AN ANALYSIS OF THE INNOVATIVE OPERATIONS STRATEGIES AND M-PESA UTILITY

BY SMALL AND MEDIUM ENTERPRISES.

(A case study of SMEs in Nairobi Central Business District)

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ABSTRACT

The introduction of the M-pesa in Kenya has been recognized as a key strategy for economic development and poverty reduction in developing countries. Since their independence, most economies have been promoting the development of Small enterprises as a means for economic growth. More recently, due to increased unemployment rate and poverty levels, there has been a renewed focus on the promotion of Small businesses not merely as an engine for growth, but more importantly as the key to job creation and poverty reduction. M-pesa services and innovative transfer of transformed push and pull technology has greatly enhanced business development in Kenya.

In the light of the above, it is necessary to carry out a study to address the challenges surrounding Small business development with the hope of encouraging more innovations on M-pesa services by Small entrepreneurs.

This study found that there exist a positive correlation between M-pesa services and the level of their perceived low costs, ease of their operations, efficiency and the speed of transaction. Further it is evident most of Small enterprises have achieved a tremendous impact on the use and the desire to use the M-pesa services. This indicates that the Small enterprise owners who use the m-pesa services also acknowledge the existence of other m-payment services used in Kenya.

However, there exist a low degree of correlation between the perceived support from the Government and the actual use of the M-payment services in Kenya. The study revealed that M-payment in Kenya is rapidly penetrating within the country especially in the small enterprises and the micro business.

From the findings of this study, the Government, development finance organizations, Researchers and the Mobile Service Providers can promote the growth of the Small enterprises especially those which deal with M-payment by providing means of decongesting the lines, increasing the maximum daily amount of money in the m-pesa accounts, providing enough security to the services and creating awareness to the public on how to keep their accounts and their PIN codes secure.