UNIVERSITY OF GHANA

MOBILE MONEY SERVICES AND GROWTH OF SMALL AND MEDIUM SCALE ENTERPRISES: SMEs IN LEDZOKUKU, LA DADE KOTOPON AND KPONE KATAMANSO MUNICIPALITIES

BY:

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DECLARATION

I, NANCY NAADEI KOTEI-SASS hereby affirm that this work is towards the award of the Master of Science degree. To my best of knowledge, it contains no material which have been previously published by another person or has been accepted for the award in any other of the university, except where due acknowledgements have been made in the text.

I bear responsibility for any deficiency.

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NANCY NAADEI KOTEI-SASS   DATE

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CERTIFICATION

This is to certify that the long essay was supervised in compliance to blueprints set by the University of Ghana.

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DR. E. SARPONG-KUMANKOMA   DATE

(Supervisor)

DEDICATION

I devote this long essay to my dear parents Mr. and Mrs. Kotei-Sass for supporting and encouraging me throughout my education. I appreciate all you have done for me. I also dedicate it to my brothers, Ellis and James Kotei-Sass.

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I appreciate the contributions from all my course mates and friends who assisted me throughout the data collection.

ABSTRACT

Mobile money in recent times has become very essential in transferring money/carrying out a business. The introduction of Bank to Wallet transfers and mobile interoperability has enlarged the mobile money market. The purpose of the study is to find out how mobile money influences the growth of small and medium scale enterprises. Qualitative data was used to examine these questions: What is the level of adoption of Mobile Money by Small and Medium Scale Enterprises? What is the rationale behind mobile money adoption? To what extent has Mobile Money influenced the growth of Small and Medium Scale Enterprises? Primary data i.e. closed-ended questionnaires were created and administered to a sample of 100 SMEs using a convenience sampling technique. The data was analyzed using Statistical Package and Services Solutions (SPSS). The findings were reported using means, frequencies and standard deviations. The study established that a lot of people use mobile money because is it not difficult to access. Also, there was a high response on the positive impact of Mobile Money to businesses by way of the short duration in transacting business, use of mobile money to purchase airtime, pay bills and how affordable mobile money service is. The study suggests that, to reduce current dangers service providers should identify platforms proficient of improving the time spent in performing transactions and ensure swift reply to increase the rate of adoption in Ghana.

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CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The adoption of Mobile Money as a payment means has become common in our current age. Mobile money is a system that enables an individual to make monetary dealings using cellular technology. M-PESA was launched into Safaricom market in March 2007. M-PESA is a major operator of Mobile Money system in Kenya. "Pesa" means cash in Swahili while "M" means mobile. Mobile money helps with varied monetary dealings using a mobile device. This comprises of checking balances, deposits and withdrawal, bills and commercial payments, buying airtime, and transferring money (Hughes & Lonie, 2007).

In 2009, Ghana's leading telecommunications provider, MTN announced to the Ghanaian market the foremost "Mobile Money" service, together with 9 banks namely, Ecobank, GT, Intercontinental, CAL, Merchant, Fidelity, UBA, Stanbic and Zenith Banks. The purpose is to allow Ghanaians use their handsets to carry out varied financial dealings. Subscribers can benefit from this service without necessarily having or opening a bank account (Oluniyi, 2009).

Emergence of Mobile Money has made it easier and faster to send and receive money at a moderate cost, as against conventional banking system. The presence of mobile money has changed how businesses are conducted.

In our current dispensation SMEs are gaining more significant grounds in economic development than they used to. These SMEs are well known for their competency, they are productive job originators, the starting point of large companies and the fertilizer that promotes economic growth of the nation.

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Description of SMEs vary among researchers, some describe them using their capital assets while others explain SMEs per labor skills and the level of turnover. Some term SMEs using their legal authority as well as the process of manufacturing a product. Worth of non-current assets in the firm is used as a criterion for describing SMEs. Nevertheless, in Ghana, National Board for Small Scale Industries (NBSSI) defines an SME as a business with workers not exceeding 99.

SMEs are autonomous businesses which have less than a stated number of workers and they are non-subsidiary in nature. The number of employees is different from one country to the other. To the European Union, they cut the number of employees to a ceiling of 250. SMEs are described as companies with a minimum of 500 employees, in the United States. Small companies normally have 50 workers, while micro-firms have a maximum of 5 or 10 employees. Nevertheless, the boundary is set at 200 workers in some countries. (OECD, 2019).

SMEs whose numbers fall below the set criteria:

Micro Companies: An upper limit of 10 workers.

Small Scale Companies: An upper limit of 50 workers.

Medium Scale Companies: An upper limit of 250 workers. (MBASkoll, 2019).

The unbanked and underserved in Ghana are gradually shifting to mobile money as their major source for payments, with 45% of adults without banks having mobile phones. Improper documentation, scarcity of money and proximity of banks were some of the reasons most adults cited for not having accounts in Ghana. An estimated number of 300,000 grown-ups in private

sector jobs however are paid with cash. There has been a 25% increase in the number of mediators who are keenly interested in Mobile Money, rising to 151,000. (World Bank, 2018).

The increasing penetration and use of mobile phone application has led to the rise in expansion of Mobile Money usage in Ghana especially the less developed areas, progress in handset functionality, easy access to sim cards and Point-Of-Sale (POS) infrastructure's advancement. (GSMA, 2013).

A domineering and high performing payment system usually ensures the security, solidity and reliability of a financial system. The disbursement systems in Ghana encompass a collection of well-known measures and procedures that makes it simple for monetary rights to be easily transferred between persons are institutions. These established processes and procedures embrace these means of payments: "Real Time Gross Settlement (RTGS), Cheque Codeline Clearing (CCC), and Ghana Automated Clearing House (GACH) consisting of Direct Credit and Direct Debit. Others are payments cards, E-zwich, Mobile Money (MM) and other payment service providers".

In 2016, a report from Bank of Ghana confirms that quantum of Mobile Money transactions registered between 2012 and 2016 rose by 737.4 %. The noticeable growth in mobile money usage is not unique to only Ghana. There was a disclosure of substantial growth in mobile money transaction recorded in Kenya, South Africa, Nigeria, and Uganda. (Diniz, Alburquerque , & Cernev , 2011).

Reviewing few literatures on mobile services proves the influences on the use of Mobile Money and SME's growth in Nakuru CBD Kenya (Mararo & Ngahu, 2017). Using mobile money technology to pay bills besides phone to bank transfer is not dependent on increase in sales thus;

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it does not enhance the performance of SMEs, (Wanyonyi & Bwisa, 2013). Mobile finance services such as premiums and asset accruals positively affects SME's sales (Kirui & Onyuma, 2015).

There are unchanging long-run connection between the quantum of transactions, volume of disbursement, volume of Mobile Money dealings and cost of Mobile Money transactions, (Bank of Ghana, 2017). Mobile Money technology is considered as well supported, convenient and the supposed importance will inspire the use of the technology, (Mbogo, 2010). Using the results from the study of other researchers may not mirror how Mobile Money technology influences the growth of SME's in Ghana. This study is to find out whether the results from other studies can be described in Ghana.

There are a lot of documents on mobile money and growth of SMEs in African nations. Numerous studies have been conducted in the Eastern African Countries and Kenya while little is known on how Mobile Money technology affects SMEs growth in Ghana. If other literature reviews suggests the significant contribution of Mobile Money on the growth of SMEs across African countries specifically, Kenya, Uganda and Tanzania, there is no experimental confirmation that supports such assertion in Ghana.

1.2 Problem Statement

SME's are often small and less synchronized when it comes to their activities. SMEs are the main stream of growth in Ghana but they are encountered with many peculiar problems due to their nature of operations this adversely affects their growth. In our current dispensation of high unemployment, a lot of SME's emerge every day. About 80% of employment is catered for by SMEs according to the Economic Survey (2011). Their activities are mostly unregulated because

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of the nature of their set up. Most individuals set up small businesses to fend for themselves and their family. They are mostly Sole Proprietorship, Partnership or Limited Liability Companies (which is rare in Ghana). Majority of SME's do not have accounts with banks because they see the banking process as cumbersome, while others do not really understand the banking procedures.

The current merging and acquisition of various banks has also raised an alarm in the banking industry. A lot of individuals and businesses are deterring from making deposits to banks, because they do not know the fate of most banks in Ghana. In recent times the emergence of Mobile Money technology has brought significant changes to how SMEs carry out various transactions. This has made the use of Mobile Money significant considering how cheaper and easily accessible it is to the educated and uneducated. A few studies have been done on the impact of mobile money on SME's performance in Ghana. There is the need to establish the impact of Mobile Money on the growth of SME's in Accra, specifically Teshie, La and Kpone.

1.3 Research Objectives

i. To examine the level at which SME's have adopted Mobile Money.

ii. To determine the various reasons for Mobile Money adoption.

iii. To measure the impact of Mobile Money on SMEs growth.

1.4 Research Questions

i. What is the level by which SME's have adopted Mobile Money?

ii. What is the rationale behind Mobile Money adoption?

iii. To what extent has the use of Mobile Money influenced SME's growth?

1.5 Significance of the Study

Given contribution of SMEs to various economies, the issue of how Mobile Money technology impact SMEs growth is has become critically significant. The results of the researcher's findings will enable managers of SME's know how Mobile Money affects growth of their industry and also look for ways to increase revenues using this medium. This will impact positively on the performance of their businesses.

Regulatory authorities can make use of the results to augment fast delivery of service and guarantee SMEs on the continuing benefit from inventions such as Mobile Money technology.

Mobile phone companies will be presented with cherished facts that can increase or enhance existing products with the focal point on SMEs.

SMEs are the highest source of employment and economic growth. This affects the daily roles of a director. The study will be significant to scholars who want to attain requisite skills on how the models of financing and financial services influence businesses.

This research is an addition to current information pertaining to Mobile Money technology and will be of importance to prospective academicians, researchers and the public.

1.6 Scope and Limitations of the Study

The researcher anticipates to encounter limitations that may influence the success of the study. 100 questionnaires were distributed out of which 92 were received from the field. This comprised of 44 from service delivery, 17 from wholesale and 31 from retail businesses. The researcher could not get access to the 8 questionnaires despite all efforts made by the researcher to get in touch with the respondents. Having received a substantial amount of answered questionnaire the researcher used those for the analysis. In addition, since local empirical

literature on how Mobile Money services influences growth of SMEs were scarce, the researcher relied on literature from other African continents. This may not present an accurate reflection of the difficulties as they differ from that of Ghana.

1.7 Organization of the Study

The long essay is structured in five sections. Chapter One announces what the study is about, the Problem Statement, Study Objectives, Research Questions, Importance, Scope, and Limitations of the Study.

Chapter Two provides highlights on pertinent empirical and theoretic reviews of literatures, which are important to the study. Chapter Three is a description of methods used and assumptions underlying how Mobile Money impacts SME's development. Chapter Four presents the discussions and results of the study per the data collected from primary sources. Chapter Five ends with Summary, Conclusion and Recommendations. This enlightens the findings of the study and probable suggestions in a method that relates the topic.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter centers on theoretic matters associated with the study, as well as description of SME's, level of adoption, SME's and Mobile Money, the reasons for Mobile Money adoption and impact of SME's on growth.

2.1 Theoretical review

There are various technology acceptance theories. Each of them has got its own advantages and disadvantages. It is there necessary to understand the different theories and find out how these models can influence Mobile Money transfer technology. The study will examine Technology Acceptance Model theory (TAM) and Theory of Innovation Diffusion (IDT).

2.1.1 Technology Acceptance Model Theory (TAM)

Technology Acceptance Model (TAM) was crafted from the Theory of Reasoned Action (TRA) which is a theoretic model that gives enlightenment on how customers have accepted and are using technology (Davis, 1989). The model proposes there are several features that affects the choice of customers on how to use technology and at what time to use technology when they are presented with a new technology. They are: "perceived ease of use" which is clarified as the extent at which individuals trusts that the use of a technology would be effortless, while "perceived usefulness" this describes the extent to which an individual believes using a particular technology will improve the performance of his job. The above-mentioned factors are the elements needed for adoption and use of a new system. They are controlled by variables like cost, accessibility, contentment as well as safety, (Lu, Yu, Liu and Yao, 2003). Perceived ease of

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use affects perceived worth and both establishes the user's approach towards use, (behavioral intent to use -BIU) and ultimately to the genuine use of the technology (Viehland and Leong, 2007).

TAM has been broadly used to envisage customers use and acceptance based on perceived usefulness and ease of use (Ndubisi and Richardson, 2002). As a result, TAM was selected as the suitable model and was enlarged to include factors such as perceived ease, accessibility of Mobile Money technology, perceived low charge of Mobile payments, perceived ease, perceived safety, perceived sustenance from the Mobile services supplier and from government, perceived contentment and actual use of Mobile payments.

Lule et.al (2012) used TAM to determine features that persuade Kenya's mobile banking adoption. Results revealed that attitude of customers towards mobile banking were greatly influenced by how easy it is to use, its usefulness, how effective it is and how credible it is. Hung et.al (2004) used TAM to determine Mobile Money acceptance and usage in a city in China known as Taipei. Their findings revealed that the fundamental determinants of user acceptance which affects attitude positively are the usefulness of a system and how easy it is to use. The approach toward the use of Mobile Money technology have a substantial effect on behavioral intention to use, while behavioral intention has an affirmative influence, although it has a little influence on the use of Mobile Money.

Lule et.al (2012) used TAM to determine the features that affect Kenya's mobile banking adoption. Results discovered that how easy the system is, its usefulness, its effectiveness and reliability have affected the attitude of customers towards Mobile banking.

2.1.2 Innovation Diffusion Theory

Innovation Diffusion gives vivid clarification to: why, how, and to what extent has new thoughts and technology are spreading throughout the world. Modernization is defined as: "an idea, practice or object that is perceived as new by an individual or another unit of adoption", whereas diffusion is: "the process by which an innovation is communicated through certain channels over time among the members of a social system" (Rogers, 1995).

There are 5 processes through which the diffusion of innovation occurs according to Rogers. It goes through different communication channel between affiliates of a social arrangement with similar features over a period of time. Innovation dissemination is accomplished by, how a societal system receives, initiates and uses a plan or a technology. Features of innovation are:

Comparative Benefit: It is the rate at which the improvement is alleged better than the superseding practice.

Compatible: The level at which accepting the improvement aligns with the practices of citizens.

Intricacy: The extent to which an invention is alleged to be moderate and difficult to use or understand.

Experimental: The level at which and invention can be tested on a limited base before it is adopted.

Observe: It is the level at which the outcome of an invention is evident to the public (Rogers, 1995).

When the assumption of diffusion is applied to Mobile Money and the growth of SMEs, Mobile Money becomes an invention that needs ample time and effort to capture the masses. Thus, the level at which Mobile Money is accepted between SME's influences their growth.

2.2 Empirical Review

Prior studies have looked at Mobile Money adoption by SMEs. A lot of factors influence an individual's preference on an imbursement system. Among these are: Level of income, Educational level, preferences, Market campaigns and Transaction-Specific-factors. For a consumer to make a decision on a particular payment system, wealth has a major role to play (Kennickell & Kwast, 1997). For example: While well-to-do consumers may be able to finance their debts, lower income level earners may not find e-payments pleasing as an instrument of payments. In this scenario, the said amount to send may persuade the consumer to desist from using payment means that are considered expensive.

Education also influence the use of e-money products by households. This adversely affects the demand for e-banking products. The US market is alert for products, with order emerging from younger, educated and high-income earners who have gathered major monetary resources (Kennickell & Kwast, 1997). Previous studies proved that educated individuals use e-payments products as compared to the non-educated. With mobile money, less educated consumers can use the service without much difficulties. Most users of mobile money obtain remuneration which are paid in small sums thus a lot of them are determined to use the mobile money platform.

There is scare empirical research that studies a direct impact of payments systems on economic growth. Waverman, Meschi, and Fuss (2005) established there was a positive relationship connecting a unit increase in cell phone penetration with economic growth of a country, which

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can be measured to be 0.039 percent. Berger (2003) found that innovations through Information Technology (IT) positively affects the banking systems and bank efficiencies. On the whole they established a fact that investing in telecommunication infrastructure is significantly positive to economic growth. They also concluded that due to lack of landline infrastructure in developing countries, the impact may be twice the number weighed against developing countries. A countless number of firms and sector cases show proof of Information Technology having a positive relationship on efficiency of medium and large firms in developing nations.

Donner (2010) reviewed different research studies for SMEs and concluded that mobile phone usage increases sales, marketing and procurement processes, this in turn makes SMEs more industrious. It is therefore necessare to know more about of mobile money services on the growth of SME's. Despite the sparse literature on SME's growth and Mobile Money, there are empirical facts on affirmative profits individuals who use mobile money gain. A lot of Ghanaians are gradually seeing the benefits of mobile money transactions. With much education, there will be a significant increase on the users of Mobile Money.

2.3 Level of Adoption

The distinction between the levels of mobile money technology adoption is as a result of the slow-up take of the behavior of technology adoption. There is a change in the mindset of individuals to use mobile phone not only for phone calls, browse or store data but, also to use it as means to engage in various transactions. This is based on the behavior of the individual. The worth of mobile money technology will be understood when customers grip and use of innovation (Tobbin, 2011). Mobile technology has thrived faster across the world in recent times compared to other technologies. Mobile phones have gained significant grounds, and it has converted the way business transactions are settled. As a matter of fact, mobile trade has

increased in a different way. A lot of people easily sell or purchase products from anyplace without obstructions of accessing physical channels of trading. (Njenga, Litondo, & Omwansa, 2016).

This literature reveals the exchangeable uses of expressions such as diffusion and adoption, even though these expressions are quite distinctive. Adoption denotes "the stage in which a technology is selected for use by an individual or an organization" (Carr, 1999), while diffusion means "the stage in which the technology spreads to general use and application" (Rogers, 2003). At the organizational and individual level, adoption encourages the mass adoption, this denotes diffusion of technology.

Mobile payments are the processes by which users make payment for various transactions using information technology (IT). Many people have adopted the procedures and functional service for Mobile payments due to several reasons (Khodawandi, Pousttchi and Wiedmann, 2003). Kenya is noted for the universal and most efficient mobile money platforms. Safaricom moved mobile phones from its use of purchasing and transferring airtime to sending and receiving money. Thus, the introduction of M-PESA (Jack and Suri, 2014).

In the early stages Safaricom used its market position, constant publicity and promotions to achieve the triumph victory of M-PESA. It success can be associated to the constant need and request for technology. Kenya currently has prevalent mediator system with Mobile Money mediators numbering 65,569 dispersed countrywide, with Tanzania being the second by 56,017, 41,794 in Uganda, whiles Zambia has only 4,319, agents which represents 45% access points nationwide. (FINclusionLAB and Mix, 2015).

Mobile Money is noted to be the main cause of financial inclusion in Tanzania, Uganda and Kenya. Kenya is known globally as the frontrunner in the usage of mobile money. IT currently has 72% registered mobile money account owners. Tanzania is noted for its competitive market and Uganda increased the number to 47% by creating awareness for nonusers and urging them to open mobile money accounts. (Financial Inclusion Insights, 2015).

Ghana for the first time has recorded a higher turnout of mobile money registration which outstrips the total country's population. Over one-year period, there has been an upturn of registered Mobile Money subscribers by 40%. Statistics on the Payment System of the central bank shows that registered accounts on Mobile Money increased from 21.36 to 29.99 million between June, 2017 and 2018.

Ghana Statistical Service and Population Council, states that number of registered Mobile Money accounts compared to citizens is 374,253; this shows an enormous increase in the total subscribers since 2012, as compared to a population of 29.61 million Ghanaian citizens.

The number of registered Mobile Money customers were 3.78 million in 2012. This proves an increase in the registered number of customers by 693.69%, between 2012 and the first half of 2018. The statistics confirms that active users on the platform has also increased by 24.29% from January-June, 2018 to 11.8 million.

Introduction of Mobile Money interoperability in the Ghanaian market has permitted money transmitting from one network to another without a third party or a mediator. Mobile money interoperability recorded 287,822 transactions in volume and a value of GH¢25.36 million since its launch. (B&FT, 2018)

2.4 SMEs and Mobile Money

Introduction of Mobile Money is playing an important part in the development of the economy. "Mobile money" is access and use of money via mobile device (Jenkins, 2008). The purpose of Mobile Money is to reach out to money easier and faster at one's own convenience in the settlement of debt or for transactional purposes. To be able to use the platform, one would have to register with an authorized mobile network operator offering the said service. The customer will then be given an automated account which is connected to a mobile number and is easily reached using a microchip. Previous studies have proven a number of significant benefits on Mobile Money usage to business transactions.

Due to the numerous financial transactions SMEs engage in daily, which may involve long distances and large amounts, there is a mobile technology has significantly impacted the way and manner through which SMEs operate. It is very convenient, lowers their cost and saves time (Higgins, Kendall, & Lyon, 2012).

Mobile Money improves the progress of a business thus it enhances the movement of goods and services easily thus creating a favorable atmosphere for security as well as investment. There has been an improvement in the response to customer's needs, better internal proficiency, lower cost and easy access to new markets. The relationship between SMEs and customers is enhanced and their sales are augmented over time because through mobile finance, SMEs gets access to credit which aids in attaining short-term needs of the business. SMEs can easily reach out to their customers with the access to credit in return, there will be an increase in business dealings and also help to limit the cost involved in scheduling for meetings as well as the cost of collecting debts, (Kakwa, 2012).

Mobile Money usage by SME's decreases risk associated with cash transactions and it is easily accessible. It also saves time and helps eliminate the cost associated with transportation as compared with traditional banking. A lot of customers have embraced mobile money technology but their concern is on safety, legitimacy and dependability of the service. A study by Saleem and Rashid (2011) shows, SME's should concentrate on improvement by offering innovative services, improved security, the use of IT applications and enhancing customers confidence and reducing threats since they are drivers of the adoption of technology.

SMEs are significant in economic development and it is proven by the way mobile money technology is used to transact business. It helps SMEs to easily accumulate assets, pay insurance premiums and obtain credit, (Aker & Mbiti, 2010). Mobile money also reduces information irregularities and market inadequacies thereby improving their performance.

SMEs in Kenya use mobile money technology to facilitate their activities by translating their activities into outcomes. This has positively affected the productivity and profitability of their businesses (Chogi, 2016). Abdelghani and Aziz, (2013) discovered through their study that Moroccan clients were used enthused about mobile money adoption due to these: compatibility, complexity and relative advantage.

2.5 Small and Medium Enterprises

Description of SMEs varies between researchers. Some use skills of labor and turnover lever while others use capital assets, legality or the production process. European Commission describes SME's using the capacity of workers such as:

• 0 - 9 personnel - Micro Businesses.

• 10 - 99 personnel- Small Businesses.

• 100 - 499 personnel - Medium Businesses (International Research Journal of Finance and Economics, 2012).

Hence, SME sector comprises of businesses (but fishing, hunting, agriculture and forestry) that employ fewer than 500 employees.

SMEs are private firms with 1 – 9 and 10 – 99 actively working staff, (Van der Wijst, 1989)

However, UNIDO describes SMEs by the number of workers using different categories for different countries. For a developed country, firms are classified into these groups:

• Entities having 500 or more recruits: Large firms

• Entities having 100-499 recruits: Medium firms

• Entities having 99 or less recruits: Small

Conversely, developing countries have a different classification which are:

• Entities having 100 or more staff: Large

• Entities having 20-99 staff: Medium

• Entities having 5-19 staff: Small

• Entities with less than 5 workers: Micro

In Ghana, National Board for Small Scale Industries (NBSSI) defines SMEs as firms with a maximum of 9 9workers, and has plant and machinery (without land, buildings and motor vehicles) not more than GHC 10 million. A manufacturing survey paper by Regional Project on Enterprise Development Ghana gave us a more recent description of SMEs. The study report

grouped firms into: a. micro firms, below 5 personnel; b. small enterprise, 5 - 29 personnel; c. medium enterprise, 30 – 99 personnel; d. large enterprise, 100 or more personnel (Teal, 2002).

2.6. Reasons for Adoption of Mobile Money

Mobile Money works just like a bank account, the only difference here is money is physical turned into electronic cash before transactions can be made. Each subscriber is given an individual account and a secret PIN upon registration. To perform transactions, you will need an Identification card and your secret PIN, this helps to prevent fraudulent activities. The technology keeps track of every transaction made and one can easily check his or her balance at any time.

There are various reasons for why SMEs adopt Mobile Money transfer, among these reasons are:

Mobile Money service is very affordable, uncomplicated, fast and convenient compared to other money transfers. It has a well-structured agent network and requires less or no education before the interface can be used. This helps to save time that customers spend in long queues waiting to transfer or receive money from the banks. The time saved has increased the period a business owner spends in his or her shop. It helps him or her gain adequate time to attend to administrative issues and customers.

MM has made the ordering and payment of goods and services easy and quicker, this has reduced the period spent between the ordering and delivery of goods and services thus enhancing liquidity. Delivery is within the shortest possible time, i.e. using the Just-In-Time approach, this increases customers' satisfaction. (Financial Inclusion Insights, 2015)

Mobile Money has helped to bridge the cash services for electronic exchange, this has improved on the registration process the teaching customers for to use the service. MM requires little work

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when creating account as compared to conventional banking procedures. There is no need for utility bills, directional sketches to your house, passport pictures and filling of bulky forms just to open an account. Whereas banks require one to have a minimum balance in his or her account, Mobile Money technology leaves that decision to the customer. One can also deposit a minimal amount into his Mobile Money account without having to wait till they get a bulk amount before depositing it as in the case of banks. (MTN, 2019).

Service on Mobile Money offer cheaper fees for remittances like checking of balance, requesting for a statement etc. A customer does not pay for checking his balance but in the case of the bank, charges are placed on an individual's account for checking balance, requesting for a statement, etc. This makes Mobile Money service relatively cheaper as compared to banks.

With the introduction of Mobile interoperability, customers easily engage in bank transactions and online shopping without any difficulties. Mobile Money has become popular in the world because it can be used to send and receive money, buy airtime and bundles, loans can be taken using the service and it serves as a tool for saving.

2.7. Mobile Money and SMEs Growth

The purpose of Mobile Money is to make transactions easier, faster and cheaper to increase the efficiency and effectiveness of SMEs. It is a technology that allows a customer to transact business, check balances, make payments and purchase airtime. Mobile money usage has directly affected the way many SMEs operate. A study by Davies (2007) assessing the influence of a cash transfer programme in Malawi records that, when cash is injected in a region from outside and used to procure goods and services produced in that region, it makes businesses perform better through an enhancement in local sales. Most SMEs operators focus so much on

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the running of their businesses that they find basically no time to go to the bank. Introduction of Mobile Money has seen a change in time saved and improved logistics which has indirect effects on liquidity (Pagani, 2004). Mobile Money usage among SMEs has gained popularity because it is convenient to use and does not require training before us. The growth in businesses has led to increase in turnover due to an increase in the customer base (Omwansa, 2009).

A lot of poor households have been able to manage shocks with MM service because it was easier for them to receive money in the times of challenges. The income of these household have increased with the emergence of Mobile Money. It has intensified quantity of active participants in, actual size and risk sharing networks without accumulating extra costs. (Jack, William, & Suri, 2014)

Economic activities has increased with the introduction of Mobile Money service. Movement of cash from one person to another, which is termed as the swiftness of money is the foundation of all economic dealings. In the case where few people own bank accounts, the transfer of money becomes tedious, the diffusion of Mobile Money matched up with the figures of individual bank accounts, keeps rising given a ratio of 3:1 i.e. for every three mobile phone user, there is one bank account). This amplified economic activities and augmented growth because cash can easily move to different people without stumbling blocks. (Bank of Ghana, 2012).

Mobile Money has improved the level of transparency of transactions. Cash based transactions are becoming few in our current dispensation, giving a lot of audit trials to regulators. There flow of money in the formal and informal sector has become more visible and secured. Mobile money service can be assessed any day, anywhere, anytime, unlike banks, where transactions can only be made within stipulated periods.

2.8 Conclusion

This Chapter analyzed theoretical and empirical literature on Mobile Money and SME's growth.

It assessed the relationship between SMEs growth and Mobile Money.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This section discusses techniques that is used in analysis and study objectives this will enable the researcher to answer research questions. It will also present research design, time and place of the study, sampling techniques, data sources, sample size, procedure analysis and questionnaire used in collecting data. It gives a narration of the study population and the techniques that will be used for sampling. It starts with the research setting followed by the research design as well as the instruments that will be used in data collection. The section ends with sources of data, the instruments used and the various methods that were employed in the data analysis.

3.2 Research Setting

The study was principally conducted in Ledzokuku, La Dade-Kotopon and Kpone Katamanso Municipalities in Greater Accra Region of Ghana and focus mainly on Small and Medium Scale Enterprises using Mobile Money platform to transact their day-to –day business. It targeted wholesale, retail and service delivery businesses.

3.3 Research Design

It is a guideline which helps a researcher answer questions. Choosing a design for a research is a vital thing as it defines the best way to answer the research questions raised. According to (Sekaran & Bougie, 2010), design of a research is a master plan that outlines strategies for conducting a research. It helps the researcher by addressing issues like: significance of study, type of investigation, level of obstruction, location, time frame and unit analysis. This empirical study seeks to understand Mobile Money adoption rate, rationale behind its adoption as well as

how Mobile Money usage has influenced growth. The research is descriptive in nature and required quantitative information from respondents. The researcher used closed ended questionnaires to obtain the data because it is time-efficient; responses are easy to code and interpret. A mixture of the dichotomous and a five-point Likert scale analysis was administered to help the researcher gain more understanding on clientele's satisfaction with adoption and use of mobile money and to determine how those aspects has improved SMEs (Cooper & Schindle, 2008).

3.4 Time and Place of the Study

The study was conducted in Accra, precisely the Ledzokuku, La Dade Kotopon and Kpone Katamanso Municipalities. This was chosen because of proximity of the researcher because it wouldn't be hectic to move among the above-mentioned municipalities. The period of study is projected to commence after research proposal was accepted. The duration of study was nine months from the time it commenced. The research is descriptive and explorative in nature and seeks to probe into the questions asked in other to draw conclusions from the data collected.

3.5 Sampling Procedure and Sources of Data

A blend of purposive and judgmental sampling techniques are mostly used for quantitative research. Purposive or judgmental sampling chooses cases based on researcher's decision while convenience sampling involves choosing random cases that are not difficult to obtain for a sample (Saunders, Lewis, & Thornhill, 2009). The researcher considered the availability of respondents and the intention of the researcher in administering questionnaires to SMEs that use Mobile Money. It was uncertain to collect data from all sources to answer the research questions and to produce results. Purposive sampling was employed in this research to help the researcher meet her objectives whiles answering research questions. The study was limited to SMEs in

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informal sector within Ledzokuku, La Dade Kotopon and Kpone Municipalities since the researcher cannot use all SMEs in Greater Accra region due to financial constraints and inadequate time. Focus on the informal sector was due to the enormous number of SMEs within the above-mentioned municipalities, and also because they are not strong financial literates.

Thus, using SMEs from 3 distinct Municipalities will give the researcher varied results to come up with divergent results. This was the benchmark for selecting SMEs:

- Registered SME's between 1- 100 employees/ workers.

- Based in Ledzokuku, La Dade Kotopon and Kpone Katamanso.

The population includes SMEs in Accra which were randomly chosen and units of analyses were SMEs within Accra. The sample frame was list of legalized SMEs within 3 municipalities. The researcher grouped the SMES into: wholesale, retail and service delivery. Per the objectives of the study, 80 SMEs were selected based on their willingness, availability, time and financial constraints.

3.6 Data Collection Procedure

Primary data were gathered by the researcher from the fields to fill in identified gaps from the literature review sections. Questionnaires were gathered and interviews were conducted to gain in-depth information on the subject matter.

Questionnaires were the main instrument of collecting primary data. It was aimed at developing a structure of qualitative data to determine whether Mobile Money introduction have improved SME's growth and level of adoption. The researcher converted the research questions into questionnaires which were prepared in English. Copies of questionnaires were given to respondents after a vivid explanation has been made by the researcher. Included in the

questionnaire were information on the demographics, information about SME's, details of mobile money, to what extent mobile money has helped to boost their businesses. An introductory letter was attached to each questionnaire to increase the confidence level of the respondents and to make them know that the data they are providing it confidential. Collected date were stored safely to be accessed only by the researcher. SME owners you use phone and are registered on the mobile money platform were given questionnaires to answer.

Questionnaires were grouped to three sections i.e. A, B, C and D. Section A, required information concerning respondent's profile such as gender, age, nature of business, educational level, period of business and the number of employees. This was aimed at describing the owner and the business. The researcher categorized natures of business into wholesale, retail and service delivery to discover if different types of entities prefers to use Mobile Money technology or not.

Section B, examined level at which businesses have adopted mobile money. The researcher asked these questions: Are you aware of the products offered by Mobile Money, Do you use Mobile Money to transact business, has your finances increased, does it serve as a tool for saving, does it save time, has mobile money interoperability made the transfer of money across other networks easier?

Section C looked at various reasons for Mobile Money usage. Respondents were interrogated on: Do you use Mobile Money for these; Send money, receive payments, pay bills, borrow money and purchase airtime, among others. In Section D, respondents indicated their opinions on Mobile Money against growth. Probing questions on Mobile Money has improved the growth of

my business, there is an increase in revenue, it has reduced time in processing payments and it has increased my customer base, were asked among others.

3.7 Method of Analyzing Data

This is the method of editing, converting, and presenting data with the aim of stressing on valuable information, proposition and supporting decision making with its decisions. (Mellenbergh & Adèr, 2008). Data is normally modified and given codes so one can easily make meaning out of them. We normally edit the data to correct errors and to check for non-responses, how precise the data is and also the truth behind every answer.

Each data is given a code for easy data entry and also an all-inclusive analysis. SPSS software was used in analyzing data with primary quantitative techniques. These procedures included descriptive methods and figures to present respondents mean demographics and standard deviations.

To show how variables associated to data gathered, coefficient of correlation was used to show how level of adoption, reasons for Mobile Money usage are correlated with the growth of SMEs.

3.8 Data Presentation

Results from the study were summarize by means of descriptive variables like, percentages, mean and standard deviation for most of the findings. Correlation coefficient results were presented using tables. Findings from the study were further discussed in details to present basis for conclusions and study recommendations.

3.9 Conclusion

The section described data collection procedure, analysis and presentations suitable for this study to aid the researcher respond to research questions and achieve study objectives. It also discussed research design, time, place of study, sampling procedure, data source and the data collection instrument.

CHAPTER FOUR

RESULTS AND DISCUSSION

4.0 Introduction

This chapter includes data analysis and discussion of findings. Data used for this study consists of questionnaires which were circulated to 100 SME's from Ledzokuku, La Dade Kotopon and Kpone Katamanso Municipalities. The researcher achieved a 92% response rate.

Data collected were analyzed by classifying and grouping of SMEs in Accra. Demographics of respondents were presented first, followed by types of business found in Ledzokuku, La Dade Kotopon and Kpone Katamanso Municipalities. Adoption level, and reasons for Mobile Money usage were discussed. After the result presentation, a short discussion of the findings and the context from which the results were taken is given. The study provides recommendations based on the study findings. Cronbach's Alpha (α) coefficient for questionnaire items were 0.786, suggesting that items have good internal uniformity (dependable), and thus acceptable for the study. This is consistent with George and Mallery (2003) and Kline (2000) assertion that Cronbach's Alpha values $0.7 \leq \alpha < 0.9$ is good.

4.1 Respondents Demographics

In this session, results related to background of respondents. It included age, gender, level of education, business type, number of human resources, duration of trade and whether the trade has bank account or not.

Table 4.1: Respondents Demographics

Demographics	Freq.	Percent
Age		
20-30years	26	28.26
31-40years	47	51.09
41-50years	19	20.65
Total	92	100
Gender		
Female	48	52.17
Male	44	47.83
Total	92	100
Education		
Basic School	11	11.96
Degree	45	48.91
Professional/Post graduate	17	18.48
Secondary School	19	20.65
Total	**92**	**100**
Nature of business		
Retail	31	33.7
Service delivery	44	47.83
Wholesale	17	18.48
Total	92	100

Duration

1-5 years	52	56.52
6-10 years	26	28.26
Less than 1 year	9	9.78
More than 10years	5	5.43
Total	**92**	**100**

Number of employees

1 to 10	49	53.26
11 to 20	29	31.52
21 to 30	7	7.61
30 and above	7	7.61
Total	**92**	**100**

Bank account

No	16	17.39
Yes	76	82.61
Total	**92**	**100**

Source: Field work, 2019

Table 4.1 above confirms, out of a total of 92 respondents 28.26% represented individuals between ages 20-30 years, 51.09% were between ages 31-40 years and 19% represented individuals between 41-50 years. It is fair to say the figure below represents a fair distribution of responses. The sample was made up of 44 male and 48 females representing 47.83% and 52.17% respectively. It is reasonable to say, male to female ratio is neutral and therefore does not affect responses in any significant way.

With regards to the number of employees, 53.26% represents micro enterprise, 31.52% represents small enterprise, medium and large enterprise consists of 7.61% each. The nature of business of respondents entails 33.7% retail, 47.83% service delivery and 18.48% wholesale businesses. This represented a widespread of data collected from the business industry as every aspect of businesses were considered. With regards to the level of education, majority of respondents were first degree holders, represented 48.91% whiles basic, secondary and professional or postgraduate level of education were represented by 11.96%, 20.65%, and 18.48% respectively.

Kennickell and Kwast (1997) suports this argument that, for a consumer to make a deision on a particular payment system, education and wealth has a major role to play. Example: While well-to-do and educated consumers may be able to finance their debts, lower income level earners and uneducated consumers may not find e-payments pleasing as an instrument of payments. Thus, the level of education adversely affects the demand for e-banking products. Majority of businesses have been in existence for 1-5years, this comprised of 56.52% however, 28.26% of businesses has been in operation for 6-10 years, 9.78% has existed for less than a year and 5.43% has been running for more than 10 years. With regards to the existence of a bank account, 82.61% of the respondents had bank accounts for the business whiles 17.39% had no bank accounts. Businesses without bank accounts where mostly startups that had been in existence for less than 1 year.

4.2 Level of Adoption

This segment looks at the level at which SMEs have accepted Mobile Money for payment transactions. Respondents were asked their awareness of Mobile Money services. Results as indicated in table 4.2 shows a lot of people are aware of Mobile Money and they use it for

various payments. Are you aware of the products offered by Mobile Money, Do you use Mobile Money to transact business, has your finances increased, does it serve as a tool for saving, does it save time, has mobile money interoperability made the transfer of money across other networks easier, is it easy to use Mobile Money?

When asked the extent to which the firms use mobile money to pay suppliers, the respondents showed that they used it a lot, this was supported by a mean of 3.9 and standard deviation of 1.4. When asked if they accept mobile money payments from customers, use mobile money for airtime top up, to check balance enquires and how easy registering Mobile Money is, majority of respondents gave positive responses. This amounted to a mean of 4.47, 3.71, 3.80 and 3.81 respectively, with standard deviations of 1.02, 1.29, 1.18 and 0.91.

Table 4.2: Level of Adoption

Level of adoption	Mean	Std. Deviation
Are you aware of the products offered by Mobile Money	3.90	1.40
Do you use Mobile Money to transact business	4.47	1.02
Has your finances increased	3.71	1.29
Does it serve as a tool for saving	3.80	1.18
Has mobile money interoperability made the transfer of money across other networks easier?	3.81	0.91
Using Mobile Money is affordable	3.75	0.97

Source: Field work, 2019

As shown in the table above, we arrived at a mean of 3.75, 4.14 and 3.29 respectively with standard deviations of 0.97, 0.94 and 1.39 respectively for the affordability of mobile money, mobile money provides the most effective and efficient systems for money transfer and I use mobile money to pay bills. On the whole, majority of Ghanaians within the said localities accept money payments from customers and they also believe that mobile money is the most efficient and effective among the other money transfers. This support the assertion made by Njenga, Litondo, and Omwansa (2016) that Mobile technology have thrived faster across the world in recent times compared to other technologies. Mobile phones have gained significant grounds, and it has converted the way business transactions are settled. As a matter of fact, mobile trade has increased in a different way. A lot of people easily sell or purchase products from anyplace without obstructions of accessing physical channels of trading.

4.3 Reasons for Using Mobile Money

Furthermore, the study established the various reasons why SMEs use mobile money and the following were gathered from table 4.3. We recorded various mean of 4.08, 3.90, 3.86, 3.55, 4.09 and 3.74 with standard deviation of 0.87, 1.12, 0.96, 1.29, 1.15 and 1.16 correspondingly to these reasons: mobile money is affordable, time spent between order and delivery of goods is minimal, little work is when creating accounts compared to conventional banking procedures, mobile interoperability has made customers engage in bank transactions and online shopping without any difficulties, the system is used to transfer money, buy airtime, bundles, etc as well as the system being used as a tool for saving. This affirms what was said in the Financial Inclusion Insights (2015) that Mobile Money has made the ordering and payment of goods and services easy and quicker, this has reduced the period spent between the ordering and delivery of goods

and services thus enhancing liquidity. Delivery is within the shortest possible time, i.e. using the Just-In-Time approach, this increases customers' satisfaction.

Amongst these reasons we can establish a strong fact that a lot of SMEs use mobile money because it is affordable and also due to the fact that it can be used to transfer money, buy airtime and bundle, etc. This supports what was said in the Business World (2016) that Mobile Money has become popular in the world because it can be used to send and receive money, buy airtime and bundles, loans can be taken using the service and it serves as a tool for saving.

Table 4.3: Reasons for Using Mobile Money

Reasons	Mean	Std. Deviation
Mobile money is affordable	4.08	0.87
I use Mobile Money to pay bills	3.90	1.12
Mobile money requires little work when creating account as compared to conventional banking procedures	3.86	0.96
I use Mobile Money to send money	3.55	1.29
I use Mobile Money to purchase bundles	4.09	1.15
I borrow money on Mobile Money	3.74	1.16

Source: Field work, 2019

4.4 Mobile Money and Growth of SME's

To better recognize Mobile Money transactions on growth of SME's, we analyzed the results that were presented in table 4.4. From table 4.4, 42 of SMEs representing 45.65% of the total number

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indicated that their business had increased in revenue and profit margin after adopting mobile money payment. This supports what Jack, William, and Suri (2014) said that, a lot of poor households have been able to manage shocks with MM service because it was easier for them to receive money in the times of challenges. The income of these household has increased with the emergence of Mobile Money. It has intensified quantity of active participants in, actual size and risk sharing networks without accumulating extra costs. Nonetheless 3.29 percent which represents 3 SMEs had decreased in revenue and profit margin while 12 SMEs representing 13.04 percent neither experience any increase nor decrease in revenue or profit after adopting mobile money services. This affirms the study by Bank of Ghana (2012) that, economic activities have increased with the introduction of Mobile Money service. Movement of cash from one person to another, which is termed as the swiftness of money is the foundation of all economic dealings. In the case where few people own bank accounts, the transfer of money becomes tedious, the diffusion of Mobile Money matched up with the figures of individual bank accounts, keeps rising given a ratio of 3:1 i.e. (for every three mobile phone user, there is one bank account). This amplified economic activities and augmented growth because cash can easily move to different people without stumbling blocks.

However, 6 SMEs representing 6.52 percent of the total number stated that they weren't sure of the impact of the mobile money system on sales. 31.53 percent which represents 29 SMEs stated that transacting business through mobile money is cheaper. 43.48% of SME's stated a reduction in time when processing payments while 58.70% of SME's affirmed an increase in customer base.

Table 4.4: Mobile Money and Growth of SME's

Mobile Money and SME's Growth	Frequency	Percent
Increase revenue and profit margin	42	45.65
Decrease revenue and profit margin	3	3.26
Neither increased nor decreased revenue or profit margin	12	13.04
Not sure of the impact	6	6.52
Transacting business through mobile money is cheaper.	29	31.53
It has reduced time in processing payments	40	43.48
It has increased customer base	54	58.70
Total	92	100

Source: Field work 2019

4.5 Correlation Analysis

Correlation analysis was carried out at 95% confidence interval using Pearson's Correlation to establish relationship between Small and Medium scale Enterprises to respondents' profile, level of adoption, reasons for Mobile Money usage and Mobile Money on growth. From table 4.5, there exists a positive correlation in SME's growth of magnitude 0.615 with level of education. This confirms what Kennickell and Kwast (1997) said, studies proved that educated individuals use e-payments products as compared to the non-educated. With mobile money, less educated consumers can use the service without much difficulties.

SMEs with nature of business got a magnitude of 0.272, while the correlation between SMEs and use of mobile money for payments got a magnitude of 0.505 and 0.701 with increase in revenue

and profit, 0.451 with decrease in revenue and profit. This supports Aker and Mbiti (2010) assertion that, Mobile Money helps SMEs to easily accumulate assets, pay insurance premiums and obtain credit, it also reduces information irregularities and market inadequacies thereby improving their performance.

Table 4.5: Correlation Table

	1	2	3	4	5	6	7	8
1	1							
2	.615**	1						
3	0.015	0.013	1					
4	0.189	.272**	.451**	1				
5	-0.099	.215*	.505**	.701**	1			
6	0.095	0.178	.429**	.641**	.502**	1		
7	0.152	0.160	.245*	0.152	.281**	0.082	1	
8	.321**	.277**	0.031	0.144	-0.093	.451**	-0.095	1

Source: Field work, 2019

From the table: 1=Level of Education, 2=Nature of business, 3= Use mobile money for payments, 4= Mobile money is efficient and effective, 5= Increase revenue and profit, 6=Decrease revenue and profit, 7: It is affordable and 8= A tool for saving. A correlation coefficient value (r) ranging from 0.10 to 0.29 is thought of to be weak, from 0.30 to 0.49 is considered medium and from 0.50 to 1.0 is considered strong.

4.6 Chapter Summary

This Chapter presented data analysis, findings and discussion of results gathered from respondents according to three study objectives. Findings are arranged in themes to enable adequate response objectives of the study. Area covered include demographics of respondents, level adoption, reasons and Mobile Money and growth of SME's as well as correlation analysis.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter presented summary and data findings; conclusion drawn from findings as well as recommendations made per findings. Conclusions and recommendations drawn were concentrated on achieving study objectives which were to examine level at which SMEs had adopted mobile money, determine various reasons for adoption and measure Mobile Money on growth of SME's in 3 Ghanaian municipalities.

5.1 Study Findings

On level of adoption of mobile money in Ledzokuku, La Dade Kotopon and Kpone Katamanso municipalities, 92 SMEs have adopted and use Mobile Money technology for varied transactions. These SMEs use Mobile Money to pay their suppliers, check balances, and also to pay bills. We also realized that registering Mobile Money was not a difficult task to do.

On impact of mobile money on growth, data gathered showed there has been a significant increase in the sales revenue, customer base and profit. Also, we can say Mobile Money can be used as a tool for saving, even though we had a minimal number of respondents attesting to this fact. On reasons for using Mobile Money, we realized majority of respondents use Mobile Money as a payment system because it is quite affordable and also it can be used for various transactions eg. buying airtime and bundles, paying bills, receiving and transferring money among others. Other reasons include, the reduction of time spent between ordering and delivery of goods and services, it does not need much work when creating an account and also with the

introduction of Mobile Money Interoperability, it has made has respondents to easily engage in bank transactions and also cross network transactions.

5.2 Conclusions

The study showed, Mobile Money contributed positively to growth of SMEs since majority of buyers and sellers depend on it, compared to formal banking sector, for their day to day transactions. Secondly, it is evident that all respondents have a deep understanding of reasons for using of Mobile Money service. These findings are similar to Kirui and Onyuma, (2015) and Mbogo, (2010) whose findings in Kenya discovered a positive impact of Mobile Money technology on SMEs.

However, it is worth noting majority of respondents have doubts on cost of the service as a result of problems associated with functionality of service. Network problem was a major concern amongst respondents because it causes a lot of delays.

5.3 Recommendations

After analyzing the data from the field and summarized findings, the researcher will recommend that a creation of awareness on Mobile Money benefits and variety of services offered on the platform should be done to increase number of SMEs with Mobile Money. Given introduction of Mobile Money interoperability, this study recommends educative campaigns on the benefit SMEs can derive from transferring money across networks. User-friendly support services targeted at SMEs should be put in place. For example, increasing funding services have resulted in introduction of Mobile Money and mobile internet services on transport services.

With banks creating software's for easy transfer of money, it will become a method that is progressively convenient for monetary transactions for SMEs, because it will prevent individuals

from joining long queues for bank transactions. Therefore, improving service providers and SMEs partnerships with support of available products is recommended to increase use of available products. Actions to assess performance of SMEs is a vital area which requires dedicated attention. Other practical tools may be researched on how to bridge gap that exists in data collection on SMEs.

In order to reduce current dangers, the study recommends to Mobile technology providers to spot platforms capable of improving delays while enhancing fast responses and increase in adoption rates in other Municipalities. Particular attention should be given to systems that decrease money risk, such as providing methods to authorize business distinctiveness with an entity registered on their systems, confirmation on business name compared to mobile number of business and faster methods of terminating flawed transactions.

5.4 Further Research

This research recommends further study in importance of mobile money interoperability, convenience associated with mobile money and various reasons for which transfer of money from mobile phones to banks are not known among SMEs. A study can done to evaluate contribution of mobile money services on business accessibility and economic management, with one group using mobile money and the other not using the service. A follow-up studies on the same topic could identify the improvement of SMEs with or without mobile money service. This study can be replicated at a different time with other Ghanaian communities. A study to explore factors that have contributed to MOMO achieving high uptake regardless of other service providers such as, Vodafone cash, Airtel-Tigo money can also be considered. The variance between service provided by banking sector and wire transfer services such as Western Union

and MOMO, may help entities and individuals in understanding competitiveness of mobile money.

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APPENDIX

QUESTIONNAIRE

TOPIC: MOBILE MONEY AND GROWTH OF SMALL AND MEDIUM SCALE ENTERPRISES

This study is being conducted by an MSc student of the University of Ghana Business School. This study is mainly for academic purpose and it seeks to understand mobile money and its effects on Small and Medium Enterprises.

SECTION A: Respondents Profile.

Please use a (√) to indicate your choice.

1. Age

20-30 years ☐   31-40years ☐   41-50 years ☐   above 50 ☐

2. Gender

Male ☐   Female ☐

3. Level of Education

Basic School ☐   Secondary School ☐   Diploma/Degree ☐   Professional/Post ☐

graduate

4. Nature of business

Wholesale ☐   Retail ☐   Service Delivery ☐

5. How long have you been in business?

Less than 1 year ☐   1-5years ☐   6-10 years ☐   More than 10years ☐

6. Number of employees.

Less than 5 ☐   5-29 ☐   30-99 ☐

7. Does your business have a bank account?

Yes ☐   No ☐

SECTION B: Level adoption

Use the scale from 1 to 5 where:

1-strongly disagree, 2-disagree, 3-undecided, 4-agree and 5-strongly agree for your response.

		1	2	3	4	5
a.	Are you aware of the products offered by Mobile Money					
b.	Do you use Mobile Money to transact business					
c.	Has your finances increased					
d.	Does it serve as a tool for saving					
e.	Has mobile money interoperability made the transfer of money across other networks easier?					
f.	It is affordable to use mobile money					

SECTION C: Mobile Money and Growth of SME's

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		1	2	3	4	5
a.	Increase revenue and profit margin					
b.	Decrease revenue and profit margin					
c.	Neither increased nor decreased revenue or profit margin					
d.	Not sure of the impact					
e.	Transacting business through mobile money is cheaper.					
f.	It has reduced time in processing payments					
g.	It has increased customer base					

SECTION D: Reasons

		1	2	3	4	5
a.	Mobile money is affordable					
b.	I use Mobile Money to pay bills					
c.	Mobile money requires little work when creating account as compared to conventional banking procedures					
d.	I use Mobile Money to send money					
e.	I use Mobile Money to purchase bundles					
f.	I borrow money on Mobile Money					

Thank you for your time