

**EFFECT OF MOBILE MONEY SERVICES ON PERFORMANCE OF
SMALL AND MEDIUM ENTERPRISES IN KENYA
(A Case of SME'S In EMBU Town - EMBU County)**

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ABSTRACT

The study was to assess the effect of mobile money services on the performance of small and medium enterprises in EMBU town. The need for the study rose from the realization that most small scale businesses SMEs needs for payment and transactional services are not always well served by conventional banks since they do not always find it easy or cost effective to adopt a full-feature package for banking services. Mobile Money can be used to raise efficiency and boost business growth through cheap, efficient and reliable money service support systems that reduce the need for cash transaction and the risks associated. The objectives of the study were: to investigate current awareness of various mobile money services amongst SMEs; to determine if mobile money services uptake had any impact on SMEs growth through increased sales, savings and loan accessibility; to establish if mobile money service qualities (low cost), convenience and accessibility resulted to increased SMEs performance and to establish if mobile money services are considered efficient and reliable by SMEs. The researcher adopted the entrepreneur theory of management. This study was limited by time and inability of some respondents to express themselves fluently in the language used during the administration of the questionnaires. A total of 129 business owners were be targeted. This population was sampled using random sampling technique. Data collection instruments used during the study was structured and non-structured questionnaires. Data was analyzed into tables and presented in percentages using descriptive method of data analysis. the study concludes that mobile money transfer services contributes to efficiency in services delivery, Confidentiality and Convenience and that money transfer services contributes improvement in service quality and reduced duration of service delivery. The study recommends an awareness campaign on the services offered by the mobile money services with bias towards loan applications and repayment. Further, given the latest launch of the 'M-Shwari' and 'Lipa na M-Pesa' mobile money services, the study recommends enlightening campaigns of their benefits to SMEs given that majority handle cash and do not use mobile money to pay for supplies and salaries. Of greater importance are the increasingly user-friendly support services that target SMEs.