

## **Customers' Attitudes Toward Mobile Wallets in Cameroon's Far North Region**

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### **ABSTRACT**

This paper aims to examine customer perceptions towards mobile payment in Cameroon's far north region. Four factors have been examined regarding the perceptions of customers towards using the mobile payment system. It is an ethnography with the combined methods of interviews and observations. After collecting data from interviews with 35 respondents and observations of mobile money customers since the period of establishment in the far north region, we found that there is a high degree of convenience and compatibility in using mobile wallet by the customers in the far north region. The relative advantages of using a mobile wallet have been found to be significantly appreciated by customers. There is a high degree of bandwagon effect in mobile wallet social interaction. Perceived risk and government support are found to negatively affect the use of mobile wallets in the far north region. Most of the customers are not satisfied with the government's support to improve the quality of the service. This research could benefit both the government and mobile money providers. For future research, it is recommended to include other cities in the country and also look at the other factors that are not taken into consideration.

**Keywords:** Mobile wallet, customer, far north region, ethnography.

### **INTRODUCTION**

A virtual wallet that keeps money for transactions on a mobile device is known as a mobile wallet. With the development of the technology around the world, Mobile wallet becomes one of the essence technologies to support financial inclusion. Supporting financial inclusion through this technology is becoming more interesting for developing economies. Within this development particularly mobile wallet system, Cameroon came out lately to adopt this technology because of the on development of ICT infrastructures to establish a suitable network to welcome the new technology.

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However, this system has been established this recent year and has showed a great impact on economic growth of the country. There are few studies that examined the perceptions of mobile payment in Cameroon. All of the earlier studies on mobile wallet were focused on the intention of adopting the new technology. There is no sufficient study that examined the perception of the customers towards the use of mobile wallet for the enhancement of the services for better attraction of new customers. This research tries to fill this gap. This research aims to examine the perception of customers towards mobile wallet in a specific region of Cameroon in order to help government and mobile wallets operators for better understanding of their services on behalf of the customers which could help them to ameliorate their services in order to gain a potential market share regarding the payment system.

To meet this objective, we are going to explore the digital technology of Cameroon and particularly the mobile wallet system. We will use ethnographic methodology with the combined methods of interviews and observations, because the authors have been living in this region for long time since the establishment of the mobile wallet system. We aim to interview 35 customers that are using mobile wallet since the establishment of the system and selected customers are living in the same region and also they are in various domains like traditional market actors, students, retailers of mobile payment system, and also households. This research will be the first research about mobile wallet in far north region of Cameroon and it will contribute to the literature review regarding mobile payment system. The following is the outline of the paper: section 1 will present literature review about mobile payment, section 2 we will share about Digital technology development in Cameroon and section 3 we will present the Current development of Mobile wallet in Cameroon, in section 4 we are going to outline the discussion related to the topic and finally section 5 will pull out the conclusion of our findings.

## LITERATURE REVIEW

(Dahlberg et al., 2008) have explored an excellent literature review regarding mobile payment. Based on this literature many studies have been conducted on different factors that could explain the perceptions of customers towards new technology of payment. The intention of adoption of mobile technology, the satisfaction perceived

using mobile payment and also the trust and social interaction throughout usage of mobile wallet have been examined by lots of scholars. The following paragraphs will explain these themes in details.

(Dlodlo, 2015) conducted a research regarding the uses of portable payment services practiced by South African. Data were collected from a 269 mobile payment users in South Africa. After applying the structure modelling equation, the results showed positive and significant connections amongst, trust, value, and satisfaction and persistence intentions of using mobile payment services. Consequently, operators of mobile payment services are confronted to develop, trust and value establishment features which influence the satisfaction evaluations of customers. And this will let them in the long run, to continue enjoying mobile payment services.

(Chen et al., 2019) examined the impact of compatibility, perceived risk and perceived business convenience, social interaction and relative advantages of mobile payment system on adoption intention. They used structured modeling equation on data of 257 users of mobile payment collected online through questionnaires in china. The results revealed that compatibility, perceived transaction convenience and relative advantages have confident effect on acceptance intent of mobile payment in china. Perceived risk ad social interaction has been found no significant o adoption intention.

Once more, (Yap & Ng, 2019) investigated the effect of social influence, accessibility and confidentiality on costumer's perceived usefulness about Mobile wallet in Klang Valley of Malaysia. Collecting data from 384 users of mobile wallets trough questionnaires, they applied multiple regression analysis. Their finding showed that social influence, accessibility have positive impact on customers perceived usefulness about Mobile wallet in Clang Valley of Malaysia whereas, confidentiality has no significant impact. Meanwhile, customers don't care about confidentiality, the highest influence of their usage towards mobile wallets are social influence, accessibility. In the same vain, (Kock Lim et al., 2021) studied the users' attitudes towards mobile wallet in CHINA and USA. Using sample of 186 Chinese and 196 Americans they examined the role of perceived security ad trust o the attitude of mobile payment users. They originated that the seeming trust has significantly a affirmative influence on using mobile payment. However, perceived security doesn't show significant impact within the two countries.

(Handarkho, 2021) recently investigated the continued use of mobile payment in Indonesia. 308 mobile payment users were interviewed about trust development, perceived risk, and parasocial interaction. He employed a structural modeling equation and discovered that adaptation, Perceived Risk, and Para-social Interaction all have a role in the continued use of mobile payment in Indonesia.

All of the above researches have been conducted in developed countries. In the field of emerging countries like Cameroon, the investigations are scarce. Among them we have the studies (Fosso Wamba & Queiroz, 2020), (Fosso Wamba & Queiroz, 2020) and (de Bruijn et al., 2017)

(Mwafise & Stapleton, 2012) explored the elements of user Acceptance of Mobile Payment Systems for microcredit companies in Cameroon. Data was collected from 32 respondents' through questionnaires'. Theoretical propositions have been used with a set of propositions to examine the elements that influence the implementation of mobile payment system for microfinance institutions. They found out that socio-technical factors such as security and trusts are important elements for the implementation of mobile payment system. It is also found that institutional factors such as the quality of the institutions, perceived regulatory support are the key elements of implementation of mobile payment system for microcredit institutions.

Moreover, (de Bruijn et al., 2017) conducted an ethnographic research on mobile money approaches, opinions and practices in Cameroon, Congo DRC, Senegal and Zambia. They applied interview and observations methods within a year. The main finding regarding Cameroon highlighted that individuals are used to with transfer and acceptance of money online and are relaxed with the systems they have been using for years. Whereas there are two main problems faced by customers towards adoption of mobile payment system: absent of social interactions and consumer's security.

(Fosso Wamba & Queiroz, 2020) studied the commitment intent of mobile payment users of the continuance intention adoption in Cameroon. They examined specifically the satisfaction perceived, and trust towards the usage of mobile payment in Cameroon. Using partial least square-structural equation modeling (PLS-SEM) they found that satisfaction and perceived trust ensure a strong effect on intention implementation of mobile payment in Cameroon.

Trough out these literatures our paper will examine the perceptions of customers towards the usage of mobile wallet in a specific region of Cameroon: far north region. We aim to analyze the perception of factors affecting the usage of mobile wallet like Perceived Transaction Convenience, compatibility of using mobile wallet, Relative Advantage and Added Importance of using mobile wallet, social interaction, Perceived Risk related to mobile payment and Government Support.

## **2-Digital technology development in Cameroon**

Electronic tools, systems, devices, and resources that generate, store, or process data are known as digital technologies. It promotes communication and interaction around the globe, and it has shown promise for expansion across countries. Since the outbreak of the COVID-19 virus, digital technology has been increasingly crucial in many commercial sectors. Digital technology development is more visible in industrialized countries such as the United States, China, and others. Take a look at developing countries where digital technology is still in its infancy.

Digital technology in Cameroon started with the creation of the public organs regulating the telecom and ICT industries in 1958. After that the Ministry of posts and telecommunications (minpostel) was created. Others organs and ICT industries were also created in 1988, 1998, 2002. These organs have been established In order to create a good environment of internet services helping to develop digital technology. Nowadays, development of digital technology needs more development of internet services (Leni & Zunadi, 2022).

The table1 below show the essentials highlight about digital technology. It highpoints that Cameroon has population about 26.88 million. There is 57.8% of Cameroon that are living in urban areas. Almost 34% of the population use internet connection with 16.3% of annual growth.

Over all of these internet users, digital technology contributes only 10% to the GDP of Cameroon. This could be justify y the fact that Cameroonians are more and more connected on the internet in 2014; perhaps technology are still in the developing stage.

Factors	Numbers and percentage
<b>Total population</b>	26.88 million
<b>Urbanization</b>	57.8%
<b>Contribution of digital technology to gap</b>	10%
<b>Internet users of the population</b>	34%
<b>Annual growth of internet users</b>	16.3%

**Table1:** essentials highlight about digital technology (source: datareportal digital 2021 Cameroon)

Whereas, even though digital technology is in the beginning stage of development, it has recorded a significant growth in terms of contribution to the GDP. Digital technology contributed only at 5% in 2016 and has reached 10% in 2020. Consequently, the increase in GDP leads to increase the creation of direct jobs from 10,000 in 2016 to 50,000 in 2020.

Etoundi et al (2016) investigated a research about the readiness of the development of digital technology in Cameroon. They found that since 2015 government has challenged stakeholders to move towards numerical economy targeting to foster the growth of the country. Throughout this determination of government, there have remained the establishments of many organizations in order to support this vision. Once more, government has settled project initiative since 2010-2015 to become emergent and digital by 2035. This shows that this strategy could help Modernize the economic and business sectors (Hidir et al., 2021).

### **Current development of Mobile wallet in Cameroon**

A virtual wallet that keeps money for transactions on a mobile device is known as a mobile wallet. There are presently only two mobile money (wallet) providers in Cameroon's digital payment system: MTN and Orange. Through a partnership with Afri-land Bank, MTN was the first to introduce mobile money in Cameroon. The service became live in 2012 after a first memorandum of understanding was signed in June 2011. MTN Mobile Money provides money transfer and bill payment services (water and electricity). Clients open accounts with MTN rather than the bank, while

Afri-land is responsible for ensuring that the accounts opened comply with banking standards. Orange Money was launched in Cameroon in February 2013 in collaboration with Ecobank.

Orange Money offers comparable services to MTN Mobile Money, but with the addition of the ability to pay for airline tickets and transfer credit. They've also extended to include a relationship with Total, which allows consumers to pay for gasoline using their mobile money account. This particular service went live in February 2014, marking the first time that informants claimed Orange Money was genuinely effective. In December 2015, Orange and Eco bank struck a second partnership to develop and deliver new products, which was shared with Eco bank clients in January 2016. Both services are almost universally used by the population across the country. Particularly, in far north region these services record a potential use because it is the region of commerce connected with Nigeria, Chad and central Africa. Indeed, online payment is performed through devices with this system. It facilitates the transaction and saves time for both buyers and sellers.

The table 2 below presents the percentage of population for e-commerce users, 99% of population are using mobile connections. So it shows a great impact on using mobile payment system. Almost 98.2% of the population is using prepaid connections. For the mobile account we have about 15.1% of mobile phone users. This percentage is quite good to be improved further as the system is very new and the percentage of urbanization is also low. Finally, 11.2% of the population purchases and pays bills using mobile payment system. And overall, 5.6% of the population are using mobile payment system to perform their transaction.

<b>Factors</b>	<b>Percentage</b>
<b>Mobile connections of percentage of population</b>	99%
<b>Prepaid connections of percentage of mobile connections</b>	98.2%
<b>has mobile money account</b>	15.1%
<b>makes purchases and pay bills online</b>	11.2%
<b>Men and women making mobile transaction</b>	5.6%

**Table 2:** Percentage of the population for e-commerce use (source: data report al report digital 2021 Cameroon).

## DISCUSSION

### *Data and description of the population*

Data are collected during interview with the mobile wallet users and also observation of their behavior towards mobile payment system. Their behavior having been observed for long since the establishment of the payment system. We have interviewed 35 mobile wallet users regarding their perceptions towards using the services. The location has been selected for some important reason. Far north region has about 205 635 population and 50% using mobile money. Most of the population is doing business transaction. They are connected with others cities in the countries and transfer their product for commercial purpose. So mobile payment has been widely use in the region since the creation of the system. The behavior of the population has being observed since the creation of the payment system. It showed that population are very interested to use the payment system because it contains lots of benefits than the traditional payment system. However, there are facing problem of using the system like the risk perceived, the convenience of the system. In the following paragraphs we will discuss the result related to the customer's perception in some several factors like the perceived transaction convenience, compatibility of using mobile payment, relative advantages of using mobile payment, social interaction, perceived risk and government support. Questions related to these factors have been asked during the interview (see the appendix for the sample of the questions)

### *Perceived transaction convenience and Compatibility of using mobile wallet,*

Chen and al (2008) explained Compatibility like a grade to which new technologies are reliable with consumers' preceding lifetime practices, routines, and desires. The high degree of compatibility of customers towards using mobile payment decrease the uncertainty about customers and the use of the new technology and prove the connections between customers daily routines and the new technologies. Our finding shows that most of the customers found mobile wallet are compatible for their



life style and prefer to use it all over the time due to the security, transparency and innovation. This is the statement of the mobile money user:

*“When I started using mobile money I found that it is designed as what I need. I will be relaxed to continue using this system because it could save my time, secure my money. Personally I hate to go and wait for a service in a bank and I lose all my time. Now I can do all my transactions of daily life with my phone and save my time”* Trader, central market of maroua

This *statement* shows the interest of the customers towards mobile wallet system, the system is adoptable in their life style and their needs. There are willing to use this system for the future. Hence the mobile wallet system is compatible with the far north region’s customer’s life styles and needs. This result support previous because actually with the development of digital technologies most of population is able to adopt the new system in their lifestyle.

#### ***Relative advantages of using mobile wallet,***

Relative *advantages* can be defined as the benefits obtained by customers while using mobile wallet system. The greater the benefits the better the motivation of using the system in the future. The results of our research show that customers perceived lots of advantages of using mobile payment instead traditional system. The advantages are so numerous. The new system of payment has exceeded the expectation of the customers. Nowadays everyone is worrying about time and security. Thus, the mobile payment system came out with advantages. Customers can save their time and secure their money while performing mobile payment.

*“Using mobile money is very secure, it helps to reduce transaction costs and save time. The operations are performed on time. When I use mobile I see Transparency of my transaction it does not require any procedure and it allows me to bypass the problem of money change. Finally, mobile payment system Facilitate small transactions and it shows a monetary confidentiality.”* Trader, maroua

### ***Social interaction,***

Social *interaction* of using mobile wallet can be defined as the as the relationship between the users and theirs relatives. When a technology is appreciated it will show a bandwagons network effects that is mean the uses of the services will push others population to join the services because of the linkage between their daily life, they cannot be together whiteout using the same services. The users of mobile payment in far north region show a high social interaction between their relatives. That's mean the mobile payment is widely used by their relatives and their daily use affects others to join the services.

*“The fact that I am using mobile payment pushes others to join the services. When I want to send money to my family members in another city, the must have mobile money account in order to receive the money. So it seems as an obligation for them to join the mobile money system”*. Student, university of maroon

*“When I am doing my business with mobile money my collaborators must have mobile money account if they want to work with me, so that I can transfer them their payment easily. The ways I use and appreciate the services lead them to use the mobile payment system too”*. Business man, central market of maroua

From theses statement we understand that the customers of mobile money system influence their relatives to join the service because the new technology has a bandwagon network effects. It becomes an obligation to have a mobile money account if your relatives or friends are already using the services.

### ***Perceived risk***

Perceived risk can be defined as the risk faced by the customers while using mobile money services. It shows the advantages that occur while using the services. When the perceived risk is high customers are not motivated to use the services further and cannot suggest others to join the services. From our interview and observation, we see that mobile money customers are facing lots of risk related to the service such as the risk to lose their money if they make mistakes during the transaction. So it is sometimes impossible to get back their money.

*“I am using mobile money system the security is there, but there is risk of losing the money is present in the event of an inadvertent transaction. The the procedure to be*

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*done in order to take back your money is long (Notify the Mobile operator, go to the police to make the requisition, then deposit with the operators for fund repatriation), so sometimes I feel like I don't use it again"* Market developer , MTN Cameroon Kousseri urban

This statement shows that there is security when performing mobile transaction but, there is a risk when a customer makes mistake in phone number. It might be difficult to get back *the* money. It reflects the regulation regarding mobile payment and the quality of the technology. Verifying a transaction is mistaken requires a solid database and also confidence of customers. Meanwhile these problems are the consequence of non-development of the digital technology in the country. So improvement of the technology needs to be taken in order to solve such problems.

### ***Government support***

Government support reflects the way that government can participate in the mobile money market in order to improve the service and make equilibrium. Government can set rules and regulations regarding the transactions. Sometimes *customers* are not comfortable about the government rules and regulations because there will be tax involvement when government intervene in the market. Our findings suggest that most of the mobile money customers support the intervention of the government for the improvement of the services but the rules and regulations are not comfortable.

*"The government increased the fees which people really didn't like and I think over time the government will impose some taxes on mobile payment, if they haven't already. Actually, the government has already settled up customer taxes and that can keep us away from that. It's not necessary"*. Teacher, maroua

From the statement below, we understand that customers need the participation of the government but it should be done by setting comfortable rules related to the transactions, *and* also make confident regulations for the improvement of the services. Consequently it could be a way for customers to be satisfied about the service and motivate others to join.

When we compare our finding with previous researches we realize that similar result have found by lots of studies, such (Chen et al., 2019) and (Fosso Wamba & Queiroz, 2020).

## CONCLUSION

In conclusion, we examined the perceptions of the mobile wallet users towards the usage of the services, to perform their transactions in far north region of Cameroon. Four factors have been examined regarding the perceptions of customers towards using the mobile wallet system. After collecting data from interview and observation of mobile money customers since the period of establishment in far north region, we find that there is a high degree of convenience and compatibility of using mobile payment by the customers in far north region. The relative advantages of using mobile payment have been found significantly appreciated by the customers. Regarding social interaction of using mobile wallet there is a high degree of bandwagon effects. Whereas, perceived risk and government support is found negatively affecting the use of mobile wallet in far north region. Most of the customers are not satisfied by the government support to improve the quality of the service. This research could benefit for both government and mobile money providers. It could help government to make an alternative decision for the improvement of the service. For network providers this research will help them to revise the quality of their services regarding the risk related to the transaction. For future research it is recommended to include other cities in the country and also look at the other factors that are not taken in consideration.

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