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FACTORS AFFECTING MOBILE MONEY ADOPTION IN UGANDA

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2015/HD10/841U

**A RESEARCH REPORT SUBMITTED TO THE COLLEGE OF BUSINESS AND
MANAGEMENT SCIENCES IN PARTIAL FULFILMENT OF THE REQUIREMENTS
FOR THE AWARD OF THE DEGREE OF MASTER OF ARTS IN
ECONOMIC POLICY AND PLANNING OF
MAKERERE UNIVERSITY**

APRIL, 2018

ABSTRACT

The objective of this study was to assess factors associated with mobile money adoption in Uganda. Secondary data was sourced from the 2013 Uganda FinScope data that comprised of 3401 individual records aged 16 years and above. The Analysis was done using frequency distribution, Chi-square statistics and binary logistic regression.

In the results, majority of the respondents had adopted mobile money services (58.8%). The factors that were significantly associated with mobile money adoption were age, education attainment, residence, region, mobile money ownership, knowledge about mobile money, access to mobile money agents and easiness of using mobile money. In particular, mobile money adoption was more likely among respondents in the age group 25 to 39 years (AOR=1.17, P-value= 0.00) compared to below 18 years, 40 to 59 years (AOR=1.28, P-value= 0.00) compared to below 18 years, 60 and above years (AOR=1.05, P-value= 0.02) compared to below 18 years, and completed O level and above (AOR=1.15, P-value= 0.00) compared to those with no formal education. On the other hand, mobile money adoption was less likely among respondents in the age group 18 to 24 years (AOR=0.85, P-value= 0.03) compared to below 18 years, some primary education (AOR=0.42, P-value= 0.02) compared to no formal education, completed primary education (AOR=0.70, P-value= 0.00) compared to no formal education, some secondary (AOR=0.90, P-value= 0.00) compared to no formal education, urban residence (AOR=0.43, P-value= 0.00), being in Central excluding Kampala (AOR= -0.15, P-value= 0.01) compared to Kampala, being in Eastern (AOR= -0.63, P-value= 0.00) compared to Kampala, being in Northern (AOR= -1.19, P-value= 0.00) compared to Kampala, being in Western (AOR= -0.46, P-value= 0.00) compared to Kampala, failure to own a mobile phone (AOR= -1.10, P-value= 0.00) compared to owning it, no knowledge about mobile money (AOR= -3.16, P-value= 0.00) compared to those with knowledge, inaccessibility to mobile money agents (AOR= -3.29, P-value= 0.00) compared to easy access, difficult to use mobile money (AOR= -4.66, P-value= 0.00) compared to easiness in using it and not being a registered mobile money user (AOR= -5.48, P-value= 0.00) compared to registered users.

The findings indicate the need (i) for government should draw guidelines that compel all mobile phone subscribers to register for mobile money accounts (ii) to increase in advertisements, improvements in agent network and user support.