

**THE ROLE OF MOBILE BANKING PLATFORM IN THE DELIVERY OF RETAIL  
BANKING SERVICES TO CUSTOMERS IN COMMERCIAL BANKS.**

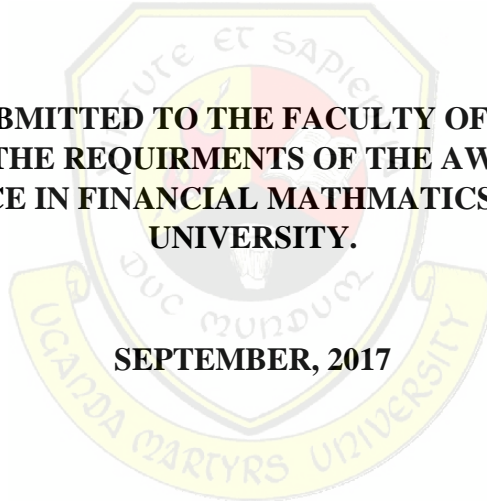
**CASE STUDY: STANBIC BANK, MASAKA BRANCH**

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## **DEDICATION**

I dedicate this dissertation to my parents Mr. and Mrs. Ojera for the untiring support they have given me in all aspects of life.

## **AKNOWLEDGEMENT**

It is with deep gratitude that I thank the Almighty God for giving me the life, strength and wisdom i needed to accomplish this dissertation. I am indebted to my beloved mum and dad Mr. and Mrs. Ojera Michael for their moral and financial support, which made it possible for me to pursue this program to its completion.

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## **LIST OF ACRONYMS**

1. GPS Geographical Positioning System
2. MTN Mobile Telecommunication Network
3. MNO Mobile Money Operators
4. DFCU Development Finance Company of Uganda
5. ATM Automated Teller Machine
6. SPSS Statistical Package for Social Scientists
7. M-B Mobile Banking
8. NBC National Bank of Commerce
9. UBA United Bank of Africa
10. BOA Bank of Africa
11. PB Personal Banking
12. KCB Kenya Commercial Bank

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## **ABSTRACT**

The purpose of this study was to assess the role of M-B platform in delivering retail banking financial services to customers in financial banks, a case study of Stanbic Bank, Masaka branch. The study aimed at finding out the role of M-B platform in reducing the level of customer congestion in the banking hall whenever customers need to carry out retail banking transactions with the bank.

The study specifically addressed the level of customer adoption to using the M-B platform for accessing bank services, the challenges that these customers are facing in regard with using the platform, and solution suggestions were later on obtained from the customers in order to find ways of making the M-B platform a desirable platform for the rest of the customers. The researcher used a descriptive survey with a combination of quantitative data collection methods in gathering, tabulation and analysis of data.

The findings revealed that many customers have heard about the Stanbic bank M-B platform and quite a number of them were registered on the platform and actively accessing financial services through the platform. This implied that M-B platform is an effective channel used in the delivery of retail banking services to customers.

The study further revealed that the hand full of customers who were not using the M-B platform were actually using other service delivery channels such as internet banking, Automated Teller Machine ATM, but the rate of M-B usage is higher still.

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.0 Introduction**

The idea of employing automation to improve the quality service delivery to retail banking customers has become a major focus for most banking institutions in Uganda today. The implementation of this idea has led to the emergence of mobile technology that has revolutionized the Ugandan banking and payment industry. According to Isaac et al (2015), increasing standards and expectation of customers, automation and technologies have led to vast amounts of data becoming available and this later on led to the advent of M-B as a way of offering better choices to clients and improving the quality of retail banking in banks.

Retail banking refers to banking in which commercial banks execute transactions directly with consumers rather than corporations or other banks. According to Investopedia, retail banking refers to the division of a commercial bank that deals directly with retail customers. Also known as consumer banking or personal banking, retail banking is the visible face of banking to the general public, with bank branches located in abundance in most major districts.

Zhou et al, (2010) defines M-B 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. Services include performing balance checks, account transactions, payments, credit applications and other banking transactions through a mobile device such as a mobile phone which is most used in developing countries or Personal Digital Assistant (PDA). M-B refers to provision and availment of banking and financial services with the help of mobile telecommunication devices Lassar et al, (2005).

M-B has transformed the level of service delivery in the Ugandan retail banking sector by improving the way people carry out retail banking financial transactions and now it is poised to offer more sophisticated banking services which could make a real difference in the country's quality of banking standards.

M-B has enabled the retail banking bank department to offer a wide variety of services ranging from account information, which has to do with alerting the customers on the updates and transactions on their account through their mobile phones. Customers receive short messages on their phones perform 13 other crucial banking informing them of their immediate transactions in their bank accounts. It has also helped in payments of utility bills, deposits, withdrawals, transfers, purchase airtime, request of bank statements, all in real time by the use of mobile phones.

## **1.1 Background**

### **1.1.1 Historical Background**

The history of M-B is of recent. According to IDG News Service 4 Sep, 2008 Equity bank pioneered the first M-B technology in the world to improve on the quality of retail banking and for the empowerment of ordinary people through inclusive finance, Nasikye ( 2009) emphasized that m- banking technology is similar to that of Mobile Telecommunication Network (MTN) (mobile money), Warid (warid-pesa), Safaricom's MPESA (in Kenya), among others that has made banks uncomfortable given the shift of most transactions from banks to mobile phone kiosks. The technology innovations have thus influenced the retail banking sector in many ways.

In Uganda, M-B was launched by MTN in 2009, Ssettimba I. J, (2016). The M-B type that was launched operated in the form of mobile money services operations that was done in partnership with a licensed financial bank or institution. At the time of its launch, Stanbic bank partnered MTN Uganda and Airtel partnered with standard chartered bank. In the pioneer stages of the product launch, the basic service that was offered on the M-B platform was short messaging service SMS, where customers would get short message alerts on their mobile phones upon any transaction occurrence on their bank accounts, for instance when money is deposited on ones' bank account or when money is withdrawn from the account. Many more services however were incorporated onto the platform as years went by, with over 13 services being provided by 2014. Onyait, (2014)

Some of the services being delivered by commercial banks through the M-B platform include account inquiry such as checking balance and statement inquiry, funds transfer between accounts, bill payments, statement request, cheque book requests and airtime top-up, Njenga,

(2011). These services are presented in menu form where the different options are listed and identified by numbers and the user selects the number corresponding to the service that he/she wants.

Other retail banking financial services delivered by commercial banks through the M-B platform include school fees payment though it's still in its pioneer stages of implementation with a few selected schools across the country with a high quality computerized database systems.

These services are offered in partnership with the telecom companies, the telecoms provide a technology that integrate the bank systems with the M-B platform and then services are provided to customers through the bank's M-B application. For instance, most of the services mentioned checking for account balances on mobile wallet are linked to MTN mobile money, Airtel money and thus allowing customers to transfer funds from their bank accounts to Mobile accounts and there after withdraw their monies at their convenience.

By the time, 2014, the banks offering retail banking services through the M-B platform included Standard Chartered Bank, Stanbic Bank, Centenary Bank, DFCU Bank, Bank of Africa, Equity Bank. The telecom companies in partnership with these banks are MTN, Airtel, and Africell, Uganda Telecom. Onyait, (2014)

### **1.1.2 Theoretical Background**

Porteous, (2006) presents the; additive and transformational models of M-B, where the additive model uses M-B as an extra access channel for existing clients. This model is the most commonly used amongst commercial banks. The transformational category is according to Porteous, (2006) categorized by business models that draw upon existing telecom and agent/representatives infrastructure, run by new or alternative banking actors, and has a geographic coverage and pricing with the potential to attract previously unbanked segments. Further, it may also have a transformational effect in terms of formalizing previously informal transactions and hence bringing people and their financial assets into the formal economy.

Porteous, (2006) further adds that M-B initiatives in Africa are generally launched by banks, telecommunication operators (telecoms), by an independent entrepreneur or by any combination

of the above. Besides revenue, telecoms also have another motive; their clients are less likely to switch operator if they are hooked up to an operator-specific banking service.

The transformational services currently launched in Africa are cheaper to produce, hence cheaper to buy, and do not require expensive handsets. What actually makes them inexpensive compared to conventional retail banking services is that they are not backed by bank branches, but by an agent network that clients interface with to sign up, deposit or withdraw money.

Transformational M-B is still in many aspects virgin land; business models are still to prove themselves, policy making and regulating bodies are still to formulate appropriate frameworks, and a sense of careful, tentatively positive trial period attitude is noticed as M-B market figures slowly are picking up.

As mentioned earlier, M-B initiatives are led by three operation models

1. A bank (in partnership with one or more mobile operators),
2. A mobile operator (that may be in partnership with a bank) or
3. Another company drawing upon partnership with one or more mobile operators, a bank, or both. In Uganda however, M-B initiative is being undertaken with three major players, the banks partnering with one or more telecommunication companies and the mobile operators, (mobile money agents)

The models that have surfaced and regarded as relatively successful in terms of gaining market acceptance amongst previously unbanked groups, are from the mobile operator- and “another company” types. Existing bank-lead initiatives can of course be regarded as successful from a profitability, branding or customer loyalty standpoint, but have so far gained little ground in terms of market acceptance in Africa

## **1.2 Problem statement**

Commercial banks in Uganda have a larger retail banking customer base compared to corporate banking customer base, this is evident by the way banking halls are congested with retail customers queuing. In order to effectively serve the large customer base at a low cost, banks have developed M-B application platform to serve as a retail banking service delivery tool. This

strategy was reached at; in abide to decongest the banking halls that have been having long queues all year round since customers walk into the banking halls whenever they need to carry out retail banking transactions such as paying utility bills, and withdrawing.

In addition, the need by commercial banks to include the big percentage of the Ugandan population who have limited or no access to banking services to the banking sector and ensure a cheap mode of retail banking service delivery compelled the banks to adapt to the use of M-B technology for retail banking service delivery. This is because the large percentage of the unbanked population cannot access banking services due the underlying structural limitations of limited physical bank infrastructure but many have access mobile phones.

As a strategy for attracting a larger retail banking customer base and meeting the expectations of the existing customers, new retail banking service delivery techniques have been adopted by commercial banks since extension of network branches is often expensive. With over 19million Ugandans having access to mobile phones, delivery of retail banking services through mobile phones is the technique many commercial banks have resorted in order to effectively extend retail banking services to its existing retail banking customers as well as increase financial inclusion of the people with limited or no access to financial services.

The efforts put forward by commercial banks to accomplish the above objectives seem not as effective since many banking halls around the country are still seen with long queues and the existing retail customers seem not to be adapting to the M-B initiative of the retail banking service delivery. This study is therefore aimed at finding out the challenges that M-B customers are facing as far the adoption to using the platform is concerned.

### **1.3 General objective**

The main objective was to find out the role M-B platform in the delivery of retail banking services to customers in commercial banks in Uganda.

#### **1.3.1 Specific objectives**

The researcher carried out the study basing on the following specific objectives.

1. To determine the role M-B the delivery of services to retail banking customers in commercial banks

2. To find out the effectiveness of M-B in reducing the number of retail banking clients in banking halls
3. To examine the level adoption of the use of the M-B platform by the existing retail banking clients and challenges that these customers are facing as far as using the M-B platform is concerned.

#### **1.4 Research questions**

Following from the above main and specific objective(s), the researcher aimed at finding answers to the following research questions;

1. What role does the M-B platform play in the delivery of services retail banking customers in commercial banks?
2. How effective has the use of M-B platform been in reducing the number of retail banking clients in banking halls
3. To what extent have the existing retail banking customers adopted the use of the M-B platform and what challenges are they facing in adapting to using the platform.

#### **1.5 Scope of the study**

The study mainly to find out the role of M-B platform in the delivery of retail banking financial services to customers, and specifically to find out the effectiveness of M-B in increasing the number of retail banking clients in Uganda, and examine the level adoption of customers to the use of the M-B platform for accessing retail banking financial services. The study was conducted from Stanbic bank Masaka branch.

Stanbic bank Masaka branch where this research was conducted from is located in Masaka district, a district situated in the central part of Uganda. Masaka district is situated approximately 140 kilometres (87 miles), by road, South-West of capital city Kampala and 37 kilometres from the equator towards the South with an average altitude of 1150m above sea level; the Masaka District Local government official website.

The specific study units for this research were retail banking customers at Stanbic bank Masaka branch. The researchers conducted this study on the retail banking customers in May 2017.

## **1.6 Significance of the study**

The case study area of Stanbic Bank Masaka branch was significantly selected because of Stanbic Banks' countrywide uniqueness in terms of offering quality retail banking services to its customers through the M-B platform. The findings from this research are foreseen to be helpful to the retail banking stakeholders in various aspects.

First and foremost, the study will avail the bank with information regarding the role M-B plays in uplifting the quality retail banking. The information can then be used in administrative decision making.

Secondly, the study findings on the specific objective of the adaption of the use of M-B platform will enable the bank to know to what extent the retail customers are using the platform and the opinions of the retail clients on the M-B bank product. The study will help to identify the challenges faced by retail banking clients enrolled on the M-B platform and suggestions to overcome such challenges. This information will help the bank to plan accordingly for its retail banking customers and make adjustments where necessary.

Furthermore, the study will enable the bank to find out which service on the M-B menu is most used by the retail banking customers. This can thereafter assist the bank in knowing which service has the capacity of attracting more new customers on the personal banking segment.

Additionally, information concerning how effective the use of M-B has been in improving the quality of retail banking will be availed to bank. The level of decongestion in the banking halls as a result of embracing M-B will enable the bank to know to what extent their efforts are paying off.

## **1.7 Justification of the study**

The study findings will add to the existing literature on M-B since it will assist in to analyse the role M-B plays in supporting retail banking, to find out the effectiveness of M-B in increasing the number of retail banking clients in Uganda, and to examine the level adoption of the use of the M-B platform by the existing retail banking clients.



The study will enable the researcher to find out the challenges associated with M-B as far as retail banking service deliverance is concerned. Consequently suggestion opinion of the challenges will be obtained to assist in future decision making.

### 1.8 Conceptual framework

The conceptual framework illustration in figure 1 below shows the relationship between the independent variable (M-B platform application menu) with the dependent variable (Retail banking). The following relationship shows how M-B supports enhances the delivery of retail banking financial services to customers in commercial banks

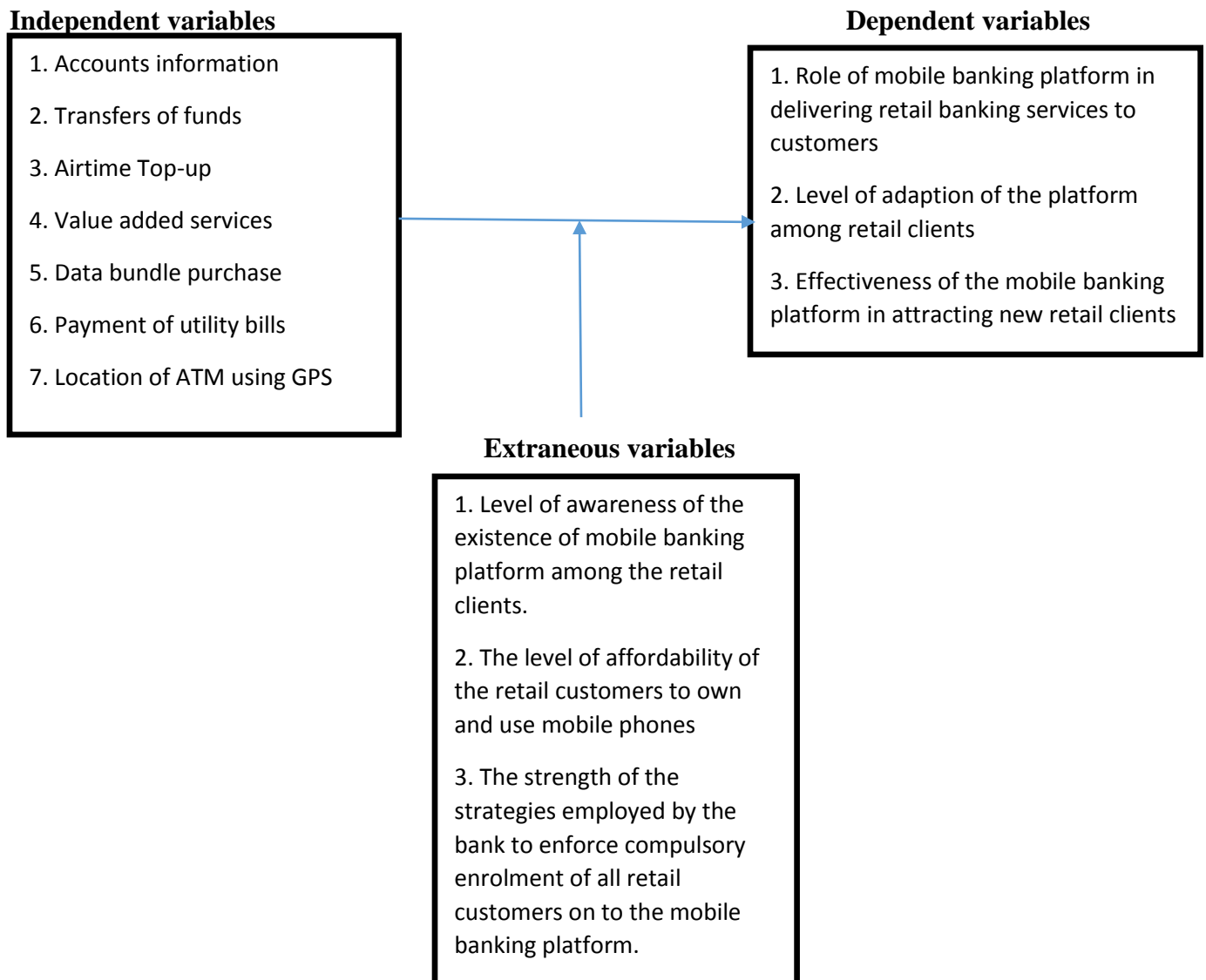


Figure: 1.1 Conceptual framework explaining how the independent variable (M-B platform) affects the level of retail banking (dependent variable)

### **1.9 Definition of terms**

M-B is an application of m-commerce that enables customers to access bank accounts through mobile devices to conduct transactions such as checking account status, transferring money, making payment or selling stock, Alafeef et al, (2012). M-B refers to the use of a mobile phone to perform transactions on one's account in a licensed institution (including balance inquiries, mini-statements, statements and cheque books requisitions, forex rates enquiries and funds transfer to other nominated bank accounts).

Mobile money is the provision of multiple services traditionally given by financial institutions using the mobile phone network and nonbank retail agents, or, even simpler, the ability to access and utilize digital cash using the mobile phone. Gencer, (2011).

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0 Introduction**

This chapter reviews the literature on the role of M-B in delivery of retail banking services in commercial banks. From this review, broad categories will be derived which will help to identify the specific services that are offered by commercial banks through the M-B solution / application. The reasons as to why banks have adapted to using M-B and the adaptability of customers to using these simplified service delivery products

#### **2.1 How M-B service delivery works**

M-B provides a convenient way to carry out many banking transactions anywhere provided a retail banking customer has a mobile money account or a registered M-B account with a licensed commercial bank.

Retail banking service delivery to customers in Uganda through the M-B application platform involves the participation of four main stakeholders: A licensed financial institution, a telecom company, a mobile money agent and the consumer.

The telecom company supplies the technology that integrates the M-B participants (mobile money agents, banking systems, user applications, access channels) and facilitates the translation of the banking instruction from the consumer's mobile phone to that of a financial message that can be understood by the banking systems.

The bank on the other hand plays a major role by registering its retail banking customers onto the M-B platform. The bank does this by obtaining the customers' phone numbers and account details and thereafter creating an M-B account for the customer upon the customer's request.

When registration is done and an M-B account has been created for the customer, the customer is then taught how to operate the account before he/she can commence using the platform. With mobile money shops seen everywhere in Ugandan towns, retail banking customers can carry out their banking transactions from anywhere once registered and in possession of a M-B account or app

The major role of the telecom company is to facilitate the integration of the bank system with that of the mobile money agents /operators, and provide the M-B platform or the M-B application, that enables the consumer to bank using their mobile phone.

The telecommunication companies provide platform to enable transaction take by partnering with the banks which do the physical transfer of money to locations where the final transaction takes place. Alongside partnering with the banks, telecommunications companies have registered mobile money agents. By the end of 2016, MTN had 37,000 mobile money agents doing business with them according to The Daily Monitor (March 29, 2017).

## **2.2 Adoption to the use of M-B platform in the delivery of retail banking financial services in Uganda**

Two major telecom companies' airtel Uganda and MTN Uganda had taken active role in delivery of retail banking services to customers by liaising with at most 9 licensed commercial banks by 2015 to ensure the delivery of M-B services to retail banking customers. According to Isaac K, (2015) 9 banks had collaborated with MTN Uganda and Airtel Uganda to deliver M-B services to the customers. By 2017, 15 out of the 24 commercial banks in the country had partnered with 4 telecom companies to provide M-B services according to the daily monitor.

The following figure shows a summary of the banks and the M-B partnerships with them by March 2017

Table 2.1: A table showing the list of commercial banks that were delivering retail banking financial services through the M-B platform by the year 2017

<b>Name of bank</b>	<b>Partnership telecommunication company</b>	<b>M-B application brand name</b>
Stanbic bank	MTN & Airtel Uganda	Stanbic bank M-B
Standard Chartered bank	Airtel Uganda	Standard chartered M-B
Kenya Commercial Bank (KCB)	MTN & Airtel Uganda	KCB mobi bank
United bank for Africa. (UBA)	MTN Uganda	UBA U-direct
Bank Of Africa	MTN Uganda	Bank Of Africa mobile wallet
Equity bank	MTN Uganda	Eazzy 247
Barclays bank		Your Barclays branch
Post bank	MTN, Airtel, Uganda telecom & Africel Uganda	Post bank M-B
Centenary bank	Airtel Uganda & MTN	Centenary bank, m-cente
Pride microfinance bank	Airtel, Uganda telecom & Africel Uganda	Pride microfinance M-B
Housing finance bank	Africel Uganda	Mcash
Dfcu bank	Uganda telecom	Dfcu mobile
NC bank	MTN, Airtel & Africel Uganda	NC now

Source: The Daily Monitor of 29<sup>th</sup> March 2017

### **2.3 Retail banking services delivered through the M-B application platform**

The most common retail banking services that commercial banks deliver through the M-B platform in Uganda include the following;

#### **1. Transfer of funds**

The architectural setting of the M-B application platform allows retail banking customers to send money from their bank accounts to the mobile money accounts and thereafter they can withdraw their money from the nearest mobile money outlet. On the other hand, retail customers can also transfer money from their money accounts to their bank accounts using the same money transfer application.

M-B has also made it easy for retail banking customers to transfer money from one bank account to the next; this money transfer mode has made it easy for these bank customers to easily settle their debts with their business partners.

Thus, the M-B money transfer application is a banking strategy that many commercial banks have adapted to, in order to decongest their banking halls and operate at low costs while serving a large customer base.

## 2. Paying utility bills

Paying utility bills such as electricity bills, TV subscription bills, water bills, phone bills that used to be really a stressful ordeal for many Ugandan households have finally been simplified thanks to the advent of M-B. Today retail banking customers don't need to physically go to the bank their respective bank branches to pay their utility bills, all that and much more has been easier by M-B where all such transactions can be completed via their mobile phones.

## 3. Making purchases

M-B applications have made it so easy for Ugandans to actually do shopping sprees at the comfort of their living rooms. Retail banking customers are now in position to buy airtime, data bundles using money from their bank accounts. This has made life much easier since you don't need to walk to a shop to make such purchases, imagine you are in a remote place with no shop, M-B is the only way to go.

## 4. Getting updates of bank account transactions

Many bank customers in Uganda today don't need to go to the bank to find out whether their employees or business partners have deposited money on their bank accounts. The M-B application systems have made it possible for bank customers to be up to date with account transactions on their bank accounts. The customers simply get instant short message alerts on their mobile phones whenever their bank accounts have been credited or debited respectively. In most cases, retail banking customers are aware whenever their employees have paid them their salaries.

## 5. Getting records of past transactions

The stress of getting bank statements from bank branches has become history. Retail banking customers registered on the M-B platform are now enjoying transacting with their respective banks without having to even step a foot at the bank branch. They simply get their bank statements at the lowest cost possible from their mobile phones.

### **2.4 Reasons why commercial banks in Uganda have adapted to using M-B solutions**

A number of reasons have compelled commercial banks in Uganda to adapt to using M-B solutions/applications to deliver retail banking services to their customers. Below is the summary presenting reasons why banks have adopted to the use of M-B platform.

#### 1. Need to reduce operational costs

Many commercial banks have resorted to using M-B solutions to serve its retail banking customer base in order to reduce operational costs. Adapting to this service delivery solution/application ensure few labour force and less paperwork in serving customers but at the same time ensuring efficiency and timeliness while serving customers. Since M-B does not necessarily require customers to visit the bank branches at all times, operational costs can therefore be efficiently reduced.

#### 2. Competition from telecom companies

The launch of mobile money services in Uganda made many commercial banks to adapt to using M-B solutions in order to remain competitive in the industry. Competition from telecommunication industry mainly MTN Uganda with their MTN mobile money and Airtel with Airtel money to provide financial services to their customers really pushed banks to become more innovative and adapt to using M-B applications. These services facilitated the customers to deposit money into their account, transfer money to other user for instance sellers of goods and services, relatives and friend; this brought convenience. Commercial banks sector had to adopt the use of M-B solutions to remain competitive.

#### 2. Need to meet customer demands

Technological innovations in Uganda have made customers in many spheres of businesses to demand for more convenient mode of payment for services. As a result, even banks were forced

to device payment systems that its customers would use at their own convenience. In order to accomplish this, commercial banks had to liaise with telecom companies offering mobile money services so as to device the M-B service delivery applications to effectively serve its customers.

### 3. Need to attract a wider retail banking customer base

The advent of mobile money in Uganda has made it easy for commercial banks to device strategies that can enable them increase financial inclusion and improve accessibility of banking services by attracting a wider retail customer base.

## **2.5 Key challenges that commercial banks are facing with adoption to M-B platform**

The continuing evolution and adoption of M-B requires that banks overcome challenges and potential roadblocks — most of which can be mitigated by taking a disciplined and focused approach. As is the case with many emerging markets, the speed of change is rapid, and banks must be prepared to adapt accordingly, Deloitte, (2010).

### 1. Customer experience and awareness

Despite the popularity of M-B among younger market segments, many customers are unaware of the powerful value proposition that mobile channel affords. Banks need to educate their customers to the benefits of M-B and make sure they differentiate themselves from other competition solutions, such as account aggregation services by providing advanced features.

### 2. Platform scalability

Banks and third-party developers need to create software applications that support multiple mobile.

Operating systems, multiple form factors (smartphones, iPods, and tablet computers), multiple telecommunication standards, and can be easily upgraded to support new features and advancements.

### 3. Complex integration and partnership model

To achieve operational efficiencies and realize the full growth potential, banks need to integrate their existing bank platforms — including core banking, customer relationship management, and payment hubs — with M-B solutions. Banks also need to manage a multitude of partners, such as



telecommunication providers, social media outlets, data analytics providers, retailers, payment networks, mobile device manufacturers, and many other stakeholders. Banks also need to foster retail relationships to push mobile payment solutions to merchants and educate them on the benefits of installing terminals at the point of sale to enable customers to pay with mobile phones equipped with near field communications chips.

#### 4. Increasing pressure from competitors

Differentiating capabilities from other banks and service providers is increasingly difficult. However, early adopters of M-B may still gain a competitive advantage in attracting new customers. Moreover, banks still face growing competition from telecommunications providers and other nonbank payment processors offering services that compete with M-B. Consequently, banks should take steps to differentiate M-B from alternative services so that consumers regard banks' offerings as superior.

### **2.6 Advantages accruing to customers for using the M-B platform to access their bank accounts**

Zahra et al, (2012) presents the following benefits accruing the bank customers as a result of using the M-B platform.

1. Always on- mobile phone can be always or is always portable due to inherent design, allow users to interact in activities such as travel or meeting people, while transactions via mobile devices are equipped with Internet.
2. Location-centric-Not only is mobile phone in all places, Global Positioning System (GPS) may be created to recognize phone and tries to personalize based on existing services. Identifying the location of Internet users, provides a special advantage for mobile commerce over wired e-commerce. Using this technology, the mobile commerce providers will enable to receive and send information to a particular place.
3. Convenience- Other people are not limited by time or space, access tom electronic activities. For example, people who are stuck in traffic or waiting in the queue are enable to buy their favourite Internet-based activities or managing their daily transactions through mobile commerce applications .Consumers can know a special comfort that can improve their quality of life. By

making services more comfortable, the customer becomes more loyal. As a result, Communication facilities with mobile commerce applications provide a comfortable life.

4. Customization - Mobile phone is much higher influence than personal computers. Therefore, mobile commerce products are designed to be more creative and more customized lifestyle for example, using demographic data collected by wireless service providers, and information on the current location of the mobile users can do more targeted advertising. Advertising messages can be customized based on the information provided through consultation with the user's initial or previous users' shopping habits.

5. Identify ability - Mobile phone provides to support the secure mobile phone transactions where personal computers are almost unknown (no name). One person always uses mobile devices and it is ideal for Personal -based target marketing ,through the technology of Global Positioning System (GPS), service providers can recognize a user carefully .Personalize opportunity to deliver messages to different parts of space and time through sound and look.

## **2.7 Disadvantages of using M-B**

Although M-B is a good innovation by banks, there are also disadvantages that accrue to the customers as a result of using this platform. Kishan (2016) presents the following disadvantages of the M-B platform.

1. Though the security threat is less than Internet Banking, M-B has to security issues. One of the great threats to M-B is Smishing which is similar to phishing. Phishing is a form of fraud where the attacker tries to learn information such as login credentials or account information by masquerading as a reputable entity or person in email or other communication channels. In Smishing users receives fake message asking for their Bank details. Many users have fallen to this trap.

2. M-B is not available on all mobile phone. Some time it requires one to install apps on one's phone to use the M-B feature which is available on high end smartphone. If one doesn't have a smartphone than the use of M-B becomes limited. Transactions like transfer of funds are only available on high end phones.

3. Regular use of M-B may lead to extra charges levied by the bank for providing the services.

4. Mobile phones are limited in processing speeds, screen size and battery life. This acts as a barrier to M-B. Like all other technology M-B has got its advantage and disadvantage and it's up to the customer to know how you use the technology.

## **2.8 Other platform channels used by commercial banks to deliver services to their customers**

The banking Industry is continuously re-inventing itself and spearheading practices and innovations that make banking easier, flexible and affordable according to Uganda Bankers Association UBA. Today, people can access bank services without necessarily going to the bank. Some of the latest digital platforms provided by financial institutions include;

### 1. Electronic Banking

This is a teller-less, self-service branch which enables our clients to undertake transactions like; cash and cheque deposits, online banking, funds transfer, phone banking among other things.

### 2. Phone Banking

Telephone Banking is a service provided by a financial institution that enables customers to perform financial transactions over the phone, without the need to visit a bank branch or ATM. This involves clients calling into financial institutions and request for Account Balances, Foreign Exchange (FX) rates and makes general account inquiries.

### 3. Electronic (E) –statements

E-statements are now offered by most financial institutions and are accessible electronically. E-statements eliminate the need to print statements on paper and negate the need to deliver hard copy statements through the post office, which reduces costs and makes them more convenient.

### 4. Online Banking/Internet Banking

This is a fully integrated end-to-end electronic platform, which gives clients a single point of access for their transactions and information, allowing them to streamline their work follow processes. Some of the services offered on the online/Internet Banking platform include; Intra Bank Transfers, Real Time Gross Settlement (RTGS), Balance Enquiry, Statement request, M-B

Registration, Print Statements, view Statements, Transaction Summary, Airtime Top-up, Bill Pay, Telegraphic transfers, Standing orders, FX Rates, and Cheque book request.

#### 5. Real Time SMS Alerts (RTAs).

To curb frauds, Banks send their customers Real Time SMS Alerts on their phones immediately after a transaction has been processed to their account.

#### 6. Exclusive Electronic Banking Centres

Financial institutions today provide exclusive Banking centres where customers are able to transact in a luxurious, eco-friendly and world class banking environments without the use of the conventional pen and paper but through the use of several smart online and M-B solutions.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.0 Introduction**

This chapter contains a detailed description of the research methodology used herein. Methodology refers to the approach or paradigm that underpins the research. It includes detailed procedures that are followed to realize the research objectives. Loraine et al, (2010).

In this research, the main objective was to find out the role M-B in the delivery of retail banking financial services in commercial banks. The specific objectives were to find out the effectiveness of M-B in increasing the number of retail banking clients in commercial banks, to examine the level adoption of the use of the M-B platform by the existing retail banking clients and to find out the challenges M-B users are facing.

Thus this chapter will provide a detailed elaboration on the research design, sampling techniques, instrumentation as well as data analysis techniques that will be used in the study.

#### **3.1 Research Design**

A research design is the overall plan or strategy for conducting a research. Oso et al, (2008). This research employed the use of quantitative research plan/ design. A quantitative research is a systematic process of obtaining quantifiable information about a given population. In this type of research, data is presented in numerical form and then analysed through the use of statistics such as mean, mode, medium and standard deviation.

This research was conducted following a case study research design of the quantitative research approach. Case study research method is defined as an empirical inquiry that investigates a contemporary phenomenon within its real life context; when the boundaries between phenomenon and context are not evident and in which multiple sources of evidence are used, Martin, (2005).

In a case study, extensive data on the individual(s), program(s), or event(s) on which the investigation is focused, is collected. These data often include observations, interviews, documents, past records and audio-visual materials. Additionally, details about the context

surrounding the case, including information about the physical environment and any historical, economic, and social factors that have bearing on the situation are recorded, Leedy et al, (2005)

Case study design enabled the researcher to make an intensive investigation on the importance of using M-B in retail banking department since it is potentially a valuable method for obtaining true and comprehensive picture of individuality.

Additionally, case study design helped the researcher to probe deeply and analyse interactions between the factors that explain the present status of retail banking.

The researcher therefore found out the role of M-B platform in the delivery of retail banking services to retail customer's Stanbic bank Masaka branch.

### **3.2 Population and sample**

A population is the aggregate or totality of objects or individuals, having one or more characteristics in common that are of interest to the researcher and where inferences are to be made Martin, (2005).

A sample is part of the target (accessible) population that has been procedurally selected to represent it, Oso et al, (2008).

The population in this study included all the retail banking clients in the bank and the sample for the study was procedurally be drawn from the whole lot of the retail banking customers.

#### **3.2.1 Target population**

This study was conducted at Stanbic bank Masaka branch this is because retail banking is the most demanded for banking service in Masaka because of its nature of simplicity and affordability. Many banking clients in Masaka find retail banking the most appropriate banking package because it caters for the everyday banking needs of individual clients.

#### **3.2.2 Sample**

The sample consisted of 50 retail banking customers who are enrolled on M-B and constantly use it. The sample size of 50 was determined scientifically using the statistical formula of Cochran (1963). The required sample size of 50 retail banking customers to be included for the

sample size at Stanbic bank Masaka branch was determined using the statistical formula of Cochran (1963). The sample size estimation was calculated as shown below;

$$n = \frac{Z^2 p (1-p)}{e^2}$$

$$n = \frac{Z^2 pq}{e^2}$$

n = represents the required sample size

Z = the standard normal deviation which is 95%, (1.95) of the significant confidence 3.8416

p = the proportion of the retail banking customers that is assumed to enrolled on the M-B platform. The researcher assumed that at Stanbic bank Masaka branch, 3.4% of the retail banking customers are enrolled on the M-B platform. Thus p is 0.034

e = stands for the degree of accuracy (0.05<sup>2</sup>)

$$q = 1-p = 0.966$$

$$n = \frac{3.8416 * 0.034 * 0.966}{0.0025}$$

$$n = \frac{0.012617351}{0.0025}$$

$$= 50.46940416$$

= 50 retail banking customers

### 3.3 Sampling technique

Sampling is the process of selecting elements from a population in such a way that the sample elements selected represent the population. It a process that involves extracting a portion of the population from which generalization to the population can be made, Martin, (2005).

Sampling technique is the description of the strategies which the researcher will use to select representative elements/ subjects/ respondents from the target/ accessible population. Oso et al, (2008).

In this study, the researcher used two main sampling techniques: probability and non- probability sampling approaches. In probability sampling, the researcher specifies in advance that each segment of the population was represented in the sample. This is the distinguishing characteristic that sets it apart from non- probability sampling. In non-probability sampling, the researcher has no way of forecasting or guaranteeing that each element was represented in the sample. Furthermore, some members of the population have little or no chance of being sampled. Paul et al (2005).

### **3.3.1 Probability sampling**

The probability sampling technique that was used in this study is called Simple Random Sampling (SRS). SRS is a sampling is the process of selecting a sample where all elements in the population have an equal probability or chance of being selected.

A simple random sample is a sample obtained from the population in such a way that samples of the same size have equal chances of being selected. Martin, (2005). The researcher obtained a simple random sample by the use of the random number method. This method is used when there are numbers that identify the elements of the population.

### **3.3.2 Non-probability sampling**

The non- probability sampling technique that the researcher used is purposive or judgmental sampling. In purposive sampling, the researcher consciously decides who to include in the sample basing on ones experience of knowledge of the group to be sampled. Further still, the researcher has in mind that these respondents have the information she requires.

In this study, the service manager and the personal bankers were purposively included because their experience and knowledge about the use of M-B platform and information that the researcher needed to carry out the research.



### **3.4 Data collection**

Data is anything given or admitted as a fact and on which a research inference will be based. It is anything actual, or assumed, used as a basis of reckoning .Oso et al, (2005).

Data collection involves procedures followed in obtaining useful information. In this study, the researcher used guided discussions and administration of questionnaires. The selection of these tools was guided by the nature of data to be collected, the time available as well as by the objectives of the study. The main aim of this study was get the opinions and views of the retail banking customers as well as bank staff on role of M-B platform in the delivery of retail banking services to customers at the bank.

### **3.5 Instrumentation**

Instrumentation refers to the tools used for collecting data and how these tools were developed Onen, (2007). As mentioned earlier, data was collected through administering questionnaires to selected retail banking customers, and having open guided discussions with selected bank staff.

#### **3.5.1 The questionnaire**

A questionnaire is a form consisting of interrelated questions prepared by the researcher about the research problem under investigation, based on the objectives of the study. The form consists of a set of questions to which the subject responds in writing (Martin, 2005).

In this study, the researcher designed questionnaires that had both open ended and closed ended questions. The questionnaires were then administered to the respondents who had been randomly selected by Simple Random Sampling. Questionnaires were used because the study involved concerns and variables that could not be directly observed such as views and opinions. Such information could be best collected through questionnaires. Further still, the researcher used questionnaires as a data collection tool because the nature of the research design was quantitative in nature, where the data collected would be presented in a quantified form and inferences would be made from the analysed data.

The researcher administered the questionnaires basing on the following assumptions:

1. The respondent could read and understand the questions.
2. The respondent possessed the information to answer the questions

3. The respondent was willing to answer the questions or items honestly.

Martin, (2005) sites the following advantages and disadvantages of using questionnaires as a tool of data collection.

### **Advantages of using questionnaires**

The questionnaire as a tool of data collection method is less expensive compared to other methods. This is because it can be administered to the respondents to fill in, and the respondent fills it in at his/her convenience. During the study, the researcher administered the 50 questionnaires to the selected customers who filled them at their own time of convenience and perhaps even had ample time to think about the correct answers to write.

Questionnaires, especially the ones are filled at the respondent's convenience increases the chances of getting valid information. During the course of this study, the researcher obtained 96% level of correspondence of customers who had been given questionnaires to fill. This level of correspondence gave the researcher confidence that the data collected had valid information to rely on.

Questionnaires with personal administration with on the spot collection produce quick results. The researcher got very quick results from the questionnaires that she personally administered; this helped the researcher to complete the work within a stipulated time.

Further still, the questionnaires that were personally administered by the researcher gave the researcher ample time to engage the respondents to get detailed information about a particular subject. On the other hand, these questionnaires helped the respondents to ask the researcher questions whenever they needed explanation to understanding the asked questions. This increased the level of validity of the data collected.

Questionnaires offer great assurance of anonymity. In the case where the researcher is handling a sensitive topic, the target sample can give sensitive information without fear, as their identity is not needed on the questionnaire.

Questionnaires cover a wide geographical area because researchers approach respondents more easily through questionnaires than any other method. During this study, the researcher obtained data from a variety of respondents from a wide geographical base.

### **Disadvantages of using questionnaires**

Although the questionnaire is an effective data collection tool, there are a few disadvantages associated with its use in the process of data collection for research. The researcher encountered the following challenges while collecting data by the use of questionnaires.

Questionnaires do not allow probing, prompting and clarification. The researcher encountered this challenge in the data process when questionnaires were sent to the respondents, only to find that some questions had remained unanswered due to lack of clarity whenever the respondents didn't understand a question. This behavioural pattern of respondents reduces the validity of the results.

Questionnaire items are fixed. This means that they do not provide an opportunity to collect additional information while they are being completed.

Questionnaires do not offer chances for motivating the respondent to participate in the process of filling the questions. This sometimes lowers the numbers of the questionnaires that are returned to the researcher.

The identity of the respondent is concealed and the conditions under which questionnaire was answered are not known. This makes it uncertain whether the right people in the target sample filled the questionnaires or not.

To improve on the validity of the findings, the researcher used other data collection techniques such as observation and guided discussions.

### **3.6 Data analysis**

After data had been collected, quantitative data was analysed using descriptive statistics, which included frequency, mean, standard deviation, range, standard error of the mean and sum. Important statistical tools such as Cross-tabulation were applied with the help of Excel and Statistical Package for Social Scientists (SPSS) software to analyse the data and draw

conclusions. Analysed data was presented in the form of tables, charts and graphs. The dependent variables were measured to find out if and how much they varied in respect to the independent variables variations.

### **3.7 Quality control**

Data quality was ensured through the simplification and modernization of the study tools, designed to capture the intended information. The researcher ensured that the questions in the questionnaire were as simple as possible for the respondents to understand and give answers accordingly.

## **CHAPTER FOUR**

### **FINDINGS AND ANALYSIS OF DATA**

#### **4.0 Introduction**

This chapter describes all the findings and the presentations of information on the role of M-B in the delivery of services to retail banking customers in Stanbic bank, Masaka branch. The specific objectives of the study were to determine the role M-B the delivery of services to retail banking customers in commercial banks, to find out the effectiveness of M-B in reducing the number of retail banking clients in banking halls, to examine the level adoption of the use of the M-B platform by the existing retail banking clients and challenges that these customers are facing as far as using the M-B platform is concerned.

It is also in this chapter that most of the data are organized in a form of simple tables, charts and in graphs.

#### **4.1 Response rate**

The rate of customer's response towards the research was 96% because the research only managed to get back 48 filled questionnaires out of the 50 research questionnaires that were distributed to the retail banking customers at Stanbic bank Masaka branch. This implied that 2 questionnaires were not returned back and thus were not included in the study. Data analysis was based on results from only 48 filled.

#### **4.2 Level of customer's awareness to the existence of the Stanbic bank M-B platform**

The basis of the analysis was results from questionnaires bearing open and closed ended questions which were distributed to random retail banking customers from within the banking hall and selected organizations that have their employees having retail bank accounts with the branch. 50 questionnaires were distributed but only 48 were answered.

Results from the questionnaires distributed revealed that 86% of the respondents had heard about the Stanbic bank M-B and only 14% had not heard about it and had no clue about what it is and what does. On further analysis, the researcher discovered that, out the 48 respondents, 63% had heard of the M-B platform and were registered on the platform. While as 23% was not yet

registered but had heard of the platform. 14% of the respondents had neither heard of the platform nor were they even registered.

This therefore implies that many retail banking customers at Stanbic bank Masaka branch know about the M-B platform although their enrolment rate is not 100%. This is evident by the results presented in a graphical form in figure 3 below.

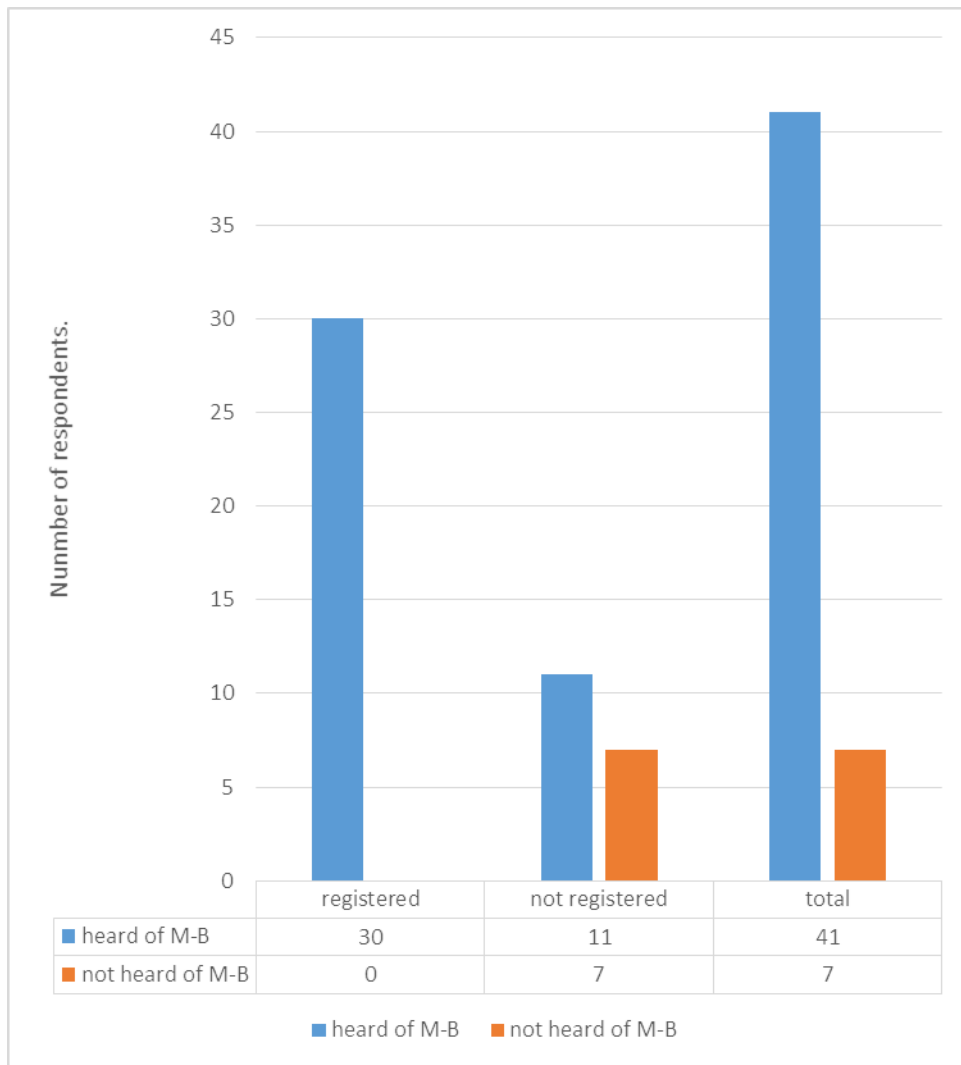


Figure 4.1: A graph showing the level of awareness of the M-B platform among respondents and its use by the respondents in receiving retail banks services from the bank.

Source: Primary Data

### **4.3 The effectiveness of selected awareness campaign methods in sensitizing the retail banking customers on the use of M-B platform**

Concerning the awareness campaign methods that the researcher questioned the respondents about, the researcher wanted to find out to what extent the use of these campaign methods have been effective in sensitizing the retail banking customers on the existence of the M-B platform in the delivery of retail financial services to customers.

Out of the 41 respondents who had heard of the M-B platform, 22% had learnt about the platform through mass media of either radio, the Television TV or newspaper adverts. 24% of the respondents agreed to being sensitized by their friends who were already well informed about the platform. On the other hand, 44% of the respondents revealed that they were informed about the platform by Stanbic bank staff especially the staff at enquires department. The M-B brochures in the banking halls also sensitized the retail banking customers, as 10% of the respondents said they learnt about the M-B platform after reading the M-B brochure they got from the banking hall.

These findings made the researcher to rate the bank staff as the most active and reliable method of relying information to retail banking customers about the existence and role of the M-B platform in the delivery of retail banking services. This is perhaps due to the fact that these customers easily get netted by the bank staff whenever they come to the bank to carry out their retail banking transactions, and therefore they are persuaded to get enrolled.

The 24% of the respondents who admitted to being sensitized about the platform through their friends who are already registered and actively using the M-B platform, gave the researcher the implication that once a customer is enrolled on the M-B platform, there is possibility that the customer will tell other customers about it though not in every case.

It was also discovered that the M-B brochures in the banking hall and the use of mass media channels do very little in sensitizing the customers on the existence of the Stanbic bank M-B platform. This is evident with the percentages of affirmation by respondents being 22% and 10% respectively.

The figure below shows a graphical presentation showing use of a selected campaign methods creating awareness to customers about the existence of the M-B platform, in frequencies and percentages of the answers as given by the respondents.

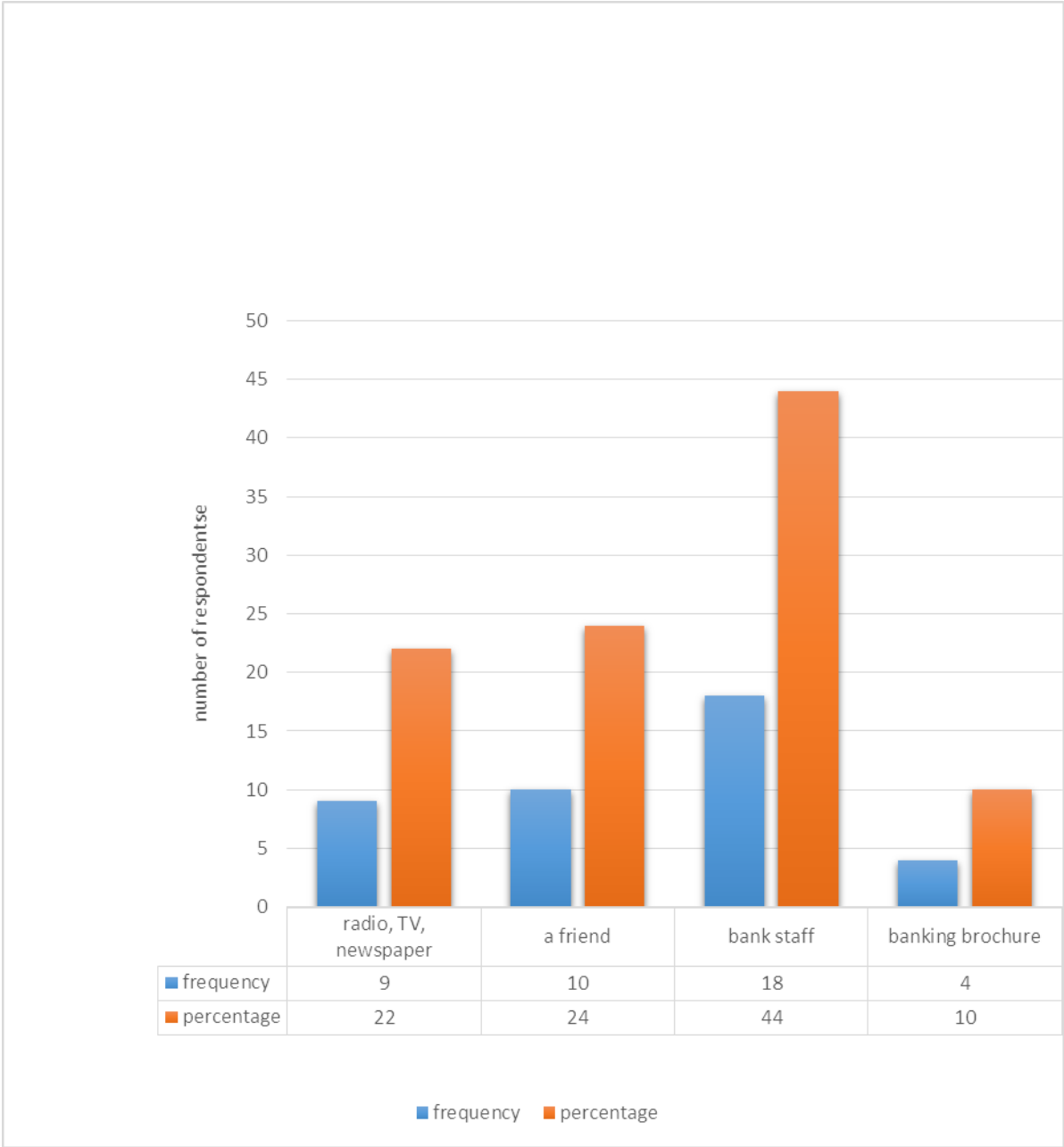


Figure 4.2: A bar graph showing the effectiveness of selected awareness campaign methods in relying information about M-B to retail banking customers.

Source: Primary Data



#### 4.4 Level of awareness of respondents about the M-B platform and their use of the platform

The researcher found out that, out of the 48 retail banking customers who gave response to the questions in the questionnaire, 41 had heard about the M-B platform while as only 7 had not heard about the platform. Further findings also revealed that only 30 customers, out of 41 who had heard about the Stanbic M-B platform, were registered on the platform. Only and were actively using it. 11 respondents were not registered, although they had heard about the platform. This category of customers had their reasons of not registering.

The figure below shows the level of awareness of the respondents and their use of M-B platform

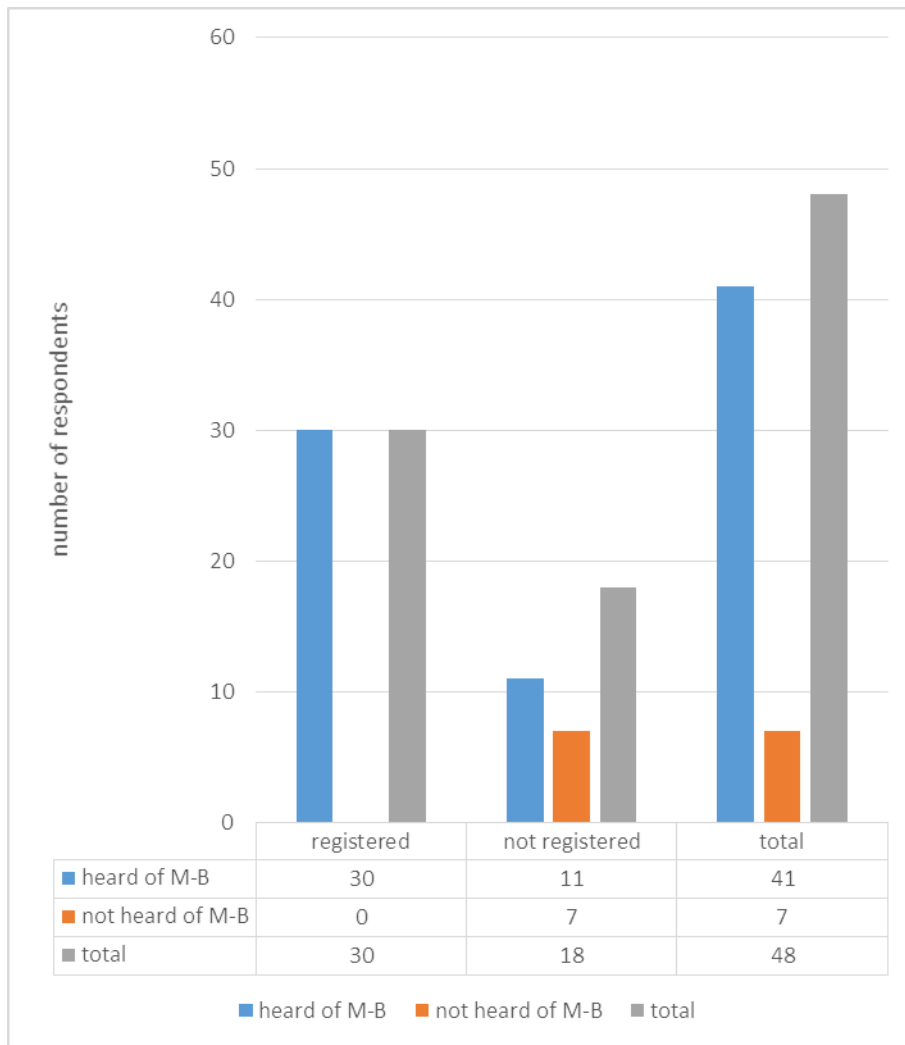


Figure 4.3: A bar graph representing the level of awareness of the M-B platform among retail customers and its active use amongst them.

Source: Primary Data

#### 4.5 Degree of the use of M-B platform by retail banking customers in duration of one month

The figure below is a graphical presentation on the researchers' findings on the number of respondents actively using the M-B application platform and their degree of usage in transacting retail financial transactions with Stanbic bank within a time frame of one month

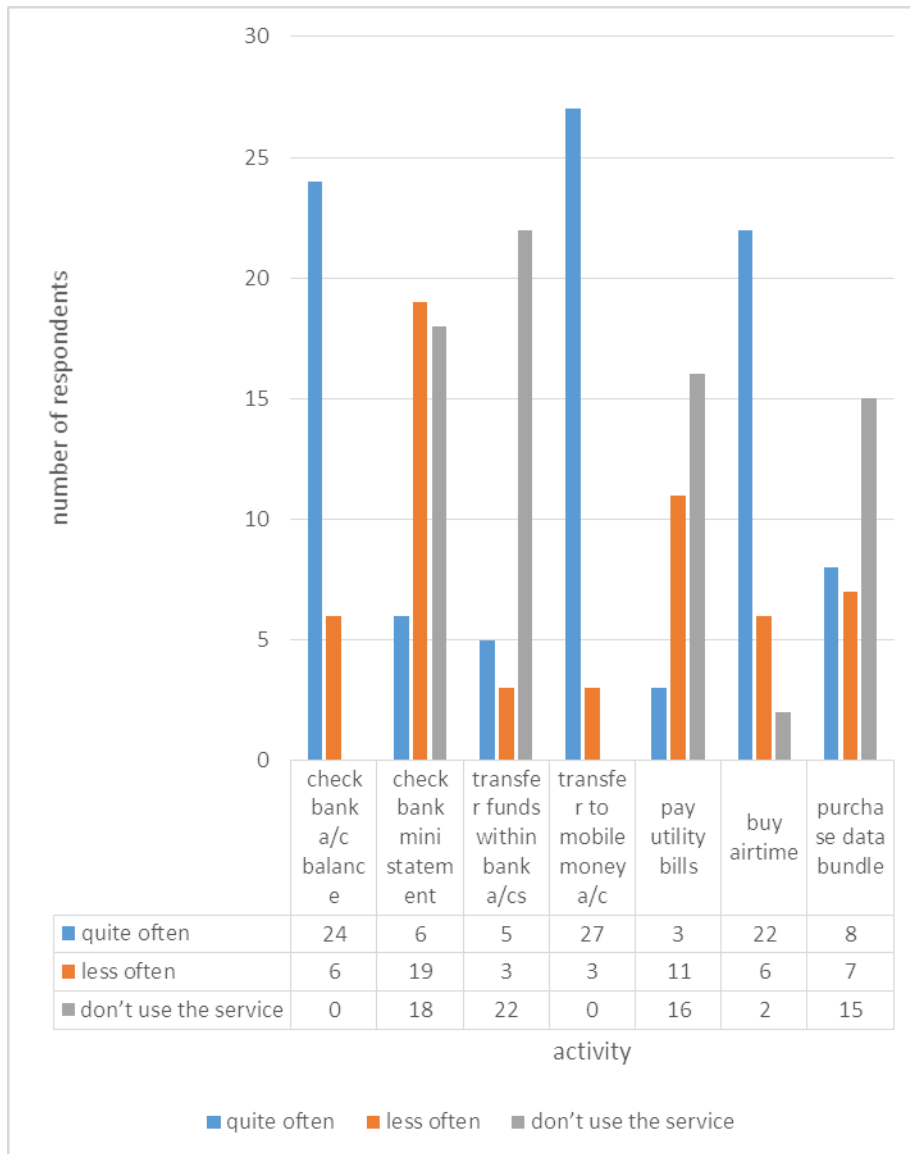


Figure 4.4: A bar graph showing retail banking services delivered by Stanbic bank and the rate at which customer's access them through the M-B platform within time duration of one month.

Source: Primary Data

Based on the graphical presentation in figure 6 above, it is up sad to note that the rate of access of certain retail banking financial services through the M-B platform is really low, yet these are the most demanded for services and the cause of long queues in banking halls. This is evident by the overwhelming number of customers who do not pay utility bills, transfer money to other bank accounts within Stanbic bank, get bank account mini statement and purchase data bundles.

The uptake of the M-B platform by customers for accessing financial services is still low as customers only withdraw money using the platform and tend to neglect other services offered. As presented in figure 6 above, it can be noted that the rate of transferring money from the bank account to mobile money account is highest with 90% of the customers who are registered on the platform using the service quite often, and only 10% using the service on rare basis.

The second most accessed retail banking financial service on the M-B application platform is checking for bank account balances. 80% of the customers quite often check for their bank account balances through the M-B platform but 20% occasionally check for their bank account balances using the platform. The rate of the access of the two retail financial services by customers have a strong relationship on each other because it could be possible that these customers only check for bank account balances whenever they want to withdraw money through their mobile money accounts.

The purchase of airtime using the M-B platform is a financial service that has also been embraced by customers as the rate of access is 73% on a frequent basis. 20% of the customers access the service on a rare basis whereas 7% do not access the service through their M-B account platforms. The 7% who don't access this service through the M-B platform perhaps just choose not to buy airtime using the money from their bank accounts or they don't know how it's done.

The rate of buying data bundles using the M-B platform is really low with the level of accessibility of the service at only 27% on a frequent basis and 23% on occasional basis. The level of customers who do not access the service lies at 50%. This implies that few customers purchase data bundles through the M-B platform.

The rate of access of certain retail banking financial services such as paying utility bills, obtaining bank account mini statement, and transferring money within Stanbic bank's bank accounts are very low. This is because out of the 30 customers who are registered on the platform, only 10% quite often pay utility bills using the platform, whereas 37% rarely use the platform to pay their utility bills. 53% Of the customers don't use the M-B platform to make utility bill payments even though they are registered on the platform.

A similar trend was noted on the acquisition of bank statements, only 20% of the registered customer usually gets their bank statements from the bank on a monthly basis, 17% on rare basis and 63% do not get bank statements through the M-B platform. On the other hand, the rate of transferring money with in Stanbic bank through the M-B platform is also very low with 17% of the customers carrying out the transaction in a duration of one month, 10% on a rare basis and 73% of the customers not using the service or carrying out such transactions through the M-B platform.

#### **4.6 Impact of the use of M-B platform on the behavioural patterns of the respondent**

Findings on the impact of the use of the Stanbic bank M-B application for the delivery of retail financial services on the behaviour of the registered customers indicated that the platform has improved the ease of accessing financial services. Using the degree of certainty measures of; a) strongly disagree, b) weakly disagree, c) agree and d) strongly agree,

The researcher found out the facts as summarized in the following bar graph.

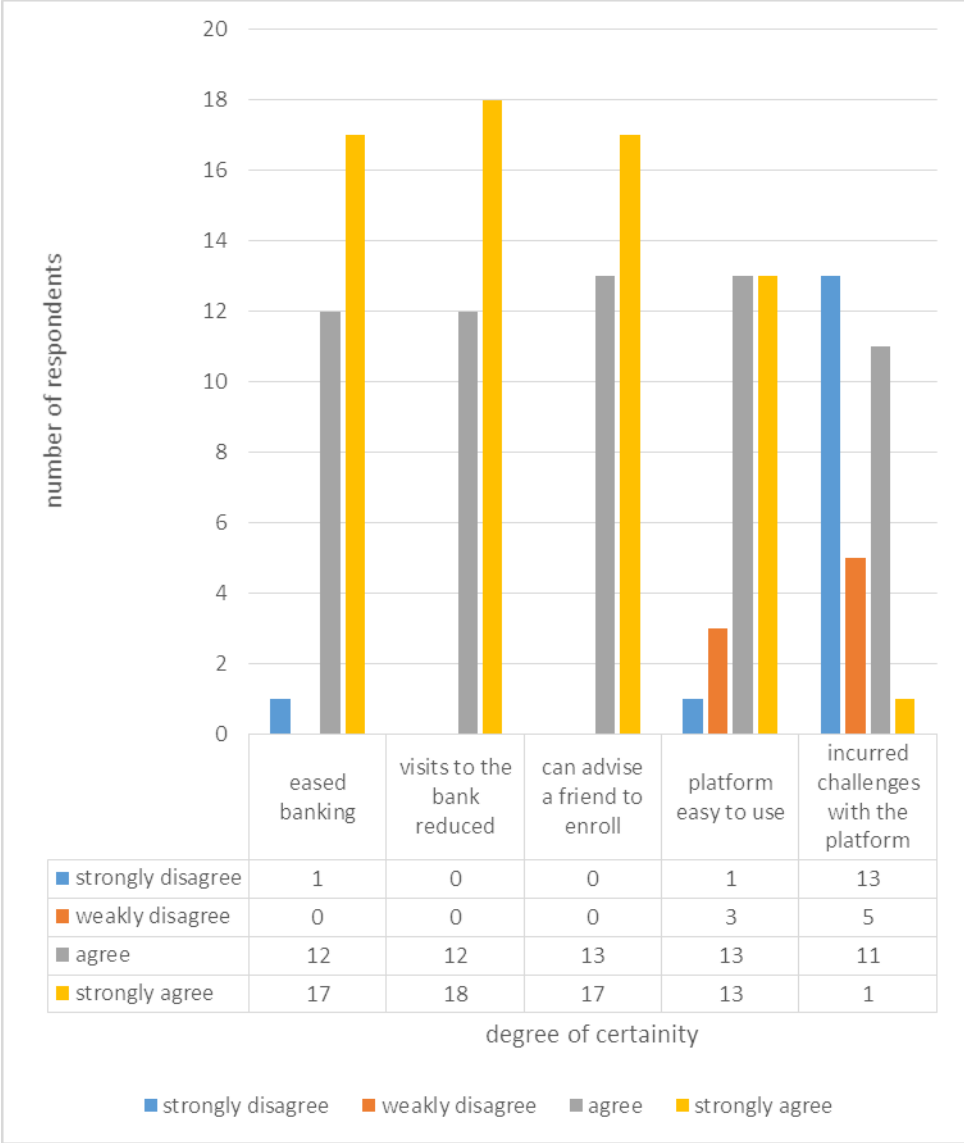


Figure 4.5: A bar graph showing the impact of M-B platform on the behavioural pattern of customers.

Source: Primary Data

The use of the M-B platform as a channel for accessing bank accounts by customers has been revealed to impact on the behavioural patterns of customers in various ways. Basing on the degrees of measurement of respondents opinions as strongly disagree, weakly disagree, agree and strongly agree; the researcher found out that:

Out of the 30 customers who confirmed of actively using the M-B platform, 3% strongly disagreed to the platform making their banking experience any easier, 40% of the respondents agreed that the platform had made their banking experience easier whereas 57% of the respondents strongly agreed that M-B platform had made their banking experience easier/ better than it was before.

On the other hand, 40% Of the respondents agreed that with the use of M-B platform to access their banks accounts, their physical visits to the bank had reduced while 60% of the respondents strongly agreed to the affirmation.

Meanwhile 43% of the respondents agreed that they would advise a friend who is not registered on the platform to register and the percentage of the respondents who strongly agreed to the affirmation was 57%.

On being asked whether it was easy for the customers to adapt to the use of the M-B platform, 3% strongly disagreed, 10% weekly disagreed, 43% agreed that it was easy to adapt to using M-B platform. 44% of the respondents strongly agreed to the affirmation.

To the researcher's dismay the level of dissatisfaction of the customers was alarming as 37% agreed that they incurred challenges while using the platform, 3% strongly agreed to have challenges with adapting to the M-B platform. It was however relieving to learn that 43% of the respondents strongly disagreed to having any challenges however 17% of the respondents weakly disagreed to incurring challenges while using the M-B platform to access services from their bank.

#### **4.7 Reasons for not using on the M-B platform**

Basing on the answer responses of the respondents, the researcher found out those 41 respondents had heard of the Stanbic banking M-B platform for used in the delivery of retail financial services. Indicating that 85% of the respondents knew about this platform while as 15% didn't know about it and where hearing of the Stanbic bank M-B platform for the first time.

Further findings from the responses on the questionnaires showed that out the 41 respondents who already knew about the platform, only 30 were registered on it and where actively using the platform. This therefore meant 11 respondents who had heard of the platform were not registered

and perhaps all their retail financial service transactions were still being undertaken from the bank.

The table below shows the responses given by respondents, giving details on why they are not registered on the platform.

Table 4.1: A table showing respondent’s reasons for not registering on the M-B platform

<b>Reason for not registering</b>	<b>frequency</b>	<b>percentage</b>
Comfortable transacting from the counter	2	4
Given up on trying to enrol	1	2
Prefer using the Automatic Teller Machine ATM	4	8
Am enrolled on internet banking	3	6
Can’t manage to keep a phone	1	2
Not heard of the Stanbic bank M-B platform	7	15
Missing ( already registered)	30	63
Total	48	100

Source: Primary Data

The researcher later on found out that the old retail customers were the ones who were comfortable carrying out their transactions from the banking hall and the bank staff there are tried all possible means of ensuring they get enrolled but this particular group of retail customers remained adamant. It was further discovered that some customers just don’t feel comfortable using the mobile phone to carry out their retail bank transactions. This group of retail customers gave their reason as quoted below;

*“The use of this M-B platform encourages reckless spending because one can easily get tempted to withdraw money from the bank through mobile money and drinks it off without anyone knowing.”*

The concern quoted above made the researcher to learn that retail customers need to be sensitized on the benefits of customers being financially disciplined if they are to reap from using M-B platform.

#### 4.8 Challenges of respondents who are registered on the M-B platform are incurring

The primary findings on the challenges that customers are facing with the use of the M-B platform is presented in the tabular form below

Table 4.2: A table showing the challenges incurred by respondents while using the M-B platform

Challenges encountered by customers while using the M-B platform	Frequency	%
Valid responses	26	54
Can't transfer money within bank a/ccs	2	4
High login charges from airtel	4	8
Loss of pin number, network failure sometimes, service not available sometimes, high login charges from airtel	1	2
Network failure sometimes	2	4
Network failure sometimes, high login charges from airtel	1	2
Network failure sometimes, high login charges from airtel, loss of pin number	2	4
Network failure sometimes, loss of pin number	1	2
Network failures, delays in crediting a/ccs	1	2
Service not available sometimes, high login charges, cant transfer money to other banks	1	2
Service not available sometimes, network failure in remote areas, high login charges from airtel, cant transfer money to other banks	1	2
Service not available sometimes, phone gets lost	2	4
Sometimes the phone can get lost	2	4
Sometimes the phone can get lost, can't pay school fees	1	2
System breakdown sometimes	1	2
Total	48	100

Source: Primary Data

The result of findings presented in the table above shows that out of the 30 registered customers, 26 were facing challenges while using the Stanbic bank M-B platform. The 26 customers facing challenges with the use of the M-B platform constitute 54% of the overall sample population. This therefore implies that 87% of the customers that are registered on the M-B platform are not satisfied with the way the Stanbic bank M-B platform works. This is an indication that there only 13% of the customers that are satisfied and are capable of advising their fellow customers to enrol on the platform.

The information presented in the table above shows that many customers are facing the challenge of high login charges by Airtel whenever they log on to their M-B accounts. Network



connectivity was also reported to be really bad in remote areas. Poor network connectivity accompanied by the M-B service not being available at all times was reported to be a major hindrance towards the use the platform by the subscribers.

The responses given by the respondents also showed that many customers were not able to make money transfers within their Stanbic bank accounts using this platform yet the option is available on the application platform user menu.

#### **4.9 Suggestions put forward by respondents on how to solve the challenges incurred while using the M-B platform**

Basing on the challenges presented in the table above, the respondents facing the various challenges put forward their suggestions that could help in solving the problems mentioned. Although 26 customers mentioned out their challenges, 29 gave solution suggestions on how to solve the problems faced by customers while using the Stanbic bank M-B platform. The solution suggestions are presented in the following table.

Table 4.3: A table showing suggestions presented by respondents solving the challenges they are incurring while using the M-B platform

Suggested solutions	Frequency	%
Valid solutions	29	60.4
Airtel should reduce charges	4	8.3
Airtel should reduce charges, service should be available 24/7, connect with other banks to enable transfer	2	4.2
Bank should teach us how to transfer money within bank a/ccs	2	4.2
Inform customers in case of breakdown	1	2.1
Network should be available 24/7	1	2.1
Network should be available 24/7	2	4.2
Network should be available 24/7, airtel should reduce login charges	3	6.2
Service should be available 24/7	3	6.2
Should make the platform pay school fees	1	2.1
Total	48	100

Source: Primary Data

### **Stanbic bank retail financial services delivered to customers through the M-B application platform**

The Stanbic bank M-B application platform presents a user with a number of services in a menu form, once a registered client on the platform dials the log in cord of \*290# and thereafter enters his/ her M-B pin number. The menu of retail financial services that are delivered through the Stanbic bank M-B platform then pops up with a list of services below.

1. Accounts
2. Transfers
3. Payments
4. Airtime top up
5. Value added services
6. Data bundle purchase

7. Help

8. Logout

Upon clicking option 1, the user is then presented with the two options;

1. Check account balance

2. Check mini statement

The user then chooses which option him/ desires by clicking on the corresponding button accordingly.

The option 2 on the Stanbic bank M-B application platform menu enables the user to perform these transactions

1. Transfer money from bank account to mobile money account

2. Transfer money from one Stanbic bank account to another.

The third option on the application platform menu directs the user to utility bills payment submenu from which desired choices are chosen and transactions implemented thereon. The submenus of services from option 3 are arranged as listed below.

1. Pay water

2. Pay beneficiary

3. Pay biller

4. Pay taxes and rates

5. Pay television subscription

6. Pay goods and services

7. Pay electricity

The 4<sup>th</sup> option on the menu enables the user to top up airtime on the phone using the money in the bank account. Airtime top up is only possible on the users' telecom network on which the M-B application was enabled for.

The 5<sup>th</sup> option which is value added services gives the user directives on how to use instant money while as option 6 enables the user to purchase data bundles for all the various social media networks such as WhatsApp data bundle, data bundle for Facebook messenger. Options 7 and 8 guides the user accordingly on how to get help and log out from the M-B application platform.

## CHAPTER FIVE

### CONCLUSIONS AND RECOMMENDATION

#### 5.0 Introduction

This chapter draws out the overall conclusions that the researcher made from the research basing on the main and specific objectives of carrying out the study. The chapter is divided into 4 sections; discussion of finding and summary, conclusions and recommendation and areas for further study. The sections were guided by the study objectives.

#### 5.1 Discussions of finding and summary

It was realized that majority of the respondents (85%) had heard about the Stanbic bank M-B platform. This implied that a large percentage of retail banking customers at Stanbic bank Masaka branch are informed about the platform and can easily make a choice on whether to enrol on the platform or not. Further findings in chapter four also revealed that more than 50% of the respondents had heard of the M-B platform with results indicating that 30 (63%) had enrolled on the platform and were actively using it to access retail banking financial services from the bank.

Stanbic bank M-B platform has played a major role in delivering retail banking financial services to its customers as the rate of accessing certain services was discovered to be overwhelmingly high for certain services such as transferring money from bank account to the customers' mobile money account, checking for bank account balances and buying airtime. The fact that many customers/ respondents are accessing their bank accounts and carrying out transactions through the M-B platform implies that the rate of adoption to the use of M-B platform by customers is appreciable.

Although a lesser extent, results of the data analysed in the previous chapter revealed that M-B platform enhanced the delivery of particular retail banking financial services to hand full of respondents. These particular retail banking financial services included transferring of money from one bank account to another, payment of utility bills and obtaining of bank account mini statement.

Basing on the results obtained in chapter four, it is however questionable on why some services have adopted well to the M-B platform whereas some services have not picked up in regards to the rate at which customers demand for them. For instance, its puzzling to understand why, even though the option for paying utility bills is available on the M-B application platform menu, many respondents do not use the service.

M-B platform plays a great role in helping to reduce the number of customers in banking halls. Information realized upon the analysis of primary data revealed that the behavioural patterns of respondents in regards to visiting the bank to carry out transactions changed as many of the respondents affirmed that the number of their physical visits to the bank has reduced due to the use of M-B platform for accessing bank services.

## **5.2 Conclusions**

Stanbic bank Masaka branch staff have done much in sensitizing its customers about the existence of its M-B platform because the level of awareness of the existence of the platform and its use by the customers is high. The bank staff have done all they can to sensitize the bank customers who come to the banking hall to carryout transactions.

The future seems promising for commercial banks in incorporating the use of the M-B platform for the delivery of many other banking services other than retail banking services that are being delivered to customers through the platform as many customers already use the platform to access bank services that they were previously used to only getting from the banking hall. This means that the M-B platform, compared to other service delivery platforms, has a higher possibility of reducing the level of customer congestion in the banking hall.

The adoption to the use of the M-B platform as a service delivery is an innovation by commercial banks that mainly attracts the youth and young people. Commercial banks should therefore not be so expectant that some customers who are rather old will easily adapt to using the platform as many of them prefer the traditional way of accessing their bank accounts or carryout out bank transactions.

Although the adoption to the use of the M-B platform by bank customers is promising, commercial banks still have to instil in their customers trust for using the platform because many

customers know about the platform but some are still adamant to enrol due to lack of trust and clarity if the M-B platform is the way to go.

### **5.3 Recommendation**

Stanbic bank Masaka branch bank staff should sensitize their customers on the functionality of the M-B platform since many of the clients( customers) who are registered on the platform do not carry out some basic retail banking transactions using the platform yet such services can be accessed using the platform. Transaction of paying of utility bills should be done through the M-B platform.

Airtel Telecommunication Company should reduce their charge rates for M-B platform since their higher charges compared to other service providers is a discouragement for Airtel subscribers to enrol on to the M-B platform.

The bank should endeavour to make the M-B service a 24 hour service and prior communication should be made to customers whenever the service is going to be unavailable

The network coverage should be worked on so that customers in remote areas can be able to access bank services through the M-B platform. This is because many customers reported that the M-B platform cannot be used when in remote areas.

The bank should bear with the old customers, the blind and the ones who are comfortable carrying out their bank transactions using the ATM and other services delivery channels besides the M-B platform.

### **5.4 Areas for further study**

Further studies are needed on the same topic, the role of M-B platform in the delivery of retail banking financial services to customers in commercial banks. This should be done in order to compare the validity and reliability of these findings with others in the future. It is also recommended that studies be conducted to find out to what extent M-B platform has enabled inclusion of the under and unbanked Ugandan population to easy accessibility of banking financial services.

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**APPENDIX 1:**

**Questionnaire used for collecting data**

Dear respondent,

My name is Polly Aber, a third year student at Uganda Martyrs University pursuing a Bachelor’s of Science degree in Financial Mathematics. As a basic requirement for the completion of my course, I am carrying out research on the topic entitled; the role of the M-B platform in the delivery of retail banking financial services in commercial banks

The case study is Stanbic bank Masaka branch. You have been chosen because you are a retail banking customer at this Stanbic bank Masaka branch. It is hoped that the information you provide will be of great importance to the researcher. The information that you will provide will be treated with utmost confidentiality and will only be used for the purpose of the study.

**Section A**

1. This section consists of questions where you are required to tick in the answer box that you feel corresponds to your answer opinion.

Statement	Yes	No
Have you heard of the Stanbic bank M-B platform?		
If yes, are you then registered on the platform?		
If no, would you, and then want to know more about the M-B platform and give it a try by enrolling on it?		
If you are registered on the platform, are you actively utilizing it?		

2. If you have heard about M-B but you don’t want to register for it, please give reasons why

a).....

b).....

3. How did you get to know about the M-B platform? Tick at the end of the box that appropriately corresponds to your answer.

Through an advert on the radio, television or newspaper	
A friend told me about it and I got compelled to register	
A bank staff told me about it and encouraged me to register	
Through a M-B brochure I read from the banking hall	

**Section B**

4. This section has statements where you will agree or disagree accordingly

statement	Strongly disagree	Weakly disagree	Agree	Strongly agree	Not decided
Do you think the use of M-B has eased your banking experience with Stanbic bank?					
Has the number of times you come to the banking hall to carry out transactions reduced with the use of M-B?					
Would you advise a friend to enrol on the platform?					
Was it easy for you to adapt to using the M-B platform on your phone?					
Have you incurred any challenges while using the M-B platform?					

**Section C**

5. With consideration to one month duration, how often do you carry out the following activities using the M-B platform?

activity	Quite often	Less often	I don't use this service on the M-B menu
Check for your bank account balances/ balance inquiry			
Check for your account mini statement			
Make money transfers from one bank account to another			
Make money transfers from your bank account to the mobile money account			
Pay utility bills like water, UMEME bills and TV subscription			
Buy airtime			
Purchase data bundles			

**Section D**

6. What challenges have you encountered while using the M-B platform? Please list them.

- a).....
- b).....

7. What suggestions do can you give the bank to enable them solve these challenges?

- a).....
- b).....

**APPENDIX 2:**

**Introductory letter to Stanbic bank Masaka Branch**