



Mobile Payment Systems in Tanzanian Marketplaces: Dynamics and Financial Inclusion Effects

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Abstract

Mobile payment systems have become increasingly prevalent in various markets across Africa, including Tanzania, where they offer innovative solutions to traditional financial services delivery. The research employs a mixed-methods approach, combining quantitative data from transaction records with qualitative insights gathered through interviews and focus group discussions among market vendors and consumers. Transaction volumes in mobile payment systems have grown by an average of 20% annually since the introduction of these services, indicating a strong acceptance rate across various market sectors. This growth is particularly evident in rural markets where traditional banking infrastructure is limited. Mobile payment systems are playing a crucial role in enhancing financial inclusion in Tanzanian marketplaces, especially for underserved populations such as small-scale traders and farmers who previously lacked access to formal financial services. Governments and financial institutions should continue to support the development of mobile payment ecosystems by investing in technology infrastructure and promoting digital literacy initiatives. Additionally, they should explore ways to integrate these systems with existing banking networks for broader coverage. Model estimation used $\hat{\theta} = \underset{\theta}{\operatorname{argmin}} \{ \theta \} \operatorname{sumiell} (y_i, f\theta(\xi)) + \lambda | \operatorname{Vert} \theta | \operatorname{Vert} 2^2$, with performance evaluated using out-of-sample error.

Keywords:

*African
Marketplace*

Geographic

Terms:

Methodological

Data

Mobile

Transaction

Terms:

Mining

Payments

Analysis

Theoretical

Financial

Payment Systems Dynamics

Concepts:

Inclusion

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