Chapter 30
Fostering Financial Inclusion in a Developing Country:
Predicting User Acceptance of Mobile Wallets in Cameroon

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ABSTRACT

Financial inclusion is a vital development priority for countries worldwide. Mobile wallet (m-wallet) is considered as a disruptive payment method that will substitute the traditional physical wallet to achieve the so-called cashless society and enables financial inclusion. This study aims at developing and testing a research model that integrates a set of technology factors (perceived usefulness, perceived ease of use, fun to use, monetary value), external factors (peer influence and perceived status benefit), and cultural factors (humane orientation and societal collectivism) to assess the intention to adopt and use m-wallet, for financial inclusion, in a developing country. The proposed conceptual model is tested using data collected from 621 m-wallet users in Cameroon. The model explains 47.5% of the variance of the actual use of m-wallet and 32.90% of the variance of financial inclusion. Eight out of the 10 proposed hypotheses were supported. Finally, implications for research and practice are discussed.

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1. INTRODUCTION

Financial inclusion refers to the means by which "individuals and businesses have access to useful and affordable financial products and services that meet their needs – transactions, payments, savings, credit and insurance – delivered in a responsible and sustainable way" (p. 1) (The World Bank Group 2008). Financial inclusion is a vital development priority for countries worldwide (Varghese & Viswanathan, 2018; Omigie et al., 2020) as in improves the overall standard of living (Grant, 2019), reduces level of poverty (N'Dri & Kakinaka, 2020), and enables economic growth (Makina, 2017). Indeed, it facilitates the participation of people and businesses previously excluded from taking part in the financial sector to fully engage with this sector through access to a transaction account (Khan et al., 2017).

In this context, such an account will allow them to store money, send and receive payments, and make or benefit from other financial services (e.g., insurance, credit) (The World Bank Group, 2008). Varghese and Viswanathan (2018) argued that "financial inclusion broadens the resource base of a formal financial system by cultivating a culture of savings among the underprivileged, thereby moving another step closer to the process of socio-economic development." (p. 2). This has been evidenced by prior studies, most of which have shown that financial inclusion helps households to manage better their financial resources (Singh et al., 2017; Fanta & Makina, 2019) and to invest more in education and health (The World Bank Group 2008; Fanta & Makina, 2019), improving their well-being and contributing to increasing potential future earnings (Fanta & Makina, 2019).

In this context, IT has been recognized as a critical enabler of financial inclusion (Mushtaq & Bruneau, 2019; Changchit et al., 2018). In addition, the mobile wallet (or m-wallet) has been a focus of attention as a disruptive and inclusive financial technology, mainly in developing economies (Shin, 2009; Shaw, 2014; Bailey et al., 2017; Madan & Yadav, 2016; Eappen, 2019; Singh & Sinha, 2020). M-wallet is an innovative online technological interface through which credit card, debit card or financial information can be easily transported in a digital form on a mobile device (Leong et al., 2020; Kiladze & Trichur, 2018, Zion Market Research, 2019; Alkhowaiter, 2020). In this vein, one of the most evident positive implications of the m-wallet resides in its ability to foster financial inclusion, especially in emerging economies (Singh & Sinha, 2020; Singh et al., 2020). Therefore, m-wallet is a powerful approach not only to include the poorest population in the financial and banking circuits, but also to reinforce the financial resources of retailers and merchants (Singh & Sinha, 2020). In other words, the key actors of the entrepreneurial sector see in m-wallet a tool that can drastically reduce the costs of their operations, thus enabling them to reduce the costs of their services to the poorest people.

While the adoption and use of m-wallet are gaining acceptance in many regions of the world, for example, in India (Singh et al., 2020), Malaysia (Leong et al., 2020), Canada (Shaw, 2014), Korea (Shin, 2009), Bangladesh (Amin et al., 2016), very few studies have been conducted to assess the key determinants of m-wallet adoption intention and use for financial inclusion in Africa, although Africa is considered as the continent with the lowest financial inclusion level in the world (Makina & Walle, 2019). This means that the m-wallet could be considered a critical enabler of financial inclusion in emerging economies, as it allows the less-favored population not to be "left behind"—these can henceforth access bank systems and other financial services (including not only saving part of their earnings and access to microcredits, but also make transactions by means of their mobile wallet). Moreover, m-wallet can empower microfinance institutions, give the opportunity to merchants and retailers to extend their client portfolio by easily reaching disadvantaged population groups in rural and urban areas (Singh & Sinha, 2020).

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