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Customer awareness and satisfaction on rates charged by mobile money transfer services: A case study of Vodacom M-pesa in Kigoma/Ujiji municipality

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The University of Dodoma

CUSTOMER AWARENESS AND SATISFACTION ON RATES CHARGED BY MOBILE MONEY TRANSFER SERVICES: A CASE STUDY OF VODACOM M-PESA IN KIGOMA/UJIJI MUNICIPALITY.

By

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Dissertation Submitted in Partial Fulfillment of the Requirements for the Degree of

Master of Business Administration of the University of Dodoma

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CERTIFICATION

The undersigned certifies that he has read and hereby recommends for acceptance by the University of Dodoma a dissertation entitled '**Customer Awareness and Satisfaction on Rates Charged by Mobile Money Transfer Services: A Case Study of Vodacom M-pesa in Kigoma/Ujiji Municipality** in partial fulfillment of the requirements for the degree of Master in Business Administration of the University of Dodoma.

…………………………………..

Prof. Peter A. Kopoka

Date ………………………………….

DECLARATION

AND

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I **Bakari Hussein Beji**, declare that this thesis is my own original work and that it has not been presented and will not be presented to any other University for similar or any other degree award.

Signature ……………………………..

ACKNOWLEDGEMENT

I thank God for keeping me alive and healthy throughout my working on this dissertation and at the end make it a success.

Again, I would like to appreciate the magnificent and tireless advisory support I've been getting from my supervisor Prof Peter. A. Kopoka from working on my proposal as just an idea to date getting the whole dissertation done.

Lastly, I thank my family and all respondents for their constant encouragement and support they have been giving me while working on this dissertation. Words aren't enough to express exactly how thankful I am to all of you only my prayers God bless you all now and always.

DEDICATION

To my Lovely late parents Hussein Bakari Beji and Elizabeth Paul Madole. May

God rest their souls in eternal peace.

ABSTRACT

This study was conducted at Kigoma/Ujiji Municipality in Kigoma Region, Tanzania. It mainly aimed at making assessment of Customer awareness and satisfaction of Vodacom M-pesa rates in Kigoma/Ujiji Municipality.

A sample of 99 respondents was used in the study out of which, 86 were frequent M-pesa users, 10 M-pesa Agents and 3 key Vodacom M-pesa staff in Kigoma Branch. Questionnaires, interviews, documentations and one focus group discussion were used to collect data summary of which were then quantified, tabulated and summarized in tables. The collected data were then analyzed statistically as well as qualitatively.

Findings from this study have revealed that, Most of Vodacom M-pesa users are not aware as well as not satisfied with the rates they pay per respective transactions they make despite their frequent use, the main reason being too many tariff intervals and perception that the rates are too high. Most of Vodacom M-pesa users were found price unconscious and cannot take opportunity cost. There are various challenges concerning rates the main one revealed was that there are a lot of key stakeholders with different policies and regulations associated with setting and approving these rates and the true role of every player is not clear.

It is recommended Vodacom carry awareness raising measures to fill the gap identified for its users, Government should put clear Policies as to how M-pesa meets the primary aim of serving the unbanked poor population and Users be aware as the Sales of goods Act states 'Buyer be aware'. It's the duty of users to look for their useful information and Vodacom is not necessarily obliged before the law to disclose all information.

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LIST OF ACRONYMS

ATM	-	Automatic Teller Machine
BOT	-	Bank of Tanzania
CRDB	-	Cooperative and Rural Development Bank
DAWASCO	-	Dar es salaam Water and Sewerage Corporation
FITS	-	Financial Inclusion Tracker Surveys Project
MMT	-	Mobile Money Transfer
MMT	-	Mobile Money Transfer
MNO	-	Mobile Network Operators
M-PESA	-	Mobile Pesa
NMB	-	National Microfinance Bank
TANESCO	-	Tanzania Electricity supply Company
TCRA	-	Tanzania Communication Regulatory Authority
VODACOM	–	Voice and Data Communication

CHAPTER ONE

GENERAL INTRODUCTION

1.1 Introduction

The study is about, understanding the level of awareness and satisfaction of Vodacom M-pesa users in Kigoma/Ujiji Municipality on rates being charged for various mobile money transactions they make. It is an important study area because findings and recommendations from this study will improve the mobile ecosystem and make users able to look for the next best alternative service provision where appropriate. This chapter will put down the background information of mobile banking services in Tanzania and their rates, problem statement of this study, objectives, research questions and significance of this research paper. The section will wind up by pointing out the significance of this study in terms of knowledge contribution, policy contribution, Managerial contribution and the personal benefits of this study.

1.2 Background information

As the world makes gains in providing quality basic financial services, the role of mobile money services becomes increasingly pivotal for achieving, consolidating and sustaining financial progress of the people and the nations as a whole. Currently there are seven mobile operators in Tanzania (TCRA). Vodacom is the largest mobile operator, and it takes Fifty three percent as its market share of the total mobile money subscribers in Tanzania by December 2012 (FITS, 2012). This is why

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Vodacom through its operated Mobile money service M-pesa, has been chosen as a case study.

Vodacom Tanzania launched the first Vodafone mobile-money transfer platform, M-Pesa, in April 2008. In 2010, Vodacom re-launched M-Pesa with a simpler pricing model, better management of the distribution network, and a marketing campaign that targeted the rural, poor and unbanked populations (FITS, 2013).

Services available on M_Pesa are Deposit money, Withdraw money, Send money to any mobile customer in Tanzania, This may be registered M-Pesa user or an unregistered user (Vodacom or any other mobile network in Tanzania), Buy airtime for yourself and other Vodacom subscribers pay products/services (you can pay various services using m-pesa i.e LUKU , Tv subscriptions, air tickets, water bills, loan repayment, Taxes, Social security payments, Donations and membership fees etc). Deposit and withdraw money from the bank account businesses can manage M-Pesa account. (Vodacom M-Pesa Consumer terms & Conditions of use, 2013)

In this report sending and receiving services will be the key, due to their being frequently used and the most associated with high service charges. Eighty two percent of mobile transactions are receive and sending money (Intermedia Tracking Survey of Tanzanian Adults; June 2012).

With regard to the service charges, by then customer pricing was designed to encourage customers to experiment with the service where the following were being provided. Free and quick registration to the service, free deposits, and ability to send money freely to any mobile phone subscriber whether or not they were subscribed to the service. Furthermore, there has been an enormous increase in rates, e.g from free services only withdrawing services started being charged with free sending services. Later sending services started being charged with a markable increase on

withdrawing rates. However the terms and conditions of Vodacom M-pesa services are mostly found at the Vodacom website and Vodacom shops where most of the rural users may not have a direct access. This suggests the awareness on tariffs and regular changes may not efficiently be communicated to the most users. Currently the tariffs are as follows,

Table 1: M-pesa Send and Receive Money Tariffs

Tariff (Tshs) Charges		Sending and Receiving	
From	To	Sending money (Registered customer)	Withdraw money
100	999	10	N/A
1,000	2,999	30	500
3,000	4,999	60	600
5,000	9,999	100	600
10,000	19,999	250	1200
20,000	49,999	300	1500
50,000	99,999	600	2,200
100,000	199,000	600	2,600
200,000	299,000	600	4,200
300,000	399,999	1200	5,500
400,000	499,999	1200	6,500
500,000	1,000,000	1800	7,000

Source: www.vodacom.co.tz/M-PESA_Terms_and_Conditions_.pdf

Again, the tariffs Intervals are so many and too close to users get aware of them all. This suggests there might be a lot of transactions where users are not bothering about what they are being charged but rather only the transaction they want to make. Working out this study will at the end outline the level of awareness and satisfaction of users on such rates.

1.3 Statement of the Research Problem.

The financial sector is dominated mainly by commercial banks which were historically looked upon as the powerful catalyst for economic development. However banks did not offer wide service on money transfers services in rural areas despite the fact that in rural areas there is high need of money services. The importance of mobile money service arises as most of people now use mobile money transfer services.

Problems that seem to associate with the interest rates through the use of mobile money transfer services is that, charges have been increasing since it started back in April. 2008. Again M-pesa users have been increasing enormously from Five million users by 2012 (FITS, 2012) to twelve million users by 2014 (TCRA, 2014) and the Competition of providers has grown from one provider in 2008 up to more than four to date (TCRA, 2014) this suggests that mobile money service users have a potential to enjoy satisfactory rates in support of the demand theory which indicates that the higher the supply and the competitions the lower the prices. The problem is why this is not the case for mobile users in Tanzania? Why are rates increasing in the face of increasing use? This is a problem that needs further investigation.

Another concern is that, the mobile ecosystem embraces a variety of participants, whose collaboration is necessary for the success of the mobile money network, including the mobile network operators (MNO), financial institutions, airtime agents, telecom retailers, and regulators (Jenkins 2008). Of all the players, telecom retailers (users) are the base of all others because they are the ones offering primary financial support for all through interest rates chargeable per service. This makes it important to find out whether telecom retailers are aware of the actual rates being charged for different financial transactions mainly, sending and receiving. If users are aware of

the rates being charged, then what is their opinion, are they satisfied? If users are not aware of the tariffs, the operator may take that advantage to impose any rates of his interest and disturb the mobile money eco-system as proposed by (Jenkins, 2008).

This study focused on customer's awareness and satisfaction towards the interest rates being charged through the use of mobile money transfer services. Awareness and satisfaction will ensure that the mobile ecosystem is in equilibrium and will lead to customers looking for alternative providers and where appropriate raise their voices in support of regulatory or policy making bodies which seek to protect the interests of both parties i.e. Providers and Users.

1.4 Research Objectives:

1.4.1 Main Objective

The main objective of this study was to assess customer awareness and satisfaction on interest rates being charged through the use of Mobile money transfer services, taking a case as Vodacom M-Pesa.

1.4.2 Specific Objectives

1. To assess the level of awareness of users of Vodacom M-pesa on the rates being charged in Kigoma/Ujiji Municipality.

2. To examine the connection between awareness and customer satisfaction in Kigoma/Ujiji Municipality.

3. To identify challenges and contributing factors for the high interest rates being charged by Vodacom in Kigoma/Ujiji Municipality.

4. To identify measures of raising customer awareness that will positively influence the rates.

1.5 Research Questions:

1. To what extent are users aware of the rates being charged by using Vodacom M-pesa services in Kigoma/Ujiji Municipality?

2. What is the connection between customer awareness and satisfaction in Kigoma/Ujiji Municipality?

3. What are the challenges and factors influencing Interest rates being charged in Kigoma/Ujiji municipality?

4. What are possible measures of raising customer awareness and positively influencing the rates?

1.6 Significance of the study.

The findings of this study will assist members of the general public, subscribers of mobile phone services, mobile phone companies and other stakeholders in the mobile telephone sector to become aware of the extent to which customers of M-Pesa are aware and satisfied with the interest rates being charged through the use of the services, factors contributing to customer satisfaction or dissatisfaction with M-PESA interest charges and the measures taken or to be taken by key players i.e network operators (MNO), financial institutions, airtime agents and regulators to ensure that customers are satisfied with the interest charges.

The study will also help policy makers particularly regulators on how they can consolidate some measures that can go in line with the current economic status of the mobile service users in relation to the interest rates being charged and effect policies accordingly.

This study will contribute knowledge on what other factors that affects the applicability of the demand theory. Since this study seek to reveal why is the demand

theory not adhered by mobile money service operations, then the answer from this study will add up to the conditions affecting the validity of the Demand theory. Also knowledge to the members of the general public and other mobile money services stakeholders on their rights and obligations while using and providing mobile money services as a gear for their local economic wellbeing.

Again this study will also serve as a stepping stone to future researchers on the same or similar topics by suggesting areas that need further studies to be conducted.

1.7 Limitations of the study

This study has been limited to short time available to complete the task, budget and lack of enough local Literatures to facilitate thorough study on this area because it's still new here in Tanzania, only started in 2008. Most of the literature used is from within Africa and abroad which may not be very perfect studies to fit our situations here in Tanzania particularly in Kigoma region where the study has been conducted.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction.

This chapter consists of a review of related literature on the study, provides a theoretical framework and examines data from Empirical Findings on the study.

2.2 Definitions of key concepts

Mobile Banking

The term mobile banking is defined as a system that allows customers of a financial institution to conduct a number of financial transactions through a mobile device such as a mobile phone or personal digital assistant (TCRA, 2012). It can further be defined as the use of a Smartphone or other cellular devices to perform online banking tasks while away from your home computer, such as monitoring account balances, transferring funds between accounts, bill payment and locating an ATM (Hock Bee, 1999).

Mobile money transfers (MMT)

The term mobile money transfer means instructions given via SMS for the transfer of E-Money from one Customer to another (www.vodacom.co.tz/M-PESA-_Terms_and_Conditions_.pdf). Again Mobile Money Transfer (MMT) can be defined as a peer to peer form of mobile payment mechanism which has the best prospects for success amongst other forms of mobile transactions (Mohit, 2009) through (http://www.telecomcircle.com/2009/05/mobile-money-transfer-mmt)

M-Pesa

The term M-pesa is defined as an innovative mobile transfer solution that enables customers to transfer money. It is aimed at mobile customers who do not have a bank

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account, either by choice, because they do as not have access to a bank or because they do not have sufficient income to justify a bank account (www.vodacom.co.tz/support/faqs).

Customer satisfaction

According to Daniel Kerry, customer satisfaction is a measurement of how pleased customers are with a particular product or service. Satisfied customers are likely to make repeat purchases and often refer others (Daniel Kerry, 2011). In customer relationship management, customer satisfaction is a measure of the degree to which a product or service meets the customer's expectations.

Customer awareness

Customer awareness is the understanding by an individual of their rights as a consumer concerning available products and services being marketed and sold. The concept involves four categories including safety, choice, information, and the right to be heard (Nader, 2009).

Rates/Tariffs

According to Vodacom Rate/Tariffs is defined as payables to M-PESA for each Transaction effected from the M-pesa Account. The Tariff Guide is available from Vodacom's Head Office or by accessing the M-PESA Website (www.vodacom.co.tz/M-pesa_Terms_and_Conditions)

2.3 Overview of Mobile Technologies in Tanzania.

Mobile communications systems have greatly influenced the way people live all over the world and Tanzania in particular. However fast and modern technological changes has triggered a lot of sophisticated applications *Mobile banking* being among them. To have a clear background picture this report will briefly go through

the history of wireless Telecommunications Technologies' evolutions from first generation (1G) to the fourth generation (4G). Looking past, wireless access technologies have followed different evolutions. However this background information will narrow down to the history of mobile communications in Tanzania up to the current status of Mobile applications.

The first generation (1G) only fulfilled the basic mobile voice, while the second generation (2G) introduced capacity and coverage. This is followed by the third generation (3G), which has quest for data at higher speeds to open the gates for truly "mobile broadband" experience, which will be further realized by the fourth generation (4G). The Fourth generation (4G) will provide access to wide range of telecommunication services, including advanced mobile services, supported by mobile and fixed networks, which are increasingly packet based, along with a support for low to high mobility applications and wide range of data rates, in accordance with service demands in multiuser environment. *(Amit Kumar1; Dr. Yunfei Liu2; Dr. Jyotsna Sengupta3; Divya4, 2010)*

Mobile cellular networks operations in Tanzania started since 1994 when MIC (Tanzania) Ltd popularly known as Mobitel by then (currently Tigo) operated a cellular mobile network in few regions namely Dar-es-Salaam, Zanzibar, Arusha, and Mwanza. Tritel-Tanzania Ltd launched its cellular mobile network in 1995 in two regions namely Dar-es-Salaam and Zanzibar, with possible extension to other regions by then.

In July 1999, the Tanzanian Government through TCRA approved an application by South Africa's Vodacom to operate a mobile phone network in Tanzania.

Vodacom started to operate in 2000 followed by Celtel (currently known as Zain) in 2001 and making Tanzania to have five operators for mobile business. (Blycoft, 2008)

While all other operators entered the market using digital network known as Global System for Mobile communication (GSM); Mobitel had an analogue network. Thus, latest Technology (GSM) had a competitive advantage over the analogue Technology. GSM technology could provide Value added services like Short Message Service (SMS), international roaming, Calling Line Identity Presentation (CLIP), and the like, while analogue technology could not. Technological differences added choices to potential customers i.e. to have choice between the two technologies and the network coverage of a given mobile operator. To cope with stiff competition, Mobitel had to digitize its systems, and that phase-out technological race. Network coverage and other factors for example Value added services (VAS) were slowly emerging and continually remained to be determinants of choices for potential customers for the available mobile operators in Tanzania. While competition continuously grew, Tritel operations came to an end in year 2003 due to insolvency. This led Tanzania to remain with four operators from which potential customers could make choice using their preference factors including Network coverage, network capacity, Network availability, promotions, tariffs, advertisement, Network quality, customer's loyalty, new Technologies and others from the remaining four operators. Between 2005 and 2006 other mobile operators namely, Tanzania Telecommunication Company Limited (TTCL) Mobile and Benson on Line (BoL) entered into mobile operations in the country.

Following the above advancement in mobile phone applications Tanzania is now among the major mobile markets in Africa. However Tanzania is among the major mobile markets in Africa (Blycoft, 2008)

Figure 1: Major Mobile Markets in Africa
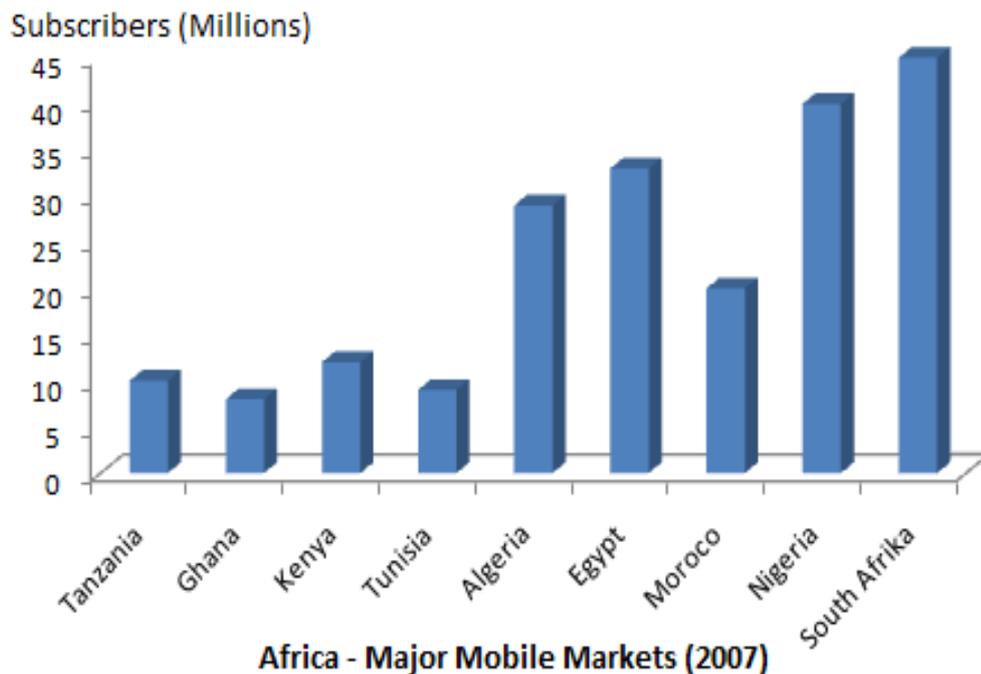
Source: Industy data & estimates c. 2008 Blycroft LTD

2.4 Overview of Mobile Banking in Tanzania

Mobile banking is an application of mobile computing which provides customers with the support needed to be able to bank anywhere, anytime using a mobile handheld device and a mobile service. However this service has now gained a wide range of applications not only here in Tanzania but in Africa and the world at large. *Mobile banking* removes space and time limitations from banking activities such as checking account balances, or transferring money from one account to another. This

has greatly been attributed by mobile technologies penetration and application by Tanzanians of different social and economic statuses. However a key area of concern is how aware and satisfactory are the interest rates charged to the users.

The mobile devices currently presents new opportunities in payment structure thereby formulating an easy means for transacting payments through the innovative combination of mobile technologies. Mobile banking services are financial transactions undertaken using mobile device such as a mobile phone (Allen, 2003). M-banking is the provision of information and services by a bank to its customers via electronic wired or wireless channels, for example Internet, telephone, mobile phone or interactive television (Daniel 1999).

2.4.1 Basic types of Mobile Banking services.

Mobile banking is a broad term used to refer quite wide modes of Mobile money transactions. However this section will give a brief overview of three methods used to describe Mobile Money Transfer services namely; Basic, Network Operator Centric and Service Content Aggregator methods. These methods are relevant to this study because they describe various means through which Mobile banking services can be provided. The methods are classified according to who is legally responsible for the deposit, where can cash be accessed and who carries the payment instruction.

2.4.1.1 The Basic Method

In the basic method the third-party services and application providers are separated from the cellular network providers. This leads to more business opportunities from the market point of view, as well as more available services from the customers'

point of view. In this method, the Network providers provide the platform and equipment, while vendors are responsible to provide the services (Panagiotakis, et al, 2005).

An example of the Basic Method is the M-Pesa service whereby, Vodacom provides the platform for provision of Mobile Money Transfers by actually carrying out the payment instruction, while M-Pesa agents (vendors) serve as points where cash can be accessed and are responsible for deposit taking and making payments. In essence, Vodacom itself is not responsible for deposit taking or cash payments but provides storage for virtual money in virtual M-Pesa accounts.

2.4.1.2 The Network Operator Centric Method.

In this method, the user subscribe to a mobile network operator, which is responsible to provide users with telecommunication services, and in addition, delivers services and applications offered by a third party. The mobile network provider only charges a fee for facilitating Mobile Money Transfer or transactions made over the network (Panagiotakis, et al, 2005). In this method, the mobile network operator is responsible for facilitating the payment but does not issue the payment instruction.

An example of this Mobile Money Transfer method is the one operated by the CRDB Bank and the National Microfinance Bank (NMB) known as "NMB Mobile" where by the bank issues payment instruction to pay money from one account to another and the mobile phone operator carries out the instruction. One notable limitation is that this method does not allow money to be paid only between NMB bank accounts or CRDB bank Accounts i.e. no interbanking.

2.4.1.3 The Service Aggregator Centric Method

In this method, the service provider is responsible for providing users with its own services and applications. The mobile phone operator on the other hand allows payments to be made over the phone for services offered by the service provider through the mobile network. It is assumed that the service aggregator comes into directly agreement with a network provider for delivering payments through the network's infrastructure (Panagiotakis, et al, 2005).

Vivid examples of the Service Aggregator Centric Method of Mobile Money Transfers are the current arrangements made by service providers such as Tanzania National Electric Supply Company (TANESCO), Dar es Salaam Water and Sewage Company (DAWASCO) and Multichoice that allow their customers to make payments for electricity bills or purchase electricity, water bills and digital satellite Television subscription through Vodacom's M-Pesa.

Under this method, users have to subscribe to both, the service provider and the mobile network provider. However, choice of the mobile network provider is made independently from choice of the service provider. Based on the subscription, the service provider defines the prices, collects the charging information and charges the user based on both transport part and services and contents parts (Panagiotakis, et al, 2005). Then, the apportioning of revenues among mobile network providers and service provider is performed based on the agreements reached among the players. This means that in this method, service and content aggregator undertakes the role of billing and payments providers (Panagiotakis, et al, 2005).

In this study the model which will be used as the operational model for data collection is the Basic Method and the Vodacom M-Pesa is going to be taken as the case of study in Kigoma/Ujiji Municipality. Vodacom M-Pesa is the leading provider of m-money services (representing 53 percent of the m-money market) and has broad national coverage (FITS, 2013)

2.5 Theoretical Perspectives of the study.

This section provides a brief overview on theories used by the researcher to describe Mobile Money Transfer services in general and the imposed interest charges in particular. These theories are relevant to this study because they describe various means through which Mobile Money Transfer services can be provided in a satisfactory ways to users in relation to service interest charges.

2.5.1 Innovation Diffusion Theory.

This is a mobile money services theory by Rogers in 1995, which explains consumer behavior towards new technologies. Definition of key terms in Innovation Diffusion Theory (Rogers, 1995). Innovation is defined as "an idea, practice or object that is perceived as new by an individual or another unit of adoption", while diffusion is "the process by which an innovation is communicated through certain channels over time among the members of a social system" (Rogers, 1995, p.10).

Innovation diffusion is achieved by how a social system accepts and begins to use (adopt) an idea or a technology. Roger (1995) further states that the following are the characteristics of any innovation: Relative advantage: the degree to which the innovation is perceived as being better than the practice it supersedes; Compatibility:

the extent to which adopting the innovation is compatible with what people do; Complexity: the degree to which an innovation is perceived as relatively difficult to understand and use; Triability: the degree to which an innovation may be experimented with on a limited basis before making an adoption (or rejection) decision; and Observability: the degree to which the results of an innovation are visible to others (Rogers, 1995).

This theory is of importance to the subject matter, since the interest rates that are being charged may be imposed taking the advantage of the technology being new, then facts in the above theory i.e. Relative Advantage, Compatibility, Complexity and Trialability which may keep the users less aware of exactly what is happening and fail to express even though unsatisfied.

2.5.2 The mobile money transfer equilibrium theory

This theory by Jenkins in 2008 states that, Equilibrium is a beautiful state for any eco-system to be in. In this state, all participants are participating and growing at the same rate. In a state of non-equilibrium, the dynamics are moving and some participants may eventually either die or be diminished to something much smaller. The mobile ecosystem embraces a variety of participants, whose collaboration is necessary for the success of the mobile money network, including the mobile network operators (MNO), financial institutions, airtime agents, telecom retailers, and regulators as summarized by the table below (Jenkins 2008).

Table 2: Key players in the mobile money ecosystem

Key players in mobile money ecosystem

Players	Roles	Limitations and Constraints
Mobile network operators	• Provide Infrastructure & Communications service. • Provide agent oversight and quality control • Issue e-money (Where permitted by Law). • Exercise leadership in drawing mobile money ecosystem together. • Advice other businesses (banks, utilities, etc) on their mobile money strategies.	• Regulatory Limitations on providing financial services • Shareholder pressure for faster, higher returns • Strategic focus that may not include mobile money.
Financial institutions	• Offer banking services via mobile • Hold float or accounts in customers' names • Handle cross-border transactions, manage foreign exchange risk. • Ensure Compliance with financial sector regulation.	• Narrow customer Base • Lack of experience with or interest in low-income customers. • Stringent regulatory requirements with significant compliance burdens.
Agents	• Perform cash-in and cash-out transactions • Handle account opening procedures, including customer due diligence. • Report suspicious transactions in accordance with AML/CFT requirements	• Liquidity shortfalls • Basic business skill gaps • Lack of customer trust (in some cases) • Limited ability to partner with large corporations

	• Identify potential new mobile money applications	
Regulators	• Provide enabling environment for mobile money • Protect stability of financial system. • Demonstrate leadership to encourage and protect behavior change.	• Lack of experience with convergence of financial and telecommunications regulatory schemes. • Lack of financial and technical capacity.
Consumers	• Use mobile money to improve their lives	• Lack of awareness • Limited financial literacy • Cultural and psychological resistance

Source: Jenkins, 2008

This theory is of great importance to this study for it seeks to understand whether interest rates imposed for consumers through the use of Mobile money transfer services are well known and satisfies them to keep the equilibrium balanced. Otherwise they are on the side of being oppressed and they may vanish in some days as the theory suggests, or keep using the services by having no option. If all the players in the ecosystem play their roles efficiently then they will all be satisfied.

2.6 Conceptual Framework of the study
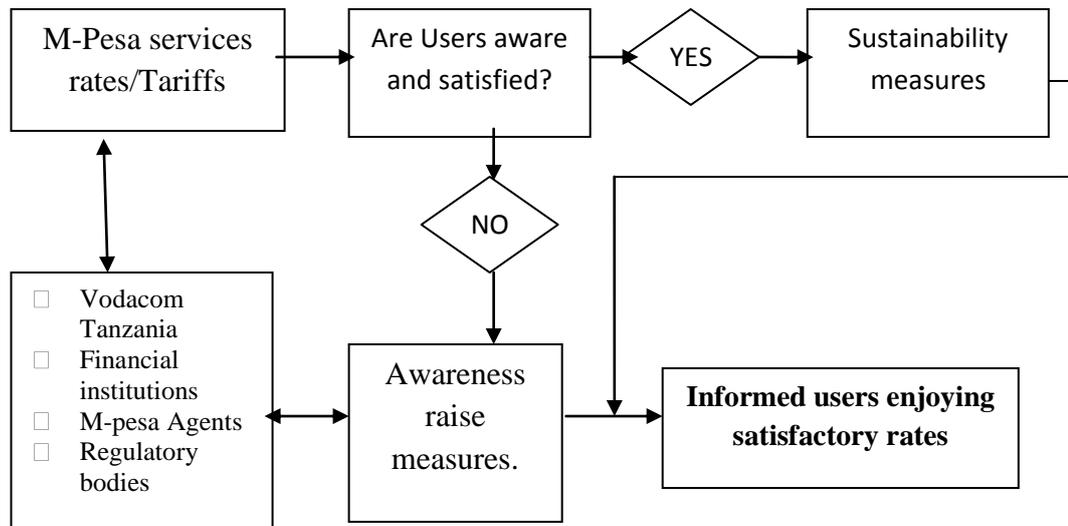
Figure 2: Conceptual Framework of the study

Adapted from (Jenkins, 2008)

According to (Jenkins, 2008), the mobile ecosystem consists of the five key players i.e. mobile network operators, financial institutions, agents, regulators and consumers. If every player plays its role, then the mobile money eco-system is attained i.e. every player becomes satisfied. This study focuses on understanding the level of awareness and satisfaction of the users on rates being charged through their using mobile money services. From figure 1 above, Mobile network operator in this case is Vodacom Tanzania, Financial institutions are all other institutions including banks that in one way or another offers primary financial support for M-pesa services. M-pesa agents are those persons registered by Vodacom to provide M-pesa services. Therefore this study will put clear what roles of every player is important for the purpose of making the users aware and satisfied with the interest rates being charged.

2.7 Literature gap

Studies such as 'Assessment of customer satisfaction towards mobile money transfer services in Tanzania, a case study of Vodacom M-pesa' by (Madirisha, 2011), they looked generally at how customers were satisfied with Vodacom m-pesa services by then. Among other mark able reports in Tanzania on mobile money industry was 'the financial inclusion trucker surveys project' done in February 2003, which examined use, barriers and opportunities in the mobile money industry in Tanzania as a whole. The fact that sending and receiving money makes nearly 82% of all the mobile money transactions and the most expensive services cannot be underestimated, unlike other services which are still mostly being offered for free to date. Therefore this study is expected to bridge the literature gap by trying to understand in particular how aware and satisfied are customers on the rates imposed to them which will make the general satisfaction overview from other studies even more meaningful.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter highlights the research design adopted, the population Sampling frame and sampling techniques employed in the study. Again Data collection methods and including data collection instruments are also outlined. Furthermore this section will highlight Data analysis techniques employed, how Reliability and validity issues have been taken into Account and results. At the end the questionnaire for data collection will be prepared.

Research Design

This study employed a **cross sectional explanatory survey design**. This design combines three different strategies i.e. Cross sectional strategy, explanatory and survey. Survey strategy allowed the collection of large amount of quantitative data from a sizeable population by use of questionnaire in a highly economical way (Saunders, et *al*., 2007, pg 138). Cross sectional strategy allows studying a particular phenomenon at a particular time without a need of re-studying it again after sometime before drawing conclusions. Explanatory strategy is employed when studies involves establishment of causal relationships between variables in this case relationship between customer awareness and satisfaction will be outlined. Hence this design entails the collection of data of one case and at a single point in time in order to collect a body of qualitative or quantifiable data in connection with several variables which are then examined to detect the patterns of association (Bryman 2001).

3.2 Target Population

Population is an element or aggregation of element from which the information will be collected. An element is that unit on which the information is collected and provides the basis of analysis (Baker, 2003). Also Kothari C.R (2005) population refers to the number of individuals within a certain area.

The unit of analysis of this study will include all Vodacom M-Pesa Vendors, users and Vodacom Staff in Kigoma/Ujiji Municipality. M-pesa users will provide useful information about their awareness and satisfaction on the interest rates being charged while vendors and staff will give more information on what are challenges being raised by customers concerning interest rates and how are they going about satisfying their customers.

3.3 Sampling size and sampling Techniques.

Sampling is the procedure the researcher uses to gather people, places or things to study. It is the process of selecting a group of individuals or object from a population such selected group contains element representative of the characteristics found in the entire group. (Orodho&Kombo 2002). A *sample size* is the finite part of the statistical population whose properties are studied to gain information about the whole (Webster 1985). Sample size is the number of participants in the study (Kothal C.R2004).

The size of sample should neither be excessively large, nor too small. The strength of using this sample size it fulfills the requirements of efficiency, representativeness, reliability and flexibility.

According to Kothari, 2004

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

Where

N= Size of population

n= size of the sample

e= acceptable error (the precision)

It follows that, from this study

Kigoma/Ujiji municipality has 215,458 residents, 120,872 adults and 43,092 households (2012 Tanzania Population and Housing Census)

From the fact that **33 percent of households in Tanzania** have at least **one registered m-money user** (FITS report, 2013). This suggests that taking the national average into account, there are 14220 M-pesa users in Kigoma/Ujiji municipality i.e. (33% of 43,092 users)

From the formula above

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

$n = 14220/ (1+14220 \times 0.1^2)$

n= 99

Therefore in this study a sample of ninety nine (99) respondents will be used.

Table 3: Break down of Sample size

SN	Category/Designation	Frequency	Percentage
1	M-pesa Users	86	87%
2	M-pesa Agents	10	10%
3	M-pesa Staff	3	3%
	Total	99	100%

Source: Field data, 2014.

3.4 Sampling techniques.

According to Kothari C.R (2003), sampling techniques are methods that enable the study to reduce amount of data required to be collected by considering only data from subgroup rather than all possible cases or element. This study will start by adopting Stratified and systematic random sampling. The population will be divided into heterogeneous groups as outlined above (Stratified sampling) i.e M-pesa vendors, users and Vodacom staff then specific number from every group will be chosen purposely i.e systematically with a total of 99 elements. Purposive sampling will enable the researcher to select candidates from different agents, taking into account their frequency of using M-pesa, gender, age groups and their academic levels, with the purpose of attaining a true representation of the population.

3.5 Data Collection techniques (Primary and secondary sources)

For the purpose of getting valid, useful as well as relevant and reliable information required, the researcher collected Primary and secondary data.

3.5.1 Primary data

Primary Data is that data which is collected afresh and for the first time, and thus happened to be original in character (Kothari, C.R, 2004). This has helped collect data from the origin; it helped the researcher to avoid bias and also helped the respondents give their opinion about the topic without any pressure from the researcher.

3.5.1.1 Observation.

This is a systematic method of collecting data by directly or indirectly participating in daily activities of the organization, what laid down by policies, regulations and procedures in performing some of the duties. Direct observation, referred to as participating observation and indirect observation known as non – participating observation. Under this study a researcher used both participation and non – participation. The researcher will use these methods because they are primary methods which can be combined with other methods of data collection such as interviews (Baker 2003, 150). Also the observation method can as well be applied to record verbal answers to various questions (Currie, 1959).

Also according to Kothari C.R (2004) observation is a systematic observation, recording, description, analysis and interpretation of people behavior.

3.5.1.2 Interview

This is a way of collecting information by asking questions to a person having knowledge. The researcher interviewed three respondents i.e. three Vodacom M-pesa staff in a focus group discussion and ten Vodacom M-Pesa Vendors (Agents) and ten frequent M-pesa users. This is a good method because if the inquirer does not understand he/she may ask for clarification. Unstructured interviews have also been used to gather the necessary data. The researcher chose to interview this number of respondents from the sample for the purpose of attaining valid and more reliable data.

According to (Kothari, 2004), interview method involves presentation of oral – verbal stimuli and reply in term of oral verbal responses. It requires a person known

as the interviewer to ask questions generally in face – to – face contact to the other person or persons.

3.5.1.3 Questionnaires.

This is a set of questions that was prepared by the researcher and distributed to various respondents. The questionnaire method of collecting data was used during the study because it is associated with low cost even when the sample is large and is widely spread. Geographically, it is free from the bias of the interviewer; answers are in respondent's own words and respondents have more adequate time to give proper answers (Currie, 1959). Respondents who are not easily approachable can also be reached conveniently, large sample can be use of and thus the results obtained can be more dependable and reliable.

A total of ninety nine Questionnaires in three categories was prepared and distributed i.e three Questionnaires for Vodacom Staff, 10 Questionnaires for M-pesa vendors and 86 questionnaires for M-pesa users. Questionnaires were used to record the information of even those who were interviewed.

3.5.2 Secondary data

Secondary data are those which have already been collected by someone else and which have already been passed through the statistics process (Kothari, C.R, 2004). These were fetched from reports prepared by Vodacom head quarters, Vodacom shops, Vendors, publications, journals, magazines, websites and other relevant office documents.

3.6 Data Analysis Techniques:

Two data analysis strategies were used to enable a researcher to come up with sound analytical clarity trial for the purpose of the study, the use of both strategies depended on the findings that obtained, thus some data were easily quantified and expressed in tables and numerical terms while others were qualitatively expressed.

3.6.1 Quantitative Analysis

The researcher used this method during the measurement of quantities or amounts. These make use of mathematical techniques to analyze data percentages and ratios arrive basing on the responses from various groups as was obtained by the researcher.

3.6.2 Qualitative Analysis

These are factual and logical statements that were used to analyze the data gathered. They basically include various explanatory phrases of what was obtained from the field, through observation and comments from the respondents.

The researcher used this method of analysis in order to make relevant description on the real and current situations which prevailed through the study.

3.7 Reliability and Validity.
3.7.1 Reliability

Reliability is the extent to which data collection technique yield consistent findings, Saunders (2007). To ensure reliability on this study I used triangulation of different methods in data collection i.e. interview, Questionnaires and Focus group discussion. This helped to see things from different angles. I also pre-tested my instruments and carried out recommended corrections to make them good collecting tools.

3.7.2 Validity

Validity is the extent to which a test measures what it can claim to measure (Cherry, 2009). To ensure validity the researcher collected data from a true representation of the population in terms of gender, age, education level and frequency of use. Again the researcher tried hard to use current available information and documents and when there was any ambiguity validation was done proactively.

CHAPTER FOUR

FINDINGS, ANALYSIS AND DISCUSSION

4.0 Introduction

This chapter presents and discusses the findings of the fieldwork conducted at Kigoma/Ujiji Municipality. The socio-demographic characteristics of Vodacom M-pesa users, Vodacom M-pesa Agents and Vodacom M-pesa Staff are presented. Thereafter, this Chapter presents the opinions of the respondents on satisfaction and awareness on Vodacom M-pesa tariffs, researcher's findings, challenges and recommendations. The researcher was guided by the research objectives in data collection. These were

➢ To determine the extent/level of awareness of users of Vodacom M-pesa on the rates being charged.

➢ To examine the link between awareness and customer satisfaction.

➢ To identify challenges and contributing factors for the high interest rates being charged by Vodacom.

➢ To identify measures of raising customer awareness that will positively influence the rates.

4.1 General Categories / Characteristics of the Respondents

This study interviewed three categories of respondents and took into account personal characteristics and general information like gender, age and education level of all categories i.e. M-pesa users, M-pesa Agents and Vodacom staff as follows.

Table 4: General Categories of the respondents

	Frequency	Percent
M-pesa Users	86	87%
M-pesa Agents	10	10%
Vodacom Staff	3	3%

Source: Field data, 2014

Figure 3: Pie Chart Distribution of respondents by respondent's category
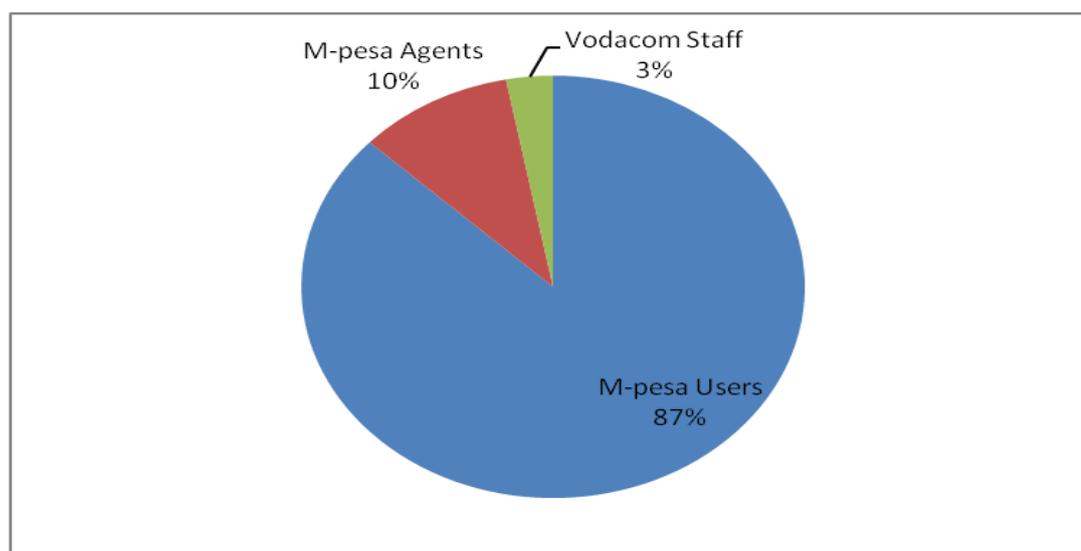
Source: Field Data, 2014

Table 4 shows the distribution of respondents by Category as it was planned and executed without any change.

4.1.1 Gender Distribution of respondents

Table 5: Distribution of M-pesa Users by gender

	Frequency	**Percent**
Male	**55**	**56%**
Female	**44**	**44%**
Total	**99**	**100%**

Source: Field Data
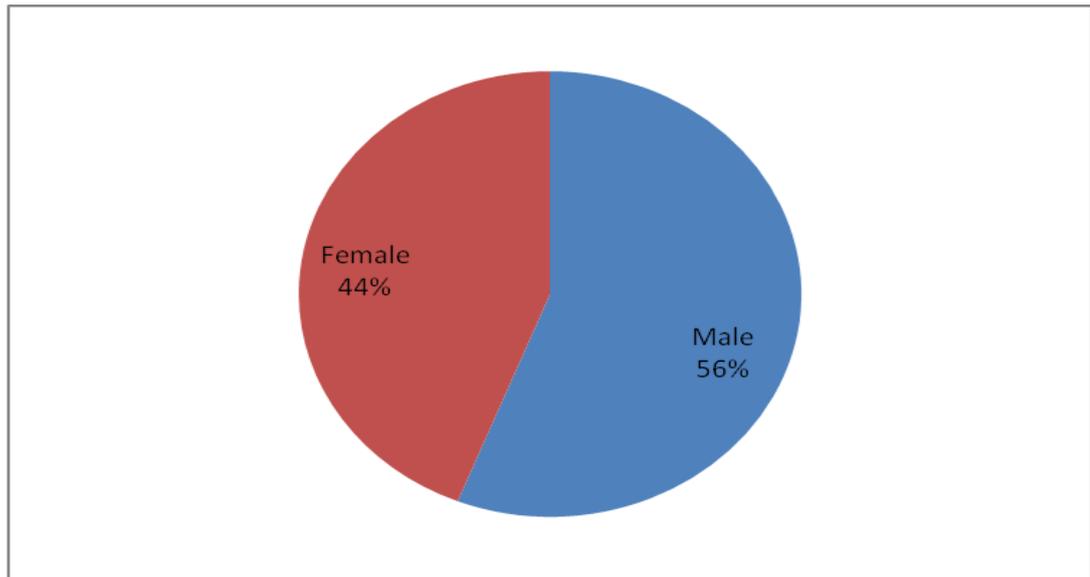
Figure 4: Distribution of M-pesa Users by gender

Source (Field data, 2014)

Table 5 above shows the distribution of M-pesa users in Kigoma/Ujiji Municipality by gender. Data collected from field showed that fifty six percent (56%) of all the respondents were male and Forty four percent (44%) of them were females. This implies men engage slightly more in mobile money transactions (sending and receiving) than women in Kigoma/Ujiji municipality.

This can be interpreted that when it comes to high M-pesa tariffs in kigoma/ujiji Municipality males are the most affected group compared to females.

4.1.2 Distribution of respondents by Age

Table 6: Distribution of respondents by Age

Age	Frequency	Percentage
18 - 30 Years	30	30
31 – 40 Years	39	40
41 – 50 Years	22	22
Above 50	8	8
Total	99	100

   Source: Field data, 2014
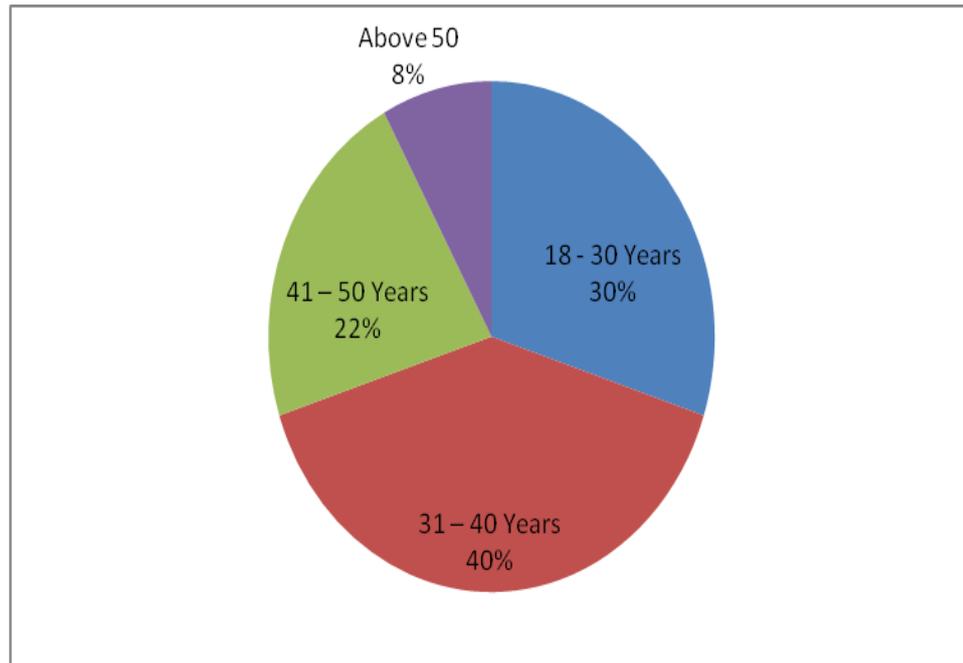
Source: Field data, 2014

Figure 5: Distribution of respondents by Age

Data provided by table 6 above shows that 30 of the respondents forming 30% of all the respondents aged between 18 and 30 years, 39 respondents forming 40% aged between 31 and 40 years, 22 respondents forming 22% of all respondents aged between 41 and 50 years while 8 respondents forming 8% of all the respondents aged above 50 years.

This implies that respondents who were aged between 31 and 40 years are people much affected by high interest rates charged by Vodacom M-pesa. Most of these people gave maximum cooperation in this study and recommended for immediate relief on tariffs being charged and recommended measures to raise users' awareness and satisfaction.

4.1.3 Distribution of respondents by Education level

Table 7: Distribution of respondents by Education level

Education Level	Frequency	Percentage (%)
Primary education level	**47**	**48%**
Ordinary secondary school level	**25**	**25%**
Certificate	**11**	**10%**
Diploma	**4**	**4%**
First degree and higher levels	**12**	**12%**
Total	**99**	**100**

Source: Field data, 2014
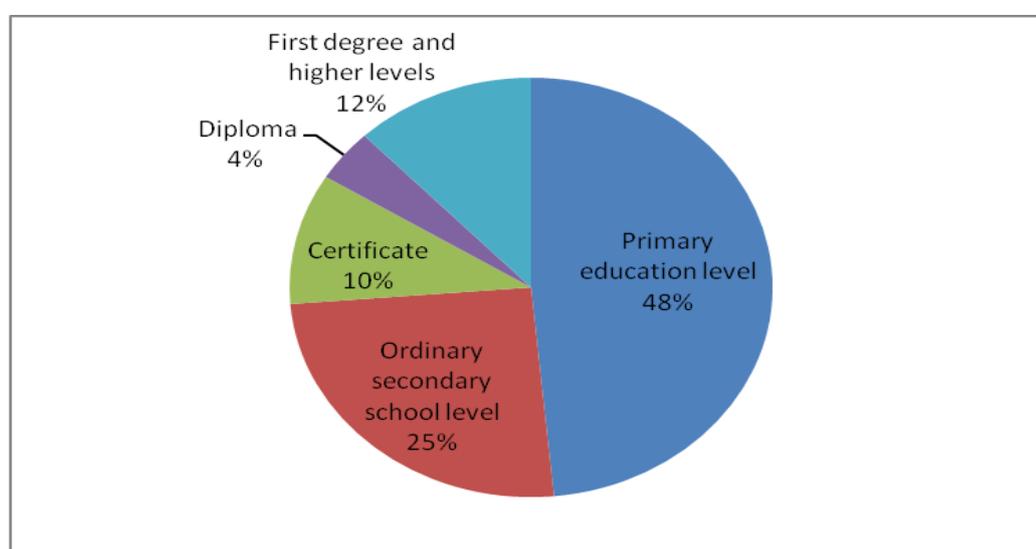
Figure 6: Pie Chart for distribution of respondents by education level

This study took into account respondents with different education level. From table 7 above, 47 respondents forming 48% of all respondents had primary education level, 25 respondents forming 25% of all respondents had secondary education level, 11 respondents forming 11% of all the respondents had certificates, 4 respondents forming 4% of all respondents were diploma holders while 12 respondents forming 12% of all the respondents were first and higher degree holders.

This implies that the respondents with primary education level and below are the majority and this is the group highly affected by the high interest rates being charged by the Vodacom M-pesa services.

4.1.4 Objective one: To determine the extent/level of awareness of users of Vodacom M-pesa on the rates being charged.

The aim of this objective was to determine the extent users of Vodacom M-pesa in Kigoma/Ujiji municipality are aware of the interest rates being charged through using Vodacom M-pesa service and find out possible ways of raising their awareness that they can be able to question, get informed spontaneously of the rates and changes if any or be able to make informed decisions to look for alternatives when dissatisfied.

Respondents were asked to answer the question whether they were aware of the M-pesa rates for different transactions they frequently make followed by few questions to prove their answers. Then they were asked to explain the reasons for their being aware or unaware. The following is a summary of the responses obtained.

Table 8: Are you aware of the M-pesa rates/Tariff for different transactions you make?

	No. of respondents	Percentage
Yes	12	12%
No	87	88%

Source: Field data, 2014
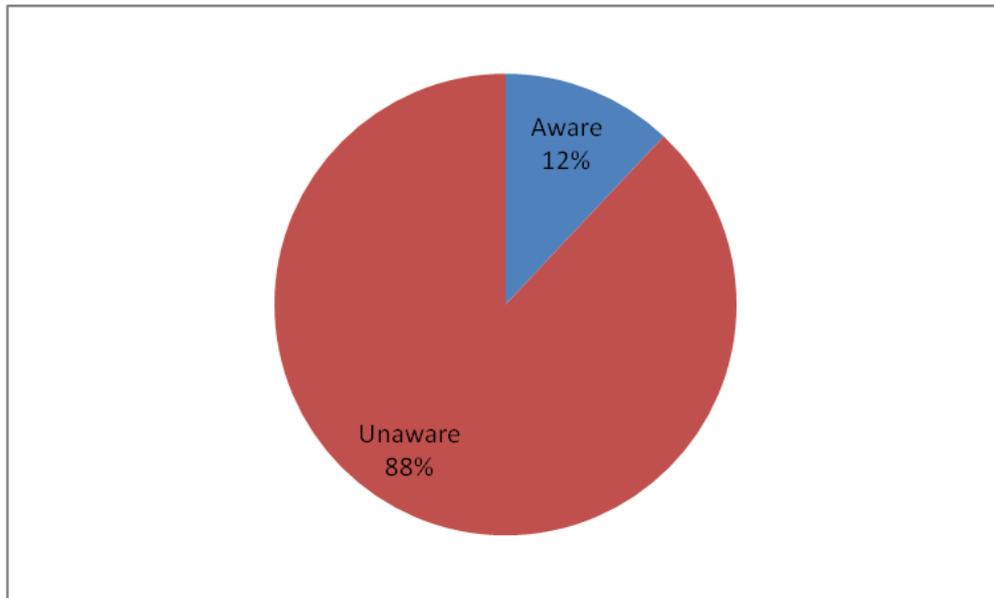
Figure 7: Are you aware of the M-pesa rates/Tariff for different transactions you make?

Source: Field data, 2014

While answering the question are you aware of the M-pesa rates/Tariff for different transactions you make? Table 8 above shows that 12 of the respondents filled the questionnaires as yes, though further interview revealed that other 4 respondents out of these twelve had only an idea of a transaction or two and mostly outdated ones. Asking few questions on the transactions they normally make and assumed they knew but failed to give proper answers. Therefore for the sake of questionnaires 12% said yes but for the sake of this study it'll be taken as only eight (8%) of all those who were interviewed were really aware of the Vodacom M-pesa rates. On the other hand the rest i.e. ninety one respondents out of ninety nine (92%) who were interviewed proved despite undertaking frequent transactions they were not aware of the rates they were being charged per transaction due to one reason or another as it'll be revealed later in this study while analyzing the reasons they explained.

Table 9: Are you promptly informed if any changes occur in M-pesa tariffs?

	No. of respondents	Percentage
Yes	11	11%
No	88	89%

Source Field data, 2014

From Table 9 above, Eighty eight (88) respondents out of ninety nine forming 89% of all the respondents claimed they were not informed promptly in case any change happened and eleven respondents forming 11% of all the respondents answered yes, they had access to prompt information through visiting Vodacom website and they got to know through this way. Shockingly, almost all respondents said they got to know of changes by visiting M-pesa Agent for transactions or read on posters from agent's wall.

It can be concluded that, the level of awareness of the Vodacom M-pesa users in Kigoma/Ujiji Municipality on rates being charged per transactions they make is very low. This if not addressed is the advantage on the side of the operator for he can manipulate any rates of his interest without mass resistance or worry of losing any user in search of an alternative. Vodacom does not properly execute its 'Customer care Charter' by making information available to the Agent for the user instead of making it available for every user as an independent entity. Again it can be concluded that too many intervals has proved to be the main reason for unawareness.

4.1.5 Objective two: To examine the connection between awareness and customer satisfaction.

The researcher's aim on this objective was to suggest possible means that can link awareness and satisfaction of the customers on Vodacom m-pesa rates that can positively influence the rates and raise their satisfaction.

With this regard respondents were asked to answer the question whether they were being satisfied by M-pesa rates and required to give their reasons for satisfaction or dissatisfaction. The following were the data obtained from the field.

Table 10: Are you satisfied with M-pesa rates/tariff? (How would you rate your satisfaction on rates?)

	No. of respondents	Percentage
YES	8	8%
NO	91	92%
TOTAL	99	100%

Source: Field data, 2014
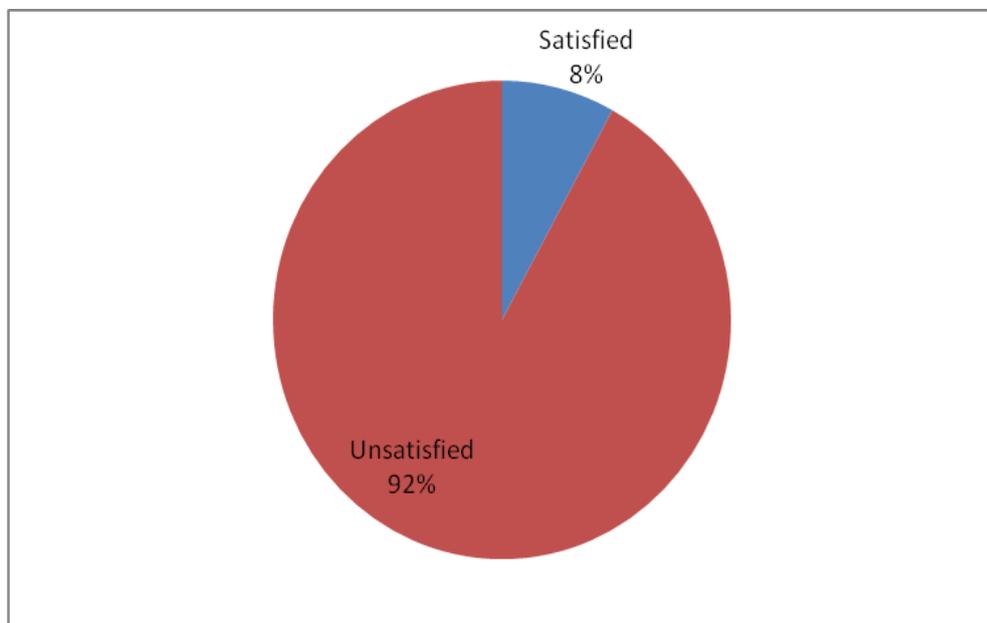
Figure 8: Are you satisfied with M-pesa rates/tariff? (How would you rate your satisfaction on rates?)

Source: Field data, 2014

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From the field data summarized in the table 11 above, we can observe that 91 respondents forming 92% of all the respondents are unsatisfied while 8 respondents forming 8% of all the respondents claimed to be satisfied. This implies most respondents in Kigoma/Ujiji municipality are unsatisfied with M-pesa rates due to a number of reasons they explained the main one saying they perceive the rates as too high and oppressive relative to their poor economic conditions. Others expressed their dissatisfaction comparing M-pesa with other Mobile money services they use and Commercial Banks for those with Accounts.

In the table 4 above, we have seen that 88% of the respondents were unaware of the M-pesa rates, and in the table 5 we have seen that 92%, nearly the same are unsatisfied. It's a bit amazing that respondents don't know how much exactly they pay for frequent transactions they make but they claim to be unsatisfied.

It can be concluded that most of the respondents are not price conscious i.e. they only know prices are high but they don't know and care exactly by how much or relative to what except few who compared it with their bank account charges and other Mobile money service providers. This habit is the advantage on the side of the operator simply even customers themselves can't seek for alternatives because they don't have any base to compare. Users must change their attitude to take opportunity cost and operators must not take advantage of this weakness revealed.

It can be concluded that awareness and satisfaction of Vodacom M-pesa users in Kigoma/Ujiji Municipality are directly related in a way that most of users are

unaware as well as unsatisfied. This proves that, users habit they don't care much about what they lose though unsatisfied. They are price unconscious.

4.1.6 Objective Three: To identify challenges and contributing factors for the interest rates being charged by Vodacom.

This question was tabled and discussed thoroughly in a focused group discussion between the researcher and three Vodacom staff responsible for M-pesa in Kigoma/Ujiji Municipality i.e. The Vodacom staff responsible for M-pesa operations and management, another responsible for Marketing and one responsible for engineering. With respect to the factors influencing the interest rates being charged by Vodacom M-pesa they mentioned the following factors that contribute to the current rates after a researcher imposed the following question:

To the best of your knowledge what are the factors contributing to the high interest rates being charged by Vodacom M-pesa? The following were discussed

(a) **Centralized M-pesa server in UK (International Tax Policies)**

The respondents pointed out that currently the M-pesa system is centralized from Uk, hence international policies like tax etc, might be influencing the local rates. They claimed details of which are out of their jurisdiction. This is out of scope of this study but need to be scrutinized down to see its true affect on rates by recommended further studies to this topic.

(a) Local Tax rates and Policies

Another factor discussed and revealed during the interview was the local tax policies imposed by the government. This is again another factor that contributes to the

current M-pesa rates being charged. Positive change on these policies will positively influence the rates and vice-versa.

(b)   Bank of Tanzania Financial regulations

This is another factor revealed by the researcher during the interview that contributes to the M-pesa rates charged by the Vodacom. They said all financial institutions are regulated by the Bank of Tanzania, Mobile money services including Vodacom M-pesa being one of them. The current financial regulation by BOT has a mark able influence on the rates currently being charged by Vodacom m-pesa. The interviewees comprehended favorable regulations will yield favorable charges and vice versa.

(c)   Tanzania Communications Regulatory Authority (TCRA)

All mobile companies are given power, rights and conditions of operations by the TCRA. This Regulatory Authority has a duty of ensuring all licensed operators abide by terms and conditions of their licenses and protect users' rights and interests. Furthermore charges payable to TCRA has an implication over the Vodacom M-pesa rates.

 (d)   Technological Expenses

Some regulatory regulations have technological implications and the Mobile operator has no option but to comply or for some operator's reasons like IT security decides to deploy more technologically advanced equipments. Expenses payable by the users must include some components to carter for the technological expense.

 (e)   Operational Costs

These are day to day running costs of the company including wages for employees responsible for M-pesa services and other operations. These as well have a mark able

influence on the M-pesa rates being imposed by Vodacom. Controllable operational expenses will result into controllable M-pesa rates and vice-versa.

(f)   Promotional Costs

It's a mission of most profit based companies to take the lead in terms of market share. In such an attempt it has to invest a lot in promotions and advertisements. These costs will be reflected to the rates and tariffs of the users.

(g)   Compensation for gained Convenience

The researcher through interview with the Vodacom staff responsible for M-pesa found that there is a notion of payment in compensation of gained convenience, e.g. one may get everything done while at home and could have done the same by travelling to and from the distant place that could cost him fare.

(h)   Companie's profit margin

Another factor discussed was company's profit margin. If the company wants to make too much profit this may trigger rates chargeable and vice versa.

4.1.6.1 Challenges associated with Vodacom M-pesa Tariffs
To the best of your knowledge what are the main challenges contributing to the high interest rates being charged?

Through interviewing Vodacom staff, it was revealed that the main challenge they see is the fact that Interest rates chargeable by the Vodacom M-pesa as an operator is attributed by a lot of expense components as stipulated above, different stake holders and government regulations. Despite all these users know only Vodacom alone is responsible. Furthermore, this brings about complex relationship among key

stakeholders which makes tariff review a process and not just an event. Through interview, respondents confessed that in such a process a very important stakeholder who is an ordinary user is not well accommodated to play his role as per his importance.

4.1.7 Objective Four: What are possible measures of raising customer awareness and positively influencing the rates?

The aim of this objective was to get respondents' opinions on what they think if done it'll enhance their awareness and improve their satisfaction on the rates they are being charged. The researcher imposed the following question to all respondents' i.e. M-pesa users, M-pesa agents and Vodacom Staff. When these respondents were asked to give their opinions on what should be done to raise their awareness

Table 11: What are possible measures of raising users' awareness?

	Respondents	Percentage
Few Intervals i.e. from 1,000 to 1,000,000 , 4 intervals instead of current 12	53	54%
Change of Users' Attitude to become Price conscious	21	21%
Frequent Informative messages (current rates)	11	11%
Confirmation before transactions	6	6%
Promotional posts for users (campaigns)	4	4%
Media, newspapers and TVs	4	4%

Source: Field data, 2014

From the table 12 above 53 respondents forming 54% of all respondents were of the opinion that too many different intervals have to be reduced. 21 respondents forming 21% of all respondents thought of the users' attitude to be a vital factor that has to change. 11 respondents forming 11% recommended frequent informative messages be sent to individual users frequently as it's done for unrequested advertisement

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messages. 6 respondents forming 6% recommended be a confirmation message before completion of every transaction warning this will cost this much. 4 respondents forming 4% recommended Promotional posts be made available for individual users not agents alone and 4 respondents forming 4% had an opinion that Media i.e. Television and news papers be used to make people aware and it'll rise their satisfaction.

It can be concluded that for the purpose of this study, too many intervals is the main reason users are confused, becoming unconscious and unsatisfied. As compared to the banks as most respondents expressed awareness, Say using ATM there is only one interval from 1,000 to 400,000 and three turns if you want to withdraw 1,000,000, compared to twelve different M-pesa intervals within the same range. Again, user's habit of not caring and following up, I mean their attitude is a significant factor for their unawareness and dissatisfaction. It will be recommended to the Vodacom that few clear intervals will raise awareness of M-pesa users, but it's the opinion of the researcher that setting few intervals is a temporal solution; Change of attitude will have a long outstanding mutual impact between all the players, this is out of scope of this study though. It'll be recommended for further research on this study for social scientists to come out with what to do to Change people's mindset and attitude towards these issues and this will be the permanent and outstanding answer.

CHAPTER FIVE

CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter presents the summary of what has been analyzed and interpreted in chapter four by discussing crucial issues revealed from the study by a researcher. It's all about discussing the conclusions, recommendations and suggesting areas for further study. It should be noted that this research was guided by the main objective of *'understanding customer awareness and satisfaction on interest rates being charged through the use of Mobile money transfer services, taking a case as Vodacom M-Pesa in Kigoma/Ujiji Municipality*. To achieve this main objective, the following specific objectives were taken aboard

1. To determine the extent/level of awareness of users of Vodacom M-pesa on the rates being charged.

2. To examine the link between awareness and customer satisfaction.

3. To identify challenges and contributing factors for the high interest rates being charged by Vodacom.

4. To identify measures of raising customer awareness that will positively influence the rates.

5.1 Conclusions

The following are conclusions that are drawn from the study:

5.1.1 To determine whether users of Vodacom M-pesa are aware on the rates being charged.

The study findings through working on this research conclude that the level of awareness of the Vodacom M-pesa users in Kigoma/Ujiji municipality is shockingly

very low as it has been outlined in the data analysis section that 92% do not know and sometimes even care what they are being charged per frequent transactions they make. Hence need for remedial actions.

5.1.2 To examine the connection between awareness and customer satisfaction.

Findings from working out on this research conclude that most users of Vodacom M-pesa in Kigoma/Ujiji Municipality are not satisfied with the rates being charged by Vodacom M-pesa services most of them claiming it relative to their poor economic conditions. As it has just been concluded that most of them are unaware of even the rates themselves. It can be concluded that most of Vodacom M-pesa users in Kigoma/Ujiji Municipality are price unconscious. This means they only care much about what they just want to transact and care less about how much it costs. This is a dangerous attitude on the side of the users for, if the operator decides to take it as an advantage can get them exploited without their notice. Hence the need for users to urgently change this attitude that they can be able to question, make comparison with available alternative services available and even rise their voice to the concerned body or authority when feeling deprived of their rights. These rights cannot be claimed by uninformed user as their current case is right now

5.1.3 To identify challenges and contributing factors for the interest rates being charged by Vodacom.

From this research a lot of contributing factors has been outlined and discussed however the most important challenge revealed is the contribution of allot of individual factors and independent bodies with the exclusion of ordinary users' involvement in setting and reviewing rates. It can therefore be concluded that interest

rates charged by Vodacom M-pesa is attributed not by a single factor and a single body but a combination of different factors and different independent bodies with an exclusion of ordinary users participation in such processes. Hence a need to strong recommendation for users' participation in such setting and reviewing rates. Also transparency on what exactly is being paid for e.g (How much is tax, profit, costs etc)

5.1.4 To identify measures of raising customer awareness that will positively influence the rates.

The study findings from this research conclude that apart from many measures discussed in chapter four, twelve interval rates are so confusing that almost everybody interviewed claimed to be the reason for their unawareness. If only few intervals are set between one thousand and one million it will raise the customer awareness by more than 80%. Hence need for interval rates pruning.

5.1.5 General Conclusion

From the findings through working on this research it can be concluded that, 'Most Vodacom M-pesa users in Kigoma/Ujiji Municipality are unaware as well as unsatisfied of the rates they are charged per frequent transactions they make'. However working on the recommendations outlined in this research is sought to significantly improve this situation i.e raising customer satisfaction which is an advantage on the side of the operator and raising users' awareness which is the advantage to user hence a win win situation. Key lesson learnt by a researcher *'Competition is when users are aware of available substitutes and can take opportunity cost, when users are having too little awareness and consciousness is*

the same like there is no competition at all though there are competitors'. This is the answer to the puzzle as to why Vodacom M-pesa rates has been increasing with the increasing number of users as well as the growing number of competitors.

5.2 Recommendations

This study provides recommendations under the following three areas, Managerial recommendations to the Vodacom, Policy recommendations to the Government and its regulatory bodies, recommendations to the general Vodacom M-pesa users.

5.2.1 Managerial recommendations to the Vodacom

From lessons learnt from working on this research work, it is recommended Vodacom management take the following actions as most respondents suggested.

➢ As we can see starting from data collected from the field, data analysis and conclusions. Most users are confused by a lot of tariff intervals. It is recommended to the Vodacom that it reviews its too many tariff intervals and set few and clear intervals for users to easily understand.

Refer: Figure 1 in Chapter 1

Tariff (Tshs) Charges		Sending and Receiving	
From	To	Sending money (Registered customer)	Withdraw money
100	999	10	N/A
1,000	2,999	30	500
3,000	4,999	60	600
5,000	9,999	100	600
10,000	19,999	250	1200
20,000	49,999	300	1500
50,000	99,999	600	2,200
100,000	199,000	600	2,600
200,000	299,000	600	4,200
300,000	399,999	1200	5,500
400,000	499,999	1200	6,500
500,000	1,000,000	1800	7,000

➢ From one thousand to one million there are eleven applicable intervals with different rates. This makes it difficult for most users to actually remember anyone of them while about carrying out any transaction. It is strongly recommended that intervals be lowered to atmost five i.e from 1000 to 20000 (very small transactions), 20,000 to 50,000 (small transactions), 50,000 to 100,000 (medium transactions), 100,000 to 500,000 (Large transactions), 500,000 to 1,000,000 (Very large transaction). Commercial banks has only one interval 1,000 to 400,000 same withdrawal fee. This will significantly raise customer awareness and satisfaction.

➢ Integrate within range of its M-pesa application software the confirmation message before completion of any transaction to be effected. Messages like

'This transaction will cost you this amount of money'. With an option to cancel or proceed will greatly help to raise users' awareness on transactions they frequently make. This if possible should include a suggestion message; example a customer withdrawing 9999 and 10000 may differ by say 1000. One may opt to withdraw 9900 and save one thousand which will make it the same 10000 and another one thousand remains on hand. Or giving them quick access to the automatic reply system i.e. a user can quickly inquire freely to the system to have all the rates available for his decision making.

➢ It's again recommended that, Vodacom send frequent promotional messages to its registered and non-registered M-pesa users on current rates and changes if any. It's evident that Vodacom frequently sends a lot of messages to users informing them of available entertainments, offers, caller's tunes, ringtones etc. If the customer awareness on the rates chargeable through using M-pesa services is given enough attention then this is practically implementable and it will raise users' awareness significantly.

➢ It is further recommended that Customers must be treated as individual entities each with a direct service contract with the Vodacom and no one is there legally to serve the information for the other. It should not be thought of Agents play a role of sensitizing the Users instead it should be the duty of Vodacom itself and its users as per Vodacom Terms and condition manual. Individual awareness measures must be practiced by the Vodacom.

5.2.2 Policy recommendations to the Government

➤ The government through its policy making bodies as well as regulatory ones must work to harmonize these with Mobile financial services. It's the opinion of the researcher after having worked on this research that, different government bodies are initiated with different aims and different goals to achieve. Mobile money services were established with the primary aim of serving the unbanked poor population. The researcher is of a recommendation that Tax collecting agencies (TRA), Regulatory authorities (TCRA and BOT) as well as policy making bodies (The Parliament) take into account the primary aim of Mobile money services establishments i.e Tax should be lowered accordingly as well as other regulatory concerns.

5.2.3 Recommendations to Users.

➤ Findings from working on this research has revealed that about 92% of the Kigoma/Ujiji municipal council are price unconscious i.e. they don't care how much they loose on a certain service with the presence of a cheaper substitute. This is a bad attitude because even a one million kilometer journey starts with a single step and one million dollars starts with a one cent dollar. The researcher recommends starting from himself and any other patriotic Tanzanian who comes across this study take part in sensitization wherever he is that the community should change and care for even little money they are about losing if there is an alternative for saving. This attitude is an advantage on the side of the operator simply because he can set prices or increase significantly with little or no resistance at all. This is an

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important aspect that further researchers may look at how we can influence and change users' attitudes.

5.2.4 Recommendations for further research

➢ The role of the Mobile Operators, the government and the users on interest rates charged by Vodacom M-pesa in Kigoma/Ujiji Municipality.

➢ Users' Attitude towards Mobile money Transfer services and how to influence it.

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APPENDICES

APPENDEX 1: QUESTIONNAIRES

THE UNIVERSITY OF DODOMA

QUESTIONNAIRE FOR VODACOM M-PESA STAFF, M-PESA AGENTS AND

M-PESA USERS

Dear Sir/Madam

This questionnaire has been prepared by Beji, Bakari Hussein, a researcher at the University of Dodoma, pursuing Masters Degree in business Administration. The aim of this study is to understand the level of awareness and satisfaction of Vodacom m-pesa users on service charges imposed to them. It is diligently promised that all the data and the identities of the data providers are going to be treated confidential and will be used only for the purpose of this study. I kindly request for your honest information to make my dissertation a success. Thanks for your time that you'll take few minutes for answering this questionnaire. Thanking you once again for your time and information.

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1. Gender of the respondent

    (a) Female   ( )

    (b) Male   ( )

2. Age of respondent

    (a) 20 – 30 years   ( )

    (b) 31- 40 years   ( )

    (c) 41-50 years   ( )

    (d) Above 50   ( )

3. Level of education

    (a) Primary education level   ( )

    (b) Ordinary secondary school level   ( )

    (c) Certificate   ( )

    (d) First degree and others   ( )

4. Marital status

    (a) Single   ( )

    (b) Married   ( )

    (c) Others   ( )

5. How long have you been using M-pesa services?

    (a) Less than a year   ( )

    (b) 1 – 2 years   ( )

(c) 2 – 3 years   ( )

(d) 3 – 4 years and above ( )

6. What M-pesa services do you use most frequently?

 (a) Sending money ( )

 (b) Receiving money ( )

 (c) Others   ( )

Section B: General Information

7. Do you use other mobile money services?

 (a) Yes   ( )

 (b) No   ( )

 (c) If Yes mention it and explain why using alternative

  providers……………………………………………………………………

  ………………

8. Are you aware of the M-pesa rates/tariff for different transactions you make?

 (a) Yes ( )

 (b) No ( )

 (c) If no explain

  why…………………………………………………………………………...

9. Are you normally informed if any change occurs in M-pesa tariffs?

 (a) Yes ( )

 (b) No ( )

 (c) If the answer is yes explain how do you become informed of the

  changes if any?...

10. Are you satisfied with M-pesa rates/tariff?

      (a) Yes   ( )

      (b) No   ( )

If Yes or No explain why ……………………………………………………………

11. Do you use any other mobile money services, say tigopesa, Ezy Pesa or airtel money?

      Yes   ( )

      No   ( )

If Yes or No explain why ……………………………………………………………

12. How do you feel about M-pesa compared to other mobile money service providers' rates?

      (a) Very satisfactory

      (b) Satisfactory

      (c) Unsatisfactory

      (d) Very unsatisfactory

13. Do you have a bank Account?

      (a) Yes

      (b) No

      (c) If Yes, how do you compare the rates with M-pesa services?

14. In your opinion what should be done to make you easily aware of the M-Pesa rates?………………...

15. In your opinion what should be done to raise other users' awareness on rates being charged?..

16. What should be done to raise customer satisfaction on Rates being charged?..

17. What is your advice to the Vodacom, Government or your customers?..

Section C: For Vodacom Staff Only

18. Name……………………………………………………………..

19. Position……………………………………………………………

20. Work experience…………………………………………………

21. From your knowledge and experience, who are the stakeholders associated with imposing interest rates charged by Vodacom M-pesa?……………………….......

……………………………………………………………………

22. To the best of your knowledge what are the factors contributing to the interest rates being charged?...

23.   Comment on the contributing factors of the Vodacom M-Pesa services compared to other financial institutions…………………………...

24. What is your advice to the Vodacom, Government or your customers concerning interest rates being charged by Vodacom M-pesa?
....

25. To the best of your experience and opinion how would you rank the rates being charged by Vodacom M-pesa as commented by most ordinary users?

  (a) Very satisfactory

  (b) Normal

  (c) Unsatisfactory

  (d) Very unsatisfactory

26. If anyhow unsatisfactory why do you think most mobile money users still prefer Vodacom M-pesa?..

27. What is your advice to key stakeholders with regard to the Vodacom M-pesa rates being charged? ....

28. In your opinion What should be done to reduce the rates and raise awareness?..

29. From your knowledge and experience as the competitions grow rates tend to go down. Vodacom m-pesa charges have been enormously increasing with the increasing players in mobile money services industry. Why this is the case?..
....

Section D: For Vodacom Agent only

30. Name…………………………………………………………

31. Position…………………………………………………………

32. Ward of operation………………………………………….

33. Work experience……………………………………………..

34. How would you rate your customer awareness on interest charges for the M-pesa

services they enquire from your agency?

        (a) Very Much aware   ( )

        (b) Normal   ( )

        (c) Unaware   ( )

        (d) Very unaware   ( )

35. How would you rate the satisfaction and complains of your Vodacom M-pesa

users on rates charged while sending or withdrawing money from your agency?

        (a) Very satisfactory

        (b) Normal

        (c) Unsatisfactory

    (d) Very unsatisfactory

36. If   mostly   not   satisfied,   How   do   you   handle   such

situations?..

37. What is your advice to the Vodacom, Government or your customers with regard to

the M-pesa rates?..

38. What do you think should be done to raise your customers' awareness?...

39. What do you think should be done to raise your customers' satisfaction on rates being charged?...

Thanks for your time and participation