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### The Impact of Government Levy on Mobile Money Service and Customers' Purchase Decisions; A case of M-Pesa services in Mwanza Tanzania.

BY

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#### Abstract

*The study investigated the impact of government levies on customer purchase decisions for mobile money services and products. The specific objectives were, to determine the impact of government levy on mobile receipts and its effect on customer purchase decision, to determine the impact of government levy on mobile payments and its effect on customer purchase decision, to determine the impact of government levy on mobile savings transaction costs and its effect on customer purchase decision; and to investigate the perception of M-PESA subscribers' on the imposed government levy on their mobile money service purchase decision. The study used a simple mixed-method approach whereby mobile money subscribers were given a questionnaire and mobile money agents were interviews. Data were analysed in descriptive statistics and inferential statistics, especially multiple regression. The findings revealed that government levies negatively affected mobile money transaction receipts, mobile money payments, and withdrawals, and mobile money transaction cost. As a result, customer purchase decisions were also affected negatively which eventually lowered transactions in mobile money platforms. On the side of the interview findings, it was revealed that mobile money agents were also affected to the extent of closing some of their agents, especially for those who had more than one shop due to reduced revenues caused by a reduction in consumer purchase decisions of mobile money products. These findings are important for both the telecommunication players and also the government as it informs them on the perception of the mobile money users which can help them to improve the decision on the imposed government levies.*

**Keywords:** Mobile money, government levy, customer purchase decision, fund transfer. E-money

## INTRODUCTION

### Background to the study

Today's challenges cannot be resolved with yesterday's solution (Paschal and Gougou, 2022). With this standing point, science and technology have brought a substantial paradigm-shift of the way social, political, and economic way of life is governed (Paschal and Gougou, 2022). The emergence of mobile has been one of the developments brought by science and technology in this globalized world which offer a variety of functionality in promoting social and economic development (Gougou and Paschal, 2022). This revolution of mobile devices has led to the onset of mobile money in many countries across the world. Mobile money is a mobile phone-based electronic funds storage and transfer service. This development was enabled by the process of changing cash into electronic units of money, e-money, and

stored in the mobile phone (Ndung'u, 2021). The mobile money service has grown rapidly due to the technology dynamics worldwide. This service has been an easy way to get most of the payments done via mobile phone.

Mobile money has been a powerful system for most customers for over a decade due to the good service which is affordable. However, there were some changes in the levy charges by the government in the mid of 2021. Despite the great success of the mobile money service for most businesses and personal use, mobile money service turned out to be a great threat to the banking industry. The mobile money service simplified banking services since most of the payments can be done via the phone. However, the M-PESA service gives a customer access to their money in saving, transferring, withdrawing, and making payments at affordable costs. Hence most customers preferred mobile money service



over bank (Aron, 2018). The effects of the new levy since it was declared effective, mobile money transactions have declined by 45%. The decline in transactions directly affects the revenue of the telecommunication industry and mostly the Government through the taxes that the industry contributes. The levy has not only affected the industry but the customers as well; where most of the mobile money users and mostly those from the rural areas nearly stopped using the service due to the imposed levy (Malanga, 2021). The new government levy on mobile money charges has raised a lot of questions making it a necessary area to be researched. This study will fill the gap on the impact of government levy on mobile money transactions on customer's service purchase decisions, focusing on Vodacom M-Pesa service at Nyegezi ward. The use of mobile money is figured to be used almost equally in both, rural as well as urban areas, where the transactions are done along with the communication services. In most cases, mobile money services had been considered to have affordable costs compared to banking services. As well, Mobile money is considered one of the ways that have helped to combat poverty (Bill and Melinda Gates Foundation, 2021). Mobile money has not been saved as a means of transferring money only, but additionally, it has been a facilitator of payments for various services. In most rural places it is considered a savings tool. Tanzania Revenue Authority (TRA) accepts tax payments through mobile money. Other social services such as electricity, water facilities, parking, health services, insurance, TV packages, and many more services can as well be purchased and paid for through mobile money (GSMA, 2021). However, according to Kajubi, (2021), the COVID-19 pandemic outbreak directly affected the annual revenue on both local receipts and export service payments by 49% between 2019 and 2020 making a difference of 4.638 trillion. This has forced the government, in the case of Tanzania, to introduce a new levy on mobile money transfer transactions as a way to boost revenue Kajubi, (2021).

The changes in the levy charges by the government in the 2021/22 budget have created a huge question over the impact of government levy on mobile money transactions on customers service purchase decisions to the customers and all of the service users of mobile money (Brief & Detail, 2021). However, the extent to which this government policy has affected the consumer's decisions of purchasing or using the service is not yet known, both qualitatively and quantitatively. Accordingly, this study is intended to address the gap, in the process of attempting to capture service consumer inputs on the government's decision regarding the increased costs.

### Theoretical Framework

In this study theories were; Expediency theory and Solomon's Model of comparison process (1996).

#### Expediency Theory

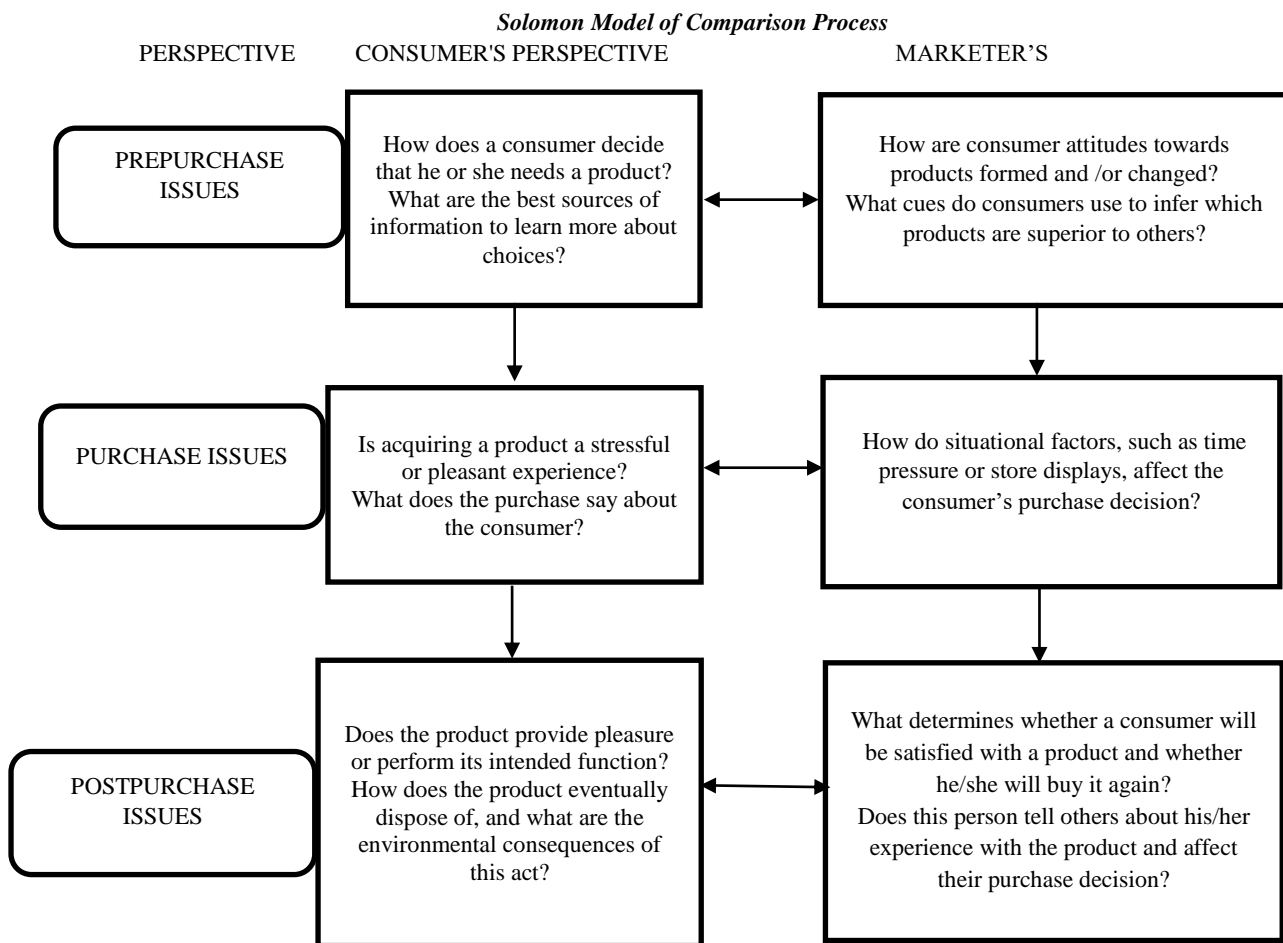
The theory states that every tax revenue collection proposal must pass the test of practicability, which must be the only consideration when the county government is choosing a revenue collection proposal. This means that the economic and social objectives of the government should be treated as irrelevant since it is useless to have a tax that cannot be levied and collected efficiently Urio, (2020). Furthermore, the theory states that in the process of selecting tax proposals, the authorities should consider various economic and social objectives or the effects of the tax system. This theory is relevant to the study as it helped to explain the impact of government levy on mobile money and its practicability while considering social and economic objectives.

#### Solomon Model of Comparison Process

Jha & Prasad, (2018) explained in this model is one of the important and most used models in consumer buying/purchase decisions. The theory explained that a consumer is a person who tends to identify needs, make purchases, and finally position the product at the third stage of consumption (Solomon, 1996). Using this model helped to observe the consumer decision stage that has been impacted by the government levy which leads to market imperfection.

Under normal market conditions where the free aim of the market operates, then it is the function of the market to determine the price, which guides the consumer's choice among other things with the levy imposition. In this model, the consumer purchase decision depends on their needs for the goods/service. The preferred ability of the service or product differs from one person to another. However, people may be the influencers in the purchase process and may not necessarily be the users.

This model is relevant to the proposed study as it reveals that M-Pesa customers use the service depending on their need for money transfer services. In this study from the understanding that there are three decision levels related to the event of purchase, the Solomon Model of Comparison Process (SMCP) is applied to attempt to describe the decision level that the Government levy impacts. According to SMCP, there are three important purchase stages that have to be strategically observed in the market of services further elaborated as below after presenting the SMCP.



Source; Adopted From Solomon (1996)

### Empirical Literature Review

Silue, (2021), on E-money, Financial Inclusion, and Mobile Money Tax in Sub-Saharan African Mobile Networks that involved ten (10) countries, reviewed the increase of taxes. The study revealed the developments that are triggered by the economy of the countries and a person's income level. This study previewed relatively on the government-imposed tax on mobile money in all of Sub-Saharan listed countries. Findings reveal that increasing the fees for the use of mobile money, slows down the process of financial inclusion. This study relates to the proposed study with a similar base of government levy (tax) on mobile money transactions.

UNCDF, (2021), researched The Impact of Mobile Money Taxation in Uganda and explained the contribution of mobile technologies and services to the economy of Sub-Saharan countries. The study found that the imposed tax mostly affected the lowest-income group compared to the high income who can access the alternative means of payment where there is no tax charged. This study is somewhat related to the proposed one based on the impact of mobile money taxation being relevant to the impact of government levy on mobile money transactions. However, there is a geographical and knowledge gap in customer perspective on the purchase decision.

Another research on The Effect of Mobile Money on the Savings Behaviors of The Financially Excluded was done in Kenya. This study used secondary data to draw the results; whereas, it discussed more on the use of MM as a means of saving money Skogqvist, (2019). This study revealed that a good number of people used MM as a saving means rather than a banking means. The results revealed; individuals that who use mobile money perceive it as a trustworthy, efficient, and reliable store of value especially making savings for future use. This study is relevant posted one on the concept of MM, although, there is a piece of knowledge, methodology, and geographical gap on customer purchase decisions and government levies.

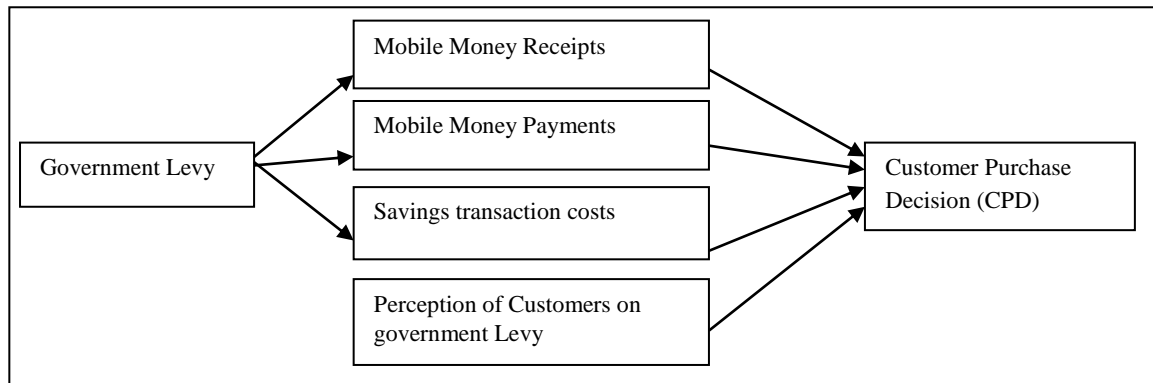
Kansiime, (2019) conducted qualitative research on the Effects of Mobile Money on Mobile Money Operators in Makindye Division Kampala, Uganda. The study aimed to assess the effect of mobile money tax on mobile money users in Uganda by Airtel. The findings reveal that there are high mobile money taxes hence customers avoid using it in payments for goods/services. However, high withdrawal charges incurred by the users are another reason for the service not being preferable or user-friendly (Kansiime, 2019). A study on the Impact of Mobile Money Tax on The Growth of Mobile Money Business in Makindye Division Kampala District Uganda was done by Julius, (2019) to assess the impact of mobile money tax on the growth of mobile money business. A descriptive research design was used,

where data was collected through questionnaires. Findings showed that mobile money tax has a negative effect or impact on the businesses of people especially those in the mobile money business.

Aron, (2018), researched Mobile Money and the Economy: A Review of the Evidence which reviewed the wide economy based on MM. the research used data from, Africa, Arab States, Asia & Pacific, Europe, and America. Findings show that mobile money fosters risk-sharing, but direct evidence of

the promotion of welfare and saving is still mostly less robust. On the other hand, Salome, (2017), researched the Effect of Mobile Money Transfer on Corporate Business Strategy in Tele communication Industry in Kenya; A Case of Safaricom Limited. The study used explanatory research where the target population was drawn from Safaricom Limited. The study findings revealed that mobile money transfer operators have cultivated trust among customers in their money transfer service.

**Conceptual Framework**



**Source; Researcher (2022)**

The conceptual framework depicts the relationship between the imposed government levies on the three major items of mobile money services which are done by the customers. These include mobile receipts, mobile payments, and savings transaction costs. When these are well handled, they usually have an impact on the customer purchase decision (CPD).

**Methodology**

The research design that was adopted in this research was a convergent parallel mixed method. In this study, the researcher employed the use a mixed method approach which combines the use of both quantitative and qualitative research approaches. The study was conducted at Nyegezi ward located in Nyamagana District in Mwanza city. Nyegezi ward is one among the eighteen (18) wards in the Nyamagana district with a population of 363,452 people (Government Statistics, 2013). Nyegezi ward is well known for high business activities with a high population due to the bus terminal station project being in the ward. In this study, the researcher employed the statistical table of Krejcie and Morgan (1970) whereas, with a population of 34,876 customers and agents, a sample size of 380 will be appropriate for the study. The was analyzed through the multiple-regression model. The following model was used.

$$Y = \beta_0 + \beta_1x_1 + \beta_2x_2 + \beta_3x_3 + u$$

**Where;**

Y=Customer purchase decision

X1=Mobile money receipts

X2=Mobile money withdrawals

X3=Mobile money savings

β0= constant term

u= Error term

**RESEARCH FINDINGS**

**Table 1 Demographic Characteristics of the Respondents**

Variables	Sub variable	Frequency	Percentage
<b>Gender</b>	Male	155	72%
	Female	60	28%
<b>Age</b>	18-25 years	75	35%
	26-35 years	89	41%
	36-45 years	10	5%
	46-50 years	20	9%
	Above 50 years	21	10%
<b>Education Level</b>	Secondary	25	12%
	Diploma	38	18%
	Bachelor	90	42%
	Postgraduate	16	7%
<b>Monthly Income</b>	Other	46	21%
	Less than 200,000	25	13%
	200,001-500,000	26	12%
	500,001-1,000,000	49	23%
	1,000,001-3,000,000	80	37%
	3,000,001-5,000,000 and above	35	15%
<b>Marital Status</b>	Married	116	54%
	Single	85	40%

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Divorced	11	5%
Widow	03	1%
Widower	00	0%

**Source; Field Data (2022)**

Table 4.1 shows that 155(72%) of the respondents were male, on the other hand, 60(28%) of the respondents were female. On the age of the respondents, 75(35%) respondents had 18 – 25 years, also it was shown that 89(41%) of the respondents aged 26 – 35 years. Moreover 10(5%) of the respondents aged 36 – 45 years while 20(9%) of the respondents aged 46 – 50 years and lastly 21(10%) of the respondents aged 50+ years. On the Level of education of the respondent's Table 4.1 shows that 25(12%) of the respondents had secondary education, 38(18%) of the respondents had diploma education while 90(42%) of the respondents had bachelor degree. On the other hand, 16(7%) of the respondents had postgraduate education while 46(21%) of the respondents had other education levels. In relation to the Monthly income of the respondent's Table 4.1 also revealed that 25(13%) of the respondents had

monthly income of less than 200,000, in the same vein 26(12%) of the respondents had a monthly income of 200,001 – 500,000. On the other hand, 49(23%) of the respondents had a monthly income of between 500,001 – 1,000,000. However, there was 80(37%) of the respondents had 1,000,001 – 3,000,000. Lastly 35(15%) of the respondents had the monthly income of 5,000,000 and above. On the marital status of the respondents Table 4.1 shows that 116(54%) of the respondents were married, in the same vein 85(40%) of the respondents were single while 11(5%) of the respondents were divorced, lastly, 03(1%) of the respondents was a widower.

**Descriptive statistics**

The study thought is relevant to conduct descriptive statistics to see the loadings of each indicator regarding the perception of M-PESA users on the items of the three variables which were mobile money transactions, customers' perceptions, and the issue of government levy. The table below shows the mean and standard deviation (SD) for the first variable which is mobile money transactions.

**Table 2: Mean and Standard Deviation for Mobile Money Transaction (MMTC)**

	Mean	Standard Deviation
Mobile money payments and receipts provide a reliable service for money transactions.	3.8	1.245
Mobile money payments and receipts transaction cost is an affordable service.	3.5	1.261
Mobile money transaction service is still favorable after the imposed levy	4.2	0.875
Mobile money payments and receipts transactions have been favorable without the imposed levy.	4.3	0.861
Mobile money payments and receipts transactions have been reduced after the government levy	4.5	0.930
<b>Overall mean value</b>	<b>4.0</b>	<b>1.034</b>

**Source; Field Data (2022)**

Mobile money payments and receipts provide a reliable service on money transaction" had a mean score of 3.8, while the item "Mobile money payments and receipts transaction cost is an affordable service" scored a mean value of 4.2. Similarly, the item "Mobile money transaction service is still favorable after the imposed levy" had a mean score of 4.3, and the item "Mobile money payments and receipts transactions have reduced after the government levy" scored a mean value of 4.5. The combined results of this variable revealed an overall mean score of 4.0 which is in the category of the high mean score as suggested by prior studies (Malhotra, 2009; Saunders et al., 2016). These findings can be interpreted to mean that mobile money customers strongly agree that mobile transactions are important and valuable however, a small change in the imposition of extra charges can trigger a reduction in daily mobile money transactions.

**Table 4.3 Mean and Standard Deviation for Mobile Money Transaction Costs (MMTC)**

	Mean	Standard Deviation
I use mobile money as a means of saving money and its cost is favorable and affordable to use	4.2	0.750
Saving money in mobile networks (M-PESA) after the imposed levy is affordable.	2.5	1.421
Saving money in mobile networks (M-PESA) is unfavorable after the imposed levy	4.3	0.977
Mobile money as a means of savings is affected by the imposed government levy.	4.0	0.912
High costs on mobile saving transactions have affected my decision to use the service.	4.4	0.891
<b>Overall mean value</b>	<b>3.9</b>	<b>0.931</b>



**Source; Field Data (2022)**

The specific items and their loadings showed that for the item "I use mobile money as a means of saving money and its cost is favorable and affordable to use" the mean score was 4.2. The second item which stated "saving money in mobile networks (M-PESA) after the imposed levy is affordable" had a mean value of 2.5; meanwhile, the item which stated "saving money in mobile networks (M-PESA) is unfavorable after the imposed levy" scored a mean value of 4.0. Additionally, the item "high costs on mobile saving transactions have affected my decision to use the service" scored also a mean value of 4.4. These indicators combined had a loading overall mean value of 3.9. Again, according to prior studies, the mean value of 3.9 is regarded as "high" similar to "agree" on the variables that are measured on a 5-Likert scale. These results suggest that the customers of mobile money collectively believe that transactions costs can affect their daily transactions

**Table 4.4 Mean and Standard Deviation for Government Levy on Mobile Transactions**

	Mean	Standard Deviation
Government levy has affected my savings greatly	4.1	0.881
Government levy has resulted in fewer savings for my daily Mobile transactions	4.2	1.051
Government levy has resulted in fewer transactions that I make daily.	4.2	0.950
The introduction of the government has resulted in a low cash inflow to my mobile banking	4.6	0.912
The introduction of government levy has made my relatives/friends reduce their cash sent to me	4.5	0.951
<b>Overall mean value</b>	<b>4.3</b>	<b>0.901</b>

**Source; Field Data (2022)**

The last variable that was tested on the descriptive statistics was the impact of government levies on the transactions. This variable was measured by six items on the questionnaire as shown in table 4.3 above. The specific items show on average a loading of mean values which were above 4.0. The item "Government levy has affected my savings greatly" scored a mean value of 4.1. On the other hand, the item "Government levy has resulted into fewer savings for my daily Mobile transactions" scored a mean value of 4.2; while the item which stated "Government levy has resulted into fewer transactions that I make daily" had a mean score of 4.2 as well, and the item which asked the respondents to rank "the introduction of government have resulted into low cash inflow to my mobile banking" scored a mean of 4.6. Lastly, the item which stated "The introduction of government levy has made my relatives/friends reduce on their cash sent to me" scored a mean of 4.5. From these individual mean scores, the overall mean score was 4.3 which can be interpreted to mean that the mobile money customers collectively agree that the government levy affected their income, savings, and chances to receive money from colleagues and relatives.

**Table 4.1 Results for Linearity**

Variables	Linear relationship		Remarks
MMTR	Pearson correlation	0.589	Linear
	Sig(2-tailed)	0.000	
	N	215	
MMPW	Pearson correlation	0.464	Linear
	Sig(2-tailed)	0.000	
	N	215	
MSTC	Pearson correlation	0.541	Linear
	Sig(2-tailed)	0.000	
	N	215	
CPD	Pearson correlation	0.353	Linear
	Sig(2-tailed)	0.000	
	N	215	

**Source; Field Data (2022)**

The findings revealed there were linear relationships between the independent variables and the dependent variable and also between the variables themselves (inter-variables correlation).

**Multiple Linear Regression**

This study has a conceptual framework that shows first-order and second-order regression analyses are needed. The first order is to test the relationship between government levy and the three variables, namely mobile money transaction receipts (MMTR), mobile money payments and withdrawals (MMPW), and mobile savings transaction costs (MSTC). The analysis below shows regression results for

the first order where the variable Government Levy (GL) is the independent variable and (MMTR, MMPW & MSTC) were the dependent variables. Each variable was tested separately on the independent variable (government levy).

**Table 4.15 Regression Coefficients**

Model	Unst Coefficients.	Stand Coefficients		Sig.	Collinearity Statistics		
B	t		Error	Beta	Tolerance		VIF
1	(Constant)	3.269	.443	3.628	.000		
MMTR	-.645	.256	.413	3.428	.000	.936	1.067
MMPW	-.441	.181	.317	2.240	.000	.851	1.129
MSTC	-.337	.235	.517	2.664	.000	.955	1.131

**Source; Field Data (2022)**

The final regression results can be presented in the following equation:

$$Y = 3.269 + 0.645MMTR + 0.446MMPW + 0.337MSTC + \epsilon.$$

The regression equation in Table 4.15 above is the result of the second-order regression whereby the three variables (MMTR, MMPW, and MSTC) were considered independent variables and were regressed against the customer purchase decision (CPD) which was the final dependent variable. The regression results show that if other factors are held constant, MMTR (mobile money transaction on receipts) has resulted in a decrease in customer purchase intentions by 0.645 which is equivalent to 64.5%. Also, if all other factors are kept constant, MMPW (Mobile money payments and withdrawals) has resulted in a decrease in purchase intentions to decrease by 0.44 which is the same as 44%. Finally, when other variables are held constant, MSTC (Mobile savings transaction costs) resulted in a decrease in the purchase intentions by 0.337 which is similar to 33.7%. The variables were all significant as shown in the table above.

**Discussion and Interpretation of the Findings**

**Government Levy and the three dependent variables**

The study conducted separate regression tests for each variable (MMTR, MMPW, and MSTC) to find their relationship with government levy. A separate regression model was recorded with their factor loadings for beta coefficients, t-value, and sig values as well. The results revealed that government levy (GL) had a negative relationship between the three variables. In other words, GL affected mobile money transaction costs, mobile money payments, withdrawals, and also mobile savings and transaction costs. In all cases, the beta coefficients were above 30% and also t-value was above 2.0 which was significant at 0.000.

**Mobile Money Transactions Receipts (MMTR)**

Mobile Money Transaction Receipts (MMTR) were defined by this study as the receipts and payments of mobile money which has been affected by the increased charges posed by the government. The regression results showed that MMTR was negatively related to customer purchase intentions (CPD). The regression coefficient loaded a value of 0.645 and a t value of 3.428 which was significant at 0.000. Similarly, the regression results revealed a tolerance of 0.936 and a Value inflation factor (VIF) of 1.067. Usually, tolerance and VIF measure the collinearity statistics which is suggested for the figures to be

below 1 for tolerance and to be below 1.5 for VIF (Hair et al., 2010). Hence, these results confirm that the variables have acceptable limits for tolerance and VIF.

These findings for the variable MMTTC therefore, mean that customers of M-PESA strongly agreed that mobile money transactions in the form of receipts have impacted negatively on customers' purchase decisions. Similar studies were achieved by TarnaSilue (2021) and also Kansiiime (2019) in Uganda where mobile money has drastically fallen after the increased charges both by telecoms and also by the imposed government taxes. These results suggest that customers of mobile money will continue to do trading irrespective of the charges although the trend might be diminishing in the future.

**Mobile Money Payments and Withdrawals (MMPW)**

The second variable that was tested was the effect of mobile money payments and withdrawals (MMPW) on customer purchase decisions. The regression results loaded 44% of the impact on how it can affect the decision of the customer. The t-value was 2.240 which was quite above the 1.96 suggested threshold for normal distribution tests (Field, 2013). Hence, confirming acceptable results for the regression tests for this particular variable. Similarly, the collinearity tests revealed that tolerance was 0.936 and VIF was 1.067 which was within the acceptable threshold for the absence of multicollinearity. Hence, the final interpretation of these results could mean that customers find it problematic to withdraw more cash using these services of mobile money as more will be charged by the government in the form of a levy. These results are contrary to those of Israel et al., (2016) who reported that mobile money withdrawals should not be charged as the customers keep their money in the bank for investments. If the bankers keep charging them in each transaction, there is a possibility of shifting their trends of cash investments. However, their analysis is the opposite of what banks and other financial institutions in developing countries do to reduce the cash of their customers whenever they make any transactions. The findings of this study are similar to those of Mabita and Weil (2014) in Kenya; who reported that the government of Kenya has allowed private the financial sector including telecoms services which in turn charge their customers heavily on daily transactions.

**Mobile Savings Transaction Costs (MSTC)**

The researcher tested another variable called mobile savings transaction costs (TC) of mobile money to establish its relationship with customer purchase decisions (CPD). The

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literature suggested that transaction costs can negatively affect the decision of customers hence lowering the volume of cash remittances (Luzan 2019) and Oreku (2020). In understating the relationship between the variables, the regression test was conducted which showed that MSTC contributed to 44.1% which is the same as 0.441; this relationship was negatively related to customer purchase decision (CPD). As a result, the t-value was 2.604 which was significant at 0.000. These results are consistent with those of Israel et al., (2016) and also Eston (2012). Their results indicated that as transaction costs are imposed by the mobile money agent or company, the customers will also lower their decision to engage in bulky transactions. The interpretation of these results is important to mobile money players and Vodacom in particular because it highlights the negative consequences and impact of mobile money transaction costs.

## Conclusion

The study investigated the impact of government levies on customer purchase decisions for mobile money services and products. The study advanced four research objectives which were aligned with the conceptual framework. The study came as a result of the increased complaints among individual and even mobile money services agents as well as some bank customers when transferring their cash from mobile phones to banks and vice versa. The researcher sought the importance to investigate the issues using data from both MPESA agents and also from subscribers of Mobile money services located in Mwanza Tanzania.

Due to the complex nature of the situation, the study posited the conceptual framework which suggested a two-stage regression analysis as follows (1) to regress the relationship between the government levy (GL) and the factors of mobile money services (MMTR, MMPW & MSTC) and (2) to regress the relationship between three variables of mobile money transactions (MMTR, MMPW & MSTC) and the customer purchase decision (CPD). The findings revealed that GL negatively affected the three variables MMTR, MMPW, and MSTC. At the same time, the three variables were also negatively related to customer purchase decisions due to the imposed government levy.

## Recommendations

The study recommends that policymakers re-look at the strategies to minimize these charges to enable businesses in mobile money investments to increase. This is from the data which revealed that there equally several MPESA agents who were single (unmarried) and also widows and most had a very low capital base; which implies that they need subsidies to increase the size of the businesses. If the government considers a reduction on the levy charged on MPESA and other mobile money services, it will save saved lives of its people by encouraging more flow of cash which will improve both household income as well as the economy at large.

## Suggestions for future studies

This study focused on mostly MPESA subscribers within Mwanza City which might not be a representative of the

population in the region, future studies are suggested to focus on all other mobile money platforms users of Tigo, Zantel, TTCL, Halotel to obtain more generalized results. Similarly, this study was considered only in one region of Mwanza where MPESA agents are the majority as compared to other users. Future studies should explore other areas such as Dar es Salaam and Arusha as it has been reported that the two cities have many users of mobile money services (TCRA, 2020). Hence, by targeting other parts of the country, the study could bring a new perspective on what mobile money subscribers feel about the services and also specifically on the imposed government levy.

Similarly, the study recommends that future studies should be conducted using Structural Equation Modeling (SEM) so as to validate the conceptual framework as multiple regression alone results into too many regression tables which might be lacking a proper presentation. This is considered as one of the limitations of this study.

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