Money.

### **5.3 Recommendations**

Net One has a slow adoption rate of One Money mobile financial services which is leading to a decrease in MFS market share. The research findings are making clear of areas that the service providers should improve. The researcher recommends that Net One should offer One Money services which are easy to use and accessible. Registration for One Money should not be very complex to hinder adoption as some may not be able to pass through the levels of registration at ease. If it is easier to register and use One Money it will attract more customers to adopt to its usage as depicted by the findings that perceived-ease-of-use has a positive effect on adoption.

Net One has to address issues pertaining to risk in order to increase customer trust since the findings in this research show that perceived risk has a negative consequence on the acceptance of OneMoney. Net One service provider has to remove fear from its customers so that they in turn have utmost trust in them. Customers who are already registered with One Money will also positively influence its adoption to those who are unregistered through social influence.

The researcher also recommends that the service provider do some campaigns to educate its customers who are already registered and those who are not yet registered about its One Money services. This will wipe away the doubts and fears that customers perceive which adds up to perceived risk. Perceived risk according to the research findings impacts negatively on the adoption of One Money. Once the risks

that customers think they will face when they are registered and using the MFS are cleared, adoption of One Money may not be hindered.

#### **5.4 Areas of further research**

The company needs to do a further research on the factors affecting mobile financial services as there may be other factors other than these which have been dealt with in this study. The researcher is of the belief that a future research be done but employ a larger sample and the geographical delimitations need to be extended outside Harare. Consequently, the factors which have been hypothesized in this study may be used and they may give different results in future since there would be use of a different population size and sample altogether.

#### **5.5 Summary**

This chapter reflected on the results gained from the study giving the summarised findings, conclusions, recommendations as well as the proposed future studies.

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## Appendix 1 Questionnaire approval letter



**FACULTY OF COMMERCE**

**DEPARTMENT OF MARKETING**

Dear Respondent

REF: REQUEST FOR COMPLETION OF QUESTIONNAIRE ON FACTORS AFFECTING THE SLOW ADOPTION RATE OF ONE MONEY.

My name is PrivelegeMutononoa student at Bindura University of Science Education studying for a Bachelor of Business Studies Honors Degree in Marketing. I am carrying out an academic research under this topic, **“Factors affecting the slow adoption rate of One Money at Net One Telecommunications in Zimbabwe”**. The information gathered will be used towards a research study, which is part of the requirements for the researcher’s studies.

Your responses will be treated with confidence and will only be used for purposes of this study.

Your cooperation will be greatly appreciated

Yours faithfully

PrivelegeMutonono

## APPENDIX 2 Questionnaire

### SECTION A: DEMOGRAPHICS

**Instruction:** Please put a tick in the box corresponding to your answer.

1. What is your gender? Female  Male
2. What is your age range? 18  26-35  36-45   
Above 45
3. What is your marital status? Single  Married  Divorced   
Separated  Widowed
4. What is your education level? Primary  Secondary  Tertiary
5. What is your occupation? Self employed  Employed in private sector   
Employed in public sector  Retired  Student
6. What is your range of income per month? Less than \$200  \$200-500   
\$501-1000  Above \$1000   
56

7. Are you a Net One subscriber?      Yes      No

8. Are you registered with One Money?    Yes     No

**SECTION B: Uses for One Money services**

9. What transaction/s do you conduct with One Money services? (Tick whatever is most appropriate)

Buy airtime and bundles       Transfer money       Buying goods   
 Sending and receiving money       Paying bills like ZESA, water   
 Paying insurance       Saving money       I do not use One Money services

**SECTION C: FACTORS AFFECTING ADOPTION OF ONE MONEY**

**Instruction:** Please respond to the following questions by ticking the appropriate level of agreement from 1- strongly disagree, 2- disagree, 3- Neutral (Neither agree nor disagree), 4- Strongly agree, 5- Agree.

	<b>Question</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
10	One Money is easy to activate and use.					
11	Using One Money makes me accomplish my tasks more quickly.					
12	One Money enhances my payments.					
13	One Money is very advantageous and useful in making transactions.					
14	One Money is convenient to use.					
15	I think that learning to use mobile financial services would be easy.					
16	I think interaction to use One Money does not require a lot of mental effort.”					
17	I think it is not difficult to use One Money services.					

	<b>Question</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
18	I think it is easy to use One Money services to accomplish tasks like paying bills.					
19	I am not able to use One Money because of my level of education					
20	My level of knowledge and experience of mobile phones affects the level of usage of One Money.					
21	I think the cost of mobile phones for use of One Money is expensive.					
22	I think it is expensive to access and use One Money.					
23	I think the transaction fees/charges for One Money are expensive or too high compared to other mobile financial services.					
24	One Money charges/ transaction fees are reasonable.					
25	One Money is a very secure way of doing your transactions.					
26	One Money services providers do perform transactions in an expected manner.					
27	One Money service providers are open and receptive to customer needs.					
28	One Money service is trustworthy.					
29	One Money service providers make good-faith efforts to address most customer concerns.					
30	I can rely on One Money services to do my transactions always.					
31	One Money may not perform well because of network problems challenges.					
32	When transactions errors occur, I worry that I cannot get compensation from One Money service providers.					
30	I'm worried about using One Money because other people may have access to my account.					
31	One Money may not perform well and process payments incorrectly.					
32	I would not feel secure sending sensitive information on One					

	Money services.					
33	My line of business has influenced me to use One Money.					
34	Opinions and influence of friends, family and relatives matter in the use of One Money.					
35	One Money has changed the way I interact and do business.					
36	My work has influenced me to use One Money.					
37	My peers think I should use One Money.					
38	My lifestyle does not allow me to use One Money.					
39	Someone may get my pin and use it to defraud my account.					
40	I may lose money when I am transferring if I put a wrong pin or wrong number.					
41	I prefer using One money services as it is very fast.					
42	Using One Money is compatible with my life.					
43	Help is available when I face a problem when using One Money.					
44	The language used on One Money stops me from using the services.					
45	I do not know much about One Money.					

### APPENDIX 3 Average Variance Extracted

#### AVE of Perceived Risk

$\lambda$	$\lambda^2$	$\epsilon$			
0.92	0.8464	0.1536			
0.914	0.835396	0.164604			
0.895	0.801025	0.198975			
0.878	0.770884	0.229116			
0.698	0.487204	0.512796		N	5
				Average variance extracted	0.748182
4.305	3.740909	1.259091		Composite reliability	0.936384

#### AVE of Social Influence

$\lambda$	$\lambda^2$	$\epsilon$			
0.879	0.772641	0.227359			
0.778	0.605284	0.394716			
0.761	0.579121	0.420879			
0.711	0.505521	0.494479			
				N	4
				Average variance extracted	0.615642

3.129	2.462567	1.537433		Composite reliability	0.864281
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AVE of Perceived-ease-of-use

$\lambda$	$\lambda^2$	$\epsilon$		
0.937	0.877969	0.122031		
0.904	0.817216	0.182784		
0.623	0.388129	0.611871		
			N	3
			Average variance extracted	0.694438
2.464	2.083314	0.916686	Composite reliability	1.795877

AVE of Perceived Cost

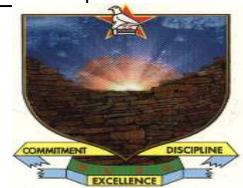
$\lambda$	$\lambda^2$	$\epsilon$		
0.862	0.743044	0.256956		
0.779	0.606841	0.393159		
0.686	0.470596	0.529404		
			N	3
			Average variance extracted	0.606827
2.327	1.820481	1.179519	Composite reliability	1.544246

## AVE of Perceived Trust

$\lambda$	$\lambda^2$	$\epsilon$		
0.77	0.5929	0.546121		
0.739	0.546121	0.453879		
0.739	0.546121	0.453879		
			N	3
2.248	1.685142	1.453879	Average variance extracted	0.561714
			Composite reliability	0.77658

### APPENDIX 4 Net One letter for research approval

Letter to Net On seeking research permission



Bindura University  
Private Bag 1020  
Bindura

30 September 2017

Net One  
Kopje Plaza Building  
Jason Moyo Avenue  
Harare

Dear Sir/Madam

### **RE:To carry out a research on the factors affecting the adoption of OneMoney at Net One Telecommunications in Harare**

I am a student (**B1544415**) at Bindura University of Science Education carrying out a survey on the factors affecting the adoption of OneMoney in the telecommunications industry as a requirement to partial completion of a Bachelors of Business Studies (honours) degree in Marketing.

As part of the survey it shall encompass carrying out a study at Net One. I am kindly asking for your permission to carry out this study. This is strictly for academic purposes and shall be done under the supervision of the university lecturer.

Your assistance is greatly appreciated.

Yours faithfully

Privelege

Mutonono

#### APPENDEX 5 Sample size

Population size	Confidence level = 95%			Confidence level = 99%		
	Margin of error			Margin of error		
	5%	2,5%	1%	5%	2,5%	1%
100	80	94	99	87	96	99
500	217	377	475	285	421	485
1.000	278	606	906	399	727	943
10.000	370	1.332	4.899	622	2.098	6.239
100.000	383	1.513	8.762	659	2.585	14.227
500.000	384	1.532	9.423	663	2.640	16.055
1.000.000	384	1.534	9.512	663	2.647	16.317

Source: Saunders,Lewis&Thornhill (2009)

