

**INFLUENCE OF MOBILE BANKING SERVICES ON GROWTH OF
MICRO AND SMALL ENTERPRISES IN MAKUENI SUB-COUNTY IN
KENYA**

By

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DECLARATION

I declare that this dissertation is my original work and has not been previously published or submitted elsewhere for award of a degree. I also declare that this contains no material written or published by other people except where due reference is made and author duly acknowledged.

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And have certified that all revisions that the dissertation panel and examiners recommended have been adequately addressed.

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ABSTRACT

The study focused on the influence of Mobile banking services on the growth of the MSEs in Makueni Sub- County. The descriptive research design was employed to conduct the study and targeted 2000 licensed MSEs in Makueni Sub- County. Consequently, a purposive sampling technique was used to obtain 200 micro and small entrepreneurs who utilize mobile banking, a 10% sample size of the entire population. The study used primary data obtained using survey questionnaires. Descriptive data analysis was then conducted using averages, counts, percentages and deviations. Inferential statistics were also used to present the causal influence between the variables. The findings further indicated that m-banking accessibility results in a significant and positive influence on growth of MSEs ($\beta = 0.182$, $p=0.000$). The findings also indicated that costs of m-banking services have a positive and significant influence on growth of MSEs ($\beta=0.191$, $p=0.000$). The findings confirmed that security of m-banking transactions has a positive and significant influence on growth of MSEs ($\beta= 0.450$, $p=0.000$). The findings indicated that efficiency of m-banking services has a positive and significant influence on growth of MSEs ($\beta=0.330$, $p=0.039$). Therefore, the study recommends an intensified campaign to sensitize the MSEs on the importance of mobile money transfer services owing to their flexibility and improved security as compared to carrying physical cash. This is evident especially in the current 21st century where technology has exploded to many developing countries. In the wake of the COVID-19 pandemic, the use of mobile money transactions is recommended to the MSEs since it has been shown to have a significant reduction influence on insecurity issues, cost of transactions and improve accessibility to financial services. It means that mobile money services help MSEs in Kenya achieve greater financial inclusivity and therefore, an assured and sustained growth. To the policy makers, the findings suggest that there is need to solidify and enforce strong digital policy that promotes cashless payment. This goes a long way to encourage the firms and small-scale entrepreneurs in the country to integrate financial developments in their businesses such as PayPal in websites, social media marketing, e-wallets, mobile banking etc. The policy can encourage MSEs to go regional and even global by utilizing the web-based platforms and acquiring markets across-borders.

Key words: *Mobile banking accessibility, mobile banking costs, mobile banking transactions, mobile banking services, growth of micro and small enterprises.*

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DEDICATION

I dedicate this study to all micro and small entrepreneurs whose contribution to our economy can be increased with continued acceptance and usage of mobile banking services. This will automatically increase the accessibility of financial services such that entrepreneurs can achieve their full economic potential and reduce poverty levels in the country.

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LIST OF ABBREVIATIONS /ACRONYMS

3G	Third Generation
ATM	<i>Automated Teller Machine</i>
ICT	Information and Communication Technology
M-Banking	Mobile banking
M-PESA	Mobile banking platform by Safaricom limited.
MSE	Micro and Small Enterprises
NIC	National Industrial Corporation

OPERATIONAL DEFINITION OF TERMS

Mobile banking- the use of mobile devices or digital platforms to carry out financial transactions by MSEs (Aron, 2018).

Mobile banking accessibility in the study has been used to refer to the ease, convenience in which MSEs making financial transactions by use of mobile platforms. This was measured in terms of the number of transactions and the number of agent outlets (Villers, 2012).

Mobile banking costs are the charges involved when the MSEs make financial transactions which was measured in terms of transaction charges

Mobile banking Security is the assurance provided by the use of digital platforms towards the safeguarding and avoidance of loss of financial data. This was measured in terms of the incidences of cash loss (Wazid et al., 2019).

Mobile banking Efficiency in Financial Service delivery refers to the convenience (time saving, security, freedom, and costs) brought about by the use of digital platforms this was measured by transaction time and success rate (Mwenda, 2015).

Micro Enterprise-means a firm, trade, service, industry or a business activity that employs a few employees (up to 10 employees) (MSE Act, 2012)

Growth- refers to the annual increase in profitability, size, competitiveness and sustainability of and MSE. This was measured in terms of increased business turnovers and business profits (Florina, 2009).

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Mobile banking is the transaction of money from one person to another using mobile devices. That is the use of mobile devices or digital platforms to carry out financial transactions—enabled by financial institutions (Aron, 2018). It is a service that is facilitated by a mobile network operator and seeks to ensure a convenient and efficient way in which customers can send and receive money from a network agent acting as a banking agent (Chaix, Torre, 2015).

Mobile banking solutions have enabled the accessibility and transfer of funds from financial firms to disadvantaged individuals in remote and industrial areas at transactional rates far lower than those given by banking industry, allowing banks to serve the cashless economy (Jenny, 2010). Financial institutions may now access new and more clients than ever before, while also offering them with financial solutions at their comfort wherever in the nation, thanks to enhanced safety and cost-effectiveness (Porteous, 2006). Information and communication innovation have a massive impact on the financial industry, resulting in ever more adaptable transaction options and user-friendly financial solutions. Since the 1980s, key technologically upgraded goods and services ranging from automated teller machines (ATMs) to e-banking are now accessible worldwide, round the clock, each day of the week (Liao & Cheung, 2002). More than a decade ago, it seemed apparent that the web projected a major transformation in consumer banking, with Business Week emphasizing that financial sector or banking is necessary to a modernized business but banks are not (Tan & Teo, 2000).

Mobile banking is beneficial to various categories of users, telecommunication providers and financial institutions. In light of best practices in mature mobile banking markets, (Goswami & Raghavendran, 2009) noticed the accompanying benefits to end-clients; secure verification, exchange and information transmission, easy to understand interface, contactless instalments, dynamic record checking, constant admittance to account data, extraordinary obligation and bill instalment and omnipresent admittance to banking administrations. These advantages have prompted expanded incomes in different endeavors. In terms of benefits to the m-banking, mobile financial promotes client loyalty and retention by providing new improved services.

There have been somewhat a couple of studies zeroing in on how mobile innovation is utilized to improve efficiency among clients in the creating scene (Doner, 2005). The World report noted that the rise of mobile phone use in non-industrialized countries resulted in a 0.8 % increase in these countries economic growth (World Bank, 2012). As a result, mobile cash entry has had its own responsibility, notably relating to financial representativeness. The efficiency and security of mobile banking systems has facilitated easy and fast money transfers. This has sparked the growth of various financial activities, notably in rural areas, by increasing currency flow and promoting local use (Zutt, 2010).

For instance, there is presently more grounded rivalry in the United Kingdom small and medium enterprise banking scene. Ten years prior, an MSE would have to visit a commercial bank for financial services physically which would be time consuming and costly on the transportation. However, currently, there is a lot more extensive scope of choices, with every supplier taking a stab at basic portion of the overall industry. This came after the UK

Government proposed subbing the 2014 responsibilities with a changed bundle of measures, with the goal of advancing rivalry on the lookout for banking administrations to small and medium enterprise. The Alternative Remedies Package was concurred on a basic level in July 2017 and officially supported by the European Commission on 18 September 2017 (EY, 2018).

Proof proposes that many individuals in non-industrial nations have restricted admittance to formal monetary administrations, and this is valid for most SMEs (FINMARK Trust, 2017; Tengeh, 2011). While a few components form the structure part of the small and medium enterprise advancement bundle, the requirement for simple admittance to back has arisen over and over (Tengeh et al., 2020). Despite the fact that SMEs in Cameroon utilize around 72% of the labor force, not many are primarily and monetarily steady (National Institute of Statistics, 2018). Small and medium enterprise in Cameroon are generally family-claimed organizations and are exceptionally cash-subordinate. Subsequently, this makes it undeniably challenging for these organizations to execute with a provider without going to their premises, also the danger of losing cash or robbery (Gual, 2018).

For those small and medium enterprise with bank account holders, in addition to bank fees, paperwork, and transportation charges, an entrepreneur must go and often line for hours at least before collecting cash, rendering it difficult to take full leverage of any potential that may come that necessitates funding. Since most of small and medium enterprises are family-claimed or sole-proprietor organizations that work in an extremely informal way (for instance, just the proprietor or one of his relatives traded out), the proprietors are regularly constrained to leave

their premises unattended for various hours daily when they visit the bank or really close down, missing out on deals and accordingly contrarily affecting their endurance (Mararo, 2018).

In Kenya, research show that the convenience of cash transfer technologies, as well as its openness, cost, backing, and security aspects, are associated with the societal aim to utilize and employ mobile payments by SMEs to increase their sales and profitability (Mbogo, 2010). It has also been noticed that SMEs in Kenya benefited significantly from the m-banking since they can make expenditures and access multiple clients and agents (Arunga & Kahora, 2007).

The exceptional advances towards cell phone access have resulted in seen a consistent improvements and developments all from the new and continuous innovations. A fitting financial climate is viewed as a vital column just as an empowering agent of monetary development (Koivu, 2002). With the ever-increasing surge of the data-driven industry, Kenya's banking sector has clearly demonstrated that it is unable to fight creative enthusiasm. The constant growth and modification of banking systems has resulted from the demand for useful means of gaining access to monetary assets beyond the conventional norms. With the high demand for finance-related operations, traditional banks have entered the fray, attempting to also benefit from this opportunity in the economic industry. The testimony has been that the cell device will be the primary single access requirement or boundary to the resulting m-banking (Sarker & Wells, 2003).

Cellular payment is used in numerous nations across the globe when connectivity is lacking, particularly in distant and remote regions. This m-commerce phenomenon is also prevalent in nations where the general populace is financially excluded. In Kenya, micro-

enterprises have begun to use mobile payments resulting in increased financial inclusion such as savings, deposits, healthcare, and remittance exchanges. The current study therefore, sought to investigate the influence mobile banking on MSEs in Makueni Sub-County.

1.1.1 Mobile banking

Mobile banking is the transaction of money from one person to another using mobile devices. That is the use of mobile devices or digital platforms to carry out financial transactions—enabled by financial institutions (Aron, 2018). It is a service that is facilitated by a mobile network operator and seeks to ensure a convenient and efficient way in which customers can send and receive money from a network agent acting as a banking agent (Chaix, Torre, 2015).

It has been noted that the use of mobile banking services influences positively the growth of entities and business (Salome, 2017). Mobile telecommunication platforms are now used by other businesses to offer various services hence have become platforms for many services including banking services and other non-financial services hence most of these companies are in the race to secure strategic alliances with telecommunication firms (Njue, 2012). The mobile money services have also become key driver in growth of revenues for some of the financial firms (Anon, 2011). Due to the increase in uptake of digital financial technologies such as the uptake of mobile payment methods in Kenya (e.g., M-pesa, use of PayPal, etc.), the use of money transfers likewise offers a clear hope for the full optimization of financial technologies.

There have been contentions that trade applications, including m-banking, cannot be carried out effectively without a coordinated and flawlessly joining basic framework henceforth the need to accomplish conjunction and straightforwardness in a worldwide inclusion point of view (Pitruzzello, 1998). The co-factor for the fruitful reception of m-banking is the convenient improvement of significant worth added versatile banking services (Bowen, 2009). In Malaysia, the apparent advantages of versatile banking positively affected the efficiency of clients (Durkin et al., 2003). They analyzed the basic achievement factors that impact the reception of versatile banking and tracked down those that were as a result of m-banking systems.

The use of mobile phones technology by MSE's in Ghana has been noted as a growth which has significantly helped in poverty reduction (Porteous, 2006). The major barriers to growth and development of small enterprises have been noted as lack of access to financial services especially both equity financing and debt (Lader, 1996). This was occasioned by a relatively undeveloped financial sector with low levels of intermediation, high borrowing costs and rigidities in interest rates hence offering banking products through mobile phones has been a major channel through which banks in Ghana reach the entrepreneurs in the small enterprises.

Various regulators have been concerned about the necessity to support the creation and expansion of SMEs in Sub-Saharan African markets for various reasons. To begin, in order for Sub-Saharan Africa to effectively compete in a rapidly industrialized market, its small and medium enterprises must develop and change to the point where they can apply efficient manufacturing processes. Undoubtedly, the Sub-Saharan African SME sector has lagged behind in terms of economic inclusiveness or accessibility to funding (including m-banking) solutions.

Small and medium enterprises are, by definition, incapable to furnish the requisite securities that large enterprises do in order to secure conventional lending markets credit, while also being too large to benefit from MFI loans and other types of budgetary assistance (Quartey et al., 2017).

1.1.2 Mobile banking in kenya

The NIC Bank was one of the pioneer banking institutions which has had a number of "firsts" in the finance related technology areas. Financial institutions have also taken their one life, one institution assurance to your cell phone via an association with the country's major mobile broadband supplier Safaricom, bringing essential financial services easily accessible (Mbogo, 2010). NIC Bank turned into the primary bank to work straightforwardly with Safaricom's worldwide pioneer cash move administration, M-PESA to empower clients to charge their current ledger and credit their M-PESA account straightforwardly. This will incredibly affect the comfort of these monetary exchanges to our clients with the dispatch of NIC Bank m-banking (Hughes, 2007).

The financial framework in Kenya since the 1986 has comprised of 49 business commercial banks, four structure social orders, two home loan finance organizations and three non-bank monetary foundations. 73% of all financial business is taken care of by twelve per cent of the Kenyan banks. Rivalry/competition is intensified among banks in Kenya where a few banks are open seven days per week with an end goal to draw in more customers. They are forcefully seeking after development in close to home credit items. Due to developments in Information Technology (IT) systems, each branch has its own infrastructure implying that operations are no longer been required to be done at the headquarters, but can be done at branch

levels with the systems being interlinked. Therefore, the improvement in efficiencies, reduced costs, reduced waiting time and thus improved performance of banking institutions and their customers.

1.2 Statement of the Problem

Lack of access to banking and other financial services by MSEs operators is a major hindrance to the economic growth of many developing countries (Eton et al., 2021; Madan, 2020; Osano & Languitane, 2016). Majority of MSEs are found in rural and semi-urban areas where there is no proper infrastructure to access banking services thus cannot safely mobilize their savings and access credit facilities which are key ingredients to business expansion (Madan, 2020).

Eton et al. (2018) note that SMEs have less constitutional immunity and stimulation from all players, and as a result, they are unable to prolong development of the economy. Collateral requirements continue to be a major consideration for banks in extending credit to MSMEs in 2020 as was the case in 2017 (Central Bank of Kenya, 2021). Approximately half of them experience the challenge of lack of capital; lacking access to grant funding and inability to sustain cash flow (SESOK, 2018). This makes the mortality rate of SMEs extremely high as 5 out of 7 new businesses SMEs fail in their first year (Eton et al., 2021). This high failure rate has a direct impact on the National GDP and also contributes to unemployment. The cost of providing banking services has remained exceedingly high due to technological and geographical constraints amongst other policy causes.

Despite increase in usage of m-banking by MSEs operators, there is no obvious evidence of growth in MSE's. Mutisya (2016) conducted a study in Kitui County but did not take into consideration the impact of financial accessibility among micro businesses in the informal sector in other Counties like Nairobi. Kirui (2016) looked into mobile money services and sales of MSEs in Nakuru Town. Muhandachi (2020) investigated the adoption of m-banking and financial performance of MSEs in Bungoma county. Kitigin et al. (2021) focused on E-Banking and Performance of MSEs in Kenya. Karanja (2020) investigated the use of mobile financial services among SMEs in Kiambu County. The above-mentioned studies indicate the clear gap that exists especially in the case of MSEs in Makueni Sub-County, Kenya. This warrants the current study to determine the impact of m-banking on the growth of MSEs in Kenya.

1.3 Objectives of the Study

1.3.1 General objective

To determine the influence of mobile banking services on growth of Micro and Small enterprises (MSEs) in Makueni Sub-County, Kenya.

1.3.2 Specific objective

The specific objectives of the study were:

- i. To determine the influence of accessibility of mobile banking services on growth of micro and small enterprises in Makueni Sub-County, Kenya.
- ii. To determine the influence of costs of mobile banking services on growth of micro and small enterprises in Makueni Sub-County, Kenya.
- iii. To determine influence of security of mobile banking transactions on growth of micro and small enterprises in Sub-County, Kenya.
- iv. To determine the influence of efficiency of mobile banking services on growth of micro and small enterprises in Makueni Sub-County, Kenya.

1.4 Research Questions

- i. How does mobile banking accessibility affect growth of micro and small enterprises in Makueni Sub-County, Kenya?
- ii. How does mobile banking costs affect growth of micro and small enterprises in Makueni Sub-County, Kenya?
- iii. How does security of mobile banking transactions affect micro and small enterprises in Makueni Sub-County, Kenya?
- iv. How do efficiency of mobile banking services influence growth of micro and small enterprises in Makueni Sub-County, Kenya?

1.4 Research Hypotheses

H1: Mobile banking accessibility positively affects the growth of micro and small enterprises in Makueni Sub-County, Kenya

H2: Mobile banking costs positively affects the growth of micro and small enterprises in Makueni Sub-County, Kenya

H3: Security of mobile banking transactions positively affect the micro and small enterprises in Makueni Sub-County, Kenya

H4: Efficiency of mobile banking services positively affects the growth of micro and small enterprises in Makueni Sub-County, Kenya

1.5 Justification of the Study

The study will be important to different partners. The MSEs will acquire understanding of the effect of m-banking services on the development of the MSEs. This will empower their endeavors to acquire information on progress factors inferable from the utilization of m-banking by MSEs since this would give huge knowledge into the enterprising influence of the mobile financial ventures to the MSEs, banks, government, researchers and scientists.

The study will be important to the mobile financial suppliers as they will look to offer the fundamental specialized help and exhortation to the undertakings just as giving new advancements that will upgrade development of the MSEs. The public authority will give the necessary guidelines and different intercessions that are important to guarantee smooth activities for MSEs and the ventures to guarantee development of miniature and little endeavors in country regions.

Researchers and scientists might wish to utilize the discoveries and complete further exploration. The study will be of worth to specialists as a premise of future exact and theoretical examination, which will be useful in refining and approving discoveries particularly when countless encounters are gathered and contemplated.

1.6 Study Scope

The study addressed MSEs in Makueni Sub-County by investigating the role of m-banking services on growth of the MSEs especially since the adoption of these systems has significantly increased from the year 2007. The study was motivated to seek what influence could m-banking services have on growth of MSEs in Kenya with a focus being Makueni Sub-County. The respondents were the managers or the owners of the MSEs.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This section examines the previous studies which have been conducted in the same subject of research. The theoretical literature, experimental assessment, and conceptual model are the key instances discussed herein. The section also discusses the gap in investigation.

2.2 Theoretical Review

This study was based on three theories: the technology acceptance model, mental accounting theory and Unified Theory of Acceptance and Use of Technology. The theories are reviewed separately and are used to inform the concept of mobile banking.

2.2.1 TAM (Technology Acceptance Model)

TAM is technologically skewed model that was first modelled by Fred Davis to inform the acceptance and usage of technological systems by users (Davis, 1985). The TAM is utilized for displaying client acknowledgement of data frameworks. TAM's goal is to clarify the factors of computer/technological acceptance based on two assumptions (perceived usefulness and perceived ease of use) (Davis, 1989). This model is for the most part used to consider customer affirmation of the development. According to TAM, the perceived usefulness and the comfort of perceived ease of use sway one's demeanor towards system use, which impacts one's direct assumption to use a system, which, subsequently, chooses genuine system use (Venkatesh & Davis, 2000).

The model has been progressed and utilized in numerous business and pioneering settings, for example, the medical care, training, banking and public assistance areas. The development of m-banking has empowered clients to accept E-trade with the utilization of portable exchanges. This includes web-based shopping, appointments, e-tickets, utilization of credit/charge cards, the development of M-wallet and cryptography among others (Madan, 2016; Lee, 2017). The model is exceptionally instrumental to the review since it establishes a framework on which organizations and people can see the value in development in the financial area (Davis, 1989).

The model is found instrumental in the study since it informs the principles underlying user acceptance of digital systems towards improvement of financial accessibility, inclusion and performance in general. With the inclusion of digital systems and developments in the Micro and Small enterprises (MSEs), it implies that the MSEs will have better accessibility and inclusivity to financial services.

2.2.2 Mental accounting theory

The theory was first introduced by Heath and Soll (1996) bringing to perspective the element of budgeting in economics. It clarifies the significance of exchange related traits related with client dynamics within the sight of hazard and vulnerability (Thaler, 1985). Internet buying choices and the reception of other innovative applications can be clarified utilizing this hypothesis by inspecting client conduct towards the worth of such advancements (Gupta, 2010).

Individuals are also thought to keep mental accounts in order to save for greater goals. It can induce prejudices and periodic deviations from logical, valuation action, and its consequences are quite severe. Recognizing the limitations and inadequacies of mental accounting is critical for making sound judgments and minimizing human mistake (Belsky & Gilovich, 2010).

For clients of mobile value-added services, the worth amplification may be their fundamental rule of dynamic. The theory is thus suitable for the examination of mobile financial administrations utilization, as clients will in general settle on choices dependent on numerous qualities. At the point when a client chooses to benefit an assistance like versatile banking, he goes through a psychological cycle that considers the compromise between what they get and what they give.

Given its eye on how vulnerable and secure systems can be to the user, the theory is found significant in explaining the reasons behind users (MSEs) choosing to factor in security and cost of m-banking. Here MSEs evaluate the value derived from the usage of a certain system vis a vis the costs and risks involved.

2.2.3 Unified theory of acceptance

This theory is an extension of TAM coined by Venkatesh et al. (2003) to describe user intentions, and perceived usage/acceptability of technological systems. It is primarily benched on four principal tenets that is: performance expectancy, effort expectancy, social influence as well as facilitating conditions (Venkatesh et al., 2003).

Clients' reception of innovation to a huge level is identified with the dynamics and in this manner relying upon the worth of innovation, clients are relied upon to utilize a specific innovation. Writing on innovation reception has acutely evolved different models for use in portraying the use and reception of innovation among people. It additionally manages four arbitrators of key connections. Clients' choices in use are keyed to what exactly results they expect, others' impact, the continuing conditions, and the work to be applied in utilization (Venkatesh, 2003).

It accentuates the social expectation to utilize m-banking according to the point of view of purchasers with the expansion of perceived happiness, mobile self-viability, fulfillment, trust, and perceived hazard mediators (Chao, 2019). Its prominence spans a decade in laying down the principles of use of IT and its uptake (Venkatesh et al., 2016).

The theory therefore, finds value and applicability in the current study as it informs the reasons behind MSEs using m-banking systems. It indicates, that when the system is efficient, cost-effective and secure to the user, the more the system will be adopted. Thus, the theory in

conjunction with TAM gives clear guidance on how MSEs can be influenced by use of m-banking technologies towards better performance and growth.

2.3 Conceptual Framework

Based on the above review of the relevant theories, the following conceptual framework was developed. This framework shows the testable hypothesis and the conceptual link between the study variables (relationship between mobile banking – m-banking accessibility, m-banking costs, m-banking security and m-banking efficiency in financial service delivery – and Growth of MSEs).

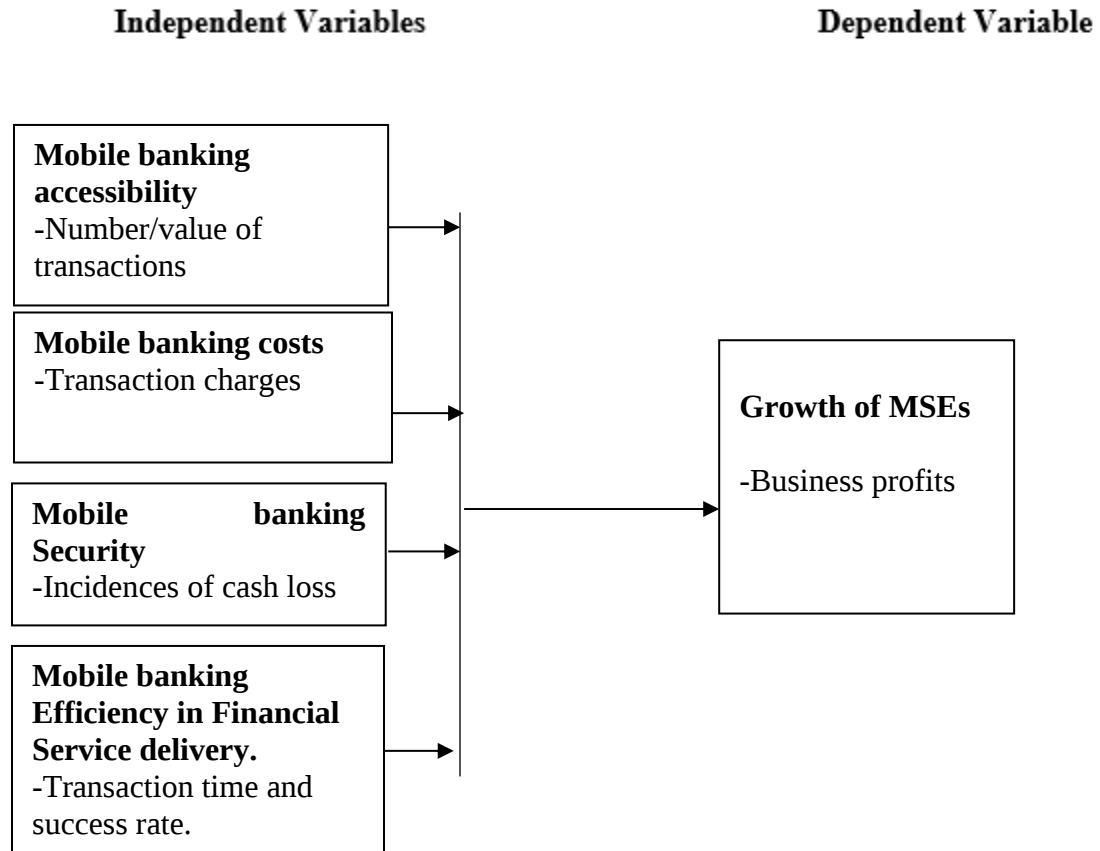


FIGURE 2.1: Conceptual Framework

Source: Researcher (2021)

2.4 Empirical Review

Empirical study is founded on seen and quantified occurrences, and information is derived from real practice instead of concept or assumption. An empirical review, also known as a structured overview of the research, evaluates previous investigations to address a specific research issue. Under this section, the researcher examines the present state of knowledge and hypotheses on the subject, as well as the article's chronological context (Long, H. (2014).

2.4.1 Mobile banking accessibility

As electronic circulation channels become progressively complex, specialist organizations are giving multi-channel administrations to their clients. It is contended that the whole climate in retailing is being changed with the presentation of multi-channel frameworks intended to offer a scope of retail encounters and various types of significant worth for clients (Reinartz et al., 2019). The focal point of advancement of multi-channel administration dissemination has for the most part been on the channels: how to work on the channels, or how-to guide clients to the channels without disregarding the current client connections (Lin & Tang, 2019).

As a specialized stage for service delivery, distinctive electronic channels have various qualities. These qualities, structure the reason for the making of client saw esteem. Hence, the resources to offer some incentive for clients contrast between channels. Prior examinations have recommended that purchasers lean toward a blend of a few channels instead of a solitary direction in banking (Wang et al., 2018). Besides, a few clients appear to be in need of

expanding admittance to all accessible conveyance channels and don't see them as substitutes (Momanyi, 2017; Shafee et al., 2017). As indicated by Wentz and Tressler (2017), new mechanical applications in the banking and money framework could start to address a portion of the issues identified with openness and security. For instance, one arising space of safety innovation is voice biometrics, which investigates individual voice clusters to validate the individual.

Access to finance and the accompanying structural foundations have a significant impact on business effectiveness through a variety of ways. Functional advancements in the formalized financial sector can help to reduce financing constraints for small businesses and those who are having difficulty self-financing or finding private or casual sources of subsidizing. Exploration shows that it is the more modest firms that are frequently the most powerful and imaginative (Hughes, 2007). Not exclusively do nations with monetary hindrances lose the development capability of these undertakings, they likewise hazard botching freedoms to expand into new regions. Monetary incorporation additionally empowers set up firms to arrive at a bigger balance size by taking advantage of development and venture openings (Beck et al., 2006).

Empirical proof from Mexico and Sri Lanka affirms the minimal usefulness of miniature business people without access to financing (De Mel et al., 2008a; McKenzie and Woodruff 2008). Miniature business people in these two nations were haphazardly offered awards to buy sources of info and saw returns of 5% to 20% each month contrasted with SMEs that didn't profit from these awards. These contextual investigations show that access to outside finance emphatically affects firm development, particularly in SMEs.

Musavi and Maingi (2017) attempted to establish the influence of credit and proprietor/director instructional capability on the execution of small and medium-sized ventures in Kenya, as well as their combined impact, utilizing the 2016 Small and medium enterprises overview data. The study drew on fundamental and cross-sectional data from 50,043 enterprises (a sample of 384). The findings demonstrated that both access to credit administrations and instructional capacity had a beneficial and crucial influence on the performance of the investigated ventures. These findings confirm those of KNBS that the lack of credit offices from banking establishments has caused a greater portion of the foundations to utilize conventional wellsprings of financing, for example, individual reserve funds, delicate advances from their understudies and relatives close by other casual sources (KNBS, 2016).

Mararo (2018) investigates the impact of digital payments, internet banking on the success of Small and medium in the Kenyan town of Nakuru. The study employed a descriptive survey research approach. The research targeted 100 small and medium-sized enterprises in Nakuru County. The study discovered that contactless transactions, mobile finance, and m-banking all had strong favorable associations with the success of Small and medium. The findings revealed that digital payments and internet banking when combined, were instrumental in predicting the variance in SMEs' development. According to the survey, digital wallets have a major impact on the success and accessibility of small and medium-sized enterprises.

In Bangladesh, Khatun, Mitra and Sarker (2021), demonstrated that restricted access to monetary administrations is considered a crucial bottleneck for checking destitution. Computerized innovation, for example, portable banking can add to speed up individuals'

admittance to fund yet didn't get legitimate consideration before COVID-19. Khatun, Mitra and Sarker (2021) by investigating the utilization of versatile financial administrations to speed up individuals' monetary access in Bangladesh because of the rise of the COVID-19 pandemic by utilizing auxiliary information. Principally documentation strategies and graphic factual techniques are utilized to gather and examine the information. The review uncovers that the quantity of enlisted portable financial clients has raised during the COVID-19 period. Basically, government arrangements with respect to various versatile financial exchanges, for example, cash, in real money out, individual to individual (P2P) exchange, pay and service charge instalments and so forth, have essentially added to rise individuals' computerized monetary access during the pandemic.

Mutisya (2016) emphasized on the m-banking, funneling funds into the growth of micro and small businesses in Kitui County. Using a graphic investigation strategy, the assessment determined that the use of m-banking benefited significantly to the growth of MSEs via increased transaction volume and net advantages. In terms of acceptable structure, Mobile Banking conditional expenses, availability, and security have all been demonstrated not to influence MSE development primarily through assistance, notwithstanding increased enrolment in Mobile Banking administrations.

Mutio (2019) used a cross-sectional study methodology to evaluate the Impact of M-Banking on Jua Kali Artisans' Effectiveness in Nairobi City County. The emphasis was on the 1850 small business vendors in Nairobi's Gikomba market. The survey discovered that small

companies could receive a short-term credit using their cell phone wallet, implying that the MSEs will thrive if they fully embrace mobile financial solutions.

Kimani, Ngugi, and Orwa (2015) intended to explore the barriers to micro and small firm funding access in the Kenyan public contracting sector. A descriptive survey approach drove the investigation, which had a population of about 519,385 Micro enterprises in Nairobi County. According to the report, just a tiny percentage of participants have ever acquired public financing to help their firms, whereas the vast majority have never obtained any public support whatsoever. The review's discoveries likewise uncovered that the strategy for protecting the funds was excessively perplexing and hard to completely appreciate, and that the time needed to endorse such advances was pointlessly long, notwithstanding the way that administration tenders have extremely severe courses of events that, if not met, naturally bring about exclusion.

To deal with the inventory in various dissemination channels productively, service providers are confronted with a need to get what administrations to convey in which channel. Besides, to concentrate their advertising activities, leaders need to see how shopper inclinations vary between various diverse qualities in the utilization of electronic administrations. Banking innovative advancements in non-industrial nations make it a lot simpler and less expensive for ventures to look into items and to set up different financial associations. Better interchanges innovation will adjust elements of procurement choices. An examination of client prerequisites showed that time, security, control and economy are among the significant viewpoints that ventures are worried about in financial exchanges. The availability/accessibility is one of the fundamental benefits of mobile payment administrations. SMEs are among the most likely to

benefit from m-banking (Coffie et al., 2020). The SMEs visit the bank less frequently and devote more time and effort to the upkeep of their businesses. Likewise, many financially excluded businesses individuals in Africa's non-industrial economies will now be able to obtain or transfer money from wherever in the region. The majority of SMEs are aware of the employment of flexible financial operations because they are simple to use and do not necessitate any traditional arrangement before use (Pinchot et al., 2016). Pinchot et al. (2016) discovered a genuinely critical connection between admittance to m-banking and the expectation to utilize mobile payments.

Mobile payments are giving acceptable cash move and payment services to the clients however there is a need for better promoting and preparing to assist purchasers with getting what the frameworks are able to do, just as further develop strategy measures to guarantee that the advantages of m-banking are uniformly dispersed across all banking and buyer areas (Musango, 2018).

The studies reviewed above show that there is a notable role and contribution of mobile banking accessibility in the growth of businesses. This gives compelling and considerable evidence based on the theoretical framework as well that the various aspects of mobile banking accessibility have made it possible for small-scale enterprises in various contexts to improve on their performance and to exponentially grow financially. The same was conceptualized in the current study and thus, the study came up with the following hypothesis: there is a positive and statistical relationship between mobile banking accessibility and the growth of MSEs in Makueni Sub-County.

2.4.2 M-banking costs

The transaction costs of transmitting money using mobile payment technology are cheaper than those of lenders and money transfer firms (Mutisya, 2015). If the cost of a transaction is passed on to customers, it has a direct impact on their acceptance. To ensure that the total cost of the transaction is effective, transaction charges should be kept to a minimum. The cost of the flexible transaction should be fair for the majority of SMEs and considerably less than what lenders normally charge for banking swaps (Said & Kaplelach, 2019).

In m-banking, there are a few expenses related to the assistance, for example, traffic charging, commission charges and level charges. This costs clients cash and time henceforth additional expense to get to banking administration (Mutio, 2019). Akinwumi (2017) distinguished that the primary determinants of expenses of exchange are the expenses of tasks, for example, the bank charges, the executives' expenses, yearly expense charge, running expenses among others.

By targeting 1500 registered small and micro-enterprises in Garissa County Kenya, Bare (2017), investigated the supply of online payment systems and the monetary success of SMEs, m-banking has lowered the increasing expenses, boosted efficiency, adjusted to shifting consumer expectations, and generated collaborations in the banking and pensions sectors. The findings show that financial institutions in Garissa provide attractive financial access to funding. The survey also stated that investment in financial services, cash deposit banking solutions, lending fiscal programs, pension services, and payment solutions are easily accessible via mobile

phones, making transactions easier and having a major impact on the economic efficiency of small and medium enterprises. Thus, economic mediators arise and may lower the operating expenses caused by mismatch of knowledge between consumers and creditors.

Kinyanzui, Achoki and Kiriri (2018) looked to build up the impact of portable credit on functional effectiveness in business banks in Kenya. The review used essential just as auxiliary information gathered by utilization of a poll. The review demonstrated that a portion of the procedures to accomplish functional effectiveness incorporate administrative conduct change, advancing functional streamlining and utilization of innovation. Portable credit presentation worked on functional effectiveness in business banks. Portable credit presentation upgraded functional effectiveness in advances assortment, returns on investors. The presentation of versatile credit essentially improved association productivity as estimated by measurements such by brand picture building, capacity to adjust to advertisement changes and impression of dependability in the client's psyche. Portable credit presentation worked on functional effectiveness in business banks. In general, it has been acknowledged that the utilization of innovation is one of the significant methodologies used to upgrade functional effectiveness.

Mutio (2019) discovered that digital payments have benefited tiny companies by lowering the cost of delivering money via conventional methods, which are time-consuming and include administrative expenditures. According to the statistics, over 50 % of the participants said that digital payments assisted them in transferring cash, saving up, retrieving money from their mobile financial institution, collecting payments, monitoring their general ledger with the financial institution, and making payments.

The cost affects the inspiration to acknowledge or dismiss the assistance yet additionally an impression of cost is significant for clients who have not yet attempted the help. Low expenses, time, investment funds and independence from the general setting have been observed to be the main components of web banking. Different elements adding to its utilization incorporate ease to the utilization of the help, speed of administration conveyance, comfort and similarity with the way of life (Said & Kaplelach, 2019).

The costs of trade that are tracked with the game plan of m-banking control the rate at which customers embrace and take on this advancement. M-banking decreases trade expenses and extends customer responsibility and support. To set up the achievement of a scattering channel, the bank checks out whether the channel grows its business volume, reduces its costs of dispersal and assembles customer dependability (Gesare, 2020). Similarly, Achieng and Ingari (2015) tracked down that apparent danger and expenses were the fundamental variables forestalling mobile banking, while m-banking was viewed as simple to utilize.

Utilization of m-banking benefits paying little heed to the expense was likewise connected with business development. Subsequently, the m-banking conditional expenses, have been demonstrated to affect SME company productivity via the assistance motivating greater membership in m-banking operations, improved monetary interchange resulting in expanded contracts, and thus a noteworthy dedication to business growth (Nyaga, 2017). Abdinoor & Mbamba (2017) discovered expenses of exchanges to have a heavyweight on the reception cycle offering obstructions to specialist m-banking administrations.

The studies reviewed above show that there is a notable role and contribution of mobile banking costs in the growth of enterprises. This gives compelling and considerable evidence based on the theoretical framework as well that the various aspects of mobile banking costs have made it possible for small-scale enterprises in various contexts to improve on their performance and to exponentially grow financially. The same was conceptualized in the current study and thus, the study came up with the following hypothesis: there is a positive and significant relationship between mobile banking costs and the growth of MSEs in Makueni Sub-County.

2.4.3 M-banking security

Security is seen as the most difficult issue confronting clients who need to exchange on the web (Ngugi, 2016). In a mobile climate, it is important to have seen security and confidence in the merchants and the payment framework (Nwosu, 2017). The security and wellbeing of mobile payment exchanges are essential worries for clients. They express that wellbeing addresses no postponement, no exchange deficiency and no private data exposure during payment exchanges. Since most web-based buys are utilized charge or Visas, Mastercard and Visa among other m-banking foundations have set up bound together stages to guarantee the security of client information from digital crooks. Innovation business people have likewise concocted computerized wallets, for example, Paypal that look to improve the security of card instalments (Popescu et al., 2015).

An examination of purchasers' mentalities towards the web and m-banking conveyed in China noticed that security was the main factor that inspired Chinese customer reception of on

the web and versatile banking (Lauren and Lin,2005). While the primary boundaries to web-based banking were observed to be the impression of dangers, low perceived confidence and innovative abilities and Chinese conventional money convey banking society, the obstructions to m-banking reception were unique, the principle being the absence of mindfulness and comprehension of the advantages given by versatile banking. Exploration on the materialness of the innovation acknowledgement model (TAM) in a m-banking setting done by adding one trust-based develop that is seen validity) and two asset-based builds (for example seen self-viability and perceived monetary expense) to the TAM exhibited that their lengthy TAM had a higher capacity to anticipate and disclose conduct goal to utilize a data framework (Lauren & Lin, 2005).

Due to the issues identified with information asymmetries, in France, the Euro-Secured Notes Initiative expects to beat data deviations that limit the improvement of a well-working securitization market for SME resources by utilizing the Banque de France's credit evaluation of non-monetary organizations, just as the inward appraisals from banks. The ESNI was set up in March 2014 as a Special Purpose Vehicle by private banking gatherings and with help from the Banque de France. In China, the State Intellectual Property Office goes about as a focal vault of vows and assessment systems, supplemented by a set-up of measures to animate IP financing procedures, for example, state-sponsored pay plans to cover terrible obligations, an assurance inclusion of up to 100 per cent under specific conditions, moneylender impetuses (reliant upon the general number of IP-supported advances), financing cost endowments for IP-upheld advances, and committed assets. The Korean Development Bank has started advances for

buying, commercializing and collateralizing IP, and its credit ensure foundation offers endorsing for an IP valuation for loaning or securitization (OECD, 2017e).

Because they have no inherited basis to begin with, emerging nations are leapfrogging developed economies in constructing a 21st-century architecture. India has progressed from having no landline phones to having the most up-to-date technology in distant telecommunication. As a result of this turmoil, India is transitioning from conventional financing to internet financing for the common public. Comparative examples are obvious in other agricultural nations too with M-Pesa in Kenya being a valid example (Govindarajan, 2012). Attributable to these advancements in helpless nations, there is the suggestion that non-industrial nations might be in front of created nations in versatile banking (Govindarajan, 2012). Siano, Raimi, Palazzo and Panait (2020) additionally showed that m-banking altogether impacts the security/wellbeing worries of robbery and digital extortion as well as the social impact of companions, family members, strategy creators and social patterns.

The use of a pin and a secret password for m-banking increases security and protection of users' data. Classification, verification, and data reliability should be among the essential requirements for any transferring money in an electronic environment. Other important protection aspects for clients include obscurity and confidentiality, which identify with usage plans of customers' own information (Njanja, 2019). Ngugi (2019) likewise shows that there is a positive and improving impact of m-counts on the online business security dangers towards hierarchical execution. Normalini et al. (2019) demonstrated that security concerns are among the primary reasons found to thwart the development and reception of Internet banking

administrations. Consequently, web banking has broadly been perceived as significant in upgrading security worries in client reception of Internet banking, and maybe, advised web security.

The expansiveness of the contribution is significant in light of the fact that it impacts a bank's small and medium enterprise piece of the pie by attracting new customers or getting additional business from existing customers. The plan of items and administrations likewise impacts the productivity of serving the SME market. Ultimately, viable item improvement can impact the size of the addressable market itself by empowering banks to reach customers that would somehow be uninterested or incapable to meet necessities for administration. SMEs that need compelling and enforceable privileges to their own resources will be unable to tie down adequate guarantees to fit the bill for a bank advance. These outcomes in credit hazard (the danger of lost incomes and resources from deferred instalment or default of advances or other credit items). It is a significant worry in SME banking in light of the fact that dissimilar to bigger organizations, small and medium enterprises regularly can't give undeniable monetary data. Because of this data unevenness, most bank credits to the small and medium enterprises are gotten, or at the end of the day, require a guarantee. Since SMEs frequently come up short on the guarantee required, this restricts the size of the market. Developing business sector banks report that more than 80% of SME advances are secured.⁴⁶ accordingly, banks that can discover alternate ways of overseeing credit hazard without requiring insurance enjoy a potential serious benefit when serving small and medium enterprise (International Finance Corporation, 2010).

The studies reviewed above show that there is a notable role and contribution of mobile banking security in the growth of enterprises. This gives compelling and considerable evidence based on the theoretical framework as well that the various aspects of mobile banking security have made it possible for small-scale enterprises in various contexts to improve on their performance and to exponentially grow financially. The same was conceptualized in the current study and thus, the study came up with the following hypothesis: there is a positive and significant relationship between mobile banking security and the growth of MSEs in Makueni Sub-County.

2.4.4 M-banking efficiency in service delivery

The significance of ceaselessly checking and adjusting to marketing climate changes by organizations that have perceived those businesses are continually turning out new freedoms and dangers comes as a result of detecting the requirement for client care procedures and administrations. That calls for embracing an outward–internal association's perspective on their exhibitions (Mwenda, 2015). Digital money operations boost small and medium enterprises' productivity. This is due to the fact that online payments help to save time whilst also doing commercial operations. Cell phone payment systems are more convenient for most small and medium enterprise than lenders' financial transactions. This is attributable to the fact that they let consumers mitigate accruing travelling costs while receiving and paying invoices. This allows them to considerably lower their operational expenditures while also increasing their profits. There is highlight that personal mobile payment systems help SMEs eliminate uncertainties and market inadequacies, allowing them to compete effectively (Ngaruiya, 2014). According to

Chogi (2006), Small and medium enterprises in Kenya see mobile financial activities as instruments that may buffer their operations by changing their goals into achievements. As a result, their productivity and competitiveness changes positively. As per Higgins et al (2012), Small and medium enterprises are distinguished by regular payment systems involving substantial sums or considerable locations. As a consequence, digital payments give them a means to cut their expenses and still save time by carrying out their banking activities in a better priced and more comfortable manner.

The delivery and usage of financial solutions has undergone considerable modifications in recent years. Mechanical progress has changed the commercial environment (CBK, 2020). The banking industry has the highest adoption and utilization of both online and mobile innovation on consumer marketplaces, and as a result, its delivery of services has seen alterations unheard of in its set of encounters (Samuel & Kepha, 2021). The advancement of electronic financial services through various digital networks has made it possible to provide new types of additional benefits to customers. Applying the web with exclusively zeroing in on cost decrease might prompt high production network adequacy while potential client esteem openings might be overlooked (Jolly, 2016).

Hence understanding assistance, client conduct and worth discernments are one of the key necessities of administration improvement. Users are less likely to visit traditional offices and are more receptive to new technological diversions, and are more sophisticated in demanding greater help quality, including 24-hour service accessibility. Because of the widespread

availability of mobile phones, particularly WAP-enabled devices, the migration of financial apps to cell phones has become a genuine advancement in e-banking (Akinyede & Esese, 2017).

Nyaga (2017) investigated the impact of digital payment services on the performance of small and medium enterprises in an urban town in Kenya. The study found that mobile money has made a significant contribution to the Small and mid-size enterprises sector. Majority of the traders rely on it as opposed to the formal banking sector for their day-to-day transactions. It is also evident that all the respondents in this study had a clear understanding of the basic functions of mobile money services. Mobile money services have a positive impact on sales. Efficiency and reliability contribute more to digital payment utility and Small and mid-size enterprises growth. It is worth noting that majority of the respondents had reservations on the convenience and cost of the service as a result of problems associated with the functionality of the service. Delays were a major concern of the respondents but only a few people had experienced it. Many of the players in the Small and mid-size enterprises sector do not use the service for savings, to access loans or have bank accounts hence creating a major potential for mobile money. From the findings, it is evident that, mobile money users are not conversant with mobile-bank transactions on loan applications and repayment and prefer the normal banking system to mobile banking when it comes to loans and advances.

It has been noticed that while cell phones in less created nations are assuming the very significant part that decent communication played in more extravagant nations during the 1970s and 1980s, the development effect of mobiles is around twice as significant in agricultural nations, where there is likewise a minimum amount impact, and that an average of ten cell

phones for every 100 individuals helps GDP development by 0.6 per cent (Ivatury & Pickens, 2006).

Jamgun (2018) carried out an exploratory examination on the impact of digital payments on the monetary execution of SMEs in Kakamega County by focusing on 373 small and medium enterprises. The discoveries uncovered that SMEs utilized portable financial administrations to send and get cash, check account balances, realizing when to store or withdraw from their ledger. The outcomes likewise uncovered that there was a positive connection between the monetary execution of small and medium enterprises and openness, Efficiency and accommodation. Nonetheless, there was a negative connection between the cost of versatile financial administrations and the monetary execution of SMEs. In this way, it was presumed that portable financial administrations significantly affect the monetary presentation of small and medium enterprises in Kakamega County.

Muchiri (2018) tried to demonstrate a link among m-banking utilization (security and efficiency) and Performance of small and medium enterprises. An explanatory approach was used, which included 176 small and medium enterprises in Nairobi County who were contacted via a questionnaire. According to the report, small and medium enterprises continue to utilize digital finance due to their simplicity of use, cost efficiency, efficiency, network safety, mobility, and inclusion. According to the survey, mobile banking has grown clientele loyalty due to easier payment methods, more time for other company operations, quick access to cash in the bank, greater financial operations, improved profitability, and expanded corporate effectiveness. The

study concluded that digital finance usage had a favorable impact on small and medium enterprises profitability.

Muiruri, Richu and Karanja (2015) sought to establish the influence of portable banking in upgrading monetary execution of miniature and little endeavors in Nakuru town, Kenya. The review applied an engaging examination plan and inspected 126 Micro and Small Enterprises out of an objective populace of 1,260 utilizing arbitrary testing. The discoveries demonstrated that there exists an extremely impressive, huge and positive connection amongst practicality and dependability of Mobile banking on one hand and monetary execution. It was reasoned that practicality and unwavering quality would almost certainly bring about worked on monetary execution of MSEs. It is suggested that MSEs ought to completely take on M-banking in view of its idealness and its dependability. A review of the impact of m-banking on SME's in Naivasha town found that m-banking has a favorable impact on their sales, despite the fact that fewer respondents use the service as a budgetary funding (Nyaga, 2013). Some businesses use m-payments for enterprise transactions, for example, paying invoices, paying rates, storing or withdrawing cash from their lenders, and purchasing or selling enterprise items.

Siano, Raimi, Palazzo and Panait (2020) examined arising patterns in monetary incorporation, boundaries (accessibility) and variables affecting portable banking as a creative answer for expanding monetary consideration in Nigeria. Utilizing a subjective meta-combination, an interpretivist research worldview, the review indicated that m-banking had a beneficial outcome in expanding the simplicity of utilizing cell phones for individual financial

exchanges including brief data about clients' monetary exchanges promptly through short message administration (SMS).

Certainly, m-banking has emerged as a distant location support delivery route giving increased advantages for consumers' monetary transactions. The mobile phone provided another avenue for lenders to reach out to its customers. This is because lenders spreads are becoming increasingly expensive to work with, and customers are becoming demanding by seeking to collaborate when it is typically favorable for them. M- banking is part of the lender's effort to provide several channels of financing and convenience to its customers (Akinyede & Esese, 2017).

While values address conceptual, halfway held higher request objectives that are free of utilization circumstance, the apparent worth is a general perspective on compromises among advantages and forfeits which is subject to explicit use insight. In any case, it is contended that review apparent worth as a compromise among quality and cost is excessively shortsighted. These perspectives recommend that current worth developments are too limited and that different measurements would build the development's value subsequently the requirement for a more itemized definition zeroing in on the relativistic inclination experience. M-Banking offers support that permits the client to get data of every exchange making the help straightforward. The steady exhibition of this assistance makes exchange information entirely dependable and most issues emerge from input mistakes from the client. This element brings about MSEs smoothing out their tasks to build effectiveness and lift business development (Samuel & Kepha, 2021).

The studies reviewed above show that there is a notable role and contribution of mobile banking efficiency in service delivery in the growth of enterprises. This gives compelling and considerable evidence based on the theoretical framework as well that the various aspects of mobile banking efficiency in service delivery have made it possible for small-scale enterprises in various contexts to improve on their performance and to exponentially grow financially. The same was conceptualized in the current study and thus, the study came up with the following hypothesis: there is a positive and significant relationship between mobile banking efficiency in service delivery and the growth of MSEs in Makueni Sub-County.

2.5 Operationalization of Variables

This section sought to indicate how the various variables were operationalized, that is how each individual variable was measured and how questions were developed to assess their impact.

TABLE 2.1: Operationalization of Variables

Objective	Variable Type/Variable	Indicator(s)/ measurement	Measurement scale	Question in Questionnaire
Growth of MSEs	Dependent variable	-Business profits	Interval	Section F
Mobile banking accessibility	Independent variable	- Number/value of transactions	Interval	Section B
Mobile banking costs	Independent variable	-The Cost of Transactions	Interval	Section C
Mobile banking Security	Independent variable	-Incidences of cash loss	Interval	Section D
Mobile banking Efficiency in Financial Service delivery.	Independent variable	-Transaction time	Interval	Section E

2.6 Research Gap

Much of the literature reviewed focuses on the adoption and use of mobile banking by households and business enterprises. However, little has been done to analyze the influence of mobile banking services on growth of MSEs in the rural areas. This study sought to analyze and contribute to literature on the possible influence of m-banking services to the growth of micro and small enterprises.

CHAPTER THREE: RESEARCH METHODOLOGY

3.0 Introduction

This section presents the procedures and methodologies followed by the researcher in establishing the population, targeting them and collecting the data as well as how the data was analyzed.

3.1 Research Design

Because it depicts an authentic picture of conditions, the study used a descriptive research approach. This was adopted alongside the use of a quantitative research technique. This is because, the research uses measurable/quantifiable unit of analysis and favors closed-ended questions where respondents are provided with a set list of delimited answers. Descriptive study involves scientific investigations with the primary goal of accurately portraying the features of individuals, events, or populations (Polit & Hungler, 2004). The eligible respondents were users of the m-banking service. Mobile banking was the phenomenon under investigation where participants in the study were required to give an account of its utilization and how it impacts on their businesses with regard to convenience and access to banking services i.e., savings mobilization, access to loans, costs incurred, security of the transactions and its efficiency as a service delivery channel. The design made it possible to analyze the impact of m-banking on growth of MSEs in Makueni Sub- County.

3.2 Target Population

The target population for this study were 2000 Licensed MSEs in Makueni Sub-County (Makueni County Business Revenue Register, 2014).

3.3 Sample Design and Procedure

At 10% and a maximum of 30% of the population is a representative sample (Mugenda & Mugenda, 2003). Consequently, for the purposes of this study, a 10 % sample size was collected from the entire population of 2000 possible respondents. Therefore, the final sample for the study was 200 MSEs who were targeted through purposive sampling. Purposive sampling which makes it possible for the researcher to interact with the respondents in advance to ascertain his or her eligibility to the study by understanding whether they utilize m-banking service in their business operations. The preference to a sample size of 10 per cent is informed by the large population size, limited study time and costs involved. The procedure entailed visiting the respondents in their business premises in various market places within the sub-county to enlist them for the study. This approach was preferred since it aided the researcher in identifying the entrepreneurs who use m-banking.

3.4 Research Instruments

The surveys were used to obtain the raw data for this investigation. Questionnaire forms were utilized to gather information, and they had a combination of open-ended and closed-ended items. Closed statements allowed the investigator to obtain quantifiable information, whereas open-ended ones allowed the investigator to obtain qualitative information. The surveys were employed in the research since they are adaptable and enable the collection of participants' in-depth information, stimulate participant collaboration, and provide participants to dig deeper for clarity. Surveys are an ideal data collecting tool since they are simple to interpret and inexpensive.

3.5 Piloting

The survey was pre-tested by the investigator to ensure its validity and reliability. A sample group of 20 MSEs in Mbooni Sub-County in Makueni County was used to smooth the questionnaires to guarantee that it has the necessary information to address the particular concerns needed to address the study problem. This was a representation of 10 per cent of the total sample size as recommended by Creswell (2014).

3.5.1 Validity of the study

This is the precision or sincerity of a survey with regards of the chance that a study which would be understood or misinterpreted, as well as whether the study tools offer complete scope of study objectives. The advice of professionals and supervisors was sought during the

preparation of the survey to guarantee that it captures the necessary information to address the study questions.

Construct validity was further evaluated using Kaiser-Meyer-Olkin (KMO) where, factor-loading rates more than 0.5 are accepted, whereas values less than 0.5 should result in the acquisition of additional data to assist researchers in determining the values to include (Glen, 2016; Kaiser, 1974). KMO values of 0.6 and higher are considered acceptable. The study tools were corrected, adjusted, and added as a result of this investigation.

3.5.2 Reliability of the study

The reliability of this research was verified by use of the Cronbach's alpha coefficient, with a reliability value of 0.7 accepted and values less than 0.7 corrected.

3.8 Diagnostic Tests

Normalization is required to determine if the variable data is regularly dispersed. The normalcy tests are used in addition to the graphical evaluation of normality (Elliott & Woodward, 2007). The K-S test is a commonly used test for assessing normalcy (Thode, 2002), and both the K-S and Shapiro-Wilk tests may be performed in SPSS (Elliott & Woodward, 2007). The null hypothesis (H₀) states that the data set is normally distributed. As a result, the research utilized the K-S and Shapiro-Wilk testing, as well as a graphical display, to determine normalcy.

The multicollinearity test may be used to determine the intensity of a straight connection between two parameters. The multicollinearity issue arises when there is a significant degree of interaction between factors (Taylor, 1990; Schober, Boer & Schwarte, 2018; Kothari & Garg, 2014). The tolerances of more than 0.1 and the variance inflation factor of less than 10 were used to test for multi - collinearity (Taylor, 1990).

The study likewise, sought to test for heteroscedasticity. The null hypothesis is that the error term is constant – *ceteris paribus* and thus, the significance value is chosen when it is greater than 0.05. To test for heteroscedasticity, the diagrammatical technique of assessing error variance was utilized.

3.9 Data Analysis

The quantitative information was analyzed using descriptive and inferential analytics. This analysis was aided by use of SPSS program (v.25.0). Descriptive statistics collected summary statistics including counts and percentages, averages, variances and deviations while inferential statistics measured the causality between the variables of the study (including, correlation and regression analyses). The causality included the following: R , R^2 s, F statistics and β values. Tables and graphs were the mode of displaying the findings for interpretation. The following is a multivariate regression model:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where:

Y= Growth of the MSEs

α = Constant

β = Coefficient factor

X_1 = Mobile banking accessibility

X_2 = Mobile banking costs

X_3 = Mobile banking security

X_4 =Mobile banking Efficiency

ε = Error term

The regression model formed the basis of hypothesis testing where:

$H_{01}: \beta_1 \neq 0$ (I = 1, 2, 3.....4) versus $H_A: \beta_1 = 0$

The regression output provides F statistics, T values and corresponding p values. If P value < 0.05 then null hypothesis (H_{01}) is rejected which implies that X_n does not have significant influence on Y.

CHAPTER FOUR: FINDINGS AND DISCUSSION

4.1 Response Rate

This section presents the findings from the field of study. The results are presented in form of tables, figures and illustrations where the objectives of the study guide the presentation.

TABLE 4.1: Response Rate

Response	Frequency	Percentage
Returned	163	81.50%
Unreturned	37	18.50%
Total	200	100.00

Source: Research Data (2021)

The researcher issued out a total of 200 survey questionnaires, from which 163 of them were adequately responded to indicating an 81.50% response rate which is adequate according to Hardigan et al. (2016).

4.2 Pilot Results

The survey was pre-tested by the investigator to ensure it was both valid and reliable to guarantee the results of the study were authentic. A sample group of twenty businesses from Makueni sub-county were used to smooth the questionnaires to guarantee that it has the necessary information to address the particular concerns needed to address the study problem. This was done on 20 (of 200) participants.

4.2.1 Reliability statistics

TABLE 4.2: Reliability Statistics

Variables	Cronbach's Alpha	No. of questions	Conclusion
Growth of Micro and Small Enterprises	0.732	5	Reliable
Mobile banking Accessibility	0.786	5	Reliable
Costs of mobile banking services	0.807	6	Reliable
Security of mobile banking transactions	0.836	5	Reliable
Efficiency of mobile banking services	0.766	5	Reliable

Source: Research Data (2021)

Table 4.2 indicates that after the piloting and finetuning the instrument, the variable statements were found to be reliable: 0.786, 0.807, 0.836, 0.766 and 0.732 for m-banking accessibility, costs, security, and efficiency of m-banking services and growth of MSEs in Makueni Sub-County, Kenya respectively.

4.2.2 Validity statistics

Construct validity was further evaluated using Kaiser-Meyer-Olkin (KMO) where, factor-loading rates more than 0.5 are accepted, whereas values less than 0.5 should result in the acquisition of additional data to assist researchers in determining the values to include (Glen, 2016; Kaiser, 1974) as shown in Table 4.3.

TABLE 4.3: Validity Statistics

	KMO	Bartlett's Test of Sphericity			Validity
		Approx. Chi-Square	Df	Sig.	
Growth of Micro and Small Enterprises	0.501	34.853	10	0.000	Valid
Mobile banking Accessibility	0.688	29.767	10	0.001	Valid
Costs of mobile banking services	0.741	31.783	15	0.007	Valid
Security of mobile banking transactions	0.504	49.615	10	0.000	Valid
Efficiency of mobile banking services	0.774	22.764	10	0.012	Valid

Source: Research Data (2021)

Table 4.3 indicates that all the variable statement had KMO of >0.5 which indicates that they were all valid. This was also supported by their corresponding p-values of less than 0.05 indicating significance in the KMO values.

4.3 Participants' Characteristics

Section 4.3 indicates the findings from the demographic characteristics of the 163 participants in the survey as shown in table 4.4:

TABLE 4.4: Participants' Characteristics

Variable/Question	Category	Frequency	Percentage
Gender	Female	30	18%
	Male	133	82%
	Total	163	100%
Age bracket	20-30 yrs.'	77	47%
	31-40 yrs.	34	21%
	41-50 yrs.	35	22%
	51 yrs. and above	17	10%
	Total	163	100%
Education level	Primary level	15	9%
	Secondary level	48	29%
	College	46	28%
	Undergraduate	44	27%
	Postgraduate	10	6%
	Total	163	100%
Length of operation	Less than 2 years	35	22%
	2 to 5years	70	43%
	5 to 10 years	38	23%
	Above 10 years	20	12%
	Total	163	100%

Source: Research Data (2021)

Table 4.4 indicates that from the 163 respondents, 133 (82%) are male respondents and 30 (18%) of them are female respondents. Likewise, 47% of the participants are between the age of 29 and 38 years, 25.8% of them are between the age of 20 and 30 years, 22% of them are

between the age of 41 and 50 years, 21% of them are between 31 and 40 years 10% of them are 51 years and above. The findings imply majority of the respondents are young/youth people who run the MSEs in Makueni Sub-County, Kenya.

The findings indicate that regarding the highest level of education, 29% of the respondents have attained a secondary level education, 28% of them have attained college level education, 27% of them have an undergraduate level education, 9% of them have only primary level education while 6% of them have a postgraduate level education. The findings imply that majority of the respondents have not attained higher level education but with basic education (at least secondary and tertiary education).

The findings indicate that 43% of the MSEs in Makueni Sub-County, Kenya have been in operation for 2 to 5 years, 23% of them have operated for 5 to 10 years, 22% of them have only operated for less than 2 years while 12% of them have existed for more than 10 years an indication of short life span of most of the MSEs in Kenya.

4.4 Descriptive Statistics

The descriptive results in this part represent the mean/averages, percentages, counts and their summary in form of deviations of the variable statements and questions.

4.4.1 Mobile banking accessibility

The study sought to indicate the extent to which access to financial services is affected by m-banking (Table 4.5):

TABLE 4.5: Accessibility of M-Banking Services

To what extent do you access financial services through m-banking?	Frequency	Percentage
Very Great extent	103	63.2
Great extent	4	2.5
Moderate extent	15	9.2
Less extent	41	25.2
Total	163	100

Source: Research Data (2021)

From the 163 responses drawn from the study, 65.7% of them acknowledged that there is a great extent of them accessing m-banking services. The study also sought to indicate the extent to which their customers transact through m-banking has affected their access financial services through m-banking (Table 4.6):

TABLE 4.6: Customers Transaction through M-Banking

6. To what extent do you access financial services through m-banking?	Frequency	Percentage
Very Great extent	36	22.1
Great extent	13	8.0
Moderate extent	71	43.6
Less extent	43	26.4
Total	163	100

Source: Research Data (2021)

From the 163 responses drawn from the study, 43.6% of them accepted that their customers access financial services through m-banking to a moderate extent. The study also sought to indicate the extent to which accessibility of m-banking services has affected the growth of MSEs whose results are in Table 4.7:

TABLE 4.7: Descriptive Findings for Accessibility of M-Banking Services

Statements	1	2	3	4	5	M	S D
I am able to pay my suppliers through mobile banking with ease	10%	15%	9%	34%	31%	3.62	1.33
I am able to access my bank account for savings deposits and cash withdrawals with ease at any time of the day.	4%	5%	5%	45%	40%	4.13	1.01
I am able to borrow a loan and pay through my mobile phone with ease	24%	28%	9%	15%	24%	2.88	1.53
Mobile banking transaction amount limits per transaction need to be increased to widen access to banking	4%	3%	22%	47%	24%	3.83	0.97
I get banking services within expected time at my convenience from our nearest agents through mobile banking	5%	12%	26%	41%	15%	3.50	1.05
Average						3.59	1.18

Note: 5-strongly agree, 4- agree, 3-neutral, 2-disagree, 1-strongly disagree, M = Mean, S.D = Standard Deviation, M = Mean, S.D = Standard Deviation

Source: Research Data (2021)

From Table 4.7, 65% of the subjects agreed that they are able to pay my suppliers through m-banking with ease (mean=3.62 $\approx$ 4, SD=1.33). Likewise, 85% of the subjects agreed that they are able to access their bank account for savings deposits and cash withdrawals with ease at any time of the day. (mean=4.13 $\approx$ 4, SD=1.01). Likewise, 52% of the subjects agreed that they are not able to borrow a loan and pay through my mobile phone with ease (mean=2.88 $\approx$ 3, SD=0.97).

In addition, 71% of the subjects agreed that m-banking transaction amount limits per transaction need to be increased to widen access to banking (mean=3.83 $\approx$ 4, SD=0.97). 56% of the subjects agreed that they get banking services within expected time at my convenience from our nearest agents through m-banking (mean=3.50 $\approx$ 4, SD=1.05). Generally, given the accessibility of m-banking services, the average mean of 3.59 and an SD of 1.18 indicates that accessibility of m-banking services has affected growth of MSEs.

These findings correspond to Musango (2018) who indicated that time, privacy, control and economy are among the important aspects that enterprises are concerned with in banking transactions. Likewise, according to Wentz and Tressler (2017), new technological applications in the banking and money framework could start to address a portion of the issues identified with openness and security. For instance, one arising space of safety innovation is voice biometrics, which breaks down individual voice exhibits to verify the individual.

4.4.2 M-banking costs

The respondents were asked to indicate the extent to which their customers transact i.e., pay for goods in your enterprise through m-banking. The findings showed that low cost of transaction through m-banking leads to increased sales (100%). They were also asked to respond to the extent to which they access financial services through m-banking. The findings are presented in Table 4.8.

TABLE 4.8: Extent to Which the Cost of Mobile Transaction Influence

Achievement of Profits

To what extent does cost of mobile transaction influence achieving profit in your organization?	Frequency	Percentage
Very Great extent	18	11.0
Great extent	79	48.5
Moderate extent	53	32.5
Less extent	13	8.0
Total	163	100

Source: Research Data (2021)

Table 4.8 indicates that there is a great extent to which the cost of mobile transaction influence achieving profit in Kenyan MSEs (59.5%). The study also sought to indicate the extent to which costs of m-banking services has affected the growth of MSEs whose results are in Table 4.9 below:

TABLE 4.9: Descriptive Findings for Costs of M-Banking Services

Statements	1	2	3	4	5	M	S D
The cost of mobile transactions is more affordable	9%	7%	12%	43%	29%	3.77	1.20
Pricing of mobile payments is competitive for enterprises	8%	18%	5%	31%	37%	3.72	1.34
It is affordable to acquire a mobile phone for mobile banking service usage	4%	4%	20%	36%	36%	3.95	1.06
Mobile banking saves the entrepreneur costs of travelling to the bank	6%	4%	17%	41%	32%	3.88	1.10
Mobile banking lowers the cost of banking services	9%	2%	6%	52%	31%	3.95	1.12
Low financial costs lead to increased business profits	17%	9%	12%	42%	20%	3.40	1.35
Average						3.78	1.20

Note: 5-strongly agree, 4- agree, 3-neutral, 2-disagree, 1-strongly disagree, M = Mean, S.D = Standard Deviation, M = Mean, S.D = Standard Deviation

Source: Research Data (2021)

From the 163 responses drawn from the study, 72% of them indicated that the cost of mobile transactions is more affordable (mean=3.77 $\approx$ 4, SD=1.20). The results also indicate that 68% of the subjects agreed that pricing of mobile payments is competitive for enterprises (mean=3.72 $\approx$ 4, SD=1.06). It was noted indicated that 72% of the subjects claimed that it is affordable to acquire a mobile phone for m-banking service usage (mean=3.95 $\approx$ 4, SD=1.06).

Furthermore 73% of the subjects agreed that m-banking saves the entrepreneur costs of travelling to the bank (mean=3.88 $\approx$ 4, SD=1.10). It was noted that 83% of the subjects agreed that m-banking lowers the cost of banking services (mean=3.95 $\approx$ 4, SD=1.12). Furthermore, 62% of the subjects agreed that low financial costs lead to increased business profits (mean=3.40 $\approx$ 4,

SD=1.35). Generally, given the costs of m-banking services, the average mean of 3.78 and a standard deviation of 1.20 indicates that the majority of the respondents were of the opinion that costs of m-banking services have affected growth of MSEs.

The findings correspond to Akinwumi (2017) who identified that the main determinants of costs of transaction are the costs of operations such as the bank charges, management fees, annual fee charge, running costs among others. These expenses affect the inspiration to acknowledge or dismiss the help yet additionally impression of cost are significant for clients who have not yet attempted the assistance. Low expenses, time reserve funds and independence from general setting have been observed to be the main components of web banking (Said and Kaplelach, 2019).

4.4.3 M-banking security

The study investigated the extent to which m-banking transactions in enterprises was secure (Table 4.10):

TABLE 4.10: Security of M-Banking Transactions

12. Are m-banking transactions in your enterprise secure?	Frequency	Percentage
No	35	21.5
Yes	128	78.5
Total	163	100

Source: Research Data (2021)

It was indicated that 78.5% of the respondents agreed that m-banking transactions in enterprises are secure. The study also sought to indicate the extent to which the respondents have experienced incidences of cash loss through m-banking (Table 4.11):

TABLE 4.11: Extent to Which Incidences of Cash Loss Happen Through M-Banking

To what extent have you witnessed incidences of cash loss through m-banking in your enterprise?	Frequency	Percentage
Very Great extent	7	4.3
Great extent	32	19.6
Moderate extent	48	29.4
Less extent	76	46.6
Total	163	100

Source: Research Data (2021)

From the 163 responses drawn from the study, 46.6% of them have witnessed incidences of cash loss through m-banking in their enterprises to a less extent. The study also sought to indicate the extent to which security of m-banking transactions has affected the growth of MSEs whose results are in Table 4.12.

TABLE 4.12: Descriptive Findings for Security of M-Banking Transactions

Statements	1	2	3	4	5	M	S D
Mobile banking reduces incidences of cash loss in the business and improves on cash management.	0%	0%	26%	49%	25%	3.98	0.72
Mobile banking security enhances trust in customers	2%	12%	25%	42%	20%	3.66	0.98
Savings amount level in mobile virtual accounts needs to be increased for enterprises to save more since its secure.	9%	7%	29%	12%	43%	3.72	1.33
I save my money through mobile banking since I believe it is secure.	2%	0%	7%	55%	36%	4.24	0.74
It is safe to send to or withdraw money from my bank using mobile banking	4%	26%	26%	11%	33%	3.44	1.29
Average						3.81	1.01

Note: 5-strongly agree, 4- agree, 3-neutral, 2-disagree, 1-strongly disagree, M = Mean, S.D = Standard Deviation, M = Mean, S.D = Standard Deviation

Source: Research Data (2021)

From Table 4.12, 74% of the subjects agreed m-banking reduces incidences of cash loss in the business and improves on cash management (mean=3.98≈4, SD=0.72). Likewise, 62% of the subjects agreed that M-banking security enhances trust in customers (mean=3.66≈4, SD=0.98). 55% of the subjects agreed that Savings amount level in mobile virtual accounts needs to be increased for enterprises to save more since it is secure. (mean=3.72≈4, SD=1.33). Furthermore, 91% of the subjects agreed that they save my money through m-banking since they believe it is secure (mean=4.24≈4, SD=0.74). 44% of the subjects agreed that it is safe to send to or withdraw money from my bank using m-banking (mean=3.44≈4, SD=1.29).

Generally, given the security of m-banking transactions, the average mean of 3.81 and a standard deviation of 1.01 indicates that the majority of the respondents were of the opinion that

security of m-banking transactions has affected growth of MSEs. The discoveries relate to Njanja (2019) who noticed that the use of a pin and a secret password for m-banking increases security and protection of users' data. Classification, verification, and data reliability should be among the essential requirements for anybody transferring money in an electronic environment. Other important protection aspects for clients include obscurity and confidentiality, which identify with usage plans of customers' own information (Njanja, 2019). Ngugi (2019) additionally shows that there is a positive and upgrading influence of m-banking on the web-based business security dangers towards firm performance.

4.4.4 M-banking efficiency in service delivery

The study sought to indicate the extent to which m-banking is efficient in transactions (Table 4.13):

TABLE 4.13: Efficiency of M-Banking Services

Is m-banking in your enterprise efficient?	Frequency	Percentage
No	13	8
Yes	150	92
Total	163	100

Source: Research Data (2021)

From the 163 responses drawn from the study, 92% of them acknowledged that the use of m-banking services in their enterprises is efficient. The respondents were asked to respond to the following questions regarding efficiency of m-banking services towards growth of MSEs. The findings are as presented in Table 4.14 below:

TABLE 4.14: Descriptive Findings for Efficiency of M-Banking Services

Statements	1	2	3	4	5	M	S D
Use of mobile banking improves the relationship between banks and the MSEs	1%	2%	32%	22%	43%	4.04	0.95
Use of mobile banking leads to more financial transactions being done	1%	4%	18%	25%	52%	4.23	0.94
Mobile banking makes financial services available all time to the enterprises	2%	7%	6%	62%	23%	3.96	0.87
Mobile banking supports offering of reliable banking services	9%	1%	25%	46%	20%	3.67	1.08
Mobile banking enables financial institutions to offer financial services conveniently	11%	9%	13%	44%	23%	3.60	1.25
Average						3.90	1.02

Note: 5-strongly agree, 4- agree, 3-neutral, 2-disagree, 1-strongly disagree, M = Mean, S.D = Standard Deviation, M = Mean, S.D = Standard Deviation

Source: Research Data (2021)

From Table 4.14, 65% of the subjects agreed that the use of m-banking improves the relationship between banks and the MSEs (mean=4.04 $\approx$ 4, SD=0.95). Additionally, 77% of the subjects agreed that the use of m-banking leads to more financial transactions being done (mean=4.23 $\approx$ 4, SD=0.94). 85% of the subjects agreed that m-banking makes financial services available all time to the enterprises (mean=3.96 $\approx$ 4, SD=0.87).

Furthermore, 66% of the subjects agreed that m-banking supports offering of reliable banking services (mean=3.67 $\approx$ 4, SD=1.08). 67% of the subjects agreed that m-banking enables financial institutions to offer financial services conveniently (mean=3.60 $\approx$ 4, SD=1.25).

Generally, given the efficiency of m-banking services, the average mean of 3.90 and a SD of 1.02 indicates that efficiency of m-banking services has affected growth of MSEs.

The findings correspond to Jolly who indicated that the advancement of electronic financial administrations through various electronic channels has made it conceivable to give new sorts of added an incentive for clients. Applying the web with exclusively zeroing in on cost decrease might prompt high production network adequacy while potential client esteem openings might be disregarded (Jolly, 2016).

4.4.5 Growth of MSEs

The study sought to indicate the extent to which the growth of MSEs in Makueni Sub-County, Kenya has performed (Table 4.15):

TABLE 4.15: Descriptive Findings for Growth of MSEs

Statements	1	2	3	4	5	M	S D
Improving sales turnovers for the business	2%	1%	22%	51%	24%	3.94	0.82
Improving business profitability	2%	11%	25%	43%	19%	3.66	0.97
Improving access to financial services like savings, loans, insurance	7%	6%	31%	12%	45%	3.81	1.27
Improves on loan repayment management and reduces default on loans.	1%	0%	5%	58%	37%	4.30	0.62
Improves on maintenance of financial records in the business	7%	4%	9%	46%	34%	3.96	1.10
Average						3.93	0.96

Note: 5-strongly agree, 4- agree, 3-neutral, 2-disagree, 1-strongly disagree, M = Mean, S.D = Standard Deviation, M = Mean, S.D = Standard Deviation

Source: Research Data (2021)

From Table 4.15, 75% of the subjects agreed that there has been improving sales turnovers for the business (mean=3.94≈4, SD=0.82). 62% of the subjects agreed that there has been improving business profitability (mean=3.66≈4, SD=0.97). 57% of the subjects agreed that

there has been improving access to financial services like savings, loans, insurance (mean=3.81 $\approx$ 4, SD=1.27).

Likewise, 95% of the subjects agreed that there has been an improvement on loan repayment management and reduces default on loans (mean=4.30 $\approx$ 4, SD=0.62). 82% of the subjects agreed that there has been an improvement on maintenance of financial records in the business (mean=3.96 $\approx$ 4, SD=1.10). Generally, given the growth of MSEs, the average mean of 3.93 and a SD of 0.96 indicates that a positive growth of MSEs in Makueni Sub-County, Kenya.

The findings correspond to Coffie et al. (2020) who noted that banking technological advancements in developing nations make it a lot simpler and less expensive for ventures to look into items and to build up different financial associations. The availability and/or accessibility of M-banking is one of the fundamental benefits of M-banking administrations. SMEs are among the most likely to benefit from m-banking (Coffie et al., 2020). The MSEs visit the bank less frequently and devote more time and effort to the upkeep of their businesses. Likewise, many financially excluded businesses individuals in Africa's non-industrial economies will now be able to obtain or transfer money from wherever in the region. The majority of MSEs are aware of the employment of flexible financial operations because they are simple to use and do not necessitate any traditional arrangement before use (Pinchot et al., 2016). Pinchot et al. (2016) found a statistically significant relationships between access to m-banking and intention to use mobile payments.

4.5 Diagnostic Testing

4.5.1 Normality test

TABLE 4.16: Normality Results

Tests of Normality	Kolmogorov-Smirnova			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Growth of Micro and Small Enterprises	0.113	163	0.560	0.969	163	0.625
Mobile banking Accessibility	0.114	163	0.152	0.964	163	0.217
Costs of mobile banking services	0.122	163	0.241	0.948	163	0.306
Security of mobile banking transactions	0.115	163	0.089	0.965	163	0.154
Efficiency of mobile banking services	0.124	163	0.098	0.968	163	0.163

a Lilliefors Significance Correction

Source: Research Data (2021)

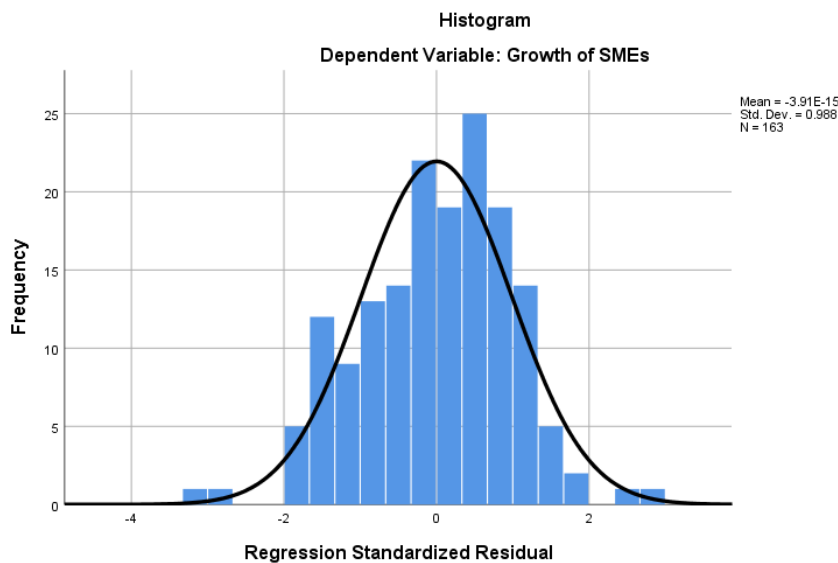


FIGURE 4.1: Normality Plot

Source: Research Data (2021)

Table 4.16 indicate absence of abnormal data presentation given the p-values of more than 0.05 and the graphical representation in Figure 4.5.

4.5.2 Linearity Test

Linearity in the study is as shown with the following graphical representations (Yusof & Jain, 2017).

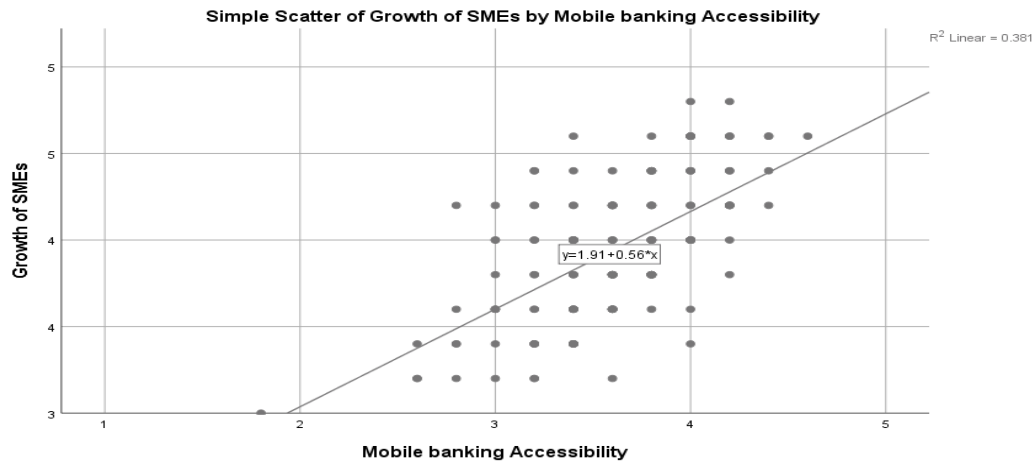


FIGURE 4.2: Linearity Test for M-Banking Accessibility

Source: Research Data (2021)

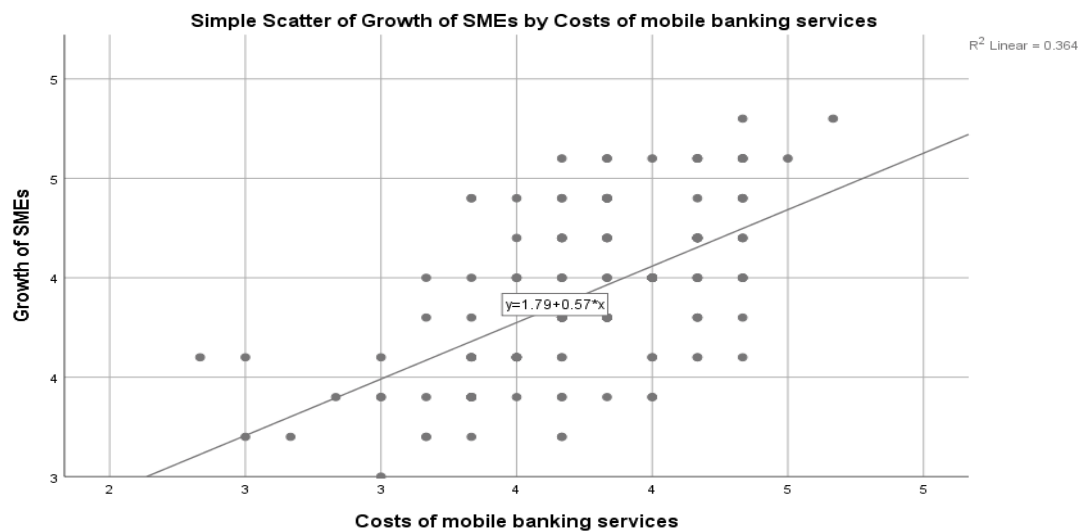


FIGURE 4.3: Linearity Test for Costs of M-Banking Services

Source: Research Data (2021)

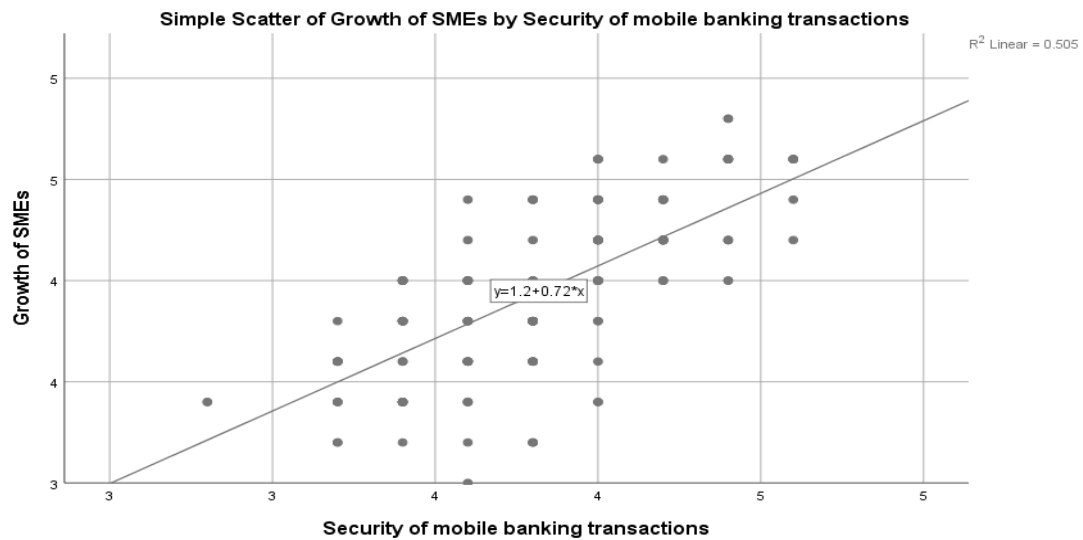


FIGURE 4.4: Linearity Test for Security of M-Banking Transactions

Source: Research Data (2021)

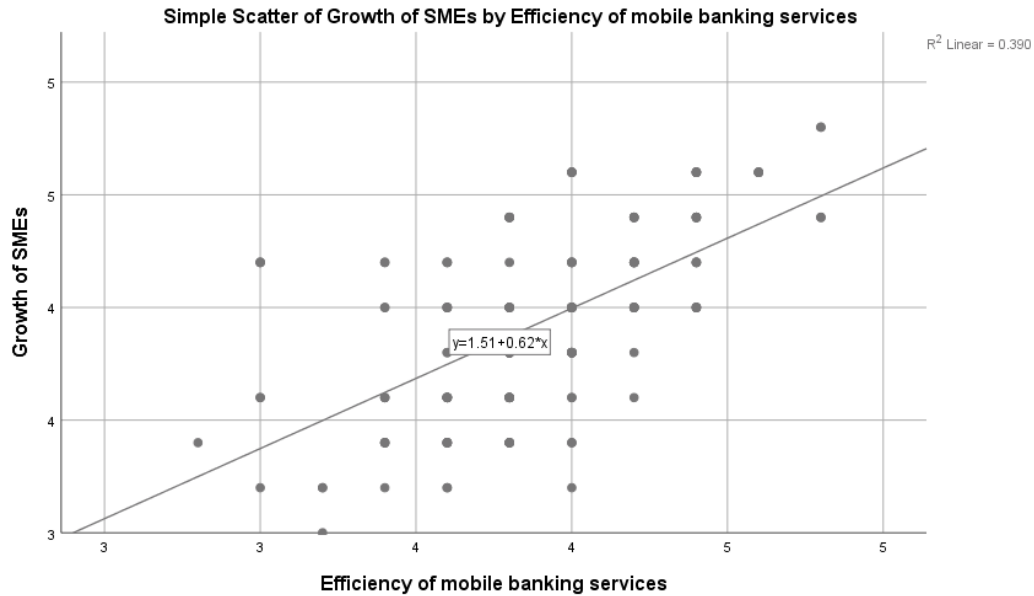


FIGURE 4.5: Linearity Test for Efficiency of M-Banking Services

Source: Research Data (2021)

Figure 4.2 to Figure 4.5 indicated a strong positive and linearity.

4.5.3 Multicollinearity

The multicollinearity test may be used to determine the intensity of a straight connection between two parameters. The multicollinearity issue arises when there is a significant degree of interaction between factors (Taylor, 1990; Schober, Boer & Schwarte, 2018; Kothari & Garg, 2014). The tolerances of more than 0.1 and the variance inflation factor of less than 10 were used to test for multi - collinearity (Taylor, 1990).

TABLE 4.17: Collinearity Statistics

Variables	Tolerance	VIF
Mobile banking Accessibility	0.683	1.464
Costs of mobile banking services	0.711	1.406
Costs of mobile banking services	0.748	1.337
Efficiency of mobile banking services	0.758	1.320
Average	0.725	1.382

Source: Research Data (2021)

Table 4.17 indicates acceptable thresholds of collinearity with an average VIF of 1.382 (<10) and tolerance of 0.725 (>0.2).

4.5.4 Heteroscedasticity Test

The p-value was examined, and if it is larger than 0.05, the null hypothesis was not rejected, implying that there is homoscedasticity in the error term. To test for heteroscedasticity, the diagrammatical technique of assessing error variance was utilized.

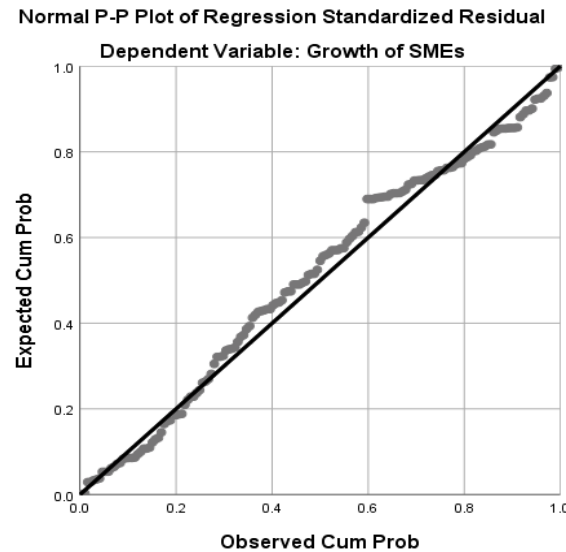


FIGURE 4.6: P-P Plotting of the Error Variance

Source: Research Data (2021)

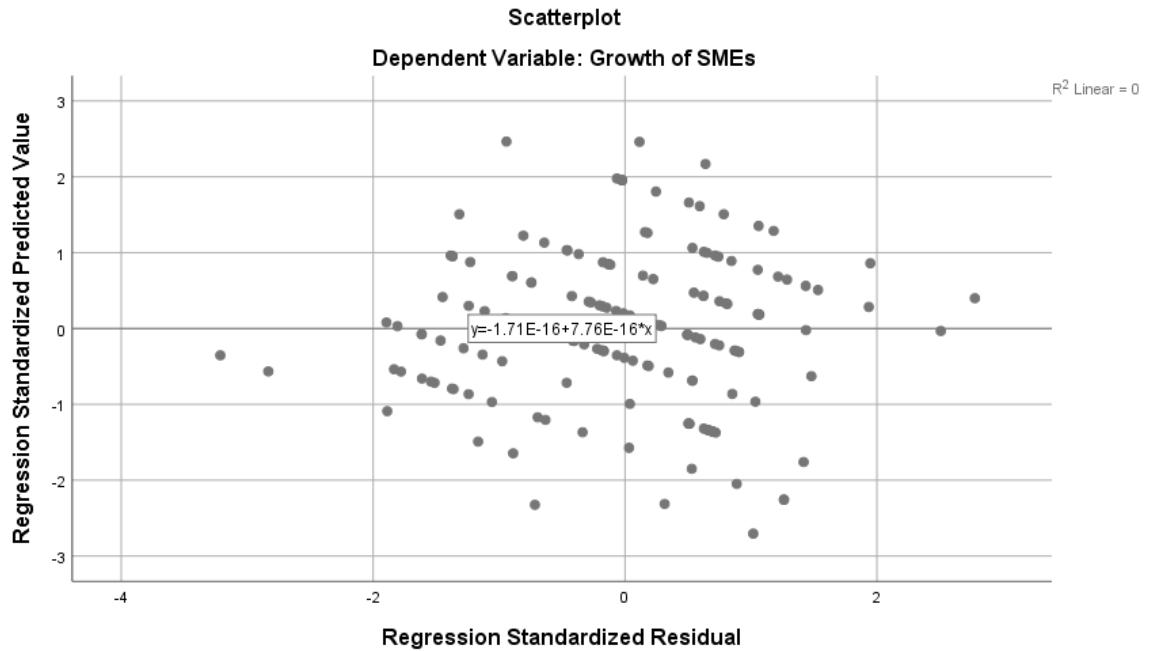


FIGURE 4.7: The Variance of the Residuals

Source: Research Data (2021)

Given the equal representation of the data points by the residual model, the study concludes that there is absence of varying error term.

4.6 Inferential Statistics

Inferential measurements allude to the methods that permit a review to make derivations about a populace dependent on the gathered information from the particular example.

Fundamentally they take into consideration the assurance of the fact that it is so liable to acquire a set of results from a solitary example.

4.6.1 Correlation Between M-Banking and Growth of MSEs in Makueni Sub-County in Kenya

The Pearson correlation ratio, denoted by r , was utilized to establish the relationship between the parameters. The r varies from -1 to 1. A value of 0 indicates that the variable is unrelated to the other, whilst a value of 1 indicates that the parameters are perfectly related. As r approaches zero, the link between the parameters weakens. A + symbol denotes a positive relationship, whereas a – sign denotes a negative correlation (Gogtay & Thatte, 2017).

TABLE 4.18: Correlation Matrix

Correlations		Growth of MSEs	m-banking Accessibility	Costs of m- banking services	Security of m-banking transactions
Growth of MSEs	Pearson Correlation	1			
	Sig. (2-tailed)				
Mobile banking Accessibility	Pearson Correlation	.617**	1		
	Sig. (2-tailed)	0.000			
Costs of mobile banking services	Pearson Correlation	.603**	.424**	1	
	Sig. (2-tailed)	0.000	0.000		
Security of mobile banking transactions	Pearson Correlation	.711**	.424**	.418**	1
	Sig. (2-tailed)	0.000	0.000	0.000	
Efficiency of mobile banking services	Pearson Correlation	.625**	.432**	.392**	.288**
	Sig. (2-tailed)	0.000	0.000	0.000	0.000

** Correlation is significant at the 0.01 level (2-tailed).

Source: Research Data (2021)

Table 4.18 show that there is a strong positive and significant association between m-banking accessibility and growth of MSEs ($r=0.617^{**}$, $p=0.000$). These findings correspond to Wentz and Tressler (2017), new technological applications in the banking and money framework could start to address a portion of the issues identified with openness and security. For instance, one arising space of safety innovation is voice biometrics, which breaks down individual voice exhibits to verify the individual.

Table 4.19 also confirms that there is a strong positive and significant association between costs of m-banking services and growth of MSEs ($r=0.603^{**}$, $p=0.000$). These findings are in agreement with Achieng and Ingari (2015) who tracked down that apparent danger and

expenses are the fundamental variables forestalling m-banking, while versatile banking was viewed as simple to utilize. Utilization of m-banking benefits paying little heed to the expense was likewise connected with business development. Subsequently, the m-banking conditional expenses, have been demonstrated to affect SME company productivity via the assistance motivating greater membership in m-banking operations, improved monetary interchange resulting in expanded contracts, and thus a noteworthy dedication to business growth (Nyaga, 2017). Abdinoor and Mbamba (2017) discovered expenses of exchanges to have a heavyweight on the reception interaction offering obstacles to service providers of m-banking administrations.

Likewise, the table shows that there is a strong positive and significant association between security of m-banking transactions and growth of MSEs ($r=0.711^{**}$, $p=0.000$). The discoveries relate to Njanja (2019) who noticed that the use of a pin and a secret password for m-banking increases security and protection of users' data. Classification, verification, and data reliability should be among the essential requirements for any transferring money in an electronic environment. Other important protection aspects for clients include obscurity and confidentiality, which identify with usage plans of customers' own information (Njanja, 2019). Ngugi (2019) additionally shows that there is a positive and upgrading impact of m-banking on the web-based business security dangers towards firm performance.

The results further show that there is a strong positive and significant association between efficiency of m-banking services and growth of MSEs ($r=0.625^{**}$, $p=0.000$). The findings correspond to Jolly who indicated that the advancement of electronic financial administrations through various electronic channels has made it conceivable to give new sorts of added incentive

for clients. Applying the web with exclusively zeroing in on cost decrease might prompt high production network adequacy while potential client esteem openings might be disregarded (Jolly, 2016). Mwenda (2015) also demonstrates that m-banking further develops bankers' execution in the form of provisional hospitality, hedge funds, quick translation precaution, and saving of transaction expense.

4.6.2 Regression Between M-Banking and Growth of MSEs in Makueni Sub-County in Kenya

TABLE 4.19: Fitness of the Model

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.877a	0.769	0.763	0.191

a Predictors: (Constant), Efficiency in Financial Service Delivery, Security of mobile banking transactions, Costs of mobile banking services, Mobile banking Accessibility

b Dependent Variable: Growth of MSEs

Source: Research Data (2021)

Table 4.19 presents a coefficient of determination of 0.769 (76.9%) indicating that the four variables in the study are good predictors of growth of MSEs in Makueni Sub-County, Kenya, thus represent a statistically fit model.

TABLE 4.20: Analysis of Variance

	Sum of Squares	df	Mean Square	F	Sig.
Regression	19.068	4	4.767	131.287	.000b
Residual	5.737	158	0.036		
Total	24.804	162			

a Predictors: (Constant), Efficiency in Financial Service Delivery, Security of mobile banking transactions, Costs of mobile banking services, Mobile banking Accessibility

b Dependent Variable: Growth of MSEs

Source: Research Data (2021)

Table 4.20 presents a significant model where the F statistic is greater than F critical values at significance [$F_{\text{statistic}} = 131.287 > F_{\text{critical}} = 2.463 (4, 158)$]. This implies that m-banking accessibility, costs of m-banking services, security of m-banking transactions and the efficiency of m-banking services are significant and satisfactory factors affecting growth of MSEs in Makueni Sub-County, Kenya ($p = 0.000$).

TABLE 4.21: Regression of Coefficients

Variables	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	β	Std. Error	Beta		
(Constant)	-0.440	0.193		-2.282	0.024
Mobile banking Accessibility	0.182	0.042	0.199	4.289	0.000
Costs of mobile banking services	0.191	0.043	0.203	4.466	0.000
Security of mobile banking transactions	0.450	0.045	0.446	10.089	0.000
Efficiency of mobile banking services	0.330	0.044	0.331	7.534	0.000

a Dependent Variable: Growth of MSEs

Source: Research Data (2021)

Table 4.21 revealed that m-banking accessibility has a positive and significant influence on growth of MSEs in Makueni Sub-County, Kenya ($\beta = 0.182, p=0.000$), indicating that 1 unit of m-banking accessibility leads to an improvement in growth of MSEs in Makueni Sub-County, Kenya by 0.182 units. These findings correspond to Wentz and Tressler (2017), new technological applications in the banking and money framework could start to address a portion of the issues identified with openness and security. For instance, one arising space of safety

innovation is voice biometrics, which breaks down individual voice exhibits to verify the individual.

The table further revealed that costs of m-banking services have a positive and significant influence on growth of MSEs in Makueni Sub-County, Kenya ($\beta = 0.191$, $p=0.000$), indicating that 1 unit of costs of m-banking services leads to an improvement in growth of MSEs in Makueni Sub-County, Kenya by 0.191 units. These findings are in agreement with Achieng and Ingari (2015) who tracked down that apparent danger and expenses are the fundamental variables forestalling m-banking, while versatile banking was viewed as simple to utilize. Utilization of m-banking benefits paying little heed to the expense is additionally connected with business development. Abdinoor and Mbamba (2017) discovered expenses of exchanges to have a heavy weight on the reception interaction offering obstacles to service providers of m-banking administrations.

The table also indicated that security of m-banking transactions has a positive and significant influence on growth of MSEs in Makueni Sub-County, Kenya ($\beta = 0.450$, $p=0.000$), indicating that 1 unit of security of m-banking transactions leads to an improvement in growth of MSEs in Makueni Sub-County, Kenya by 0.450 units. The findings are consistent with Njanja (2019) who noted that the use of a pin and a secret password for m-banking increases security and protection of users' data. Classification, verification, and data reliability should be among the essential requirements for anybody transferring money in an electronic environment. Other important protection aspects for clients include obscurity and confidentiality, which identify with usage plans of customers' own information (Njanja, 2019). Ngugi (2019) also shows that there is

a positive and enhancing influence of m-banking on the ecommerce security threats towards organizational performance. Normalini et al. (2019) demonstrated that security concerns are among the primary reasons found to thwart the development and reception of Internet banking administrations. Consequently, web banking has broadly been perceived as significant in upgrading security worries in client reception of Internet banking, and maybe, advised web security.

The table also indicated that efficiency of m-banking services has a positive and significant influence on growth of MSEs in Makueni Sub-County, Kenya ($\beta = 0.330$, $p = 0.039$), indicating that 1 unit of efficiency of m-banking services leads to an improvement in growth of MSEs in Makueni Sub-County, Kenya by 0.330 units. The findings correspond to Jolly who indicated that the advancement of electronic financial administrations through various electronic channels has made it conceivable to give new sorts of added incentive for clients. Applying the web with exclusively zeroing in on cost decrease might prompt high production network adequacy while potential client esteem openings might be disregarded (Jolly, 2016). Mwenda (2015) also demonstrates that m-banking further develops bankers' execution in the form of provisional hospitality, hedge funds, quick translation precaution, and saving of transaction expense.

The following is the revised optimal model:

$$Y = -0.440 + 0.182X_1 + 0.191X_2 + 0.450X_3 + 0.330X_4$$

Where;

Y= Growth of the MSEs

X₁= Mobile banking accessibility

X₂= Mobile banking costs

X₃= Mobile banking security

X₄=Mobile banking Efficiency

ε = Error term

CHAPTER FIVE: CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This section is a summary of the overall findings of the study based on the specific objectives of the study.

5.2 Summary of the study

The findings are summarized herein in accordance with the specific objective of this study as follows.

5.2.1 Mobile banking Accessibility

On an average majority of the respondents agreed that there is a great extent of them accessing m-banking services. Likewise, to a moderate extent, they indicated that their customers access financial services through m-banking. Therefore, given the accessibility of m-banking services, the average mean of 3.59 and an SD of 1.18 indicates that accessibility of m-banking services has affected growth of MSEs.

The findings further indicated that m-banking accessibility results in a significant and positive impact on growth of MSEs in Makueni Sub-County, Kenya ($\beta = 0.182$, $p = 0.000$), indicating that 1 unit of m-banking accessibility leads to an improvement in growth of MSEs in Makueni Sub-County, Kenya by 0.182 units. These findings correspond to Wentz and Tressler (2017), new technological applications in the banking and money framework could start to

address a portion of the issues identified with openness and security. For instance, one arising space of safety innovation is voice biometrics, which breaks down individual voice exhibits to verify the individual.

5.2.2 M-banking Costs

The findings showed that low cost of transaction through m-banking leads to increased sales (100%). Likewise, there is a great extent to which the cost of mobile transaction influence achieving profit in Kenyan MSEs (59.5%). Generally, given the costs of m-banking services, the average mean of 3.78 and a standard deviation of 1.20 indicates that the majority of the respondents were of the opinion that costs of m-banking services have affected growth of MSEs.

The findings indicated that costs of m-banking services have a positive and a significant influence on growth of MSEs in Makueni Sub-County, Kenya ($\beta=0.191$, $p=0.000$), indicating that 1 unit of costs of m-banking services leads to an improvement in growth of MSEs in Makueni Sub-County, Kenya by 0.191 units. These findings are in agreement with Achieng and Ingari (2015) who tracked down that apparent danger and expenses are the fundamental variables forestalling m-banking, while versatile banking was viewed as simple to utilize. Utilization of m-banking benefits paying little heed to the expense is additionally connected with business development. Abdinoor and Mbamba (2017) discovered expenses of exchanges to have a heavyweight on the reception interaction offering obstacles to service providers of m-banking administrations.

5.2.3 M-banking Security

It was indicated that 78.5% of the respondents agreed that m-banking transactions in enterprises are secure while 46.6% of them have witnessed incidences of cash loss through m-banking in their enterprises to a less extent. Generally, given the security of m-banking transactions, the average mean of 3.81 and a standard deviation of 1.01 indicates that the majority of the respondents were of the opinion that security of m-banking transactions has affected growth of MSEs.

The findings confirmed that security of m-banking transactions has a positive and significant influence on growth of MSEs in Makueni Sub-County, Kenya ($\beta = 0.450$, $p=0.000$), indicating that 1 unit of security of m-banking transactions leads to an improvement in growth of MSEs in Makueni Sub-County, Kenya by 0.450 units. The discoveries relate to Njanja (2019) who noticed that the use of a pin and a secret password for m-banking increases security and protection of users' data. Classification, verification, and data reliability should be among the essential requirements for any transferring money in an electronic environment. Other important protection aspects for clients include obscurity and confidentiality, which identify with usage plans of customers' own information (Njanja, 2019). Ngugi (2019) additionally shows that there is a positive and upgrading impact of m-banking on the web-based business security dangers towards firm performance. Consequently, web banking has broadly been perceived as significant in upgrading security worries in client reception of Internet banking.

5.2.4 M-banking Efficiency in Service Delivery

The findings indicate that 92% of them acknowledged that the use of m-banking services in their enterprises is efficient. This implies that given the efficiency of m-banking services, the average mean of 3.90 and a SD of 1.02 indicates that efficiency of m-banking services has affected growth of MSEs.

The findings indicated that efficiency of m-banking services has a positive and significant influence on growth of MSEs in Makueni Sub-County, Kenya ($\beta=0.330$, $p=0.039$), indicating that 1 unit of efficiency of m-banking services leads to an improvement in growth of MSEs in Makueni Sub-County, Kenya by 0.330 units. The findings correspond to Jolly who indicated that the advancement of electronic financial administrations prompt high production network adequacy (Jolly, 2016). Mwenda (2015) also demonstrates that m-banking further develops bankers' execution in the form of provisional hospitality, hedge funds, quick translation precaution, and saving of transaction expense.

5.3 Conclusions

The study concludes that m-banking accessibility, costs of m-banking services, security of m-banking transactions and the efficiency of m-banking services are good and significant predictors of growth of MSEs in Makueni Sub-County, Kenya.

5.4 Recommendations of the Study

There is need for an intensified campaign to sensitize the MSEs on the importance of mobile money transfer services owing to their flexibility and improved security as compared to carrying physical cash. This is evident especially in the current 21st century where technology has exploded to many developing countries.

Amidst the COVID-19 pandemic, the use of mobile money transactions is recommended to the MSEs since it has been shown to have a significant reduction influence on insecurity issues, cost of transactions and improve accessibility to financial services. It means that mobile money helps Kenyan MSEs achieve greater financial inclusivity and therefore, an assured and sustained growth.

To the policy makers, the findings suggest that there is need to solidify and enforce strong digital policy that promotes cashless payment. This goes a long way to encourage the firms and small-scale entrepreneurs in the country to integrate financial developments in their businesses such as PayPal in websites, social media marketing, e-wallets, mobile banking etc. the policy can encourage MSEs to go regional and even global by utilizing the web-based platforms and acquiring markets across-borders. For instance, by social media marketing, online selling, and online payments.

5.5 Limitations of the Study

Because many MSEs are shrouded in secrecy, most participants seemed hesitant to engage. Nevertheless, the investigator promised the respondents that the conclusions would have been utilized solely for scholarly objectives and that their private details would be kept private. Almost all of the administrators were unable to partake in the research due to their hectic schedules. The study team scheduled meetings with the participants in order to acquire sufficient opportunity and provide data for the investigation. The investigator also used a statistical gathering tool that was less time intensive and easier to apply, which guaranteed that enough data was collected.

Additionally, the study was limited to the selected sample of enterprises in Makueni Sub-County. The study mainly focused on the rural MSEs hence the results may not be generalized to the whole County/country. This is because different MSEs are located in different market environments unique from each other and therefore generalizing the findings may hinder the actual status of the situation. However, this forms a basis for further studies by other future scholars in the related field.

5.6 Suggestions for Further Study

The findings indicate that the four variables in the study explain only 76.9% of growth of MSEs in Makueni Sub-County, Kenya. Therefore, the study presents room for extrapolation of further studies given the remaining percentage of which could be 23.1% based on other predictors. Thus, further studies could be done in the areas and based on the subject being

explored by incorporating more independent predictors for a more wholistic approach to the study. Likewise, scholars could consider incorporating moderating and mediating variables to show their interaction influence on the existing model. Contextually, the scholars are presented with opportunities to explore the case of not only the MSEs in Makueni Sub-County, Kenya, but also SMEs and larger firms in other neighboring counties for a comparative approach to the current findings.

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APPENDICES

Appendix I: Introductory Letter

Joseph Mbithi Muathe

P.O .Box

Nairobi, Kenya.

Dear Respondent,

REF: REQUEST FOR RESEARCH DATA

I am a postgraduate student in the KCA University. I am conducting a study on *the influence of mobile banking on growth of micro and small enterprises in Makueni Sub-County in Kenya.*

Your Enterprise is one of the sampled businesses. I kindly therefore request you to provide the necessary information for this study. The information collected is purely for academic purpose and thus will be treated with utmost confidence it deserves. A final copy of the report will be availed to you at your request.

Yours faithfully,

Joseph Mbithi Muathe

Appendix II: Questionnaires

Section A: General Information

1. Please indicate your gender

Female ☐ ☐

Male ☐ ☐

2. Indicate your age bracket

20-30 yrs ☐ ☐

31-40 yrs ☐ ☐

41-50 yrs ☐ ☐

51 and above ☐ ☐

3. State your highest level of education

Primary level ☐ ☐

Secondary level ☐ ☐

College ☐ ☐

Undergraduate ☐ ☐

Postgraduate ☐ ☐

4. For how long has your enterprise been in operation?

Less than 2 years []

2 to 5years []

5 to 10 years []

Above 10 years []

Section B: Mobile banking Accessibility

6. To what extent do you access financial services through mobile banking?

i. Very Great extent []

ii. Great extent []

iii. Moderate extent []

iv. Less extent []

Any other, kindly specify.....

7. To what extent do your customers transact i.e. pay for goods in your enterprise through mobile banking?

i. Very Great Extent []

ii. Great Extent []

iii. Moderately Extent []

iv. Less Extent []

Kindly explain your answer.....

8. Using a scale of 1-5 where 5 is strongly agreed, 4-Disagree, 3-moderately disagree, 2-Agree and 1- strongly disagree. Kindly indicate the extent to which you agree with the following statement concerning mobile banking accessibility in your enterprise?

Statement	1	2	3	4	5
I am able to pay my suppliers through mobile banking with ease					
I am able to access my bank account for savings deposits and cash withdrawals with ease at any time of the day.					
I am able to borrow a loan and pay through my mobile phone with ease					
Mobile banking transaction amount limits per transaction need to be increased to widen access to banking					
I get banking services within expected time at my convenience from our nearest agents through mobile banking					

Section C: Costs of mobile banking services

9. Does the low cost of transaction through mobile banking lead to increased sales?

Yes [☐]

No [☐]

10. To what extent does cost of mobile transaction influence achieving profit in your organization?

i. Very Great Extent [☐]

ii. Great Extent [☐]

iii. Moderately Extent [☐]

iv. Less Extent [☐]

Kindly explain your answer.....

11. . Using a scale of 1-5 where 5 is strongly agreed, 4-Disagree, 3-moderately disagree, 2-Agree and 1- strongly disagree. Kindly indicate the extent to which you agree with the following statement concerning transaction costs in mobile payments?

Statement	1	2	3	4	5
The cost of mobile transactions is more affordable					
Pricing of mobile payments is competitive for enterprises					
It is affordable to acquire a mobile phone for mobile banking service usage					
Mobile banking saves the entrepreneur costs of travelling to the bank					
Mobile banking lowers the cost of banking services					
Low financial costs lead to increased business profits					

Section D: Security of mobile banking transactions

12. Are mobile banking transactions in your enterprise secure?

Yes []

No []

13. To what extent have you witnessed incidences of cash loss through mobile banking in your enterprise?

i. Very Great Extent []

ii. Great Extent []

iii. Moderately Extent []

iv. Less Extent []

Kindly explain your answer.....

14. Using a scale of 1-5 where 5 is strongly agreed, 4-Disagree, 3-moderately disagree, 2-Agree and 1- strongly disagree. To what extent do you agree with the following statements concerning mobile banking security?

Statement	1	2	3	4	5
Mobile banking reduces incidences of cash loss in the business and improves on cash management.					
Mobile banking security enhances trust in customers					
Savings amount level in mobile virtual accounts needs to be increased for enterprises to save more since its secure.					
I save my money through mobile banking since I believe it is secure.					
It is safe to send to or withdraw money from my bank using mobile banking					

15. In your own opinion, indicate other way your enterprises mitigate occurrence of risks and improve security in mobile banking

.....

Section E: Efficiency in Financial Service Delivery

16. Is mobile banking in your enterprise efficient?

Yes []

No []

Give reasons for your answer.....

17. Using a scale of 1-5 where 5 is strongly agreed, 4-Disagree, 3-moderately disagree, 2-Agree and 1- strongly disagree. Kindly indicate the extent to which you agree with the following statement concerning efficiency in service delivery between the financial institutions and your enterprise?

Statement	1	2	3	4	5
Use of mobile banking improves the relationship between banks and the micro and small enterprises					
Use of mobile banking leads to more financial transactions being done					
Mobile banking makes financial services available all time to the enterprises					
Mobile banking supports offering of reliable banking services					
Mobile banking enables financial institutions to offer financial services conveniently					

Section F: Growth of Micro and Small Enterprises in Makueni Sub County

18. Using a scale of 1-5 where 5 is strongly agreed, 4-Disagree, 3-moderately disagree, 2-Agree and 1- strongly disagree. Kindly indicate to what extent to which mobile banking influence growth of micro and small enterprises.

Statement	1	2	3	4	5
Improving sales turnovers for the business					
Improving business profitability					
Improving access to financial services like savings, loans, insurance					
Improves on loan repayment management and reduces default on loans.					
Improves on maintenance of financial records in the business					

Thank you for your participation