ABSTRACT

The advancement of information and communication technologies brought a great impact on business processes especial mobile technology. Both financial institutions and telephone companies observed to be engaged in delivering financial services using mobile phones.

This paper was aimed to critically identify the key factors that drive mobile phone users towards adoption of Mobile Money in Zanzibar. The study used a research model based on one TAM construct (Perceive usefulness) relative advantage construct from diffusion of innovation model with the addition of trust construct on examining the willingness of adoption of MM service. 95 completed questionnaires and 4 interviews from mobile phone users and mobile money agents of four different mobile network operators determined issues required to consider the adoption drivers of mobile money services.

The study revealed that relative advantages, perceived usefulness, and trust risk are significant indicators for the adoption of MM services. Lack of knowledge on using the service and fear of security to be the most obstacles for non-MM users to adopt the service, while fear for losing the money due to transaction error, network problems, less ability for users to perform transactions without seeking the help from agents or friends discourage the use of MM. Finally, based on the findings of this study, recommendations for both MM service providers and users ware made for the purpose of improve and enhance the adoption of mm such as; enhance agent capacity building, increase service awareness, improve agent cash and e-float, improve network infrastructures, minimize transaction expenses and increase accessibility especial in rural and remote areas

The study highlighted possible future research areas such as looking at the consumers' demographic characteristics and the adoption of MM in Zanzibar, explore the geographic effect, such as in rural areas, where there is less or no access to the banking facilities, explore why the most popular MM service is receiving money and adding more constructs from different models and theory in order to establish more factors that may be influential in the adoption of MM