

**THE ROLE OF MOBILE MONEY ON SAVINGS MOBILIZATION BY
BODA-BODA YOUTHS IN WOTE TOWN, MAKUENI COUNTY**

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DECLARATION

This Research Project is my original work and has not been presented for a degree or any other award in Maasai Mara University or any other institution.

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DEDICATION

This work is dedicated to my mum Phyllis Mueni Thomas.

ACKNOWLEDGEMENT

This research project would not have been possible without the support of the following people, who in one way or the other steered me towards my ultimate goal. I would like to express my appreciation to them and especially to the following: To my project supervisors, Dr. Patrick Gudda and Dr. Edmund Gathuru for their tireless guidance, selfless dedication and encouragement in making this project a reality. I also wish to acknowledge the contribution of my classmates, for their encouragement and support that enabled me complete this research project.

ABSTRACT

Mobile phone adoption has made financial services available to youths through a mobile channel. This has empowered youths to meet many day-to-day financial transaction needs through a mobile phone. Although Kenya as a country has undergone tremendous financial reforms in the last decade, its financial sectors remain undeveloped compared to the standards of developed countries. Financial exclusion among the youths is more evident in Kenya as indicated by the global data base. As indicated by FSD-K only a fifth of youths has a bank account with a financial institution. The general objective of this study was to determine the role of mobile money on savings mobilization of boda-boda youths in Wote town. The specific objectives were: to find out the role of mobile money deposits, transaction costs, mobile loans and mobile money regulations on savings mobilization of boda-boda youths in Wote town. The study used a descriptive survey design. The study targeted a population size of 16,621 and a sample size of 384 boda-boda youths in Wote town. The study used primary data. Data was collected using a questionnaire. Descriptive statistics, Pearson correlation analysis and chi-square analysis was used to analyze the data. The study established that mobile money deposit was an important factor influencing savings mobilization of boda-boda youths ($r = 0.956$, $P\text{-value} = 0.000$); the study also established that transaction cost is an important influence on savings mobilization of boda-boda youths ($r = 0.388$, $P\text{-value} = 0.000$); further the study established that mobile loans are an important influence on savings mobilization of boda-boda youths ($r = 0.356$, $P\text{-value} = 0.000$) and finally the study also established that mobile regulations are important influence on savings mobilization of boda-boda youths ($r = 0.256$, $P\text{-value} = 0.000$). All the four null hypotheses were tested using Chi-square analysis, where all the hypotheses were rejected based on the Chi-square values. There was perception from the respondents that savings mobilization of boda-boda youths was influenced by mobile money deposits, transaction costs, mobile loans and mobile money regulations. The study therefore concluded that for effective savings mobilization among boda-boda youths mobile money providers should enhance mobile money deposits by providing various deposit accounts, offer affordable mobile money transaction costs, enhance mobile money loans. Also, the study concluded that mobile money regulators should enhance savings mobilization by increasing the daily transaction limits. The study recommends that for effective savings mobilization among boda-boda youths, mobile money providers should enhance mobile money deposits. The study also recommends that mobile money providers should consider offering affordable mobile money transaction. The study further recommends that mobile money providers should consider offering mobile loans at affordable cost and finally the study recommends that mobile money regulations should be enhanced through knowledge dissemination. The findings will go a long way in informing appropriate policies and actions need to enhance savings mobilization among boda-boda youths through mobile money.

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ABBREVIATIONS AND ACRONYMS

ATM: Automated Teller Machine

CCK: Communication Commission of Kenya

CICO: Cash in Cash Out

DFS: Digital Financial Services

EFA: Exploratory factor analysis

FSD-K: Financial Sector Deepening Kenya

GDP: Gross Domestic Product

GSMA: Global System for Mobile Communications Association

GSM: Global System for Mobile Communications

KMO: Kaiser-Meyer-Olkin measure

KNBS: Kenya National Bureau of Statistics

MFS: Mobile Financial Services

MMT: Mobile Money Transfer

MNO: Mobile Network Operator

ROSCAS: Rotating Savings and Credit Associations

SACCO: Savings and Credit Cooperative

OPERATIONAL DEFINITION OF TERMS

- Boda-boda:** A bicycle or motorcycle used as a taxi for carrying passengers or goods. Commonly found in East Africa.
- Mobile money:** A service in which the mobile phone is used to access financial services.
- Mobile payment:** A movement of value that is made from a mobile wallet, accrues to a mobile wallet, and/or is initiated using a mobile phone.
- Savings:** Store of money i.e., the balance of electronic money within a mobile wallet.
- Unbanked:** Customers, usually the very poor, who do not have a bank account or a transaction account at a formal financial institution.
- Underbanked:** Customers who may have access to a basic transaction account offered by a formal financial institution, but still have financial needs that are unmet or not appropriately met. For example, they may not be able to save money safely or affordably
- Youth:** Is defined as person resident in Kenya in the age bracket of 18 to 35 years.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Mobile money is a term used for performing banking transactions via mobile device (Anyasi & Otubu, 2009). Tiwari, Buse and Herstatt (2006) define mobile money as the provision of bank-related financial services with the help of mobile telecommunication devices. The scope of offered services may include facilities to conduct bank and stock market transactions, to administer accounts and to access customized information from commercial banks.

Over the past few years, advancement in information technology has changed the way organizations operate and conduct their business (Al-Jabri, 2012). Technological advancement has brought about the evolution of mobile banking in the banking industry which has revolutionized the manner in which commercial banks conduct their business. Mobile money has not only made financial organization provide banking services online and via mobile but has also provided customer with easy access to financial services and other benefits.

The best open door to gain ground on reserve funds preparation in developing nations is given by new innovation channels, specifically mobile money innovation. Around the world, out of 2.5 billion individuals who are as yet denied admittance to the monetary framework, there are 1.7 billion individuals who have cell phones. These individuals can use cell phones for distant correspondence, yet need to store and move funds through substantial resources. Portable cash is the most practical method for broadening the span of formal monetary administrations, regardless its capability to accomplish reserve funds assembly is yet to be understood. However reserve funds is

critical part of improvement, as credit and investment funds permit families to contribute, save and respond to shocks (Anyasi & Otubu, 2009).

Starting around 2005, Mobile money has opened up in more than eighty nations around the world. Mobile money is a process that permits clients to involve instant messages to store value in a record open by the handset, convert cash all through the put away worth record, and move value between clients (Aker & Mbiti, 2010). When contrasted with the conventional method for sending and getting cash inside many emerging nations, for example, Western Union and MoneyGram, the postal service or conveyance by companions or family, mobile money significantly lessens the expenses of moving cash (Jack & Suri, 2012). As per Fin Access report (2019), 66.7% of grown-ups got monetary administrations from a formal monetary supplier in 2019 contrasted with 27.4% in 2006 and 41.3% in 2009.

1.1.1 Mobile Money Payments

As indicated by the Global System for Mobile Communications (GSM) Association concentrate on Mobile Money Transfer (MMT), Mobile money transfer is the most common way of sending cash starting with one individual then onto the next through telephone initiation that can be eventually respected with cash exchanges by a monetary or business foundation (Agrawal, 2009). These are the administrations that interface supporters monetarily through the cell phone. This permits the separate organization supporters whether banked or unbanked to store value through handset to another portable endorser and further permit the beneficiaries to transform that worth into cash effectively and reasonably.

Monetary administration through cell phone is one head way on which cell phones is changing the life and business in developing countries (Gavin & Jesse, 2009). The

reception of cell phone has happened at maybe the quickest rate and to the most profound level of any purchaser level innovation ever (Jack & Suri, 2010). Safaricom sent off the lady versatile based cash move and installment administration M-Pesa that inside the initial three months of the business sendoff saw 111,000 supporters enrolled for the assistance. This pattern has immediately developed to 25.57M supporters by March 2020 with an organization of in excess of 120,000 specialists in a similar period. Other than M-Pesa, other versatile cash move administrations incorporate Airtel cash, orange cash and Equitel.

Mobile money move expands the openness and simplicity of move to bigger populace because of its simplicity in activity, accommodation to work and accessibility through the agents. Versatile Money move is imagined to be the answer for this monetary rejection issue and reserve funds preparation since the portable endorser base in expanding altogether. This will likewise be gainful to other formal and casual monetary organizations as they will ride on the portable cash stages to middle of the road their common clients. The formal monetary organizations like business banks, Savings and Credit Cooperative (SACCO) miniature credit and loaning foundations are spurred by additional fame, further reach by offices and moderateness of portable cash move administrations (Waihenya, 2012).

1.1.2 Savings Mobilization

Admittance to and utilization of high monetary administrations by families and firms is of expanding worry to strategy creators across Africa. Albeit most African nations have gone through broad monetary changes over the most recent twenty years, their monetary services stay undeveloped comparative with the guidelines of modern economies or much other emerging nations (Alter & Yontcheva, 2015). A new worldwide data set shows that monetary rejection is more articulated in Sub-Saharan

Africa where short of what one of every five families approaches formal monetary administrations (Demirguc-Kunt et al., 2015). This exploration examines reserve funds assembly in Kenya through portable cash. Huge enhancements have been made in Kenya where Fin-Access information 2016 and Fin-Scope information 2013 show that admittance to formal monetary framework remains at 75%. Regardless of the critical expansion in admittance to monetary administrations, reserve funds preparation stays low. A larger part of limited scope savers keeps on being denied of reasonable reserve funds components in the monetary framework (Donkor & Duah, 2013).

The growth of any economy depends on capital accumulation, which in turn depends on investment and an equivalent amount of savings to match it. Two key issues for developing countries are how to stimulate investment and increase the level of saving to fund increased investment. To gain a strong understanding of Kenya's practices, a survey was conducted by Fin- Access, to clearly indicate the accessibility, affordability and usage of financial instruments in the country. The survey revealed that 75 percent of Kenyans adults are financially included -42 percent are formally served (22.8 percent by commercial banks and 19.2 percent by nonbank formal institutions and 58 percent use formal financial mechanisms. This is a great leap when compared to 2008 where more than half (52 percent) of Kenyans adults were financially excluded. (Fin-Scope, 2012).

Ultimately the goal of financial sector development and increased financial inclusion in Kenya is to improve the lives of Kenyans. The premise is that access to secure savings products and other financial services will better enable the poor to build financial security, manage financial shocks, and invest in education, health, housing and income generating opportunities, the cumulative role being poverty reduction through greater participation in economic activities (Fin-Scope, 2012).

1.2 Statement of the Problem

With cell phone reception, monetary administrations have opened up to young people through a portable channel. Mobile money services now exist, that empower shoppers to meet numerous day-to-day exchange needs utilizing a cell phone, including checking account balance, taking care of bills, and saving money. Furthermore, mobile money innovation empowers purchasers to manage these exchanges more efficiently and rapidly than through other channels. Thus, admittance to and utilization of mobile money administrations by families and firms is of expanding concern to financial strategists in Kenya. In spite of the fact that Kenya has gone through broad monetary changes over the most recent twenty years, its monetary areas stay undeveloped comparative with the guidelines of modern economies. A new worldwide data set shows that monetary prohibition is more articulated in Kenya particularly among the young people, where roughly one out of five youths' approach formal monetary administrations. The degree of local investments among the youths has stayed low notwithstanding coordinated efforts pointed toward tending to this present circumstance. Again, admittance to credit by young people from formal monetary establishments is at 10% in Kenya. These low degrees of credit among the young people are not attractive assuming significant development targets adopted in the Kenya Vision 2030 are to be accomplished. Since a report by the Kenya National Bureau of Statistics demonstrated that 80% of young people in Wote town participate in boda-boda business, it was imperative to examine the role of Mobile money on savings mobilization of boda-boda youths in Wote town.

1.3 Research Objectives

1.3.1 General Objective

The general objective of this study was to determine the role of mobile money on savings mobilization of boda-boda youths in Wote town.

1.3.2 Specific Objectives

The study sought to achieve the following specific research objectives:

- i. To examine the role of mobile money deposits on savings mobilization of boda-boda youths in Wote town.
- ii. To find out the role of transaction costs on savings mobilization of boda-boda youths in Wote town.
- iii. To establish the role of mobile loans on savings mobilization of boda-boda youths in Wote town.
- iv. To assess the role of mobile money regulations on savings mobilization of boda-boda youths in Wote town.

1.4 Research Hypotheses

This study sought to test the following hypotheses:

- H₀₁:** There is no association between mobile money deposits and savings mobilization of boda-boda youths in Wote town.
- H₀₂:** There is no association between transaction costs and savings mobilization of boda-boda youths in Wote town.
- H₀₃:** There is no association between mobile loan sand savings mobilization of boda-boda youths in Wote town.

H₀₄: There is no association between mobile money regulations and savings mobilization of boda-boda youths in Wote town.

1.5 Significance of the Study

The study is critical to the financial area as it will show the role of mobile money on investment funds activation of the young people. The study featured the likely impact of taking on versatile cash to come to the unbanked and offer enhanced and serious saving items with insignificant expense and dangers. The review will direct the public authority and controllers with the comprehension of significance of legitimate and strong administrative structure, regulations and extra control techniques required in the versatile cash industry towards functional and foundational takes a chance with that might emerge from the utilization of the new innovation. The discoveries of this study would be gainful towards improving the information on versatile cash and reserve funds preparations of the adolescents in Kenya. It will likewise help with affirming or giving any opposite proof to the hypothetical groundworks of versatile cash and investment funds preparation. It will likewise call attention to regions for additional exploration that will act as starting points for future examination movement on versatile cash and reserve funds preparation. To the academicians and understudies of money, this study will assist with building the information base in the discipline by adding on the current writing on portable cash and reserve funds preparation of the adolescents in Kenya. The review will be utilized as a wellspring of reference material other than proposing regions where future exploration might be led.

1.6 Scope of the Study

The research focused on the role of mobile money on savings mobilization of boda-boda youths in Wote town. The study was limited to Wote town in Makueni County. Makueni County is located in the former Eastern province.

The subject of the study was the youths in Wote town. Since a report by the Kenya National Bureau of Statistics indicated that 80% of youths in Wote town engage in boda-boda business it was imperative to understand the role of mobile money on savings mobilization of boda-boda youths in this town.

1.7 Limitation of the Study

The study was conducted on boda-boda youths in Wote town in Kenya, the youth's context is different from other population composition. The results should therefore not be generalized to other populations whose context is different. The study used a closed ended questionnaire which limited room for explanation.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter covers the relevant literature that guided the study. The chapter contains: Theoretical framework, conceptual review, empirical review and summary of research gaps.

2.2 Theoretical Framework

The theoretical framework for this study was based on the diffusion of innovation theory, systems theory and contemporary banking theory.

2.2.1 Diffusion of Innovation Theory

Diffusion of Innovation hypothesis was proposed by Everett Rogers in 1962. The theory tries to make sense of how, why, and at what rate new thoughts and innovation spreads. As per Rogers (2003) dissemination is the cycle by which a development is conveyed after some time among the members in a social framework. Rogers (2003) further contends that dissemination decides the take-up of new advances. He proposed five credits in the Theory of Innovation. The primary property, Relative benefit, shows the degree of mechanical development over past advancements. These advantages should be visible from the perspective of specialized, monetary, eminence, solace and fulfillment. On the off chance that individuals feel that a mechanical development gives high relative benefit, they will acknowledge the innovation. The subsequent quality, similarity is the reasonableness of a mechanical development with the client esteem, client experience, and client needs.

As indicated by Rogers (2003) the third property, intricacy alludes to the degree of intricacy of understanding and utilization of a mechanical development.

The more complicated and complex the innovation development, the more troublesome it is to be embraced. Rodgers (2003) further makes sense of that the fourth quality; preliminary capacity is how much a mechanical development can be attempted and tried. The last property is perceptibility. This trait is connected with the degree to which the aftereffects of mechanical advancements can be noticed and conveyed. Dispersion of development hypothesis further contends that take-up of a novel thought, conduct, item or advancement doesn't occur all the while in a social framework; rather it is a cycle by which certain individuals take on the advancement sooner than others. There are five laid out new client classifications. These incorporate trend-setters, early clients', early larger part, late clients', and loafers. Investigations have discovered that the early clients of innovation have unexpected qualities in comparison to the late clients. This hypothesis has been utilized to make sense of how versatile cash model has entered inside the Kenyan monetary industry (Dias & Mc Kee, 2010). Relating dissemination hypothesis to portable cash, the versatile cash is obviously an advancement that expects time to arrive at minimum amount. As to correspondence stations, business banks and media transmission organizations have done well to advocate the model with administration names that reverberate well with the objective populace. A survey of writing demonstrates that the utilization of versatile cash model was not uniform in the monetary area. In the last fourteen years' mobile money has been adopted by different financial players at different times in the Kenyan financial sector.

2.2.2 Systems Theory

Kaufmann (1966) created frameworks to make sense of verifiable improvement as a unique cycle and was all the more completely evolved by scientist Bertalanffy (1968). Bertalanffy contended that everything is interconnected and consequently, we ought to concentrate on the interconnectedness for the purpose of grasping the world.

The frameworks hypothesis strategy for examination includes, first the deconstruction of what is to be made sense of that is the peculiarity getting looked at, also, the definition of clarification that record for the way of behaving of properties of the part independently lastly the blend of these clarifications into a total comprehension of the entirety. General frameworks hypothesis like other creative structures of thoroughly considered passes periods of disparagement and disregard. It has benefited, notwithstanding, from the equal development and ascend to distinction of artificial intelligence and data hypothesis. Frameworks hypothesis is pertinent to this study in light of the fact that the techniques proposed by the hypothesis is to display complex substances made by various cooperation of parts by abstracting from specific subtleties of design and part and focusing on the elements that characterize the qualities capabilities, properties and connections that are inward or outside to the framework, versatile cash framework is a PC based framework, which consolidates monetary administrations ideas as well as the idea of data innovation to offer monetary types of assistance through a cell phone.

2.2.3 Contemporary Banking Theory

This theory was postulated by Bhattacharya and Thakor in 1993. Contemporary banking theory suggests that commercial banks and other financial intermediaries are necessary in order to efficiently allocate capital resources in the economy (Rogers, 2003). The theory suggests that financial intermediaries benefit the economy as they help to reduce the transaction costs for services ranging from brokerage to attribute transformation. Bhattacharya and Thakor (1993) further observed that given significant information asymmetries between borrowers and lenders, bank lending is special in that it signals quality in a way that other forms of credit do not.

This theory is centered on the concept of information asymmetry, which is an assumption that different economic agents possess different pieces of information on relevant economic variables, in that agents will use this information for their own profit (Freixas & Rochet, 2008). Asymmetric information normally leads to the problem of adverse selection and moral hazard. Asymmetric information normally occurs way before the transaction occurs and refers to the lack of information on the part of the prospective borrowers about the characteristics of the loans and the lenders. This is referred as adverse selection. Moral hazard takes place way after the transaction had occurred and is related with incentives by the lenders to behave in an opportunistic way. This theory contributes immensely to the independent variable under mobile money and the dependent variable mobilization of savings by youths in Kenya.

Mobile money has enabled clients to have easy access to information on the banking products and services without going through the traditional bank branches which was the primary point of contact between the bank and the bank clients in the past. Easy access to information on bank products through mobile money has helped in improving financial inclusion and consequently savings mobilization.

2.3 Conceptual Framework

A conceptual framework was used to guide the study. The conceptual framework was made up of four independent variables and one dependent variable (Figure 2.1). Independent variables were: mobile money deposits, transaction costs, mobile loans and mobile money regulations. The dependent variable was the savings mobilization of boda-boda youths in Wote town.

2.3.1 Mobile Money Deposits and Savings Mobilization of Boda-boda Youths

Mobile money has enabled clients access their savings accounts, checking accounts or even money market accounts through a mobile device. Clients are able to deposit money to their respective accounts for safe keeping while they are at the comfort of their homes (Dias & Mc Kee, 2010). The terms M-banking, M-installments, M-move and M-finance allude on the whole to a bunch of utilizations that empower individuals to utilize their cell phones to control their ledgers, store esteem in a record connected to their handsets, move assets or even access credit or protection items. These have upgraded availability to monetary assistance in both created and creating world. The primary objective for these applications was customers in the created world. By supplementing administrations presented by the financial framework, for example, check books, ATMs, Voice mail/landline interfaces, brilliant cards, retail location organizations and web assets, the versatile stage offers a helpful extra technique for overseeing cash without dealing with cash (Karjaluoto, 2002). The M-Pesa has constrained cash move organizations to bring down costs, M-Pesa has additionally prompted these organizations and other monetary firms to work on their items and administrations. At times, firms have joined forces with M-Pesa to offer an incorporated assistance (Njiraini & Anyanzwa, 2008). The review thought about information on presence of different portable financial items and their job on investment funds activation of adolescents.

2.3.2 Transaction Costs and Savings Mobilization of Boda-boda Youths

Since 2007, commercial banks, installment system suppliers, and mobile administrators started trying different things with branchless financial models which lessen costs by removing exchanges from banking lobbies into neighborhood retail shops, where specialists, for example, broadcast appointment sellers, corner stores, and

businesspeople, register new records, acknowledge client stores, process moves, and issue withdrawals utilizing a client's cell phone then, at that point, impart exchange data back to the telecom supplier or bank. This empowers clients to send and get electronic cash any place they have cell inclusion. They need to visit a retail specialist just for exchanges that include keeping or pulling out cash (Salzaman, Palen & Harper, 2001). The review gathered information on the exchange cost of versatile cash exchanges embraced by chosen business banks and media transmission organizations and researched their job on activation of reserve funds by boda adolescents in Wote town.

2.3.3 Mobile Loans and Savings Mobilization of Boda-boda Youths

Now with the advent of apps such as M-shwari, micro loans and savings, we can predict more transactions via mobile money as subscribers will have access to more money in their mobile wallets facilitating effortless, instant, convenient and efficient access to financial services and transactions (Alter & Yontcheva, 2015). Safaricom pioneered this service in Kenya with the launch of M-shwari Mobile Money loans and savings scheme. Subscribers to the service can take up unsecured loans between sh. 100 up to sh. 30,000 (FinScope, 2016).

Starting from the development of versatile banking, business banks, installment framework suppliers, and portable administrators started trying different things with branchless financial models which lessen versatile credits costs by removing exchanges from banking lobbies into clients cell phones and specialist shops, where specialists, for example, broadcast appointment sellers, corner stores, and retailers, register new records, acknowledge client stores, process moves, and issue withdrawals utilizing a client's cell phone then, at that point, impart exchange data back to the telecom supplier or bank. This empowers clients to send and get electronic cash any place they have cell inclusion. They need to visit a retail specialist just for exchanges that include saving or

pulling out cash (Salzaman, Palen & Harper, 2001). The study collected data on the mobile loans undertaken by boda-boda youths and analyzed their role on mobilization of savings by boda-boda youths in Wote town.

2.3.4 Mobile Money Regulation and Savings Mobilization of Boda-boda Youths

The expansion of digital financial services (DFS) through retail agents, either led by banks or nonbank commercial actors such as mobile network operators (MNOs), has also exhibited the potential to extend financial services to unbanked and marginalized communities (Lyman et al., 2006), offering lower transaction costs and greater accessibility (Villasenor et al., 2016). According to the Global System for Mobile Communications Association (GSMA) (2015), approximately half of the global population that is financially excluded has access to a mobile phone, creating an opportunity for mobile money, digital credit, and other DFS to reduce the financial access gap. For many low-income customers, mobile financial services will provide their first access to any formal financial services (e.g., checking and savings accounts or loans), and these formal services can be safer, cheaper, and less time consuming than informal financial alternatives (e.g., borrowing or transferring money through relatives, friends, money lenders, and traders) (Andrianaivo & Kpodar, 2011; Kashuliza et al., 1998; Lyman et al., 2006). By facilitating the exchange between cash and electronic money, cash in cash out (CICO) networks may thus increase financial inclusion opportunities through further reducing barriers to the adoption of mobile money and other forms of DFS (Radcliffe & Voorhies, 2012; Villasenor et al., 2016).

As mobile money and branchless banking expand, countries are developing new regulations to govern DFS operations (Dolan, 2009; Gutierrez & Singh, 2013; Ivatury & Mas, 2008; Lyman et al., 2006; Mas, 2011), including regulations targeting aspects of the different CICO interfaces. These regulations, especially those targeting agents

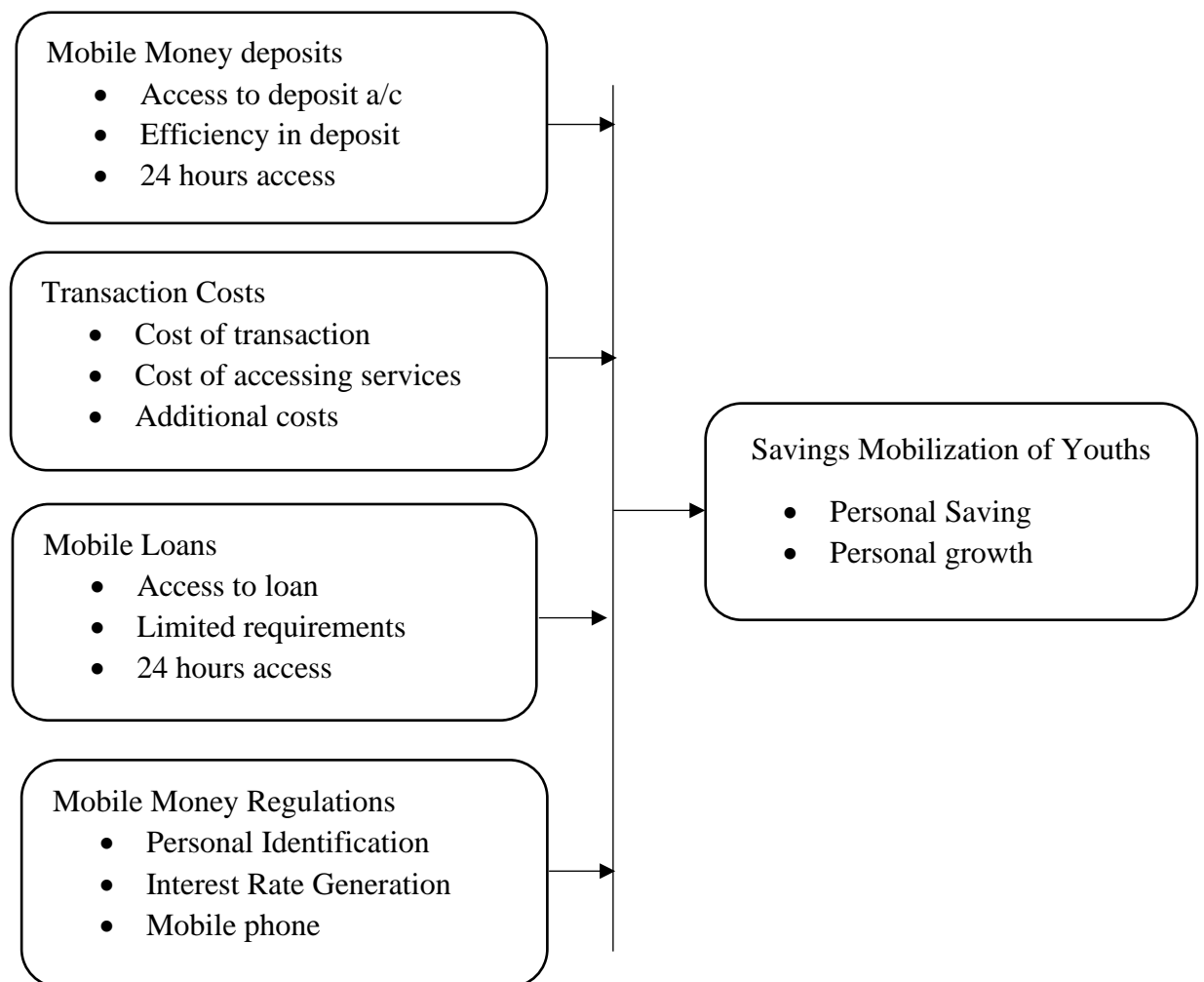
may restrict the potential for CICO networks to expand, and may affect, positively or negatively, the potential for CICO networks to support financial inclusion. While the expansion of DFS has shown the potential to increase financial inclusion (Radcliffe & Voorhies, 2012; Villasenor et al., 2016), CICO physical access points remain necessary for the exchange between physical cash and mobile money (Mas & Sullivan, 2012). This study summarizes types of recent mobile money and branchless banking regulations related to CICO networks in eight low- and middle-income countries and reviews available evidence on the impacts these regulations may have on savings mobilization of the youths.

2.3.5 Savings Mobilization Among Boda-boda Youths

Admittance to and utilization of high monetary administrations by families and firms is of expanding concern to financial strategist in Kenya and across Africa. Albeit most African nations have gone through broad monetary changes over the most recent twenty years, their monetary areas stay undeveloped comparative with the norms of modern economies (Alter & Yontcheva, 2015). A new worldwide data set shows that monetary prohibition is more articulated in Sub-Saharan Africa where short of what one of every five families approaches formal monetary administrations (Demirguc-Kunt, et al., 2015). This exploration examines reserve funds preparation among the young people in Kenya an instance of Wote town. Huge enhancements have been made in Kenya where FinAccess information 2016 and FinScope information 2013 shows that admittance to formal monetary framework remains at 75% and 57 percent separately. Notwithstanding the huge expansion in admittance to monetary administrations, reserve funds preparation among adolescents stays low. A greater part of limited scope savers keeps on being denied of reasonable and secure credit in a stable monetary framework. Furthermore, specific credit strategies winning in most emerging nations have impeded

reserve funds preparation from homegrown sources as well as expanded wasteful designation of scant capital (Donkor & Duah 2013). The level of young people's investment funds has stayed low regardless of purposeful endeavors pointed toward tending to this present circumstance. These low degrees of reserve funds are not attractive assuming significant development targets conceived in the Vision 2030 for Kenya are to be accomplished. It is therefore imperative to examine how savings mobilization among the youths in Kenya is affected by mobile money services in order to create an understanding of how the two relate. There is scant empirical literature that exists about mobile money and levels of financial inclusion among the youths in Kenya.

A summary of the conceptual framework is shown in Figure 2.1.



Independent Variables
Figure 2.1 Conceptual Framework

Dependent Variable

2.4 Empirical Review

This section reviews the empirical cases that guided the study. It consists of the cases governing innovations such as mobile money and internet banking as well as those that governs savings mobilization among the youths.

Moracha (2014) did a concentrate on impacts of versatile cash on the monetary execution of business banks in Kenya. The review objective was to decide the impacts of portable cash on the monetary execution of business banks in Kenya. The review target populace was 43 business banks in Kenya as at 31st December 2013. The review utilized a spellbinding study plan. The information assortment was optional based where the versatile cash information as determined in of the assertion of the budget summary was gotten on the site and the assertion of the extensive pay from the yearly fiscal report of the business banks on the site and the bank management yearly report from 2008~2013 as coordinated by the national bank. The gathered information was investigated utilizing engaging measurements and various relapse examination. The study established that the financial performance of the 43 commercial banks under study as represented by ROA values increased by a mean ration of 1.98 over the five years period. This is as represented by the difference between the lowest mean of 2.14 in year 2009 and the highest mean of 4.12 in year 2013 for the return on assets. Therefore, mobile money enhanced financial performance of commercial banks in Kenya. This study focused on the effects of mobile money on financial performance of commercial banks and not saving mobilizations of boda-boda youths which this study sought to address.

Ng'ang'a (2013) did a concentrate on impact of versatile relying upon saving society. The target of this study was to decide the impact of versatile putting money on the saving society among the occupants of Molo town.

300 respondents were browsed a delegate test of 542,103 inhabitants of Molo town. Polls were utilized to gather the essential information which was enhanced for certain optional information from Safaricom a cell phone specialist organization and furthermore web. The typical sum saved in the telephone was then relapsed against the three factors specifically difficulties looked while utilizing versatile banking, level of schooling and spot of saving. The aftereffects of the review were examined involving factual bundle for social examinations (SPSS Version 19) where various information was breaking down in type of tables, diagrams and pie outlines. The review figured out that for sure portable banking colossally affected the saving society among occupants of Molo town. Likewise, from the review, discoveries were found that could add to further developing the versatile financial administrations. The concentrate likewise uncovered that the factors in the situation had a critical in the situation impacted the normal sum saved by in $p < 0.05$ telephone since. This study only covered the link between mobile banking and saving culture and did not consider mobile money and saving mobilization of *boda-boda* youths a gap this study sought to fill.

Waihenya (2012) conducted a study on the effect of mobile banking on Financial Inclusion in Kenya. The objective of the study was to investigate the relationship between agent banking and financial inclusion in Kenya. Secondary information was utilized for this review since it's effectively available, less expensive and precise. Optional information from existing speculations and specialists done on portable cash move and monetary consideration from finance books, diaries, periodicals and web was likewise depended upon. The review utilized enlightening overview research strategy in order to get a wide scope of data from different sources distinguished from the exploration region. In outline, the review examined specialist banking in Kenya with accentuation on the elements adding to monetary rejection, both normal obstructions,

for example, harsh landscapes and man-made hindrances, for example, high charges on monetary administrations and restricted admittance because of restricted bank offices. The discoveries of the review were that specialist banking is constantly improving and developing and as it develops, the degree of monetary incorporation is likewise developing proportionately. This study only focused on the link between agent banking and financial inclusion in Kenya and did not consider the role of mobile money on saving mobilizations of boda-boda youths a gap this study sought to fill.

Munga, (2010), did explore on the effect of portable banking: a contextual analysis of M-Pesa in the Kenyan culture. The targets of the review were to decide the financial and social effect of portable banking like M-Pesa to the general public in Kenya. The respondents were chosen from a delegate of the near 10 million Mpesa enlisted clients (Safaricom Annual Financial Report, 2010) and various chose Mpesa approved specialists. Polls were utilized to gather essential information which was enhanced for certain auxiliary information from Safaricom's Annual Reports. Different measurable examination procedures like enlightening measurements, distinction of means and Chi-Square test were utilized to quantify the social financial effects M-Pesa has had. The exploration demonstrated that M-Pesa hugely affected the Kenyans lives both socially and financially. This study only focused on impact of mobile banking and did not consider the role of mobile money on saving mobilizations of boda-boda youths a gap this study sought to fill.

Mbithi and Weil (2011) analyzed how M-Pesa is utilized as well as its financial effects. Dissecting information from two rushes of individual information on monetary access in Kenya, they found that expanded utilization of M-Pesa brings the penchant of individuals down to utilize casual reserve funds systems, for example, Rotating Savings and Credit Associations (ROSCAS), yet raises the likelihood of their being banked.

Utilizing total information, they determined the speed of M-Pesa at somewhere in the range of 11.0 and 14.6 one individual to the next moves each month. The review found little proof that individuals utilized their M-Pesa accounts as a spot to store riches, however the outcomes proposed that M-Pesa works on individual results by advancing banking and expanding moves. This study only focused on Mpesa and did not consider the role of mobile money on saving mobilizations of boda-boda youths a gap that this study sought to fill.

Gitaharie et al., (2014) tracked down that the likelihood of a family to get to kudos for organizations from banks, non-bank, and people was impacted by pay related factors, for example, business status and destitution level. Banking government funded schooling programs additionally further developed admittance by making mindfulness on the accessible and advantages of monetary administrations in the country. Responsibility for like a house, PC, and a telephone additionally impacted admittance to credit. This recommends that abundance decidedly influences admittance to credit administrations since it very well may be utilized as guarantee in the formal and casual wellsprings of credit. Nonetheless, this is conflicting with Malapit (2012) who found that banks in the casual area relied more upon the borrowers' reliability as opposed to abundance to assess advance applications. Utilizing a Tobit model to dissect significant determinants of family reserve funds, Mirach and Hailu (2014) figured out that the critical determinants of family investment funds included age, sex, conjugal status and pay. In this study ladies were bound to save than men. This is conflicting with the past outcomes where men had a higher probability to save than ladies. Ladies and men were found to have various affinities to save on account of the distinctions in their view of dangers and financing costs, as well as, other orientation related factors that impact reserve funds conduct. In such manner, ladies were bound to save than men as a result

of their moderate conduct in venture choices. They like to hold their resources in fixed as opposed to fluid resources (Mirach & Hailu, 2014).

The job of orientation in admittance to credit among metropolitan ghetto occupants in the Philippines was researched by Malapit (2012) utilizing the study information somewhere in the range of 2002 and 2006. The review uncovered those ladies were probably going to confront credit limitations than men. The review zeroed in on riches and non-formal moneylenders who depended on the standing and history of borrowers to screen likely borrowers. They presumed that ladies designated credit mediations in metropolitan unfortunate settlements was essential. The significant shortcoming of the review was in the extent of inclusion which never covered the part of the adolescents. This concentrate anyway is validated by Mwangi and Sichei (2012) who found that men had a higher probability of getting to advances from banks and SACCOs, though ladies had a higher probability of getting to credits or credit from the microfinance establishments and nearby shops. Credit limitations are probably going to be higher in ladies in light of separation propensities by expected banks. Furthermore, ladies are engaged with social and monetary jobs, for example, homemaking, which limit their capacity to lay out satisfactory loan specialist networks from whom they can acquire credit. The review didn't consider the job of versatile cash on investment funds preparation of boda-boda young people and thusly this study looked to fill this hole via doing a concentrate on this area.

Mwangi and Shem (2012) presumed that powerful showcasing procedures are expected to upgrade monetary consideration as far as admittance to bank accounts and credit offices. Advertising makes mindfulness on the advantages and accessibility of different investment funds and credit items, accordingly working with consideration. This contention is moored on the way that admittance to credit and investment funds items

was impacted by a few financial variables that if taken advantage of through proper promoting methodologies would decidedly influence the choice to take on reserve funds and credit administrations. The financial elements considered incorporate age, level of training, simplicity of arriving at a reserve funds office, accessibility of M-Pesa administrations, riches, and gathering connection. Maturing expanded admittance to reserve funds and credit administrations in formal monetary business sectors, yet diminished admittance in the casual business sectors. Enormous families were found to have high reliance proportions, which adversely impacted admittance to credit and investment funds.

Family size uncertainly affect admittance to investment funds and credit. Families with enormous size and additionally numerous youngsters are more averse to save (Orbeta, 2006; Loayza & Shankar, 2000) therefore compelling admittance to credit. This conduct is part of the way due to solid intergenerational joins existing in most non-industrial nations (Gersovitz, 1988) which decrease the need to save. Mwangi and Shem (2012) found that an expansion in family size improved admittance to credit from a purchaser of families reap, yet diminished admittance in the formal monetary framework. This is ascribed to sufficient work to create surplus agrarian items which could be utilized to get to credit administrations.

Pay works with admittance to credit and reserve funds administrations, particularly in non-industrial nations where monetary consideration is still low. People with dependable types of revenue are probably going to have no less than one investment account to collect capital since they are probably going to have surplus extra cash (Fernando, 2007). What's more, they can involve their kind of revenue as security to get to credit from formal monetary organizations. To be sure, Ike and Umuedafe (2013) in their investigation of determinants of reserve funds in Nigeria observed that the

volume of investment funds among country not entirely settled by how much pay got from cultivating and non-cultivating exercises. In this manner, low efficiency and restricted admittance to credit were the fundamental factors that compelled aggregation of investment funds among ranchers. The study did not consider the role of mobile money on savings mobilization of boda-boda youths and therefore this study sought to fill this gap by carrying out a study on this area.

As per Mwangi and Shem (2012) abundance was utilized as intermediary for responsibility for, for example, steers and cell phones is a vital determinant of access since the abundance can be transformed into cash and saved in ledgers. Having a cell phone, then again, is significant on the grounds that it works with the utilization of M-Pesa, which gives reserve funds, credit, and cash move administrations. Ngendakuriyo (2014) showed that more well-off families and people with elevated degrees of schooling had a high likelihood of saving in banks, SACCOs, and microfinance organizations than in casual establishments and mystery places. The study did not consider the role of mobile money on savings mobilization of boda-boda youths and therefore this study sought to fill this gap by carrying out a study on this area.

2.5 Research Gaps

The empirical literature reviewed shows that many studies have been carried on the aspect of mobile money and financial inclusion. However as noted there are gaps that were identified during the review of the literature. This study was carried out with the view of filling the gaps exposed. Moreover, there were no studies carried out on the roles of mobile money on savings mobilization of boda-boda youths, this study targeted this area that had not been explored by previous studies.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The study analyzed the role of mobile money on savings mobilization of boda-boda youths in Wote town in Makueni County. This chapter covers: research design adopted, target population of the study, data collection instruments, reliability and validity of the research instruments and finally data analysis.

3.2 Research Design

The research design that was used is descriptive survey design. This design involves collecting of quantitative information and describing categories of qualitative information. The advantage of descriptive design is that it can lead to acquisition of information which can be used to identify variables and hypothetical constructs which can be further investigated (Creswell & Creswell, 2017).

3.3 Target Population

Target population is a total or entire group of objects, events or individuals having a common observable characteristic (Mugenda & Mugenda, 2003). The target population for this study consisted of boda-boda youths between 18 years and 35 years in Wote town in Makueni county. The total population of boda-boda youths between 18 years and 35 years in Wote town was 16,621 (KNBS, 2019).

Table 3.1: Total Population of Boda-boda Youths in Wote Town

Age	Population
18 – 19	2945
20 – 24	4952
25 – 29	3901
30 – 34	3897
35	926
Total	16,621

3.4 Sample and Sampling Techniques

The researcher used multi stage sampling. Using age of target population stratified sampling was first conducted in order to achieve a homogeneous population. In stratified sampling, subjects are selected in such a way that the existing subgroups in the population are more or less reproduced in the sample (Mugenda & Mugenda, 2003). In the ideal stratification each stratum is homogeneous internally and heterogeneous with other stratum and stratification is also important when the researcher wants to study the characteristics of each of certain population subgroups (Cooper et al., 2006). The researcher had five heterogeneous strata from the youth population. Secondly from each of the strata the researcher used random sampling to get the desired sample size. The researcher calculated the sample size using the formula given by (Mugenda & Mugenda, 2003).

$$n = \frac{Z^2 p q}{d^2}$$

Where:

n = The desired sample size (If the target population is greater than 10,000)

Z = The standard normal deviate at the required confidence level.

P = The proportion in the target population estimated to have characteristics being measured.

q = 1-p

d = The level of statistical significance set.

If there is no estimate available of the proportion in the target population assumed to have the characteristics of interest 50% should be used (Mugenda & Mugenda, 2003). Z- statistics is taken as 1.96 and desired accuracy at the 0.5 level. The sample size is:

$$N = \frac{(1.96)^2 (0.5) (0.5)}{(.05)^2}$$
$$= 384$$

In order to get equal representation from each stratum, the researcher computed percentage presentation by considering the size of each stratum as a percentage of total population. The researcher then multiplied the percentages of each stratum with 384 to get representative proportionate sample from each stratum.

Table 3.2: Sample Size

Age Bracket	Population Size	Representative of Each	Sample Size =
	(x)	Stratum ($\frac{x}{y} \times 100$) = Z%	Z% of 384
18 – 19	2945	18	69
20 – 24	4952	30	115
25 – 29	3901	23	88
30 – 34	3897	23	88
35	926	6	23
Total	16,621	100	384

3.5 Research Instrument

In this study, primary data was used. Primary data is the data which is collected a fresh and for the first time and thus happen to be original in character (Kothari, 2004). Primary data was collected through the administration of semi-structured questionnaire to the boda-boda youths in Wote town in Makueni county. A questionnaire is a data collection tool, designed by the researcher and whose main purpose is to communicate to the respondents what is intended and to elicit desired response in terms of empirical data from the respondents in order to achieve research objectives (Mugenda & Mugenda, 2003). It is a means of eliciting the feelings, beliefs, experiences, perceptions, or attitudes of some sample of individuals (Zikmund, 2003). Questionnaire was used to collect data on the independent variables: transaction cost, mobile money deposits, mobile loans and mobile money regulations and the dependent variable savings mobilization of youths in Wote town.

3.6 Pilot Testing

Pilot testing is the course of pre-testing the research instrument with a small delegate pointed toward recognizing likely false impressions or biasing roles of various inquiries

and methodology (Kang'ethe et al., 2008). The information assortment instrument for this study was pre-tried using 30 young boda-boda operators in Machakos town. The pre-testing helped call attention to questions that were hard to comprehend, those that could be deciphered contrastingly by various individuals, also those that were comparative. After the pre-testing, enhancements were made on the instruments and the final copies created.

3.7 Validity and Reliability of Instruments

3.7.1 Validity of the Instruments

Validity is the exactness and usefulness of inductions, which depend on the outcomes. It is a proportion of how well a test measure what should quantify. It is concerned about the exact portrayal of the factors under study. This was addressed in this study by great instrument plan to mirror the examination targets and pre-testing the instruments (Cresell & Miller, 1997). The study utilized the KMO sampling adequacy from factor analysis to lay out the validity of the instruments. It was laid out that the outcomes acquired from every objective were above 0.4 and consequently valid. This is summed up in Table 3.3.

Table 3.3: Validity of the Instrument

Items/Scale	Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO)	Sig.
Mobile Money Deposit	.690	.000
Transaction Cost	.819	.000
Mobile Loans	.770	.000
Mobile Money Regulation	.629	.000
Savings Mobilization	.668	.000

The results in Table 3.3 show that the instrument was valid since all the KMO values were above 0.4.

3.7.2 Reliability of the Instruments

Reliability is the proportion of the consistency of the outcomes from the trial of the instruments. It is a proportion of how much an exploration instrument yields steady outcomes or information after repeated tests. Reliability of the instrument was determined through the use of Cronbach's coefficient alpha for even or uneven items in light of the order of items in the questionnaire. As indicated by (Fraenkel & Wallen, 2000) as a guideline, a proposed research instrument ought to possibly be utilized if a value of 0.70 or higher is gotten on a significant sample. For this study the reliability was processed by the assistance of SPSS, and the alpha reliability coefficient acquired as 0.944 and hence acknowledged as reliable since the limit is 0.7 as indicated by Frankel and Wallen (2000). This is summed up in Table 3.4.

Table 3.4 Reliability Statistics

Items	Cronbach's Alpha	No. of Items
All items on the questionnaire	.944	5
Mobile money deposits	.767	5
Transaction cost	.763	5
Mobile Loans	.760	5
Mobile Money Regulations	.747	5
Savings Mobilization.	.817	5

The results in Table 3.4 show that the questionnaire was reliable since the Cronbach's alpha reliability index for all the items was above 0.7.

3.8 Data Analysis Procedures

After successive data collection, the collected was organized for processing. This involved; coding the responses, tabulating the data and performing several statistical computations. The review utilized descriptive and inferential insights to analyze the information gathered and organized. The analysis was uniform in all study objectives where descriptive and inferential analysis were utilized. Descriptive analysis; Frequencies and Percentages were obtained on the independent factors to sum up and characterize the information gathered into significant structure for simple understanding. Inferential statistics; Pearson connection analysis and Chi-Square were utilized to establish relationship among independent and dependent factors, really take a look at the normality of factors, and make generalizations about the qualities of populaces in view of information gathered.

3.9 Parametric Tests

Since the study involved a population, certain parametric assumptions need to be tested. The study used the following parametric tests to estimate the population parameters.

3.9.1 Correlation Analysis

To establish the relationship between variables, Correlation analysis was used. Using Pearson Correlation Coefficient, the study expressed the extent to which the variables were related. Product Moment Coefficient (r) gives an indication of the strength of the linear relationship between two variables.

$$r = \frac{n \sum xy - \sum x \sum y}{\sqrt{n \sum x^2 - (\sum x)^2} \times \sqrt{n \sum y^2 - (\sum y)^2}}$$

3.10 Non-Parametric Tests

The study used this method to test Distribution free statistics that do not require that the

data fit a normal distribution. It also requires less restrictive assumptions about the data. Another important reason for using these tests is that they allow for the analysis of categorical as well as rank data. For this study the Chi – square test of independence was used. This test is used to determine whether there is a significance difference between the expected observations and the observed frequencies in one or more categories. Pearson’s correlation was used to test the independence while the Phi and Cramer’s V. was used to test the strength of the association between variables. To make a conclusion about the hypothesis with 95% confidence, the value of significance, that is the *p*-value of the Chi-Square statistic should be less than .05 (which is the alpha level associated with a 95% confidence level). If the *p*-value < .05 and the critical chi square value is less than the computed value, then it is concluded that the variables are dependent in the population and that there is a statistical relationship between the categorical variables.

Chi – square formula

$$\chi^2 = \sum \frac{(O - E)^2}{E}$$

Where;

O = observed frequency

$$E = \frac{\text{Column total} \times \text{Row total}}{\text{Sample Size}} = \text{expected frequency}$$

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Introduction

This chapter presents the findings of the study on the role of mobile money on savings mobilization on boda-boda youths in Wote town. The Chapter covers: Response rate, role of mobile money deposits on savings mobilization of boda-boda youths in Wote town, role of transaction costs on savings mobilization of boda-boda youths in Wote town, role of mobile loans on savings mobilization of boda-boda youths in Wote town, role of mobile money regulations on savings mobilization of boda-boda youths in Wote town.

4.2 Response Rate

A total of 384 questionnaires were distributed to the respondents, out of which 315 were sent back and used for analysis. This represented a return rate of 82% which was adequate for analysis. A response rate greater than 70% is considered adequate for a descriptive study (Marton, 2016). The results of the response rate are summarized in Table 4.1.

Table 4.1: Response Rate

Responses	Frequency	Response Rate (%)
Responded	315	82%
Not Responded	69	18%
Total	384	100%

Source (Author, 2022)

4.3 Demographic Information

The characteristics of the respondents in terms of the age limit and years of boda-boda operation is captured in Table 4.2 and Table 4.3 respectively.

Table 4.2: Age Limit in Years

		Frequency	Percent
Valid	18 – 19	43	13.65
	20 – 24	99	31.43
	25 – 29	80	25.40
	30 – 34	74	23.49
	35	19	6.03
	Total	315	100.0

Source (Author, 2021)

The results in Table 4.2 show that the highest percentage of respondents were between the age limit of 20 – 24 years 99(31.43%), followed by age limit of 25 – 29 years 80(25.40%), followed by age limit of 30 – 34 years 74(23.49%), followed by age limit of 18 – 19 years 43(13.65%) and finally age limit of 35 years 19(6.03%).

Table 4.3: Years of Boda-boda Operation

		Frequency	Percent
Valid	Less than 1 Year	26	8.25
	1 – 5 Years	218	69.21
	6 – 10 Years	61	19.37
	Above 10 Years	10	3.17
	Total	315	100.0

Source (Author, 2021)

The results in Table 4.3 show that the highest percentage of respondents had between 1 and 5 years of boda-boda operation 218(69.21%), followed by respondents with 6 to 10 years of boda-boda operation 61(19.37%), followed by respondents with less than 1 years of boda-boda operation 26(8.25%) and lastly respondents with more than 10 years of boda-boda operation 10(3.17%).

4.4 Role of Mobile Money Deposits on Savings Mobilization of Boda-boda Youths in Wote Town

The first objective of the study sought to establish the role of mobile money deposits on savings mobilization of boda-boda youths in Wote town. The respondents were required to show their level of agreement or disagreement with statements given on mobile money deposits on a five-point Likert scale of 1-5, where; 1-Strongly Disagree, 2-Disagree, 3-Undecided, 4-Agree, 5- Strongly Agree. Descriptive statistics were analyzed and results presented in Table 4.4.

Table 4.4: Descriptive Statistics for Mobile Money Deposits

Given Statements	SA	A	UN	D	SD	Total
	(%)	(%)	(%)	(%)	(%)	(%)
I use my mobile phone to deposit money to my account	223 (71)	62 (20)	12 (4)	12 (4)	6 (2)	315 (100)
I also accept payments through mobile money from my clients	234 (74)	51 (16)	18 (6)	6 (2)	6 (2)	315 (100)
I don't receive cash from my clients since I have fully adopted Lipa na M-pesa service.	24 (8)	24 (8)	71 (23)	196 (62)	0 (0)	315 (100)
Receiving payments through M-pesa relieves me the problem of having so much money in my pocket at a go.	205 (65)	32 (10)	12 (4)	42 (13)	24 (8)	315 (100)
Mobile payments have enhanced the efficiency of depositing money to mobile accounts at any time.	210 (67)	33 (10)	24 (8)	30 (10)	18 (6)	315 (100)

Key: SA=Strongly Agree; A=Agree; UN=Undecided; D=Disagree; SD=Strongly Disagree

The results in Table 4.4 show that 62(20%) of boda-boda youths agreed, 12(4%) were undecided, 12(4%) disagreed, 6(2%) strongly disagreed and 223(71%) strongly agreed that they use mobile phone to deposit money to their savings accounts. This indicates that majority of the respondents strongly agreed that boda-boda operators use their mobile phone to deposit money to their savings account. On whether boda-boda

operators accept payments from clients through mobile money 51(16%) of boda-boda youths agreed, 18(6%) were undecided, 6(2%) disagreed, 6(2%) strongly disagreed and 234(74%) of boda-boda riders strongly agreed with the statement. This indicates that mobile money has established alternative and convenient ways of boda-boda riders receiving payments from clients. This agreed with Mbithi and Weil (2011) that increased use of M-Pesa lowers the propensity of people to use informal savings mechanisms and also raised the probability of being banked.

On whether boda-boda operators don't receive cash from clients since they have fully adopted Lipa na M-pesa service, 24(8%) of boda-boda youths strongly agreed, 24(8%) agreed, 71(23%) were undecided, 0(0%) strongly disagreed and 196(62%) disagreed with the statement. This shows that boda-boda riders accept cash payments as well as mobile money payments. On whether receiving payments through M-pesa relieves boda-boda operators the problem of having so much money in my pocket at a go, 32(10%) of boda-boda youths agreed, 12(4%) were undecided, 42(13%) disagreed, 24(8%) strongly disagree and 205(65%) strongly agreed with the statement. This indicates, majority of boda-boda operators embraced mobile money payments because it facilitated not having more money in their pockets. It also facilitated having money deposited in boda-boda savings accounts. This is consistent with Munga (2010) that M-Pesa had a big impact on the Kenyans lives both socially and economically.

It was further noted that Mobile payment has enhanced the efficiency of depositing money to mobile accounts at any time, since 33(10%) of boda-boda youths agreed, 24(8%) were undecided, 30(10%) disagreed, 18(6%) strongly disagreed and 210(67%) strongly agreed that through mobile payments boda-boda operators were able to save money to their savings account without the need of visiting an M-pesa shop to deposit money to their mobile money accounts. This is in agreement with Waihenya (2012)

who averred that mobile banking enhanced Financial Inclusion in Kenya. The study concluded that mobile banking enhanced financial inclusion in Kenya.

Table 4.5: Amount Deposited by Boda-boda Youths Since 2018 to 2021

Year	Mobile Money Deposits					
	M-pesa		Airtel		Equitel	
	No. of Depositors	Amt. Deposited in Ksh. “000”	No. of Depositors	Amt. Deposited in Ksh. “000”	No. of Depositors	Amt. Deposited in Ksh. “000”
2018	313	3443	192	1536	105	966
2019	309	2781	178	1492	132	749
2020	310	2015	153	775	145	413
2021	305	3596	159	1956	157	1884

Source (Boda-boda Youths, 2022)

The results in Table 4.5 show that M-pesa was the most preferred platform to deposit with an average of 3 million shillings deposited followed by Airtel with an average of 1.4 million shillings deposited and finally Equitel with an average of 1 million shillings deposited. This could be attributed to the fact that most boda-boda youths are subscribed to Safaricom. M-pesa was also preferred because it was much easier to access money deposited from M-pesa because of presence of many M-pesa agents providing M-pesa services. It was also evident that the year 2021 had the highest amount deposited. These findings are a reflection of saving patterns explained by Nation media group that boda-boda raised 23.7 million in a day in Kangema by registering with sh.100 and contributing sh. 50 daily through mobile money. The

findings are also consistent with Munga (2010) that M-Pesa had a big impact on the Kenyans lives both socially and economically.

The data was further analyzed using Pearson’s Correlation to establish the relationship between mobile money deposits and savings mobilization of Boda-boda youths in Wote town. Table 4.6. summarizes the results.

Table 4.6: Pearson’s Correlation Analysis Between Mobile Money Deposit and Savings Mobilization

		Saving
Deposits	Pearson Correlation	.956**
	Sig. (2-tailed)	.000
	N	315

** . Correlation is significant at the 0.01 level (2-tailed).

The results in Table 4.6 show that there is a very high positive and statistically significant correlation ($r = 0.956$, $P\text{-value} = 0.000$) between mobile money deposit and savings mobilization of boda-boda operators in Wote town. This signifies that mobile money deposit is an important influence on savings mobilization of boda-boda operators in Wote town. This is consonance with Waihenya (2012) that mobile banking increased financial inclusion in Kenya.

Further, the study sought to unearth the strength of the association between mobile money deposit and savings mobilization of boda-boda operators in Wote town. This was guided by null hypothesis one which was stated as:

H₀₁: There is no association between mobile money deposits and savings mobilization of boda-boda youths in Wote town.

The analysis was conducted using the test of independence and the results are presented in Table 4.7.

Table 4.7: Chi-square Test of Independence for Mobile Money Deposit and Savings Mobilization

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	3465.000 ^a	144	.000
Likelihood Ratio	1161.143	144	.000
Linear-by-Linear Association	286.684	1	.000
N of Valid Cases	315		

The results in Table 4.7 show that there is an association between mobile money deposit and savings mobilization of boda-boda youth operators in Wote town. With a Chi-square of 3465.00 which was > critical Chi-square value and $p = 0.000$ it was concluded that the relationship between variables was significant and hence the null hypothesis which stated that there is no association between mobile money deposits and savings mobilization of boda-boda youths in Wote town was rejected. It therefore implies that mobile money deposits were significant factor influencing savings mobilization of boda-boda youths in Wote town. This agreed with Mbithi and Weil (2011) that increased use of M-Pesa lowers the propensity of people to use informal savings mechanisms and also raised the probability of being banked.

4.5 Role of Transaction Costs on Savings Mobilization of Boda-boda Youths in Wote Town

The second objective of the study sought to establish the role of transaction costs on savings mobilization of boda-boda youths in Wote town. The respondents were

required to show their level of agreement or disagreement with statements given on transaction costs on a five-point Likert scale of 1-5, with; 1-Strongly Disagree, 2-Disagree, 3-Undecided, 4-Agree, 5- Strongly Agree. Descriptive statistics were analyzed and results presented in Table 4.8.

Table 4.8: Descriptive Statistics for Transaction Costs

Given Statements	SA	A	UN	D	SD	Total
	(%)	(%)	(%)	(%)	(%)	(%)
I am comfortable using Mobile money transfer because it is affordable	171 (54)	84 (27)	30 (10)	12 (4)	18 (6)	315 (100)
I transact daily using mobile money because is affordable	124 (39)	185 (59)	0 (0)	0 (0)	6 (2)	315 (100)
I borrow loans from mobile money because interest rates are affordable.	167 (53)	142 (45)	0 (0)	6 (2)	0 (0)	315 (100)
I prefer mobile money because I access my account without having to travel to banking hall	190 (60)	119 (38)	0 (0)	0 (0)	6 (2)	315 (100)
I limit myself to a number of mobile money transactions in a day to avoid high transaction costs.	184 (58)	103 (33)	22 (7)	0 (0)	6 (2)	315 (100)

Key: SA=Strongly Agree; A=Agree; UN=Undecided; D=Disagree; SD=Strongly Disagree

The results in Table 4.8 show that 84(27%) of boda-boda youths agreed, 30(10%) were undecided, 12(4%) disagreed, 18(6%) strongly disagreed and 171(54%) strongly agreed that they are comfortable using mobile money transfer because it is affordable. On whether boda-boda youths transact daily using mobile money because it is

affordable, 124(39%) of boda-boda youths strongly agreed, 0(0%) were undecided, 0(0%) disagreed, 6(2%) strongly disagreed and 185(59%) agreed with the statement. This indicates that majority of boda-boda youths are able to access their savings account on a daily basis because it is more convenient and affordable. This affirms Munga (2010) that M-Pesa had a big impact on the Kenyans lives both socially and economically.

On whether boda-boda youths request loans from mobile money because interest rates are affordable, 142(45%) of boda-boda youths agreed, 0(0%) were undecided, 6(2%) disagreed, 0(0%) strongly disagreed and 167(53%) strongly agreed to the statement. This also indicates that boda-boda youths use mobile money to access loan facilities. This agreed with Gitaharie et al. (2014) that the probability of a household to access credit for businesses from mobile money was influenced by interest-related factors.

On whether boda-boda youths prefer mobile money because they access their bank account without having to travel to banking hall, 119(38%) of boda-boda youths agreed, 0(0%) were undecided, 0(0%) disagreed, 6(2%) strongly disagreed and 190(60%) strongly agreed to the statement. This indicates that through efficiency mobile money has positive impact on savings mobilization of boda-boda youths. This is in consonance with Munga (2010) that M-Pesa had a big impact on the Kenyans lives both socially and economically.

Finally, on whether boda-boda youths limit themselves to a number of mobile money transactions in a day to avoid high transaction costs, 103(33%) of boda-boda youths agreed, 22(7%) were undecided, 0(0%) disagreed, 6(2%) strongly disagreed and 184(58%) strongly agreed to the statement. This indicates that through mobile money boda-boda youths are able to manage the cost savings by limiting the number

of transactions through mobile money, this could be achieved through bulky transactions at any given time. This is in agreement with Ike and Umuedafe (2013) that the volume of savings was determined by the amount of income obtained from farming and transaction costs.

Table 4.9: Transaction Costs for Various Mobile Money Platforms

Year	Transaction Costs					
	M-pesa		Airtel		Equitel	
	Borrowing Cost in %	Depositing Cost in %	Borrowing Cost in %	Depositing Cost in %	Borrowing Cost in %	Depositing Cost in %
2018	10%	0%	N/A	0%	9%	0%
2019	6%	0%	N/A	0%	9%	0%
2020	6%	0%	N/A	0%	6%	0%
2021	4%	0%	N/A	0%	9%	0%

Source (Boda-boda Youths, 2022)

The results in Table 4.9 show that M-pesa had the most affordable cost of borrowing at an average cost of 6.5%. Airtel money does not offer loan services that is why there were no responses on borrowing cost. Equitel had an average of 7.5% as the borrowing cost. It was also evident that all platforms offered 0% cost in depositing money to various platforms. The findings are a reflection of saving patterns explained by Micheni et al.(2013) that transaction costs directly influence the users' adoption of mobile money services. the findings are further in agreement with Ike and Umuedafe (2013) that the volume of savings was determined by transaction costs.

Using Pearson Correlation, the data was further analyzed to establish the relationship between transaction costs and savings mobilization of Boda-boda youths in Wote town. The results are summarized in Table 4.10.

Table 4.10: Pearson’s Correlation Analysis between Transaction Costs and Savings Mobilization

		Saving
Transaction Costs	Pearson Correlation	.388**
	Sig. (2-tailed)	.000
	N	315

** . Correlation is significant at the 0.01 level (2-tailed).

The results in Table 4.10 show that there is a low positive and statistically significant correlation ($r = 0.388$, $P\text{-value} = 0.000$) between transaction costs and savings mobilization of boda-boda youths in Wote town. This signifies that transaction cost is an important influence on savings mobilization of boda-boda youths in Wote town. This is consistent with Ike and Umuedafe (2013) that the volume of savings was determined by the amount of income obtained from farm sales and transaction costs.

Further, the study sought to unearth the strength of the association between transaction costs and savings mobilization of boda-boda youths in Wote town. This was guided by the null hypothesis two which was stated as:

H₀₂: There is no association between transaction costs and savings mobilization of boda-boda youths in Wote town.

The analysis was conducted using the test of independence and the results are presented in Table 4.11.

Table 4.11: Chi-square Test of Independence for Transaction Costs and Savings**Mobilization**

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	1076.739 ^a	96	.000
Likelihood Ratio	469.828	96	.000
Linear-by-Linear Association	47.351	1	.000
N of Valid Cases	315		

The results in Table 4.11 show that there is an association between transaction costs and savings mobilization of boda-boda youths in Wote town. With a Chi-square of 1075.739 which was > critical Chi-square value and $p = 0.000$ it was concluded that the relationship between variables was significant and hence the null hypothesis which stated that there is no association between transaction costs and savings mobilization of boda-boda youths in Wote town was rejected. The study therefore concluded that transaction costs were significant factor influencing savings mobilization of boda-boda youths in Wote town. This agreed with Ike and Umuedafe (2013) that the volume of savings was determined by the amount of income obtained from farm sales and transaction costs.

4.6 Role of Mobile Loan on Savings Mobilization of Boda-boda Youths in Wote Town

The third objective of the study sought to establish the role of mobile loans on savings mobilization of boda-boda youths in Wote town. The respondents were required to indicate their level of agreement or disagreement with statements given on mobile loans

on a five-point Likert scale of 1-5, with; 1-Strongly Disagree, 2-Disagree, 3-Undecided, 4-Agree, 5- Strongly Agree. Descriptive statistics were analyzed and results presented in Table 4.12.

Table 4.12: Descriptive Statistics for Mobile Loans

Given Statements	SA	A (%)	UN	D	SD	Total
	(%)		(%)	(%)	(%)	(%)
Through use of mobile money, am able to access credit from financial institutions	229 (73)	56 (18)	12 (4)	12 (4)	6 (2)	315 (100)
Mobile money has enabled me access loans to grow my boda-boda business	228 (72)	57 (18)	18 (6)	6 (2)	6 (2)	315 (100)
The presence of mobile money relieves me the problem of having to open a bank account	24 (8)	24 (8)	65 (21)	202 (64)	0 (0)	315 (100)
Access to mobile money enables my quick response to customers' needs	205 (65)	32 (10)	12 (4)	36 (11)	30 (10)	315 (100)
Cost of accessing loans through mobile money is affordable.	210 (67)	33 (10)	24 (8)	30 (10)	18 (6)	315 (100)

Key: SA=Strongly Agree; A=Agree; UN=Undecided; D=Disagree; SD=Strongly Disagree

The results in Table 4.12 show that 56(18%) of boda-boda youths agreed, 12(4%) were undecided, 12(4%) disagreed, 6(2%) strongly disagreed and 229(73%) strongly agreed that through the use of mobile money, they are able to access credit from financial institutions. This indicates that mobile money has enabled access to credit financial institutions. On whether mobile money has enabled boda-boda youths access loans to grow their boda-boda business, 57(18%) of boda-boda youths agreed, 18(6%) were

undecided, 6(2%) disagreed, 6(2%) strongly disagreed and 228(72%) strongly agreed to the statement. This indicates that mobile money enables boda-boda youths' access to credit facilities to enhance their boda-boda business. This concurs with the Gitaharie et al., (2014) that the probability of a household to access credit for businesses from banks or mobile money was influenced by income-related factors such as employment status and poverty level.

On whether the presence of mobile money relieves boda-boda youths the problem of having to open a bank account, 24(8%) of boda-boda youths strongly agreed, 24(8%) agreed, 65(21%) were undecided, 0(0%) strongly disagreed and 202(64%) disagreed with the statement. This means that despite access to mobile money boda-boda youths still opened bank accounts. This could be attributed to the fact that with a bank account one could access the account through mobile money. On whether access to mobile money enables boda-boda youths' quick response to customers' needs, 32(10%) of boda-boda youths agreed, 12(4%) were undecided, 36(11%) disagreed, 30(10%) strongly disagreed and 205(65%) strongly agreed to the statement. It was also noted that the cost of accessing loans through mobile money was affordable. The results showed that 33(10%) of boda-boda youths agreed, 24(8%) were undecided, 30(10%) disagreed, 18(6%) strongly disagreed and 210(67%) strongly agreed to the statement. This indicates that through mobile money more affordable loans were accessible. This is in consonance with Hailu (2014) that mobile loans are more preferred to bank loans because of low paper work and low transaction costs.

4.13 Amount Borrowed by Boda-boda Youths Since 2018 to 2021

Year	Borrowing Platforms					
	M-shwari		Fuliza		KCB M-pesa	
	No. of borrowers	Amt. borrowed in Ksh. "000"	No. of borrowers	Amt. borrowed in Ksh. "000"	No. of borrowers	Amt. borrowed in Ksh. "000"
2018	213	426	207	166	205	246
2019	109	273	278	222	232	278
2020	217	1302	259	287	257	294
2021	312	936	256	205	245	308

Source (Boda-boda Youths, 2022)

The results in Table 4.13 show that M-shwari was the most used platform to borrow money with an average of shillings 734,250 borrowed followed by KCB M-pesa with an average of shillings 2810,500 borrowed and finally Fuliza with an average of shillings 220,000 borrowed. The year 2020 was the year when boda-boda youths borrowed the highest amount. This could have been attributed to low business activities that was brought about by the outbreak of Covid-19 at the beginning of 2020. This concurs with the Gitaharie et al., (2014) that the probability of a household to access credit for businesses from banks or mobile money was influenced by income-related factors such as employment status and poverty level.

Using Pearson Correlation, the data was further analyzed to establish the relationship between mobile loans and savings mobilization of Boda-boda youths in Wote town. The results are summarized in Table 4.14.

Table 4.14: Pearson’s Correlation Analysis between Mobile Loans and Savings Mobilization

		Saving
Mobile Loans	Pearson Correlation	.356**
	Sig. (2-tailed)	.000
	N	315

** . Correlation is significant at the 0.01 level (2-tailed).

The results in Table 4.14 show that there is a low positive and statistically significant correlation ($r = 0.356$, P -value = 0.000) between mobile loans and savings mobilization of boda-boda youths in Wote town. This shows that mobile loans are an important influence on savings mobilization of boda-boda youths in Wote town. This is consistent with Hailu (2014) that mobile loans are more preferred to bank loans because of low paper work and low transaction costs.

Further, the study sought to unearth the strength of association between mobile loans and savings mobilization of boda-boda youths in Wote town. This was guided by the null hypothesis three which was stated as:

H₀₃: There is no association between mobile loans and savings mobilization of boda-boda youths in Wote town.

The analysis was conducted using the test of independence and the results are presented in Table 4.15.

Table 4.15: Chi-square Test for Independence for Mobile Loans and Savings Mobilization

	Value	df	Asymptotic Significance (2- sided)
Pearson Chi-Square	1034.746 ^a	94	.000
Likelihood Ratio	427.814	94	.000
Linear-by-Linear Association	45.341	1	.000
N of Valid Cases	315		

The results in Table 4.15 show that there is an association between mobile loans and savings mobilization of boda-boda youths in Wote town. With a Chi-square of 1034.746 which was > critical Chi-square value and $p = 0.000$ it was concluded that the relationship between variables was significant and hence the null hypothesis which stated that there is no association between mobile loans and savings mobilization of boda-boda youths in Wote town was rejected. The study concluded that mobile loans were significant factor influencing savings mobilization of boda-boda youths in Wote town. This is in consonance with Mwangi and Sichei (2012) that mobile loans influenced savings mobilization in Kenya.

4.7 Role of Mobile Money Regulations on Savings Mobilization of Boda-boda Youths in Wote Town

The fourth objective of the study sought to establish the role of mobile money regulations on savings mobilization of boda-boda youths in Wote town. The respondents were required to indicate their level of agreement or disagreement with statements given on mobile money regulations on a five-point Likert scale of 1-5, with;

1-Strongly Disagree, 2-Disagree, 3-Undecided, 4-Agree, 5- Strongly Agree.

Descriptive statistics were analyzed and results presented in Table4.16.

Table 4.16: Descriptive Statistics for Mobile Regulations

Given Statements	SA	A	UN	D	SD	Total
	(%)	(%)	(%)	(%)	(%)	(%)
I access mobile money services without my I.D.	223	56	12	12	12	315
	(71)	(18)	(4)	(4)	(4)	(100)
I access mobile money services while not in company of my mobile phone.	228	51	18	12	6 (2)	315
	(72)	(16)	(6)	(4)		(100)
For interest gain purposes I have always preferred depositing money to a bank account.	24	30	196	65	0 (0)	315
	(8)	(10)	(62)	(21)		(100)
While transacting large amounts I have always used banks because of mobile money amounts limits.	211	33	24	30	18	315
	(67)	(10)	(4)	(11)	(8)	(100)
I have some knowledge on mobile money regulations.	30	30	25	211	19	315
	(10)	(10)	(8)	(67)	(6)	(100)

Key: SA=Strongly Agree; A=Agree; UN=Undecided; D=Disagree; SD=Strongly

Disagree

The results in Table 4.16 show that 56(18%) of boda-boda youths agreed, 12(4%) were undecided, 12(4%) disagreed, 12(4%) strongly disagreed and 223(71%) strongly agreed that boda-boda youths' access mobile money services while not in company of their national identification documents. This indicates that majority of boda-boda

youths' access mobile money services while not in company of their identification documents. On whether boda-boda youths' access mobile money services while not in company of their mobile phone, 51(16%) of boda-boda youths agreed, 18(6%) were undecided, 12(4%) disagreed, 6(2%) strongly disagreed and 228(72%) strongly agreed with the statement. This indicates that even without a mobile phone but with a mobile money account boda-boda youths still received mobile money services. This is in consonance with Mirach and Hailu (2014) that mobile money regulations are not observed by many mobile money providers.

On whether boda-boda youths have always preferred depositing money to a bank account and not to a mobile money account because of high interest gains at the bank, 24(8%) of boda-boda youths strongly agreed, 30(10%) agreed, 65(21%) disagreed, 0(0%) strongly disagreed and 196(62%) were undecided. This indicates that majority of the respondents neither did they have knowledge about interest rates generated by mobile money accounts nor bank accounts. Similarly, majority 211 (67%) of the respondents strongly agreed that while transacting large amounts of money they have always used banks because of mobile money amounts limits. This indicates that the limited transaction limit in mobile money limits mobile money usage. This is in agreement with Malapit (2012) that mobile money transactions hinder the usage of mobile money while transacting large amount of funds.

Finally, on whether boda-boda youths have some knowledge on mobile money regulations, 30(10%) of boda-boda youths strongly agreed, 30(10%) agreed, 25(8%) were undecided, 19(6%) strongly disagreed and 211(67%) disagreed to the statement. This indicates that boda-boda youths have no knowledge about regulations regulating mobile money sector. This is in agreement with Hailu (2014) that mobile money

regulations are not observed by many mobile money providers because their staffs are not well conversant with the regulations.

Using Pearson's Correlation, the data was subjected to further analysis to establish the relationship between mobile regulations and savings mobilization of Boda-boda youths in Wote town. The results are summarized in Table 4.17.

Table 4.17: Pearson's Correlation Analysis between Mobile Regulations and Savings Mobilization

		Saving
Mobile Regulation	Pearson Correlation	.256**
	Sig. (2-tailed)	.000
	N	315

** . Correlation is significant at the 0.01 level (2-tailed).

The results in Table 4.17 show that there is a low positive and statistically significant correlation ($r = 0.256$, $P\text{-value} = 0.000$) between mobile regulations and savings mobilization of boda-boda youths in Wote town. This indicates that mobile regulations are important influence on savings mobilization of boda-boda youths in Wote town. This is in consonance with Waihenya (2012) that mobile money regulations influenced savings mobilization in Kenya.

Further, the study sought to unearth the strength of the association between mobile loans and savings mobilization of boda-boda youths in Wote town. This was guided by null hypothesis four which was stated as:

H₀₄: There is no association between mobile regulations and savings mobilization of boda-boda youths in Wote town.

The analysis was conducted using Chi-square test of independence and the results are presented in Table 4.18.

Table 4.18: Chi-square Test for Independence for Mobile Regulations and Savings Mobilization

	Value	df	Asymptotic Significance (2- sided)
Pearson Chi-Square	710.426 ^a	63	.000
Likelihood Ratio	308.325	63	.000
Linear-by-Linear Association	31.074	1	.000
N of Valid Cases	315		

The results in Table 4.18 show that there is an association between mobile regulations and savings mobilization of boda-boda youths in Wote town. With a Chi-square of 710.426 which was > critical Chi-square value and $p = 0.000$ it was concluded that the relationship between variables was significant and hence the null hypothesis which stated that there is no association between mobile money regulations and savings mobilization of boda-boda youths in Wote town was rejected. It therefore implies that mobile regulations were significant factor influencing savings mobilization of boda-boda youths in Wote town. This is in consonance with Waihenya (2012) that mobile money regulations influenced savings mobilization.

4.8 Savings Mobilization of Boda-boda Youths in Wote Town

The study also sought to find out how the independent variables covered relate to the savings mobilization of boda-boda youths in Wote town. The results are presented in Table 4.19.

Table 4.19: Descriptive Statistics for Savings Mobilization of Boda-boda youths in Wote Town.

Statements	SA	A	UN	D	SD	Total
	(%)	(%)	(%)	(%)	(%)	(%)
Through mobile money I am able to save.	229 (73)	50 (16)	12 (4)	18 (6)	6 (2)	315 (100)
Through mobile money savings I have managed to buy my own motorbike.	228 (72)	45 (14)	24 (8)	6 (2)	12 (4)	315 (100)
Through mobile money savings I have managed to buy a second motorbike.	24 (8)	196 (62)	18 (6)	71 (23)	6 (2)	315 (100)
Through mobile money savings I am able to meet my family daily expenses.	205 (65)	32 (10)	24 (8)	36 (11)	18 (6)	315 (100)
Through mobile money savings I have managed to own a house.	205 (65)	33 (10)	24 (8)	30 (10)	24 (8)	315 (100)

Key: SA=Strongly Agree; A=Agree; UN=Undecided; D=Disagree; SD=Strongly Disagree

The results in Table 4.19 show that 50(16%) of boda-boda youths agreed, 12(4%) were undecided, 18(6%) disagreed, 6(2%) strongly disagreed and 229(73%) strongly agreed to the statement that through mobile money boda-boda youths are able to save. This indicates that mobile money is facilitating savings mobilization among boda-boda youths. This is in consonance with Mbithi and Weil (2011) that increased use of M-Pesa lowers the propensity of people to use informal savings mechanisms and also

raised the probability of being banked. On whether through mobile money savings, boda-boda youths have managed to buy their own motorbike, 45(14%) of boda-boda youths agreed, 24(8%) were undecided, 6(2%) disagreed, 12(4%) strongly disagreed and 228(72%) strongly agreed to the statement. This shows that savings mobilization through mobile money has enabled boda-boda youths to own a motorbike. On whether through mobile money savings boda-boda youths have managed to acquire a second motorbike, 24(8%) of boda-boda youths strongly agreed, 18(6%) were undecided, 71(23%) disagreed, 6(2%) strongly disagreed and 196(62%) agreed to the statement. This indicates that through savings mobilization through mobile money majority of boda-boda youths have managed to acquire a second motorbike and hence increasing their investments. This is in consonance with Munga (2010) that M-Pesa had a big impact on the Kenyans lives both socially and economically.

On whether through mobile money savings boda-boda youths are able to meet their family daily expenses, 32(10%) of boda-boda youths agreed, 24(8%) were undecided, 36(11%) disagreed, 18(6%) strongly disagreed and 205(65%) strongly agreed to the statement. This indicates that through savings, boda-boda youths are able to continuously meet their families daily needs even when their daily boda-boda business activities performed poorly. On whether through mobile money savings boda-boda youths have managed to own their own house, 33(10%) of boda-boda youths agreed, 24(8%) were undecided, 30(10%) disagreed, 24(8%) strongly disagreed and 205(65%) strongly agreed to the statement. This indicates that through mobile money savings mobilization boda-boda youths have been able to uplift the standard of life by owning residential houses. This is in agreement with Munga (2010) that M-Pesa had a big impact on the Kenyans lives both socially and economically.

Table 4.20: Amount Saved by Boda-boda Youths Since 2018 to 2021

Year	Savings Platforms					
	M-pesa		Airtel		Equitel	
	No. of Savers	Amt. Saved in Ksh. “000”	No. of Savers	Amt. Saved in Ksh. “000”	No. of Savers	Amt. Saved in Ksh. “000”
2018	313	3443	192	1536	105	966
2019	309	2781	178	1492	132	749
2020	310	2015	153	775	145	413
2021	305	3596	159	1956	157	1884

Source (Boda-boda Youths, 2022)

The results in Table 4.20 show that M-pesa was the most preferred platform to save with an average of 3 million shillings saved, followed by Airtel with an average of 1.4 million shillings saved and finally Equitel with an average of 1 million shillings saved. This could be attributed to the fact that most boda-boda youths are subscribed to Safaricom. M-pesa was also preferred because it was much easier to access money saved from M-pesa because of presence of many M-pesa agents providing M-pesa services. It was also evident that the year 2021 had the highest amount savings. The increase in savings from 2018 to 2021 impacted the living standards of boda-boda youths positively because it was evident that there was a general increase in the number of motorbikes purchased. In 2018 the total number of motorbikes purchased from savings was 54 motorbikes while in 2021 the total number of motorbikes purchased was 97 motorbikes. These findings are a reflection of saving patterns reported by *Boda-Boda SACCO* in Kangema that if they save for five years, their total savings will hit 315 million to qualify for a shs 1.26 billion commercial loan and besides investing in

high return sectors, take a shot of founding their own bank by 2026. This is further in agreement with Munga (2010) that M-Pesa had a big impact on the Kenyans lives both socially and economically.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The purpose of this study was to determine the role of mobile money on savings mobilization of boda-boda youths in Wote town. The respondents were boda-boda youths in Wote town. Using a descriptive survey research design and a sample size of 384 a Chi-square test was applied to test four null hypotheses. This chapter presents the summary of the findings, conclusion, recommendations and the suggested areas for further study.

5.2 Summary of Findings

The summary of findings is presented in line with the four objectives of the study.

The first objective of the study sought to establish the role of mobile money deposits on savings mobilization of boda-boda youths in Wote town. Through the results it was established that majority of the respondents agreed to the statements that aided in conceptualizing the influence of the mobile money deposits on savings mobilization. The study established that majority of boda-boda youths use mobile phone to deposit money to their savings account; also, boda-boda youths accept payments through mobile money from their clients. Mobile payments have enhanced the efficiency of depositing money to mobile accounts at any time. The study further established that mobile money deposit is an important influence on savings mobilization of boda-boda operators in Wote town. Overall, the study found that mobile money deposits were significant factor influencing savings mobilization of boda-boda youths in Wote town.

The second objective of the study sought to establish the role of transaction costs on savings mobilization of boda-boda youths in Wote town. Through the results it was established that majority of the respondents agreed to the statements that aided in

conceptualizing the influence of transaction costs on savings mobilization. The study established that majority of boda-boda youths are comfortable using Mobile money transfer because it is affordable; also, boda-boda youths transact daily using mobile money because is affordable; boda-boda youths borrow loans from mobile money because interest rates are affordable and also boda-boda youths prefer mobile money because they access their account without having to travel to banking hall. The study established that there is a low positive and statistically significant correlation ($r = 0.388$, $P\text{-value} = 0.000$) between transaction costs and savings mobilization of boda-boda youths in Wote town. The study found that transaction costs were significant factor influencing savings mobilization of boda-boda youths in Wote town.

The third objective of the study sought to establish the role of mobile loans on savings mobilization of boda-boda youths in Wote town. Through the results it was established that majority of the respondents agreed to the statements that aided in conceptualizing the influence of mobile loans on savings mobilization. The study established that through use of mobile money, boda-boda youths are able to access credit from financial institutions; Mobile money has enabled boda-boda youths access loans to grow their boda-boda business; and also cost of accessing loans through mobile money is affordable. The study found that mobile loans were a significant factor influencing savings mobilization of boda-boda youths in Wote town.

The fourth objective of the study sought to establish the role of mobile money regulations on savings mobilization of boda-boda youths in Wote town. Through the results it was established that majority of the respondents agreed to the statements that aided in conceptualizing the influence of mobile money regulations on savings mobilization. The study established that boda-boda youths' access mobile money services without their identification documents; also, boda-boda youths' access mobile

money services while not in company of their mobile phones; and finally, while transacting large amounts boda-boda youths have always used commercial banks because of the low limits imposed on mobile money. The study found that mobile regulations were significant factor influencing savings mobilization of boda-boda youths in Wote town.

5.3 Conclusion

In view of the study findings, the following conclusions were drawn along the research objectives. First the study concluded that mobile money deposits have influence on savings mobilization of boda-boda youths in Wote town. For effective savings mobilization among boda-boda youths mobile money deposits should be enhanced. Secondly, the study concludes that transaction costs have influence on saving mobilization of boda-boda youths in Wote town. For effective savings mobilization among boda-boda youths transaction costs should be considered. Thirdly, the study concluded that mobile loans have an influence on savings mobilization of boda-boda youths. For effective savings mobilization among boda-boda youths' mobile loans should be enhanced in terms of accessibility and affordability. Lastly, the study concluded that mobile money regulations have an influence on savings mobilization of boda-boda youths. Through the results indicated that there was inadequate knowledge in terms of regulations governing the mobile money sector it was established that mobile money regulation influenced savings mobilization among boda-boda youths. Therefore, for effective savings mobilization among the boda-boda youths, mobile money regulations should be enhanced through knowledge dissemination.

5.4 Recommendations

In view of the conclusions the study recommends that:

For effective savings mobilization among boda-boda youths, mobile money providers should enhance mobile money deposits. This is because boda-boda youths use mobile money to receive payments from clients and also save their money in mobile money wallets. The study also recommends that mobile money providers should consider offering affordable mobile money transaction costs as this has been seen to have a positive influence on savings mobilization among boda-boda youths. The study further recommends that mobile money providers should consider offering mobile loans at affordable cost as it has been observed that affordable mobile loans influences savings mobilization among boda-boda youths. Through the results indicated that there was inadequate knowledge in terms of regulations governing the mobile money sector it was established that mobile money regulation influenced savings mobilization among boda-boda youths. Therefore, for effective savings mobilization among the boda-boda youths, mobile money regulations should be enhanced through knowledge dissemination.

5.5 Areas for Further Study

This study was limited to savings mobilization among boda-boda youths and therefore the results should not be generalized to other sectors and population. Therefore, a similar study incorporating other sectors should be conducted to establish the relationship between different sectors. The study also recommends that a similar study be carried out targeting the entire population working in the transport sector. This may contribute more knowledge in the area of mobile money and savings mobilization.

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APPENDIX I: RESEARCH QUESTIONNAIRE

This questionnaire is aimed at collecting data to facilitate the study titled: "role of mobile money on savings mobilization of boda-boda youths in Wote town" The questionnaire forms an integral part of the study and the respondents are kindly requested to complete it. The researcher will uphold utmost integrity and ethics by ensuring that the data collected will be used absolutely for academic purpose and will be treated with strict confidentiality.

Section A: Demographic Information of the Respondents

In the following section indicate using a tick (✓) your choice in the various categories

1.Age: _____

2.How long have you been in this boda-boda business?

Section B: In the following section, use the following scale to show your level of agreement with the statements therein

1-Strongly Disagree (SD) 2-Disagree (D) 3-Undecided (U) 4-Agree (A) 5-Strongly Agree (SA)

I.Mobile Money Deposit

	Description	1	2	3	4	5
i.	I use my mobile phone to deposit money to my account					
ii.	I also accept payments through mobile money from my clients					
iii.	I don't receive cash from my clients since I have fully adopted Lipa na M-pesa service.					
iv.	Receiving payments through M-pesa relieves me the problem of having so much money in my pocket at a go.					
v.	Mobile payments have enhanced the efficiency of depositing money to mobile accounts at any time.					

II. Mobile Money Transaction Cost

	Description	1	2	3	4	5
i.	I comfortable using Mobile money transfer because it is affordable					
ii.	I transact daily using mobile money because is affordable					
iii.	I borrow loans from mobile money because interest rates are affordable.					
iv.	I prefer mobile money because i access my account without having to travel to banking hall					
v	I limit myself to a number of mobile money transactions in a day to avoid high transaction costs.					

III. Mobile Loans

	Description	1	2	3	4	5
i.	Through use of mobile money, am able to access credit financial institutions					
ii.	Mobile money has enabled me access loans to grow my boda-boda business					
iii.	The presence of mobile finance relieves me the problem of having to open a bank account					
iv.	Access to mobile money enables my quick response to customers' needs					
v.	Cost of accessing loans through mobile money is affordable.					

IV. Mobile Money Regulation

	Description	1	2	3	4	5
i.	I access mobile money services without my I.D.					
ii.	I access mobile money services while not in company of my mobile phone.					
iii.	For interest purposes I have always preferred depositing money to a bank account.					
iv.	While transacting large amounts I have always used banks because of mobile money amounts limits.					
v.	I have some knowledge on mobile money regulations.					

V. Savings Mobilization

	Description	1	2	3	4	5
i.	Through mobile money I am able to save.					
ii.	Through mobile money savings I have managed to buy my own motorbike.					
iii.	Through mobile money savings I have managed to buy a new second motorbike.					
iv.	Through mobile money savings I am able to meet my family daily expenses.					
v.	Through mobile money savings I have managed to own a house					

vi. Do you own the motorbike?
 Yes [] No []

vii. If yes, how many motorbikes? _____

viii. Amount Deposited by Boda-boda Youths Since 2018 to 2021

Year	Mobile Money Deposits		
	M-pesa	Airtel	Equitel
	Amt. Deposited in Ksh. "000"	Amt. Deposited in Ksh. "000"	Amt. Deposited in Ksh. "000"
2018			
2019			
2020			
2021			

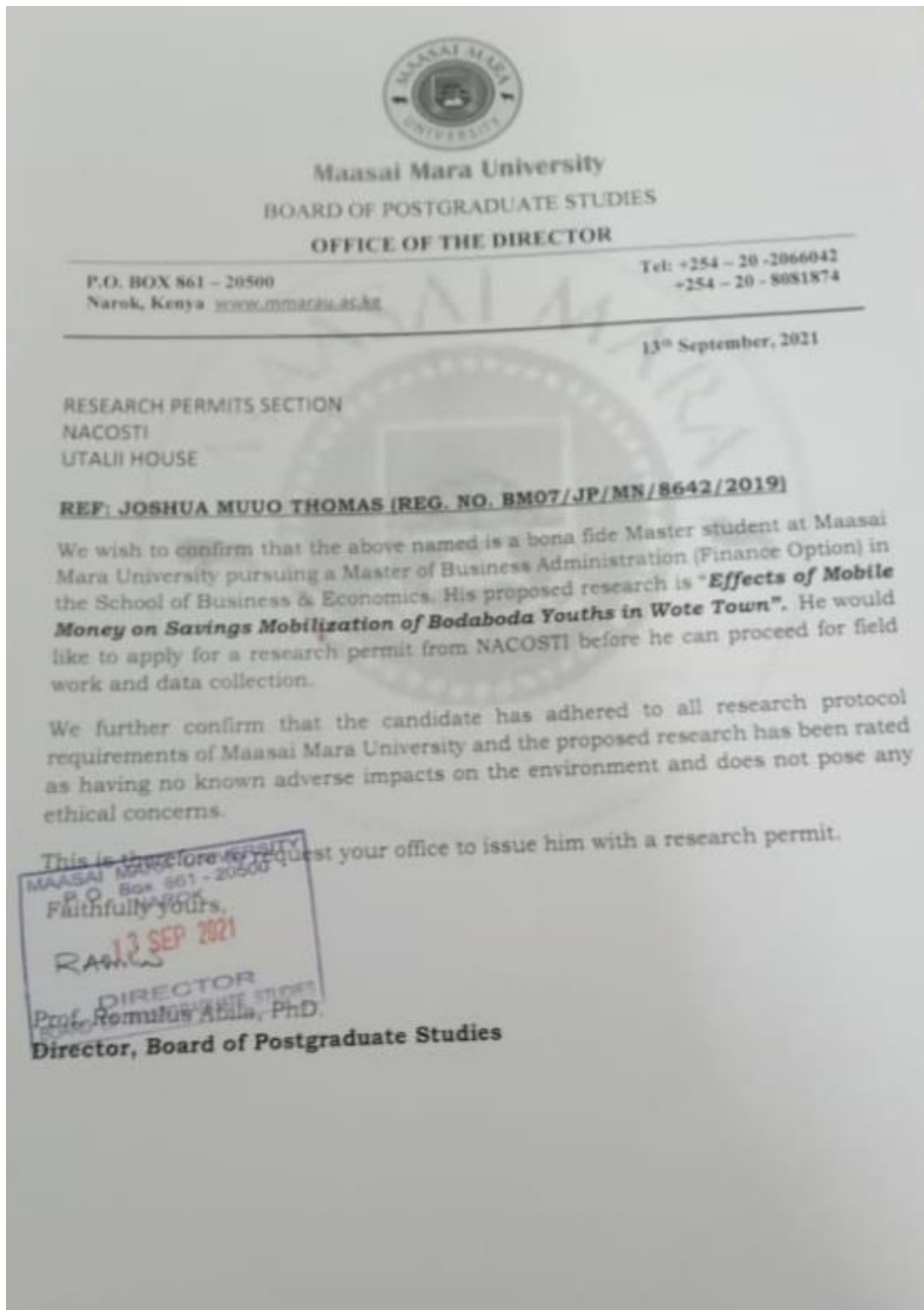
ix. Transaction Costs for Various Mobile Money Platforms

Year	Transaction Costs					
	M-pesa		Airtel		Equitel	
	Borrowing Cost in %	Depositing Cost in %	Borrowing Cost in %	Depositing Cost in %	Borrowing Cost in %	Depositing Cost in %
2018						
2019						
2020						
2021						



x. Amount Borrowed by Boda-boda Youths Since 2018 to 2021			
Year	Borrowing Platforms		
	M-shwari	Fuliza	KCB M-pesa
	Amt. borrowed in Ksh. "000"	Amt. borrowed in Ksh. "000"	Amt. borrowed in Ksh. "000"
2018			
2019			
2020			
2021			

Thank you!

APPENDIX II: INTRODUCTORY LETTER FROM THE UNIVERSITY



APPENDIX III: RESEARCH PERMIT FROM NACOSTI

 <p>REPUBLIC OF KENYA</p>	 <p>NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION</p>
Ref No: 482767	Date of Issue: 15/October/2021
RESEARCH LICENSE	
	
<p>This is to Certify that Mr. JOSHUA MUUO THOMAS of Maasai Mara University, has been licensed to conduct research in Makueni on the topic: EFFECT OF MOBILE MONEY ON SAVINGS MOBILIZATION OF BODA-BODA YOUTHS IN WOTE TOWN for the period ending : 15/October/2022.</p>	
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