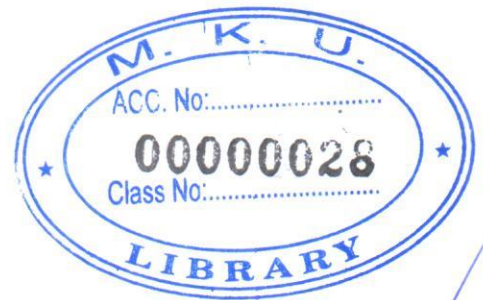


**INVESTIGATION OF EFFECTIVENESS OF MOBILE MONEY TRANSFER
SERVICE ON TRANSACTIONAL LEAD TIME OF SMALL AND MEDIUM
SCALE ENTERPRISES (SMEs) IN ELDORET**



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ABSTRACT

The pace of transformation in the micro business sector has speeded up with more micro businesses realizing the potential of using the mobile payments in their service delivery. However, there are only a handful of studies on the application of digital technology for success and growth on micro business. Therefore this study investigated effectiveness of mobile money transfer service on transactional lead time of small and medium scale enterprises (SMEs) in Eldoret town. This study was carried in Eldoret town. The study was guided by the following objectives; to investigate the effect of security of mobile money transfer on transactional lead time among small and medium sized enterprises, to investigate the effect of accessibility of mobile money transfer service on transactional lead time among small and medium sized enterprises, to investigate the effect of cost of using the mobile money transfer service on the transactional lead time among small and medium sized enterprises, to find out the effect of ease of use of the mobile money transfer technology on transactional lead time among small and medium sized enterprises in Eldoret Town. The study adopted descriptive research design and focused on SMEs in Eldoret town alone with a target population of 2265 including 135 proprietors and 2130 staff. Stratified sampling will be used to divide the Central Business District in terms of streets. Simple random sampling was then used to select SMEs from each street to obtain a sample size of 41 SMEs to be represented by 41 proprietors and 213 staff. Both qualitative and quantitative data was collected and used in the analysis. Primary data was collected through questionnaires and interview schedules that were administered to the managers and staff of the selected SMEs. Documentary analysis was used to collect secondary data and it entailed analysis of inventories, vouchers, receipts, invoices and delivery notes. Validity of instruments was done through pilot study while the data was checked by using Cronbach's alpha test. The data was deemed reliable when the Cronbach's coefficient gave value 0.7. After carrying out field work, the reliability of the study was carried out where the Cronbach alpha value was 8.2. The data was then coded in excel spread sheet and the analyzed using Statistical Package for Social Scientists (SPSS, 17). Descriptive statistics was analyzed in terms of frequencies, percentages, means and central tendencies. Inferential statistics used multiple regressions. The results were depicted inform of table, pie charts and bar graphs. The study is expected to bring light to the effectiveness of mobile money transfer on transactional lead time among SMEs. The results will be useful to the policy makers and stakeholders in the business sector and will be used to enhance efficient running of SMEs.