

**MAXIMIZING PATRONAGE OF E- ZWICH PRODUCT OF BANK OF GHANA,
(A CASE STUDY OF SELECTED BANKS, SHOPS AND CUSTOMERS IN KUMASI
METROPOLIS).**

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STATEMENT OF AUTHENTICITY

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ABSTRACT

This study investigates the challenges of implementing and using electronic payments in Ghana. In addition, it also attempts to assess the degree of usage of card based payments systems i.e. e-zwich, debit and credit cards. Several electronic payment systems have been introduced into the country in recent times with the most significant being e-zwich smart card payment system, a national domestic smart card payment system meant to reduce the large amount of cash held outside the banking system. Despite the progress made, it is estimated that only 20% of the population have bank accounts and 90% of the cash issued by the Bank of Ghana is still held by the non-bank public

The study uses primary data collected through deep interviews with Ghana Interbank Payment and Settlement Systems (GHIPSS), the company in charge of the e-zwich payment system in Ghana and senior officials of some of the major banks in Ghana. Questionnaires were also distributed to shops and individuals that use e-zwich and debit cards. The implementation of e-zwich although have challenges is a step in the right direction for national development. The study revealed also that e-zwich has the potential to reduce the unbanked in Ghana and is beginning to show some good signs in terms of some good initiatives by GHIPSS. However, more education of the public and the banks is needed to realize its full potential.

DEDICATION

This project work is dedicated to our beloveds.

They are our parents and friends. To them we honour with this work.

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We are grateful to the Almighty God for seeing us through our research work. It was his guidance and grace that sustain us during our various challenging meetings and when tempers have to rise on issue base on diverse opinions. He was with us to calm things down. This effort cannot be complete without expressing our profound gratitude to our families for their support and prayers during our first degree. We appreciate your effort. The immerse support from our supervisor Mr. Stephen Alewabah towards our dissertation cannot be eliminated but to be applaud. To all the Banks, Shops and Individuals who gave us audience during our research, we say “thank you”.

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ABBREVIATIONS

ATM –Automated Teller Machine

BoG – Bank of Ghana

EFT – Electronic Fund Transfer

EPS - Electronic Payment System

GDP – Gross Domestic Product

GHIPSS –Ghana Interbank Payment Settlement System

ICT – Information Communication Technology

IMC – Integrated Market Communication

POS - Point of Sale

SET –Secure Electronic Transaction

TPB –Theory of Planned Behaviour

TRA – Theory of Reasoned Behaviour

CHAPTER ONE

1.0 Background of the Study

Electronic Payment Systems apart from their convenience and safety also have a significant number of economic benefits (Ann Cobb, 2004). The major economic benefits of EPS include mobilizing savings and ensuring most of the cash available in the country are with the banks. This will make funds available to borrowers (businesses and individuals). Furthermore, an electronic payment system has the ability to track individual spending; to facilitate the design of products by the banks. This information is also useful to the government when making economic decisions. EPS also have the ability to reduce cash handling and printing costs. According to (Moody's Analytics, 2010) real global GDP grew an extra 0.2% a year on average beyond what it would have without card usage. Simply put card usage increases a country's GDP by 0.2% annually. Moving from a society where 90% of cash is held outside of the banks to a cashless society is a big change. It is therefore an enormous challenge for the government, financial institutions, individuals and other stakeholders responsible for making this system achieve its economic benefits.

There are likely to be operational, financial, economic and marketing changes that need to be managed properly. E-zwich is the brand name for the national switch and smart card payments system. This is an integrated and interoperable payment infrastructure for switching and clearing electronic payments initiated at payment terminals owned by different financial institutions with various types of payment cards. The e-zwich payment system is the national switch for universal electronic payment system in Ghana.

This provides a common platform for most retail payment transactions in the country through the integration of all bank switches thereby enabling interoperability of all ATMS and Point of Sale (POS) systems. Asokan, Janson, Steiner, and Weidner (2000). Ghana Interbank Payments and Settlements Systems Limited (GHIPSS) is a company set up by the Bank of Ghana to work with banks to improve payment systems. The company also has the responsibility to provide a range of technology driven solutions and associated services which support and contribute to the general efficiency of the Ghanaian payment systems and to provide affordable and convenient access by residents to banking services.

1.1 Problem Statement

Ghana has long recognized that modernizing the banking and financial sector and reducing the cost of doing business is a means for attracting the investment needed for rapid economic growth and development. Policies have constantly been designed to modernize the sector. The Bank of Ghana (BoG), the regulator of the banking and financial sector, rolled out the e-zwich, a national payment and settlement system that creates an electronic clearing House for all banking and financial institutions, as well as a biometric smartcard which is a very secure way for paying for goods and services. It is the first of its kind in the World on such a scale and it is another first for Ghana- when it was deployed in 2008. The objective of the deployment of the system was to reduce cash handling, ensure personal security in the payment system and to eliminate inflationary price rounding-up practices. The Central Bank was optimistic that the project would be a major transformer of the financial system because it would rope in a lot more people into the banking system above the estimated 20% of the population currently in the banking sectors. The euphoria generated from the onset saw

somewhat more mass e-zwich registration exercise across the country. However, some few years down the line, the objective of the deployment of the product has not been realized on a full scale due to numerous challenges.

1.2 Research Questions

- What is the behaviour of consumers towards the patronage of the e-zwich product?
- What marketing communication tools efforts is Bank of Ghana making in the patronage of e-zwich product?
- What are the impediments to the acceptance and use of the e-zwich payment system?

1.3 Objectives of the Study

- To examine the behavior of consumers towards the patronage of the e-zwich product.
- To investigate the challenges of implementing and using e-zwich payment system.
- To evaluate the effect of the currently used marketing communication tools on patronage of the e-zwich product.
- To make recommendations.

1.4 Justification of the Research

The proposed research is significant mostly due to the fact that Electronic Payment Systems are now gaining familiarity in Ghana. E-zwich is the first national electronic payment that has been implemented in Ghana by the Bank of Ghana, and since its implementation there hasn't been any assessment yet. An empirical study in this area is expected to inform the stakeholders of how E-zwich and other Electronic payments systems has or has not made any economic impact. The stakeholders involved are GHIPSS, Government of Ghana, Banks,

other Financial Institutions and individuals. According to a related study by (Appiah&Agyemang, 2007) offline technology will be most suited in Ghana considering the low level of technological infrastructure in Ghana. E-zwich is an offline payment and thus serves as an implementation of this recommendation. A study in this direction I believe is very important. Furthermore, this research is also expected to increase awareness of the challenges of electronic payments and serve as a guide for future implementation of such systems by developing countries with low level of technological infrastructure.

1.5 Scope of the Study

This thesis is limited to the study of e-zwich products in Kumasi Metropolis of Ghana. The study is concentrated on selected banks in Kumasi, customers of e-zwich with different income levels and shops using e-zwich. The reason for choosing these shops, banks, and customers of e-zwich is that they are more knowledgeable and responsible for maximizing the patronage of e-zwich product. The thesis investigates the answers to the following questions:

- What are the obstacles to the implementation and use of e-zwich?
- Has the implementation of e-zwich contributed to increased usage of e-payments?

1.6 Limitations of the Study

The researchers were optimistic that they would experience the following challenges:

1. Budget Constraints: - This included finances needed to type and print questionnaires and the study and all other expense to incurred in the course of the study. To overcome this, the researchers used their own finances to execute these duties.

2. Time: - Time factor was one of the setbacks of this study, owing to combination of academic work and office duties.

3. Availability of respondents to respond quickly to the interviews and questionnaire.

4. The limitation of validity cannot be totally eliminated. Notwithstanding, the generalisations truly reflect what exist in many organisations, that is private organisations.

Despite these limitations, even though may have influenced the quality of the research; they were however not to a greater extent, able to degrade the quality of the research.

1.7 Organisation of the Study

This thesis will be arranged into five chapters. Chapter One will embrace the Introduction, Background of the study, Problem Statement of the study, Scope and limitations of the study and Organisation of the study. Chapter Two will encompass the Literature Review whilst Chapter Three will include the Methodology and Organisational Profile. Chapter Four will also focus on the Case Study Analysis. Finally, Chapter Five will include Summary of findings, Conclusion and Recommendations.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter seeks to review what other individuals or groups have written about maximizing patronage for e-zwich product of Bank of Ghana. Some of the topics to be reviewed are the Unbanked and Technology, Challenges of Electronic Payments, theories of Consumer Behavior, Marketing Mix and Marketing Communication. In today's world many people across the globe make payments electronically rather than in person or cash. Vassiliou (2004) defines electronic payment as a form of financial exchange that takes place between the buyer and seller facilitated by means of electronic communication. According to (Cobb, 2004), the value of electronic payment goes way beyond the immediate convenience and safety of cards to a greater sphere of contributing to overall economic development.

2.1 The Unbanked and Technology

As many as 80 per cent of Ghana's population neither has nor operate a bank account, although the majority of the "un-banked" are economically active in either the formal or informal sectors of the economy (Ackorlie, 2009). This is the case for most African and developing nations. The term unbanked means the person does not have a savings account (Anderson-Porisch, 2006). A research work by (Anderson-Porisch, 2006) mentions the following as some of the reasons for the unbanked in Ghana:

Lack of understanding of the banking system and expectations for having a bank account

- Past negative banking experience
- Lack of appropriate identification and/or documentation needed to open a bank account

- Unstable living situation
- Cultural conflict including bank practices that varies with personal beliefs.

According to a report by Visa and Global Insight, more than two billion individuals age 15 and over are unbanked. “Electronic payment systems can help the unbanked join the banking system with significant benefits to them and to the societies in which they live” (Commonwealth Business Council & Visa, 2004). Hernando de Soto mentions in his book, *The Mystery of Capital* that a large percentage of business assets held in the informal economy of many developing countries reduce the size and productive capacity of their total official economies. In a similar way, a cash based society is a diminished society. The informal economy runs on cash outside of the banking and official economic systems. “When cash remains outside the banking system, the possibilities for supplying productive capital to the economy are muted.” (Commonwealth Business Council & Visa, 2004). Data from Global insight indicates a direct correlation between a specified shift of currency into lendable reserves and increases in GDP. Bringing cash into the banking system generates an equal increase in bank reserves, enabling banks to facilitate more consumer and commercial loans, thereby stimulating business growth and consumption. The total value of the loans is several times that of the original deposits.

2.1.1 Using e-payments to reduce the unbanked

The emergence of credit, debit and prepaid card systems gives the unbanked an important option for bringing cash into the formal economy. “Prepaid cards are particularly interesting, because the funds are actually on deposit at a regulated financial institution, but the process

of establishing and managing accounts is much more cost effective and less risky than traditional debit accounts for smaller levels of deposit” (Commonwealth Business Council & Visa, 2004). Porisch (2006) argued that technology provides the opportunities to transition the unbanked population into a banking relationship. According to her paper, “the Debt Collection Improvement Act of 1996 required that recurring federal benefit payments be made electronically through electronic funds transfer (EFT) as a low-cost account for those who cannot qualify for or afford a checking account. As a result, there has been an increase in people using this option for receiving federal benefits”. The Commonwealth Business Council also argues that payroll, pension and benefit cards can be effective entry-level instruments for banking and subsequent mainstream financial services- and they allow a greater proportion of funds to remain within the banking system until they are spent.

Teenagers and young adults are often ineligible to open a bank account. But because of employment, stipends or transfers from their parents or guardians, they may possess a sizeable amount of money. “Prepaid card products for young people can teach them vital money skills, while keeping their funds in the banking system. One such solution is an e-zwich that features financial literacy tools and allows parents or guardians to monitor transactions online” (Commonwealth Business Council & Visa, 2004). In banking the unbanked, financial institutions that are part of an international payment system can issue prepaid cards to customers, including those who currently do not have a banking relationship, enabling them to receive funds safely and conveniently. In developing countries, remittances represent the primary source of foreign exchange and generate a significant engine for consumer spending. Ghana being a developing country is no exception. These remittances do not contribute as strongly to formal economic growth as they could. Prepaid cards described

above can help resolve this issue. Banked or "un-banked", it is obvious that the active population is now hurting under the burden of the inconveniences and constrictiveness of having to endure heavy, cumbersome and usually unsafe cash-based payments in their day-to-day affairs and transactions (Ackorlie, 2009).

The use of any electronic transaction as a common platform for the financial sector would reduce physical circulation of cash. The use of Information Communication Technology (ICT) products to simplify and speed up financial transactions has become part of everyday life in the developed world, whereas several parts of Africa had no such experience (Ackorlie, 2009).

The use of the electronic transactions system to do business is indeed not common in Africa. In the advanced economies, physical circulation of cash is limited because most people use electronic means to buy and pay for goods and services. The physical handling of money currencies is therefore reduced and the advantage here is that the government does not spend huge sums of money to print new currencies to replace worn out ones. In the next section there will be a deep discussion of some of the challenges that is impeding the use of electronic payments in Africa.

2.2 Challenges of Electronic Payments

Electronic payments despite its numerous benefits comes with its own challenges even in the developed world. We will look at the general challenges and later on focus on specific challenges in developing economies especially Africa. The identified challenges as revealed by previous research works are Security, Infrastructure, Regulatory and Legal issues and Socio-Cultural challenges.

2.2.1 Security

The Security of Information and data is crucial in all Information systems. Information Security is the practices, procedures and technology put in place which ensure that information is safeguarded from

- Modification or accidental change (integrity),
- Unauthorized access (confidentiality), and
- Is readily available (availability) to authorized users on request.

Electronic Payments Systems are no exception; an unsecured e-payment system may not get trust from its users. Trust is very critical to ensure acceptance from users. According to (Worku, 2010) , e-payment and e-banking applications represent a security challenge as they highly depend on critical ICT systems that create vulnerabilities in financial institutions, businesses and potentially harm customers. “It is imperative for banks to understand and address security concerns in order to leverage the potential of ICTs in delivering e-banking applications”(Worku, 2010). A secure electronic financial transaction has to meet the following requirements:

Integrity and Authorisation

Integrity is defined as the accuracy, completeness and validity of information in accordance with business values and expectations (CISM Review Manual, 2006). Integrity of payment systems means that no money is taken from a user unless a payment is authorized by him. In addition, users might require not receiving any payment without their explicit consent; this is desirable when users want to avoid unsolicited bribery (Asokan et al, 2000).

Confidentiality

Confidentiality is defined as the protection of sensitive or private information from unauthorized disclosure (CISM Review Manual, 2006). Some parties involved may wish confidentiality of transactions. Confidentiality in this context means the restriction of the knowledge about various pieces of information related to a transaction; the identity of payer/payee, purchase content, amount etc. Typically, participants involved want to ensure that communications are private (Asokan et al, 2000). Where anonymity or untraceability are desired, the requirement may be to limit this knowledge to certain subsets of the participants only (Asokan et al, 2000).

Availability and Reliability

Availability is ensuring that information systems and data are ready for use when they are needed; often expressed as the percentage of time that a system can be used for productive work. All parties require the ability to make or receive payments whenever necessary (Asokan et al, 2000).

Enhancing e-payments Security

According to (Taddesse&Kidān, 2005), the most common method of securing e-payments is using cryptographic based technologies such as encryption and digital signatures. Applying these technologies reduces speed and efficiency and as a result compromise has to be made between efficiency and security. The following are some of the technological means to secure e-payments:

- Secure Electronic Transaction (SET): This is an open standard developed by Master Card and Visa to provide a solution to security problems for online credit card payment system (Ullah, 2010). This is achieved by providing digital certificate for both customer and merchant. According to (Taddesse&Kidan, 2005), this did not found acceptance because it was complicated and required both customer and merchant to download 5MB of software.
- 3D Secure is Visa alternative to SET and does not require certificate to authenticate (Ullah, 2010).
- Smart Card Security: Data stored on a smart card is encrypted and cannot be assessed without password/PIN and thus provide strong security. Taddesse&Kidan (2005) argue that magnetic strip cards i.e. debit cards; credit cards etc are being replaced by smart cards. Proper policies, procedures and appropriate Government laws must also be put in place to ensure technologies provide maximum security.

2.2.2 Infrastructure

Infrastructure is necessary for the successful implementation of electronic payments. Proper Infrastructure for electronic payments is a challenge (Taddesse&Kidan, 2005). For electronic payments to be successful there is the need to have reliable and cost effective infrastructure that can be accessed by majority of the population. Electronic payments communication infrastructure includes computer network such as the internet and mobile network used for mobile phone. In addition, banking activities and operations need to be automated. A

network that links banks and other financial institutions for clearing and payment confirmation is a pre-requisite for electronic payment systems (Tadesse&Kidan, 2005).

Mobile network and Internet are readily available in the developed world and users usually do not have problems with communication infrastructure. However, in Africa mobile networks and internet are not easily accessible. “Poor communication infrastructure is one of the reasons that hinder the e-payment system in Africa” (Tadesse&Kidan, 2005). According to Worku (2010), low level of internet penetration and poorly developed telecommunication infrastructure impede smooth development and improvements in e-commerce in Ethiopia. A study by Microfinance Nigeria indicated that efforts by the Nigerian, Government and other financial and ICT stakeholders to move Nigeria’s payment system from a cash-dependent platform to the globally acceptable electronic-driven alternative may be impeded by dearth of critical telecommunication infrastructure. In developing countries many of the rural areas are unbanked and lack access to critical infrastructure that drives electronic payments. According to Microfinance Nigeria (2010), some of the debit cards technologies like Automated Teller Machines (ATMs) are still seen by many as unreliable for financial transactions as stories told by people suggested that they could lose their money through fraudulent deductions, debits and other lapses for which the technology had been associated with by many over the last few years. In a related work, by Mishra (2008) in Nepal, Telecommunication and electricity are not available throughout the country, which negatively affect the development of e-payments.

2.2.3 Regulatory and Legal issues

National, regional or international set of laws, rules and other regulations are important requirements for the successful implementation of e-payment schemes. Some of the major elements include rules on money laundering, supervision of commercial banks and e-money institutions by supervisory authorities, payment system oversight by central banks, consumer and data protection, cooperation and competition issues (Kidan, 2005). According to Taddesse&Kidan, (2005) the virtual and global nature of e-payment also raises legal questions such as which jurisdiction will be competent and about applicable laws in disputed cases, validity of electronic, electronic contracts and electronic signature. A legal and regulatory framework that builds trust and confidence supporting technical efforts is an important issue to be addressed in implementing e-payments. As indicated by Worku (2010), lack of suitable legal and regulatory framework for e-payment in Ethiopia, an African country is a challenge. According to Worku (2010) Ethiopian current laws do not accommodate electronic contracts and signatures. Ethiopia has not yet enacted legislation that deals e-payments and e-commerce concerns including enforceability of the validity of electronic contracts, digital signatures and intellectual copyright and restrict the use of encryption technologies. In a related work, Mishra (2008) argues that no laws and regulations have been promulgated to cover the legal status and issues of e-payments. This matter has been given high priority and a legal framework is expected soon (Mishra, 2008). National regulatory and legal framework that aligns with regional and international agreements is crucial in creating a certain and reliable environment (Taddesse&Kidan, 2005). Adopting model laws at the global level such as UNCITAL Model law on e-signatures (2001) can help the purpose.

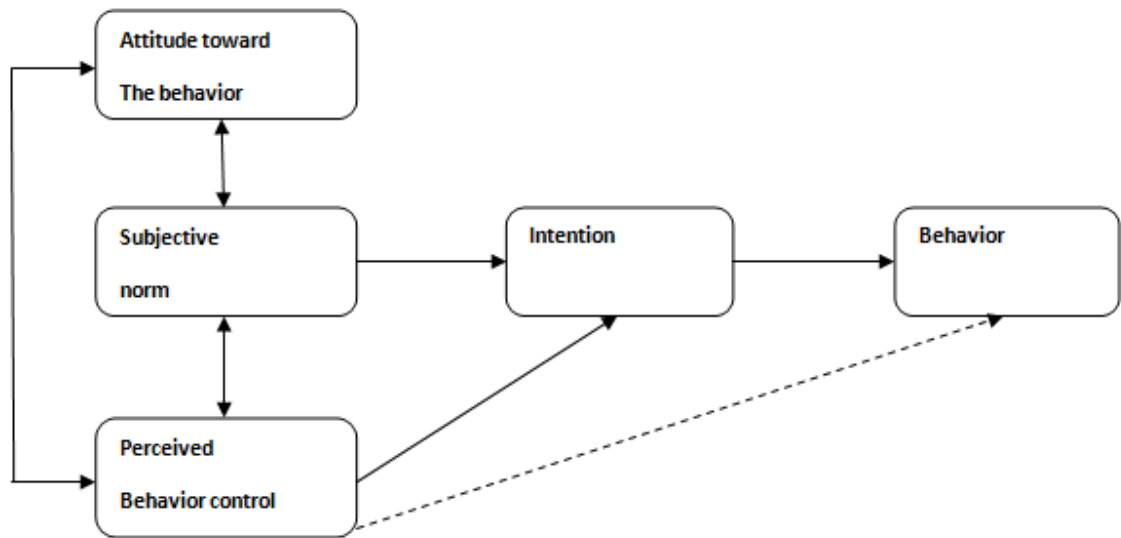
2.2.4 Socio-Cultural Challenges

Cultural and historical differences in attitudes and the use of different forms of money (e.g. use of credit card in North America and use of debit cards in Europe) complicate the task of developing an electronic payment system that is applicable at international level (Taddesse&Kidān, 2005). According to Taddesse&Kidān (2005), difference in the degree of the required security and efficiency among people of different cultures and level of development aggravates the problem.

2.3 Theories of Consumer Behavior

The Theory of Planned Behavior (TPB) and its predecessor the Theory of Reasoned Action (TRA) are based on the assumption that people behave logically and in a sensible manner. Both of the theories assume that behavior is followed by person's intentions (Ajzen&Fishbein 1980; Ajzen 1991). The Theory of Reasoned Action was named by Ajzen and Fishbein (1980) after their practical research on health, consumer behavior and voting. The roots of the TRA were already laid down in their previous research back in 1969 and 1975. In 1980 TRA was further developed and a third intention predicting component was added and the model was named the Theory of Planned Behavior (East 1997).

Figure 2.3: Theory of Planned Behavior



The Theory of planned Behavior (Figure 1) states that person's intentions predict behavior. According to the theory, components of personal factor, social influence and issues of control have an effect on person's intentions. People have certain outcome beliefs of their actions. Beliefs form positive or negative attitudes toward the intended behavior. In Figure 1, personal factor is represented by attitude toward the behavior. Other people also have beliefs toward one's actions. That is illustrated by social influence, normative expectation or social pressure and is referred as subjective norm.

Issues of control are related to individual's beliefs of how he or she is able to perform the desired action and referred as perceived behavioral control. The TPB differs from the TRA in the dimension of perceived behavioral control, which was included in the TPB. According to the TPB, people tend to perform an action when they have positive evaluations about the desired behavior, they feel social pressure to do it and they also feel capable of doing so. (Ajzen 2005) In general, the stronger the intention to behavior in a certain way, the more

likely it will be performed given that no constraints to behavior exist. Further, if there are no issues of control, behavior can generally be anticipated from individual's intentions (Ajzen, 1991). For example, if one's intention is to use an e-zwich card as a payment method, he or she will use it unless an e-zwich card is not an accepted payment method.

Beckett (2000) also identifies two broad attitudinal factors: uncertainty and involvement that influence consumer behavior. The more specific the outcome of a purchase decision anticipated, the lower the degree of uncertainty and vice versa. Consumers' ability to predict outcomes is based on their cognitive abilities and to the availability of information. If a consumer is able to manage the available information, the degree of uncertainty is lower. Also, if information is widely available and accessible, it results to lower uncertainty. (Beckett 2000) The existence of uncertainty makes purchase decision-making more difficult for consumers. Thus, a key element in consumer buying behavior process is the reduction of uncertainty (Beckett 2000; Williamson 1985). The perceptions of risk are also lower if uncertainty is at justifiable level (Howcraft et al. 2003). According to Beckett (2000), the other key determinant of buyer behavior is consumer's interest toward a product or a service. The extent to which consumers understand whether the service meets their goals and values increases the consumers' interest toward the service.

2.4 Marketing Mix

According to Kotler [2008], marketing mix is the set of controllable variables that an organization can use to influence the buyer. The controllable variables in this context are the seven ps[place ,price, place, promotion, people, processes and physical evidence].Each organization strives to build up such a composition which can create highest level of

consumer satisfaction and at the same time meet its organizational objectives. Thus this mix is assembled keeping in mind the needs of target customers, and it varies from one organization to another depending upon its variable resources and marketing objectives.

2.4.1 Product

A product is anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a want or need (Kotler, 1999) the quality of a product impacts immensely on communication .BOG is a service industry that offers intangible services. BOG renders an oversight responsibility over financial institutions, lending of credits to banks and ensuring economic growth. It prudently does so through the issuance of monetary products and services [e-payment system] to achieve this goal. Despite the weakness and limitation in its communication activities, BoG gets an encouraging participation of these services because of their uniqueness, and quality in delivery. The type of product introduce can influence customers to patronize or mar its sales.

2.4.2 Price

Price is the value placed on a product or service by the organization. It is also the cost customers/consumers have to pay in exchange for product/services. Marketers use different pricing strategies to price products and services. They either use market-penetration strategy which involves establishing a low product price to attract a large number of customers or price-skimming strategy which involves establishing a high price in order to recover the cost of a new product. The price for a product or service is determined by factors such as market share, competition, customers' perceived value of the product or service. The Ghana Interbank Payment Settlement System unit of BoG is responsible for the implementation of

the e-zwich payment system and thus determines the prices of its products i.e. the point of sale devices [POS] used by the merchants and cards. As Kotler [1991] suggests, all other elements of a business operation represent cost, the BoG on the other hand sell the POS devices to retrieve the cost of importation. It does not adopt premium prices because they are bent on seeing widespread use of the system.

2.4.2.1 Price Strategies

Price strategies are regularly used as the product moves through its life cycles and usually take place when a company or organization introduces a new product or service into the market; they consider the consumer interest in the product or the changes in the market environment before creating the price strategy. Organizations consider which of the price strategies can be applicable to their product strategies, that is market-skimming and market penetration pricing (Kotler, 2006). Market skimming pricing is putting a high price on a new product in order to make the maximum profit on each level of sale. Consumers that are willing to pay the high price placed on the product do so irrespective of one's demographic origin. This makes the organization to produce small amount of the product and make big profit on the sales.[Kotler,2006]. Market penetration pricing is putting a low price on a new product in order to gain more ground and draw consumers attention to buy the product or service. Though, GHIPSS is not selling the POS devices at a profit it seems quoted prices are too high as compared to the e-zwich cards. This makes the adopted price strategy very unattractive to consumers.

2.4.3 Place

Place refers to the location where a product or service can be found for consumption purposes. Furthermore place can also be describe as having the right product at the right location. It means locating services or products where they can be easily acquired by customer. Place is supposed to give convenience to the consumer/customer. Distribution channels are used as delivery network to make available a product or service for consumer use. BoG has seven outlets throughout the country and in addition partner the rural and commercial banks as innovative stakeholders to renders its services. These banks are well represented across the length and breadth of the country thus making its services more accessible and convenient to both the bank and unbanked customers.

2.4.3.1 Marketing Coverage

This is a method for evaluating the various segments of the marketplace and deciding which segment to cover in the marketing of a particular product. Marketers generally adopt one of the following three general market coverage strategies. Undifferentiated marketing focuses on what is common in consumers' needs in the marketplace and is affected by presenting one product for all markets or presenting all of company's products in one market. Differentiated marketing, wherein several markets segments are targeted for marketing campaigns with separate promotional offers for each market. Finally, concentrated marketing, which focuses on one small part of the marketplace and is also affected by a concentrated marketing promotion that seeks to gain a larger share of the small market. GHIPSS coverage strategies have been that of the undifferentiated approach, presenting one product for all the markets thus, focusing on a common consumer needs in the marketplace.

2.4.4 Promotion

It represents every necessary communication used by a marketer in the marketplace. Promotion usually develop an interest in purchasing a product or service by consumers, meanwhile the company or organization uses promotion to convince people (Ogenity, 2009). Organizations have to communicate with their existing and potential customers about what they are doing. Yeshin, (1999) identified five modes as the traditional communication mix elements. (Kotler et al, 2009) on the other hand states that marketing communications mix consists of 8 major modes of communication. These are advertising, sales promotion, publicity/public relation, personal selling, exhibits, word- of- mouth, internet marketing and direct marketing. Promotion is also known as marketing communication and is what the researcher looks into in relation to consumer behavior.

- **Advertising**

Advertising has four characteristics: it is persuasive in nature; it is non-personal; it is paid for by an identified sponsor; and it is disseminated through mass channels of communication. Advertising messages may promote the adoption of goods, services, persons, or ideas. Because the sales message is disseminated through the mass media as opposed to personal selling it is viewed as a much cheaper way of reaching consumers. However, its non-personal nature means it lacks the ability to tailor the sales message to the message recipient and, more importantly, actually get the sale. Therefore, advertising effects are best measured in terms of increasing awareness and changing attitudes and opinions, not creating sales. Advertising is everywhere, from network television, to daily newspapers, to roadside billboards, to golf course signs, and to stickers on commercial vehicles [Rank, 2010].Yeshin

[1999] also argues that it is any form of paid for media [television, press, radio, and cinema] used by marketers to communicate with his or her desired target.

- **Public Relations/Publicity**

Public relations is defined as a management function which identifies, establishes, and maintains mutually beneficial relationships between an organization and the public's upon which its success or failure depends. Public relations consider multiple audiences (consumers, employees, suppliers, vendors, etc.) and uses two-way communication to monitor feedback and adjust both its message and the organization's actions for maximum benefit. Public relations' role in the promotional mix is becoming more important because of what Philip Kotler (2006) describes as an "over communicated society." Consumers develop "communication-avoidance routines" where they are likely to tune out commercial messages. Consumers may also base their purchase decisions on the image of the company. In this regard, public relations plays an important role in presenting, through news reports, sponsorships, "advertorials" (a form of advertising that instead of selling a product or service promotes the company's views regarding current issues), and other forms of communication, what the company stands for (Rank,2010).

- **Direct Marketing**

Direct marketing, is the process of communicating directly with target customers to encourage response by telephone, mail, electronic means, or personal visit. Users of direct marketing include retailers, wholesalers, manufacturers, and service providers, and they use a variety of methods including direct mail, telemarketing, direct-response advertising, and

online computer shopping services, cable shopping networks, and infomercials. Direct marketing allows a company to target more precisely a segment of customers and prospects with a sales message tailored to their specific needs (Rank, 2010). Yeshin (1999), viewed direct marketing as an interactive system which uses one or more advertising media to effect a measurable response and /or transaction at any location.

- **Sales Promotion**

According to Kotler (2009), sales promotion is a variety of short term incentives to encourage sale or purchase of ideas, goods or services by an identified sponsor. Rank (2010), views sales promotions as a direct inducements that offer extra incentives to enhance or accelerate the product's movement from producer to consumer. Sales promotions may be directed at the consumer or the trade. Consumer promotions such as coupons, sampling, premiums, sweepstakes, price packs (packs that offer greater quantity or lower cost than normal), low-cost financing deals, and rebates are purchase incentives in that they induce product trial and encourage repurchase. Consumer promotions may also include incentives to visit a retail establishment or request additional information. Trade promotions include slotting allowances ("buying" shelf space in retail stores), allowances for featuring the brand in retail advertising, display and merchandising allowances, buying allowances (volume discounts and other volume-oriented incentives), bill back allowances (pay-for-performance incentives), incentives to salespeople, and other tactics to encourage retailers to carry the item and to push the brand.

- **Sponsorship**

Sponsorships, or event marketing, combine advertising and sales promotions with public relations. Sponsorships increase awareness of a company or product, build loyalty with a specific target audience, help differentiate a product from its competitors, provide merchandising opportunities, demonstrate commitment to a community or ethnic group, or impact the bottom line. Like advertising, sponsorships are initiated to build long-term associations. Organizations sometimes compare sponsorships with advertising by using gross impressions or cost-per-thousand measurements. However, the value of sponsorships can be very difficult to measure. Companies considering sponsorships should consider the short-term public relations value of sponsorships and the long-term goals of the organization. Sports sponsorships make up about two-thirds of all sponsorships.

- **Exhibit**

Exhibits, or trade shows, are hybrid forms of promotion between business-to-business advertising and personal selling. Trade shows provide opportunities for face-to-face contact with prospects, enable new companies to create a viable customer base in a short period of time, and allow small and midsize companies that may not be visited on a regular basis by salespeople to become familiar with suppliers and vendors. Because many trade shows generate media attention, they have also become popular venues for introducing new products and providing a stage for executives to gain visibility.

- **Personal Selling**

Personal selling includes all person-to-person contact with customers with the purpose of introducing the product to the customer, convincing him or her of the product's value, and closing the sale. The role of personal selling varies from organization to organization, depending on the nature and size of the company, the industry, and the products or services it is marketing. Personal selling is the most effective way to make a sale because of the interpersonal communication between the salesperson and the prospect. Messages can be tailored to particular situations, immediate feedback can be processed, and message strategies can be changed to accommodate the feedback. Yeshin, (1999) corroborated the above by acknowledging personal selling as the process by which a sales person communicate with one or more prospective consumers for the purpose of making sales.

- **Internet Marketing**

Online activities and programs designed to engage customers/prospects and directly or indirectly raise awareness, improve image or elicit sales of market offerings (Kotler et al, 2009). For example, website. The BoG's website is accessible to the populace, but not highly patronized.

- **Word - of- mouth marketing**

People-to-people, oral and written electronic communications that relate to the merits or experiences of purchasing and consuming market offerings.

2.4.4.1 Promotion Strategies

A Promotion strategy is a plan that a company or organization uses for promoting a product or service, this plan usually happens when a company or organization wants to increase sales or close down its market. The promotion strategies always used by the marketers are classified into two: push strategy and pull strategy. Furthermore, the push strategy engages in pushing the product through promotional events such as personal selling, and trade promotion. The same process continues till it gets to the consumers end (Kotler 2004).The BOG promotion strategy revolves around the push strategy which had not been effective. The promotional events used so far by BoG had only centered on advertising in all forms.

2.5 Additional Marketing Mix

- **People**

These include all the people who directly or indirectly influence the perceived value of the product or service that an organization develops with their skills, knowledge, competencies and so on. They are those who carry out the services being rendered. The BoG and its major stakeholders, the banks, have well trained staff who man specialized units within the banks to ensure quality service delivery.

- **Process**

Process refers to the mechanisms and flow of activities which lead to an exchange of value. It refers to the way things are actually done and the steps taken in service delivery to achieve the desired results (Sharma &Bhardwaj, 2009). It is stages consumers/customers go through in consuming a service. This refers to the registration processes which assist the BoG to

know the number of e-zwich cardholders and retail merchants operating the system. It further serves as a communication linkage between the commercial banks and the BoG in terms total amounts of money held by the cardholders.

- **Physical evidence**

Physical evidence focuses mainly on the initial first impression customers get from a company and their expected service delivery. It is a tool to support corporate image and identity (Woodruffe, 1995). In other words, physical evidence refers to the environment in which the service is delivered and any tangible goods that facilitate the performance and communication of the service (Jobber, 2001). The bank of Ghana has seven major outlets throughout the country which serve as contact points with the consumers. Additionally, the business locations of the commercial and rural banks makes accessibility more practicable to both the consumer and the merchants.

- **Periodicity**

This refers to the timeliness of delivery or services. Organization must be punctual in their transactions so as not to waste both its time and the customer or consumers time.

2.6 Marketing Communication

Marketing communications, traditionally termed promotion, is a part of the marketing mix (Shimp 2000). All these marketing mix processes has the power to inform, remind, persuade and induce action in customers (Kitchen, 2004). According to Woodruffe (1995), marketing communication exists out of communication. Communication is defined as the imparting or

exchange of thought, opinions, or information by speech, writing or signs. Pratt (1997) also argues that, marketing communication is telling consumers about the features, benefits and availability of a particular product and attempting to persuade them to make a purchase. It is also defined by Yeshin (1999) as the process by which the marketer develops and presents an appropriate set of communications stimuli to a defined target audience with the intention of eliciting a desired set of responses. Marketing communication may also be defined as all the strategies, tactics, and activities involved in getting the desired marketing messages to intended target markets, regardless of the media used (MarcommWise,2006). “Value packages need to be effectively and efficiently communicated to targeted audiences and this is achieved by a mix of promotional tools or communications mix elements that are usually termed the marketing communication mix” (Kotler et al, 2009).

2.7 Marketing Communication Objectives

According to Rowley (2008), marketing communications must be created to fit the objectives of the overall strategy. Belch (2001), stipulated that marketing communication objectives will be one or a mixture of increase sales, maintain or improve market share, create or improve recognition, create a favorable climate for future sales, inform and educate the market, create a competitive advantage, and improve promotional efficiency. The marketing communications objectives are what the company wants to accomplish and should be the guiding force for the overall marketing communications strategy (Duncan, 2002). And the strategy needs to have messages that are consistent with the objectives (Rowley, 1998).

2.8 Integrated Marketing Communication (IMC)

An organization has to have the contact method that offers that best way of delivering its message to the target audiences (Duncan 2002). According to (Fill 1999), promotional tools have often been regarded by practitioners and academics as separate, individualistic techniques that offer particular benefits for buyers. The choice of tools is important because different tools reach different target groups. It is very important for an organization to have the right mix of tools depending on what product or service it is offering. Consumers are exposed to different marketing communication tools every day. Some tools reach different people than other tools. Although some tools are common nowadays and are easy tools to reach a lot of people from all segments, many people may have negative feelings which are connected to them. For instance, the internet has got a vast coverage area and so is preferred by a lot of people. However, some people do not appreciate it because of spam and fraud normally associated with it. Advisedly, Marketers in service companies especially have to combine personal and non-personal communications channels to achieve maximum impact. One best approach which a company can adopt is integrated marketing model that involves all elements of the marketing mix. Thus, having knowledge of every aspect of IMC and establishing clearly set objectives are very important when creating effective marketing communication. Fill (1999), explains that, the IMC is the harmonization of the message conveyed by each of the promotional tools to ensure that audiences perceive a consistent set of message.

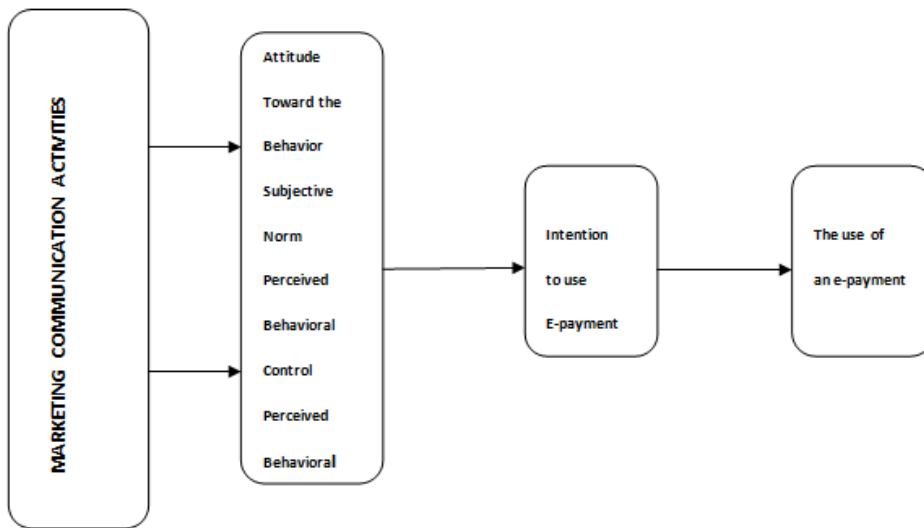
It is the strategic choice of elements of marketing communications, which effectively and economically influence transactions between an organization and its existing and potential customers, clients and consumers (CIM, 2000). However, the success of marketing

communication is not determined solely by the activities or use of the promotional tools, but as aforementioned, the elements of the marketing mix also communicate and help ensure that the brands positioning, proposition, personality and messages are delivered synergistically across every element of communication and are derived from a single consistent strategy (Smith 1996). This is because each of marketing mix has the variable capacity to communicate.

2.9 Marketing Communication Influence on Consumer Behavior

In general, marketing communication is used to encourage immediate action among consumers. Value adding and value increasing promotions are targeted with unique objectives to potential users, competitor loyal, brand switchers and loyal customers (Peattie, 1993). A theoretical framework base on previously presented theories is constructed to broaden the discussions on this communication and consumer behavior relationship. A major influence is drawn from the Theory of Planned Behavior by Ajzen&Fishbein (1980). Figure2.9 presents the graphical illustration of the framework.

Figure 2.9: Market communication Activities and its influence on consumer behavior



The buying process related to an e-payment system can be seen as a two-folded problem where decision-making process must be adjusted accordingly. First is the initial decision whether to get an e-payment system (e-zwich) at all. In an e-payment system purchase decision, the consumer first searches for information and then evaluates alternatives. After that, if the need is still realized, an e-payment system (e-zwich) is purchased and post-purchase evaluations follow. The second situation is the actual use of the e-payment system, which can be seen as a continuous process where many purchase decisions occur over time. The payment situation actualizes the need to choose the payment method and purchase follows without any complex processes of information search or alternative evaluation. Post-purchase evaluations follow unconsciously and are positive if the card was accepted as a payment method. Central factor in the model is the individual's intention to behave in a certain way. Personal attitudes, social pressure and perceived control issues influence one's intentions.

Before using a credit card the customer goes through a sequence of effects. All individuals have their own experiences, knowledge and values that create beliefs about the use of a credit card. Based on these beliefs they evaluate the positive and the negative aspects and arrive at a personal attitude toward the behavior. Customers also realize that their behavior does not come without consequences from others. Thus, they are under a social pressure to act in a certain way. Internal and external limitations also influence customer behavior. Customer may have positive feelings about using a credit card and no normative beliefs interfere but credit card might not be accepted as a payment method. This prevents the intended behavior. Intention might also be blocked due to various other reasons. The model assumes that behavior may be modified by market communication tool stimuli, which change beliefs, attitudes and eventually intentions and behavior. If the intervention influences customers, it changes intentions and eventually changes the behavior. Attitude, social norm and behavioral control are squared in a single box, as opposed as in The Theory of Planned Behavior, because the research does not try to solve precisely on which part the market communication tools influences. The Theory of Planned Behavior is very compatible with the studied phenomena of the credit card behavior. It is a general theory to predict social behaviour which is widely used in many different research projects in different fields of sciences (East, 1997).

The theory of Planned Behavior is also applicable in purchases that occur in multiple occasions over time, whereas the consumer decision-making process applies mainly to situations of one-off purchases (Harrison, 2000).

2.10 Measuring Effectiveness of Marketing Communications Mix

Each element of the promotional mix has different capacities to communicate and achieve different objectives. However, the effectiveness can be achieved through proper integration of these tools. The table below gives the criteria for measuring effectiveness of communication among other things.

Table 2.1: Criteria for measuring effective marketing communications mix

Measure	Identifiable outcome
Sales volume	High patronage of the e-zwich product
Profitability	Increase in customer value
Market share	Winning a greater share of the market
Level of awareness	In-depth of Knowledge about e-zwich product
Credibility	Excellent customer service, service delivery

CHAPTER THREE

METHODOLOGY

3.0 Introduction

This chapter pays attention to the methodology used for this study by providing the conceptual framework based on the literature review. This chapter explained key factors, variables and the relationship among theories used. It also gave details on the population, sample and sampling procedures and the instruments that were used in collecting data for the study. Data collection procedures and analysis was also discussed. Towards the end of the chapter, data analysis, validity and reliability were discussed.

The research design used in the study was a case study. It was a case study because the problem studied was viewed as class of events that needed to be addressed. The study depended on primary data (first hand information) that was collected from the field by the researcher himself using questionnaire.

3.2 Population

The target groups included selected commercial banks and off shore banks, shops and customers of e-zwich located in Kumasi. These categories was chosen because members of each category contributed significantly to the use and processing of e-zwich payments.

3.3 Sampling size and Sampling Procedure

Sampling size was the number of the institutions chosen out of the total population that was analysed. A sample size of thirty (30) was used to obtain data for the purpose of the study.

This was made up of ten (10) selected commercial banks and off shore banks, ten (10) shops and ten (10) Customers of e-zwich. Purposive sampling was used in the selection of commercial banks and off shore banks, shops and customers thus, transitional needs and interest of these banks, customers, and shops are ascertained. This method was chosen because it was considered appropriate in attaining the objectives of the study.

3.4 Data Collection Techniques

Relevant information used for this thesis was collected using the two main types of data collection. Thus, data used for this study included both primary and secondary data. Under the primary data collection method, the researchers used questionnaires while under the secondary data collection the researchers obtained information from published documents which included; written reports, management annual reports, articles, information from Bank of Ghana website etc.

3.5 Data analysis

The data collected was statistically used, using the Microsoft Excel and SPSS. Representations like tables and graphs were used to ensure easy and quick interpretation. The close and open-ended items were grouped based on the responses given by the respondent. The items were coded using SPSS. Descriptive statistics indicating frequencies and percentages was used to present the result in a tabular form and graphical form. Discussion, conclusion and recommendation were made out of the summary data analysis.

3.6 Questionnaire

The researcher developed a questionnaire which contained items based on the objectives and the research questions of the study. The items included both closed ended and open-ended forms. Answers were provided for the closed ended forms so as to provide specific answers. They were mostly based on the background information. With regard to open-ended items, there were no answers given since such questions require respondent to air up his views. The completed questionnaire was collected by the researcher after two weeks of distribution. In all, one type of questionnaire was used.

3.7 Validity and reliability

To prove the validity and reliability of the instruments, the questionnaire was given to my supervisor to study and criticize and then, advice the researcher. This helped the researcher get the needed information to achieve the objective of the research.

CHAPTER FOUR

DATA REPRESENTATION, INTEPRETATION AND ANALYSIS

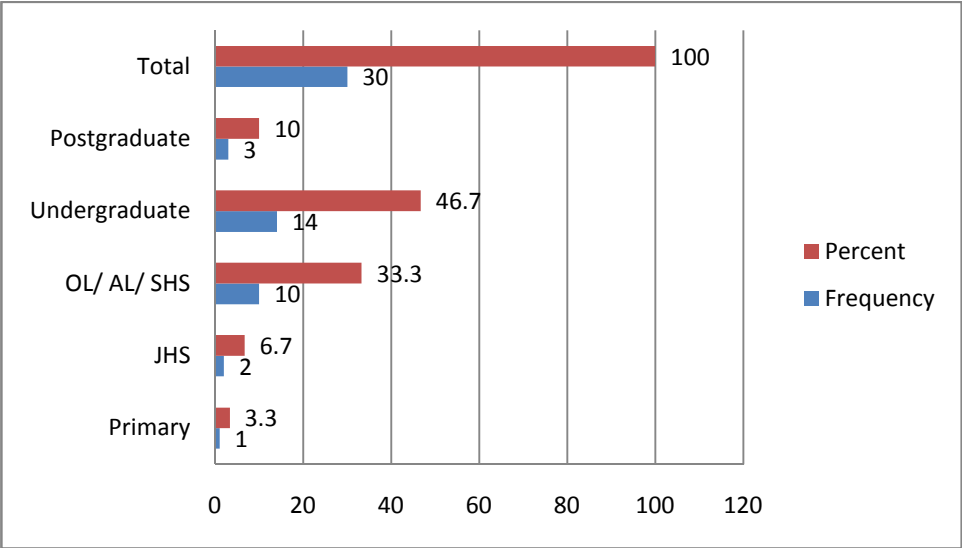
Table 4.0: Names of Banks, Shops and Customers

Bank	Shop	Customer
• Agricultural Development Bank	• B.B.G Kumasi	• Brew M. Love
• Barclays bank	• Elsfeast Supermarket	• Daniel Badu Bota
• Ecobank	• All shall Pass Supermarket	• Kwadwo Opoku Adomako
• Stanbic Bank	• Opoku trading	• Sarfo Kantanka
• Fidelity Bank	• Vida Asamoah Ent	• Valentine Kpodo
• National Investment Bank	• Razmed Ent	• Kwadwo Appiah
• Ghana Commercial Bank	• Penny Market	• Adjei Jephthar
• SG-SSB	• Unique B.B Ent.	• Kingsley Otoo
• Zenith Bank	• Monshack Ent.	• Otoo Sam Caroll
• Standard Chartered Bank	• Evertex Computers	• Clement Obeng Darko

Researchers Field Survey, 2013

Ten banks, ten shops, and ten customers representing 33.3% respectively.

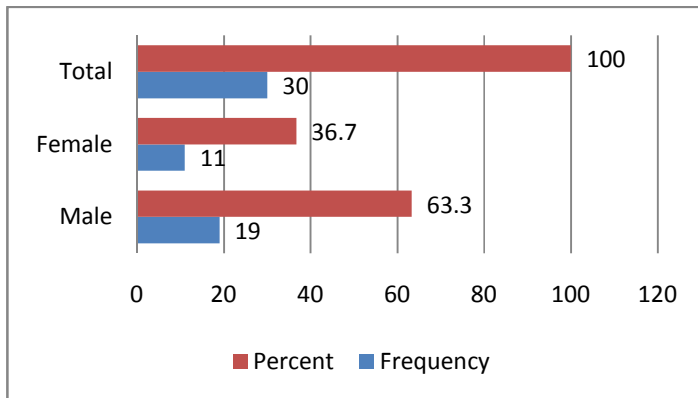
Figure 4.0: Educational Background of Respondents



Researchers Field Survey, 2013

The educational background of under graduates was 46.7% whilst O level/ A level/SHS was 33.3% representing 14 and 10 respondent respectively. Moreover the survey revealed 10% of post graduates and 6.7% of JHS and 3.3% of primary. From the above it can be said that majority of the respondents who patronize and use the e-zwich products are undergraduates.

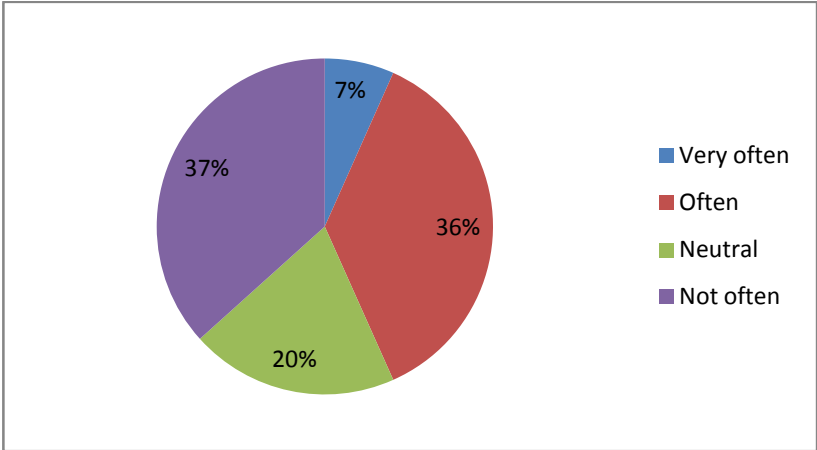
Figure4.1: Gender of Respondents



Researchers Field Survey,2013

It was observed by the researcher in his field of survey that male respondents contributed to 63.3% of the total respondent. This represents 19 respondents. However 11 respondents were female representing 36.7%.

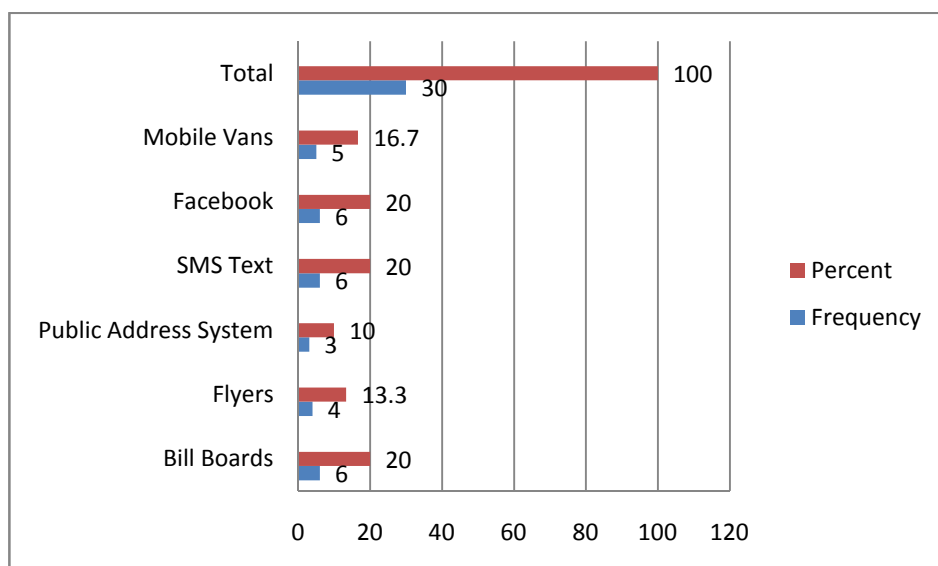
Figure 4.2: How often is e-zwich product advert heard?



Researchers Field Survey,2013

Surprisingly, there was a tie between respondents who have often heard the advert on the e-zwich products and respondents who have not. The researcher noted that 36.7% of the respondents confirmed that they often hear the advert on the e-zwich product whilst 36.7% of the respondents also admitted that advert is not often heard. Adverts were heard very often by just 6.7%of the entire respondents and 20% of respondents were neutral, they have neither heard nor heard.

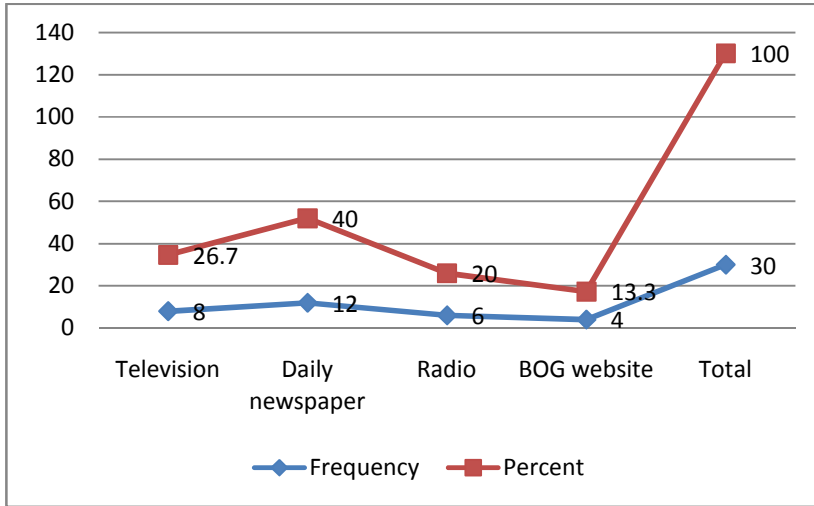
Figure 4.3: Other mediums of communication.



Researchers Field Survey, 2013

Most of the respondents were of the view that bill boards, SMS text messages and facebook are source of the media through which BoG/GHIPSS could use to communicate with its customers. From the above, 20% of each of the respondents choose the above media. On the other hand, 13.3% and 16.7% of the respondents were of the notion that flyers and mobile vans respectively could be used to communicate with customers. Only 10% of the respondents also made mention of Public Address system as a medium of communication in which BoG/CHIPPS can use to communication with customers and potential customers.

Figure 4.4: Most accessible e-zwich medium



Researchers Field Survey, 2013

Among the newspapers, radio, television and BoG website, the most accessible medium through which the e-zwich product was known was daily newspaper. Thus, contributing to 40% of the respondents moreover television and radio was also made up of 26.7% and 20.0% respectively. Nevertheless, 13.3% of the respondents made it known that the most easily accessible media was BoG website.

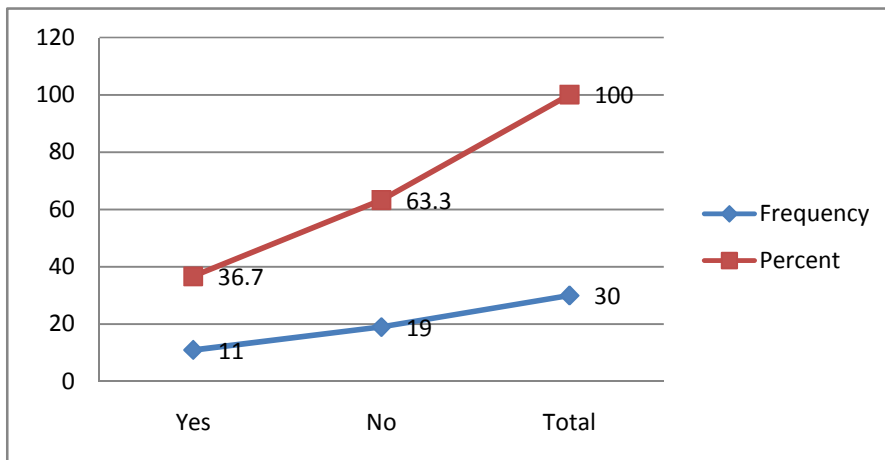
Table 4.1 Are the advert on e-zwich brand clearly identified?

	Frequency	Percent
Yes	4	13.3
No	26	86.7
Total	30	100.0

Researchers Field Survey, 2013

According to 86.7% of the population, the adverts on e-zwich were not clearly identified. However 13.3% of the respondents confirmed that they have clearly identified the advert on the e-zwich brand.

Figure 4.5: Does BoG website express information about e-zwich product?

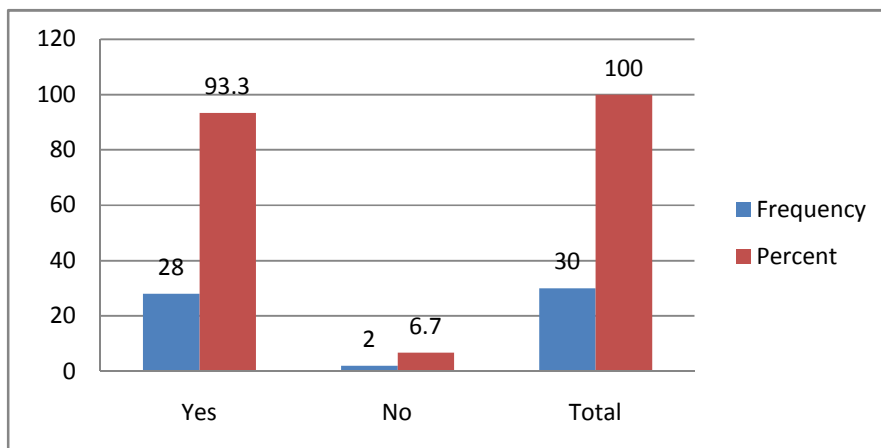


Researchers Field Survey, 2013

No, says 63.3% of the respondents, that BoG website does not express information about e-zwich product. In fact they stated that even if the website expresses information about the e-

zwich product, it was not clearly understood. Furthermore 36.7% of the respondents were of the view that the website of BoG expressed information about e-zwich product.

Figure 4.6: Advert seen on the use of e-zwich product.



Researchers Field Survey, 2013

It was palpable, from the respondents view point as 93.3% of the respondents have one way or other seen the advert on the use of e-zwich product. The remaining 6.7% of the respondents argued that they have not seen any advert on the use of e-zwich product.

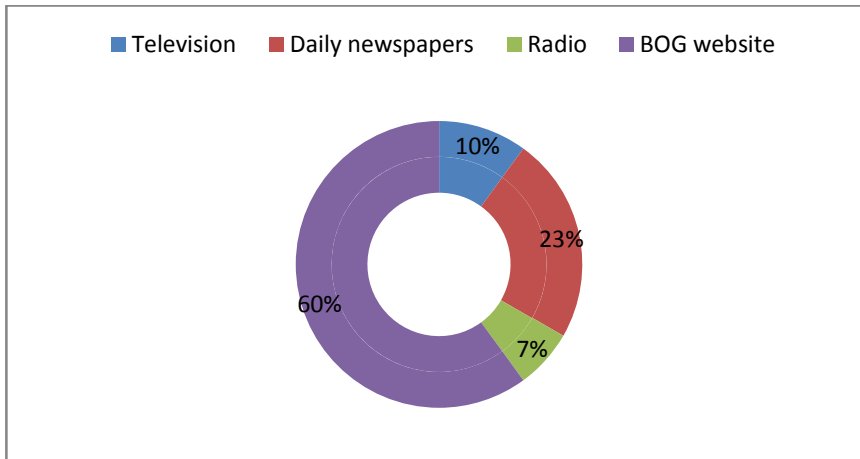
Table 4.2: Clarity of e-zwich adverts

	Frequency	Percent
Yes	21	70.0
No	9	30.0
Total	30	100.0

Researchers Field Survey, 2013

Certainly 70% of the respondents believed that the advert on e-zwich product was clear. Other respondents also disproved that the advert was not clear. These respondents were 30% of the entire population.

Figure 4.7: Sources of Information

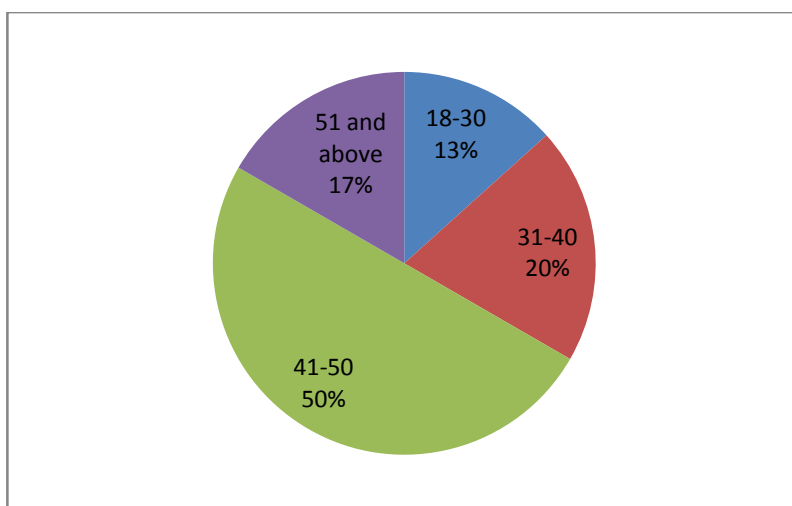


Researchers Field Survey, 2013

From the figure above, the respondents however establish that the medium by which the normally sources their information from was BoG website, since they believe it is the

official month piece of the central Bank therefore 60% of the respondents source their information, from BoG website. 23.3% of the respondents also source their information from their daily newspapers. Just 10% and 6.7% of the respondents source from television and radio respectively.

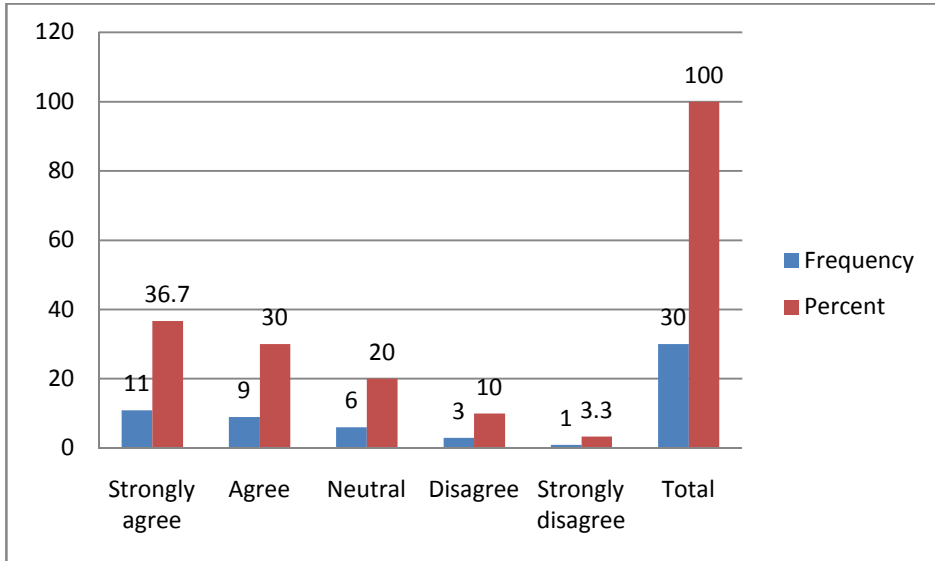
Figure 4.8: Age of respondents



Researchers Field Survey, 2013

From the above, respondents with the age range 41 years- 50 years contributes 50%, thus 15 respondents on the other hand respondents with the ages of 31-40 and 51 and above contributed 20% and 17% respectively. Only 13.3% of the respondents were between the age range of 18-30. This field survey testifies that e-zwich product is highly patronize by middle aged (41- 50) people.

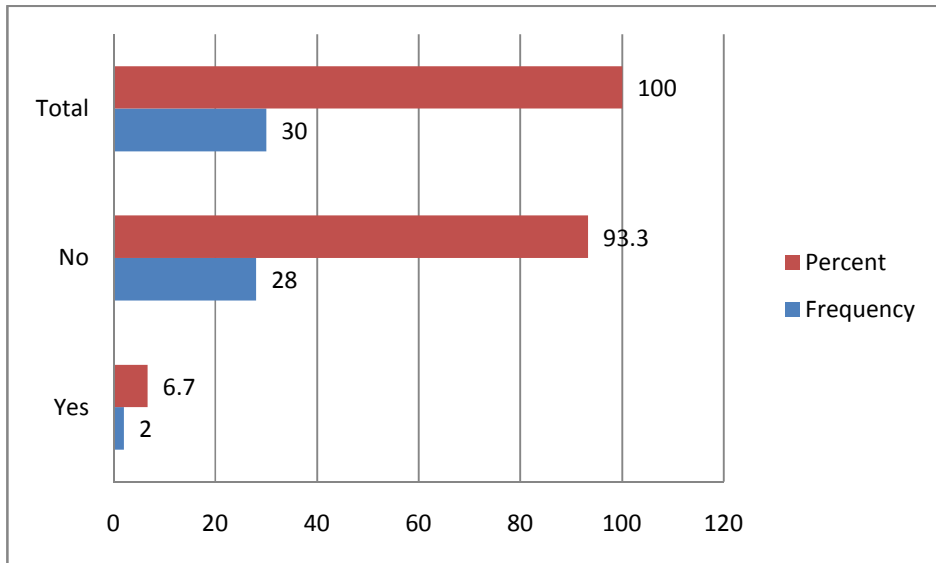
Figure 4.9: Awareness of e-zwich



Researchers Field Survey, 2013

Respondents were asked if they were aware of e-zwich product. The researcher noticed that 36.7% of the respondents strongly agree that they were of the product. 30% of the respondents also agree that they also had taken notice of the e-zwich product. 13.3% of the respondents also disagreed that they were aware of the e-zwich product. Surprisingly, 20% of the respondents neither agreed nor disagreed that they were aware of the e-zwich product.

Figure 4.10: Observation of promotional events held by BoG.



Researchers Field Survey, 2013

There has been no promotional event held by BoG on e-zwich product as confirmed by 93.3% of respondents. This shows that the remaining 6.7% of the entire population only observed promotional events held by BoG. From the figure above, the responses given by respondents were clearly observed by the researcher that there were no promotional events held by BoG on the e-zwich product.

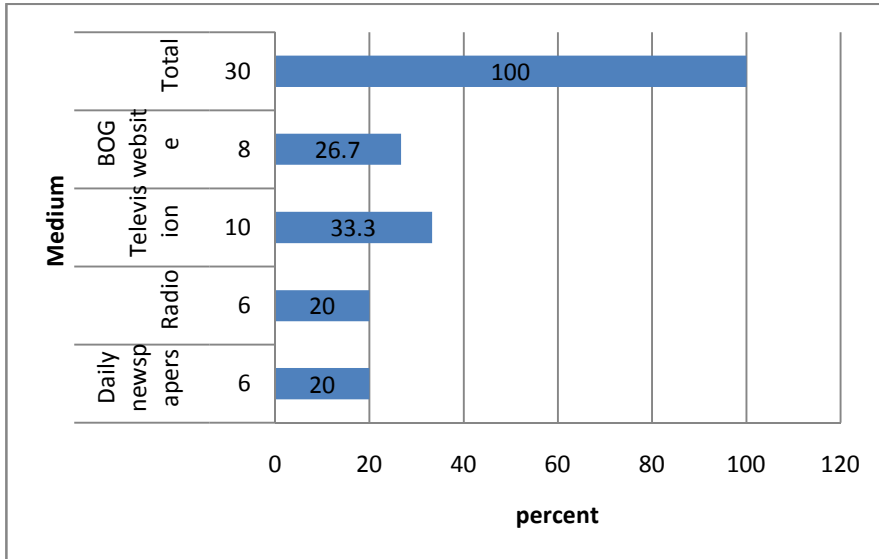
Table 4.3: Knowledge of BoG Commercial program

	Frequency	Percent
Strongly agree	1	3.3
Agree	2	6.7
Neutral	9	30.0
Disagree	12	40.0
Strongly disagree	6	20.0
Total	30	100.0

Researchers Field Survey, 2013

Bank of Ghana commercial programme is to intensify and create awareness of the e-zwich product, however it is surprising to note that 40% and 20% of the total respondents disagreed and strongly disagreed respectively of any knowledge on Bank of Ghana commercial program. On a more interesting note just 3.3% and 6.7% of the respondents strongly agreed and agreed respectively that they had knowledge of Bank of Ghana commercial program. 30% of the respondents had no knowledge of Bank of Ghana commercial program.

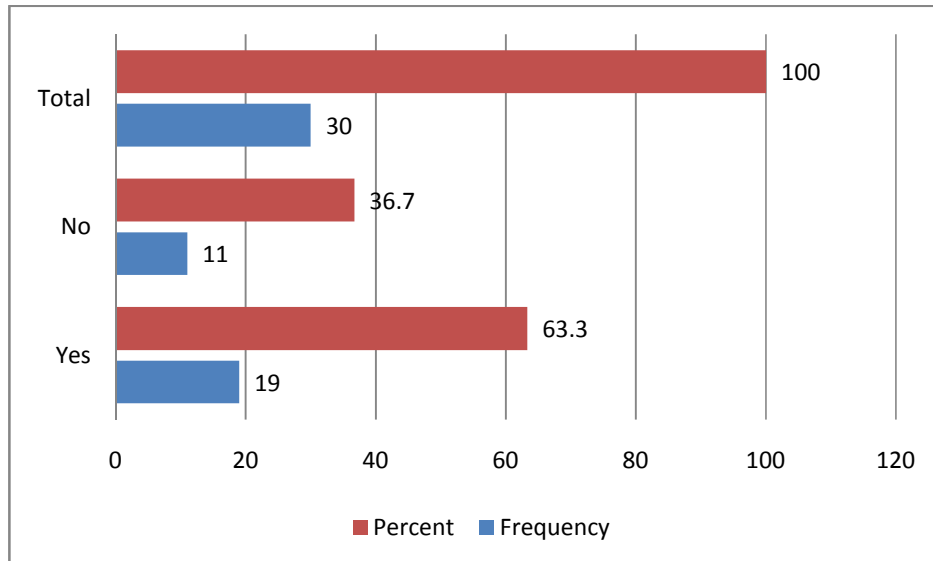
Figure 4.11: Mediums e-zwich product was known



Researchers Field Survey,2013

It was established that the e-zwich product was known through the following media: Daily Newspaper, Radio, television and BoG website. The most common medium through which the respondents got to know the e-zwich product was through television thus making 33.3% of the entire population. However, 26.7% of the respondents also made it clear that the e-zwich product was known through BoG website. 25% each of the respondents was made up of Radio and Daily Newspaper respectively.

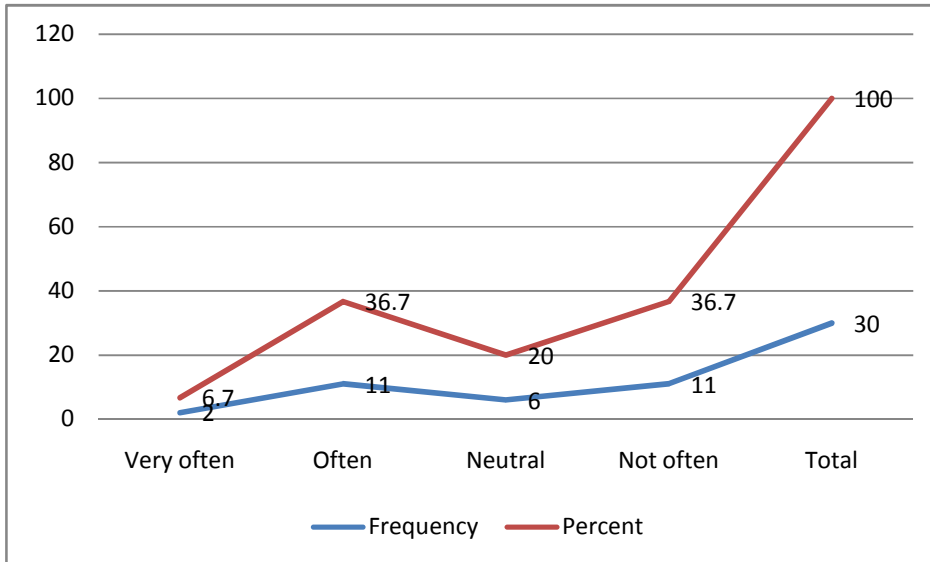
Figure 4.12: Understanding of e-zwich advert



Researchers Field Survey, 2013

Evidently, the e-zwich advert was easily understood clearly according to 63.3% of the respondents. It was not surprising that 36.7% of the respondents strongly believe that the advert on the e-zwich product was not easily understood.

Figure 1.13: Are advert on e-zwich product is often heard?



Researchers Field Survey, 2013

Surprisingly, there was a tie between respondents who have often heard the advert on the e-zwich products and respondents who have not. The researcher noted that, 36.7% of the respondents confirmed that they often hear the advert on the e-zwich product whilst 36.7% of the respondents also admitted that advert is not often heard. Adverts were heard very often by just 6.7% of the entire respondents and 20% of respondents were neutral, they have neither heard nor heard.

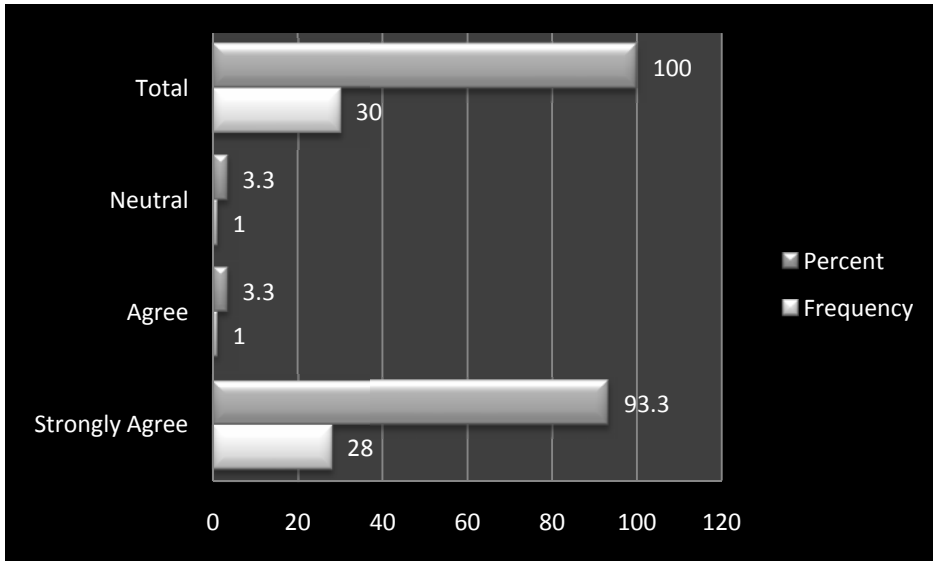
Table 4.4: Advertising e-zwich product is a good thing for BoG.

	Frequency	Percent
Strongly Agree	15	50.0
Agree	10	33.3
Neutral	5	16.7
Total	30	100.0

Researchers Field Survey, 2013

It is a good thing for BoG to advertise the e-zwich product, since its inception the product has little publicity. Therefore, over half of the population thus, 50% of the respondents strongly agrees that it was good for BoG to advertise the e-zwich product .Also 33.3% of the respondents agreed that advertising the e-zwich product is a good thing for BoG to do. The remaining 16.7% of the respondents were neutral, thus they neither attested that it was a good or bad thing for BoG to advertise to advertise the e-zwich product.

Figure 4.14: E-zwich advert will influence how I feel about it



Researchers Field Survey, 2013

From the researcher’s field survey, it was observed that 93.3% and 3.3% of the respondents strongly agreed and agreed that adverts on the e-zwich product would influence how I feel about it. From their submission, they made it clear that potential customers may also decide to trade with BoG for the e-zwich product. Only 3.3% of the other respondents were neither not in support nor support of the advert on e-zwich product.

Table 4.5: I am more likely to register for the e-zwich card

	Frequency	Percent
Strongly Agree	20	66.7
Agree	2	6.7
Neutral	6	20.0
Disagree	2	6.7
Total	30	100.0

Researchers Field Survey, 2013

It was obvious that most of the respondents attested that they are more likely to register for the e-zwich card. 66.7% of the respondents strongly agree that they are likely to register for the e-zwich card. Moreover, 20% of the respondents were neither likely to register for the e-zwich card nor not likely to register. The researcher also noted that 6.7% each of the respondents Agreed and Disagreed to the likely registration for the e-zwich card.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Summary of Findings

- I. That e-zwich product is known to few people. Therefore, there should be vigorous advertisement.
- II. There are other sources (medium) of communication that has not captured the attention of Bank of Ghana. Some of these medium are, Billboards, Facebook, SMS, Flyers and Public Address system on mobile vans.
- III. Promotion is a major medium in drawing the attention of both potential customers and customers on e-zwich product.
- IV. Adverts on the e-zwich product should show a clear reflection of what customers expects.

5.2 Conclusion

This study is about maximizing the patronage of e-zwich product of Bank of Ghana. The study also assessed the level of usage of e-payments in Ghana. The case study, e-zwich payment system is a domestic prepaid card or electronic purse. Despite the numerous benefits that electronic payments bring to the nation, banks and individuals, it also has its own challenges. The challenges can be categorised into four main groups thus, Security, Infrastructure, Legal & Regulatory issues as well as Socio-Cultural issues.

Security: Security is not an issue for e-zwich but may be an issue for debit cards which use PIN for authentication. e-zwich being a biometric smart card payment system is much

secured. Transactions are only authorised by the customer's finger print thus making it very secured.

Infrastructure: E-zwich uses the mobile networks available for connectivity. Some of the mobile networks have presence in most parts of the country thus facilitating a wider coverage for e-zwich. A recent project to connect all the rural banks to the central bank is also major booster for e-zwich. Discussions with the main stakeholders revealed connectivity issues when issuing e-zwich cards and making settlements for the day. Both of these activities are online activities and require connection using any of the mobile Telecommunication Network. Most e-zwich activities are offline thus reducing too much dependence on network connectivity. The implementation and support of the e-zwich infrastructure is expensive. However, the Bank of Ghana has provided adequate funding to GHIPSS for the e-zwich project. Although there are infrastructure challenges in terms of connectivity and cost, these are not very major.

Legal & Regulatory Framework: A legal framework for payments encompassing electronic payments currently exist. This is managed by the Bank of Ghana. This is not a challenge in Ghana.

Socio-Cultural issues: The high illiteracy rate coupled with a highly unbanked population requires more education for customers to understand and adopt e-payments. Furthermore, the population is used to cash and is reluctant to use e-payments. As the study revealed, this is the major challenge for e-zwich. Some of the banks also lack understanding and not

capitalising on the advantages of this platform. On the contrary, GHIPSS has also not responded in a timely manner to some of the requests from the banks.

Level of usage of e-payments: Cashless society in Ghana is picking up gradually. Products on the market include mobile money transfer, text and pay, cashless mobile phone top up service, debit card, credit card and the newest of all e-zwich smartcard. Most of the universal banks issue Debit cards. Debit Cards are used to withdraw money from Automated Teller Machines as well as make payment of purchases at Point of Sale outlets. It is important to note that only few restaurants and shops have established POS machines to perform transaction through debit cards.

Electronic payments in Ghana during the past few years have undergone significant progress, but are still paper-based. The outcome of the study somehow shows that cash transactions are still very dominant in Ghana. Shops visited indicate that e-zwich transactions are less than 1%. Nevertheless, Ghana has the basic infrastructure to implement any electronic payment especially offline payment systems.

The introduction of e-zwich may be a step in the right direction but more work and time must be invested into it to enable it achieve its objectives. It is estimated that e-zwich has introduced about 200,000 customers into the banking system in the last two and half years. If this trend continues then Ghana's objective of reducing the unbanked will be realized. Another major finding revealed that several initiatives have been taken by GHIPSS to reduce the unbanked population using e-zwich especially in the rural areas where the unbanked are mainly located.

5.3 Recommendations

There is the need to create more awareness to entice the unbanked people into the banking system. About 80% of the population is unbanked and issuing more e-zwich cards will automatically get more people into the banking system. GHIPSS and the banks must perform more education and advertisement on electronic payments so that the Ghanaian population will appreciate and use electronic products available. The use of cash comes with its own disadvantages and problems that electronic payments can eliminate. Cash and cheques must go through several processes which increases their risk of being lost or stolen. Such processes include transportation and counting. Most Ghanaians are not aware of the benefits of electronic payments and are therefore slow to adopt it. The banks must also be educated to promote e-payments; training programs for senior management of the banks will assist in achieving this. As a result of limited access granted to the banks to the e-zwich database, it is recommended GHIPSS respond to the needs of the banks in a timely manner.

The process of using e-zwich for remittances should be accelerated. As a developing country, money from this angle contributes a lot to our GDP. Experience has shown that leadership from within government is important in making electronic payments successful. According to a paper published by the Commonwealth Business Council, Dr. Ebeid (2004) decided to take action on economic modernization by launching a vision for modern payments in his country. It is recommended that the Government of Ghana provide the needed leadership and support for electronic payments. It is also further recommended that strategic segments of the economy be the subject of focus first especially the unbanked segment. In that way the vision of reducing the unbanked will be done gradually and systematically. Ultimately, there is the

need to consider a dedicated data network for e-zwich online transactions rather than rely on the mobile telecommunication networks.

QUESTIONNAIRE

CHRISTIAN SERVICE UNIVERSITY COLLEGE

SPECIALIZATION: B.A ACCOUNTING

The aim of this questionnaire is to maximize the patronage for e-zwich product of Bank of Ghana. This is undertaken purely for academic purposes and information given would be treated as confidential.

Section A

1. Gender Male Female
2. Your Age 18-30 31-40 41-50 51 and above
3. Educational Background
 - a. Below Middle Middle/JHS OL/AL or SSS
 - b. Undergraduate Postgraduate
4. Name of Bank/Merchant Shop/Individual/Customer

Section B

Please, consider the following statements:

1 means you strongly agree, 2 means you agree, 3 means you are neutral, 4 means you disagree, while 5 means you strongly disagree.

1. I am aware of the e-zwich product
2. I know of the BOG commercial program

Section C

1. How did you get to know about the e-zwich product?

- a) From daily Newspapers
- b) Radio
- c) Television
- d) BOG website

2. Which medium do you normally source your information from?

- a) Television
- b) Daily Newspapers
- c) Radio
- d) BOG website
- e) Please, specify others

3. Are there any other medium(s) you would prefer BOG/GHIPPS to use to communicate with customers?

4. Have you seen the advert on the use of the e-zwich product before?

- Yes No

5. Is the e-zwich advert clear?

- Yes No

6. Is the e-zwich product advert easily understood?

- Yes No

7. How often do you hear adverts on the e-zwich product on any of the medium above?

- Very often Often Neutral Not Often

8. Is brand or logo clearly identified with the adverts on the e-zwich product?

Yes No

9. Does the BOG website express the information about the e-zwich product?

Yes No

10. Have you observed any promotional event held by the BOG/GHIPPS on the e-zwich

product? Yes No

Section D

1 means you strongly agree, 2 means you agree, 3 means you are neutral, 4 means you disagree, while 5 means you strongly disagree.

1. Advertising the e-zwich is a good thing for BOG to do.
2. The adverts will influence how I feel about the e-zwich product.
3. I am more likely to register for the e-zwich card.

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