Marketing Mix in Deepening Financial Inclusion in Kenya and Uganda

By: **GITHACHURI, BRIAN KIMATHI**

Research Project Report in partial fulfillment for the requirement of the
Master of Business Administration (MBA) degree of
the University of Nairobi

2013

Declaration

I **GITHACHURI, BRIAN KIMATHI** with student number **D61/P/8447/2006,** declare that this Project Work titled "**Marketing Mix in Deepening Financial Inclusion in Kenya and Uganda**" contains only work completed by myself except for information obtained in a legitimate way from literature, company or university sources. All information from these other sources has been duly referenced and acknowledged in accordance with the University of Nairobi MBA Policies. The results embodied in this project report have not been submitted to any other University or Institute for the award of any degree or diploma.

Githachuri, Brian Kimathi Date:

Declaration by the Supervisor

This research project report has been submitted for examination with my approval as the university supervisor.

Dr. Raymond Musyoka Date:

School of Business, University of Nairobi

Acknowledgements

This Project work has been carried out to meet the academic requirements of the University of Nairobi for the completion of Master of Business Administration degree. I would like to put on record, my appreciation and gratitude to all those who have rendered their support and input. Without them, it would not have been possible for me to shape this study.

I take this opportunity to express my profound gratitude and deep regards to my supervisor Dr Raymond Musyoka, School of Business at the University of Nairobi; for his exemplary guidance, monitoring and constant encouragement throughout the course of this Project. The blessing, help and guidance given by him from time to time shall carry me a long way in the journey of life on which I am about to embark.

I am obliged to the staff in the Mobile Commerce Department at Warid Telecom Ltd, for their support, especially in conducting the Uganda countrywide primary research used in this Project. I am grateful for their cooperation during the period of my assignment and also for supporting my leadership of that department, during my two-year stay in Uganda. In the same breadth, I would also like to thank two people – Solomon and Tom – in every way, my brothers, for their assistance in collecting the Kenya data.

Lastly, and without under-recognizing their support, to the Almighty God for showing me His Graces every new day, to my beautiful wife Sally for her patience and unrelenting support; and our daughter, Lulu – for constantly wearing that sweet smile that constantly reminded me that I needed to complete my Master's Degree for her future to be safeguarded.

I thank you all, most profoundly and unreservedly!

Dedication

I dedicate this work to the seven sons and daughters of my mother, Mary Wanjiru Githachuri;

Waweru Njuguna, Wambui Githachuri, Harun Githachuri,
Wangare Githachuri, Ng'ang'a Githachuri and Thuku Githachuri

For all the pain, for all the toil, for all the tears – We are more than Conquerous!

For we have learnt, in whatsoever state we are, *therewith* to be content. We know how to be abased, and we know how to abound; everywhere and in all things we have been instructed both to be full and to be hungry, both to abound and to suffer need. *(Philippians 4:11-12)*

And to the three who finished their race – *Wangare, Ng'ang'a and Thuku* – you fought the good fight with unparalleled tenacity, and won, in your own unique ways, the race of life; against all odds, and against the expectations of many. You were sprinters and we loved you in an enduring way. I miss you!

Abstract

Financial Inclusion, a relatively new area of study and practice, is the deliberate effort to provide access of formal financial services to poor people, who are otherwise either under-banked or unbanked, at a cost that is affordable to them. Marketing mix, on the other hand, refers to the combination of those elements that a marketer will master in order to create, communicate and deliver value to customers. This study sought to establish the role marketing mix elements play in deepening financial inclusion in Kenya and Uganda. A total of 230 respondents formed part of the research study that used stratified random sampling, in rural and urban locations. The study was applied with the aid of two standardised questionnaires for banked and unbanked respondents. The study found that whereas all the marketing mix elements impacted respondent choices in formal financial services, price, place and process were the most influential determinants and, therefore, key drivers of financial inclusion. Geographical considerations, both in respect of international boundaries, as well as in-country diversity are also critical to understanding how marketing mix elements influence consumer choices. Whereas there is a convergence of views with previously published work with respect to the elements of price, place and process, other elements, especially promotion and product seem to have been more effectively employed by Mobile Network Operators than traditional banking institutions, which are seen as being unable or unwilling to engage progressive methods of achieving universal financial inclusion. Both banked and the unbanked respondents seem to find more value and relevance in mobile financial services compared to traditional financial institutions that refuse to keep up with technology or global best-practices in financial service delivery.

TABLE OF CONTENTS

List of Tables

List of Figures

Abbreviations

AfDB	African Development Bank
AMA	American Marketing Association
ATL	Above The Line
ATM	Automated Teller Machine
BOU	Bank of Uganda
BTL	Below The Line
CBK	Central Bank of Kenya
CRB	Credit Reference Bureau
CRM	Customer Relationship Management
DTM	Deposit-Taking Microfinance
EMM	Expanded Marketing Mix
Forex	Foreign Exchange
FSD	Financial Sector Deepening
GOK	Government of Kenya
GSM	Global Service for Mobile
GSMA	GSM Association
IMF	International Monetary Fund
KYC	Know Your Customer
MDI	Microfinance Deposit-taking Institution
MMU	Mobile Money for the Unbanked
MNO	Mobile Network Operator
M-PESA	Safaricom's Mobile Money transfer service
NGO	Non-Governmental Organization
PDM	Product Development Management
SCM	Supply Chain Management

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

"Building inclusive financial sectors improves people's lives, in particular those of the poor. A small loan, a savings account or an insurance policy can make a great difference to a low-income family. They enable people to invest in better nutrition, housing, health and education for their children. They ease the strain of coping with difficult times caused by crop failures, illness or death. They help people plan for the future." These were the forwarding words of Kofi Annan, then Secretary General of the United Nations in Building Inclusive Financial Sectors for Development [United Nations, 2006].

Technology remains the single biggest contributor to the increasing divide in human development between developed and developing nations. The International Monetary Fund [IMF] (2011) suggests that technology has contributed significantly to sub-Saharan economies like Kenya and Ghana by leveraging on service and financial systems. The IMF indicates that, M-PESA has seen resounding success in technological innovations providing mobile banking services for more than 70% of the adult population in Kenya and now completes more transactions in Kenya alone than Western Union transactions done globally.

Most, if not all, publications on Financial Inclusion take a humanitarian perspective in delivery of their material on the subject. Wikipedia (2012) defines Financial inclusion or inclusive financing as the delivery of financial services at affordable costs to sections of disadvantaged and low income segments of society. The United Nations (2006) leads other Government, Non Governmental Organisations and humanitarian organisations including the Financial Sector Deepening [FSD] in Kenya and Uganda in a number of publications and research on Financial Inclusion (FSD; Central Bank of Kenya;, 2011).

A number of the available material on financial inlusion are heavily inclined to mobile money transfer especially with the success that is the M-PESA mobile money transfer platform by Kenya's Safaricom (Mas and Ng'weno, 2010) where we find some in-depth analysis on the success of the product being attrributed to Branding, Channel Management and Pricing. In their publication, Mas & Ng'weno (2010) attribute the phenomenal success of the M-PESA money transfer system on a strong brand-building strategy that has seen the much younger M-PESA brand outgrow the mother Safaricom brand. According to them, M-PESA has been built along heavy inclination to ensuring the money transfer platform is a trusted and reliable brand. It is their finding that M-PESA also found its success in much fairer pricing in comparison to the financial institutions available in the country for transactions of equal value. To a very large extent, the distribution model adopted for the M-PESA product made it very accesible to a majority of the population since the product had its delivery through every mobile phone user in the country. Access to the service was also available through any of the more than 20,000-odd outlets generated from neighbourhood shops, hence ensuring familiarity and trust building with the agents appointed to handle the business.

Based in part, and layering, on the success of M-PESA, other financial services hitherto unavailable to the general public were provided using the efficiencies created by M-PESA. Equity Bank (2012) in its annual report to investors cites the growth of its business during the turbulent 2011/2012 Financial year on the agency banking model which was layered on M-PESA agents, taking advantage of an existing distribution network to bridge the inadaquecies [inherent in the traditional brick-and-mortar financial services] that bring rise to financial exclusion in Kenya. It is instructive that Equity Bank has now applied this same approach in Rwanda and is leading lobbying efforts with the Bank of Uganda to introduce agency banking in the country.

As evidenced by the findings of Mas and Ng'weno (2010), and Davidson and McCarty (2011), for financial inclusion to be fully realised, the right combination of the marketing mix elements is necessary. These publications suggest that while there are some fundamental similarities in applying the basic elements of the marketing mix, especially pricing and channel management, the application of the product and promotion elements may vary from one geography to another depending on the dynamics of the location and the product lifecycle. These findings are supported by other writers including Gabriel (2005), Grove et el (2000) and Heuvel (1993) on account of the special needs of positioning and delivering customer expectations for services in an effective manner. All these authors have a number of arguments on the additional 3p's that include people, processes and physical assets, that are peculiar to the marketing of services, including financial services. This is aside from the traditional 4p's as first discussed by Borden (1964) and McCarthy (1960) as being Place, Product, Promotion and Price.

1.1.1 Marketing Mix

Thomas (2006) suggests that the term 'Marketing Mix' is widely used and applied indiscriminately to a broad range of marketing models used to evaluate different components of marketing plans, such as advertising, promotion, packaging, media weight levels, sales force numbers and many other variables. Kotler and Keller (2006) define marketing mix as those activities that aim to create, communicate and deliver value for consumers. They clarify further that Marketing Mix is actually a set of marketing tools the firm uses to pursue its marketing objectives.

Marketing mix is being adopted in all sectors of the economy to enhance performance all over the world. Aremu and Bamiduro (2012) suggest that Marketing Mix is a major determinant of any organisation's short and long term success and differential advantage. In this regard, marketing is seen as a boundary funtion in organisations and needs to be opportunity-driven and flexible in order to properly address the ever-chaning business dynamics.

Srivastava et al. (1999) proposed a framework that captures the role of marketing mix elements in three management processes viz; Product Development Management (PDM), Supply Chain Management (SCM) and Customer Relationship Management (CRM). PDM includes the product design, modelling, review and specifications that create value for customers by developing new customer solutions throughout the product lifecycle. SCM provides the required enhancement for input acquisition and output transformation and ensuring the customer gets the product at the right time, in the right state and at the right location via effective distribution channels. CRM creates and sustains relationships with customers through such interactions as Above The Line (ATL) and Below The Line (BTL) communication activities to the customer that includes advertising, relationship centres and door to door campaigns.

Yasanallah and Vahid (2012) also found that by applying marketing mix principles, the co-operative movements deliver stronger performance returns for their business. The marketing mix is therefore seen as the sum total of the decisions that keep the marketing manager's place relevant in the work-place, and support both immediate and long-term business objects of any company's survival.

1.1.2 Financial Inclusion

Financial inclusion is a relatively new terminology that refers to the process or methods by which financial service options are made available, at reasonably affordable costs or free of charge, to persons who are mainly bottom of the pyramid, that traditional financial channels have a lesser interest in delivery to; largely as a result of the institutionalised and rigid structures, low returns and/or the *modus operandi* of financial service providers. Hannig and Jansen (2010) are of the view that Financial Inclusion aims at drawing the "unbanked" population into the formal financial system so that they have the opportunity to access financial services ranging from savings and transfers, to credit and insurance.

Regan and Paxton (2003) note that the key to understanding Financial Inclusion is to appreciate its breadth and depth. In recognising the breadth of needs, people need to have access to a wide variety of financial services as and when they need them. The adequacy of these services is factored by the cost of accessing them and the definition of these services. The depth of engagament is delievered through effective information to them to enable them make appropriate decisions. This means that people need to be financially literate and capable of making sound financial decisions. Demirgüç-Kunt and Klapper (2012a) vindicates that position stating that in most of Africa, financial exclusion is mainly driven by cost, access and documentation requirements for set up and maintaining formal financial services.

It is imperative to realise that financial inclusion does not, in any way, create an obligation on the part of financial service providers to disregard operational cost realities and risks in availing the service to everyone. Neither does it also mean that everyone is forced to take up the financial services. Allen, Demirguc-Kunt, Klapper, and Peria (2012) indicate that the critical aspect of financial inclusion is identifying the barriers to participation of the population into the mainstream or some sort of formalised financial services and ensuring that there are alternatives that remove these barriers and the unbanked feel that they have an equitable access to these financial services unhindered.

1.1.3 Financial Services in Kenya and Uganda

That the East African region, and more specifically Kenya, is the pioneer of mobile money in the world is now an accepted reality. According to the IMF (2010) report, M-PESA now processes more transactions domestically within Kenya than Western Union does globally, and provides mobile banking facilities to more than 70% of the country's adult population.

According to the Bank Supervision Report released by the Central Bank of Kenya (2012), as at the end of 2011 the country's financial services were provided by 44 banking institutions, 4 representatives of foreign banks, 6 Deposit Taking Microfinance institutions [DTM's], 118 Foreign Exchange [*Forex*] Bureaus and 2 Credit Reference Bureaus [CRB's], with a combined Bank branch network of 1,161 that was expected to service the over 40 Million Kenyan population. The bank branches were complemented by another 2,205 Automated Teller Machines [ATM's].

Kenya's Vision 20130 in Government of Kenya (2007), is of the view that the regulatory and policy framework needed review to increased financial inclusion. Up until the deployment of the Agency Banking model in 2010 through the Finance Act 2009 (Government of Kenya, 2009), the bank branches and ATM's were predominantly located in the major towns in the country, thereby impeding absolute access to financial services, especially by the rural folk. It is this limitation of reach that enabled the growth and ultimate success of mobile telephone-driven financial transactions using telecommunications companies in the country. Demirgüç-Kunt and Klapper (2012b) indicate that up to 67% of the adult population in Kenya has access to formal financial services through their mobile phones.

Uganda on the other hand has been the slower brother of the two countries in growing financial inclusion. According to the Annual Supervision Report 2011 by Bank of Uganda [BOU] (2012), Uganda is served by 22 Commercial Banks, 3 MDI's, 66 Forex Bureaus and 637 ATM's. On the face of it, this is an impressive ratio considering that Uganda is roughly half the geographical size of Kenya. A closer look at the details however, betray a siginicant imbalance on access to financial services. Uganda's population size is estimated to be only about five million less than that of Kenya and the country's topography and comparatively weaker transport and communication infrastructure significantly hampers access to financial services for most of the country's population.

Demirgüç-Kunt and Klapper (2012b) indicate that only 20% of Uganda's adult population has a formal bank account, and only 3 bank branches and 4 ATM's are available for every 100,000 adult population. This places Uganda amongst the bottom half of the countries with the least financially inclusive systems in Africa. Nonetheless, the telecommunications companies in Uganda have a fairly robust mobile money transfer service that many commercial banks in Uganda have taken advantage of to roll out mobile banking services according to BOU (2012). Through the joint ventures with Mobile Network Operators (MNO's), banks and other formal financial institutions are now able to offer banking and financial services to more customers in spite of the restrictions and costs that face brick-and-mortar banking operations.

1.2 Research Problem

Financial Inclusion has been noted to play an invaluable role on reducing poverty levels and improving living standards of hitherto excluded people across the globe. Mitton (2008) points out some of the values of financial inclusion as being having a more socially included population that can participate productively in economic builting of any nation. Regan and Paxton (2003) clearly spells out the benefits of social inclusion as being the eradication of the cycle of poverty in excluded societies. The Kenya Vision 2030 in Government of the Republic of Kenya (2007) clearly identifies Financial Inclusion as a key driver to creating a vibrant and globally competitive financial services sector, by decreasing the share of population without access to formalised finance from the current 85% to 70%, by the year 2030.

Kenya relies heavily on MNO's and agency banking model to drive financial inclusion, with Equity Bank(2012) reporting that 20% of all transactions completed in the first Quarter of its financial year 2012 were done at the 3,991 agency locations distributed countrywide, further demonstrating the demand for easier, affordable and convenient access to financial services. In Uganda, the drive for financial inclusion has largely been driven by the MNO's via the mobile money transfer services currently made available to the population as reported by BOU (2012).

Generally, there have been few and far between published studies on the financial inclusion largely owing to its recent discovery as a tool for poverty eradication as reported by the United Nations (2006). Since then, discussions have been on the rise on the possible methods of building more financially inclusive economies especially in third world countries (Demirguc-Kunt and Klapper, 2012).

There have been few or no writings on the impact or role marketing mix concepts play in reducing financial exclusion. This is further compounded by the fact that the two areas of discussion are generally discussed from two different academic view-points with Financial Inclusion, largely falling in the field of Finance and Social Development, whereas Marketing Mix concepts have been researched with respect to commercial development and marketing decisions. These disparate discussions provide an opportunity for research that would bridge the knowledge gap currently subsisting on the two areas of study.

The following general question forms the basis of the research proposal, that is: what is the role of marketing mix elements in deepening financial inclusion in Kenya and Uganda?

1.3 Research Objectives

The general objective of the study is to identify the role of the marketing mix elements in increasing financial inclusion in different jurisdictions.

The specific objectives of this study are:

(i) To assess the influence of the seven service marketing mix elements in adoption of formal financial services

(ii) To compare the effect and influences of marketing mix elements in different geo-political areas in the update of formal financial services.

1.4 Value of the Study

Considering that financial inclusion is steadily becoming an integral part of global economic growth subjects, it follows therefore that this study will aid significantly in the deployment of services and marketing practices that seek to achieve reduced financial exclusion especially in developing countries like Kenya. More directly, this study will benefit researchers , policy makers and management practitioners.

Marketing and financial services researchers will find value in this study through the primary data collected as well the analysis derived from the raw data. Marketing students will also be able to understand the role of marketing mix elements in financial services intermediation. Academicians will also be in a position to understand the relationship between financial inclusion and marketing mix. This study therefore will form part of the secondary data source for researcher who may be interested in this financial inclusion.

The benefit to policy makers, mainly governments and international policy makers will be seen in the fact that they can use this study as basis for scoping policies necessary to reduce poverty levels through increaed financial access. More specifically, the governments of Kenya and Uganda would benefit from research findings on their countries and use these findings to develop policies that can have traction in financial intermediation from an in-country position as well as comparative basis.

Practitioners like Non Governmental Organisations(NGO's), whose primary objective is to achieve reducing poverty levels through delivery of formalised financial services, are able to use this study to understand the dynamics at play in increasing financial inclusion. Business managers in the financial sector can also be able to evaluate the critical elements that increase financial services adoption and usage. Marketing managers will find appreciatition of the siginificant role that marketing decisions make, not just profit taking, but also in poverty eradication for the unbanked or underbanked.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter deals with theoretical concepts as well as the empirical factors that underpin marketing mix and financial inclusion.

2.2 Theoretical Underpinning

The theoretical underpinning of this study is empiric; based on experiences of practitioners and policy makers working with the unbanked and under-banked who are financially illiterate and live in total or partial lack of access to formal financial services. Bankable Frontier Associates (2011) reported that in 2004, four of the largest commercial banks in South Africa collaborated with the State-owned Post-Bank to roll out a 'no-frills' account called 'Msanzi'. Four years later, more than six million Msanzi accounts had been opened and the national adult account-holding had moved from 46% to 63%, a feat largely attributed to the features of this account. 67% of these new accounts were attributed to previously unbanked customers. It was however reported that 42% of these accounts went dormant and little movement of monies was realised into these accounts.

Though not a bank, in studying Safaricom's M-PESA mobile money transfer service started in Kenya in 2007, Mas and Ng'weno (2010) identified three key drivers of success in mobilising the poor and unbanked populations in Kenya to take up some form of financial services by use of their mobile handsets. Mas and Ng'weno suggested that M-PESA's phenomenal success was largely attributed to targeted branding communication, appropriate pricing and effective distribution in making the product universally available. Davidson and McCarty (2009) also suggest that different marketing interventions are needed at various levels of roll out of mobile financial services if the poor will get the opportunity to make full participation of formal financial services. Equity Bank (2012) reported a leap of up to 40% in deposits after deploying agency banking in order to increase customer touch-points. There has also been increased customer subscriptions at Equity Bank from customers who would hitherto have no access to formal banking facilities.

2.3 The Marketing Mix Elements

According to Dominici (2009), the words 'Marketing Mix' were first used in 1953 by Neil Borden in a speech delivered to the American Marketing Association [AMA]. Borden (1964) identified twelve controllable marketing aspects that, if well managed, would result to profitable business operations. It is these twelve aspects or elements that he referred to as the "Marketing Mix". McCarthy (1960) reduced these twelve elements to the four P's of Product, Place, Price and Promotion.

Borden (1964) has a profound introduction to his work that provides an appropriate introduction to marketing mix, thus: "Marketing is still an art, and the marketing manager, as head chef, must creatively marshal all his marketing activities to advance the short and long term interests of his firm." Alipour and Darabi (2011), in their writings aptly state that "it is essential to design service products based on customers' needs, pricing programmatically, distributing in the suitable ways and introducing to customers actively." It is these very simple, yet profound words that amplify the essence of Marketing Mix, which is arguably the cornerstone of marketing management in the delivery of revenues to any organization. These two separate sets of scholars provide the basis for the marketing mix definitions for products and services. Kotler and Keller (2006) define marketing mix as those activities that aim to create, communicate and deliver value for consumers.

Gronroos (1994) suggests that the marketing mix management paradigm has been the centre of marketing thought, research and practice since its introduction into textbooks in the early 1960's.

Goi (2009) suggests that Marketing Mix is not a scientific theory but a string of thoughts and considerations that a marketing manager will have to make in order to deliver maximum customer satisfaction. Palmer (2004), makes further contribution that the marketing mix are a set of controllable variables that can be used by the Marketing Manager as reliable tools for making both short and long range business planning. Akrani (2010) contends that the true meaning of marketing mix can only be seen as the combination of four basic elements/ingredients under one head. Whereas product itself is the most important element of marketing mix, price, place and promotion are the other supporting elements. Marketing mix therefore indicates an appropriate combination of the four Ps for achieving marketing and organisational objectives.

Gronroos (1994) however believes the 4P's are an oversimplification of the original 12 marketing and management elements which Borden had coined in his AMA speech; and which he did not pronounce as a definition in themselves. He suggests the limitation to 4P's was an academic attempt at simplifying management decision options that fit the marketing conditions of the 1950's and the 1960's. By reducing the twelve original elements to 4 p's, Gronroos contends that McCarthy either misunderstood Borden's presentation of the 12 Marketing Mix elements or his followers misinterpreted his intentions since the 4 P's as currently set out has no explicit blending or inter-relatedness.

Alipour and Darabi (2011) set the stage for what forms the basis for the differences on how to handle marketing of services with respect to the marketing mix paradigm. Dominici (2009) notes that whereas conservative Marketers still believe that the 4 P elements are adequate to handle the new challenges and the digital era, some researchers he classifies as "revisionists" believe the 4 P's paradigm has been overtaken by the digital era and a new way of thinking needs to be designed to manage modern technologies and challenges. Gabriel (2005) coined the new terminology 'Expanded Marketing Mix' [EMM] that encompasses increased number of P's in the Marketing Mix concept by adding another three elements – *People, Physical Aspects* and *Process Information* – to create 7p's. Marketing of services hence creates a significant limitation to the 4p's as traditionally laid out, thereby necessitating the additional 3p's. Gronroos (1994) suggests that McCarthy (1960) misinterpreted the Marketing Mix elements as originally presented by Borden (1964).

Notwithstanding the criticism of the McCarthy 4p's, Dominici (2009) contends that the 4p's Marketing Mix concept has become widely accepted both in the academic world and in marketing decision making largely owing to its simplicity in use and understanding. Goi (2009) while noting the limitations that may be inherent in the traditional 4p's admits that "inspite of its deficiencies, the 4Ps remain a staple of the marketing mix. The subsequent Ps have yet to overcome a consensus about eligibility and agreement over the practical application."

2.3.1 Service Product

Nakhchian, Boorani and Gorji (2012) suggests that product is the first P in the marketing mix and is the subject of the rest of the P's in the attempt to get revenues. Gabriel (2005) found that product includes the design of the product to meet the needs of the target market, product development and planning in anticipation of the dynamic and ever-changing nature of customer needs; product and brand positioning in the case of marketing of services and innovation. Kotler and Keller (2006) defined the ingredients of product as being product variety, quality, design, features, brand name, packaging, sizes, services, warranties and returns. Akroush (2011) defines service product as the extent to which a service organisation develops a comprehensive service offer to meet customers' needs and requirements in highly competitive markets.

2.3.2 Service Price

Gabriel (2005) opines that pricing is critical in ensuring that the accounting costs are met, customers find value in the service at the price offered and the company remains profitabe in business. He defines pricing as a social and managerial process of quantifying the value(s) to be offered to the customer by the product on offer. According to Kotler and Keller (2006), the price element includes the list price, discounts, allowances, payment period and credit terms. Yasanallah and Vahid (2012) found that in determining the appropriate price of a financial service, the manager needs to appreciate affordability of the target market, in a way that also makes a fair return on the business to sustain and grow it. In the Global Financial Inclusion Index by the World Bank, researchers Demirguc-Kunt and Klapper (2012) found that the most cited reason worldwide for the lack of a formal financial account was poverty or lack of adequate funds to maintain the account. Fixed transaction costs and annual fees tend to make formal accounts unaffordable for large number of people at the bottom of the pyramid.

2.3.3 Service Place

Nakhchian, Boorani, and Gorgi (2012) while also referring to it as distribution, noted that the place element is responsible for the task of transferring the product from manufacturer to the customer. Effectively, distribution is tasked with the responsibility of ensuring that the products are available at the time and place that would be most convenient for potential customers to access. The distribution element includes ensuring that the correct stock keeping units (SKU's) are held at the location where the product is found. The African Development Bank (AfDB) in Ondiege (2010) indicates that the single biggest hinderance to the uptake of formal financial services in Africa has been lack of access to the services that is compounded by poor infrastructure especially in rural areas. Mas and Ng'weno (2010) found that channel managament was a critial factor in the success of M-PESA in Kenya.

2.3.4 Service Promotion

Kotler and Keller (2006) notes that the promotion element includes sales promotion, advertising, sales force, public reations and direct marketing. Gabriel (2005) indicates that by managing the promotion element properly, the organisations is able to effectively communicate the value of its products and attract trial and repeat purchase. Promotional efforts must be stimulating and motivating enough to attract attention to the product. Davidson and McCarty (2009) suggest that as a starting point to increasing financial inclusion, in the customer journey moving from awareness to regular use of mobile financial services requires different marketing interventions at each interval. Mas and Ng'weno (2010) found that M-PESA's brand communication moved from being a basic functional message that was originally directed at urban dwellers to a more emotive message directed to all users as a multi-purpose mobile money service.

2.3.5 People Element

Customers will generally attach the value of the service given on the person delivering the service. Gabriel (2005) therefore points out that the role of the service giver is critical and determines customer satisfaction owing to the fact that you cannot separate the person delivering the service product and the product itself owing to its intangibility. The service provider creates and delivers value to the customer at the same time.

2.3.6 Process Information

Akroush (2011) defines Service Process as the extent to which a service organisation has set a customer oriented and systematic procedures for a successful service delivery process. In their study of co-operatives Yasanallah and Vahid (2012) found that process management ensures continuous availability of efficient services. “The task and role of this component of marketing mix is to balance service demand and supply.” Improving the process of providing services to customers, financial institutions can increase customer convenience that leads to higher adoption levels. Bångens and Söderberg (2008) found that a major deterrent of acquiring formal banking and financial services has been the many bureacratic processes in acquiring a bank account. Generally, the simpler the process of setting up an account the higher the adoption of the service. The World Bank in Demirguc-Kunt and Klapper (2012) found that at least 17% of adults interviewed in a financial inclusion research indicated they didn’t have formal accounts owing to documentation requirements they were unable to produce.

2.3.7 Physical Evidence

This is the environment in which the service is delivered and any tangible goods that facilitate the performance of the service. Gabriel (2005) suggests that physical evidence also means customer service or the state of the physical asset where the service is delivered. Gronroos (2000) extended this definition of customer service to include the physical evidence of the service delivered. Mas and Ng’weno (2010) found that one of three critical elements that led to the success of M-PESA in Kenya was a consistent customer experience and branding standards at all their stores country-wide that was achieved by repeated training on customer service and localised experiential marketing activities.

2.4 Organisation Performance

Organisation performance can be seen as the total aggregate of the performances of the individuals within an organisation. Mackie (2008) points out that performance management has been used variously to monitor and measure individual as well as organisational contribution to the success of the organisation. Lauterborn (1990) found that for for any organisation to deliver acceptable performance, the outputs which are, to a large extent, delievered by the marketing team, need to be in quantifiable and measurable terms. These outputs are made possible through the proper combination in appropriate quantities of the marketing mix elements.

Mackie (2008) suggests that for organisation performance to be positive, there is need to institute proper internal organisational controls and planning. The policies also need to be in tandem with both the long term aspirations of the business as well as immediate customer needs. Mackie mentioned the two dimentions of organisation performance as internal organisation and extra-organisational performance which include the relationships established and managed with respect to customers and partners.

Srivastava et al. (1999) summarises organisation performance from a marketing perspective as significantly including the aggregate of the supply chain management that will plan, organise and deliver the inputs of the organisation as well as placing the end products in the market for the benefit of customers; product development that includes the design of the products, management of the product life cycle, review of products as well the release of new products in line with customer needs; and finally, customer relationship management which to a large extent involves managing customer expectations. This includes communicating to the customer in an organised and effective way that ensures his imagination is captured as well as ensuring his views are captured in developing the products.

2.5 Marketing Mix and Organisation Performance

Nakhchian, Boorani, and Gorg (2012) note that ‘by the compound, mix, or a combination, it is meant that the four ps (product, price, promotion, place) should have an established and coordinated systematic approach in order to have effective influence on persuading the customers. In other words, the right product at affordable prices is accompanied by better distribution and use of appropriate communication techniques and they act together to win costumers' interest. Goi (2009) indeed acquiesces to the fact that the marketing mix ingredients used by the marketing manager will vary from one product to another and from one market to another. The four components of marketing mix are also called "marketing mix variables" or "controllable variables" as they emanate from within the enterprise and the marketing manager can use them freely as per his desire or need of the situation.

The elements of marketing mix constitute the core of marketing system of a firm. It is a profitable formula for successful marketing operations. Lauterborn (1990) further suggests that for any company to be successful it must combine the Four Ps of the sellers to corresponding Four Cs of customers to ensure that the customers needs are met with appropriate product solutions, at a cost or price that is fair and affordable, in a way that is convenient following appropriate communication to him.

Marketing mix is being adopted in all sectors of the economy to enhance performance all over the world. Aremu and Bamiduro (2012) suggest that Marketing Mix is a major determinant of any organisation's short and long term success and differential advantage. In this regard, marketing is seen as a boundary funtion in organisations and needs to be opportunity-driven and flexible in order to properly address the ever-chaning business dynamics.

Srivastava et al. (1999) proposed a framework that captures the role of marketing mix elements in three management processes viz; Product Development Management (PDM), Supply Chain Management (SCM) and Customer Relationship Management (CRM). PDM includes the product design, modelling, review and specifications that create value for customers by developing new customer solutions throughout the product lifecycle. SCM provides the required enhancement for input acquisition and output transformation and ensuring the customer gets the product at the right time, in the right state and at the right location via effective distribution channels. CRM creates and sustains relationships with customers through such interactions as Above The Line (ATL) and Below The Line (BTL) communication activities to the customer that includes advertising, relationship centres and door to door campaigns.

Yasanallah and Vahid (2012) also found that by applying marketing mix principles, the co-operative movements deliver stronger performance returns for their business. The marketing mix is therefore seen as the sum total of the decisions that keep the marketing manager's place relevant in the work-place, and support both immediate and long-term business objects of any company's survival.

2.6 Conceptual Framework

Figure 1 represents the relationship between the dependent and independent variables that will be the subject matter of the study. The service marketing mix elements constituting the independent variables in the figure below affect the adoption levels of formal financial services in different ways.

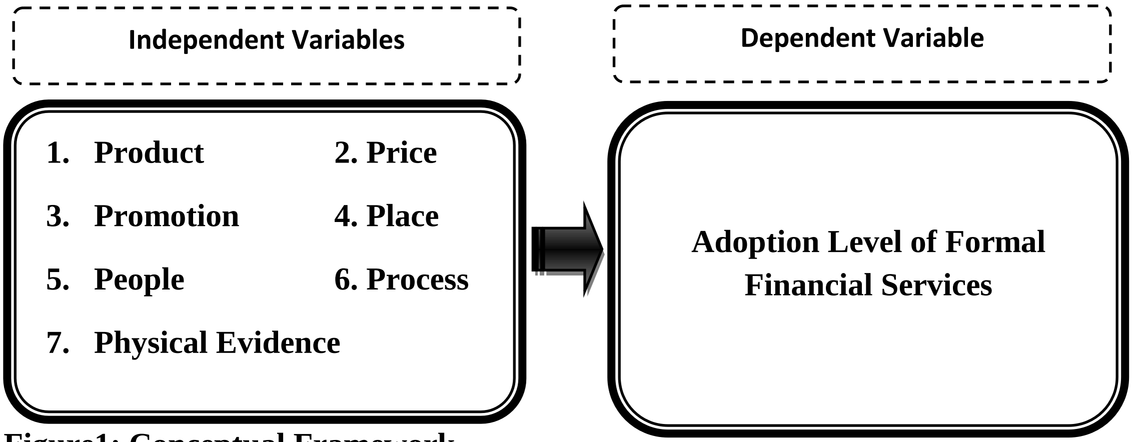

Figure1: Conceptual Framework

The service marketing mix elements constituting the independent variables in the diagram above affect the adoption levels of formal financial services in different ways.

Mas and Ng'weno (2010) found that for M-PESA to have had the success that it eventually got, a lot of research went into understanding the market dynamics in the Kenyan market. The product was also designed and positioned as a reliable and easy to use product by the many financially illiterate people in the country at the time.

GSMA: MMU (2013) indicate that a significant driver for the uptake of mobile financial services across the globe has been the pricing element. It is necessary to appreciate the pricing regime adopted by some of the fastest growing mobile money deployments in the world as those with a 'per transaction charge' as opposed to those with periodical charges like monthly charges.

Davidson and McCarty (2009) suggest that promotions may need to be handled very carefully as they probably the single largest driver for uptake of mobile financial services in many third world countries. It is necessary to appreciate that care is needed to ensure that the marketing messages going out to the consumers need to be in line with the product life cycle of the consumers and relevant to that specific market.

Equity Bank (2012) reported their most significant increase in deposit transactions in the financial year 2011 when they introduced agency banking in their distribution channel. It is also not lost to observers that Mas and Ng'weno (2010) concluded that the large and well distributed agent network played the most significant role in increasing adoption of the mobile money service especially in deep rural areas in Kenya.

Davidson and McCarty (2009) point out at the management of the mobile money service as being critical to its success. The people managing it need to be very well skilled and experienced not just in managing people but also being able to make the right product deployment decisions. GSMA: MMU (2013) reported that the most successful mobile money deployments in the world are those with clear management lines that reported directly to the chief executive of the organisation. Mas and Ng'weno (2010) also corroborate the fact that part of the success factor of M-PESA was because of the customer care systems put in place to handle customer enquiries and escalations.

Processes seem to be one of the biggest silent impediments to financial inclusion. The AfDB in Ondiege (2010) indicate that a majority of the people in Sub Sahara Africa will not open a bank account because they are unable to get the documentation requirements that the banks ask before an account is opened.

Physical evidence that includes that safety of the location where financial transactions are undertaken is critical. Mas and Ng'weno (2010) found that one of three critical elements that led to the success of M-PESA in Kenya was a consistent customer experience and branding standards at all their stores country-wide that was achieved by repeated training on customer service and localised experiential marketing activities. It is therefore necessary to make the customer feel safe and comfortable while making financial transactions.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Research Design

The research was carried out through descriptive research design because it sought to identify consumer behaviour by establishing whether there is a trend when subjected to specific variables. The research wanted to establish whether consumers from different geo-political jurisdictions have any similarity in their behaviour when subjected to the same variables. The descriptive research design was also aimed to assist in establishing whether there are any commonalities and tendencies towards homogenous behaviour of consumers when subjected to the same service marketing mix elements.

3.2 Target Population

The research was carried out in seven countries in Kenya and seventeen districts in Uganda, two neighbouring countries within the East African region that have adopted similar, yet differentiated, financial systems owing largely to their historical ties as former British colonies. As at 2010, according to the AfDB in Ondiege (2010), only 19% of Kenya's adult population had formal bank accounts where banking services are largely restricted to urban areas. In Uganda, as at 2010, the AfDB found that there is only one bank branch for every 100,000 people in comparison to Spain where there are 100 bank branches for every 100,000 people. GSMA: MMU (2013) found that Kenya and Uganda were amongst the highest mobile money transacting nations in the world. The World Bank (2013) places the population of Kenya at 43 million and that of Uganda at about 36 million. Table 3.1 shows a population breakdown of the two focus countries in this study.

Table 3.1 Target population for each focus country

Focus Country	National Population*	Banked Population**	Un-banked Population**
Kenya	43 Million	12.5 Million	30.1 Million
Uganda	36 Million	7.6 Million	28.4 Million

Source: *The World Bank (2013); **Marlaw (2010)

3.3 Sampling Methodology

The study targeted two hundred and thirty respondents who were selected through stratified random sampling technique. Stratification was made along visible demographic dynamics. This included respondents with formal financial accounts as well as those without any formal financial account, spread out in both urban and rural locations throughout Kenya and Uganda. The respondents from Uganda were spread out across seventeen districts, whereas in Kenya the respondents were spread out in seven counties. Table 3.2 is indicative of the sample frame spread for each country.

Table 3.2 Sample frame spread per country

Country	Country/District	Frequency	Percent
Kenya	Kajiado	10	4.3
	Machakos	10	4.3
	Makueni	10	4.3
	Nairobi	20	8.7
	Nakuru	20	8.7
	Narok	18	7.8
	Vihiga	28	12.2
Uganda	Gulu	9	3.9
	Iganga	7	3.0
	Isingiro	2	.9
	Jinja	7	3.0
	Kampala	17	7.4
	Masaka	10	4.3
	Mayoge	1	.4
	Mbale	16	7.0
	Mbarara	11	4.8
	Mityana	4	1.7
	Mpigi	2	.9
	Mubende	10	4.3
	Mukono	7	3.0
	Ntungamo	3	1.3
	Rakai	3	1.3
	Sironko	1	.4
	Wakiso	4	1.7
	Total	**230**	**100.0**

The difference in the number of administrative locations between the two countries is explained by the fact that Uganda districts are general much smaller compared to counties in Kenya, and therefore the populations targeted for each political area in the study were very comparable. Table 3.3 provides a country break-down of the sampling that was used in the study, whereas

Table 3.3 Focus country break-down of total respondents

	Kenya		Uganda		TOTALS
	Banked	Unbanked	Banked	Unbanked	
Urban Residents	38	34	41	24	**137**
Rural Residents	20	24	19	30	**93**
Total	**58**	**58**	**60**	**54**	**230**

3.4 Data collection

The study relied on primary data sources. Data was collected by administering a structured questionnaire for the various levels of respondents with open-ended as well as closed-ended questions to help collect limited qualitative data and quantitative data respectively. The researcher administered the individual questionnaires through research assistants, due to the geographical expanse of the study. There were two separate sets of targeted questionnaires. One set was for the banked consumers and the other for the un-banked consumers in order to capture the different motivations in getting into formalised financial services.

The questionnaire for banked respondents was divided into three sections. Section A was used to gather demographic data and customer profiles. Section B of the questionnaire was for assessing adoption and usage trends. This was achieved by assessing the influence levels of individual marketing mix variables on financial services uptake and also ranking the variables against each other to assess the strength of the various variables when compared to each other. Section C sought to assess the pain points, categorised along the seven service marketing mix elements, which customers undergo in their pursuit to access formal financial services. Section C also sought to establish what other motivations there were in keeping formal bank accounts notwithstanding the pain points the customers faced.

The questionnaire for unbanked respondents had two sections only. Section A sought to establish the demographic composition and respondent profiles. Section B sought to establish adoption and usage trends of the unbanked customers. Here the researcher sought to establish the influences marketing mix elements had in denying formal banking services to the respondents.

The variables in the questionnaires were developed mainly from themes in the literature review section and the study objectives. The primary data was collected through a period of one month in both Kenya and Uganda. Owing to the varying literacy levels of the respondents, especially majority of the unbanked, these questionnaires were administered to the respondents through the help of research assistants who were properly briefed on the questionnaires. The challenges experienced in Uganda that included too many invalid responses in a number of locations made it much harder to concentrate the study in particular locations but also helped in having an even wider contribution of the respondents.

3.5 Data Analysis

The data collected was subjected to descriptive data analysis and interpretation. This begun with with editing the data for unitformity, consistency, completeness and accuracy. The data was then keyed into the statistical package for social sciences (SPSS) computer program, which then generated frequency, other required tables and cross-tabulations for further analysis. There was the use of mean, percentage and frequency. The frequencies showed how many times a certain factor appears and the percentage that agreed or disagreed on the various issues. Other forms of data presentation will be the use of graphs, charts. These will assist/enable the researcher to come up with data that is easy to draw conclusions from.

3.5.1 Descriptive Tables

The collected data was analysed using descriptive tables as the main tool. This comprised tabular and numerical representations of the data in terms of weighted averages and percentages, since it gives a quick interpretation of the findings. Tables were subsequently stored in soft form.

3.5.2 Regression Analysis

Regression analysis of the influences on taking up formal financial services for all the attributes under the study was analysed using regression coefficients to show how the marketing mix elements influenced the uptake of formal financial service by use of the computer software SPSS.

CHAPTER FOUR: DATA ANALYSIS AND INTERPRETATION

4.1 Introduction

This chapter will consider the primary research findings; analyze them to seek out answers to the stated research questions. It will also discuss the similarities that may be inherent in these findings with other secondary findings especially along the individual core indicators and compare the differences in the response sets especially in comparing the two countries of Kenya and Uganda.

4.2 General Description of Data

The research involved 230 valid respondents spread across both Uganda and Kenya. As shown in Table 4.1 below, Kenya had a total of 116 respondents contributing to slightly over 50% of total respondents, in comparison to Uganda which delivered 114 valid respondents.

Table 4.1 Country Break-Down of Respondents

Country	Frequency	Percent
Kenya	116	50.4
Uganda	114	49.6
Total	230	100.0

There was also significant effort in drawing the respondents from as diverse locations in the two countries as possible in order to make a comprehensively representative and reliable data-set. As seen in Table 3.2 about the split of contributing counties in Kenya, there were proactive efforts to reach ensuring a balance between the urban and rural contributions.

Table 4.2 provides a comprehensive break-down of the demographic of the respondents surveyed in this study. As seen in the table, the profile of total lay-out of respondents in the study is highly representative of the dynamics alive in the demographic composition in the two target countries. This was especially made intentionally, especially with respect to the break-down of rural versus urban respondents who, according to the secondary data in Demirguc-Kunt and Klapper, (2012) and others suggested influenced uptake of financial services..

Table 4.2: Break down of demographic profiling of the respondents in the study

	Sub-Profile	Frequency	Percent
Banked or Unbanked	Banked	118	51.3
	Unbanked	112	48.7
	Total	230	100.0
Gender of Respondent	Male	119	51.7
	Female	111	48.3
	Total	230	100.0
Age Group	18 to 24 yrs	59	25.7
	25 to 29 Yrs	76	33.0
	30 to 40 Yrs	54	23.5
	Above 40Yrs	40	17.4
	Total	229	99.6
	Missing	1	.4
	Total	230	100.0
Marital Status	Single	100	43.5
	Married	101	43.9
	Divorced	12	5.2
	Widowed	10	4.3
	Total	223	97.0
	Missing	7	3.0
	Total	230	100.0
Education Level	No formal Education	11	4.8
	Primary School level	31	13.5
	High School Graduate	95	41.3
	Under-Graduate Degree	79	34.3
	Post Graduate Degree	12	5.2
	Total	228	99.1
	Missing	2	.9
	Total	230	100.0
Residential Profile	Urban Resident	137	59.6
	Rural Resident	92	40.0
	Total	229	99.6
	Missing	1	.4
	Total	230	100.0
Monthly Income	Less than 30	41	17.8
	Between 30 and 100	89	38.7
	Between 100 and 1000	90	39.1
	Over 1000	8	3.5
	Total	228	99.1
	Missing	2	.9
	Total	230	100.0

With respect to mobile money accounts, Table 4.3 shows the proportion of respondents who are registered for mobile money in both Kenya and Uganda, broken down by geographical location. As seen in the table, overall, there was a lower positive response rate for rural respondents in comparison to urban respondents except for banked respondents in Uganda.

Table 4.3 Proportion of respondents registered for mobile money per country

Geography	Kenya		Uganda	
	Banked	Unbanked	Banked	Unbanked
National	92%	81%	87%	78%
Urban	94%	82%	85%	91%
Rural	88%	78%	93%	67%

4.3 Analysis of Data and the Interpretation of Results

4.3.1 Effect of Product on Increasing Financial Inclusion

Product features had an average influence level in determining whether or not customers open their first bank account with their selected bank. Table 4.4 shows that product attributes with a weighted mean score of 3.02 out of 5 had an effective ranking of six of the seven marketing mix elements in influencing banked respondents as whether to open a bank account in the respective banks where their accounts were held.

Table 4.4 Marketing Mix individual elements influence in opening bank account

Influencing Variable	Mean	Std. Deviation
Place Influence	3.95	1.258
Price Influence	3.89	1.2
Physical Evidence Influence	3.27	1.326
Promotion Influence	3.12	1.12
Process Influence	3.11	1.44
Product Influence	3.02	1.189
People Influence	2.89	1.353

Product features also seem to have had limited influences on the rural or the urban respondents as seen in Table 4.5. Whereas rural respondents gave a marginally higher score for product features in influencing where to open a bank account, it still ranked second last against other marketing mix elements. Amongst the urban respondents, product features played the least influential role when considered alongside other marketing mix elements, in determining the bank to open their account with.

Table 4.5 Rural/Urban comparison on influences to open Bank Account

Influencing Reasons to Open Bank Account	Mean	Std. Deviation	Mean	Std. Deviation
	Rural Banked		**Urban Banked**	
Product Influence	2.93	1.163	3.07	1.211
Price Influence	3.83	1.256	3.93	1.179
Place Influence	3.72	1.437	4.07	1.147
Promotion Influence	3.31	1.072	3.02	1.141
Physical Evidence Influence	3.24	1.215	3.28	1.393
People Influence	2.90	1.372	2.89	1.355
Process Influence	2.72	1.412	3.31	1.425

When asked what influenced their decision to open additional bank accounts, banked respondents who had opened additional accounts ranked product features as the most influencing reasons. Whereas Table 4.4 is indicative of the fact that while in opening their bank accounts, banked respondents did not consider product features; Table 4.6 suggests that product features that do not meet expectations were the biggest influences in opening additional accounts.

Table 4.6 Ranking marketing mix influences in opening additional bank account

Influencing Variable	**Effective Rank**	**Mean**	**Std. Deviation**
Product - first account below expectations	1	2.88	2.206
Place - Inadequate Branch/ATM	2	3.61	2.05
Price of new account was better	3	3.9	1.769
Promotion of New Account	4	3.92	1.896
Process - Easy to open and operate	5	4.41	1.768
People - Relationships at New Bank	6	4.76	1.914
Physical Evidence - better premises	7	4.8	1.939

Banked respondents in both urban and rural locations also had the same influences with respect to product features in determining the additional bank account they opened as seen in Table 4.7

Table 4.7 Rural/Urban-split Ranking influences in opening other bank account

Influencing Reasons To Open Additional Account	Mean	Std. Deviation	Mean	Std. Deviation
	Rural Banked		**Urban Banked**	
Product below Expectations	3.36	2.618	2.75	2.097
Price is Better of New account	3.82	1.537	3.93	1.845
Promotion of New Account	3.45	2.423	4.05	1.739
Place - Inadequate Branch/ATM Network	4.18	2.136	3.45	2.025
Process - Easy to open in new Bank	4.82	1.250	4.30	1.884
People - Relationships at New Bank	4.27	2.149	4.90	1.851
Physical Evidence	4.27	2.005	4.95	1.921

Product features was the most outstanding basis for closing bank accounts in both Kenya and Uganda. As seen in Table 4.8, more than half of the banked respondents in Kenya and 47% in Uganda closed their bank account because of product features that did not meet their expectations.

Table 4.8 Influences in closing bank account by banked respondents

Reasons to Close Bank Account	**National**		**Urban**		**Rural**	
	Kenya	**Uganda**	**Kenya**	**Uganda**	**Kenya**	**Uganda**
Product	53%	47%	50%	48%	63%	43%
Price	34%	39%	41%	41%	13%	29%
Place	10%	11%	5%	10%	25%	14%
People	3%	3%	5%	0%	0%	14%

There was marginally less number of respondents in the Uganda rural areas that based their decision to close bank account on product feature standing at 43% compared to 63% in Kenyan rural respondents. This may be indicative of the number of options rural people have with respect to formal financial bank accounts in rural areas in the two countries. In places where there are more banks to choose from, you will find more choices based on product features since customers can make choices as to the different product features that are on offer by the various banks with branches within the locality.

With respect to opening mobile money accounts, Table 4.9 shows that simple product features had the second highest score at 4.18. Product feature influence in mobile money uptake had the lowest standard deviation amongst banked respondents compared to the rest of the marketing mix influences.

Table 4.9 Banked Respondents influences in opening mobile money account

Influencing Variables	Mean	Std. Deviation
Process - it was easy to register and start	4.21	1.015
Product was easy to understand	4.18	0.802
Place - service was easily available to try	4.11	0.93
Promotion encouraged Trial	4.03	0.976
Price of service was affordable	3.48	1.011
Physical Evidence - service centre feels secure	3.26	1.281
People - Good skilled customer service	3.09	0.956

The ease with which mobile money product features are understood was the biggest individual influence amongst the rural banked respondents as shown in Table 4.10. This may be indicative of the simplicity need of rural folk in technologically related products. Product features had the second highest score amongst the urban banked respondents, which contracts significantly in the score product features had in Table 4.5 in opening a bank account.

Table 4.10 Rural/Urban split on opening mobile money by Banked people

Influences to Register for Mobile Money	Rural Banked		Urban Banked	
	Mean	Std. Deviation	Mean	Std. Deviation
Product was easy to understand	4.15	.813	4.20	.806
Promotion encouraged Trial	3.95	.999	4.07	.975
Place - service easily available	4.10	.912	4.11	.948
Price of service was affordable	3.80	.894	3.35	1.037
People - Good customer service	3.45	.887	2.93	.952
Process - it was easy to register	4.10	.852	4.26	1.084
Physical Evidence	3.55	1.146	3.13	1.327

Unbanked respondents had a dim view of product features in determining whether or not they opened bank accounts. Table 4.11 shows that product features had the second least influence as a barrier to uptake of a bank account by unbanked respondents. This may be indicative of the fact that most unbanked customers may be more influenced by costa and accessibility of bank locations in order to start making product a consideration in whether or not they take banking products and services.

Table 4.11 Un-Banked Respondents influences to NOT open Bank Account

Influencing Variable	Mean	Std. Deviation
Price Influence	3.36	1.42
Place Influence	3.14	1.348
Physical Evidence Influence	2.92	1.45
Process Influence	2.62	1.694
Promotion Influence	2.57	1.124
Product Influence	2.16	1.159
People Influence	2.05	1.292

The rural urban-split did not have any differentiating impact with respect to the unbanked respondents' view of product features as an influence or barrier to open bank account as seen in Table 4.12. Product feature had the least influencing score amongst the rural unbanked and the second least influencing scores with the urban unbanked respondents. Like the total score, this is indicative of the fact that most unbanked may not even get to consider product features owing to other priority barriers like price and place of banks.

Table 4.12 Rural/Urban split of influences to NOT open Bank Account

Influences Not to Open Bank Account	Mean	Std. Deviation	Mean	Std. Deviation
	Rural Unbanked		**Urban Unbanked**	
Product Influence	1.94	1.127	2.35	1.167
Price Influence	3.18	1.242	3.53	1.552
Place Influence	3.53	1.022	2.80	1.506
Promotion Influence	2.82	.936	2.35	1.231
Physical Evidence Influence	3.38	1.538	2.53	1.261
People Influence	2.03	1.403	2.08	1.207
Process Influence	2.26	1.563	2.93	1.760

When asked to rank the marketing mix influences against each other, product features ranked fifth amongst all the unbanked respondents as a barrier in opening a bank account. As seen in Table 4.13, the standard deviation for this element is comparatively high indicative of the fact that the disparaged view on the influences level of product features as a barrier to opening a formal bank account.

Table 4.13 Un-Banked Respondents ranking influences NOT open Bank Account

Influencing Variable	Effective Rank	Mean	Std. Deviation
Price - too opening and operating	1	2.86	1.975
Promotion - limited information	2	3.59	1.909
Process - Documentation Requirement	3	3.70	1.693
Place - No accessible Bank Branch	4	3.73	2.149
Product didn't meet expectations	5	4.22	2.155
Physical Evidence	6	4.90	1.839
People - Inadequately skilled staff	7	5.11	1.744

The rural/urban split does not provide any changes with respect to the ranking of the marketing mix elements in opening a banked account amongst the unbanked respondents who still consider product a limited influencer as seen in Table 4.14, even though standard deviation yet again was the highest amongst the variables.

Table 4.14 Rural/Urban split ranking influences NOT open Bank Account

Ranking Influences NOT to open Bank Account	Mean	Std. Deviation	Mean	Std. Deviation
	Rural Unbanked		Urban Unbanked	
Product didn't meet expectations	4.35	2.308	4.12	2.035
Price to open and maintain account	2.85	1.808	2.90	2.141
Promotion - limited information	3.50	1.831	3.71	1.974
Place - No accessible Bank Branch	3.52	2.372	3.90	1.944
Process - Documentation Requirement	3.63	1.692	3.76	1.720
People - Inadequately skilled staff	5.42	1.589	4.79	1.833
Physical Evidence	5.00	1.847	4.79	1.852

With respect to influences in opening a mobile money account, unbanked respondents as shown in Table 4.15, gave product features the third highest individual score at 4.16 out of 5. There was also less disparaged opinions in product as in influencer to open mobile money account as compared to the same influence in opening a bank account.

Table 4.15 Un-Banked Respondents influences in opening mobile money account

Influencing Reason	Mean	Std. Deviation
Process - easy to register and start	4.39	1.061
Place - Service is easily available to try	4.21	.852
Product was Easy to understand	4.16	1.043
Promotion encouraged Trial	4.03	1.086
People - good, skilled customer service	3.52	1.238
Price of the service was affordable	3.26	1.342
Physical Evidence - Service centre feels secure	3.10	1.434

Rural unbanked respondents had a higher consideration of product features in making up their decision to open mobile money accounts in comparison to urban unbanked respondents as seen in Table 4.16. This is indicative of the special needs of rural people in understanding technology-driven products like mobile money.

Table 4.16 Rural/Urban Split of Un-Banked Respondents in mobile money

Influences to Open Mobile Money Account	Mean	Std. Deviation	Mean	Std. Deviation
	Rural Unbanked		**Urban Unbanked**	
Product was Easy to understand	4.44	1.155	3.94	.906
Promotion encouraged Trial	4.37	.926	3.77	1.140
Place - Service is easily available	4.26	.859	4.17	.857
Price of the service was affordable	4.00	1.240	2.69	1.132
People - good customer service	3.85	1.199	3.26	1.221
Process - easy to register and start	4.78	.698	4.09	1.197
Physical Evidence	3.52	1.602	2.77	1.215

Incidentally, product was also cited by respondents who didn't open Mobile Money accounts as the biggest reason why failed to open these accounts as seen in Table 4.17. Both banked and unbanked respondents found product a significant barrier to entry for mobile money. This may be indicative of the requirement for investment on handsets in order to register and transact in mobile money. It may also be as a result of the fact that a number of customers may not trust mobile money companies in handling their KYC details.

Table 4.17 Proportion of Influencing barriers to entry for mobile money

Reason Not to Open Mobile Money	National Responses	
	Kenya	Uganda
Product	64%	44%
Price	0	22%
Place	0	11%
Promotion	18%	11%
People	0%	0%
Process	18%	11%
Physical Evidence	0	0%

Product may be a leading cause for lack of mobile money uptake also owing to the features involved in getting the service to work. Considering that there are technologies involved, many respondents felt the technological knowledge requirement in order to take up the product was a big challenge especially amongst those in rural areas and without adequate exposure to technology.

4.3.2 Role of Price on Growing Financial Inclusion

Price was one of the most significant determinants to the uptake of banking products. As seen in Table 4.4, price ranked as the second most influential marketing mix variable in determining where banked respondents opened their first bank account weighted mean tally showed a score of 3.89 out of 5. Rural respondents however indicated that price was their single biggest influence in determining where or whether to open a bank account. Table 4.5 shows that urban banked respondents were only more influenced by place in comparison to price, hence indicating also that that the influence of price is considered significant amongst both urban and rural respondents.

Price however played an average influence in determining opening an additional bank account. Table 4.6 ranks price third behind product and place in the influence ranking of reasons for opening additional bank account in the two countries. It is important, however to note that the standard deviation in price was much less compared to both product features and place indicating a near meeting of minds amongst the respondents with respect to pricing influences. Price was however ranked third amongst the rural banked respondents in determining opening an additional bank account. Table 4.7 shows that, in comparison to rural banked respondents, urban respondents also ranked price third in influence while determining whether to open additional bank accounts.

Price still ranked second amongst the banked respondents for reasons to close a bank account. Table 4.8 shows that price was a bigger determinant to close bank accounts amongst the urban respondents in comparison to rural respondents. This may be indicative of the choices of banks available to rural respondents in order to compare price of product, living them little choice when it comes to cost of running bank accounts.

When asked what level of influence price had out of a score of five in opening a mobile money account, Table 4.9 shows that banked respondents gave it a score of 3.48, ranking it fifth out of the marketing mix influences in opening mobile money. The response was similar when compared amongst rural and urban banked respondents as seen in Table 4.10. This may be indicative of the fact that mobile money is seen as having more benefits to the users in comparison to traditional brick-and-mortar banking services, including the instantaneousness of the service.

Amongst the unbanked respondents, Table 4.11 shows that price is the single biggest influence or barrier to entry into banking services across the board. Price was considered a bigger barrier to entry by urban respondents than rural respondents, according to the analysis on Table 4.12 on rural versus urban split of respondents in both Kenya and Uganda. Price was the leading barrier to entry for urban respondents, compared to rural respondents who scored it to rank third behind place and physical evidence influences respectively. Table 4.13 however shows that unbanked respondents found pricing the biggest barrier to entry into banking services when asked to compare this element against the other service marketing mix influences. This position was buttressed by the urban versus rural split of the respondents who were unequivocal that price is certainly the biggest impediment to entry irrespective of the geographical location of respondents as shown in Table 4.14.

Unbanked respondents however had a lower consideration to price in determining whether or not to open mobile money accounts with MNO’s in both countries. Table

4.15 shows price scored 3.26 in individual influence level out of 5 in determination of whether unbanked respondents open a mobile money account, ranking this influence second last amongst the marketing mix influences. Price was least influential in urban respondents as seen in Table 4.16 compared to rural respondents who scored it at 4 out of 5 to have it ranked fifth in the order of influences to open mobile money. This may be indicative of the fact that urban respondents mainly use mobile money for its product feature use-case in sending instant cash to rural relations, which they consider a more significant need than price. This position is vindicated in Table 4.17 where the price of mobile money was not considered a barrier amongst Kenyan respondents and scored 22% of the respondents in Uganda who considered it a barrier to entry into the mobile money service.

4.3.3 Effect on Place in Growing Financial Inclusion

In this research, Place was mainly seen as an indication of provider branch network that included the physical bank building infrastructure, agency banking outlets and the ATM network. Place plays a central place in determining a number of decisions for both banked and unbanked customers according to the respondents surveyed in this research project. Table 4.4 indicates that place had the highest individual score as a determinant of opening a bank account for banked respondents. Rural banked respondents, however, ranked place second to price compared to urban banked respondents who ranked it the biggest individual influence in determining where they open a bank account at the bank they did as seen in Table 4.5. This may be indicative of the nature of the dynamics at play in urban residents especially those who are too mobile and need to keep accessing their bank accounts from as many locations as they can, compared to rural respondents who may need the accounts for basic financial requirements.

Place also significantly influenced banked respondents in opening additional accounts. Table 4.6 shows that inadequate number of branches and ATM network in first bank account, ranked second in influencing respondents to open an additional bank account. Place was however considered less of an influence by rural banked respondents compared to urban respondents as seen in Table 4.7. This may be indicative of the fact that rural banked respondents may not have alternative choices in determining where to open their additional bank accounts, compared to urban respondents. Table 4.8 also shows that place played some role in determining if a banked respondent closed his bank account at a location. Rural respondents had a higher motivation for place as a basis to close account this time compared to urban locations. This may be as a reason of a bank opening at a closer location to them compared to existing bank location, and therefore the need to close that account and relocation account to the bank closer home.

When asked what level of influence place had in opening a mobile money account, baked respondents gave a score 4.11 out of 5, ranking place element, third behind process and product as seen in Table 4.9. Rural respondents however ranked place element second only to product element in determining whether they open a mobile money account in comparison to urban respondents who ranked it third behind process and product elements respectively as seen in Table 4.10.

Amongst the unbanked respondents, place scored 3.14 out of 5, positioning it the second most challenging barrier to entry into banking services as seen in Table 4.11. Place was however the biggest influence amongst the rural respondents. Table 4.12 shows that urban respondents only scored place at 2.80 out of 5 in influence level as a barrier to entry into banking services ranking this element third amongst the marketing mix variables. When compared to all the marketing mix elements, place ranked fourth overall in influence levels as barrier to entry into banking services, amongst the unbanked as seen in Table 4.13. Rural urban respondents as seen in Table 4.14, however, ranked place third in comparison to urban respondents who ranked place as the fourth most influential barrier to entry for banking services. This may be indicative of the fact that rural residents have more challenges in accessing financial services owing largely to lack of bank investments in these areas compared to urban areas.

With respect to opening mobile money accounts, the place element score positioned it as the second biggest influence in opening mobile money account for the unbanked respondents. Table 4.15 shows that place was only second to process in opening a mobile money account amongst the unbanked respondents. Table 4.16 further shows that, in fact, amongst the urban unbanked respondents, place is the biggest influence to open a mobile money account compared to the rural unbanked whose score of place ranks it fourth in influential level compared to the other marketing mix elements The influence of place is further buttressed in Table 4.17 on the barriers to entry into mobile money amongst all respondents who consider it not a barrier at all in Kenya while only 11% of the respondents in Uganda considered place a barrier to entry.

4.3.4 Role of Promotion in Increasing Financial Inclusion

Promotion in this study includes marketing communication and branding influences that inform customers on product features of financial services available in the locations. Table 4.4 indicates that banked respondents had an average influence on promotion in making their decision on bank account opening scoring it to rank fourth compared to the scores of the other marketing mix influences. Rural banked respondents however ranked promotion third in influence level compared to urban respondents who considered promotion fifth in its scoring against the other marketing mix elements as seen in Table 4.5.

When asked to rank promotion in influencing decision to open additional bank accounts, Table 4.6 shows that it ranked fourth compared to the other marketing mix elements. Rural banked respondents however ranked it second, behind only product features in influencing decision to open additional account compared to urban respondents who ranked it fourth in influence levels as shown in Table 4.7. This may be indicative of the needs of the rural respondents who consider themselves less informed in financial services compared to the urban respondents. This may be as a result of the communication channels used by most banks in communicating their product offering which may be accessible to rural respondents. Table 4.8 however is indicative of the fact that promotion plays no influence in the respondents in closing bank accounts. This is true for both urban and rural respondents who didn’t consider promotion as being influential in closing a bank account. This may be indicative of the fact that most account holders already have experiential information on the accounts they hold; hence promotional events have limited effect on them.

Overall, the score of promotion element in influencing respondents to open mobile money accounts ranked fourth overall amongst the banked respondents. Both Table 4.9 and Table 4.10 indicate that, not even the urban or rural locations of the banked respondents influenced the decision-making process in mobile money, as they all gave a score to the promotion element that ranked fourth all round when compared to the scoring of the other marketing mix elements.

Unbanked respondents also had a dim view of the promotion element as a barrier to entry into banking services. Table 4.11 shows that promotion scored 2.57 out of 5 in its influence level to unbanked respondents to open a bank account. Table 4.12 also indicates that promotion still had limited influence irrespective of the urban or rural location of the respondents. This may be indicative of the fact that promotion can only be effective if the elements of place and price are dealt with for the benefit of the unbanked, majority of who are considered poor, or financially illiterate. Significantly however, when asked to rank the marketing mix elements against each other in order of the influence level as a barrier to entry into banking services, unbanked respondents ranked promotion as the second biggest barrier after price as shown in Table 4.13. This is largely driven by rural respondents as seen in Table 4.14 who considered lack of financial literacy and information, considered promotional weaknesses as the second biggest impediment to opening a bank account.

Overall, unbanked respondents' score of promotion ranked it fourth overall in its influential level in opening mobile money account as seen in table 4.15. Even in this instance, rural respondents had a higher positioning of promotion as an influence in their decision to take up mobile money in comparison to urban respondents as seen in table 4.16. Promotion was also considered a barrier to entry into mobile money service, but only marginally at 18% and 11% in Kenya and Uganda respectively as seen in table 4.17. This may be due to the fact that sometimes the MNO's provide information to consumers who may require experiential detailing in order to master the technologies in place in order to access mobile money, yet this detail is not easy to effectively communicate especially using mass media.

4.3.5 Role of Process in Financial Inclusion

Documentation requirements when opening and running formal financial services formed the core consideration in the Process element in this research. Both Kenya and Uganda have regulatory requirements for Know Your Customer (KYC) that includes identification documents that are recognised and accepted for anyone to access financial services. All financial services in both countries are regulated and governed by the respective central banks under financial institutions laws.

In determining the influence level on banked respondents in opening their bank account, table 4.4 shows that process had minimal effect in that decision-making in the overall, with a score that ranked it fifth out of the seven marketing mix elements. Rural banked respondents had the least consideration of process influence in determining whether or not to open a bank account, as seen in Table 4.5, compared to urban respondents whose score of process element ranked it second least influential amongst the marketing mix influences.

Table 4.6 also ranks process fifth overall in terms of its influence in determination of whether to open an additional bank account for banked respondents. Yet again, rural respondents had the lowest ranking of process in determination of whether they opened additional bank accounts compared to their urban counter-parts as seen in table 4.7. The lower ranking of process, especially in opening additional bank account is expected, seeing that if the respondents already have a bank account, they have previously achieved the minimum process documentation requirements to open a bank account and therefore find this a non-issue in opening an added account. This analysis is vindicated by table 4.8 which shows that process had absolutely no influence amongst the respondents in closing a bank account at their banks in both Kenya and Uganda.

Viewed against the background of the low influence of process in opening or closing bank accounts, it is interesting to note that banked respondents' score of process in influence level to open a mobile money ranks it the most influential marketing mix element in opening a mobile money account as seen in Table 4.9. This was especially true for urban banked respondents who identified the ease of registering and starting to transact on mobile money as the biggest influence to register. Compare this, to rural respondents as seen in Table 4.10 whose score of process ranked it second, tied with place behind product in influence level to open mobile money accounts.

The unbanked respondents found process a medium barrier in its influence to access banking services according to table 4.11. Both urban and rural unbanked respondents also found that their locations did significantly change the influences that process had as a barrier to opening bank accounts, as seen in the fact that urban unbanked score of process element as seen in table 4.12 ranked it the second biggest influence in their inability to access financial services. This may be as a result of the fact that urban respondents have more information on the documentation requirements for opening bank accounts, and which they may not have custody of. When asked to rank the influence of process element as a barrier to entry into bank account, unbanked respondents placed it third overall as seen in table 4.13. This is also the same position with respect to the rural/urban split scoring by the respondents in these locations, seen in table 4.14.

Process had its most significant position and influence in determination of whether to take up mobile money services amongst the unbanked as seen in table 4.15, where it had the highest score. This was also evident amongst the rural unbanked who gave it the highest score as an influence in getting on to mobile money as seen in table 4.16 in comparison to urban unbanked respondents who scored it such that it ranked second behind customer touch-points. Process contributed to 18% and 11% for Kenya and Uganda respondents respectively as a barrier to entry into mobile money. This may be as a result of the documentation requirement to register and transact using mobile money which many in this part of the world don’t have.

4.3.6 Role of People in Financial Inclusion

The skill-sets and other factors that contribute to the roles that people play in delivering financial services. As seen in Table 4.4, banked respondents’ score of the influence of people in their determination of opening bank account ranked it the least influential marketing mix element. This is especially true with respect to urban respondents shown in Table 4.5 in comparison to rural respondents who have a better view of the influences of people in determining where and whether to open a bank account.

Amongst those banked respondents who opened more than one account in the last three years, Table 4.6 shows that people element was only ranked second least amongst the marketing mix elements in determining whether or not they opened that additional account. This position was also upheld by both the urban and rural split analysis as seen in Table 4.7, making people influences second last in impact on decision-making. When asked the level of influence people had in closing their bank accounts, about 3% of the banked respondents as seen in Table 4.8, thought people may have played a determining role in that decision. This was more pronounced in Uganda rural banked respondents who had 14% of respondents disappointed in people.

Banked respondents' score of people influence in opening mobile money accounts was also ranked the lowest score amongst the marketing mix elements as seen in table 4.9. This scoring was also made evident in the rural and urban splits in table 4.10 which also indicated the least influence in opening mobile money accounts. This may largely be as an indication of the fact that as a simplified technology based product, the respondents found themselves with little interactions with the service providers.

People influences still had the poorest scoring amongst the unbanked respondents as seen in table 4.11 and Table 4.13. The rural-urban split also had the same showing, ranking last in scores against all the marketing mix elements as seen in Table 4.12, and Table 4.14. However, in this regard, this may be viewed positively since in this case, people were not considered a barrier to entry into bank services.

With respect to opening mobile money accounts, unbanked respondents had a better view of the influence of people in determining whether or not they took up mobile money services as seen in Table 4.15 with a third last positioning of the variable when compared to all the marketing mix elements. Table 4.16 shows that people element was more valued as a determining factor for rural unbanked respondents in opening mobile money accounts compared to urban respondents. This may be as a result of the fact the less technologically exposed rural respondents largely rely on people to fully access mobile financial services compared to their urban counter-parts who have many channels through which this information is received. When asked how much of a barrier people are in accessing mobile financial services, none of the unbanked respondents that people were a barrier as seen in Table 4.17.

4.3.7 Physical Evidence in driving Financial Inclusion

Physical evidence in this study includes those physical aspects that can be adduced as manifestation that in deed registration for financial services and transactions have happened, including confirmation slips, confirmation messages, the physical locations where these services are rendered, which in the case of banking services would include the banking halls and for mobile financial services, the agent locations.

As an influence in determining whether banked respondents opened a bank account at a particular bank, Table 4.4 shows that physical evidence had a score that effectively ranked it third overall in respect of influences. This position is reinforced by the responses analysed under the urban versus rural split of the banked respondents in Table 4.5.

Table 4.6 however shows that physical evidence was ranked as the least influential determinant by banked respondents in their decision-making as to whether or not to open an additional bank account. Rural respondents however had a higher view of physical evidence as seen in table 4.7 where they ranked it second least influential reason to open an additional bank account, compared to urban respondents who still ranked it least influential when compared to the other marketing mix variables. Physical evidence however had no influence on the banked respondents in closing their bank accounts as seen in table 4.8.

The element of physical evidence as an influence in the uptake of mobile money amongst the banked respondents was also diminished as seen in Table 4.9, scoring it to rank sixth amongst the service marketing mix elements. Rural respondents had a dimmer view of physical evidence as influencing their decision to open mobile money as compared to urban respondents as seen in Table 4.10. This may be indicative of the fact that rural respondents have more pressing considerations like the availability of customer touch-points and price that have a higher concern level in financial inclusion compared to urban respondents.

Unbanked respondents' score of physical evidence ranked it third as a barrier to entry into banking services when compared to the individual scores of the other marketing mix elements as shown in Table 4.11. The rural versus urban split on the influences barring uptake of banking services as seen in Table 4.12 indicates that unbanked respondents in urban locations had the least consideration of physical evidence as a base in opening up a bank account compared to rural respondents who had a marginally alternative consideration. This is further vindicated by the outright ranking of physical evidence at position six out of seven in table 4.13 in the ranking of influences that bar access to financial services offered at bank accounts. Yet again, urban unbanked respondents were of the view that in fact physical evidence has the least influence in barring them from taking up banking services as seen in Table 4.14 compared to their rural counter-parts.

Physical evidence was also considered the least influential marketing mix element in opening a mobile money account as per Table 4.15. Only urban respondents had a slightly better ranking score of physical evidence in determining whether or not to take up mobile financial services as seen in Table 4.16, compared with rural respondents. This may be as a result of the fact that urban respondents are more alive to the risks inherent in mobile financial services compared to their rural counterparts who are just happy to get any kind of formal financial services availed to them. Table 4.17 is indicative of the fact that not even one unbanked respondent identified physical evidence as a barrier to entry into mobile financial services.

4.3.8 Politico-Geographic Influences in Financial Inclusion

Whereas marketing mix elements have been able to influence uptake of formal financial services in varying proportions, the different jurisdictions have other country-specific dynamics that influence the impact of these elements. As seen in Table 4.18, while price is the individually the most influential variable in the uptake of a bank account amongst the banked respondents in Uganda, in Kenya customer touch-points which represents place is the most influential consideration by the respondents in choice of the bank.

Table 4.18 Marketing Mix individual influences per country

Independent Variables	Kenya Banked			Uganda Banked		
	Mean	Std. Deviation	N	Mean	Std. Deviation	N
Product Influence	3.00	1.195	50	3.06	1.197	33
Price Influence	3.94	1.018	50	3.82	1.446	33
Place Influence	4.20	1.050	50	3.58	1.458	33
Promotion	3.06	.998	50	3.21	1.293	33
Physical Evidence	3.10	1.313	50	3.52	1.326	33
People Influence	2.62	1.338	50	3.30	1.287	33
Process Influence	2.96	1.340	50	3.33	1.575	33

As seen in table 4.19, when asked to rank the variable influences in considering of opening an additional bank account, banked respondents in Kenya still ranked place as their leading influence whereas in Uganda, product is the single biggest influence in taking up an additional bank account.

Table 4.19 Ranking variables in influencing additional bank account per country

Geographical Influences on Marketing Mix Variables	Mean	Std. Deviation	Mean	Std. Deviation
	Kenya Banked		**Uganda Banked**	
Product below Expectations	3.92	2.339	1.96	1.629
Price is Better of New account	3.67	1.494	4.11	1.987
Promotion of New Account	3.88	2.028	3.96	1.808
Place - Inadequate Branch/ATM Network	3.46	2.085	3.74	2.049
Process - Easy to open in new Bank	4.04	1.681	4.74	1.810
People - Relationships at New Bank	4.54	1.956	4.96	1.891
Physical Evidence	4.21	2.187	5.33	1.544

With respect to opening up mobile money account, when compared against each other's influences, banked respondents in Kenya scored process as the single most influencing element in decision-making for mobile money whereas in Uganda promotion of the service was the single biggest influence in the uptake of mobile money. This is seen in table 4.20 below.

Table 4.20 Banked respondents influence to open mobile money per Country

Variable influences on Mobile Money Uptake	Mean	Std. Deviation	Mean	Std. Deviation
	Kenya Banked		**Uganda Banked**	
Product was easy to understand	4.25	.686	4.05	.999
Promotion encouraged Trial	3.91	.960	4.27	.985
Place - service easily available	4.32	.740	3.68	1.129
Price of service was affordable	3.41	1.019	3.64	1.002
People - Good skilled customer service	2.93	.873	3.41	1.054
Process - it was easy to register and start	4.43	.759	3.77	1.307
Physical Evidence	3.61	1.083	2.55	1.371

Place was also seen as the biggest influence in Kenya amongst the unbanked respondents as seen in table 4.21 compared to price being considered the biggest barrier to entry into banking services in Uganda.

Table 4.21 Country split unbanked respondents on NOT opening bank account

Reasons NOT to Open Bank Account	Mean	Std. Deviation	Mean	Std. Deviation
	Kenya Unbanked		**Uganda Unbanked**	
Product Influence	1.96	1.019	2.61	1.340
Price Influence	2.94	1.363	4.30	1.063
Place Influence	3.14	1.281	3.13	1.517
Promotion Influence	2.59	1.080	2.52	1.238
Physical Evidence Influence	3.00	1.549	2.74	1.214
People Influence	1.78	1.189	2.65	1.335
Process Influence	2.24	1.620	3.48	1.563

Incidentally, when asked to rank the influences against each other on the influences the variables have in reducing their access to banking services, unbanked respondents in Kenya as seen in Table 4.22 ranked promotion as the leading impediment in comparison to price in Uganda.

Table 4.22 Country Ranking unbanked influences barring opening Bank account

Variable influences in NOT Opening Bank Account	Mean	Std. Deviation	Mean	Std. Deviation
	Kenya Unbanked		Uganda Unbanked	
Product didn't meet expectations	4.41	2.169	4.00	2.139
Price to open and maintain account High	3.86	2.039	1.77	1.171
Promotion - limited information on account	3.48	1.958	3.70	1.867
Place - No accessible Bank Branch	3.74	2.321	3.72	1.965
Process - Documentation Requirement	3.74	1.617	3.66	1.786
People - Inadequately skilled staff	4.45	1.893	5.83	1.221
Physical Evidence	4.31	1.818	5.55	1.647

With respect to opening mobile money accounts, unbanked respondents in Kenya indicated that the process element in registering and starting transactions in mobile money was their biggest basis for taking up the service in comparison to Uganda where product features and customer touch-points were the two leading influences in uptake of mobile financial services amongst the unbanked respondents as seen in Table 4.23.

Table 4.23 Country Split of Unbanked respondents influence on mobile money

Influences to registered for Mobile Money	Mean	Std. Deviation	Mean	Std. Deviation
	Kenya Unbanked		**Uganda Unbanked**	
Product was Easy to understand	4.20	.901	4.10	1.300
Promotion encouraged Trial	4.22	.822	3.67	1.426
Place - Service easily available	4.27	.867	4.10	.831
Price of the service	3.20	1.418	3.38	1.203
People - good customer service	3.76	1.241	3.05	1.117
Process - easy to register & start	4.61	.862	3.95	1.284
Physical Evidence	3.54	1.362	2.24	1.179

There are therefore very clearly manifest differences in the responses between respondents in Uganda compared to Kenya with respect to the various influences affecting achieving universal financial inclusion.

CHAPTER FIVE: SUMMARY, DISCUSSION, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter shall discuss the findings of the research in summary form, as well as in detail, considered both alongside and against previus publications. It will also seek to draw logical conclusions on the findings as well as providing recommendations on the way forward in order to provide practical solutions to the practitioners as well as enhance the body of knowledge.

5.2 Summary of Findings

The findings from the research conducted between the months of August and September 2013 in both Uganda and Kenya respectively provide interesting insights on the influences that marketing mix elements have in driving affordable access to financial services, and hence financial inclusion. All the seven service marketing mix elements had different influence levels for both financially included as well the financially excluded respondents.

From the findings of the study, it is easy to conclude that in fact the product element is seriously underutilised as an influential tool in delivering universal financial services access. It is evident from all the tables that disatisfaction levels emanating from poorly designed product features that do not meet the expectations of the customers is a serious impediment to full access of financial services. Specially, Table 4.4 through to table 4.8 indicate a litany of reasons why respondents will either take up, discard or altogether avoid financial services, on the basis of product features. It is however noteworthy that it is product features that indicatively drive respondent traction for mobile financial services as seen in table 4.9 and table 4.15 with respect to both banked and unbanked respondents.

Pricing seems to have played a significant influence level in barring the unbanked respondents from both Kenya and Uganda to take up financial services. Table 4.11 to table 4.15 show that many unbanked people will not take up financial services owing largely to unaffordable pricing regimes at the point of opening the bank account or through periodic pricing to maintain the bank account. It is however surprising that price did not seem to have a leading influnce in the determination of both banked and unbanked in opening up mobile money accounts as seen in Table 4.9 and table 4.15, which can be explained by the fact that a number of the respondents will only use mobile financial services for very specific services, as opposed to banking services which are used for mid to long term transaction spans.

Place played a leadership role in determining whether or not both banked and unbanked get access to financial services. Table 4.4 and table 4.9 with respect to the banked respondents are similar to the leading influencers seen in table 4.11 and 4.15 for unbanked respondents. The similarity in these two sets of tables is that place seems to be a leading determinant of whether or not banked respondents open an account at a particular bank branch, open an additional account or even close the ban account altogether. Unbanked respondents on the hand find the lack of customer touch points that are accessible and convenient a leading barrier to entry into the mainstream of formal financial services at the bank.

Promotion came out as one of the most abused and underused element in deepening financial inclusion. Looking at table 4.4 to table 4.10, it is evident that banks have done such a woefully poor job in using the mass media or even personalised communication as a tool to attract, if the respondents surveys is anything to go by. Most respondents did not find much value in the role of promotions in directing their energies to take up financial services. In fact, table 4.11 to table 4.14 are are an indictment on the weak communications by banking institutions, since majority of the unbanked respondents found that they had less than adequate information in making a decision as to whether or not to take up a financial service. Compare that result with the findings on the influences promotion has in the uptake of mobile financial services as seen in Table 4.9 and 4.15. Many respondents were influenced to consider trying mobile financial services by advertising and other forms of promotions by the MNO’s.

Process also made a significant determination as to whether or not respondents took up formal financial services. Table 4.9 and 4.15 are clear indicators of the power of process in bringing people to formal financial services. As seen in those tables, many respondents, both banked and unbanked, found the process and the documentation requirements for mobile financial services as being easy to meet in order to register and start transactions. Tables 4.11 to 4.14 also tell the story of how many unbanked responds are kept away from banking services owing to lack of documentation that is needed before access to bank financial services.

The last two elements of people and physical evidence were considered by the respondents as passive influencers to the uptake of formal financial services, even though a few rural respondents indicated that people played a significant part in their determination. This is also made evident in table 4.8 in the case of a noticeable number of rural banked respondents in Uganda who though people element influenced their decision to close a bank account they held before. Physical evidence was also seen to manifest some level of influence especially amongst the Kenyan urban respondents with respect to mobile financial services. Beyond those two instances, the elements of people and physical evidence did not have a major role in influence the choice of the respondents in taking up financial services.

It is also noteworthy that there were several similarities and differences evident in the research with respect to the responses given based on the two geographies of Kenya and Uganda, which was also manifest in the fact that urban respondents had peculiar reactions to the seven marketing mix elements in comparison to their rural counterparts. The same can also be seen evident in the reaction of respondents in the two operating countries of Kenya and Uganda. It is inherently evident that geographical consideration need to be taken into consideration when determining the quontum of employment of the marketing mix elements in order to achieve maximum traction for driving financial inclusion.

Notwithstanding these considerations, it is evident that amongst the seven marketing mix variables, Price and Place have siginificant effect on ensuring reduced exclusion to financial services.

5.3 Discussions

From the findings in my study, product features play varying roles in determining whether or not financially excluded persons actually open into the formal financial services. My research shows in Table 4.4 that product features have a rather subtle influencing level in comparison to other variables in determining whether or not an unbanked customer opens a bank account. It is also true according to the research that unbanked customers as seen in Table 4.11 and Table 4.13 product plays a more passive role as a deterrent in not opening a bank account. Product features however seem to play a more central role in determining a subsequent additional account. As seen in Table 4.4, banked respondents found clear inadequacies in the value of the product features of their initial bank accounts that led them to open additional bank accounts to meet those unmet needs. The simplicity of product features of the mobile financial services however, were critical in determining whether or not customers take up mobile money services in both Kenya and Uganda as evidenced in Table 4.9 and table 4.15

There has been limited theories advanced with respect to service product in driving financial inclusion. Davidson and McCarty (2011) allude to the fact that product features developed with respect to mobile financial services may need variation to capture the varying customer needs, oppposed to developing off-the-shelf products that may have been tailor-made for other markets. Alipour and Darabi (2011), in their writings aptly state that “it is essential to design service products based on customers’ needs. In this regard, the expectations here is that financial services, just like other service products, need to be created in a way that sustains meeting the individualized needs of the target customers. Gabriel (2005) found that product includes the design of the product to meet the needs of the target market, product development and planning in anticipation of the dynamic and ever-changing nature of customer needs.

Based on these considerations, there seems to be a meeting of positions from my research findings and the theories and research findings of other thought leaders in this field. The fact that customers will find the need to trust that the banking facilities being advance to them in their first time to open bank accounts, but later realise that these product features ran short of their needs is manifestation that product features are critical in ensuring customer on-boarding and maintenance is achieved. It is therefore only prudent for the marketer to continuously focus any product development in churning out products that fit the needs of the target market. This may be the reason why the simplicity in products features of mobile financial services attracts both the banked and the unbanked customers in equal measure.

Across all the tables in my research findings, price has either played a leading role in influencing whether or not to take up formal financial services even though that is less manifest in the uptake of mobile financial services. As seen in Table 4.4 to table 4.17, in the research findings, price was a leading determinant in whether or not respondents took up banking services, opened additional bank accounts or altogether closed the bank account. It is also a critical component in keeping away the unbanked respondents who found the pricing regimes in banking products higher than they could afford. The pricing challenge was more evident in influencing decisions in Uganda than Kenya, though.

Demirgüç-Kunt and Klapper (2012a) opined that price is a significant deterrent in meeting financial service needs of most of the unbanked people, hence keeping them excluded from the mainstream of financial services. Mas & Ng'weno (2010) attribute the success of M-PESA in part to pricing which was based on a nominal value charged against the specific transaction. In effect therefore, customers were not charged for just holding a financial account which is in contract with what banks have to offer. Davidson and McCarty (2011) highlighted the fact that pricing is a critial barrier to entry for most financial excluded people and hence pricing is critical in achieving the target of bringing all into the formal financial services space.

In consideration of my findings compared to the theories and findings of prior published research material, there seems to be a convergence of opinions. Pricing plays a critial role in determining whether or not people take up formal financial services. The poor, are especially vulnerable to pricing and hence, any pricing strategy needs to be tailor-made to consider these needs in a way that they are sustainable. It is also critical that the people at the bottom of the pyramid find aquilibium in the price charged versus the benefits that accrue to the formalised financial services. While it is self-evident in the study findings that there may be varying considerations depending on the geographical spread of the respondents, it is also true that in all considerations, pricing is a critical element in determining whether or not people take up the service.

Just like pricing, service place also featured very strongly as a critical influence in determining whether or not people take up financial services. As seen in all the tables, place influences whether or not customers take up financial services. As seen in Table 4.4 and Table 4.11, the distribution models applied and the touch-points are critical elements in whether or not both banked and unbanked customers take up the product or even open additional accounts or close them. It also emerges that respondents in Kenya had a higher value attached to customer touch point access than Uganda respondents across both banked and unbanked respondents. Mobile money uptake was also, to a significant extent, premised on the availability of these service points.

The definition of Financial Inclusion in Wikipedia (2012) as a the 'delivery of financial services' is indicative of the fact that delivery, which speaks to how and where these services are accessed by customers is a central cog in determining how far we can go in reducing financial exclusion. The assertions by Mas & Ng'weno (2010) who found that brand, distribution and pricing as critical success factors in the M-PESA service further buttress the need for distribution as an urgent requirement in achieving financial inclusion.

In consideration of my findings against those that had been researched and published earlier, it is evident that place is a profound determinant as to whether customers take up formal financial services or not. The central consideration here is that for financial services to be undertaken, the locations for access to these services must be within reach. These locations can either be through the brick and morter facilities like the traditional banking institutions or be delievered by leveraging technology to assist in access to these services, as evidenced in Table 4.3 with the high uptake of mobile financial services in both Kenya and Uganda. The tables on the geographical consideration for financial services uptake also indicate that respondents in rural locations had a higher consider for place in determining whether or not they take up a service. It is critical to appreciate that most respondents took up banking services that they could access with the most ease.

Knowledge of product offering by the financial service providers as a key determinant of whether or not respondents took up the services seems to be more pronounced amongst the unbanked than the banked as seen in Table 4.4 and table 4.11. Product knowledge is largely driven by promotional activities by the financial institutions making the offering. Banked customers seemed to be more driven by other marketing mix variables to open bank accounts, yet in contract unbanked customers were not aware of the banking products available for them to consider. This may point to a general weakness in the service providers who may not consider the poor in their target-marketing. Compare this condition with the uptake of mobile financial services where, as seen in Tables 4.9 and 4.15 where most respondents considered the promotional activities of the mobile financial services as being key in determining whether or not they took up the service.

Regan and Paxton (2003) suggests that financial literacy and education is central to the acquisition of financial services. If poor people have no access to financial services offerings, they cannot be expected to make informed choices on whether or not to take up financial services. Mas and Ng'weno (2010) considered Branding which falls under the ambit of promotion as being critical in driving M-PESA success in Kenya. According to them, the brand-building strategy of Safaricom in delivering an otherwise previously unknown product in the market was critical in ensuring that customers appreciate that they can trust the brand and understand and appreciate its strength and limitations with respect to financial service delivery.

Putting into consideration the published pieces against what my study findings were, there is strong evidence to show that promotion is central element in unlocking the banking-shy customers who find the banking products positioned too highly for them. The greatest comparison is made between the influences on promotion between the banking products and mobile financial services. There seems to be significantly higher traction driven through promotional activities by mobile phone service providers in delivering their financial services in contrast to the banks which seem to have taken a traditional laid-back high-value-targeted approach to promotion. Banks and institutionalised financial services in both Kenya and Uganda indicatively have taken a passively traditional approach to promotion and only convey their message to narrowed targeted clientele, hence leaving out a huge proportion of, otherwise interested people from the banking loop. Even with these targeted promotions, the banks seem to be doing poorly, since majority of the customers who either open an added account or close the account altogether, based their decisions on products that did not meet their expectations as seen Table 4.6 and table 4.7.

Documentation requirements and the processes involved before, during and after on-boarding customers and initiating transactions formed a critical consideration for most respondents. Tables 4.4 and 4.5 are indicative of the fact that process was not such a vital consideration for banked respondents in taking a call as to whether they opened a bank account in the banks of their choice. Compared to the banked respondents, Tables 4.11 and 4.12 give an indictment on the challenging position process documentation places on the unbanked population in accessing formal financial services. This position is further buttressed by Tables 4.9 and 4.15 which indicate the fact all respondents; whether banked or unbanked, made process a serious consideration in taking up mobile financial services.

Demirgüç-Kunt and Klapper (2012a) suggests that process documentation requirements are amongst three most significant barriers to entry into formal financial services for most of the unbanked people of Africa. This indicative of the high pedestal positioning that process plays in delievering financial services especially to the poor who are the target of financial inclusion. Bångens and Söderberg (2008) found that a leading cause of financial exclusion has been the extensive bureacratic processes required to on-board a customer into a banking facility like deposit, credit and savings.

It is therefore, again not surprising that the findings in the research especially from the unbanked respondents sits comfortably with the findings of other researchers and publications with respect to acquisition of formal financial services. People who are already banked may not admit to the difficulty of opening and operating a formal bank account since most people with bank accounts in Kenya and Uganda are in formal employment and therefore most likely have the required documentation required in law to open and operats bank accounts. This position is vindicated by their responses when asked what role process played in getting them to register for mobile financial services. Banked respondents found the process as easy to register and start transactiing as the unbanked respondents.

The human resource aspect of the delivery of financial services has been under-recognised according to the research. Table 4.4 indicates that respondents did not make high consideration for the skill sets of the service provider’s human resource elements in determining whether or not to open a bank account at the bank that they eventually did. The skills sets and the quality of service delivery by the people delivering these services however came into focus when it came to a decision on whether or not to close the bank account or open additional bank accounts, according to Tables 4.6 and 4.8. This position is however countermanded by the findings with respect to mobile financial services where a number of respondents in Tables 4.10 and 4.14 indicated that the customer service handling of MNO's offering mobile financial services drew them into registering for the service as well as maintaining their transaction activities for both banked and unbanked respondents.

This finding both confirms and confounds the position of Gabriel (2005) that the role of the service giver is critical in managing whether or not a customer will continue partaking the services of the service provider. Mas and Ng'weno (2010) also suggest that customer service to customers played a significant part in entrenching M-PESA services amongst Safaricom's customer base.

The theoretical framework as well as the research findings in comparison to my findings read as a continuum in knowledge with respect to their convergence of views. It is interesting to note that just like in the case of promotion element, mainstream banks have a passive view in attracting and retaining customers, in comparison to MNO's offering mobile financial services that dedicate significant resource amounts to ensure the right people are retained for the right jobs and that customer care forms the bedrock of their service delivery.

From the study findings, physical evidence, on the whole, had a very subtle positioning in the minds of the respondents when it came to influences as to whether or not to take up formal financial services. Table 4.5 suggests that only rural respondents had a more than average consideration of the physical evidence element in determining whether or not to take formal financial services from banks. Physical evidence was only seen as a critical element amongst the urban banked respondents when determining whether or not to take up mobile financial services in Table 4.9. This may largely be driven by mistrust and fraud possibilities in these two geographies.

There have been very limitation discussions and publications with respect to physical evidence with respect to financial services. Gronroos (2000) in his suggestion that physical evidence is about the visual aspects that shows that indeed a services has been delievered is critial in financial services. This is critical because financial services in their very nature are built around trust. Trust that if I gave you my money you will keep it safe and that I can always get it whenever I need the money. The physical evidence from banks largely includes banking deposit slips, bank statements and the building where the service is rendered. For mobile financial services, physical evidence will include the transaction confirmation message a customer gets as and when he completes a transaction as well the customer service locations where you can get the service support from. The majority of the unbanked according to The International Monetary Fund [IMF] (2011) are poor or illiterate and who needs a lot more prodding to belief in any financial services holding their money.

All the tables from Table 4.18 to table 4.23 are all evidence of the need to have geographical focus in determining in what quantum to apply the variables in the marketing mix elements. The findings are indicative of the fact that for example price seems to be the single most important consideration for respondents in Uganda, whereas place seems to have taken the most pivotal position in determining whether or not Kenyan respondents take up a service. It is also evident from the study that even within the two countries, rural and urban respondents had differing considerations on whether or not to take formal financial services. For example, in Table 4.22, unbanked Kenyan urban respondents ranked price as their biggest hurdle in achieving financial inclusion whereas their rural counterparts ranked place as their biggest challenge in taking up formal financial services at a bank. Compare this with the unanimity that was found in Uganda where both urban and rural unbanked respondents ranked price as their most demotivating hurdle to take up a formal financial service account at a bank.

These findings are in line with the findings of Goi (2009) who suggests that marketing mix elements need to be taolor-made to meet the specific needs of the of the target markets. Mas and Ng'weno (2010) also shows that M-PESA worked in Kenya because the developed of the product undertook extensive research to understand the specific needs of the Kenyan population to come up with the eventual product that was eventually launched. It cannot be forgotten that M-PESA was originally designed and piloted as a microfinance product. This product positioning changed before commercial launch after the piloting phase indicated that Kenyans were more interested in the domestic remittances feature than the microfinance functionality.

5.4 Implications of the Study

The implication of this study in the body of knowledge is immense. Both the marketing and financial services researchers and academicians find common ground in delivery of materials for financial inclusion. Marketing researchers will now be able to see the documented value of their efforts in achieving financial inclusion, which has largely been seen as a finance domain. Finance specialists and researchers will also find value in the findings considering that they will now be able to see a document academic process of delivering financial services to target markets. It is also true from this research study that never before, has there been a known published research on the effects of marketing mix elements in both traditional banking as well as mobile financial services in one research study. Students of marketing will now be able to have materials that they can study and interrogate in advancing theories on managing financial service products and how to bring more people within the fold of financial inclusion.

The practitioner will find significant value in the study. The findings here provide great insights on the impact of marketing mix implications to achieving organisational objectives with respect to specific geographies. They will also be able to see how the individual marketing mix elements impact on different segments of their markets, while also finding common ground on some aspects of application of marketing mix elements. Marketing practitioners in the banking sectors will be able to pick out key learning from the operational impacts of marketers in MNO’s with respect to delivery and impact of their marketing mix application. NGO’s and other multinational organisations engaged in human development activities will also be able to use the findings to make deliberate and targeted decisions with respect to their objectives of reducing poverty through increased financial inclusion.

For policy makers, the findings of this study will provide key insights into how policy decision making can impact in development of citizens. Policy makers will for example realise that certain laws especially for KYC hampers attainment of universal financial inclusion in their locations. Another good learning for policy makers is that it is not always true that you will always borrow financial services models from other countries and assume that they will work in the same measure. In fact, from the study, it is clear that even within the same country, different locations within the same country may need bespoke interventions to achieve desired financial inclusion results.

5.5 Conclusion

The theoretical framework of this study was largely in part based on specific fields of finance. It was not possible to find material that covered all the mobile financial services, formal traditional financial services as delivered by banks and marketing mix elements in one publication in the extent and scope covered in this study. A number of theories have been vindicated with respect to the individual areas of study, whether mobile financial services or traditional banking services.

The problem of identifying the contribution of marketing mix elements on driving and achieving financial inclusion is, to a very large, extent covered in this study report. The questions as to what extent the marketing mix elements impact on financial services uptake in the different geographies separated by international as well as invisible internal boundaries is therefor also well answered and documented. Most appreciated in this research study is that whereas there are salient differences that create the peculiarities in the specific geographies with respect to financial inclusion, there are also a number of common-ground alternatives in application of marketing mix to achieve desired results in these geographies.

Price, Place and Processes need a deeper consideration in determining how universal financial inclusion is going to be achieved given the local challenges facing the poor and inaccessible people. In whichever country or geography, these three aspects were critical determinants of financial inclusion, especially in the first level delivery of these services. The impact of the quantum of their application will largely depend on other environmental factors like local regulation as seen in the case of Uganda where the BOU base lending rate has consistently been high impacting on the cost of banking services in comparison to Kenya where the CBK base rate has largely been within the single-digit areas.

It also emerges from my findings that there are some key leanings that traditional bankers can take from MNO's. This is especially true for promotion and product. The kind of communication content and medium is critical in determining whether or not to take up your products. It begs a lot of questions how come promotion and product elements play such an important role in bringing both the banked and unbanked people to mobile financial services, yet the same people find no traction in the banking communication and product feature definitions.

5.6 Recommendations

The findings of this study will be able to be utilised by those in the academia through exposing the material to scrutiny. Studies of marketing can use the study findings for debate on the theoretical application of the material against previously published research work. They will want to further analyse the convergent and divergent positions of the materials being presented here especially with respect to traditional banking methods of achieving financial inclusion in contrast to the strategies being employed by the MNO's in the provision of mobile financial services.

The policy makers will use these materials to significantly impact their citizens in more targeted and effective styles of achieving universal financial inclusion. This can be done through engaging in private public relationships that would discuss better ways of delivery of financial services. Policy makers can also use the findings of the study to develop appropriate regulatory policies and frameworks for ensuring faster realisation of financial inclusion objectives.

For the practitioner, this study provides specific, actionable and realistic materials that can be used in making their products more competitive and achieves their strategic objectives faster. Practitioners in the banking and mobile network sectors can see value in this report that they can immediately implement in delivering their business objects. This can easily be done through enhanced partnerships between the two industries. Banks can leverage on the technological strengths and customer numerical strength of MNO's to deliver more novel, progressive and cost effective financial services while MNO's will deliver more trustworthy products into the market place by partnering with banking institutions.

5.7 Suggestions for Further Studies

In order to further enrich the findings of this study, it is recommended that additional studies be conducted in financial inclusion evolution in order to understand how regulatory environments affect the uptake of financial services and hence curtail, or otherwise, the achievement of financial inclusion. Regulation in this study significantly impacted on the effectiveness of marketing mix elements in achieving traction, as was evidenced especially by pricing element in Uganda and place element in Kenya.

Further studies are also recommended to ascertain how political dynamics affect the effectiveness of marketing mix elements or even the quantum of their application in trying to achieve complete financial inclusion. Why, for example, do we have significantly more expensive financial services amongst the poor nations than in the more advanced ones globally, yet the more advanced nations have populations that can afford these services with ease. Alongside the political realities, other market dynamics may need to be reviewed to understand and appreciate if, and how, they impact on delivery of universal access to financial services.

REFERENCES:

Akrani, G. (2010, May 28). *Marketing Mix and 4P's of Marketing - Management Article.* Retrieved July 01, 2013, from Kalyan City Life: http://kalyan-city.blogspot.com/2010/05/ marketing-marketing-mix-4-ps-of.html

Akroush, M. N. (2011). The 7Ps Classification of the Services Marketing Mix Revisited: An Empirical Assessment of their Generalisability, Applicability and Effect on Performance - Evidence from Jordan's Services Organisations. *Jordan Journal of Business Administration, Volume 7, No. 1* , 116-147.

Alipour, M., & Darabi, E. (2011). The Role Of Service Marketing Mix And Its Impact On Marketing Audit In Engineering And Technical Service Corporations. *Global Journal of Management and Business Research Vol.11 Issue 6 Version 1.0* .

Allen, F., Demirguc-Kunt, A., Klapper, L., & Peria, M. S. (2012). *The Foundations of Financial Inclusion - Understanding Ownership and Use of Formal Accounts : Policy Research Working Paper 6290.* Washington: The World Bank.

Aremu, M. A., & Bamiduro, J. A. (2012). Marketing Mix Practice as a Determinant of Enterprenuerial Business Performance. *International Journal of Business and Management Vol. 7, No. 1* , 205-213.

Bångens, L., & Söderberg, B. (2008). *Mobile Banking - Financial Services for the Unbanked?* Uppsala: Spider.

Bank of Uganda. (2012). *Annual Supervision Report December 2011.* Kampala: Bank of Uganda.

Bankable Frontier Associates. (2011, February). *Gateway Financial Innovations for Savings Focus Note 1.* Retrieved October 27, 2013, from Bankable Frontier Associates:http://bankablefrontier.com/wp-content/uploads/documents/GAFIS-FocusNote1.pdf

Borden, N. H. (1964). The Concept of the Marketing Mix. *Journal of Adertising Research, Vol 24 (4),7-12* .

Central Bank of Kenya. (2012). *Bank Supervision Annual Report 2011.* Nairobi: Central Bank of Kenya.

Davidson, N., & McCarty, M. Y. (2009). *Driving Customer Usage of Mobile Money for the Unbanked.* London: GSMA.

Demirgüç-Kunt, A., & Klapper, L. (2012a). *Financial Inclusion in Africa : An Overview - Policy Research Working Paper 6088.* Washington: The World Bank.

Demirguc-Kunt, A., & Klapper, L. (2012b). *Measuring Financial Inclusion - The Global Findex Database: Policy Research Working Paper 6025.* Washington: The World Bank.

Dominici, G. (2009). From Marketing Mix to E-Marketing Mix: A Literature Review. *Viale delle Scienze*

Equity Bank Ltd. (2012). *Investor Presentation Q1 2012 Performance.* Nairobi: Equity Bank Ltd.

Financial Services Deepening Kenya; Central Bank of Kenya;. (2011). *Financial Inclusion in Kenya : Survey Results and Analysis from FinAccess 2009.* Nairobi: FSD Kenya.

Gabriel, E. O. (2005). Managing the Expanded Marketing Mix [EMM] - A Critical Perspective Approach. *The African Journal of Finance and Management* .

Goi, C. L. (2009). A Review of Marketing Mix: 4 P's of More? *International Journal of Marketing Studies* .

Government of the Repubic of Kenya, GOK. (2007). *Kenya Vision 2030.* Nairobi: Government of the Repubic of Kenya, GOK.

Government of the Republic of Kenya. (2009). *Finance Act.* Nairobi: Government Printer.

Gronroos, C. (1994). From Marketing Mix to Relationship Marketing: Towards a Paradigm Shif in marketing. *Management Decision* , 4 - 20.

Gronroos, C. (2000). *Services Management and Marketing: A Customer Relationship Approach*, 2nd Ed., John Wiley & Sons Ltd., Chichester, England

Grove, S.J., Fisk, R.P. & John, J. (2000*). Service as Theater, Guidelines and Implications, Handbook Services Marketing and Management*. Sage Publications Inc, 25.

GSMA: Mobile Money for the Unbanked. (2013). *State of the Industry: Results from the 2012 Global Mobile Money Adoption Survey.* London: GSMA.

Hannig, A., & Jansen, S. (2010). *Financial Inclusion and Financial Stability: Current Policy Issues. ADBI Working Paper 259.* Tokyo: Asian Development Bank Institute.

Heuvel, J. (1993). *Diensten Marketing (Services marketing).* The Netherlands Wolters-Noordhoff Groningen.

International Monetary Fund [IMF]. (2011). *Regional Economic Outllook. Sub-Saharan Africa (World economic and financial surveys, 0258-7440).* Washington D.C.: IMF.

Kotler, P., & Keller, K. L. (2006). *Marketing Management 12e.* New Jersey: Pearson Prentice Hall.

Lauterborn, B. (1990). New Marketing Litany: Four Ps Passé: C-Words Take Over. *Advertising Age*, 61(41), 26.

Mackie, B. (2008). *Organisational Performance Management in a Government Context - A Literature Review.* Edinburgh: Scottish Government Social Research.

Marlar, J. (2010, May 11). *Few in Sub-Saharan Africa Have Money in a Bank.* Retrieved July 29, 2013, from Gallup: http://www.gallup.com/

Mas, I., & Ng'weno, A. (2010). Three keys to M-PESA's success: Branding, Channel Management and Pricing. *Journal of Payments Strategy and Systems, Vol. 4, No. 4* , 352-370.

McCarthy, J. E. (1960). *Basic Marketing. A Managerial Approach.* Homewood, Illinois: Richard D. Irwin.

Mitton, L. (2008). *Financial inclusion in the UK - Review of Policy and Practice.* Layerthorpe: York Publishing Services.

Nakhchian, A., Boorani, O. K., & Gorgi, N. (2012). Overall profitability of companies depending on optimal use of the marketing mix (4Ps) (McDonald's case study). *Interdisciplinary Journal of Contemporary Research in Business Vol. 4. No. 7* , 876-889.

Ondiege, P. (2010). Mobile Banking in Africa: Taking Banking to the People. *Africa Economic Brief Vol. 1 Issue 8*, 1-15.

Palmer, A. (2004*). Introduction to Marketing - Theory and Practice,* UK: Oxford University Press.

Regan, S., & Paxton, W. (2003). *Beyond Bank Accounts : Full Financial Inclusion.* London: IPPR.

Srivastava, R.K., Shervani, T.A., & Fahey, L. (1999). Marketing, business processes, and shareholder value: an organizationally embedded view of marketing activities and discipline of marketing. Journal of Marketing, 63, Special Issue, 168-79

The World Bank. (2013). *The World Bank Data*. Retrieved July 29, 2013, from The World Bank Data: http://data.worldbank.org/

Thomas, J. W. (2006). *Marketing Mix Modeling.* Retrieved July 1, 2013, from Decision Analyst: www.decisionanalyst.com

United Nations. (2006). *Building Inclusive Financial Sectors.* New York: United Nations.

Wikipedia. (2012, August 8). *Wikipedia : The Free Encyclopedia*. Retrieved August 18, 2012, from Wikipedia : The Free Encyclopedia: http://en.wikipedia.org/wiki/Financial_inclusion

Yasanallah, P., & Vahid, B. (2012). Studying the Status of Marketing Mix (7Ps) in Consumer Cooperatives at Ilam Province from Members' Perspectives. *American Journal of Industrial and Business Management* , 194-199.

Appendix A: Survey Questionnaire for Banked Respondents

SECTION A: Customer Demographics

1. Please indicate your gender: □ Male □ Female

2. How old are you: □ 18 to 24years □ 25 to 29 year □ 30 to 40 years□ Above 40 years

3. What is your marital status? □ Single □ Married □ Divorced □ Widowed

4. What is your highest formal education level?

□ No formal education □ Primary School Level □ High School Graduate

□ Under-graduate Degree □ Post Graduate Degree

5. Which one of these best describes your residential profile?

□ Urban resident □ Urban resident

6. What is your monthly income bracket in US Dollars?

□ Less than 30 □ between 30 and 100 □ between 100 and 1,000 □ Over1, 000

SECTION B: Assessing Adoption and Usage Trends

1. (a) How many bank accounts have you opened in the last three years?

□ 1 account □ 2 to 3 accounts □ more than 3 accounts

(b) On a score of 1 to 5 [1 being the lowest and 5 being the highest], indicate by circling the influence level of the following factors on your decision to open a bank account with the bank you opened an account with:

	Lowest	**Low**	**Medium**	**High**	**Highest**
Account features	1	2	3	4	5
Account Charges	1	2	3	4	5
Branch/ATM Network	1	2	3	4	5
Marketing/Advertising	1	2	3	4	5
Physical Bank premises	1	2	3	4	5
People at the Bank	1	2	3	4	5
Bank processes	1	2	3	4	5

(c) Ranking between 1 and 7 [1 being the most influential reason and 7 being the least influential reason]; which of the following most influenced your decision to open an additional bank account (***Please ignore if you only have had one account***):

Influencing Reason	*Ranking*
• First bank account did not meet all my expectations	-------
• The additional account(s) were fairly priced	-------
• The advertising or marketing of the additional account	-------
• First bank account did not have adequate branches/ATMs	-------
• The process of opening and maintaining additional account	-------
• The relationship with employees of additional bank	-------
• Additional bank had better bank premises	-------

(d) Have you ever closed a bank account in the last three years?

□ Yes □No

Please give the **MAIN** reason for your decision above

____

____

____

2. (a) Are you registered for any mobile money transfer service? □ Yes □No

(b) (i) If Yes in 2 (a) above, rank by circling the level of influence [1 being the least and 5 the most influence] as reason to use a particular mobile money transfer service:

	Lowest	**Low**	**Medium**	**High**	**Highest**
Product was easy to understand	1	2	3	4	5
Advertising encouraged trial	1	2	3	4	5
Service easily available to try	1	2	3	4	5
Price of service was affordable	1	2	3	4	5
Good, skilled customer service	1	2	3	4	5
It was easy to register and start	1	2	3	4	5
Service centres feel secure	1	2	3	4	5

(ii) If NO in 2(a) above, please state the MAIN reason for not registering.____

SECTION C: Assessing Impact of the Service Marketing P's on adoption

1. Service Product Assessment:

a. Please select from the list below, by ticking against the listed pain points you have had to endure as a bank customer, that you would prefer reviewed with respect to the account features at your bank:

Account features do not meet my expectations	
Bank has outdated products features	
The bank has a negative reputation	
The Bank has a limited variety of products	
None of the above	

b. Notwithstanding the pain-points above, which of the following reasons best underscores your decision to keep the bank account [Rank in order of priority, 1 being the greatest reason and 6 being the least significant reason]:

The cost of maintaining the account is fair	
Convenience of the large branch network and ATM's	
Effective advertising and promotions of the bank	
Professional and skilled employees of the Bank	
Bank has simple transaction processes	
The bank premises are very comfortable and secure for transactions	

2. Price assessment:

a. Please select from the list below, by ticking against the listed pain points you have had to endure as a bank customer with respect to pricing at your bank that you would prefer reviewed:

The opening balance requirement is high	
The minimum operating balance is high	
The transaction costs are high	
The monthly and annual account maintenance cost is high	
None of the above	

b. Notwithstanding the pain-points above, which of the following reasons best underscores your decision to keep the bank account [Rank in order of priority, 1 being the greatest reason and 6 being the least significant reason:

The product features of the account meet my expectations	
Convenience of the large branch network and ATM's	

Effective advertising and promotions of the bank	
Professional and skilled employees of the Bank	
Bank has simple transaction processes	
The bank premises are very comfortable and secure for transactions	

3. Promotion Assessment:

a. Please select from the list below, by ticking against the listed pain points you have had to endure as a bank customer at your bank that you would prefer reviewed:

The bank has very little information on accounts	
The bank has no promotional events	
The bank conducts very minimal advertising	
The bank provides no promotional items and rewards	
None of the above	

b. Notwithstanding the pain-points above, which of the following reasons best underscores your decision to keep the bank account [Rank in order of priority, 1 being the greatest reason and 6 being the least significant reason:

The cost of maintaining the account is fair	
Convenience of the large branch network and ATM's	
The account features meet my expectations	
Professional and skilled employees of the Bank	
Bank has simple transaction processes	
The bank premises are very comfortable and secure for transactions	

4. Place Assessment:

a. Please select from the list below, by ticking against the listed pain points you have had to endure as a bank customer at your bank that you would prefer reviewed:

The bank branches are not conveniently located	

The bank branches are very few and far between	
The bank has not adopted modern methods of accessing accounts	
The bank branch near my location does not offer all products	
None of the above	

b. Notwithstanding the pain-points above, which of the following reasons best underscores your decision to keep the bank account [Rank in order of priority, 1 being the greatest reason and 6 being the least significant reason:

The cost of maintaining the account is fair	
The bank account features meet my expectations	
Effective advertising and promotions of the bank	
Professional and skilled employees of the Bank	
Bank has simple transaction processes	
The bank premises are very comfortable and secure for transactions	

5. People Assessment

a. Please select from the list below, by ticking against the listed pain points you have had to endure as a bank customer at your bank that you would prefer reviewed:

The bank employees are not knowledgeable on the products	
The bank employees do not understand my needs	
The bank employees handle me carelessly	
The turnover of staff at the bank is too high	
Bank staff are few and inadequate to handle customers efficiently	
Staff members are not empowered to make most decisions	
None of the above	

b. Notwithstanding the pain-points above, which of the following reasons best underscores your decision to keep the bank account [Rank in order of priority, 1 being the greatest reason and 6 being the least significant reason:

The cost of maintaining the account is fair	
Convenience of the large branch network and ATM's	
Effective advertising and promotions of the bank	
The account features meet my expectations	
Bank has simple transaction processes	
The bank premises are very comfortable and secure for transactions	

6. **Process Information Assessment**
   a. Please select from the list below, by ticking against the listed pain points you have had to endure as a bank customer at your bank that you would prefer reviewed:

Complicated account opening process	
Complicated transaction processes at the bank	
Outdated systems to process transactions at the bank	
Bank processes keep changing every so often	
None of the above	

   b. Notwithstanding the pain-points above, which of the following reasons best underscores your decision to keep the bank account [Rank in order of priority, 1 being the greatest reason and 6 being the least significant reason:

The cost of maintaining the account is fair	
Convenience of the large branch network and ATM's	
Effective advertising and promotions of the bank	
Professional and skilled employees of the Bank	
The bank has account product features that meet my expectations	
The bank premises are very comfortable and secure for transactions	

7. Physical Evidence Assessment

a. Please select from the list below, by ticking against the listed pain points you have had to endure as a bank customer at your bank that you would prefer reviewed:

Bank premises are uncomfortable and feel insecure	
The bank has outdated equipment to manage customer needs	
The bank does not keep proper and reliable records of transactions	
The bank branches are not branded in consisted branding	
None of the above	

b. Notwithstanding the pain-points above, which of the following reasons best underscores your decision to keep the bank account [Rank in order of priority, 1 being the greatest reason and 6 being the least significant reason:

The cost of maintaining the account is fair	
Convenience of the large branch network and ATM’s	
Effective advertising and promotions of the bank	
Professional and skilled employees of the Bank	
Bank has simple transaction processes	
The bank offers products that meet my expectations.	

Appendix B: Survey Questionnaire for Un-Banked Respondents

SECTION A: Customer Demographics:

1. Please indicate your gender: □ Male □ Female

2. How old are you:□ 18 to 24years□ 25 to 29years □ 30 to 40 years □ Above 40 years

3. What is your marital status? □ Single □ Married □ Divorced □ Widowed

4. What is your highest formal education level?

   □ No formal education □ Primary School Level □ High School Graduate

   □ Under-graduate Degree □ Post Graduate Degree

5. Which one of these best describes your residential profile?

   □ Urban resident □ Rural Resident

6. What is your monthly income bracket in US Dollars?

   □ Less than 30 □ between 30 and 100 □ between 100 and 1,000 □ Over1, 000

SECTION B: Assessing Adoption and Usage Trends

1. On a score of 1 to 5 [1 being the lowest and 5 being the highest], indicate by circling the influence level of the following factors on your decision NOT to open a bank account:

	Lowest	**Low**	**Medium**	**High**	**Highest**
Account features	1	2	3	4	5
Account Charges	1	2	3	4	5
Branch/ATM Network	1	2	3	4	5
Marketing/Advertising	1	2	3	4	5
Physical Bank premises	1	2	3	4	5
People at the Bank	1	2	3	4	5
Lack of documents	1	2	3	4	5

2. (a) Ranking between 1 and 7 [1 being the most influential reason and 7 being the least influential reason]; which of the following most influenced your decision NOT to open a formal bank account with a financial institution:

Influencing Reason *Ranking*

- Bank account features did not meet my expectations -------
- The charges to open and maintain the account too high -------
- I had limited information on the bank account -------
- There was no bank branch that I can easily access to -------
- The documentation requirements of the bank are too much -------
- The banks have inadequately skilled staff -------
- The bank premises are uncomfortable and feel unsafe -------

(b) Would you change your decision and open a bank account if any of the following changes occurred with respect to bank/financial institution?

The bank changed the account/product features □ Yes □No

The bank favorably reviewed the cost of maintaining the account□ Yes □No

The bank improved its marketing or advertising □ Yes □No

The bank opens more convenient branches/ATMs □ Yes □No

The bank hired better skilled employees □ Yes □No

The bank reviewed its processes of doing business □ Yes □No

The bank improved the bank premises to accommodate you □ Yes □No

3. (a) Are you registered for any mobile money transfer service? □ Yes □No

(b) (i) If Yes in 2 (a) above, rank by circling the level of influence [1 being the least and 5 the most influence] as reason to use a particular mobile money transfer service:

Product was easy to understand	1	2	3	4	5
Advertising encouraged trial	1	2	3	4	5
Service easily available to try	1	2	3	4	5
Price of service was affordable	1	2	3	4	5
Good, skilled customer service	1	2	3	4	5
It was easy to register and start	1	2	3	4	5
Service centres feel secure	1	2	3	4	5

(ii) If NO in 2(a) above, please state the MAIN reason for not registering.____