The Role of Attitude and Intentions in the Adoption of Banking Services by Tanzanians

by
Matthew Stephen Smith

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Supervisor: Miss Debbie Human
Co-supervisor: Professor Christo Boshoff

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Declaration

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ABSTRACT

In recent years the African banking industry has received much attention from international investors. The international attention received by Africa is due to trends such as globalisation and the profit potential that exists at the bottom of the economic pyramid.

Within Africa, Tanzania has become a hub of investment for both international and South African banks. Banks such as South African based First National Bank have publically stated that one of their main priorities at the moment is securing the bank as a participator in the Tanzanian financial service industry. The Tanzanian banking market is currently served by forty-eight banks and the minister of finance encourages further investment and entry into the country.

Despite the large number of banks in Tanzania, the penetration rate of banked individuals remains low with approximately nine per cent of the population being members of the formal banking system. The low penetration indicates the Tanzanian population's reluctance or inability to partake in the banking sector. Research suggests that poor attitudes held by Tanzanians towards the banking industry are a key factor causing the low penetration rate of banking in the country.

While consumer behaviour literature has found that attitudes exert a critical influence on consumers' behavioural intention, attitudes cannot be viewed as the sole predictor of behaviour. The Theory of Planned Behaviour, that evolved from the Theory of Reasoned Action, extends the relationship between attitudes and intentions to include the influence of subjective norms and perceived behavioural control. Thus the Theory of Planned Behaviour states that behavioural intentions are determined by: (1) attitudes, (2) subjective norms and (3) perceived behavioural control.

This study was conducted in Dar es Salaam, Tanzania, and utilised the Theory of Planned Behaviour as a guideline to measure the influence of attitudes, subjective norms and perceived behavioural control on unbanked consumers' intentions to open a formal bank account. Unbanked individuals were studied to provide banks doing business in Tanzania with insight into the factors that influence these consumers' to become banked. The knowledge gained about unbanked individuals can be used to develop marketing strategies to increase the banked population of Tanzania.

Research has shown that the average Tanzanian banking client is between the ages of twenty-seven and thirty-four and has a tertiary education. Thus the sample selected for the study was individuals who where studying towards a tertiary education in Tanzania between the ages of eighteen and twenty-seven. These individuals were selected as they are the most likely potential clients of Tanzanian banks. They are also potentially the most profitable clients for banks as they will likely earn more than other individuals once commencing formal employment.

The Theory of Planned Behaviour was adapted to account for the unique characteristics of the Tanzanian financial services industry. Exploratory research identified the following dimensions as being possible influencers of intention to open a formal bank account in Tanzania: (1) trust, (2) attitude towards saving, (3) perceived relative advantage, (4) access convenience, (5) perceived value and (6) attitude towards banks. After data collection in Tanzania the model was further revised by conducting an exploratory factor analysis. The exploratory factor analysis identified the following dimensions as influencing intention to open a formal bank account: (1) attitude towards saving, (2) attitude towards banks, (3) self-efficacy, (4) access convenience, (5) reference groups, (6) perceived relative advantage, (7) perceived value, (8) attitudes towards banking, (9) trust, (10) future financial independence and (11) future benefits.

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Regression analyses were used to test the relationships suggested in the model. Significant relationships were found between the independent variables (1) future financial benefits and (2) reference groups and the dependent variable intentions. Relationships were also found between the independent variable future benefits and the dependent variable attitude towards banking.

The empirical findings were used to develop strategies suggesting ways to increase the banked population of Tanzania. By increasing the banked population of Tanzania the Tanzanian economy, Tanzanian citizens and banks doing business in Tanzania will benefit. As banking facilitates economic growth an increase in the banked population of Tanzania would likely lead to increased economic growth in the country. Tanzanian citizens will benefit from the study as by opening formal bank accounts they will experience the many benefits of banking. Lastly banks doing business in Tanzania are likely to experience increased profitability as a result of the increased customer base.

OPSOMMING

Oor die afgelope paar jaar het die bankbedryf in Afrika baie aandag ontvang van internasionale beleggers. Hierdie aandag is die gevolg van tendense soos globalisering en die winspotensiaal wat bestaan aan die onderkant van die ekonomiese piramide.

Binne Afrika het Tanzanië heelwat beleggings van sowel internasionale as Suid-Afrikaanse banke gelok. Banke soos die Suid-Afrikaans gebaseerde First National Bank het amptelik verklaar dat een van hulle vernaamste prioriteite op die oomblik is om te verseker dat die bank 'n rolspeler is in die Tanzaniese finansiëledienstesektor. Die Tanzaniese bankmark word tans deur agt en veertig banke bedien en die minister van finansies moedig verdere beleggings en toegang tot die land aan.

Ten spyte van die groot aantal banke in Tanzanië is die persentasie individue wat gebruik maak van formele bankdienste, slegs ongeveer nege persent van die bevolking. Die lae syfer dui op die onwilligheid of onvermoë van die Tanzaniese bevolking om aan die banksektor deel te neem. Navorsing dui daarop dat die negatiewe houdings van die Tanzaniese bevolking teenoor die banksektor 'n deurslaggewende faktor is wat die lae deurdringingskoers van die bankwese in die land veroorsaak.

Alhoewel literatuur oor verbruikersgedrag aantoon dat houdings 'n kritiese invloed uitoefen op verbruikers se voorgenome gedrag, kan houdings nie beskou word as die enigste voorspeller van gedrag nie. Die Teorie van Beplande Gedrag, wat ontwikkel het uit die Teorie van Beredeneerde Optrede, brei die verhouding tussen houdings en voornemens uit om die invloed van subjektiewe norme en waargenome gedragsbeheer in te sluit. Die Teorie van Beplande Gedrag stel dit dus dat gedragsintensies bepaal word deur: (1) houdings; (2) subjektiewe norme; en (3) waargenome gedragsbeheer.

Hierdie studie is uitgevoer in Dar es Salaam, Tanzanië, en het die Teorie van Beplande Gedrag gebruik as 'n riglyn om die invloed te bepaal van houdings, subjektiewe norme en waargenome gedragsbeheer op die niebankgebruikers se voornemens om 'n formele bankrekening te open. Niebankgebruikers (individue sonder bankrekeninge) is bestudeer om aan banke wat in Tanzanië sake doen, insigte te voorsien oor die faktore wat hierdie individue beïnvloed om bankdienste te begin gebruik. Die kennis wat opgedoen is oor niebankgebruikers kan gebruik word om bemarkingstrategieë te ontwikkel om die getal bankgebruikers in Tanzanië te verhoog.

Navorsing het getoon dat die gemiddelde Tanzaniese bankkliënt tussen sewe-en-twintig en vier-en-dertig jaar oud is en tersiêre onderrig ondergaan het. Die steekproef wat gekies is vir die studie, het dus bestaan uit individue wat besig was met tersiêre opleiding in Tanzanië. Hulle is bes moontlik die mees winsgewende kliënte vir banke, want hulle sal waarskynlik meer verdien as ander individue wanneer hulle formeel begin werk.

Die Teorie van Beplande Gedrag is aangepas om die unieke eienskappe van die Tanzaniese finansiëledienstesektor in ag te neem. Verkennende navorsing het die volgende dimensies geïdentifiseer as moontlike oorsake van intensies om 'n formele bankrekening in Tanzanië te open: (1) vertroue; (2) houding teenoor spaar; (3) vermeende relatiewe voordeel; (4) toegangsgerief; en (5) vermeende waarde. Na data-insameling in Tanzanië is die model verder hersien deur 'n verkennende faktorontleding uit te voer. Hierdie faktorontleding het die volgende dimensies geïdentifiseer wat die intensies om 'n formele bankrekening te open beïnvloed: (1) houding teenoor spaar; (2) houdings teenoor banke; (3) selfdoeltreffendheid; (4) toegangsgerief; (5) verwysingsgroepe; (6) vermeende relatiewe voordeel; (7) vermeende waarde; (8) houdings teenoor bankdienste; (9) vertroue; (10) toekomstige finansiële onafhanklikheid; en (11) toekomstige voordele.

Regressie-ontledings is gebruik om die verhouding, wat voorgestel is in die model, te toets. Betekenisvolle verhoudings is aangetoon tussen toekomstige finansiële voordele en verwysingsgroepe as onafhanklike veranderlikes en intensies oftewel voornemens as afhanklike veranderlike. Daar is ook verhoudings gevind tussen toekomstige voordele as onafhanklike veranderlike en houding teenoor bankdienste as afhanklike veranderlike.

Die empiriese bevindinge is gebruik om strategieë te ontwikkel wat maniere voorstel om die getal bankgebruikers in Tanzanië te verhoog. Dit sal tot voordeel strek van die Tanzaniese ekonomie, die Tanzaniese bevolking, asook banke wat besigheid doen in Tanzanië. Bankdienste fasiliteer ekonomiese groei, wat die land se ekonomie bevoordeel. Tanzaniese burgers sal voordeel trek uit die studie, want hulle sal die voordele van bankgebruik beleef wanneer hulle bankrekenings open. Daarbenewens sal banke wat in Tanzanië funksioneer, groter inkomste genereer. Die Tanzaniese bevolking en ekonomie sal egter eers die volle voordele beleef indien die getal bankgebruikers beduidend toeneem.

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1   CHAPTER 1: INTRODUCTION

1.1   INTRODUCTION

Africa is the world's largest and second most populated continent after Asia, with a total population of approximately one billion individuals (United Nations, 2012). Africa's large population suggests an attractive market for business to provide products and services that meet the needs of these many individuals. Despite the opportunities that the large population presents to businesses, the continent, for the most part, has been overlooked by firms and international investors in the past due to Africa's high poverty rate (Reed, 2011). However, this mind-set is changing and influential research such as *"The Fortune at the Bottom of the Pyramid"* (Prahalad and Hart, 2008) has given companies a new perspective on how business models can be applied feasibly to serve individuals at the bottom of the income pyramid. This has led to an influx in investment into Africa (Mnali, 2008).

Tanzania is located in East Africa and has a population of 37.5 million. It has become a key international investment hub due to trends such as research conducted on individuals at the bottom level of the income pyramid and globalisation (Mnali, 2008; Kotler and Keller, 2010). Due to this investment, Tanzania has a strong GDP growth rate of 6.2%, with The Financial Times declaring Tanzania the "best country of the future" in 2006 (Mnali, 2008). One of the most notable areas of economic development and international investment in Tanzania has been in the banking industry (The Citizen, 2011). The development in the industry was born out of the decision in 1992 to embark on a plan for financial liberation in Tanzania, which saw the introduction of a more efficient credit system. There are currently forty-eight formal banks doing business in Tanzania (Index Mundi, 2011).

Despite the high level of investment and interest shown in the Tanzanian banking industry, efforts to acquire new customers have not been as successful as most banks had planned (Vermaas, 2012). Only nine per cent of the Tanzanian population are currently clients of the formal banking sector, which means that 34.13 million individuals in the country either use an informal banking system or keep their money

"under mattresses" (consumers that keep their savings on their own premises as opposed to using a banking institution) (Index Mundi, 2011).

The high unbanked population suggests that consumers either do not see the need to partake in the formal banking sector or do not have the ability to do so due to a lack of resources such as transport or financial income. This study explores potential reasons for the high unbanked population in Tanzania from a consumer behaviour perspective. This study is based upon the fundamental premise that consumers' decisions to perform a certain behaviour can be understood by studying their: (1) attitudes, (2) cultural values and (3) perceived behavioural control, as these determine consumers' intentions and, in turn, their behaviour (Ajzen, 1991).

1.2   RELEVANCE OF BANKING

The United States Supreme Court refers to a bank as an institution, usually incorporated with power to issue its promissory notes intended to circulate as money (known as bank notes); or to receive the money of others on general deposit. The money is held by the bank in a joint fund, which shall be used by the institution, for its own benefit, for one or more of the purposes of making temporary loans and discounts; of dealing in notes, foreign and domestic bills of exchange, coin, bullion, credits, and the remission of money (Auten vs. United States National Bank, 1899).

Banks play an intermediary role as they mobilise savings from surplus units (savers) to shortage units (borrowers) in order to finance productive activities (Levine, 2004). It is through this intermediary role that banks find their relevance in benefitting both consumers and the country's economy (Levine, 2004). The two parties benefit because banks borrow, lend and partake in related activities, and they facilitate the process of production, distribution, exchange and consumption of wealth. The health of an economy is closely related to the soundness of its banking system as banking contributes to a country's economic growth (American Bankers Association, 2012).

1.2.1 Banking's Contribution to Economic Growth

Economic growth is the annual rate of increase in GDP, where GDP stands for gross domestic product (BBC, 2012). Economic growth is necessary for a country, as it improves the overall standard of living of individuals (BBC, 2012). Banks contribute towards the economic growth of a country through two channels: (1) by increasing the rate of physical capital contribution or (2) by improving the efficiency in which economies combine capital and labour in production (Levine, 2004). This contribution is achieved through five services: (1) facilitation of trade, (2) risk management, (3) mobilisation of resources, (4) obtaining information, evaluation of firms and allocation of capital and (5) providing corporate governance (Levine, 2004).

Tanzania has an unbanked population of ninety-one per cent (Vermaas, 2012). Tanzania's high unbanked population prevents formal banking from contributing towards economic activity and job creation to the full extent possible. By better understanding why the Tanzanian population resist being part of the formal financial system the study may offer guidelines on how banks may penetrate this sizable segement of the potential market. In doing so banks may be in a better position to play a more prominent role in enhancing economic activity and growth.

1.2.2 Banking's Contribution to Consumers

The formal banking sector benefits the economy of a country and also provides benefits to consumers who make use of banking services (Bank on Fort Wayne, 2012). While there are many benefits that banks offer consumers, three key benefits can be identified, namely: (1) security from theft or loss, (2) convenience in the form of time savings, and (3) the opportunity to build a financial future (Bank on Fort Wayne, 2012).

By keeping one's savings in a bank account as opposed to storing them "under a mattress", the money is kept safe from theft and natural disasters which could otherwise destroy ones savings (HSBC, 2012). Most federal governments also

provide insurance for consumers that make use of a financial institution, should that institution become insolvent (Bank on Fort Wayne, 2012).

Owning a bank account offers consumers convenience by helping them save time as they do not have to wait in long queues to cash cheques and purchase money orders (American Banker, 2012). In addition, they are able to deposit their paycheque, tax refund and public assistance benefits directly into their account (Bank on Fort Wayne, 2012). At times, it is also more convenient for consumers to pay with a debit or credit card, than to carry large sums of money on their person.

Studies have shown that individuals with a cheque account are more likely to save towards the future and move up the financial ladder (Bank on Fort Wayne, 2012). Banks also provide consumers with loans for houses, cars and entrepreneurial ideas which are assets that can be used to better one's financial future (NBT, 2012).

The high unbanked population means that the full benefits of banking are not being realized by Tanzania (Index Mundi, 2011). The majority of the population is not experiencing the consumer-based benefits available to them and as a result of the large percentage of money that is kept "under mattresses" the economy is not experiencing optimum economic growth and development. Thus, it is important that the unbanked population percentage of Tanzania is decreased. Survey results have shown that in the United Kingdom, only one million adults do not have bank accounts, which translates to 1.67% of the population (BBC, 2010). Furthermore, it is interesting to note that in the report the unbanked rate of 1.67 per cent was listed as cause for concern (BBC, 2010).

1.3   BANKING IN TANZANIA

Tanzania is a country that is situated in Eastern Africa and has a total adult population (16 years and older) of twenty-one million individuals (Finscope, 2007). Of the adult population, fifty-seven per cent are under the age of 34 years, which can be accredited to a high AIDS statistic and poor medical care (Index Mundi, 2011). The majority of the Tanzanian population lives in rural areas, with the rural-urban split being twenty-eight to seventy-two per cent respectively (Finscope, 2007). Tanzania

has a low GDP per capita income; in 2010 the per capita GDP was $552 (US Department of State, 2011).

Despite the low per capita GDP and the large percentage of the population that lives in rural areas, international investment in the banking industry is high (The Citizen, 2011). Tanzania has been recognized as an investment hot spot for South African banks, with both Absa, Standard Bank and First National Bank (FNB) having operations in the country. FNB have indicated that securing themselves as a participator in the Tanzanian banking industry is currently one of their main priorities (The Citizen, 2011). Tanzania has also experienced other international investment, which can be seen in the Chinese Exim Bank investing in the country (Banks-Tanzania, 2012). There are a total of fourty-eight banks doing business in Tanzania and the minister of finance encourages further entry and investment (Kimani, 2008). Much of the investment into the Tanzanian banking industry can be accredited to globalisation and research conducted into marketing to consumers at the bottom of the income pyramid and the subsequent proof of the profitability of marketing to these consumers (Prahalad and Hart, 2008). As a result, Jacko Maree ex-CEO of Standard Bank states "Everyone's looking at Africa" (The Economist, 2010).

The World Bank has also recognised Tanzania as a promising country for economic growth and development, especially in the banking sector (World Bank, 2012). According to the World Bank (2012) Tanzania's average per capita income has increased since the introduction of economic reforms driven by improvements in economic performance, structural reforms, and improved service delivery (growth in GDP has averaged between five and seven per cent in recent years). Tanzania is likely to continue to experience economic growth in the future due to technological advancements and an increase in education levels (World Bank, 2012).

However, in spite of the presence of fourty-eight banks in Tanzania, at nine per cent the banked population still remains low. Research conducted by Finscope (2007) has shown that some of the reasons for the low banked population include: (1) they have never heard of a savings account (twenty seven per cent), (2) a lack of transport to bank branches and (3) no access to amnesties. While a lack of education about banking and lack of transport still pose a problem in Tanzania, these

barriers have diminished since 2006 as a result of the introduction of mobile banking, which has provided both education and access to banking for many of the rural population (Vermaas, 2012).

Regardless of the fact that two of the key barriers to entering Tanzania's formal financial system have diminished, the unbanked population still remains high. Lwiza and Nwankwo (2002) identify poor attitudes as influencing many individuals from opening a formal bank account. The field of consumer behaviour studies the aspects of when, why, how and where people do or do not buy a product, while blending elements of psychology, sociology, social anthropology and economics (Hawkins and Mothersbaugh, 2010). Therefore, this study attempts to understand the influence of consumers' attitudes on their intentions to open a formal bank account from a consumer behaviour perspective.

1.4   CONSUMER BEHAVIOUR AND DECISION-MAKING

Solomon (1996) defines consumer behaviour as a study of the processes involved when individuals or groups select, purchase, use or dispose of products, services, ideas, or experiences to satisfy needs and desires. Knowledge of consumer behaviour has been described as vital for marketers and it is necessary to gain as much information as possible about it (Karjaluoto, 2002). It has been argued that in modern, highly competitive, ever changing markets, the survival and growth of companies necessitates precise knowledge about consumers (Karjaluoto, 2002).

Consumer behaviour is a relevant field of study for this research as it will help to gain an understanding of how consumers approach the decision to become part of the formal banking system and the variables that play a significant role in their final decision. By understanding which variables play a role in consumer decision-making to become part of the formal banking sector, banks can be advised on how to tailor strategies to better acquire customers and meet their needs.

Consumer behaviour is examined through two major psychological disciplines: (1) cognitive psychology and (2) social psychology (Karjaluoto, 2002). Cognitive psychology refers to knowledge related to mental behaviours, while social

psychology refers to the manner in which personality traits, attitudes, intentions and behaviours of the consumer influence, and are influenced by, social groups (Karjaluoto, 2002). The study focuses on both social psychology and cognitive psychology to gain a broad perspective on the reluctance of Tanzanians to partake in the financial services industry.

1.5   FOCUS OF THE STUDY

This study focuses on Tanzanian's attitudes towards formal banking from both a cognitive and social psychology perspective. Attitudes were selected, as it has been found that the negative attitudes held by Tanzanians towards formal banking lead them to remain unbanked (Vermaas, 2012; Lwiza and Nwankwo, 2002). These negative attitudes are said to stem from negative past experiences such as unsatisfactory dealings with loan sharks and bank product offerings that are too expensive and not tailored to customers' needs (Vermaas, 2012; Lwiza and Nwankwo, 2002).

Cognitive psychology is included in this study by considering the infleunce of attitudes held by Tanzanians towards formal banking's influence on the intentions of Tanzanians to open a formal bank account. Social psychology finds its relevance in the study through Tanzania being a collectivist society (Vermaas, 2012). Due to the collectivist nature of Tanzanian society the attitudes held by referent others towards formal banking are likely to influence the decisions of those around them.

Ajzen (1985) has developed a multi attribute attitudinal model called the Theory of Planned Behaviour that seeks to predict the behavioural intention and ultimate behaviour of consumers by identifying those dimensions which are responsible for the construct intention. The model incorporates both cognitive and social psychology by studying the influence of attitudes and subjective norms on behavioural intention respectively. The model has received much critical acclaim and academic attention as it has been proven to predict consumer intention and behaviour accurately (Armitage and Connor, 2001).

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The Theory of Planned Behaviour is a revision of The Theory of Reasoned Action that was first proposed by Ajzen and Fishbein (1980). The Theory of Reasoned Action will be discussed first in order to explain the underlying theoretical foundation that the Theory of Planned Behaviour is built upon.

1.5.1 The Theory of Reasoned Action

The key application of the Theory of Reasoned Action is the same as the Theory of Planned Behaviour: prediction of behavioural intention, spanning predictions of attitude and predictions of behaviour (Ajzen, 1991). The theory is based on the premise that individuals are rational and make systematic use of the information that is at their disposal (Ajzen, 1991). The theory is depicted in Figure 1.1.

Figure 1.1 The Theory of Reasoned Action
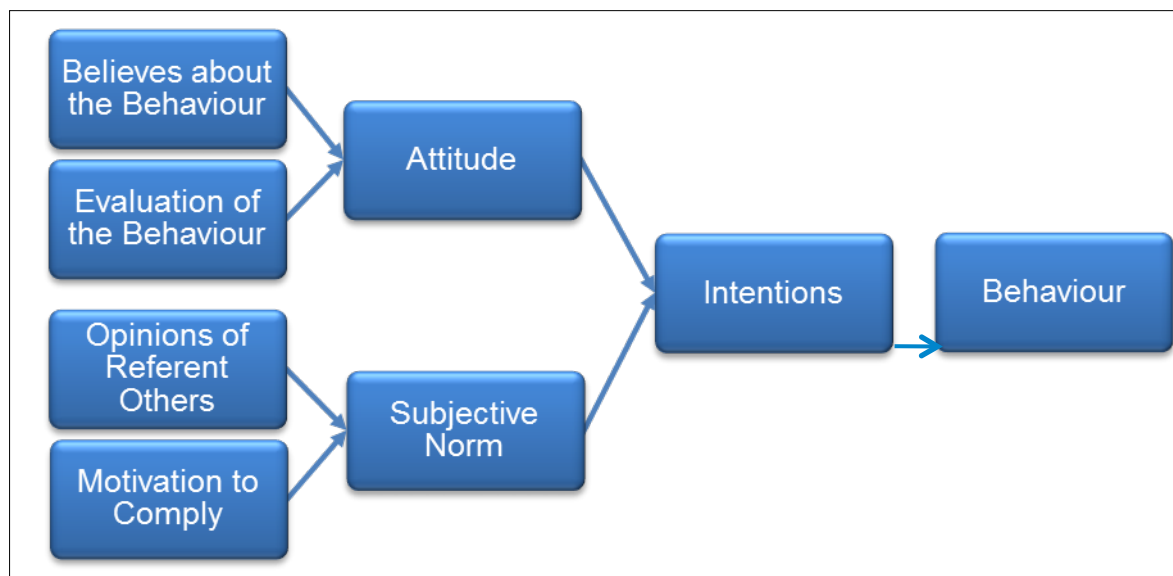
Source: Adapted from Ajzen and Fishbein (1980)

According to the Theory of Reasoned Action, one's behavioural intention (BI) is based on two determinants: attitude toward the behaviour (A_b) and perception of social pressures to perform or not perform the behaviour, referred to as the subjective norm (SN). Ajzen and Fishbein (1980) state that attitude toward the behaviour is a function of beliefs (b_i) that performing the behaviour has certain attributes, as well as the evaluation of those beliefs (e_i).

Shim, Morris and Morgan (1989) noted that in Marketing Related Studies centred on specific purchase and use situations, the Theory of Reasoned Action could be applied as follows: "Ab could be interpreted as attitude toward purchasing and using a given brand or product class….The bi may be viewed as the person's estimate of whether or not the product under consideration … will possess a desired attribute" (p. 9). SN is a function of the individual's beliefs that specific individuals or groups think that the individual should not perform the behaviour (NBj) and the individual's motivation and willingness to comply with those referents (MCj). The formula for the Theory of Reasoned Action can be represented as follows:

$$B \sim BI = w1(Ab) + w2 \ (SN)$$
$$\text{where } Ab = \Sigma \ biei \text{ and } SN = \Sigma \ NBj \ Mcj$$

In summary, the Theory of Reasoned Action identified two key influences on consumers' intentions: (1) the consumer's attitude and (2) subjective norms. Ajzen and Fishbein (1980) also suggested that intention was the ultimate determinant of behaviour, which was fundamental in behavioural research as previously it was thought to be entirely dependent on a consumer's attitudes. Research, however, had found difficulty in finding strong correlations between attitude measures and the performance of volitional behaviours (Hale, Householder and Greene, 2003). Thus, The Theory of Reasoned Action was considered as a breakthrough upon its publication.

1.5.2   Development of the Theory of Planned Behaviour

The Theory of Reasoned Action received critical acclaim and was then revised by Ajzen in his 1985 paper "*From Intentions to Actions: A Theory of Planned Behaviour*". It was necessary to revise the Theory of Reasoned Action as the model was found to have limitations in dealing with behaviours over which people have incomplete volitional control. As in the original Theory of Reasoned Action, a central factor in the Theory of Planned Behaviour is the individual's intention to perform a given behaviour. Intentions are said to capture the motivational factors that influence

a behaviour; they are indicators of how hard a person is willing to try to perform a behaviour.

In addition to the dimensions attitudes and subjective norms, the Theory of Planned Behaviour adds the dimension of perceived behavioural control, which originates from self-efficacy theory. The role that perceived behavioural control has in the model can be seen in Figure 1.2.

Figure 1.2 The Theory of Planned Behaviour
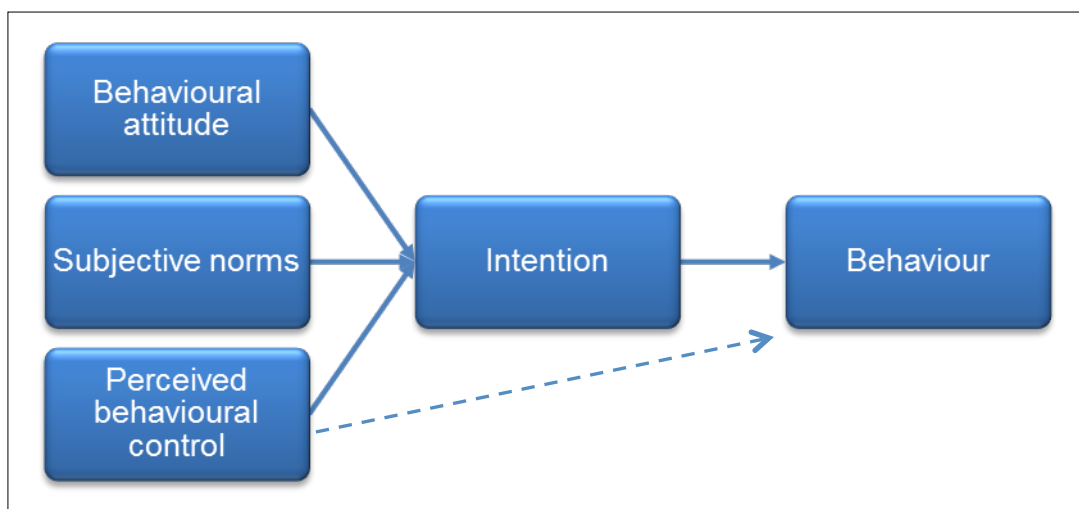
Source: Adapted from Ajzen and Fishbein (1985)

Ajzen and Fishbein (1985) state that the importance of perceived behavioural control is self-evident: the resources and opportunities available to a person have an influence on the likelihood of behavioural achievement. Ajzen and Fishbein's (1985) conceptualization of perceived behavioural control has its origins in Bandura's (1977) self-efficacy theory. Investigations conducted by Bandura (1977) indicated that people's behaviour is strongly influenced by their confidence in their ability to perform it (i.e. perceived behavioural control). Self-efficacy beliefs can influence choice of activities, preparation for an activity, effort expended during a performance, as well as thought patterns and emotional reactions (Bandura, 1977). The theory of planned behaviour places the construct of self-efficacy belief, or perceived behavioural control, within a more general framework of the relations among beliefs, attitudes, intentions and behaviour.

As can be seen by the Theory of Planned Behaviour, the following dimensions need to be measured in order to gain an understanding of why consumers decide to make the purchase decisions that they do: (1) attitudes, (2) subjective norms and (3) perceived behavioural control. For measurement to take place Ajzen (1991) states that the dimensions should be operationalised according to the behaviour that is being studied.

In this study the behaviour being studied is the opening of a formal bank account. Attitudes are operationalised as attitudes towards opening a formal bank account as well as attitudes towards banks as an object. While attitude towards objects is not traditionally incorprated into the The Theory of Planned Behaviour Vermaas (2012) indicated that Tanzanians hold negative attitudes towards banks that likely prevent them from opening a formal bank account. Subjective norms are operationalised as reference groups due to the collectivist nature of Tanzanian society. Lastly, percevied behavioural control is operationalised as self-efficacy as suggested by (Ajzen, 1991).

1.6   PROBLEM STATEMENT

Over the last ten decades the African continent has seen commendable progress in the areas of democratic governance, economic growth and the provision of basic social services (UNDP, 2012). The most substantial form of economic growth has been seen in the African banking industry, which has received a great deal of attention from international investors (Citizen, 2010). The attention has developed out of research results indicating the profit potential of marketing to consumers at the bottom of the income pyramid (Prahalad and Hart, 2008). Within Africa, Tanzania has become a hub for international investment with many South African, European and Chinese banks investing in the country (Citizen, 2008). In total, there are forty-eight banks currently doing business in Tanzania (Index Mundi, 2011).

However, despite international investment in the Tanzanian banking industry and the high number of banks in the country, the banking penetration rate remains low (Vermaas, 2012). Only nine per cent of the population are part of the formal banking

sector, which means that 34.13 million individuals keep their money "under mattresses" (Index Mundi, 2011). The high unbanked rate is detrimental to both consumers in Tanzania and the country's economy, as it has been demonstrated by Levine (2004) that banking provides consumer benefits as well as enhances economic growth. Consumers benefit from banking as it offers them (1) security, (2) convenience and (3) the opportunity to build a financial future. Without these benefits, the unbanked individuals of Tanzania will struggle to plan for their financial future and are likely to experience hardship when faced with expenses such as housing, education and medical care. Economic growth is an outcome of banking as it increases the rate of physical capital contribution and improves the efficiency with which economies combine capital and labour in the production process (Levine, 2004).

The low participation in the banking sector poses problems for international banks as it means smaller customer bases and fewer consumers to earn profits from. When marketing to consumers at the bottom of the pyramid bulk sales are often required to achieve economies of scale (Keegan and Green, 2010).

Lwizwa and Nwankwo (2002) indicate that negative attitudes held by Tanzanians towards the financial services industry contribute towards the country's high unbanked population. However, little is understood about the realtionship between attitudes and the intentions of consumers to perform a given behaviour within Tanzania.

Thus, there seems to be a need to conduct research into the relationship between attitudes and intentions to open a formal bank account for Tanzanians.

1.7   OBJECTIVES

The Theory of Planned Behaviour is a multi-attribute model that describes the relationship between attitudes and intentions (Ajzen, 1991). The objectives of this study were formulated based on the Theory of Planned Behaviour and incorporate the following dimensions, as suggested in the model: (1) attitudes, (2) subjective norms and (3) perceived behavioural control. The dimensions were selected due to

their potential influence on Tanzanian consumers' intentions, which ultimately determines a consumer's behaviour. By understanding the decision-making dimensions and their influence on consumers' behaviour, the study will attempt to provide explanations for the Tanzanian population's reluctance to participate in the country's formal banking sector.

The purpose of this study is:

1. To investigate the attitudes held by individuals towards banks and banking and how these attitudes affect their behavioural intention.
2. To explore the influence of reference groups on individuals and how reference groups contribute towards subjective norms affecting individuals' behavioural intentions.
3. To assess the perceived self-efficacy (perceived behavioural control) of individuals towards opening a formal bank accounts and the effect of their percevied self-efficacy on their behavioural intention.

The research objectives aided the researcher in determining why the unbanked population of Tanzania remains low, despite the high number of banks in the country (fourty-eight). The research objectives guided the type of methodology selected to conduct the study.

1.8   METHODOLOGY

In order for the research objectives to be met and have reliable and valid findings produced from the research an appropriate research design ought to be followed (Zikmund, Babin, Carr and Griffin, 2010). The method of investigation in this study can be divided into two main sections: (1) a literature overview and (2) an empirical study.

1.8.1 The Literature Overview

Secondary research was conducted by studying the literature available on: (1) Tanzania, (2) consumer behaviour, (3) attitudes, (4) culture, (5) perceived

behavioural control and (6) banking. The literature was obtained by using a series of academic journals and databases to which the University of Stellenbosch library subscribes, in addition to using the Google Scholar search engine. Secondary research was used to develop a strong theoretical foundation upon which to base the primary research.

1.8.2 The Empirical Study

The primary research included both qualitative and quantitative research, as suggested in the literature (Sieber, 1982; Strauss, 1987). Qualitative reseach was used to better define the problem to be studied and the concepts involved. Quantitative research followed qualitative research in the form of a survey design and pilot study.

1.8.2.1 Qualitative Research

Qualitative research is defined as a form of systematic empirical inquiry into meaning (Shank, 2002). Exploratory research was conducted to obtain a deeper understanding of the concepts and interpret the problem (Wiley, 2010). In this study exploratory research was conducted before defining the problem statement and to identify the variables that are relevant to the problem. Qualitative research was conducted in the form of: (1) experience surveys, (2) focus groups and (3) observation.

Experience surveys provided insight by interviewing individuals who have experience in the research problem and field of study (Wiley, 2010). Four stages of experience surveys were conducted: (1) semi-structured telephonic interviews with Johan Vermaas (former retail director of National Bank of Commerce) and DK Waiza (institutional coverage manager at Absa Capital), (2) informal personal interviews within South Africa with Nolundi Bhiko (Stokvel owner), Razeen Nieftagodien (President of the University of Stellenbosch's Islamic society) and Chrizelda van Reenen (Absa Sales Manager), (3) semi-structured personal interviews with banking CEOs in Tanzania and (4) informal personal interviews with banked and unbanked Tanzanian individuals.

Focus groups were conducted in Tanzania with both banked and unbanked students from the University of Dar es Salaam. Focus groups allowed for the collection of subjective data about individuals' attitudes towards performing behavior related to banking.

Observation was conducted in NBC, Barclays, FNB and CRDB banks in Tanzania. These banks were selected as they are the major role players in the Tsnzanian banking industry. Observation allowed for individuals to be studied performing banking tasks without the field worker influencing their behavoiur.

The qualitative research provided valuable insights into the decision-making process followed by Tanzanains when deciding whether to open formal bank accounts. The focus groups in particular allowed participants to express the dimensions of importance when considering to purchase formal banking products. These dimensions where used to develop a revised Theory of Planned Behaviour for the Tanzanian banking industry.

1.8.2.2 Adaptation of the Theory of Planned Behaviour for the Study

The Theory of Planned Behaviour was developed within a Western context and therefore fails to take into account the unique culture and characteristics of Tanzania (Ajzen, 1991). The exploratory research provided valuable insight that allowed for the adaptation of The Theory of Planned Behaviour to incorporate dimensions that were specific to the Tanzanian banking industry. The following dimensions were identified and incorporated into an adapted model of Theory of Planned Behaviour for the Tanzanian banking industry: (1) trust, (2) perceived relative advantage, (3) attitude towards saving, (4) acess convenience and (5) perceived economic value.

The literature overview provided further contributions to the model by suggesting the need to study the relationship between collectivism and reference groups. Collectivism has been shown to be a cultural value that influences the importance of reference groups for consumers when making a purchase decision. Thus a relationship is hypothesised between collectivism and reference groups. The

adapted Theory of Planned Behaviour taking into account the findings of the exploratory research and the literature overview is depicted in Figure 1.3.

Figure 1.3 Adapted Theory of Planned Behaviour
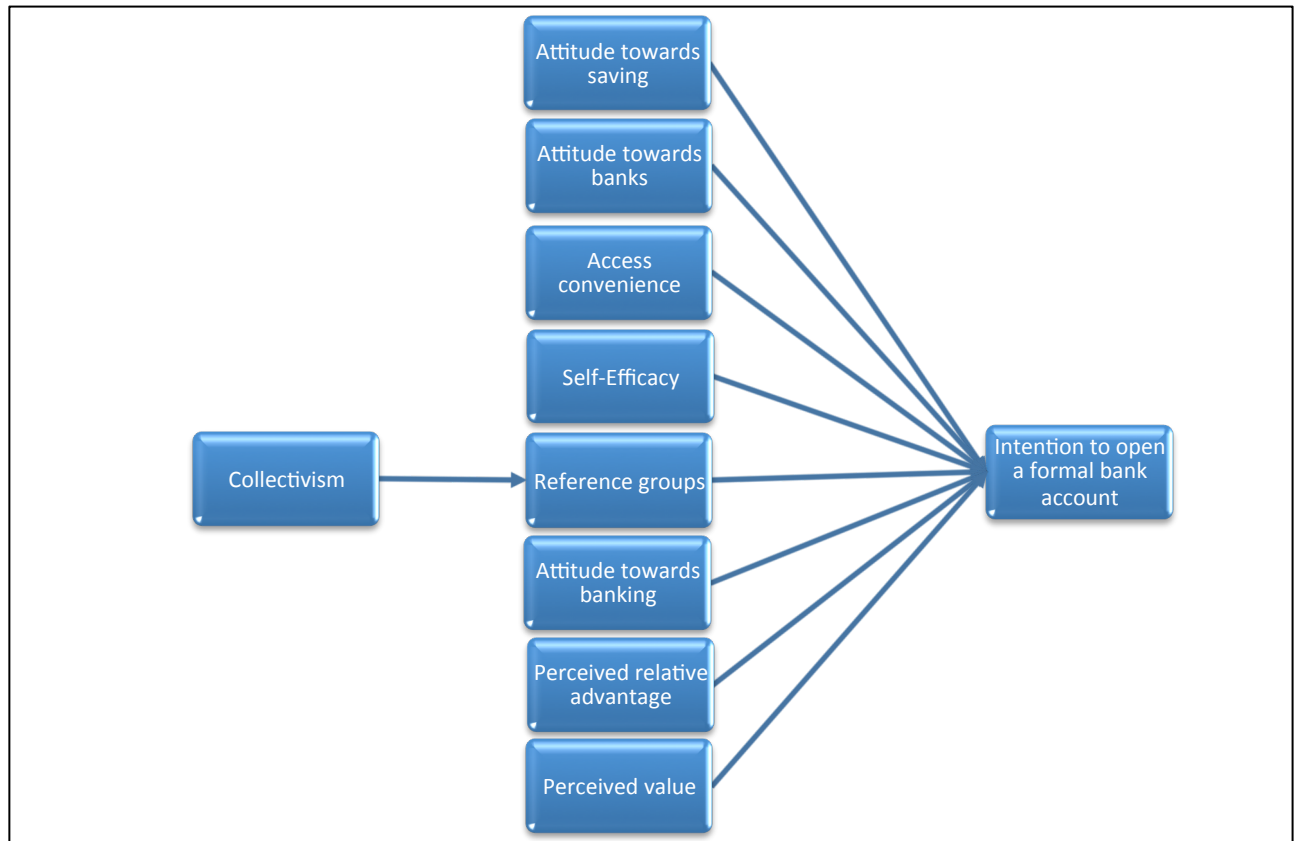
As can be seen in Figure 1.3 the adapted Theory of Planned Behaviour provides five additional independent variables to the model. The independent and dependent variables are discussed in order to allow for the development of hypotheses.

ii.   **Independent Variables**

The following independent variables were identified in this study: (1) attitudes (towards banks and the behaviour banking), (2) subjective norms (reference groups), (3) perceived behavioural control (self-efficacy), (4) collectivism, (5) trust, (6) perceived relative advantage, (7) attitude towards saving, (8) service convenience

and (9) perceived economic value. Independent variables are presumed to effect or determine the dependent variable (Zikmund et al., 2010).

iii.   Dependent variables

The dependent variables are influenced by the independent variables (Zikmund et al., 2010). Intention to open a formal bank account was selected as the main dependent variable for the study as it is a critical indicator of consumers' purchase behaviour when deciding whether to open a formal bank account (Ajzen and Fishbein, 1985). The concept of reference groups is also a dependent variable in the study when studying the relationship between collectivism and reference groups.

The proposed relationships between the independent and dependent variables in the study allow for the formulation of ten hypotheses.

1.8.2.3 Hypotheses

A hypothesis is a proposed explanation of a phenomenon and in the case of the study the hypotheses seek to describe the relationship between the independent and dependent variables (Zikmund et al., 2010).

Ho$_1$: There is no relationship between attitude towards banking and intentions to open a formal bank account.

Ho$_2$: There is no relationship between attitude towards banks and intentions to open a formal bank account.

Ho$_3$: There is no relationship between the importance of reference groups and intentions to open a formal bank account.

Ho$_4$: There is no relationship between perceived self-efficacy to open a formal bank account and intentions to open a formal bank account.

Ho$_5$: There is no relationship between collectivism and importance of reference groups.

Ho$_6$: There is no relationship between trust towards banks and intentions to open a formal bank account.

Ho$_7$: There is no relationship between perceived relative advantage of banking and intentions to open a formal bank account.

Ho$_8$: There is no relationship between attitude towards saving and intentions to open a formal bank account.

Ho$_9$: There is no relationship between access convenience to banking services and intentions to open a formal bank account.

Ho$_{10}$: There is no relationship between perceived value of banking products and intentions to open a formal bank account.

In order to test the hypotheses it was necessary to conduct quantitative research. Quantitative research allows for the collection of primary data that can be analysed using inferential statistics to test the hypotheses.

1.8.2.4 Quantitative Research

After the completion of exploratory research, primary data were collected by means of a survey. A questionnaire was developed by reviewing and adapting existing scales, pre-tested, adjusted and then used to collect data for the study. In the following sections, a brief overview of the methodology used is given.

i.   Questionnaire

A structured questionnaire was designed in order to collect the necessary data needed to meet the research objectives for the study. A pencil and paper questionnaire was used by the researcher.

The questionnaire consists of three parts. Part one contains two screening questions asking respondents to indicate if they currently own a formal bank account and if they are studying towards a post-matric qualification. The screening questions at the beginning of the questionnaire were necessary in order to determine if respondents are unbanked and studying towards a post-matric qualification - requirements for partaking in the study. Part two contains items that measure the dependent and independent dimensions identified in the adapted Theory of Planned Behaviour model (Ajzen, 1991). The scales selected for the questionnaire comprised of five point likert scales and five point semantic differentials. The scales used to measure percevied relative advantage and intentions were developed for the study while the remaining scales were adapted from consumer behaviour literature. Lastly, part three contains demographic questions that allowed for the segmentation and analysis of the respondents' responses based on their demography. The questionnaire was translated into Kiswahilli to allow for it to be administered in Tanzanian's mother tongue. After translation of the questionnaire into Kiswahilli it was back translated to ensure acuracy of the original translation.

As the scales selected for the questionnaire were adapted from consumer behaviour literature or developed for the study it was necessary to test them in a pilot study before using them in the survey. The pilot study was conducted in South Africa due to time and money constraints.

ii.   Pilot Study

The questionnaire was tested in a pilot study before the researcher embarked for Tanzania. The pilot study was conducted in Macassar (Cape Town/South Africa) as the area has a large number of unbanked individuals and was easily accesible for the researcher. A total of twenty-five individuals were selected for the pilot study as this would provide sufficient data to test the relaibility of the scales. After the completion of the pilot study the questionnaire was ready for administration in Tanzania.

iii.   Sampling Procedure

A smpling plan was developed in order to administer the questionnaire in Tanzania. Sampling was used as it was not practical, due to time and financial constraints, to survey every member of the population (Zikmund et al., 2010).

a) Target Population

The population for the study was comprised of individuals estimated to be between the ages of 18 and 27, who are currently studying towards a post-matric qualification. The population consists of both male and female students. The population was selected as research has shown that individuals over the age of 27 with a tertiary education are most likely to be members of the formal banking sector (Finscope, 2007). Thus, the population of the study are the banks most likely future customers.

b) Selection of Unit of Analysis

Students studying at the Dar es Salaam Librarian Training School were selcted on the basis of convenience sampling as they: (1) were representative of the population, (2) were fluent in both English and Kiswahili, (3) contained the largest number of individuals that were unbanked of the tertiary providers visited and (4) they were easily accessible as the lecturers and students were co-operative and the facilities were located within walking distance of the researcher's hotel.

c) Sample Size

A sample size of two hundred and fifty individuals was selected as this provided sufficient data to support the credibility of the findings and allow for the use of statistical tests necessary for the study (Hair, Black, Babin, Anderson and Tatham, 2005).

1.8.2.5 Data Collection

Data collection took place at the Dar es Salaam Librarian Training School on 12 March 2013. Students were required to participate in the research study by order of their principal. The Dar es Salaam Librarian Training School provided a venue that was able to seat 250 individuals and a public announcement system for communicating with the students. Two field workers that were fluent in both English and Kiswahilli assisted process in order to ensure that respondents were provided with adequate guidance and support.

After completion of the data collection process the questionnaires were reviewed by the field workers and those that were incomplete or filled in incorrectly were removed. A total of 183 completed questionnaires were retained. The data from the 183 questionnaires was entered into a Microsoft Excel spreadsheet and then imported into IBM SPSS (18) for statistical analysis.

1.8.3 Data Analysis

Data analysis began by conducting descriptive statistics to summarise the collected data in order to determine if the sample selected was a true representation of the population (Zikmund et al., 2010).

As the data was collect in Tanzania and the majority of the scales were developed in a Western market an exploratory factor analysis was conducted. The exploratory factor analysis helped to determine the underlying structure of the variables and the manner in which the respondents had interpreted the items (Zikmund et al., 2010). The underlying structure of the variables was found to be different to originally suggested and the indepenednt variables were identified: (1) future benefits, (2) affective attitude towards banking, (3) attitude towards banking, (4) self-efficacy, (5) reference groups, (6) future financial independence and (7) perceived value. The revised model is depicted in section 6.7. The findings resulted in the hypotheses of the study being revised:

Ho₁: There is no relationship between future benefits and intentions to open a formal bank account.

Ho₂: There is no relationship between affective attitudes towards banking and intentions to open a formal bank account.

Ho₃: There is no relationship between attitudes towards banking and intentions to open a formal bank account.

Ho₄: There is no relationship between self-efficacy and intentions to open a formal bank account.

Ho₅: There is no relationship between reference groups and intentions to open a formal bank account.

Ho₆: There is no relationship between perceived value and attitudes towards banking.

Ho₇: There is no relationship between future financial independence and attitudes towards banking.

Ho₈: There is no relationship between future benefits and attitudes towards banking.

After the completion of the exploratory factor analysis, the internal consistency of the scales was measured by conducting a Cronbach's alpha test. Those scales that were found to have a low reliability were removed from the data.

Regression analysis was then conducted to test the null hypotheses. Regression analysis was appropriate for this study as it is used when there are multiple independent variables and a single dependent variable (Zikmund et al., 2010). Mulitcollinearity was prevented by conducting a factor analysis to ensure that each of the items loaded on the appropriate dimensions and that correlations did not exist between the constructs (Zikmund et al., 2010).

1.9   CONTRIBUTION OF THE STUDY

The study provides banks doing business in Tanzania with insight into the relationship between attitudes and intentions of consumers to open a formal bank account. The study should be viewed as a pioneering study in the field of consumer behaviour within the Tanzanian banking industry. The findings of the study will

benefit the following groups: (1) banks doing business in Tazania, (2) the Tanzanian population, (3) the Tanzanian economy and (4) researchers that conduct future research in Tanzania.

The Tanzanian banking industry is comprised of a mixture of local and international banks with South African banks such as Standard Bank (Stanbic), First National Banks and ABSA (Barclays) doing business in the country. By increasing the banked population of Tanzania the customer base of both local and international banks will increase, which will contribute towards their profitability.

Banking is a key component of any modern day society and benefits both the consumer and the country's economy (Levine, 2004). The high unbanked population in Tanzania limits the extent to which the country and its popuation enjoy the benefits of formal banking. By increasing the banked population of Tanzania the quality of life of the individuals that adopt banking will improve and growth will be stimulated in the economy through an influx of funds (Levine, 2004).

Lastly, as the study is pioneering in nature it will provide valuable insight for researchers conducting future studies within Tanzania. Tanzania is a third world country with poor infrustructure and a unique culture that differs greatly from Western culture. The study provides an overview of the challenges to conducting research in Tanzania and guidelines to overcome these challenges.

1.10 ORIENTATION OF THE STUDY

The study comprises of seven chapters:

Chapter one is the introductory chapter and provides a general overview of the purpose of the study. The background and nature to the problem of the study are discussed as well as the objectives and the method of investigation.

Chapter two provides an overview of the literature relating to: (1) banking, (2) the history of the Tanzanain banking industry and (3) current challenges and drivers of access to banking in Tanzania. The literature on banking defines the concept of

banking and describes how banking is an important concept in modern economies. The benefits offered by banks to both consumers and a country's economy are also discussed. The history of the Tanzanian banking is then discussed which provides a description of the factors that have lead up to Tanzania's current banking climate. Lastly, the findings of a number of studies are discussed which address the challenges and drivers that influence Tanzanains when deciding to open a formal bank account.

Chapter three provides an overview of consumer behaviour literature and relates the literature to Tanzanian consumers deciding whether to open a formal bank account or not. The chapter focuses largely on attitudinal models and introduces the theory of planned behaviour as the model used in the study.

Chapter four provides an in depth study and operationalisation of the theory of planned behaviour. The dimensions of the theory of planned behaviour are discussed in detail by studying the corresponding consumer behaviour literature for each. The dimensions are then operationalised taking into account the Tanzanian banking industry and the corresponding theory. Scales used to measure each dimensions are also discussed.

Chaper five discusses the design and methodology of the empirical study. The qualitative research conducted in the study is first discussed and the findings used to create an adapted model of the theory of planned behaviour for the Tanzanian banking industry. Quantitative research is then described through the description of a cross sectional survey design that was implemented in Tanzania. Lastly, the methods of data analysis used to meet the objectives of the study are represented.

Chapter six presents the empirical results of the study. The chapter begins by using descriptive statistics to describe the sample in order to ensure that it is a correct representation of the population selected for the study. The validity of the data is then ensured and an exploratory factor analysis conducted. The exploratory factor analysis resulted in the need to further revise the theory of planned behaviour. Reliability of the dimensions identified in the adapted model was tested using a cronbach's alpha test for reliability. Lastly, the findings of the inferential statistics

were discussed and the corresponding null hypothesis evaluated based upon the findings.

The summary, conclusions and recommendations of the study are presented in chapter seven, which concludes with sections on the limitations of the study and identifies possible areas for future research.

1.11 SUMMARY AND CONCLUSION

Africa has become a hub for international investment as a result of research that has proven that companies can operate in a profitable manner at the bottom of the economic pyramid (The Citizen, 2011). Within Africa, Tanzania has proven itself as a promising country for investment, due to its growth in GDP, economic reform and largely unmet needs (Finscope, 2007). The Financial Times declared Tanzania as "best country of the future" in 2006 (Mnali, 2008).

The Tanzanian banking industry has received a lot of international attention with Standard Bank, Absa and The Bank of China beginning operations in the country. There are a total of fourty-eight banks in Tanzania and the Minister of Finance encourages further investment within the banking industry in the country. Despite the growth in the banking industry, penetration rates have been low with only nine per cent of the population owning a formal bank account (Index Mundi, 2011).

The study seeks to determine some of the reasons for the low banked population by using the Theory of Planned Behaviour as a theoretical model. Ajzen and Fishbein (1985) suggest that the dimensions of attitudes, subjective norms and perceived behavioural control determine consumers' intentions, which drives their behaviour. As the Theory of Planned Behaviour was developed for Western societies, the researcher felt it necessary to adapt the model by including additional dimensions based upon the exploratory data collected in Tanzania. The additional dimensions that were included in the study are: (1) attitudes towards saving, (2) perceived value, (3) access convenience, (4) perceived relative advantage and (5) trust. Data collection was conducted with unbanked students between the ages of eighteen and twenty-seven in Tanzania to determine what leads them to open a formal bank

account. These findings were then used to provide managerial and research recommendations. Managerial recommendations provided banks in Tanzania with strategy guidelines when attempting to acquire more customers. Research recommendations provided insight for future research in the field of consumer behaviour and banking adoption in Tanzania.

2   CHAPTER 2: BANKING IN TANZANIA

2.1   INTRODUCTION

In recent years the Tanzanian banking industry has experienced considerable growth thanks to an influx of international banks into the country (The Citizen, 2011). There are currently forty-eight banks doing business in the country (Vermaas, 2012). However, only nine per cent of the Tanzanian population own formal bank accounts (Vermaas, 2012). The high unbanked population negatively influences: (1) banks operating in Tanzania, (2) the Tanzanian population as well as (3) the Tanzanian economy (BBC, 2012; Vermaas, 2012; Bank on Fort Wayne, 2012). This study seeks to limit the negative effects on each of these parties by providing insight into how to increase the banked population of Tanzania.

To provide insight that could be valuable calls for a better understanding of banking and the banking climate in Tanzania. The chapter studied literature on: (1) the concept banking, (2) the benefits offered by banking to both a country's population and economy and (3) the unique characteristics of the Tanzanian banking industry.

Defining the concept of banking benefitted the study in that it provided clarity on the concept to be studied and created parameters for the study. Many financial institutions are similar to banks in that they offer the ability to make financial transactions and acquire loans. By defining the concept of banks, institutions that offer similar services to banks were excluded from the study.

Banking offers many benefits to both a country's population and economy. The study of these benefits indicated the importance of banking to Tanzania as it provides a means of strengthening their economy and improving the quality of life of their citizens.

Lastly, the unique characteristics of the Tanzanian banking industry were studied by analysing its history and current state. Tanzania has a troublesome banking history, which can be defined by the colonial and socialist governmental eras. The Tanzanian banking industry is currently in the process of undergoing structural

adjustment towards a market-orientated economy (Lwiza and Nwankwo, 2012). As the banking industry has progressed from one era to the next, it has carried with it components from the previous era that continue to shape and define the industry. It is likely that these components contribute towards the high proposition of unbanked Tanzanian population.

2.2   RELEVANCE OF BANKING

The term banking can be applied to a large range of financial institutions, from savings and loan institutions to large money-centre commercial banks. Banking is pivotal to all modern day societies and forms the foundation of economic activity in a country (Buckova, 2011). The importance of banking can be seen in the recent worldwide economic recession which began due to a collapse of the American banking system and lead to the failure of many firms and a great loss of jobs (Heffernan, 2005).

Banks can be distinguished from other financial intuitions by the provision of deposit and loan products (Buckova, 2011). Deposits are products that pay out money to consumers after a certain period of time or on demand and are liabilities for banks (Heffernan, 2005). Deposit products need to be carefully managed by banks if they are to make a profit (Heffernan, 2005). In contrast, loan products are assets for banks and involve the loaning of funds to customers (Heffernan, 2005). Thus, the core activity of banks is to act as an intermediary between depositors and lenders. While many other financial institutions act as intermediaries, such as stock brokers that bring together buyers and sellers of shares, banks are the sole financial institutions that take deposits and issue loans (although many banks offer other services too).

The United States Supreme Court refers to a bank as an institution, usually incorporated with power to issue its promissory notes intended to circulate as money (known as bank notes); or to receive the money of others on general deposit (Auten vs. United States National Bank, 1899). The money is held by the bank in a joint fund, which shall be used by the institution, for its own benefit, for one or more of the purposes of making temporary loans and discounts; of dealing in notes, foreign and

domestic bills of exchange, coin, bullion, credits, and the remission of money (Auten vs. United States National Bank, 1899).

The intermediary role that banks have between borrowers and lenders provides their importance in society by benefitting both consumers and the economy (Levine, 2004). Both consumers and the economy benefit as by borrowing, lending and partaking in related activities banks facilitate the process of production, distribution, exchange and consumption of wealth (Levine, 2004). Thus, the health of an economy is closely related to the soundness of its banking system.

2.3   THE CONTRIBUTION OF BANKS TOWARD ECONOMIC GROWTH

Economic growth is important for a country as it provides the foundation upon which the future of a society is built (BBC, 2012). Societies which experience economic growth offer their citizens a better quality of life in years to come and diminished economic problems such as unemployment (Kimei,1987). The economic growth of a country is measured in the annual rate of increase in real GDP, where GDP stands for gross domestic product and is the countries production of goods and services valued at market price (BBC, 2012).

Banks contribute towards the economic growth of a country in two ways: (1) by increasing the rate of physical capital contribution or (2) by improving the efficiency in which economies combine capital and labour in production (Levine, 2004; Nkoba, 1997). The contribution is achieved through five services: (1) facilitation of trade, (2) risk management, (3) mobilising of resources, (4) obtaining of information, evaluation of firms and allocation of capital and (5) providing corporate governance (Levine, 2004).

Table 2.1 Contributions of Banks Towards Economic Growth

Service	Description	Manner in which Economic Growth is Encouraged
Facilitation of trade	Money minimizes the need for barter and thereby encourages commerce and specialization (Dhamee, 1996)	Economic growth is encouraged through commerce and specialization.
Risk management	Financial systems price risk and provide mechanisms for pooling, ameliorating and trading risk.	Through providing investors with long run capital banks are able to reduce risk and encourage economic growth through the specialization and technological innovation that stem from the long run growth.
Mobilising of resources	Banks mobilise resources from disparate savers to investment in worthwhile investment projects.	Through agglomerating savings, financial intermediaries enlarge the set of feasible investment projects and thereby encourage economic efficiency. On completion of the projects the economy enjoys improved technologies and products.
Obtaining of information, evaluation of firms and allocation of capital.	Banks enjoy a cost advantage in obtaining and evaluating information and then allocating capital	Banks through selecting the most promising firms and managers will spur economic growth by

	based on these assessments.	fostering a more efficient allocation of capital.
Corporate governance	Banks are charged with more compelling managers to act in the interest of firm claim holders than small businesses.	Banks help diminish the principal agent problem thus increasing economic growth.

Adapted from Levine (2004)

As can be seen from Table 2.1 banking is an important component of a modern day economy. Tanzania has experienced rapid economic growth over the last decade, enjoying a seven per cent economic growth rate between 2003 and 2007 (AICD, 2010). Previously, between 1990 and 2002 Tanzania's economic growth rate has been 3.7 per cent (AICD, 2010). The increase in economic growth can largely be accredited to improve infrastructure (AICD, 2010). AICD (2010) states that Tanzania could become the leading African country if sufficient infrastructural improvements continue to be made over the next decade. However, this would require an average yearly investment of US$2.9 billion in infrastructure, a challenging figure for the Tanzanian economy (AICD, 2010).

By increasing the banked population of Tanzania the mobilising of resources function could be used to pool funds from under individuals' mattresses and out of M-Pesa accounts and used to fund infrastructure development projects. Thus enlarging the feasible number of investment projects in Tanzania. The most suitable contractors can be selected for the execution of these projects by banks providing the obtaining of information, evaluation of firms and allocation of capital service. Lastly, banks can assist in ensuring the correct corporate governance of these firms by holding them accountable to policies stipulated by the bank.

Economic growth resulting from banks assisting in the funding and partial management of infrastructure development is but one example of the application of banking benefits to the Tanzanian economy. Similar principals can be applied to

assist in funding small entrepreneurs which in turn create employment and increase the overall living standards of Tanzanians.

While banking benefits the economy through the use of consumers' funds it does not do so to their determent. Rather, banking provides consumers with a number of benefits that improve their quality of life.

2.4   THE CONTRIBUTION OF BANKS TOWARDS CONSUMERS

The banking industry not only benefits the economy of countries but also the consumers that make use of banks' services. By offering benefits, banks fulfil the needs of their consumers and reduce the stressors in society. While there are many benefits that banks offer consumers, three key benefits can be identified, namely: (1) security, (2) convenience, and (3) the opportunity to build a financial future (Bank on Fort Wayne, 2012). Each of these benefits will be discussed in brief.

By keeping one's savings in a bank account, as opposed to storing them "under a mattress", the money is kept safe from theft and natural disasters which could otherwise destroy one's savings (HSBC, 2012). Most federal governments also provide insurance for consumers that make use of a financial institution, should that institution become insolvent (Bank on Fort Wayne, 2012). While Tanzania is not prone to natural disasters that will pose a threat to individuals keeping their money under mattresses the country does experience a high crime rate (IPPMedia, 2013). IPPMedia (2013) indicate that housebreak-ins are increasing in Tanzania and that forty per cent of the population have been victim to crime. Banking offers consumers financial savings security by removing them from the risk of house break-ins.

Owning a bank account offers consumers convenience by helping them save time as they do not have to wait in long queues to cash cheques and purchase money orders (American Banker, 2012). In addition, they are able to deposit their paycheque, tax refund and public assistance benefits directly into their account (Bank on Fort Wayne, 2012). It is also more convenient at times to pay with a debit or credit card, than for consumers to carry large sums of money on their person. The majority of Tanzanian tertiary students study in Dar es Salaam with their parents

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based in rural Tanzania (Vermaas, 2012). By opening formal bank accounts these individuals would be able to transfer funds to children at university conveniently.

Studies have shown that individuals with a cheque account are more likely to save towards the future and move up the financial ladder (Bank on Fort Wayne, 2012). Banks also provide consumers with loans for houses, cars and entrepreneurial ideas which are assets that can be used to better one's financial future (NBT, 2012). While conducting exploratory research in Tanzania the focus on entrepreneurship in Tanzanian society was noted. Students at the University of Dar es Salaam were encouraged to become entrepreneurs and own their own businesses after completion of their studies. Through financial saving and building a credit history as a result of owning a formal bank account, Tanzanian students will be in a better position to acquire loans from banks to begin their own businesses.

Ninety one per cent of the Tanzanian population is unbanked, which excludes them from the benefits of formal banking (Vermaas, 2012). As can be seen formal banking not only offers security and convenience but also facilitates the process of becoming an entrepreneur by providing loans. Assisting individuals in Tanzania become entrepreneurs can positively influence entire families providing them with a stronger financial future and aiding employment in the country. Thus the need to increase the banked population of Tanzania is further emphasised.

In order to increase the banked population of Tanzania the contributing factors towards individuals remaining unbanked must be identified. Tanzania has experienced a troublesome banking history which has lead to many individuals holding negative attitudes towards formal banking (Lwiza and Nwankwo, 2002). The history of Tanzania's banking industry is discussed in order to determine the beliefs that comprise these negative attitudes.

2.5   HISTORY OF THE TANZANIAN BANKING INDUSTRY

The Tanzanian banking industry has undergone many changes since its formation in 1905 as a petty capitalist system and its current move towards a market driven banking environment, which is conducive to investment (Oswald, 1999). The banking

industry in Tanzania has passed through three major eras: (1) the colonial, (2) the socialist and (3) the current era of structural adjustment towards a market-orientated economy (Lwiza and Nwankwo, 2002).

2.5.1 The Colonial Banking System (1905-1966)

The commercial banking system was first established in Tanzania (formerly the territory of Tanganyika) under the German colonial rule by a German commercial bank known as the Deutsche Ostafrikanische in 1905 (Oswald, 1999). From 1919 until 1950, the commercial banking system was dominated by a monopolistic cartel of "the big three" commercial banks of British origin: (1) National and Grindlay, (2) Barclays and (3) Standard Bank (Lwiza and Nwankwo, 2002). The 1950s saw the establishment of other commercial banks in Tanzania from Pakistan, India and the Netherlands (Lwiza and Nwankwo, 2002). A feature of the banking system during this era was that all the operating banks were branches of multinational banks whose policies were formulated from outside the operating environment (Oswald, 1999). Tanzania gained independence from British rule in 1961 and the government initiated a policy programme to establish new financial institutions that would not only compete with foreign-owned banks, but also cater for the needs of the traditional sectors and indigenous Africans who were perceivably neglected by the foreign-owned banks (Lwiza and Nwankwo, 2002).

2.5.1.1 Key Characteristics of the Colonial Banking System

An analysis of the banking system that existed in Tanzania during the colonial era revealed the following features: (1) the banking system was unregulated and there was no central bank to institute regulatory and supervisory functions, (2) the sector was monopolized by the branches of "the big three" commercial banks, for instance, in 1964, they collectively accounted for forty-nine out of fifty-nine banking offices in Tanzania Mainland (Kimei, 1987), (3) the banks concentrated almost exclusively on financing and servicing foreign trade (import-export) and working capital and neglected the traditional sectors of the economy and (4) essentially, the banking system was primarily a conduit for transferring funds for investment abroad (Lwiza and Nwankwo, 2002).

Tanzania underwent a turning point in 1967 when the Arusha Declaration was formulated, which was Tanzania's version of the communist manifesto. (Tanu, 1967)

2.5.2 Post-Arusha Declaration Banking System

The Arusha Declaration of 1967 brought great change to the Tanzanian banking system and saw the reversal of the free-market policies that were pursued after independence and placed the country on a socialist-orientated development path (Tanu, 1967). The nine commercial banks that operated in Tanzania at the time were nationalized and placed under state ownership and control (Lwiza and Nwankwo, 2002). The activities of the nationalized banks were vested in the newly formed government bank, the National Bank of Commerce (NBC). NBC monopolized all the banking business in Tanzania from 1970 until 1984 when the Tanzanian Rural Development Bank was reconstituted as the Co-operative and Rural Development Bank (CRDB) and mandated to offer commercial banking services (Lwiza and Nwankwo, 2002).

In 1991, when the Financial Sector Reforms were initiated, Tanzania had only three commercial banks (Bank of Tanzania, 2011). NBC was the largest and most dominant bank, followed by CRDB and the PBZ bank of Zanzibar. At the end of June 1991, NBC had a total of 203 branches compared to CRDB, which had only eleven branches, and PBZ which had eight. (Lwiza and Nwankwo, 2002)

2.5.2.1 Key Characteristics of the Post-Arusha Declarations Banking System

The Arusha Declaration had many implications for the banking sector many of which still contribute towards Tanzania's high unbanked population (Tanu, 2007). The implications are identified as: (1) a limited number of service packages to select from, (2) the development of the banking industry into a seller's market, (3) interest rates and foreign exchange rates were administratively determined by the central bank, (4) increased government/political interference in the managerial and operational decisions of the banks led to the misallocation of financial resources

through direct lending to the public sector and (5) location of bank branches were politically determined (Lwize and Nkwankwo, 2002.

2.5.3 Reform of the Banking Sector (from 1991)

Banking sector reforms were initiated in Tanzania in 1991 based on recommendations that were listed in the 1990 report of the Presidential Commission Bank of Tanzania, 2011). The Presidential Commission had three key recommendations: (1) restructuring and modernization of banks to foster competition, (2) making banks more responsive to the needs of customers and (3) the need to make banks profitable institutions (Bank of Tanzania, 2011)).

The reform led to achievements in both the macro and micro levels of the countries of the economy (Lwinza and Nwankwo, 2002). The macro level displays changes in the changed banking environment which is characterized by: (1) a stronger legal, supervisory and regulatory framework which provides for free entry and exit in the sector, (2) a relatively competitive environment that has forced banks to be more customer-orientated in order to remain competitive, (3) the existence of relatively stronger and financially viable banking institutions, (4) accountability of banks to their customers, shareholders and the general public and (5) a decreased inflation rate (Lwinza and Nwankwo, 2002). At the micro level some of the most notable changes as a result of the reform were: (1) an increase in the number of banking service providers, (2) increased variety of financial products and services to choose from and (3) improved customer service (Lwiza and Nwankwo, 2002).

2.6 CURRENT PROBLEMS FACED BY THE BANKING SYSTEM

Despite the great deal of reform that has occurred within the Tanzanian banking industry, challenges and problems still exist for banks operating in the country (Finscope, 2007). The challenges faced by banks exist in three areas: (1) the macro-environment, (2) management related barriers and (3) customer related barriers (Lwiza and Nwankwo, 2002).

2.6.1 Macro-Environment Related Barriers

The macro environment refers to the conditions that exist in the economy as a whole, rather than in a particular sector or region (Kotler, Bowen and Makens, 2010). The macro environment in which a company or sector functions will influence its performance, the extent of this influence is largely determined by how dependent the company is on the overall health of the economy (Kotler et al., 2010). Banks that do business in Tanzania are presented with the following challenges in their macro-environment: (1) socialist hangover, (2) absence of a credit rating database, (3) a weak socio-economic infrastructure, (4) lack of uniformity in specification of banking systems and (5) a legal system that unfairly protects non-paying customers through unnecessary court injunctions and long protracted court cases (Finscope, 2007; Lwiza and Nwankwo, 2002).

Firstly, despite Tanzania's decision to no longer follow socialist economic doctrine; there remain individuals in the country that are still supportive of the doctrine. Individuals that follow socialistic economic principles hamper efforts to deepen the market-orientated culture of the banking industry (Lwiza and Nwankwo, 2002).

Secondly, banks in Tanzania often lack information about the credit history of their clients due to the lack of a credit rating bureau and a national identification system such as social security numbers. The lack of such information has exacerbated the caution exhibited by banks and financial institutions in lending (Lwiza and Nwankwo, 2002).

Thirdly, attempts to modernize and improve the operations and services of Tanzanian banks to better meet the needs of their customers are hindered by the poor and inadequate socio-economic infrastructure in Tanzania (Vermaas, 2012). Tanzania is characterized by poor telecommunications systems; road networks and power supply system. The poor infrastructure makes even basic operations difficult for banks and leads to an inefficient and costly organization (Lwiza and Nwankwo, 2002).

Fourth, in Tanzania each bank is at liberty to establish its own system of operations, which leads to incompatibility between banking systems (Lwiza and Nwankwo, 2002). The incompatibility between banks slows down the pace of inter-bank transactions and forces customers to utilize the services of several banks, which is costly, inconvenient and time consuming (Lwiza and Nwankwo, 2002).

Last, banks in Tanzania lack protection from unscrupulous customers as court injunctions give a high leeway to defaulting borrowers, even when securities are legally and correctly perfected (Lwiza and Nwankwo, 2002). Banks are therefore forced to be overly cautious in extending credit services.

2.6.2 Management Related Barriers

Apart from the external challenges that Tanzanian banks are faced with in the macro-environment, internal hindrances are also present. These internal hindrances manifest themselves in the form of managerial related barriers and can be identified as: (1) centralized decision-making, (2) existence of a culture of mistrust between supervisors and subordinates, (3) supervisors' lack of appreciation for customer relationships, (4) a tendency to view customers from a forgery perspective, (5) mistakes are not allowed at all in operations and (6) banks do not have marketing departments. (Vermaas, 2012; Finscope, 2007; Lwiza and Nwankwo, 2002)

A culture of centralized decision-making exists in most Tanzanian banks and leads to slow, unresponsive organizations (Mariotti and Glackin, 2011; Lwiza and Nwankwo, 2002). Long lead times are frustrating for many customers, who travel long distances to bank branches, and are unable to gain feedback and results the same day (Mariotti and Glackin, 2011; Lwiza and Nwankwo, 2002).

Supervisors at Tanzanian banks have indicated that they do not trust employees that work at branch level (Lwiza and Nwankwo, 2002). The lack of trust leads to less delegation and decision-making at branch level and necessitates the centralized decision-making culture, which leads to a slow unresponsive organization (Mariotti and Glackin, 2011).

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Building customer relationships begins with an understanding of customer needs, which is lacking in Tanzanian banking operations (Vermaas, 2012; Kotler and Keller, 2012). Tanzanian banks follow a short term approach when making decisions and have little regard for the effect the implications of these decision will have on existing banking clients (Lwiza and Nwankwo, 2002; Vermaas, 2012).

Customer relationships at Tanzanian banks are not personalized and there is a tendency to view customers from a foreign perspective and not in terms of the benefits that they can bring to the bank (Vermaas, 2012; Lwiza and Nwankwo, 2002). The culture can be described well by the Swahili saying "Nyuki anang'ata haletti asali" which describes customers as stinging bees that bring no honey.

A zero risk policy prevails in Tanzanian banks, which results in employees adopting a risk avoidance culture (Mariotti and Glackin, 2011 and Lwiza and Nwankwo, 2002). The risk avoidance culture adopted by employees limits innovation at the banks and impedes the improvement of services (Lwiza and Nwankwo, 2002).

Marketing functions in Tanzanian banks are often diffused in different departments or units within the banks (Lwiza and Nwankwo, 2002). The diffusion of marketing functions leads to poor and inefficient planning and an unified, confusing marketing message for consumers (Lwiza and Nwankwo, 2002; Kotler et al., 2010)

2.6.3 Customer Related Barriers

In services, marketing mutual responsibility and benefits are at the core in an exchange situation (Gronroos, 1990). In order for banks in Tanzania to effectively implement a market orientation, mutual responsibility between the organization and consumers exists. Thus, whenever consumers cannot participate fully and in a responsible manner, it becomes difficult for an organization to implement practices with a market orientation. The following customer related barriers exist for banks operating in Tanzania: (1) low income customers, (2) lack of knowledge of banking procedures, products and services, (3) irresponsible customers, (4) lack of transportation and (5) customer attitude and culture towards banking services. (Finscope, 2007; Lwiza and Nwankwo, 2002)

The majority of the population in Tanzania, as with most African countries, is comprised of individuals that have very low levels of income (Finscope, 2007). Many individuals in Tanzania live off less than a dollar a day (Vermaas, 2012). The low-income level of Tanzania's population makes it difficult to successfully offer products and services at a profit to individuals (Finscope, 2007). The majority of banks in Tanzania have a quality not quantity approach to offering services, which leads to the exclusion of the majority of the Tanzanian population (Lwiza and Nwankwo, 2002).

Many customers in Tanzania are not aware of the appropriate procedures to be followed when transacting with banks (Finscope, 2007). The lack of knowledge about appropriate procedures often leads customers to complain about poor service, when the fault is rather that of the customers (Lwiza and Nwankwo, 2002). Many customers, when presented with modern products, are not aware of how to correctly use the products due to a lack of technical skills and this leads to poor customer satisfaction (Finscope, 2007).

Tanzanian customers often wilfully decline to fulfil their obligations arising from services rendered to them by banks (Vermaas, 2012). Some customers in the past have attempted to defraud banks by colluding with unscrupulous employees. Loan default is also a common problem in Tanzania, which leads to banks being overcautious when issuing loans (Lwiza and Nwankwo, 2002).

The socialist legacy that prevails in Tanzania from the period when all financial institutions were owned and controlled by the government has led to inappropriate customer attitudes towards banks (Lwiza and Nwankwo, 2002). Credit that was offered by financial institutions during the socialist system was often seen as "government hand-outs" or gifts to banking customers and consumers did not have an urgency to pay back the loans (Vermaas, 2012). The mind-set still exists among many consumers in Tanzania and makes the granting of loans risk prone for banks. Similarly, some customers still have the mind-set that they need to bribe employees in order to receive efficient service (Lwiza and Nwankwo, 2002). Many consumers are also reluctant to keep their money in formal bank accounts and prefer to keep

their money under mattresses, which is due to negative experiences with loan sharks and the low saving culture that exists in Tanzania (Vermaas, 2012). Many customers are equally reluctant to utilize modern, cheaper banking services such as plastic cards and prefer to use more traditional expensive passbooks (Lwiza and Nwankwo, 2002).

As can be seen, the Tanzania banking industry has experienced a troublesome history and currently faces many challenges posed by the macro-environment, their management structure and policies and barriers that influence customers. One of the most notable barriers listed for consumers when attempting to open a formal bank account is that of negative attitudes and culture towards banks. It would appear that a group of consumers exist that are able to open formal bank accounts but do not do so due to poor attitudes and culture towards banks (Lwiza and Nwankwo, 2002; Finscope, 2007). Consumers that hold poor attitudes and culture towards banks form an attractive market segment as banks can alter their attitudes through marketing communication and acquire their business.

Finscope (2007) have identified a number of drivers that allow Tanzanians to gain access to the formal banking sector. By defining market segments that have access to these drivers, individuals can be studied that most likely have the ability to open a formal bank account but do not do so due to poor attitudes and culture towards banks.

2.7   DRIVERS OF ACCESS TO BANKING SERVICES

Finscope (2007) in their research identified drivers or enablers that give the population of Tanzania access to and the ability to open formal bank accounts. Individuals with access to these drivers can be considered the banks most likely clients (Finscope, 2007). The two drivers of access to banking services are: (1) source of income and (2) education.

2.7.1   Source of Income

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The source of Tanzanians' income has been shown to have an effect on whether they are part of the formal banking sector. The various sources of Tanzanian's income and the corresponding number of individuals from each category that bank are displayed in Table 2.2.

Table 2.2 Source of Tanzanian Income

Source of Income	Percentage of Individuals that Bank Formally (%)
Formally Employed	85
Money from Friends and Family	9
Selling Crops	7
Self-Employed	12

Source: Adapted from Finscope (2012)

As can be seen, individuals that are formally employed are most likely to be clients of the formal banking sector, as it is likely a requirement of their employer that their salary is paid directly into a bank account. The percentages of individuals in the other categories that have formal bank accounts are low, with individuals that are self-employed having the second highest chance of owning a formal bank account at twelve per cent.

2.7.2 Education

Education has been identified as a key driver for access to Tanzania's formal banking sector (Finscope, 2007). As the education level of an individual increases, so does their likelihood of being a member of the formal banking sector. Figure 2.2 represents the relationship between education and owning a formal bank account.

Figure 2.1 The Relationship Between Education and Participation in Banking
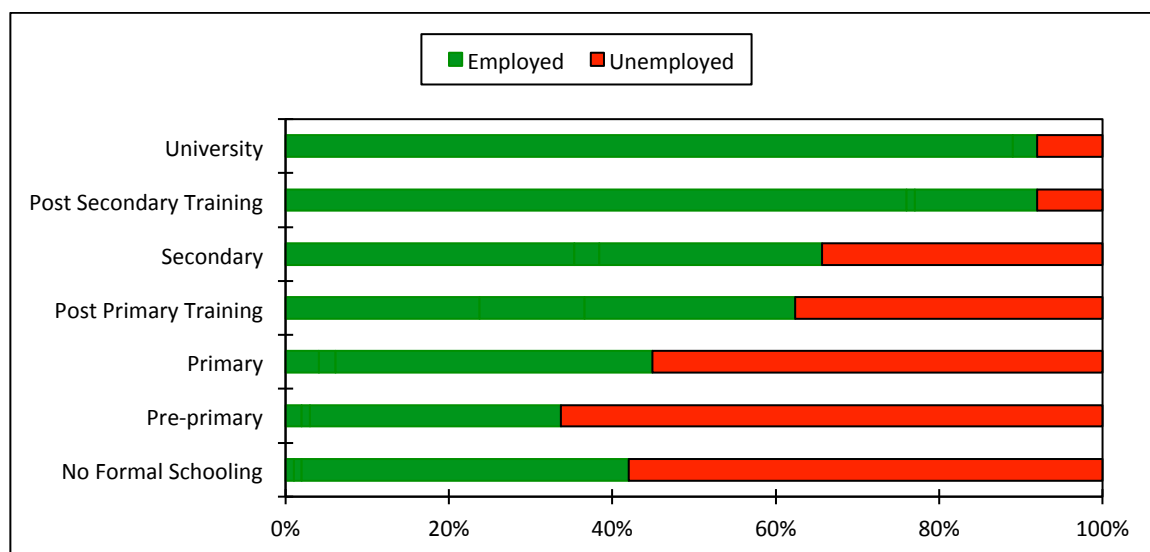
Source: Finscope (2007)

As can be seen from Figure 2.2, individuals that have a tertiary education are most likely to open a formal bank account. The reason for this is likely due to individuals with a tertiary education being the most likely candidates for formal employment, which has been shown to increase the chances of an individual being a client of the formal banking system. Banking penetration rates remain high for those with post-secondary training and a secondary education and then slowly decline as the individual's education decreases.

By studying the drivers of the adoption of banking in Tanzania it is possible to determine the most likely client of banking services. It is likely that individuals from this bracket also hold negative attitudes and culture towards banks and thus choose to remain unbanked despite having access to formal banking (Lwiza and Nwankwo, 2002). By successfully profiling the most likely consumer to open a formal bank account research can be conducted into the attitudes held be these individuals and how to influence negative attitudes through marketing communication.

2.8 PROFILE OF MOST LIKELY BANKING CLIENT IN TANZANIA

As described there are a number of factors such as poverty and poor infrastructure that prevent individuals from opening a formal bank account (Finscope, 2007; Lwiza and Nwankwo, 2002). To study the negative attitude and culture of individuals from these segments towards banking would contribute little value as they are constrained by more than their intention to open a formal bank account. Rather by profiling the most likely client of formal banking the influence of these individuals attitudes on their intention to open a formal bank account can be studied (Ajzen, 1991). It is then possible to suggest strategies to banks to increase the banked population of Tanzania.

In Tanzania, the most likely banked client are individuals between the ages of eighteen and twenty-seven with a tertiary education that live in an urban area (Finscope, 2007). These are also the individuals that are most likely to be formally employed, which also increases the likelihood of individuals owning bank accounts, as most employers require that employees be banked so that their salaries can be paid directly into bank accounts as opposed to cash payments.

2.9 CONCLUSION

As can be seen, banks are fundamental to all developed nations. Banking offers benefits both to the country's economy and consumers. The economy of a country benefits through experiencing growth as a result of: (1) an increase in the rate of physical capital contribution and (2) an increase in the efficiency with which economies combine capital and labour production (Levine, 2004). Banking benefits consumers through providing them with a better quality of life by offering them: (1) increased safety, (2) convenience and (3) the opportunity to build a financial future (Bank on Fort Wayne, 2012). These benefits are largely not enjoyed by Tanzanians as only nine per cent of the country's population own a formal bank account.

The literature indicates that the high unbanked population in Tanzania is a result of a number of contributing factors: (1) a troublesome and complicated banking history, (2) poor management within banks and (3) a poor customer attitude and culture

towards banking (Lwiza and Nwankwo, 2002). The study builds upon the identification of poor customer attitude and culture as a key-contributing factor towards the high unbanked population in Tanzania.

Extensive research has been conducted into the concepts of attitudes and culture in the field of consumer behaviour (Schiffman and Kanuk, 2010). Attitudes have been found to influence individuals' intentions to perform a given behaviour with poor attitudes causing individuals not to act (Ajzen, 1985). Research has also shown that it is possible for marketers to alter poor attitudes held by individuals (Smith and Swinyard, 1988). Consumer behaviour literature was reviewed in the study in order to determine the relationship between attitudes and Tanzanians' intentions to open a formal bank account.

3   CHAPTER 3: CONSUMER BEHAVIOUR AND THE THEORY OF PLANNED BEHAVIOUR

3.1   INTRODUCTION

Poor consumer attitudes and culture towards banking were identified as one of the contributing factors towards the high unbanked population of Tanzania by Lwiza and Nwankwo (2002) and Vermaas (2012). This study seeks to build upon those findings by studying whether attitudes influence Tanzanians to open a formal bank account. In order to develop a sound theoretical base upon which to conduct the study it was necessary to review attitudinal literature.

Attitudinal research comprises a field of literature known as consumer behaviour. Consumer behaviour recognises attitudes as a key influencer of consumers' purchase decisions by including it in the consumer-decision-making process. Consumer behaviour literature was consulted to discuss: (1) the conceptualization of attitudes, (2) attitudinal formation, (3) the structure of attitudes, (4) attitudinal change strategies and (5) attitudes influence on behavioural intentions. The conceptualization of attitudes provides clarity on the concept and how it is defined in the study. Attitude formation literature is discussed to provide an understanding of how Tanzanians developed the negative attitudes that they hold towards banking. The structure of attitudes and altitudinal change models based upon this structure is reviewed to provide insight into how banks can attempt to alter the poor attitudes held by Tanzanians towards formal banking. Lastly, the relationship between attitudes and consumers' behaviour is evaluated to provide banks with an indication of the importance of attitudes to consumers' decision to open a formal bank account.

3.2   THE STUDY OF CONSUMER BEHAVIOUR

Consumer behaviour involves the study of the processes involved when individuals or groups select, purchase, use or dispose of products, services, ideas, or experiences to satisfy their needs and desires (Solomon, 1996). Consumer behaviour literature was relevant for the study as it allowed the researcher to gain further insight into consumers' attitudes and intentions and their contribution towards

consumer behaviour and the high unbanked population in Tanzania. Consumer behaviour has been identified as a key component of modern-day marketing; Karjaluoto and Matilla (2002) states that marketers should gain as much information as possible about it. In modern, highly competitive, ever changing markets, the survival and growth of companies necessitates precise knowledge about consumers (Karjaluoto, 2002).

Consumer behaviour is examined through two major psychological disciplines: (1) cognitive psychology and (2) social psychology (Karjaluoto, 2002). Cognitive psychology refers to knowledge related to mental behaviours, while social psychology refers to the manner in which personality traits, attitudes, intentions and behaviours of the consumer influence and are influenced by social groups (Karjaluoto, 2002). The study focuses on both social and cognitive psychology in order to gain a broad perspective on consumer behaviour.

3.3   THE CONSUMER DECISION-MAKING PROCESS

The consumer decision-making process is a model that incorporates both cognitive and social psychology in the field of consumer behaviour (Hawkins and Mothersbaugh, 2010). The consumer decision-making process has been described as the foundation upon which consumer behaviour theory is built, as it describes the process that consumers partake in when deciding on a purchase decision (Hawkins and Mothersbaugh, 2010). Thus the theory of the consumer decision-making process is discussed before looking at other models of consumer behaviour. The consumer decision-making process provides the study with insight into the process by which consumers become aware of a new product offering and ultimately decide to purchase, or not purchase the product (Kotler and Keller, 2010). By applying this model, the research will provide banks with an understanding of the process that Tanzanians will progress through when presented with the opportunity to become part of the formal banking sector.

The consumer decision-making process is said to be one of logical positivism, where rigorous empirical techniques are used to make generalized explanations and laws (Engel, Blackwell and Miniard, 1995). Almost all models of consumer decision-

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making refer to five steps, these are: (1) problem recognition, (2) search, (3) alternative evaluation, (4) choice and (5) out-comes. The difference between the various models is found merely in the emphasis resting on different variables and presentations of the concept (Erasmus, Boshoff and Rousseau, 2001).

Schiffman and Kanuk (2010) have developed a model of the consumer decision-making process that seeks to merge many of the theories of consumer decision-making into one concise model. The model is depicted in Figure 3.1.

Figure 3.1 A Model of Consumer Decision-Making

INPUT

Firm's Marketing Efforts:

1. Product
2. Promotion
3. Price
4. Channels of Distribution

Socio-cultural Environment:

1. Family
2. Reference groups
3. Non-commercial sources
4. Social class

PROCESS

CONSUMER DECISION-MAKING

Need Recognition

Pre-purchase Search

Evaluation of Alternatives

Psychological Field:

1. Motivation
2. Perception
3. Learning
4. Personality
5. Attitudes

Experience

Purchase:

1. Trial
2. Repeat purchase

Post-purchase Evaluation

Adapted from Schiffman and Kanuk (2010)

3.3.1 Input

The input component of Schiffman and Kanuk's (2010) decision-making model describes the external influences that serve as sources of information about a particular product and could potentially influence the consumer's product related values, attitudes and behaviour. Input sources of information can come from two sources for the consumer: (1) the firm's marketing efforts (or the marketing mix) and (2) the socio-cultural environment (non-commercial influences) (Schiffman and Kanuk, 2010).

3.3.2 Process

The process component of the model describes how consumers make decisions and considers the influence of psychological concepts, namely: (1) motivation, (2) perception, (3) learning, (4) personality and (5) attitude (Schiffman and Kanuk, 2010). Three stages comprise the process component of the decision-making model: (1) need recognition, (2) pre-purchase search and (3) evaluation of alternatives (Kotler and Keller, 2010).

The buying process starts with need recognition - presenting the consumer with a need, which is triggered by an external or internal stimulus (Erasmus et al., 2001). There are two need recognition styles among consumers: certain consumers can be described as actual state types, who perceive that they have a problem when a product fails to perform satisfactorily, while desired state types begin need recognition out of a desire for something new (Schiffman and Kanuk, 2010). It is likely that many consumers in Tanzania are not aware of their need to open a formal bank account due to the poor level of education about banking (Finscope, 2007). If Tanzanians are not aware of their need to open a formal bank account, the consumer will not pass through the consumer decision-making process and no purchase decision is made.

Pre-purchase search begins when a consumer perceives a need that might be satisfied by the purchase and consumption of a product (Schiffman and Kanuk, 2010). At this stage information comes from two sources: (1) internal sources and (2)

external sources (Kotler and Keller, 2010). Consumers will first consult internal sources, which are the psychological concepts: (1) motivation, (2) perception, (3) learning, (4) personality and (5) attitude (Schiffman and Kanuk, 2010). The greater the relevant past experience that a consumer has with a product category, the less time is needed for an information search as consumers will have greater amounts of internal information on which to base their decisions. Once a consumer has exhausted their internal sources of information, they look to outside sources, such as the firms marketing efforts and the socio-cultural environment. The poor level of education about banking held by Tanzanians indicates that banking information is likely difficult to obtain in Tanzania (Finscope, 2007). If information about banking products and services is not readily available in Tanzania, consumers are likely to grow fatigued while looking for information and abort the consumer decision-making process.

Once the pre-purchase search is complete, consumers begin the evaluation of alternatives stage (Schiffman and Kanuk, 2010). When evaluating potential purchase alternatives, consumers make use of two types of information: (1) a list of brands from which they plan to make their selection and (2) the criteria the consumer will use to evaluate each brand (Schiffman and Kanuk, 2010). The consumer's evoked set is distinguished from their inept set, which consists of brands the consumer excludes from purchase consideration because they are felt to be unacceptable. In contrast, the inert set consists of brands the consumer is indifferent toward because they are perceived as having no advantages (Kotler and Keller, 2010). Consumers will evaluate the brands in their evoked set based on either product attributes or consumer decision rules (heuristics) (Kotler and Keller, 2010). Heuristics refer to experience-based techniques for problem solving, learning and discovery that are used when an exhaustive search is impractical or when consumers seek to speed up the decision-making process (Keegan and Green, 2010). Heuristics involve taking mental shortcuts usually based on prior trial and error to make decisions (Keegan and Green, 2010). Heuristics are often referred to as the rule of thumb (Keegan and Green, 2010).

3.3.3 Output

The output component of the consumer decision-making model concerns two closely associated kinds of post-decision activity: (1) purchase behaviour and (2) post-purchase evaluation (Schiffman and Kanuk, 2010).

Consumers make three types of purchases: (1) trial purchases, (2) repeat purchases and (3) long-term commitment purchases (Kotler and Keller, 2010). Trial purchases occur when a consumer buys a product for the first time and in a smaller quantity than normal. If consumers purchase the brand for a second time, this is known as a repeat purchase and long-term commitment purchases are those that consumers make on a regular basis, due to brand loyalty.

Post-purchase evaluation, the final stage in consumer decision-making, occurs as consumers use a product and evaluate its performance (Schiffman and Kanuk, 2010). Three possible outcomes exist: (1) actual performance matches the consumer's expectations, resulting in a neutral feeling, (2) performance exceeds expectations, resulting in positive disconfirmation of expectations and (3) performance is below expectations, causing negative disconfirmation of expectations.

As can be seen, the need recognition and information search phases of the consumer decision-making process likely pose problems to Tanzanians. However, these problems can be overcome through marketing communications that educate consumers about their need for banking and the benefits of banking products and services. Attitudes can also be seen to have an influencial role in consumer decision-making. Vermaas (2012) and Lwize and Nwankwo (2002) state that Tanzanians hold negative attitudes towards banks. The negative attitudes of Tanzanians held towards banks likely lead them to not see a need to open formal bank accounts or limit their information search out of belief that banking is not desirable. The theory of attitudes is discussed in order to develop a theoretical base for the construct.

3.4   ATTITUDES

Table 3.1 provides several definitions that have been influential in guiding scholarly and empirical treatments of attitudes, as indicated by their frequent citation in other works (Greenwald and Banaji, 1995). While the list may appear dated, with the most recent entry being 1962, it remains current as recent research into attitudes continues to quote these definitions (Greenwald and Banaji, 1995).

Table 3.1 Definitions of Attitudes

Author	Definition
Thurstone (1931)	Attitude is the affect for or against a psychological object
Doob (1947)	Attitudes are an implicit, drive producing response considered socially significant in the individual's society
Smith, Bruner and White (1956)	An attitude is a predisposition to experience, to be motivated by, and to act toward, a class of objects in a predictable manner
Osgood, Suci and Tannenbaum (1957)	Attitudes are predispositions to respond, but are distinguished from other such states of readiness in that they predispose toward an evaluative response
Sarnoff (1960)	An attitude is a disposition to react favourably or unfavourably to a class of objects
Katz (1960)	An attitude is the predisposition of an individual to evaluate some symbol or object or aspect of his world in a favourable or unfavourable manner
Krech, Crutchfield and Ballachey (1962)	Attitudes are enduring systems of positive or negative evaluations,

	emotions, feelings and pro or con action tendencies with respect to social objects

Ajzen's (1985) conceptualization of attitudes is most similar and compatible to that of Katz's (1960), which will be used as the accepted definition for attitudes in the study. Thus, an attitude is the way an individual thinks, feels and acts toward some aspect of their environment. In order to understand why individuals develop predispositions to evaluate some aspect of their world in a favourable or unfavourable manner it is necessary to discuss the antecedents of attitudes, as these factors lead to attitude formation (Ajzen, 1985).

3.5   ANTECEDENTS OF ATTITUDES

In order to understand how individuals in Tanzania developed the attitudes that they hold towards the act of banking, as well as the objects banks, it was necessary to discuss the antecedents or determinants of attitudes (Vermaas, 2012; Ajzen, 1985). The formation and change of attitudes have been identified as similar processes and thus understanding the antecedents of attitudes will also provide insight when reviewing attitudinal change models (Ajzen, 1985).

Ajzen (1985) states that attitudes are formed by individuals gathering salient information or beliefs about an object or performing a given behaviour. Salient beliefs are those beliefs that influence the perception of the object in total (Ajzen, 1985). In other words, individuals may hold a large number of beliefs about a given object or behaviour, but only a small number of beliefs will determine an individual's attitude at a given time; these are salient beliefs. The average individual is only able to consider between five to nine salient items of information or beliefs at a given time (Miller, 1956; Mandler, 1967). Thus, an individual's attitudes are formed by no more than five to nine beliefs about the given object or behaviour.

Firms seek to be able to distinguish between beliefs and salient beliefs, as it provides an indication of which beliefs consumers refer to when deciding whether to purchase a product (Ajzen and Fishbein, 1975). In order to distinguish an individual's salient beliefs from non-salient ones, Kaplan and Fishbein (1969) state that

individuals can be asked to elicit, in a free response format, the characteristics, qualities and attributes of the object or the consequences of performing the behaviour. Any beliefs that are listed by individuals after nine are usually not salient for the individual, however, it is impossible to determine the exact point where beliefs are no longer salient (Fishbein, 1967).

However, the elicitation procedure of salient beliefs poses a problem, as it is possible that it may produce changes in an individual's hierarchy of beliefs (Ajzen and Fishbein, 1975). Non-salient beliefs are likely to become salient upon elicitation as an individual might recall some information that they have forgotten or make a new inference based on existing beliefs (Ajzen and Fishbein, 1975). Similar problems emerge when a person responds to a standard set of belief statements, such as an attitude scale, as the experience might alter the individual's salient beliefs and thus their attitudes.

In an attempt to overcome these limitations, researchers tried to identify salient beliefs on the basis of belief strength, as a high correspondence can be expected between belief strength and position in the hierarchy for salient beliefs (Ajzen and Fishbein, 1975). However, the strength of non-salient beliefs may be unrelated to their position in the hierarchy (Ajzen and Fishbein, 1975). As an individual is likely to elicit more than their salient beliefs about an object or behaviour; some of the non-salient beliefs (produced by remembering an item of information or making an inference) may be assigned high probabilities. Further, if an individual is asked to respond to a belief statement, a person may strongly agree with the statement even though the belief involved is not salient and would not have been among the first few beliefs elicited. The problem can be seen where an individual is asked to respond on a five point likert scale to the statement "Americans have two legs". The respondent is likely to indicate a strong belief about the statement but the individual would probably not have elicited the belief spontaneously (Kaplan and Fishbein, 1969).

In conclusion, Ajzen and Fishbein (1975) state that salient beliefs allow for the formation of attitudes, but it appears impossible to obtain a precise measure of the beliefs that determine an individual's attitude, since the number of salient beliefs may vary from person to person. Once salient beliefs are formed by the individual, they

are combined to create the concept known as attitudes. To gain an understanding of the process by which beliefs are combined to form attitudes, the expectancy-value model is discussed.

3.5.1 Expectancy-Value Model

In order for attitudes to be formed, beliefs must be combined or integrated to arrive at the evaluation of an object or performance of an action; the expectancy-value model describes this process (Ajzen and Fishbein, 1975). The expectancy-value model has received much support in attitudinal literature and virtually all standard attitude measures can be viewed in terms of an expectancy-value formulation (Ajzen and Fishbein, 1975). The model is descriptive in nature and refers to both salient and non-salient beliefs (Ajzen, 1988). While it has been suggested that salient beliefs lead to the formation of attitudes, the model itself is not predicted on causality, but deals merely with the relation between beliefs and attitude. The expectancy-value model can be mathematically represented in the following formula (Ajzen and Fishbein, 1975):

$$\mathrm{A} = \sum_{i=1}^{n} b_i e_i$$

In the formula, A represents attitudes towards the object, action or event; b is the beliefs about the object's attributes or about the act's consequences and e is the evaluations of the attributes or consequences. Thus, according to the model, an individual's attitudes can be estimated by multiplying his evaluation of each attribute associated with the object by his subjective probability that the object has that attribute and then summing the products for the total set of beliefs. Similarly, an individual's attitude towards a behaviour can be estimated by multiplying his evaluation of each of the behaviour's consequences by his subjective probability that performing the behaviour will lead to the consequence and then summing the products for the total set of beliefs.

By studying the mathematical formula, it becomes apparent that individuals with the same beliefs can have very different attitudes and that individuals who have different

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beliefs can share the same attitudes (Ajzen and Fishbein, 1975). When the same beliefs are held with different strength or when evaluations of associated attributes differ, attitudes will also be different. In contrast, when different beliefs are held with equal strength by individuals and when they have identical evaluation implications, the same attitudes will result. Thus, an individual's attitude does not provide an indication to researchers about the type of beliefs or evaluation of attributes an individual makes.

When studying the mathematical representation of the expectancy value model, one would think that attitudes would increase indefinitely with the addition of new positive beliefs as each new b x e product is added to the existing total (Ajzen and Fishbein, 1975). However, an individual's attitude is determined by only a limited number of salient beliefs that are arranged in a hierarchy based on their probabilities (Ajzen and Fishbein, 1975). Therefore, within the hierarchy each new belief contributes successively less to the total attitude and the total evaluation has been shown to level off after five to nine beliefs (Ajzen and Fishbein, 1975). The relationship between the number of positive beliefs and attitude can be seen in Figure 3.2.

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Figure 3.2 Relationship Between Number of Positive Beliefs and Attitude
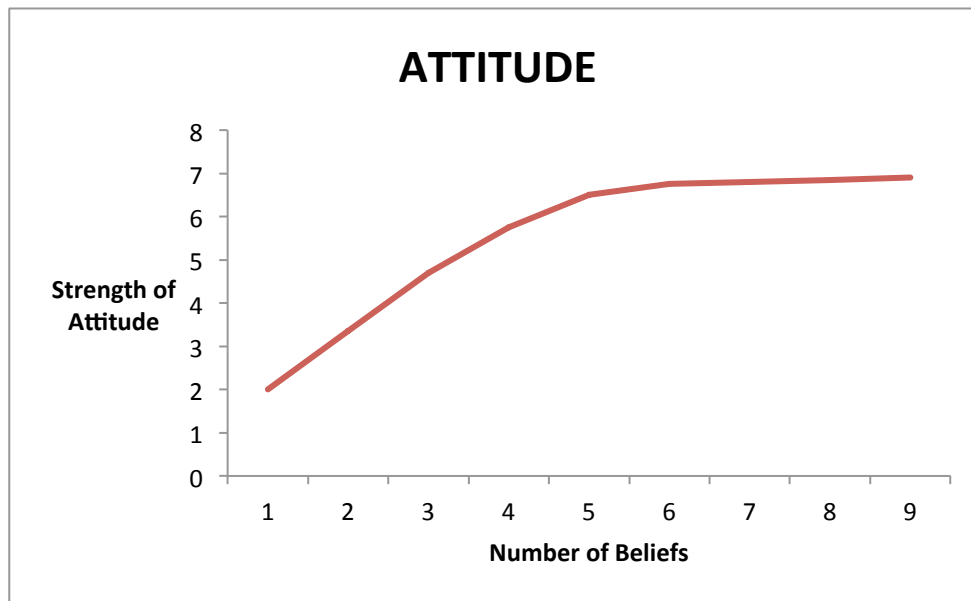
Source: Ajzen and Fishbein (1975)

By studying the graph, in Figure 3.2 it becomes apparent that the more beliefs an individual holds to be true about an object or performance of an action, the more difficult it is to change the individual's attitude. Thus, it will likely be difficult to change the attitudes of individuals in Tanzania towards banks and the act of banking, which have been exposed to a lot of information about the financial services industry and developed a great deal of beliefs.

The concept of salient beliefs and the expectancy-value model provides insight into the antecedents and formation of attitudes. A model, known as the ABC model of attitudes, was developed by Fishbein (1966) that describes the structure of an attitude once it has been formed. The model will be studied in order to determine the structural dimensions of the attitudes held by individuals in Tanzania and how these different structural dimensions relate to the population's attitudes towards banks and the act of banking.

3.6   STRUCTURAL DIMENSIONS OF ATTITUDES

The ABC model of attitudes, developed by Fishbein (1966), describes the structure of attitudes by identifying the dimensions which underlie the concept. The model has been highly influential in attitudinal research (Kotler and Keller, 2010) and states that all attitudes are comprised of beliefs, but that not all beliefs are attitudes; thus, the model is consistent with Ajzen and Fishbein's (1975) concept of salient beliefs. The model suggests that attitudes are comprised of the following three dimensions: (1) cognitive (beliefs), (2) affective (feelings) and (3) conative (response tendencies) (Fishbein, 1966). The relation between the dimensions of attitudes can be seen in the Figure 3.3.

Figure 3.3 Components of Attitudes
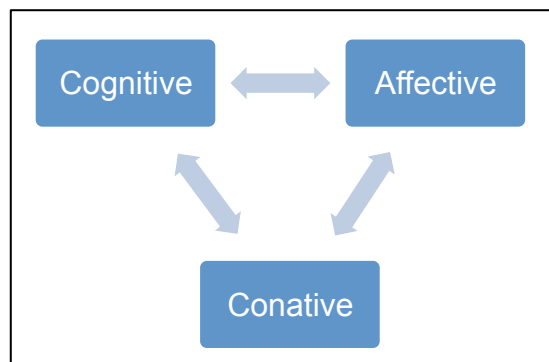
Source: Fishbein (1966)

3.6.1   Cognitive Component

The cognitive component describes the individual's belief, which refers to the object of the attitude, its characteristics and its relations to other objects (Fishbein, 1966). The cognitive component suggests two additional dimensions: (1) the specificity or generality of the attitude and (2) the degree of differentiation of the beliefs (Fishbein, 1966). Differentiation refers to the number of beliefs or cognitive items contained in the attitude and it can be assumed that the simpler the attitude is in cognitive structure, the easier it is to change. When attempting to alter attitudes, marketers should focus on altering the beliefs of individuals by focusing on the cognitive component.

3.6.2 Affective Component

The affective component refers to the individual's feeling core of liking or disliking towards and object (Fishbein, 1966). The intensity of an attitude refers to the strength of the affective component (Fishbein, 1966). When attempting to alter consumers' beliefs, marketers should focus on changing the emotional response of individuals towards an action or object by addressing the affective component of the attitude (Fishbein, 1966).

3.6.3 Conative Component

The conative dimension describes how the individual wishes to behave towards the object (Fishbein, 1966). The component can also be referred to as intention to buy and describes the likelihood that an individual will behave in a certain manner towards a given object (Fishbein, 1966). Certain attitudes have more of an action structure than others do (Ajzen and Fishbein, 1975). Thus, certain attitudes are more inclined to result in individuals taking action than others.

As can be seen by the ABC model of attitudes, attitudes are a concept that resides in the minds and emotions of individuals and has an effect on an individual's behaviour. Thus negative attitudes are likely to influence Tanzanians' decisions to remain unbanked. If negative attitudes are found to have an influence on the behaviour of Tanzanians when deciding whether to open a formal bank account it will be necessary to alter these attitudes. Smith and Swinyard (1988) describe steps that can be implemented to alter consumers' negative attitudes based on the ABC model.

3.7 ATTITUDE CHANGE

Marketers often attempt to alter consumers' attitudes by changing one of the components of attitudes listed in the ABC model of attitudes (Ajzen and Fishbein, 1975). In the case of the Tanzanian population and the high unbanked population, attitude change strategies can be used in a beneficial manner to increase the banked population of Tanzania and, in turn, the benefits experienced by consumers

and the country's economy. Care needs to be taken when attempting to alter individuals' attitudes as the encouragement of unhealthy consumption patterns by firms is likely to raise negative publicity (Ikechukwu, Daubry and Chijindu, 2012). The ABC model suggests that for attitude change to occur, the following three components need to be addressed: (1) cognitive, (2) affective and (3) behavioural (Ikechukwu, Daubry and Chijindu, 2012).

3.7.1 Cognitive Component

A common and effective approach to altering attitudes is to focus on the cognitive component. Four basic strategies exist for altering the cognitive structure of a consumer's attitude: (1) change beliefs, (2) shift importance, (3) add beliefs and (4) change ideal (Smith and Swinyard, 1988).

3.7.1.1 Change Beliefs

The change beliefs strategy involves shifting beliefs about the performance of the brand on one or more attributes. Firms usually attempt to change consumers' beliefs by providing facts or statements about performance or benefits. Changing beliefs is considered to be a difficult task for marketers and for this reason it is recommended that brand managers identify the weakest brand beliefs and attempt to change these, rather than stronger ones. A degree of evidence exists that states that beliefs tend to be consistent with one another, thus altering one belief is likely to cause other beliefs to change too.

3.7.1.2 Shift Importance

Consumers consider certain product features to be more important than others when making a purchase decision. Marketers often attempt to alter consumers' attitudes by communicating that the product features or attributes which their brand excels in are more important than others. In the case of the Tanzanian banking industry, the importance of attributes can be shifted in consumers' minds by communicating that the attributes offered by the formal banking sector are more beneficial than those offered by informal, culturally-based banking services.

3.7.1.3 Add Beliefs

Marketers often attempt to add new positive beliefs to existing ones held by consumers about their product or service. However, as previously explained, attempting to add new positive beliefs can be difficult as firstly, they might not become salient beliefs and thus do not form part of attitudes and secondly, consumers' beliefs are arranged in a hierarchy (expectancy-value model) and thus each successive belief contributes significantly less to the hierarchy.

3.7.1.4 Change Ideal

The final strategy for changing the cognitive component of attitudes is to change the perceptions of the ideal brand or situation. Examples of firms attempting to alter consumers' perceptions of the ideal brand or situation can be seen in the recent trend by marketers to communicate that less packaging is better, in an attempt to save the environment.

3.7.2 Affective Component

Firms are increasingly attempting to influence consumers' liking of their brands without directly influencing either beliefs or behaviour. Increased liking has been shown to lead to increased positive beliefs, which in turn lead to improved attitudes and increased purchase. Three approaches exist for directly increasing the affect component of attitudes: (1) classical conditioning, (2) affect toward the ad or website and (3) mere exposure.

3.7.2.1 Classical Conditioning

Classical conditioning involves a stimulus that the audience likes, such as music, being constantly paired with a brand name (Grossman and Till, 1998). Marketers hope that over time some of the positive affect associated with the music will transfer to the brand (Grossman and Till, 1998).

3.7.2.2 Affect Toward the Ad or Website

Research has shown that advertisements and websites which consumers like generally increase the liking of the brand too (Celuch and Slama, 1995). Thus, marketers are encouraged to make use of humour, celebrities and emotional appeals when designing websites and advertisements.

3.7.2.3 Mere Exposure

While controversial, research has found that affect or brand preference may be increased by mere exposure (Hawkins and Hoch, 1992). Mere exposure involves presenting a brand to an individual on a large number of occasions in an attempt to make their attitude more positive. Mere exposure is based on the "familiarity leads to liking" principle.

3.7.3 Behavioural Component

The behavioural component of attitudes, specifically purchase or use behaviour, may precede the development of cognitive and affect components. For example, a consumer may dislike the taste of fruit drinks and believe that artificial sweeteners are unhealthy. However, rather than appear rude, the same consumer may accept a diet beverage when offered one at a social function by a friend. Drinking the beverage may offer the consumer perceptions of its taste and lead to liking; this in turn may lead to increased learning, which changes the cognitive component. Marks and Kamins (1988) found that attitudes formed as a consequence of product trial are strongly held. Kempf (1999) notes that behaviour can lead either to affect or cognition or to both simultaneously. Consumers frequently try new brands or types of low cost items in the absence of prior knowledge or affect. Also, firms can change consumer behaviour by optimizing and monitoring service system performance (Asiegbu, Ubani and Barinedum, 2011).

Changing behaviour prior to changing affect or cognition is based primarily on operant conditioning. Thus, the key marketing task is to induce individuals to purchase or consume the product, while ensuring that the purchase and

consumption will indeed be rewarding. Consumers can be encouraged to consume a new product through: (1) coupons, (2) free samples, (3) point-of-purchase displays, (4) discounts and (5) tie-in purchases (Kotler and Keller, 2010).

By studying the behavioural component of attitudes it would appear that attitudes influence and predict consumers' behaviour. However, attitudes have been found to be a poor sole predictor of ones behavioural intention (Abelson, 1972). Abelson (1972) provides the following quote to describe the phenomena suggesting that humans are, " very well trained and very good at findings reasons for what we do, but not very good at doing what we find reasons for." Thus merely altering the behavioural component of the negative attitudes that Tanzanians possess towards banks is insufficient to cause them to open a formal bank account.

3.8   ATTITUDES AND BEHAVIOURAL PREDICTION

Explaining human behaviour in all its complexity is a difficult task (Ajzen, 1991). Original frameworks developed for the prediction of human behaviour focused on the correlation between individuals' attitudes towards a behaviour and their actual behaviour. Consumer behaviour literature has assessed the correlation between general attitudes and performing behaviours that involved: (1) organizations and institutions, (2) minority groups and (3) particular individuals with which a person might interact (Ajzen, 1977). However, only weak correlations were found between attitudes and the performance of behaviour involving these objects. The failure of general attitudes to predict specific behaviours directed at the object of the attitude has called scholars to abandon the attitude concept (Wicker, 1969).

In an attempt to remedy the poor predictive validity of attitudes and traits, researchers experimented with the aggregation of specific behaviours across occasions, situations and forms of action (Epstein, 1983; Fishbein and Ajzen, 1974). The concept of aggregation was based on the assumption that any single sample of behaviour reflects not only the influence of a relevant general disposition, but also the influence of various other factors unique to the particular occasion, situation and action being observed. By aggregating different behaviours observed on different occasions and in different situations, these other sources of influence tend to cancel

each other out, with the result that the aggregate represents a more valid measure of the underlying behavioural disposition than any single behaviour. While the principal of aggregation has demonstrated that general attitudes do in fact predict behavioural aggregations, they do not explain behavioural variability across situations, nor do they permit the prediction of a specific behaviour in a given situation (Ajzen, 1991).

In response to the research on attitudes and traits Ajzen and Fishbein (1975) developed the Theory of Reasoned Action. The Theory of Reasoned Action is a multi attribute attitudinal model which, while stating that attitudes affect behaviour, does not accredit attitudes as being the sole determinant of an individual's behaviour, as has been done in previous models (Ajzen and Fishbein, 1975). Rather, the model incorporates other dimensions alongside attitudes that are said to be responsible for determining an individual's behavioural intention and ultimately their behaviour (Ajzen and Fishbein, 1975). The Theory of Reasoned action was later revised by Ajzen (1985) and The Theory of Planned Behaviour developed.

The Theory of Planned Behaviour forms the base model of the study. The model is applicable as it determines the relationship between attitudes and behavioural intention and can thus be applied to study the relationship between Tanzanians' attitudes towards banking and their intentions to open a formal bank account. The model, its dimensions and the operationalization of the model for the Tanzanian financial services industry are discussed in chapter four.

3.9 CONCLUSION

Consumer behaviour has been recognised as a key component of modern day marketing with academic experts encouraging firms to gain as much consumer behaviour related information about consumers as possible. Through its ability to describe how consumers select and purchase products consumer behaviour finds its relevance in this study.

The chapter began by reviewing literature on the consumer decision-making process as it is described as the foundation upon which consumer behaviour theory is built (Hawkins and Mothersbaugh, 2010). The consumer decision-making process

identified a number of factors that influence consumers' behaviour including attitudes. Attitudes were selected as the focus of this study as they were identified by Lwiza and Nwankwo (2002) as preventing Tanzanians from opening a formal bank account.

Consumer behaviour literature was consulted for attitudes in order to provide a sound theoretical base from which to commence the study. This theoretical base comprised of: (1) defining the concept attitudes, (2) the antecedents of attitudes, (3) the structure of attitudes, (4) attitudinal change models and (5) attitudes and behavioural prediction.

While Lwiza and Nwankwo (2002) identify negative attitudes as influencing consumers to remain unbanked, attitudes have been found to be a poor sole predictor of consumers' behaviour in attitudinal research. A multi attribute model, The Theory of Reasoned Action, was developed to describe the influence of attitudes on behavioural intention. The Theory of Reasoned Action was later revised to The Theory of Planned behaviour, which has received academic acclaim. The Theory of Planned Behaviour is the model selected for the study as it allows for the study of how Tanzanians attitudes towards banking influence their intentions to open a formal bank account.

4   CHAPTER 4: THE THEORY OF PLANNED BEHAVIOUR AND ITS APPLICATION IN THE TANZANIAN FINANCIAL SERVICES INDUSTRY

4.1   INTRODUCTION

The Theory of Planned Behaviour provides a description of the relationship between attitudes and consumers' behavioural intention (Ajzen, 1985). This study investigates the relationship between Tanzanians' attitudes and their intentions to open a formal bank account making the Theory of Planned Behaviour relevant. While the Theory of Planned Behaviour recognises that attitudes influence behavioural intention it does not view them as the sole predictor. Rather behavioural intention is suggested to be influenced by: (1) attitudes, (2) subjective norms and (3) perceived behavioural control (Ajzen, 1985).

This chapter provides a literature overview of The Theory of Planned Behaviour and begins by describing The Theory of Reasoned Action, the base model of the Theory of Planned behaviour. The base model provides an explanation of the origins of the Theory of Planned Behaviour and the reasons behind the need for its formation. An in-depth review of the dimensions of the Theory of Planned Behaviour is then discussed providing a sound theoretical base upon which to operationalize the constructs.

Ajzen (1985) states that The Theory of Planned Behaviour should be operationalized based upon the behaviour being studied, in the case of the study: the opening of a formal bank account. The dimensions of The Theory of Planned behaviour are operationalized in light of the findings of the exploratory research conducted in Tanzania and the literature review. Operationalization allows for the defining of the dimensions making them measurable for the study allowing the Theory of Planned Behaviour to be tested in Tanzania.

4.2   THE THEORY OF REASONED ACTION

The Theory of Reasoned Action is an attitudinal model that was developed by Ajzen and Fishbein (1975) and forms the base model of the Theory of Planned Behaviour

(Ajzen, 1985). Ajzen and Fishbein (1975) base their model on the premise that individuals are rational and make systematic use of the information at their disposal (Ajzen, 1991). The theory seeks to predict the future behaviour of consumers by studying their behavioural intention. By referring to behavioural intention as being the direct determinant of consumers' behaviour, the model differentiates itself from previous attitudinal research which identified attitudes as being the determinant. The model is depicted in Figure 4.1.

Figure 4.1 The Theory of Reasoned Action
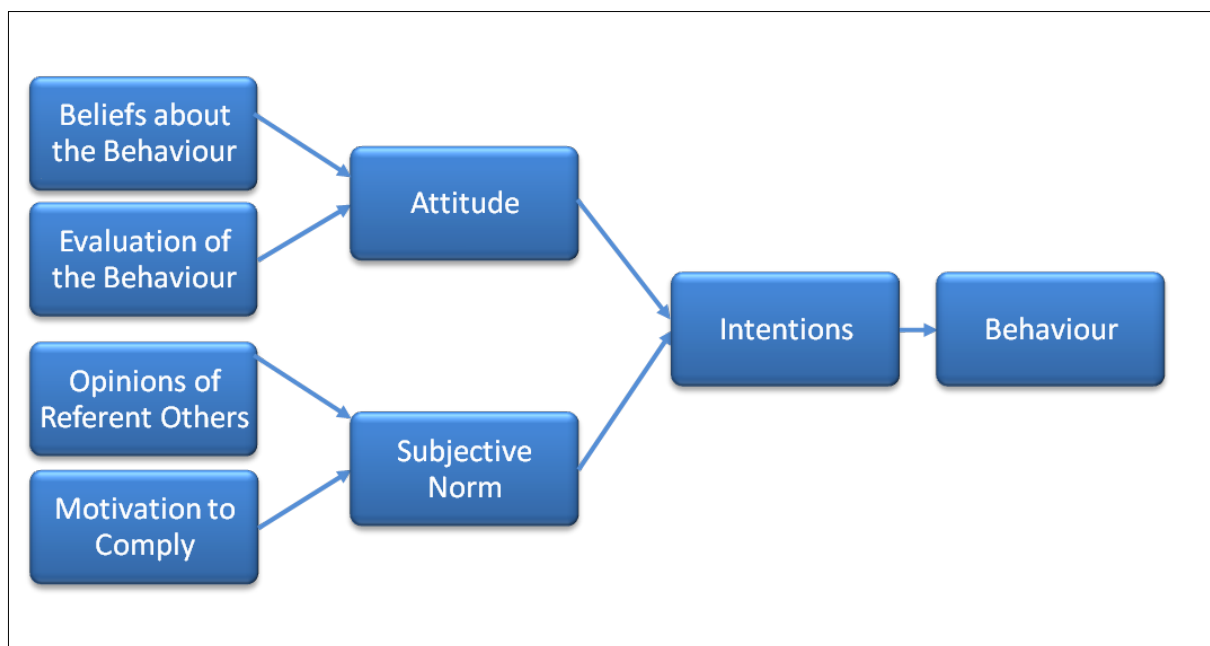
Source: Ajzen and Fishbein (1975)

As can be seen in Figure 4.1, the Theory of Reasoned Action suggests that the strongest and most proximal predictor of volitional behaviour is the behavioural intention of consumers. Behavioural intentions are thought to be the result of both individual influences and normative influences (Ajzen and Fishbein, 1975). Individual influences are identified as the attitude towards performing the given behaviour, while normative influences are the perception of the social pressures surrounding the behaviour (subjective norms) (Ajzen and Fishbein, 1975). The antecedents of attitudes and subjective norms are salient information or beliefs relevant to the given behaviour. It is these salient beliefs that are said by Ajzen and Fishbein (1975) to be

the prevailing determinants of a person's intentions and actions. The relationship between the normative and personal influences and behavioural intention can be expressed in the following mathematical formula:

$$BI = (A_B)W_1 + (SN)W_2$$

In the mathematical formula, BI represents behavioural intention as a function of A_B (the individual influence; one's attitudes) and SN (the normative influence; subjective norms). W_1 and W_2 represent empirically derived weights, which indicate the importance of the relevant subjective norm or attitude (Ajzen and Fishbein, 1975).

4.2.1 Lack of Predictive Validity of the Theory of Reasoned Action

While the Theory of Reasoned Action has been identified as a credible predictor of human behaviour in a number of laboratory studies (Ajzen and Fishbein, 1980; Fishbein and Ajzen, 1975) and in diverse fields such as dental hygiene (Hoogstraten, De Haan and Ter Horst, 1985), education (Fredricks and Dossett, 1983) and seat belt use (Budd, North and Spencer, 1984), it was found to be a poor predictor of behaviour which is not under the individual's control. Behaviours that did not involve a conscious decision on behalf of the consumer, such as spontaneous, impulsive, habitual or scripted behaviour, could not be accurately predicted using the Theory of Reasoned Action.

In order to overcome this limitation, Ajzen (1985) revised the Theory of Reasoned Action by adding another dimension referred to as perceived behavioural control. The revised model has been renamed the Theory of Planned Behaviour and is recognised by scholars as being a credible successor to the Theory of Reasoned Action (Schiffman and Kanuk, 2010).

4.3   DEVELOPMENT OF THE THEORY OF PLANNED BEHAVIOUR

The Theory of Planned Behaviour is an extension of the Theory of Reasoned Action, which was revised by Ajzen in his 1985 paper "*From Intentions to Actions: A Theory*

of Planned Behaviour". It was necessary to revise the Theory of Reasoned Action as the model was found to have limitations in dealing with behaviours over which people have incomplete volitional control.

As in the original Theory of Reasoned Action, a central factor in the Theory of Planned Behaviour is the individual's intention to perform a given behaviour. In addition to the dimensions of attitudes and subjective norms, the Theory of Planned Behaviour adds the dimension of perceived behavioural control, which originates from the self-efficacy theory (Ajzen and Fishbein, 1975). Perceived behavioural control refers to an individual's perceived ease or difficulty of performing the particular behaviour. Ajzen (1985) states that the addition and importance of perceived behavioural control is self-evident: the resources and opportunities available to a person have an influence on the likelihood of behavioural achievement. The Theory of Planned Behaviour is depicted in Figure 4.2.

Figure 4.2 The Theory of Planned Behaviour
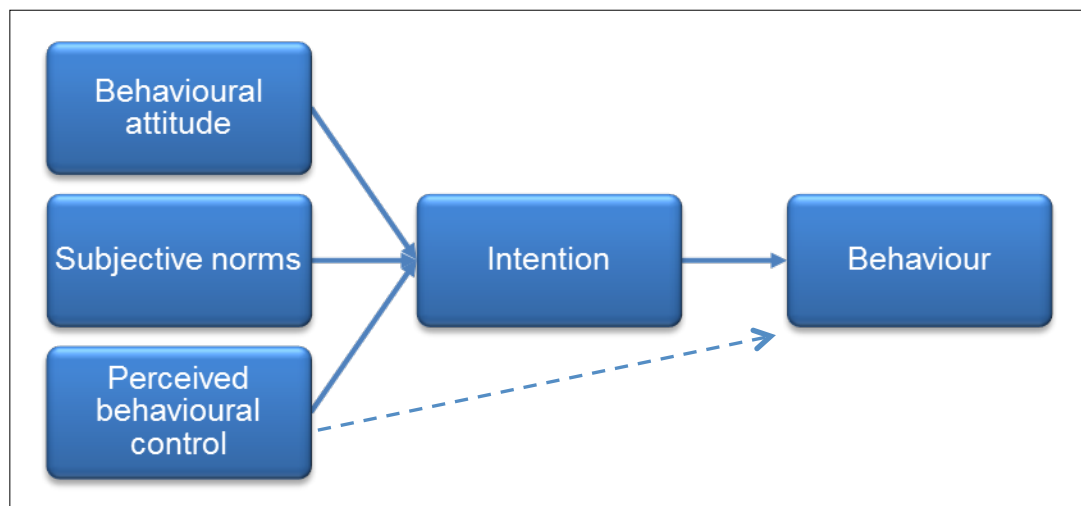
Source: Ajzen (1985)

Before considering the place of perceived behavioural control in the prediction of intentions and actions, it is instructive to compare the concept to other conceptions of control. Rotter (1966) developed a conception of control, referred to as locus of control, which has received a lot of attention in consumer behaviour literature. The concept of locus of control refers to the extent to which individuals believe that they

can control the events that affect them (Rotter, 1966). Perceived behavioural control differs greatly from Rotter's (1966) concept; locus of control is a generalized expectancy that remains stable across situations and forms of action, while perceived behavioural control can, and usually does, vary across situations and actions. Thus, while a person may believe that their outcomes are determined by their own behaviour (internal locus of control), they may also feel that they are not able to perform the behaviour of being a formula one driver (perceived behavioural control).

Another approach to perceived control has been developed by Atkinson (1964) in the Theory of Achievement Motivation. A key factor in the Theory of Achievement Motivation is the expectancy of success, defined as the perceived probability of succeeding at a given task. The view of Atkinson (1964) is similar to perceived behavioural control in that it refers to a specific behavioural context and not to a generalized predisposition. Atkinson's (1964) theory however exhibits a paradox, as success is defined not as a motive to succeed at a given task, but in terms of a general disposition which an individual carries with him from one situation to another. The general achievement motivation was assumed to combine multiplicatively with the situational expectancy of success, as well as with another situation-specific factor, the "incentive value" of success.

Ajzen's (1985) conceptualization of perceived behavioural control has its origins in and is most compatible with Bandura's (1977) self-efficacy theory. Investigations conducted by Bandura (1977) indicated that people's behaviour is strongly influenced by their confidence in their ability to perform it (i.e. perceived behavioural control). Self-efficacy beliefs can influence choice of activities, preparation for an activity, effort expended during a performance, as well as thought patterns and emotional reactions (Bandura, 1977). The Theory of Planned Behaviour places the construct of self-efficacy belief, or perceived behavioural control, within a more general framework of the relations among beliefs, attitudes, intentions and behaviour. In the model, perceived behavioural control is comprised of two components: (1) the weighted sum of control beliefs and (2) the perceived power of a particular control factor to facilitate or inhibit performance of the behaviour (Ajzen, 1989; Ajzen and Driver, 1991).

Perceived behavioural control finds its relevance or place in the Theory of Planned Behaviour together with behavioural intention, to directly predict behavioural achievement. Ajzen (1985) suggests that two rationales can be suggested for this hypothesis. First, keeping intention constant, the effort expended to bring a course of behaviour to a successful conclusion is likely to increase with perceived behavioural control. Second, a direct link between perceived behavioural control and behavioural achievement can be expected, as perceived behavioural control can often be used as a substitute for a measure of actual control. The relationship between intention and perceived behavioural control will vary depending on the situation and action being performed (Ajzen, 1985). For actions where the individual has complete volitional control perceived behavioural control will have little or no influence on intention (Ajzen, 1985). In contrast, for actions where volitional control is low the relationship between perceived behavioural control and intention will be high (Ajzen, 1985).

While the predictive validity of the Theory of Planned Behaviour is higher than that of the Theory of Reasoned Action, due to the addition of perceived behavioural control, there are still several prerequisites to ensuring that the model accurately predicts an individual's behaviour.

4.3.1 Prerequisites for predictive validity when using the Theory of Planned Behaviour

For accurate predictions when using the theory several conditions need to be met (Ajzen, 1985). First, the measures of intention and of perceived behavioural control must correspond to (Ajzen and Fishbein, 1977) or be compatible with (Ajzen, 1988) the behaviour that is to be predicted. In other words, intentions and perceptions of control must be assessed in relation to the particular behaviour of interest and the specified context must be the same as that in which the behaviour is to occur. Second, for accurate behavioural prediction intentions and perceived behavioural control must remain stable in the interval between their assessment and observation of the behaviour. Events that occur between measurement and the performance of the behaviour may produce changes in intentions or in perceptions of behavioural

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control, resulting in the measures of these variables no longer permitting accurate prediction of behaviour. Third, the accuracy of perceived behavioural control is important for predictive validity. Prediction of behaviour from perceived behavioural control should improve to the extent that perceptions of behavioural control realistically reflect actual control.

4.3.2 Application of the Theory of Planned Behaviour in the Study

In order for effective and efficient research to be conducted in the study, it is necessary to have a model to guide the research process. The Theory of Planned Behaviour was selected as the model for the study as it allows for the measurement of attitudes and intentions, making it relevant for the study.

The Theory of Planned Behaviour has been selected as opposed to the Theory of Reasoned Action as it is more up to date and has been shown to have better predictive abilities. Also, the dimension perceived behavioural control, which is not present in the Theory of Reasoned Action, is relevant for the study as many Tanzanians are not familiar with the concept of banking and thus might not perceive themselves as having the skills to partake in banking services.

As can be seen in the prerequisites for validity stated by Ajzen (1991), it is necessary to operationalize the dimensions of the Theory of Planned Behaviour based upon the behaviour being studied. Literature is discussed for each of the dimensions of the theory of planned behaviour and then interpreted within the context of the exploratory research conducted in Tazania. Attitudinal literature is not reviewed as it is dicussed in chapter three.

4.4 OPERATIONALIZATION OF ATTITUDES

Attitudes in the study are operationalized as Tanzanians attitudes towards: (1) the act of banking and (2) banks. While traditionally Ajzen (1985) states that attitudes should only be operationalized in The Theory of Planned Behaviour towards a given behaviour this study extends the model to include the object of banking. Fishbein (1991) states that attitudes can be held towards both objects and actions which

consumers were recognised as doing in the unbanked focus group. Participants expressed negative attitudes towards the act of banking and banks by stating frustration over poor customer service as well as the inability to trust banks, respectively. Attitudinal theory is discussed in Chapter three.

4.5   SUBJECTIVE NORMS

Subjective norms are the second dimension that is stated by Ajzen (1985) as affecting an individual's intention to perform a given behaviour. Consumers are surrounded by other human beings such as friends, work colleges and family on a daily basis. Each of these individuals has attitudes and beliefs about what they feel are correct or incorrect actions to perform in a given situation (Kotler and Keller, 2010). Subjective norms take into account the consideration of the beliefs and attitudes of others toward the target behaviour and the extent to which they are valued by the individual. Thus, subjective norms are a person's own estimates of the social pressure to perform or not perform the target behaviour (Francis, Eccles, Johnston, Walker, Grimshaw, Foy, Kaner, Smith and Bonetti, 2004). Subjective norms are comprised of two components: (1) beliefs about how other people, who may be in some way important to the person, would like them to behave and (2) the positive or negative judgements about each belief (Ajzen, 1985). The structure of subjective norms can be seen in Figure 4.3.

Figure 4.3 Structure of Subjective Norms
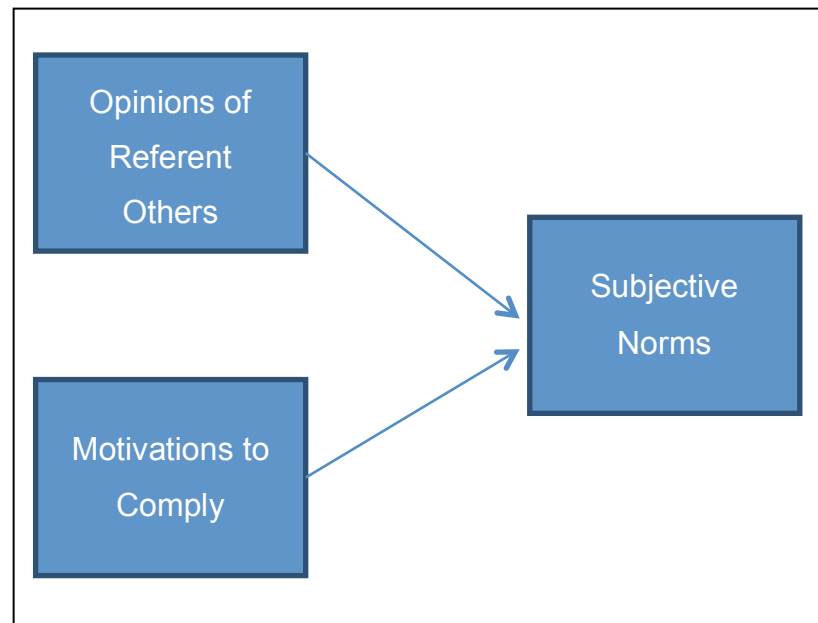
Source: Ajzen and Fishbein (1975)

Ajzen (1985) states that subjective norms should be operationalized in terms of the behaviour being studied as well as the population, when making use of the Theory of Planned Behaviour. In the case of the study of the Tanzanian banking industry, subjective norms were operationalized as the importance of reference groups to Tanzanians when deciding whether to open a formal bank account. Reference groups are likely to have a strong influence on the population of Tanzania as Tanzanians are collectivist in nature and hold the opinion of referent others in high regard (Vermaas, 2012). A reference group is people whose attitudes, behaviours, beliefs, opinions, preferences and values are used as the basis for an individual's judgements (Kotler and Keller, 2010).

The concept of reference groups has become one of the central analytical tools in consumer behaviour studies (Kotler and Keller, 2010). Psychologists have observed inconsistency in individuals' behaviour as they move from one social context to another resulting from a change in reference groups (Kotler and Keller, 2010). Marketing literature provides two types of reference groups: (1) normative reference groups and (2) comparative reference groups (Kotler and Keller, 2010). Family, peers and teachers are representative of normative referents who provide the

individual with norms, attitudes and values through direct interaction. Comparative referents, such as sports heroes and entertainment figures, provide the individual with standards of achievement to which individuals aspire and are relatively further removed from the individual (Kotler and Keller, 2010).

The commonalities between normative reference groups and subjective norms can be seen in that both impose norms upon an individual that affect their beliefs, attitudes and behaviours. Thus, normative reference groups are of relevance to the study as opposed to comparative reference groups, which do not impose norms upon individuals. The influence of normative reference groups has been found to vary based upon: (1) information and experience, (2) credibility and attractiveness and (3) conspicuousness of the product (Schiffman and Kanuk, 2010). Normative reference groups are likely to have a large influence on Tanzanians' intentions to open a formal bank account as: (1) Tanzanians are poorly educated about banks and their products and (2) Tanzanians are sceptical of banks and their behaviour (Vermaas, 2012).

Normative reference groups develop norms based upon the beliefs that their members hold (Kotler and Keller, 2010). As each member pertains to a specific culture that influences their beliefs cultural norms will express themselves through normative reference groups. Tanzania is a collectivist society where individuals are commonly part of a number of Stokvels (Upatus). It is likely that cultural norms exist in reference groups that encourage members to follow a collectivist approach to money management (Stokvel) as opposed to banking, which is more individualistic. Thus this study further extends The Theory of Planned Behaviour by suggesting that a relationship exists between collectivism and reference groups. Collectivism is operationalized in the study as the importance of others to Tanzanians when making a decision.

Of the fourty-eight banks doing business in Tanzania the majority of them are international (Vermaas, 2012). When following an international expansion strategy firms should take the local cuture into account during strategy formation (Hawkins and Mothersbaugh, 2010) To assist international banks doing business in Tanzania cultural theory is discussed in order to provide a theoretical base upon which to

interpret the findings to provide guidelines that incorporate the country's unique culture as well as understand culture's influence on reference groups.

4.5.1 Culture

It has long been recognised that culture influences consumers (Rao, 2009). As early as 1949, it was observed that all activities in which people engage are culturally determined and that nearly all purchases of goods are made either to provide physical comfort or to implement the activities that form the life of a culture (Rao, 2009). The section provides: (1) an overview of the definition of culture, (2) a description of the formation of cultural norms, (3) a description of the need for managers to be culturally sensitive and guidelines to be followed by managers and (4) an overview of cultural theories.

4.5.1.1 Definition of Culture

A great deal of literature exists on the notion and concept of culture. Attempts to systematise the findings presented in the literature into different schools has resulted in highly complex and sophisticated categorisations (Allaire and Firsirotu, 1984). Ajiferuke and Boddewyn (1970) state that the complex and sophisticated categorisations are a result of culture being a universal term that has as many meanings as people use it. Table 4.1 lists some definitions of culture that have been proposed by scholars and shows the great diversity in definitions.

Table 4.1 Definitions of Culture

Definition	Author
Culture is that complex whole which includes knowledge, belief, art, law, morals, custom, and any other capabilities and habits acquired by man as a member of society.	Tylor (1871)
Culture may be defined as the totality of the mental and physical reactions and activities that characterize the behaviour of individuals composing a social group collectively and individually in relation to their natural environment, to other groups, to members of the group	Boas (1911)

itself and of each individual to himself. It also includes the products of these activities and their role in the life of the groups. The mere enumerations of these various aspects of life, however, do not constitute culture. It is more, for its elements are not independent, they have a structure.	
Culture means the whole complex of traditional behaviour which has been developed by the human race and is successively learned by each generation. A culture is less precise. It can mean the forms of traditional behaviour which are characteristics of a given society, or of a group of societies, or of a certain race, or of a certain area, or of a certain period of time.	Mead (1937)
The focus of attention on reality under the guidance of values which lend it significance and the selection and ordering of the phenomena which are thus affected in the light of their cultural significance is entirely different from the analysis of reality in terms of laws and general concepts.	Weber (1904)
Culture consists of patterns, explicit and implicit, of and for behaviour acquired and transmitted by symbols, constituting the distinctive achievement of human groups, including their embodiment in artefacts; the essential core of culture consists of traditional (i.e. historically derived and selected) ideas and especially their attached values; culture systems may, on the one hand, be considered as products of action, on the other as conditioning elements of further action.	Kroeber and Kluckhohn (1952)
The collective programming of the mind which distinguishes the members of one group from another.	Hofstede (1980)

The definition of culture that finds relevance in the study is that suggested by Tylor (1871). The definition was selected due to its complexity and multifaceted view of culture allowing for a thorough understanding of the concept. The complex nature of culture requires further elaboration.

First, culture is a comprehensive concept and includes almost anything that influences the thought processes and behaviours of an individual (Engel, Blackwell and Miniard, 1995). Although culture does not determine the nature or frequency of biological drivers such as thirst or sex, it does influence if, when, and how these drivers will be gratified (Shavitt, Lee and Johnson, 2008). Culture not only influences preferences, but how consumers make decisions and how they perceive the world around them (Shavitt, Lee and Johnson, 2008).

Second, culture is acquired and does not include inherent responses and predispositions (Reichert and Gill, 2010). This does not mean that culture's effect on human behaviour is limited, as research shows that most human behaviour is learned (Burgess and Bothma, 2007).

Third, the complexity of modern societies is such that culture seldom provides detailed prescriptions for appropriate behaviour (Hawkins and Mothersbaugh, 2010). Instead, in most industrial societies, culture supplies the boundaries within which most individuals think and act.

Last, most individuals are seldom aware of the influences of their cultural background on their lives and their consumption behaviour (Hawkins and Mothersbaugh, 2010).

As can be seen, culture is a complex construct that affects almost all aspects of consumers' behaviour. In the study, the influence of culture will be analysed specifically from the perspective of reference groups and the Tanzanian banking industry. Culture manifests itself in reference groups through values and, in turn, norms. To better understand the influence of culture on reference groups, it is necessary to study the relationship between cultural values and norms and how they influence consumers' consumption patterns.

4.5.1.2 The Effect of Culture on Consumption Patterns

To understand the influence of culture on the norms imposed by reference groups, it is necessary to study the relationship between culture and the consumption patterns

of consumers. A model has been developed by Hawkins and Mothersbaugh (2010), which studies how norms are formed in culture and the influence of individuals' cultural values on their consumption patterns. The model is depicted in Figure 4.4.

Figure 4.4 Cultures Effect on Consumption Patterns
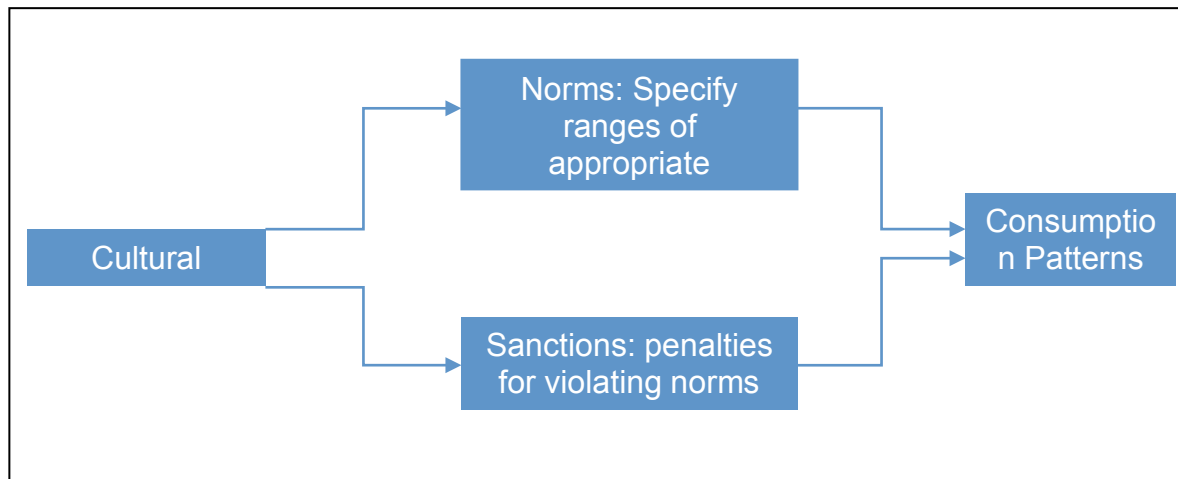
Source: Hawkins and Mothersbaugh (2010)

The model commences with cultural values, which can be described, at the simplest level, as commonly shared concepts about what is right, wrong, possible or impossible, true or false (Young, 2009). According to the model, cultural values give rise to two components that directly influence consumers' consumption patterns: (1) cultural norms and (2) cultural sanctions (Hawkins and Mothersbaugh, 2010).

Cultural norms find their relevance in the fact that individuals behave, think, and feel in a manner consistent with that of other members of the same culture, because it seems natural or right to do so (Chen and Starosat 1996). The boundaries that culture sets on behaviour are called norms, which are rules that specify or prohibit certain behaviours in specific situations. Norms are derived from cultural values, or widely held beliefs that affirm what is desirable (Hawkins and Mothersbaugh, 2010). Consumers comply with social norms as failure to do so would result in penalties that range from mild social disapproval to banishment from the social group (Ajzen, 1991). These social penalties are known as sanctions. Thus, it can be said that cultural values give rise to norms and sanctions or penalties that effect consumers'

consumption patterns. Value is represented here in the form of social sanctions: if a consumer becomes subject to such sanctions, their value received from the product will decrease, unless the consumer seeks to rebel from the social norms of that society.

It is these cultural norms and sanctions that express themselves through the norms and sanctions of reference groups. Banks need to better understand the cultures of the various reference groups that influence Tanzanians when deciding to open a formal bank account. Banks operating in Tanzania need to ensure that they design products that comply with cultural values and the cultural norms that are created by culture and reference groups. If a product conflicts with the cultural norms of a society, consumers are unlikely to purchase the product as they will suffer in the form of penalties or sanctions from the other members. In order to develop products that are culturally compliant and do not lead to sanctions for consumers, banks operating in Tanzania need to train managers and employees about the various aspects of culture, as well as how to be culturally sensitive in their operations.

4.5.1.3 Developing Culturally Sensitive Managers

Scholars have conducted extensive research across disciplines to investigate the question of how to create culturally competent managers (Chen and Starosat 1996; Spitzberg and Cupach, 1989). Despite numerous definitions of competence, the on-going discussion can be subsumed as: competence can be described as (work-related) knowledge, skills and aptitudes, which serve productive purposes in firms. In doing so, competence distinguishes outstanding from average performers (Kochanski, 1997; Nordhaug, 1993, 1998).

Previous research in operationalizing cultural competence has focused mainly on one of the following dimensions: the affective (motivation), the cognitive (knowledge) or the conative (skills) dimension. However, results have shown that emphasis on one dimension alone falls short of depicting this complex construct. As a result, more recent attempts to operationalize the construct include all three dimensions (Holzmuller and Stottinger, 2001).

Among these holistic approaches, the Third Culture Approach by Gudykunst, Wiseman and Hammer (1977) has received widespread acceptance in the field. The Third Culture Approach states that a manager displays cultural competence when he or she interprets and judges culturally overlapping situations neither from an ethnocentric perspective nor from an idealised hot culture perspective, but assumes a neutral position. To achieve this neutral position, Gudykunst et al. (1977) stress the importance of the effective component of cultural competence, which can be referred to as cultural sensitivity. In the Third Culture Approach model cultural sensitivity is a prerequisite which instils the acquisition of knowledge (cognitive dimension) and skills (conative dimension). Cultural sensitivity is seen by Gudykunst et al. (1977) as the link between the home and the host culture.

In order to train managers in the cognitive dimension of cultural sensitivity, it is necessary for banks operating in Tanzania to understand the intricate nature of culture and the dimensions which underlie the concept. An understanding of these dimensions will equip managers with knowledge that can be used to design products, services, strategies and marketing communication that is culturally sensitive. To gain such an understanding of culture, the theories and models developed by consumer behaviour scholars is to be addressed.

4.5.1.4 Cultural Theory and Models

In order to better understand culture, its influence on reference groups and how managers can be culturally sensitive, it is necessary to study the dimensions that underlie culture; this can be achieved by reviewing models or theories of culture. Engel et al., (1995:143) state that "a model is nothing more than a replica of the phenomena it is designed to present. It specifies the building blocks (variables) and the ways in which they are interrelated." Thus, by understanding these building blocks, managers gain a better understanding of how to approach the cultural diversity of their consumers.

i.   Hofstede's Cultural Typology

Hofstede (1980) proposed a systematic framework for assessing and differentiating national cultures known as the Cultural Dimensions Theory (Minkov and Hofstede, 2011). The framework was developed by gathering and analysing extensive data on the world's values and cultures, particularly by making use of data collected in the IBM survey study. The resulting framework consists of four dimensions of cultural values: (1) Power Distance, (2) Individualism-Collectivism, (3) Masculinity-Femininity and (4) Uncertainty Avoidance. These four dimensions have proved an extremely popular method in the study of cultural differences, across a wide range of disciplines, including international management.

a) Power Distance

Power Distance is the extent to which less powerful members of organisations and institutions accept and expect that power is distributed unequally (Basabe and Ross, 2005). Cultures that endorse a low power distance are expected to be more democratic and people relate to one another as equals Basabe and Ross, 2005). In contrast, a high power distance country is paternalistic and subordinates acknowledge the power of others based on their formal hierarchical position (Hawkins and Mothersbaugh, 2010).

b) Individualism-Collectivism

Individualism is the degree to which individuals are integrated into groups (Basabe and Ross, 2005). In individualistic society much importance is placed on personal achievement and individual rights (Hofstede and Bond, 1988). The opposite of individualism is collectivism and individuals in these societies act predominantly as members of a life-long and cohesive group or organization. (Hawkins and Mothersbaugh, 2010)

c) Uncertainty Avoidance

The Uncertainty Avoidance dimension refers to a society's tolerance for uncertainty and ambiguity (Hofstede and Bond, 1988). It reflects the extent to which members of a society attempt to cope with anxiety by minimizing uncertainty (Hofstede and Bond,

1988). It has been found that people in societies with more uncertainty avoidance tend to be more emotional and take careful steps implementing laws and regulations in order to avoid uncertainty (Hawkins and Mothersbaugh, 2010). In contrast, low uncertainty avoidance cultures accept and feel comfortable in unstructured environments. Individuals in these societies tend to be more pragmatic.

d) Masculinity-Femininity

The dimension of masculinity refers to the distribution of emotional roles between the genders. Masculine cultures are said to be more competitive, assertive, materialistic, ambitious and power hungry. In contrast, feminine societies place more value on relationships and quality of life. In feminine societies there is said to be less difference between the gender roles. (Hawkins and Mothersbaugh, 2010)

Hofstede (1980) received criticism from scholars who stated that the four dimensions that formed part of his cultural typology were insufficient to describe a society's entire culture (Sondergaard, 1994). Such scholars suggested that further research should be conducted and more dimensions added to the typology. Hofstede (1991), in response to this, as well as difficulty in applying his research in Asian countries, revised his model and added a fifth dimension.

e) Revision of the Model and Addition of a Fifth Dimension

Eleven years after the publication of Hofstede's (1980) monograph a fifth dimension was added to the cultural typology. The fifth dimension is refered to as long-term versus short-term orientation and refers to whether a society places importance upon short-term or long-term goals (Minkov and Hofstede, 2011).

f) Critical Acclaim

Since the addition of the fifth dimension, Hofstede's (1991) cultural typology has received a great deal of critical acclaim and has become one of the most widely used pieces of research among scholars and practitioners (Ross, 1999; Sondergaard,

1994). Hofstede's (1991) study has received 1036 citations in consumer behaviour literature, which indicates the typology's success (Sondergaard, 1994). Most scholars agree that the success of Hofstede's (1991) typology is based on three key merits: (1) relevance, (2) rigour and (3) relative accuracy.

g) Relevance

At the time of the release of Hofstede's (1980) typology, relatively little research existed on culture and many firms were beginning to enter the international arena. Firms were experiencing difficulties in international markets and were seeking a cultural theory which they could use to guide their operations in foreign countries. Hofstede's (1980) cultural typology met the needs of these international firms. Scholarly attention at the time was also turning toward culture and Hofstede is considered a pioneer and pathfinder (Sondergaard, 1994).

h) Rigour

The research framework used by Hofstede (1980) was based on rigorous design with systematic data collection and coherent theory supporting the credibility of the results and findings when using the theory (Sondergaard, 1994).

i) Relative Accuracy

Sondergaard (1994) conducted a bibliographical analysis were he compared sixty-one replications of Hofstede's (1980) research. The majority of the replications confirmed Hofstede's (1980) predictions. Four of the replications concurred in their entirety and fifteen indicated partial confirmation. The only dimension of Hofstede (1980) that could not be validly confirmed was "individualism"; however, Hofstede addressed this issue by predicting that cultures will shift over time (Sondergaard, 1994).

As can be seen culture is a complex construct that should not be overlooked by international firms doing business in Tanzania. Rather firms should train managers to be culturally sensitive and products should be developed around cultural norms.

While the study does not directly measure culture, culture is likely to manifest itself through the norms of reference groups. Thus, the study addressed cultural literature to allow for its incorporation into the managerial recommendations. The concept of culture was also used to extent The Theory of Planned Behaviour by suggesting a relationship between collectivism (operationalized as the importance of taking others into account when making a decision) and reference groups.

4.6   PERCEIVED BEHAVIOURAL CONTROL

Perceived behavioural control is the third dimension that Ajzen (1985) states as effecting consumers' behaviour and refers to a person's perceptions of their ability to perform a given behaviour. Perceived behavioural control finds relevance in the study, as a large percentage of the Tanzanian population are not aware of the products or services offered by banks; making them innovative in nature for clients (Vermaas, 2012). The innovative nature of the product will cause clients to require more resources (time, information, etc.), but also more self-confidence when making the purchase decision (Bandura, 1977).

Perceived behavioural control is based on the theory of self-efficacy developed by Bandura (1977). Self-efficacy can be defined as a person's belief about their ability to organize and execute courses of action necessary to achieve a goal (Bandura, 1986). A high level of self-efficacy indicates confidence on the individual's behalf to execute a behaviour, while low self-efficacy indicates a lack of confidence. Beliefs about self-efficacy are said to have a significant impact on individuals' goals and accomplishments by influencing personal choice, motivation, patterns and emotional reactions. People will avoid activities that they believe exceed their coping capabilities, but they undertake and perform assuredly those that they judge themselves capable of managing (Lirgg, George, Chase and Ferguson, 1996).

As the financial services industry is unfamiliar territory to many Tanzanians, they will likely have a low level of self-efficacy about their ability to partake in formal banking services and products, which is a likely contributor towards the high unbanked population in the country. A low level of self-efficacy has also been shown to influence the amount of time that an individual spends trying to achieve a behaviour

(Bandura, 1997). When beset with difficulties, people who entertain serious doubts about their capabilities slacken their efforts or give up altogether, whereas those who have a strong sense of efficacy exert greater effort to master the challenges (Schunk, 1981). Thus, if the population of Tanzania hold serious doubts about their abilities to partake in the formal banking sector, they are likely to give up attempts to become clients early on in the consumer decision-making process, possibly before conducting an information search which might provide them with insight that they are in fact capable of becoming clients.

As a result of self-efficacy theory being the basis for the development of perceived behavioural control, as well as its relevance for the study of the Tanzanian banking industry, perceived behavioural control will be operationalized as an individual's perceived self-efficacy to be able to open a bank acocunt in the study. Such an operationalization is compliant with Ajzen's (1985) requirements of taking the population and the behaviour into account when applying the Theory of Planned Behaviour.

Self-efficacy theory is discussed in detail to allow for a sound theoretical base to be developed upon which to develop a self-efficacy measure. Bandura (1977) suggest that no 'one size fits all' measure exist for self-efficacy but rather that each study should develop its own measure. Lastly a self-efficacy change model is suggested as if Self-efficacy is found to have a significant relationship with intentions to open a formal bank account banks may desire to increase consumers' self-efficacy levels.

4.6.1 Self-Efficacy Theory

The concept of self-efficacy was developed by Bandura (1977), who has since become known as the father of self-efficacy. Bandura (1977) describes four key psychological processes through which self-efficacy affects human functioning. The four psychological processes are: (1) cognitive processes, (2) motivational processes, (3) affective processes and (4) selection processes.

4.6.1.1 Cognitive Processes

The effects of self-efficacy beliefs on cognitive processes take a variety of forms. Most human behaviour, being purposive, is regulated by forethought embodying valued goals. Personal goal setting is regulated by self-efficacy in that the stronger the self-efficacy held by individuals, the higher the goal challenges people set for themselves and the firmer their commitment to them (Bandura, 1994).

Most courses of action are initially organized in thought (Schiffman and Kanuk, 2010). People's beliefs about their level of efficacy shape the types of anticipatory scenarios they construct and rehearse (Feltz and Lirgg, 2001). Individuals with a high level of self-efficacy imagine successful scenarios, while those with low self-efficacy visualize failure scenarios (Feltz and Lirgg, 2001). It is difficult to achieve much while fighting self-doubt. It requires a strong sense of efficacy to remain task oriented in the face of pressing situational demands, failures and setbacks that have significant repercussions. Indeed, when people are faced with the tasks of managing difficult environmental demands under taxing circumstances, those who are beset by self-doubts about their efficacy become more and more erratic in their analytic thinking, lower their aspirations and as a result, the quality of their performance deteriorates (Bandura, 1997). In contrast, those who maintain a resilient sense of efficacy set themselves challenging goals and use good analytic thinking which pays off in performance accomplishments (Bandura, 1994).

4.6.1.2 Motivational Processes

Self-efficacy has a strong influence in the self-regulation of motivation. Most human motivation is cognitively generated (Schiffman and Kanuk, 2010). Individuals motivate themselves and guide their actions anticipatorily by the exercise of forethought (Schiffman and Kanuk, 2010). Three different forms of cognitive motivators exist around which different theories have been built: (1) attribution theory, (2) expectancy-value theory and (3) goal theory (Bandura, 1994). Self-efficacy beliefs operate in each of these types of cognitive motivation (Bandura, 1994).

4.6.1.3 Affective Processes

Individuals' self-efficacy and their beliefs about their coping capabilities affect how much stress and depression they experience in threatening or difficult situations, as well as their level of motivation (Bandura, 1997). Perceived self-efficacy to exercise control over stressors has a central role in anxiety arousal (Feltz and Lirgg, 2001). Individuals that believe they can exercise control over threats do not conjure up disturbing thought patterns; however, those who believe they cannot manage threats experience high anxiety arousal. Such individuals dwell on their coping deficiencies and view many aspects of their environment as fraught with danger (Bandura, 1994).

4.6.1.4 Selection Processes

Individuals are partly the product of their environment (Schiffman and Kanuk, 2010). Thus, beliefs of personal efficacy can shape the course individuals' lives take by influencing the types of activities and environments individuals select (Feltz and Lirgg, 2001). Individuals avoid activities and situations they believe exceed their coping capabilities and readily undertake challenging activities that they judge themselves capable of coping with (Bandura, 1977). The choices individuals make cultivate different competencies, interests and social networks that determine the course of their life (Bandura, 1994). Any factor that influences choice behaviour can profoundly affect the direction of personal development, as the social influences operating in selected environments continue to promote certain competencies, values, and interests long after the efficacy decisional determinant has rendered its inaugurating effect.

As can be seen through self-efficacy's cognitive, motivational, affective and selection processes and the fact that banking is an innovative product for many Tanzanians, self-efficacy is likely to be a key contributor towards the high unbanked population in Tanzania. As the theory will be used in the study to determine the role of self-confidence in consumers' decision in Tanzania to open a formal bank account, it is necessary to review the criticisms of the theory in order to avoid any pitfalls that have been identified as well as to ensure its credibility.

4.6.1.5 Criticism of Self-Efficacy Theory

Self-efficacy theory has been widely tested in varied disciplines and settings and has received support from a growing body of findings from diverse fields. Self-efficacy beliefs have been found to be related to clinical problems such as phobias (Bandura, 1983), addiction (Marlatt, Baer and Quigley, 1995), depression (Davis and Yates, 1982), social skills (Moe and Zeiss, 1982), to stress in a variety of contexts (Jerusalem and Mittag, 1995); to smoking behaviour (Garcia, Schmitz and Doerfler, 1990); to pain control (Manning and Wright, 1983); to health (O'Leary, 1985) and to athletic performance (Barling and Abel, 1983).

However, despite the success and academic support which self-efficacy theory has received, it is not without criticism. The most notable criticism of self-efficacy theory has come from Marzillier and Eastman (1984), who were critical of the model on a conceptual and methodological basis.

Marzillier and Eastman (1984) state that their biggest criticism of the concept of self-efficacy does not lie in its plausibility, but rather in the theoretical status of the construct as defined by Bandura (1977). Marzillier and Eastman (1984) suggest that there is a fundamental ambiguity in Bandura's (1977) definition of self-efficacy and that it arises out of his attempt to define self-efficacy expectations independently of outcome expectations. Both self-efficacy and outcome considerations are seen as being equally important in determining change and Marzillier and Eastman (1984) argue that it is impossible to exclude considerations of outcome from any assessment of personal self-efficacy.

Marzillier and Eastman's (1984) second line of criticism concerns the methodology used by Bandura (1977) and his colleagues in assessing self-efficacy expectations. Marzillier and Eastman (1984) feel that the strong relationship between self-efficacy assessments and later behaviour change suggested by Bandura (1977) is made to appear more impressive than it is as a result of using a hierarchical rating scale.

Bandura has dismissed these criticisms of his theory as being unsubstantial and states that Marzillier and Eastman (1984) "need not fear that perceived self-efficacy

will usurp the lion's share of the variance in human conduct". Self-efficacy theory continues to remain one of the most influential theories of human behaviour and is accepted as being a valid theory by Ajzen (1985), which can be seen by the development of the construct perceived behavioural control based on Bandura's (1977) work. For these reasons, despite the criticism of self-efficacy theory by Marzillier and Eastman (1984), self-efficacy theory will be used in the study to operationalize and measure perceived behavioural control.

4.6.1.6 Altering Self-Efficacy

Bandura (1990) has suggested a method of altering negative behaviour and increasing an individual's self-efficacy when dealing with detrimental lifestyle practices. While the suggestions of Bandura (1990) pertain to detrimental lifestyle choices when dealing with HIV, the principles are relevant and can be applied to the population of Tanzania when considering the practice of not partaking in formal banking. The suggested method of change has three steps: (1) informational, (2) controlling self-efficacy and (3) skill enhancement and building resilient self-efficacy.

i.   Informational

According to Bandura (1990), the preconditions for change are created by increasing individuals' awareness and knowledge. Thus, if banks in Tanzania are to increase their customer base they need to increase the awareness of the population about the existence of products and services in the formal banking sector, as well as their knowledge about products and services (both of these points have been identified as barriers to becoming a client of the formal banking sector by Finscope (2007)).

The informational component of the model of self-directed change has two factors: (1) the informational content of the message and (2) the mechanisms of social diffusion. Detailed factual information about products and services offered by the formal banking sector and their benefits must be imparted socially in an understandable, credible and persuasive manner. Once informational messages have been developed, they require dissemination in order to be effective. Dissemination is likely to prove problematic in Tanzania as the majority of the

population live in rural areas and little mass media communication exists in the country. Banks will likely be required to travel to remote villages to hand out fliers or provide presentations as many of the individuals are illiterate.

ii.   Controlling Self-Efficacy

Bandura (1990) states, that it is not merely sufficient to convince individuals that they should alter their behaviour. Most individuals will require guidance on how to translate their concerns into efficacious actions. In a study conducted by McKusick, Horstman and Coates (1986), it was found that individuals who possess knowledge, but have a low level of self-efficacy, were unable to act on their knowledge. Bandura (1990) states that social modelling should be used to build self-assurance, as well as convey rules on how to deal with a troublesome situation. The influence of modelling on beliefs about one's capabilities relies on comparison with others. Individuals judge their own capabilities in part from how well individuals that are similar to themselves exercise control over situations. Individuals will develop stronger belief in their capabilities and more readily adopt modelled ways, if they see models similar to themselves solve problems successfully with the modelled strategies, than if they see models that are different from themselves (Bandura, 1986). To increase the impact of modelling, the characteristics of models such as age, sex and status, the type of problems with which they cope and the situation in which they apply their skills, should be made to appear similar to the individual's own circumstances.

iii.   Enhancement of Proficiency and Resiliency of Self-Efficacy

Proficiency requires extensive practice and once individuals gain knowledge of new skills, they need opportunities to perfect these skills. Initially, individuals practice in simulated situations where they need not fear making mistakes or appearing inadequate. Simulated situations can be achieved by role playing, in which individuals practice handling the types of situations they have to manage when becoming a client of the formal banking sector. During the role playing activity, individuals can receive information feedback on how they are doing and the corrective changes that need to be made. The simulated practice is to be continued until individuals perform the task proficiently and spontaneously.

While guided practice improves the skills of individuals, it also raises their self-efficacy. Experiences in exercising control over banking situations will act as self-efficacy builders for individuals. If individuals are not fully convinced of their personal efficacy, they undermine their efforts in situations that tax capabilities and readily abandon the skills they have been taught when they fail to get quick results or suffer reverses. The important matter is not that difficulties rouse self-doubts, which is a natural immediate reaction, but rather the degree and speed of recovery from setbacks. It is resiliency in perceived self-efficacy that counts in maintenance of changes in health habits.

4.7   BEHAVIOURAL INTENTIONS

The Theory of Planned Behaviours' dependent variable is behavioural intentions influenced by the independent variables: (1) attitudes, (2) subjective norms and (3) perceived behavioural control. Behavioural intention is defined as an indication of how much effort they are willing to exert in order to perform a given behaviour (Ajzen and Fishbein, 1975). Intentions involve four different elements: (1) the behaviour, (2) the target object, (3) the situation and (4) the time. Each of these elements varies along a dimension of specificity (Ajzen and Fishbein, 1975). At the most specific level, a person intends to perform a particular act with respect to a given object in a specified situation at a given point in time (Ajzen and Fishbein, 1975). Intentions at this end of the scale are known as specific intentions. Intentions which are not as specific are reffered to as general behaviour intentions (Ajzen and Fishbein, 1975).

According to Ajzen (1985) intentions should be operationalized according to the beahviour being studied. In this study the intention is a general behaviour intention as it is operationalized as Tanzanian's intentions to open a formal bank account.

4.8   CONCLUSION

As can be seen The Theory of Planned Behaviour provides an appropriate model to study the influence of attitudes on Tanzanians' intentions to open a formal bank account. The Theory of Planned Behaviour is a revised model of the Theory of Reasoned Action and suggests that behavioural intentions are determined by: (1) attitudes, (2) subjective norms and (3) perceived behavioural control.

This chapter provided a literature overview of the Theory of Planned Behaviour as well as the dimensions of the model. The literature overview allowed for the formation of a strong theoretical base from which to operationalize each of the model's dimensions. The theoretical base was studied within the context of the qualitative research conducted in Tanzania and the dimensions operationalized.

Attitudes are operationalized as Tanzanians' attitudes towards banking and banks. While Ajzen (1985) suggests that within the context of The Theory of Planned Behaviour attitudes be operationalized towards a behaviour the exploratory research identified the need to extend the model and include the object banks.

Subjective norms are operationalized as the importance reference groups. Tanzania is a highly collectivist society and thus the opinions of referent others are likely to be held in high regard when deciding whether to open a formal bank account. The model was further extended by suggesting that collectivism, operationalized as the importance of collectivism, influences reference groups.

Perceived behavioural control is operationalized as perceived self-efficacy of Tanzanians to perform the behaviour of opening a formal bank account. The operationalization of subjective norms as self-efficacy was appropriate as perceived behavioural control is based upon self-efficacy theory and banking is a relatively novel concept for most Tanzanians, leading them likely to have a low level of confidence about opening a formal bank account.

After the operationalization of the model for the Tanzanian financial services industry it was possible to design a methodology to conduct empirical analysis.

5 CHAPTER 5: METHODOLOGY

5.1 INTRODUCTION

Tanzania has a high unbanked population. Despite the existence of forty-eight banks in Tanzania, only nine percent of the population own a formal bank account (Vermaas, 2012). To provide Tanzanian banks with strategy recommendations to acquire new customers the study researched the unbanked population of Tanzania by means of the attitudinal model: the theory of planned behaviour. To ensure that the research conducted in the study was carried out both effectively and efficiently, it was important that a well-structured and detailed methodology was followed (McDaniel and Gates, 2009).

5.2 METHODOLOGICAL FRAMEWORK

A methodology can be referred to as a theory of how inquiry should proceed and involves the analysis of assumptions, principles and procedures in a particular approach to an enquiry (Zikmund et al., 2010). A methodology does not describe specific methods, despite the attention given to the nature and processes to be followed in a given procedure (McDaniel and Gates, 2009); rather, a methodology provides a constructive, generic framework (Zikmund et al., 2010). The methodological framework that was followed in the study is depicted in 5.1.

Figure 5.1 Methodological Framework
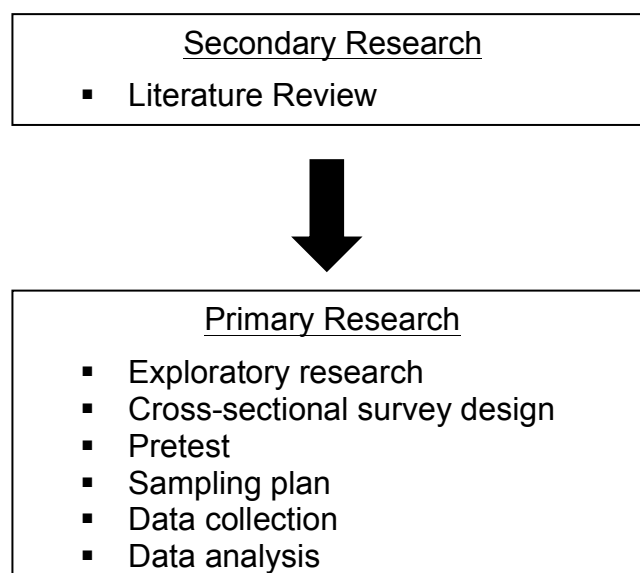
The methodological framework begins with secondary research as depicted in Figure 5.1. Secondary research was used to conduct a literature review in order to assess the relevant literature generated from previous research conducted. Three broad areas of literature were reviewed for the study. These were used to develop a literature review that would act as a theoretical base for primary research: (1) banking and financial services, (2) the economic and banking climate in Tanzania and (3) consumer behaviour.

Primary research was conducted after the secondary research, based upon the theoretical base that was developed in the literature review. The primary research consisted of: (1) exploratory research, (2) a cross-sectional survey design, (3) pre-test, (4) sampling plan, (5) data collection and (6) data analysis. Exploratory research was conducted using qualitative research tools and allowed an opportunity to generate a concise definition of the research problem, selection of a research design and dimensions to be measured in the survey (MKT 450, 2013). A cross-sectional survey design was deemed appropriate for the study as it provided sufficient data to address the research problem (McDaniel and Gates, 2009). A pre-test was conducted to test the research design and research instrument before conducting the study in Tanzania. The sampling plan aided the selection of respondents that correspond with the profile of individuals most likely to open a bank account in Tanzania based upon Finscope's (2007) research. These respondents then provided data to conduct a statistical analysis, to empirically test the theoretical model.

5.3   RESEARCH DESIGN

The research design was formulated by studying the problem statement and the objectives of the study as they provided requirements and guidelines for the research design. A summary of the problem statement and research objectives is provided.

5.3.1 Problem Statement

Over the last ten decades the African continent has seen commendable progress in the areas of democratic governance, economic growth and the provision of basic social services (UNDP, 2012). The most substantial form of economic growth has been seen in the African banking industry, which has received a great deal of attention from international investors (Citizen, 2010). The attention has developed out of research results indicating the profit potential of marketing to consumers at the bottom of the income pyramid (Prahalad and Hart, 2008). Within Africa, Tanzania has become a hub for international investment with many South African, European and Chinese banks investing in the country (Citizen, 2008). In total, there are fourty-eight banks currently doing business in Tanzania (Index Mundi, 2011).

However, despite international investment in the Tanzanian banking industry and the high number of banks in the country, the banking penetration rate remains low (Vermaas, 2012). Only nine per cent of the population are part of the formal banking sector, which means that 35.6 million individuals keep their money "under mattresses" (Index Mundi, 2011). The high unbanked rate is detrimental to both consumers in Tanzania and the country's economy, as it has been demonstrated by Levine (2004) that banking provides consumer benefits as well as enhances economic growth. Consumers benefit from banking as it offers them (1) security, (2) convenience and (3) the opportunity to build a financial future. Without these benefits, the unbanked individuals of Tanzania will struggle to plan for their financial future and are likely to experience hardship when faced with expenses such as housing, education and medical care. Economic growth is an outcome of banking as it increases the rate of physical capital contribution and improves the efficiency with which economies combine capital and labour in the production process (Levine, 2004).

The low participation in the banking sector poses problems for international banks as it means smaller customer bases and fewer consumers to earn profits from. When marketing to consumers at the bottom of the pyramid bulk sales are often required to achieve economies of scale (Keegan and Green, 2010).

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Lwizwa and Nwankwo (2002) indicate that negative attitudes held by Tanzanians towards the financial services industry contribute towards the country's high unbanked population. However, little is understood about the realtionship between attitudes and the intentions of consumers to perform a given behaviour within Tanzania.

Thus, there seems to be a need to conduct research into the relationship between attitudes and intentions to open a formal bank account for Tanzanians.

5.3.2 Research Objectives

The objectives were formulated based on the Theory of Planned Behaviour and incorporate the following dimensions, as suggested in the models: (1) attitudes, (2) subjective norms and (3) perceived behavioural control (Ajzen, 1985).

1. To investigate the attitudes held by individuals towards banks and banking and how these attitudes affect their behavioural intention.
2. To explore the influence of reference groups on individuals and how reference groups contribute towards subjective norms affecting individuals' behavioural intentions.
3. To assess the perceived self-efficacy (perceived behavioural control) of individuals towards opening a formal bank accounts and the effect of their perceived self-efficacy on their behavioural intention.

The objectives act as a guideline when determining the four main aspects of the methodology: (1) the source of the information (whether it is primary or secondary, or a combination of both), (2) the design technique (which can be either survey or experimental), (3) the sampling methodology and (4) the schedule and cost of research (Gupta, 2007). The study made use of both primary and secondary research, with secondary research being conducted first.

5.3.3   Secondary Research

Secondary research was used in the study to develop a literature review that acted as a theoretical base for primary research. The literature review allowed for identification of the dimensions to be studied and for correct operationalization of those dimensions.

5.3.3.1 Literature Review

A literature review was conducted in order to determine the previous research and findings in the fields of: (1) banking and financial services, (2) the Tanzanian banking climate, (3) consumer behaviour - focusing specifically on attitudinal research and intention to adopt.

The literature review was conducted by studying journals, published literature, newspaper articles and books. The sources were obtained from the Stellenbosch University Online Library databases and Johan Vermaas, former head of retail banking at NBC bank, who has gathered extensive research on the Tanzanian banking industry. Sources such as the World Bank, Finscope and the websites of Tanzanian banks were studied to gain a better grasp of the banking problems that exist in Tanzania. On the completion of the literature review a sufficient theoretical base had been established upon which to commence primary research.

5.3.4   Primary Research

The primary research for the study was conducted in both South Africa and Tanzania. Due to budget constraints, the primary research that could efficiently and effectively be conducted in South Africa was done so. However, primary research was conducted in Tanzania when it was a requirement of meeting the study's objectives.

5.3.4.1 Primary Research Conducted in Tanzania

The nature of the problem statement required a certain degree of the primary research to be conducted in Tanzania. The Tanzanian population has its own unique culture and characteristics that influence their decisions when deciding whether to open a formal bank account. Data collection was conducted in Tanzania to allow for these unique characteristics and culture to be represented in the study.

Initial qualitative research was conducted in South Africa by means of telephonic interviews with individuals who were experienced in the Tanzanian banking industry and with opinion leaders in fields of commonality between South Africa and Tanzania such as Stokvels and Islamic Banking.

Further qualitative research was conducted in Tanzania by formulating questionnaires based upon the findings of the qualitative research conducted in South Africa. Qualitative research was conducted with both bank manager and banked and unbanked individuals in Tanzania.

During the qualitative phase of the study it became apparent that, as the theory of planned behaviour was developed within a Western context (Ajzen, 1985) and does not take into account the unique characteristics of the Tanzanian population. The findings of the qualitative research were used to adapt the model for the study. The results of the adaptation can be found in section 5.4.

Quantitative research was also conducted in both South Africa and Tanzania. A pilot study of the cross sectional survey design was administered in South Africa due to time and monetary constraints, which did not allow for it to take place in Tanzania. The pilot study allowed for the testing of the reliability of the scale items selected for the questionnaire (questionnaire discussed in section 5.6.1.2). Quantitative research in the form of a cross sectional survey design took place in Tanzania itself.

5.3.4.2 Exploratory Research

Exploratory research was conducted in the form of qualitative research, which is defined as a form of systematic empirical inquiry into meaning (Shank, 2002). The following forms of qualitative research were used in the study: (1) experience surveys, (2) focus groups and (3) observation.

i. Experience Surveys

The first form of exploratory research conducted was experience surveys. Experience surveys involve speaking to individuals who have experience in the research problem and field of study (Wiley, 2010). Four stages of experience surveys were conducted: (1) semi-structured telephonic interviews, (2) informal personal interviews within South Africa, (3) semi-structured personal interviews with banking CEOs in Tanzania, and (4) informal personal interviews with banked and unbanked Tanzanian individuals.

ii. Semi-structured Telephonic Interviews

Telephonic interviews were used when conducting interviews with Johan Vermaas and DK Waiza; two high ranking bank officials in Tanzania. Johan Vermaas was formerly employed as retail director of NBC bank in Tanzania, while DK Waiza currently holds the position of Institutional Coverage Manager at Absa Capital for Tanzania.

The interview guide (Appendix A) that was used during the telephonic interview is comprised of six questions, each focusing on a different area of the Tanzania banking industry. The six focus points that were addressed in the questionnaire can be found in Appendix A.

Open-ended questions were chosen for the interviews as they allow for a more detailed response from participants and provided an opportunity for them to include their own knowledge and feelings (Zikmund et al., 2010).

The telephonic interviews identified key concerns and problems faced by both Tanzanian consumers and banks doing business in the country. The following key concerns were identified: (1) a high unbanked population, (2) a lack of consumer trust towards banks, (3) poor customer service, (4) a lack of customer-centric product offerings exists, (5) too many banks are doing business in Tanzania and (6) banks lack information about consumer behaviour.

The findings of the telephonic interview enforce the need for this study. The findings indicate that the high unbanked population in Tanzania is problematic for banks and that they would like to increase their market share. The respondents felt that consumers do not trust banks, which prevents them from opening formal bank accounts. The low level of trust towards banks could be a result of the negative attitudes held by individuals towards banks and the act of banking. According to the respondents little information is available to Tanzanian banks about consumer behaviour, making it difficult to design marketing strategies. It is likely that the lack of consumer behaviour information leads to banks not offering customer-centric products offerings. This study provides banks with consumer behaviour research which will empower banks to develop customer-centric product offerings and in turn likely increase the banked population of Tanzania.

iii.   Informal Interviews within South Africa

Face-to-face, informal interviews were conducted with three individuals: Nolundi Bhiko (Stokvel owner), Razeen Nieftagodien (President of the Islamic Society at the University of Stellenbosch) and Chrizelda van Reenen (Absa Sales Manager).

Nolundi Bhiko was interviewed by the researcher as she is the leader of a local Stokvel in the Stellenbosch area. A Stokvel is a type of credit union, or communal buying group, in which a group of people enter into an agreement to contribute a fixed amount of money to a common pool weekly, fortnightly, or monthly, to be drawn in rotation according to the rules of the particular Stokvel (Wits, 2008). When conducting the telephonic interviews with DK Waiza and Johan Vermaas, it was discovered that Tanzania has informal banking systems that are very similar to that of South Africa's Stokvel system (both are built around culture). The personal

interview with Nolundi Bhiko was used to gain an understanding of these informal banking systems and the role that culture has in their formation and membership. The findings suggested the following about Stokvel systems: (1) they have a motivational factor as all members save together, (2) they act as loans and are cheaper than taking out credit at a bank or store and (3) Stokvels vary greatly based upon the culture in which they operate.

Thirty-five percent of the Tanzanian population is Muslim and thus the researcher saw it necessary to conduct exploratory research into the Muslim culture and Islamic banking (Africamiracles, 2013). The research into this particular avenue was conducted using face-to-face interviews with the president of the Islamic society at the Stellenbosch University and Chrizelda van Reenen, who is the general sales manager for Absa in Stellenbosch. Three interesting insights were made in these interviews: (1) the majority of banks in Tanzania do not provide an Islamic banking package, (2) Islamic banking is not a priority for most banks as it is not very profitable and (3) only devout Muslims find benefits in switching to Islamic banking as Muslims that are not devout have developed coping mechanisms to overcome the "sins" of regular banking. Coping mechanisms adopted by Muslims involve: (1) not spending the interest accrued on accounts and (2) purchasing housing and vehicles at a marked up price instead of paying a loan which includes interest.

iv.   Semi-structured Personal Interviews with banking CEOs in Tanzania

Semi-structured personal interviews were conducted with banking CEOs in Tanzania from: (1) FNB Tanzania, (2) NBC and (3) CRDB. Interviews were conducted with these individuals to gain insight into how the banks were approaching the large unbanked population in Tanzania as well as what they felt the contributing factors for these numbers were. An open-ended questionnaire was formulated for the interviews (Appendix A). Being exposed to the thoughts and feelings of respondents was still important at this stage of the research as generalised information about the banking industry was still being acquired. The interviews indicated that banks were largely uninformed about the questions asked and most answers were generic in nature. The majority of banks provided the same answers and were able to offer the researcher little insight into the problems faced by the banking industry.

In the informal interviews banks indicated that their main focus was on acquiring corporate clients, as private clients often could not afford banking. Banking managers accredited the large unbanked population in Tanzania as being a result of the high level of poverty in the country. It was apparent that bank managers used the high level of poverty as an excuse not to conduct consumer behaviour research. Bank managers did however state that many consumers struggled to provide the necessary documents to open a formal bank account. Banks when asked about offering customer-centric product offerings stated that they did not see a need to and that their 'one size fits all' savings and cheque accounts were sufficient. As can be seen banks are largely uninformed about the needs of consumers and what leads them to open a formal bank account.

v.   Informal Personal Interviews with Banked and Unbanked Tanzanians

Lastly, informal personal interviews were conducted with individuals from both the banked and unbanked population in Tanzania. The interviews were conducted in the form of a conversation, in relaxed environments such as restaurants and bars, chosen specifically to create an opportunity for respondents to feel comfortable to share their opinions (Gupta, 2007). Banked individuals were asked to provide motivation for their decision to open a bank account and why they felt the unbanked population in Tanzania was high. Unbanked individuals were asked to motivate why they had not opened a bank account and what they felt were the benefits of being banked and unbanked. The results of the interviews corresponded with those found in the focus groups.

vi.   Focus Groups

Focus groups were conducted in Tanzania with both banked and unbanked individuals. Focus groups provide subjective data about individuals' attitudes towards a given object or behaviour (McDaniel and Gates, 2009).

The two focus groups were held at the University of Dar es Salaam in classrooms provided by the university. The banked focus group consisted of ten individuals,

while the unbanked group consisted of eight. Individuals selected for the focus groups comprised of students from the Unviersity of Dar es Salaam.

Two individuals were required to moderate the focus groups. One individual (a local Tanzanian student) was present to act as a translator and moderator. The student was able to better understand and relate to the local culture than the researcher, which proved helpful in the focus group. The second individual, the researcher, was present to lead the focus group discussion and ensure that it was recorded. Recording took place by means of a voice recorder and writing key points. The first moderator was carefully selected as it was necessary to find an individual comfortable with speaking in front of groups of individuals in both English and Kiswahili.

A discussion guide (Appendix B) was created by the moderator as a road map to guide the focus groups (Stewart, Shamdasani & Rook, 2007). The discussion guide prompted the moderator to begin with an introduction to the focus group, welcome respondents and thank them for their time. Respondents were then asked to introduce themselves and a small discussion was held with each respondent to develop rapport. Respondents were then led through the discussion topics on the discussion guide. Lastly, respondents were thanked for their participation and dismissed.

The unbanked focus group provided the following key insights: (1) many individuals worried about the security of their money and did not trust banks, (2) banking service is poor with long queues, (3) they were not aware of the different banking services that existed and (4) many respondents were using M-PESA as an alternative to formal banking. Thus many of the concerns identified in the interviews with Johan Vermaas and DK Waiza such as poor trust towards banks and poor customer service were identified in the unbanked focus group. The low level of trust towards banks appeared to be a result of a lack of education about how banks operated as participants expressed concerns that banks could leave the country taking with them consumers' money at any time.

The key findings from the banked focus group were: (1) the majority of individuals had opened a bank account because they were forced to do so by their bursar, (2) banked individuals could clearly state the benefits of owning a bank account which were the ability to earn interest, the ability to build a credit history and security of funds, (3) bank accounts are viewed as a luxury item and (4) bank service is poor with long queues and empty ATMS. It was interesting to note that banked individuals who appeared more educated about banking products and service indicated a high degree of trust in banks.

vii.   Observation

Observation was conducted in NBC, Barclays, FNB and CRDB in Tanzania. A mystery shopper approach was used when conducting observation. Individuals were studied in both local and international banks.

The observation provided an understanding of how banking transactions are conducted in Tanzania, the level of customer service offered by employees and how comfortable customers appeared to be when transacting at the bank. Human observation was used and no interaction between the observer and the respondents took place. It was important to ensure that respondents were not aware that they were being observed or this might have altered their behaviour (Boote and Mathews, 1999). Nonverbal behaviour was observed more than verbal behaviour due to the language barrier that existed between the respondents and the mystery shopper. Nonverbal behaviour was deemed to provide a sufficient indication of an individual's experience with the bank as it has been shown to be a communication process by which meanings are exchanged between individuals.

The observation exercise confirmed many of the findings of the focus groups and informal interviews held with Tanzanians. Government and locally-owned banks were found to have long queues and to be understaffed. The poor customer service in local banks lead many consumers to appear frustrated. ATMs belonging to government and locally-owned banks were often out of money causing individuals to drive long distances to the next ATM to withdraw funds. The banks halls of international banks such as FNB and Barclays had very few clients in them and

branches were often empty (this was likely due to the perception that these banks are more expensive).

Qualitative research revealed variables of importance that were not included in the theory of planned behaviour. The inclusion of these variables resulted in the development of an adapted version of the theory of planned behaviour for the Tanzanian banking market.

5.4 THE THEORY OF PLANNED BEHAVIOUR RECONSIDERED

The theory of planned behaviour was developed within a Western cultural context and thus does not take into account the unique characteristics of Tanzania and East Africa (Ajzen, 1985). The qualitative research conducted in Tanzania provided valuable insight into the decision-making process followed by Tanzanians when deciding whether to open a formal bank account. The results necessitated adaption of the theory of planned behaviour based on the findings of the exploratory research to take into account the unique characteristics of Tanzania financial services market. The following dimensions were identified from the exploratory research: (1) trust, (2) relative advantage, (3) attitude towards saving, (4) service convenience and (5) perceived value. The literature for the dimensions is discussed as well as their influence on the adapted model.

5.4.1 Trust

The unbanked focus groups conducted in Tanzania indicated that the majority of the respondents felt that banks were untrustworthy. Respondents expressed concern that international banks had been in the country for only a short period of time and were likely to leave the country taking customers' financial savings with them in an act of theft. When respondents were questioned about the governmental laws that were in place to protect consumers against such behaviour they were not aware of them.

Trust is a concept that is defined differently based upon the underlying discipline. Economists tend to view trust as either calculative (Wiliamson, 1993) or institutional

(North, 1990), while psychologists frame trust theories on attributes of trustors and trustees and the host of internal cognitions that personal attributes yield (Rotter, 1967; Tyler, 1990). Regardless of the underlying discipline of the researchers, the dimension of trust can be seen as defined by two commonalities: (1) confident outcomes and (2) a willingness to be vulnerable. Rousseau, Sitkin, Burt and Camerer (1998) have reviewed trust literature from different disciplines and have developed the following overarching definition of trust:

Trust is a psychological state comprising the intention to accept vulnerability based upon positive expectations of the intentions or behaviour of another (Rousseau et al. 1998).

The definition suggested by Rousseau et al. (1998) is the dentition of trust accepted in the study as it provides a merger between the fields of economics and consumer behaviour, both of which are relevant to research within the Tanzanian banking industry.

Rousseau et al. (1998) have suggested a framework of the necessary factors for trust to arise. The framework consists of the factors: (1) risk and (2) interdependence. As the levels of risk and interdependence fluctuate so does the form that trust takes in the given relationship.

Risk is defined as the perceived probability of loss, as interpreted by the decision maker (Chile and McMackin, 1996). The path-dependent connection between trust and risk taking arises from a reciprocal relationship: risk creates an opportunity for trust, which leads to risk taking. Moreover, risk taking buttresses a sense of trust when the expected behaviour materializes (Coleman, 1990). Trust would not be needed if actions could be undertaken with complete certainty and no risk (Lewis and Weigert, 1985). Uncertainty regarding whether the other intends to and will act appropriately is the source of risk (Lewis and Weigert, 1985).

Interdependence occurs when the interests of one party cannot be achieved without reliance upon another. While both risk and interdependence are required for trust to

emerge, the nature of risk and trust changes as interdependence increases (Sheppard and Sherman, 1998).

Trust can take three different forms depending on the structure and type of relationship between the two parties: (1) deterrence-based trust, (2) calculus-based trust and (3) relational trust. Each type of trust has its own unique characteristics.

Deterrence-based trust emphasizes utilitarian considerations that enable one party to believe that another will be trustworthy, because the costly sanctions in place for breach of trust exceeds any potential benefits from opportunistic behaviour (Ring and Van de Ven, 1994). Deterrence-based trust is the most appropriate type of trust when considering the Tanzanian banking industry as government has strict penalties for banks that mistreat customer relationships.

Calculus-based trust is based on rational choice - characteristic of interactions based upon economic exchange. Trust emerges when the trustor perceives that the trustee intends to perform an action that is beneficial. The perceived positive intentions in calculus-based trust derive not only from the existence of deterrence but also because of credible information regarding the intentions or competence of another (Barber, 1983).

Relational trust derives from repeated interactions over time between trustor and trustee. Information available to the trustor from within the relationship itself forms the basis of relational trust. Reliability and dependability in previous interaction with the trustor give rise to positive expectations about the trustee's intentions. Emotion enters into the relationship between the parties, because frequent, longer-term interaction leads to the formation of attachments based upon reciprocated interpersonal care and concern (McAllister, 1995).

The inclusion of trust as an additional dimension in the theory of planned behaviour is not a novel concept. Lobb, Mazzocchi and Traill (2006) proposed an adapted model of the theory of planned behaviour called the SPARTA model which suggests that trust directly influences behavioural intentions. Lobb et al. (2006) found a positive relationship between trust and intentions to purchase. The adapted model

includes trust and suggests that a significant relationship exists between it and intentions to open a formal bank account. In this study trust is operationalized as trust towards banks. The inclusion of trust in the model leads to the following hypothesis:

Ho₁: There is no relationship between trust towards banks and intentions to open a formal bank account

5.4.2 Relative Advantage

Rogers (1995) developed a model called the diffusion of innovations, which describes the factors that influence the rate of diffusion of an innovation in a society. The model is comprised of five constructs that are said to influence the rate of diffusion of an innovation: (1) relative advantage, (2) compatibility, (3) complexity, (4) trialability and (5) visibility. The focus groups conducted in Tanzania indicate that for many unbanked individuals banking is a relatively innovative product. Unbanked respondents were unable to describe the products and services offered by banks and struggled to list the benefits of banking. The majority of individuals in the unbanked focus group stated that they kept their money "under their mattress" or in an M-Pesa account. Thus, banking is defined as innovative not in terms of how long it has been on offer to Tanzanians, but in comparison to their current money-saving methods.

The dimension of relative advantage listed in Roger's (1995) model is of particular importance to the Tanzanian banking industry. Relative advantage refers to the extent to which an innovation is perceived as being better than the idea that it supersedes (Rogers, 1995). When conducting the unbanked focus group the respondents initiated a conversation about the relative advantage of banking to that of M-Pesa and keeping one's money under a mattress. The discussion about relative advantage amongst the focus group is indicative that it is likely a consideration factor for Tanzanians when deciding whether to open a formal bank account.

The degree to which an innovation has a relative advantage can be expressed in factors such as: efficiency, quality, comfort, social prestige, saving time and cost or

other benefits (Rogers, 1995). The nature of the innovation as well as the characteristics of the potential adopters will determine the specific type of relative advantage that is important (Rogers, 1995). Factors contributing towards relative advantage that lead to the highest reduction in uncertainty will have the most importance (Rogers, 1995).

To decrease the uncertainty experienced by consumers many firms offer incentives for adopting one of their products (Rogers, 1995). These incentives increase the relative advantage a product offers the consumer. Incentives can take five forms: (1) adopter versus diffuser incentives, (2) individual versus system incentives, (3) positive versus negative incentives, (4) monetary versus nonmonetary incentives and (5) immediate versus delayed incentives (Rogers, 1995).

5.4.2.1 Adopter versus Diffuser Incentives

Incentives may be paid either directly to an adopter or to another individual to persuade an adopter. Diffuser incentives usually take the form of rewarding an individual for recruiting a new customer for the firm.

5.4.2.2 Individual versus System Incentives

Incentives can be made to an individual or to the system to which they belong. An example of payment to systems is when government rewards communities for pertaining to a certain standard.

5.4.2.3 Positive versus Negative Incentives

Incentives can either be negative or positive. Most incentives are positive in that they reward a desired behaviour. It is however also possible to penalise an individual for not adopting a new innovation. An example of a negative incentive can be seen through government owned apartments in Singapore being small in order to discourage families from having more than two children.

5.4.2.4 Monetary versus Nonmonetary Incentives

While incentives are usually monetary they can also take the form of a commodity. An example of a commodity incentive is offering a consumer a free product alongside the purchase of the innovation. Absa bank offered nonmonetary incentives for new customers by providing free dial up internet when opening a cheque account.

5.4.2.5 Immediate versus Delayed Incentives

The majority of incentives are immediate and consumers receive them upon purchase of the product. However, other incentives can be delayed such as the adoption of banking which provides interest after funds have been invested.

Firms are recommended to offer as many value adding incentives as financially viable in order to decrease the perceived risk of adopting a new innovation in the minds of consumers. Individuals also need to be educated about the relative advantage offered by a product as they may not be aware that they exist. If individuals are not aware of the relative advantage offered by a product it is likely to be falsely evaluated during the consumer decision-making process.

While relative advantage is traditionally incorporated as a component of the diffusion of innovation model, the study suggests, based upon the exploratory research, that it be incorporated into the adapted version of the theory of planned behaviour (Rogers, 1995). As individuals in the unbanked focus groups debated the relative advantage of banking and its influence on their intentions to open a formal bank account it is hypothesised that relative advantage directly influences intentions in the adapted model. In the this study perceived relative advantage is operationalized as perceived relative advantage of banking. The inclusion of relative advantage in the model presents the following null hypothesis:

> **Ho$_2$:** There is no relationship between perceived relative advantage of banking and intentions to open a formal bank account

5.4.3 Attitude Towards Saving

One of the fundamental benefits of banking is the ability to safely and securely save for one's financial future (Furnham, 1985). When conducting focus groups with unbanked individuals in Tanzania the ability to save funds was one of the few benefits of banking that respondents were able to list. When deciding whether to purchase a product consumers evaluate the benefits that a product offers during the evaluation of alternatives stage of the consumer decision-making process (Kotler and Keller, 2010). Consumers will value product benefits differently based upon their particular needs (Kotler and Keller, 2010). Thus it is likely that banking as a product becomes more attractive to individuals that have a positive attitude towards saving.

The reasons that individuals save money are of common concern for both psychologists and economists (Furnham, 1985). While economists have conducted a great deal of research into the field of financial saving, little research exists from a consumer behaviour perspective. However, economists tend to view reasons for saving from a purely financial approach, while consumer behaviour research tends to overlook financial implications (Furnham, 1985).

Katona (1975) has found that an individual's attitude towards saving is deeply rooted and connected with their upbringing and lifestyle. A summary of surveys conducted across America about individuals' reasons for saving indicated the following four aspects to be the main reasons that individuals save: (1) emergency situations, (2) retirement, (3) caring for children's needs and (4) to purchase a house (Furnham, 1985). Thus, individuals in Tanzania's attitudes towards saving are likely to be a function of their perceived importance of these four reasons of saving.

The study includes attitude towards saving in the adapted theory of planned behaviour for the banking industry in Tanzania. It is hypothesised that attitude towards saving has a significant relationship with intentions. The relationship is based upon the reasoning that as an individual's attitude towards saving increases, so does their intentions to open a bank account as banking becomes of more relevance to the individual. The suggested relationship leads to the formation of the null hypotheses:

Ho₃: There is no relationship between attitude towards saving and intentions to open a formal bank account

5.4.4 Service Convenience

When conducting the banked and unbanked focus groups in Tanzania respondents indicated their frustration with banking service. Respondents stated that banks had long queues, ATMs were often unstocked and that travelling distances to bank facilities were far. Thus, the service convenience offered by banks appeared to be of concern to respondents when deciding whether to open a formal bank account.

Convenience has been recognised by researchers as being increasingly important to consumers. Despite the importance of convenience in consumer behaviour little research has been conducted in the area. According to Berry, Seiders and Gruwal (2002) convenience is comprised of: (1) time expenditure and (2) effort on behalf of the consumer.

Time is characterised as a limited and scarce resource (Jacoby, Szybillo and Berning, 1976). Time, unlike money, cannot be expanded; it is finite (Berry, 1979). Although time usage in consumption can be perceived as either an investment or a cost, it is most commonly viewed as a cost (Anderson and Shugan, 1991). Becker (1965) incorporates time into the classic economic model recognising that time, like income and price, constrains choice. Time can be viewed as an opportunity cost of forgone income or participation in other activities (Bivens and Volker, 1986).

Time allocation has been found to be an outcome of demographic, socioeconomic and psychological determinants and influences lifestyle and consumption behaviour of individuals (Holbrook and Lehmann, 1981). Studies indicate that individuals differ in their temporal orientation, including perceived time scarcity, the degree to which they value time and their sensitivity to time related issues (Bergadaa, 1990; Durrande-Moreau and Usunier, 1999; Graham, 1981).

Consumers' energy expenditures, or effort, are acknowledged to be a distinct type of nonmonetary cost that, like time, influences perceived convenience (Seiders, Berry and Gresham, 2000) and satisfaction (Lovelock, 1983). Downs Mabry (1970) notes that stamina constraints in addition to time and money constraints influence choice among activities. Effort can be viewed as a relevant and positive input to an exchange: in an equitable exchange, the more effort a party exerts, the more outcome he or she expects in return (Oliver and Swan, 1989). Mohr and Bitner (1995) suggest that effort is comprised of physical, cognitive and emotional effort.

Based upon Berry et al.'s (2002) findings five types of service convenience are said to exist: (1) decision convenience, (2) access convenience, (3) transaction convenience, (4) benefit convenience and (5) post benefit convenience.

Decision convenience refers to the perceived time and effort required to make service purchase or use decisions. Consumers who desire a particular performance devote time and effort to deciding how to obtain it. Consumers must decide whether to self-perform or purchase the service. If deciding to purchase the service, consumers must make decisions on which supplier to use and the specific service to purchase.

Access convenience refers to consumers' perceived time and effort expenditures to initiate service delivery. Access convenience involves consumers' required actions to request and be able to receive the service. Service facility location, operating hours, parking availability and remote contact options figure prominently in the access convenience of firms that require consumers' physical presence.

Transaction convenience involves consumers' perceived expenditures of time and effort to effect a transaction. Transaction convenience focuses strictly on the actions consumers must take to secure the right to use the service.

Benefit convenience is consumers' perceived time and effort expenditures to experience the service's core benefits. Core benefits are the most basic or fundamental benefit that the consumer derives from the product.

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Post benefit convenience involves the consumer's perceived time and effort expenditures when reinitiating contact with a firm after the benefit stage of the service. Post benefit convenience can be related to a consumer's need for product repair, maintenance or exchange.

Access convenience is the most appropriate form of service convenience within the Tanzanian banking industry as facility location and long waiting periods to initiate service delivery were raised as concerns during the focus groups. Thus, access convenience is included in the model and it is hypothesised that it has a significant relationship on consumers' intentions to open a formal bank account. In this study access convenience is operationalized as access convenience towards banking services. The inclusion of access convenience in the adapted model leads to the formation of the following hypothesis:

> **Ho$_4$:** There is no relationship between access convenience to banking services and intentions to open a formal bank account.

5.4.5 Perceived Value

When conducting the focus group with unbanked individuals concern was indicated about the cost of banking in terms of both money and time. Respondents (who were unable to list the benefits of banking) expressed concern at the expense of banking relative to not receiving any real benefits in return. Perceived value is described as the consumer's overall assessment of the utility of a product (or service) based on perceptions of what is received and what is given (Kotler and Keller, 2010). Thus the focus group indicates that individuals consider value when deciding whether to open a formal bank account.

Marketing literature confirms these findings and states that value is an important marketing concept that must be addressed by all firms (Hartnett, 1998). Consumers are said to be value-driven and to make purchase decisions upon perceived value (Levy, 1999). Marketers need to ensure that they understand what consumers value and deliver on these attributes in order to achieve a market place advantage (Woodruff, 1997).

Traditionally, marketing literature viewed perceived value based upon a value for money conceptualization stating that the 'give' component refers to finances and the 'get' component to quality (Chain Store Age, 1985; Monroe, 1990). However, research has shown that viewing value as a trade-off between quality and price is too simplistic (Schechter, 1984). A broader theoretical framework of perceived value has been developed by Sheth, Newman and Gross (1991) who regard consumer choice as a function of multiple consumption value dimensions. These value dimensions are said to make varying contributions in different choice situations (Sheth et al., 1991). Five dimensions are suggested: (1) functional, (2) social, (3) emotional, (4) epistemic and (5) conditional value. The five dimensions relate specifically to the perceived utility of a choice, whether at the decision to buy level, at the product level or at the brand level.

Sheth et al. (1991) define functional value as the perceived utility acquired from an alternative for functional, utilitarian or physical performance. An alternative acquires functional value through the possession of salient functional, utilitarian or physical attributes. Functional value is measured in a profile of choice attributes.

Social value is defined by Sheth et al. (1991) as the perceived utility acquired from an alternative association with one or more specific social groups. An alternative acquires social value through association with positively or negatively stereotyped demographic, socioeconomic and cultural-ethnic groups. Social value is measured on a profile choice imagery.

Emotional value is defined by Sheth et al. (1991) as the perceived utility acquired from an alternative's capacity to arouse feelings or affective states. An alternative acquires emotional value when associated with specific feelings or when precipitating those feelings. Emotional values are measured on a profile of feelings associated with the alternative.

Sheth et al. (1991) defines epistemic value as the perceived utility acquired from an alternative's capacity to arouse curiosity, provide novelty, and satisfy a desire for

knowledge. An alternative acquires epistemic value by items referring to curiosity, novelty and knowledge.

The final dimension, conditional value, refers to the perceived utility acquired by an alternative as a result of the specific situation or set of circumstances facing the choice maker. An alternative acquires conditional value in the presence of antecedent physical or social contingencies that enhance its functional or social value. Conditional value is measured on a profile of choice contingencies.

As can be seen, value is an important dimension for both firms and consumers. Firms need to study consumers in detail to determine what constitutes value for them and then deliver on these aspects through their product offerings. In this study value is operationalized as the value of banking products. It is hypothesised that a relationship exists between value and intentions which leads to the formation of the null hypothesis:

> **Ho$_5$:** There is no relationship between perceived value of banking products and intentions to open a formal bank account

The additional null hypotheses required the theory of planned behaviour to be adapted to incorporate the relationships suggested.

5.4.6 Revised Model

The additional dimensions found to be of importance in the exploratory research were used to develop an adapted theory of planned behaviour. The adapted model is depicted in Figure 5.2.

Figure 5.2 Adapted Theory of Planned Behaviour
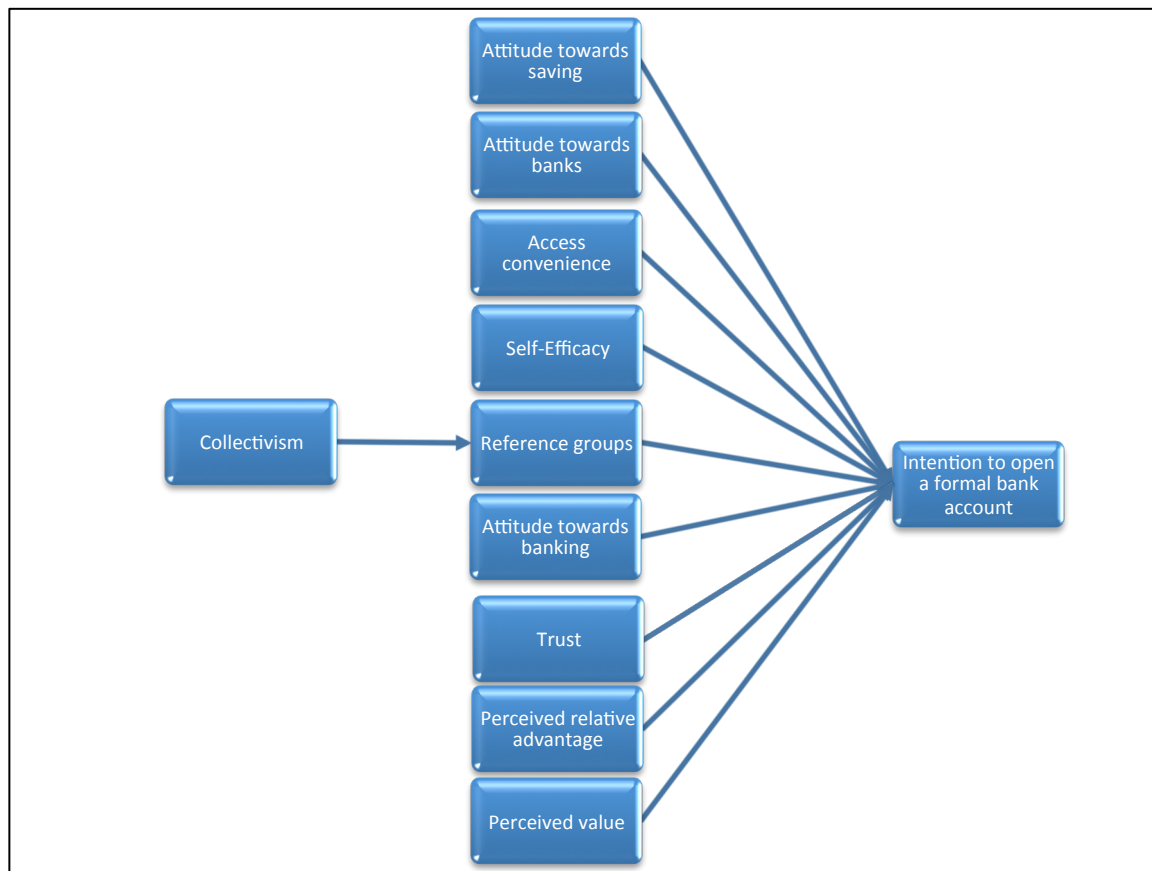
As can be seen in Figure 5.2 the model adds seven independent variables to the study that are hypothesised to have an influence on the dependent variable intention to open a formal bank account. Intentions are then said to be the sole determinant of an individual's actual behaviour (Ajzen, 1985).

5.4.6.1 Independent Variables

The model identifies eight independent variables to be studied. The study has multiple independent variables: (1) attitude towards saving, (2) attitude towards banks, (3) access convenience, (4) self-efficacy, (5) reference groups, (6) perceived relative advantage, (7) perceived value and (8) collectivism.

5.4.6.2 Dependent Variables

The study has two dependent variables: (1) intentions and (2) reference groups. The construct intentions to open a formal bank account is the study's main dependent variable as it determines the actual behaviour of consumers in Tanzania towards the banking industry (Ajzen, 1985). Reference groups is a secondary dependent variable in the study and is hypothesised to be dependent upon collectivism. The proposed relationships between the independent variables and dependent variables allow for the formation of eight hypotheses.

5.5 HYPOTHESES

The application of the adapted theory of planned behaviour results in the development of the ten hypotheses stated below. In the case of the study the hypotheses describe the relationship between the independent variables: (1) attitude towards saving, (2) attitude towards banks, (3) self-efficacy, (4) access convenience, (5) reference groups, (6) perceived relative advantage, (7) perceived value, (8) attitudes towards banking and (9) trust and the dependent variable: (1) intentions (Gupta, 2007) as well as the relationship between the independent variable collectivism and the dependent variable reference groups.

Ho$_1$: There is no relationship between trust towards banks and intentions to open a formal bank account.

Ho$_2$: There is no relationship between perceived relative advantage of banking and intentions to open a formal bank account.

Ho$_3$: There is no relationship between attitude towards saving and intentions to open a formal bank account.

Ho$_4$: There is no relationship between access convenience to banking services and intentions to open a formal bank account.

Ho$_5$: There is no relationship between perceived value of banking products and intentions to open a formal bank account.

Ho$_6$: There is no relationship between the importance reference groups and intentions to open a formal bank account.

Ho$_7$: There is no relationship between attitude towards banks and intentions to open a formal bank account.

Ho$_8$: There is no relationship between attitudes towards banking and intentions to open a formal bank account.

Ho$_9$: There is no relationship between perceived self-efficacy to open a formal bank account and intentions to open a formal bank account.

Ho$_{10}$: There is no relationship between collectivism and importance of reference groups.

The ten hypotheses required the development of a quantitative research design in order for data to be collected that could be used to test the hypotheses.

5.6   QUANTITATIVE RESEARCH

Quantitative research can be defined as the collection of data in the form of numbers and the use of statistical types of data analysis (Zikmund et al., 2010). The adapted version of the theory of planned behaviour and the corresponding hypotheses acted as a guide when developing the quantitative research design for the study.

5.6.1   Quantitative Research Design

The proposed research design used in the study is a survey in the form of a self-administered questionnaire. Survey research is effective as it provides a quick, inexpensive, efficient and accurate means of assessing information about a population (Glasow, 2005).

5.6.1.1 Cross Sectional Survey Design

The cross sectional survey design was implemented in the form of personal, face-to-face interviews with respondents. Cross sectional surveys are a class of research methods that involve measurement of all of a population, or a representative subset, at one specific point in time (Zikmund et al., 2010). A cross sectional survey was selected as a single measure of the population provided sufficient data to meet the study's objectives. Personal, face-to-face interviews were chosen as the appropriate means of cross sectional survey design as a result of the following factors: (1) characteristics of the sample, (2) response rate, and (3) time. As the sample is not

likely to have reliable access to email and mail delivery services, these approaches to conducting a survey were eliminated.

As the population being studied was foreign to the researcher local field workers were used to collect data. Using face-to-face interviews has two main advantages. The first is that the response rate of the sample is likely to be higher if respondents are required to complete the questionnaire in the presence of a field worker (Zikmund et al., 2010). Using face-to-face interviews also helped diminish the problem of non-response (Zikmund et al., 2010). The second advantage of using face-to-face surveys is that it will diminish the amount of time required to conduct interviews.

The two main disadvantages of using personal interviews are that: (1) they are costly and (2) there is the chance that interviewer error will occur (Gupta, 2007).

5.6.1.2 Questionnaire

A structured questionnaire was designed to allow for the collection of data to test the theoretical model. A pencil and paper questionnaire was used, as it would present the questionnaire in a format that is familiar to the respondents. Electronic means of administering the questionnaire were not used as, while this diminishes the need for coding and can save time, it was felt that respondents might feel intimidated by the electronic equipment or become distracted, affecting their results.

The questionnaire consists of three parts. Part one contains two screening questions asking respondents to indicate whether they currently own a formal bank account and if they are studying towards a tertiary education. These screening questions were necessary in order to determine if respondents were unbanked and studying towards a post-matric qualification; both of which are requirements for partaking in the study. Part two contains items that measure the dependent and independent dimensions identified in the adapted theory of planned behaviour model (Ajzen, 1985). Lastly, part three contains demographic questions that will allow for the segmentation and analysis of the respondents' responses based on their demographics.

i. Items to be used in the Questionnaire

The items used in the questionnaire to measure: (1) attitude towards saving, (2) attitude towards banks, (3) self-efficacy, (4) access convenience, (5) reference groups, (6) perceived relative advantage and (7) intentions were obtained from the original literature and, where necessary, adapted to the study. All scales were tested in a pilot study to ensure their internal consistency.

a) Intentions

Intentions were measured in the study using two scales: a semantic differential and a likert scale. Two scales were selected to measure intentions as it is the only dependent variable in the study and if one of the scales proved to be unreliable in an East African context, the other scale could be used for statistical tests.

The semantic differential scale was developed by Dawar and Pillutla (2000) and was designed to measure purchase intention. Purchase intention can be translated in the study to the decision to "purchase" or open a formal bank account. The items that form part of the intention scale are listed in Table 5.1.

Table 5.1 Purchase Intention Semantic Differential

Item	Scale Type	Scale Point Values	Negative Adjective	Positive Adjective
One	Semantic Differential	1= Strongly disagree, 5=Strongly agree	Not at all desirable	Very desirable
Two	Semantic Differential	1= Strongly disagree, 5=Strongly agree	Not at all likely	Very likely

Source: Dawar and Pillutla (2000)

The scale was found to be reliable by Dawar and Pillutla (2000) and showed an internal consistency of 0.96. A reliability of 0.96 is above the 0.6 threshold level (Fan and Le, 2011), making the scale acceptable for use in the study.

The second scale used to measure intention was a Likert scale consisting of three items depicted in Table 5.2. The scale was developed for the study and was not drawn from previous literature. The items each focus on respondents' future intentions to open a bank account. The scale items were developed by consulting academics with experience in developing scales for consumer behaviour studies (Boshoff, 2013).

Table 5.2 Intention Scale Items

Item	Scale Type	Scale Point Values	Item
One	Five Point Likert	1= Strongly disagree, 5=Strongly agree	I intend to open a bank account in the near future
Two	Five Point Likert	1= Strongly disagree, 5=Strongly agree	It is likely that I would have a bank account soon
Three	Five Point Likert	1= Strongly disagree, 5=Strongly agree	Using a bank account to manage my financial affairs is something I am considering

The pilot study confirmed the scale to be reliable with a Cronbach's alpha value of 0.68 (Fan and Le, 2011). It was found that if item one was deleted, the Cronbach's alpha increased to 0.864. However, the item was retained as an experienced researcher suggested that this increase could be a result of the small sample size and that keeping the item might prove beneficial during the actual data collection in Tanzania (Boshoff, 2013).

b) Trust

Trust was measured using a five point Likert scale developed by Tax, Brown and Chandrashekaran (1998). The scale consists of four items that measure the trust consumers place in a specific organisation. It was necessary to adapt the scale

slightly to tailor it towards banks in general as opposed to a specific organisation. The original items can be seen alongside the adapted items in Table 5.3.

Table 5.3 Trust Scale Items

Item	Scale Type	Scale Point Values	Item	Adapted Item
One	Five Point Likert	1= Strongly disagree, 5=Strongly agree	I believe the organisation could not be relied upon to keep its promises	I believe banks can be relied upon to keep their promises
Two	Five Point Likert	1= Strongly disagree, 5=Strongly agree	I believe the organisation was trustworthy	I believe banks are trustworthy
Three	Five Point Likert	1= Strongly disagree, 5=Strongly agree	I would find it necessary to be cautious in dealing with this organization	It is necessary to be cautious when dealing with banks
Four	Five Point Likert		Overall, I believe this firm was honest	Overall, I believe banks are honest

Source: Tax, Brown and Chandrashekaran (1998)

The adapted scale items were tested in the pilot study and returned a Cronbach's alpha value of 0.594, which is below the 0.6 threshold level (Fan and Le, 2011). The Cronbach's alpha value could be increased to 0.795 with the removal of item three: however the item was kept as an experienced researcher suggested that the low reliability might be due to the small sample size (Boshoff, 2013). It was also suggested that the item was specifically suited to the Tanzanian market: participants from the unbanked focus group indicated that they struggle to trust banks. If the scale proved to be unreliable in the data collection held in Tanzania it could then be deleted.

c) Access Convenience

A scale for measuring access convenience has been developed by Colwell, Aung, Kanetkar and Holden (2008) as part of a questionnaire they developed to measure service convenience. As the scale was developed to measure the access convenience of a generic service provider, it was necessary to adapt the scale to make it relevant to banks. The adapted scale asked customers to respond to the items based on banks as a service provider as opposed to a generic service provider. The original items alongside the adapted items are shown in Table 5.4.

Table 5.4 Access Convenience Scale Items

Item	Scale Type	Scale Point Values	Item	Adapted Item
One	Five Point Likert	1= Strongly disagree, 5=Strongly agree	The service provider was available when I needed to talk to them	Bank personnel are available when I need to talk to them
Two	Five Point Likert	1= Strongly disagree, 5=Strongly agree	The service provider is accessible through various ways (online, telephone and in person)	Banking services are accessible through various ways (internet, ATM, physical branch, telephone)
Three	Five Point Likert	1= Strongly disagree, 5=Strongly agree	The hours of operation of the service provider were convenient	Bank operating hours are convenient
Four	Five Point Likert	1= Strongly disagree, 5=Strongly agree	It is easy for me to contact an employee of the service provider if necessary	It is easy for me to contact bank employees if I need to speak to them

Source: Colwell et al., (2008)

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The adapted scale was tested in a pilot study and was found to have a Cronbach's alpha value of 0.5. However, if item number two was deleted, the scale is found to be reliable at 0.6 (Fan and Le, 2011). An experienced researcher suggested that the low reliability might be due to the small sample size. It was suggested that the item should be retained and removed from the final data collection in Tanzania if necessary (Boshoff, 2013).

d) Perceived Economic Value

Sweeney and Soutar (2001) developed a scale for measuring consumer perceived value of products. The scale consists of four seven point Likert scales. The items were originally designed for a study of the banking industry and thus did not need to be adapted. The items are shown in Table 5.5.

Table 5.5 Perceived Economic Value Scale Items

Item	Scale Type	Scale Point Values	Item
One	Five Point Likert	1= Strongly disagree, 5=Strongly agree	Banking is reasonably priced
Two	Five Point Likert	1= Strongly disagree, 5=Strongly agree	Banking offers value for money
Three	Five Point Likert	1= Strongly disagree, 5=Strongly agree	Banking is a good product for the price
Four	Five Point Likert	1= Strongly disagree, 5=Strongly agree	Banking would be economical

Source: Sweeney and Soutar (2001)

The scale was found to have a reliability of 0.91 by Sweeney and Soutar (2001) making it acceptable for use in the study. However, it was necessary to adapt the scale to a five point Likert as it was found that seven points were often confusing to respondents who were unfamiliar with questionnaires. The scale items when tested with a five point Likert scale were found to have a reliability of 0.66, which is acceptable (Fan and Le, 2011).

e) Attitude towards the Act of Banking

Shih and Fang (2004) developed a scale to measure consumers' attitudes towards the act of banking. The scale, while designed for internet banking, was used in the study: the original items measured individuals' attitude towards banks in broad terms that were not specific to internet banking. As a result "internet banking" could easily be replaced with the term "bank account". The original items alongside the adapted items are shown in Table 5.6.

Table 5.6 Attitude Towards Act of Banking Scale Items

Item	Scale Type	Scale Point Values	Item	Adapted Item
One	Five Point Likert	1= Strongly disagree, 5=Strongly agree	Using internet banking would be a good idea	Using a bank account would be a good idea
Two	Five Point Likert	1= Strongly disagree, 5=Strongly agree	Using internet banking would be a wise idea	Using a bank account would be a wise idea
Three	Five Point Likert	1= Strongly disagree, 5=Strongly agree	I like to internet bank	I would like to use a bank account

Source: Shih and Fang (2004)

The adapted items were tested in a pilot study on a five point likert scale and where found to have a Cronbach's alpha value of 0.70. The adapted scale is thus reliable as it is above the 0.6 threshold level (Fan and Le, 2011).

f) Self-efficacy

Bandura (2006) recommends that when wanting to explore self-efficacy in a study, a measure should be designed specifically for the purpose of the research, as there is no all-purpose measure of self-efficacy. The "one measure fits all" approach has shown to have limited explanatory and predictive value, as most of the items in an all-purpose test have little or no relevance to the domain of functioning (Bandura, 2006). Thus, a scale was specifically designed for the study in order to determine the self-efficacy of individuals when opening a formal bank account. The items for this scale were generated by referring to concerns raised in focus groups; these concerns were from both banked and unbanked Tanzanians with regards to opening a formal bank account. Bandura (2006) suggests that self-efficacy be measured by providing respondents with a number of statements and a rating scale of one to a hundred, in intervals of ten. Respondents are then to indicate the degree to which they feel they can perform the action described in each statement, by rating their confidence on the scale provided. The items formulated for the measurement of self-efficacy in the study were as follows: (1) I can fill out the necessary documents to open a bank account, (2) I can travel to the bank to open a bank account, (3) I can save enough money to open a bank account, (4) I can produce the necessary legal documents to open a bank account, (5) I can travel to banking facilities when I need them and (6) I can express my needs to banking staff. The scale was tested in a pilot study and was found to have a Cronbach's alpha value of 0.7.

g) Collectivism

The scale used to measure collectivism was developed by Pentz (2011). The scale consists of five items that are measured on a seven point likert scale. The items are shown in Table 5.7.

Table 5.7 Collectivism Scale Items

Item	Scale Type	Scale Point Values	Item
One	Five Point Likert	1= Strongly disagree, 5=Strongly agree	The well-being of my co-workers/colleagues is important to me
Two	Five Point Likert	1= Strongly disagree, 5=Strongly agree	I feel good when I co-operate with others
Three	Five Point Likert	1= Strongly disagree, 5=Strongly agree	If those people around me are happy, I am also happy
Four	Five Point Likert	1= Strongly disagree, 5=Strongly agree	If I am successful, I like to share the benefits with others
Five	Five Point Likert	1= Strongly disagree, 5=Strongly agree	Teamwork is important to me

Source: Pentz (2011)

Pentz (2011) found the scale to be reliable as the Cronbach's alpha value was above 0.7. The items were deemed to be appropriate for research in Tanzania.

h) Attitude towards Saving Money

Furnham (1985) developed a scale that measures individuals' attitudes towards saving money. The scale was developed by consulting three sources: (1) pilot interviews with ten participants on attitudes toward and habits of saving, (2) the results of a Psychology Today survey (Rubinstein, 1981) (N=20 000) focusing on the practise of saving of money and (3) a non-empirical but richly described psychiatric account of compulsive saving (Goldberg and Lewis, 1978). The original scale consisted of fifteen items. This was, however, deemed to be too long for the study as it would contribute towards respondent fatigue. As a result, only nine items, that were

most applicable to East African banking, were used. Item numbers: one, seven, twelve, thirteen, fourteen and fifteen, listed in Table 5.8, were removed. Items one, fourteen and fifteen were also removed as it was felt that Tanzanians would not understand them.

Three of the nine items that were selected were also adapted in order to ensure that they were relevant and could be understood by respondents. The adapted items are listed in Table 5.8 and are items three, four and eight. Item three is applicable to individuals living in a welfare state; however, the Tanzanian government does not provide welfare to their population. Individuals who are unemployed usually rely on support from their family members. As a result, the item was adapted to represent a family support perspective. Item four measured the attitude of individuals towards saving in a society with a high tax rate. The majority of students in Tanzania do not pay tax, resulting in the need for item four to be adapted. Based on the results of the focus group, and the low level of income earned by the average Tanzanian, it was thought that income level would be an appropriate replacement. Item eight measured individual attitude towards saving and being dependent on social security. As social security does not exist in Tanzania, the item was adapted to reflect dependency on family rather than state. It was also necessary to adapt the scale to a five point Likert scale to make it more understandable for the target audience as many individuals who were not familiar with questionnaires struggled with a seven-point scale. Table 5.8 shows the original items, whether or not they were included in the survey and if applicable, how they were adapted for use.

Table 5.8 Attitude towards the Saving of Money Scale Items

Item Number	Scale type	Scale Point Values	Item	Adapted Item
1	Five Point Likert	1= Strongly disagree, 5=Strongly agree	In times of inflation it is ridiculous to save	Removed
2	Five Point Likert	1= Strongly disagree, 5=Strongly agree	Most people who are careful savers are mean and	Original item used

			penny pinching	
3	Five Point Likert	1= Strongly disagree, 5=Strongly agree	If one lives in a welfare state there is no need to save at all	There is no need to save as my family will provide for my financial needs
4	Five Point Likert	1= Strongly disagree, 5=Strongly agree	There is no point in saving when the tax rate is so high	There is no point in saving when you have a low income
5	Five Point Likert	1= Strongly disagree, 5=Strongly agree	Children should be taught in school the benefits of saving	Original item used
6	Five Point Likert	1= Strongly disagree, 5=Strongly agree	Usually people who save are more cautious about all aspects of their lives	Original item used
7	Five Point Likert	1= Strongly disagree, 5=Strongly agree	I do not disclose to anybody about how much I save	Removed
8	Five Point Likert	1= Strongly disagree, 5=Strongly agree	There would not be so many people on social security if they had been taught to save	There would not be so many people dependent on their families if they had been taught to save
9	Five Point Likert	1= Strongly disagree, 5=Strongly agree	Saving money makes people more independent	Original item used
10	Five Point Likert	1= Strongly disagree,	One way to become wealthy	Original item used

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			5=Strongly agree	is to save	
11	Five Point Likert	1= Strongly disagree, 5=Strongly agree	Children should be taught in school the benefit of saving	Original item used
12	Five Point Likert	1= Strongly disagree, 5=Strongly agree	I often deny myself certain pleasures so that I can save money	Removed
13	Five Point Likert	1= Strongly disagree, 5=Strongly agree	Few of my friends and acquaintances save as much as I do	Removed
14	Five Point Likert	1= Strongly disagree, 5=Strongly agree	The best way to save is by investing in property/shares	Removed
15	Five Point Likert	1= Strongly disagree, 5=Strongly agree	The best way to save is by investing in artwork	Removed

Source: Furnham (1985)

The original scale was found by Furnham (1985) to have a reliability of 0.9, which is considered an acceptable reliability (Churchill, 1979). The adapted scale's Cronbach's alpha was found to be 0.78, which is above the 0.6 threshold level and thus reliable (Fan and Le, 2011).

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i) Reference Groups

As an appropriate scale was not available to measure reference groups a self-generated scale was developed. The scale consists of five items that are measure on a five point likert scale. The items are depicted in Table 5.9.

Table 5.9 Reference Group Scale

Item	Scale Type	Scale Point Values	Item
One	Five Point Likert	1= Strongly disagree, 5=Strongly agree	The preferences of my friends influenced me during my decision to open a bank account
Two	Five Point Likert	1= Strongly disagree, 5=Strongly agree	Other people's preferences influenced me during my decision to open a bank account
Three	Five Point Likert	1= Strongly disagree, 5=Strongly agree	The preferences of family members influenced me during my decision to open a bank account
Four	Five Point Likert	1= Strongly disagree, 5=Strongly agree	I consider the expectations of those around me when opening my bank account
Five	Five Point Likert	1= Strongly disagree, 5=Strongly agree	My decision to open a bank account was influenced by those close to me

The reliability of the scale was tested in the pilot study conducted in South Africa. The scale was found to have a Cronbach's alpha value of above 0.6 and was thus deemed reliable (Zikmund, 2006).

j) Perceived Relative Advantage

The measure of perceived relative advantage was formulated specifically for the study as no suitable measure was found in marketing literature: the measure consisted of seven items measured on a seven point Likert scale. The items were formulated by studying the proposed benefits of banking that were identified by participants in the focus groups. The benefits identified were grouped into two main categories used to generate items: (1) ease of completing financial tasks (items: one, three and seven) and (2) improved quality of life (items: two, four and five). Item six was a generalised item that sought to measure whether individuals regarded banking to be advantageous. Item six was negatively worded to minimize response bias (Zikmund, 2006). The items are depicted in Table 5.10.

Table 5.10 Perceived Relative Advantage Scale

Item	Scale Type	Scale Point Values	Item
One	Five Point Likert	1= Strongly disagree, 5=Strongly agree	I believe using a bank account will allow me to accomplish financial tasks more quickly
Two	Five Point Likert	1= Strongly disagree, 5=Strongly agree	I believe using a bank account improves my quality of life
Three	Five Point Likert	1= Strongly disagree, 5=Strongly agree	I believe using a bank account will make it easier for me to complete financial transactions
Four	Five Point Likert	1= Strongly disagree, 5=Strongly agree	I believe overall using a bank account will be advantageous in life
Five	Five Point Likert	1= Strongly disagree, 5=Strongly agree	I believe using a bank account will enhance my effectiveness in life
Six	Five Point	1= Strongly disagree, 5=Strongly agree	I believe the disadvantages of owning a bank account far

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	Likert		outweigh the advantages.
Seven	Five Point Likert	1= Strongly disagree, 5=Strongly agree	I believe using a bank account will give me greater control over my finances

The scale was tested in a pilot study and was found to have a Cronbach's alpha value of 0.75. The scale can thus be said to be reliable as it is above the 0.6 threshold level (Fan and Le, 2011).

k) Attitude Towards Banks

Attitude towards banks was measured from both a cognitive and affective perspective in the study. The two scales selected to measure the cognitive and affective attitudes of individuals towards banks were sourced from Crites, Fabrigar and Petty (1994). Both scales consist of four items measured on five point semantic differentials depicted in Table 5.11 and 5.12.

Table 5.11 Affective Attitude Towards Banks Items

Item	Scale Type	Adjectives
One	Semantic Differential	Calm/Tense
Two	Semantic Differential	Excited/Bored
Three	Semantic Differential	Relaxed/Angry
Four	Semantic Differential	Happy/Annoyed

Source: Crites, Fabrigar and Petty (1994)

The affective attitude scales depicted in Table 5.11 was found to have a reliability of above 0.6 and is thus deemed reliable for the study (Crites, Fabrigar and Petty, 1994).

Table 5.12 Cognitive Attitude Towards Banks

Item	Scale Type	Adjectives
One	Semantic Differential	Useful/Useless
Two	Semantic Differential	Wise/Foolish
Three	Semantic Differential	Safe/Unsafe
Four	Semantic Differential	Beneficial/Harmful

Source: Crites, Fabrigar and Petty (1994)

The cognitive attitude scale depicted in Table 5.12 was found to have a reliability of above 0.6 and is thus deemed reliable for the study (Crites, Fabrigar and Petty, 1994).

As can be seen the scale items were originally formulated in English. The majority of Tanzanians' first language is Kiswahili, which made it necessary to translate the questionnaire from English into Kiswahili (Vermaas, 2012).

ii.   Translation of Questionnaire

The official languages of Tanzania are Kiswahili and English. Students are instructed in Kiswahili for the first five years of primary school whereupon they enter high school and English becomes the language of instruction. However during the qualitative research in Tanzania respondents indicated that they were more comfortable responding in Kiswahili. Thus the questionnaire was administered in Kiswahili.

Once the questionnaire was translated into Kiswahili, it was necessary to conduct a second translation, to translate the questionnaire back into English once again. This was done to ensure that the original meaning of the items was maintained in the

translation process (Zikmund et al., 2010). Minor adjustments to the questionnaire were made to ensure that the language used would be understood by the sample.

5.6.1.3 Pilot Study

Before the survey design was implemented in Tanzania a pilot study was conducted in South Africa. It was only possible to conduct a pilot study for the English questionnaire, as sufficient Kiswahili-speaking respondents could not be found in South Africa.

5.6.1.4 Data Collection

Individuals were selected for the pilot study from the suburb of Macassar, South Africa. Macassar was selected as the researcher could conveniently access the area and it was known to have a large number of unbanked individuals. A sample of twenty-five individuals was selected, as this would provide sufficient data to test the internal consistency of the scales used (Churchill, 1979).

The researcher administered the questionnaires by going from door-to-door and conducting personal interviews. Personal interviews were conducted as the majority of respondents were uneducated and needed assistance indicating their responses on the scales.

i.   Reliability

The raw data was used to test the reliability or internal consistency of the scales by checking their Cronbach's Alphas (Churchill, 1979). Reliability is a basic requirement of any valid measure and a measure can be said to be reliable when independent but comparable measures of the same trait or construct of a given object agree (Churchill, 1979). In other words, reliability measures internal consistency and a measure can be said to be reliable when different attempts to measure something converge at the same result (Zikmund et al., 2010). A Cronbach's Alpha score above 0.6 is deemed acceptable for the measure (Fan and Le, 2011). Eight of the ten scales used in the questionnaire were found to be reliable with a Cronbach's alpha of

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above 0.6 (Fan and Le, 2011). The deleting of an item from each of the unreliable scales could increase the Cronbach's alpha values to above 0.6. However, it was suggested by an academic that the low Cronbach's alphas might be due to the small sample size used in the pilot study (Boshoff, 2013). Thus the items were retained for the data collection in Tanzania, but could be removed during the reliability tests conducted on the final data.

ii.   Sampling Method

Sampling is the process of using a portion of the population to make a decision about the entire population (Zikmund et al., 2010). Sampling was used as it was not practical, due to time and financial constraints, to survey every member of the population in Tanzania (Zikmund et al., 2010). Sampling required the selection of a target population that could be studied and used to make inferences about the entire population.

a) Target Population

The population for the study was comprised of individuals estimated to be between the ages of 18 and 27, who are currently studying towards a post-matric qualification. The population consists of both male and female students. The population was selected as research has shown that individuals over the age of 27, with a tertiary education are most likely to be members of the formal banking sector (Finscope, 2007). Thus the population of the study are the banks most likely future customers.

b) Sampling Frame

A sampling frame was not used in this study as a non-probability sampling technique was chosen.

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c) Selection of Probability or Non-Probability Sampling

Non-probability sampling was used in this study, as the sample was selected on the basis of individuals who were conveniently available to the researcher, due to both time and monetary constraints. Thus convenience sampling was used.

d) Selection of Unit of Analysis

Data was collected at the Dar es Salaam Librarian Training School. This location was selected for the study as they: (1) were representative of the population, (2) were fluent in both English and Kiswahili, (3) contained the largest number of individuals that were unbanked of the tertiary providers visited and (4) they were easily accessible for the researcher as the lecturers and students were co-operative. Respondents selected were between the ages of eighteen and twenty-seven and were currently studying towards a tertiary education.

e) Sample Size

The sample size of two hundred and fifty individuals was selected as this provided sufficient data to support the credibility of the findings and allow for the use of statistical tests necessary for the study (Hair et al., 2005).

f) Editing and Coding

Once the data had been collected editing and coding of the data took place. It was necessary to edit and code the questionnaires before the data was entered into the software program SPSS. Raw data was then checked for missing values and any missing values found were replaced using series mean replacement. Once the data had been entered into SPSS and it had been checked for errors, it was ready for analysis.

5.7   DATA ANALYSIS

Data analysis is the process of understanding and interpreting the data that has been collected (Gupta, 2007). In order to adequately interpret and understand the collected data, it was used in a series of statistical tests to test the study's hypotheses.

5.7.1   Statistical Techniques

According to Zikmund (2003) there are three major criteria that can be used to evaluate measures: (1) reliability, (2) validity and (3) sensitivity.

5.7.1.1 Reliability

As mentioned, reliability refers to the assessment of the degree of consistency between multiple measurements of a given variable (Hair et al., 2005). A measure is said to be reliable when it provides consistent results under similar circumstances (Churchill, 1979). According to Churchill (1979) coefficient alpha is the appropriate means of ensuring the reliability of a measure and should be the first measure used to calculate the quality of an instrument. The results of the reliability test for the data are discussed in chapter six.

5.7.1.2 Validity

To ensure that the research instrument measured what it was intended to measure, the validity of the research instrument was assessed. According to Zikmund (2003) there are three basic approaches that can be used to evaluate the validity of an instrument: (1) content validity, (2) criterion validity and (3) construct validity.

Content validity was ensured by having two academic professionals review the items and scales before administering the questionnaire. Face validity is the extent to which a measure is subjectively viewed as covering the concept it purports to measure (Zikmund, 2003).

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Criterion validity assesses the extent to which a measurement scale performs as expected, compared with other variables selected as meaningful criteria (criterion variables). The criterion variables may include attitudinal and behavioural measures, or scores taken from other scales (Malhotra, 2004). The study makes use of a questionnaire, formulated from a literature review, which denotes relationships and associations among the different constructs investigated. If relationships in a hypothesised model could be confirmed, it would be considered as evidence of the existence of content and criterion validity.

Construct validity refers to the validity of inferences that observations or measurement tools actually represent or measure the construct being investigated (Churchill, 1983). As the theory of planned behaviour as well as the scales were designed for Western culture respondents, but were used in the East African market, it was necessary to test for construct validity to ensure that the scales and dimensions had been interpreted by respondents as intended. When construct validity is assessed, the researcher tries to answer theoretical questions about why a specific scale works and what inferences can be made in terms of the underlying theory (Malhotra, 2004). When assessing construct validity it is important for the researcher to have established the meaningfulness of the measure by means of discriminant and convergent validity (Zikmund, 2003).

Discriminant validity represents how unique or distinct a measure is (Zikmund, 2003). Discriminant validity ensures that concepts or measurements that are supposed to be unrelated are, in fact, distinct. To test for discriminant validity the researcher conducted an exploratory factor analysis that included all items that measured the independent variables. An exploratory factor analysis is employed to condense a number of variables to a manageable number that belong together and display overlapping measurement characteristics (Cooper and Schindler, 2003). The results of the exploratory factor analysis are discussed in chapter five. Thus, if a scale shows discriminant validity when conducting an exploratory factor analysis, it can also be said to show convergent validity.

5.7.1.3 Inferential Statistics

Inferential statistics were used as a basis for the rejection or non-rejection of the eight hypotheses. The hypotheses referred to relationships between the independent variables and intention to open a formal bank account, the dependent variable. To test whether significant relationships exist between the dependent variable and independent variables it is necessary to conduct regression analyses.

i.   Linear Regression Analysis

A regression analysis is a statistical tool for the investigation of relationships between variables (Sykes, 2010). Regression analyses were used to test the relationships proposed in the study's hypotheses. Regression analysis is appropriate for the study as it is used when there are multiple independent variables and a single dependent variable (Sykes, 2010). When conducting a regression analysis, it is necessary to ensure that multicollinearity is not present (Zikmund et al., 2010). Multicollinearity occurs when two or more predictor variables in a multiple regression model are highly correlated (Zikmund et al., 2010). Mulitcollinearity was avoided in this study by ensuring construct validity and that all VIF values were below ten (Zikmund et al., 2010).

When analysing the results from the regression analysis it will be important to study the following outputs: (1) the significance value, (2) the F value, (3) the sum of squares values, (4) the R-square value, (5) the VIF and the IV ($1-R^2$) (Gupta, 2000). The significance value determines the goodness of fit or the degree to which the model explains the variation in the dependent variable. If the significance value is below 0.05 it can be concluded that a fit exists between the model and the data (Gupta, 2000). The F value statistic tests the overall significance of the regression model. The F value tests the null hypotheses by determining if all the regression coefficients are equal to zero (Gupta, 2000). The sum of squares values are comprised of the: (1) total sum of squares, (2) the explained sum of squares and (3) the residual sum of squares (Gupta, 2000). The total sum of squares describes the total variation in the dependent variable (Gupta, 2000). The explained sum of squares is the portion of total sum of squares that can be accounted for by the independent variable and the residual sum of squares is that which cannot be accounted for by the independent variable. The R-square measures the proportion of

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the variation in the dependent variable that is explained by variations in the independent variables (Gupta, 2000). Lastly, the VIF as well as tolerance values were studied to ensure that they were below ten and above 0.1 respectively as this is indicative of the absence of multicollinearity (Gupta, 2000).

5.8   CONCLUSION

As one can see, the methodology provided a constructive generic framework, which was followed in detail by the researcher. This framework began with secondary research in the form of a literature review in order to develop a theoretical foundation upon which to commence the study of the effect of attitudes and intentions on the adoption of financial services in Tanzania. Secondary research was conducted before primary research in the study due to practical reasons and to prevent the study from producing redundant research.

Primary research was then addressed in the framework and was implemented in the form of both qualitative and quantitative research. Qualitative research allowed for exploratory research to be conducted in order to increase the understanding of the concept, to clarify the exact nature of the problem to be solved and to identify important variables to be studied (Zikmund et al., 2010). Quantitative research consisted of a cross sectional survey design that allowed for the collection of raw data by means of a questionnaire at the Dar es Salaam Librarian Training School. Before the questionnaire was administered in Tanzania it was tested in a pilot study in South Africa to ensure reliability of the scales used and success of the research design. The raw data collected in Tanzania was then analysed using inferential statistics (regression analysis) to test the relationships between the independent and dependent variables proposed in the study's hypotheses.

As can be seen, the methodology was meticulously planned and implemented by the researcher. It was necessary for such precision to be taken, as the data obtained from the methodology would determine the quality of the results and recommendations suggested by the study.

6 CHAPTER 6: RESULTS AND FINDINGS

6.1 INTRODUCTION

This study analyses the influence of attitudes on Tanzanians' intentions to open a formal bank account. The theory of planned behaviour was applied to the behaviour of opening a formal bank account and adapted based upon exploratory research conducted in Tanzania. In order to test the model it was necessary to conduct statistical analysis.

The statistical analysis was conducted in three phases. Phase one comprised of descriptive statistics, which were used to describe the sample collected. Tests for validity and reliability were then conducted as suggested by Churchill (1979). Traditionally, reliability is assessed before validity. However, the study was conducted in East Africa, a largely unexplored market, hence it was important to first ensure that scale items were correctly interpreted (Churchill, 1979). The sample's interpretation of scale items was studied by conducting an exploratory factor analysis, which assessed discriminant validity (Zikmund et al., 2010) Lastly, inferential statistics were used to test the hypotheses stated in the study as part of meeting the study's objectives. Regression analyses were conducted to test for relationships between the independent and dependent variables described in the null hypotheses. The null hypotheses were then either rejected or not rejected based upon the inferential statistical findings.

6.2 DATA PREPARATION

Data preparation assessed whether the data was accurate and free from errors, such as data capturing errors (Zikmund et al., 2010). The process commenced by capturing the data in a Microsoft Excel spread sheet. Due to the large amount of data to be entered, human error can easily occur during this process and care was taken to avoid human error during the capturing process.

IBM SPSS (18) was used to check the data for missing values and it was found that missing values comprised of less than one per cent of the data and were spread

across multiple scale items. There appeared to be no apparent reason why missing values occurred and it was thought that this was due to carelessness on behalf of the respondents. Thus, the data was missing at random (nd.edu, 2011). While traditionally the missing values would have been replaced using mean substitution, it has been found that this can lead to bias in the data (Graham, 2009). As the missing values comprised of less than one per cent of the data, these values were rather excluded from statistical tests in order to avoid any bias. Removal of the questionnaires that contained missing values resulted in a total of one hundered and eighty three questionnaires remianing. After data preparation took place, descriptive statistics were conducted on the data to ensure that the sample represented the population selected for the study as well as to provide insight into the sample.

6.3   DESCRIPTIVE STATISTICS

Descriptive statistics quantitatively describe the main features of a data set (Zikmund et al., 2010). Descriptive statistics are different from inferential statistics in that descriptive statistics summarize a data set, rather than use the data to learn about the population that the data represents (Zikmund et al., 2010). Descriptive statistics were used in this study to provide demographic information about the sample and to assess whether that the sample was a reasonable representation of the population.

6.3.1   Gender Distribution

Males and females have been shown to differ in their behaviour towards the same stimuli (Kotler and Keller, 2010). Table 6.1 indicates the gender distribution of the sample.

Table 6.1 Gender Distribution

Gender	Frequency	Percentage
Male	47	25.68
Female	134	74.32
Total	183	100

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As can be seen in Table 6.1, the sample comprised of 28.4% males and 71.58% females. Thus, males were slightly underrepresented in the sample. The large percentage of females in the sample is likely due to the sample being selected from the Dar es Salaam Librarian Training School, a predominantly female occupation in Tanzania. Research has shown that women are largely responsible for financial saving in Tanzanian households (Finscope, 2007) and thus the over representation of females in the sample is thus not cause for concern.

6.3.2 Age Distribution

Individuals who participated in the study were required to be between the ages of eighteen and twenty seven years. All individuals that fell outside this age bracket were removed from the sample before the survey was administered. Table 6.2 provides a frequency distribution indicating the ages of the individuals that comprised the sample in Tanzania.

Table 6.2 Age Distribution

Age	Frequency	Percentage of total sample
18 - 20	76	41.53
21 - 23	66	36.06
24 - 25+	41	22.40
Total	183	100

As can be seen from the age distribution displayed in Table 6.2, the majority of individuals in the sample were twenty years of age, which is to be expected in a sample of individuals who are in their first year of study towards a tertiary education. The age categories eighteen to twenty saw the highest representation in the sample.

6.3.3 Income Distribution

Income level is one of the qualifying factors for opening a bank account and therefore the income distribution was viewed as important. If an individual's income

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is too low, they will not be able to afford the minimum balance of owning a bank account (TZS 20 000; R122).

Table 6.3 Income Distribution

Income (TZS)	Income (R)	Frequency	Per cent of the total sample
1 – 20 000	0.006 – 122	67	36.61
20 001 – 40 000	122.7 – 245.398	14	7.65
40 001 – 60 000	245.405 – 368.098	8	4.37
60 001 – 80 000	368.104 – 490.797	70	38.25
80 001 – 100 000	490.803 – 613.497	2	1.09
100 001 – 120 000	613.503 – 736.196	4	2.19
120 001 – 140 000	736.202 – 858.896	1	0.55
140 001 – 160 000	858.902 – 981.595	1	0.55
160 001 – 180 000	981.601 – 1104.294	1	0.55
180 001 – 200 000	1104.3 – 1226.994	2	1.09
200 001 – 220 000	1227 – 1349.693	2	1.09
220 001 – 240 000	1349.699 – 1472.392	2	1.09
240 001 – 260 000	1472.399 – 1595.092	1	0.55
260 001 – 280 000	1595.098 – 1717.791	1	0.55
280 001 – 300 000	1717.798 – 1840.491	2	1.09
300 001 – 320 000	1840.497 – 1963.19	3	1.64
320 001 – 340 000	1963.196 – 2085.9	2	1.09
Total		183	100

As can be seen from Table 6.3, the majority of individuals in the sample earn TZS 1 – 20 000 and TZS 60 001 – 80 000 per month. These income levels place the

majority of the respondents outside of the banking system, as their monthly income is below the required minimum balance to open a bank account (TZS 20 000). Thus, a large percentage of the sample is currently excluded from the formal banking sector due to a low income.

6.3.4 Descriptive Statistics Summary

The descriptive statistics provided insight into the demographics of the sample. Based upon the frequency tables formulated for: (1) gender, (2) age and (3) income, the average individual in the sample is female, twenty years of age and earns less than TZS 20 000 per month.

After defining the sample it was assessed whether the individuals understood the scale items as intended. As the scales were developed for a different culture it was likely that they could have been misinterpreted by the sample. The validity of the data was tested in order to determine whether it was correctly interpreted.

6.4 VALIDITY

According to Churchill (1979) it is important to test the validity of a measure. Three types of validity were ensured in the study: (1) content validity, (2) criterion validity and (3) discriminant validity (Malhotra, 2004). Content validity was assessed by two academic professionals review the items and scales included in the questionnaire. Criterion validity is discussed in section 6.10. Lastly, discriminant validity was used to test whether concepts that were intended to be unrelated, have in fact been interpreted as unrelated by the respondents as recommended by Zikmund et al., (2010). The focus on discriminant validity stemmed from the measuring instrument being developed from a literature review that indicated associations amongst different variables. By assessing discriminant validity, the intention was to utilise questionnaire items that would discriminate sufficiently between the different variables measured in the study. An exploratory factor analysis was used to assess the discriminant validity of the measuring instrument used in the study as suggested by Graham (2009).

The statistical programme IBM SPSS (18) was selected to perform the exploratory factor analyses on the data. The Principal Axis Factoring method was selected as the method of factor extraction and the Direct Oblimin with Kaiser Normalization method of rotation was selected. The Direct Oblimin with Kaiser Normalization method of rotation was applied because the factors were expected to be correlated (Costello and Osborne, 2005). No restriction to the number of factors was initially made, but factors with a loading of below 0.40 were excluded.

6.5   RESULTS OF THE EXPLORATORY FACTOR ANALYSIS

The questionnaire administered in Tanzania was used to measure nine constructs. The exploratory factor analysis extracted nine constructs to be present in the data. However, these constructs differed from those originally included in the adapted model of the Theory of Planned Behaviour. The constructs identified in the exploratory factor analysis are displayed in Table 6.4 alongside the original constructs.

Table 6.4 Indication of New Dimensions Alongside Original Dimensions

Dimension Number	Original Dimensions	Dimensions After Exploratory Factor Analysis
One	Attitude towards banking	Attitude towards banking
Two	Self-efficacy	Self-efficacy
Three	Reference groups	Reference groups
Four	Perceived value	Perceived value
Five	Attitude towards saving	Attitude towards saving
Six	Affective attitude towards banking	Affective attitude towards banking
Seven	Cognitive attitude towards banking	Future benefits
Eight	Access convenience	Future financial independence

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Nine	Trust	
Ten	Collectivism	
Eleven	Perceived relative advantage	

As can be seen in Table 6.4 the dependent variable intention to open a formal bank account was not included in the exploratory factor analysis. The dependent variable was not included as the exploratory factor analysis was conducted to assess discriminant validity and avoid multi-collinearity among the independent variables. The dimensions identified in the exploratory factor analysis alongside the items that comprise them are depicted in Table 6.5 to 6.13

assess the discriminant validity among the Independent Variables and to avoid multi-collinearity among the IV's.

Table 6.5 Future Benefits Dimension

Items	Coding	Factor Loading
I believe using a bank account improves my quality of life	PRA2	0.820
I believe using a bank account will make it easier for me to complete financial transaction	PRA3	0.514
I believe, overall, using a bank account will be advantageous in life	PRA5	0.805
I believe using a bank account will enhance my effectiveness in life	PRA6	0.653
Using a bank will be to my advantage	AB1	0.705
Using a bank account would be a wise idea	AB2	0.741

As can be seen in Table 6.5, the exploratory factor analysis resulted in a convergence of items from the perceived relative advantage scale and the attitude towards banking scale. The convergence is indicative that Tanzanians' responses

did not distinguish between these items as measuring separate constructs, but rather as being a single construct. The items have a future focus and each refer to a benefit obtained from owning a bank account, thus the construct was renamed the future benefits of owning a bank account.

Table 6.6 Attitude towards Banking Dimension

Items	Coding	Factor Loading
Useful/useless	CA1	0.806
Wise/foolish	CA2	0.917
Safe/unsafe	CA3	0.908
Excited/bored	AA2	0.573

As can be seen from Table 6.6, three of the four items used to measure cognitive attitude towards banking loaded on the same factor as the affective attitude towards banking, item AA2. These four items converged to create the construct attitude towards banking. Attitudinal research has shown that attitudes comprise of three components: (1) an affective component, (2) a cognitive component and (3) a behavioural component. The affective component refers to an individual's feelings towards an object or behaviour, while the cognitive component refers to an individual's thoughts, beliefs and ideas about something (Ajzen, 1985). Thus, a 'fit' exists between the cognitive and affective components of attitudes and it is theoretically justified that the two scales would converge to measure attitudes towards banking (Ajzen, 1985).

Table 6.7 Self-efficacy Dimension

Items	Coding	Factor Loading
I can travel to the bank to open a bank account	SE2	0.728
I can save enough money to open a bank account	SE3	0.615
I can produce the required legal documents to open a bank account	SE4	0.756

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I can travel to banking facilities when I need them	SE5	0.760

As can be seen in Table 6.7, the items that loaded on the self-efficacy factor were all originally intended to measure self-efficacy in the study. The scale has however decreased in size as the items SE1, SE2 and SE6 did not load to a significant extent (<0.4) and were therefore deleted.

Table 6.8 Reference Groups Dimension

Items	Coding	Factor Loading
The preferences of my friends will influence my decision to open a bank account or not	RG1	0.797
Other people's preferences will influence my decision to open a bank account or not	RG2	0.826
The preferences of family members will influence my decision to open a bank account or not	RG3	0.712

Table 6.8 depicts the three reference group items RG1, RG2 and RG3 that loaded to a significant extent (>0.4) on a separate factor as expected. However two items (RG4 and RG5) did not and were excluded.

Table 6.9 Future Financial Independence Dimension

Items	Coding	Factor Loading
There would not be so many people dependent on their families if they had been taught to save	AS5	0.811
One way to become wealthy is to save	AS7	0.812

Table 6.9 indicated that items AS7 and AS5 that were originally intended to measure the respondent's attitude towards saving loaded on an independent factor. The

construct has been named future financial independence, as both items have a focus on the future and the financial independence of individuals.

Table 6.10 Perceived Value Dimension

Items	Coding	Factor Loading
ATMs are conveniently located	AC1	0.756
Bank branches are conveniently located	AC4	0.776
Banking is reasonably priced	PV1	0.739

As can be seen in Table 6.10 the items AC1, AC4 and PV1 loaded on the same factor to form the construct value. Value can be described as the difference between the prospective customer's evaluation of all the benefits and all the costs of an offering in comparison to the perceived alternatives. Value thus incorporates all benefits in its definition and not just monetary ones. AC1 and AC4 refer to the benefit of convenience that is offered to customers, while PV1 inquires if respondents feel that the cost of banking is justified given the benefits one receives.

Table 6.11 Affective Attitude towards Banking Dimension

Items	Coding	Factor Loading
Happy/annoyed	AA3	0.746
Relaxed/angry	AA4	0.658

Table 6.11 depicts the items AA3 and AA4 that loaded on the same factor to form a measure of the respondent's affective attitude towards banking. The affective attitude held by individuals towards banking was included as a construct in the original study. However, AA1 did not load on a factor to a significant extent and AA2 loaded in the attitude towards banking construct.

Table 6.12 Attitude towards Saving Dimension

Items	Coding	Factor Loading
Most people who are careful savers are	AS1	0.745

mean and penny pinching		
There is no point in saving if you have a low income	AS2	0.721
There is no need to save as my family will provide for my financial needs	AS8	0.402

Attitude towards saving was a construct that was included in the original adapted model of Theory of Planned Behaviour. The scale originally included nine items, which have been reduced to three by the exploratory factor analysis as can be seen in Table 6.12. It is interesting to note that the three items identified by the exploratory factor analysis to measure attitude towards saving are all negatively worded items.

Table 6.13 New Dimension

Items	Coding	Factor Loading
I feel good when I cooperate with others	C2	0.780
Teamwork is important to me	C5	0.678
Banks are accessible through various ways (internet, ATM, physical branch)	AC2	0.749

As can be seen in Table 6.13 the items C2, C5 and AC2 converge to form a construct in the results of the exploratory factor analyses. The items were reviewed alongside the literature review and exploratory research and do not appear to measure any specific construct. The items appear rather to have grouped at random and will not be included as a construct in the revised model as the factor is not interpretable.

As can be seen from the tables, the exploratory factor analyses resulted in the exclusion of the following factors from the original model: (1) perceived relative advantage, (2) cognitive attitudes towards banking, (3) access convenience, (4) attitude towards banks, (5) trust and (6) collectivism. A number of new constructs emerged namely: (1) value, (2) future financial independence, (3) future benefits and (4) an unknown construct. The new constructs were named based on the content in

the literature review, as well as the exploratory research. The unknown construct was deleted, as its items did not form a logical construct based upon the literature review or exploratory research. To ensure that the constructs identified by the exploratory factor analysis were successfully measured by the items, a Cronbach's alpha test for reliability was conducted (Churchill, 1979).

6.6 RELIABILITY

In order to assess the reliability of the scales used to measure the constructs identified in the exploratory factor analysis, a Cronbach's alpha test for reliability was conducted (Churchill, 1979). A Cronbach's alpha test measures reliability by examining the internal consistency of scale measures (Zikmund et al., 2010). Internal consistency is the extent to which different attempts to measure something converge on the same result (Churchill, 1979). Scales that return a Cronbach's alpha of 0.6 or higher, with 0.7 being ideal, are said to be truly representative of the construct being measured (Churchill, 1979). The results for the Cronbach's alpha tests of the constructs identified in the exploratory factor analysis are depicted in Table 6.14.

Table 6.14 Reliability of Scales

Dimension	Reliability
Future benefits	0.85
Attitude towards banking	0.87
Self-efficacy	0.69
Reference groups	0.78
Future financial independence	0.65
Value	0.67
Affective attitude towards banking	0.73
Attitude towards saving	0.48

As can be seen in Table 6.14, all scales proved to be reliable, except for the attitude towards saving scale that had a Cronbach's alpha of below 0.6 (Churchill, 1979). The low Cronbach's alpha of the attitude towards savings scale resulted in the removal of the dimension from the model.

6.7   REVISED MODEL AFTER EXPLORATORY FACTOR ANALYSIS

The validity and reliability tests resulted in modifications to the revised Theory of Planned Behaviour model formulated from the literature review and exploratory research. Alterations to the study's model were expected, as the base model, the Theory of Planned Behaviour, was developed in a Western context. Research conducted by Norenzayan and Nisbett (2000) indicated vast differences between thought patterns, motivation and decision-making processes for East Asians and Americans due to cultural difference. It is likely that similar differences exist between Western individuals and East Africans as a result of cultural differences.

The revised model, which takes into account the findings of the exploratory factor analysis and reliability tests, is depicted in Figure 6.1.

Figure 6.1 Revised Model after Exploratory Factor Analysis
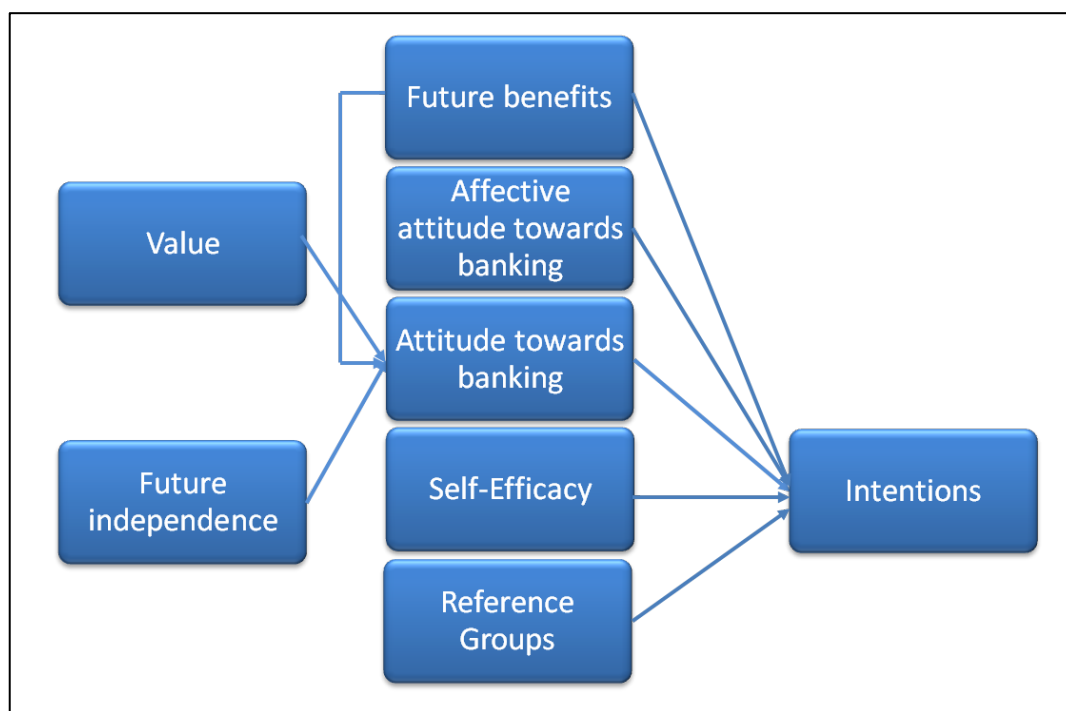
The revised model proposes that the independent variables: (1) future benefits, (2) affective attitude towards banking, (3) attitude towards banking, (4) self-efficacy and (5) reference groups have a significant relationship with the dependent variable of

intentions. Relationships are also proposed between (1) value, (2) future benefits and (3) future financial independence and the dependent variable attitude towards banking. The revised independent variables resulted in the need to revise the hypotheses to allow for the testing of the proposed relationships between the independent and dependent variables.

6.8   REVISED HYPOTHESES

The revised model resulted in the development of eight hypotheses. The study's hypotheses seek to describe the relationship between the independent variables: (1) future financial benefits, (2) affective attitude towards banking, (3) attitude towards banking, (4) self-efficacy and (5) reference groups and the dependent variable: (1) intention to open a bank account. The hypotheses also describe the relationships between (1) value, (2) future benefits and (3) future financial independence and the dependent variable attitude towards banking.

Ho$_1$: There is no relationship between future benefits of banking and intentions to open a formal bank account.

Ho$_2$: There is no relationship between affective attitudes towards banking and intentions to open a formal bank account.

Ho$_3$: There is no relationship between attitudes towards banking and intentions to open a formal bank account.

Ho$_4$: There is no relationship between perceived self-efficacy towards opening a formal bank account and intentions to open a formal bank account.

Ho$_5$: There is no relationship between the importance of reference groups and intentions to open a formal bank account.

Ho$_6$: There is no relationship between perceived value of banking products and attitudes towards banking.

Ho$_7$: There is no relationship between future financial independence and attitudes towards banking.

Ho$_8$: There is no relationship between future benefits of banking and attitudes towards banking.

The new hypotheses formulated as a result of the Cronbach's alpha test and the exploratory factor analyses created the opportunity for inferential statistics to be used to test the proposed relationships.

6.9 INFERENTIAL STATISTICS

Inferential statistics were used to make inferences from the sample population to the entire population by testing the eight null hypotheses (Zikmund et al., 2010). More specifically regression analyses were selected as the appropriate inferential statistical tools to test the null hypotheses.

6.9.1 Regression Analysis Results

Regression analysis is appropriate for the study, as it is used when there are multiple independent variables and a single dependent variable (Gupta, 2000). The first multiple regression analysis was used to test null hypotheses one to five, while the second tested null hypotheses six, seven and eight. Tables 6.15, 6.16, 6.17, 6.18, 6.19 and 6.20 indicate the results obtained from the regression analyses.

Table 6.15 Intentions Multiple Regression Analysis ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	31.296	5	4.471	17.018	0.000
Residual	45.973	175	0.263		
Total	77.269	182			

As can be seen from the ANOVA conducted as part of the regression analysis, the overall regression equation is found to be significant with a significance value of 0.000 and an F-value of 17.018 (Zikmund et al., 2010).

Table 6.16 Intentions Regression Analysis Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.636	0.405	0.381	0.51255

The R square value indicates the amount of variance in the dependent variable (intentions to open a bank account) accounted for by the independent variables. As can be seen in Table 6.16, 40.5% of the variance in the dependent variable is accounted for by the independent variables. It is expected that in the study of consumer behaviour the R squared value will be below fifty per cent, as it involves the study of human behaviour, which is highly unpredictable (Frost, 2013). Thus, 40.5% is considered an acceptable R squared value for the field of consumer behaviour and indicates that the independent variables account for a large proportion of the variation in the dependent variable.

Table 6.17 Intentions Regression Analysis Coefficients

Model	Beta	t	Sig.	Tolerance	VIF
Future Benefits	0.476	7.012	0.000	0.738	1.355
Affective Attitudes	-0.048	-0.679	0.498	0.689	1.452
Attitude	-0.061	-0.877	0.382	0.693	1.443
Self-Efficacy	0.046	0.781	0.436	0.980	1.020
Reference Groups	0.241	3.676	0.000	0.788	1.269

Table 6.17 indicates that the VIF values are all below ten and the tolerance values above 0.1 indicating that multicolliniarity was not present in the data. Future benefits and reference groups have significance values that are below 0.05 indicating that null hypothesis one and five can be rejected. Thus, a positive relationship exists between the independent variables, (1) future benefits and (2) reference groups, and the dependent variable, intentions to open a bank account. The remaining significance values are above 0.05 indicating no relationship between the

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independent variables: (1) attitude towards banking, (2) self-efficacy and (3) affective attitudes and the dependent variable: intentions. Thus, null hypotheses two, three and four are not rejected.

6.9.2 Multiple Regression Analysis for Dependent Variable Attitude Towards Banking

The second multiple regression analysis was used to test if significant relationships existed between the independent variables: (1) future benefits, (2) future financial independence and (3) value and the dependent variable: (1) attitudes towards banking.

Table 6.18 Attitude Towards Banking Regression Analysis ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	10.109	3	3.370	7.341	0.000
Residual	82.168	179	0.459		
Total	92.277	182			

As can be seen from the ANOVA conducted as part of the regression analysis, the overall regression equation is found to be significant with a significance value of 0.000 and an F-value of 7.341.

Table 6.19 Attitude Towards Banking Regression Analysis Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimation
1	0.331	0.110	0.095	0.67752

The R square value is found to be 0.110, which indicates that 11% of the variation in the dependent variable attitudes towards banking is accounted for by the independent variable future benefits. The R square value of 0.110 is considered low and hence the independent variables account for little variance in the dependent variable.

Table 6.20 Attitude Towards Banking Regression Analysis Coefficients

Model	Beta	t	Sig.	Tolerance	VIF
Constant		8.395	0.000		
Value	-0.104	-1.438	0.152	0.946	1.058
Future Financial Independence	0.020	0.272	0.786	0.950	1.052
Future Benefits	-0.295	-3.963	0.00	0.900	1.111

Table 6.20 indicates that a significant relationship exists between future benefits and attitudes towards banking, as the significance value is below 0.05. Thus, null hypothesis eight is rejected. No significant relationship was found between future financial independence, value and attitudes towards banking as the significance values were both above 0.05. The lack of relationships found led to null hypotheses six and seven not being rejected.

6.10 OVERVIEW OF HYPOTHESES TESTING OUTCOMES

Table 6.21 provides an overview of the null hypotheses and the subsequent decision to reject or not reject them based upon the results of the regression analysis.

Table 6.21 Overview of Hypotheses Testing Outcomes

Number	Hypothesis	Significance Value	Rejected/not Rejected
Ho_1	There is no relationship between future benefits and intentions to open a formal bank account	0.000	Rejected
Ho_2	There is no relationship between affective attitudes towards banking and intentions to open a formal	0.498	Not rejected

	bank account		
Ho$_3$	There is no relationship between attitudes towards banking and intentions to open a formal bank account	0.382	Not rejected
Ho$_4$	There is no relationship between self-efficacy and intentions to open a formal bank account	0.436	Not rejected
Ho$_5$	There is no relationship between reference groups and intentions to open a formal bank account	0.000	Rejected
Ho$_6$	There is no relationship between perceived value and attitudes towards banking	0.152	Not rejected
Ho$_7$	There is no relationship between future financial independence and attitudes towards banking	0.786	Not rejected
Ho$_8$	There is no relationship between future benefits and attitudes towards banking	0.000	Rejected

The findings described in Table 6.21 lead to the further refinement of the model selected for the study. As a result of the rejection of null hypotheses one, five and eight, the relationships suggested in these hypotheses remain in the model. However, the relationships that were suggested between the remaining independent variables and the dependent variable are removed from the model. Criterion validity can be said to exist where the relationships have been identified between the independent and dependent variables (Zikmund et al., 2010). The revised model is depicted in Figure 6.2.

Figure 6.2 Emperical Relationships Identified
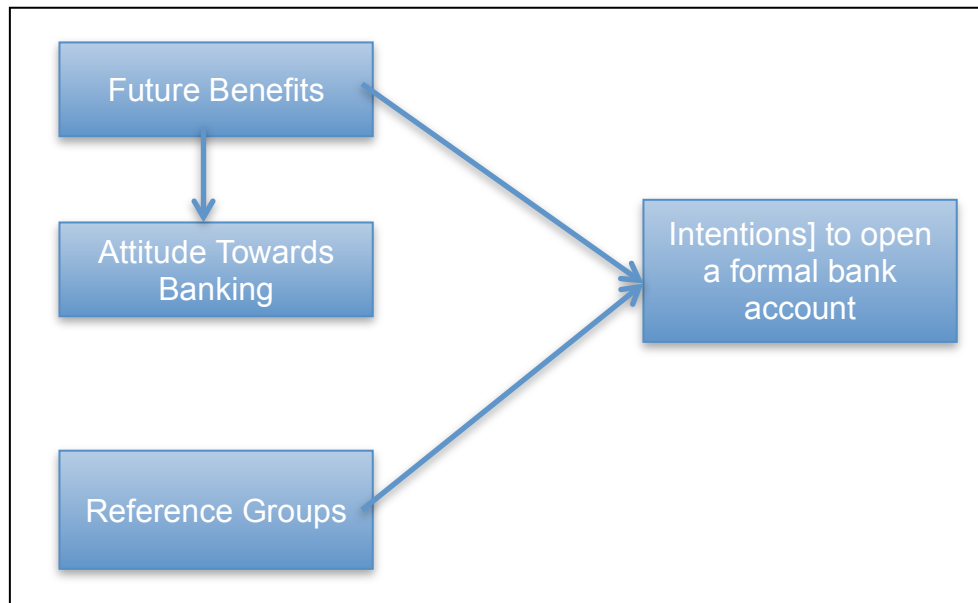
The model depicted in Figure 6.2 provides insight for the banking sector of Tanzania as it indicates the importance of reference groups and future benefits in the decisions of Tanzanians to open a formal bank account. To provide further benefit to the banking sector in Tanzania, the relationships depicted in the model were studied in more detail.

6.11 TEST FOR SIGNIFICANT DIFFERENCES BETWEEN MALE AND FEMALE RESPONDENTS

Tanzania is a highly masculine society (Obbo, 1976). Men and women in Tanzania fulfil traditional gender roles that differ greatly from one another. Because of the differing nature of male and female roles, described in the literature a T-test was conducted to determine if a significant difference existed between males and females for the relationships depicted in Figure 6.2. Independent sample T-tests are conducted when the population mean and standard deviation are unknown and two separate groups are being compared (Zikmund et al., 2010). The results of the independent sample T-tests are depicted in Table 6.22, 6.23 and 6.24.

Table 6.22 Independent Sample T-test Future Benefits

Independent Variable	F	Sig.	t
Future Benefits	1.376	0.242	0.799

As can be seen in Table 6.22, the significance value is above 0.05 indicating that there is no significant difference between males and females in terms of future benefits.

Table 6.23 Independent Sample T-test Reference Groups Independent Variable

Independent Variable	F	Sig.	t
Future Benefits	0.283	0.595	0.066

As can be seen in Table 6.23, the significance value of 0.283 is above 0.5 and thus indicates that there is no significant difference between males and females for future benefits. The lack of significant difference means that males and females both hold future benefits in equal regard when considering opening a formal bank account.

Table 6.24 Group Statistics T-test Reference Groups

Gender	N	Mean	Std. Deviation	Std. Error Mean
Male	47	3.9716	1.30371	0.19017
Female	134	3.9577	1.21562	0.10501

Table 6.24 indicates that the mean values depicted in the group statistics reinforce the findings of the significance value as the means for both genders are very similar to one another.

As can be seen, no significant difference exists between gender for the relationships between the independent variables: (1) reference groups and (2) future benefits and

the dependent variable: intentions to open a formal bank account. Thus, reference groups and future benefits are equally important for males and females when deciding whether to open a formal bank account.

Reference groups is a broad term that can refer to a number of different individuals. In order to provide the Tanzanian banking sector with clearer insight into which individuals comprise these reference groups, the results of the question asking individuals which reference groups they consult when deciding whether to open a bank account was studied.

6.12 ANALYSIS OF REFERENCE GROUPS CONSULTED BY TANZANIANS

Because of the relationship that was found to exist between the dimension reference groups and Tanzanians' intentions to open a formal bank account, it proved beneficial to construct a frequency table for respondents' answers to question R1 of the questionnaire. Question R1 asked respondents which group of individuals have the biggest influence on their decisions.

Table 6.25 Distribution of reference groups

Reference Groups	Frequency	Per Cent
Friends	16	8.74
Family	152	83.06
Co-workers	6	3.28
Neighbours	2	1.09
Celebrities	1	0.55
Church	6	3.28
Total	183	100

Table 6.26 indicates that the majority of individuals (86.4%) will consult their family as a reference group when deciding to open a formal bank account. Friends are the next most likely group of individuals to be consulted as a reference group; however, the percentage of individuals who will consult their friends is significantly smaller at

8.7%. The results of the reference group frequency table indicate the importance of targeting potential clients' family members with marketing communication if they seek to acquire the business of the individual.

6.13 CONCLUSION

This chapter provided a detailed analysis and description of the results obtained from the sample of 183 respondents. The data was firstly prepared by: (1) entering it into a Microsoft Excel spread sheet and (2) checking for missing values. Descriptive statistics were then used to provide a demographic profile of the sample. The demographic profile ensured that the sample was a true representation of the population selected for the study and that no group of individuals was over-represented in the study, which could have led to skewed results.

Once the quality of the data and sample selected had been ensured, an exploratory factor analysis was conducted to establish that discriminant validity was present. The exploratory factor analysis led to the adapted model of the Theory of Planned Behaviour being further altered and the following dimensions were identified: (1) future benefits, (2) attitude towards banking, (3) self-efficacy, (4) reference groups, (5) future financial independence, (6) value, (7) affective attitude towards banking and (8) attitude towards saving. The scales used to measure these dimensions were then tested for reliability by conducting a Cronbach's alpha test and the hypotheses were updated accordingly.

Inferential statistics were conducted to test the hypotheses in the form of two regression analyses and independent sample T-tests. The first regression analysis tested the hypotheses with the dependent variable intentions, while the second tested the hypotheses with the dependent variable attitude towards banking. Relationships were found to exist between the independent variables: (1) future benefits and (2) reference groups and the dependent variable intentions, as well as the independent variable future benefits and the dependent variable attitude towards banking. To better understand the relationships that were found between (1) future benefits and (2) reference groups and the dependent variable intentions, an independent sample T-test was conducted to determine if a significant difference

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existed between the genders. No significant differences were found. The results discussed in this chapter, as obtained from the inferential statistics, will be interpreted in the final chapter of the study to make managerial and research-based recommendations.

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7   CHAPTER 7: RECOMMENDATIONS AND CONCLUSIONS

7.1   INTRODUCTION

In this concluding chapter of the research the empirical results emanating from the study are discussed. The chapter commences with a reflection on the process of conducting research in East Africa and provides guidelines for future within this context. A synopsis of the study and the empirical results are provided. The empirical results are interpreted within the context of the Tanzanian financial services industry and marketing strategy guidelines as well as future research recommendations are suggested. The marketing strategy guidelines provide banks with interpretation and application of the empirical findings with focus on increasing the banked population of Tanzania.

Recommendations are also provided from a research perspective providing implications for future marketing research conducted in the field. The chapter concludes by noting limitations to the study and suggesting areas and concepts for future research.

7.2   RESEARCH CHALLENGES IN EAST AFRICA

Conducting research in East Africa remains an interesting, yet challenging, process. As the study was pioneering in this nature it is possible to provide valuable insight and guidelines for future research in East Africa. East Africa, with its unique culture, relatively poor infrastructure when compared to Western societies and idealisation of Western lifestyles, provides both a challenging and fascinating environment for conducting research. Difficulties associated with research in this part of the world are: (1) interpretation of scales, (2) demographic questions, (3) respondent fatigue, (4) poor time management on behalf of respondents, (5) remuneration, (6) language barriers, (7) scepticism, (8) poor road network, (9) fear on behalf of respondents and (10) safety.

7.2.1 Interpretation of Scales

While administering the questionnaire, it was found that respondents struggled to rate their responses to items on numerical scales. Respondents indicated that they were not familiar with expressing their beliefs by means of a scale. The fieldworkers, by means of a translator and public announcement system, carefully explained to respondents the correct manner of indicating responses on the five point scales. While the numerical scales did not affected the results of the study, they added to respondent fatigue and lead to initial anxiety on the behalf of respondents. Future research conducted in East Africa, especially amongst individuals that are not as well educated, could make use of scales that have graphic representations, such as faces showing varying degrees of emotion, as opposed to numerals. Scales containing graphic representations have been shown to be effective amongst children and poorly educated individuals (Asher, Singleton, Tinsley and Hymel, 1979). Moore, Steiner and Conlan (2013) developed a scale that uses 'smilies' or 'emoticons' commonly found on smartphones and social media. A large number of smartphones was observed amongst the sample and thus administering this type of scale may prove beneficial as respondents are likely to be familiar with the 'smilies' and their corresponding emotion.

7.2.2 Demographic Inquiry

Respondents were found to show negative emotions towards the demographic questions included in the questionnaire. Many of the respondents approached fieldworkers to state that they refuse to indicate their race on the questionnaire, as it is not of relevance and questions regarding income were seen as an invasion of privacy. Tanzanians were found to dislike conversations regarding race and indicated that Tanzania is a peaceful country where people co-exist to an extent were race is entirely overlooked. The peaceful co-existence of various races is something that Tanzanians pride themselves in and wish to see adopted by other nations. During the Apartheid era in South Africa, Tanzania provided exile to the ANC political party and Tanzanians still regularly boast of their contributions towards racial peace in South Africa. Tanzanians view asking respondents to indicate their race as in direct opposition to the racial freedom in their country. Marketing experts

such as Ruben Rumbaut and Jeffrey Henning have begun to increasingly express the need to move away from asking respondents to indicate their race in questionnaires (Research Design Review, 2011). Ruben Rumbaut suggests that racial questions are interpreted from the perspective of social status and placing individuals in their place as opposed to a natural fixed marker inherent in human bodies (Research Design Review, 2011).

7.2.3 Respondent Fatigue

Respondent fatigue posed a hurdle to conducting research in Tanzania. Under forced conditions, such as a class at a tertiary education, respondents successfully completed the questionnaire, but indicated their frustration with the length thereof. However, when individuals were approached to complete the questionnaire outside of a forced environment, the majority of them refused or completed the questionnaire with many missing values. It is suggested that questionnaires administered in East Africa be as short as possible and avoid unnecessary demographic questions in order to increase respondent cooperation.

7.2.4 Poor Time Management on Behalf of Respondents

When conducting informal interviews individuals often showed poor time management by arriving up to an hour late for meetings or not arriving at all. Tanzanians do not perceive being late for a meeting as a problem. On regular occasions appointments were made with banking staff that failed to pitch. When complaints were lodged about the poor customer service, banking staff responded in laughter and showed little concern.

7.2.5 Remuneration

During the data collection in Tanzania it seemed that remuneration is almost always expected when a respondent is asked to partake in a focus group or survey. When conducting the focus groups at the University of Dar es Salaam, food and beverages were provided to respondents. However, on completion of the thirty-minute focus group, respondents were outraged that they would not be receiving remuneration for

their time. Participants were informed that the focus group was conducted upon invitation, voluntarly and unpaid. However, the participants stated that as the researcher was visiting from abroad, they should receive remuneration for their time. Tanzanian co-workers who were present during the focus group explained that the reason for the remuneration demands was that the researcher was perceived as 'Mzungu' (white) and thus as wealthy. It is recommended that when conducting focus groups in East Africa that remuneration is provided in order to prevent revolt on behalf of respondents.

7.2.6 Language Barriers

Language barriers may be faced when conducting research in Tanzania. Tanzanian schools follow a bilingual policy of education with scholars being taught in both English and Kiswahili in primary school and English being the predominant language in high school. However, many Tanzanians were found to speak poor English. Students from the University of Dar es Salaam showed difficulty in completing English questionnaires. Thus, when conducting research in Tanzania, it is suggested that all questionnaires be made available in both Kiswahili and English.

7.2.7 Scepticism

Fieldworkers encountered a large extent of scepticism from the potential respondents who were approached. Individuals expressed concerns that the fieldworkers were employed by the government to collect information and were reluctant to partake in the study. It was noted that whenever Tanzanians spoke about the government they expressed negative attitudes. The government was perceived as being: (1) corrupt, (2) wasteful of tax money and (3) suffering from delusions of grandeur.

7.2.8 Poor Road Network

It was observed that Tanzania has a relatively poor road network when considering the amount of traffic and the number of traffic lanes available. When conducting research in Tanzania large amounts of each day were spent waiting in traffic to

reach destinations that were only fifteen kilometres away - it could take up to two hours to travel this distance. When conducting research in Dar es Salaam, it is suggested that traffic challenges be taken into account when planning appointments.

7.2.9 Fear on Behalf of Respondents

While administering the questionnaire the fieldworkers noted that a large percentage of the respondents were fearful to express their opinions in the questionnaire as they might be 'incorrect'. After a great deal of time and reassurance that respondents would not be graded on their beliefs, they were comfortable enough to complete the questionnaire. When conducting research in East Africa it is important to reassure respondents that they will not be graded on their beliefs.

As can be seen, conducting research in Tanzania posed unique challenges that result from the level of education, culture and infrastructure that is available in the country. While the challenges did not negatively influence the findings of the study, they did result in inconveniences. Future researcher can decrease the amount of time spent conducting fieldwork by taking these factors into account.

7.2.10 Safety

Safety is of concern when visiting East Africa and Tanzania. As East African culture differs greatly from Western culture, Tanzanians are able to easily identify a western foreigner. Whilst conducting research in Dar es Salaam it often occurred that passers-by would shout Mzungu (white man) to white foreigners.

Kidnappings and robbery are common practice in large East African cities. While visiting Tanzania to conduct exploratory research, the researcher was kidnapped by Somalis. The researcher had negotiated a price with a private cab that was branded and registered according to Tanzanian law. However, after boarding the cab the driver explained to the researcher that he was in fact Somali and was kidnapping the researcher. Fortunately, the researcher was released after two hours, unharmed, having lost R20 000 worth of money and goods. To prevent becoming victims of such criminal activities, future researchers are advised never carry more than the

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equivalent of R100 on them and never carry a wallet with bankcards. Researchers can also be accompanied by a local, when possible, and adhere to local culture such as not wearing short pants, as this attracts attention.

7.3   SYNOPSIS OF THE STUDY

The purpose of the study was to investigate influence of attitudes on Tanzanians' intentions to open a formal bank account. Tanzania has become a hub of investment and financial growth within East Africa (The Citizen, 2011). Many international banks have begun operations in the Tanzanian market (Vermaas, 2012). However, despite the financial growth and investment on behalf of international banks, the banked population of Tanzania remains low at nine per cent (Vermaas, 2012).

Exploratory research was conducted in Tanzania in the form of informal interviews and focus groups and it was found that many individuals who have the financial means to open a bank account choose not to. Individuals indicated that they did not open formal bank accounts despite having the financial means to as a result of frustration with poor customer service and the inability to identify the benefits of banking.

In order to gain a greater understanding of the factors that influence individuals' decisions to open a formal bank account and based on findings of the Finscope (2007) study the Theory of Planned Behaviour was utilised as a framework for conducting research within the Tanzanian context. The Theory of Planned Behaviour suggests that consumers' behavioural intention is determined by: (1) attitudes towards a given behaviour, (2) subjective norms and (3) percevied b)ehavioural control (Ajzen, 1991). A literature overview was conducted and the dimenions operationalized as follows: (1) attitudes towards banking, (2) importance of reference groups and (3) perceived self-efficacy to open a formal bank account. During the literature overview the model was adapted to the study by incorporating: (1) attitudes towards banks (object) and (2) collectivism in the model. The Theory of Planned Behaviour was further adapted for this study by taking into account the results of the exploratory research. The extended dimensions included: (1) attitude towards banks

as an object, (2) perceived relative advantage, (3) attitude towards saving and (4) trust.

To test the model data collection was conducted in Tanzania. The sample consisted of two hundred and fifty individuals who were between the ages of eighteen and twenty-seven, and studying towards a tertiary qualification. The sample was deemed appropriate for the study as research conducted by Finscope (2007) found that these individuals were the most likely to open a bank account in the future. After data collection, reliability and validity of the data was ensured by conducting an exploratory factor analysis and Cronbach's alpha tests. The exploratory factor analysis resulted in an alteration of the model, as it provided insight into the underlying structure of the data collected by ensuring that unrelated concepts and measures were in fact unrelated (Campbell and Fiske, 1959). The exploratory factor analysis identified the following dimensions: (1) attitude towards saving, (2) attitude towards banking, (3) affective attitude towards banking, (4) future benefits, (5) reference groups, (6) perceived value, (7) future financial independence and (8) self-efficacy. The newly formed dimensions were: (1) future benefits of banking and (2) future financial independence. Due to the novelty of the constructs, the theory pertaining to these dimensions was not discussed in the literature review and will therefore be addressed in section 7.4.

Inferential statistics were used to conduct two multivariate regression analyses on the data collected. The regression analyses determine if relationships existed between the independent variables and the dependent variables. The results of the regression analysis are depicted in Table 7.1.

Table 7.1 Results of Regression Analysis

Number	Hypothesis	Significance Value	Rejected/not Rejected
Ho$_1$	There is no relationship between future benefits of banking and intentions to open a formal bank account	0.000	Rejected

Ho$_2$	There is no relationship between affective attitudes towards banking and intentions to open a formal bank account	0.498	Not rejected
Ho$_3$	There is no relationship between attitudes towards banking and intentions to open a formal bank account	0.382	Not rejected
Ho$_4$	There is no relationship between percevied self-efficacy of opening a formal bank account and intentions to open a formal bank account	0.436	Not rejected
Ho$_5$	There is no relationship between importance of reference groups and intentions to open a formal bank account	0.000	Rejected
Ho$_6$	There is no relationship between perceived value of banking products and attitudes towards banking	0.152	Not rejected
Ho$_7$	There is no relationship between future financial independence and attitudes towards banking	0.786	Not rejected
Ho$_8$	There is no relationship between future benefits and attitudes towards banking	0.000	Rejected

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As can be seen from Table 7.1, significant relationships were found between the independent variables of (1) future benefits and (2) reference groups, and the dependent variable of intentions. A significant relationship was also found between future benefits and the dependent variable attitudes towards banking. Thus, null hypotheses five, six and eight were rejected. Before making recommendations based upon the statistical findings of the regression analysis, the literature for the dimensions that were not addressed previously namely (1) future benefits and (2) future financial independence is discussed.

7.4   LITERATURE OVERVIEW FOR REVISED MODEL

It was necessary to develop an understanding of the new constructs identified by the exploratory factor analysis. A literature review of these dimensions provides a theoretical base for the interpretation of the statistical findings. Consumer behaviour literature is discussed for the constructs future benefits and future independence.

7.4.1 Future Benefits of Banking

Future benefits refer to outcomes that individuals expect to receive in the future as a result of opening a formal bank account. Consumer behaviour literature identifies future benefits as having a significant relationship with two dependent variables in the model: (1) intentions and (2) attitude towards banking. In marketing literature future benefits are referred to as outcome expectancy (Landry, 2003). Outcome expectancy can be referred to as an individual's belief that a certain behaviour will produce a related outcome (Landry, 2003). While the concept future benefits may appear similar to that of perceived value it is not. Perceived value takes into account the cost of obtaining the benefits offered by the product while future benefits ignore this cost (Woodruff, 1997; Landry, 2003).

Research has shown that a direct relationship exists between outcome expectancy and consumers' intentions to perform a given behaviour (Rodgers and Brawley, 1996). Findings in the field, however, have varied based upon the sample selected. Young to middle-aged samples have shown little correlation between expectancy outcomes and behavioural intentions, while older samples have shown a strong

correlation (Gao, Xiang, Lee, Louisiana State University and Harrison, 2008). Thus, while outcome expectancy influences consumers' behaviour under certain circumstances, it is an unreliable measure of an individual's end behaviour (Ajzen, 1991). Ajzen (1991) rather suggests that outcome expectancy influences attitudes towards the behaviour, which in turn influence intentions.

Future benefits influence the dependent variable attitude towards the act of banking. Ajzen (1991) states that the attitude that individuals hold towards a given behaviour is determined by their beliefs about the outcomes of performing that behaviour. Thus, according to consumer behaviour literature, future benefits of banking will influence individuals' attitudes towards the act of banking as future benefits are defined as outcomes of performing the act of banking (Ajzen, 1991).

7.4.2 Future Financial Independence

Future independence, within the context of the study, refers to financial independence from others, especially one's family. The dimension is of particular importance for the sample of this study which comprised of individuals studying towards a post-matric qualification who are most likely still dependent on their parents.

Research conducted by Arnett (1988) indicates that independence is defined differently between cultures and generations. Traditionally, an individual was deemed to be independent in most cultures when they entered into marriage (Arnett, 1988). However, modern trends amongst Generation Y have shown that independence is defined as being able to: (1) care for oneself, (2) make one's own decisions and (3) support oneself financially (Arnett, 1988). The scale used in the study by Arnett (1988) refers specifically to the financial component of independence by focusing on wealth and independence from one's family.

Society views independence as an achievement in an individual's life (Arnett, 1988). Banking's contribution towards that independence is a benefit that individuals achieve from owning a formal bank account. Thus, future financial independence was hypothesised as influencing attitudes towards the act of banking as Ajzen

(1991) suggests that an individual's attitudes towards performing a behaviour will be based upon their beliefs about the outcomes of performing that behaviour.

While conducting exploratory research in Tanzania, it was observed that a large number of individuals that were in their early thirties had children and were not married. The observation indicates that Tanzanians likely view independence according to Artnett's (1998) three criteria, as opposed to the traditional viewpoint of being married. The change in individual beliefs about what constitutes independence is a result of varying beliefs and attitudes amongst different generations. The sample comprised of individuals from Generation Y. In order to understand how other trends could have influenced the findings it is important to study the characteristics of Generation Y.

7.5   SAMPLE: GENERATION Y

The sample of respondents selected for the research comprised of Generation Y individuals, otherwise known as Millennial Individuals. These are individuals who were born between 1980 and 2000 and of whom a large number are currently on university campuses or about to enter university (Weiler, 2004). The respondents were selected as they form part of the criteria for individuals who were most likely to open a bank account in the near future in Tanzania (Finscope, 2007). Traditionally, Generation Y refers to a group of young individuals who are mostly from Western backgrounds; however research has shown that individuals in East Africa display many of the characteristics of Western Generation Y as a result of globalisation and an emerging global culture (Waswa, 2013). Generation Y possess characteristics distinct from other generations (Waswa, 2013). The characteristics relevant to the study will be discussed below.

7.5.1   Generation Y's Development into Adults

Research has shown that Generation Y is slow to mature into the adult phase of their lives (Weiler, 2004). Generation Y individuals have been found to live at home for longer periods of time than previous generations and rely on their parents for financial help longer than previously deemed acceptable (Weiler, 2004). The slow

maturation of Generation Y can be attributed to factors like the poor economic climate, the rising cost of higher education and high housing prices (Weiler, 2004).

The trend for Generation Y to remain dependent upon their parents for longer than traditionally deemed acceptable most likely contributes towards the unbanked status of many individuals in the sample. While individuals in the sample may have positive intentions to open a formal bank account, they do not currently have any need to do so as their parents are responsible for their financial requirements.

The host family while conducting research in Dar es Salaam comprised of three generations living under one roof. The children of the homeowners (twenty-three and twenty-eight years of age) did not have regular incomes and were still dependent upon their parents for financial support. These children did not own formal bank accounts as their parents managed the household's finances and distributed cash from their bank accounts as it was needed. It is likely that once the children are formally employed they will open a formal bank account as a requirement of their employer.

Banks could capitalize on this trend by developing a product that is tailored to the financial dependency of Generation Y upon their parents while in their early twenties. Banks could offer joint 'student' accounts allowing parents to transfer funds to their children as needed. Incentives to use these accounts could be offered in the form of reward programs by spending funds at certain retailers and discounts on products and services that are typically bought by Generation Y individuals, such as movie tickets and transport. When Generation Y individuals become formally employed and are required by their employer to open a formal bank account, it is likely that these individuals will remain with their parents' bank due to familiarity and the ease of opening another account as the bank will already have the individual's official documents.

7.5.2 Generation Y and Cultural Identity

Generation Y has been shown to be civic-minded, especially on controversial topics and as a result they reject the attitudes of the Baby Boomers and Generation X (360

Research, 2011). Banking is a relatively novel concept in Tanzania with only nine per cent of the population owning a formal bank account. Exploratory research indicated that many individuals' parents viewed banking as a luxury product and status indicator. Many respondents reported that their parents held negative attitudes towards the act of banking.

Marketers can take advantage of the civic-mindedness of Generation Y by communicating to them that banking is beneficial, that it leads to a successful future and that individuals that bank are current and trendy.

7.5.3 Generation Y and Use of Technology

Individuals from Generation Y are accustomed to technology and the use of it to shape their lives (Weiler, 2004). During exploratory research the large number of individuals in Dar es Salaam that own smartphones and regularly make use of the Internet in their day-to-day lives was noted. The degree to which Generation Y is accustomed to technology may have affected the sample's adoption of banking as many of them may feel more comfortable using M-Pesa to save funds and conduct financial transactions. M-Pesa is a mobile phone based money transfer and microfinancing option available in East Africa.

Generation Y's use of technology creates opportunities for marketers in the Tanzanian financial services industry. Technology offers marketers a number of communication platforms for targeting consumers that can communicate highly personalised messages (Kotler and Keller, 2010). Marketers can make use of communication mediums such as SMS, Facebook, Twitter, e-mail and smartphone applications to send personalized messages based upon individuals' behaviours, location and demographics (Kotler and Keller, 2010).

As can be seen, Generation Y has its own unique characteristics that differ from previous generations. These characteristics were taken into account during the interpretation of the research findings and the subsequent formulation of the managerial and research recommendations.

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7.6 MANAGERIAL AND RESEARCH RECOMMENDATIONS

The findings of the empirical research allow for managerial and research recommendations to be proposed. The empirical findings were interpreted within the context of the Tanzanian financial services industy and based upon these interpretations recommendations were made. Managerial recommendations will provide banks in Tanzania with practical strategies and guidelines to be followed when pursuing the unbanked population of Tanzania. Recommendations from a research perspective will provide implications for future marketing research conducted in the field by providing a normative perspective on the matter (Hunt, 1983). Recommendations will firstly be provided for the null hypotheses that were rejected and then for those that were not rejected.

7.6.1 Managerial and Research Recommendations for Rejected Null Hypotheses

Null hypotheses five, six and eight were rejected. Null hypotheses five and six described the relationship between the independent variables: (1) future benefits and (2) reference groups and the dependent variable intentions. Null hypothesis eight described the relationship between future benefits and attitudes towards saving. The following section provides recommendations for managers and future researchers based on the presence of these relationships.

7.6.1.1 Future Benefits of Banking's Relationship with Intentions

A relationship was found to exist between future benefits of banking and the intentions of Tanzanians to open a formal bank account. Thus, the stronger the views of Tanzanians that banks offer consumers future benefits, the more likely they are to open a formal bank account.

As described in section 7.4, future benefits are referred to as outcome expectancy in marketing literature (Landry, 2003). Outcome expectancy is the belief that performing a certain behaviour will lead to given outcomes (Landry, 2003). In prior research outcome expectancy was found to have a direct significant relationship with

behavioural intentions. However, it was greatly dependent on the sample selected (Landry, 2003). Studies that made use of samples comprised of youth found little or no direct relationship between outcome expectancy and behavioural intentions (Landry, 2003). Samples of older individuals found a direct relationship between outcome expectancy and behavioural intention (Landry, 2003). In this study, however, youth comprised the sample and a direct relationship was found between the dimensions.

The findings provide insight into the culture of Generation Y Tanzanians through indicating that Tanzanians have a future focus. A focus on future benefits as opposed to current benefits indicates a long-term as opposed to a short-term focus amongst the population. Long-term orientated societies attach more importance to the future, while short-term orientated societies live in the present and past (Minkov and Hofstede, 2011). The long-term, forward focus amongst Tanzanian youth is beneficial for banks as it gives them an advantage over other money management alternatives, such as M-Pesa and keeping one's money under a mattress, that do not offer long-term benefits. It is likely that the tendency for the sample to have a long-term focus stems from their education level (USC, 2013). Individuals that have a tertiary education are more likely to have been educated about the importance of planning and taking precautionary measures for one's future (USC, 2013).

i.   Managerial Recommendations

The relationship that exists between future benefits towards banking and intentions to open a formal bank account creates the opportunity for banks in Tanzania to increase the banked population through marketing communications. The focus groups conducted with unbanked individuals indicated that they were unable to list the benefits of banking. Thus, while future benefits are important to unbanked Tanzanians, they are unable to indicate the benefits that banks provide.

Future benefits also forms a point of differentiation for formal banking from that of alternatives such as M-Pesa and 'saving one's money under a mattress' that do not have a forward looking approach (Kotler and Keller, 2010). Banking offers individuals the ability to earn interest, provides security for individuals' financial savings and the

ability to develop a credit history, all of which are unique to owning a formal bank account (Levine, 2004).

In order to differentiate banking from alternatives currently used by Tanzanians to save money and to increase consumers' intentions to open a formal bank account, marketing communications can be used. Marketing communications can be used to communicate messages that educate consumers about the future benefits offered by formal banking. Communication channels and media can be selected that are tailored towards Generation Y individuals that are studying towards or have a tertiary education as it is possible that individuals from other backgrounds are not as future focused. As described, Generation Y can be targeted through using communication means such as Facebook and smartphones applications. For instance, a Facebook campaign can be designed to educate consumers about the future benefits of banking. A Facebook game can then be developed that educates individuals about the benefits of banking and awards prizes to individuals that achieve certain levels of status in the game. Stanford (2013) has found that individuals that learn through gaming want to learn due to the entertainment factor and that deeper learning is likely to take place. As Generation Y has been found to be civic-minded, they are more likely to adopt mindsets and beliefs communicated through innovative communication channels (360 Research, 2011). The game can also be made available for free download on smartphones to increase reach and exposure.

As Tanzania is a third world country characterized by low-earning individuals, it is important not to overlook traditional media. Low-earning individuals are less likely to have access to smartphones, Internet, television or magazines, thus the use of billboards is effective as it incurs no monetary cost to the viewer. Billboards can be placed outside tertiary education campuses and used to educate individuals about the future benefits of banking. In order to ensure credibility of the message and better adoption of the beliefs communicated, celebrities can be placed on the billboards alongside slogans (Kotler and Keller, 2010). The majority of unbanked individuals indicated in the focus groups that they do not trust banks and are thus likely to dismiss communication from banks, unless the credibility of the message is ensured by using a celebrity endorsement (Kotler and Keller, 2010). While in Tanzania, the thriving local music industry and sensational responses from fans

were observed. Local music celebrities can thus be placed on the billboard with a message that indicates that the individual is preparing for their future by enjoying one of the future benefits of banking.

Banks can also educate consumers about their future benefit needs. Need recognition is the first stage of the consumer decision-making process and if consumers are not aware of the needs that exist, they will not enter into the process (Schiffman and Kanuk, 2010). Individuals can be educated about their needs through traditional media as well as within their tertiary education were the environment is conducive to learning. Banks can offer free business classes at tertiary educations where individuals are educated about the needs that are met by formal banking and the benefits of banking. The bank that sponsors the classes can then offer students the opportunity to open an account with them. By educating potential clients about their need to earn interest, have security for their money, as well as build a credit history, it will create tension within them to have these needs fulfilled (Schiffman and Kanuk, 2010).

As can be seen, the relationship between future benefits and intentions to open a formal bank account provides banks with the opportunity to increase the banked population of Tanzania. Future benefits can be used as a point of differentiation for formal banking from other money management alternatives. Consumers can also be educated about future benefits, making formal banking more attractive.

ii.   Research Recommendations

The relationship that was found to exist between future benefits and intentions to open a formal bank account necessitates further research to provide more insight into the future benefits construct within the context of the Tanzanian banking industry. Exploratory research is suggested to assist in better defining Tanzanians' understanding of the future benefits of banking and to determine those benefits that are viewed as important. The role of the construct within the model can also be tested when varying the product or service type as well as the population. It is likely that the relationship found is specific to products and services with a long-term focus and is not applicable to all products. As mentioned, the importance of a forward

looking approach to the population apparent in the future benefits construct might be due to characteristics of the population and not all Tanzanians. Tanzanians with less education and from older generations may not place as much importance on long-term outcomes (USC, 2013).

Exploratory research can be conducted in the form of focus groups and informal interviews in order to determine the future benefits of banking that Tanzanians are able to identify. Tanzanians do not need to be educated about future benefits that they are aware of, but rather reminded of the need that exists because of them. By identifying the future benefits that consumers are aware of banks will save marketing communication funds by ensuring that they don't send out educational messages about these benefits. Rather, marketing communications can be tailored around the needs that these future benefits meet in order to encourage consumers to enter into the consumer decision-making process (Schiffman and Kanuk, 2010).

At the end of the conducted focus groups Tanzanians can be presented with a list of the future benefits of banking and a short description of each. Participants can then be asked to rank order the importance of each of the future benefits. The results of the rank order can be used to design marketing communication messages that focus on those future benefits that are most important to Tanzanians.

It is suggested that future research be used to study the relationship between future benefits and intentions to purchase products and services when the product is altered to a different product category. It is likely that future benefits are specifically suited to banking services, as they have a relatively forward looking approach. When testing the model with a product that offers a less forward looking approach, such as food items, the relationship between future benefits may not be found. Thus, it is possible that the adapted model of the Theory of Planned Behaviour suggested in the study is only applicable to banking products and services.

The relationship between future benefits and intentions may also be tested when altering the population selected for the study. It is likely that the relationship was specific for the study as individuals from Generation Y who possess a tertiary education have been shown to have a more long term focus (USC, 2013).

As can be seen, future research can be used to develop more effective marketing communication leading to better spent marketing funds. Future research can also be used to test the application of the model proposed by the study under various conditions.

7.6.1.2 Future Benefits of Banking's Relationship with Attitude Towards Banking

A significant relationship was found between future benefits of banking and attitude towards the act of banking. The finding corresponds with consumer behaviour literature, which suggests a relationship between behavioural beliefs and attitudes towards performing a behaviour (Ajzen, 1991). The results indicate that as marketing managers of banks in Tanzania educate the public about the benefits of banking, they will be contributing towards the attitude that individuals hold towards the act of banking. Attitudes are comprised of a hierarchy of beliefs with each belief holding a different level of importance in the minds of consumers (Ajzen, 1988). As benefits are positive beliefs educating customers about them will contribute towards the formation of a positive attitude towards banking.

According to Ajzen (1985), it is important for consumers to hold positive attitudes towards banks as these positive attitudes will increase the likelihood that consumers hold positive intentions towards opening a formal bank account. By increasing the intentions to open a formal bank account, the banked population of Tanzania will increase leading to: (1) greater profitability for banks operating in Tanzania, (2) a stronger economy in Tanzania and (3) a better quality of life for the Tanzanian population (Levine, 2004). However, in the study no significant relationship was found between attitudes and intentions to open a formal bank account. Thus, positive attitudes towards banking do not appear beneficial to the Tanzanian banking industry. It is however suggested by the study in section 7.6.2.5 that the lack of relationship found between attitudes and intentions is due to Tanzanians' poor level of education about banking. If the model is tested with Tanzanians educated about banking and a significant relationship found between attitudes and intentions, the relationship between future benefits and attitudes once again becomes significant to marketers.

i. Managerial Recommendations

Due to unbanked Tanzanians' poor education about the benefits of banking, the managerial recommendations remain similar to those proposed for the relationship found between future benefits and intentions. Once again, marketing communications can be used to educate individuals about the future benefits of banking. As learning takes place, beliefs are stored in the minds of consumers (Kotler and Keller, 2010). When sufficient beliefs are stored in the minds of consumers a hierarchy of beliefs is formed, which is called an attitude (Ajzen, 1985). Thus, to ensure that positive attitudes are formed by the relationship between future benefits and attitudes, it is necessary for marketers to encourage learning to take place. The managerial recommendations for the focus on how marketers can encourage learning to take place and it is suggested that marketers implement the same strategy as described in section 7.6.1.1.1.

Two approaches to learning exist: (1) behavioural learning and (2) cognitive learning (Piel, 2013). Behavioural learning theorises that individuals learn in response to events or happenings in a person's external environment (Piel, 2013). In contrast, cognitive learning theories state that learning takes place as a result of a person's conscious and deliberate information processing and storage activity (Piel, 2013). In the case of educating Tanzanians about the future benefits of banking cognitive theories are relevant.

When communicating with consumers it is important that marketers take into account the consumer's ability to: (1) process, (2) store, and (3) retrieve the knowledge communicated in the message (Piel, 2013). If the consumer is able to complete each of these stages successfully learning can be said to have taken place (Piel, 2013).

For individuals in Tanzania to be able to successfully process marketing communications, the message can be communicated in such a way that it is easily understandable to them. If messages are too complicated and contain banking terms that are not understood by the population, they will not be able to process the message. It is recommended when communicating in Tanzania that language and culture barriers be taken into account. Messages can be communicated in Kiswahili

as the majority of Tanzanians are fluent in the language. Unbanked Tanzanians indicated that they struggled to trust international banks and appeared to struggle to relate to their Western appearances. If international banks communicate in Kiswahili they are likely to appear less 'alien' to consumers. Every culture is unique interpreting messages and cues within the context of their culture (Piel, 2013). In order for learning to take place correctly, firms need to ensure the message is interpreted correctly within the context of the culture (Piel, 2013).

Consumers store information and retrieve it later on (Piel, 2013). Factors that affect retention and retrieval are: (1) psychological factors, (2) familiarity and (3) relevance (Piel, 2013). Marketers are not able to influence the psychological factors of consumers as this refers to their mental aptitude and past experiences (Piel, 2013). However, familiarity and relevance are factors that marketers have control over (Piel, 2013). If consumers are more familiar with a particular piece of information they are more likely to have stored it within their memory and be able to easily access it. Marketers can expose the public to a given message on more than one occasion through repetition to ensure that individuals are easily able to recall the future benefits of banking (Piel, 2013). Marketers can also ensure that communicated messages are relevant to individuals, increasing the likelihood of storage and retrieval (Piel, 2013). As the population consists of individuals that are studying towards a tertiary education and will likely be formally employed in the near future marketing communications can be tailored around these themes. Future benefits, such as the ability to earn interest when formally employed and earning a salary, are highly relevant to the population and can be communicated.

As can be seen, learning is necessary if beliefs are to be (1) processed, (2) stored and (3) retrieved and attitudes formed (Ajzen, 1985). It is suggested that banks implement the same strategy as suggested in section 7.6.1.1.1, but that they have a strong focus on ensuring that learning takes place.

ii.   Research Recommendations

It is suggested that similar future research is conducted for the relationship found between future benefits and intentions. When conducting marketing communications

it is important to ensure that the marketing funds are spent efficiently and effectively in order to remain accountable to top management (Kotler and Keller, 2010). Research can be conducted as described in section 7.6.1.1 to determine the future benefits that unbanked individuals are currently educated about and the importance of each benefit to them. The research will prevent marketers from communicating redundant information and ensure that they communicate the most important benefits to Tanzanians.

As the relationship between future benefits and attitudes' relevance in the model is largely dependent upon the relationship between attitude and intentions future research is suggested to try and establish this relationship. It is suggested in section 7.6.2.5 that the lack of relationship between attitudes and intentions is likely due to the poor level of education that the population had about banking, which led to them having insufficient beliefs to form an attitude (Ajzen, 1985). If individuals do not hold an attitude towards banking it is not possible for a relationship to exist between attitude and intentions.

The relationship between attitudes and intentions is crucial to the importance of the relationship between future benefits and intentions. If the relationship between attitudes and intentions does not exist then future benefits has no impact on intentions (Ajzen, 1985). Thus, marketing could result in consumers forming positive attitudes towards banking, but it will not influence their intentions to open a formal bank account.

Thus, it is suggested that future research focuses on providing marketers with guidelines to the best possible manner to spend their marketing budget when communicating to the public about future benefits. Research as described in section 7.6.1.1 can be conducted to establish if an indirect relationship exists between future benefits and intentions due to the relationship between attitudes and intentions.

7.6.1.3 The relationship between Reference Groups and Intentions

The statistical findings of the regression analysis indicated a relationship between the independent variable reference groups and the dependent variable intentions to

open a formal bank account. A reference group is referred to as any group that individuals use as a standard for evaluating themselves and their own behaviour (Kotler and Keller, 2010). Thus, the attitudes and beliefs of reference groups will influence the intentions of Tanzanians to open a formal bank account (Schiffman and Kanuk, 2010).

The research findings indicate that the majority of individuals will consult their families when deciding whether to open a formal bank account. When acting as a reference group families provide a utilitarian and informational influence (Umich, 2013). Utilitarian influence involves reference groups controlling the rewards or punishments of members based upon decisions that they make about behaviour (Umich, 2013). Informational influence pertains to the reference group, usually through opinion leaders, providing members with information about certain products or outcomes of behaviour (Umich, 2013). Finscope (2007) indicated that Tanzanian women are usually responsible for money management in households. Thus, within the family women are the opinion leaders for money management and their beliefs and attitudes towards banking will influence those of the rest of the family.

i.   Managerial Recommendations

The influence of family as a reference group and women as opinion leaders within the reference group upon a Generation Y Tanzanian's decision to open a formal bank account creates the need for banks' marketing departments to conduct research about: (1) the attitudes and beliefs held by Tanzanian families and in particular the women within these families towards the act of opening a formal bank account and (2) direct marketing communication to families that leads them to hold positive attitudes towards banking. If Tanzanian families hold positive attitudes towards banking they will be more likely to encourage their children to open formal bank accounts as positive attitudes have been shown to lead to positive word of mouth (Kotler and keller, 2010).

Banks can conduct research into the attitudes and beliefs held by Tanzanian families towards the act of banking by administering a survey. The survey can contain a combination of open-ended and closed questions. Tanzanians struggled to express

themselves on scales when the questionnaire was administered for the study. It was found that Tanzanians were more comfortable expressing themselves in open-ended questions, as it allowed them to think about their answers and to express themselves. Tanzanians were likely more familiar with open ended questions than scales- thus marketers should use open ended questions were possible. Attitudes can be measured on scales that make use of graphics as opposed to numbers as suggested in 7.2.1.

Data collected can be analysed to determine the negative attitudes that families hold towards the act of banking. Banks can then alter these negative attitudes through the use of marketing communications by referring to attitudinal change theory suggested by Smith and Swinyard (1988). Smith and Swinyard (1988) suggest that the most effective way to alter individuals' attitudes is by altering both the cognitive and affective components of their attitudes (Ajzen, 1985). The methods of attitudinal change are discussed, as well as how they can be implemented through practical strategies (Smith and Swinyard, 1988).

The cognitive component of attitudes can be altered through four methods: (1) change beliefs, (2) shift importance, (3) add beliefs and (4) change ideal (Ajzen and Fishbein, 1975).

Attitudes are comprised of a hierarchy of beliefs they can be altered by changing the beliefs that underlie an attitude (Ajzen, 1985). When conducting the focus groups with both banked and unbanked individuals the participants indicated that they believed banking was a tedious process due to poor levels of customer service and ATMs that were often empty. Thus, it is suggested that banks focus on changing the beliefs that banking is a tedious and inconvenient activity. These beliefs can be altered by running a series of campaigns called 'My Banking Lifestyle'. While in Tanzania it was observed that Tanzanians place a strong emphasis on the lifestyle that they live and on appearing prosperous to others. It was common to see cell phone billboards advertising a particular lifestyle to Tanzanians as opposed to a given product. Tanzanians also communicated that they purchased Vodacom SIM cards as Vodacom appeared to be more Western and will make them look successful. The 'My Banking Lifestyle' campaign can be implemented through

billboards and television adverts that show successful individuals completing transactions with ease and as having an element of sophistication as a result of their bank accounts. Tanzanians can be exposed to the campaign on a regular basis in order for learning to take place (Schiffman and Kanuk, 2010).

Shift importance refers to shifting the importance of beliefs held in the minds of consumers (Smith and Swinyard, 1988). The banked and unbanked focus groups indicated that Tanzanians value convenience and ease of use when conducting financial transactions. Due to the importance of ease of use and convenience Tanzanians prefer to use M-Pesa and keeping their money 'under a mattress' as means of managing money. Marketing communications can be used to alter the relative importance of these beliefs (Kotler and Keller, 2010). The importance of convenience and ease of use indicate that Tanzanians valued the short-term benefits over the long-term benefits when considering banking. Banking offers many long-term benefits that are not offered by alternative methods of money management. The relative importance of these long-term benefits can be altered in order for banking to appear more attractive than other money management methods in the minds of consumers. Marketing communication can be used to alter the importance of long-term benefits to consumers through a message that uses the emotion of fear. The public can be shown the image of a person that was unbanked and how it created a troublesome future for them. in contrast, an individual that is banked can be shown with a successful future. The emotion of fear will create an element of shock in the receiver of the message and will lead them to pay attention and process the message.

Marketers can use marketing communication to add positive beliefs to consumers' attitudes about the act of opening a formal bank account (Smith and Swinyard, 1988). Adding positive beliefs can be difficult as beliefs are ranked according to a hierarchy and each successive belief contributes significantly less to the hierarchy (Ajzen and Fishbein, 1975). However, as banking is a relatively novel concept in Tanzania consumers are likely to hold few beliefs about banking. The likelihood of consumers holding few beliefs will make it easier to add new beliefs that contribute significantly towards the attitude held by consumers as there will be little hierarchy to compete with. Banks can develop positive attitudes towards themselves in the minds

of consumers as well as a point of differentiation from other money management methods by communicating positive beliefs that can only be enjoyed by individuals that bank. The communication of these beliefs can be incorporated into the 'My Banking Lifestyle' campaign and positive beliefs such as the ability to earn interest and build a credit history can be communicated.

The final manner in which marketers can alter the cognitive component of attitudes is to change the perceptions individuals hold about the ideal situation (Smith and Swinyard, 1988). Banks in Tanzania can alter the viewpoint of potential clients' families about the ideal situation by educating them as to why opening a formal bank account is ideal over keeping one's money under a mattress or in an M-Pesa account. Products become the ideal situation when they outperform others in the evaluation of alternatives stage of the consumer decision-making process (Schiffmann and Kanuk, 2010). During the evaluation of alternatives stage, the consumer will rank the importance of each product's attributes and then select a product that best suits their need(s) (Schiffman and Kanuk, 2010). In order for formal banking to be the ideal situation consumers can be communicated to about their needs that exist and then the benefits that are offered by formal banking to meet these needs. The message can be incorporated into the 'My Banking Lifestyle' campaign. By communicating needs to consumers they are likely to become aware of needs that they did not know exist, which will create tension inside of them to fulfil these needs and then banking can be portrayed as the solution to these needs (Schiffman and Kanuk, 2010).

The affective component of attitudes can be altered through three means: (1) classical conditioning, (2) affect toward the ad or website and (3) mere exposure (Smith and Swinyard, 1988).

Classical conditioning involves a stimulus that the audience likes, such as music, being constantly paired with a brand name (Smith and Swinyard, 1988). Marketers hope that over time some of the positive affect associated with the music will transfer to the brand (Schiffman and Kanuk, 2010). Classical conditioning can be achieved in the banking industry by partnering with a local music celebrity in Tanzania. As mentioned, Tanzania has a thriving local music industry with a strong liking amongst

the population that stems across generations. A music celebrity can be selected by a bank to be the spokesperson for the brand. The spokesperson will create a positive image of the bank in the minds of consumers as the liking and popularity of the spokesperson will be transferred to the bank's brand (Kotler and Keller, 2010). At the same time, the music celebrity's songs can be paired with bank advertising to allow for classical conditioning to take place (Smith and Swinyard, 1988). The song featured in advertising can then be played in bank branches to further the classical conditioning and make the waiting period at banks feel less mundane.

Research has shown that when a consumer likes an advertisement or website of a particular brand, they are also more likely to like the brand (Smith and Swinyard, 1988). The phenomenon is called affect toward the ad (Smith and Swinyard, 1988). Banks operating in Tanzania can conduct research into the type of humour and emotional appeals that are enjoyed by Tanzanians and their families. Marketing communication can then be sent out across communication means that contains the humour and emotional appeals that are enjoyed by Tanzanians.

Mere exposure involves presenting a brand to the public on a regular basis in the hope that a more positive attitude towards the brand will develop (Smith and Swinyard, 1988). In the case of the Tanzanian banking industry mere exposure may prove beneficial as the unbanked focus group indicated that they had difficulty in trusting banks as they were concerned that they might leave the country with their money. If families of potential clients are exposed to a bank's branding on a regular basis they are likely to perceive that brand as part of Tanzania and thus be less sceptical. Mere exposure is similar to repetition theory in that individuals are exposed to the same stimulus on more than one occasion, which aids the process of learning taking place (Schiffman and Kanuk, 2010). Through mere exposure banks will therefore also be increasing the chance that learning takes place (Schiffman and Kanuk, 2010).

ii.   Research Recommendations

Future research within the field of reference groups and banking calls for three areas of study: (1) the reference groups consulted by Tanzanians when opening a formal

bank account over and above that of families, (2) the relevance of reference groups when the sample and product type is changed and (3) the influence of culture on reference groups.

In the questionnaire respondents were asked to indicate the group of individuals that have the biggest influence on their decisions. While respondents were asked to indicate only one group of individuals, due to respondent fatigue it is likely that individuals consult more than one reference group when making decisions (Kotler and Keller, 2010). The attitudes and beliefs of these other reference groups will also influence consumers' decisions to open a formal bank account (Schiffman and Kanuk, 2010). Banks need to determine who the other reference groups are, so that they too can be targeted by marketing communications. The various reference groups consulted by Tanzanians and the importance of each reference group can be determined by holding a focus group. In the focus group individuals can be asked to list all the reference groups that they consult when making a purchase decision. The various reference groups can then be rank ordered by participants in terms of importance. The importance of each reference group will provide an indication of Tanzanians' willingness to comply with the norms of each reference group.

As banking is a relatively novel concept in Tanzania it is likely that consumers will spend extended time on the information search stage of the consumer decision-making process (Schiffman and Kanuk, 2010). The extended period of information search makes the opinions and information provided by reference groups of greater importance. The model can be tested with various products that require differing periods of information search in order to determine if the relationship is still found to be significant between reference groups and intentions to perform a given behaviour. Products such as soap, which have a relatively short period of information search, can be tested as well as impulse purchases such as candy purchases.

The relationship found between reference groups and intentions can also be tested in future research by varying the population selected. It is likely that because the population was young they hold the opinions of referent others in higher regard due to their lack of experience. When older populations are selected reference groups

may be of less significance due to the personal experience that individuals have with performing given behaviours.

The influence of culture on reference groups is also interesting to note as discussed in the literature review. Tanzania is currently a highly collectivist society and thus the opinions of referent others are held in high regard (Vermaas, 2012). The population of the study was also financially dependent upon their parents which placed the opinion of their parents in higher regard in order for them to continue to enjoy financial support. Tanzanians indicated that they are continually adopting Western culture due to globalisation and the viewpoint that Western culture is more up to date. Western culture promotes individualism, which is likely to lead to reference groups holding less importance to Tanzanians in the near future. Thus, the model can continued to be tested as globalisation and adoption of Western culture takes place in Tanzania.

As can be seen, future research within the field of the relationship between reference groups and intentions is required. The research can be conducted to determine other reference groups apart from family that are consulted by Tanzanians, as well the relative importance of each group. The significance of the relationship between reference groups and intentions can also be tested under various product types and populations. Lastly, as culture is constantly changing it will be interesting to note the influence of globalisation on the relationship between reference groups and intentions in the near future in Tanzania.

7.6.2   Null Hypotheses that were Not Rejected

Null hypotheses one, two, three, four and seven were not rejected as no relationship existed between the independent and dependent variables. The managerial and research implications of these findings are discussed.

7.6.2.1 Perceived Value and Intentions

The results of the regression analysis indicated that no significant relationship exists between perceived value and attitudes towards the act of banking. Perceived value

is defined as the consumer's overall assessment of the utility of a product (or service) based on perceptions of what is received and what is given (Kotler and Keller, 2010). Thus, these findings indicate that the beliefs held by consumers about what they are going to receive from formal banking in exchange for their expenditure does not affect their intentions towards banking. While the findings may appear to contradict the relationship found between future benefits and intentions, it is important to note that value takes into account the cost component of banking while future benefits do not (Hartnett, 1988).

When conducting the unbanked focus group participants indicated that they were unable to identify the monetary cost of banking and many where unsure whether banking or M-Pesa offered better value. It is thus likely that no relationship was found between perceived value and intentions as consumers do not hold a level of perceived value for formal banking as they could not define its monetary cost.

Perceived value has been shown to give firms a competitive advantage over that of other product offerings and is thus important for banks in Tanzania (Woodruff, 1997). As described by Hartnett (1988) value is comprised of two components: (1) a get component and (2) a give component. Through the marketing communications aimed at communicating the future benefits of banking consumers will be educated about the get component of banking (Hartnett, 1988). The give component of banking refers to the expenditure on behalf of the consumer to acquire the product (Hartnett, 1988). The give component is comprised of both monetary and non-monetary costs (Hartnett, 1988). When conducting the focus groups consumers appeared to be able to state the non-monetary costs of acquiring banking, such as long waiting periods. While the majority of these non-monetary costs were viewed negatively and identified as poor customer service, the steps stated in section 7.6.2.1 can be implemented to overcome these negative attitudes. Firms, however, need to educate consumers about the monetary costs of banking in order for customers to develop a value for money indication for banking, which is a component of value (Schechter, 1984). By assisting customers to define the monetary cost of banking they will be able to develop a perceived value for banking and the likelihood of a relationship between perceived value and intentions to open a formal bank account will increase.

i.   Managerial Recommendations

Banks can make use of marketing communication to inform customers about the monetary cost of banking products. Participants in the unbanked focus groups indicated that the monetary cost of formal banking, when compared to alternatives such as M-Pesa, was of concern for them when deciding whether to open a formal bank account. Banking has however been shown to be cheaper than M-Pesa, which costs the user roughly R2.45 per transaction (Vegter, 2010). It is thus suggested that consumers are to be educated about the monetary costs of banking through the use of comparative advertising. Comparative advertising is an advertisement in which a particular product or service specifically mentions a competitor by name for the express purpose of showing why the competitor is inferior to the product naming it (Etgar, 1978).

Billboards and print advertisements can be issued by banks indicating the cost of formal banking alongside that of M-Pesa. The benefit of using comparative advertising is that it limits the amount of information search required by the consumer. When presented with the price of formal banking by itself customers will be required to go and look up the cost of M-Pesa to make an informed decision about which product to purchase. It is likely that many consumers will not take the initiative to compare the cost of the two products and will resort to habit, making use of familiar products such as M-Pesa.

Comparisons can also be communicated through advertising informing customers about the difference in monthly transactional expenses for the same number of transactions for an individual using M-Pesa and one using formal banking. By presenting customers with a practical example of the cost savings at varying transaction levels per month, the customer can place themselves within a bracket and relate themselves to the cost saving.

As can be seen, through communicating the financial cost of banking to consumers it will assist them in developing a level of perceived value for banking. It is likely that when consumers understand the monetary cost of banking, perceived value will

have a significant relationship with intention to open a formal bank account. Educating consumers about the monetary cost of banking provides the opportunity to conduct comparative advertising and educate consumers about how using formal banking is cheaper than M-Pesa when reaching a certain transaction threshold.

ii.   Research Recommendations

The study suggests that respondents were not able to develop a level of perceived value for banking as they were not able to define the monetary cost of formal banking. The suggestion is based upon the results of the unbanked focus group were individuals indicated that they could not state the estimated costs of banking.

If the suggestion that respondents were unable to define perceived value in their minds is correct then it is possible for a relationship between perceived value and intentions to exist. Future research can test for the relationship by administering the questionnaire to a group of individuals that are familiar with the products and services offered by banks as well as their cost. Classes can be taught as part of a course on business management to a group of unbanked individuals studying towards a tertiary education. At the end of the classes the questionnaire can be administered and the model retested to determine if a relationship exists between perceived value and intentions to open a formal bank account.

To understand how Tanzanians define value would be interesting and it is suggested that open-ended questionnaires are administered to both banked and unbanked individuals. In the questionnaires individuals can be asked to: (1) describe what they believe value to be, (2) describe the 'get' component of value and (3) describe the 'give' component of value. Focus groups can also be held where consumer's purchase decision processes are discussed. During the evaluation of alternatives stage participants can be asked to rank order the importance of a given number of product attributes with one of them being perceived value.

As can be seen it is necessary to conduct research to determine if a relationship exists between perceived value and intentions to open a formal bank account after consumers have been educated about the monetary cost of banking. Further

research into Tanzanians understanding of perceived value would also prove interesting as it would give banks an indication of the importance of product and service attributes and the cost of these attributes for Tanzanians.

7.6.2.2 Self-Efficacy and Intentions

The results of the regression analysis indicated that there is no significant relationship between individuals' self-efficacy and their intentions to open a formal bank account. Thus individuals do not take into account their own abilities to open a formal bank account when deciding whether to do so. The results of the regression analysis correspond with those found in the unbanked focus group. Participants were asked to comment of their self-efficacy and their ability to open a formal bank account. When asked the question participants laughed and stated that they do not consider whether they are able to do a task but rather go ahead and do it knowing that "they can do anything". Thus it appears that Tanzanians possess a high level of self-efficacy when performing the task of opening a formal bank account. The high level of self-efficacy possessed by Tanzanians likely leads to a 'blinding' level of confidence that causes them not to assess their self-efficacy when deciding whether to open a formal bank account.

The Finscope (2007), Vermaas (2012) and the informal interviews with banks indicated that the majority of individuals do not have access to the required documents to open a formal bank account. Thus while Tanzanians are confident in their own abilities to open a formal bank account they are not likely to possess the required documents. The scale used to measure self-efficacy included an item that requested respondents to indicate their confidence in their ability to provide the required documents. However, the population consisted of individuals studying towards a tertiary education where the institution would require such documents for registration.

As can be seen the population do not assess their level of self-efficacy when deciding whether to open a formal bank accounts. The unbanked focus group indicates the high level of confidence Tanzanians have in their own abilities to perform tasks stating that they "can do anything". It is likely that the mind-set of being

able to do anything stems from a cultural value that has been communicated to them by their families and teachers. When attending an business management class at the University of Dar es Salaam the lecturer was observed to constantly challenged the class to become entrepreneurs stating that all things were possible for their generation.

i.   Managerial Recommendations

The research indicates that Generation Y individuals from Tanzania have a high level of confidence in their own abilities to perform tasks. It would appear that this high level of confidence is a result of Generation Y having been told by their parents and teachers from a young age that their generation can achieve all things. The unbanked focus group when indicating that they can "do anything" was passionate which was expressed through their raised voices and laughter at the question. The high level of confidence and passion that Generation Y have can be used to tailor marketing communications.

A series of advertising campaigns can be developed starring young entrepreneurs from Generation Y. The entrepreneur is to appear confident and successful in order to sell a particular lifestyle. As mentioned in 7. 6.1.3 Tanzanians were observed to purchase products merely on the basis of purchasing a particular lifestyle and image. The advertisements can then be used to explain to the public how the entrepreneur uses banking to perform tasks such as make staff payments and pay overseas accounts. The advert is to make banking appear a crucial part of any young entrepreneur's lifestyle and abilities to run a small business. The advertisement will be relatable for the target audience as it likely appeals to many of the individuals' self-concepts. Consumers have been shown to purchase products based upon their self-concept. By developing a message that is relatable to the target audience it encourages them to pay attention to the advert and for processing to occur.

While Tanzanians indicated their own confidence in the ability to perform banking tasks in the focus groups it is important to note that they expressed a lack of confidence in banks' abilities to perform their tasks. Participants expressed concerns about poor level of customer service as ATMs were often empty and banks plagued

by long queues of individuals waiting to be assisted. Banks can improve customer service by: (1) employing more staff to handle customers queries, (2) ensuring staff are trained in a manner that leads to efficiency, (3) educating staff about the benefits of developing long-term relationships with clients and (4) installing an optimum number of ATMs and ensuring that these ATMs are functional allowing customers to transact electronically rather than visiting branches (Finacle, 2013). By implementing the above steps customers will be helped more efficiently and quickly and the number of customers visiting branches will be decreased (Finacel, 2013). Marketing communications can then be sent out indicating the improvements in customer service encouraging individuals to make use of their high level of confidence in their ability to open a formal bank account.

As can be seen the high level of self-efficacy possessed by Generation Y Tanzanians creates the opportunity to target them with advertisments that appeal to their ability to achieve all tasks presented to them. Banks can also focus on improving customer service in order to remove the tedious nature of performning banking tasks.

ii.   Research Recommendations

Self-efficacy will have the biggest influence when the product that consumers are purchasing is unfamiliar to them or provides challenging requirements to make a purchase (Bandura, 1977). As the sample consisted of unbanked individuals a formal bank account is a product that is unfamiliar to them. The results of the focus group with unbanked individuals confirm the unfamiliarity of formal banking to Tanzanians who were not able to state the various banking products and their workings. Formal banking also provides challenging requirements for many Tanzanians who do not have a birth certificate or proof of residence. Thus according to theory Tanzanians will take self-efficacy into account to the largest degree when purchasing a product such as formal banking (Bandura, 1977). As no relationship was found between self-efficacy and intentions to open a formal bank account it is highly likely that self-efficacy has no relationship with intentions regardless of the product choice.

A broader study of self-efficacy comparing the level of self-efficacy of Tanzanians from Generation Y to that of Generation X would prove beneficial. Generation Y has been shown to have a greater level of self-efficacy than that of previous generations (Weiler, 2004). It is likely that Generation X do not have as high a level of self-efficacy as Generation Y leading to a significant relationship between self-efficacy and intentions in the model when tested with a population comprised of Generation X individuals.

7.6.2.3 Future Financial Independence and Attitude Towards Banking

The results of the regression analysis indicate that no relationship exists between future financial independence and attitude towards the act of banking. Thus consumers do not take the extent to which they will be financially independent in the future into account when forming an attitude towards the act of banking.

The short-term societal approach depicted in the results might appear contradictory to the long-term one found for the future benefits dimension. However, it is likely that the lack of relationship is a result of a high degree of collectivism in the society (Allik and Realo, 2004). In societies that are collectivist individuals act as members of a life-long and cohesive group or organization (Hawkins and Mothersbaugh, 2010). Thus, as Tanzania has been shown to be a collectivist society, individuals will not have a focus on individualism as it is contrary to their cultural values. Rather cultural values reward those that look after their family members creating a degree of financial dependency between the family members. The collectivist nature of the society was observed through the large number of individuals that have begun families but are still living at home with their parents late into their twenties.

i.   Managerial Recommendations

The findings do not indicate that wealth is not important to Tanzanians, but rather wealth that leads to independence. When designing marketing communications it is important that banks take into account the collectivist nature of Tanzanian society. Rather than merely focusing on the individual banks can include families in

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marketing communications showing how the entire family has benefitted through an individuals from Generation Y opening a formal bank account.

The collectivist nature of Tanzanian society also indicates the need for banking products to be designed that take more than one individual into account. Family saving plans and accounts designed for Upatus (Stokvel) can be developed similar to that of FNB's club account (FNB, 2013). A club that is tailored to Upatus will assist in acquiring some of this money into the banking industry which will further benefits Tanzania's growing economy.

As can be seen the need to take collectivism into account when designing marketing communications is important. Tanzanians appear to resist wealth that leads to one individual excelling above others. Rather marketing communications can indicate a group of individuals excelling. The collectivism present in Tanzanian society also indicates the need to develop banking products that allow for group saving schemes.

ii. Research Recommendations

Individuals from Generation Y living in Tanzania are influenced by American culture. Tanzanians are exposed to television channels such as MTV, VH1 and CNN through DSTV which portray American values and beliefs (Weiler, 2004). Informal interviews conducted with Tanzanians from Generation Y indicated that youth are making a conscious effort to renounce local culture and pursue the more modern and 'socially desirable' American culture. American culture is individualistic and individuals grow up encouraged to pursue their own goals and desires. It is likely that as American culture continues to permeate Tanzanian society that the Tanzanian culture will become more individualistic. Future research can be conducted to determine the extent of individualism in society and if globalisation will eventually lead to a level of individualism in Tanzanian society were future financial independence has a significant relationship with attitudes towards the act of banking.

7.6.2.4 Affective Attitudes and Intentions

The results of the regression analysis indicate that no relationship exists between affective attitudes and intentions to open a formal bank account. Attitudes are comprised of three components: (1) affective, (2) cognitive and (3) behavioural (Ajzen, 1991). The affective component refers to the individuals emotions or feelings that they hold towards and object or behaviour (Ajzem, 1991). Thus the results of the regression analysis states that individuals do not consciously take emotional considerations into account when deciding to open a formal bank account.

i.   Managerial Recommendations

The lack of relationship between affective attitudes and intention to open a formal bank account provides valuable insight for marketers of Tanzanian banks. When deciding on the message for marketing communication marketers are advised not to use emotional appeals to attempt to gain customers. Rather marketing communication about banking can contain messages that focus on communicating factual information about banking. Marketing communication that adopts a factual approach is referred to as a rational appeal (Shimp, 2010). Two rational appeal approaches exist: (1) listing product benefits and (2) convincing proof (Shimp, 2010). The importance of listing the future benefits of banking is discussed in 7. 5.1.1 as it was found to have a positive relationship with individuals' intentions to open a formal bank account. Convincing proof when considered in light of the findings from the unbanked focus group would prove beneficial to aiding the adoption rate of banking in Tanzania. Individuals in the unbanked focus group indicated that they struggled to trust banks as they were fearful that they would leave the country with their money. Convincing proof can be used in the form of testimonials communicated by customers who have been banked for an extended period of time and who have been financially successful. These individuals can provide testimonials explaining how banking has allowed them and their families to achieve financial success and how through developing a relationship with the bank they have grown to trust it.

As can be seen emotional appeals in advertising are likely to have little influence on individuals intentions to open a formal bank account. Rather banks can use rational appeals to encourage consumers to purchase banking products and services. The

rational appeal will also increase the education levels of consumers about banking products and services which was a need recognised in the unbanked focus groups.

ii.   Research Recommendations

Affective attitudes are most likely to find their relevance in purchase intent when branding is involved. A brand refers to the name, term, sign, symbol, or any other feature that identifies one seller's product distinct from those of other sellers. Branding creates a personality for a product that allows a customer to develop a relationship with the product or brand (Kotler and Keller, 2010). Consumers usually purchase brands that have personalities that match their own self-image (Kotler and Keller, 2010). Firms seek to develop brands to form a relationship with customers, as customers will continue to purchase brands in the future that they have a relationship with (Kotler and Keller, 2010).

Future research can measure the extent to which Tanzanians are familiar with the various banking brands and their brand values. It is likely that Tanzanians are uninformed about the various brands that exist and thus affective attitude was not found to have a significant relationship with intentions. Future research can be conducted to retest the relationship between affective attitude and consumers' intentions to open a formal bank account when consumers are familiar with a number of banking brands. If a relationship is found to exist further research can then be conducted into the type of emotional appeals that are attractive to Tanzanians when deciding to open a formal bank account. Banks can then use these emotional appeals as part of their advertising and incorporate it into their branding in order to gain a competitive advantage and point of differentiation (Kotler and Keller, 2010).

As can be seen affective attitudes have an important role in purchase decisions when branding is involved (Kotler and Keller, 2010). Future research can be used to determine the extent to which affective attitude influence intentions when respondents are informed about the various banks brands.

7.6.2.5 Attitudes Towards Banking and Intentions

The results of the regression analysis indicate that no relationship exists between attitudes towards banking and intentions to open a formal bank account. Thus individuals do not take attitudes towards the act of banking into account when deciding whether to open a formal bank account. These results may appear confusing as they contradict extensive marketing research, however, when they are interpreted in conjunction with the unbanked focus group the results can be better understood (Ajzen and Fishbein, 1975; Ajzen, 1985, Ajzen, 1991).

Attitudes are formed through a hierarchy of beliefs that form in the minds of consumers (Ajzen, 1988). If beliefs are not present consumers are unable to develop an attitude towards an object. Respondents from the unbanked focus group indicated that they were unable to describe the benefits of banking as well as the products that are offered by banks. The inability to state these basic facts about banking indicates that unbanked individuals in Tanzania likely hold insufficient beliefs about banking to form an attitude towards it.

The lack of beliefs held by Tanzanians towards banking provides an opportunity for marketers to form a positive attitude towards banking relatively easily, taking into account that there is not a hierarchy of beliefs to contend with. Positive attitudes towards banking can be achieved through effectively using marketing communications (Kotler and Keller, 2010).

i.   **Managerial Recommendations**

Banks can use advertising to communicate positive factual elements about banking to unbanked individuals from Generation Y. It is advised that the adverts be designed in such a way that they cut through the clutter of other advertising (Kotler and Keller, 2010). Once again it is suggested that a local music celebrity is used as a spokesperson for the brand as the individual will quickly gain the public's attention and can be used to make mundane banking information appear interesting. Banks can consider asking a local music artist to develop a series of short raps that can be played in advertisements about the benefits of banking. It was observed that rap

music was very popular with Generation Y individuals in Tanzania. Music has also been shown to cause individuals to pay better attention and activate that part of the brain that stores beliefs (Science Daily, 2007).

The public will then convert the information received into beliefs and a hierarchy of positive beliefs will form resulting in an attitude (Ajzen and Fishbein, 1975). As the beliefs have been shown to have a cumulative effect it will be more difficult for negative beliefs to create a negative attitude towards banking in the future (Ajzen and Fishbein, 1975). When communicating positive information about banking it is important that banks focus on the future benefits of owning a formal bank account as this has been shown to directly influence individuals' intentions to open a formal bank account.

After the completion of successful marketing communication that leads to the development of positive attitudes towards banking future research can be conducted to determine if a relationship can be found between attitudes and intentions within the Tanzanian financial services industry.

ii.   Research Recommendations

Marketing literature has proven that attitudes, through their influence on intentions, are a strong determinant of consumer behaviour (Ajzen and Fishbein, 1975; Ajzen, 1975; Ajzen 1991). To find contradictory results in the study may at first appear perplexing but as suggested this is likely due to the lack of beliefs that Tanzanian's hold towards banking. Once sufficient marketing communication has been conducted to allow for the education of the Tanzanian population about banking the model can be retested in order to determine if a relationship between attitudes and intentions is found.

7.7   CROSS CULTURAL GENERALIZABILITY OF THE THEORY OF PLANNED BEHAVIOUR

While the theory of planned behaviour was adapted in the study by including dimensions relevant to the Tanzanian banking industry, Ajzen (1985) suggests that

the model represents universal decision-making processes toward the enactment of international behaviours. Thus the key relationships in the model should be consistent across cultures (Ajzen, 1985). Specifically, it was hypothesized that the effects of the psychological antecedents of intention, namely, attitudes, subjective norm, and perceived behavioural control, would be consistent across cultures; that intention would predict behavior; and that intention would mediate the effects of attitudes, subjective norms, and perceived behavioural control on behavior (Ajzen, 1985).

However, the theory relationships have been shown to be moderated by constructs like intention stability (Sheeran & Abraham, 2003) and personality (Rhodes, Courneya, & Hayduk, 2002). This has suggested that the theory is perhaps less universal than originally proposed and that the TPB may be more of a flexible framework for identifying the processes leading to intentional behavior rather than a general model.

Haggar, Chatzisarantis, Barkoukis, Wang, Hein, Pihu, Soos and Karsai (2007) identify cultural values that are endorsed by different societies as being a moderator of the effects of The Theory of Planned Behaviour. Most notably in collectivist societies the effects of subjective norms on intentions were generally stronger and the reverse was found for attitudes. However, the effects of subjective norms on intentions were generally stronger among Chinese participants and the reverse was found for attitudes (Bagozzi, Lee and Van Loo 2001).

Tanzanian society is collectivist (Vermaas, 2012) suggesting that collectivism likely influenced the application of The Theory of Planned Behaviour in this study. The findings are similar to those of (Bagozzi et al,. 2001) in that reference groups (subjective norms) were found to have a relationship on intentions while attitudes were not. While attitudes likely did not have a relationship with intentions due to consumers holding insufficient beliefs about formal banking, collectivism could have further influenced the lack of relationship.

The lack of relationship found between perceived behavioural control (self-efficacy) and intentions was also likely contributed to by cultural norms. Tanzanians were

observed as being forward and confident when performing activities indicating the existence of a cultural value of confidence. This confidence was likely instilled in individuals from a young age leading them to partake in activities with little assessment of their perceived self-efficacy to perform the task. Thus, this confidence likely leads to the lack of importance of perceived behavioural control in the model of this study.

As can be seen implementing The Theory of Planned Behaviour in the context of Tanzanian culture likely had an influence on the final model. Cultural values lead to varying importance of the model's dimensions which in turn likely contributed to the relationships or the lack there of found.

7.8   LIMITATIONS OF STUDY

The limitations of the study are those characteristics of design or methodology that set parameters on the application or interpretation of the results of the study (Cline, 2011). Four limitations were identified in the study: (1) forced participation of sample, (2) respondents' poor knowledge of banking, (3) conducting of pilot study in South Africa and (4) the sample consisted of individuals from only one profession.

7.8.1   Forced Participation of Sample

The manner in which the sample was selected for the study is identified as a limitation. Individuals from the Dar es Salaam librarian school were required to partake in the study on a compulsory basis by their lecturer. The compulsory nature of participation could have lead to an increase in respondent error as respondents attempted to complete the questionnaire as quickly as possible in order to be dismissed. Respondents are more likely to spend insufficient time reading text and selecting responses at random in order to complete the questionnaire under forced participation. The sample could however not be altered as Finscope (2007) found that these individuals were the most likely candidates to open a formal bank account in the near future.

7.8.2 Respondents Poor Knowledge of Banking

Another limitation to the study was the extent to which individuals were not educated about banking and its products and services. The unbanked focus group indicated that individuals knew very little about banking, its services and the benefits of owning a bank account. Without sufficient knowledge about a product consumers are not able to partake in a normal consumer decision-making process as the do not have the knowledge. In the natural world when deciding whether to open a formal bank account customers will pass through the information search phase of the consumer decision-making process. However, when completing a questionnaire it is not possible for a customer to gather information before making a decision. The lack of knowledge most likely made it difficult for many individuals to indicate their response towards dimensions such as attitudes, perceived value and affective attitudes. While a welcome letter containing information about banking could have been attached to the questionnaire this would likely have had more adverse effects on the study in terms of respondent fatigue.

7.8.3 Conducting of Pilot Study in South Africa

Due to the study being conducted abroad and the consequent time and cost constraints, it was not possible to conduct the pilot study in Tanzania. The pilot study was rather conducted in the township Macassar, South Africa were residents had similar demographics to that of the sample selected in Tanzania. Culture, however, has a substantial influence in the manner in which questionnaire items can be interpreted and due to language differences the questionnaire could not be tested in Kiswahilli. If the pilot study were to have been conducted in Tanzania it could likely have been better refined leading to better quality raw data having been collected.

7.8.4 Sample Consisted of Individuals from Only One Profession

Lastly, the sample comprised of individuals studying towards a diploma in librarianship. Librarians in Tanzania earn small salaries that will likely not allow for them to have financial savings. The small salary earned by a librarian can also lead to them viewing banking as an unnecessary expense. Thus due to the poor salary

earned by librarians the sample were less likely to have considered opening a formal bank account in the near future than students studying towards other professions.

As can be seen the limitations do not result in serious implications on the findings of the study. However, the need exists to take these limitations into account when conducting future research on the role of attitude and intentions on the adoption of banking in Tanzania.

7.9   BENEFITS OF THE STUDY

The study provides guidelines for banks to increase the banked population of Tanzania. The following groups will benefit from an increase in Tanzania's banked population: (1) the Tanzanain economy, (2 Tanzanian citizens and (3) banks doing business in Tanzania.

Banks have been shown to contribute towards eocnomic growth (Levine, 2004). By increasing the banked population of Tanzania the Tanzanian economy will benefit more fully from the economic growth offered by banks.

Banking products and services provide a number of benefits that improve the quality of life of their consumers (Levine, 2004). Consumers do not have access to these benefits unless they own a formal bank account.

Lastly, banks doing business in Tanzania can implement the suggested strategies to increase their customer base. An increased customer base is likely to lead to increased profitability for banks.

7.10 CONCLUSION

The purpose of the study was to determine the influence of attitudes and intentions in the adoption of formal banking in Tanzania. Tanzania has become a hub of

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investment for foreign banks leading to fourty-eight banks operating in the country. Despite the large number of banks in operation only nine percent of the population own formal bank accounts. The high unbanked population of Tanzania negatively influences the profitability of Tanzanian banks. Exploratory research conducted in Tanzania indicated that the population use alternative methods to keep their savings secure such as M-Pesa and "keeping their money under their mattress". Formal banking offers consumers many benefits that M-Pesa and "keeping money under your mattress" do not provide. Tanzanians that are able to afford formal banking, but choose alternatives that forfeit the benefits of formal banking. By researching how the attitudes and intentions of Tanzanians influence their decision to open a formal bank account, the study provides insights that can be used by banks to design marketing strategies to acquire new customers. By increasing the banked population of Tanzania, individuals will experience an increased quality of life by partaking in the benefits of banking and the profitability of banks will increase.

The study commenced by conducting a literature review of prior research conducted in the fields of the Tanzanian banking industry and consumer behaviour. The literature review found that little research has been conducted on the Tanzanian banking industry, with most studies merely providing a historical account. Consumer behaviour literature indicated the importance of intentions and attitudes in determining an individual's behaviour and provided the model to be applied in the study, namely the theory of planned behaviour (Ajzen, 1991) that evolved from the theory or reasoned action (Ajzen, 1985). Ajzen (1991) states that the theory of planned behaviour must be operationalized based upon the behaviour that is being studied, which in this case was the behaviour of opening of a formal bank account. Attitude towards the behaviour was operationalized as attitude towards banking, subjective norms were operationalized as reference groups and perceived behavioural control was operationalized as self-efficacy.

Exploratory research was then conducted in Tanzania. Exploratory research assisted in gaining a better understanding of the reasons for the high unbanked population in Tanzania from the perspective of banks and consumers. Informal interviews were conducted with banking CEO's and managers to gain an understanding of their perspective of the problem. The interviews indicated that banks in Tanzania were

largely uninformed about the problem and could not provide insightful answers. Informal interviews and focus groups were conducted with individuals that were both banked and unbanked. The exploratory research provided insight into their thought patterns, beliefs and attitudes towards formal banking. The findings of the exploratory research lead to the adaptation of the theory of planned behaviour for an East African context. The adaptation involved the addition of the following dimensions to the model as potential influencers of behavioural intentions: (1) perceived value, (2) perceived relative advantage and (3) access convenience.

Hypotheses were formulated from the adapted model and a cross sectional survey was designed to collect data in Tanzania for the purpose of testing the hypotheses. Before the data was analysed by means of SPSS to test the hypotheses, the validity and reliability of the measures was assessed. Various forms of validity were tested, including the particularly important discriminant validity that was analysed by conducting an exploratory factor analysis. The exploratory factor analysis resulted in further restructuring of the model and revision of the formulated hypotheses. The restructuring of the model was expected as the theory of planned behaviour was developed in a Western context, which differs from East Africa.

The hypotheses were then tested using two multiple regression analyses to test if a significant relationship existed between the dependent and independent variables. Significant relationships were found between the independent dimensions of reference groups and future benefits and the dependent variable of intentions. A significant relationship was also found between future benefits and attitude towards banking. Hypotheses five, six and eight were thus rejected whilst the remaining null hypotheses (one, two, three, four and seven) were not rejected as no significant relationships existed.

The findings were then analysed within the context of the literature review and the exploratory research. The analysis allowed for the study to make managerial and research recommendations. A common finding amongst the managerial recommendations was the need for marketing communications. Tanzanians appear to have a very poor level of education about banking and the products and services offered by banks. Due to this poor level of education Tanzanians cannot value the

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benefits of banking and make informed decisions about banking. The study encourages banks to introduce education into schooling to provide individuals from a young age with knowledge about banking.

Lastly, the challenges to conducting research in East Africa as well as the limitations of the study were discussed. East Africa is a unique environment that presents researchers with challenges that are not faced when conducting research in Western countries. Future researchers can take these challenges into account when planning the methodology of their studies saving them time and effort.

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APPENDIX A

EXPERIENCE SURVEY QUESTIONS

Questions used in Experience Survey

Question	Area of Focus	Purpose of Question
One	The banking industry in Tanzania as a whole.	The question provided the researcher with a general overview of the current banking climate in Tanzania.
Two	Consumers and how they perceive the banking industry.	The question allowed the researcher to gain insight into the Tanzanian banking industry from a consumer perspective (although it was through the eyes of an employee).
Three	Banks and the current strategies that they pursue.	Question three provided the researcher with an understanding of the products that banks currently offer to consumers in Tanzania and the extent to which banks are customer-centric.
Four	The informal banking sector.	Question four provided information about the informal banking sector, which provided the researcher with insight into alternatives to formal banking as well as how culture is central to many of the informal banking options in the country.
Five	The problems that the Tanzanian population face when trying to enter the formal banking sector.	Question five was used to gain insight into the barriers that consumers face when opening a bank account in Tanzania.
Six	Government legislation.	Question Six provided insight into the government legislation in place in the country and how red tape affects the banking industry.

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APPENDIX B

RESULTS OF INFORMAL TELEPHONIC INTERVIEWS

Results of Informal Telephonic Interviews

Question	Johan Vermaas	DK Waiza
What do you feel are the challenges to the banking industry in Tanzania?	• Lack of customer-centric approach • High unbanked population • Lack of trust towards banks • Consumers' negative experiences with banks in the past • Poor customer service levels	• High unbanked population • Lack of trust towards banks
How would you describe the banking industry in Tanzania? Are these banks meeting all of consumers' need requirements or is there room for future growth?	• Very large number of banks in Tanzania (48) • Local banks have poor service but the highest number of clients • International banks have better customer service but few clients • Banks need to develop products that are tailored towards target markets as	• Experienced a large amount of growth and new entrants (banks) in recent years • Little research exists about consumers' needs, hence banks don't know if they are meeting consumers' needs.

	opposed to a 'one size fits all' approach to product offerings.	
How would you describe the average banking client and unbanked individual in Tanzania? Why do you feel that there is such a large unbanked population and what do you feel are some of the biggest hurdles consumers face in terms of becoming 'banked'?	• The average banking client in Tanzania has a fixed job, a tertiary education and a high paying salary • The large unbanked population can be attributed to poor education and low incomes • Consumers often cannot produce the required documents to open a formal bank account or their income is too low	• The average banking client earns a high income and lives in Dar es Saalam • Tanzania has a large unbanked population due to poverty • Consumers struggle to meet the minimum balance for opening a formal bank account
What are some of the informal and alternative methods to banking that the population have access to and how do you think this impacts the banking industry?	• Tanzanians have access to Upatus (Tanzanian version of Stokvel), M-Pesa and keeping ones money under a mattress as	• Not aware of informal or alternative methods to formal banking

	alternatives to formal banking • The alternative methods to formal banking have fewer requirements in terms of documents and income making them easier for the population to use	
It has been said that Tanzanians' past experience with fraudulent micro-lenders has tarnished their perceptions of financial institutions. To what extent do you feel this contributes towards the unbanked population and how can it be overcome?	• Fraudulent micro-lenders have tarnished consumers' trust. Lack of trust definitely contributes towards the high unbanked population • Trust levels can be restored through positive testimonials about formal banking	• Micro-lenders have not influenced the banking population in Tanzania as consumers do not view micro-lenders and banks as the same institutions
What impact does the political environment and red tape have on the banking sector in	• Local banks have a strong history with Tanzanian government. The	• The respondent was not familiar with Tanzania's political

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Tanzania? Does government place large restrictions on financial institutions?	history between government and local banks has tarnished Tanzanians' perceptions of banks. Government has eased its red tape and restrictions on banks and no longer poses a problem as in the past.	environment.

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APPENDIX C

RESULTS OF INFORMAL INTERVIEWS WITH BANK MANAGERS IN TANZANIA

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Results of Informal Interviews with Bank Managers in Tanzania

Question	Findings	Key Points of Interest
What do you feel are the challenges to the banking industry in Tanzania?	The majority of individuals cannot provide the required documents necessary to open a formal bank account and most individuals have a low income.	Banks accept the low unbanked population as largely being a result of income. Banks have not studied the problem from the viewpoint of consumer behaviour.
How would you describe the banking industry in Tanzania? Are these banks meeting all of consumers' need requirements or is there room for future growth?	Banks focus on corporate clients as their accounts are the most profitable. Banks offer 'one size fits all' savings and cheque accounts. Banks show little interest in offering customer-centric product offerings.	The 'one size fits all' approach to banking indicates that Tanzanian banks do not follow a customer-centric approach.
How would you describe the average banking client and unbanked individual in Tanzania? Why do you feel that there is such a large unbanked population and what do you feel are some of the biggest hurdles consumers face in terms of becoming 'banked'?	The average banking client in Tanzania is employed in a fixed job and has a tertiary education. The large unbanked population in Tanzania is a result of the population's low income. Most Tanzanians are not able to provide the necessary documents to open a	The findings are indicative of a lack of research on behalf of banks in Tanzania into the consumer behaviour of the population. Banks rather choose to accept the low level of income as a sole cause to the high unbanked population.

	formal bank account or fulfil the minimum balance of owning a formal bank account.	
What are some of the informal and alternative methods to banking that the population have access to and how do you think this impacts the banking industry?	Individuals make use of M-Pesa as if it is a formal bank account. M-Pesa is expensive and does not offer the benefits of formal banking. Upatus exist but are not seen as a threat to the formal banking industry.	Banks view M-Pesa as their biggest competitors. M-Pesa does not have a minimum balance requirement and does not ask individuals for documents such as birth certificates.
It has been said that Tanzanians' past experience with fraudulent micro-lenders has tarnished their perceptions of financial institutions. To what extent do you feel this contributes towards the unbanked population and how can it be overcome?	All banks felt that micro-lenders had not tarnished Tanzanians' viewpoint of banks. It was felt that Tanzanians were able to distinguish between micro-lenders and banks sufficiently that it did not pose a problem.	Banks responded to the question based upon 'gut feeling' and had not conducted research into consumers' beliefs. Hence the findings from banks could not be considered conclusive.
What impact does the political environment and red tape have on the banking sector in Tanzania? Does government place large	Government does not currently pose any threat to the Tanzanian banking industry. Banks and the government co-exist with ease in	It would appear that the high unbanked population is a result of factors relating to consumer behaviour and not due to

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restrictions on financial institutions?	Tanzania.	governmental red tape.

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APPENDIX D

UNABNKED FOCUS GROUP DISCUSSION GUIDE

FOCUS GROUP DISCUSSION GUIDE (Unbanked Individuals)

Total Participant time required: **45 mins – 1 hour**

Total focus group time: 45mins – 1 hour

Break: 0 minutes

Number of participants: 10 individuals

OVERALL QUESTION TO ANSWER IN FOCUS GROUP DISCUSSIONS:

The purpose of the study is to conduct evaluative research to determine:

- Possible reasons for the high unbanked population in Tanzania
- The attitudes held by individuals towards banks
- What individuals feel the outcomes are of banking (benefits and drawbacks)
- Individuals belief about their ability and self-confidence when banking
- The influence of culture on the purchase of financial services
- The role of cultural based banking services in the lives of the population

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Below is a general guide for leading the focus group.

7.11 I. INTRODUCTION (10 MIN)

- Welcome participants and introduce yourself.
- Explain the general purpose of the discussion and why the participants were chosen.
- Discuss the purpose and process of focus groups
- Explain the presence and purpose of recording equipment and introduce observers.
- Outline general ground rules and discussion guidelines such as the importance of everyone speaking up, talking one at a time, and being

prepared for the moderator to interrupt to assure that all the topics can be covered.

- Address the issue of confidentiality.
- Inform the group that information discussed is going to be analyzed as a whole and that participants' names will not be used in any analysis of the discussion.
- Read the protocol to participants

Protocol:

We would like the discussion to be informal, so there's no need to wait for us to call on you to respond. In fact, we encourage you to respond directly to the comments other people make. If you don't understand a question, please let us know. We are here to ask questions, listen, and make sure everyone has a chance to share.

If we seem to be stuck on a topic, we may interrupt you and if you aren't saying much, we may call on you directly. If we do this, please don't feel bad about it; it's just our way of making sure we obtain everyone's perspective and opinion is included.

We do ask that we all keep each other's identities, participation and remarks private. We hope you'll feel free to speak openly and honestly.

As discussed, we will be recording the discussion, because we don't want to miss any of your comments. No one outside of this room will have access to these tapes and they will be destroyed after our report is written.

Let's begin. Let's find out some more about each other by going around the room one at a time. Tell us your first name and a brief introduction to youself.

7.12 **II. FORMAL QUESTIONS**

1. When you think of banks and banking what are the first things that come to mind?

2. Why do you choose not to own a formal bank account?

3. Are you aware of the various products and services offered by banks?

4. What do you feel are the benefits of owning a bank account?

5. What do you feel are the drawbacks of owning a bank account?

6. What would have to change about banks for you to decide to become a client?

7. What do those around you feel about owning a bank account? Who are for the decision and who are against it?

8. In your decision not to open a bank account which friends or family had the biggest influence on your decision?

9. How do you save your money and make sure it's protected?

10. Are you a member of a culturally based banking system? And if so why?

11. What are the benefits and drawbacks of being a member of a culturally based banking system?

12. How confident do you feel in your ability to open a bank account? What makes you worried that you might not be able to? What skills do you feel help you to open a bank account?

13. Why do you think that most Tanzanians do not have bank accounts?

14. Do you feel that banking is affordable?

15. Do you feel that you can trust banks?

III. Conclusion of Focus Group

- Thank the respondents for their time and participation.
- Hand out gift for participating in focus group.

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APPENDIX E

BANKED FOCUS GROUP DISCUSSION GUIDE

FOCUS GROUP DISCUSSION GUIDE (Banked Individuals)

Total Participant time required: 45 mins – 1 hour

Total focus group time: 45mins – 1 hour

Break: 0 minutes

Number of participants: 10 individuals

OVERALL QUESTION TO ANSWER IN FOCUS GROUP DISCUSSIONS:

The purpose of the study is to conduct evaluative research to determine:

- Possible reasons for the high unbanked population in Tanzania
- The attitudes held by individuals towards banks
- What individuals feel the outcomes are of banking (benefits and drawbacks)
- Individuals belief about their ability and self-confidence when banking
- The influence of culture on the purchase of financial services
- The role of cultural based banking services in the lives of the population

Below is a general guide for leading the focus group.

7.13 I. INTRODUCTION (10 MIN)

- Welcome participants and introduce yourself.
- Explain the general purpose of the discussion and why the participants were chosen.
- Discuss the purpose and process of focus groups
- Explain the presence and purpose of recording equipment and introduce observers.
- Outline general ground rules and discussion guidelines such as the importance of everyone speaking up, talking one at a time, and being

prepared for the moderator to interrupt to assure that all the topics can be covered.

- Address the issue of confidentiality.
- Inform the group that information discussed is going to be analyzed as a whole and that participants' names will not be used in any analysis of the discussion.
- Read the protocol to participants

<u>Protocol</u>:

We would like the discussion to be informal, so there's no need to wait for us to call on you to respond. In fact, we encourage you to respond directly to the comments other people make. If you don't understand a question, please let us know. We are here to ask questions, listen, and make sure everyone has a chance to share.

If we seem to be stuck on a topic, we may interrupt you and if you aren't saying much, we may call on you directly. If we do this, please don't feel bad about it; it's just our way of making sure we obtain everyone's perspective and opinion is included.

We do ask that we all keep each other's identities, participation and remarks private. We hope you'll feel free to speak openly and honestly.

As discussed, we will be recording the discussion, because we don't want to miss any of your comments. No one outside of this room will have access to these tapes and they will be destroyed after our report is written.

Let's begin. Let's find out some more about each other by going around the room one at a time. Tell us your first name, the bank that you currently are a client of and the reason you chose that particular bank.

7.14 II. FORMAL QUESTIONS

16. When you think of banks and banking what are the first things that come to mind?

17. At what age did you first open a bank account and was it your own decision or did someone influence you?

18. What did you believe would be the outcome of opening a bank account?

19. What did those around you feel would be the outcome of opening a bank account?

20. Has your experience lived up to the outcome you expected and how has it been

    similar or different from those outcomes?

21. Do you feel that you can trust your bank?

22. How confident do you feel when applying for banking services? What decreases your confidence?

23. Which banking services do you make use of?

24. How aware are you of the different products that your banks offer?

25. Does your bank offer products that are designed for you and your lifestyle, if not how should the products be altered?

26. Why do you think that most Tanzanians do not have bank accounts?

27. Do you use any cultural banking systems, if so why and do they offer any benefits that formal banking services do not?

28. Do your parents have bank accounts? If not how do they feel about formal banking?

29. Who are those people who would be opposed to you owning a bank account?

30. Who are those people who would encourage you to own a bank account?

31. Which people's opinions do you value the most when deciding to use banking services?

32. Do you feel that banking is affordable?

III. Conclusion of Focus Group

- Thank the respondents for their time and participation.
- Hand out gift for participating in focus group.

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APPENDIX F

UNBANKED FOCUS GROUP FINDINGS

Unbanked Focus Group Findings

Question Number	Question	Responses
One	What is the first image that comes to mind when you think of banks?	A place for safe keeping of money. Lengthy process of opening a bank account. The minimum bank balance is unaffordable. Banks cannot be trusted with money. Poor customer service.
Two	Why do you choose not to own a formal bank account?	M-Pesa is more convenient. ATMs are poorly stocked. The minimum banking balance is unaffordable. Western Union is easier than banking. You have to use your bank account regularly or it will be blocked.
Three	Are you aware of the existence of different type of banking products?	Respondents were not aware of different banking products.
Four	What are the benefits of owning a formal bank account?	Security for one's funds. The ability to earn interest. Easy access to loans. Banking transactions are cheaper than M-Pesa.

Five	What are the drawbacks to owning a formal bank account?	The minimum balance required to own an account. Having to pay bank charges for transactions. Poor customer service
Six	How do those around you feel about owning a formal bank account?	Respondents indicated that no one influenced their opinion about banking. Respondents were not aware of the opinions of others towards banking.
Seven	How do you save for the future?	Respondents placed small amounts 'under mattress' and larger amounts in M-Pesa.
Eight	Are you a member of an Upato (Stokvel)?	All respondents were a member of an Upato. Individuals indicated that it was an easy way to acquire a loan and that it assisted one to budget. However, respondents indicated that it is a problematic method as members pass away and get retrenched, influencing the system.
Ten	Do your parents own bank accounts?	Fifty percent of the respondents' parents

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		owned bank accounts; however the majority of them did not use their accounts.
Eleven	Are you confident in your ability to open a formal bank account?	All respondents were confident in their ability to open a formal bank account.
Twelve	Do you trust banks?	Respondents did not trust banks. Concerns were expressed about fraud and banks being robbed.

APPENDIX G

BANKED FOCUS GROUP FINDINGS

Banked Focus Group Findings

Question Number	Question	Responses
One	Who do you currently bank with?	CRDB, NMB and Tanzanian Postal Bank
Two	What is the first image that comes to mind when you think of banks?	A place to store money. A chance to build savings. Requirement to gain a loan. A way to send money. A chance to build a credit history. Assisting community development.
Three	At what age did you first open a bank account and did anyone assist you?	22 years - University 21 years - University 19 Years - University/ for fame in local village 18 Years - Parents 16 years - Parents
Four	Has your banking experience lived up to your expectations?	Majority of individuals expressed satisfaction. Respondents expressed frustration with long queues, ATMs often being empty and a lack of branches in rural areas.
Five	Do you feel that you can trust banks?	Respondents indicated that they trust banks as the government

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		regulates their activity. They were not concerned about the poor behaviour of micro-lenders.
Six	How confident do you feel when applying for banking services?	All respondents indicated highly confident.
Seven	Are you aware of the existence of different types of banking services?	Respondents were aware of different types of banking services, however were unable to name them.
Eight	Do banks offer products that are tailored to your needs?	International banks offer customer-centric products; however local banks adopt a 'one size fits all' approach.
Nine	Are you a member of an Upato (Stokvel)?	None of the respondents were a member of an Upato as they stated their monthly income was too erratic.
Ten	Do your parents own bank accounts?	Fifty percent of the respondents' parents owned bank accounts; however the majority of them did not use their accounts.
Twelve	Who would be against you opening a bank account?	The general public as they view bank accounts

| | | as a luxury item that is wasteful. |
| | | |

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APPENDIX H

OBERSERVATION FINDINGS

Observation Findings

Individual Observed	Behaviour Observed	Findings: Local Banks	Findings: International Banks
Banking client	Withdrawing funds from ATM	Long queues, ATM's often empty, very few ATM's resulting in large travelling distances.	ATMs are fully stocked. No queues.
Banking client	Visiting teller	Long queues, individuals appear frustrated, each customer experiences a long transaction period with the teller.	No queues. Very few clients. Transactions appear efficient. Customers appear satisfied.
Tellers	Assisting clients	Tellers seem to lack urgency but are helpful.	Tellers unhelpful when approached with unusual request and appear to have little to do.
Banking client	Navigating branch	Customers appear comfortable navigating branch. Navigate with sense of purpose. Navigation is complicated by large crowds of individuals.	Very few customers who are quickly assisted by banking staff as to navigation of branch.

APPENDIX I

ENGLISH QUESTIONNAIRE

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Banking Questionnaire

The following questions are about banking and finance. Please take your time to answer the questions carefully.

All information recorded in the questionnaire is strictly confidential and anonymous.

Do you own a bank account? Please indicate your selection by marking with an X in the appropriate block.

Yes	No

Are you currently studying towards a tertiary education?

Yes	No

The following adjectives refer to **how desirable banking is**. Indicate this by placing an X , in the block, which you believe represents your opinion

Z2: **Not at all desirable** | ____ | ____ | ____ | ____ | ____ | **Very desirable**

The following adjectives refer to **how likely you would be to open a bank account**. Indicate this by placing an X , in the block, which you believe represents your opinion.

Z1: **Not at all likely** | ____ | ____ | ____ | ____ | ____ | **Very likely**

The following statements **refer to your attitude about saving money**. Indicate the extent to which you agree or disagree by marking with an X

	Saving Money	Strongly Disagree		Neutral		Strongly Agree
AS1	Most people who are careful savers are mean and penny pinching	1	2	3	4	5

		Strongly Disagree		Neutral		Strongly Agree
AS2	There is no point in saving if you have a low income	1	2	3	4	5
AS3	Children should be taught in school the benefits of saving	1	2	3	4	5
AS4	Usually people who save are more cautious about all aspects of their lives	1	2	3	4	5
AS5	There would not be so many people dependent on their families if they had been taught to save	1	2	3	4	5
AS6	Saving money makes people more independent	1	2	3	4	5
AS7	One way to become wealthy is to save	1	2	3	4	5
AS8	There is no need to save as my family will provide for my financial needs	1	2	3	4	5
AS9	In tough economic times it is ridiculous to save	1	2	3	4	5

The following statements **refer to how you feel about those around you**. Indicate the extent to which you agree or disagree by marking with an X.

	Collectivism	Strongly Disagree		Neutral		Strongly Agree
C1	The well-being of my co-workers/colleagues is important to me	1	2	3	4	5
C2	I feel good when I cooperate with others	1	2	3	4	5
C3	If those people around me are happy, I am also happy	1	2	3	4	5
C4	If I am successful, I like to share the benefits with others	1	2	3	4	5
C5	Teamwork is important to me	1	2	3	4	5

	Banks	Strongly Disagree		Neutral		Strongly Agree
AB3	Banking has many benefits	1	2	3	4	5
PRA2	I believe using a bank account improves my quality of life	1	2	3	4	5
PV1	Banking is reasonably priced	1	2	3	4	5
T4	Overall I believe banks are honest	1	2	3	4	5
PRA1	I believe using a bank account will allow me to accomplish financial tasks more quickly	1	2	3	4	5
AB1	Using a bank will be to my advantage	1	2	3	4	5
INT1	I intend to open a bank account in the near future	1	2	3	4	5
PRA3	I believe using a bank account will make it easier for me to complete financial transaction	1	2	3	4	5
AC1	ATMs are conveniently located	1	2	3	4	5
RG1	The preferences of my friends will influence my decision to open a bank account or not	1	2	3	4	5
PRA5	I believe, overall, using a bank account will be advantageous in life	1	2	3	4	5
PRA6	I believe using a bank account will enhance my effectiveness in life	1	2	3	4	5
RG2	Other people's preferences will influence my decision to open a bank account or not	1	2	3	4	5
INT2	It is likely that I would have a bank account soon	1	2	3	4	5
AC3	Bank operating hours are convenient	1	2	3	4	5
PRA4	I believe the disadvantages of owning a bank account far outweigh the advantages	1	2	3	4	5
AC2	Banks are accessible through various ways (internet, ATM, physical branch)	1	2	3	4	5
PRA7	I believe using a bank account will give me greater control over my finances	1	2	3	4	5
RG3	The preferences of family members will influence my decision to open a bank account or not	1	2	3	4	5

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AC4	Bank branches are conveniently located	1	2	3	4	5
T3	It is necessary to be cautious when dealing with banks	1	2	3	4	5
PV2	Banking offers value for money	1	2	3	4	5
RG4	I will consider the expectations of those around me when deciding whether to open a bank account or not	1	2	3	4	5
T1	I believe banks can be relied upon to keep their promises	1	2	3	4	5
PV4	Banking would be economical for me	1	2	3	4	5
INT3	Using a bank account to manage my financial affairs is something I am considering	1	2	3	4	5
T2	I believe banks are trustworthy	1	2	3	4	5
AB2	Using a bank account would be a wise idea	1	2	3	4	5
RG5	My decision to open or not open a bank account will be influenced by those close to me	1	2	3	4	5
PV3	Banking is a good service for the price	1	2	3	4	5

In the column confidence rate **how confident you are that you can do the following activities as of now**. Rate your degree of confidence by recording a number from 0 to 100 using the scale given below.

Rating Scale:

0	10	20	30	40	50	60	70	80	90	100

Cannot					Moderately					Highly
do at all					certain can					Certain
					do					can do

Confidence

1. I can fill out the required documents to open a bank account   _____
2. I can travel to the bank to open a bank account   _____
3. I can save enough money to open a bank account   _____
4. I can produce the required legal documents to open a bank account   _____

5. I can travel to banking facilities when I need them   _____

6. I can express my needs to banking staff   _____

The following statements **refer to how you feel about banks**. Indicate the extent to which you agree or disagree by marking with an X.

The following adjectives refer to **how you feel about banking**. Indicate this by placing an X , in the block, which you believe represents your opinion

AA1:	**Calm**	I ____ I ____ I ____ I ____ I ____ I	**Tense**
AA2:	**Excited**	I ____ I ____ I ____ I ____ I ____ I	**Bored**
AA3:	**Happy**	I ____ I ____ I ____ I ____ I ____ I	**Annoyed**
AA4:	**Relaxed**	I ____ I ____ I ____ I ____ I ____ I	**Angry**
CA1:	**Useful**	I____ I ____ I ____ I ____ I ____ I	**Useless**
CA2:	**Wise**	I ____ I ____ I ____ I ____ I ____ I	**Foolish**
CA3:	**Safe**	I ____ I ____ I ____ I ____ I ____ I	**Unsafe**
CA4:	**Beneficial**	I ____ I ____ I ____ I ____ I ____ I	**Harmful**

D1: Please indicate your age:

18	19	20	21	22	23	24	25+

D2: Please indicate your gender:

Male	Female

D3: Please indicate your home language. If other please specify:

Swahili	English	Indian	Arabic	Other	
					_____

D4: Please indicate your race. If other please specify:

Sukuma	Haya	Nyakyusa	Nyamwezi	Chagga	Indian	Arab

Other	_____

D5: Please indicate your monthly income in Tsh:

1 – 20 000	20 001 - 40 000	40 001 - 60 000	60 001 – 80 000	80 001- 100 000	100 001 – 120 000
120 001 - 140 000	140 001 - 160 000	160 001- 180 000	180 001- 200 000	200 001 - 220 000	220 001 - 240 000
240 001 - 260 000	260 001- 280 000	280 001 - 300 000	300 001 - 320 000	320 001 - 340 000	340 000+

D6: Please indicate the town or city that you grew up in: _____

D7: If you were to visit a bank which type of transport would you use?

Dala Dala	Bajaji	Piki Piki	Private Taxi	Personal Car	I will walk

D8: What would the cost of this transportation be? _____

R1: Which group of people has the biggest influence on your decisions?

Friends	Family	Co-workers	Neighbours	Celebrities	Church

R2: How many close friends do you have?

1	2	3	4	5	6	7	8+

R3: How many of these close friends would you take advice from when making decisions?

1	2	3	4	5	6	7	8+

B1: Please select what you feel are the **three** main benefits of banking:

Saving	Security for money	Opportunity to build credit history	Easy way to transfer money between people	Opportunity to earn interest	Opportunity to apply for a loan

SI1: How often are you exposed to commercial sources of information about banking:

Daily	Weekly	Monthly	A few times a year	Never

SI2: How often are you exposed to personal sources of information about banking (family, friends etc.):

Daily	Weekly	Monthly	A few times a year	Never

SI3: Which source of information do you value more highly?

Personal sources	Commercial sources

Thank you for participating!

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APPENDIX H

KISWAHILLI QUESTIONNAIRE

Namba ya Kidadisi

Kidadisi cha Matumizi ya Benki

Maswali yafwatayo yanahusu matumizi ya benki na fedha. Tafadhali utumie muda wako kujibu kwa makini.

Habari zote zilizoandikwa katika kidadisi hiki ni za siri kabisa na hazitowi majina.

Je, unayo akaunti ya benki? Tafadhali ainisha uteuzi wako kwa kuweka alama ya X katika sanduku husika.

Ndiyo	Hapana

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	Kuhifadhi fedha	Sikubali hata kidogo		Sipende lei upande wowote		Ninakub ali kabisa
AS1	Watu wengi ambao ni wahifadhi fedha wa kimakini ni wajinga na wenye mkono mgumu	1	2	3	4	5
AS2	Hakuna maana katika kuhifadhi kama una mapato kidogo	1	2	3	4	5
AS3	Lazima watoto wafundishwe katika shule faida za kuhifadhi	1	2	3	4	5
AS4	Kawaida watu huhifadhi wanakuwa zaidi na tahadhari kuhusu nyanzo zote za maisha yao	1	2	3	4	5
AS5	Watu wengi awangetegemea familia zao ikiwa walifundishiwa kuhifadhi fedha	1	2	3	4	5
AS6	Kuhifadhi pesa inafanya watu huru zaidi	1	2	3	4	5
AS7	Njia moja ya kutajirika ni kuhifadhi	1	2	3	4	5
AS8	Hakuna haja ya kuhifadhi kwa kuwa familia yangu itatoa fedha kwa ajili ya mahitaji yangu	1	2	3	4	5
AS9	Katika nyakati ngumu zakiuchumi ni zihaka kuhifadhi	1	2	3	4	5

Je, wakati huu unasoma kwa nia ya kupata elimu ya juu?

Ndiyo	Hapana

Vivumishi vifwatavyo vinahusu **kiasi gani matumizi ya benki** inahitajika. Weka X katika sanduku kwa kuonyesha kiasi ambacho unaamini kinawakilisha maoni yako

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Haihitajiki hata kidogo | ____ | ____ | ____ | ____ | ____ | **Inahitajika sana**

Vivumishi vifwatavyo vinaelekea **jinsi uwezekanavyo ungekuwa kwa kufungua akaunti ya benki.** Onyesha hii kwa kuweka X katika sanduku ambayo unaamini inawakilisha maoni yako.

Hakuna uwezekano | ____ | ____ | ____ | ____ | ____ | **Kuna uwezekano mkubwa zaidi**

Kauli zifuatazo **zinaelekea mtazamo wako kuhusu kuhifadhi fedha**. Weka alama ya X kwa kuonyesha kiwango ambacho wewe unakubali wala haukubali.

Kauli zifuatazo **zinaelekea jinsi unavyojisikia kuhusu wale walio karibu nawe.** Onyesha kiwango ambacho wewe unakubali wala haukubali kwa kuweka alama ya X.

	Ujamaa	Sikukubali hata kidogo		Sipendelei upande wowote		Ninakubali kabisa
C1	Hali njema ya wafanya kazi wenza/wenzi wangu ni muhimu kwangu	1	2	3	4	5
C2	Najisikia vizuri wakati nashirikiana na wengine	1	2	3	4	5
C3	Kama watu walio karibu nami wana furaha, nami pia nina furaha	1	2	3	4	5
C4	Kama ninafanikiwa, napendaka kugawanya faida na wengine	1	2	3	4	5
C5	Kazi ya pamoja ni muhimu kwangu	1	2	3	4	5

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Katika kiwango cha kujiamini **una ujasiri gani kwamba unaweza kufanya sasa shughuli zifuatazo**. Taja kiasi chako cha kujiamini kwa kutumia kipimo cha idadi 0-100 kiliopewa chini.

Kipimo:

0	10	20	30	40	50	60	70	80	90	100

| Siwezi kabisa kufanya | | | | | Nina uhakika kidogo wa kufanya | | | | | Nina uhakika kamili wa kufanya |

Siri

7. Naweza kujaza nyaraka zinazotakiwa kwa kufungua akaunti ya benki   _____
8. Naweza kusafiri kwa benki kufungua akaunti ya benki   _____
9. Naweza kuhifadhi fedha ya kutosha kwa kufungua akaunti ya benki   _____
10. Naweza kuonyesha hati yenye kutakiwa kwa kufungua akaunti ya benki   _____
11. Naweza kusafiri kwa huduma za benki wakati nina haja nazo   _____
12. Naweza kueleza mahitaji yangu kwa wafanyakazi wa benki   _____

Kauli zifuatazo **zinaelekea jinsi unajisikia kuhusu benki.** Onyesha kiwango ambacho wewe unakubali wala haukubali kwa kuweka alama ya X.

	Benki	Sikukubali hata kidogo		Sipendelei upande wowote		Ninakubali kabisa
AB3	Huduma za benki zina faida nyingi	1	2	3	4	5
PRA2	Naamini kwamba matumizi ya akaunti ya benki inaboresha maisha yangu	1	2	3	4	5
PV1	\huduma za benki zina bei rahisi	1	2	3	4	5

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T4	Naamini kwamba benki ni waaminifu	1	2	3	4	5
PRA1	Naamini kwamba kutumia akaunti ya benki kunaniruhusu kufanya haraka kazi za kifedha	1	2	3	4	5
AB1	Matumizi ya benki itakuwa kwa faida yangu	1	2	3	4	5
INT1	Nina nia ya kufungua akaunti ya benki katika siku za usoni	1	2	3	4	5
PRA3	Naamini kwamba matumizi ya akaunti ya benki itafanya shughuli zangu za kifedha kuwa rahisi	1	2	3	4	5
AC1	Mashini za fedha zinatambuliwa vizuri	1	2	3	4	5
PRA5	Naamini, kwa ujumla, kwamba matumizi ya akaunti ya benki itakuwa ya faida katika maisha	1	2	3	4	5
PRA6	Naamini kwamba kutumia akaunti ya benki itaongza ufanisi katika maisha yangu	1	2	3	4	5
INT2	Inawezekana kwamba nitakuwa na akaunti ya benki upesi	1	2	3	4	5
AC3	Masaa ya uendeshaji wa kazi ya benki ni rahisi	1	2	3	4	5
PRA4	Naamini hasara za kuwa na akaunti ya benki zinashindia zaidi faida	1	2	3	4	5
AC2	Benki zinapatikana kupitia njia mbali mbali (intaneti, mashini ya benki, tawi la benki)	1	2	3	4	5
PRA7	Naamini kwamba matumizi ya akaunti ya benki itanipa udhibiti mkubwa juu ya fedha yangu	1	2	3	4	5

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AC4	Matawi ya benki ni rahisi kupatikana	1	2	3	4	5
T3	Ni muhimu kuwa na uangalifu wakati wa kushugulika na benki	1	2	3	4	5
PV2	Akaunti ya benki inathamanisha pesa	1	2	3	4	5
T1	Naamini benki zinaweza kutegemewa	1	2	3	4	5
PV4	Huduma za benki zitapunguza gharama kwangu	1	2	3	4	5
INT3	Kutumia akaunti ya benki kusimamia masuala yangu ya fedha ni kitu ninazingatia	1	2	3	4	5
T2	Ninaamini kwamba benki ni za kuaminia	1	2	3	4	5
AB2	Kutumia akaunti ya benki ni jambo la busara	1	2	3	4	5
PV3	Huduma ya benki ni huduma nzuri kwa bei	1	2	3	4	5

Vivumishi vifwatavyo vinaelekea **msimamo gani unayo kuhusu huduma za ya benki.** Onyesha hii kwa kuweka X katika sanduku ambayo unaamini inawakilisha maoni yako.

AA1:   **Kimia**   l ____ l ____ l ____ l ____ l ____ l   **TWasiwasi**

AA2:   **Sisimka**   l ____ l ____ l ____ l ____ l ____ l   **Tulivu**

AA3:   **Furaha**   l ____ l ____ l ____ l ____ l ____ l   **Usumbufu**

AA4:   **Burudani**   l ____ l ____ l ____ l ____ l ____ l   **Hasira**

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CA1:   **Muhimu** |____ | ____ | ____ | ____ | ____ | **Sio muhimu**

CA2:   **Busara** | ____ | ____ | ____ | ____ | ____ | **Pumbavu**

CA3:   **Salama** | ____ | ____ | ____ | ____ | ____ | **Sio salama**

CA4:   **Faida** | ____ | ____ | ____ | ____ | ____ | **Madhara**

D1: Tafadhali ainisha umri wako:

18	19	20	21	22	23	24	25+

D2: Tafadhali ainisha jinsia yako:

Mwanaume	Mwanamuke

D3: Tafadhali ainisha lugha yako ya nyumbani. Kama kuna ingine tafadhali taja:

Kiswahili	Kiingereza	Kihindi	Kiarabu	Ingine

_____

D4: Tafadhali ainisha kabila yako. Kama kuna lingine tafadhali taja:

Wasukuma	Wahaya	Nyakyusa	Wanyamwezi	Wachaga	Wahindi	Waarabu

Lingine

D5: Tafadhali ainisha mapato yako ya kila mwezi katika Tsh:

1 – 20 000	20 001 - 40 000	40 001 - 60 000	60 001 – 80 000	80 001- 100 000	100 001 – 120 000
120 001 - 140 000	140 001 - 160 000	160 001- 180 000	180 001- 200 000	200 001 - 220 000	220 001 - 240 000
240 001 - 260 000	260 001- 280 000	280 001 - 300 000	300 001 - 320 000	320 001 - 340 000	340 000+

D6:   Tafadhali   ainisha   mji   ao   kijiji   ambamo   ulikua   :
_____

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D7: Kama ungekusudia kuenda ku benki, ni aina gani ya usafiri utakayotumia?

DalaDala	Bajaji	PikiPiki	Teksi ya binafsi	Gari la pekee	Nitatembea

D8: Gharama ya usafiri huo itakuwa ngapi? _____

R1: Ni kundi la watu gani ina ushawishi mkubwa juu ya maamuzi yako?

Marafiki	Familia	Wafanyakazi wenzi	Majirani	Watu maarufu	Kanisa

R2: Una marafiki wa karibu wangapi?

1	2	3	4	5	6	7	8+

R3: Ni wangapi wa hawa marafiki wa karibu wewe ungeweza kuchukua mashauri kutoka kwao wakati wa kufanya maamuzi?

1	2	3	4	5	6	7	8+

B1: Tafadhali chagua nini unaelewa kuwa faida **tatu** za benki:

Kuhifadhi fedha	Usalama kwa fedha	Nafasi ya kujenga historia ya mikopo	Njia nyepesi ya kuhamisha fedha kati ya watu	Nafasi ya kupata faida	Nafasi ya kuomba mkopo

SI1: Ni mara ngapi wewe unafikiwa na vyanzo vya habari vya kibiashara kuhusu huduma za benki:

Kila siku	Kila wiki	Kila mwezi	Mara chache kwa mwaka	Kamwe

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SI2: Ni mara ngapi wewe unafikiwa na vyanzo binafsi vya habari kuhusu huduma za benki (familia, marafiki nk.):

Kila siku	Kila wiki	Kila mwezi	Mara chache kwa mwaka	Kamwe

SI3: Ni chanzo gani cha habari ambacho unathamani zaidi ya vyote?

Vianzo vya kibinafsi	Vianzo vya kibiashara

Asante kwa kushiriki!

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APPENDIX I

EXPLORATORY FACTOR ANALYSIS

Pattern Matrix[a]

	Component								
	1	2	3	4	5	6	7	8	9
PRA5	.805	-.057	-.001	-.168	-.044	-.102	.093	-.079	.035
PRA2	.820	.047	-.090	.015	-.013	-.070	.085	.025	-.052
AB2	.741	-.146	-.036	-.036	.068	.035	.010	-.052	.023
PRA6	.653	-.056	.213	-.166	-.056	.064	.144	.020	.032
PRA3	.514	-.021	-.050	-.260	-.067	.113	.134	-.145	.057
CA2	-.073	.917	.020	.003	.067	.017	.006	-.052	.029
CA1	-.059	.806	-.008	.019	-.085	-.023	-.067	-.006	.128
CA3	.040	.908	.002	.023	-.010	-.030	-.012	-.110	.003
AA2	-.131	.573	-.033	-.096	.010	-.054	.113	.293	.132
SE2	.148	-.112	.728	-.055	-.049	-.125	-.141	.144	.085
SE3	-.060	.126	.615	.116	-.045	.036	.103	.068	-.369
SE4	.023	.064	.756	-.022	-.053	.109	.152	-.032	-.073
SE5	-.099	-.049	.760	-.030	.123	-.029	-.033	-.116	.199
RG1	.066	-.043	-.023	-.797	.091	-.069	.019	.165	.021
RG2	.003	-.050	-.008	-.826	.029	.073	.021	.023	-.070
RG3	.160	.112	.077	-.712	.007	.106	-.074	-.209	.004
AS7	.132	.040	-.067	.085	.037	-.054	.812	.026	-.109
AS5	-.014	-.043	.121	-.064	.051	.038	.811	-.082	.077
AC4	-.238	-.151	.011	-.020	.012	.776	.055	.002	.086
AC1	.118	.097	-.016	-.002	.012	.756	-.152	-.041	-.169
PV1	.201	.031	-.022	-.036	-.029	.739	.055	.105	.058
AA3	-.103	.215	.030	-.022	-.051	-.048	-.047	-.028	.746
AA4	.068	.320	.006	.230	-.019	.010	.019	.243	.658
AS2	-.103	-.046	.003	-.075	.035	.040	.030	.721	.081
AS8	-.172	-.034	-.004	-.269	-.414	.008	.080	.402	-.154
AS1	.094	.021	.028	.077	.043	.017	-.078	.745	-.003
C2	-.066	-.168	.093	.010	.780	-.022	.044	-.037	.163
C5	.058	.006	-.083	.019	.678	.014	.261	.114	-.040
AC2	-.018	.122	-.024	-.194	.749	.010	-.139	.041	-.203
AB1	.705	-.043	.063	.090	.089	.139	-.171	.072	-.092

Extraction Method: Principal Component Analysis.

Rotation Method: Oblimin with Kaiser Normalization.

a. Rotation converged in 11 iterations.

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