IMPACT OF MOBILE MONEY TRANSACTIONS IN EASTERN PROVINCE OF CHIPATA DISTRICT

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ABSTRACT

Mobile money transactions are very important in the cutting edge society which additionally acts as a scaffold between the developing and the already developed nations. These days a large number of individuals, despite belonging to different classes of the society utilized their own respective handsets to transfer money to other’s accounts, pay for shopping bills and access sophisticated financial services. There are various definitions used to clarify mobile money transactions, one of the definitions is generally used to depict mobile money as banking and separated from the multitudinous money related exchanges are being done by utilizing cell phones or gadgets.

KEYWORDS: Mobile Money, Transfer, Challenges, Business, Customer.

INTRODUCTION

In ancient days the transactions were done through the Barter system. Here salt or rice was used as an intermediate of exchange. Nowadays the main medium of exchange is money. Some five decades back the transactions were done through the ledgers, after the invention of computer with advanced technology every transaction was done through the digital methods. However, more than 2 billion people are using the mobile phones among the world population and whereas 2.5 billion does not hold an account in the bank. (Penn. M, 2011). Due to the monstrous development in communication mobile money transaction became the order of the day. Mobile money transfer service was utilized in some parts of African continent, within the short development due to its nature of facilitating financial transactions with lightning speed. The telecommunication industry has exponentially grown since the invention of the transistor in 1947. This rapid growth means that the way consumers access and use telecommunication services is also changing. This further flagged the way for the global level countries have the opportunity to empower marginalized population with Information, Communication and Technology. Notably among the latest changes inflames the golden opportunity for the user of mobile phones in the remote and rural areas worldwide (Batchelor S et al, 2009).

Mobile phones are gradually making a consequential impact to financial service providers especially on the arena of banking in general. In Africa, for instance, the expansion of mobile phone networks has enabled financial services to reach the non-banking and uncounted population through the mobile money transactions.

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This study seeks to undertake an assessment of the impact of mobile money by studying mobile money transactions in Chipata as a case study.

RATIONALE OF THE STUDY

The main aim of this study is to highlight the impact of mobile money transactions in Chipata district of Eastern Province. It is more important in the sense that it will depict the challenges and encounters meet by the mobile money user since they started using the service. This paper will also provide the recommendations on mitigating the current challenges so that the mobile money providers can do to reduce the challenges and provide better service to challenges. It seeks to understand and know social-economic benefits of mobile money and to understand and evaluate the benefits and undemanding’s of mobile money.

RESEARCH METHODOLOGY

A proper research methodology is imperative to derive meaningful inferences and conclusions from the study. The methodology adopted for this study is as follows:

RESEARCH DESIGN

In this research the design used is descriptive in nature. The information is collected from the individual users and analyzed with the help of different statistical tools, for describing the relationship between various types of variables, pertaining to perception about the impact of mobile money transactions in Chipata City. Moreover cross table Analysis has been done for processing the data and information obtained to meet the objectives of the study. A survey of 50 mobile money users was conducted. The survey was conducted by the use of self-administered questionnaires which contained closed and open ended questions.

RESEARCH POPULATION

The study focused on 50 respondents based on Chipata, Eastern Province of Zambia. Therefore, the population provided enough data with much information relevant to the study.

SAMPLING DESIGN

Structured questionnaire method is used as an instrument for collecting information from the individuals. A Pilot study was conducted based on which a few changes were made in the questionnaire.

In order to choose a sample from a vast population of mobile money users who are in Chipata, a non-probability purposive sampling approach was used, in particular, the judgment sampling technique. This technique was used because it satisfied the sampling objective, i.e., all the respondents that were included in the sample use mobile money in their business activities.

This causal study deploying a method of mixed approach for the collecting and examine the data. A total of 50 formed the population for the study, demonstrating the total number of mobile money users within Chipata City, which use the service for personal and business purposes as core. A non-probability sampling method was used to arrive at the study sample.

TYPES AND SOURCES OF DATA

In order to achieve the aims of the research, two types of data were collected. These bring the primary and secondary data.

PRIMARY DATA

Primary data was collected using a self-administered questionnaire. The questionnaire contained both structured and closed-ended. Questionnaires were distributed to contact persons of the selected businesses. The questionnaire was prepared after getting inputs from the experts and executives in entrepreneurship.
SECONDARY DATA

Secondary data was sourced from newspapers and the internet. Literature from published and unpublished work was used to support the research.

SAMPLING TECHNIQUES

Convenience sampling was used to collect data from Mobile Money Users in Chipata district.

CONVENIENCE SAMPLING

The researcher selects the sampling unit on the base of convenience. It is also called as an accidental sample due to the sample-unit enters by accident. By the selection of units where they are sample units are selected because they are accessible.

SAMPLE SIZE

The number of items selected from the population constitutes the sample size. A sample size of 50 was taken.

STATISTICAL TOOLS USED

The data was analyzed mainly by using the percentage method. Preference of the respondents towards mobile money in different business sectors has been analyzed using ranking method.

PERCENTAGE ANALYSIS

This is an analysis where the percentage of a particular factor with different categories is calculated, in order to help one get fair idea regarding the sample and thereby that of the population.

STUDY AREA

This chapter will look at the study area and why the researcher selected Chipata Town as the area of study.

SELECTION OF STUDY AREA

The researcher selected Chipata Town based on the observation that the researcher is a Chipata based resident and can only manage to do a research within this area. This prompted the researcher to carry out the research and find out the impact of mobile money in Chipata Town.

PHYSICAL CHARACTERISTICS OF THE AREA

Chipata Town is the capital of the Eastern Province of Zambia. Having a Boma, Markets, a Hospital, Shopping center, and various Schools, Chipata is the business and Administrative center that serves the locale. The town brags of a four-star hotel, a golf course, an airport, mosques and even a "Welcome Arch".

ECONOMIC ACTIVITIES

The economy of Chipata is agro-based with maize, cotton and tobacco being the major cash crops, most of which are intended for the export market. Chipata Town also has different economic activities that are taking place from small scale businesses to large scale businesses and most need not to send and receive money and also serve to conduct their businesses to the benefit of its owners, consumers and the nation.

LOCATION AND SIZE

Chipata Town is located in the Eastern part of Zambia and is the capital of Eastern Province. According to the Zambian Census 2010, the district had a population of 455783 people. Chipata Town Centre is located about 600 km from Lusaka, the capital city of Zambia, while it is only 110 km from Lilongwe, the capital city of Malawi. Geographically located at the Latitude: 13°38'43.0"S; Longitude: 32°38'47.0"E.
FINDINGS

PERCENTAGE ANALYSIS

The introduction of mobile money has helped in alleviating poverty as agreed by 38% and 22% of respondents who strongly agreed because they are able to open up booths and are able to save money from as low as K5. The research results indicate that 100% of the users agree that mobile money is very fast and simple to use for all people. Respondents were asked to indicate the challenges that they are facing and 52% of the respondents face challenges of reversals when money is sent to a wrong number and the other 30% face the challenges of system failure when they want to transact. 4% of the respondents feel that there is not much of security. Most of the mobile users are aware about the services provided by the mobile money transactions and there expectation meets as 100% will be agreed. The study indicated that the customer would like the maximum limit to increase from K10000 to more because the service is convenient and can be used by different classes of people.

SUGGESTIONS

Mobile money should ensure that the reversals take less time to avoid making people wait longer for reversals. Service provider should ensure that their system is always up and running. Issues like system failure and inadequate cash and float should be worked on and eliminated. Mobile money should invest more in mobile money services as most people can only transact up to a maximum of 10000 per day and it being an easy and simple way to transact and act as financial inclusion and a basis for bill payments.

CONCLUSION

Four important questions were raised in this research. How well ‘Mobile Money’ is understood, how aware are people of the various mobile money offerings; how the slow uptake of mobile money affects both the organization and customers and what mechanisms can be put in place to address the problems. Based on the findings for this research, the following conclusions came out clearly regarding these research questions.

The study findings have shown that customers are aware of mobile money but they are not fully utilizing the services offered by the service providers, for instance, bank transactions as well as receiving payments. For instance, it has brought employment to many people, it has introduced a secure reliable and efficient mode of money transfer, and it has replaced banking services in some cases. It has provided alternative employment opportunity.

The study however, also revealed that some agents do not have enough capacity to assist customers due to the fact that they do not invest enough cash to their business rendering them ineffectiveness which results in customer frustrations, loss of credibility and trust which leads in loss of revenue not only to them but to the organization as well.

Table 1. Respondents of the mobile money

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Particulars</th>
<th>Number of Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Keep money</td>
<td>8</td>
<td>16</td>
</tr>
<tr>
<td>2</td>
<td>Transfer and Receive</td>
<td>19</td>
<td>38</td>
</tr>
<tr>
<td>3</td>
<td>Pays bills</td>
<td>9</td>
<td>18</td>
</tr>
<tr>
<td>4</td>
<td>Buy airtime/bundles</td>
<td>4</td>
<td>8</td>
</tr>
<tr>
<td>5</td>
<td>Business management account</td>
<td>10</td>
<td>20</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>50</td>
<td>100</td>
</tr>
</tbody>
</table>
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Figure 1. Respondents of the mobile money

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