Mobile Payment Trust
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Abstract
The definition of Mobile Money varies across the industry as this includes a wide range of overlapping platforms and applications. The contribution of this work is to analyse the concept of Mobile Payment TRUST. Research findings of this work show that widespread innovation in customer-focused mobile payment solutions, especially by non-banks, is rising to meet the growing demand. This is where the ubiquity of mobile devices, technology and mobile network operators has exceeded the expectations and the demand of the unbanked people in developing countries.

1. Introduction
According to Ernst & Young (2009) “Mobile Money is a term describing the services that allow electronic money transactions over a mobile phone. For the aim of this research paper, Mobile Payment has been defined as a type of payment transaction processing in which the payer use mobile communication techniques in conjunction with mobile devices for initiation, authorization, or completion of payment (Pausttchi, 2008). There are two types of Mobile Payments: remote and proximity. Remote Payments can be
made anytime, anywhere, and do not require a Point of Sale (POS) terminal. Remote Payments may be Person to Person (P2P) or Person to Business (P2B) payments. Where the Proximity payment require the installation of Near Field Communication (NFC) (Becker, 2007). By transaction targets, mobile payments can be classified into person to person (P2P) payments, and customer to business (C2B) payments; by communication range, mobile payments can be categorized into remote payments and proximity payments (Wang, 2012).

In this context, this work examines Mobile Payment TRUST. Rest of this work is organized as follows. Section 2, presents related work, the focus of section is to examine TRUST in Mobile Payment whilst conclusion and future work is given in section 4.

2. Related Work
According to the United Nations (UN) Information Economy Report (2010), the potential of Information and Communication Technology (ICTs) to contribute in the fight against poverty and the adoption of mobile phones for the unbanked poor people in urban and rural areas are key tools to advance their commercial activities. This is in an agreement with Bill and Melinda Gates Foundation Report (2013), the report high lights in its key findings that digital payment systems such as mobile payments/mobile money and direct electronic account deposits offer the highest potential for financial inclusion and extend reach to lower income consumers. In a recently published report by the (CGAP)Consultative Group to Assist Poor (2013), indicates that technological innovations, in particular mobile phones, promise to reach more people than ever at lower transaction costs with a broader range of products. The most iconic example of this development
is M-PESA in Kenya, which by now has 16 million registered users. This is also underlined by Duncombe and Boateng (2009) the potential of mobile phones and technology to help meet the financial services has been driven by the rapid expansion of networks into the un-served regions and communities in the developing countries. Furthermore, The World Bank’s Global Financial Inclusion Database (Findex) (2012) recently reveals that Somalia as one of the most active Mobile Payment markets: 26% of the population whose age is 15 and above use Mobile Payment to pay bills, the study indicates this figure as the highest in the World, and 32% of the population also send and receive money. According to Pénicaud & McGrath (2013) in order Teleseom Zaad to transform its vision of financial inclusion into reality, Telesom has built Mobile Money ecosystem strategy that addresses two issues faced by the mobile money service providers in the world: getting money into the system and then keeping it there. Klapper and Kunt (2012) emphasises that 23% of adults in the Africa region have an account, the study reveals that a growing number of these people are using mobile payments as a new alternative to traditional banking this has allowed people who are otherwise excluded from the financial system to perform financial transactions relatively cheaply, securely and reliably. Abbot (2012) suggests that although the statistics of people who are excluded from the financial systems look dire in Africa, however, it also offers massive potential to both banks and ingenious business to break the barriers that stop people to have viable financial inclusive strategy.

3. Mobile Payment Trust
According to (McKnight, et al., 2002), most scholars define trust according to their specific
disciplinary point of view. Psychologist defines trust as a tendency to trust others (Rotter, 1971). Social psychologist defines trust as cognition about trustee (Rempel, et al., 1985). Trust represents and reflects the willingness of a party to be vulnerable on the basis of positive expectation toward another party's future behaviour (Mayer, et al., 1995). According to (Whitener, et al., 1998) a trusted relationship presumes that the trusted party will act and behave benevolently; also one can't control or force the other party to fulfil this expectation; and there is a certain level of dependency between a trustor and trustee. According to (Zahedi & Song, 2008), trust encompasses three dimensions: ability, integrity and benevolence. Furthermore, (Zhou, 2014) argue that ability is the intangible asset of a service provider which is necessity to fulfil their tasks, integrity means service providers should thrive to show their trustworthy by keeping their promises and never deceive service users, benevolence means that service providers should always put the interest of service users before their benefit.

There are three entities in Somalia's MP: a mobile service provider (Telesom, Golis, etc.), a mobile payment vendor (agents) and mobile network technology (3G, 4G, system quality, network quality, etc.) (Xin, et al., 2013). This is in agreement with (Xin, et al., 2013), who emphasises that in order to have a successful implementation of a MP system, it's imperative for MP service providers to holistically understand how consumers develop trust. (Chandra, et al., 2010), suggests and proposes a theoretical model that has two dimensions of consumer trust characteristics in mobile payment systems, which are
MP service providers, and mobile technology.

3.1 Mobile Payments’ Service Providers’ Reputation

Firm reputation is the consumers’ believe that a company is honest and concerned about its customers (Doney & Canon, 1997). (Jin, et al., 2008), highlights in their paper that firm reputation has been frequently suggested as a critical factor which contributes consumer trust. This is in an agreement with (Lohse & Spiller, 1998), as they suggest in their study that a good reputation furnishes assurance of a firm’s ability, integrity and a good will, consequently helping increase trust even when consumers do not have no knowledge of the service providers company. Moreover, (Anderson & Weitz, 1989), presents that a service provider’s reputation has a profound effect on consumer’s confidence in the firm. This is an agreement with (McKnight, et al., 1998) as he stresses that the importance of a firm’s website has been definitely linked with the firm’s perceived capability thus increases a consumer’s confidence in the firm even without prior business engagement.

According to the result of their study (Xin, et al., 2013), highlight that consumers’ perceived reputation of the mobile service provider and MP vendor positively relate to MP trust. Perceived reputation of mobile service provider (RMSP) has been defined as the extent to which consumers believe in the mobile payments service providers’ competency, honesty, and benevolence (Chandra, et al., 2010, p. 565). Nevertheless, whenever consumers do not have previous experience with a firm, they solely relay and depend on the reputation of the firm in order to decide its trustworthiness (McKnight, et al., 1998).
3.2 Mobile Payment System Quality
According to (Chen, 2010) system quality is the measure of information processing system itself. Furthermore, "system quality depends on three factors: accessibility, interactivity, and ease of use. Accessibility refers to access speed and system availability, which are adopted as a measure of system quality. Interactivity is another term of system quality" (Chen, 2010, p. 310). This is in agreement with the statement by (Kim, et al., 2004), which he highlighted in his study to examine the effect of initial trust on mobile banking user adoption, that system quality reflects the access speed, ease of use, navigation and appearance of mobile banking. System quality may also affect user's trust, specially, when users use a mobile payment system with poor system quality, users may feel that service providers lack the ability and integrity to provide quality systems to them (Zhou, 2014). Hence, this may result their lack of trust in mobile payment systems. Previous studies have recognized the effects of system quality on user's trust in infomediaries (Song & Zahedi, 2007) also in mobile commerce technologies.

3.4 Mobile Payment Vendor
According to the unbanked commercial financial services are exploiting and capitalising new opportunities to make money delivering financial services to unbanked people, instead of using bank branches, ATMs, and field officers, they offer banking and payment services through postal and retail-outlets, including grocery stores, gas-stations, as well as pharmacies (Lyman, et al., 2006). Mobile payment vendors refer to merchants that offer products or services along with a MP option" (Xin, et al., 2013, p. 5). According to (Gefen, 2002), vendors' trust in
electronic commerce encompasses of three things, which are: competency, integrity, and benevolence. Moreover, highlights that customers' reluctance to use MP services, if they do not believe that their money will be in safe hands, they have also mentioned the risk of fraudulent financial service, although, this has been small scale, nevertheless, they stressed that no matter what degree of trust customers have in their MP service provider, they will always need to feel comfortable with the local representative (vendors/agents) of that firm (Davidson & Leishman, 2010).

3.5 Mobile Payment regulations and Structural assurance (Loayza & Serven, 2010, p. 2) Defines regulations "as a set of rules that can constrain the action of economic agents in (true or purported) pursuance of social goals. Such goals may range from health and safety to environmental protection, job security, and social equity". Under such circumstances, economic agents may not fully incorporate the social costs and benefits of their actions, and this is where an adequate market regulation that can raise social welfare comes into play (Loayza & Serven, 2010). The role of an effective regulatory body in promoting economic growth and development has attracted and generated considerable interest amongst researchers and practitioners in recent years (Jalilian, et al., 2007). As a result, regulation may be biased in favour of special interests (Loayza & Serven, 2010), view scholars stressed the "regulatory capture" and one of them is Jean-Jaques Laffont, who developed a theoretical framework for regulation in developing countries. According to (Laffont, 2001) Regulatory contracts suffer in less developed countries (LDCs) from a severe lack of enforcement, nevertheless, he suggested that a good set of lawyers may transfer this institutional knowledge quite
easily (if not cheaply), however, Laffont clearly links the failure and obstacles of regulations at the application and enforcement level as it’s much more difficult to enforce them, because of the lack of financial and technical resources, because of the corruption of enforcement institutions, and because of the weak bargaining position of regulators.

This an agreement with (Estache & Wren-Lewis, 2009) that the policymakers and advisors are in a difficult position to understand and find that the framework of traditional regulatory theory, elaborated and applied in the developed World is of much more difficulty to apply in developing countries than anticipated ten or fifteen years ago. This may also turn to be a bargaining chip and sort of “political capture” which distorts the regulatory goals to pursue political ends (Stiglitz, 1998).

“Regulations that are introduced to correct market failures such as economies of scale, asymmetric information, externalities or others have some positive impact as they enhance economic efficiency” (Frontier Economics, 2012, p. 12).

According to (International Labour Organisation, 2010) like in many developing countries Somalia’s micro, Small, and Medium Enterprises form the biggest part of the private sector, most of these enterprises are indigenously owned and family run business due to lack of access to market and finance these MSME rarely grow beyond medium scale level. Therefore, business conduct regulations and legislations for market access, competition, consumer protection for dispute resolution procedure have to be taken into consideration when it comes to the Technology-enabled Mobile Payment financial services. Klein & Mayer (2011, p. 10) defined business conduct regulations as
specific form of regulations which “encompasses such fields as consumer protection and anti-money-laundering measures. There may be specific disclosure rules and sanctions in case of breach of rules - business conducts regulations tend to have relatively well defined rules and processes with limited regulatory discretion”.

According to Proceedings by India-Africa economic cooperation fund (2012) operating in a transformational branchless banking environment requires a sound regulatory framework which currently does not exist in many African and Asian countries, the proceedings highlights that although many Asian and African countries have issues legislations and legal acts on regulation of banking and payments systems, nevertheless, the acts have been inadequate in addressing issues surrounding the method in which non-bank third parties agents conducts cash transactions on behalf of Mobile Financial Services (MFS) providers, as well as defining less strict “Know Your Customer” (KYC) requirements and the protection of the funds deposited in accounts, account provision and Bank settlements. This is also suggested by Simpson (2014) that there are issues surrounding weather Mobile Payment services should be bank led model as South Africa and India or more diverse as in Philippines where MP and banks have worked in partner-ship through small retailers as agents.

Furthermore, in his policy briefing report published by consumer international, Simpson (2014) highlights certain consumer protection issues that have been brought to Consumer International attention by members and industry colleagues. The study, emphasises consumer protection issues such as lack of tangible proof of payments (e.g. receipts), lack of technology standards, no independent
ombudsman (e.g. the MP seem to be a “no man’s land” where it would be both the judge and party in case of dispute), dormant asset and accessibility.

4. Conclusions and Future Work
This work examines the concept of mobile payment trust. The findings of this work show that Trust plays a key role in social economy economic interactions particularly when making important decisions or adopting new technologies, it also could reduce uncertainties and perceived risks. The future research will analyse Mobile Payment Landscape. The findings of future research will be contributed with the ongoing research in this area.

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