

**THE EFFECT OF MOBILE PHONE BASED MONEY TRANSFERS ON THE
FINANCIAL PERFORMANCE OF SMALL AND MEDIUM ENTERPRISES IN
NAIROBI COUNTY, KENYA**

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DECLARATION

I declare that this is my original work and has not been submitted at any academic institution for examination purposes.

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This management research project has been submitted for examination with my approval as university supervisor.

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DEDICATION

I humbly dedicate this project to my family, colleagues, friends and all those who supported in the completion of this project. Thank you and God bless you abundantly.

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First, thanks to God with whose grace I accomplished this Project. I gratefully acknowledge the insightful guidance, positive criticism, encouragement and valuable advice from my supervisor Winnie Nyamute which aided my efforts complete this project.

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LIST OF ABBREVIATIONS

CCK	-	Communications Commission of Kenya
IDT	-	Innovation diffusion theory
KNBS	-	Kenya National Bureau of Statistics
KPIs	-	Key performance indicators
MM	-	Mobile Money
MMT	-	Mobile Money transfers
PEOU	-	Perceived Ease of Use
PMSs	-	Performance measurement systems
SMEs	-	Small and Medium Enterprises
TAM	-	Technology acceptance model
TTF	-	Task Technology Fit
UTAUT	-	Unified theory of acceptance and use of technology

ABSTRACT

The study sought to investigate the effect of mobile phone based money transfer services on Small and Medium Enterprises' financial performance in Kenya. The objectives of this study were; to determine if mobile money services uptake has any effect on SMEs growth through increased sales or savings and loan accessibility, to establish whether Mobile Money Services has led to efficiency in service delivery in the SMEs sector, to find out the contribution of Mobile Money Services to better access to financial information in the SMEs sector in Kenya, convenience and accessibility result in increased SMEs performance and establish if mobile money services are considered reliable by SMEs in Nairobi county.

The study adopted descriptive survey method. A target population of more than 50,000 formally registered SMEs was used and total sample size of 460 respondents was picked as representative giving a provision of 20% over and above the desired sample size in the event of non response on some of the respondents in the sample size. The desired sample size was derived using Mugenda and Mugenda (2003) recommendation. Stratified sampling was one of the probability techniques used in order to ensure that various types of SMEs were included in the survey. Data was collected using self-administered questionnaires and interview guide. The collected data was analyzed using Statistical package for Social Scientist software. The results of the study were analyzed using descriptive and inferential statistics and the results were presented using figures and tables.

The findings of the study revealed that there is a positive correlation between SMEs financial performance and business growth, efficiency in service delivery, access to information and convenience and reliability. Development of mobile money transfer services influences the development of market; mobile money transfer services enhance efficiency in service delivery in business; access to information in mobile money transfer services depend on the environment and mobile money transfer services are convenient and reliable. The study recommends a comprehensive technology-to-performance model that should include the characteristics of technology, tasks and individuals as explanatory variables for technology use and individual performance. From the literature review, we note that several of the studies applying Goodhue & Thompson's (1995) task-technology fit concept focus on managerial decision-making, which are tasks that are also relevant to the study.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The unprecedented penetration of mobile devices, wireless networks and mobile communication services has allowed the Kenyan SMEs to enjoy efficient communication, payments and marketing systems only available to the huge organizations and government corporations in the past. According to statistics from Communications Commission of Kenya (CCK, 2010) there were more than 19 million mobile telephone users in Kenya by the end of 2009, as compared to under 15,000 in 1999. This increase in the number of users has been supported by the expansion of cellular networks which impact positively on economic growth through emergence of new services and applications for mobile cellular services. Even today, Kenya still has a low fixed telephone penetration rate with only 243,656 fixed lines (CCK, 2010) serving a population of about forty million people and out of this number only 7,439 subscribers are in the rural areas. This makes mobile telephony the first and the only accessible telecommunication infrastructure available and affordable to most of the Kenyan population both at home and in businesses, particularly the SMEs.

Mobile telephones traditionally offered voice communication but have continued to evolve to become all-purpose tools with value added services such as mobile money transfers, Mobile money transfer services, Internet and data services which enhances the way small and medium enterprises (SMES) conduct their business operations. Mobile telephones are also cheaper and more portable than computers which make their adoption much easier. This has successively reduced social-economic disparities within Kenyan small and medium enterprises (SMES) as well as closing the existing digital divide between the rural and urban small and medium enterprises (SMES). Most SMEs entrepreneurs had to travel or use public transport systems to send and exchange documents, access banking facilities or even transact their payments. This is not the case today, as they can e-mail the documents, pay for goods and services through mobile money transfers, use Mobile money transfer services and if one has a technologically advanced telephone, it is now possible to carry out the required tasks at any time and at any place.

1.1.1 Mobile Phone–Based Money Transfer in Kenya

Mobile money transfer service refers to the transferring of money from one person to another through use of mobile phone. Mobile money, also referred to as mobile payment, mobile money transfer, and mobile wallet, generally refers to services operated and performed from a mobile device such as mobile phone, credit or debit cards. It is further clarified as the intersection of both banking and telecommunications services (World Bank, 2010). It involves a diverse set of stakeholders from both mobile phone operators or providers and financial service institutions.

Mobile Money Transfer Providers are the small business or individuals who have existing businesses and incorporate the Mobile Money Transfer service to their business and act as banking agents for the mobile network operators. The current mobile money providers in Kenya are Safaricom’s M-Pesa, which was introduced in March 2007; Airtel’s Airtel-Money (Formally Zain’s ZAP) which was introduced in January 2010; YU-Cash started in December 2009 by Essar and Orange (formally Telkom and Posta) Orange Money launched in November 2010 by Telkom Kenya. M-Pesa is by far the largest accounting for more than 90% of mobile money subscriptions.

MMT services offer secure and convenient means for banked and unbanked people to send and receive money with mobile phones at home and abroad; anywhere at any time. It allows customers to use their phone like a bank account and a debit card. It contains features such as mobile wallet, mobile transfer, airtime transfers and mobile banking. Mobile wallet enables the subscriber to receive, store, send or pay money anywhere any time. Money transfer options means that one can send money from their mobile money account to a different subscriber anywhere anytime. Mobile banking works closely with banks to provide banking services to subscribers of mobile money.

Use of mobile phone for financial transaction started with introduction of prepaid mobile phone services that targeted low income earners who desired more anonymity than post-paid phone subscribers. Unlike post-paid mobile phone services, prepaid subscribers could simply walk to a shop, purchase small denomination airtime, key in the details and make their desired call. This segment of mobile phone users soon became large enough to be a target for micro-payment features since majority had little or absolutely no interaction with banks. The main reason this

segment came into focus and the need to develop financial services that target them was outlined by Wishart (2006) as part of the drive towards a cashless transaction environment that presents advantages such as: less fraud, reduction of untraceable criminal activities, and minimal cash handling costs, and less reliance on cash-in-hand when a need arose. MMT is still at an early stage of development in Kenya but ahead of the world: it is designed to bring the economic advantages of having a savings and money transfer facility to those with small, irregular or cyclical incomes (Pulver, 2009).

1.1.2 Financial Performance

Financial performance refers to a subjective measure of how well a firm can use assets from its primary mode of business and generate revenues. Performance measurement is defined as the process of quantifying efficiency and effectiveness. Effectiveness is compliance with customer requirements, and efficiency is how the organisation's resources are used to achieve customers' satisfaction levels. To quantify efficiency and effectiveness performance measures should be chosen, implemented, and monitored. SMEs financial performance refer to sales, business transactional activities that reflect on sales like purchases through mobile money services and accessibility of financial services like savings and micro-credits (loans). These performance measures will be based on Rahmat, Megananda and Maulana (2006) study finding.

Very little empirical and theoretical research has been carried out on performance measurement in SMEs. Performance measurement implemented in SMEs rarely has a 'holistic approach'. The studies by Barnes et al. (1998) and Rantanen and Holtari (2000) highlight the fact that SMEs do not usually implement integrated PMS, and that they are not aware of the existence of integrated PMS models. Furthermore, since small companies focus on operational and financial performance, balanced models are seldom used.

SMEs approach to performance measurement is informal, not planned and not based on a predefined model; performance measurement is introduced to solve specific problems and the performance measurement system grows out of this process spontaneously rather than as a result of planning (Barnes *et al.* 1998). Consequently, performance measurement in SMEs is characterized by a poor alignment between strategy and measures (Addy *et al.* 1994; Chennell *et*

al.2000), with the exception of SMEs with quality management experiences. In SMEs, planning is usually absent or limited only to the operation levels where performance is measured. Consequently, SMEs do not take advantage of the implementation of the PMS to introduce strategic planning. Moreover, performance measures usually focus on past activities. In other words, the aim is to gather information to support the control activities rather than the forecasting and planning processes.

SMEs have limited resources for data analysis. Data are gathered and the processes analyzed in an imprecise way, and this unformulated approach increases the ambiguity of the measurement objectives. The information is then presented in the same way: SMEs usually use tables rather than graphs, making it difficult to interpret the information (Antonelli and Parbonetti 2002; Barnes *et al.* 1998). Only SMEs with quality management experience have started to develop a graphical presentation of the information they gather. The same happens for performance measurement review, which is a process needed to make changes in the PMS according to changes taking place in the internal and external contexts. When Performance measures review is not carried out correctly, the PMS is not being used to achieve strategic objectives. The financial performance measures include profits, revenues, returns on investment (ROI) (Duchesneau and Gartner 1990; Smith, Bracker, and Miner 1987), returns on sales (Kean et al. 1998), and returns on equity (Richard 2000; Barney 1997)

The relevant question in this regard is: Are SMEs in Kenya using the available tools (i.e. financial ratio analysis and bankruptcy prediction models) that have been used for years? Huck and McEwen (1991), Schwenk and Shrader (1993), McMahon and Davies (1994) highlight the importance of financial performance as follows: Successful financial performance in SMEs has a positive association with the capacity to manage financial issues effectively. In conclusion adoption of performance measurement system supports SMEs to manage uncertainty, to innovate their products and services, and to sustain evolution and change processes.

1.1.3 Effect of Mobile Phone Based Services on SMEs Financial Performance

Sending or receiving money for either payment of salaries, settlement of business transactions, payment of school fees, or for family support is a common phenomenon for both businesses and individuals. It requires efficient, reliable and affordable money transfer services whereby money

can be deposited in one location and withdrawn in another in both urban and rural areas (Kim, Mirsobit & Lee, 2010). Structural weaknesses in the formal financial industry in Kenya, however, limit the access to money transfer services, especially in rural areas and for low-income people (Hughes & Lonie, 2007). This is because banks are concentrated mainly in urban centers and have conditions that constitute barriers to the use of their services (Biljon & Kotzé, 2008). The cost of transfer, usually charged as a percent of the amount sent, is considered expensive for small amounts for both local and international transfers (Au & Kauffman, 2008).

The informal systems of money transfer such as individuals carrying money on themselves or sending drivers and conductors are susceptible to highway robberies and thefts (Kim et al., 2010 and Hughes and Lonie, 2007). Sander (2003) also noted that money sent through friends and relatives is sometimes misused and at times never reaches its destination while money sent through letters and parcels of the courier companies may be stolen. Other challenges associated with the formal and semi-formal systems, include delays and long queues, network limitations, insolvency of branches, unreliable communication and misdirected parcels (Au and Kauffman, 2008). This situation has changed dramatically in the last few years with the introduction of mobile phone-based money transfer (MMT) services. The introduction of prepaid cards of low denominations and the fallen prices of mobile handsets have lead to a rapid spread of mobile phones in the developing countries (Orozco, 2003). This has opened up diverse opportunities for it to be used beyond voice communication. At the centre of this experience is money transfer.

Jenkins (2008) simply defined MM as money that can be accessed and used via mobile phone. The primary function of MMT services is to reduce the costs of making remittances from one individual to another, especially across large distances (World Bank, 2009). Sometimes money is stored in an MMT account simply to save a person from carrying too much cash, especially for example on long and potentially dangerous bus trips. With a large network of MMT agents in the rural areas, it can especially make it easy for agricultural households to reduce the time and cash expense in accessing the funds they need to invest in agriculture.

1.1.4 SMEs Industry in Kenya

It is estimated that there are 7.5 million SMEs in Kenya, providing employment and income generation opportunities to low income sectors of the economy. The Sector has continued to play an important role in the economy of this country. The sector's contribution to the Gross Domestic Product (GDP) has increased from 13.8 per cent in 1993 to about 40 per cent in 2008. The Small Enterprise Sector or Informal Sector provided approximately 80% of total employment and contributed over 92% of the new jobs created in 2008 according to the economic Survey of 2009. The sector therefore plays a key role in employment creation, income generation and is the bedrock for industrializing the Country in the near future. Due to their characteristics, SMEs in Kenya suffer from constraints that lower their resilience to risk and prevent them from growing and attaining economies of scale. The challenges are not only in the areas of financing investment and working capital, but also in human resource development, market access, and access to modern technology and information.

Access to financial resources is constrained by both internal and external factors. Internally, most SMEs lack creditworthiness and management capacity, so they have trouble securing funds for their business activities such as procuring raw materials and products, and investing in plant and equipment. From the external perspective, SMEs are regarded as insecure and costly businesses to deal with because they lack required collateral and have the capacity to absorb only small amount of funds from financial institutions. So they are rationed out in their access to credit because of high intermediation costs, including the cost of monitoring and enforcement of loan contracts. To overcome some of the constraints, the government and other relevant stakeholders have designed programmes and policies that are market driven and market non-distorting to support SMEs. Government has, for example, created stable macroeconomic conditions, liberalized the economy, and encouraged the growth of micro-financing business. A law has been enacted to guide the development and sustainability of SMEs while at the same time allowing them to collect deposits. Nevertheless, the challenge to SMEs in accessing financial services will also depend on how they themselves increase their creditworthiness.

The rapid rise in the growth of mobile technology throughout the world is a phenomenon that has been particularly remarkable among poor people, largely because of the prepaid model. As a

result, all classes of society now have access to financial services as people become increasingly familiar with a mobile-money system. In fact, mobile technology, viewed as a payment or banking channel, has the potential to allow two important questions to be addressed at the same time: on the demand side, it represents an opportunity for financial inclusion among a population that is underserved by traditional banking services. On the supply side, it opens up possibilities for financial institutions to deliver a great diversity of services at low cost to a large clientele of the poorest sections of society and people living in remote areas.

1.2 Research Problem

The emergent of MMT has received overwhelming uptake in Kenya since its introduction in 2007. This success is attributed to the service being affordable and accessible (Mbogo 2010) including low income earners. It serves as a deposit account for most of the banked and the unbanked as they can maintain account balances in their mobile phones (Njenga, 2009). It has enabled the banked to avoid long queues at banks. The technological invention is considered easy to use yet efficient and reliable with the potential to extend financial services to the unbanked or those preferring cheaper financial services. As a result, majority of the micro business operators in Kenya have embraced its use in their daily business operations such as paying suppliers for goods and services, paying bills, sending money to friends and relatives, withdrawing cash and topping up airtime accounts. They are able to easily manage their accounts and know their account balances as well. According to the World Bank (2006), “firms that use ICT grow faster, invest more, and are more productive and profitable than those that do not”. However, there are a handful of studies on the application of digital technology for improved performance SMEs in Kenya. In general ‘mobile’ means “fully portable, real-time access to the same information, resources, and tools that, until recently, were available only from the desktop” (Shanker, O’Driscoll & Reibstein, 2003).

Technology and its effective use in organizations has received much attention in the literature, firms have continued to invest large amounts of resources in mobile phone services hoping that good returns will be realized (Weil, 1992). A number of studies on the application of mobile phone services in firm operations have been published (Matskin & Tveit, 2001; Lee 2001; Kannan et al.; 2001; Balasubramanian et al.; 2002). Contradictory findings have therefore

emerged from these studies. A clear picture of the relationship between ICT investment and firm performance had not emerged from previous studies. Limited and contradictory findings have resulted from inconsistent definitions of ICT, different units of analysis, different-measures of Performance, limited theory base and reliance on cross-sectional methods.

William Jack of Georgetown University and Tavneet Suri (Suri & Jack, 2010) of MIT surveyed Kenyan households in December 2009 and found that MMTS (in particular M-PESA) is reaching a majority of Kenya's poor, unbanked, and rural populations. This implies that the use of MMTs in Kenya defies the Duncombe (2009), and Boateng (2009) arguments that the overall level and pace of adoption of m-finance services in developing countries is relatively low and confined to more affluent users. Most Kenyan poor and unbanked fully embraced the use of MMTS to store money and make payments. This is mainly because MMTs offer cheaper and secure alternatives to the existing informal money transfer channels. Most Kenyans also find it appropriate to use MMTS for their everyday transactions which necessitates the use of user level IT acceptance and usage models such as the Task Technology Fit (TTF) (Goodhue et al., 1995) and the Unified Theory of Acceptance and Use of Technology (UTAUT) (Venkatesh et al., 2003).

A number of studies conducted on Kenyan SMEs mainly focused on the sector's contribution to the economy in terms of employment, income, and gross domestic product (ICEG, 1999) while other studies focused on access to credit (Aketon, 2007) and government policy and strategy frameworks (ACEG, 2005). However, there has been no known research to the knowledge of the researcher that has studied the effect of mobile phone based money transfer services on small and medium enterprises financial performance in Kenya. This therefore calls for further research and this study therefore seeks to investigate the effect of mobile phone based money transfer services on Small and Medium Enterprises' financial performance in Kenya. This study therefore sought to answer the following research question; how has Mobile Money Services contributed to efficiency in service delivery, business growth better financial information and customer satisfaction in the SMEs sector?

1.3 Research Objective

The objective of this study was to determine the effect of mobile phone based money transfer services on small and medium enterprises financial performance in Kenya

1.4 Value of the Study

The main purpose of the study was to impart inside knowledge of the relationship between mobile phone based services and SMEs financial performance to small traders/bank customers, government and mobile phone service providers.

Since SMEs in Kenya and many other countries are the main source of employment, economic growth and activities which affect day-to-day functions of a manager, this subject is relevant to students undertaking business administration programs at higher education levels that need to acquire skills on how various financing models and financial services affects business.

The finding of this study will encourage the government to continue in liberalizing network infrastructure and promotion of broadband competition and liberalization in network services and applications. Where the needs exist, and without pre-empting private initiative or inhibiting competition, the finding of this study also will help the government to complement private investment with public financial assistance to expand coverage for under-served groups and remote areas.

The results of this study will present valuable information to mobile phone companies that could develop or augment available products with special focus on SMEs. The SMEs operators or owners will benefit from knowledge of financial services available through mobile money and how they can use them to positively affect their business. The finding will help the operators to accurate their coverage to the small business in order to sustain and propel their growth.

The findings will enable small and medium scale traders to know the benefits of using mobile money transfers and encourage them to increase the usage of the service.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter summarizes the information from other researchers who have carried out their research in the same field of study. The specific areas to be covered here are theoretical review, empirical review and the conceptual framework.

2.2 Theoretical Review

In Information Systems literature, Roger's (1991) innovation diffusion theory (IDT), Davies' (1989) technology acceptance model (TAM), the extended technology acceptance model (Davis 1989), the theory of planned behavior (Azjen, 1977) and the unified theory of acceptance and use of technology (UTAUT) (Venkatesh et al., 2003) have been used for the last two decades to explain possible consumer behavior on adoption and acceptance patterns of new technologies and innovations. Several researchers have sought to develop constructs that affect consumers' behavior when deciding on the adoption of mobile services by applying these existing information system theories and models (Wu & Wang, 2005; Hung et al, 2004; Bouwman et al, 2007).

A study of over forty literatures on mobile services shows that application of the above information system theories and models have extended to valued added mobile services (Barnes & Huff, 2003; Biljon et al, 2008; Carlsson et al. 2006; Chen, 2008; Muk, 2007; Teo & Pok, 2003). The most applied, tested and refined model is the TAM followed by UTAUT and IDT. In more recent contributions, researchers have used a number of contracts from all four areas and new constructs from other sources. For example, Barnes & Huff (2003) extended IDT by including trust and image as new constructs. Also, Tan & Teo (2000) included perceived risk; subjective norm and self-efficacy. Pedersen et al., (2001), posits that the TAM should be extended to include subjective norm and behavioural control constructs.

2.2.1. Technology Acceptance Model

Over the years TAM has been tested and applied in the prediction of future consumer behaviour (Adams et al., 1992; Chau & Hu, 2002; Davis & Venkatesh, (1996); Kwon & Chidambaram, (2000); Legris et al., 2003), among other places in the mobile services domain (Cheong & Park, 2005; Kwon & Chidambaram, 2000; Nysveen et al., 2005a). The Technology Acceptance Model (TAM) is established on the premises that the constructs, perceived usefulness and perceived ease of use are fundamental determinants of system adoption and use (Davis, 1989). These two beliefs create a favorable disposition or intention toward using the IT that consequently affects its use. Perceived Usefulness (PU) is said to be the degree to which person thinks that using a particular system will enhance his or her performance.

Whereas the Perceived Ease of Use (PEOU) is the degree to which a person believes that using a particular system will be free of effort” (Davis, 1989). TAM has received praises from earlier researchers on its contribution towards our understanding into consumer behaviour. Lu et al., (2003) states that: “Throughout the years, TAM has received extensive empirical support through validations, applications and replications for its power to predict use of information systems”. Also, Legris et al., (2003, p202) conclude that “TAM has proven to be a useful theoretical model in helping to understand and explain user behaviour in information system implementation”.

2.2.2 Innovation Diffusion Theory

Another theory which has received similar attention by scholars in explaining consumer behaviour towards new technology is the Rogers’ Innovation Diffusion Theory (Rogers, 1995). innovation is defined as “an idea, practice or object that is perceived as new by an individual or another unit of adoption”, while diffusion is “the process by which an innovation is communicated through certain channels over time among the members of a social system” (Rogers, 1995, p.10). By these definitions, innovation diffusion is achieved by how a social system accepts and begins to use (adopt) an idea or a technology. Roger further states that the following are the characteristics of any innovation: Relative Advantage: the degree to which the innovation is perceived as being better than the practice it supersedes;

Compatibility: the extent to which adopting the innovation is compatible with what people do; Complexity: the degree to which an innovation is perceived as relatively difficult to understand and use; Trial ability: the degree to which an innovation may be experimented with on a limited basis before making an adoption (or rejection) decision; and Observability: the degree to which the results of an innovation are visible to others (Rogers, 1995).

2.2.3 Application of TAM and IDT to Mobile Money

The various terms that relate to the use of mobile phones to access, store, and transfer or linked to an account; mobile banking, mobile payments, mobile money transfer and mobile microfinance are collectively referred to as Mobile Money (MM) in this study. Research on adoption of MM can be seen as part of previous researches in Mobile money transfer services and mobile payments. Therefore it could be argued that the determinants of adoption in m-banking and m-payment environment should be applicable to mobile money. TAM and IDT are considered to be extremely similar in some constructs and supplement one another (Wu, 2004). Some similarities can be drawn between RA and PU; Complexity and PEOU to the extent that some researchers identifies the TAM constructs as a subset of the Innovation Diffusion Theory (Wu, 2004). However, developing different measurements for RA and PU was found to be particularly important in MM adoption. However, complexity and PEOU is considered to be too similar to be separated in this study.

2.2.4 The Unified Theory of Acceptance and Use of Technology (UTAUT)

Following the rapid development of new technologies and software within computer science the interest in acceptance and use of these technologies has increased significantly. Today this area includes one of the most comprehensive research bodies on acceptance and use on new technology. Venkatesh et al (2003) performed a review of the user acceptance literature as well as empirically comparison of the eight most significant models, including their extensions, and proposed the Unified Theory of Acceptance and Use of Technology (UTAUT).

The models investigated were the Theory of Reasoned Action, the Technology Acceptance Model, the Motivational Model, the Theory of Planned Behavior, a model combining the

technology acceptance model and the theory of planned behavior, the Model of PC Utilization, the Innovation Diffusion Theory and the Social Cognitive Theory (Venkatesh et al 2003). Within all these models the key element is the behaviour, i.e. use, of the new technology indicating a focus on behavioral acceptance. Venkatesh et al (2003) postulates two direct determinants of usage behavior, 'intention to use' and 'facilitating conditions'. 'Intention to use' is in turn influenced by 'performance expectancy', 'effort expectancy' and 'social influence'. Gender, age, experience and voluntariness of use act as moderators.

2.2.5 General Theory of Task-Technology Fit

Goodhue and Thompson (1995) investigated the link between information technology and individual performance, hoping to confirm the assumption that usage and task-technology fit together can better explain the impact of information technology on performance than usage alone, in particular in situations of mandatory use. In their research study, Goodhue and Thompson (1995) first proposed a comprehensive technology-to-performance model that included the characteristics of technology, tasks and individuals as explanatory variables for technology use and individual performance. A simpler version of the model was then tested empirically, omitting individual user characteristics from the analysis.

Goodhue (1995) developed and tested a model that determined task-technology fit based on task needs and system characteristics. Task-technology fit was viewed as the extent to which technology functionality matched task requirements and individual abilities. It was assumed that users can successfully evaluate task-technology fit and that a higher fit would eventually result in better performance. Goodhue (1995) also hoped to show that (user-perceived) task-technology fit was a better indicator of the value of an information system than other forms of user evaluation, such as satisfaction or usefulness.

2.3 Determinants of SMEs Financial Performance.

Several factors determine the SMEs financial performance. Measuring sales growth during a specific time period is the most common determinant used. Determinants such as assets, market share, profits and output are also commonly used to measure SMEs financial performance. Output and market share vary greatly within SMEs and is therefore hard to compare, total assets

also depends on the SMEs capital intensity and changes over time and profits is not that relevant unless measuring size over a long period of time. Sales figures are affected by inflation and exchange rates and it is difficult to compare sales figures between SMEs. That is why it is important to use multiple growth indicators to study financial performance of SMEs (Davidsson, Delmar & Gartner, 2006).

In developing countries SMEs are usually competing with price over added value. On the other hand SMEs in developing countries have generally a lower productivity than in 18 developed countries and because a country's productivity level is a major indicator of improved living standards, added value should be seen as one of the important indicators of growth (Lind, 2005)

2.4 Empirical Review

Goodhue (1995) performed an empirical study and found that technology, tasks, and individual characteristics could in fact explain user-perceived task-technology fit, but that the interactions between the variables also played a role. For example, the strength of the links between system characteristics (technology) and evaluation (task-technology fit) depended on task characteristics. The relevance of the task technology fit construct was generally confirmed and the study provided evidence for the fact that user evaluations of certain systems can be inconclusive if task characteristics are not included in the analysis.

Dishaw & Strong (1998) developed conceptually and tested empirically a model based on Goodhue and Thompson's (1995) task-technology fit construct, to explain the factors that lead to the use of software maintenance support tools. In their empirical study, Dishaw & Strong (1998) showed that a fit between software maintenance tasks and available maintenance support software tools was associated with the actual use of the tools. Task-technology fit explained usage better than task and technology variables alone. In a related research study, Dishaw and Strong (1999) presented a model that integrated Goodhue and Thompson's (1995) task-technology fit model with Davis, Bagozzi & Warshaw's (1989) technology acceptance model.

The integrated technology acceptance model/task technology fit theory provided greater explanatory power (51% of variance explained) than the technology acceptance model (36% of variance explained) or task-technology fit theory alone (41%).² This research is in the realm of

studies providing a basis to explain information systems. With task-technology fit, Dishaw & Strong (1999) refer to Goodhue and Thompson's (1995) simplified model that was tested empirically. It could be argued that overall, Goodhue and Thompson's (1995) comprehensive version of task-technology fit (the task-to-performance-chain) actually incorporates most constructs of the technology acceptance model. For example, Goodhue & Thompson's (1995) "precursor's of utilization" (consequences of use) can be interpreted as TAM's perceived usefulness and attitudes. Utilization behavior- The integration of the technology acceptance model and task-technology fit is well suited to explain utilization, as both models exhibit a significant overlap. Mathieson & Keil (1998) presented the results of a laboratory experiment to confirm that perceived ease of use is also a function of task-technology fit. The implication is that situations where users report that a system is difficult to use might in fact indicate deeper task technology fit issues that cannot be corrected by merely changing the interface.

Ferratt & Vlahos (1998) tested Goodhue and Thompson's (1995) task-technology fit concept for managerial decision making in different cultural environments, while Kannellis, Lycett & Paul (1999) applied the general idea in a quest to provide a better understanding of particular information to both a researcher and a practitioner. Kanellis, Lycett & Paul's (1999) study is different from most of the other empirical studies following Goodhue & Thompson (1995) that are referenced in this section, in that it applies a qualitative, action research approach, including repertory grid analysis, whereas most other studies rely more on "traditional" quantitative methods.

In a follow-up study, Goodhue (1998) presented an instrument to assess task-technology fit of an information systems infrastructure (not just a single application) at the level of the organization. This assessment was based on twelve dimensions. Goodhue, Klein, and March (2000) focused on user evaluations of task-technology fit for mandatory use systems, and developed theoretical arguments for the link to individual performance. Goodhue, Klein, and March (2000) found that evaluations of task-technology fit were linked with one of two objective performance measures (time-to-complete), but not with the other one (accuracy).

Goodhue, Klein, and March (2000) results suggested that users are not necessarily accurate reporters of key constructs related to the use of information systems, and in particular, self-

reporting was a poor measure of actual utilization. Empirical evidence was found in support of the hypotheses that task-technology fit (integrated data, appropriate training) affects performance (speed, accuracy), and that users can evaluate task-technology fit (consistency of data, adequacy of training), but there was mixed evidence regarding the question of whether user-perceived task-technology fit predicts performance (user evaluation of data consistency predicted time-to-complete, but not accuracy).

Goodhue & Thompson's first technology-to-performance model was recently tested by Staples & Seddon (2004) who found that for both, mandatory and voluntary use, task technology fit could explain performance. Precursors of utilization played an important role in the study, including expected consequences of use such as usefulness, personal benefits of use; effect towards use (feelings), social norms (pressures and expectations) and facilitating conditions like relationship with support staff.

2.5 Summary of Literature Review

Even though the empirical study found only moderate support for the direct links between task and technology characteristics and user perceived task-technology fit, Goodhue and Thompson (1995) found that utilization and task technology fit together predicted performance better than each factor alone. Thus, a clear picture of the relationship between mobile services and firm performance has not emerged clearly from previous studies. Limited and contradictory findings have resulted from inconsistent definitions of ICT, different units of analysis, different-measures of Performance, limited theory base and reliance on cross-sectional methods. The existing body of knowledge is not sufficient enough to explain how Mobile phone services influences firm's financial performance. Despite the exponential growth in the use of mobile telephones in East Africa, the literature review indicates that only one research study (Donner, 2007) on the impact of using mobile telephones in microenterprises in East Africa has been done within the last five years in Kigali, Rwanda. The study found that mobile telephones had an impact on microenterprises since entrepreneurs developed new business contacts and expanded their social and business networks.

A number of studies conducted on Kenyan SMEs mainly focused on the sector's contribution to the economy in terms of employment, income, and gross domestic product (ICEG, 1999) while other studies focused on access to credit (Aketon, 2007) and government policy and strategy frameworks (ACEG, 2005). However, there has been no known research to the knowledge of the researcher that has studied the effect of mobile phone based money transfer services on small and medium enterprises financial performance in Kenya. This study therefore sought to fill this void in research on by seeking to find out the effect of mobile phone based money transfer services on small and medium enterprises financial performance in Kenya

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The chapter outlines the methodology, procedures and modalities that was used in data collection. It also covers research design, determination and identification of the population sample size, sampling design, sampling procedure, the instruments of data collection, validity and reliability of data collected, sources of data, methods of data collection and methods of analyzing the data.

3.2 Research Design

The study adopted a descriptive survey method. This was preferred because it is efficient in collecting large amounts of information within a short time. Kerlinger (1978) argues for the use of surveys in social economic fact finding because they provide a great deal of information which is accurate. Furthermore Cohen and Manion (1980) state that the intention of survey research is to gather data at a particular point in time and use it to describe the nature of existing conditions. Since the aim of this study was to investigate effect of mobile phone based money transfer services on small and medium enterprises financial performance in Kenya, a survey design was most suitable for the study.

3.3 Population

Target population according to Ngechu (2004), is a well defined or set of people, services, elements, events, group of things or households that are being investigated. This definition ensures that population of interest is homogeneous. Population studies are more representative because everyone has equal chance to be included in the final sample that is drawn according to Mugenda and Mugenda (1999). The target population of this study was the proprietors of the Small and medium enterprises in Nairobi county dealing in both trade and services. According to ventures Africa magazine (2013), there are 50,000 formally registered Small and Medium Enterprises in Nairobi county dealing in trade, services and manufacturing.

3.4 Sample

The following formula was used to determine the sample size:

$$n = \frac{Z^2Pq}{d^2}$$

Where: n = the desired sample size (for the target population which was greater than 10,000)

z = the standard normal deviate at the required confidence level. (1.96)

P = the proportion in the target population estimated to have characteristics being measured. (0.5)

$$q = 1 - p \quad (1 - 0.5)$$

d = the level of statistical significance set (0.05)

If there is no estimate available of the proportion in the target population assumed to have the characteristics of interest, 50% should be used as recommended by Mugenda and Mugenda (2003). So the researcher examined a sample of 422 respondents drawn from Nairobi County giving a provision of 10% over and above the desired sample size in the event of non response on some of the respondents in the sample size.

3.4.1 Sampling Technique

This study used stratified random sampling technique. A very important issue in sampling is to determine the most adequate size of the sample. Stratified random sampling is a modification of random sampling in which the population is divided into two or more relevant and significant strata based on one or more attributes. SMEs were stratified into small, medium, large and others; a categorization adopted by the city council of Nairobi. The random sample was generated using computerized (excel spread sheet) random sampling features available in Office 2007 software and applied to the categories above. This sampling design was used because it is deemed suitable for a highly concentrated geographical area where face to face contact is required and also where the population can be divided into two or more sub units based on certain internal characteristics. Each of the stratum to which the population is divided obtained an equal chance of being sampled. Further, Kothari (2008) recommends stratified random sampling because it is accurate, easily accessible, divisible into relevant strata and it enhances

better comparison; hence representation across strata. The advantage of stratified sampling is said to be its ability to ensure inclusion of sub-groups, which would otherwise be omitted entirely by other sampling methods because of their small number in the population

3.5 Data Collection

Questionnaires and interviews were used for collecting information from SMEs entrepreneurs. The questionnaires had structured open and closed ended questions. The open ended questionnaires were used to collect qualitative data while the close ended ones were used to get quantitative data. The questionnaires were divided into three sections. The first section of the questionnaires sought to ask general information about the respondents and their businesses. The Second sought information on factors affecting SMEs financial performance .The variables in the questionnaires were mainly developed based on the themes in the literature review section and research objectives. The type of data collected for all the variables; business growth, efficiency in service delivery, access to information and convenience and reliability is quantitative data.

A pilot study was done using twenty five questionnaires which were sent for pilot testing randomly to twenty five proprietors of SMEs in the target population so as to determine whether the questions are clearly framed and easily understandable by the respondents. The results of the pilot test were then be used to modify the questionnaire appropriately by reducing ambiguity. The clarity of the instrument items to the respondents was established so as to enhance the instrument's validity and reliability. The pilot test results were not included in the main study.

Validity of the research instrument refers to the extent which a test measures what we actually wish to measure. The validity of the research instrument will be based on the adequacy with which the items in an instrument measure the attributes of the study (Nunnally, 2000). Yin (1994)'s solution for assuring construct validity is: Use multiple source of information, establish chain of evidence and have key informants review the report. Multiple sources of information was used in the form of three kinds of sources: literature review on previous empirical research, primary data in the form of interviews using questionnaires.

Reliability of the research instruments refers to the extent to which any measuring procedure yields the same results on repeated trials. (Neuman 2000. Reliability of the research instrument will aid in the design and evaluation of sum scales, that is, scales that are made up of multiple individual measurements (that is; different items, repeated measurements, different measurement devices, etc.). The program computed numerous statistics that will allow the user to build and evaluate scales following the so-called classical testing theory model. The assessment of scale reliability was based on the correlations between the individual items or measurements that make up the scale, relative to the variances of the items. In this context the definition of reliability is straightforward: a measurement is reliable if it reflects mostly true score, relative to the error.

Trained research assistants were contracted to collect data from the field using the sample codes. The purpose of using the research assistants was to explain any question that seems difficult to the respondents. The aim was to collect 10-15 responses from the field per day for each research assistant. The estimated period to collect data from 422 respondents was, therefore, 10 days. Regular working hours (8a.m. to 5p.m.) from Monday to Friday were preferred for administering the questionnaire to capture the maximum number of business owners. Interviews were also conducted on the owner of the business. The research assistants accompanied the researcher in piloting and modifying the research instruments so that they comprehended fully the purposes and methods of data collection. Collected data from sampled respondents was stored safely in research folders, which were only accessible to the researcher for the purposes of this study. As a requirement all data is stored in a secure location to preserve confidentiality. The secondary data was collected from Business text books, Government reports, journal and periodicals.

3.6 Data Analysis

The questionnaires were checked for completeness and consistency of information at the end of every field data collection day and before storage. Data capturing was done using Excel software. The data from the completed questionnaires were cleaned, coded and entered into the computer using the statistical package for social sciences (SPSS) for Windows analysis. Data analysis and the findings has been reported in chapter four.

To establish the relationship between the independent variables and the dependent variable of the study inferential analysis was conducted. It involves a coefficient of determination and a multiple

regression analysis. The coefficient of determination was carried out to measure how well the statistical model was likely to predict future outcomes. As such it explained the percentage variation in the dependent variable (SMEs financial performance) that was explained by all four independent variables (business growth, efficiency in service delivery, access to information and convenience and reliability)

3.6.1 Analytical Model

The regression model used was;

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4$$

Where Y is the dependent variable (SMEs financial performance)

X1 is Business growth,

X2 is Efficiency in service delivery,

X3 is Access to information, and

X4 is Convenience and reliability.

Descriptive statistics (frequency analysis) was computed for presenting and analyzing the data. Descriptive statistics enabled the researcher to describe the aggregation of raw data in numerical terms (Nunnally, 2000). The descriptive statistics that was used involved the use of univariate, bivariate and multivariate analyses. These methods incorporated the use of frequency distributions, percentage tables and measures of central tendency. They also incorporated the use of measures of variation such as: ranges, percentiles and standard deviations for univariate analysis. The data was presented in the form of frequency distribution tables, graphs and pie charts that facilitated description and explanation of the study findings.

The test of significance for the regression model was determined using ANOVA. The coefficient of determination, (r^2) is the square of the sample correlation coefficient between outcomes and predicted values. As such it explains the extent to which changes in the dependent variable can be explained by the change in the independent variables or the percentage of variation in the dependent variable (SME's financial performance) that is explained by all the four independent variables.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

4.1 Introduction

This chapter presents the data analysis, interpretation and presentation. The study sampled 460 SMEs. The data was interpreted as per the research questions. The analysis was done through descriptive and inferential statistics. The findings were presented in form of figures and tables. The data was analysed using statistical package software, SPSS (Statistical Package for Social Sciences) as was proposed in the previous chapter. The analysed data was presented according to the study objectives.

4.2 Descriptive Analysis

4.2.1 Response Rate

Koltler (1997) defines the response rate as the extent to which the final set of data includes all sample members and it is calculated as from the number of people with whom interviews are completed divided by the total number of people in the entire sample, including those who refused to participate and those who were unavailable. So the researcher examined a sample of 460 respondents .From the 460 questionnaires issued, 422 were returned dully filled giving a proportion of 91.7% which was as a result of close follow up of the respondents.

4.2.2 Reliability and Validity

Reliability is the extent to which any measuring procedure yields the same results on repeated trials (Neuman, 2000) Reliability and item analysis was used to construct reliable measurement scales, to improve existing scales, and to evaluate the reliability of scales already in use. SPSS a statistical programme was used as the tool of analysis to test the relationship between the dependent variable and the four independent variables as indicated in the table below. Cronbach's alpha of well above 0.7 implies that the instruments were sufficiently reliable for the measurement. As most items total correlations were reasonably high, the construct validity of the instruments was considered reasonable (Brown, 2000). The reliability is based of 422 respondents.

Table 4.1: Reliability and Validity

Variable/Construct description	Coefficient Alpha Reliability
Business growth	0.777
Efficiency in service delivery	0.732
Access to information	0.712
Convenience and reliability	0.700

4.2.3 Business Operation

In order to obtain a more detailed understanding of the SME sector in the locality, the study looked at number of years of operations for each business. It was found that that 88% of the businesses have been in operation for between 1 – 5 years with only 12% having exceeded 5 years of business operations. The data is presented in Table 4.2 below

Table 4.2: Business operation

Years of Operation	Percentage
1-5 Years	88%
6-10 Years	4%
11-15 Years	5%
Above 15 Years	3%
Total	100%

4.2.4 Study Variables

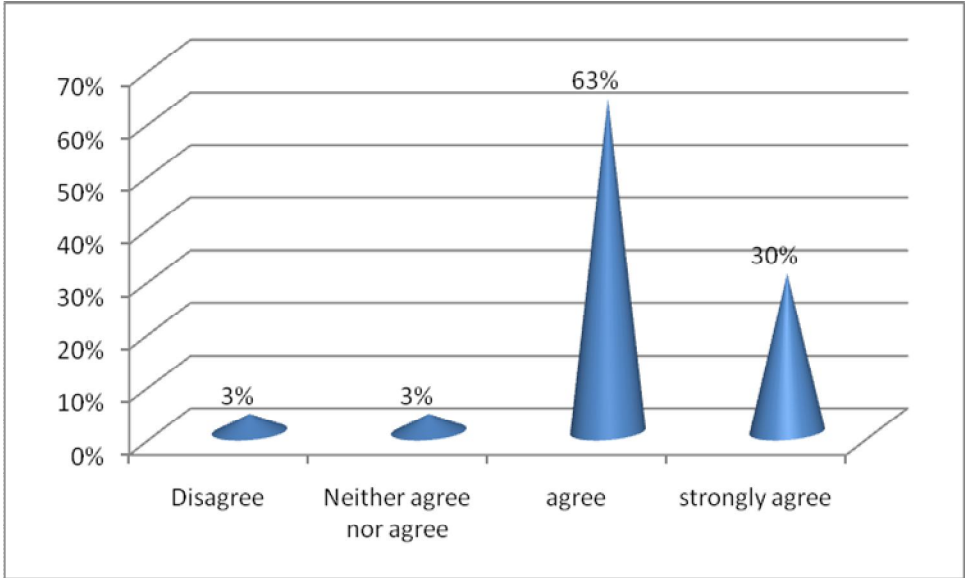
4.2.4.1 Business Growth

Table 4.3: Whether Mobile money transfer services contributed the growth of business

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid yes	422	100.0	100.0	100.0

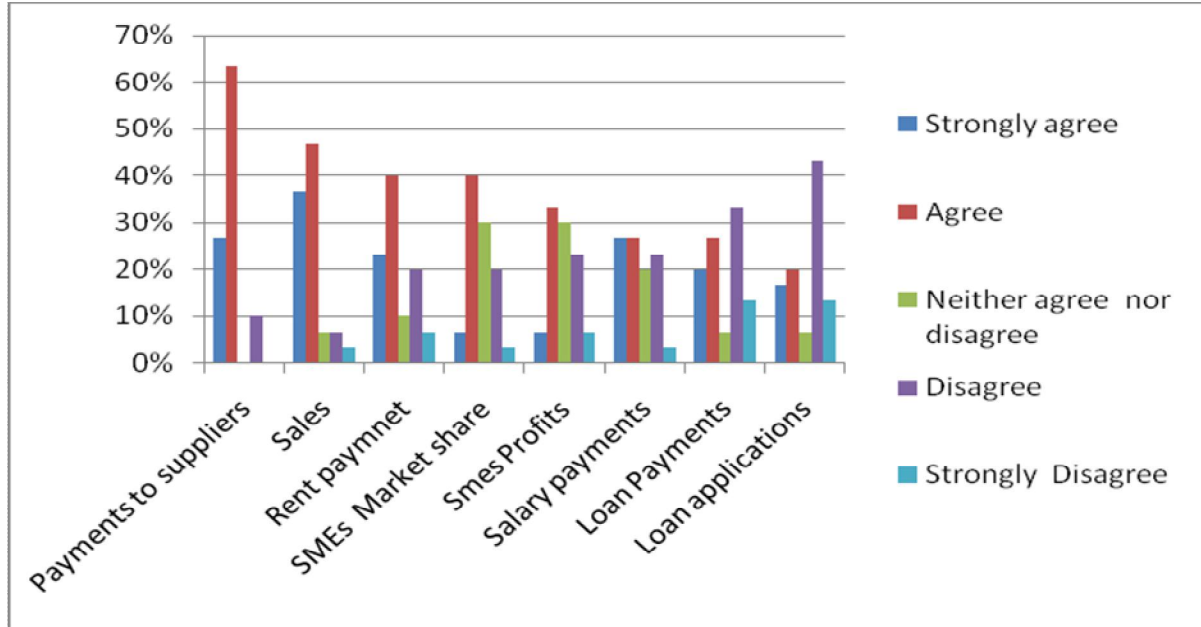
From the findings majority of the respondents indicated that money transfer services contributed to the growth of their business.

Figure 4.1: Extent to which Mobile money transfer services contribute to the growth of business



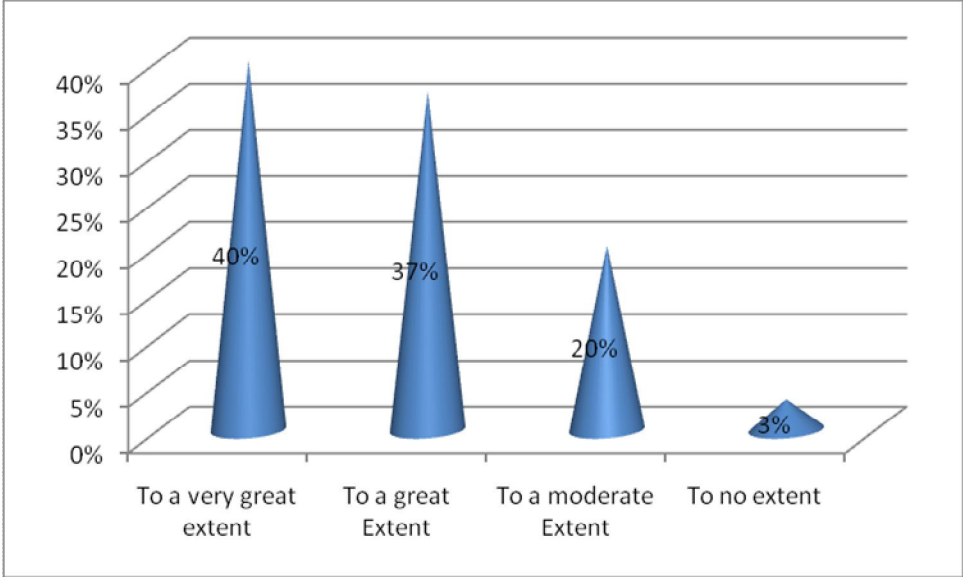
From the findings, to find out extent to which Mobile money transfer services contribute to the growth of business, 30% of the respondents indicated strongly agree, 63.33% indicated agree, 3.33% indicated neither agree nor disagree while 3.33% of the respondents indicated that Mobile money transfer services does not contribute to growth of their business. This is summarized in the figure above.

Figure 4.2: Areas to which Mobile money transfer services has contributed to business growth



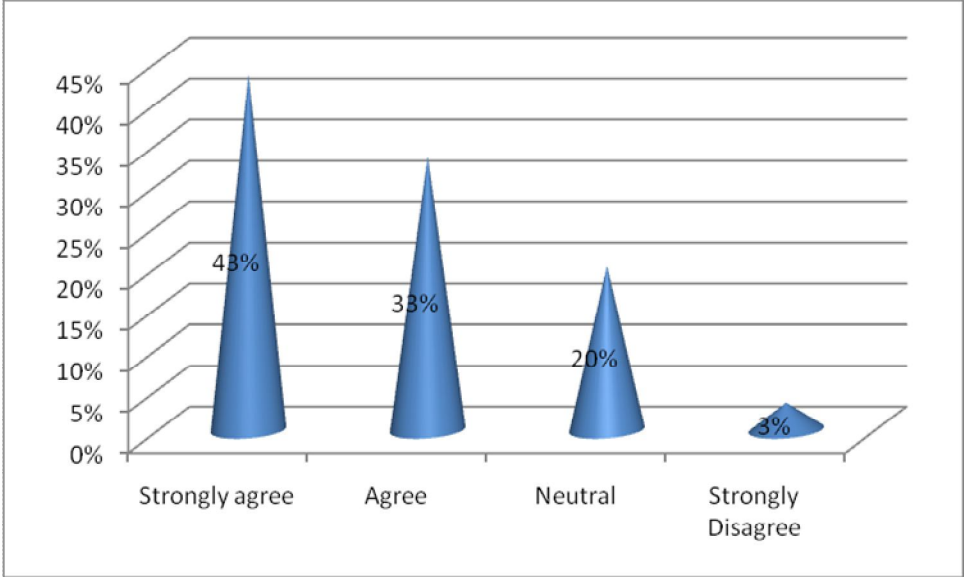
From the findings, to find out areas to which Mobile money transfer services has contributed to business growth, 22% of the respondents indicated strongly agree, 37% indicated agree, 14% indicated neither agree nor disagree, 20% indicated disagree while 6% of the respondents indicated that the areas does not contribute to growth of their business. This is summarized in the figure above.

Figure 4.3: Level of agreement with this statement that exclusive partnerships between business and mobile service providers imply that both players are locked into a contractual relationship to jointly enable mobile money payment services



From the findings, 40% of the respondents agreed to a very great extent that exclusive partnerships between business and mobile service providers imply that both players are locked into a contractual relationship to jointly enable mobile money payment services, 36.67% and 20% agreed to a moderate extent and great extent respectively while 3.33% agreed to no extent.

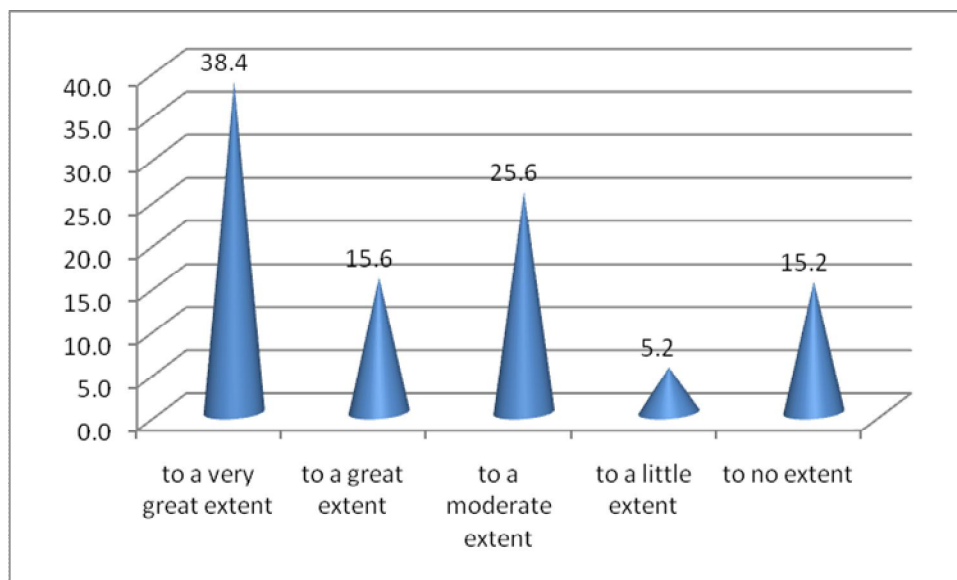
Figure 4.4: Extent of agreement with statement that Mobile partnership significantly reduces coordination costs and time to market as a factor that affects business growth in Mobile money transfer services



From the findings, 43.33% of the respondents strongly agreed that Mobile partnership significantly reduces coordination costs and time to market as a factor that affects business growth in Mobile money transfer services, 33.33% agreed, 20% neutral while 3.33% strongly disagreed on the statement.

4.2.4.2 Efficiency in Service Delivery

Figure 4.5: Extent to which Mobile money transfer services affect service delivery in business processes



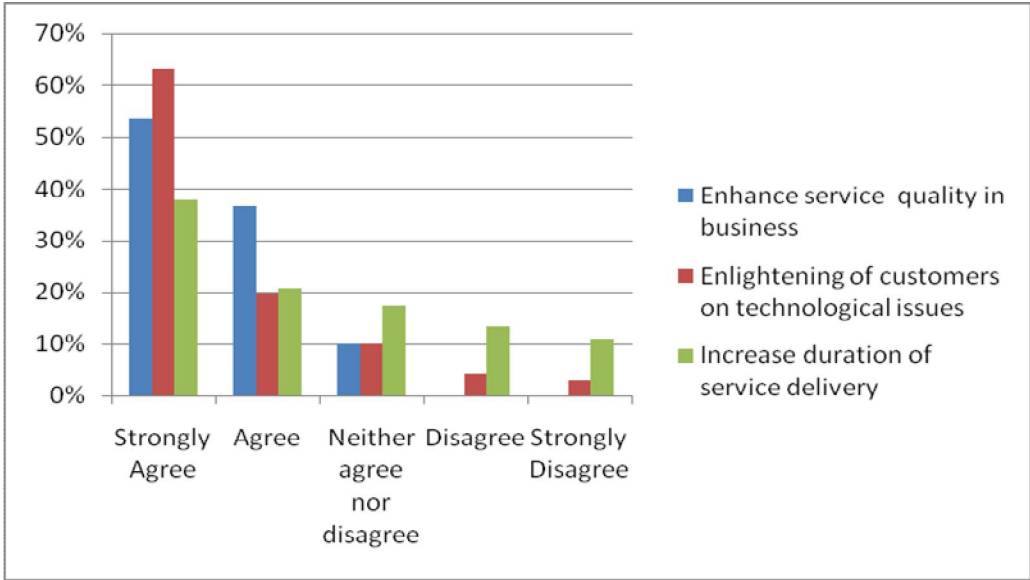
The study sought to find out extent to which mobile money transfer services affect service delivery in business processes. From the findings, 38.4% of the respondents indicated to a very great extent that mobile money transfer services affect service delivery in business processes, 25.6% indicated to a moderate extent, 15.6% indicated to a great extent, 15.2% indicated to no extent while 5.2% of the respondents indicated that to a little extent which mobile money transfer services affect service delivery in business processes.

Table 4.4: Extent to agreement or disagreement with the effects of Mobile money transfer services on service delivery in the SME's

Rating	Percentage
Strongly Agree	51%
Agree	26%
Neither agree nor disagree	12%
Disagree	6%
Strongly Disagree	5%

From the findings above, 51% strongly agreed to the statement that mobile money transfer services enhance service quality in business, mobile money transfer services help in enlightening customers on technological issues in addition to mobile money transfer services increasing duration of service delivery respectively, 26% agreed, 12% were neutral, 6% disagreed while, 5% of the respondents strongly disagreed on the same statement above.

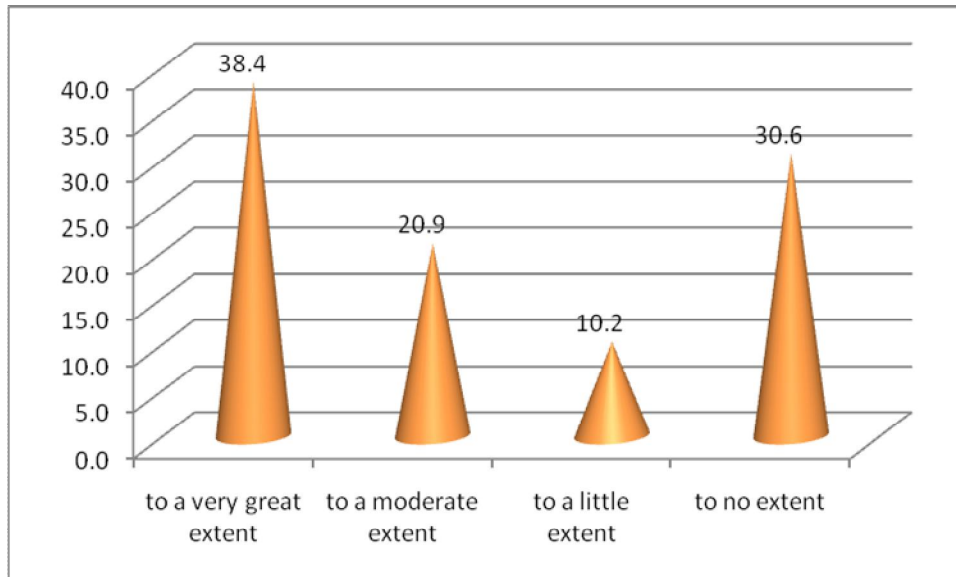
Figure 4.6: Extent to agreement or disagreement with the effects of Mobile money transfer services on service delivery in the SME’s



The figure above summarizes the three statements that were used to determine the Extent to agreement or disagreement with the effects of Mobile money transfer services on service delivery in the SME’s.

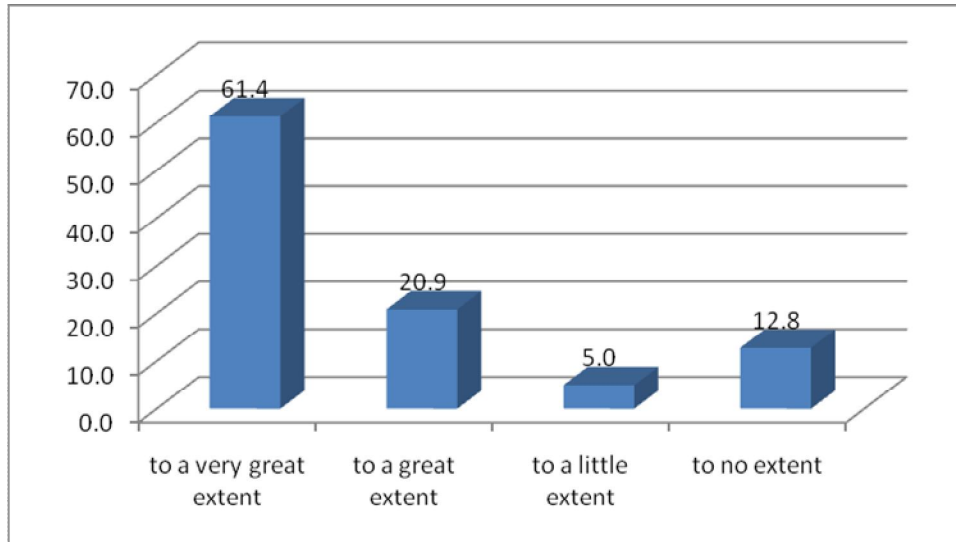
4.2.4.3 Access to Information

Figure 4.7: Whether evolution of mobile money transfer services has affected the performance of business



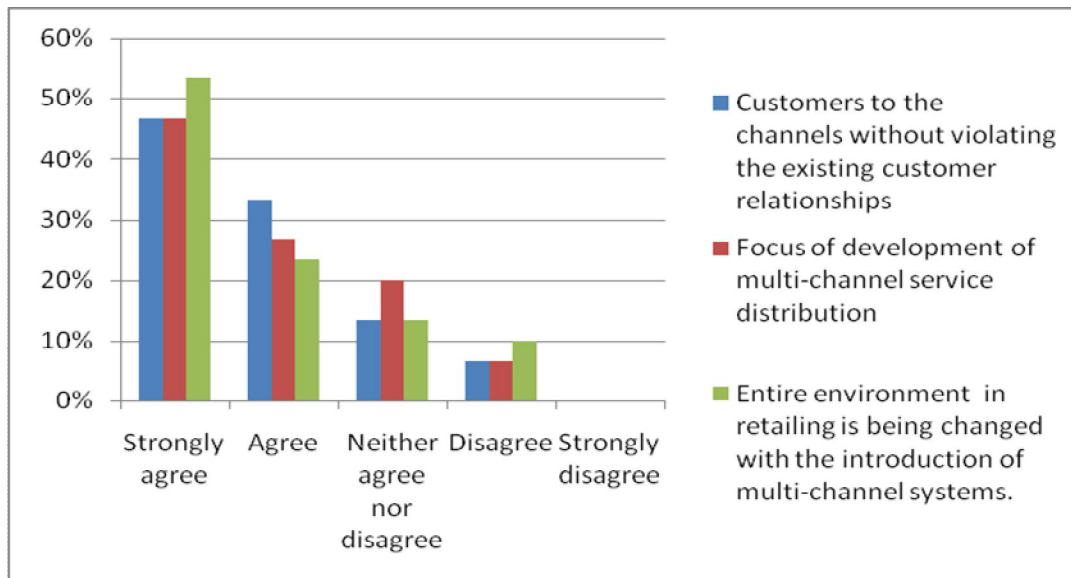
From the findings, 38.4% of the respondents indicated that to a very great extent evolution of mobile money transfer services has affected the performance of business, 30.6% indicated to no extent, 20.9% indicated to a moderate extent while 10.2% of the respondents indicated that to a little extent evolution of mobile money transfer services has affected the performance of business

Figure 4.8: How access to information in Mobile money transfer services depend on the environment



The findings show that 61.4%, 20.9%, 12.8% and 5% of the respondents indicated that to a very great extent, great extent, and no extent and to a little extent respectively, access to information in Mobile money transfer services depend on the environment.

Figure 4.9: Extent of agreement or disagreement with statements about the aspects of accessibility of information with regard to Mobile money transfer services in business



From the findings above the respondents strongly agreed to the statements that mobile money transfer services directs customers to the channels without violating the existing customer relationships. The focus of development of multi-channel service distribution has mostly been on the channels and that entire environment in retailing is being changed with the introduction of multi-channel systems.

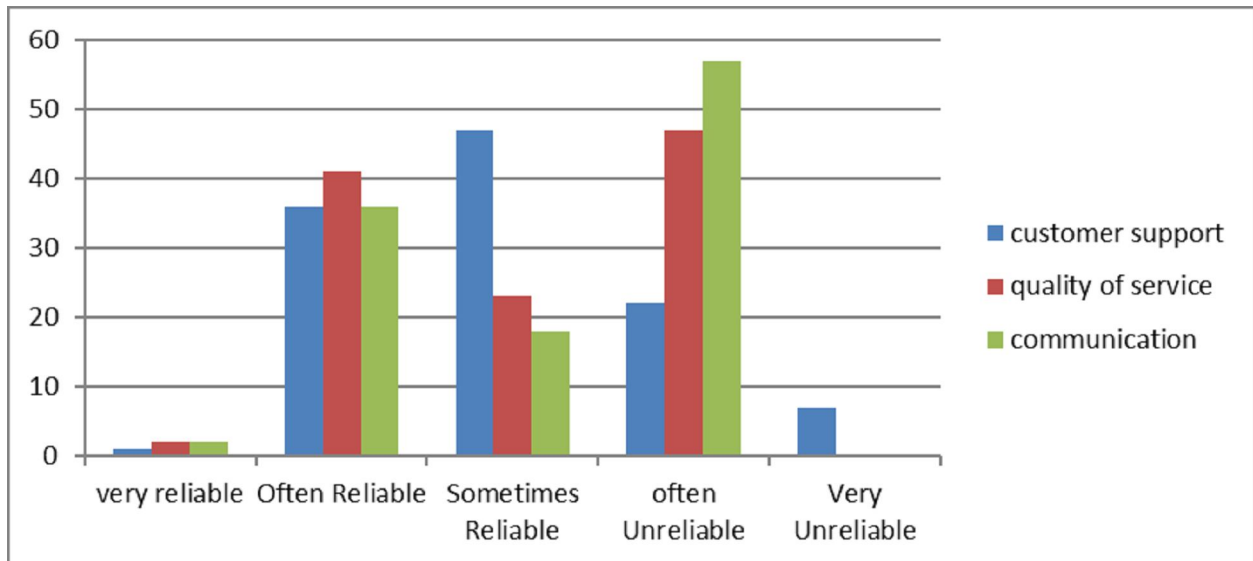
Table 4.5: Rating the level of importance of the following characteristics in regard to accessibility of information

Statement	Very important	important	Averagely important	Less important	Not important	Mean	Stdev
Customer perceived value	63.7	25.8	10.4	0	0	1.46	.677
Speed of service delivery	85.1	0	14.9	0	0	1.29	.713
Security	74.2	10.2	10.4		5.2	1.51	1.04
Technological know-how	15.9	20.6	10.9		52.6	2.49	1.12
Compatibility with lifestyle	20.4	30.6	38.9		10.2	3.52	1.63
Level of income	30.8	10.0	20.9	15.2	23.2	2.90	1.55

The study sought to find out the level of importance of the following characteristics about accessibility of information. From the findings, respondents rated security, customer perceived value and speed of service delivery as very important in regard to accessibility of information as indicated by a mean of 1.51, 1.46 and 1.29. Further the respondents rated Compatibility with lifestyle and Level of income as averagely important as indicated by a mean of 3.52 and 2.90 while Technological knowledge was rated as important as indicated by a mean of 2.49.

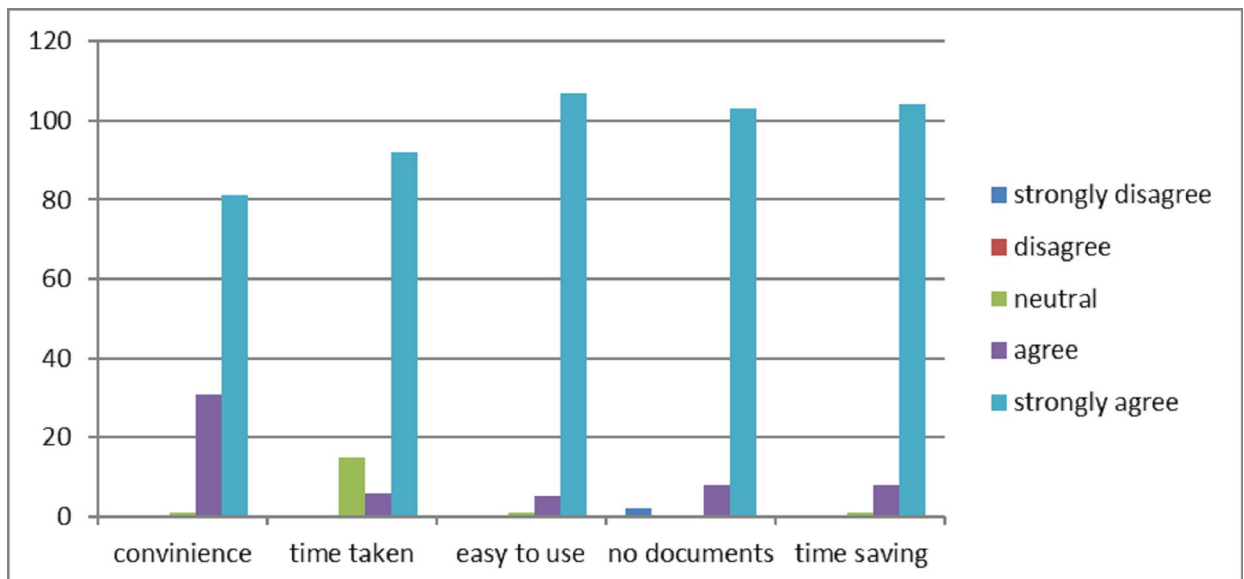
4.2.4.1 Convenience and Reliability

Figure 4.10: Extent to which the Mobile money transfer service provider is reliable



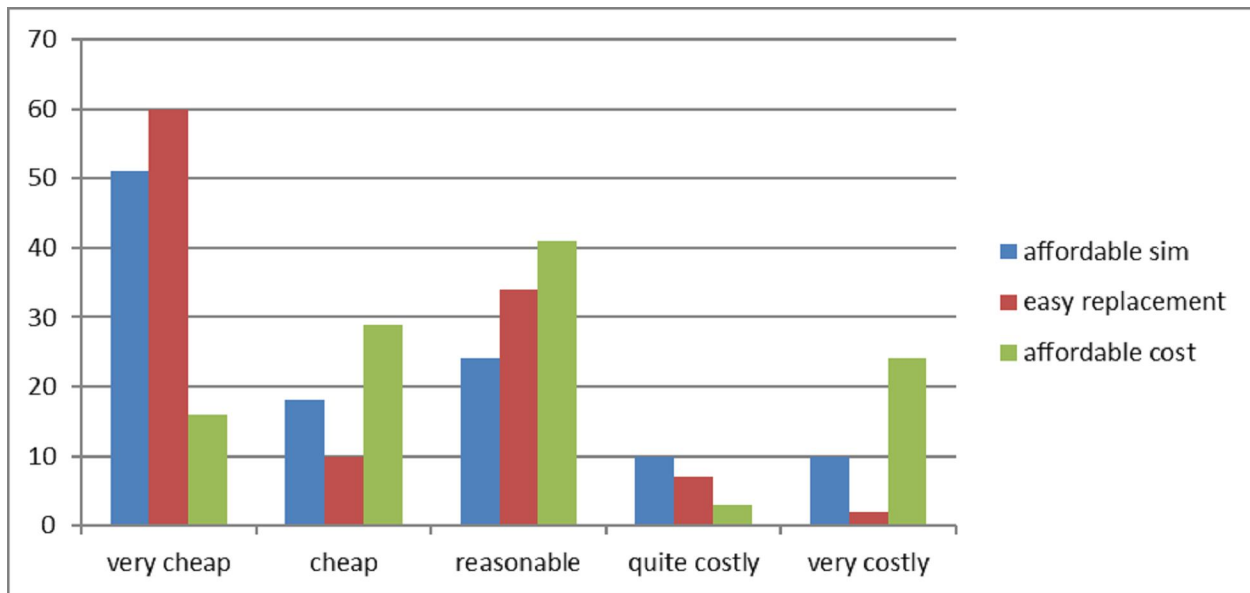
The study wanted to establish the perceived reliability of the mobile money transfer services in business. A diverse view on the issue was obtained. This is because, majority of the respondents have a moderate to negative view about the reliability of the system. However, even with most of the respondents of the opinion that the service is not very reliable, they are still confident about using it. The research findings are represented by Figure 4.10 above.

Figure 4.11: Extent to which mobile money transfer services are convenient and time taken to transact



The research sought to find out the perception of the respondents of the convenience of mobile money use. Most of them indicated that they strongly agreed that mobile money is convenient for various transactions as shown in Figure 4.11 above.

Figure 4.12: Extent to which the Mobile money transfer service provider is costly



The study noted that cost was not a major concern for the businesses surveyed. Many perceived the service as cheap and did not mind the cost involved in using it. To show this the study established that 51% praised the service for having an affordable SIM card, 60% indicated that the service providers easily replaced a lost SIM cards and a significant percentage were of the opinion that the transactional cost was reasonable. Figure 4.12 above shows the perception of the respondents concerning the cost of mobile money transfer.

4.3 Correlation Analysis

Finally, using data collected from the field, statistical analyses was conducted to see how study independent variables related to SMEs financial performance. From the findings, as summarized in Table below, there was a positive correlation between SMEs financial performance and business growth with a correlation factor of 0.435. A positive correlation between the SMEs financial performance and efficiency in service delivery as shown by a correlation figure of 0.242 is also apparent. There is a positive correlation between the SMEs financial performance

and access to information with a correlation figure of 0.103 and a positive correlation between SME performance and convenience and reliability with a value of 0.119

Table 4.6: Coefficient of Correlation between Variables

	SMEs Financial Performance	Business Growth	Efficiency in service delivery	Access to information	Convenience and reliability.
SMEs Financial Performance	1				
Sig. (p-Values)					
Business Growth	0.119	1			
Sig. (p-Values)	0.365				
Efficiency in service delivery	0.103	0.097	1		
Sig. (p-Values)	0.435	0.461			
Access to information	0.242	0.362	0.213	1	
Sig. (p-Values)	0.63	0.004	0.102		
Convenience and reliability	0.435	0.461	0.213	0.335	1
Sig. (p-Values)	0.103	0.097	0.102	0.009	

This table shows that there was positive correlation between SMEs financial performance with business growth, efficiency in service delivery, access to information and convenience & reliability.

4.4 Regression Analysis

This section presents a discussion of the results of inferential statistics. The researcher conducted a multiple regression analysis so as to determine the relative importance of each of the variables. To find out the effect of Mobile Money Services on SME's financial performance in Kenya, the researcher applied the statistical package for social science (SPSS) to develop the regression analysis. Findings are presented in the following tables:

Table 4.7: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.760 ^a	.577	.559	2.7595

a. Predictors: (Constant), Business growth, Efficiency in service delivery, Access to information and Convenience and reliability.

b. Dependent Variable: SMEs Financial performance.

Coefficient of determination explains the extent to which changes in the dependent variable can be explained by the change in the independent variables or the percentage of variation in the dependent variable (SMEs Financial performance), that is explained by all the 4 independent variables (Business growth, Efficiency in service delivery, Access to information and Convenience and reliability).

The four independent variables that were studied, explain 57.7% of variance in effect of mobile money transfers on SMEs financial performance as represented by the R^2 . This therefore means that other factors not studied in this research contribute 42.3% of variance in the dependent variable. Therefore, further research should be to find out the effect of Mobile Money Services on SME's financial performance in Kenya.

Table 4.8: ANOVA^a

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4196.48	17	246.85	32.41	.000 ^a
	Residual	3076.78	404	7.615		
	Total	7273.26	421			

The F critical at 5% level of significance was 1.68 since F calculated is greater than the F critical (value = 32.41), this shows that the overall model was significant. The significance is less than 0.05, thus indicating that the predictor variables, explain the variation in the dependent variable which is SMEs financial performance.

Table 4.9: Coefficients^a

Coefficients ^a						
Model		Unstandardized		Standardized	t	Sig.
		Coefficients		Coefficients		
		B	Std. Error	Beta		
1	(Constant)	2.382	.177		13.430	.000
	Business Growth	.012	.028	.022	.450	.005
	Efficiency in service delivery	.096	.036	.169	2.654	.004
	Access to information	.071	.030	.149	2.400	.002
	Convenience and Reliability	.027	.093	.015	.293	.001

a. Predictors: (Constant), Business growth, Efficiency in service delivery, Access to information and Convenience and reliability.

b. Dependent Variable: SMEs financial performance

From the regression findings, the substitution of the equation ($Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4$) becomes:

$$Y = 2.382 + 0.012 X_1 + 0.096 X_2 + 0.071 X_3 + 0.027 X_4$$

Where Y is the dependent variable (SME's financial performance, X₁ is Business growth variable, X₂ is Efficiency in service delivery, X₃ is Access to information and X₄ is Convenience and reliability.

According to the equation, taking all factors (Business growth, Efficiency in service delivery, Access to information and Convenience and Reliability.) constant at zero, SMEs financial performance will be 2.382. The data findings also show that a unit increase in Business growth variable will lead to a 0.012 increase in SMEs financial performance. A unit increase in efficiency in service delivery will lead to a 0.096 increase in SMEs financial performance. A unit increase in access to information will lead to a 0.071 increase in SMEs financial performance, while, a unit increase in convenience and reliability will lead to a 0.027 increase in SMEs financial performance. This means that the most significant factor is business growth and efficiency in service delivery.

4.5 Summary of Findings and Interpretations

The primary aim of this study was to determine the effect of mobile money services on the financial performance of SMEs in Nairobi County. This aim to a larger extent was accomplished and is summarized below.

This study had 100% response rates as a result of a well chosen interview methodology used. The study established that a significant 88% of the businesses have been in operation for between 1-5 years with only 12% of them having exceeded 5 years of business operations

To explore that mobile money transfer services contribute to the growth of business, the study established that 93.33% of the respondents agreed that mobile money transfer services contribute to the growth of business and only 6.66% disagreed. The study established that majority of the respondents indicated that money transfer services affected the growth of business and agreed with the statement that development of mobile money transfer services influences the

development of markets. Further, the study found out that exclusive partnerships between business and mobile service providers imply that both players are locked into a contractual relationship to jointly enable mobile money payment services as 96.67 agreed to a great extent while 3.33% agreed to no extent. In addition, mobile money transfer services influences the SME's sales growth and that mobile money transfer services influences the SME's market share respectively and finally mobile partnership significantly reduces coordination costs and time to market as a factor that affects market expansion in mobile money transfer services.

The second study objective was to establish whether Mobile Money services have led to efficiency in service delivery in the SMEs sector. The study findings revealed that 79.6% of the respondents indicated that mobile money transfer services affect service delivery in business processes to a great extent, 15.2% indicated to no extent while 5.2% of the respondents indicated that to a little extent which mobile money transfer services affect service delivery in business processes. On efficiency in service delivery, the study found out that majority of the respondents indicated that mobile money transfer services enhance efficiency in service delivery in business; that mobile money transfer services affect service delivery in business processes; that Mobile money transfer services enhance service quality in business, Mobile money transfer services help in enlightening of customers on technological issues and that mobile money transfer services reduces duration of service delivery as 77% of the respondents agreed to the statement while 12% were neutral and 11% of the respondents disagreed.

The third objective was to find out the contribution of Mobile Money Services to better access to financial information in the SMEs sector in Kenya. From the findings, 38.4% of the respondents indicated that to a very great extent evolution of mobile money transfer services has affected the performance of business, 30.6% indicated to no extent, 20.9% indicated to a moderate extent while 10.2% of the respondents indicated that to a little extent evolution of mobile money transfer services has affected the performance of business.

From the findings, majority of the respondents indicated that evolution of mobile money have greatly increased access to information. The study also found out the access to information in mobile money transfer services depend on the environment as 61.4%, 20.9%, 12.8% and 5% of the respondents indicated that to a very great extent, great extent, and no extent and to a little extent respectively. It also found out that mobile money transfer services directs customers to the

channels without violating the existing customer relationships and that the focus of development of multi-channel service distribution has mostly been on the channels and that the entire environment in retailing is rapidly changing with the introduction of multi-channel systems. The study also found out that respondents rated security, customer perceived value and speed of service delivery as very important in regard to accessibility of information .Further the respondents rated Compatibility with lifestyle and level of income as averagely important while technological know-how was rated as important.

The fourth objective was to find out whether convenience and accessibility results in increased SMEs performance and establish if mobile money services are considered reliable by SMEs in Nairobi County. Most of them indicated that they strongly agreed that mobile money is convenient for various transactions. The study noted that cost was not a major concern for the businesses surveyed. Many perceived the service as cheap and did not mind the cost involved in using it. To show this the study established that 51% praised the service for having an affordable SIM card, 60% indicated that the service providers easily replaced a lost SIM cards and a significant percentage were of the opinion that the transactional cost was reasonable

Finally, the study found that there is a positive correlation between SME performance and transaction cost, transactions time and convenience, financial accessibility and efficiency and reliability even though this is a weak relation. Efficiency and reliability contribute more to the mobile money usage. Mobile money was viewed as not very reliable even though respondents were confident of using the services. Communications and quality of service was rated as reliable, while customer support was rated as reliable. Most of them indicated that they strongly agreed that mobile money is convenient for various transactions However, even with most of the respondents of the opinion that the service is not very reliable, they are still confident about using it.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

In this chapter, the summary of findings, conclusion, recommendations, and limitation of the study and areas of further study will be established.

5.2 Summary and Discussions

The objective of the study was to find out the effects of Mobile Money Services on SME's financial performance in Kenya. SMEs financial performance was the dependent variable and the independent variables were; business growth, efficiency in service delivery, access to information and convenience and reliability. The study sought to understand the relationship between the independent variables and dependent variable.

The first study objective was to find out if mobile money transfer service has contributed to business growth. From the findings 93.33% of the respondents indicated that they agree, while 6.66% of the respondents indicated that mobile money transfer does not contribute to growth of their business. The study also investigated the extent to which exclusive partnerships between business and mobile service providers. From the findings, 96.67% of the respondents agreed to a great extent that exclusive partnerships between business and mobile service providers imply that both players are locked into a contractual relationship to jointly enable mobile money payment services, while 3.33% disagreed to no extent. 96.66% of the respondents agreed that mobile partnership significantly reduces coordination costs and time to market as a factor that affects business growth in Mobile money transfer services while 3.33% strongly disagreed on the statement.

The second study objective was to establish if mobile money transfer affects the efficiency in service delivery. The study sought to find out extent to which mobile money transfer services affect service delivery in business processes. From the findings, 79.6% of the respondents indicated to a great extent that mobile money transfer services affect service delivery in business

processes, 15.2% to no extent while 5.2% of the respondents indicated to a little extent that mobile money transfer services affect service delivery in business processes. The study also sought to establish the following; if mobile money transfer services enhance service quality in business, if mobile money transfer services help in enlightening customers on technological issues in addition to mobile money transfer services increasing duration of service delivery. From the findings, 77% agreed to the statement that mobile money transfer services enhance service quality in business, mobile money transfer services help in enlightening customers on technological issues in addition to mobile money transfer services increasing duration of service delivery respectively, 12% were neutral while 11% of the respondents disagreed. On efficiency in service delivery, the study found out that majority of the respondents agreed that mobile money transfer services enhance efficiency in service delivery in business.

To find out if Mobile Money Services better access to financial information in the SMEs sector in Kenya was the third study objective. From the findings, 38.4% of the respondents indicated that to a very great extent evolution of mobile money transfer services affected the performance of business, 30.6% indicated to a no extent, 20.9% indicated to a moderate extent while 10.2% of the respondents indicated to a little extent. On whether the access to information in Mobile money transfer services depend on the environment, the findings indicated that 61.4%, 20.9%, 12.8% and 5% of the respondents indicated that to a very great extent, great extent, and no extent and to a little extent respectively. Majority of the respondents strongly agreed to the statements that mobile money transfer services directs customers to the channels without violating the existing customer relationships. The focus of development of multi-channel service distribution has mostly been on the channels and that entire environment in retailing is being changed with the introduction of multi-channel systems. The study also sought to find out the level of importance of the following characteristics about accessibility of information. From the findings, respondents rated security, customer perceived value and speed of service delivery as very important in regard to accessibility of information as indicated by a mean of 1.51, 1.46 and 1.29. Further the respondents rated Compatibility with lifestyle and Level of income as averagely important as indicated by a mean of 3.52 and 2.90 while Technological knowledge was rated as important as indicated by a mean of 2.49.

The fourth objective of the study was to find out whether convenience and accessibility results in increased SMEs performance and establish if mobile money services are considered reliable by SMEs in Nairobi County. The study wanted to establish the perceived reliability of the mobile money transfer services in business. The respondents had a moderate to negative view about the reliability of the system hence having a diverse view on perceived reliability of the mobile transfer services. However, even with most of the respondents of the opinion that the service is not very reliable, they are still confident about using it. The study also noted that for the business surveyed, cost was not a major concern. Many perceived the service as cheap and they did not mind the cost involved in using it. From the findings 51% praised the service for having an affordable SIM card, 60% indicated that the service providers easily replaced a lost SIM cards and a significant percentage were of the opinion that the transactional cost was reasonable.

The co-efficient of multiple determinations R-square value is 0. 577; this means about 57.7% of the variation of the response variable which is SMEs financial performance can be explained by the four predictor variables. This implies that the independent variables (business growth, efficiency in service delivery, access to information and convenience and reliability) affect the SMEs financial performance by 57.7% and therefore other factors not studied in this research contribute 42.3% of variance in the dependent variable. The regression results also indicate that the relationship between the independent variables against SMEs financial performance is very significant at 0.05 level of significance level with p-value of .0168.

The study further found that the most significant factors are business growth and efficiency in service delivery. An increase or a decrease in business growth and efficiency in service delivery leads to a greater change on SMEs financial performance as opposed to the changes in access to information and convenience and reliability. The study finally concluded that there is a positive correlation between SMEs financial performance and the four variables; business growth, efficiency in service delivery, access to information and convenience and reliability

5.3 Conclusions

The analysis investigated the effects of mobile phone based money transfer on the financial performance of SMEs. The study concluded that there is a positive correlation between SMEs financial performance and business growth, efficiency in service delivery, access to information

and convenience and reliability. Efficiency and reliability contributes more to the mobile phone based services usage. The study further concludes that mobile phone based services has made a positive contribution to the SMEs sector since majority of the traders rely on it as opposed to the formal banking sector for their day to day transactions.

Further, the study concludes that money transfer services affects the market performance of business; mobile money transfer services influences the SME's sales growth and that Mobile money transfer services influences the SME's market share. Additionally the study concludes that mobile money transfer services enhance efficiency in service delivery in business; that Mobile money transfer services enhance service quality in business, Mobile money transfer services help in enlightening of customers on technological issues and that Mobile money transfer services increase duration of service delivery. Furthermore, the study concludes that access to information in mobile money transfer services depend on the environment. More so, mobile money transfer services directs customers to the channels without violating the existing customer relationships and that the focus of development of multi-channel service distribution has mostly been on the channels and that entire environment in retailing is changing rapidly with the introduction of multi-channel systems. The study also concludes that mobile money transfer services contributes efficiency in services delivery, Confidentiality and Convenience and that money transfer services contributes improvement in service quality and reduced duration of service delivery.

Finally the study concludes that there is a consistency between the study and the literature review. From the literature review, several of the studies applied Goodhue & Thompson's (1995) task-technology fit concept focus on managerial decision-making, which are tasks that are also relevant to the study. The study recommends use of a comprehensive technology-to-performance model that should include the characteristics of technology, tasks and individuals as explanatory variables for technology use and individual performance.

5.4 Limitations of the Study

The study was largely successful however some problems noted included; the study only used multiple regression technique and didn't consider other suitable technique. The scope and depth of the study was also limited by the time factor and financial constraints. This put the researcher

under immense time pressure. Developing the statistical presentation was an uphill task, since the researcher was not very conversant with the SPSS 21 program. This required some extra training on the software to enable proper usage of the same to get the necessary statistical presentations for the data.

Another limitation was that the study was not conclusive as it did not include some of the other aspects that affect SMEs financial performance but only concentrated with business growth, efficiency in service delivery, access to information and convenience and reliability as these are observed as the key factor affecting SMEs financial performance.

The limitations of time constraints and gathering of primary information were also encountered in the study. This was because we were only able to collect 10-15 responses from the field per day for each research assistant and most of the business owners were hard to find in the premises and therefore the researcher had to make numerous trips to the premises.

There was no assurance that the respondents would return all the questionnaires duly completed, neither was there a guarantee that the interviewers would respond to all the questions put forward to them comprehensively. Delay resulting from postponement of most set appointments with the respondents. This meant that the researcher had to visit the premises more times than planned and also had to make changes on their schedule.

Most of the respondents were a bit conservative with information. They for feared that the information might be shared with competitors. This decreased the accuracy of the data collected.

5.5 Recommendations and Suggestions

The study recommends a comprehensive technology-to-performance model that should include the characteristics of technology, tasks and individuals as explanatory variables for technology use and individual performance.

5.5.1 Policy Recommendations

The study recommends that regulators should come up with means to evaluate SMEs financial performance. This will help to curb the effect that SMEs financial performance can have on growth, and, among other aspect. Simple measures to evaluate SME performance is still a critical area that requires dedicated attention. Financial measures adopted by larger businesses have not

been widely adopted by SMEs. Book keeping is erratic, yet it which could be a source of useful information on business turnover, employee information and business growth.

Kenya is used as a model of an economy rapidly moving towards cashless transactions. The amount transacted in 2012/2013 fiscal year was close to the country national budget (Okutoyi, 2013). With Safaricom creating partnerships with 25 banks in Kenya to provide these services, mobile money will become a progressively more convenient method of financial transaction for SMEs. Educating SMEs on such benefits will lead to increasing use of the service thereby reaping the benefits previously not accessible to them.

Of greater importance are the increasingly user-friendly support services that target SMEs. For example, increased support services have resulted in use of mobile money and mobile internet services on some transport services. These are just some of the examples of the critical role service provider's play with respect to increased use of products that could benefit consumers. Therefore, increasing the service provider and SMEs collaborations and the support of available products is recommended to increase the use of currently available products and help in the design of more SME directed services.

5.5.2 Suggestions for Further Research

The study recommends further study on some of the other aspects that affect SMEs financial performance apart from the one the study concentrated on; business growth, efficiency in service delivery, access to information and convenience and reliability.

The study also used regression analysis to analyze the data; it did not consider use of other techniques such as chi-square and Time series technique. Therefore the researcher recommends further studies using different analyzing technique.

The study recommends further study on effects of mobile phone based services on SMEs financial performance using secondary data to accurately predict the relationship among the variables.

The research recommends further study on the effect of mobile phone based services on SMEs financial performance focused on Nairobi County. The research should therefore be replicated in other counties and the results compared so as to establish whether there is a consistency among the SMEs.

This study focused on the general mobile money transfer services in the telephony industry in Kenya. Therefore, a further research should be done on the specific mobile service provider.

Further follow-up studies on the same topic could identify changes over time especially with the expectation that mobile money services may become the primary platform for cashless transactions. This study can be replicated in the same setting at a different time, or in other county in Kenya.

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APPENDICES

APPENDIX I: Letter of Introduction

Dear Sir/Madam,

RE: REQUEST TO COLLECT DATA FOR MBA PROJECT

I, Agnes Nthenya Mutinda, am a post graduate student at University of Nairobi pursuing a Master of Business Administration degree.

Pursuant to the pre-requisite course work, I am currently conducting a research project on Effect of Mobile Phone Based Money Transfer Services on Small and Medium Enterprises Financial Performance in Kenya. The focus of my research will be the Small and Medium Enterprises operating in Nairobi and this will involve use of questionnaires administered to proprietors Small and Medium Enterprises.

I kindly seek your assistance in filling this questionnaire and I guarantee you the data will be used solely for academic use and will not at any one time disclosed to anybody without your authority and consent. I have enclosed an introductory letter from the University. Your assistance is highly valued. Thank you in advance.

Yours faithfully,

Agnes Nthenya Mutinda

.....

MBA Student,

University Of Nairobi

APPENDIX II: Questionnaire

SECTION A: GENERAL INFORMATION.

1. Name of the business -----
2. No. of years in operation -----

3. SECTION B: EFFECTS OF MOBILE MONEY TRANSFERS ON PERFORMANCE OF SME'S IN NAIROBI, KENYA

1. Business growth

1. Mobile money has contributed to the growth of my business on a scale of 1-5
(1=strongly agree, 5 = strongly disagree)

Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly Disagree

2. In which areas has mobile money contributed to your business growth? (1=strongly agree, 5 = strongly disagree)

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly Disagree
Payments to suppliers					
Sales					

Rent payments					
SMEs Market share					
SMEs Profits					
Salary payments					
Loan payments					
Loan applications					

3. Exclusive partnerships between your business and mobile service providers imply that both players are locked into a contractual relationship to jointly enable mobile money. (1=To a very great extent, 5 = To no extent)

To a very great extent	
To a great extent	
To a moderate extent	
To a little extent	
To no extent	

4. Mobile partnership significantly reduces coordination costs and time to market. To what extent do you agree with this statement as a factor that affects market expansion in Mobile money transfer services? (1=strongly agree, 5 = strongly disagree)

Strongly agree	
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Agree	
Neutral	
Disagree	
Strongly disagree	

2. EFFICIENCY IN SERVICE DELIVERY

5. To what extent do Mobile money transfer services affect service delivery in your business processes? (1=To a very great extent, 5 = To no extent)

To a very great extent	
To a great extent	
To a moderate extent	
To a little extent	
To no extent	

6. Explain the extent to which you agree or disagree with the following effects of Mobile money transfer services on service delivery in the SME's? (1=strongly agree, 5 = strongly disagree)

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly Disagree
Enhance service quality in your business					
Enlightening of					

customers on technological issues					
Increase duration of service delivery					

3. ACCESS TO INFORMATION

7. To what extent has the evolution of Mobile money transfer services affected the financial performance of your business? (1=To a very great extent, 5 = To no extent)

To a very great extent	
To a great extent	
To a moderate extent	
To a little extent	
To no extent	

8. How does the access to information in Mobile money transfer services depend on the environment? (1=To a very great extent, 5 = To no extent)

To a very great extent	
To a great extent	
To a moderate extent	
To a little extent	
To no extent	

9. To what extent do you agree with the following statements about the aspects of accessibility of information with regard to Mobile money transfer services in your business? (1=strongly agree, 5 = strongly disagree)

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly Disagree
Customers to the channels without violating the existing customer relationships					
Focus of development of multi-channel service distribution					
Entire environment in retailing is being changed with the introduction of multi-channel systems.					

10. Different electronic channels have different characteristics. In the light of this statement, rate the level of importance of the following characteristics in regard to accessibility of information. Use a scale of 1 to 5 where 1 is very important and 5 is not important. (Tick appropriately)

Statement	1	2	3	4	5
Customer perceived value					
Speed of service delivery					
Security					
Technological know-how					
Compatibility with lifestyle					
Level of income					
Others					

(Specify.....)					
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4. CONVINIENCE AND RELIABILITY

11. How reliable is your mobile money provider on a scale of 1-5 (1=strongly agree, 5 = strongly disagree)

	Very reliable	Often reliable	Sometimes reliable	Often unreliable	Very unreliable
Support from service providers					
Adequate Quality of services from provider					
Communication with suppliers and customers					

12. In regard to convenience of mobile money services and time taken to transact (1=strongly agree, 5 = strongly disagree)

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Mobile money service convenient for transactions					
Time taken to transac business with MM is short					
Easy to use MM to transact					

No additional documents needed to transact except the phone					
MM saves time compared to Other services					

13. How costly is your mobile money provider on a scale of 1-5 (1=Very costly, 5 = Very cheap)

	Very costly	Quite costly	Reasonable	Cheap	Very cheap
Affordable cost of SIM Card					
Easy replacement of SIM card					
Affordable cost of sending or receiving money					

14. Are there any negative effects of Mobile money transfer services in your business?

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.....

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15. What other comments can you make about the effects of Mobile money transfer services in the performance of your business?

.....

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APPENDIX III: Correlation Analysis

	SMEs Financial Performance	Business Growth	Efficiency in service delivery	Access to information	Convenience and reliability.
SMEs Financial Performance	1				
Sig. (p-Values)					
Business Growth	1.19	1			
Sig. (p-Values)	0.365				
Efficiency in service delivery	0.103	0.097	1		
Sig. (p-Values)	0.435	0.461			
Access to information	0.242	0.362	0.213	1	
Sig. (p-Values)	0.63	0.004	0.102		
Convenience and reliability	0.435	0.461	0.213	0.335	1
Sig. (p-Values)	0.103	0.097	0.102	0.009	

APPENDIX IV: Regression Statistics

Summary Output; Regression Statistics	
Multiple R	.141 ^a
R Square	.45
Adjusted R Square	.67
Standard Error	.80553
Observations	4

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.499	4	1.156	11.375	.002 ^b
	Residual	270.579	417	.649		
	Total	276.078	421			

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.382	.177		13.430	.000
	Market expansion/ partnership	.012	.028	.022	.450	.005
	Efficiency in service delivery	.096	.036	.169	2.654	.004
	Access to information	.071	.030	.149	2.400	.002
	Customer satisfaction	.027	.093	.015	.293	.001

APPENDIX V: Mobile Money Services in Kenya

M-Pesa Services	Airtel Money	YUCASH	Orange Money
Bulk Payments	Send and receive money across networks	Deposit Money	Send money
Buy safaricom airtime	Instantly top up your airtime also send airtime to someone else's phone	Sending money	Withdraw money
Deposit cash to your account.	Make payments for utility bills, goods and services	Withdrawing cash	Pay bills
Lipa Karo na M-PESA	Link your bank account to your Airtel Money wallet enable you to do the following : check bank balances, deposit money from your phone to your bank account and vis a vis)	Pre-paid top-up	Manage payrolls
M-PESA prepay Safari card	Make card less withdrawals from partner ATMs	Balance inquiry	Mobile money transfer facilitated directly from a bank account
Manage your Mpesa account	Send and receive money across networks	Utility bills payments	Access to financial services through Equity Branches
Pay Bill	Instantly top up your airtime also send airtime to someone else's phone	Requesting money	Access to credit facilities on application
Send (Transfer) money	Make payments for utility bills, goods and services	Transaction History	Request for full statements

Withdraw money	Link your bank account to your Airtel Money wallet enable you to do the following : check bank balances, deposit money from your phone to your bank account and vis a vis)	Short Message with Transactions	Stop Cheques
Lipa Na Mpesa Fuel activation.	Make cardless withdrawals from partner ATMs	YU Cash – Equity Bank Linked Account service	Orange Money Visa Debit card

Source: all accessed on 13th August 2014.

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