MOBILE BANKING SERVICES AND FINANCIAL PERFORMANCE OF SELECTED YOUTH ENTERPRISES IN NAIROBI CITY COUNTY, KENYA

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JUNE, 2022

DECLARATION

This research project is my original work and has not been presented for a degree in any other university.

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Signature Date

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This research project has been submitted for examination with my approval as University Supervisor.

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DEDICATION

I affectionately dedicate this research project to my loving parents Mr. and Mrs. Nathan Aberi, for their continued support and encouragement in my academic endeavors. May God Bless you.

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ABBREVIATIONS AND ACRONYMS

ATM: Automated Teller Machine

CA: Communications Authority of Kenya

CBA: Commercial Bank of Africa

GDP: Gross Domestic Product

ICT: Information Communication Technology

INGO: International Non-Governmental Organizations

KCB: Kenya Commercial Bank

KNBS: Kenya National Bureau of Statistics

MMTS: Mobile Money Transfer Service

NGO: Non-Governmental Organizations

NPL: Non-Performing loans

OPERATIONAL DEFINITION OF TERMS

Financial Performance: Measuring the outcome of a business using such indicators as profitability, return on sales, return on investment, return on equity, and return on assets

Mobile banking funds transfer: Ability to transact between Bank account to another bank account and transfer cash from a bank account to a mobile phone wallet

Mobile banking loan services: This refers to accessing loans from mobile service providers or financial institutions through mobile phones.

Mobile banking savings services: a platform for bank customers to transfer their funds to their savings accounts and mobile phone wallet

Mobile banking statement services: the ability of bank clients to access statements regarding their savings, transactions and account balances through their mobile phones

Mobile Banking: Access to banking services and facilities offered by financial institutions such as account-based savings, payment transactions, and other products.

Youth Enterprises: Small and Medium enterprises that are run by young people of ages less than 35 years

ABSTRACT

Mobile Banking is a mobile-based technology that facilitates increased access to financial services. Int this respect, it aids in the fight against poverty by enabling productive investment and business expansion. This technology allows customers to communicate with financial institutions via a mobile phone, be it telephone or digital. It then generates information about data communications and transactions. The advantages of mobile banking include simplicity, accessibility, security, and usability. These, among other benefits, have enabled m-banking to take root in Kenya and forced commercial banks to change their traditional way of doing business in order to incorporate these transactions into their business. Using this technology, a consumer can perform a wide variety of financial transactions such as claiming a bank balance, obtaining a loan, saving money, paying for goods and services, paying for health insurance such as NHIF, paying salaries and bills such as electricity and water etc.

In Kenya, there are more than 65,000 mobile money agents. These mobile money shops, unlike commercial banks, are distributed nationwide in rural and urban areas. Research has shown that businesses that maintain the technology barrier are very high and now accept banking services from Kenyans closed by commercial banks. This study sought to find out the financial performance of selected new businesses in Nairobi City County that have adopted mobile banking services. The following objectives guided the study; check mobile banking savings services, mobile banking services, leading banking services and mobile banking transfer services with selected youth finance services for selected youth businesses in Nairobi City, Kenya.

The research focused on the Mobile Banking Business Model, Technology Acceptance Model (TAM) and Theory Intermediation Theory. The study used descriptive research formats.

Important data was collected using questionnaires, while the collection of secondary data on the financial performance of businesses over the past five years was done using datasheets. The validity of the questionnaires was determined prior to testing, flight studies and expert judgment, while Cronbach's Alpha assessed the reliability of the materials. The survey identified 56 managers of selected Youth businesses in Nairobi City who were managers or business owners. Descriptive statistics: mean, standard percentage deviations and quantities were used in the data analysis. Different details include correction for correction analysis. The research results were presented using tables, graphs, charts, percentages and frequencies to help simplify data comparisons and conclusions. This study's findings have demonstrated that mobile banking services have a positive and visible impact on the financial performance of selected youth businesses. With the widespread use of mobile services, mobile banking is expected to continue to grow. Mobile banking gives customers an easy opportunity as it allows them to perform their duties on the go. However, there is a need to remove any existing barriers and challenges that could prevent easy access to mobile banking by customers. The study, therefore, concludes that as small businesses expand their mobile banking system, customer sensitization and training on mobile banking applications reduce threats and risks to mobile banks. This enables small businesses to attract more mobile customers to their banks and thus perform better financially.

CHAPTER ONE: INTRODUCTION

1.1 Background to study

Mobile Banking is a mobile-based technology that facilitates increased access to financial services. In this respect, it contributes to poverty eradication by facilitating productive investment and improved performance of the company. (Shaikh & Karjaluoto, 2015). Mobile banking is a novel technology which allows customers to communicate with financial institutions using a mobile phone or other personal digital device that will then generate data communication information. This allows for business transactions to take place over the internet or through mobile service providers using a software (Lee, Harindranath, Oh & Kim, 2015). Wireless data services such as short messaging services on mobile devices have also been incorporated through internet use on cellular phones (Bhatt & Bhatt, 2016). Following the advent of mobile phones that use mobile networks, access to low-cost financial services through mobile banking has been made available to all people, even the most impoverished living in remote areas. Mobile phones have many features to manage banking transactions and, therefore, this can be quickly adopted.

A mobile network is a banking service that utilizes a bank account and a mobile telecommunications network as a portal to execute typical banking services including account balance checks, money transfers, and payments (Rost, Banchs, Berberana, Breitbach, Doll, Droste & Sayadi, 2016). Mobile banking is analogous to internet banking and is an example of a set of services that a financial institution could provide to its clients. The technology arises from the new SIM card systems for mobile phones, which can function as both a transaction card and a call recognition module. This innovative platform allows a mobile phone owner to withdraw or deposit money from the bank. This service is undoubtedly a new and exciting phenomenon for both developed and developing countries, and it is believed that by reaching out to previously unbanked financial services, it will transform the economies of both developed and developing countries. Mobile money has significant potential for development benefits due to its ability to boost engagement in the financial sector. Money transfer systems that utilize mobile phone services have had a significant impact on several people’s lives all around the world (Coppolino, D’Antonio, Formicola, Massei & Romano, 2015).

1.1.1 Financial Performance

Financial performance is an indicator of how successfully a company uses its resources to improve profitability and produce increased value for shareholders. Its purpose is to show the long-term success of a business sector, and it depicts the sector's overall financial health over time (Post & Byron, 2015). Financial performance is an economic activity that is used to create more revenue and raise the profitability and worthiness of a financial institution by prudent governance of liquidity, financing, equity, income, and expenditure (Qiu, Shaukat &Tharyan, 2016). It gives stockholders comprehensive information to help them make smart decisions. It also aids in determining the financial stability of competing companies. This is because risk management and profit generation are critical in banks and financial institutions for making well-planned, thorough and informed decisions.

In today's corporate world, financial companies are reshaping their financial performance in order to link their lean development strategies with their collective social obligation to current and future generations (Revelli & Viviani, 2015). Many commercial businesses and enterprises are attempting to adapt their business strategies to accommodate this. Ratio analysis is regarded as being the most appropriate gauge of a certain sector's financial performance (Luo, Dong, Luo, Xian, Wan, Guo & Wu, 2015). It demonstrates how one unit is related to another and summarizes the business transaction to indicate the firm's financial status. Customer satisfaction, income, market stability, earnings per share, and organizational effectiveness may all be used to assess financial performance.

1.1.2 Mobile Banking Services

Mobile banking offers a substantial number of alternatives in emerging economies where people have access to a mobile phone but are unengaged in financial affairs. It can enhance access to key financial services by substantially reducing distance and time to neighboring bank branches. (CGAP, 2016). It can also help to lower recurring banking and transaction expenses. Furthermore, it serves as a forum for lenders to provide financial services to new clients, hence broadening their market (Lee, Lee and Kim, 2017).

Simpson (2012) suggests that e-banking is primarily driven by the hope of reducing operating costs and increase income. When comparing established and developing market online banks, it is evident that developed markets have less expenditures and greater revenues. In comparison, Sullivan (2000) did not find systematic evidence of the benefits of banking in American banks of mud dripping. However, Furst, Lang and Nolle (2012) found that through a click-and-click business strategy, American cooperative banks have a higher ROE. Furst et al. (2012) also examined the indications for the acquisition of mobile banking and found that high-profit banks used mobile banks after 1998 but were not the first providers. Jayawardhena and Foley (2000) point out that despite the fact that mobile banks save money and increase efficiency, only a limited number of banks have embraced them. By allowing customers to transact via mobile devices, mobile banking provides a good alternative to traditional banking. The use of the internet on cell devices has introduced wireless data services such as short messaging services on mobile devices (Ovcjak, Heričko & Polancic, 2015). Many organizations have benefited from the expansion of mobile networks by offering their consumers with prompt and reliable services. Mobile banking is built on previous principles of expanding the mobile services system through telephone banking and mobile banking in order to reduce costs and access online banking networks (Alalwan, Dwivedi & Rana, 2017).

Mobile banking has modified the way financial institutions undertake business by introducing new business models to banks (Laukkanen, 2016). Customers using mobile phones can execute banking transactions efficiently 24 hours a day since they can access them at any time. Mobile banking has generated significant new prospects for financial institutions to create value-added services (Afshan & Sharif, 2016). With mobile banking, banks may now provide a diverse range of services to their customers. Mobile phones seem to be the most engaging method of communicating and establishing stickiness among their customers due to their high levels of penetration and potential for development, as well as their ability to provide services at any time and from any location. Mobile banking transaction initiatives are a banking model that aails information, payments and transactions that supplement existing banking services such as branches, telephone banking and online service (Malaquias & Hwang, 2016). The mobile banking system, which takes advantage of a rapidly expanding mobile telecommunications infrastructure, provides an incentive for the impoverished who reside outside of the conventional banking network to be integrated in the financial sector more swiftly and affordably.

1.2 Statement of the Problem

Youth unemployment is a worldwide problem, and in Kenya, more than 70% of young people are out of work, with just 25% working for themselves or operating a business. Young people are encouraged and supported to establish ventures by the government as well as other development partners. Commercial banks and microfinance organizations have also made it easier for new firms to obtain lower-cost financing and other financial services (Kamau, 2015). Sixty-five percent of Kenyan start-ups collapse within the first year, owing to, among other things, a failure to capitalize on existing possibilities, insufficient planning, insufficient networking, and faulty environmental analysis (FKE, 2019).

Technological advancements are unavoidable in the finance business. With the arrival of mobile banking, the competitive environment has shifted. This is due to the fact that mobile banks make it simpler to implement personal computer banking, ATMs, and telephone banking, which are the pillars of electronic finance. The increasing availability of the internet also affords commercial banks with a new distribution channel. Due to the convenience and ease of utilizing mobile services as well as the establishment of security operations that safeguard information, financial institutions have altered their usual activities to also include mobile transfers in their operations (Bagudu, Khan, Jan, & Roslan, 2017). A portable loan holder may, among other things, verify their balances, take out loans, obtain funds, and purchase products and services. There are numerous M-banking agents globally, in both rural and urban locations.The presence of all these mobile money platforms, broaden the reach of these services while decreasing the cost of offering them. In contrast, financial entities such as commercial banks are less extensively dispersed and are perceived to be more pricey than telecommunications companies that operate sophisticated equipment as well as provide banking services. However, when these banking institutions integrate mobile banking systems into their activities, obstacles such as the price of mobile banking services and the technical skills required become a major concern, impacting their financial performance.

The influence of M-banking on financial performance has been studied. Bonface and Ambrose (2015) studied M-banking and the financial performance of Kenyan commercial banks. They discovered that the pricing of M-banking services had a detrimental influence on the effectiveness of Kenyan commercial banks. Wainaina (2017) researched mobile-based credit management practices and the financial performance of Kenyan commercial banks. The research revealed that mobile lending strategies have an impact on banks' financial performance. In Nigeria, Bagudu et al. (2017) revealed that mobile banks operate well and seem to have a considerable impact on the financial performance of Nigerian commercial banks. However, none of the preceding research examined the influence of banking services on specific financial services on specific firms in Kenya's Nairobi metropolitan region. As a result, these findings may not be relevant in these settings, necessitating the current study.

1.3 Objectives of the Study

1.3.1 General Objective

To determine the effect of mobile banking services on the financial performance of selected youth enterprises in Nairobi City County.

1.3.2 Specific Objectives

The following specific objectives guided this study:

i. To assess the effect of mobile banking saving services on the financial performance of selected youth enterprises in Nairobi City County, Kenya
ii. To establish the effect of mobile banking loan services on the financial performance of selected youth enterprises in Nairobi City County, Kenya
iii. To determine the effect of mobile banking statement services on the financial performance of selected youth enterprises in Nairobi City County, Kenya
iv. To determine the effect of mobile banking funds transfer on the financial performance of selected youth enterprises in Nairobi City County, Kenya

1.4 Research Questions

The following research questions guided the study:

i. What was the effect of mobile banking saving services on the financial performance of selected youth enterprises in Nairobi City County, Kenya?
ii. How did mobile banking loan services affect the financial performance of selected youth enterprises in Nairobi City County, Kenya?
iii. How did mobile banking statement services affect the financial performance of selected youth enterprises in Nairobi City County, Kenya?
iv. What was the effect of mobile banking funds transfer on the financial performance of selected youth enterprises in Nairobi City County, Kenya?

1.5 Significance of the Study

The findings of this study will be useful to future researchers and academics in filling information gap, developing a structure for their literary evaluations, and steering them toward a specific ideology. The research can help academics interested in mobile banking services and the financial performance of selected emerging enterprises. The study seeks to investigate how various models and theories may be applied to mobile money banking services and performance of firms. This study will also provide a sound theoretical framework for issues concerning mobile banking services and financial performance, as well as a great launching point for future research.

The findings of this study may also be used by top management in youth enterprises to build best practices that will help them improve their financial performance. The study may also be useful to government authorities, particularly lawmakers, in creating legislation relevant to youth entrepreneurship management.

1.6 Scope of Study

The purpose of this research was to determine how mobile banking services impact the financial performance of chosen new enterprises in Nairobi City County. It examined how mobile banking services, mobile bank loan services, mobile banking statements, and mobile bank transfers influenced the financial performance of chosen new firms in Nairobi City County. The analysis unit was the management or business owners, and the targeted unit was 56 newly selected enterprises in Nairobi City County. The study concentrated on business financial performance during the previous five years.

1.7 Limitations of the Study

The study was based on mobile banking services and the financial performance of selected new businesses in Nairobi City County. However, the findings represented other businesses in Nairobi as they operate under the same context. Some respondents were reluctant to participate in the study, while others may have been reluctant to provide information for fear that the requested information would be used for malicious intents other than learning. The researcher minimized this by notifying respondents about the study's aims and also that the results were intended solely for research reasons, while maintaining a high level of secrecy.

1.8 Organization of the Study

This research is divided into five chapters. The first chapter lays the groundwork for future study on conceptual concerns and themes before identifying holes in the problem statement. It also outlines objectives in general and particular terms, research questions and relevance, research scope, research scale, and research design. The second chapter begins with a review of the literature, concentrating on doctrinal analysis, dynamic review, and a summary of the revised literature, research gap, conceptual framework, and flexibility functionality. The third chapter goes over research methodologies such as research composition, target audience, sample design, data gathering instruments, data collection processes, data processing, and behavioural monitoring. The fourth chapter includes data analysis and presentations of demographic traits, descriptive data for analyzed data, and integration analysis, while the fifth chapter includes a thorough review of the study effort, comments, and conclusions.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

The literature review is presented in this chapter. It focuses on the theoretical review, which highlights the ideas that drive the study, and the empirical literature review, which provides earlier research undertaken by other researchers that contributed in establishing the direction that the present study will follow. The chapter also includes a summary of the literature review, study holes that emphasize the importance of conducting the study, and, finally, the conceptual framework, which demonstrates how the variables in this study connect to one another.

2.2 Theoretical Review

This section examines the hypotheses that guided the research. The part delved into Mobile Banking Business Models Theory, Technology Acceptance Model (TAM), and Financial Intermediation Theory in depth.

2.2.1 Mobile Banking Business Models Theory

According to Wambari and Mwaura (2019), any mobile/ branchless banking model aims to attract low-income people and relies on a banking agent. Agent banking is an important component of the mobile banking business strategy since it connects banks with their clients. New mobile banking business models often provide new market structures for current financial sector goods (credits, savings and transactions). The banking business models hypothesis divides branchless banking into three categories: bank-focused, bank-led, and non-bank-led (Japparova and Rupeika-Apoga, 2017).

In the Bank Focused Model, physical banks leverage low-cost distribution platforms that are independent from traditional channels to provide banking services to customers. ATMs, mobile banking, and mobile phone banking are all examples of devices meant to provide bank clients with a variety of financial services (Alalwan, Dwivedi, &Rana, 2017). Financial services are rendered through third - party retailers or mobile platforms rather than physical locations in the Bank–Led Model. This model provides the chance to expand financial service inclusion by providing new distribution networks and diversified trading partners (chain shops, telecoms) with potentially exclusive markets distinct from traditional banks. The bank solely acts as the custodian of surplus funds under the Non-Bank Led Model, and all transactions are conducted by some other service providers (Ovčjak, Heričko & Polančič, 2015). In this case, users do not utilize a bank but rather mobile devices, prepaid debit cards, and intermediaries to transact. Customers cover their finances with mobile money, which is put in a virtual digital money wallet that is not linked to a bank (Revelli & Viviani, 2015). This model is dangerous since it does not emphasize customer or consumer identification information by the regulatory structure of non-bank operators.

Mobile banking business models' theory is therefore significant to the study since it aided in comprehending how financial firms supply mobile banking services to customers' mobile phones. It highlights the various aspects of mobile banking and just how they affect financial transactions.

2.2.2 Technology Acceptance Model (TAM)

This model was designed by Davis (1989). TAM considers an individual's behavioral intentions to be significant factors of how a system is utilized. Shiau and Chau (2016) ascertained that behavioral intention is determined by the perceived usefulness and perceived ease of use of a system. The perceived utility of a system is the degree to which the individual believes it will enhance his or her work performance. In contrast, perceived ease of use is the degree to which an individual felt that using a given technology would be simple. This model was based on elements that impacted the user's chance of adopting the technology as well as how he or she embraced it. According to this concept, various variables impact customers' decisions about how and when to employ newly released technology. It holds that before attempting to utilize a new technology, individuals establish intents, interests, and attitudes toward using it (Susanto &Aljoza, 2015).

According to Marangunić and Granić (2015), TAM seeks to explain the variables that influence mobile banking service uptake, which can then be extrapolated to explain user behavior across a larger spectrum of end-user computing technologies and user demographics. According to this concept, two major variables of how consumers adopt new technologies released into the market are- perceived utility and perceived ease of use on an individual basis (Hamid, Razak, Bakar& Abdullah, 2016). Perceived usefulness is a significant variable in shaping behavioral intentions, such as using sales force automation tools to increase corporate performance. In order to explain and anticipate an individual's behavior, this model examines the main factors of attitude, behavioral intention, and subjective norm. This theory is relevant to the study because it discusses how new mobile banking systems play a significant role in providing excellent service and enhancing financial performance.

2.2.3 Financial Intermediation Theory

Financial intervention is a procedure in which surviving units invest in financial institutions that have been obtained from backward units. Bisignano (1992) pointed out that financial intermediaries are divided into four main categories. First, the primary categories of credit or deposits are established by a predetermined amount that is unrelated to portfolio performance. Second, deposits are often shorter in duration than their assets. Third, a major amount of their debts can check the cancellation check when necessary, and fourth, their debts and assets cannot be transferred. The most significant contribution of mediators is the continuous flow of money from the pile to the incorrect units.

Diamond and Dybvig (1983) analyzed the provision of money that converts illegal assets into bank loans. Investors or comparable investors in their model were hazardous and unknown about their future usage. Without a middleman, all investors were forced to make a short-term investment that paid higher earnings to those who ate later.

According to Scholtens no van Wensveen (2013), a financial adviser's job is to help people create special financial assets. When the advisor determines that it offers them at prices which are supposed to cover the whole of their production expenditures, direct costs, and opportunity costs, this is done. Financial intermediaries occur as a result of market flaws. As a result, financial intermediaries would not exist in the ideal 'market' scenario since there would be no transactions or information costs. In many marketplaces, the key distinguishing feature is a disparity in knowledge levels between buyers and sellers. Data inconsistencies are highly common in financial markets. Lenders are much more aware of their creditors' cooperation, diligence, and behavior than their debtors are. Entrepreneurs, on the other hand, are well-versed in the businesses in which they seek to invest (Leland and Pyle, 1977). Behavioral risk impedes the information flow between market players, which is extremely crucial for quality-funded programs.

2.3 Empirical Review

This section examines past research on study factors that contribute in deciding the direction of the present investigation. This contributes to the validation of the models that will be used in this study to fulfill its objectives. The literature is organized by the variables of the research.

2.3.1Mobile Banking Saving Services and Financial Performance

Savings services availed by mobile money platforms aided businesses in improving their performance. Anthony (2012) conducted a study on bank savings and bank credits in Nigeria, their determinants and their effects on economic growth. According to the research, the government's efforts should have concentrated on raising per capita income by decreasing the country's unemployment rate in order to spur development through higher savings. Furthermore, competent management should have established successful banking tactics to encourage their clients to save more, as they are critical in enhancing the banks' profitability. When more consumers were permitted to increase their savings, the company's financial performance grew automatically to match the anticipated degree of performance. When the volume of savings rose, the ROE, ROA, and net profits were all at the greatest levels, implying that the odds of having a sustainable financial performance were quite strong. Most financial institutions attempted to increase their financial intermediaries, which resulted in effective use of their savings and lending services. This guaranteed that idle funds were directed toward more lucrative levels of output.

Tuyishime, Memba, and Mbera (2015) sought to find out how the mobilization of deposits affected the financial performance of Rwandan banks using a case study of equity bank Rwanda limited. According to the findings of the study, the bank's marketing approach assisted in expanding its client base, resulting in an increase in deposits over time. Positive adjustments in deposit interest rates have also been proven to influence the number of deposits acquired and, as a consequence, the bank's profitability. Innovative banking technology has contributed in the spread of savings services provided by banks and other lending institutions. This has been connected to banks' reasonable savings rates, which make them more desirable to a larger client base, resulting in a substantial profit margin, boosting their financial performance, and enabling them to contend with their competitors.

Kamau (2017) researched how mobile money saving affected the practices of money transfer for Kenyan low-income earners. The introduction of mobile money has been related to a rise in the number of low-income persons saving with traditional banks and other financial cooperatives, as well as a major shift away from saving money. Banking and savings services were created to help the general public achieve their financial goals. Many individuals had the chance to save for the future, invest in productive enterprises, and safeguard themselves against unanticipated economic crises. The economic success of any economy was governed by the accumulation of wealth, which was defined by the amount of investment and savings. Bank savings were intended to reform the banking industry and enhance its financial performance. Customers' savings were supposed to be a significant source of funding for financial organizations. Bank lending got simpler as banks and other lending organizations pushed their customers to save more. This also led them to increase their financial performance, demonstrating that saving mobilization should be at the top of the priority list for every organizational structure.

2.3.2 Mobile Banking Loan Services and Financial Performance

Wainaina (2017) researched diverse management practices of mobile-based loans and the financial performance of Kenyan commercial banks. According to the study's findings, mobile-based loan management tactics had an effect on banks' financial performance. The bulk of banks and companies aimed to make a profit by making loans. Most banks and companies regarded the loan payback time, as well as credit rating, as the most important factors of their financial performance. Mobile phones were discovered to be on the rise in terms of giving mobile lending services. The main reason for this was that more people have access to mobile phones than previously. Mobile banking loans have become a fundamental business change, generating a rivalry service in the banking sector worldwide. It has been seen to create a significant amount of profit once loans have been returned, therefore boosting the financial performance of the majority of banking institutions.

David (2018) conducted a study to find out how the process of mobile-based lending affected the non-performing loans in commercial banks in the town of Nakuru. The study's findings suggested that the loan evaluation procedure was the most crucial part of non-performing mobile-based loans. Loan services through mobile banking were anticipated to have a key influence in enhancing bank profitability. They were believed to expand the income and wealth of banks as they offered a major mobile platform that allowed members to borrow loans which offered an advantageous extra strategy for financial management without the necessity of They were thought to increase banks' income and wealth since they provided a big mobile platform that allowed members to borrow loans, providing an attractive additional approach for financial management without the need to handle currency physically. This helped to increase the efficacy and efficiency of banking services, which contributed to and improved bank financial performance. It meant that a unit banking rise in income resulted in greater profits.

Kinyanzui, Achoki and Kiriri (2018) researched how mobile credit affected the operational efficiency in Kenyan commercial banks. According to the findings of the study, mobile credit increased an organization's efficiency. Mobile loan applications were thought to provide a perfect, user-friendly experience in terms of checking and downloading complete account statements of operations and analysis, which aided in financial planning. Mobile banking loan services were modified to assist in developing methods for reducing default instances. Most consumers found mobile banking loans to be more convenient because they did not have to actually visit the bank.

In most circumstances, more loans were completed at a faster pace, enabling for more lending activities to occur in a specific period. This reduced the time and distance required to travel to the actual locations of the lending businesses. Mobile banking loans improved accessibility, convenience, and client happiness, which aided in the financial success of the banking sector and the mobile lending firms that provided loans via mobile loans.

2.3.3 Mobile Banking Statement Services and Financial Performance

Saleh and Alghusain (2018) researched the disclosure of financial statements and how they affected investor decisions in commercial banks in Jordan. The study's findings demonstrated a poor correlation between investment decisions and financial information supplied by investors to

Jordanian commercial banks. Later, it was suggested that financial reports be prepared with appropriate precautions and thoroughness so that improper investment decisions can be reversed. In recent years, there has been a surge in interest in mobile banking. It is now commonly considered as an important aspect in enhancing the different banking services and economic indicators offered by financial organizations. It also publishes yearly financial statements, which are a valuable source of banking information in a range of sectors such as economics and investing. Effective and efficient bank statements have aided in the improvement of banks' financial performance.

Elbannan and Elbannan (2015) researched the economic consequences of bank disclosure in the financial statements before and during the financial crisis in Egypt. Mobile banking statements have been crucial in validating and clarifying possibly incorrect decision-making that impacts investors' interests as well as economic and financial aims. As a result, financial management had required to design financial records to ensure that banking institutions recorded their data accurately. Mobile banking statements continued playing an important role in the formulation and publication of data that caught the eye of stock markets exchange officials, regulatory agencies, and financial experts, as the data aided them in making multiple investment decisions, allowing them to focus on establishing the groundwork for economic information regarding management efficiency. This financial data aided in discovering and emphasizing a bank's or financial company's monetary performance over time.

Blessing and Onoja (2015) conducted a study of the role played by financial statements in making investment decisions using the United for Africa PLC bank case (2014-213). According to the survey, investors base their financial investment selections on the reliability of auditors.

Mobile banking reports have emphasized financial performance, profitability, and changes in financial performance from one accounting cycle to another, suggesting the efficacy of financial management. Financial statements in the banking business are incredibly beneficial to the general public because they enable for direct and indirect connection with clients. As a result of rising public interest, many financial institutions have assumed social and economic, financial, and legal responsibilities, resulting in an increasing need to convey financial information and respond to the impacts of individual and organizational interests. As a result, the necessary facts about their clients were readily part of financial statements, and the economic performance of banking institutions increased as a result.

2.3.4 Mobile Banking Funds Transfer and Financial Performance

Kenneth, Samson and Kibas, Chepkilot and Koima (2016) researched how the fund transfer affects the financial performance and market share of commercial banks listed on the Nairobi Securities Exchange, Kenya. According to the analysis, the transfer of the mobile banking funds had a good influence on Kenyan banks' financial performance and economic shares. Banks also provide the majority of mobile banking services, such as fund transfers between E-Accounts/transfers, debt repayments, purchase accounting, and bank statements. Furthermore, the availability of mobile banking services has resulted in a considerable increase in banks' financial performance. This is due to several improvements in the delivery of financial services.

Sakanko and David (2019) researched how Electronic Payment Systems affect the financial performance of Niger State microfinance banks. The survey findings demonstrated the prevalence of e-payment systems in banks, which have a phenomenal degree of acceptance due to their simplicity of use and convenience. Mobile banking services have played and continues to play role in enhancing transfer of funds around the globe. This is due to the fact that the majority of people now have access to mobile phones, and this number is growing on a regular basis. As a result, competent managers must play a critical role in ensuring that technological improvements in the banking sector are aimed at moving from mobile physical branches to technology-based banking services. This will make sending or receiving money via mobile banking easier, faster, and more efficient, and financial results will improve significantly as a result. Furthermore, many banks across the world consider cash transfers to enhance their financial performance since it is regarded to help cut operating expenditures, and mobile phone transactions are thought to be popular owing to their low cost.

Adaramola and Kolapo (2019) have explored the technology of banking and mobile banking technology as a market strategy towards increasing the performance of Nigerian banks. According to the research, the market problem of increasing successful competition in the banking industry needs market-based marketing campaigns for Nigerian banks to enhance their productivity. Mobile banking transfers are simply the delivery of mobile money services. Many banks throughout the world are accepting additional technology improvements in order to remain competitive by delivering superior services and distribution networks for financial transfers. Mobile phones are often used to provide speedier electronic services, and money transfers are seen as a quick payment service. Transfer capabilities have tremendously assisted banking and stock markets, as well as account administration and access to tailored information from a particular bank, all of which have led to enhanced financial performance.

2.4 Summary of Literature Reviewed and Research Gap

Table 2. 1Summary of Literature Reviewed and Knowledge Gap

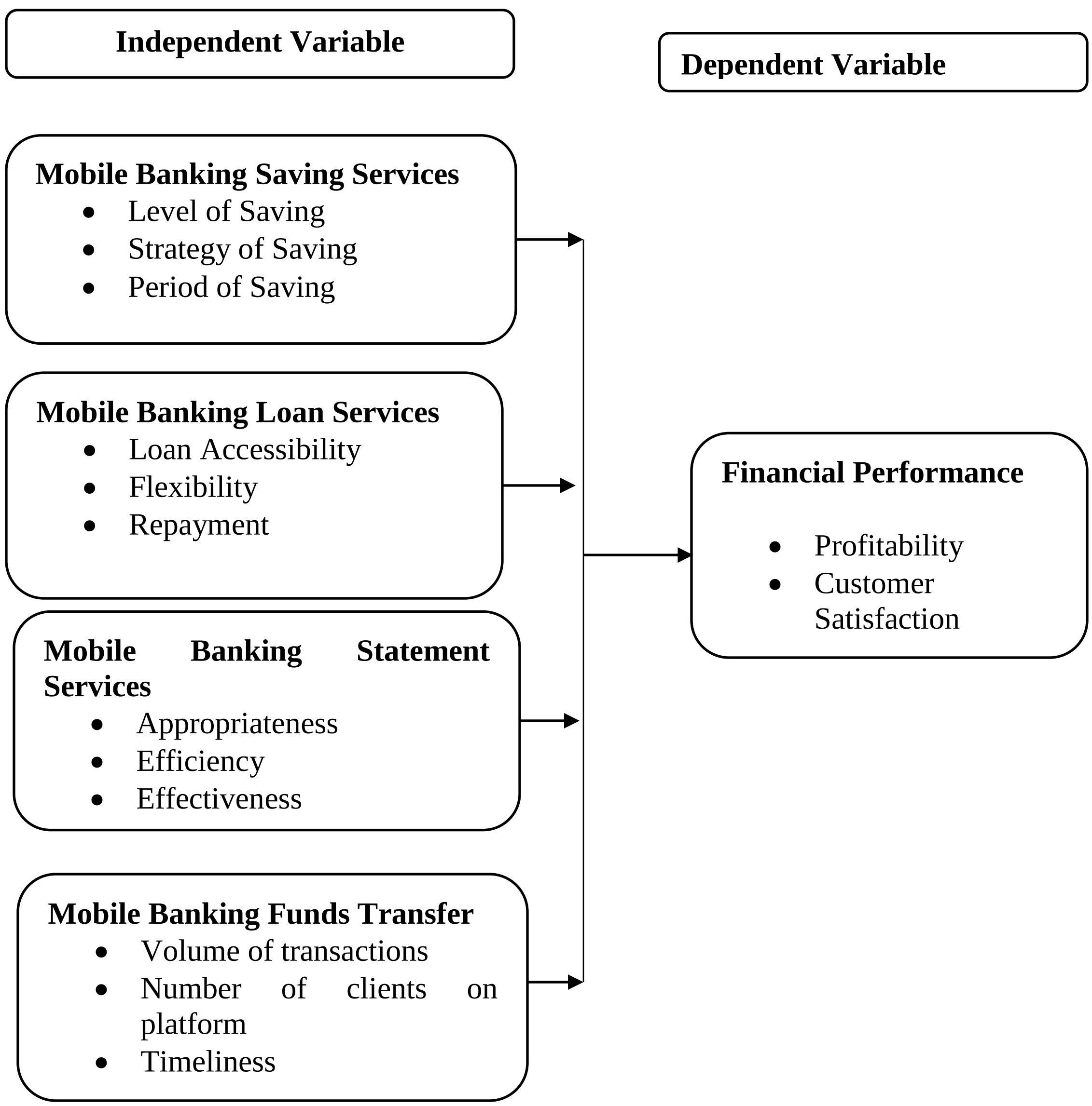
Author	**Title of the study**	**Findings**	**Research gap**
Tuyishime, Memba and Mbera (2015)	How mobilization of deposits affects the financial performance of Rwandan banks using a case study of equity bank Rwanda limited.	The marketing technique used aided the bank in acquiring new customers, resulting in a rise in deposits over time.	The study used a different conceptual background
Kenneth, Samson and Kibas, Chepkilot and Koima (2016)	How fund transfer influences the financial performance and market share of commercial banks listed at the Nairobi Securities Exchange, Kenya.	Mobile banking fund transfers boosted Kenyan banks' financial performance and market share.	The study used a different contextual background
Wainaina (2017)	Management practices of mobile-based loans and financial performance	Banks' financial performance is influenced by the management practices	The study used a different contextual background

	of Kenyan commercial banks.	of mobile-based loans.	
Kinyanzui, Achoki and Kiriri (2018)	How mobile credit affects the operational efficiency in Kenyan commercial banks.	Mobile credit increased an organization's efficiency.	The study used a different contextual background
Saleh and Alghusain (2018)	Financial statements' disclosure and how they affect the decision-making of investors in the commercial banks of Jordan.	There was a weak correlation between investment choices and financial information offered to Jordanian investors by financial institutions.	The study used a different conceptual background
Sakanko and David (2019)	How Electronic Payment Systems affect the financial performance of microfinance banks in Niger State.	Banks have e-payment systems, which are widely used owing to their simplicity of use and convenience.	The study used a different conceptual background

Source: Literature Reviewed and Author (2021)

2.5 Conceptual Framework

A conceptual framework is a model that visually or diagrammatically depicts how the elements of a research relate to one another. It gives an understanding of the factors that will be covered in the study. The financial performance of chosen youth entrepreneurs in Nairobi City County served as the predictor variables. Mobile banking services, mobile payment loan services, mobile payment statement services, and mobile money transfer funds transfer were among the independent factors investigated in terms of how they impact the financial results of chosen youth entrepreneurs in Nairobi City County.



CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter discusses research technique. This section covers the research design, target population, sample design, data gathering instruments, data collection techniques, and data analysis.

3.2 Research Design

This study employed a mixed research design. It denotes that the design of the study was of natural relevance and scale. Creswel (2014) noted that different details are provided for both types of data. Instead of looking at each variable independently, data integration, also known as blending, gives a deeper understanding of the situation. Osoo (2016) pointed out that mixed research is an efficient technique to connect with individuals and examine a sample to investigate the discovery of desirable occurrences. The study's mixed design will explain the event in full as it is, as it was, or as it will be. The study's hybrid design allowed the researcher to obtain data fast, which typically simplifies the capacity to comprehend the population from the sample. In the social sciences, a mixed-study design is frequently utilized in the computation and quantitative techniques used to describe and analyze human behavior (Singleton and Straits, 2019).

3.3 Target Population

A population is a group of items, individuals, or people who share similar physical objects. Le Ray et al. (2015) states that population growth is instrumental in achieving research findings. As a result, the number of persons taken into account is a group or set of individuals or issues whose qualities will be examined. The study carefully selected up to 56 recognized legal entities (NCC, 2019). This is due to their extensive usage of mobile banking services in their operations. The research focuses on 56 managers from Nairobi City County's selected youth firms.

3.4 Sample Size and Sampling Design

Due to the small population size, the study included all 56 managers of the selected youth companies in Nairobi City County. Censuses are used when the population is small or when studying the complete population is more convenient (Charman, Petersen, Piper, Liedeman& Legg, 2017).

3.5 Data Collection Instruments

Data collecting tools are really data collection equipment. The study employed a slightly more organized questionnaire to collect key data. Questionnaires are used to collect generic responses and to facilitate data processing. Kantermann, Sung and Burgess (2015) pointed out that a questionnaire is a technique for gathering and documenting information from primary sources. A datasheet was used to obtain secondary data on corporate financial performance during the last five years.

3.6 Pre-Testing of the Instrument

Both the validity and reliability of the selected research instruments were tested

3.6.1 Pilot Study

A pilot study was conducted to identify problems in the device's architecture and application, as well as to provide representative sample selection data (Aerts et al., 2016). The researcher chose ten CEOs from youth-run businesses in Nairobi City County's Kasarani Sub-County who were not included in main study. The pilot study enabled the research instrument to be evaluated ahead of time. To increase the metal's performance and dependability, the clarity of respondent research instruments was established. Driver research also helped the researcher better understand the research and its management method, as well as suggest opportunities for improvement. The findings aided the researcher in resolving errors in the text, guaranteeing that they rated what they sought to achieve.

3.6.2 Validity of the Research Instrument

The practice works with the accuracy and significance of assumptions based on the results of studies (Hammer, 2011). This study examined the authenticity of the content. The legitimacy of Sekaran's content (2011) refers to the degree to which the content of the test is similar to the content domain linked to the formulation. The researcher conducted a thorough analysis of the topic area to verify that content eligibility elements are chosen in accordance with the test specifications. Bailey (1994) has shown that sample requirements and object selection can be reviewed by specialists. To that goal, the investigator spoke with management and other university teachers.

3.6.3 Reliability of the Research Instruments

It is the threshold at which the test rate remains constant in repeated tests of the same subject under the same conditions (Churchill & Iacobucci, 2010). That is, at present or at all values, the stability or consistency of the results (Arghode, 2012). In this study, internal consistency testing was used to examine the research tool's dependability. Cronbach's alpha coefficient () was used to determine internal consistency. The coefficient denotes the positive correlation between the elements in the collection (Benjamin and Orodho, 2014). Alpha differs from zero, not showing internal consistency to the other, indicating complete internal consistency. A reliability rating of 0.6 and higher is acceptable as a general rule. Field (2019) obtained an acceptable coefficient of 0.6 α <0.7. A rating of 0.7 α <0.9 is good at the same time. A cut point of 0.7 and above will be considered the appropriate level of reliability in this study.

3.7 Data Collection Procedures

Data collecting procedures are the processes that the researcher takes to administer the research equipment and gather the study data (Langleyet al, (2016). The researcher obtained a research permit from National Commission for Science, Technology and Innovation (NACOSTI) before conducting fieldwork. An introduction letter stating the purpose of collecting data was also obtained from Kenyatta University by the researcher. Questionnaires were self-administered, and the researcher obtained authorization from Nairobi City County's youth enterprises to fill them out. The data collection procedure took two weeks, and the researcher and her assistants read over the questionnaires for editing reasons to guarantee that the acquired data was legitimate for addressing the study questions.

3.8 Data Analysis and Presentation

According to Baak et al. (2015) cleaning, manipulating, and modeling data to identify relevant information and derive meaningful conclusions is what data analysis entails. The collected data was compiled, sorted, edited and coded and entered in the Statistical Package for Social Sciences (SPSS) Version 23.0) computer program for further analysis. The acquired data was subjected to descriptive and inferential statistics. The descriptive analysis was performed in such a way that the study made use of means, frequencies, and percentages.

To assess the link between the research variables, regression analysis was performed. The regression model investigated the association between the independent variables (mobile banking services, mobile banking loan services, mobile banking statement services, and mobile banking funds transfer) and the dependent variable (financial performance).

The Regression model followed this format:

$$\mathbf{Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon}$$

Whereby:

Y = Financial Performance

X_1 = Mobile Banking Services

X_2 = Mobile Banking Loan Services

X_3 = Mobile Banking Statement Services

X_4 = Mobile Banking Funds Transfer

ε = Error term/Erroneous variables

β_0 = the minimum change in Y when the rest of the variables are held at a constant zero

β = measure of the rate of change, i.e. β_1 measures the rate of change in Y as a result of a unit change in X_1.

The study's findings were displayed in table, graphs, charts, percentages, and frequencies to aid in statistical correlation and inferences.

3.9 Ethical Consideration

Ethics are the principles that distinguish between what is good and wrong that must be followed in research. Before administering the research instruments, the researcher obtained informed consent from the participants through the use of an introductory letter as well as data collection from the University that clearly demonstrated the need for the studies and also that the information would be treated with strict confidentiality. Prior to data collection, respondents' consent was obtained. The researcher additionally made certain that all of the content was properly cited in APA format. Furthermore, all ethical requirements and concerns for the research were followed.

CHAPTER FOUR: DATA ANALYSIS AND PRESENTATION

4.0 Introduction

The purpose of this chapter is to offer an analysis and retrieval of data gathered from respondents' perspectives in order to establish the bank's influence on the financial performance of chosen new enterprises in Nairobi City County, Kenya. First, the chapter exposes the respondents' personalities. As a result, it is concerned with the impact of mobile banking services on the financial performance of selected new businesses, the impact of mobile banking loans on the financial performance of selected new businesses, the impact of mobile banking statements on the financial performance of selected enterprises, and the impact of mobile banking funds transfers on the performance of selected enterprises in Nairobi City, County Kenya.

4.1 Response Rate

As described in Chapter 3, a set of questions was distributed to the prospective respondent's bank manager for two weeks. After ten days, the overall number of answers received was 56, amounting to a response rate of 100%. A response rate of 100 percent is likely to yield a more accurate result. As a result, it is deemed adequate to decide the suitability of further investigation and discovery following that.

4.2 Demographic characteristics

This section contains the respondent's location profile. Demographic information includes things like gender, educational status, and job experience. Personality qualities of respondents aid the researcher in determining a respondent's competence in answering the research questions in practice. In the current study, human exposure is determined as a combined percentage of total wavelengths.

Table 4.1 Demographic characteristics

Demographic	Frequency	Percentage
Gender		
Male	37	66.1
Female	19	33.9
Level of Education		
Certificate	1	1.8
Diploma	5	8.9
Undergraduate	30	53.6
Postgraduate	20	35.7
Working Experience		
Less than 1 year	5	8.9
1-5 years	16	28.6
6-10 years	25	44.6
Over 10 years	10	17.9
Total		**100**

Table 4.1 above, of the 56 respondents, 66.1% were male, and 33.9% were female. Gender inequality is due to the low numbers of employed women. According to the findings, 1.8 % held a certificate, 8.9 % held a diploma, 53.6 % were graduates, and 35% were postgraduates. This suggests that the majority of responses were classified as qualified, with credentials coming in second. Access to higher education so implies that respondents had accumulated sufficient information to answer a series of questions. In terms of work experience, 8.9 % have been in business for less than a year, 28.6 % have been in company for one to five years, 44.6 % have been in business for six to ten years, and 17.9 % have been in business for more than a year. Respondents with more than five years of experience had a thorough understanding of the youth business and were more knowledgeable about mobile banking services and financial performance.

4.3 Descriptive statistics

The purpose of the research was to examine the impact of mobile banking services on the financial performance of selected youth companies in Nairobi City County.

4.3.1 Mobile Banking Services

This section offers the findings from a study of the impact of mobile banking savings services on the financial performance of a sample of Nairobi City County's youth companies.

Table 4.2 Mobile Banking Services

Mobile banking savings services	**Not at all**		**Little extent**		**Moderate extent**		**Large extent**		**Very large extent**	
	F	**%**	**f**	**%**	**f**	**%**	**F**	**%**	**f**	**%**
We can save any amount to the bank through the mobile phone	3	5.4	7	12.5	8	14.3	14	25.0	14	42.9
Our bank has a mobile saving wallet application to enable manage our savings	2	3.6	8	10.7	6	14.3	25	44.6	15	26.8
We can access our savings and manage them through the mobile platform	2	3.6	4	7.1	15	26.8	20	35.7	15	26.8
The mobile platform has enhanced our savings strategy	5	8.9	5	8.9	15	26.8	20	35.7	11	19.6
Our saving culture has	2	3.6	6	10.7	15	26.8	18	32.1	15	26.8

improved with mobile banking										

From Table 4.2 above, most respondents (42.9%) agreed that they could significantly save any amount by telephone. The majority of respondents (44.6%) strongly agreed that their bank had a savings request to assist them manage their money. The majority of respondents (35.7 %) answered that they could view and manage their funds to a considerable extent using a mobile phone. Furthermore, 35.7 % felt that a significant percentage of the mobile platform has enhanced their savings approach. The majority (32.1 %) stated that mobile banking had enhanced the savings culture.

4.3.2 Mobile banking loan services

This section entails the effect of mobile banking loan services on the financial performance of selected enterprises.

Table 4.3. Mobile banking loan services

Mobile banking loan services	**Not at all**		**Little extent**		**Moderate extent**		**Large extent**		**Very large extent**	
	F	**%**	**F**	**%**	**f**	**%**	**f**	**%**	**F**	**%**
We can access loans through mobile banking easily	1	1.8	5	8.9	14	25.0	17	30.4	19	33.9
Mobile banking loan services are flexible and can be accessed from anywhere	5	8.9	6	10.7	11	19.6	12	21.4	22	39.3

The repayment terms for mobile banking loans are friendly and can be repaid from anywhere and any time	4	7.1	6	10.7	14	25.0	17	30.4	15	26.8
Mobile network loans have helped us during financial emergencies	6	10.7	6	10.7	10	25	20	53.6	14	26
We can access any amount through the mobile banking loans	9	16.1	6	10.7	14	25	5	8.9	22	39.3

From the table above 4.3, the majority (33.9%) of respondents indicated that at a much higher rate, they could get loans with improved banking. 39.3% also indicated that to a large extent, mobile banking services are flexible and accessible anywhere. 30.4% of respondents indicated that to a large extent, the mobile loan repayment terms are friendly and can be repaid from anywhere at any time. Of the respondents, 39.3% of the top responders, the mobile network loan has helped us during the financial crisis.

4.3.3 Mobile banking funds transfer

This entails data on the effect of mobile banking funds transfer on the financial performance of selected youth enterprises.

Table 4.4 Mobile banking funds transfer

Mobile banking funds transfer	Not at all		Little extent		Moderate extent		Large extent		Very large extent	
	f	**%**	**F**	**%**	**F**	**%**	**f**	**%**	**f**	**%**
We do most of our transactions via mobile phones	1	1.8	1	1.8	11	19.6	19	33.9	24	42.9
We pay our employees using mobile money transfer	1	1.8	5	8.9	13	23.2	12	21.4	25	44.6
Mobile money transfer is very convenient	2	3.6	6	10.7	13	23.2	14	25.0	21	62.5
Our customers and clients pay for the goods and service through mobile banking	1	1.8	3	5.4	13	23.2	13	23.2	26	46.4
Mobile banking has helped us reduce the risk of handling cash	4	7.1	6	10.7	13	23.2	9	16.1	24	42.9
Mobile banking platform reduces funds transfer timelines	1	1.8	3	5.4	15	26.8	16	26.6	21	37.5

From the table above 4.3, the majority (33.9%) of respondents indicated that at a much higher rate, they could get loans with improved banking. 39.3% also indicated that to a large extent, mobile banking services are flexible and accessible anywhere. 30.4% of respondents indicated that to a large extent, the mobile loan repayment terms are friendly and can be repaid from anywhere at any time. Of the respondents, 39.3% of the top responders, the mobile network loan has helped us during the financial crisis.

4.3.4 Financial performance

	N	Minimum	Maximum	Mean	Std. Deviation
Net profit	56	2015	2019	2.0162	1.18198
Customer base	56	2015	2019	2.0174	1.35991

According to table 4, there was a net gain of Number 2.0162 and std from 2015 and 2019. A difference of 1.18198 indicates a large rise in overall earnings. Furthermore, the consumer base had Std. The deviation of 1.3599 suggests that the client base increased from 2015 and 2019.

4.4 Correlation Analysis

The study investigated the direction and dynamics of the association between mobile banking access and financial success in Nairobi County, Kenya, for chosen new firms. Pearson integration was brought on board.

4.4.1 Correlation between mobile banking saving services and financial performance

Correlation	Frequency	Mobile banking saving services
	Pearson correlation	0.677^{**}
	Sig. (2-tailed)	0.000
Financial performance		56

The study of a combination of two is done by various independent and dependent terms in examining the strength and direction of links. The integration coefficient was utilized to assess the strength and direction of this two-variable direct connection. The equal range is between -1 and +1, and the relationship between the two is strong and consistent when they are near to one another.

Table 4.6 shows that there was a correlation between the independent variables. At the significance threshold of 0.05, the combination was substantially higher (r = 0.531 **, p 0.05).

As a consequence, these findings suggest that there is a beneficial association between mobile bank services and the financial success of the newly selected enterprises.

4.4.2 Correlation between Mobile banking loan services and financial performance

Table 4.7 Correlation between Mobile banking loan services and financial performance

Correlation	**Frequency**	**Mobile banking loan services**
	Pearson correlation	0.637**
	Sig. (2-tailed)	0.01
Financial performance		56

The assessment of a combination of two is done by various independent and dependent terms to test the strength and direction of links. The integration coefficient was utilized to assess the strength and direction of this two-variable direct connection. The equal range is between -1 and +1, and the relationship between the two is strong and consistent when they are near to one another.

Table 4.7 shows that there was a correlation between the independent variables. At a value level of 0.01 (r = 0.531 **, p 0.05), the combination was substantially higher. As a result, our findings suggest that there is a link between mobile bank lending services and the financial performance of chosen new enterprises.

4.4.3 Correlation between mobile banking statement services and financial performance

Table 4.8 Correlation between mobile banking statement services and financial performance

Correlation	Frequency	mobile banking statement services
	Pearson correlation	0.701^{**}
	Sig. (2-tailed)	0.020
Financial performance		56

The study of the combination of pairs is done in a range of independent and dependent terms to examine the strength and direction of links. The coupling coefficient was used to calculate the force and direction of the two variables' direct link. The equal range is between -1 and +1, and if it is near to one, the association between the two is strong and consistent.

Table 4.8 shows that there was a moderate interaction between independent factors. At the significance threshold of 0.02 (r = 0.531 **, p 0.05), adjustments were substantially greater. As a result of these findings, there is a link between mobile banking statement services and financial performance.

4.4.4 Correlation between mobile banking funds transfer and financial performance

Table 4.9 Correlation between mobile banking funds transfer and financial performance

Correlation		**Mobile banking funds transfer**
	Pearson correlation	0.601^{**}
	Sig. (2-tailed)	0.04
Financial performance		56

The analysis of a combination of two is done by various independent and dependent terms to test the strength and direction of links. The integration coefficient was calculated to determine the strength and direction of the direct association between these two variables. The equal range is between -1 and +1, and the relationship between the two is strong and consistent when they are near to one another.

Table 4.9 shows that there was a correlation between the independent variables. At the significance threshold of 0.05, the combination was substantially higher (r = 0.531 **, p 0.05). As a result, these findings suggest that there is a link between mobile bank transfers and financial performance.

CHAPTER FIVE: SUMMARY, DISCUSSION AND CONCLUSION

5.0 Introduction

The discussion chapter focuses on the summary, conclusion, and discussion of the results in relation to past empirical investigations. It contains a discussion of the research results, ideas for enhancement, and policymakers' and academics' recommendations.

5.1 Summary

The broad objective of this study was to obtain the result of the best banking performance of selected new businesses in Nairobi City County, Kenya. The following research objectives guided the study: To determine the impact of mobile banking services on the financial performance of selected small businesses in Nairobi City County, Kenya; to establish the impact of mobile banking services on the financial performance of selected new businesses in Nairobi City County, Kenya; to determine the impact of mobile banking statement services on the financial performance of selected new businesses in Nairobi City County, Kenya; to determine the impact of mobile bank transfers on the financial performance of selected businesses in Nairobi City, Kenya.

The study employed two research designs: mixed and descriptive. This study's target group includes 56 recently appointed business executives. In the study, both primary and secondary data were employed, and vital information was gathered through the use of randomly selected questions. SPSS Version 23 was used to analyze the data. The data was then described using wavelengths, percentages, averages, and standard deviations. Retrospective analysis and Pearson Correlations were used to portray the unfounded data.

In terms of the study's main objective, the study found a substantial positive link between the availability of mobile banking and the financial performance of commercial banks (r = 0.677, p 0.05). Furthermore, regression analysis indicated a significant association between these two variables (Sig. (2-tailed) 0.01, p 0.05). According to the ANOVA coefficients, the increase in units in mobile banking services resulted in an increase of 0.629 units in the operations of the newly selected enterprises. As a result, it may be claimed that mobile banking services, mobile banking help, financial transaction limits, particularly in distant locations, and the general purpose of mobile banking services were important to the success of mobile banking.

The study also intended to ascertain the impact of mobile banking services on the financial performance of a sample of firms. The results indicated a decent mix of flaws. Pearson's combination had a mean value of 0.636, with a significant p 0.05 value of the findings at a value level of 5%. Sig. (2-tailed) 0.01 suggests that the growth in mobile banking services related to a 10.6 percent decline in the financial performance of chosen new firms.

The study also tried to ascertain the influence of mobile banking services on the financial performance of chosen new enterprises. The findings revealed a beneficial relationship between mobile banking services and the financial success of selected new enterprises. Pearson's correlation coefficient was 0.701, and the mean value p 0.05 denotes the significance of the data at a 5% confidence level. Sig. (2-tailed) 0.02 suggests that the unit increased the danger of bank overdrafts, contributing to a 10.6 percent decline in the financial performance of chosen youth companies..

Finally, the study sought to ascertain the impact of mobile bank transfer on the financial performance of chosen new enterprises. The results indicated that a favorable mixture was found. Pearson's peak value was 0.601, and the p 0.05 value indication reflects the significance of the findings at a value level of 5%. The presence of Sig. (2-tailed) 0.04 shows that the growth in mobile banking units related to a 10.6 percent decline in the financial performance of chosen new firms.

5.2 Discussion

5.2.1 The effect of mobile banking saving services on the financial performance of selected youth enterprises

The major goal of this research was to examine the influence of mobile banking services on the financial performance of a sample of new enterprises. Strong and significant associations were discovered. These results are consistent with the results of previous studies (Kithaka, 2014) who found that since the advent of M-banking five years ago, the number of people using mobile banking has grown substantially. According to the findings of this study, banks should make more use of mobile banking services in order to increase their client base and, as a result, enhance their financial performance.

These findings support previous research by Hernando and Nieto (2007) on the effect of mobile banking and the financial performance of Spanish commercial banks. They demonstrated that mobile banking has a better possibility of attracting more clients, and its primary goal is to improve customer engagement. The study continues concur with Khan, Bagudu, and Abdul-Hakim (2017) who concluded that mobile banking operations are efficient and have a substantial influence on the financial performance of Nigerian commercial banks. The study also agrees with findings by Hadadad and Asfour (2014) that it has a significant impact on the size of mobile banking service in E customer satisfaction. Customers benefit from the introduction of mobile banking services in that it is becoming progressively simpler to conduct bank transactions at any time and from any location, with exceptional simplicity of use.

5.2.2 The effect of mobile banking loan services on financial performance

The findings demonstrate a clear and significant link between mobile banking services and the financial performance of selected new firms. The study agrees with Nzayisenga (2017) who states that mobile lending has a positive impact on the financial performance of commercial banks. This finding is also consistent with findings by Yousof (2018) who argues that mobile banking has a direct and significant impact on the performance of commercial banks. In addition, the study supports Waiganjo (2018) who found that the monthly number of mobile banks and the number of mobile banking customers have a significant impact on bank financial performance.

A study by Kajewski (2014) found that commercial banks' profitability has improved as a result of mobile banking. With mobile loans, the provider's costs are also decreased. Banks do not need to hire people to analyze loan applications and gather information or collateral in order to make a debt decision. Rather, all credit-checking methods are enabled by default. Mobile financing has benefited both borrowers and lenders.

5.2.3 Effect of mobile banking statement services on financial performance

The impact of mobile banking services on financial performance has been found to be negative and considerable. Malicious cyber risks such as data theft, denial of service assaults, virus attacks, and cell phone apps have slowed mobile banking service uptake. Similarly, Cruz, Neto, and Laukkanen (2010) studied the barriers to mobile banking adoption among internet users in Brazil and found that mobile banking was very uncommon among bank customers. Risks, costs, challenges, and misconceptions about the advantages of these services were highlighted as key hurdles to using mobile banking services.

The study findings align with those of Olongo (2013) which shows that fraudulent losses have a major impact on the robust banking performance of Return on Assets (ROA), with negative relationships. The study also supports Kamanthe, Kiragu, and Musumba's earlier views (2018) that commercial banks should address security concerns by raising penalties for internet banking fraud. Using Nigeria as a study, Adesina and Ayo (2010) argue that in underdeveloped nations, the benefits of Internet banking are obvious. However, concerns such as a lack of trust in online banking security processes have contributed to substantial skepticism and poor adoption of online banking. This point is emphasized by Eastlick and Lotz (2011) who reported that trust is essential for the growth of the electronics industry. Furthermore, internet access in rural regions is still in its early stages, which may hinder investment in mobile banking in these areas. (Gikandi & Bloor, 2010).

5.2.4 The effect of mobile banking funds transfers on financial performance

The study's findings demonstrated a favorable and statistically significant relationship between mobile bank transfer and the financial success of chosen new firms. This supports findings by Wasonga (2019) who pointed out that most of these cases were committed by organized groups. According to police records, such fraud causes large financial losses to banks and other financial institutions, with a loss of Ksh 17 billion in 2016 compared to Ksh 14 billion in 2015. The National Bank of Kenya (NBK) acknowledged to losing Sh29 million in fraudulent assaults in early 2018. Wainainah (2019) adds that in 2018 in Kenya, 29.7 percent of mobile device users were infected with malware such as adware, Risk Tool, and Trojan-Dropper. The majority of portable malware is downloaded to mobile devices via dubious apps in the App Store that are placed on dangerous programs. When users install the program, it takes control of the device.

However, this study is not consistent with Karanja (2017), who confirms that commercial banks were trying to address the risks associated with malware attacks. For him, burglary was a common challenge in many commercial banks during the study. According to international data, Android bank malware has appeared in recent years, with the greatest values in 2016. There were 786,325 users that were impacted. 2017 has been a pretty consistent year, with 515,816 consumers being infected with mobile malware. Someone, however, altered the rules. The number of attacked users surged dramatically in April 2018, hitting 1,799,891 - a three-times high!!! According to the report, the number of leaders arrested in 2017 was Asacub, Faketoken, and Hqwa.

5.3 Conclusion

According to the findings, mobile banking services have a favorable and visible influence on the financial performance of chosen young firms. Mobile banking is predicted to rise in the future due to the growing usage of mobile services. Customers benefit from mobile banking since it allows them to accomplish their obligations while on the go. Any present limitations and roadblocks that prevent clients from promptly using mobile banking must be eliminated. The study suggests that small companies should extend their mobile banking, boost consumer awareness, train consumers in mobile banking apps, and eliminate dangers and hazards to mobile banking in order to attract more mobile clients and thereby improve financial performance.

According to the findings, portable loan services, such as practical loan programs, have a strong relationship with the financial success of selected young firms. As a consequence, more consumers are adopting digital loans for small businesses, allowing enterprises to increase digital lending as a competitive strategy in their bank loan portfolios.

5.4 Recommendations

1. According to the report, young entrepreneurs should engage in customer knowledge of developing goods and services customized to mobile banking. Youth firms should invest enough in research that will promote product innovation on existing mobile service platforms.
2. The research suggests that the government and other young entrepreneurs achieve an agreement on the concept, consideration, and implementation of the most effective and

consumer-friendly mobile transaction model that can assist mobile banking customers save money.

3. Finally, banks must be clear about pricing, fees, and other charges, as well as discover ways to help clients understand terms and conditions.

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