

USING MOBILE MONEY IN THE COVID-19: Qualitative Study

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ABSTRACT: Mobile money could be a new invention providing transportation financial transaction services. Due to national social distancing criteria and locations, COVID-19's pandemic has inevitably increased the usage of multimedia techniques. Collection, investments, and pocket money on cell phones may be mobile money technology. Digitalisation has increased, leading businesses and education institutions to move from home to work (WFH) and exchange funds using mobile apps. In certain cases, the role of mobile money in promoting the provision of external financial services, notably during the COVID-19 pandemic, has been extended beyond conventional banking. In this paper, we study, in general, and during the COVID19 pandemic, the advantages and relevance of mobile money applications.

KEY WORDS: *Mobile Phone Money, Mobile Phone Payment, Mobile Transforming, Mobile Money Benefit and COVID-19.*

1. INTRODUCTION

The idea of mobile telephone banking was first born from the goal of reaching poor rural unbanked mobile money services, especially in Africa, Asia, and Latin America. The services have been launched by private telecommunications companies in many countries worldwide. The basic conception of mobile money services might not be the same, but the aim was to make the transfers from people with mobile phone access cheap and safe (Otieno et al., 2016). Globally, the telecommunication industry has exponentially grown since the invention of the transistor in 1947. This rapid growth means that the way consumers access and use telecommunication services is also changing. This change has shown that globally, countries have the opportunity to empower the marginalized populations with Information and Communications Technologies (ICTs). Notable among these changes is the opportunity for mobile phones to propel development due to their ability to easily leapfrog the infrastructure barriers in remote and rural areas worldwide (Wadada, 2019).

The current global COVID-19 pandemic has triggered an economic crisis that could overcome the 2008-2009 global financial crisis, partly because containment and mitigation steps to restrict the spread of the virus have cost declining activity in many countries (Loayza & Pennings, 2020).

In the wake of the pandemic, policymakers must evolve effective policy answers to the undesirable negative economic effects of the COVID-19 pandemic. Although mobile money services have been already facilitating worldwide funding before the start of the pandemic, policymakers have been implementing measures to promote widespread use of mobile financial services, particularly under the COVID-19 pandemic, as an effective means of money movements in restricted countries.

Today the mobile revolution is sweeping the globe and this is often proven by the very fact that there are a unit over a pair of billion folks having cell phones where over a pair of .5 billion do not have bank accounts. The service has spanned through a minimum of eighty-nine countries around the world with 255 mobile cash services operative. (Wadada, 2019).

Mobile cash could be a recent innovation that has money dealing services via itinerant, together with the unbanked international poor. The technology has unfolded quickly within the developing world, "leapfrogging" the availability of formal banking services by determining the issues of weak institutional infrastructure and therefore the value structure of standard banking. Mobile cash services were introduced by personal telecommunication suppliers in many countries of the continent, Asia, and Latin America. The final plan is to change to low cost and reliable cash transfers between those that have access to an itinerant. This can be particularly relevant in causing and receiving remittances, which is far costlier and generally risky, through ancient formal and informal mechanisms. Additionally, mobile cash facilitates transfers between business partners, reduces dealing prices, and promotes market exchange. Finally, mobile cash services give comparatively secure opportunities for saving, even in remote rural areas. (Kikulwe et al., 2014).

2. SPECIFIC OBJECTIVE

- To explore the relevance of mobile money in the COVID-19 period.
- To explore the environmental and technological factors affecting the penetration of alternative mobile funds to transport services.
- To explore the advantages of mobile money.

3. RESEARCH METHODOLOGY

This research used a qualitative methodology. It used an instrument to collect data. Similarly, textbooks, journals, posts, as well as Internet sources were used for the study.

4. DISCUSSION AND LITERATURE REVIEW

4.1 Money

Money is that middleman in which financial transactions is managed. The term "money" is a very important topic in today's social sciences. Money has evolved from natural money, coins, and paper money (folding money | paper currency | currency) into this symbolic system. According to Naaman Helfield (2003), cash is the mechanism that allows parties to interact in an indirect exchange of products and services, and that the three main functions and functions of cash are the medium of exchange, the storage value, and the unit of account.

4.2 Mobile Money

This could relate to a mobile wallet, which refers to a digital electronic money repository built and implemented on mobile devices that enables users of the same service to carry out personal-to-personal transactions between mobile (M2M) devices. It is the same standard physical wallet, and credit and debit card storage capability. Mobile phones and mobile banking: The adoption of mobile phones has occurred at perhaps the fastest rate and to the deepest level of any consumer-level technology in history (Helfield, 2009).

There are numerous kinds of cash in use these days for money transactions and that include: coins, folding money, cheques, bank drafts and cash orders. Coin and currency falls under the currency class of cash or is named paper currency. Cheques, cash orders, and bank drafts constitute fiduciary cash or "demand deposits", additionally called "check book money", that fairly measure the funds individuals hold in their checking account or accounting (Mankiw, 2002).

4.3 Mobile Payments

There are a variety of definitions provided for mobile payment in literature. This involves payments made with or without the use of mobile telecommunication networks using digital mobility technology, handheld devices. These transactions are automated financial not generally linked to financial or banks. Mobile payment is a payment made by a portable electronic device, like a tablet or a cell phone, for a product or service. Mobile payment technology can also be used for sending money to friends or relatives, for example through PayPal and Venom applications (Tobbin, 2011). It generally refers to payment systems running on or over a mobile phone within a financial system. The customer may use a mobile phone to pay for a large number of services and digital or fixed goods instead of paying in cash, checks or credit cards. The mobile device used following this definition includes mobile phones, PDAs, wireless tablets, and any different devices that will connect to mobile telecommunication network and enable payments to be created.

Payment systems which allow people to pay on their mobile phones are committed to reducing transaction charges, making them more convenient and increasing payment security. New mobile payment systems will also promote the identification of customers, the collection of more customer information and the exchange of more information on consumer transactions between companies.

Mobile payment technologies can deliver many advantages to customers and vendors. Mobile payment systems can be a digital wallet, coupon storage and information about loyalty. There are the following: Systems can also "find" and include consumer coupons and become deposits of our transactions because of the improved storage and processing power of mobile telephones. Mobile payment technologies can help clients preserve their buying records and tackle the issue of receipts lost and returns refused (Hoofnagle et al., 2012).

4.4 Descriptive statistics of downloads of financial mobile applications

Fig. 1 shows a heightened adoption of fintech apps and a greater push towards digitalization during the pandemic. The figure presents the average number of daily downloads for finance-related apps across our full country sample. We note signs of uptrends starting from around the mid-to-end of March and again towards the

end of June, which roughly coincide with the first and second wave of lockdowns (occurring outside of China) (Fu & Mishra, 2020).

This figure depicts the daily number of downloads for finance category mobile applications across the iOS and Android platforms from 71 countries. The sample data covers the period from January 1st, 2019 to December 9th, 2020.

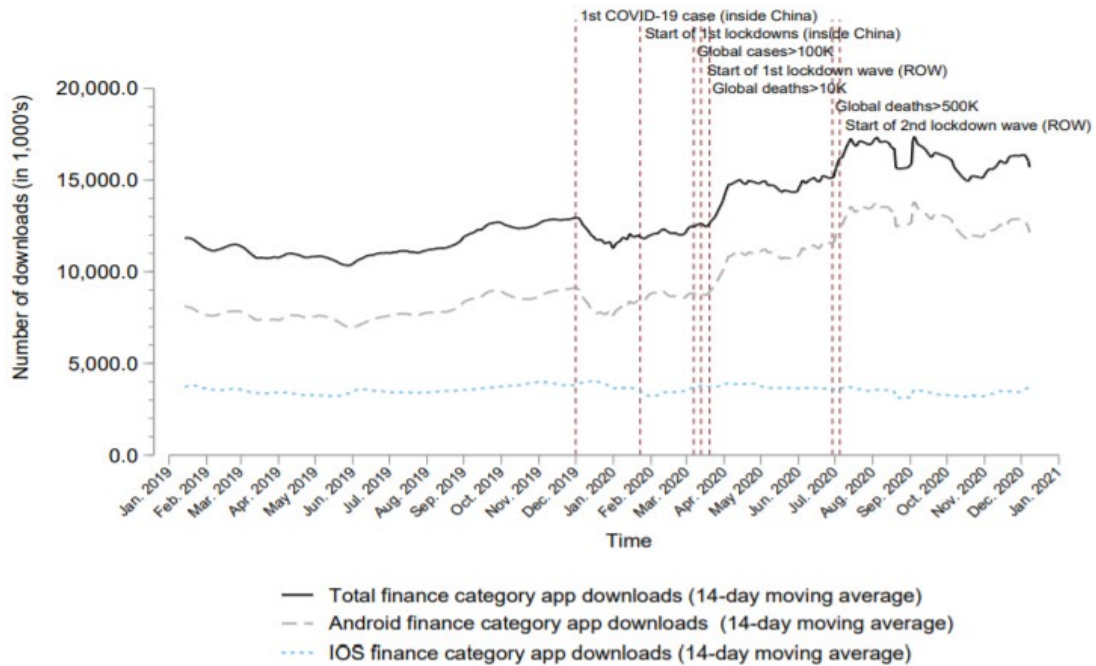


Fig. 1 : The Impact of COVID-19 on the Adoption of Fintech Mobile Apps

5. BUILDING RESILIENCE AND EMBRACING DISRUPTION

Mobile money was a financial lifeline during a year of global uncertainty, and 2020 was not the same. Cash, regular payments, and the simultaneous conduct of businesses have become dangerous, and more people have turned to a safer choice with mobile money. The number of accounts reported increased worldwide by 12.7% to 1.21 billion in 2020 - double the anticipated growth rate.

In the meantime, the number of clients who use their accounts every month has increased rapidly. More than 300 million active monthly cash accounts are now available. Customers not only often use their profiles but often use them in new and more sophisticated applications. In 96 countries worldwide, mobile money transfer services are available now as we can see in Fig. 2 below (GSMA, 2019).

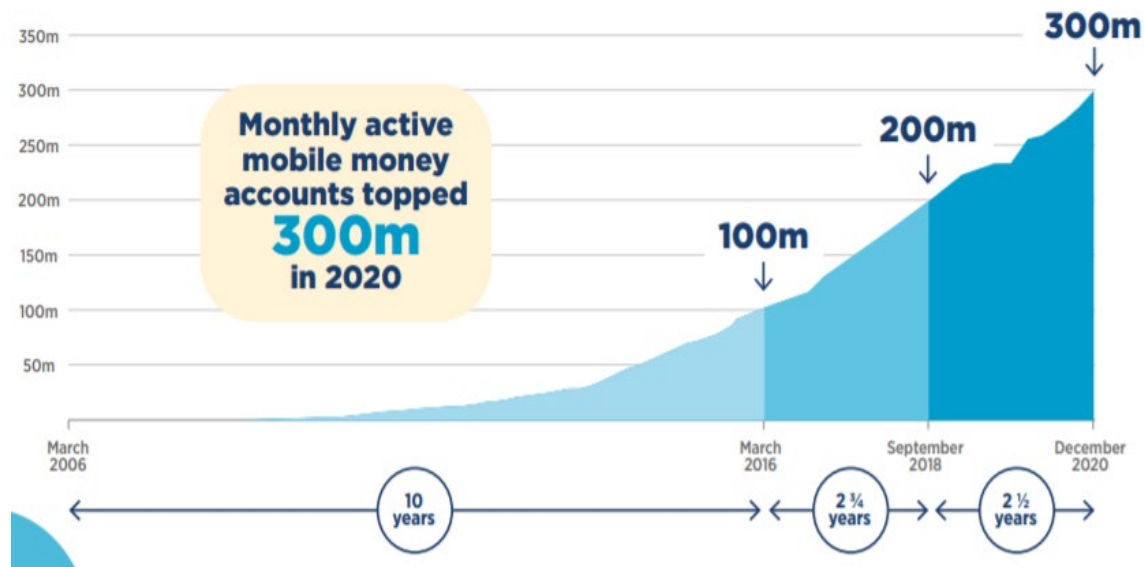


Fig. 3. Growth of monthly active accounts (2006–2020)

5.1 Digital Money

Due to the social distance and national lockdown standards, the COVID-19 pandemic has led to an eventual rise in the use of digital technology. Worldwide people and organisations had to adapt to modern ways of working and living. We are exploring potential digital boom scenarios and the study challenges arising. In digital payments and digital currencies, the post-pandemic situation will definitely play a central role. Due to the contactlessness of digital payments, politicians will encourage them and potentially see an increase. This would also be improved by the gig economy and the WFH situation (GSMA, 2019).

5.2 Empirical Evidence

Kendall, Lyon and Higgins (2012) researched to analyze the models of Kenyan SMEs' use of mobile cash. 865 small- and medium-sized enterprises were studied by the authors. They found that, if Kenya's small and medium sized businesses use mobile funds to collect payments and payments for suppliers, the amount of both transactions is higher. The data showed that 861 (99.5%) of the 865 SME owners that responded used mobile money in their businesses or personal transactions, and 67% used mobile money services for their businesses (Kendall et al., 2012).

According to Yu and Ibtasam (2018), in a survey in Ghana, they listed the main cases of use by respondents: 1) money sent to friends or families, 2) backup accounts, and 3) companies. It resulted in 15 of 25 participants using mobile money while sending money to friends or families across regions. The most popular case was found by 5 participants who use mobile money for their company as a mobile money dealer.

A new study by Inter-Media (2013) aimed at Mobile Money Services in Tanzania pick up, usage and demand opportunity. There were 2,980 households in the survey. The information were assembled over interviews and questionnaires. The study found that most registered mobile money users used it mainly for inventory transactions and payments for products and services. It was found that the way mobile money services are used for businesses does not vary between rural, urban and peri-urban registered users (InterMedia 2013).

According to Kenya's Economic Survey of the year 2003 (Otieno et al., 2016), the main data systems and mobile technology challenges within the Republic of Kenya consisted of poor and inadequate data systems, inadequate IT infrastructure, restricted skills in ICT, lack of appreciation of ICT, technology weaknesses exhibited by significant reliance on inappropriate and obsolete technology, lack of skills on fashionable technology, lack of awareness of the dynamic technology, poor dissemination mechanisms between and among the varied levels of enterprises, and poor technology linkages between the personal and public sector establishments. The report, however, was not comprehensive enough, because it did not check up on the amount and trends of adoption among the various age teams as the rural-urban conditions affected technology adoption.

Global mobile money research has been focused on impacts of access to developed countries, the reduction in poverty and financial inclusiveness of financial services through mobile money. A number of these studies indicated that the provision of financial services in developed countries is scalable with mobile money. Several factors have helped to make it simpler and more convenient to send money, increase the scope and availability of micro-loans, lower savings costs and other services required by SMEs (Must & Ludewig, 2010).

The World Bank reported that increased mobile telephone use is associated with an increase of 8% percent in economic growth in developing countries. The penetration of mobile money thus has had its own contribution in particular with regard to financial inclusion. With over 100 mobile money systems in developed countries deployed, about half of the service in Africa alone is specifically targeted. (World Bank, 2012).

More people have been able to send money to rural areas with increased economic development in these regions, as has the efficiency of networks. For example, a farmer can get money to buy seeds during planting season without having to travel unnecessarily. However, current knowledge is lacking to support such flow. Data is, however, accessible to substantiate a rise in movement of cash from the made to the poor once colleges open up, that is a sign of cash being created and accessible for varsity fees. (Wadada, 2019).

Literature review focused on mobile money services, namely, mobile and mobile transfers, and in terms of profits, saving and effect on the growth of SMEs, revenue and profit margins. Revenue refers to revenue from enterprise minus expenditure or expenses of the purchase. Increased business performance may result from mobile access to financial services - banking, lending and payment. Small and medium businesses with mobile money transfer services allow cost savings and transportation, thus contributing to improved business performance. It also stated that using mobile money services helps increase sales for small and medium-sized businesses. Savings supplement credit. Savings, as used in this study, means storing the client's money in a bank or any store of funds, such as electronic money balance inside the mobile phone wallet, which facilitates people's lives and the way of personal and business dealings.

6. BENEFITS OF MOBILE MONEY

The most benefit of mobile money is that it is so usable that in remote areas of the world where there are no banks, it is extremely useful. Here are the other advantages:

- Multi-faceted – a mobile money account may have too many users involved. You can receive, store, spend and transfer money on your mobile phone from your account.
- Direct – without any intermediaries, consumers can receive the money directly to their cell phones.
- Quick – users can immediately receive, send and spend money.
- Comfortable – mobile money accounts can be used anywhere where there is a mobile signal as they are put on mobile phones. Mobile cash can be used everywhere.
- Secure - funds command during a mobile cash account square measure protected by native monetary rules. Users' identity should be checked - making it laborious for fraudsters and criminals to use these services illicitly.
- In ruinous times, victimization mobile cash may be a safer means than cash transfer. Currently, the pandemic: COVID-19 has caused the Kenyan government to stress the employment of M-Pesa over money.
- Low cost – if you send mobile money with World Remit, you will find fees are low and World Remit offers bank-beating exchange rates (Worldremit, 2011).
- Mobile money contributed to expanding its services all over the world. There are currently 228 live deployments of these services in 85 countries plus 115 planned deployments, most of them in developing countries (Mugambi et al., 2014).
- Decreasing the prices of saving: Mobile cash permits users to form most of identical transactions that they had been ready to create with a bank account from a standard bank. Users will deposit funds in their mobile cash accounts, save them for later use, and withdraw or transfer them via and agent or an ATM (TUCKER, 2010).

7. CONCLUSION

The results of the study showed that the use of mobile money transfer services was very positive, specifically mobile phone payments. Small and medium-sized businesses are increasingly in the informal sector and play a very important role in human life through low-cost personal and business transactions. Through a review of the literature and scientific research, the study concluded that mobile money transfer services helped facilitate money transfer during the epidemic and social distancing, and that mobile money has revolutionized the world.

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