ASSESSMENT OF FINANCIAL INNOVATION ON THE GROWTH OF WOMEN OWNED ENTERPRISES IN ELDORET, UASIN GISHU COUNTY, KENYA

NANCY MWINGWA BURINI

A THESIS/PROJECT SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF MASTER OF BUSINESS MANAGEMENT DEGREE IN SCHOOL OF BUSINESS AND ECONOMICS OF MOUNT KENYA UNIVERSITY

JULY, 2025

DECLARATION AND APPROVALS

Declaration

This thesis/project is my original work and has never been presented for any academic award in any institution.

Name: **Nancy Mwingwa Burini**

Reg. No. **MBA/2023/55717**

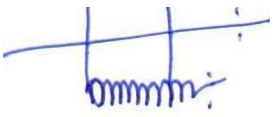
Signature:  **Date:** 28.5.2025

Approval

This thesis/project is being submitted for examination with our approval as University supervisors

Name: **Prof. Robert Mindila. PhD**

Institutional Affiliation: **ISBAT University, Kampala**

Signature  **Date:** 05/07/2025

DEDICATION

This work is dedicated to my family Burini, Davies, Trevis and Trevor who have supported me throughout my academic journey. I'm grateful.

ACKNOWLEDGEMENT

Glory and praise belong to the most gracious God, who has supported me my entire life and during my study. In addition, I want to sincerely thank my supervisor, Prof Robert Mindilla, for his tremendous inspiration, his unceasing assessment of my work, and his sharp criticism of it. To my friends, who have been my pillars of strength and provided emotional support when needed. Your words of encouragement and motivation have been invaluable to me. Lastly to my colleagues, who have offered valuable insights and feedback throughout the course of my study, and accorded me sufficient peace of mind at work to enable me prosper at my studies.

ABSTRACT

The global expansion of financial innovations—encompassing new financial products, platforms, and delivery mechanisms— has transformed how entrepreneurs access and manage financial services. However, despite these advancements, women-owned enterprises continue to face significant financial exclusion, limiting their potential for growth and sustainable development. This study investigated the effects of financial innovations on the growth of women-owned enterprises in Eldoret Town, Uasin Gishu County, Kenya. Specifically, it examined the roles of mobile banking, digital loans, and table banking in enhancing enterprise performance. The study was anchored in the Pecking Order Theory, which explains financing preferences under conditions of information asymmetry, and Stakeholder Theory, which emphasizes the role of diverse actors in shaping business outcomes. Employing a descriptive research design, the study targeted a population of 1,200 women entrepreneurs operating in the trade and service sectors. Using stratified random sampling, a sample of 102 respondents was selected, and data were collected via structured questionnaires and interview guides. A pilot study was conducted in Trans Nzoia County to assess the reliability and clarity of the research instruments. Validity was ensured through expert reviews, while reliability testing using Cronbach's alpha yielded an overall reliability coefficient of 0.88, confirming internal consistency. Both descriptive and inferential statistical methods were used to analyze the data. Correlation results revealed strong positive relationships between financial innovations and business growth: mobile banking ($r = 0.721$, $\beta = 0.387$, $p < 0.01$), digital loans ($r = 0.689$, $\beta = 0.356$, $p < 0.01$), and table banking ($r = 0.654$, $\beta = 0.274$, $p < 0.01$). Mobile banking was particularly noted for improving access to financial services, lowering transaction costs, enhancing efficiency, and supporting financial record-keeping. Digital loans were recognized for providing timely capital, enhancing financial planning, and enabling enterprise expansion, despite some concerns around repayment terms. Table banking emerged as a vital mechanism for providing affordable credit and peer support in communities with limited access to formal financial systems. The study concludes that financial innovations significantly enhance the growth and resilience of women-owned enterprises by improving financial access, operational efficiency, and strategic expansion. It recommends that stakeholders—including banks, fintech firms, and government agencies —strengthen mobile banking security, streamline digital loan application processes, and formalize table banking frameworks. Additionally, the study calls for gender-responsive financial policies and increased investment in digital and financial literacy programs to promote inclusive entrepreneurship and sustainable economic development.

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LIST OF ABBREVIATIONS AND ACRONYMS

SME	Small Micro Enterprise
SPSS	Statistical Package for Social Sciences
IFC	International Finance Corporation

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Globally, there is a rapid increase in the number of people adopting new financial innovations. In the financial industry, innovation refers to the process of developing and subsequently gaining traction for new financial products, institutions, markets, and technologies (Tashtamirov, 2023). It can be understood as the designing, creating, and putting into practice of novel financial products and procedures, as well as the coming up with inventive answers to intricate financial issues. Through the promotion of financial inclusion, the facilitation of financial transactions, and the enhancement of financial efficiency, innovations in the financial sector contribute to the stimulation of business expansion (Melubo & Musau, 2020).

Xi and Wang (2023) argue that financial innovation presents a significant opportunity for the growth of the financial sector. This is because innovation drives the evolution of financial systems through diversified services, improved intermediation, technological progress, and the creation of new, efficient avenues for allocating resources. These advancements, as highlighted by Alawi et al. (2022), contribute to increased productivity and foster broad-based, sustainable economic growth.

Financial innovations have not only created new opportunities for industry participants but also increased the number of new market entrants due to innovative financial market products. These innovations have transformed the role of financial institutions and expanded the variety of financing and investment options available to economic agents, providing them with more opportunities for diversification in terms of portfolio size and funding sources. In the United States,

Dietz et al. (2016) note that financial innovations primarily target retail customers, with 62% of the initiatives focusing on this segment, and payment solutions are the most common product. Furthermore, while a significant portion of venture capital for fintech startups is concentrated in the United States, noteworthy financial innovation solutions are also emerging in other countries (Dietz et al., 2016).

The rapid growth of internet technologies, along with the adoption of digital tools such as big data and cloud computing, has greatly accelerated the pace and impact of digital financial innovation (Du & Liu, 2022). In China, digital finance has become a key driver of financial innovation, with internet-based firms introducing services like online lending to reach marginalized populations often neglected by traditional banks. These innovations have made notable strides in extending financial services to underserved groups, including small businesses, low-income urban residents, and rural farmers. Nonetheless, persistent issues such as limited market penetration, low returns per client, and weak risk management practices continue to pose barriers to the long-term viability of these financial innovations (Chen & Zhang, 2017).

India has introduced several financial innovations to address barriers to financial inclusion. According to Jacques, James and Jonathan (2019) many individuals previously lacked the necessary personal identification documents for account opening, relying instead on family-based documents like ration cards, and faced challenges due to rigid "know your customer" (KYC) regulations. The introduction of Aadhaar, a digital identity system, significantly simplified the account-opening process by providing a universal identification framework. Additionally, the development of Unified Payments Interface (UPI) that blends regulatory and technological advancements with changes in business processes has further facilitated financial inclusion.

Diverse financial innovations have emerged in the financial system, especially in the banking industry, to address challenges faced by women-owned businesses in obtaining financing in Africa (Mugo & Gakobo, 2020; Salman, 2020). The introduction of digital loans, table banking, mobile banking, women's refinancing programs, and nonbank financial entities to facilitate institutional credit for investments are some examples of these advances (Akinyi, 2018; Melubo & Musau, 2020; Feyen et al. 2021; Mwobobia, 2016; Ragui, 2017). These financial innovations tend to accelerate the process of women access to sufficient finance (World Bank, 2018).

The financial landscape has changed significantly in a variety of ways as a result of mobile money services' amazing increase in popularity. The rapid growth of mobile money has made a substantial contribution to the improvement of financial inclusion for women. The reason for this is that it has made it possible for them to get financial services independently, without the approval of their husbands or male family members, to conduct financial transactions more easily and independently, and to help more women move from low-income farming to business ownership (World Bank, 2018).

In Kenya, the achievement of financial goals and the expansion of businesses for women depend critically on their ability to obtain digital loans. Women's creditworthiness makes it harder for traditional lending organizations like banks to evaluate them as safe borrowers. Because they function in the informal sector and primarily rely on payments in cash that leave little to no financial imprint, many small women-owned businesses lack transparent accounting records and digital footprints (Calcagnini, Giombini & Lenti, 2015). This poses a challenge to the established techniques of tracking revenue and evaluating creditworthiness. Digital loans have demonstrated the potential to improve the accessibility and dependability of finance for women-owned enterprises.

The rise in popularity of financial innovations like table banking can be ascribed to the incapacity of specialized financial institutions to sufficiently attend to and satisfy the credit needs of the underprivileged, particularly the severely poor women and entrepreneurs in Kenya. Thanks to savings and table banking loans, the majority of female business owners are now able to expand their businesses (Muriuki, Kosgey, & Tarus, 2024). Women are now equal competitors with men in the marketplace because of their growing empowerment and readiness to challenge social and cultural norms.

Although efforts to enhance the performance of women-owned businesses and financial innovation in Kenya have been undertaken recently, it is crucial to comprehend the ways in which these programs could reduce credit barriers and increase profitability, particularly in specific regions such as Eldoret. The implementation of financial innovations in Eldoret has been pivotal in addressing the unique challenges faced by local women entrepreneurs. These innovations have not only provided more accessible financing options but have also empowered women to break through traditional barriers and compete effectively in the market (Simiyu, Ndiang'ui & Ngugi, 2014). Understanding the effect and effectiveness of these financial innovations in Eldoret is essential for developing targeted strategies to further support women-owned businesses and ensure their sustainable growth and success.

1.1.1 The Growth of Women Owned Enterprises

Worldwide, women are the proprietors of approximately one-third of formally registered businesses (Ahmetaj, Kruja & Hysa, 2023). The International Finance Corporation (IFC, 2014) defines a women-owned enterprise as one where women hold at least 51% ownership or at least 20% ownership with a minimum of 30% female representation on the board of directors, if such a board exists. While progress has been made in narrowing gender gaps and increasing the rate of

female entrepreneurship, notable regional disparities persist. Women continue to be underrepresented as business owners, and many face systemic barriers—particularly limited access to resources—which hinder their ability to achieve their full economic potential.

Studies constantly demonstrate that women business owners do not have easy accessibility to the resources required to realize their full financial potential. Inequalities are prevalent across all industries and business kinds, and they are exacerbated in the setting of global marketplaces. Financial institutions underserve or do not service 70% of women-owned SMEs in emerging nations (IFC, 2014). Female entrepreneurs are typically overrepresented in the smallest and unofficial businesses, and women-owned businesses typically have lesser revenues and assets. They are frequently concentrated in industries and markets that seem crowded and have little room for profit (Carranza, Dhakal & Love, 2016). According to Carranza et al. (2016), the credit gap for formal women-owned SMEs is 30% of the estimated $280 billion overall credit gap for SMEs.

Women frequently face significant barriers when it comes to borrowing or saving money when compared to men. Only 77% of men have access to bank accounts, credit, and mobile banking globally (World Bank, 2021). The establishment and expansion of women-owned enterprises are affected by limited financial availability. For a long time, financial services have been considered a vital tool for women's support. Financial services aim to serve low-income women by offering them untargeted loans, following the traditional Grameen approach (Bernasek, 2023). These comprise low-income and independent women, for whom the absence of collateral is typically a major barrier (obtaining formal institutions' microloans also gives women the freedom to pursue their own business ventures without having to take out loans from friends, family, or moneylenders) according to Bernasek (2023).

Expanding financing availability has helped women-owned businesses in emerging nations. According to Andriamahery and Qamruzzaman (2022), women's participation in cash crops in Malawi was significantly positively affected by their access to finance. It has been demonstrated in Latin America that promoting financial services in addition to cash transfers helps small enterprises grow (Pantelić, 2017). In particular, loans can work especially well when paired with female-specific savings options. Savings can help more risk-averse women who might not feel comfortable with the loan's repayment and interest obligations, as well as increase women's sense of personal ownership (Saluja, Singh & Kumar, 2023).

According to Bernhardt et al. (2019), many micro entrepreneurs—particularly women—earn negative returns on their capital. There aren't many low-income, highly skilled female micro-entrepreneurs who could gain from easier access to loans. According to Ncube (2023), gender disparities in financial access are not particularly pronounced in the African environment. Nonetheless, Handa et al. (2018) contend that there are significant credit barriers for women in Zambia (and big cash transfers had a beneficial and durable effect). Thus, it is evident that context plays a crucial role in determining whether financial inclusion will increase the potential for growth for women-owned enterprises.

In Kenya, only about 7% of women-owned micro, small, and medium-sized enterprises (MSMEs) have access to formal financing (Odhiambo, 2023). This limited access often hinders their ability to grow or remain operational. However, even modest credit facilities can significantly transform these businesses. Research has shown that small enterprises with access to finance are better positioned to seize growth opportunities (IFC, 2023). Despite this, a substantial financing gap remains, with the IFC estimating a $42 billion shortfall for women-owned businesses across Africa. In response, initiatives like the partnership between the IFC and M-KOPA Holdings Ltd.

have been launched to enhance financial and digital inclusion for women in Kenya. Against this backdrop, the present study seeks to examine the impact of financial innovations on the growth of women-owned enterprises in Eldoret Town, Uasin Gishu County, Kenya.

1.2 Statement of the problem

Women-owned businesses often generate lower revenues and possess fewer assets compared to their male counterparts, largely because they are concentrated in highly competitive industries with limited profit margins (Carranza, Dhakal & Love, 2016). One of the major challenges these enterprises face is the significant credit gap, with women-owned SMEs experiencing a 30% shortfall within the estimated $280 billion overall credit gap for SMEs (Carranza et al., 2016). Globally, women encounter substantial barriers in accessing financial services, with only 77% of men having access to bank accounts, credit, and mobile banking compared to their female counterparts (World Bank, 2021). This limited financial availability hampers the establishment and growth of women-owned businesses.

Several studies have demonstrated the positive effects of increased financial availability on women's participation in economic activities and business growth in different regions. For instance, improved access to finance has significantly benefited women's participation in cash crops in Malawi (Andriamahery & Qamruzzaman, 2022) and facilitated small enterprise growth in Latin America (Pantelić, 2017). Additionally, combining loans with targeted savings options has proven effective in enhancing women's financial security and ownership (Saluja, Singh & Kumar, 2023). However, these findings are context-specific and may not directly apply to the unique socioeconomic and cultural environment of Eldoret Town.

Furthermore, while some research indicates that gender disparities in financial access might be less pronounced in certain African contexts (Ncube, 2023), significant barriers still persist in countries like Zambia (Handa et al., 2018) and Kenya, where only 7% of women-owned MSMEs have formal access to financing (Odhiambo, 2023). Despite the IFC projecting a $42 billion financing shortfall for women-owned firms in Africa and recognizing the importance of financial and digital inclusion initiatives (IFC, 2023), "there is limited empirical research specifically examining the effectiveness of such innovations in overcoming these barriers within the Kenyan context. In light of this, the purpose of this study is to investigate effect of financial innovations on the growth of women owned enterprises in Eldoret Town, Uasin Gishu County, Kenya."

1.3 Purpose of the study

The purpose of this study was to investigate the effect of financial innovations on the Growth of Women Owned Enterprises in Eldoret Town, Uasin Gishu County, Kenya.

1.3.1 Specific Objectives

i. To explore the effects of mobile banking on the Growth of Women Owned Enterprises in Eldoret Town, Uasin Gishu County, Kenya.
ii. To assess the effects of digital loans on the Growth of Women Owned Enterprises in Eldoret Town, Uasin Gishu County, Kenya.
iii. To assess the effects of table banking on the Growth of Women Owned Enterprises in Eldoret Town, Uasin Gishu County, Kenya.

1.4 Research Questions

i. How does the adoption of mobile banking influence the Growth of Women Owned Enterprises in Eldoret Town, Uasin Gishu County, Kenya?

ii. What is the effect of digital loans on the Growth of Women Owned Enterprises in Eldoret Town, Uasin Gishu County, Kenya?

iii. What effect does table banking has on the Growth of Women Owned Enterprises in Eldoret Town, Uasin Gishu County, Kenya?

1.5 Significance of the Study

This study is significant to various stakeholders. It enhances understanding of financial innovations in the market and helps identify effective strategies to promote their use. The banking sector benefits by gaining insights into current trends and opportunities for developing new financial products. County governments can also use the findings to design work plans that improve access to financial innovations for women-owned enterprises.

The study also contributes to academic knowledge by identifying areas for further research. It serves as a useful reference for researchers and students interested in similar topics. In addition, the findings highlight important connections between financial innovations and business growth, which call for deeper exploration. Policymakers in both the public and private sectors can use this information to make informed decisions and support initiatives that strengthen the role of financial innovations in growing women-owned businesses.

1.6 Scope of the Study

This study aimed to investigate the influence of financial innovations on the growth of women-owned enterprises. Financial innovations served as the independent variable (IV), encompassing modern financial tools and services utilized by entrepreneurs. The dependent variable (DV) was the growth of women-owned businesses, assessed through indicators such as business

performance, revenue increase, and expansion trends. The research sought to evaluate how various financial innovations contribute to these growth outcomes and to offer insights into their effectiveness in promoting the success of women-led enterprises.

The research was conducted in Eldoret Town, Uasin Gishu County, Kenya. This location was selected due to its significant number of women entrepreneurs who contribute substantially to the local economy. The study involved women who were engaged in running enterprises that deal with the acquisition, sale, and distribution of products, materials, goods, and services essential for daily living. The study was carried out over a two-month period, from January to February 2025.

1.7 Study limitations

This study faced several limitations that may have affected the data collection process and the interpretation of findings. One major limitation was the reliance on self-reported data from women entrepreneurs, which is susceptible to response bias or social desirability bias. To minimize this risk, the researcher provided clear instructions and assurances of confidentiality and anonymity, encouraging honest and accurate responses.

Another challenge encountered was reaching participants in a timely and consistent manner. Some women entrepreneurs were initially reluctant to participate due to busy schedules, limited internet access, or skepticism about the purpose of the study. To overcome this, the researcher used follow-up phone calls and WhatsApp reminders to build trust and improve the response rate. In cases where participants required clarification, the researcher offered brief explanations either through voice calls or text messages.

In addition, logistical challenges such as geographical dispersion and limited resources for in-person engagement required the use of digital data collection methods. To address this, the researcher ensured the survey was mobile-friendly and easy to navigate.

Despite these limitations, efforts were made to maintain the integrity of the research process, ensure inclusivity, and collect high-quality data to support the study's objectives.

1.8 Assumption of the study

This study was based on several key assumptions. It was assumed that financial innovations have a significant influence on the growth of women-owned enterprises. The researcher also assumed that access to mobile banking services positively affects the growth of women-owned businesses, enabling entrepreneurs to manage transactions, access funds, and improve financial decision-making. Furthermore, it was presumed that digital loans contribute to the growth of women-owned enterprises in Eldoret Town by offering timely and flexible credit solutions. Lastly, the study assumed that table banking plays a significant role in enhancing the growth of women-owned enterprises in Eldoret Town, Uasin Gishu County, by promoting group-based savings and access to affordable credit.

1.9 Operational definition of terms

Terms	Description
Credit	This is the purchasing power generated by fractionally reserve-based lending by banks and other lending institutions. In this study, purchasing power is defined as the capital provided by banks or other lending organizations to small-scale female business owners in order to help them grow their enterprises.

Growth	Growth can be described as the process of increasing a business's success metric. Growth in this study is defined as the total rise in sales, assets, and personnel during a specific time period.
Women Owned Enterprises	According to Karani (2012), "women-owned enterprises are defined as businesses that fulfill at least one of the following conditions: (a) a minimum of 51% ownership is held by one or more women; (b) the daily operations and management are primarily overseen by one or more women; or (c) in the case of publicly traded companies, at least 51% of the stock is owned by women."
Mobile Banking	Is a service that banks and other financial institutions offer to their clients so they can make financial transactions from a distance using a smartphone or tablet.
Digital Loans	Is the provision of loans made possible by digital and online methods, eschewing traditional brick and mortar establishments? It entails streamlining the loan process from application to disbursal by utilizing technology such as websites, mobile apps, and data analytics.
Table Banking	Where group members get together on occasion, set aside money for loans, savings, and other contributions, lay them out on a table, and then take out loans right away, extending or shortening them based on each borrower's interest rate.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter includes studies of pertinent literature on the viewpoints of different. The study's research objectives are addressed as well as the theoretical review. In addition, conceptual framework and research gap are presented.

2.2 Empirical Review

2.2.1 Mobile Banking and the Growth of Women Owned Enterprises

Mobile banking is seen as a key financial breakthrough because of its potential to boost productivity and profitability in women-owned enterprises. A thorough examination of how the use of smartphones has affected German firms was carried out by Rajnish et al. (2017). Four hundred eighty-eight persons in the 18–65 age groups answered a three-page questionnaire regarding their perceived preferences and willingness to pay for seventeen various financial services offered by mobile banking. The survey's findings unequivocally show how swiftly mobile banking is becoming popular and useful. Businesses often used services like mobile accounting, mobile payments, and mobile financial information.

Ragui (2017) carried out “a study to explore the influence of mobile banking on businesses led by women.” The research “relied on primary data collected through semi-structured questionnaires administered to bank representatives.” The findings revealed that strategic efforts by banks to introduce alternative banking channels significantly enhanced financial inclusion. These initiatives enabled previously unbanked women entrepreneurs to access formal financial services by opening official bank accounts. The results show that there were important items under mobile banking

that were purposefully made to draw in female entrepreneurs. Banks were still hesitant to provide consumers with goods that would jeopardize the institutions' capacity to make returns, though. This provided context for the reasoning behind the minimal amounts of mobile credit that the financial institution and phone service providers jointly offered.

Hasan, Yajuan, and Khan (2022) “investigated how digital financial services (DFSs) contribute to advancing inclusive finance in China.” Utilizing a systematic review approach with qualitative sampling, the study identifies various factors influencing inclusive finance. DFSs are highlighted as a key driver in the current landscape of financial inclusion. The literature discusses numerous ways in which DFS can enhance financial inclusion and presents various benefits of DFS usage. The study's findings offer valuable insights into the practical effects and implications of DFS tools in reshaping the financial sector.

Johnen, Parlasca, and Mußhoff (2023) examined the factors influencing mobile money adoption in Kenya using logistic regression analysis. Their findings showed that people are more likely to adopt mobile money when agents in their vicinity offer account opening services or have received formal training. The study emphasized that trained agents play a key role, particularly in promoting adoption among individuals without formal education. However, with only 59% of agents providing account services and 58% being formally trained, the study identified significant opportunities for improving financial inclusion through enhanced agent training and service availability.

Orina (2020) investigated “the impact of mobile banking on the operational efficiency of commercial banks in Kenya.” Using a census survey method, “the study analyzed secondary data from the Central Bank of Kenya and commercial bank financial reports from 2010 to 2018.” Key

metrics included deposit volumes, loan issuance, and registered bank accounts. The findings revealed that mobile banking loans significantly improved operational efficiency. The study recommended that banks increase investments in mobile loans and deposits to further enhance their efficiency.

Macharia (2022) conducted a study in Kenya. The primary objective of the study was to assess how mobile banking and financial inclusion influence women entrepreneurs operating in Nairobi County. Specifically, the study sought to examine the impact of mobile savings and deposits, mobile payment platforms, and mobile money transfers on the financial inclusion of women entrepreneurs. The study was guided by the Financial Intermediary Theory and the Technology Acceptance Model. It focused on 5,339 registered women entrepreneurs engaged in small-scale businesses such as groceries, clothing, carpentry, and art across the sixteen sub-counties in Nairobi. A sample of 204 participants was selected randomly, and data was collected from 152 respondents using both interviews and questionnaires. The researcher employed descriptive and content analysis, and inferential statistics using regression analysis to determine relationships between variables. The findings revealed that mobile banking services—particularly mobile loans, deposits, savings, payment platforms, and mobile transfers—had a significant and positive effect on the financial inclusion of women entrepreneurs. Despite these valuable insights, the study left a research gap by not exploring comparative effects of other forms of financial innovation such as table banking or digital lending apps.

Islam and Muzi (2020) investigated the relationship between mobile money usage and capital investment by women-owned businesses across 16 Sub-Saharan African countries. The researchers used cross-country enterprise survey data to examine whether the use of mobile money by women-owned firms enhances their likelihood of making capital investments. Through

econometric analysis, the study established that mobile money use is positively and significantly associated with higher investment among women-owned businesses. Further analysis revealed that women entrepreneurs who used mobile money to transact with suppliers were more likely to invest in their businesses. These findings suggest that mobile money serves as a financial inclusion tool that particularly benefits women by easing liquidity constraints and enabling business growth. However, despite these important insights, the study did not delve into county-level studies to better understand contextual enablers and constraints to digital financial inclusion for women.

Kim (2021) explored the extent to which mobile money has enhanced financial inclusion among women in Nairobi, Kenya. The research was based on survey data collected across eight different neighborhoods in Nairobi. The findings indicated that mobile money significantly reduced the rate of financial exclusion among women in Nairobi. The platform allowed women to send and receive remittances instantly, make payments conveniently, and safely store money, which was especially valued by those with limited alternative options. Mobile money thus emerged as a critical enabler of financial access, offering flexibility and independence from traditional banking constraints. However, the study did not explore integrated approaches that combine mobile technology with digital and table banking innovations to tackle the underlying causes of gendered financial exclusion.

2.3.2 Digital Loans and the Growth of Women Owned Enterprises

Riley 2020) investigated if transferring a microloan from cash to a mobile money account directly facilitates more investment in women-owned enterprises and, consequently, boosts their earnings. A randomized controlled trial (RCT) involving 3,000 female microfinance clients of BRAC in Uganda was utilized for this investigation. The results demonstrate that, in comparison to the control Cash group, women who obtained digital loans saw 15% greater profits and 11% higher

values of business capital invested in their enterprises. The entire household benefited from this increase in company performance in terms of both income and spending. This study is comparable to the current study; nevertheless, the validity of the results must be verified in the Kenyan setting.

Melubo and Musau (2020) aimed to determine how digital loans affected women-owned businesses in Kenya's Narok County. Data was gathered from the target demographic of all 184 women-owned businesses using a descriptive research design. It was determined that digital loans have a major and advantageous effect on women-owned businesses' financial inclusion. It was also determined that because of their low levels of computer skill, internet availability, and literacy, women-owned businesses did not utilize digital loans to their full potential. According to the report, in order to improve financial inclusion, actors in the financial sector should raise awareness among SMEs, particularly those owned by women, and make sure they are aware of the digital loans that are accessible.

Owuor (2015) examined “the impact of digital lending services on the growth of women-owned SMEs in Kenya, focusing on 47 businesses using a descriptive research design.” The study found that microloan application processes were slow, interest rates high and collateral requirements strict. Additionally, follow-up on advisory services was lacking, training attendance was irregular, and business training was minimal. Group savings among women significantly influenced the amount of microcredit available. There was a moderate positive relationship between microcredit and SME growth, a weak link between training and growth, but a strong positive correlation between group savings and expansion. The study recommended tailoring microcredit terms to better suit women entrepreneurs, including flexible collateral and more favorable interest rates.

Melubo, Kisotu and Musau (2020) conducted “a study in Kenya aimed at determining the effects of digital banking on the financial inclusion of women-owned enterprises in Narok County.” Anchored on the “finance growth theory and financial asymmetry theory, the study adopted a descriptive research design.” A census method was used to include all 184 registered women-owned enterprises in Narok County. Data collection was done using semi-structured questionnaires administered face-to-face. The researchers analyzed the data through descriptive statistics such as means, medians, and standard deviations, and used multiple regression analysis to determine relationships among variables. The study established that digital banking had a significant and positive impact on the financial inclusion of women-owned enterprises. Services such as mobile banking, agency banking, online platforms, and ATMs greatly enhanced access to financial resources. However, it also found that uptake of online banking was limited due to low levels of digital literacy, computer skills, and internet access among women entrepreneurs. These constraints hindered their effective use of online banking despite its availability.

Nzilano and Magoti (2025) carried out “an empirical study in Tanzania to investigate the impact of digitalised banking services on the financial inclusion of women entrepreneurs in Dodoma Municipality.” Grounded in “the Theory of Reasoned Action (TRA) and the Technology Acceptance Model (TAM),” the researchers adopted a cross-sectional design and quantitative methodology. A total of 117 registered women entrepreneurs at the Machinga Complex in Dodoma were surveyed using structured questionnaires. The collected data were analyzed through descriptive statistics and multiple linear regression to assess the contribution of different digital banking components to financial inclusion. The study found that mobile money services were the most widely adopted digital financial tool, used by 89% of respondents, and significantly enhanced access and affordability of financial services. Mobile money alone accounted for 37% of the

variation in financial inclusion among women entrepreneurs. Digital finance platforms had an even greater influence, contributing over 50% to financial inclusion. Agency banking, while modest, still accounted for 12.2%. On the other hand, internet banking was the least utilized service due to poor infrastructure and low levels of digital literacy.

Alom et al. (2025) conducted a longitudinal empirical study in Bangladesh to assess the impact of digital finance on women's entrepreneurship. The study covered "the period from 2011 to 2023 and was motivated by the need to understand how digital finance tools, such as mobile banking and agent banking, can serve as transformative instruments for advancing women's economic participation and mitigating poverty." Using annual time series data and employing econometric techniques including "Fully Modified Ordinary Least Squares (FMOLS) and Canonical Cointegration Regression (CCR), the study analyzed the long-run relationships among digital finance, women's entrepreneurship, empowerment, and poverty alleviation." The robust statistical approach provided credible evidence on how these variables interact dynamically over time. The findings revealed that both mobile banking and agent banking significantly influence women's entrepreneurship at the 1 percent significance level, indicating a strong positive relationship. Furthermore, indicators of women's employment, empowerment, and poverty reduction were also found to be significant contributors to the development of digital finance at the 5 percent level. These results underscore the reciprocal nature of the relationship—while digital finance boosts women's entrepreneurship, empowered women in turn accelerate the adoption and diffusion of digital finance systems. However, this study may not apply to Kenyan context hence the need of the current study.

Fayyaz (2024) explored the transformative role of digital technologies in reshaping female entrepreneurship across Africa, focusing on the e-commerce, fintech, and agritech sectors. The

study revealed that digital platforms such as Jumia (an e-commerce marketplace) and M-Pesa (a mobile money service) have expanded market access and improved financial inclusion for women entrepreneurs, helping them overcome traditional barriers such as limited mobility and lack of capital. Agritech innovations, like the FarmDrive platform, use data-driven approaches to support women farmers in increasing productivity and accessing finance. However, the study did not examine women-led enterprises specifically in Eldoret town.

Ashubwe et al. (2025) examined "gender disparities in financial inclusion and the potential of digital loans to empower female health entrepreneurs in Kenya." The study assessed "readiness, perspectives, and differences in loan characteristics between traditional and digital loans among health SMEs." Through interviews with 24 and surveys of 410 health SME owners, alongside analysis of loan-history data from 850 SMEs, the research found that while there is low trust in digital lenders, demand for loans remains strong regardless of gender. Entrepreneurs who were risk-tolerant, had monthly financial needs, and viewed digital loans positively were more likely to take digital loans. Although women-owned businesses received smaller initial amounts in traditional loans, this gender gap disappeared with digital loans. Additionally, "over half of the women-led businesses using digital loans experienced significant growth, indicating increased digital revenues linked to these loans." The study highlights the persistent financing gap for health SMEs in Kenya and underscores the potential of digital loans to improve financial inclusion, while recommending efforts to build trust through better information dissemination about digital financial products.

2.3.3 Table Banking and the Growth of Women Owned Enterprises

Table banking typically involves women members utilizing the borrowed funds as capital for establishing enterprises or supporting their livelihood endeavors. Akinyi (2018) looked into the

factors that lead to table banking among Kenyan women business owners. Simple random selection techniques and selective sampling were used to choose 400 members of women's table banking groups as a sample. The majority of women in Nairobi who operate micro and small businesses are between the ages of 26 and 45, have a fair level of education, and nearly a third of them support more than four people. In order to raise business capital, “save money for their children's education, avoid onerous rules and procedures in traditional financial institutions, and save for their own needs, women entrepreneurs are encouraged to join table banking financing organizations.” Table banking helps women-owned businesses function better financially, yet the effect varies according on the group and individual characteristics of the business owner. The study suggests that cooperatives, commercial banks, microfinance organizations, and societies for the savings and credit should create straightforward, user-friendly products specifically for female entrepreneurs in table banking groups. Lastly, training in group cohesion and dispute resolution must be given to table banking groups.

Mukati (2024) investigated the “effect of table banking services on the financial performance of micro and small women enterprises in Taita Taveta County, Kenya.” The study focused on “savings mobilization, credit accessibility, and entrepreneurship skills as key factors influencing financial performance.” Anchored on “Institutional Theory and Resource-Based Theory,” the research adopted a descriptive design surveying 384 women enterprises from a target population of 1,050 table banking group members “using stratified random sampling. Data was collected through structured questionnaires and analyzed with descriptive and inferential statistics, including multiple regression analysis.” The findings revealed positive and statistically significant relationships between savings mobilization, credit accessibility, entrepreneurship skills, and financial performance of women enterprises. Overall, table banking services significantly

impacted financial performance at a 99% confidence level. The study recommends increasing awareness on savings mobilization, enhancing financial management training for table banking groups, exploring diverse funding sources beyond group contributions, and promoting financial discipline to further improve the financial outcomes of women enterprises.

Gichuki, Mutuku, and Kinuthia (2025) examined the influence of participation in table banking on the size of women-owned micro and small enterprises in Kenya. The study addressed the challenge of limited affordable credit, which constrains many women entrepreneurs from starting or expanding their businesses. Using a cross-sectional survey design, data was collected from 225 randomly selected women entrepreneurs participating in table banking groups within Nakuru Municipality. The questionnaire demonstrated strong reliability (coefficient of 0.83 at a 0.05 confidence level). Findings showed that most women entrepreneurs were aged between 20 and 60 years, with 71% married and 44% having attained secondary education; no illiterate entrepreneurs were involved. Participation in table banking groups was associated with a positive increase in enterprise size, notably reflected in the growth of the number of employees. Credit accessed through table banking was found to significantly influence this growth. The study highlights that the availability, affordability, and accessibility of credit via table banking groups contribute positively to the expansion of women-owned enterprises.

Mwobobia (2016) investigated “the contribution of table banking to the empowerment of women entrepreneurs in Eldoret Town, Kenya.” The study addressed key questions including “the nature of table banking, the categories of women involved, its contributions to empowerment, the challenges faced, and possible recommendations.” A sample of 120 women entrepreneurs from Eldoret was randomly selected, and data were collected through questionnaires. Findings revealed that table banking significantly empowered women entrepreneurs by enabling them to purchase

land, start and expand businesses, foster harmony at home, and achieve financial independence. However, “challenges such as loan defaults, poor record-keeping, disagreements, failure to attend meetings, and non-payment of loan interest were reported.” The study recommended timely training on financial and time management for women entrepreneurs, as well as the introduction of legislation to limit the number of table banking groups a woman can join. Further research in this area was also advised.

Ngumbau, Kirimi, and Senaji (2017) examined “the relationship between table banking and the growth of women-owned MSEs in Uhuru Market, Nairobi County.” The study focused on key factors enabled by “table banking, including access to credit, professional support, networking, and access to information.” Using a descriptive research design, data were collected from a sample of 90 women entrepreneurs practicing table banking, drawn from a population of 300 women-owned MSEs. The findings showed that many women initially funded their businesses through personal savings and support from friends and relatives, while regularly accessing funds through table banking groups (Chamas). Education, management training, and proficiency in technology, financial, and management skills were identified as crucial for business success. The study concluded that lack of access to affordable credit, inadequate business information, and limited market linkages constrain the growth of women-owned MSEs. The authors recommend that women entrepreneurs form business social networks to pool financial resources for easier credit access, and urge the government to promote and support table banking through appropriate policies to better address the needs of women-owned enterprises.

Matoke (2023) investigated “the effect of table banking on the welfare of low-income earners, focusing on women self-help groups in Embakasi Sub-County, Nairobi County.” The study aimed to assess the socio-cultural, economic, and societal effects of table banking on women’s welfare.

Using a descriptive research design and stratified sampling, data were collected via questionnaires from women participating in table banking groups. Findings revealed that many women had low education levels and struggled to access loans from formal financial institutions. Socio-cultural factors, such as dominant beliefs that men's opinions are more credible, negatively affected women's participation in table banking ($\beta = -0.306$, $p=0.001$), indicating traditions and norms as barriers to economic participation. Conversely, economic factors positively influenced engagement in table banking ($\beta = 0.331$, $p=0.001$), showing that economic activities encourage participation. Societal factors also had a positive, significant impact ($\beta = 0.286$, $p=0.001$), reflecting how women's economic empowerment boosts participation in table banking. The study concluded that table banking improves women's financial access, supports microenterprise establishment and growth, enhances women's influence at home and in the marketplace, and reduces dependence on spouses for financial resources.

2.3.4 Growth of Women Owned Enterprises

Numerous global studies have explored the financial factors impacting female entrepreneurs. While both men and women navigate the same key entrepreneurial stages—creation, nurturing, and growth—women face unique challenges shaped by societal and cultural factors. According to Cooper (2018), "three main elements influence entrepreneurship among women: antecedent influences, background characteristics like working capital, and genetic and environmental factors."

Assefa (2018) examined "factors affecting the growth of women entrepreneurs in micro and small enterprises (MSEs) in Ethiopia, focusing on Haike, Dessie, Kombolcha, and Kemissie towns." The study used "an explanatory research design to analyze relationships between dependent and independent variables. From 600 registered women-owned MSEs (per the chamber of commerce),

a sample of 240 enterprises was selected using simple random sampling." Primary data were collected via "5-point Likert scale questionnaires and analyzed using binary logistic regression in SPSS 23." Findings revealed that among external factors, socio-political issues, access to premises, and marketing significantly "influenced the growth of women-owned enterprises, whereas technological factors were not significant." Internally, business management and training factors had a significant impact on enterprise growth. The study recommended addressing socio-political challenges, marketing barriers, business management deficiencies, premises-related problems, and enhancing training programs to improve the growth prospects of women-owned MSEs.

Muhammed, Magala, Namuyonga and Kalikola (2024) investigated access to finance and its impact on women entrepreneurship in agriculture in Masaka District, Uganda. The study referenced "World Bank data showing only 35% of women in Uganda access formal financial services, compared to 48% of men, with rural women disproportionately excluded." Using multiple logistic regression analysis, the study found that access to formal loans significantly increased the likelihood of growth in women-owned agricultural enterprises (odds ratio [OR] = 3.49). Use of microfinance services (OR = 2.23) and financial literacy training (OR = 2.01) also positively influenced business performance. Conversely, barriers such as lack of collateral (OR = 4.48), high interest rates (OR = 3.32), and limited financial literacy (OR = 2.34) significantly limited access. Social and cultural norms that view women as secondary earners further constrained financial inclusion. The study recommended gender-sensitive financial policies, subsidized loan programs, flexible collateral-free lending schemes, and enhanced financial literacy training to empower women entrepreneurs in agriculture.

Nyakundi & Ongesa (2024) examined "the influence of loan size on the growth of women entrepreneurship in Rubirizi District, Uganda." The study aimed to assess the extent to which loan

size affects women entrepreneurs' growth, anchored on the Resource Based Theory. The research "adopted a quantitative approach with a descriptive design. The target population was 3,720, and a sample of 361 participants was selected using the Slovin formula." Data was collected through structured Likert-scale questionnaires, and respondents were chosen via stratified and simple random sampling. Data analysis involved descriptive and inferential statistics, with hypothesis testing at a 0.05 significance level. Findings revealed that loan size from Village Savings and Loan Associations (VSLAs) was statistically insignificant in influencing the growth of women's entrepreneurship ($P = 0.334$, $P > 0.05$). The study concluded that the size of loans obtained does not significantly impact the growth of women-owned businesses in Rubirizi District.

Wangari (2017) investigated "the factors influencing the performance of businesses owned by female entrepreneurs in SMEs in Kenya." A sample of 60 female entrepreneurs was selected using simple random and stratified sampling techniques. Data was collected through questionnaires addressing demographic profiles, entrepreneurial characteristics, and business performance optimization. Analysis involved descriptive statistics such as percentages, means, and standard deviations. Findings revealed that personal characteristics of female entrepreneurs significantly affected business performance. Key economic challenges included lack of own operating premises, intense competition, limited access to finance, inadequate training, restricted access to raw materials, and limited technology use. Social factors such as social acceptability, conflicting gender roles, and poor networking with outsiders also negatively influenced business performance. The study recommended targeted training for female entrepreneurs to enhance strategic business management and advocated for government policies that improve financing availability, encouraging more women and youth to establish and grow businesses, thereby contributing to Kenya's economic growth.

Mugo and Gakobo (2020) investigated how barriers to financial access impact the growth of women-owned businesses in Kenya. Using stratified random sampling, they selected 172 female entrepreneurs from the Limuru market and collected primary data through semi-structured questionnaires. The study found that difficulties in accessing finance significantly and negatively affect business growth ($\beta = -0.318$; $p = 0.00$, $p < 0.05$), highlighting that financial accessibility is a key determinant of growth for women-led enterprises.

Muriungi (2017) examined "the effect of management practices on the performance of women-owned enterprises (WOEs) in Nakuru County, Kenya." The study aimed to determine "how management skills, socio-cultural factors, access to finance, and ICT influence the performance of WOEs." Using a descriptive research design, the study targeted WOEs operating for at least five years, with a sample of 96 respondents selected through stratified random sampling across different business categories. Data were collected via semi-structured questionnaires and analyzed using SPSS 22.0. Findings revealed positive relationships between management skills, socio-cultural factors, access to finance, and ICT with the performance of WOEs. Specifically, improved conceptual, technical, and human management skills significantly enhanced performance. Socio-cultural factors also had a positive impact, emphasizing the importance of understanding local cultural dynamics. Access to affordable finance and the adoption of ICT were found to contribute positively to enterprise performance. The study recommended that WOEs focus on strengthening management capabilities, leverage socio-cultural insights, secure cost-effective financing, and adopt ICT to improve business outcomes. It also suggested further research on the influence of globalization and liberalization on SME performance.

2.3 Theoretical Review

The study draws upon pecking order theory and Stakeholder theory.

2.3.1 Pecking Order Theory

The Pecking Order Theory, "originally introduced by Donaldson (1961) and later refined by Myers and Majluf (1984), provides a useful framework for understanding the financing decisions of businesses." According to this theory, "firms prefer to use internal sources of funding—such as retained earnings—before seeking external financing through debt, and consider equity as a last resort." This financing hierarchy is driven by concerns over asymmetric information between firms and external investors, which can lead to increased costs and perceived risks when seeking external capital (Myers & Majluf, 1984; Frank, Goyal, & Shen, 2020).

In the context of this study, which examines the effect of financial innovations on the growth of women-owned enterprises in Eldoret Town, Uasin Gishu County, the Pecking Order Theory helps explain the financing behaviors of these businesses. Women entrepreneurs often face considerable financial challenges, including limited personal savings, lack of collateral and minimal access to traditional banking services. These constraints make internal financing their primary option, in line with the pecking order outlined in the theory (Kumar, Sutap, & Sabrin, 2017).

However, financial innovations are reshaping the financing landscape for these entrepreneurs. Tools such as mobile banking, digital loans, and table banking are increasingly becoming important sources of capital. These innovations serve as more accessible, less costly alternatives that fit within the financing hierarchy proposed by the theory. For example, mobile banking platforms such as M-Pesa enable women entrepreneurs to save and access funds conveniently, reducing reliance on formal banking systems. Digital loans, which are offered without collateral and are based on alternative data like mobile phone usage, provide another option for external financing that bypasses traditional credit constraints. Similarly, table banking allows women to

form savings and credit groups, creating a community-based financial safety net (Alumasa & Muathe, 2021).

These innovations are consistent with the logic of the Pecking Order Theory, in that women entrepreneurs tend to opt for financing options that minimize costs and risks (Ahmad & Atniesha, 2018). In offering simpler and more trustworthy channels for credit, financial innovations fill the gap between internal financing and formal debt, thus facilitating enterprise growth without exposing entrepreneurs to the high costs or risks associated with traditional external finance.

Nonetheless, the application of the Pecking Order Theory to women-owned SMEs in a developing economy such as Kenya has its limitations. The theory assumes the existence of well-developed capital markets and rational access to multiple financing options, which is often not the case for small-scale entrepreneurs in rural or semi-urban settings like Eldoret. Moreover, women's financing decisions are frequently influenced by socio-cultural factors, gender norms, and regulatory barriers that the theory does not account for (Makena, Kubaison, & Njati, 2014). These include discriminatory lending practices, limited financial literacy, and societal expectations that constrain women's participation in economic activities.

Additionally, the theory largely ignores the role of informal financing systems, which are critical for many women-owned businesses. Community-based mechanisms like table banking and rotating savings and credit associations (ROSCAs) are not just financial tools; they also serve as social support systems that offer trust, collective responsibility, and emotional encouragement. These informal networks are often more relevant and accessible to women entrepreneurs than formal financial institutions, particularly in areas where banks may be geographically or socially out of reach (Alumasa & Muathe, 2021).

Given these limitations, it is necessary to complement the Pecking Order Theory with other theoretical perspectives that take into account the broader socio-economic environment in which women operate. In this study, the Stakeholder Theory is employed alongside the Pecking Order Theory to account for the influence of various actors—such as financial institutions, government agencies, community groups, and customers—on the financing decisions and growth of women-owned enterprises.

2.3.2 Stakeholder Theory

The Stakeholder Theory, "first introduced by Freeman (1984), challenges the traditional notion that the primary purpose of a business is to maximize shareholder value." Instead, "it emphasizes that businesses exist within a broader network of stakeholders—including customers, employees, suppliers, financiers, government agencies, communities, and civil society—whose interests must also be considered." Long-term business success, according to the theory, depends on how effectively an enterprise manages relationships with these diverse stakeholders (Hatami & Firoozi, 2019).

In the context of this study, which investigates the effect of financial innovations on the growth of women-owned enterprises in Eldoret Town, Stakeholder Theory provides a valuable lens for understanding how different actors shape, influence, and support financial inclusion for women entrepreneurs. Women-owned businesses often operate in constrained environments where access to formal financing is limited by systemic gender-based barriers. From this perspective, financial innovation is not just a market trend, but a collaborative response by multiple stakeholders seeking to close gender gaps in access to finance. For example, mobile money platforms like M-Pesa, digital lending apps such as Tala, and informal group-based models like table banking are not simply technological tools—they are the result of coordinated efforts by multiple stakeholders

including fintech firms, mobile network operators, NGOs, financial institutions, and community organizations. These actors act as enablers of financial inclusion, developing services that address the specific challenges faced by women, such as lack of collateral, low financial literacy, and social mobility restrictions (Ndung'u, 2021). In Eldoret Town, the uptake of mobile-based lending and savings platforms by women entrepreneurs reflects how the interests of stakeholders—profit motives, regulatory goals, community development, and women's empowerment—can align to create inclusive financial ecosystems.

Furthermore, the development and delivery of gender-responsive financial products often result from the interplay of stakeholder interests. Financial services tailored for women typically include features such as low transaction fees, flexible repayment terms, simplified user interfaces, and group-based borrowing models that build on trust and social networks. These characteristics not only make financial products more accessible but also demonstrate how stakeholder collaboration can enhance the growth potential of women-owned enterprises. By accommodating the realities of women's lived experiences—such as caregiving responsibilities, income volatility, and limited formal education—stakeholders reinforce the broader goals of social equity and economic empowerment (Hatami & Firoozi, 2019).

Stakeholder Theory thus helps to explain the ecosystemic nature of financial innovation adoption in women-owned enterprises. It highlights that the growth of such enterprises is not solely dependent on individual decisions or internal firm dynamics but is heavily influenced by the actions, investments, and values of external actors across the financial and social landscape (Nambiar, Sutherland & Scheepers, 2019). However, despite its relevance, Stakeholder Theory is not without limitations, particularly when applied to women entrepreneurs in developing economies. One of the major critiques is its implicit assumption of balanced power among

stakeholders. In practice, women entrepreneurs—especially those operating in informal sectors—often have limited voice and bargaining power when engaging with key institutions such as banks, regulators, or technology providers (Harrison, Freeman, & Abreu, 2015). Their specific needs and perspectives may be underrepresented in product design, policy formulation, or market engagement processes, thereby limiting the effectiveness of stakeholder-driven solutions. As Borders (2024) observes, this imbalance can erode the mutual value creation that the theory envisions, especially when dominant stakeholders pursue profit maximization at the expense of marginalized groups.

Nevertheless, by acknowledging these limitations, the Stakeholder Theory complements the Pecking Order Theory in offering a holistic understanding of how financial innovations influence the growth of women-owned enterprises. While the Pecking Order Theory explains the hierarchy and preferences in financing decisions, Stakeholder Theory brings attention to the broader web of relationships and institutional dynamics that either enable or constrain women's access to those financing options (Harrison, Freeman, & Abreu, 2015).

2.4 Conceptual framework

The study posits that the success of women-owned businesses (dependent variable) is reliant on the use of financial innovations such as mobile banking, digital lending, and table banking (independent variables).

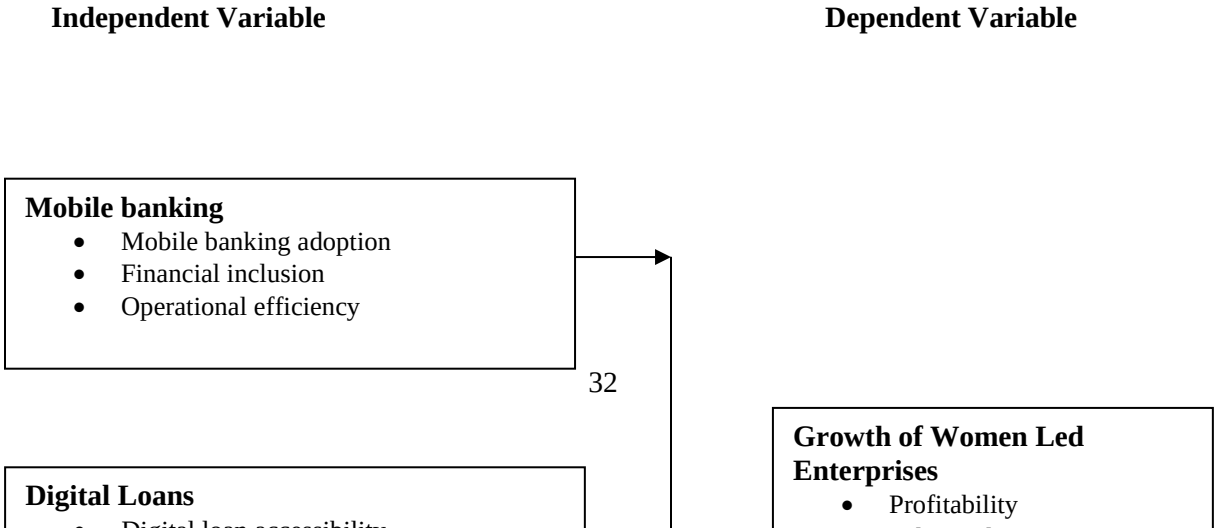

Figure 1: Conceptual Framework (Researcher, 2024)

2.5 Research Gap

The empirical literature indicates that mobile banking plays a crucial role in fostering the growth of women-owned enterprises by enhancing access to financial services, improving operational efficiency, and promoting financial inclusion. However, challenges persist that limit the full potential of mobile banking for women entrepreneurs. These challenges include constraints on mobile loan amounts, cautious lending policies adopted by financial institutions, and gaps in the availability and quality of agent services. Despite the growing adoption of mobile banking, these barriers hinder women entrepreneurs from fully leveraging mobile banking innovations to enhance their business operations.

Similarly, the reviewed studies highlight the positive influence of digital loans on the growth of women-owned enterprises. However, the effect of digital loans is moderated by several factors, including technological literacy, internet access, awareness of digital loan products, and the

structure of lending terms and conditions. Moreover, social capital, particularly in the form of group savings, has been found to play an important role in enhancing access to credit for women entrepreneurs.

In the case of table banking, while the literature has demonstrated its positive socio-economic effect on women entrepreneurs, several gaps remain. Most studies have primarily focused on the socio-economic outcomes of table banking, with limited attention given to the strategic and operational challenges that affect its sustainability as a financing model. Furthermore, there is a scarcity of empirical evidence on the role of digital integration within table banking practices and how it can improve credit access and enhance record-keeping for women-owned enterprises in Eldoret Town, Uasin Gishu County, Kenya.

CHAPTER THREE:

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the research design, target population, and sampling methods to be used in the study. It details the procedures for data collection, the instruments that will be employed, and the approaches for data analysis. Additionally, it addresses ethical considerations and measures to ensure the quality and integrity of the research.

3.2 Research Methodology

This study employed a descriptive survey research design, selected because the data is cross-sectional and involves multiple women-owned enterprises. Descriptive survey research aims to gather information that portrays current phenomena by collecting individuals' views, attitudes, behaviors, or values (Siedlecki, 2020).

3.3 Location of the Study

The study was conducted in Eldoret Town, Uasin Gishu County, Kenya. Eldoret was chosen because "it hosts a substantial population of women entrepreneurs engaged in diverse business activities" (Tallam & Nassiuma, 2020). The town's varied economic landscape and the high concentration of women-owned enterprises make it an ideal location to examine how financial innovations impact business growth. Furthermore, Eldoret's economic context provides valuable insights into the unique challenges and opportunities faced by women entrepreneurs locally.

3.4 Target Population

A population is defined as "a collection of individuals, instances, or items sharing certain observable characteristics" (Krieger, 2012). In this study, the target population comprised 1,200 registered female entrepreneurs operating in Eldoret Town, Uasin Gishu County (Equity Bank Data, 2024). These women-owned businesses are primarily engaged in the trade and service sectors. The detailed distribution of the population is presented in Table 3.1.

Table 3.1: Target Population

Type of business activity	Frequency	Percentage (%)
Trade	840	70
Service	360	30
Total	**1200**	**100**

Source: (Equity Bank Data, 2024)

3.5 Sample and Sampling Technique

Lavrakas (2008) defined a sample as "elements inside an inquiry setting that are taken from a bigger population." Another definition of a sample is "the universe's chosen units to represent" Kombo & Tromm (2009) and Kothari (2014). Participants for this study will be chosen by the researcher using a stratified random sampling procedure.

The sample size was estimated using Saunders et al (2009) formula. Workings for the sample size determination is as indicated below:

$$n = \frac{N}{1 + N(\alpha)^2}$$

n= represents the sample size

α= is the margin error (0.09470%)

N=1200

n=1200/ 1+1200(0.0947^2)

n=102

The sample size of 102 was distributed in Table 3.2.

Table 3.2: Sampling frame

Type of business activity	Frequency	Sample size
Trade	840	71
Service	360	31
Total	**1200**	**102**

Source: Researcher (2024)

3.6 Construction of Research Instruments

Since the study aimed to discover the effect of financial innovations on the growth of women-owned enterprises, a structured questionnaire was the most suitable data collection method. The questionnaire included sections capturing demographic information and Likert-scale items designed to gather specific insights regarding mobile banking, digital loans, and table banking.

3.7 Pilot Testing

A pilot study was conducted with 10 respondents drawn from women-owned enterprises in Trans Nzoia County, who shared similar characteristics with the target population. The purpose of the pilot test was to assess the clarity, reliability, and validity of the questionnaire. Feedback gathered helped refine question wording, adjust the sequencing of items, and ensure that the instrument effectively captured the intended variables.

The decision to use a pilot sample of 10 was guided by recommendations in research methodology literature. According to Fraser et al., (2018), pilot studies are not meant to test hypotheses but to evaluate the feasibility and improve the quality of research instruments. They note that 10–30 participants are typically adequate for pilot testing. In line with this guidance, a sample of 10 was considered appropriate, cost-effective, and manageable given the study's time and resource constraints.

3.8 Testing for Validity and Reliability

To ensure the quality and integrity of the data collection instrument, the researcher conducted both validity and reliability tests.

3.8.1 Validity Tests

Validity "refers to the extent to which a study accurately measures what it intends to measure and the degree to which the research findings can be trusted" (Mugenda & Mugenda, 2008). To ensure validity, "the questionnaires were reviewed by lecturers from the Human Resource Management department at Mount Kenya University's School of Business and Economics." Their feedback was used to refine and enhance the accuracy of the questionnaire.

3.8.2 Reliability Tests

According to Mugenda and Mugenda (2008) “the degree to which research findings hold up over time and accurately represent the whole group being studied is referred to as reliability.” Three categories of reliability were distinguished by Kirk and Miller (1986): “test-retest reliability, which gauges a measurement's consistency when given repeatedly”; “stability reliability, which appraises a measurement's stability over time”; and “internal consistency reliability, which gauges a measurement's similarity among administrations within a specific time frame.”

Zinbarg (2005) “argues that internal consistency technique, which uses Cronbach's alpha coefficient as a reliability indicator, is used to guarantee the dependability of the data gathering tools.” A fair assessment of the data's generalizability can be found in Cronbach's alpha. An “internal consistency level of at least 0.75 for “the Cronbach's alpha coefficient” indicates a high degree of reliability and the ability to generalize the data to represent the views of all respondents in the target demographic” (Zinbarg, 2005).

3.9 Data Collection Methods and Procedures

Gall, Gall, and Borg (2007) define “data collection as the process of gathering raw, unprocessed data that can later be transformed into meaningful information through statistical analysis.” In this study, data was collected “using a structured questionnaire comprising both closed-ended and Likert scale questions.” These questions were designed to capture demographic details, the types of financial innovations adopted, and their impact on business performance. The Likert scale allowed respondents to express their level of agreement with various statements related to the study’s variables, ranging from "Strongly disagree" to "Strongly agree." A total of 102 questionnaires were distributed electronically via email and WhatsApp. Respondents’ questions and concerns during completion were addressed promptly to ensure clarity and accuracy.

3.10 Data Analysis Techniques

Following the completion of data collection, a comprehensive assessment of the returned questionnaires and interview guides was done to determine those that were appropriate for data analysis.

Quantitative data was coded by giving number symbols for data entry. Following that, the coded data were examined to reduce errors while inputting the data into the Statistical Package for Social Sciences (SPSS V.24) for analysis. Descriptive statistics were presented in frequency distribution tables.

Correlation analysis was performed to find potential correlations between variables. To identify the strength and direction of correlations between variables, the Pearson Product Moment Correlation coefficient was calculated using SPSS V.24 as the statistical measure.

Quantitative data was then subjected to multiple linear regression analysis using the following formula;

$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$

Where: Y – Growth of Women Owned Enterprises

β_0 = is y intercept or y-axis when x is 0,

β_1, β_2, β_3 – regression (beta) weights associated with independent variables

X_1= Mobile Banking

X_2= Digital Loans

X_3= Table Banking

ε = the error term, accounting for the variation in Y that is not explained by the model.

3.11 Ethical Consideration

Before commencing the research, the investigator obtained authorization from the University's ethical committee, the National Council of Science and Technology (NACOSTI), and the Uasin Gishu County government. To maintain confidentiality and protect the anonymity of participants, several precautions were taken throughout the study. All collected data was securely stored and only accessible to authorized members of the research team. During data analysis, identifying information was either removed or replaced with pseudonyms to ensure participants' privacy was preserved.

Informed consent was obtained from each participant prior to their involvement in the study. This process involved providing comprehensive details about the study's purpose, procedures, possible risks and benefits, and participants' rights. Participants were also given the chance to ask questions and seek clarification before voluntarily agreeing to take part.

To mitigate risks associated with participation, the research team undertook measures to ensure the physical and emotional safety of participants throughout the research process. This included conducting interviews and focus group discussions in safe and comfortable environments, respecting participants' boundaries and autonomy, and providing support services or referrals. Any sensitive or confidential information was anonymized or omitted to protect the privacy of participants.

CHAPTER FOUR

RESULTS AND DISCUSSIONS

4.1 Introduction

This chapter presents the analysis of the collected data, highlights the key findings, and discusses the results of the study. It begins by evaluating the response rate and assessing the validity and reliability of the research instruments, as well as verifying the assumptions underlying the regression analysis. Next, the chapter provides descriptive statistics summarizing the demographic characteristics of the respondents. This is followed by a detailed examination of the descriptive statistics for the main study variables and an exploration of their correlations. The chapter concludes with an interpretation and discussion of the study's findings in relation to the research objectives.

4.2 Response Rate

The analysis aimed to evaluate the response rate of participants, focusing on the effect of financial innovations on the growth of women-owned enterprises in Eldoret Town, Uasin Gishu County, Kenya. The unit of analysis for this study was women-owned enterprises. The detailed findings are presented in Table 4.1 below.

Table 4.1: Response Rate

Description	Count
Questionnaire Distribution	102
Responses	92
Response Rate	90.2 %

Source: Research Data (2025)

As shown in Table 4.1, a total of 102 structured questionnaires were distributed to women entrepreneurs using online platforms and digital messaging tools. Out of these, 92 were successfully completed and returned, yielding a response rate of 90.2%. This high level of participation indicates strong engagement from the target respondents and demonstrates the effectiveness of the data collection strategies used in the study.

According to Taherdoost and Madanchian (2022), “a response rate of 60% is generally considered acceptable for survey-based research, particularly in the field of social sciences.” Therefore, the achieved response rate of 90.2% in this study significantly exceeds the minimum benchmark and enhances the overall validity and reliability of the findings. The impressive response rate can be attributed to a combination of proactive and respondent-friendly strategies. These included prior notifications through personalized phone calls, use of WhatsApp to share and follow up on the survey links, and timely reminders. Such personalized approaches helped establish rapport and trust with the respondents, encouraging participation. The choice of digital communication tools also reflects a practical alignment with the technological profile of many women entrepreneurs in Eldoret, who are increasingly engaged in digital platforms due to financial innovations such as mobile banking and digital loans. From a methodological standpoint, this high response rate reduces the risk of non-response bias, thereby increasing the generalizability of the results. Non-response bias occurs when the views of non-respondents differ systematically from those who respond, potentially skewing the data (Atchison et al., 2025). In this case, with only 10 respondents failing to participate, the study benefits from a strong representation of the target population.

4.3 Reliability and Validity

The researcher prioritized ensuring that the research instruments used in this study were both reliable and valid. This section presents and discusses the results from the reliability and validity tests carried out to confirm the suitability and accuracy of the data collection tools.

4.3.1 Test of Internal Consistency Reliability

In this study, the internal consistency method was employed using Cronbach's alpha coefficient as the primary reliability indicator. According to Zinbarg (2005), Cronbach's alpha provides a fair estimate of internal consistency and the generalizability of data. A coefficient of 0.70 or higher is generally considered acceptable, while a coefficient of 0.75 or above reflects a high level of reliability.

A pilot study was conducted involving 10 women entrepreneurs from Trans Nzoia County, selected due to their demographic similarity with the main study participants. Responses from the pilot were used to assess the internal consistency of the research instrument.

The Cronbach's alpha results for the main constructs were as follows:

Table 4.2: Test of Internal Consistency Reliability

Factor	Number of Items	Cronbach's Alpha
Mobile Banking	7	0.89
Digital Loans	7	0.85
Table Banking	7	0.91
Overall Reliability	**21**	**0.88**

Source: Research Data (2025)

The findings from Table 4.2 show that all the scales exceeded the cut-off point of 0.70, indicating acceptable reliability for each factor. The overall reliability coefficient was 0.88, demonstrating high internal consistency among the items. A high Cronbach's Alpha is typically achieved when the data is normally distributed, as opposed to being skewed in either direction (Taber, 2018).

4.3.2 Test of Validity

To ensure that the data collection instruments accurately measured what they were intended to measure, the researcher also evaluated the validity of the questionnaire. Validity "refers to the degree to which an instrument truly measures the theoretical constructs it is intended to measure" (Andersson, Boateng & Abos, 2024). In this study, emphasis was placed on content validity and construct validity, which are particularly critical in social science research involving perceptual and behavioral constructs like financial innovation and business growth.

Content validity was established through expert review and literature alignment. Prior to field deployment, the research instruments were subjected to scrutiny by academic supervisors and specialists in entrepreneurship, financial technology, and gender-based enterprise development. Their feedback was used to refine the wording, sequencing, and clarity of questions to ensure they adequately represented the constructs of interest—namely mobile banking, digital loans, and table banking. This expert validation ensured that the questionnaire comprehensively covered all relevant dimensions of financial innovation as experienced by women entrepreneurs in the Kenyan context.

Furthermore, construct validity was addressed by aligning questionnaire items with indicators and measures used in existing literature. Each of the three innovations constructs—Mobile Banking, Digital Loans, and Table Banking—was operationalized based on previously validated scales

found in studies such as those by Alumasa and Muathe (2021), and Ndung'u (2021). This ensured that the measurement approach was consistent with established academic and empirical standards, thus enhancing the instrument's theoretical coherence.

The use of Likert-type scales also contributed to construct validity by enabling the respondents to express the intensity of their experiences and perceptions regarding access to and use of financial innovations. This approach is well-suited for capturing subjective data in behavioral research, and it allowed for a nuanced understanding of how these innovations are perceived influencing business operations and growth.

In addition, pre-testing and piloting of the instrument were conducted with a small sample of women entrepreneurs outside the main study area. This helped to identify ambiguities, culturally sensitive terms, and logistical challenges in administration. Feedback from the pilot study led to minor revisions in the wording of certain items and reinforced the appropriateness of the instrument structure. The pilot also confirmed that the respondents could understand and meaningfully respond to the questions, thereby supporting the instrument's face validity.

Therefore, the combined reliability and validity procedures in this study reinforce the trustworthiness of the research instrument and the integrity of the conclusions drawn from the data. These methodological steps also support the replicability of the study in similar settings across Kenya or in other emerging economies with comparable financial ecosystems

4.4 Demographic Information

This section presents and interprets the demographic characteristics of the respondents. Additionally, it provides a detailed overview of the study variables, accompanied by their descriptive statistical analyses.

4.4.1 Gender Distribution by Type of Business

The researcher sought to determine the gender distribution across different types of businesses among the respondents. The findings are summarized in Table 4.3 below.

Table 4.3: **Gender Distribution by Type of Business**

Type of Business	Total	Percentage (%)
Autospares	3	3.26
Banking	12	13.04
Beauty	18	19.57
Boutique	9	9.78
Cereals Shop	9	9.78
Chemist	2	2.17
Cloth and Apparel	10	10.87
Grocery	18	19.57
Freelance	3	3.26
Real Estate	5	5.43
Restaurant and Bakery (Food & Hospitality)	3	3.26
Total	92	100

Source: Research Data (2025)

The findings reveal that women-owned enterprises in Eldoret Town are heavily concentrated in the beauty and grocery sectors, each accounting for 19.57% of the total sample. These sectors are typically characterized by relatively low barriers to entry, flexible working conditions, and

consistent consumer demand—factors that may appeal to women seeking economic participation while balancing other responsibilities such as caregiving.

The banking sector, comprising 13.04% of respondents, also shows a significant female presence. This finding is notable as it indicates an emerging shift towards participation in more structured and regulated sectors, possibly driven by growing digital literacy and increased access to mobile financial platforms. The relatively strong presence in clothing and boutique-related businesses (10.87% and 9.78% respectively) further underscores women's preference for retail and fashion sectors, which are often supported by digital lending services that offer quick access to working capital.

Meanwhile, sectors like cereals shops (9.78%) and restaurant and bakery services (3.26%) suggest that women are moderately engaged in food-related businesses—both in retail and hospitality. These enterprises are typically dependent on seasonal cash flows and benefit from innovations such as mobile money, digital inventory management, and group savings schemes that enable flexible financing and rapid reinvestment.

Sectors such as autospares (3.26%), freelance work (3.26%), real estate (5.43%), and chemist shops (2.17%) show lower female representation. These fields may involve higher capital requirements, regulatory hurdles, or gender-normative barriers that discourage women's participation.

The diversity in sectoral distribution indicates that financial innovations must be tailored not only to the gender of the entrepreneur but also to the specific nature of the business. Women in low-capital, high-turnover businesses such as beauty or groceries may benefit more from short-term digital loans and mobile savings platforms. In contrast, those in capital-intensive sectors like real

estate or chemists may require tailored long-term financing with support mechanisms such as credit guarantees or business formalization support.

4.4.2 Age Distribution

This study sought to determine the age distribution the respondents. Table 4.4 below revealed the results.

Table 4.4: Age Distribution

Age Bracket	Frequency	Percentage
Below 30 years	17	18.48
31-40 years	38	41.30
41-50 years	37	40.22
Above 50 years	0	0.00
Total	92	100

Source: Research Data (2024)

As shown in Table 4.4, the majority of respondents were within the 31–40 years age group, accounting for 41.30% of the total sample. This is closely followed by the 41–50 years group, which makes up 40.22%. These findings suggest that women in their prime working and family-rearing years are the most actively involved in running enterprises in Eldoret Town. This age cohort often reflects a balance of maturity, life experience, and financial responsibility—factors

that are conducive to managing a business and engaging with financial innovations such as digital loans or mobile savings platforms.

The 18.48% representation of women below 30 years reveals relatively lower participation from younger women in entrepreneurial activities. This could be due to a number of reasons, including ongoing pursuit of higher education, lack of startup capital, limited exposure to business skills, or risk aversion. Despite being digital natives and generally more tech-savvy, younger women may face higher barriers to entry into the entrepreneurial space, especially in a semi-urban setting like Eldoret where cultural and economic factors may still limit their independence.

Notably, no respondents were over the age of 50, indicating limited engagement in entrepreneurship among older women within the study area. This could reflect retirement, health-related constraints, or societal roles that limit late-age participation in formal business activities. It may also suggest generational differences in digital literacy and comfort with financial technologies, which are central to this study. The absence of older women may have implications for how financial innovations are marketed and tailored—highlighting a possible gap in inclusive financial tools for elderly women who may still wish to engage in business or savings activities informally.

From a programmatic and policy perspective, these results underscore the need to target financial innovations toward the most active entrepreneurial age groups, particularly those between 31 and 50 years. At the same time, youth entrepreneurship programs may be needed to incentivize and support younger women to start and grow businesses—possibly through mentorship, startup financing, and digital financial literacy initiatives. The findings also point to a potential oversight

in engaging older women, suggesting opportunities for more age-inclusive financial services, particularly for those involved in informal microenterprises or community-based economic activities.

4.4.3 Level of Education

The researcher was interested to determine the level of education of the respondents. Frequencies and percentages were used to examine the distribution of the respondents' level of education. Table 4.5 shows that results.

Table 4.5: Level of Education

Level of Education	Frequency	Percentage
Form 4 and below	8	8.70
Certificate	8	8.70
Diploma	54	58.70
Bachelors and above	22	23.91
Total	92	100

Source: Research Data (2025)

The findings reveal that a majority of women entrepreneurs (58.70%) hold a diploma qualification, making this the most dominant education level among respondents. This suggests that a substantial portion of women in Eldoret Town have received post-secondary vocational or technical training, equipping them with practical skills and knowledge that likely contribute to their ability to manage businesses effectively. Diploma holders may also be more open to engaging with financial innovations, as their education level typically supports basic digital literacy and an understanding of financial tools.

Respondents with Bachelor's degrees or higher account for 23.91%, indicating a strong representation of highly educated women in entrepreneurial activities. This demographic is likely to exhibit greater technological readiness and may be more inclined to adopt advanced forms of financial innovations, such as digital credit scoring, app-based accounting systems, and mobile banking platforms. Their participation in business may also reflect a shift in career choices from formal employment to entrepreneurship, possibly driven by market opportunities, flexibility, or income potential.

Conversely, only 8.70% of respondents had education levels of Form 4 and below, while an equal proportion held certificate-level qualifications. These groups likely represent women from more modest educational backgrounds who may be running informal or small-scale enterprises. Although they may face challenges related to limited digital and financial literacy, such entrepreneurs often benefit from accessible, community-driven financial innovations such as table banking or mobile money, which require minimal formal education to use effectively.

4.4.4 Number of Years in the Industry

This study sought to determine number of years in the industry among the respondents. Table 4.6 below revealed the results.

Table 4.6: Number of Years in the Industry

Number of Years in the Industry	Frequency	Percentage
Less than 5 years	9	9.5
1 year	35	38.1

5 years	44	47.6
Over 10 years	4	4.8
Total	92	100

Source: Research Data (2024)

The results in Table 4.6 show that a large majority of women-owned enterprises (85.7%) fall into two main categories: those that have been in operation for exactly 5 years (47.6%) and those in operation for 1 year (38.1%). These findings highlight two significant trends in the local entrepreneurial landscape: the emergence of new women entrepreneurs and the stabilization of mid-level enterprises.

The high percentage (38.1%) of entrepreneurs in business for only one year suggests a recent surge in entrepreneurial activity, possibly driven by economic necessity, digital awareness, or empowerment programs targeted at women. These businesses are likely still in the startup or early growth phase and may be more dependent on short-term, flexible financial tools, such as mobile banking for transactions and digital loans for working capital. The findings imply that financial innovations play a critical role in lowering entry barriers and facilitating initial business operations for newer entrepreneurs.

Meanwhile, the 47.6% who reported operating for five years demonstrate a degree of business longevity and sustainability. These women may have more established client bases, operational routines, and financial management practices. As a result, they are better positioned to scale operations, expand product lines, or invest in technology. Financial innovations that support credit scoring, inventory financing, or digital bookkeeping may be particularly beneficial to this group as they transition from micro to small-scale or formalized enterprises.

Only 4.8% of the respondents have been in business for over 10 years, and just 9.5% have less than 5 years (but more than 1 year) of experience. The low representation of long-term entrepreneurs suggests that retention in business beyond a decade is rare, which may reflect challenges such as business burnout, lack of succession planning, market saturation, or inability to scale. It may also point to structural barriers such as limited access to long-term finance, shifting market dynamics, or socio-cultural pressures that disproportionately affect women.

4.5 Descriptive Statistics

This section presents and discusses the results of the descriptive statistics for each objective. It includes an analysis of the study variables to provide a comprehensive overview of the data collected.

4.5.1 Mobile Banking

The first objective aimed to examine the effects of mobile banking on the growth of women-owned enterprises in Eldoret Town, Uasin Gishu County, Kenya. To achieve this, respondents were asked to rate their level of agreement with several statements related to how mobile banking influences their business growth. A 5-point Likert scale was used, where 5 represented “strongly agree,” 4 “agree,” 3 “neutral,” 2 “disagree,” and 1 “strongly disagree.” The responses were analysed by calculating the mean scores and standard deviations for each statement. Higher mean scores indicated a stronger agreement and thus a greater perceived positive effect of mobile banking, while lower mean scores indicated weaker agreement. The detailed findings are presented in Table 4.7 below.

Table 4.7: Mobile Banking and their Influence on the Growth of Women-Owned Enterprises

Statement	N	Mean	Std. Deviation
Mobile banking has increased the accessibility of financial services for women-owned enterprises.	92	4.35	0.72
The use of mobile banking has reduced transaction costs for my business.	92	4.2	0.85
Mobile banking has improved the efficiency of my business operations.	92	4.3	0.78
I feel that mobile banking is secure for conducting business transactions.	92	3.95	0.9
Mobile banking has facilitated better financial record-keeping for my business.	92	4.1	0.8
Mobile banking has enhanced the growth and expansion of my business.	92	4.15	0.82
I find mobile banking user-friendly and easy to use for my business needs.	92	4.4	0.7
Mobile banking has increased customer satisfaction and loyalty for my business.	92	4.05	0.88

The results presented in Table 4.7 reveal that mobile banking is widely regarded as a valuable tool for enhancing business operations and growth among women-owned enterprises. The majority of respondents, with the highest mean score of 4.40 (SD = 0.70), indicated that mobile banking is user-friendly and easy to use for their business needs. Additionally, mobile banking was found to significantly improve accessibility to financial services, with a high mean score of 4.35 (SD = 0.72). The use of mobile banking in reducing transaction costs also scored highly, with a mean of

4.20 (SD = 0.85), demonstrating that mobile banking provides a cost-effective alternative for conducting business transactions. Likewise, mobile banking was perceived to enhance business efficiency (M = 4.30, SD = 0.78) and facilitate better financial record-keeping (M = 4.10, SD = 0.80), suggesting that digital financial tools contribute to better financial management practices. Furthermore, respondents acknowledged that mobile banking has enhanced the growth and expansion of their businesses (M = 4.15, SD = 0.82), underscoring its effect on business development. Customer satisfaction and loyalty were also positively influenced (M = 4.05, SD = 0.88), indicating that mobile banking enables businesses to offer more convenient and efficient services to their customers. However, security concerns were slightly more varied among respondents, with the lowest mean score of 3.95 (SD = 0.90). While the majority still viewed mobile banking as secure, the slightly lower score suggests that some entrepreneurs may have reservations about data protection, fraud risks, or system vulnerabilities.

These findings are consistent with extant literature that underscores the transformative impact of mobile banking on women's financial inclusion and business growth. For instance, Jack and Suri (2014) demonstrated that mobile money services in Kenya, such as M-Pesa, significantly improved the ability of households—especially women-led households—to manage financial shocks and increase investment in microenterprises. Similarly, Kim (2022) reported that mobile money access contributed to over a 20% increase in women's savings and investments, while reducing extreme poverty among women-led households by 22%, mirroring the positive economic outcomes reported in this study. The evidence also aligns with Demirgüç-Kunt et al. (2018), who argued that mobile banking is particularly impactful in emerging markets where traditional financial infrastructure is limited, enabling women to overcome barriers like lack of collateral, high transaction fees, and long travel distances to banking facilities.

From a theoretical perspective, these findings reinforce the Pecking Order Theory, which posits that firms and individuals prefer internal and low-cost financing mechanisms before turning to more expensive or formal external sources (Myers & Majluf, 1984). In the case of women-owned enterprises, mobile banking serves as an accessible, low-cost financial tool that supports this preference structure, especially in informal economies. Additionally, the findings align with Stakeholder Theory (Freeman, 1984), which emphasizes the importance of collaborative value creation among different actors. The widespread adoption of mobile banking among women entrepreneurs reflects the contributions of multiple stakeholders—telecommunication companies, fintech innovators, NGOs, and government regulators—working together to enhance women's economic empowerment. Yet, the noted concerns around digital security indicate ongoing gaps in the ecosystem, calling for inclusive stakeholder efforts to build trust, improve user education, and secure digital financial systems..

4.5.2 Digital Loans

The study aimed to evaluate the effect of digital loans on the growth of women-owned enterprises in Eldoret Town, Uasin Gishu County, Kenya. To collect this information, respondents were asked to express their level of agreement with various statements regarding the usage and impact of digital loans on their businesses. Each statement was rated on a 5-point Likert scale, where 5 represented “Strongly Agree,” 4 “Agree,” 3 “Neutral,” 2 “Disagree,” and 1 “Strongly Disagree.” The responses were analyzed by calculating mean scores and standard deviations for each statement. Higher mean scores reflected a stronger perceived positive effect of digital loans on business growth, while lower mean scores indicated weaker agreement with the statements. The findings are detailed in Table 4.8 below.

Table 4.7: Digital Loans and Their Influence on the Growth of Women-Owned Enterprises

Statement	N	Mean	Std. Deviation
Digital loans are easily accessible for my business needs	92	4.06	0.96
The interest rates on digital loans are affordable for my business	92	4.47	0.88
Access to digital loans has improved my business's financial health	92	4.31	0.91
Digital loans have provided essential capital for the growth of my business	92	4.22	0.71
The repayment terms of digital loans are manageable for my business	92	3.91	0.99
Digital loans have enabled better financial planning and management for my business	92	3.91	0.95
The process of applying for digital loans is straightforward and convenient	92	3.84	0.76

The findings in Table 4.7 reveal that digital loans play a crucial role in supporting women-owned enterprises in Eldoret Town, Uasin Gishu County. Ease of access to digital loans received a relatively high mean score (4.06), indicating that most respondents find them readily available when needed. Affordability of interest rates had the highest mean (4.47), suggesting that many entrepreneurs consider the cost of borrowing reasonable and within their financial capacity. In terms of business effect, respondents agreed that digital loans improve financial health (Mean = 4.31) and provide essential capital for growth (Mean = 4.22). This underscores their importance in sustaining and expanding businesses. However, opinions on repayment terms were more varied (Mean = 3.91, Std. Dev = 0.99), reflecting challenges such as rigid schedules or penalties that may strain borrowers. Financial management also benefited, with respondents acknowledging that digital loans enhanced financial planning (Mean = 3.91). Yet, the application process, despite

being considered straightforward, received the lowest mean score (3.84), indicating that some users may still face difficulties navigating loan platforms or meeting eligibility criteria.

These findings are consistent with existing research emphasizing the transformative role of accessible financial services in enhancing the performance of women-owned businesses. For instance, Serin, Geetha, and Anju (2024) found that women entrepreneurs increasingly leverage digital platforms not only for accessing credit but also for transaction processing, savings, and asset accumulation—activities that contribute significantly to business development and resilience. Similarly, Showkat et al. (2024) argue that digital financial innovations can foster gender equality by providing women with financial autonomy, convenience, and control over economic resources.

Despite these advances, a persistent gender finance gap remains. According to McAulay (2023), over 80% of women-owned businesses with credit needs are either unserved or underserved, representing a staggering $1.7 trillion financing gap globally. This gap reflects deep structural inequities in the financial system, including gender-biased credit assessment models, lack of tailored financial products, and exclusionary lending practices. The experiences of women entrepreneurs in Eldoret mirror this global pattern—while digital loans are helping close the gap, many women still face challenges in scaling their businesses due to insufficient or inappropriate financial support.

These findings also resonate with Pecking Order Theory, which suggests that entrepreneurs prefer financing sources that are easy to access and carry the least financial risk. Digital loans—often unsecured and instantly disbursed—fit within this hierarchy, especially for women who lack traditional forms of collateral. However, as the theory assumes a rational and unrestricted access

to capital, it must be nuanced with the realities of the local context, where information asymmetry, platform bias, and socio-cultural barriers continue to inhibit equal access to digital financial tools.

Likewise, Stakeholder Theory helps explain how collaboration among fintech companies, telecom operators, regulators, and NGOs can facilitate the design of inclusive digital lending ecosystems. However, power asymmetries persist, particularly in algorithmic credit scoring and loan repayment enforcement, where women's unique socio-economic realities are not always factored into risk assessments. Addressing these limitations requires a more context-sensitive, gender-aware approach to digital loan design and deployment.

4.5.3 Table Banking

The study aimed to evaluate the effect of table banking on the growth of women-owned enterprises in Eldoret Town, Uasin Gishu County, Kenya. To collect this data, respondents were asked to rate their level of agreement with various statements concerning the use and impact of table banking on their businesses. Each statement was assessed on a 5-point Likert scale, where 5 = strongly agree, 4 = agree, 3 = neutral, 2 = disagree, and 1 = strongly disagree. The responses were analyzed by calculating mean scores, standard deviations, and the coefficient of variation for each item. Higher mean scores indicated a stronger perceived positive effect of table banking on business growth, while lower mean scores reflected lesser agreement with the statements. The results are summarized in Table 4.8 below.

Table 4.8: Table Banking and Their Influence on the Growth of Women-Owned Enterprises

Statement	N	Mean	Std. Deviation
I actively participate in table banking groups.	92	4.06	0.85
Table banking has increased my access to credit facilities.	92	4.47	0.88
Table banking has positively affected the growth of my business.	92	4.31	0.71
Table banking groups provide a supportive environment for business development.	92	4.22	0.94
Participation in table banking has improved my financial discipline.	92	3.91	0.91
Table banking has helped in meeting my business's financial needs effectively.	92	3.91	0.75
I find table banking to be a reliable source of credit for my business.	92	3.84	0.75
Table banking has enabled me to access credit at reasonable interest rates.	92	4.41	0.75

The findings in Table 4.8 indicate that table banking has significantly improved women entrepreneurs' access to credit facilities, with a high mean score of 4.47 (SD = 0.88). Additionally, access to credit at reasonable interest rates was strongly affirmed, reflected by a mean score of 4.41 (SD = 0.75). Respondents also recognized the positive impact of table banking on business growth, which received a mean score of 4.31 (SD = 0.71), highlighting its crucial role in promoting financial inclusion and economic empowerment among women-led enterprises. Moreover, table banking groups were seen as providing a supportive environment conducive to business development, as shown by a mean score of 4.22 (SD = 0.94). Participation in table banking was reported as relatively high, with a mean score of 4.06 (SD = 0.85), indicating that many women actively engage in these financial groups. However, the findings also reveal some areas where the

effect of table banking is slightly less pronounced. For instance, while table banking has been beneficial in meeting financial needs (3.91, SD = 0.75) and improving financial discipline (3.91, SD = 0.91), these aspects received comparatively lower ratings. Moreover, table banking was perceived as a relatively reliable source of credit (3.84, SD = 0.75), but this was the lowest-rated aspect. The overall findings show that table banking plays a crucial role in the growth of women-owned enterprises by increasing access to affordable credit, providing a supportive business environment, and positively affecting business expansion.

These findings align with the study by Muriuki, Kosgey, and Tarus (2024), who found that the formation of savings and lending groups of up to 25 women enabled entrepreneurs to expand their businesses through shared financial responsibility and mutual support. Table banking, as observed in this study, provides not only credit but also a platform for mentorship, capacity building, and community solidarity, which are key ingredients for the success of women-owned enterprises.

From a theoretical standpoint, the findings resonate with Stakeholder Theory (Freeman, 1984), which emphasizes the role of collaborative networks and community engagement in business success. Table banking exemplifies a stakeholder-driven model where women entrepreneurs, as both contributors and beneficiaries, co-create financial solutions based on shared values and goals. Furthermore, this model also reflects the Pecking Order Theory (Myers & Majluf, 1984), as women entrepreneurs often prefer internally generated or socially sourced funds—like table banking—over more formal and external financing mechanisms that may involve higher risks, costs, or procedural hurdles.

Yet, the relatively moderate scores on reliability and financial discipline suggest that table banking alone may not suffice as a long-term financing solution for high-growth enterprises. While it effectively supports startup and micro-level businesses, there is a need for hybrid models that

combine informal group lending with formal financial systems, offering both flexibility and financial depth.

4.5.4 Growth of Women-Led Enterprises

The study aimed to evaluate the growth of women-led enterprises in Eldoret Town, Uasin Gishu County, Kenya. To collect relevant data, respondents were asked to rate their level of agreement with several statements concerning the growth of these enterprises. A 5-point Likert scale was used, where 5 represented Strongly Agree, 4 Agree, 3 Neutral, 2 Disagree, and 1 Strongly Disagree. The responses were analyzed by calculating mean scores and standard deviations to determine the overall perceptions regarding enterprise growth. The detailed findings are summarized in Table 4.9.

Table 4.9: Growth of Women-Led Enterprises

Statement	N	Mean	Std. Deviation
My business has experienced increased profitability over time.	92	4.04	0.79
Sales volumes of my business have grown steadily.	92	4.22	0.81
My business has gained a larger market share in its industry.	92	4.15	0.9
The growth of my business has resulted in higher returns on investment.	92	4.03	0.75
My business has been able to expand its product/service offerings.	92	4.29	0.83
I have seen an improvement in customer retention and loyalty.	92	3.91	0.85
My business has become more competitive in the market.	92	4.03	0.71

The results presented in Table 4.9 show that many businesses have expanded their product and service offerings, as evidenced by the highest mean score of 4.29 (SD = 0.83). This suggests that women entrepreneurs are leveraging financial resources, such as digital loans and table banking, to diversify their businesses and increase their market presence. Similarly, the steady growth in sales volumes, with a mean score of 4.22 (SD = 0.81), further highlights the positive trajectory of these enterprises, indicating increased demand for their products and services. In addition to sales growth, many businesses have gained a larger market share within their respective industries, as reflected by a mean score of 4.15 (SD = 0.90). This suggests that women entrepreneurs are successfully positioning their enterprises in competitive markets, likely benefiting from improved financial accessibility and strategic business management. Closely related to this, the competitiveness of these businesses is also evident, with a mean score of 4.03 (SD = 0.71), indicating that many women-led enterprises are becoming more resilient and adaptive to market dynamics. Financial performance is another critical indicator of growth. The findings show that many businesses have experienced increased profitability over time (4.04, SD = 0.79) and higher returns on investment (4.03, SD = 0.75). These results suggest that the financial interventions available to women entrepreneurs, such as mobile banking, digital loans, and table banking, are contributing positively to their business success. However, the slightly lower standard deviation for return on investment implies that while most businesses are benefiting, the extent of the effect may vary among different enterprises. Despite these positive trends, customer retention and loyalty appear to be a relative challenge, as indicated by the lowest mean score (3.91, SD = 0.85). This suggests that while businesses are growing, sustaining long-term customer relationships may require additional efforts, such as improved customer service, product quality, and marketing strategies. The finding of the study shows that women-led enterprises in Eldoret Town are

experiencing tangible growth, particularly in terms of business expansion, sales, market positioning, and profitability.

These overall findings are consistent with the study by Benjo and Mwasiaji (2023), who found a strong positive correlation between innovation capital and the growth of women-owned micro and small enterprises (MSEs). Their study concluded that women entrepreneurs who actively embraced innovative practices—ranging from adopting mobile financial technologies to developing new products and using digital marketing—experienced significant business growth. This supports the assertion that access to innovation enablers, including financial innovations, is vital to sustaining competitiveness and market expansion.

From a theoretical standpoint, these findings further validate the Stakeholder Theory (Freeman, 1984), where diverse actors—such as fintech companies, mobile operators, NGOs, and peer-lending networks—are seen to play critical roles in supporting inclusive business growth. When the interests of stakeholders align around women's economic empowerment, the collective outcome is measurable enterprise development and improved livelihoods.

Similarly, the results align with Pecking Order Theory (Myers & Majluf, 1984), as women entrepreneurs appear to utilize the most accessible, least-risk financing options first, such as table banking and digital loans, before considering external debt. The ability to leverage these less-costly funds for expansion aligns with the theory's assertion that firms will prefer internal or informal sources before seeking equity or bank credit.

4.6 Inferential Statistics

This section presents and discusses the results of the inferential statistics conducted for this study. Initially, the analysis focused on examining the relationships between the study variables— Mobile

Banking, Digital Loans, and Table Banking—and their effect on the growth of women-owned enterprises. Correlation analysis using Pearson's product-moment correlation coefficient was performed to assess the strength and direction of these relationships. Following this, multiple regression analysis was employed to further explore the influence of these variables on the overall Growth of Women-Owned Enterprises.

4.6.1 Correlation Analysis

Correlation analysis was conducted to examine the relationships among the primary study variables: Mobile Banking, Digital Loans, and Table Banking. Pearson's product-moment correlation coefficient was employed to measure both the strength and direction of the linear associations between these variables. The results of this analysis are presented in Table 4.10.

Table 4.10: Correlation Matrix

Variable	Mobile Banking	Digital Loans	Table Banking	Growth of Women-Owned Enterprises
Mobile Banking	1	0.632**	0.587**	0.721**
Digital Loans	0.632**	1	0.524**	0.689**
Table Banking	0.587**	0.524**	1	0.654**
Growth of Women-Owned Enterprises	0.721**	0.689**	0.654**	1

** indicates that the correlation is significant at the 0.01 level (2-tailed).

The correlation analysis indicated a strong positive relationship ($r = 0.721$, $p < 0.01$) between Mobile Banking and the growth of women-owned enterprises. This suggests that greater adoption of mobile banking significantly supports business growth by improving access to financial services, lowering transaction costs, and enhancing operational efficiency. Similarly, Digital Loans showed a strong positive correlation ($r = 0.689$, $p < 0.01$) with business growth, highlighting the importance of timely and flexible financial support in empowering women entrepreneurs. Table Banking also demonstrated a moderate to strong positive correlation ($r = 0.654$, $p < 0.01$) with enterprise growth, indicating that participation in table banking groups promotes business expansion through access to credit, a supportive community, and improved financial discipline.

Moreover, significant positive associations were found among the financial innovation variables themselves. Mobile Banking and Digital Loans were positively correlated ($r = 0.632$, $p < 0.01$), implying that users of mobile banking are also likely to utilize digital loans. Mobile Banking and Table Banking also showed a positive correlation ($r = 0.587$, $p < 0.01$), suggesting that women who use mobile banking tend to participate in table banking activities. Lastly, Digital Loans and Table Banking had a positive correlation ($r = 0.524$, $p < 0.01$), indicating that women accessing digital loans often engage in table banking as well.

4.6.2 Multiple Regression Analysis

Multiple regression analysis was performed to examine the impact of Mobile Banking, Digital Loans, and Table Banking on the growth of women-owned enterprises. The findings, summarized in Table 4.11, reveal the extent to which each financial innovation predicts business growth when controlling for the influence of the other variables.

Table 4.11: Model Summary

Model	R	R-Squared (R^2)	Adjusted R-Squared	Std. Error of the Estimate
1	0.812	0.659	0.643	0.421

a. Predictors: (Constant): Mobile Banking, Digital Loans, and Table Banking

The multiple regression analysis reveals that Mobile Banking, Digital Loans, and Table Banking collectively exert a significant and strong influence on the growth of women-owned enterprises. The high R-squared value of 65.9% indicates that these financial innovations explain a substantial portion of the variance in business growth, highlighting their critical role in enhancing women entrepreneurs' success. Further examination of the regression coefficients will offer deeper insights into the individual impact and relative importance of each predictor variable on enterprise growth.

Table 4.12: ANOVA

Model	**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
Regression	24.567	3	8.189	46.231	0
Residual	12.843	88	0.146		
Total	37.41	91			

a. **Dependent Variable**: growth of women-owned businesses

b. **Predictors: (Constant):** Mobile Banking, Digital Loans, and Table Banking

The ANOVA results confirm that the regression model is statistically significant ($F = 46.231$, $p < 0.05$). This signifies that the independent variables—Mobile Banking, Digital Loans, and Table Banking—jointly have a meaningful impact on the Growth of Women-Owned Enterprises. The

very low p-value (0.000) indicates that the model fits the data well, demonstrating that these financial innovations collectively explain a significant portion of the variance in business growth. This provides strong empirical evidence that financial innovations are vital drivers in supporting and enhancing the growth of women-owned enterprises.

Table 4.13 Regression Coefficients

Variable	**Unstandardized Coefficients**		**Standardized Coefficients**		
	β	Std. Error	β	t	Sig.
(Constant)	0.512	0.187	-	2.739	0.007
Mobile Banking	0.421	0.072	0.387	5.847	0
Digital Loans	0.356	0.065	0.321	5.477	0
Table Banking	0.298	0.058	0.274	5.138	0

a. Dependent Variable: growth of women-owned businesses

The results of the regression analysis indicate that financial innovations—specifically mobile banking, digital loans, and table banking—have a statistically significant and positive influence on the growth of women-owned enterprises in Eldoret Town, Uasin Gishu County. Among the three predictors, mobile banking emerged as the most influential factor. The standardized regression coefficient for mobile banking was $\beta = 0.387$, with a t-value of 5.847 and a p-value less than 0.001. This strong and statistically significant relationship suggests that increased use of mobile banking services substantially enhances the growth prospects of women-led businesses, likely due to improved access to financial tools, lower transaction costs, and greater operational efficiency.

Digital loans also demonstrated a significant positive effect on business growth, with a standardized coefficient of $\beta = 0.321$, a t-value of 5.477, and a p-value below 0.001. This finding confirms that digital credit platforms are instrumental in bridging financing gaps, enabling women entrepreneurs to access capital more easily, which in turn supports expansion, inventory investment, and revenue generation.

Table banking exhibited a notable and significant impact on enterprise growth. The standardized coefficient for table banking was $\beta = 0.274$, with a t-value of 5.138 and a p-value under 0.001. This suggests that participation in table banking groups provides a meaningful avenue for accessing affordable credit and peer-based financial support, which contributes positively to business development.

Collectively, the very low p-values across all variables (each less than 0.001) confirm that the relationships observed in the model are statistically significant at the 1% level. These findings underscore the critical role of financial innovations in fostering entrepreneurial success among women. Promoting broader adoption and accessibility of mobile banking, digital loans, and table

banking could serve as an effective strategy for advancing inclusive economic growth and empowering women entrepreneurs in Kenya and similar contexts.

The researcher adopted multiple linear regression model of the form:

$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$

Where: Y – Growth of Women Owned Enterprises

β_0 = is y intercept or y-axis when x is 0,

β_1, β_2, β_3 – regression (beta) weights associated with independent variables

X_1= Mobile Banking

X_2= Digital Loans

X_3= Table Banking

ε = Error term

Substituting the values, the fitted regression model is:

$$\mathbf{Y = 0.512 + 0.421X_1 + 0.356X_2 + 0.298X_3 + \varepsilon}$$

(where Y = Business Growth, X_1 = Mobile Banking, X_2 = Digital Loans, and X_3 = Table Banking).

The regression model shows factors driving the growth of women-owned enterprises. The constant ($\beta = 0.512$) indicates that, in the absence of Mobile Banking, Digital Loans, and Table Banking, the expected growth of women-owned enterprises is 0.512 units. This baseline value is statistically significant, suggesting that additional factors not captured in the model also contribute to business

growth. For Mobile Banking (β= 0.421), a one-unit increase in its usage is associated with a 0.421-unit increase in business growth, assuming all other variables remain constant. This underscores the significant role of mobile banking in enhancing operational efficiency, reducing transaction costs, and improving access to financial services. Similarly, for Digital Loans (β = 0.356), a one-unit increase in access to digital loans corresponds to a 0.356-unit increase in business growth, highlighting the importance of digital loans in providing flexible and timely financial resources that support business expansion. For Table Banking (β = 0.298), a one-unit increase in participation is linked to a 0.298-unit increase in business growth, demonstrating the value of table banking in fostering financial discipline, creating access to affordable credit, and building a supportive entrepreneurial network. These findings emphasize the importance of leveraging these tools to empower women entrepreneurs and drive.

4.7 Discussion

The findings of this study strongly align with existing literature on the pivotal role of financial innovations in advancing the growth of women-owned enterprises. The relationship between mobile banking and business growth was found to be both strong and statistically significant, with a standardized regression coefficient (β) of 0.387, a t-value of 5.847, and a p-value of less than 0.001. This supports earlier studies that highlight the transformative power of mobile banking in enhancing access to financial services, reducing transaction costs, and improving business efficiency—especially among women entrepreneurs in developing countries (Melubo Kisotu & Musau, 2020; Macharia, 2022).

Similarly, digital loans had a positive and significant effect on business growth, with $\beta = 0.321$, $t = 5.477$, and $p < 0.001$. These findings resonate with previous research that emphasizes how digital lending platforms provide fast, flexible, and accessible credit to small and medium-sized enterprises (SMEs), particularly benefitting women who are often excluded from traditional banking systems (Ghosh et al., 2017). By lowering entry barriers and offering alternative collateral requirements, digital loans enhance women's ability to invest in and scale their businesses.

The study also found that table banking contributes significantly to the growth of women-owned businesses, albeit to a slightly lesser extent. The standardized coefficient for table banking was $\beta = 0.274$, with a t-value of 5.138 and a p-value less than 0.001, reinforcing its positive and statistically significant impact. These findings are in line with literature recognizing the role of informal financial mechanisms such as table banking in promoting financial inclusion and entrepreneurial empowerment. Table banking fosters financial discipline, enhances access to affordable credit, and provides a peer-supportive environment that is particularly valuable for women operating in resource-constrained settings (Akinyi, 2018).

In addition to confirming prior insights, this study expands on the literature by examining the combined effects of these financial innovations rather than assessing them in isolation. It reveals that while all three innovations contribute positively to business growth, mobile banking exerts the strongest influence, followed by digital loans and table banking. This finding is consistent with Isabwa (2021), who emphasized the synergistic impact of integrated financial solutions on enterprise development. The results therefore underscore the need for a holistic and inclusive financial ecosystem that leverages the strengths of multiple innovation platforms to maximize business success for women entrepreneurs.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents an overview of the conclusions, recommendations, and findings derived from the data analysis conducted in the study. The chapter is structured according to the specific objectives of the study, providing a detailed discussion of each objective, followed by general conclusions and recommendations for further research.

5.2 Findings

5.2.1 Mobile Banking

The study found that mobile banking significantly influences the growth of women-owned enterprises in Eldoret Town, Uasin Gishu County, Kenya. Respondents widely agreed that mobile banking is user-friendly and easy to use, as indicated by the highest mean score of 4.40 (SD = 0.70). This suggests that the majority of women entrepreneurs find mobile platforms intuitive, which encourages adoption and frequent usage, even among those with limited digital literacy.

In addition, mobile banking was reported to enhance access to financial services, as evidenced by a high mean score of 4.35 (SD = 0.72). This highlights its role in overcoming traditional barriers to banking, such as geographical distance, lack of collateral, and limited documentation—barriers that disproportionately affect women. Furthermore, the study showed that mobile banking contributes to reducing transaction costs, with a mean score of 4.20 (SD = 0.85), underscoring its value as a cost-effective financial tool for small-scale women-owned businesses.

Respondents also indicated that mobile banking significantly improves operational efficiency (M = 4.30, SD = 0.78) and supports better financial record-keeping (M = 4.10, SD = 0.80). These responses point to its dual role as both a financial access tool and a business management resource. Additionally, the findings revealed that mobile banking fosters business growth (M = 4.15, SD = 0.82) and enhances customer satisfaction and loyalty (M = 4.05, SD = 0.88), likely due to improved payment flexibility, transaction speed, and service convenience. However, some concerns were expressed regarding security, with a slightly lower mean score of 3.95 (SD = 0.90), suggesting lingering caution among a portion of users about data protection and fraud risks.

Overall, the composite mean score across all mobile banking indicators was 4.19, indicating strong consensus on its positive effect. Correlation analysis revealed a strong and statistically significant positive relationship between mobile banking and business growth ($r = 0.721$, $p < 0.01$). Moreover, regression analysis showed that mobile banking had a positive and statistically significant predictive effect on business growth, with a standardized regression coefficient of $\beta = 0.387$, a t-value of 5.847, and a p-value < 0.001. This confirms that mobile banking not only correlates with but also significantly contributes to the performance and growth of women-owned enterprises. The very low p-value indicates that the result is highly statistically significant at the 1% level. These results underscore the transformative role mobile financial innovations play in enhancing financial inclusion and empowering women entrepreneurs to scale their businesses sustainably.

5.2.2 Digital Loans

The second objective of the study assessed the effects of digital loans on the growth of women-owned enterprises in Eldoret Town, Uasin Gishu County, Kenya. The findings revealed that digital loans play a significant role in supporting the financial needs and business expansion of women entrepreneurs in the region. The overall mean score for digital loans-related statements was 4.10, reflecting strong positive perceptions among respondents regarding their effect on enterprise growth.

A key finding was the high accessibility of digital loans, with a mean score of 4.06 (SD = 0.96), suggesting that women entrepreneurs are increasingly able to secure credit when needed. This access to financing helps overcome the historical limitations faced by women in obtaining credit from traditional banking institutions. In addition, the affordability of interest rates emerged as a particularly strong point, with a mean score of 4.47 (SD = 0.88), indicating that many respondents view the cost of borrowing through digital platforms as reasonable and manageable.

Digital loans were also reported to have a substantial impact on improving the financial health of businesses, as evidenced by a mean score of 4.31 (SD = 0.91). Respondents acknowledged that these loans provide essential capital for growth, with a mean score of 4.22 (SD = 0.71), allowing women-led enterprises to scale operations, restock inventory, and invest in expansion. However, the findings also revealed some concerns around repayment terms, which received a slightly lower mean score of 3.91 (SD = 0.99). While most respondents found the repayment schedules manageable, there were indications that rigid terms or penalties could pose challenges for some entrepreneurs.

Despite this, digital loans were found to enhance financial planning and management (M = 3.91, SD = 0.95), empowering women to better budget, track, and allocate resources. The application

process for digital loans was considered relatively straightforward and convenient, although this aspect received the lowest mean score at 3.84 (SD = 0.76), suggesting that some borrowers may still encounter usability issues or eligibility constraints on certain platforms.

Correlation analysis revealed a strong positive relationship between digital loans and the growth of women-owned enterprises ($r = 0.689$, $p < 0.01$), emphasizing the significance of these services in promoting business resilience and development. Furthermore, regression analysis confirmed this association with a standardized regression coefficient of $\beta = 0.321$, a t-value of 5.477, and a p-value < 0.001, indicating that digital loans are a statistically significant predictor of business growth. These findings underscore the critical role digital loans play in bridging the persistent credit gap, particularly for women-led enterprises, by offering timely, flexible, and accessible financing solutions that support enterprise sustainability and expansion.

5.2.3 Table Banking

The third objective of the study was to assess the effects of table banking on the growth of women-owned enterprises in Eldoret Town, Uasin Gishu County, Kenya. The findings revealed that table banking plays a pivotal role in supporting business development among women entrepreneurs in the region. With an overall mean score of 4.09 across all table banking-related indicators, the results indicate a strong level of agreement among respondents about the value of this community-based financing approach.

A notable finding was the significant improvement in access to credit facilities through table banking, which recorded the highest mean score of 4.47 (SD = 0.88). This suggests that table banking enables women to secure the financial resources they need without the bureaucratic barriers often associated with formal lending institutions. Additionally, access to credit at

reasonable interest rates was highly rated, scoring 4.41 (SD = 0.75), indicating that women benefit from affordable loan options within these groups—an important factor in sustaining small businesses.

Table banking was also reported to positively affect overall business growth, with a mean score of 4.31 (SD = 0.71), showing that this informal financing model contributes meaningfully to enterprise expansion, asset accumulation, and revenue generation. Furthermore, the social and collaborative nature of table banking provides a supportive environment for business development, as indicated by a mean score of 4.22 (SD = 0.94). This environment fosters peer learning, accountability, and emotional support among members, which are critical for business resilience and innovation.

Participation in table banking groups was also relatively high, scoring 4.06 (SD = 0.85), demonstrating the popularity and trust in these systems. Respondents noted improvements in financial discipline (M = 3.91, SD = 0.91), as table banking often involves regular saving and loan repayment practices. Similarly, the ability to meet short-term financial needs through table banking was affirmed, with a mean score of 3.91 (SD = 0.75). However, while respondents largely perceived table banking as a reliable source of credit, this item received the lowest mean score (3.84, SD = 0.75), perhaps reflecting occasional concerns about group sustainability or consistency in fund availability.

Correlation analysis revealed a moderate to strong positive relationship between table banking and the growth of women-owned enterprises ($r = 0.654$, $p < 0.01$), affirming the significance of table banking in enhancing access to finance and promoting economic empowerment. Regression analysis further supported this relationship, with a standardized regression coefficient of $\beta = 0.274$,

a t-value of 5.138, and a p-value < 0.001. This indicates that table banking is a statistically significant predictor of enterprise growth, although its effect size is slightly lower than that of mobile banking and digital loans.

5.3 Conclusions

The study sought to investigate the effect of financial innovations on the Growth of Women Owned Enterprises in Eldoret Town, Uasin Gishu County, Kenya. The following conclusions can be drawn.

5.3.1 Mobile Banking

The study concludes that mobile banking exerts the most significant influence on the growth of women-owned enterprises in Eldoret Town. Its user-friendly nature, affordability, and ability to improve business operations—particularly in terms of efficiency, financial record-keeping, and customer satisfaction—position it as a transformative financial innovation. The strong positive correlation between mobile banking and business growth ($r = 0.721$, $p < 0.001$), alongside the standardized regression coefficient ($\beta = 0.387$, $t = 5.847$, $p < 0.001$), provides empirical evidence that mobile banking enables women entrepreneurs to access critical financial services, manage cash flow more effectively, and scale their businesses. These findings underscore the pivotal role of mobile banking in promoting inclusive economic participation and enhancing the sustainability of women-led enterprises.

5.3.2 Digital Loans

The study concludes that digital loans serve as a vital source of accessible and affordable credit for women-owned enterprises in Eldoret Town. These loans offer simplified application procedures, relatively favorable interest rates, and timely disbursement of funds, all of which support business expansion and enhance financial stability. While a few concerns were raised regarding repayment terms, the statistically significant correlation ($r = 0.689$, $p < 0.001$) and standardized regression coefficient ($\beta = 0.321$, $t = 5.477$, $p < 0.001$) affirm that digital loans play a crucial role in bridging persistent financing gaps. They provide flexible and responsive financial solutions that promote enterprise sustainability, enabling women entrepreneurs to maintain operations, seize growth opportunities, and build financial resilience.

5.3.3 Table Banking

The study concludes that table banking is a critical enabler of financial inclusion and collective empowerment among women entrepreneurs in Eldoret Town. It facilitates access to affordable credit in environments where formal banking services may be limited or inaccessible, while also promoting savings culture, financial discipline, and peer support. Table banking creates a communal and trust-based ecosystem that supports enterprise development, particularly in informal sectors. Although its standardized regression coefficient ($\beta = 0.274$, $t = 5.138$, $p < 0.001$) is slightly lower compared to mobile banking and digital loans, the strong positive correlation ($r = 0.654$, $p < 0.001$) confirms that table banking has a meaningful effect on the growth of women-owned enterprises. It remains especially valuable in fostering entrepreneurial resilience and economic participation among women operating in grassroots and community-based settings.

5.4 Recommendations

Based on the conclusions drawn from the study, the following recommendations are proposed:

5.4.1 Mobile Banking

The findings of this study underscore the critical role that mobile banking plays in enhancing the growth of women-owned enterprises. In light of its high usability, cost-effectiveness, and capacity to improve operational efficiency, it is recommended that mobile service providers and financial institutions continue refining and promoting mobile banking platforms tailored to the unique needs of women entrepreneurs. This includes improving the user interface to accommodate users with limited digital literacy and ensuring seamless navigation.

5.4.2 Digital Loans

Digital loans were found to be essential in addressing credit constraints for women entrepreneurs. To enhance their accessibility and impact, fintech companies should adopt inclusive credit scoring models that consider alternative data sources such as mobile money usage and informal savings history, thereby extending access to credit for women lacking formal financial documentation. The application process should be simplified further to minimize barriers for first-time or less tech-savvy users. Additionally, the affordability and transparency of interest rates must be prioritized to prevent over-indebtedness.

5.4.3 Table Banking

The study also established that table banking significantly contributes to financial inclusion and business growth among women, especially by offering credit at low interest rates and in a socially supportive environment. To enhance its impact, county governments and non-governmental organizations (NGOs) should actively support the formalization and capacity-building of table banking groups. Formal registration can help such groups access additional support services and potentially qualify for government or donor-funded programs. Moreover, training on group

governance, record-keeping, and financial literacy should be routinely provided to ensure sustainability and reduce risks associated with informal finance models.

5.5 Suggestions for Future Research

To build on the findings of this study and address gaps in the existing literature, future research could conduct comparative studies to analyze the effect of financial innovations on women-owned enterprises in different regions or countries. This would help identify contextual factors that influence the effectiveness of these tools and provide lessons for scaling successful interventions. Additionally, future research could examine other emerging financial tools, such as buy-now-pay-later services, blockchain-based lending platforms, or agent banking, and their respective impact on women-owned enterprises. This would provide a broader understanding of the financial technology ecosystem and its gendered outcomes.

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APPENDICES

APPENDIX I: RESEARCH TOOLS

1. Letter of Introduction

Date……

To…….

Dear Sir/Madam,

RE: COLLECTION OF RESEARCH DATA

I am a Mount Kenya University master's student conducting research on the topic of *"Assessment of Financial Innovation on the Growth of Women Owned Enterprises in Eldoret, Uasin Gishu County, Kenya."* This study seeks to understand how financial innovations influence the Growth of Women Owned Enterprises in Eldoret Town. You have been chosen to be one of the respondents who will help the researchers get the information they need to conduct the study. There are no direct benefits to participants. Participation in the study is voluntary, and participants have the right to withdraw at any time without consequence. Withdrawal will not affect their relationship with the researcher. Participant responses will be anonymous and confidential, with identifying information kept secure by the researcher.

I appreciate your cooperation.

NANCY MWINGWA BURINI

MBA/2023/55717

2. Consent Form

Dear respondent,

I am currently pursuing a Master of Business Management degree at Mount Kenya University. As part of my academic requirements, I am conducting research on the “Assessment of financial innovation on the growth of women owned enterprises in Eldoret, Uasin Gishu County, Kenya." The aim of this research is to understand how financial innovation products affect the Growth of Women Owned Enterprises in Eldoret Town.

Your participation in this research is voluntary, and you have the right to withdraw from the study at any stage without facing any consequences. You are free to opt out before or during the research process without needing to provide a reason for your decision.

Please be assured that all information provided by participants will be treated with the utmost confidentiality. Your name and any identifying information will not be disclosed in any research materials or publications. Only the researcher will have access to your data, which will be stored securely to protect your privacy.

All data collected during the research process will be handled in accordance with data protection regulations and university policies. Measures will be implemented to ensure the security and integrity of the data, including encryption and restricted access to sensitive information.

While participation in this research may not offer direct benefits to individual participants, your insights and experiences will contribute to valuable knowledge that can inform the growth of women owned enterprises in Eldoret Town. There are minimal risks associated with participation, such as potential discomfort from discussing sensitive topics or concerns about privacy. However,

every effort will be made to minimize these risks and ensure a respectful and supportive research environment.

Participant:

---	---	---
Code of Participant	Signature	Date

Researcher:

Nancy Mwingwa Burini

---	---	---
Name of Researcher	Signature	Date

3. Questionaire

This questionnaire is meant to collect data regarding the title of Study "*Assessment of financial innovation on the growth of women owned enterprises in Eldoret, Uasin Gishu County, Kenya."*

Please give answers in the spaces provided and tick (√) where appropriate:

SECTION A: GENERAL INFORMATION

1. Personal Information:

a) Name:…….

b) Designation/Position:……

c) Organization/Department:……

2. Indicate your gender

Male [ ]

Female [ ]

3. Age

Below 30 years [ ] 31-40 years [ ]

41-50 years [ ] Above 50 years [ ]

4. Indicate your highest level of education

Form 4 and below	[ ]	Certificate	[ ]
Diploma	[ ]	Bachelors and above	[ ]

5. Type of enterprise…….

6. How long have you run your enterprise?

Less than 1 years	[ ]	1 year	[ ]
5 years	[ ]	Over 10 years	[ ]

SECTION B: MOBILE BANKING

7. Please tick on the provided spaces in the table below to show your level of agreement on issues pertaining to mobile banking.

Where 5 = Strongly Agree (SA), 4 = Agree (A), 3 = Undecided (UD), 2 = Disagree (D) and 1= Strongly Disagree (SD)

Statement	**1**	**2**	**3**	**4**	**5**

Mobile banking has increased the accessibility of financial services for women-owned enterprises.					
The use of mobile banking has reduced transaction costs for my business.					
Mobile banking has improved the efficiency of my business operations.					
I feel that mobile banking is secure for conducting business transactions.					
Mobile banking has facilitated better financial record-keeping for my business.					
Mobile banking has enhanced the growth and expansion of my business.					
I find mobile banking user-friendly and easy to use for my business needs.					
Mobile banking has increased customer satisfaction and loyalty for my business.					

SECTION C: DIGITAL LOANS

8. Please tick on the provided spaces in the table below to show your level of agreement on issues pertaining to digital loans.

Where 5 = Strongly Agree (SA), 4 = Agree (A), 3 = Undecided (UD), 2 = Disagree (D) and 1= Strongly Disagree (SD)

Statement	1	2	3	4	5
Digital loans are easily accessible for my business needs.					
The interest rates on digital loans are affordable for my business.					
Access to digital loans has improved my business's financial health.					
Digital loans have provided essential capital for the growth of my business.					
The repayment terms of digital loans are manageable for my business.					
Digital loans have enabled better financial planning and management for my business.					
Digital loans have helped in overcoming financial challenges faced by my business.					
The process of applying for digital loans is straightforward and convenient.					

SECTION D: TABLE BANKING

9. Please tick on the provided spaces in the table below to show your level of agreement on issues pertaining to table banking.

Where 5 = Strongly Agree (SA), 4 = Agree (A), 3 = Undecided (UD), 2 = Disagree (D) and 1= Strongly Disagree (SD)

Statement	1	2	3	4	5
I actively participate in table banking groups.					
Table banking has increased my access to credit facilities.					
Table banking has positively impacted the growth of my business.					
Table banking groups provide a supportive environment for business development.					
Participation in table banking has improved my financial discipline.					
Table banking has helped in meeting my business's financial needs effectively.					
I find table banking to be a reliable source of credit for my business.					
Table banking has enabled me to access credit at reasonable interest rates.					

SECTION E: GROWTH OF WOMEN LED ENTERPRISES

10. Please tick on the provided spaces in the table below to show your level of agreement on issues pertaining to growth of women led enterprises.

Where 5 = Strongly Agree (SA), 4 = Agree (A), 3 = Undecided (UD), 2 = Disagree (D) and 1= Strongly Disagree (SD)

Statement	1	2	3	4	5
My business has experienced increased profitability over time.					
Sales volumes of my business have grown steadily.					
My business has gained a larger market share in its industry.					
The growth of my business has resulted in higher returns on investment.					
My business has been able to expand its product/service offerings.					
I have seen an improvement in customer retention and loyalty.					
My business has become more competitive in the market.					

Thanks for your time

4. Interview Guide

Section A: Mobile Banking

1. Can you tell me about your experience with mobile banking and how it has influenced your business operations?
2. How has mobile banking increased accessibility to financial services for your business?
3. Do you feel that mobile banking provides a secure platform for conducting business transactions?

Section B: Digital Loans

4. How accessible are digital loans for your business needs?
5. Are the interest rates on digital loans affordable for your business?
6. Can you share how digital loans have provided capital for the growth of your business?

Section C: Table Banking

7. Can you describe your participation in table banking groups?
8. How has table banking increased your access to credit facilities?
9. Do you find table banking to be a reliable source of credit for your business?

Section D: Growth of Women-Owned Enterprises

10. What do you consider as the major factors contributing to the growth of your business?
11. What are some of the challenges you've faced while growing your business?

Thank the interviewee for their time and participation.

APPENDIX II: ERC CERTIFICATE

Mount Kenya University

REF: **MKU/ISERC/4693** Date: 20 January 2025

TO: **Nancy Mwingwa Burini**

REG: **MBA/2023/55717**

Dear Sir/Madam,

RE: ASSESSMENT OF FINANCIAL INNOVATIONS ON THE GROWTH OF WOMEN OWNED ENTERPRISES IN ELDORET TOWN, UASIN GISHU COUNTY, KENYA

This is to inform you that **Mount Kenya University** has reviewed and approved your above research proposal. Your application approval number is **3415.** The approval period is **20/01/2025 - 19/01/2026.**

This approval is subject to compliance with the following requirements;

i. Only approved documents including informed consents, study instruments, MTA will be used
ii. All changes including amendments, deviations and violations are submitted for review and approval by **Mount Kenya University**
iii. Death and life-threatening problems and serious adverse events or unexpected adverse events whether related or unrelated to the study must be reported to **Mount Kenya University** within 72 hours of notification
iv. Any changes, anticipated or otherwise that may increase the risks or affect the safety or welfare of study participants and others or affect the integrity of the research must be reported to **Mount Kenya University** within 72 hours
v. Clearance for export of biological specimens must be obtained from relevant institutions
vi. Submission of a request for renewal of approval at least 60 days prior to expiry of the approval period. Attach a comprehensive progress report to support the renewal
vii. Submission of an executive summary report within 90 days upon completion of the study to **Mount Kenya University**

Prior to commencing your study, you will be expected to obtain a research license from National Commission for Science, Technology and Innovation (NACOSTI) https://research-portal.nacosti.go.ke and also obtain other clearances needed.

Yours sincerely,

Dr. Alfred Owino, PhD
Chairman, Mount Kenya University ISERC

MOUNT KENYA UNIVERSITY
ETHICS REVIEW COMMITTEE
P. O. Box 342 - 01000,
THIKA

Main Campus, General Kago Road, P.O. Box 342-01000 Thika.
Tel: +254 20 287 8000, Cell: +254 709 153 000
Email: info@mku.ac.ke, Web: www.mku.ac.ke

APPENDIX III: INTRODUCTION LETTER FROM MKU

Mount Kenya University

DIRECTORATE OF GRADUATE STUDIES

MBA/2023/55717

20th January, 2025

National Commission for Science Technology & Innovation (NACOSTI)
Off Waiyaki Way, Upper Kabete,
P.O Box 30623- 00100
NAIROBI, KENYA

Dear Sir/Madam,

RE: NANCY MWINGWA BURINI – REGISTRATION NO. MBA/2023/55717

The purpose of this letter is to introduce the above named student who is pursuing **Master of Business Administration** in the department of **Accounting and Finance** in the school of **Business and Economics.**

The title of the research is **"Assessment of Financial Innovations on the Growth of Women Owned Enterprises in Eldoret Town, Uasin Gishu County, Kenya."** It has been cleared by the University's Ethics Review Committee (Certificate attached) and now has to proceed to the field to collect data between **February, 2025 and April, 2025.**

Any assistance accorded to the student will be highly appreciated.

Thank you.

Mount Kenya University
P. O. Box 342 - 01000, THIKA
Office of the Director,
Graduate Studies

Dr. Samuel M. Kareenga, PhD
Director, Graduate Studies
Enc.

Main Campus, General Kago Road, P.O. Box 342-01000 Thika.
Cell: +254 709 153 000 / +254 709 153 200

APPENDIX IV: NACOSTI RESEARCH LICENSE

REPUBLIC OF KENYA

NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

Ref No: **787192**

Date of Issue: **03/February/2025**

RESEARCH LICENSE

This is to Certify that Ms.. Nancy Mwingwa Burini of Mount Kenya University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Uasin-Gishu on the topic: ASSESSMENT OF FINANCIAL INNOVATION ON THE GROWTH OF WOMEN OWNED ENTERPRISES IN ELDORET, UASIN GISHU COUNTY, KENYA for the period ending : 03/February/2026.

License No: **NACOSTI/P/25/415714**

787192

Applicant Identification Number

Director General
NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

Verification QR Code

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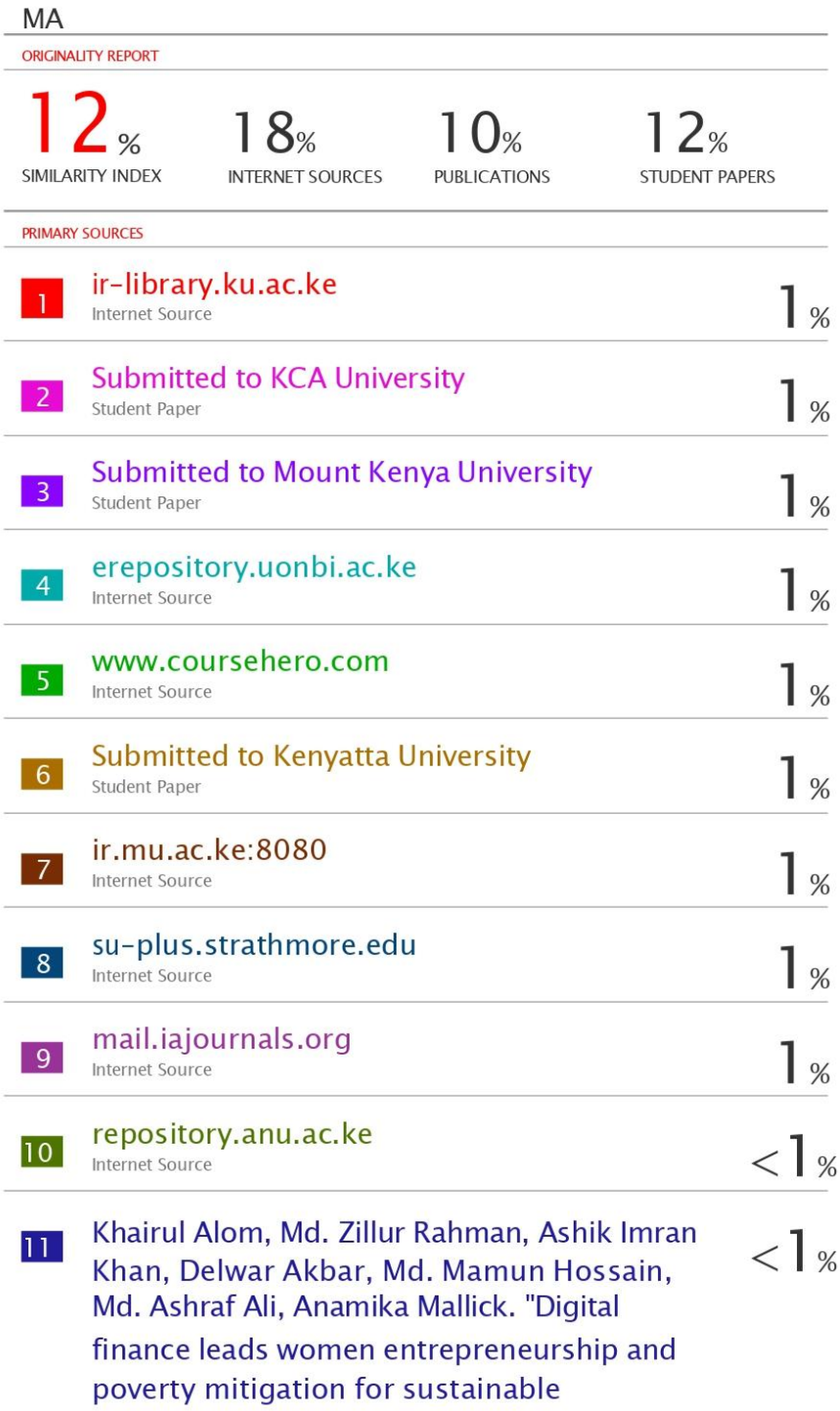
See overleaf for conditions

APPENDIX VIII: PLAGIARISM REPORT



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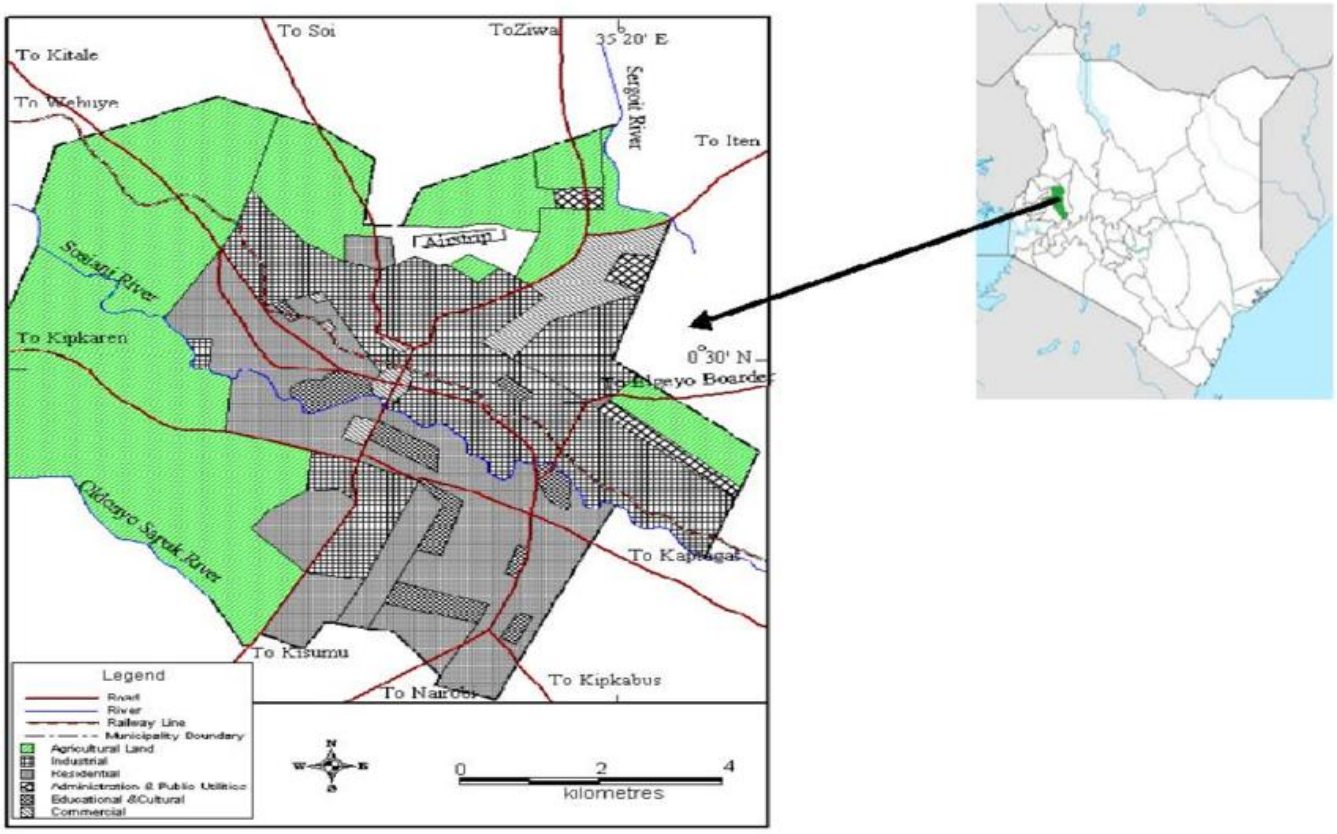
APPENDIX VIII: RESEARCH SITE MAP



Eldoret Town, Kenya