

Mobile Phones and Business in Tanzania

Language Level: Intermediate and Advanced Swahili

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Abstract:

Tanzania is the second largest mobile communications company in East Africa. Mobile phone technology in Tanzania continues to grow not only for social communications but also for business purposes. COVID-19 played a significant role in the growth of cellphone use for business. The curfew during COVID made people reduce their mobility, which increased the use of their mobile phones in order to buy items from vendors. Mobile money service commonly known as M-pesa was first introduced in Kenya 2007 through their largest phone company known as Safaricom. In 2008, M-Pesa became famous in Tanzania through vodacom phone company and later to other phone companies such as Tigo, Airtel, Halotel, Zantel, TTCL etc.

Case (English):

- Introduction / Opening: Victor Munisi is an M-Pesa local agent of Vodacom company. He deals with mobile phone transactions that include withdrawing and depositing money through mobile phones. He relies on monthly transactions to earn his commission from the mobile phone company(Vodacom). Victor is a high school graduate. He acquired his skills and knowledge of business from the Vodacom training. After the training he received a special mobile sim card for money transactions. For Victor to start his business he needed to deposit his own money to this chip and have cash with him as well for transactions.
- Background: Vodacom was created in late 1999 as a subsidiary company of Vodacom based in South Africa. Vodacom Tanzania was a joint venture between the Vodacom Group from some African countries. Vodacom Tanzania became the largest mobile operator in Tanzania, in which 35% is owned by Tanzanians. Vodacom gains its popularity over other phone companies by providing the best communication services in remote areas in Tanzania. Due to its rapid growth, there are agents all over the country providing mobile phone and money services to its customers
- Problem faced / Challenge / Decision Point: Although Vodacom has the best services in the country, there are times when the internet is low and therefore, there will be no mobile money services or registration during these times. There are areas in the country where the network is not available to this moment. As a result, Victor cannot serve all his customers. There are days where Victor will not have cash to start his transactions. Although he can get money from the main agents, it takes him time and money to travel.

➤ Case text

Mr. Victor Munisi is a high school graduate who lives in Dar es Salaam Tanzania. In 2009 he graduated from Moshi Technical high school with Physics, Chemistry and Biology. Unfortunately, his scores were not enough to receive a government loan to join a University. His parents could not afford to pay for his college education either. He stayed in Moshi for one year helping his parents on their family farm.

In 2011, he decided to move to the big city, Dar es salaam to live with his uncle who is a businessperson. His uncle owns a fabric store in Kariakoo market in Dar es salaam. While helping his uncle with the business he read in the national newspaper that Vodacom was searching for agents in Dar es salaam. He quickly applied and he was scheduled for an interview within a week. Lucky enough, he got the position and he received a one week training. Victor realized that in order to start working as an agent he had to have a capital of at least three million (3,000,000) Tanzanian money (1,282.90 USD). He also needed to secure a good location for the business. Victor shared this opportunity with his uncle who decided to support him with the money and location. His uncle agreed to loan him the money and also his store pation as a location, where he can register his business. Victor provided the location to the Vodacom phone company and they approved him to become one of their agents. After the approval, Victor received a special phone chip from Vodacom for money transactions. He also created posters and fliers at his uncle's store that show that they also provide mobile money services.

To start his business Victor had to deposit 1.5 millions (641.45 USD) in Tanzanian money to his special chip and keep the rest of the money as cash. The balance in the chip is for customers who want to deposit money or send it to other people such as family members while the cash is for withdrawing. In every transaction there is a fee that is set by the Vodacom company. The more the transactions the more the commission he receives from the company.

Victor used his uncle's business as an opportunity to connect and build a network of his customers. When COVID-19 hit, he started delivery services where his customers would call him and place orders of what they wanted from the store as well as from the market. The customers would send him the payment through the mobile money service. He then will pay for the items and ask the *bodaboda* or *Bajaj* drivers to deliver the goods. *Bodaboda* and *Bajaj* are motorcycle services used as taxis in East Africa. His business grew very fast. He also had a good relationship with his customers who ended up to be friends and most of all he is appreciated for the support he provides especially for people who are unable to leave their homes. This service serves people from the hustle of transportation in Dar es salaam as well as their time.



Bajaji in Tanzania



Bodaboda in Tanzania

Recently, Vodacom has experienced competition from other mobile phone company providers such *Tigo*, *Airtel*, *Halotel* and *Tanzania Telecommunication Corporation Ltd (TTCL)*. For Vodacom to remain a competitor it needs to offer services of high quality such as high speed internet, wider network coverage and less transaction fee compared to other companies. Vodacom manages to sell their products through radio and television broadcasting and keeping customers informed about new products, promotions, or free offers such as

internet, calling and text messages. The network has also expanded from 3G to 4G. The more the company improves its services the more it benefits its agents due to the fact that they receive more customers. Apart from its attraction to customers, the company aims at promoting a healthy planet by reducing the size of recharging voucher paper. It also encourages digital transactions and registrations to avoid the use of paper. It also abides with the country's policy that bans the use of plastic papers and recycling old devices from customers.



Vodacom main office in Dar es salaam (Source:<https://www.bobland.info/YNWA/2016/10/vodacom-tanzania-offers-free-online-services-to-subscribers/>)

Although Vodacom remains the leading phone company in Tanzania, Victor is facing a number of challenges. Due to its competitors and the post-covid period, Victor has less customers to his location. He finds himself earning less money from his commission due to increased government tax and transaction fees that involve all mobile phone companies.

Victor struggles with the issue of dis-honest and fraud during money transactions and good delivery. There has been text message phishing, where Victor finds himself sending money to strangers. On rare occasions the *Bajaj and Bodaboda* drivers will not deliver goods and will never show up to him. This happens when the drivers want to leave the job and will change their phone numbers so that it becomes hard to trace them. It should be noted that the law enforcement takes a lot of time in Tanzania. It involves money and time.

Victor is confused on how his business that he has been doing for about 10 years is not giving him the dream he had. In 2021, he tried to open another location, where his wife was in charge but that failed because of the government tax, rent and lack of customers. He tried to contact Vodacom to see if he can get any support or if they could change their policy but all his efforts were unsuccessful.

Case (Swahili):

Bwana Victor Munisi ni **mhitimu**¹ wa kidato cha sita **anayeishi**² Dar es Salaam Tanzania. Mwaka 2009, Victor alihitimu kidato cha sita katika shule ya sekondari ya Moshi Technical ambako alisoma Fizikia, Kemia na Biolojia. Kwa bahati mbaya, **matokeo**³ yake hayakufikia **kiwango**⁴ cha kupata **mkopo**⁵ wa **kujiunga**⁶ na chuo kikuu. Pia, wazazi wake hawakuweza kumlipia masomo ya chuo kikuu. Baada ya kuhitimu alikaa nyumbani na wazazi wake akiwasaidia shughuli za shamba.

Mwaka 2011, aliamua kuhamia mji mkubwa, Dar es Salaam kuishi na mjomba wake ambaye ni **mfanyabiashara**⁷. Mjomba wake **anamiliki**⁸ **duka**⁹ la vitambaa katika soko la Kariakoo ambalo liko Dar es salaam. Wakati akimsaidia mjomba wake kazi za dukani alisoma kwenye **gazeti**¹⁰ la taifa kwamba Vodacom wanatafuta **mawakaka**¹¹. Victor alituma **maombi**¹² haraka na **alifanikiwa**¹³ kuitwa kwa **usahili**¹⁴ ndani ya wiki baada ya kutuma maombi. Kwa bahati nzuri alichaguliwa na kupata **mafunzo**¹⁵ ya wiki moja. Ili kuanza azi hii Victor alihitaji kuwa na sehemu nzuri kwa ajili ya kufanyia **biashara**¹⁶ yake. Victor **alimshirikisha**¹⁷ mjomba wake, na mjomba wake aliamua kumsaidia **mtaji**¹⁸ na sehemu ya kufanyia biashara. Mjomba wake alikubali **kumkopesha**¹⁹ fedha na sehemu ya duka lake kama mahali pa kufanyia biashara. Victor alipewa kadi ya simu kutoka Vodacom kwa ajili ya kufanya **miamala**²⁰. Pia alitengeneza **mabango**²¹ kwenye duka la mjomba wake yaliyoonyesha wanatoa hudama za miamala ya simu.

Victor aliamua kuweka kiasi cha milioni 1.5 za kitanzania kwenye laini yake maalumu ya Vodacom na kuacha fedha zilizobaki **taslimu**²² kama kianzio cha biashara yake. Salio aliloweka kwenye laini yake ya voda ni kwa **wateja**²³ wote wanaohitaji kuweka pesa au kuwatumia watu wengine kama wanafamilia, ndugu na jamaa. Fedha taslimu ni kwa wateja wanaotaka kutoa pesa. Kwa kila muamala kuna **gharama**²⁴ zilizowekwa na Vodacom. Jinsi anavyofanya miamala mingi ndivyo anavyapata pesa kama **mshahara**²⁵ au kamisheni yake kutoka Vodacom.

Victor alitumia biashara ya mjomba wake kama **fursa**²⁶ ya kutangaza na kupata wateja wake. Wakati wa korona, alianza kufanya biashara kwa njia ya simu, ambapo wateja wake walimpigia simu na kuagiza bidhaa au chochote walichohitaji kutoka sokoni. Baada ya hapo hulipia gharama za bidhaa na Victor hutumia bodaboda au bajaji kupeleka bidhaa kwa mteja husika. Wateja wake humtumia pesa kupitia miamala ya simu. **Bodaboda**²⁷ na **bajaji**²⁸ ndio hutumika kama taksi kwenye nchi za Afrika Mashariki. Biashara yake ilikua kwa haraka. Alipata marafiki na pia watu walimsifu sana kwa msaada alioutoa, hususani kwa watu ambao hawana uwezo wa

¹ mhitimu - graduate

² anayeishi - who lives

³ matokeo - results

⁴ kiwango - standards

⁵ mkopo - loan

⁶ kujiunga - to register

⁷ mfanyabiashara - businessperson

⁸ anamiliki - he/she owns

⁹ duka - store/shop

¹⁰ gazeti - newspaper

¹¹ mawakala - agents

¹² maombi - application

¹³ alifanikiwa - he succeeded

¹⁴ usahili - interview

¹⁵ mafunzo - training

¹⁶ biashara - business

¹⁷ alimshirikisha - he/she involved him/her

¹⁸ mtaji - capital

¹⁹ kumkopesha - to lend him

²⁰ miamala - transactions

²¹ mabango - posters

²² taslimu - cash money

²³ wateja - customers

²⁴ gharama - expenses

²⁵ mshahara - salary

²⁶ fursa - opportunity

²⁷ bodaboda - motorcycle used as taxi in East Africa

²⁸ Bajaji - tricycle used as taxi in East Africa

kutoka nyumbani kwao kwa sababu za kiafya au **majukumu**²⁹ mengine. Huduma hii husaidia sana watu kuepuka usumbufu wa **usafiri**³⁰ jijini Dar es salaam na pia huokoa muda.

Kwa sasa Vodacom inapata **ushindani**³¹ kutoka kwa **mitandao**³² mingine ya simu kama Tigo, Airtel, Halotel na Tanzania Telecommunication Corporation Ltd (TTCL). Ili Vodacom ibaki kwenye ushindani inahitaji kutoa huduma nzuri zaidi kama vile intaneti ya kasi, mtandao kupatikana kila mahali nchini na gharama nafuu ya kutuma na kupokea miamala. Vodacom hutangaza bidhaa zao kupitia matangazo ya redio na televisheni na pia huwajulisha wateja wake kuhusu **bidhaa**³³ mpya, ofa za punguzo la bei au ofa za bure kama intaneti, muda wa kupiga simu na meseji. Mtandao umekua kutoka 3G mpaka 4G. Jinsi kampuni inavyoboresha huduma zake ndivyo inavyofaidisha zaidi mawakala wake kwa kuwa watapokea wateja zaidi. Mbali na kuvutia wateja, Vodacom inalenga kulinda mazingira kwa kupunguza ukubwa wa vocha za karatasi. Pia inahamasisha huduma za kidigitali za **kujisajili**³⁴ ili kuondoa matumizi ya karatasi. Na pia inafuata sheria ya nchi inayozuia matumizi ya mifuko ya plastiki na **kuchakata**³⁵ vifaa vya zamani kutoka kwa wateja wake.

Ingawa Vodacom imebaki kuwa mtandao unaoongoza Tanzania, Victor amekumbana na **changamoto**³⁶ mbalimbali kutoka kwa washindani wake. Victor ana wateja wachache kwenye sehemu anayofanyia biashara. Amekuwa akipokea mshahara mdogo kutoka Vodacom kutokana na kupanda kwa **kodi**³⁷ na gharama za miamala ya simu.

Victor amekumbana pia na wateja wasio waaminifu wakati anapofanya miamala na kutuma bidhaa. Amekuwa akitumiwa mesegi za uongo zilizomfanya atume pesa kwa watu asiowajua. Na wakati wingine madereva wa bajaji na badoboda hawakufikisha **mizigo**³⁸ sehemu husika na **kutoweka**³⁹ kabisa asiwaone tena. Hii hutokea kama dereva anataka kuacha kazi na hubadilisha hadi namba ya simu ili iwe vigumu kupatikana. Ikumbukwe⁴⁰ kuwa ufuatiliaji wa wahalifu unaweza kuchukua muda mrefu nchini Tanzania. Ufuatiliaji unaweza kuhusisha matumizi ya pesa na pia muda mrefu hadi kumpata mhalifu.

Victor anashindwa kuelewa inakuwaje biashara aliyoifanya kwa takribani miaka 10 inashindwa kutimiza ndoto zake. Mwaka 2021 alijaribu **kufungua**⁴¹ biashara katika eneo lingine ambapo mke wake alikuwa **msimamizi**⁴² lakini hakufanikiwa kwa sababu ya **ushuru**⁴³ wa serikali, kodi ya eneo na pia wateja wachache. Alijaribu kuwasiliana na Vodacom ili kuona kama wangeweza **kusaidia**⁴⁴ au **kupunguza**⁴⁵ sheria zao lakini ilishindikana.

²⁹ majukumu - responsibility

³⁰ usafiri transportation

³¹ ushindani - competition

³² mitandao - networks

³³ bidhaa - goods

³⁴ kujisajili - to register

³⁵ kuchakata - to recycle

³⁶ changamoto - challenges

³⁷ kodi - rent

³⁸ mizigo - packages

³⁹ kutoweka - to vanish

⁴⁰ ikumbukwe - it should be noted

⁴¹ kufungua - to open

⁴² msimamizi - supervisor

⁴³ ushuru - tax

⁴⁴ kusaidia - to help

⁴⁵ kupunguza - to reduce

Exhibits / Additional Resources:

Vodacom commercial in Tanzania; www.youtube.com/watch?v=0G0yDsERwzE

Vodacom commercial in Tanzania; www.youtube.com/watch?v=0G0yDsERwzE

M-Pesa Tariffs and Charges:

<https://jobsintanzania.org/mpesa-charges-and-tariffs-in-tanzania/>

Learning Objectives:

1. To be able to explain about mobile phone transactions in Tanzania and know how they are operated and started.
 2. To explain what things are needed to be a Vodacom agent.
 3. To explain how the government of Tanzania will benefit from Vodacom with lower taxes on mobile phone transactions.
 4. To compare mobile money services in Tanzania with their own experience.
 5. To use the new vocabulary in sentences.
 6. To write a summary of Mobile money service in Tanzania.
 7. To compare money transactions in Tanzania and your society.
 8. To write strategies that can improve mobile money services in Tanzania.
 9. To create a commercial that will advertise your business strategy.
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Learning Activity:

1. Use the vocabulary provided to construct sentences.
 2. Find at least five new words to you that are not included in the vocabulary list. Bring their meanings and how they can be used in a sentence.
 3. Write a paragraph about what you think is interesting from Victor's story.
 4. What can you say about the mobile phone transaction business in Tanzania, how does it differ from the US?
 5. What changes should Vodacom make on M-pesa to attract more customers?
 6. Can Victor benefit more from the mobile phone money business, how and why?
 7. How can Vodacom attract more customers with less transaction fees to compete with companies?
 8. Create a commercial that will help Vodacom to attract more customers.
 9. Due to the high growth of technology, there are various ways of sending and receiving money apart from bank systems. How can mobile phone money keep up with all these new technologies?
 10. How can Victor secure his business from scammers and attract more customers in order to earn more money for his commission?
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Lesson Plan:

- Lesson 1: In groups of three to four use the vocabulary provided to construct sentences. Share your sentences in class.
- Lesson 2: Find at least five new words to you that are not included in the vocabulary list. Bring their meanings and how they can be used in a sentence. Write a paragraph about what you think is interesting from Victor's story.
- Lesson 3: In groups discuss the mobile phone transaction business in Tanzania. How does it differ from your society? Explain. Be sure to write down your ideas.
- Lesson 4: Write a letter to Victor telling him your suggestions to his business. Is there any way he can benefit more from the mobile phone money business, how and why?
- Lesson 5: In groups discuss changes that you think Vodacom phone company could do to attract more customers with less transaction fees in order to compete with companies.
- Lesson 6: Create a commercial that will help Vodacom to attract more customers.