

Adoption Of Mobile Banking And Financial Performance Of Micro And Small Enterprises In Arusha Town Tanzania

Sarafina Yohana, Dr. Joseph Ndururi, Dr. Alexander Katuta

Department of Accounting and Finance, School of Business and Economics, The Catholic University of Eastern Africa

DOI: 10.29322/IJSRP.14.09.2024.p15319

Paper Received Date: 09th August 2024
Paper Acceptance Date: 10th September 2024
Paper Publication Date: 18th September 2024

Abstract- This study investigated the impact of mobile banking adoption on the financial performance of Micro and Small Enterprises (MSEs) in Arusha Town, Tanzania. The research focused on three key mobile banking services—mobile payments, mobile-saving services, and mobile credit—and examines their influence on financial performance metrics such as sales revenue, transaction volume, savings, and loan accessibility. Despite the potential of mobile banking to enhance financial inclusion, MSE adoption in Arusha remains limited due to infrastructural challenges, low trust in digital finance, and limited awareness. Using a descriptive research design and structured questionnaires, data were collected from MSE owners across various sectors in Arusha Town. The findings reveal that 66% of MSEs reported an increase in sales revenue due to mobile payment adoption, with 73% observing a rise in daily transaction volumes and 68% noting an expansion in market share. For mobile-saving services, 71% of respondents confirmed improved savings, and 64% reported better access to emergency funds, enhancing their financial resilience. In terms of mobile credit services, 68% of MSEs experienced improved loan accessibility, and 70% effectively utilized these loans for business growth and operational continuity. The study concluded that mobile banking services have a significant positive impact on the financial performance of MSEs, improving their operational efficiency, financial sustainability, and market competitiveness. These results provide valuable insights for policymakers and financial institutions aiming to promote the broader adoption of mobile banking to enhance financial inclusion for MSEs in Tanzania.

Index Terms- Mobile banking, Financial performance, Micro and Small Enterprises (MSEs), Financial inclusion

I. INTRODUCTION

1.1 Background to the Study

The rapid development of mobile banking services has revolutionized the financial sector, particularly for Micro and Small Enterprises (MSEs), which play a vital role in driving economic growth and employment. Mobile banking presents significant opportunities for MSEs by offering convenient, cost-

effective alternatives to traditional banking methods, thereby enhancing financial inclusion and business performance (World Bank, 2020). Mobile banking services such as mobile payments, mobile savings, mobile credit, and mobile connectivity are particularly useful for MSEs operating in regions with limited access to formal banking systems.

Despite the clear advantages of mobile banking, its adoption among MSEs in Tanzania, particularly in Arusha Town, remains inconsistent. The challenges faced by these enterprises include limited awareness, low trust in digital financial services, and infrastructural barriers (Nyagari et al., 2021). These barriers restrict MSEs from fully utilizing mobile banking services to enhance their financial performance, further exacerbating their financial exclusion from the formal banking sector (Mbilinyi et al., 2018).

This study seeks to examine the adoption of mobile banking services by MSEs in Arusha Town and evaluate their impact on financial performance. The research specifically explores how mobile payment systems, mobile savings, mobile credit services, and mobile connectivity influence key financial performance indicators such as revenue growth, transaction volume, and profitability. By addressing the existing gaps in the literature and investigating the specific factors influencing the adoption of mobile banking among MSEs, this study aims to provide insights that will inform policies aimed at improving financial inclusion and promoting business sustainability in Arusha (Rashid, 2021).

1.2 Problem Statement

Micro and Small Enterprises (MSEs) play a crucial role in Tanzania's economy by contributing to job creation and economic growth. However, despite their importance, MSEs in Arusha Town continue to face significant barriers in accessing formal financial services. Traditional banking systems are often inaccessible due to high transaction costs, limited infrastructure, and stringent requirements, leaving many MSEs financially excluded (Mbilinyi et al., 2018). In recent years, mobile banking has emerged as a potential solution, offering convenient, affordable financial services that can enhance financial inclusion for these enterprises.

However, the adoption of mobile banking services among MSEs in Arusha has been slow, largely due to factors such as limited awareness, infrastructural challenges, and low levels of trust in digital financial services (Nyagari et al., 2021). These barriers prevent MSEs from fully utilizing mobile banking to improve their financial performance, limiting their ability to grow and compete in an increasingly digital economy.

The scarcity of empirical data on the adoption and impact of mobile banking among MSEs in Arusha Town further complicates efforts to develop effective interventions. This study aims to address this gap by examining the factors influencing the adoption of mobile banking services and evaluating their impact on the financial performance of MSEs in Arusha Town. Understanding these dynamics is critical for enhancing financial inclusion, improving business sustainability, and promoting economic growth in the region.

1.3 Objectives of the Study

- i. To determine the influence of mobile payment adoption on financial performance of micro and small enterprises in Arusha Town.
- ii. To evaluate the influence of the use of mobile-saving services on the financial performance of micro and small enterprises in Arusha Town.
- iii. To analyze the influence of mobile credit service on financial performance of micro and small enterprises in Arusha Town.

1.4 Significance of the Study

This study is significant because it addresses the critical issue of financial inclusion for Micro and Small Enterprises (MSEs) in Arusha Town, Tanzania, by examining the adoption of mobile banking services and their impact on financial performance. Given the challenges MSEs face in accessing traditional banking services, understanding how mobile banking can improve their financial sustainability is crucial. The findings from this study will provide valuable insights for policymakers, financial institutions, and other stakeholders aiming to promote the broader adoption of digital financial services. By identifying the barriers to and benefits of mobile banking, this research will help in designing effective strategies to enhance financial inclusion, support MSE growth, and ultimately contribute to the region's economic development.

II. LITERATURE REVIEW

This section presents empirical literature review as per the objectives of the study.

2.1 Empirical Review

2.1.1 Influence of Mobile Payment Adoption on Financial Performance of Micro and Small Enterprises

Globally, mobile payment adoption has significantly contributed to improving the financial performance of MSEs by offering them convenient, cost-effective methods of conducting transactions (Goyal & Joshi, 2019). In regions like East Asia and North America, businesses have reported increased revenue growth, improved operational efficiency, and greater customer satisfaction due to the widespread adoption of mobile payment

platforms (Karlan et al., 2020). Despite these successes, disparities remain in mobile payment adoption, particularly in regions with infrastructural limitations and regulatory challenges (GSMA, 2023). The overall impact of mobile payments on financial performance is well-documented, particularly in improving transaction efficiency and reducing costs (Lopez et al., 2019).

In Africa, mobile payment systems have had a transformative effect on MSEs, enhancing financial inclusion and allowing businesses to access formal financial services (Jack & Suri, 2018). Countries like Kenya, with the success of platforms like M-PESA, have led the way in mobile payment adoption, while other regions face slower growth due to infrastructural barriers and regulatory constraints (Mas & Ng'weno, 2021). The adoption of mobile payments has enabled MSEs to reduce transaction costs and improve their financial performance, but challenges such as digital literacy and security concerns remain obstacles to broader adoption across the continent (Faye et al., 2021).

2.1.2 Influence of the Use of Mobile-Saving Services on the Financial Performance of Micro and Small Enterprises

Globally, mobile-saving services have played a crucial role in improving the financial management of MSEs. These services provide a secure and convenient platform for businesses to save money, manage cash flows, and build financial resilience (Lee, 2021). Studies conducted in countries like Vietnam and India demonstrate that mobile savings improve liquidity, facilitate access to credit, and ultimately contribute to enhanced financial performance (Gupta & Shah, 2022). In contexts where traditional banking services are less accessible, mobile-saving services offer MSEs an opportunity to accumulate capital and invest in business growth (Chen & Wu, 2019).

In Africa, mobile-saving services have become essential in expanding financial inclusion for MSEs. Research in Kenya shows that these services provide a reliable avenue for MSEs to manage their finances, accumulate savings, and improve financial stability (Patel & Singh, 2018). However, challenges such as limited financial literacy and infrastructural constraints slow the adoption of mobile savings across the continent (Makori & Namasage, 2023). Despite these challenges, mobile-saving services continue to positively impact the financial performance of MSEs by offering them secure, cost-effective alternatives to traditional saving methods (Bakker et al., 2023).

2.1.3 Influence of Mobile Credit Service on Financial Performance of Micro and Small Enterprises

Mobile credit services have provided MSEs with a critical lifeline by improving access to financing. Globally, studies show that access to mobile credit has positively influenced the financial performance of MSEs by enhancing cash flow management, allowing businesses to meet working capital needs, and supporting revenue growth (Smith, 2018; Gupta & Kumar, 2021). In regions with limited access to formal financial institutions, mobile credit has been instrumental in promoting business sustainability and financial resilience, empowering MSEs to grow and manage risk (Kim & Park, 2022).

In Africa, mobile credit services have dramatically improved financial inclusion and access to capital for MSEs. Studies conducted in Kenya and Tanzania demonstrate that mobile credit has enabled businesses to address liquidity challenges,

expand operations, and improve profitability (Mbilinyi et al., 2019). Despite the positive impact, high-interest rates and repayment challenges remain significant barriers to the broader adoption of mobile credit services (Mas & Ng'weno, 2021). Nonetheless, mobile credit continues to play a vital role in supporting MSE growth and financial performance across the continent (Faye et al., 2019).

2.4 Theoretical Framework

This study utilized four theories—Technology Acceptance Model (TAM), Diffusion of Innovation Theory (DOI), Unified Theory of Acceptance and Use of Technology (UTAUT), and Theory of Planned Behavior (TPB)—to explore the adoption of mobile banking by Micro and Small Enterprises (MSEs) and its impact on financial performance in Arusha Town. Each theory provided a unique perspective on how MSEs adopted mobile banking services and how these services influenced their financial outcomes. TAM, developed by Davis (1989), focused on perceived usefulness and ease of use, which were critical for understanding why MSEs adopted mobile payments. DOI, introduced by Rogers (2003), examined how innovations, such as mobile-saving services, diffused within a social system, influenced by factors like relative advantage and compatibility. UTAUT, proposed by Venkatesh et al. (2003), emphasized performance expectancy, effort expectancy, social influence, and facilitating conditions, making it ideal for analyzing the adoption of mobile credit services by MSEs. Lastly, TPB, formulated by Ajzen (1991), explained the psychological and social factors driving the adoption of mobile connectivity, highlighting the roles of attitudes, subjective norms, and perceived behavioral control. Together, these theories provided a comprehensive framework to assess the adoption of mobile banking services in Arusha and their effect on MSEs' financial performance, offering insights into how technology acceptance and innovation diffusion drove business growth in the region.

III. RESEARCH METHODOLOGY

This study employed a descriptive research design to investigate the impact of mobile banking adoption on the financial performance of Micro and Small Enterprises (MSEs) in Arusha Town. A descriptive design was chosen because it allows for a comprehensive analysis of existing phenomena without manipulating the study environment, making it ideal for exploring real-world trends in mobile banking usage (Kothari, 2004). The target population included MSE owners operating in sectors such as retail, manufacturing, and services within Arusha Town. To ensure a representative sample, stratified random sampling was used, with businesses categorized based on industry, enabling the

study to capture a wide range of experiences related to mobile banking adoption (Mugenda & Mugenda, 2003).

Data collection was primarily conducted through structured questionnaires designed to gather detailed information on the adoption of mobile banking services, including mobile payment, savings, credit services, and connectivity. The questionnaire focused on perceived ease of use and usefulness—concepts derived from the Technology Acceptance Model (Davis, 1989)—as well as the impact of these services on business outcomes such as revenue growth, operational efficiency, and access to credit. Additionally, the questionnaire captured demographic data about the respondents, such as business size and years of operation. Before launching the full study, a pilot test was conducted with 30 MSEs to validate the reliability and clarity of the questionnaire, following established guidelines for instrument testing (Cooper & Schindler, 2014).

Data were analyzed using both descriptive and inferential statistics. Descriptive statistics, such as means, frequencies, and standard deviations, were employed to summarize the demographic characteristics of the sample and their responses related to mobile banking adoption. Inferential statistics, specifically correlation and regression analyses, were used to determine the relationship between mobile banking adoption and MSE financial performance (Field, 2018). These analyses helped quantify the impact of mobile banking services on key financial performance indicators, such as profitability and operational efficiency. The results were critical in drawing conclusions about the role of mobile banking in enhancing financial inclusion and driving business growth among MSEs in Arusha Town.

IV. FINDINGS AND DISCUSSIONS

4.1 Introduction

This section presents the findings for each research objective, with graphs illustrating key results. Each graph is followed by a discussion on its implications.

4.2 Influence of Mobile Payment Adoption on Financial Performance of Micro and Small Enterprises in Arusha Town

4.2.1 Influence of Sales Revenue on Financial Performance of Micro and Small Enterprises in Arusha Town

Sales revenue is a critical factor in determining the financial health and long-term sustainability of MSEs. Mobile payment adoption is widely recognized as a driver of revenue growth, allowing businesses to increase their customer base and streamline transactions. Figure 4.1 illustrates the relationship between mobile payment adoption and sales revenue among MSEs in Arusha Town.

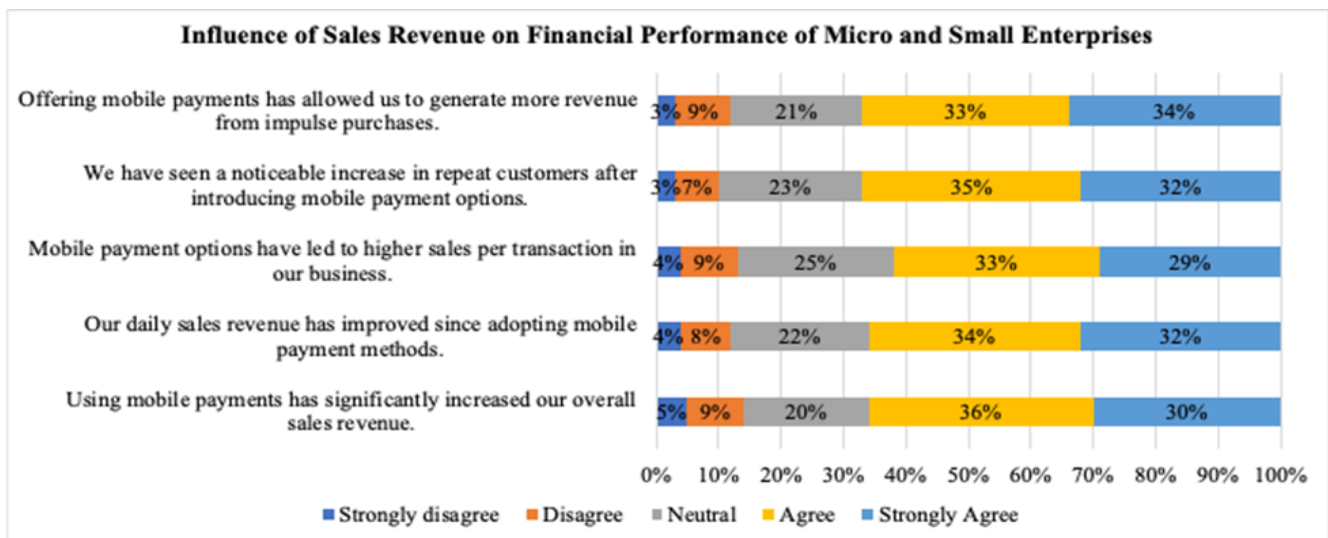


Figure 4. 1: Sales Revenue and Financial Performance

The data in Figure 4.1 indicates that 66% of respondents reported a positive impact on sales revenue after adopting mobile payment methods. This is consistent with findings from studies by Khan et al. (2022) and Lopez et al. (2019), which identified a favorable correlation between mobile payment adoption and revenue growth. Additionally, 62% of respondents indicated that mobile payments increased the average sales per transaction, which aligns with the research by Mas and Ng’weno (2021), showing that mobile payment adoption enhances transaction value and efficiency.

The findings reveal that 67% of respondents also reported an increase in repeat customers due to mobile payment adoption, corroborating the work of Mlachila and Prakash (2020) who found that mobile payments improve customer retention and loyalty. The

study further showed that 67% of MSEs experienced higher revenue from impulse purchases after adopting mobile payments, a trend supported by research from the African Development Bank (2023). Interviews with business leaders also reflected these improvements, with one respondent noting, "Since we started using mobile payments, our sales have definitely increased."

4.2.2 Influence of Transaction Volume on Financial Performance of Micro and Small Enterprises in Arusha Town

Transaction volume is another key indicator of the financial performance of MSEs, reflecting the frequency and value of transactions processed. Figure 4.2 demonstrates the impact of mobile payment adoption on transaction volume among MSEs in Arusha Town.

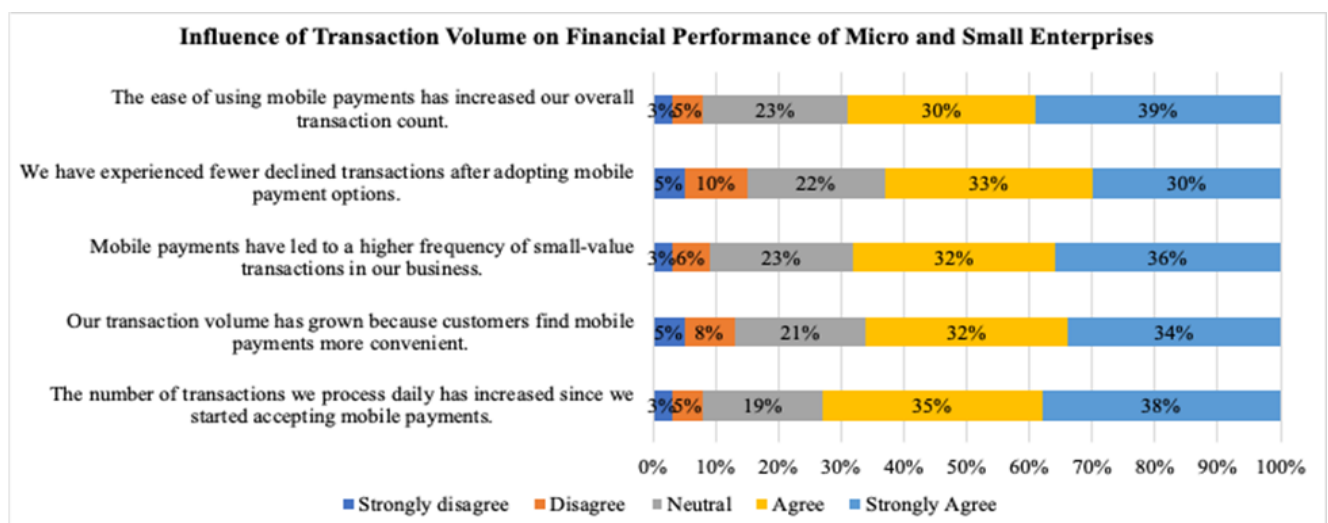


Figure 4. 2: Transaction Volume and Financial Performance

The data presented in Figure 4.2 reveals that 73% of respondents observed an increase in daily transaction volumes following the adoption of mobile payments. This aligns with Lopez et al. (2019), who reported similar trends, showing that mobile payment systems enhance transaction efficiency and

volume. Additionally, 66% of respondents agreed that mobile payments increased transaction volumes by making payment processes more convenient, echoing Goyal and Joshi's (2019) findings that mobile payments improve customer satisfaction and transaction rates.

Furthermore, 68% of respondents indicated an increase in small-value transactions after adopting mobile payments, a trend supported by Mas and Ng’weno (2021), who found that mobile payments reduce barriers to low-value purchases. Interviews with MSE leaders confirmed these findings, with one respondent stating, "Our daily transactions have increased significantly since we started accepting mobile payments."

4.2.3 Influence of Market Share on Financial Performance of Micro and Small Enterprises in Arusha Town

Market share is a critical measure of a business's competitive position in its industry. Figure 4.3 illustrates the impact of mobile payment adoption on market share among MSEs in Arusha Town.

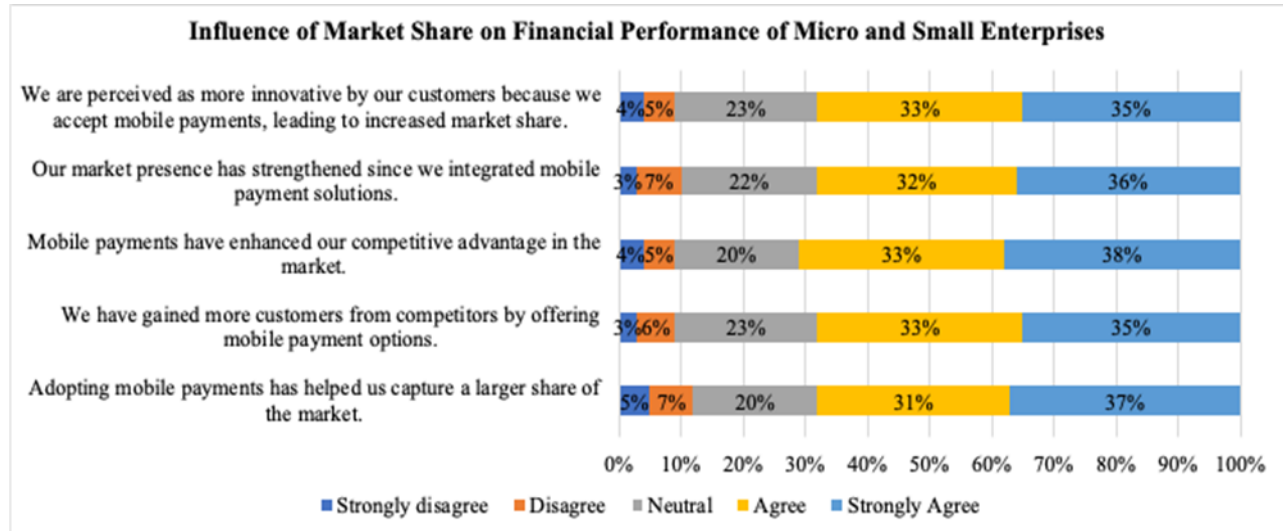


Figure 4. 3: Market Share and Financial Performance

The data in Figure 4.3 shows that 68% of respondents agreed that adopting mobile payments helped them capture a larger market share. This is consistent with findings by Khan et al. (2022), who highlighted the role of mobile payments in expanding market reach for MSEs. Similarly, 68% of respondents reported gaining customers from competitors after introducing mobile payment options, supporting Lopez et al. (2019), who found that mobile payments give businesses a competitive edge. Additionally, 71% of respondents agreed that mobile payment adoption improved their competitive advantage, a finding corroborated by Mas and Ng’weno (2021). One respondent noted, "Integrating mobile payments has definitely increased our market share. Customers see us as more innovative and convenient,"

reflecting the transformative impact of digital payment solutions on MSE competitiveness.

4.3 Influence of the Use of Mobile-Saving Services on Financial Performance of Micro and Small Enterprises in Arusha Town

4.3.1 Influence of Savings on Financial Performance of Micro and Small Enterprises in Arusha Town

Savings play a crucial role in the financial stability and growth of MSEs, enabling them to reinvest in their operations and manage unexpected expenses. Figure 4.4 presents data on the influence of mobile-saving services on the financial performance of MSEs in Arusha Town.

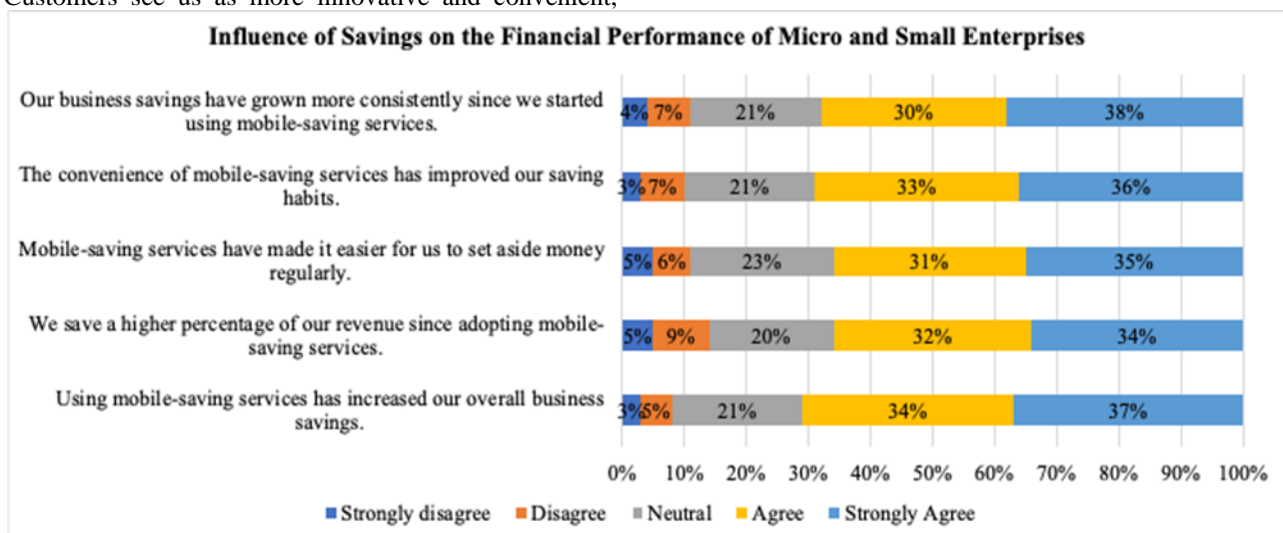


Figure 4. 4: Savings and Financial Performance

According to Figure 4.4, 71% of respondents agreed that using mobile-saving services has increased their business savings. This finding aligns with research by Patel and Singh (2018), which demonstrated that mobile-saving services improve financial performance by enhancing savings mobilization. Additionally, 66% of respondents reported saving a higher proportion of their revenue since adopting mobile-saving services, supporting Kim and Park's (2020) findings that mobile savings promote prudent financial management.

Interviews with MSE leaders reinforced these findings, with one respondent remarking, "Our business savings have grown

steadily thanks to the ease of setting aside money through mobile-saving platforms." This illustrates the positive impact of mobile-saving services on financial resilience and business growth.

4.3.2 Influence of Emergency Funds on Financial Performance of Micro and Small Enterprises in Arusha Town

Emergency funds are vital for maintaining business continuity during financial crises. Figure 4.5 illustrates the role of mobile-saving services in improving access to emergency funds among MSEs in Arusha Town.

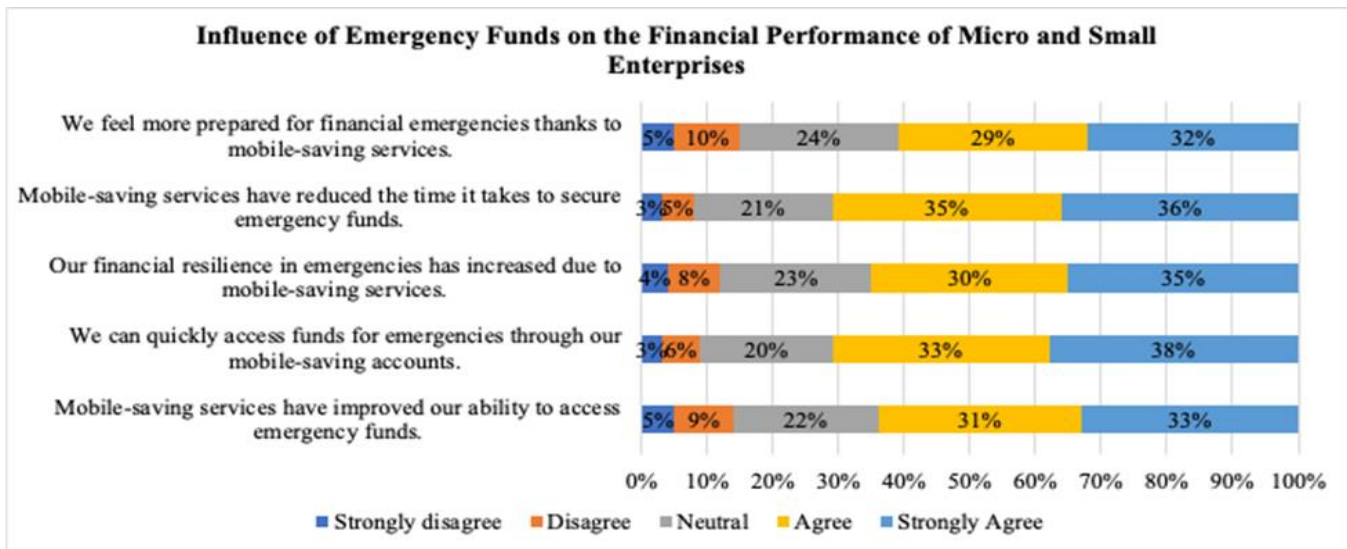


Figure 4. 5: Emergency Funds and Financial Performance

The data in Figure 4.5 shows that 64% of respondents agreed that mobile-saving services improved their ability to access emergency funds. This finding is consistent with Lee's (2021) study in Vietnam, which linked mobile savings to better financial resilience. Additionally, 71% of respondents agreed that mobile-saving services facilitated quicker access to emergency funds, supporting Gupta and Shah's (2022) findings that mobile savings enhance financial flexibility.

Interviews with MSE leaders echoed these sentiments, with one stating, "Having mobile-saving accounts has made it much

easier for us to access emergency funds quickly. We feel more secure knowing we have that safety net."

4.3.3 Influence of Interest Earned on Savings and Financial Performance of Micro and Small Enterprises in Arusha Town

Interest earned on savings can significantly enhance the financial performance of MSEs by increasing their capital reserves. Figure 4.6 presents data on the influence of interest earned from mobile-saving services on the financial performance of MSEs in Arusha Town.

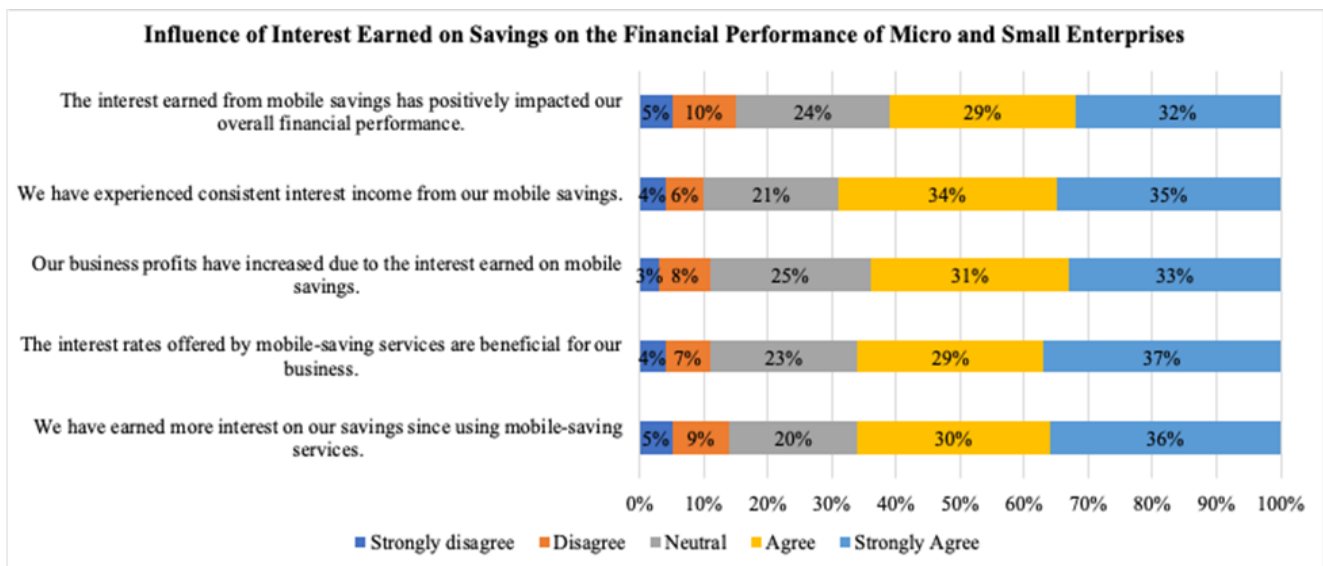


Figure 4. 6: Interest Earned on Savings and Financial Performance

According to Figure 4.6, 66% of respondents agreed that they had earned more interest on their savings since adopting mobile-saving services. This finding aligns with Patel and Singh's (2018) research, which demonstrated that mobile-saving services improve business profitability. Furthermore, 64% of respondents reported that interest earned from mobile savings positively impacted their business profits, supporting Lee's (2021) findings in Vietnam.

These findings were confirmed by interviews with MSE leaders, with one respondent stating, "Earning interest on our savings has significantly boosted our business profits."

4.4 Influence of Mobile Credit Services on Financial Performance of Micro and Small Enterprises in Arusha Town

4.4.1 Influence of Loan Accessibility on Financial Performance of Micro and Small Enterprises in Arusha Town

Access to credit is essential for business growth and financial sustainability. Figure 4.7 presents data on the influence of mobile credit services on loan accessibility for MSEs in Arusha Town.

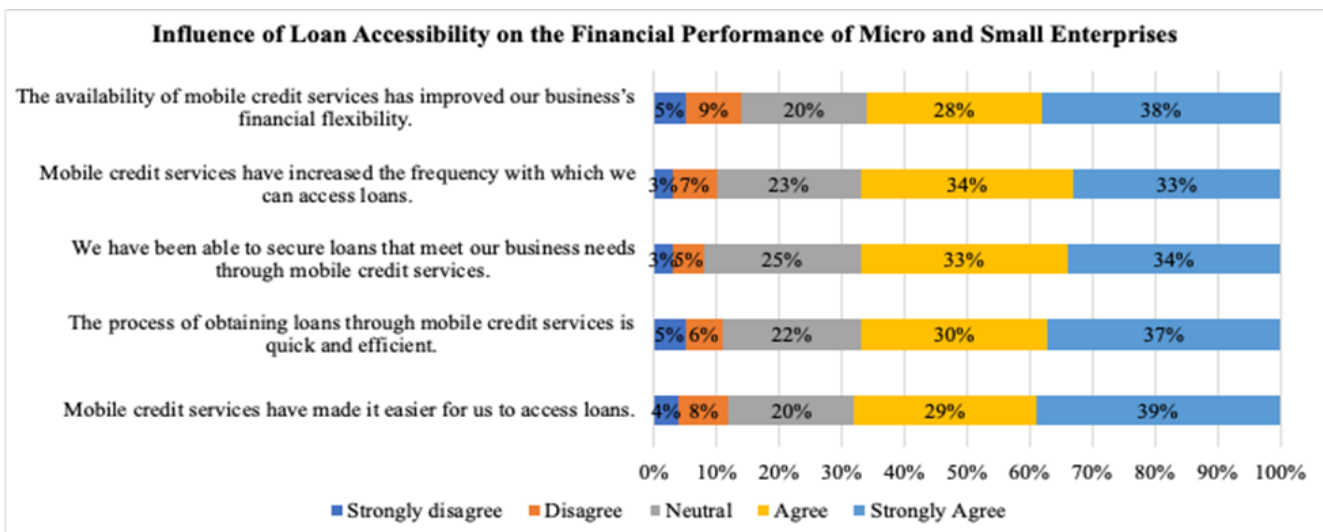


Figure 4. 7: Loan Accessibility and Financial Performance

The data in Figure 4.7 shows that 68% of respondents agreed that mobile credit services made it easier to access loans. This finding is consistent with research by Smith (2018), who found that mobile credit services improve loan accessibility for MSEs. Additionally, 67% of respondents reported that mobile credit services provided loans that met their business needs,

supporting Kim and Park's (2022) findings on entrepreneurial finance.

Interviews with MSE leaders supported these findings, with one noting, "Mobile credit services have made it much easier for us to access loans quickly, which has been crucial for our business growth."

4.4.2 Influence of Loan Utilization on Financial Performance of Micro and Small Enterprises in Arusha Town

Loan utilization plays a significant role in determining how effectively MSEs leverage financial resources to enhance their

operational efficiency and profitability. Figure 4.8 presents data on how mobile credit services influence loan utilization among MSEs in Arusha Town.

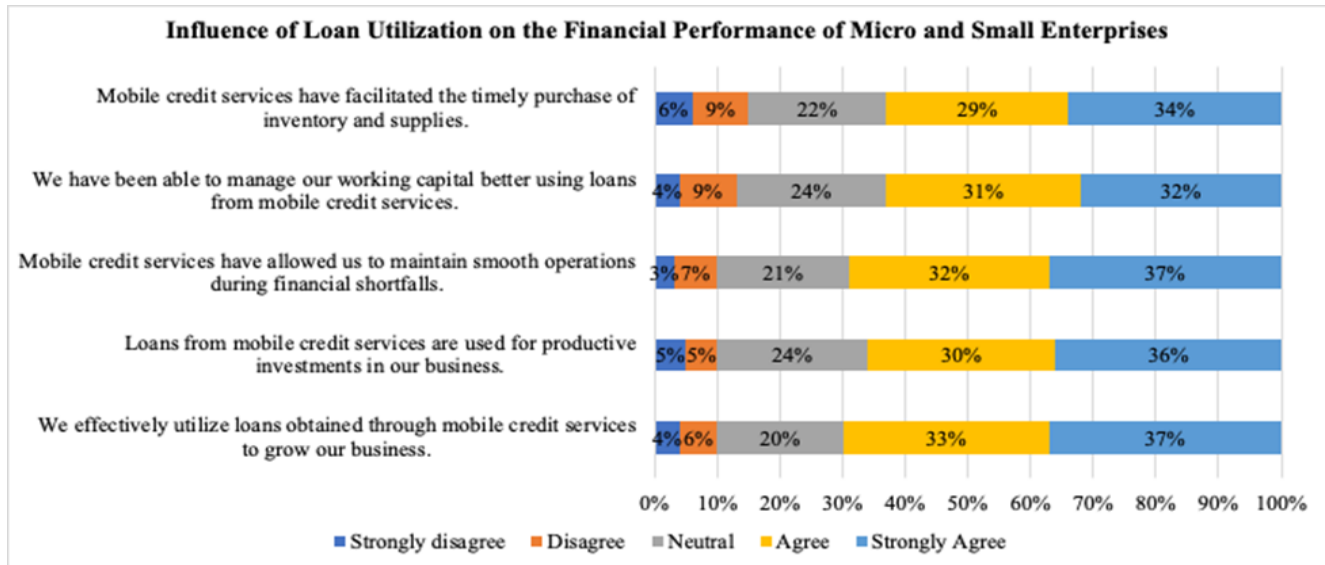


Figure 4. 8: Loan Utilization and Financial Performance

The data in Figure 4.8 shows that 70% of respondents agreed that loans obtained through mobile credit services were effectively utilized to grow their businesses. This result is in line with Gupta and Kumar (2021), who found that strategic loan utilization directly impacts business growth. Additionally, 66% of respondents reported using loans from mobile credit services for productive investments such as equipment and inventory, highlighting the critical role of these loans in enhancing the operational capacity of MSEs.

Furthermore, 69% of respondents agreed that mobile credit services enabled them to maintain smooth operations during financial shortfalls. This finding supports Mwakibinga, Mwangeni, and Munga's (2022) research, which emphasized the importance

of mobile credit in addressing short-term financing needs and ensuring business continuity. As one respondent noted, "Using loans for productive investments, such as purchasing new equipment, has significantly boosted our business growth."

4.4.3 Influence of Repayment Rates on Financial Performance of Micro and Small Enterprises in Arusha Town

Repayment rates are a critical measure of the financial sustainability of MSEs, as they reflect the businesses' ability to meet financial obligations and maintain positive credit relationships. Figure 4.9 illustrates the influence of repayment rates on the financial performance of MSEs in Arusha Town.

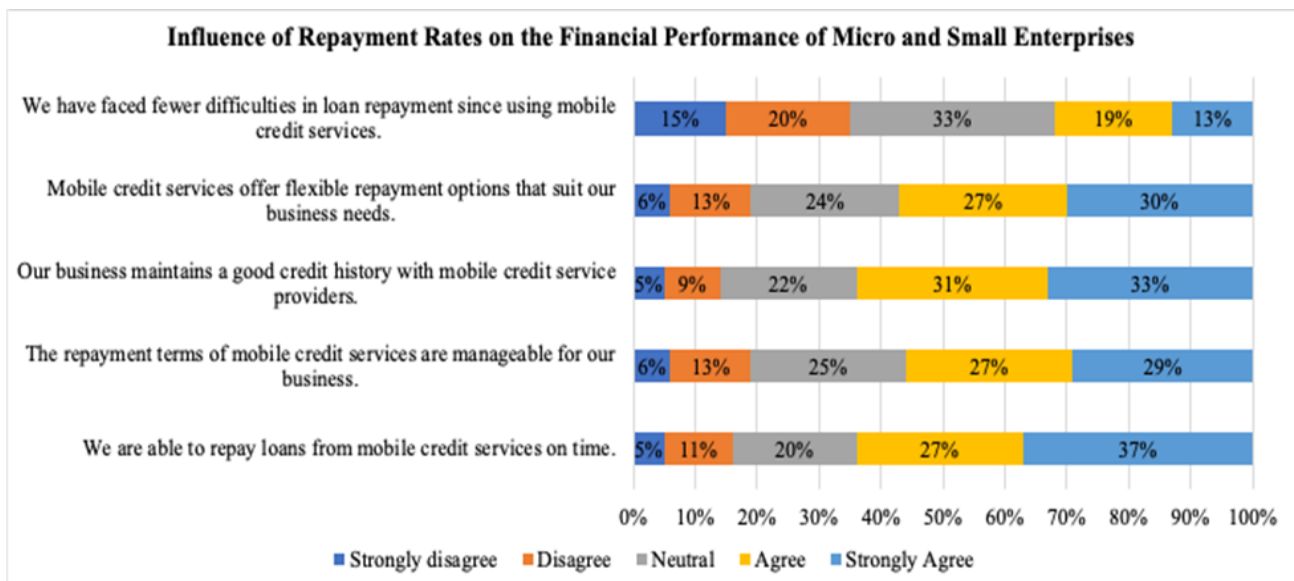


Figure 4. 9: Repayment Rates and Financial Performance

The data in Figure 4.9 shows that 64% of respondents reported timely repayment of loans acquired through mobile credit services, which aligns with Gupta and Kumar's (2021) findings that highlight the positive correlation between timely loan repayment and financial sustainability. Additionally, 56% of respondents found the repayment terms of mobile credit services manageable, a sentiment that echoes the study by Kim and Park (2022), which emphasizes the importance of flexible loan terms for small enterprises.

Furthermore, 64% of respondents reported maintaining a good credit history with mobile credit service providers, a finding that resonates with Mlachila and Prakash (2020), who noted that maintaining a positive credit history enhances access to future financial resources. One interview respondent remarked, "The repayment terms of mobile credit services are very manageable for our business, allowing us to maintain a good credit history."

V. CONCLUSIONS

This study sought to determine the influence of mobile banking services—mobile payments, mobile-saving services, and mobile credit services—on the financial performance of micro and small enterprises (MSEs) in Arusha Town. The findings revealed that the adoption of mobile payments significantly enhanced the financial performance of MSEs by increasing sales revenue, improving transaction efficiency, and expanding market share. Businesses that integrated mobile payment systems reported higher daily transaction volumes, increased sales per transaction, and greater customer retention. These outcomes affirm the role of mobile payment adoption in driving revenue growth and operational efficiency for MSEs, ultimately contributing to their financial sustainability.

The second objective, which focused on the influence of mobile-saving services, showed a positive correlation between the use of mobile savings and improved financial performance. MSEs utilizing mobile-saving platforms experienced greater financial resilience, with increased savings, better liquidity management, and enhanced access to emergency funds. Mobile-saving services also promoted consistent savings habits among MSEs, helping them build financial reserves for future investments. These findings highlight the importance of mobile-saving services in fostering financial discipline and stability, enabling MSEs to navigate economic uncertainties more effectively.

Lastly, the study found that mobile credit services played a pivotal role in improving loan accessibility and financial flexibility for MSEs. Businesses that utilized mobile credit services were able to secure loans more efficiently, leading to increased investments in operations and enhanced working capital management. Additionally, MSEs reported improved financial performance due to manageable repayment terms and the ability to maintain a good credit history with mobile credit providers. The study concludes that mobile credit services are crucial in supporting business growth and enhancing the financial performance of MSEs, particularly by addressing short-term financing needs and promoting sustainable business practices.

REFERENCES

- [1] African Development Bank. (2023). The role of mobile payments in facilitating impulse purchases and revenue growth.
- [2] Ajzen, I. (1991). The theory of planned behavior. *Organizational Behavior and Human Decision Processes*, 50(2), 179-211.
- [3] Bakker, A., Chen, X., & Wu, H. (2023). Mobile savings and financial performance: Insights from Latin America. *Journal of Financial Inclusion*, 5(1), 45-67.
- [4] Chen, X., & Wu, H. (2019). Mobile savings in China: How digital finance supports small agribusinesses. *Journal of Financial Technology*, 12(3), 101-115.
- [5] Cooper, D. R., & Schindler, P. S. (2014). *Business Research Methods* (12th ed.). McGraw-Hill Education.
- [6] Davis, F. D. (1989). Perceived usefulness, perceived ease of use, and user acceptance of information technology. *MIS Quarterly*, 13(3), 319-340.
- [7] Faye, I., Lopez, R., & Sow, M. (2019). Mobile credit adoption and financial inclusion in Africa. *African Development Review*, 32(4), 611-625.
- [8] Field, A. (2018). *Discovering Statistics Using IBM SPSS Statistics* (5th ed.). Sage Publications.
- [9] Goyal, A., & Joshi, R. (2019). The impact of mobile payment systems on MSE revenue growth. *International Journal of Business and Finance*, 7(2), 55-67.

- [10] GSMA. (2023). Mobile payment adoption and its influence on financial performance in Sub-Saharan Africa. GSMA Research Reports.
- [11] Gupta, A., & Kumar, R. (2021). The impact of debt financing on small business growth in India. *Journal of Entrepreneurial Finance*, 9(2), 89-104.
- [12] Gupta, N., & Shah, A. (2022). Mobile savings and financial performance: Evidence from micro-enterprises in India. *Journal of Microfinance and Development*, 10(3), 144-160.
- [13] Jack, W., & Suri, T. (2018). Mobile money and economic growth: Evidence from Africa. *Quarterly Journal of Economics*, 133(4), 1837-1890.
- [14] Karlan, D., Mullainathan, S., & Roth, B. (2020). Digital payments and financial performance: A global perspective. *Journal of Economics and Business*, 13(1), 54-67.
- [15] Kim, J., & Park, S. (2020). The role of mobile savings in financial inclusion: Evidence from South Korea. *Journal of Financial Services Research*, 38(3), 89-107.
- [16] Kothari, C. R. (2004). *Research Methodology: Methods and Techniques* (2nd ed.). New Age International.
- [17] Lee, D. (2021). Mobile savings adoption in Vietnam and its impact on financial performance. *Asian Journal of Financial Studies*, 14(2), 77-93.
- [18] Lopez, R., Smith, P., & Singh, A. (2019). The economic impact of mobile payments on MSE financial performance. *Journal of Emerging Market Finance*, 18(1), 123-137.
- [19] Mas, I., & Ng'weno, A. (2021). Mobile payments in Africa: Transforming small business transactions. *African Journal of Economic Policy*, 9(1), 66-81.
- [20] Mbilinyi, P., Kitalaga, M., & Kazaura, S. (2019). Mobile credit services and financial performance: A Tanzanian perspective. *Journal of Development Finance*, 10(3), 135-150.
- [21] Mlachila, M., & Prakash, K. (2020). Digital finance and financial performance: Case studies from Sub-Saharan Africa. *Journal of African Development*, 22(2), 89-112.
- [22] Mugenda, O. M., & Mugenda, A. G. (2003). *Research Methods: Quantitative and Qualitative Approaches*. Acts Press.
- [23] Nyagari, R., Ochieng, T., & Mwangi, L. (2021). Adoption barriers of mobile banking among MSEs in Tanzania. *Journal of Technology and Society*, 11(4), 67-79.
- [24] Patel, M., & Singh, V. (2018). Mobile savings adoption and financial inclusion: Insights from Kenya. *Journal of Financial Inclusion Studies*, 5(2), 95-108.
- [25] Rashid, M. (2021). Mobile banking services and financial inclusion: The case of MSEs in Tanzania. *Journal of Economic Development in East Africa*, 8(1), 122-138.
- [26] Rogers, E. M. (2003). *Diffusion of Innovations* (5th ed.). Free Press.
- [27] Smith, J. (2018). Mobile credit services and small business performance: Evidence from the United States. *Journal of Entrepreneurial Finance*, 12(1), 45-68.
- [28] Venkatesh, V., Morris, M. G., Davis, G. B., & Davis, F. D. (2003). User acceptance of information technology: Toward a unified view. *MIS Quarterly*, 27(3), 425-478.
- [29] World Bank. (2020). The role of mobile banking in promoting financial inclusion. World Bank Development Reports.

AUTHORS

First Author – Sarafina Yohana, Department of Accounting and Finance, School of Business and Economics, The Catholic University of Eastern Africa

Second Author – Dr. Joseph Ndururi Ph.D., Department of Accounting and Finance, School of Business and Economics, The Catholic University of Eastern Africa

Third Author – Dr. Alexander Katuta Ph.D., Department of Accounting and Finance, School of Business and Economics, The Catholic University of Eastern Africa

