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ADOPTION OF MOBILE BANKING SERVICES BY MOBILE PHONE OWNERS IN MOSHI MUNICIPALITY, TANZANIA**Abstract:**

Adoption of mobile banking services by mobile phone owners in terms of level of adoption and usefulness of adoption remained inadequate in Tanzania. Such inadequacy of adoption is a result of utilizing traditional banking services by mobile phone owners which decreases advantage of using mobile banking technology. Mobile banking is a situation whereby the customer interacts with a bank via mobile device, an electronic banking system which allows bank customers to get access to their bank accounts via mobile phone. The establishment of adoption level, the factors influencing adoption and usefulness of mobile banking technology among mobile phone owners remains silent. That was a knowledge gap on which the research for this paper focused. The article is intended to assess adoption of mobile banking services by mobile phone owners in Moshi municipality, Tanzania. The specific objectives were to evaluate the level of adoption of mobile banking, analyse factors influencing adoption of mobile banking and evaluate usefulness of mobile banking services. Primary data were collected using questionnaires. They were administered to 182 mobile phone owners who are bank customers. Descriptive and inferential statistics were used. The adoption level of mobile banking was revealed to be inadequate. The main factors found to be behind non-adoption of mobile banking service was risk of loss and fear of system failure which was found to negatively affect adoption of mobile banking service. The risks found to have the greatest influence were fear of sending money to wrong account or phone number and loss of personal or account information. Perceived convenience was found to positively affect adoption of mobile banking. The usefulness established included; accessibility, saving of time and comfort mostly used to pay bills and funds transfer. It therefore concluded that adoption of mobile banking is inadequate and is affected negatively by risk of loss and fear while affected positively by perceived convenience and mobile banking is useful in various ways. It is argued that mobile banking should be adopted by banks and mobile phone owners in Tanzania.

Keywords:

Adoption, Mobile phone owners, Mobile banking services, Factors, Usefulness, Moshi Tanzania

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