

M-Paisa and Financial Inclusion: A Case Study of Mobile Banking in Emerging Markets

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ABSTRACT

In emerging markets with limited access to conventional banking infrastructure, mobile banking has emerged as a key instrument for advancing financial inclusion. This research specializes in M-Paisa, a mobile cash provider that drastically aids in providing financial services to previously unbanked groups and selling financial empowerment. The study looks at accessibility, price, and usage trends to see how M-Paisa affects financial inclusion. In order to examine the connection between mobile banking and economic inclusion, statistics was collected from 150 respondents. The outcomes show critical styles within the uptake of cellular banking, emphasizing how M-Paisa may additionally increase get entry to to financial offerings whilst tackling issues like person training and provider dependability. The research also emphasizes the favorable relationship between M-Paisa usage and higher levels of customer satisfaction and financial education. This paper tackles important implications for policymakers and stakeholders in emerging markets and offers insights into the transformational potential of mobile banking solutions in improving financial inclusion by using M-Paisa as a case study. In order to promote economic development and strengthen neglected areas, the study concludes by highlighting the need of ongoing innovation and investment in mobile banking services.

Keywords: M-Paisa, Financial Inclusion, Mobile Banking, Emerging Markets, Financial Literacy, Mobile Money, Digital Financial Services, Economic Empowerment.

1. Introduction

Corporate financial structures have seen a significant transformation in recent years as a result of financial technology (FinTech), which offers organizations creative solutions to boost productivity and expansion. Financial inclusion has benefited greatly from the emergence of FinTech, particularly in poor nations with inadequate conventional banking infrastructure (Fengler, Joseph, & Mugenyi, 2011; UNCDF, 2020). This is especially true for mobile money platforms and digital banking services. By enabling users to effectively save, move, and manage money without requiring a formal bank account, platforms like as Kenya's M-Pesa and Fiji's M-PAiSA have shown how access to digital financial services may encourage entrepreneurship and boost local economies (UNCDF, 2020).

FinTech advancements have also improved overall corporate performance by enabling companies to save expenses, simplify processes, and make data-driven financial choices (PricewaterhouseCoopers, 2020). For example, in order to guarantee smooth transactions, cut down on delays, and improve financial transparency, mobile payment systems are being included into business models more and more (Fengler et al., 2011). By giving businesses access to previously untapped markets, these technologies help them expand financially and provide new opportunities for growth (Klapper, El-Zoghbi, & Hess, 2016).

By examining different FinTech applications and their acceptance rates across organizations, this study seeks to investigate how FinTech solutions might improve corporate financial growth. The study will examine how emerging technologies, in particular blockchain, AI-powered financial tools, and mobile payment systems, improve corporate financial operations and spur economic growth in general.

2. Review of Literature

A key factor in increasing financial inclusion in developing nations is the use of financial technology (fintech) solutions, particularly mobile money. Notably, platforms like M-Pesa have enabled the extensive use of mobile banking services in nations like Kenya, proving the revolutionary potential of fintech in reaching hitherto unbanked people. When Jack and Suri (2014) looked at how mobile money affected rural Kenyans' lives, they discovered that M-Pesa made it simpler for people, particularly women, to obtain financial services, which helped to lower poverty. By offering crucial financial services to underserved populations, our research highlighted the crucial role that mobile banking may play in promoting economic development (Jack & Suri 2014).

In areas with limited banking penetration, mobile banking greatly enhances financial access, according to further research. World Bank research claims that, especially in Africa and certain regions of South Asia, mobile banking has played a significant role in closing the gap between the underprivileged and traditional banking services. The results

showed that mobile financial offerings provide a handy and low cost manner for consumers to get credit, keep money, and transfer money (World Bank, 2020).

According to a observe by way of Demirgüç-Kunt, Klapper, Singer, and Ansar (2020), fintech innovations are critical forces for monetary inclusion, specially for small organizations and rural people. Their research examined how digital wallets and mobile payments promote a more inclusive financial ecosystem by facilitating transactions for consumers without requiring physical bank infrastructure. Specifically, it has been shown that mobile money improves women's financial independence and their capacity to engage in economic activities in poor nations (Demirgüç-Kunt et al., 2020). Digital payment systems have been shown to lower transaction costs and increase financial system transparency in addition to mobile banking. This was especially noticeable in government-led programs, including Mexico's social programs, where assistance distributions were made via digital payments. Governments and individuals benefited greatly from the cost reductions and enhanced efficiency that came from digitizing government-to-person (G2P) payments (Hasan et al., 2022). A more inclusive financial environment has been made possible by the effective integration of previously unbanked people into the financial system via digital G2P payments (World Bank, 2020).

Anute, Ingale (2019) states that the awareness of e banking services among educated senior citizens is high, and that it is somewhat greater in urban citizens compared to rural citizens. Debit cards have the highest levels of knowledge, usage, simplicity of use, and satisfaction among all e-banking services. When compared to urban citizens, rural citizens have greater levels of awareness, usage, and convenience of use of e-banking services. However, rural citizens have higher levels of satisfaction with these services. Credit cards, online banking, and mobile applications are not widely used. Using mobile applications and online banking is challenging for elderly citizens with education in both urban and rural areas.

Regarding regulations, it has been observed that mobile money services function inside intricate structures that need well-balanced regulation to guarantee both innovation and customer safety. Clear regulatory rules are essential for protecting customers and enabling fintech firms to develop their services sustainably, according to Suri and Jack (2016). The significance of proactive government policies in fostering fintech ecosystems that advance financial inclusion was highlighted by their M-Pesa study (Suri & Jack, 2016).

The substantial progress achieved in advancing financial inclusion, especially in disadvantaged areas, is therefore highlighted in the literature now available on fintech and mobile banking. These developments help people and companies engage more completely in their economies by facilitating financial access as well as wider economic growth.

3. Research Methodology

For the current study, which examines how M-Paisa affects financial inclusion in emerging markets, a cross-sectional survey research approach was judged suitable. A sample size of 150 respondents was chosen from a variety of socioeconomic backgrounds in many emerging market nations in order to provide a representative overview of user experiences using mobile banking systems such as M-Paisa.

By using stratified random sampling, the study separated the population into pertinent strata according to variables including education level, geographic location (rural vs. urban), and income level (poor, medium, and high). This guaranteed a varied sample that reflected the various financial practices and usage patterns seen in these areas. To ensure fair representation and reduce possible sample biases, respondents were chosen at random from each strata.

The delivery of structured online and offline questionnaires was the main method used to gather data. While paper-based surveys were employed to reach rural participants with little to no digital access, online questionnaires were given to urban respondents with internet access. This mixed-method approach made sure that data collection was inclusive of many demographic groups. The survey included 24 closed-ended questions covering a range of topics, including customer satisfaction with M-Paisa services, the influence of mobile banking on financial inclusion, and other elements of mobile banking usage. Four demographic inquiries also assisted in setting the scene for the quantitative investigation. The primary objective of this study was to investigate how M-Paisa may be used to promote financial inclusion, especially for underbanked and unbanked groups. Additionally, it sought to determine the difficulties users had and evaluate how mobile banking affected their general financial health.

The study's hypotheses are as follows:

Hypothesis 1:

H0: "There is no significant relationship between the use of M-Paisa and improved financial inclusion among individuals in emerging markets."

H1: "There is a significant relationship between the use of M-Paisa and improved financial inclusion among individuals in emerging markets."

Hypothesis 2:

H0: "There is no significant difference in mobile banking usage and its perceived benefits across different demographic groups."

H1: "There is a significant difference in mobile banking usage and its perceived benefits across different demographic groups."

4. Empirical Results

Table 1: Gender Distribution of Respondents

Gender	Frequency	Percentage	Valid Percentage	Cumulative Percentage
Male	78	52.00%	52.00%	52.00%
Female	70	46.67%	46.67%	98.67%
Other	2	1.33%	1.33%	100.00%
Total	150	100.00	100.00	

Interpretation:

Out of 150 respondents, 52% were male, 46.67% were female, and 1.33% identified as "Other." This gender distribution suggests a relatively balanced representation, with male users slightly higher in number compared to female users. The small percentage identifying as "Other" reflects inclusivity in the sample population.

Table 2: Age Group Distribution

Age Group	Frequency	Percentage	Valid Percentage	Cumulative Percentage
18–24	30	20.00%	20.00%	20.00%
25–34	46	30.67%	30.67%	50.67%
35–44	37	24.67%	24.67%	75.33%
45–54	26	17.33%	17.33%	92.67%
55 and above	11	7.33%	7.33%	100.00%
Total	150	100.00	100.00	

Interpretation:

The largest group of respondents falls in the 25–34 age bracket (30.67%), indicating that mobile banking services like M-Paisa are predominantly used by younger adults. The 35–44 group also makes up a significant portion (24.67%), reflecting the growing digital adoption among middle-aged users. Older adults (55 and above) account for the smallest share, at 7.33%.

Table 3: Education Level Distribution

Education Level	Frequency	Percentage	Valid Percentage	Cumulative Percentage
No formal education	9	6.00%	6.00%	6.00%
Primary education	22	14.67%	14.67%	20.67%
Secondary education	56	37.33%	37.33%	58.00%
Higher education	47	31.33%	31.33%	89.33%
Postgraduate education	16	10.67%	10.67%	100.00%
Total	150	100.00	100.00	

Interpretation:

The majority of respondents have received secondary (37.33%) or higher education (31.33%), which suggests that educated individuals are more inclined to adopt mobile banking services. Only a small portion of users have no formal education (6%), indicating that M-Paisa's reach among the uneducated is relatively limited.

Table 4: Length of M-Paisa Usage

Duration	Frequency	Percentage	Valid Percentage	Cumulative Percentage
Less than 6 months	26	17.33%	17.33%	17.33%
6 months to 1 year	37	24.67%	24.67%	42.00%
1–3 years	46	30.67%	30.67%	72.67%
More than 3 years	41	27.33%	27.33%	100.00%
Total	150	100.00	100.00	

Interpretation:

A significant portion of users have been using M-Paisa for 1–3 years (30.67%), with 27.33% having used the service for more than 3 years. This indicates that M-Paisa has long-term users who have integrated the service into their daily lives, reflecting a high level of trust and satisfaction over time.

Table 5: Frequency of M-Paisa Usage

Frequency of Use	Frequency	Percentage	Valid Percentage	Cumulative Percentage
Daily	47	31.33%	31.33%	31.33%
Weekly	61	40.67%	40.67%	72.00%
Monthly	26	17.33%	17.33%	89.33%
Occasionally	16	10.67%	10.67%	100.00%
Total	150	100.00	100.00	

Interpretation:

The majority of respondents use M-Paisa on a weekly basis (40.67%), followed by 31.33% who use it daily. This suggests that M-Paisa has become a frequent and necessary tool for a significant number of users, reinforcing its utility in daily financial transactions.

Table 6: Services Used on M-Paisa

Service Type	Frequency	Percentage	Valid Percentage	Cumulative Percentage
Sending/receiving money	64	42.67%	42.67%	42.67%
Paying bills	37	24.67%	24.67%	67.33%
Purchasing goods/services	28	18.67%	18.67%	86.00%
Savings or microloans	21	14.00%	14.00%	100.00%
Total	150	100.00	100.00	

Interpretation:

The primary service used on M-Paisa is sending/receiving money (42.67%), followed by bill payments (24.67%). This highlights M-Paisa's core strength as a money transfer tool, while its role in facilitating savings and loans remains relatively small at 14%.

Table 7: Ease of Use of M-Paisa

Ease of Use	Frequency	Percentage	Valid Percentage	Cumulative Percentage
Very easy	49	32.67%	32.67%	32.67%
Easy	66	44.00%	44.00%	76.67%
Neutral	21	14.00%	14.00%	90.67%
Difficult	11	7.33%	7.33%	98.00%
Very difficult	3	2.00%	2.00%	100.00%
Total	150	100.00	100.00	

Interpretation:

The majority of respondents rated M-Paisa as either "Very easy" (32.67%) or "Easy" (44.00%) to use, indicating a positive user experience. Only a small percentage found it difficult (7.33%), suggesting that M-Paisa's interface and usability are well-designed for most users.

Table 8: Reliability of M-Paisa Service

Reliability	Frequency	Percentage	Valid Percentage	Cumulative Percentage
Very reliable	52	34.67%	34.67%	34.67%
Reliable	58	38.67%	38.67%	73.33%
Neutral	22	14.67%	14.67%	88.00%
Unreliable	12	8.00%	8.00%	96.00%
Very unreliable	6	4.00%	4.00%	100.00%
Total	150	100.00	100.00	

Interpretation:

The majority of respondents (38.67%) found the M-Paisa service to be "Reliable," while 34.67% found it "Very reliable." Only a small percentage considered the service "Unreliable" (8%) or "Very unreliable" (4%), indicating that the overall perception of reliability is high, though a small portion still experienced dissatisfaction.

Table 9: Dependence on Traditional Banking Services

Opinion	Frequency	Percentage	Valid Percentage	Cumulative Percentage
Strongly agree	49	32.67%	32.67%	32.67%
Agree	61	40.67%	40.67%	73.33%
Neutral	18	12.00%	12.00%	85.33%
Disagree	13	8.67%	8.67%	94.00%
Strongly disagree	9	6.00%	6.00%	100.00%
Total	150	100.00	100.00	

Interpretation:

Most respondents agreed (40.67%) or strongly agreed (32.67%) that M-Paisa has reduced their dependence on traditional banking services. This suggests that M-Paisa has become a key tool for many users in replacing conventional banking options. Only 14.67% disagreed with this statement, indicating some level of reliance on traditional methods.

Table 10: Accessibility of Financial Services

Accessibility	Frequency	Percentage	Valid Percentage	Cumulative Percentage
Strongly agree	53	35.33%	35.33%	35.33%
Agree	56	37.33%	37.33%	72.67%
Neutral	20	13.33%	13.33%	86.00%
Disagree	13	8.67%	8.67%	94.67%
Strongly disagree	8	5.33%	5.33%	100.00%
Total	150	100.00	100.00	

Interpretation:

A significant percentage of respondents strongly agree (35.33%) or agree (37.33%) that M-Paisa has made financial services more accessible. Only a small percentage (5.33%) strongly disagreed, suggesting that M-Paisa has played a crucial role in enhancing financial inclusion for most users.

Table 11: Security of M-Paisa Transactions

Security Level	Frequency	Percentage	Valid Percentage	Cumulative Percentage
Very secure	48	32.00%	32.00%	32.00%
Secure	59	39.33%	39.33%	71.33%
Neutral	24	16.00%	16.00%	87.33%
Insecure	13	8.67%	8.67%	96.00%
Very insecure	6	4.00%	4.00%	100.00%

Total	150	100.00	100.00	
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Interpretation:

The majority of respondents feel secure (39.33%) or very secure (32.00%) when conducting transactions via M-Paisa. This indicates that most users trust the platform for financial operations, though a small percentage (4.00%) feels very insecure, highlighting areas for potential improvement in security perception.

Table 12: Challenges Faced While Using M-Paisa

Challenge	Frequency	Percentage	Valid Percentage	Cumulative Percentage
Technical issues	38	25.33%	25.33%	25.33%
Poor network connectivity	46	30.67%	30.67%	56.00%
High transaction fees	29	19.33%	19.33%	75.33%
Lack of user knowledge	21	14.00%	14.00%	89.33%
No challenges	16	10.67%	10.67%	100.00%
Total	150	100.00	100.00	

Interpretation:

Poor network connectivity (30.67%) and technical issues (25.33%) were the most commonly reported challenges, reflecting ongoing infrastructure issues. Only 10.67% reported no challenges, suggesting that most users face some difficulties in using M-Paisa, particularly with connectivity and fees.

Table 13: Satisfaction with M-Paisa Customer Service

Satisfaction Level	Frequency	Percentage	Valid Percentage	Cumulative Percentage
Very satisfied	43	28.67%	28.67%	28.67%
Satisfied	62	41.33%	41.33%	70.00%
Neutral	28	18.67%	18.67%	88.67%
Unsatisfied	12	8.00%	8.00%	96.67%
Very unsatisfied	5	3.33%	3.33%	100.00%
Total	150	100.00	100.00	

Interpretation:

The majority of respondents were either satisfied (41.33%) or very satisfied (28.67%) with M-Paisa customer service. Only a small percentage (3.33%) expressed strong dissatisfaction, indicating that most users are content with the support provided by the service.

Table 14: Improvement in Financial Management

Opinion	Frequency	Percentage	Valid Percentage	Cumulative Percentage
Strongly agree	47	31.33%	31.33%	31.33%
Agree	59	39.33%	39.33%	70.67%
Neutral	25	16.67%	16.67%	87.33%
Disagree	12	8.00%	8.00%	95.33%
Strongly disagree	7	4.67%	4.67%	100.00%
Total	150	100.00	100.00	

Interpretation:

Most respondents (39.33%) agreed that M-Paisa had improved their financial management, with 31.33% strongly agreeing. This indicates that the platform is perceived as a useful tool for better handling personal finances. However, a minority (8%) disagreed, showing that not all users have experienced a positive impact on their financial management.

Table 15: Frequency of Using M-Paisa for Business Transactions

Frequency of Use	Frequency	Percentage	Valid Percentage	Cumulative Percentage
Never	43	28.67%	28.67%	28.67%
Occasionally	58	38.67%	38.67%	67.33%
Frequently	33	22.00%	22.00%	89.33%
Always	16	10.67%	10.67%	100.00%
Total	150	100%	100%	

Interpretation:

Most respondents (38.67%) occasionally use M-Paisa for business-related transactions, with 22.00% using it frequently and 10.67% always relying on it for such purposes. A smaller percentage (28.67%) never use M-Paisa for business, indicating that it serves as a useful tool for a significant proportion of users.

Table 16: Experience of Fraud or Security Issues

Experience of Fraud	Frequency	Percentage	Valid Percentage	Cumulative Percentage
Yes	27	18.00%	18.00%	18.00%
No	123	82.00%	82.00%	100.00%
Total	150	100%	100%	

Interpretation:

A significant majority (82.00%) of respondents have not experienced fraud or security issues while using M-Paisa, demonstrating a high level of trust in the service. However, 18.00% reported security-related concerns, which may need further attention to maintain user confidence.

Table 17: Recommendation of M-Paisa

Recommendation	Frequency	Percentage	Valid Percentage	Cumulative Percentage
Yes, definitely	71	47.33%	47.33%	47.33%
Maybe	64	42.67%	42.67%	90.00%
No	15	10.00%	10.00%	100.00%
Total	150	100%	100%	

Interpretation:

Nearly half (47.33%) of the respondents would definitely recommend M-Paisa to others, and another 42.67% might recommend it. Only 10.00% expressed a negative opinion, which suggests that most users find the service beneficial enough to share with others.

Table 18: M-Paisa's Role in Savings or Investments

Help in Saving/Investment	Frequency	Percentage	Valid Percentage	Cumulative Percentage
Yes	62	41.33%	41.33%	41.33%
No	54	36.00%	36.00%	77.33%
Not applicable	34	22.67%	22.67%	100.00%
Total	150	100%	100%	

Interpretation:

Most respondents (41.33%) stated that M-Paisa has helped them save or make investments. However, 36.00% indicated it had not, and 22.67% found the question not applicable, suggesting varied user experiences with the platform's financial management features.

Table 19: Affordability of M-Paisa Compared to Traditional Banking

Affordability	Frequency	Percentage	Valid Percentage	Cumulative Percentage
Strongly agree	50	33.33%	33.33%	33.33%
Agree	59	39.33%	39.33%	72.67%
Neutral	21	14.00%	14.00%	86.67%

Disagree	14	9.33%	9.33%	96.00%
Strongly disagree	6	4.00%	4.00%	100.00%
Total	150	100%	100%	

Interpretation:

Most respondents either strongly agree (33.33%) or agree (39.33%) that M-Paisa is more affordable than traditional banking, emphasizing its cost-effectiveness. Only a small fraction (9.33% and 4.00%) disagreed or strongly disagreed.

Table 20: Likelihood of Continuing to Use M-Paisa

Likelihood of Use	Frequency	Percentage	Valid Percentage	Cumulative Percentage
Very likely	68	45.33%	45.33%	45.33%
Likely	49	32.67%	32.67%	78.00%
Neutral	21	14.00%	14.00%	92.00%
Unlikely	8	5.33%	5.33%	97.33%
Very unlikely	4	2.67%	2.67%	100.00%
Total	150	100%	100%	

Interpretation:

Nearly half (45.33%) of respondents are very likely to continue using M-Paisa, and another 32.67% are likely to do so. Only a small percentage (5.33% and 2.67%) indicated that they are unlikely or very unlikely to continue using the service, suggesting strong customer retention.

Table 21: M-Paisa's Impact on Financial Literacy

Financial Literacy	Frequency	Percentage	Valid Percentage	Cumulative Percentage
Strongly agree	54	36.00%	36.00%	36.00%
Agree	61	40.67%	40.67%	76.67%
Neutral	20	13.33%	13.33%	90.00%
Disagree	10	6.67%	6.67%	96.67%
Strongly disagree	5	3.33%	3.33%	100.00%
Total	150	100%	100%	

Interpretation:

Most respondents agreed (40.67%) or strongly agreed (36.00%) that M-Paisa has improved their financial literacy. Only a small percentage (6.67%) disagreed, showing that the platform has been instrumental in increasing financial understanding among its users.

Table 22: Main Reason for Using M-Paisa

Reason	Frequency	Percentage	Valid Percentage	Cumulative Percentage
Convenience	46	30.67%	30.67%	30.67%
Affordability	38	25.33%	25.33%	56.00%
Accessibility	42	28.00%	28.00%	84.00%
Security	17	11.33%	11.33%	95.33%
Speed of transactions	7	4.67%	4.67%	100.00%
Total	150	100%	100%	

Interpretation:

The majority of respondents (30.67%) cited convenience as their main reason for using M-Paisa, followed by accessibility (28.00%) and affordability (25.33%). Fewer people (11.33%) valued security as their primary concern, while speed of transactions was important to only 4.67% of users.

Table 23: Feelings About Fees Charged by M-Paisa

Fee Perception	Frequency	Percentage	Valid Percentage	Cumulative Percentage
Very fair	33	22.00%	22.00%	22.00%

Fair	49	32.67%	32.67%	54.67%
Neutral	41	27.33%	27.33%	82.00%
Unfair	19	12.67%	12.67%	94.67%
Very unfair	8	5.33%	5.33%	100.00%
Total	150	100%	100%	

Interpretation:

The majority of respondents (32.67%) felt that M-Paisa fees are fair, while 27.33% remained neutral about the fee structure. A smaller portion (12.67%) felt that the fees were unfair, and only 5.33% thought the fees were very unfair. This data shows that most users are either satisfied or indifferent toward M-Paisa's fees.

Table 24: M-Paisa's Support for Small Businesses

Level of Agreement	Frequency	Percentage	Valid Percentage	Cumulative Percentage
Strongly agree	39	26.00%	26.00%	26.00%
Agree	55	36.67%	36.67%	62.67%
Neutral	35	23.33%	23.33%	86.00%
Disagree	15	10.00%	10.00%	96.00%
Strongly disagree	6	4.00%	4.00%	100.00%
Total	150	100%	100%	

Interpretation:

The data indicates that 36.67% of respondents agree that M-Paisa supports small businesses, with another 26.00% strongly agreeing. Only 10.00% disagreed, suggesting that most users perceive M-Paisa as beneficial for small business growth.

Table 25: Desired Improvements in M-Paisa Services

Improvement	Frequency	Percentage	Valid Percentage	Cumulative Percentage
Lower transaction fees	48	32.00%	32.00%	32.00%
Better network reliability	37	24.67%	24.67%	56.67%
Enhanced security	25	16.67%	16.67%	73.33%
More services (loans, insurance, etc.)	29	19.33%	19.33%	92.67%
Better customer support	11	7.33%	7.33%	100.00%
Total	150	100%	100%	

Interpretation:

Lower transaction fees (32.00%) and better network reliability (24.67%) were the most desired improvements among respondents. Enhanced security and the availability of more services were also commonly mentioned, while better customer support was of lower priority, with only 7.33% requesting improvements in that area.

Table 26: Can M-Paisa Replace Traditional Banking?

Level of Agreement	Frequency	Percentage	Valid Percentage	Cumulative Percentage
Strongly agree	31	20.67%	20.67%	20.67%
Agree	45	30.00%	30.00%	50.67%
Neutral	33	22.00%	22.00%	72.67%
Disagree	29	19.33%	19.33%	92.00%
Strongly disagree	12	8.00%	8.00%	100.00%
Total	150	100%	100%	

Interpretation:

While 30.00% of respondents agree that mobile banking like M-Paisa can replace traditional banking, a significant portion (22.00%) remains neutral, and 19.33% disagree. Only 8.00% strongly disagree, suggesting that while M-Paisa is widely seen as complementary, there is uncertainty about its ability to entirely replace traditional banking.

Table 27: Age Group Benefiting the Most from M-Paisa

Age Group	Frequency	Percentage	Valid Percentage	Cumulative Percentage
18–24	46	30.67%	30.67%	30.67%
25–34	50	33.33%	33.33%	64.00%
35–44	32	21.33%	21.33%	85.33%
45–54	14	9.33%	9.33%	94.67%
55 and above	8	5.33%	5.33%	100.00%
Total	150	100%	100%	

Interpretation:

The 25–34 age group (33.33%) and 18–24 age group (30.67%) are seen as the most benefiting from M-Paisa services, with fewer benefits perceived among older groups. This indicates that younger users are the primary target audience for the service.

Hypothesis Testing

Hypothesis 1

H₀: “There is no significant relationship between the use of M-Paisa and improved financial inclusion among individuals in emerging markets”.

H₁: “There is a significant relationship between the use of M-Paisa and improved financial inclusion among individuals in emerging markets”.

Table 28: Chi-Square Test for Relationship Between M-Paisa Usage and Financial Inclusion

Value	df	Asymp. Sig.
Pearson Chi-Square	21.543	3
Likelihood Ratio	22.876	3
N of Valid Cases	150	

Interpretation:

The results of the Chi-Square Test for Independence show a Pearson Chi-Square value of 21.543 with 3 degrees of freedom, and an Asymp. Sig. (p-value) of 0.000, which is below the significance level of 0.05.

Hence, the null hypothesis (H₀) is rejected, and the alternate hypothesis (H₁) is accepted. This indicates a significant relationship between the use of M-Paisa and improved financial inclusion among individuals in emerging markets.

Hypothesis 2

H₀: “There is no significant difference in mobile banking usage and its perceived benefits across different demographic groups”.

H₂: “There is a significant difference in mobile banking usage and its perceived benefits across different demographic groups”.

Table 29: Chi-Square Test for Differences in Mobile Banking Usage Across Demographic Groups

Value	df	Asymp. Sig.
Pearson Chi-Square	18.920	4
Likelihood Ratio	19.682	4
N of Valid Cases	150	

Interpretation:

The Chi-Square test yields a Pearson Chi-Square value of 18.920 with 4 degrees of freedom and an Asymp. Sig. value of 0.015, which is less than 0.05.

Therefore, the null hypothesis (H_0) is rejected, and the alternate hypothesis (H_1) is accepted. This indicates a significant difference in mobile banking usage and its perceived benefits across different demographic groups.

5. Conclusion

The adoption of M-Paisa has improved financial inclusion among people in emerging markets, as the current study has effectively shown. The data demonstrates how financial services are becoming more accessible thanks to mobile banking platforms like M-Paisa, particularly in places with limited access to conventional banking infrastructure. M-Paisa has enabled users to better manage their money by offering practical and reasonably priced financial solutions, so contributing significantly to the promotion of financial independence and economic involvement.

Additionally, demographic differences in M-Paisa usage and perception were found in the study, suggesting that the platform offers unique advantages to various age groups and educational levels. This demonstrates how flexible the platform is in serving a wide range of users. The user experience is still lacking, however, with issues like security and network dependability emerging as areas that need to be addressed.

This study's dependence on self-reported data, which might introduce bias because of respondents' subjective impressions, is one of its main weaknesses. Furthermore, the research was limited to certain emerging market locations, which limited the results' applicability to other markets or economic situations. Even while the sample size is sufficient, it could not adequately reflect the variety of mobile banking users, particularly in underrepresented demographic groups.

Future research might compare the effects of mobile banking services like M-Paisa in both established and emerging markets, taking into account a wider geographic context. Furthermore, longitudinal studies that monitor users over time may provide more profound understandings of long-term shifts in financial behavior. To learn how M-Paisa might adapt to its user base's expanding demands, it would also be helpful to investigate the integration of more sophisticated financial services, such as credit offers and investment platforms, inside mobile banking.

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