

## ADOPTION OF MOBILE BANKING IN TANZANIA BANKING INDUSTRY

### ABSTRACT

This study was undertaken purposely to describe the special needs for mobile banking adoption and its status in Tanzania banking industry. Major areas being; to analyse the factors affecting adoption of m-banking in Tanzania banking industry, to determine challenges of adoption of m-banking as well as the benefits and barriers of m-banking technology adoption in Tanzania banking industry.

Questionnaires, interview methodology and documentary reviews were used to collect data from 30 respondents from PBZ staff departments. These data were then grouped into five categories; application of mobile banking, factors influencing mobile banking adoption, benefits derived from m-banking adoption, challenges that the banks face in adoption of mobile banking and barriers that impedes the banking industry from adopting the mobile banking technology. Both qualitative and quantitative data were analyzed using statistical methods by SPSS 16.0 and other Microsoft Office Tools.

Findings show that there is huge application of electronic banking and these include; ATM services, mobile banking and other electronic banking services. Not only that but also the research have revealed that there are factors that influence the commercial banks to adopt mobile banking operation and these includes; risky and security, economic background, technology change and cost of service. The research further, explored the benefits and challenges that are underpinned with adoption of m-banking, including relatively small costs, convenient access and greater flexibility in making transaction, ease of use and little technical knowledge and relatively lower cost of SMS. However, despite of these research outputs there are several challenges and barriers that include reliability and scalability, security and trust and network infrastructure and ICT personnel.

The study therefore recommends, *inter alia*, that banking industry should target on investment in ICTs infrastructures and promote creation of knowledge on IT and e-business, proper regulation and monitoring of electronic banking and m-banking industry as well as review of ICT Policy and ICT Act of Tanzania on electronic banking and mobile banking.

