ENTREPRENEURIAL DETERMINANTS OF SAVINGS MOBILIZATION AMONG MICRO AND SMALL ENTERPRISES IN TRANS NZOIA COUNTY, KENYA

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Entrepreneurial Determinants of Savings Mobilization among Micro and Small Enterprises in Trans Nzoia County, Kenya

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DECLARATION

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

Signature ………………………………………… Date …………………………….

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This thesis has been submitted for examination with our approval as the university supervisor.

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DEDICATION

The thesis was dedicated to the Director Benians Management Consultants in Kitale, Ms Roselyne Nyambane, my wife Roselyne Gichana, children's Ian, Milly, Ben and Bryson, my parents   Jeremiah Atandi and Risper Atandi and mother in law Mary Nyambane, my sister, Nyaboe, and brothers; Richa, Ali, Kefa, Meroka and their respective spouses, brothers and sister in law's. That was a powerful team behind me, they were all very supportive and unwaveringly cheered me on even when I felt like differing the entire program. God bless and remember you in your daily endeavors.

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TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

LIST OF APPENDICES

ACRONYMS AND ABBREVIATION

ANOVA   Analysis of variance

ASCAs   Accumulating Savings and Credit Associations

ATM   Automated teller machine

CBK   Central bank of Kenya

FFIS   Formal financial institutions

FSD   Financial sector deepening

GDP   Gross Domestic Product

ICT   Information communication technology

IFF's   Informal financial institutions

KIPPRA   Kenya institute of public policy analysis

KNBS   Kenya National Bureau Of Statistics

KNCCI   Kenya national chamber of commerce and industry.

LDCs   Less Developed Countries

MDGs   Millennium Development Goals

MSE's   Micro and Small Enterprises

NFS   Non Financial Savings

NGOs   Non Governmental Organizations

OCCCA   Office of the comptroller of currency community affairs

RBV   Resource based theory

ROSCAs   Rotating Accumulating Savings and Credit Associations

SACCOs   Savings and Credit Co-operative

SEWA   Self employed women association

DEFINITION OF TERMS

Customer experience   It is the customer's perceptions both conscious and subconscious of their relationship with a brand resulting from all their interactions during the customer's life cycle (Brigram, 2013).

Financial literacy   Financial literacy is the possession of knowledge and understanding of financial matters, it is mainly used in connection with personal finance matters (Thomas & Philip, 2014).

Formal savings mobilization It's used in this study to refer to savings made in formal financial institutions that fall under the control of the central bank (Joseph, 2011).

Mobilization   Mobilization is the process of making something capable of movement, or to have people and resources ready to move or act (Encarta, 2009).

Savings   Savings as the creation of assets of all types; it resembles credit which provides financing for the purchase of assets (Josh, 2013).

Savings incentives   These are initiatives that encourage consumers to start or increase savings and the amounts saved (OCCCA, 2014).

Savings mobilization   Savings mobilization refers to a systematic process of collecting and managing money for a purpose (Economic Commission for Africa, 2012).

Technological innovation   It comprises new products and processes and significant technological changes of products and processes (Sherraden, 2009).

ABSTRACT

Savings mobilization among MSE's is very significant, unlike credit, they are what MSE's and individuals can accumulate and hold over time. The purpose of the study was to determine the entrepreneurial determinants of savings mobilization among MSE's in Trans Nzoia County. The objectives of the study were to determine whether entrepreneurial determinants namely; financial literacy, savings incentive, customer experience and technological innovation influenced savings mobilization among MSE's. This study used mixed research design. The target population was 2216 MSE's. To get study sample both stratified and random sampling was used and 339 MSE's were selected. Primary data was collected using semi structured questionnaire while secondary data was collected from a list of MSE's registered with KNCCI Trans Nzoia County. Quantitative method was used to collect data on profiles of the enterprises and indicators of MSE's savings mobilization, while qualitative method was used to collect data on respondent's perceptions/opinions. A pilot test on research instruments had cronbach's alpha scales within the threshold. Data analysis used both descriptive and inferential statistical analyses. In particular, the study used frequency tables, Pearson Chi-square, correlation and multiple regression to analyze the data. ANOVA results found financial literacy, customer experience and technology innovation as predictors of savings mobilization. The study findings indicated a significant relationship between financial literacy, customer experience and technology innovation on MSE's saving mobilization. The study concluded that for financial institutions to improve savings mobilization they have to adopt innovative and growth oriented approaches. The study recommended that formal financial institutions to reach out to the   informal financial institutions to promote financial literacy training program. Also, the government through ministry of finance ensure that   all saving mobilization institutions train their clients on financial literacy. The savings mobilizations institutions to work with MSE's on viable savings incentives. To improve on customer experience, financial institutions to consider specific social economic conditions and dominant economic activities of MSE's. The financial institutions to design products and services in consideration of MSE's gender, level of education and the number of family dependants. Also, financial institutions to create functional infrastructures before introduction of technological innovations. The policy recommendations of the study indicated that the government to develop education policy for entrepreneurship and   financial literacy to be incorporated in all curriculums at all learning centers. The government to develop a policy to ensure that all savings mobilization institutions developed attractive savings incentives to induce MSE's to start or increase savings mobilization. To improve on customer experience, government to develop a policy on rating of financial institutions based on   customer feedback on quality of products and services then give tax relief of a certain percentage to the best rated financial institution. The government should develop a policy to finance MSE's acquisition of technology based equipments at reduced and or subsidized rates or through installment payments.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The background of the study discussed the main concepts of the research such as micro and small enterprises, savings, mobilization, saving mobilization, entrepreneurial determinants, relationship between entrepreneurial determinants and savings mobilization, statement of the problem, scope of the study, justifications of the study and limitations of the study.

1.1.1 Micro and Small Enterprises

Savings mobilization among MSE's and households are fundamental in building inclusive financial system, however, majority of funders focused on scaling up access to credit rather than saving mobilization because credit has been regarded has having the most direct link to increasing income. At micro level, it has been observed that savings offer various benefits such as security of funds, ready access to liquidity, positive real returns and convenience to meet the various needs of the particular saver, short of this, individuals and MSE's will rely in kind savings such as saving in form of gold, animals or raw materials (Glisovic *et al*., 2011).

Nwaobi (2013) indicated that capital accumulation has been emphasized as the major factor governing the rate of development in any economy, however; empirical evidence from Nigeria implied that saving was institution elastic and the existence of financial institutions promoted high marginal propensities to mobilize savings. Byusa (2016) conducted a study on factors influencing savings mobilization by commercial banks in Rwanda, the study findings revealed a significant influence of institutional and external environmental factors on savings mobilization. The institutional factors identified were the inappropriate work incentives characterized by inadequate salary enumeration which did not foster staff motivation and commitment to the savings mobilization function and inappropriate rewards and sanctions which did not significantly impact on employee

motivation, job commitment and performance in savings mobilization. The major external factor was competition with other deposit taking institutions which was partly attributed to conducive regulatory environment provided by the National Bank of Rwanda which fostered entry of many other players such as MFI's and SACCOs in the financial sector offering similar deposit products and therefore sharing clientele base.

Tennant (2007); Dahou *et al*. (2009) and Ngenadakuriyo (2014) argued that the low savings phenomenon is believed to be multidimensional with a complex causality structure. The literature on savings mobilization identified a variety of factors likely to influence savings mobilization which are the institutional type, governance and organizational structure, appropriateness of savings products and technologies; management capabilities, with special attention to risk and liquidity management and the regulatory environment. Broadly, the factors were external and internal to the financial institutions, external factors were concerned with the financial regulatory environment such as policies on foreign exchange, the level of competition with other savings mobilization institutions such as insurance companies, employee savings schemes, poverty and unemployment levels while the internal factors comprised the internal performance management control measures such as governance and management structures, policies, performance standards and incentives. Brafu-insaidoo and Aliakpor (2011) argued that despite the relevancy of savings, sub Saharan African countries experienced challenges to savings mobilization, it's believed that developing countries often lacked appropriate financial sector to provide incentives to individuals and MSE's to voluntary mobilize savings with their respective financial institutions.

KIPPRA (2012) reported that the MSE's sector in Kenya was an important and fast growing sector employing 42 per cent of the working population, and accounting for 75 per cent of all modern establishments in Kenya. MSE's dominated majority of the sectors including, wholesale and retail trade, restaurants, hotels, community and social services, insurance, real estate, business services, manufacturing, agriculture, transport and communication and construction. Kenya's Vision 2030 which is an economic development plan by the Kenya government was envisioned to develop the country to a

middle income country by 2030. The financial sectors was identified as a driving force for the economic development of the country through promoting savings mobilization to finance Kenya's' investment needs. The vision will be achieved if the financial institutions in Kenya improved savings behavior to their clients especially the MSE's who were the majority (Onchangwa, 2013).

Bwisa (2011) argued that MSE's thought that they did not have enough money today to save for tomorrow, but the truth was that saving a little money today made a big difference because savings helped MSE's to accomplish their goals. Jagongo (2012) conducted a study on savings mobilization for growth of women owned entrepreneurial ventures in Kenya, the study results revealed that the number of dependants, education level, cultural and religious attachments, endowed management skills, age and marital status had a significant relationship with the savings propensity amongst the women owned MSE's.

Studies and reports by Tennant (2007); Dahou *et al*. (2009); Bwisa (2011); Glisovic *et al*. (2011); Brafu-insaidoo and Aliakpor (2011); KIPPRA (2012); Onchangwa (2013); Nwaobi (2013); Ngenadakuriyo (2014) and Byusa (2016) highlighted the MSE's contribution to the growth of any economy. Despite the many challenges the sector faces, MSE's were found in all sectors and employing the largest number of employees, however, the sector faces the challenge of savings mobilization among MSE's, but with consistent and habitual savings mobilization, it will be expected that a significant savings culture will be inculcated and the achievement of Kenya's vision 2030 and millennium development goals will be a reality.

1.1.3 Savings

Josh (2013) argued that savings were a creation of assets of all types, it resembled credit which provided financing for the purchase of assets. Subhashree and Nayak (2013) indicated that savings were cash or physical products set aside for future use. Karlan *et al. (*2010) conducted a study on expanding MSE's credit access using randomized supply decisions to estimate the impacts in Manila, India, the study found that savings

served as invaluable reserves in improving the savers well being, insured against times of shocks and helped MSE's to cope in times of crisis that easily drove them into destitutions. Munnell *et al.* (2012) argued that savings were important because unlike credit, they were what individuals and MSE's accumulated and held over time. Munnell further argued that savings were assets that generated returns, increased lifetime consumption, improved a family's wellbeing and provided a cushion to fall back during hard times and emergencies.

Studies by Collins *et al. (*2009); Karlan *et al.(*2010); Munnell *et al. (*2012); Josh (2013); Subhashree and Nayak (2013) observed that savings was refraining from spending a part of income and ignoring the immediate pleasures and conveniences, it's the prerequisite for investment which increased production and higher economic growth. Savings was also a tool for cash flow management by helping the saver bridge the gap of consumption and income with extra liquidity. Like credit, saving helped MSE's to turn a sequence of small sums into useful lump sums, further it had been argued that MSE's preferred to save rather than borrow because it was low cost and give them more control over their lives. For a long time, credit facilities have been provided to the MSE's solely as a source of finance, but recently, there has been a growing concern that MSE's did not only need credit but also needed savings, therefore, savings have risen to the top of the financial services meant for this sector , when previously, saving remained the forgotten half.

1.1.3. Mobilization

Huseyin (2014) argued that mobilization was the process by which individuals and groups organized around some feature in pursuit of individual or collective ends. Encarta (2009) argued that mobilization was to organize people or resources in order to be ready for action or in order to take action. Studies by Encarta, (2009) and Huseyin, (2014) recognized that individuals and groups participated in mobilizations for numerous reasons ranging from social pressure to individual material interests, also it was further argued that mobilization was meant to enrich the future. The definition that was appropriate for the study were that of Encarta which presented the urgency of what

was mobilized whether people or resources and also reflected the future essence of mobilization.

1.1.4 Relationship between Savings and Mobilization

According to Economic Commission for Africa (2012) savings mobilization was a systematic process of collecting and managing money (cash and noncash items) from individuals, groups and organizations whereby the depositor can withdraw the amount of the savings together with the interest, if any, or as per the agreement between the depositor and the institution that collected the savings. Savings was mobilized either within formal financial institutions or in informal financial institutions. CGAP(2010) indicated that the formal financial institutions (FFI's) included commercial banks, specialized development banks, insurance firms, cooperatives banks and any other institutions that was under the control of the central banks while the informal financial institutions included rotating savings and credit associations (ROSCAs),and accumulating savings and credit associates (ASCAs). CGAP further indicated that commercial banks were regulated by the Central Bank of Kenya under the Banking Act which outlined the licensing of institutions, control prohibited business activities, control deposit protection fund, guide on information and reporting requirements and maintaining the safety of the banking sector.

FinAccess (2009) conducted a study on IFF's and found that they were the institutions involved in small loans and deposits that were short term transactions operated without physical collateral and took place close to where the client resided, they were prevalent in the low income countries. The IFFI's mobilized savings and provided credit facilities to small scale farmers in rural areas, to low income households and MSE's in urban areas, they operated with simple and straight forward procedures that were mainly informed by the cultures and the customs in their areas of operation. They operated at times and days that were convenient to the members, accepted any amount of deposit, had an effective information network at the grassroots level and therefore they were able to overcome information asymmetries such as adverse selection and moral hazard that were prevalent in FFIs.

Hand in hand East Africa (2013) conducted a survey on enterprise development for rural families program in Kenya. The survey showed that there were six different savings channels promoted by HiHEA, 27% were saving in formal banks, while 21% were saving at home, others saved with Microfinance Institutions (MFIs), Savings and Credit Cooperative Societies (SACCOSs), Rotating Savings and Credit Associations (ROSCAs) and Accumulated Savings and Credit Associations (ASCAs).

Mbuthia *et al.* (2011) argued that in spite of the advantages prevalent in IFIs, they do not exploit economies of scale because of being much localized and also vulnerable to local economic shocks that were likely to affect all group members. Dupas and Robinson (2009) conducted a study in Kenya and found that savings made at IFI's were mainly used to smooth consumption patterns over for short term investments. The MasterCard Foundation (2011) indicated that more people preferred saving mobilization using FFI's which provided a vital link in channeling rural informal financial resources to support the development of a country economic activity directly. A study by Dupas and Robinson (2013) found that savers in FFI's invested more to their businesses than MSE's who did not save FFI's. Ayyagari and Maksimovic (2011) argued that access to formal financial services made MSE's innovate at a faster rate and provided quality goods and services.

Studies by FinAccess (2009); CGAP (2010); Ayyagari and Maksimovic (2011); The Master Card Foundation (2011); Mbuthia *et al.* (2011); Economic Commission for Africa (2012); HiHEA (2013) and Dupas and Robinson (2013) argued that savings by MSE's in FFI were assets which were held for a long time until when the MSE's wanted to make use of them, unlike credit which were repaid within the required time schedule and at some cost, savings created more income for the savers and in the long run increased the wealth or assets held by a MSE, when a lot of wealth was held in a particular FFI, the saver became more credit worth and were more likely to operate an enterprise for a longer time due to availability of adequate financial capital.

1.1.5 Entrepreneurial Determinants

Schumpeter 1934 (as cited in Brownhilder (2008) argued that entrepreneurs were innovators who used new business creation as a means of exploiting invention. Jeff *et al;* (2009) argued that entrepreneurship was a way of thinking, reasoning, and acting that was opportunity obsessed, holistic in approach, and leadership balanced for the purpose of value creation. Entrepreneurship doing things that were not generally done in the ordinary course business routine, that is, not doing different things but doing things differently (Bwisa, 2011). Drucker (2007) argued that an entrepreneurial MSE or individual should had special characteristics over and above being new, they created something new, something different, they changed or transmuted values and saw change as the norm. Drucker further argued that being entrepreneurial was a familiar term used to describe people who were innovative, creative and open to change as well as having the ability to identify opportunities and organize resources to achieve their goals. Brownhilder (2008) argued that businesses that acted entrepreneurially were those that survived the changes embarked upon by doing things differently and innovatively, such innovative ideas were usually implemented when traditional systems and ways of doing business were no longer effective.

The foregoing discussions by Brownhilder (2008); Jeff *et al.* (2009); Bwisa (2011) highlighted that the entrepreneurial determinants of savings mobilization were innovative and growth oriented factors which influenced savings mobilization among the MSE's to save their money with financial institutions or were favorable and enabling terms and conditions, products and services which were to be provided by the financial institutions to influence the MSE's mobilize their savings with them.

There were various entrepreneurial determinants influencing savings mobilization among MSE's. Thomas and Philip (2014) argued that financial literacy was the ability to make informed judgments and to make effective decisions regarding the use and management of money. The financial knowledge gained during financial literacy training enabled MSE's to build their financial skills and became confident to undertake financial decisions for their livelihoods. Thomas and Philip further indicated that

financial literacy was a combination of consumers and investors understanding of financial products and concepts and their ability and confidence to appreciate financial risks and opportunities to make informed choices. Financial literacy empowered and educated consumers to be knowledgeable on financial matters (Mwangi & Kihiu, 2012). Studies by Mwangi and Kihiu (2012) and Thomas and Philip (2014) emphasized that financial literacy focused on MSE's making informed financial decisions based on knowledge and skills attained during financial literacy trainings. In relation to savings mobilization by MSE's, it implied that when the MSE's were well informed on various savings and products they were   at a better position to make informed decisions whenever they wanted to mobilize savings with their respective financial institutions.

Claudia (2014) indicated that saving   incentives included tangible offers of cash, vouchers and gift given to individuals and MSE's upon the contingent fulfillment of certain obligations, they were intended to express a form of demand side incentives explicitly and contingently offered to individuals. Saving   incentives were proposed under the law of demand where the relative price effect worked through the use of external incentives because motivation and preferences were taken to be fixed and given (Kamenica, 2012).   The economic theory derived its strength from predicting how people and MSE's made cost benefit calculations and changed their behavior in response to changes in incentives (Gneezy *et al.,* 2011). Savings incentive programs were initiatives that encouraged consumers to start or increase savings mobilization, financial institutions that offered and promoted automatic bank savings incentive programs reported that the number of savings accounts opened and the amounts saved had increased as a result of promotion efforts (OCCCA, 2014). Furthermore, OCCCA observed that financial institutions offered a number of incentives to promote savings mobilization such as anniversary bonuses, automatic transfer of $1 to savings account every time customers used their check cards, rounding up to the next near lest dollar purchases made using check cards, prize linked savings. Studies by Gneezy *et al.* (2011); Kamenica (2012); Claudia, (2014) and OCCCA (2014) found that financial institutions introduced various savings benefits which motivated the MSE's to start or

increase their savings overtime. The savings programs had to meet the needs of the potential savers and the return on savings mobilized were well expressed.

Dibeehi, Shaw and Walden (2010) indicated that customer experience was an interaction between an organization and a customer as perceived through a customer's conscious and subconscious mind. It's a blend of organization's rational performance, the senses stimulated and emotions evoked, and intuitively measured against customer expectations across all moments of contact. Dibeehi, Shaw and Walden further argued that customer experience greatly influenced customers repurchase intentions whereas dissatisfaction was viewed as the primary reason for customer's intention to switch to competitors. To enhance customer experience, organizations focused on constantly building and maintaining lasting relationships with their customers by satisfying their needs and requirements to motivate them (Johri, 2009). According to Brigman (2013) customer experience was focusing on people, processes and products to produce desired standards of products and services and attract more customers. Studies by Johri (2009); Dibeehi Shaw and Walden (2010); and Brigman (2013) stressed on the significance of customer experience in influencing savings mobilization among MSE's. The unique needs of the MSE's was fulfilled by the financial institutions where the savings were mobilized continuously, therefore it was significant for the existing relationships to be enhanced to attract MSE's to buy from them every time they wanted to make a purchase of products and services.

Technological innovation in providing financial services were essential in achieving competitive advantage, it allowed for lower costs and opened up a set of new opportunities that allowed businesses to perform better and in differentiated ways (Beltratti & Stulz, 2011). In recent years, financial institutions have undergone significant changes, many of them directly related to the progress driven by ICT, in Portugal, banking sector heavily invested in technological innovation, it had advanced European payment systems and the users of electronic payments systems had increased significantly, technological innovation provided customers with a higher level of trust and efficiency (Pinto & Ferreira, 2010). Studies by Pinto and Ferreira (2010) and

Beltratti and Stulz (2011) observed that technological innovation improved on performance of MSE's, due to superior technological resources which had a competitive advantage in business performance compared to competition. It also enhanced the efficiency of an enterprise and strengthened the confidence of MSE's in discharging their responsibilities.

1.1.6 Relationship between Entrepreneurial Determinants and Savings Mobilization

Sherraden *et al.* (2009) indicated that studies in the United States and other industrialized countries had shown that other institutional constructs were associated with financial behaviors and decisions of the MSE's to save in FFI's such as financial literacy, incentives in the form of matching returns to savings and participation in savings plan. Mbuthia *et al.* (2011) conducted a study on household savings decisions in Kenya and found that FFIs did not have a good network for disseminating information on the services they offered especially in rural areas. Some of the FFI's did not offer savings facilities to the rural population and small scale enterprises, and if they did, the real deposit interest rates were low or even negative keeping off potential savers. HIHEA (2013) reported that savings mobilized by MSE's enabled them venture into more income generating activities when they used their savings to start enterprises or in the expansion of businesses. Sherraden *et al.* (2009) argued that asset building program encouraged MSE's to save for the following motivations, increased reward for saving to compensate for the sacrifice required to defer consumption, motivate people by translating a given level of saving into a stock of wealth and to weather income shocks and other emergencies.

Studies conducted by Sherraden *et al.* (2009); Mbuthia *et al.* (2011) and HIHEA (2013) indicated that there exists a strong relationship between entrepreneurial determinants of savings and savings mobilization. The entrepreneurial determinants of savings mobilization were key innovative and growth oriented factors which influenced savings mobilization among MSE's to save their income with financial institutors and later use their savings to refinance their enterprises as they grow over time in the entrepreneurial

process rather than relying on credit facilities alone and savings services becoming the forgotten half of MSE's financing. The significant benefits arising from MSE's savings mobilization cannot be underestimated as it contributes immensely to MSE's growth through provision of additional and less costly financial resources to enable these institutions to produce high quality products and services.

1.2 Statement of the Problem

KIPPRA (2012) reported that MSE's contribution to the growth of the economy has been widely appreciated, MSE's are found in all sectors and employing the largest number of employees, however, low levels of savings mobilization was one of the biggest challenges facing the sector. For a long time credit facilities have been provided to the MSE's solely as a source of finance, but recently there has been a growing concern that MSE's don't only need credit but also need savings, therefore, savings have risen to the top of the financial services meant for this sector, previously credit was given top priority and savings remained the forgotten half, like credit, saving helps MSE's to turn a sequence of small sums into useful lump sums, in real situations MSE's preferred to save rather than borrow because it was low cost and gave them more control over their lives (Collins *et al.,* 2009).

Dupas and Robinson (2009) conducted a study in Kenya and found that savings made by MSE's were mainly used to smooth consumption patterns and for short term investments. A study by Dupas and Robinson (2013) found that savers invested more to their enterprises. Ayyagari and Maksimovic (2011) argued that saving mobilization made MSE's innovate at a faster rate and provide quality goods and services to their clients. Ngugi *et al.* (2010) observed that savings serve as invaluable reserves in improving the MSE's well being, insuring against times of shocks, improve on investments to exploit opportunities for faster entrepreneurial growth and help cope in times of crisis that easily drove MSE's into destitutions.

FSD Kenya (2009) CBK conducted a survey of 900 bank customers identified various barriers affecting customers in accessing banking services such as mistrust and lack of

awareness by the consumer, lack of clear information by banks to customers, high bank charges, lack of transparency in costs, poor branch networks, product driven rather than a market driven approaches among other entrepreneurial determinants of savings mobilization in FFI's.

Despite the incredible benefits associated with savings mobilization among MSE's from empirical and literature reviewed, savings mobilization among MSE's is still a challenge in developing countries which needs to be urgently addressed. There was no known study which had addressed this challenge using an entrepreneurial approach to savings mobilization as far as the researcher was able to establish. This research immensely contributed to the existing body of knowledge in the area of study. The aim of this study therefore was to determine the entrepreneurial determinants of savings mobilization among MSE's in Trans Nzoia county, Kenya.

1.3 General Objective

The general objective of the study was to determine the entrepreneurial determinants of savings mobilization among MSE's in Trans Nzoia County.

1.3.1 Specific Objectives

The study was guided by the following   objectives;

1. To establish the influence of financial literacy on savings mobilization among MSE's in Trans Nzoia County.
2. To determine the effect of savings incentives on savings mobilization   among MSE's   in Trans Nzoia County.
3. To establish the influence of customer experience on savings mobilization among MSE's in Trans Nzoia County.
4. To determine effect of technological innovations on savings mobilization among MSE's savings   in Trans Nzoia County.

1.3.2. Research hypothesis

This study was guided by the following null hypothesis

1. H_{01}: There is no significant effect of financial literacy on savings mobilization among MSE's savings in Trans Nzoia County.
2. H_{01}: There is no significant effect of savings incentive on savings mobilization among MSE's savings in Trans Nzoia County.
3. H_{01}: There is no significant effect of customer experience on savings mobilization among MSE's in Trans Nzoia County.
4. H_{01}: There is no significant effect of technological innovation on savings mobilization among MSE's in Trans Nzoia County.

1.4 Justification of the Study

Savings mobilization among the MSE's was the forgotten half which needed to be equally emphasized to support the MSE's entrepreneurial growth. It study noted that extensive research has been carried out on the role of the micro finance institutions, banks, governments and nongovernmental organizations provision of credit to MSE's but no research was found which focused on entrepreneurial determinants influencing savings mobilization among MSEs to provide the much needed cheap finances to support the operations of MSE's. The MSE's have not been able to operate voluntary savings mobilization for their own benefits but instead have been mobilizing savings as a condition to access credit facilities. The study therefore addressed the very foundation of providing adequate finances desired by MSE's to take off.

The micro finance institutions, commercial banks, governments and nongovernmental organizations serving MSE's benefited from the study by determining how to redesign saving products to attract more voluntary savers who provided cheap deposits for onward lending to borrowers and also for the depositors to accumulate their savings overtime to fulfill their financial requirements as they grow over time. The study

therefore broadened level of thinking in MSE's financing by considering the appropriate noncredit products and services to benefit all MSE's operators.

The government benefited from the study while assisting MSE's by developing appropriate savings culture amongst the Kenyan business community to create employment opportunities and create vibrant businesses to raise the economy of the country in order to achieve its MDGs and vision 2030, if savings mobilization among the Kenyan population was improved, investment opportunities easily be exploited and entrepreneurial ventures will be started which in the long run will positively influence economic development of a country.

1.5 Scope of the Study

Trans Nzoia county edition (2013) highlighted that the county had numerous MSE's operating from urban and rural areas engaged in manufacturing, commerce and trade and in service sectors. The observation agreed with KIPPRA (2012) report which indicated that MSE's in Kenya dominated in majority of the sectors, including wholesale and retail trade, restaurants, hotels, community and social services, insurance, real estate, business services, manufacturing, agriculture, transport and communication and construction. All the MSE's operating in different sectors within Kenya, are eligible to register with the KNCCI in their respective counties so that their business interests were protected to ensure they operated within conducive environment and remained competitive. To qualify for registration with KNCCI a MSE must be operating an enterprise and also paid annual subscription fees as stipulated by their respective branch constitution. These MSE's were exposed to financial institutions as they operated their MSE's. Because they were all active MSE's within the county, they received some income and mobilized their savings at least somewhere for purposes of restocking their enterprises and also to meet other financial obligations. The registered MSE's with KNCCI Trans Nzoia county qualified to be used for this study since the targeted MSE's had the potential to provide the primary data required to address the objective of this study which was to determine the entrepreneurial determinants of savings

mobilization among MSE's in Trans Nzoia County. The study targeted 2216 MSE's registered with KNCCI Trans Nzoia County (See appendix v).

1.6 Limitations of the Study

The study could have been limited by lack of reception in the field during data collection exercise. In order to address this limitation, the research sought consent from the owner managers   of MSE's which helped to ensure that the researcher was able to get reception in the field and get the information the study required. The researcher also faced the challenge of receiving information that was not a true reflection of the situation on the ground, in order to ensure that this was not the case the researcher informed the respondents what was the aim of the study and the confidentiality with which the data would be treated and their identities would be anonymous. The study did not obtain 100% response rate due to unwillingness and unavailability of some targeted respondents given the nature of information to be collected. However where the respondent was not available the researcher had to visit again till a response rate of 92.04% was reached. This response return rate met the threshold of about 75% for face to face administered questionnaires (Saunders, Lewis and Thorn hill, 2007). Another limitation of the study was human resource limitation during the data collection. The researcher had to hire four assistant researchers who were trained first on data collection procedures so as not to compromise on quality of data. Despite the fact that the study was designed in highly scientific manner through a theoretical, empirical and literature reviewed, the entire study was rigorous in its data analysis, interpretation and reporting of the findings, but this   did not   compromise the study findings.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The study was informed by a comprehensive review of the relevant theoretical and empirical literature to build an in depth understanding of the current body of knowledge on entrepreneurial determinants of savings mobilization among MSE's. From a synthesis of the literature reviewed, a conceptual framework on entrepreneurial determinants of savings mobilizations was developed showing the relationship between independent variables financial literacy, savings incentives, customer experience and technological innovations and the dependent variable savings mobilization. The chapter was organized in the following main sections: Introduction, theoretical review, critique of theoretical literature, empirical review, operationalization of variables, conceptual framework, review of independent variables, research gaps and summary.

2.2 Theoretical Review

2.2.1 Schumpeterian Innovation Theory

Sledzik (2013) observed that Schumpeter described development as a historical process of structural changes substantially driven by innovation which was divided into the five types, the launch of a new product or a new species of already known product, application of new methods of production or sales of a product which was not yet proven in the industry, opening of a new market for which a branch of the industry was not yet represented, acquiring of new sources of supply of raw material or semi-finished goods and creating new industry structure such as the creation or destruction of a monopoly position.

Clemence (2009) observed that Schumpeter divided innovation process into four dimensions namely; invention, innovation, diffusion and imitation and put the dynamic entrepreneur in the middle of his analysis. Clemence further argued that Schumpeter

viewed innovation and entrepreneurs investment and employment as not the discovery of basic innovation, but rather the diffusion of basic innovation, which was the period when imitators began to realize the profitable potential of the new product or process and start to invest heavily in technological innovation.

Śledzik (2013) argued that Schumpeter viewed innovation as the creative destruction that developed the economy while the entrepreneur performed the function of the change creator. Schumpeter further developed the characteristics of entrepreneurs which included intelligence, alertness, energy and determination. Schumpeter in his early works indicated that the function of entrepreneur was to reform or revolutionize the pattern of production by exploiting an invention or more generally, an untried technological possibility for producing a new commodity or producing an old one in a new way, by opening up a new source of supply of materials or a new outlet for products by reorganizing an industry. Schumpeter also observed that entrepreneurs were motivated by the desire to create their own kingdom

Deakins and Freel (2009) observed that Schumpeter developed important ideas on innovation as a source of economic change and technological innovation. Further Schumpeter postulated that entrepreneurship was the catalyst at the center of economic development and underscored innovation as central to entrepreneurial activity, he also recognized that development was a process of disturbance and change instigated by the entrepreneur. Schumpeter defined technological innovation as a new combination of means of production or a change in the factors of production to produce products, he considered the entrepreneur and, later, the large firm at the center of the innovation process. Schumpeter also argued that innovation is an endogenous process that makes it possible for economic agents to obtain a surplus over costs, or entrepreneurial profit. He further stated that enterprises compete with one another to gain market share and improve their ability to increase profit through the use of new methods of production resulting into competition for capital across industries which created a tendency toward equilibrium, whereas competition for capital within an industry created a tendency toward disequilibrium (Betta *et al.,* 2010).

Studies by Deakins and Freel (2009); Clemence (2009; Betta *et al. (*2010) and Śledzik (2013) indicated that entrepreneurship was not a static activity but rather a continuous process of innovation by introducing new products and services as new opportunities presented themselves. The entrepreneur's who operated the MSE's had to be motivated by the financial institutions where they mobilized their savings which were equally entrepreneurial through introduction of innovative ways which provided favorable business environment propelling MSE's to improve in their operations.

2.2.2 Resource Based Theory

Powell (2007) argued that the capability of a firm in the market was seen in terms its resources and competencies. Barney in 1991 (as cited in Powell, 2007) developed the resource based theory(RBT) to understand how organizations achieved sustainable competitive advantages(SCA), the theory emphasized on the idea of cost to copy attributes of the firm as sources of business returns and the means to achieve superior performance and competitive advantage. RBT looked at a firm as a collection of physical capital resources, human capital resources and organizational resources that cannot be easily purchased, requiring an extended learning process or a change in the corporate culture and were more likely to be unique to the enterprise and therefore, more difficult to imitate by competitors. Barney also argued that performance differentials between firms depended on having a set of unique inputs and capabilities.

Barney further argued that RBT competitive advantage occurred only when there was a situation of resource heterogeneity with different resources across firms with resources having a strategic value to the firm to exploit opportunities or neutralize threats, resource were unique or rare to find amongst the current and potential competitors or difficult to acquire because the link between the capability or the achieved sustained competitive advantage was ambiguous or because it was socially complex, resource had to be non substitutable when competitors could not substitute the resource by another alternative resource to achieve the same results and resources to be imperfectly immutable where the resources could not be bought or sold on the market freely.

Wernerfelt (2007) argued that the resource based theory of entrepreneurship (RBT) explained why some individuals engaged and others did not engage in entrepreneurial activities, potential entrepreneurs had individual level and specific capabilities that facilitated the recognition of new business opportunities and the assembling of appropriate resources that enabled the creation of a new firm.

Foss (2011) argued that entrepreneurs used personal income and wealth as a source of start up capital as evidenced from United Kingdom and united states of America which found that financial capital was important in determining the probability of becoming an entrepreneur and of entrepreneurial success. Foss further argued that RBT predicted that entrepreneurs who possessed higher levels of human capital were better at perceiving viable business opportunities and had superior abilities to successfully exploit opportunities than those with lower levels of human capital. While both formal education and work experience were seen as proxies of human capital, they may or may not represent knowledge and skills relevant for the specific tasks such as creating a new firm.

Studies by Wernerfelt (2007); Powell (2007) and Foss (2011) found that resources were very critical for entrepreneurial growth of MSE's and the eventual graduation to medium and large enterprises. The MSE's which acquired more or superior resources performed better than those with fewer or weaker resources. The financial institutions where the MSEs mobilized their resources had to support MSE's acquire or increase their resources to compete favorably with other MSE's operating within the same environment. The resource based theory emphasized more on resources with little focus on the entrepreneurial determinants for resources mobilization in financial Instituons.

2.2.3 Institutional Theory

Bruton *et al.* (2010) indicated that the institutional theory was increasingly utilized theoretical lens for research within the social sciences and in particular entrepreneurship research. Langevang *et al.* (2012) identified the entrepreneur as an actor who took advantage of the opportunities that were created or determined by institutions. The

relationship between institutions and organizations and enterprises was described as symbiotic or reciprocal where institutions shaped both opportunities and obstacles for organizations and organizations in turn shaped the incremental change of institutions. This reciprocal relationship related to the concept of embededness which implied that it was impossible to detach entrepreneur from the structure.

Bruton *et al.* (2010) argued that institutions do three main things, they channel information about market conditions, goods and participation, they define and enforce property rights and contracts, they determine who gets what and when and they also increase competition in markets or decrease it. Entrepreneurs were discouraged from starting ventures if there were no formal institutional structures or informal structures to substitute for the lacking formal ones. Peng *et al.* (2009) argued that any strategic choice a firm made was affected by the formal and informal constraints of a given institutional framework.

Agango *et al.* (2014) argued that institutional theory of savings suggested that entrepreneurs and households were faced with institutional factors that determined their influence on savings mobilization. The main hypothesis of institutional theory assumed that low income entrepreneurs and families were unable to save and accumulate assets primarily because they did not have the same institutional opportunities that higher income MSE's and households received. Furthermore it was argued that when savers were given access to the same institutional support for saving and asset building that their wealthier counterparts used, low income families and MSE's saved and accumulated assets. It was further emphasized that institutions in the institutional theory referred to purposefully created policies, programs, products, and services. Agango further argued that there were seven institutional level dimensions that were hypothesized to influence saving mobilization such as access, information, incentives, facilitation, expectations, restrictions, and security.

Studies by Agango *et al.* (2014); Peng *et al.*(2009) and Bruton *et al.* (2010) argued that institutional theory of entrepreneurship underscored the fact that MSE's preferred to operate within formal institutional structures which was guided by well known rules

and regulations which enabled or constrained the relationship existing amongst them. The financial institutions which embraced entrepreneurial oriented approaches towards savings mobilization encourage MSE's to develop a relationship with them .Therefore financial institutions where MSE's mobilized their savings needed to adopt growth oriented savings mobilization approaches to induce MSE's to start or increase savings mobilization. The theory was more applicable to the current topic of study.

2.2.4 Motivational Theory

Zhao *et al.* (2010) argued that motivation was the total factors, internal and external that stimulated the desire and energy in people to be continually interested and committed to a job, role or subject, or to make an effort to attain a goal. Therefore entrepreneurial motivation represented the sum of factors that influenced a person to engage in entrepreneurial activities. Grigore (2012) emphasized that motivation energizes, leads and supports the action. Caird (2013) argued that a person that was driven by a high need of achievement had the following qualities, an orientation towards the future, relied on their own ability, was optimistic rather than a pessimistic, a strong task orientation, restlessness, driven and energetic, responsible and persistent in pursuit of aims, willingness to work long and hard when necessary to complete tasks.

Kirkwood and Walton (2010) emphasized that a society that had a higher level of motivation had a higher number of active entrepreneurs, the individuals with a high need to achieve were those who liked to solve their own problems, set achievable targets. Further, Kirkwood and Walton argued that motivational theory stated that individuals who had a strong need to achieve became entrepreneurs and succeed better than others. They therefore conclude that entrepreneurs had the following characteristics originality and innovativeness, took individual responsibility, planed on long term basis, aware of the results their acts and were moderate risk avoider. They also argued that motivational theory literature emphasized that individual initiative and persistence in behavior was through belief that such behaviors resulted in certain desired outcome. They also argued that social conditions such as the potential profit, favorable environmental factors, and cognitive conditions such as knowledge and/or experience

21

and skills contributed to the calculated decision to be motivated to engage in entrepreneurial actions, motivation paved the way for entrepreneurs to acquire certain knowledge, skills, and abilities that were essential for successful outcomes such as their potential for discovering, evaluating, and exploiting profitable opportunities to create market, social, or monetary value.

Studies by Ooi and Ahmad (2012) and Fatoki (2010) identified the obstacles to entrepreneurial intention into exogenous factors such as high interest rate, high labor cost, strict government regulations, tight labor market, high taxes, lack of government support and strong competition and endogenous factors such as stress, fear of failure, lack of business skill, lack of planning and long sighted and excessive risk, high operating expenses, lack of working capital/ investment, fund and lack of good suppliers.

Studies by Fatoki (2010); Kirkwood and Walton (2010); Fatoki and Chindoga (2011) and Ooi and Ahmad (2012) found that motivational theory captured the factors behind entrepreneurial behaviors. These factors were both internal within an entrepreneur and external without an entrepreneur, studying these factors which attracted MSE's to get involved into entrepreneurial activities was important undertaking since perhaps those were the same entrepreneurial factors which influenced savings mobilization among the MSE's.

2.3 Critique of Theoretical Literature

A number of critiques have been leveled against theories used in the study. According to Dollinger (2008) other forces other than the entrepreneur as averred by Schumpeter may present potential shocks to the circular flow and may result in the creative destruction of capital and making it available for redeployment. Desai (2009) and Saleemi (2009) argued that Schumpeterian theory has been criticized as mainly applicable to large businesses and seemed to disregard creative imitation where a product was adapted to a niche market in a better way than the original innovation. Drucker (2007) concurred with Schumpeter that innovation was the real hub of entrepreneurship but on contrary

opinion he further argued that innovation was not confined to large scale enterprises and economic institutions. Accordingly Drucker indicated that entrepreneurship was the practice which had a knowledge base the foundation of which lied in the concept and theory rather than intuition. On the other hand the neo Australian school challenged Schumpeterian theory by arguing that disequilibrium rather than equilibrium was the cause of entrepreneurship. Furthermore, an entrepreneur was seen as a speculator who was eager to use their opinion on the future market to structure the market disequilibrium distinct from equilibrium for business operations promising a profit (Desai, 2009).

Chatain (2010) criticized RBT that it reflects a unique feature that sustainable competitive advantage was achieved in an environment where competition did not exist, it was argued that through entry barriers to imitation, incumbents ensure that rival firms did not reach a level at which they performed at a level similar manner to the former and that meant that the strength of not letting other firms to compete at the same level, active competitive advantage become ineffective since two or more firms began to perform at a superior level evading the possibility of single firm dominance and no firm enjoyed competitive advantage and such kind of competition only existed in a world of no competitive imitation. According to Kotelinkov (2010) RBT was founded on the concept of economic rent and viewed a company as a collection of resources and capabilities and therefore pointing out the need for a fit between the internal resources and capabilities of the firm and the external environment where the firm operated. Mills (2010) argued that the achievement of any business relied on the firms strengths and weaknesses, he further argued that this theory concentrated on the individuality of each firm and its competitors.

On the other hand Jaquier (2010) argued that RBT provided a rigorous model for analyzing both competitive advantages and sustainable competitive advantage of a firm combining both the internal and external analysis. Accordingly, Dollinger (2008) indicated that the RBT was efficient and practical because it focused on the strengths of the assets and capabilities of the entrepreneur and their ventures by also incorporating

23

market opportunity, industry conditions and competition. Kotelnikov (2010) argued that a firm was a collection of evolving capabilities   that was managed dynamically in pursuit of above average returns, the difference in firms performance over time was primarily driven by unique resources and capabilities of firms through a synergistic combination and integration   of sets of resources.

Institutional theory tend to avoid both individual level explanations situated at the same level of analysis, for this reason they are criticized as being structurally biased. Furthermore, institutional theory   have problems in explaining social and political change   notably in institutions and often resort to claims about exogenous and unpredictable shocks and actions of various agents (Han & Sherraden, 2009). Historical institutional theorists typically focused on determinants at the macro political or macroeconomic level because they relied on no particular type of institutional theory, they instead expect causation to be multiple and often involving time order and path dependence (Fisher & Montalto, 2011).

Another impediment to institutional theory was that the term meant so many things to different scholars, some of the alternative approaches were not only different but even contradictory and if one adopted some version of the institutional approach you may get a different empirical evidence and make very different predictions about behavior than if one were doing research using another version (Han & Sherraden, 2009). The institutional theory of saving mobilization   assumed that MSE's accessed   all the required financial information which influenced them to save, but it's imperative that MSE's do not have all information from financial institutions and in spite of getting financial information they may have different reasons motivating them to save (Barr & Blank, 2008).

Despite their wide use and impact on the workplace, major criticisms exist for motivational theories. The theories pertain to be universal theories and apply to everyone. They take no account of gender, age, culture, religious or other factor differences. Most of them were developed in the USA and at best can only represented middle class American business needs and values between 1940s to 1970s (Ahmad,

Mukaddes, Rashed & Samad, 2010). Despite many research projects, little to no support has been established for these theories. Many of the motivational theories, such as Maslow's, weren't based on research at all, but opinion, whilst others researched on biased samples such as only males, only accountants and engineers. In some instances where evidence was found that didn't support motivational theory, it was redefined to make it fit. The motivational theories tend to assume that workplaces were the only places where human needs and personal development were met, they ignored the importance of other aspects of human lives and their impact on human work lives (Salanova & Kirmanen, 2010).

Motivational theory does not only ignore the significance of individual differences but they largely fail to recognize that individual needs are constantly changing, and consequently what may be a motivator one day may not the motivator in the next day. The static nature of the motivational theory doesn't relate to the real world. The theory also assumed that the connection between needs and behavior was non problematic because they ignored the processes that must be evaluated and implemented to achieve the desired end results. Overall motivational theory was far too simplistic to account for the complexity of the real world and the complex decision making process that individuals often made in the motivation process (Wan, 2009).

Salanova and Kirmanen (2010) argued that despite criticisms against motivational theories, they have been critical in focusing attention on the area of motivation and the importance of needs. They have helped managers evaluate their own perceptions about their employees and themselves. They have also helped to provide a basis for further study in this area. The study used a combination of these theories to study entrepreneurial determinants of savings mobilization among MSE's in Trans Nzoia County.

2.4 Empirical Review

Empirical research studies were observations or data collected in order to answer particular research questions, in academic research they were significant in identifying the independent and dependent variables, research gaps that the current study filled and added to the existing body of knowledge.

Carpena *et al.* (2011) conducted a randomized experiment to measure the effect of financial training in western India on three distinct dimensions of financial knowledge; numeracy skills, basic financial awareness and attitudes toward financial decisions among 1200 urban households in Ahmedabad, two-thirds were randomly assigned to a video based financial education program offered at a training center once a week with each training taking two to three hours per session for five weeks, the remaining one third served as a comparison group and received a video based health training program delivered in the same manner, all households received a test a few weeks later. The study findings indicated that financial literacy had limited effects in increasing financial numeracy, also it did not influence participants' awareness and attitudes toward financial products and the financial planning tools available to them with basic financial awareness increasing by 7.7 percentage points relative to the comparison group. The current study was conducted in a natural environment where the MSE's were not influenced in any way to attend financial literacy training. Furthermore, despite the benefits of financial literacy to MSE's in enhancing their financial skills a there was not any study which has been conducted in Kenya to determine the influence of financial literacy on MSE's savings mobilization.

Field *et al.* (2010) conducted a study on financial literacy to women working in the informal sector and its influence on saving. The training program involved a two day training sessions on financial literacy, business skills, and aspirations for bank customers in partnership with SEWA. They selected a random sample of 636 women from SEWA's customer base and randomly assigned two thirds to be invited to training sessions. The study findings showed that, financial literacy training did not increase savings but raised borrowing and business income among a sub group of women who

faced strict social constraints. The current study had respondents from both genders and from both urban and rural areas. The respondents belonged to either FFI's or IFFI's which encouraged savings mobilization from among the MSE's having a relationship with them.

Purina (2013) conducted a field experiment in Nepal and found a strong results from eliminating the costs of opening formal savings accounts among a general sample of poor households from a sample of 1118 households in 19 slum settlements, 567 female household heads were randomly chosen to receive the option of opening basic savings accounts that did not have any opening, maintenance, or withdrawal fees, the account offered a nominal interest rate of six per cent on balances which was lower than the Nepalese inflation rate of over ten per cent, the offer of the bank accounts was made through a public lottery in 19 communities,551 women in the sample were not offered the free bank account and formed the comparison group,84 per cent of the households offered an account opened one and 80per cent of the entire treatment sample used it frequently by making at least two deposits over a one year period, access to these free savings accounts allowed participant household to increase monetary assets by 25 per cent and total assets by 12 per cent for households in the treatment group. The current study was conducted in a real world environment   to find out any savings incentives initiatives or programs the financial institutions offered to their clients in Kenya and how such initiatives affected savings mobilizations amongst MSE's.

Dupas and Jonathan Robinson (2011) conducted a field experiment by selecting a random sample of small informal business owners in a village in rural western Kenya which received access to an interest free savings account; they then tested the impact of these accounts on overall savings mobilization among the MSE's. The sample was composed primarily of market vendors. The study relied on a data set collected from 279 daily logbooks kept by individuals in both the treatment and control groups, logbook data were supplemented by bank account activity information. The bank charged substantial withdrawal fees, and as such, the de facto interest rate on the account was negative. The study findings were, despite take up, usage of the account was high among

market vendors, especially women who voluntarily saved in accounts earning negative returns suggesting that access to a formal savings account was highly valued. The current study data analysis relied on primary data collected from respondents   using semi structured questionnaire and secondary data from a list of registered members of KNCCI Trans Nzoia county which helped to determine the effect of savings incentive on savings mobilization among MSE's.

Egwu *et al.* (2014) conducted a study on determinants of saving capacity of rural women farmers in Ebonyi State, Nigeria. It was recommended that the rural financial intermediaries should encourage farmers to save by raising the interest paid on savings to discourage farmers from saving in kind or hoarding cash in the house which usually led to loss of wealth in case of thefts and more farmers saved. Dupas and Robinson (2009) conducted a study in Kenya and found that subsidizing the opening fees for a savings account on behalf of a random sample of small business owners in rural Kenya increased the savings of women; many of them market vendors who opened the account compared to women who were not offered the account. Studies by Dupas and Robinson (2009) and Egwu *et al.* (2014) focused on rural areas and mainly targeted women whereas the current study was focused on both rural and urban areas and on both genders and there fore its findings were more generalizable.

Dupas *et al.* (2012) conducted a study in western Kenya with a sample of 1565 unbanked individuals and found that take up was 62 per cent but low active usage of 18 per cent of free savings accounts. A qualitative survey on a subset of study participants, found that low trust in the bank is often cited as a key concern that deters people in their sample from using formal bank accounts. As many as 15-37 per cent of those who did not open or use the free savings account with one of the two participating banks cited unreliability as a concern, and 7-24 per cent mentioned risk of embezzlement by the given bank as a concern.

The current study was mainly concerned on MSE's operating in Trans Nzoia county who were banked at least somewhere due to the nature of the enterprises they were operating. There is no known study which has been done in Kenya to find out whether the customer experience the MSE's receive from their respective financial institutions influence their savings mobilization

Brune *et al.* (2013) conducted a study on randomized access to ordinary and commitment savings products among 3,150 smallholder tobacco farmers in Malawi organized into 299 farmer clubs. One third of the farmers' clubs in the study were assisted in opening ordinary savings accounts, another third were assisted in opening both ordinary and commitment savings accounts, and the final third served as the comparison group without assistance in opening either type of account. The study findings showed that those who opened a savings account had the proceeds from their tobacco sales deposited directly by electronic means into their ordinary savings account and those who opened commitment accounts, funds were deposited into their ordinary account until the goal set by them was reached, after which funds would be deposited into the commitment account until its preset target level was reached .The study findings also indicated that take up of the offer of a commitment account along with an ordinary account was 20.7 per cent compared to an 18.1 per cent take up rate for just the ordinary savings account. The current study was conducted among MSE's who were not influenced where and the kind of accounts to open with their respective financial institutions but each MSE made a voluntary decision to develop a relationship with either a FFI or IFI to mobilize savings based on benefits of technological innovations introduced by their financial institutions.

Flory (2011) conducted a study on a natural field experiment in Malawi to study the effects of bringing banks closer to geographically secluded populations by introducing a fully equipped mobile van 'bank on wheels', which also included an information campaign randomized at the community level to increase formal savings. A two-year panel dataset containing 2006 households was collected in the pre harvest season. The study findings found take up rates for bank accounts were still low despite the

intervention increasing from 9.3 per cent to 12.4 per cent across all treated areas   with a 33 per cent increase and from 8.6 per cent to 12.3 per cent which was 43 per cent increase in treated areas that were three or more kilometers away from the bank on wheels stop.

Ashraf *et al.* (2009) conducted a study in the Philippines on randomized offer of a deposit collection service to micro savers of a rural bank. The product had a cost of four pesos (about ten cents US) per visit, which could be monthly or bi weekly. The study findings indicated that the service had a take up rate of 28 per cent among those clients who were reached by the marketing team and offered the service, and 14.2 per cent of the full treatment sample regularly used the service which is half of those who opened the account, distance was found to be very strong correlate with the probability of take up was six percentage points higher for each additional ten kilometers between the client's home and a bank branch. Studies by Ashraf *et al.* (2009) and Flory (2011) findings indicated that distance to the bank discouraged the usage of savings accounts and savings mobilization among micro savers and general population. It was   expected that with the innovations taking place in the banking industry by introducing technology based products such as internet banking, agency banking and mobile banking among other distance to the bank will not be an issue. There was no known study which has been conducted in Kenya to find out the effect of technological information from financial institutions on savings mobilization among MSE's.

Chandararot and Dannet (2007) conducted a study in Cambodia in 2007 using a sample of 801 households spread over eight provinces in the country. The main objective was to identify the savings rate, the savings mechanisms and reason for their use among poor households. Among the 497 households who had positive savings, 67 percent kept their surplus income in cash and gold, 29 percent kept it in livestock, 3 percent kept it in 'Tongtin" a type of ROSCA, 0.1 percent kept it in savings groups facilitated by NGOS operating in the country, and only 0.002 percent kept their savings in a bank. 65, asked why they did not use formal deposit taking institutions for saving, 89 percent said they had no cash to save, 15 percent said they were not aware of the financial

institutions, 4 percent did not trust FFIs, 3 percent felt interest rates were low and withdrawal was difficult, while 1 percent felt the FFIs were far away from home. Cash and gold was preferred as a means of saving due to its low transaction cost, high liquidity and convenience, and to take care of the uneven income streams. Livestock was preferred as a means of food security, safeguarding against economic downtown and meeting urgent cash flow shortages such as payment of school fees, Tongtins were mainly used to take advantage of future interest earnings and also for purposes of securing string less credit. Saving groups were used for purposes of building wealth and earning interest on savings. The study suggested that for saving products from banks and MFIs to be attractive to poor households, they should be located in convenient locations, establish good infrastructure, be flexible and treat household as one saver so as to take advantage of the various sources of income for household members. The study looked at what affected choice of saving in each of the informal saving instruments and also in formal banks using descriptive statistics. Only low income households were used in the study. The study by Chandararot and Dannet (2007) focused on describing the existing savings rate, the savings mechanisms and reason for their use among poor households whereas the current study focused on financial institutions using innovative and growth oriented means to improve savings mobilization among MSE's for entrepreneurial growth of their enterprises.

Newman *et al*. (2007) conducted a study to determine factors affecting the decision of a household to save in formal and informal financial institutions and factors that affect the magnitude of financial savings among rural households in Vietnam. Data collected from a household survey was used and analyzed using descriptive statistics. The study found that wealthier households were more likely to save. The average age of household members was found to have negative effects on decision to save in line with the life cycle hypothesis. If the household had suffered an income shock, it was less likely to save. A comparison between savings participation in FFIs and IFIs showed that age had a negative effect on saving in IFIs but no effect on decision to save in FFIs, wealth had non-linear positive effects on savings in IFIs but no effect on savings in FFIs, while education had positive effects on decision to save formally. From the study, different

factors influenced savings in FFIs and IFIs. An increase in income increased the amount of household savings. In addition, an increase in household size and receipts of assistance from children reduced the amount of household savings. Newman *et al.* (2007) focused on households   savings in rural areas only while the current study focused on MSE's operating both in rural and urban areas, the study also used only used descriptive statistics to analyze factors affecting decision of a household to save in FFIs and IFIs while the current study used multiple regression, chi squire and correlation which was a more intensive econometric analysis to examine entrepreneurial determinants of savings mobilization among MSE's.

Bendig *et al*. (2009) conducted a study to examine the differences and similarities in the determinants of demand for formal financial loans, savings and insurance in 2008 among the rural households in Ghana. Majority of the low income households were concentrated in rural areas, with over 80 percent of the population engaging in farming activities and other small scale businesses. A total of 350 households were sampled from the central region in Ghana where only 5-6 percent of the population had access to formal financial institutions. The study showed that there was a strong positive correlation between the demand for savings, loans and insurance. An increase in household size significantly increased the probability of demanding formal financial savings and loans, and this was explained by the need to build buffers against calamities. The probability of saving increased significantly with years of schooling. Households headed by females had a lower probability of demanding the savings product and also the other two products. Interestingly, households in close proximity to financial provider were less likely to demand savings and insurance products. This was explained by the fact that the financial providers did not make concerted efforts to take their outreach programmes to those near the financial institutions and instead took them to those far off. It was not just important to increase the supply of financial institutions, but in addition, there was need to build trust and increase financial literacy. Bendig *et al.* (2009) focused on the determinants of decision to save, take loans and also acquire insurance at the same time. The current study examined only the determinants for savings mobilization among MSE's in all financial institutions without any

discrimination by considering only those saving in three different forms of financial institutions, FFIs, SFFIs, and IFIs. The study by Bendig *et al.* (2009) was conducted in the rural region of Ghana while the current study considered MSE's operating in both rural and urban areas and hence it was more extensive in coverage. Bendig *et al.* (2009) did not include some important variables that have been known to affect the decision to save such as financial literacy and rate of return on savings. These variables were included in the current study.

Kibet *et al.* (2009) conducted a study in Nakuru, Kenya using a sample of 359 households selected from seven divisions, which included teachers, businessmen and farmers in the area of study. The study estimated a household savings deposit function using ordinary least squares method. The dependent variable was household savings held in financial institution for over two months. The explanatory variables were gross income, dependency ratio, age of respondent , gender of respondent, occupation of respondent, rate of interest on savings, transport cost to and from financial institution of saving and credit access. The study found out that saving was ranked on sixth among twelve items in the household budget hence it was not a residual as assumed by conventional economic theory. The coefficients of income, credit access, dependency ratio and age of respondent were found to be statistically significant in affecting the savings level. Businessmen were found to save significantly more than the farmers and the teachers. The current study focused on only MSE's operating in both rural and urban areas and the explanatory variables used in the study were entrepreneurial determinants only, financial literacy, savings incentives, customer experience and technological innovation. The dependent variable was household savings held in financial institution for over two months whereas in the current study the dependent variable was savings mobilization which was assumed to be regular through the year due to financial institution's customer friendly terms and conditions meeting the unique needs of their customers.

Boring (2010) conducted a study to examine motivations behind saving behavior and institutional choice using data collected from a sample of 2774 households in Uganda..

The data was analyzed using binomial probit regression model. The study included the following independent variables; place of residence, age in years, status of respondent in household, literacy, sex of respondent, marital status, level of education, primary source of income, presence of consultation when making financial decisions, trust of financial institutions, position in life relative to desired state, and the wealth of household relative to mean for the sample. A total of five regression equations were estimated; one representing the decision to save or not, and the other four representing the decision to save in each of the four aforementioned financial institution. When making the decision to save or not, respondent was literate and with a high education level, deriving income from entrepreneurial activities, statistically increased the probability to save. Findings of the study found that the probability to save in significantly increased when a household was residing in a rural area and if they trusted the informal institutions. The study by Boring (2010) examined motivations behind saving behavior and institutional choice and data was analyzed using binomial probit regression model whereas the current study examined the entrepreneurial determinants of savings mobilization among MSE's and data was analyzed using multiple regression.

Delafrooz and Paim (2011) discussed the relationship of savings behavior and financial problems to financial literacy, financial stress and financial management practice in a sample of 2246 Malaysia workers. The study employed structural equation model to examine the degree to which financial literacy, financial management practices and financial stress influenced financial problems and saving behavior. This study highlighted the importance of financial management practice in predicting both financial problems and saving behavior suggesting that financial education and counseling should address the workers' attitudes towards saving behavior and financial management practices, there was a significant relationship between saving behavior and financial literacy highlights the need to increase awareness among workers to financial problems and the potential benefits of seeking professional financial assistance and also there was significant relationship between financial problem and financial stress proof the need to improve workers' financial problem by reducing financial stress. The study by Delafrooz and Paim (2011) discussed the relationship of savings behavior and

financial problems to financial literacy, financial stress and financial management practice. The study employed structural equation model to examine the degree to which financial literacy, financial management practices and financial stress influenced financial problems and saving behavior while the current study discussed the entrepreneurial determinants of savings mobilization among MSE's, data was analyzed using descriptive statistics, chi squire correlation and multiple regression.

Akpan *et al.* (2011) determined factors that affect household saving of rural agro-based firm workers in the south-south region of Nigeria. Two-stage least squares method of simultaneous equation model was used in the analysis. Cross-sectional data were collected from 250 randomly selected workers of five agro-based firms in the study areas. The results of the analysis revealed that income, tax, job experience, education, family size and membership of a social group influence saving attitude of workers. To promote household savings among agro-based workers in Nigeria, policies aim at periodic increase in worker's salary and reduction in tax rate in line with the changing pattern of macro-economic variables in the country were advocated. The primary data were collected with the aid of a well structured questionnaire and interview schedule, 250 (two hundred and fifty) workers in the different estates payrolls were randomly selected from the various operational areas of the agro based firms. The current study on the other hand was carried out among MSE's operating in Trans Nzoia county Kenya, the population of study was 339 MSE's which was expected to be more representative, the sampling techniques used were stratified and random sampling, the independent variables considered in the study were only entrepreneurial factors, primary data was collected through semi structured questionnaire while secondary data was collected from a list of registered members of KNNCI Trans Nzoia county 2015.

Turner and Manturuk (2012) examined how individual, institutional, and structural determinants impact the decision-making processes that guide participants' savings behaviour. Results showed that individual factors such as obligation to family, upbringing, and employment experiences affect participants' attitudes toward savings and their confidence in their ability to save. Institutional factors such as incentives,

disincentives, and organizational culture shape participants' trust in financial institutions and their attitudes towards participating in savings programs was studied. This study used in depth interview data collected from 48 people who participated in save NYC in 2009. At the time that people signed up for the program, they were asked if they would be willing to be contacted later for a survey about their participation. Of the 879 participants who agreed to be contacted. This study sought to understand the experiences of participants in a unique matched savings account program in the specific context of New York City. The study by Turner and Manturuk (2012) focused on general savings mobilization whereas the current study was more concerned on savings mobilization among MSE's and the MSE's savings mobilization were not influenced in any way on where to mobilize.

Rehman *et al.* (2010) investigated the determinants of households saving in Multan district of Pakistan, data from 293 respondents were drawn through field survey from 2009-2010 by adopting stratified random sampling technique. Questions were asked directly from head of household about their education level, family status, and age, region of residence, assets and level of income. The results indicated that the study supported life cycle hypothesis. The current study on the other hand used mixed research design employing both the qualitative and quantitative techniques to analyze data, it also used the entrepreneurship theories to study the subject such as Schumpeterian theory, resource based theory, institutional theory and motivational theory.

2.5 Operationalization of Research Variables

.Data collected from respondents was operationalized to render them measurable and to develop scale of measurement of the concepts. Uma (2010) identified four types of scales namely nominal, ordinal, interval and ratio scales. These scales were used to measure different variables because were tools by which individuals were distinguished as to how they differed from one another on the variables of interest. The appropriate scale for this study was the interval scale which allowed performance of some arithmetical operations on the data collected from the respondents, it also measured the distance between two points on the scale to enable any computation. Financial literacy

36

parameters included knowledge on saving products, usage of saving products and saving decisions. The knowledge on saving products referred to the extent to which MSE's understood and changed their attitude towards money management behaviors after financial literacy training while the usage of saving products referred to the extent to which MSE's consumed financial institutions savings products and services because they were familiar with them while saving decisions referred to the extent to which MSE's were capable of making savings mobilization decisions independently after attending financial literacy training. The study used interval scale to measure question 4, section "C" of the research instruments. The saving incentives parameters included; amounts mobilized, saving benefits and saving initiatives. The amount saved referred to the extent to which MSE's had increased their frequency of savings mobilization due to savings incentives received from their financial institutions while saving benefits referred to the extent to which MSE's knew the actual saving benefits arising from various savings mobilization options from their financial institutions and saving initiatives referred to the extent to which MSE's were aware of existence of savings mobilization initiatives from their respective financial institutions. The study used interval scale to measure question 3, section "D" of the research instrument. The parameters for customer experience were delivery processes, quality of products and service and customer recognition. The delivery processes referred to the extent to which financial institutions used convenient savings mobilizations channels to deliver their savings products and services to MSE's while quality of product and service referred to as the extent to which financial institutions savings products and services met the savings needs of MSE's and customer recognition referred to the extent to which MSE's perceived they were recognized and valued by staffs of financial institutions when seeking products and services. The study used interval scale to measure question 3, section "E" of the research instrument. The parameters for technological innovation was unique saving technology which referred to the extent to which MSE's perceived technological innovation from their financial institution was differentiated from competitors while convenience of saving technology referred to the extent to which technological innovations from financial institutions reduced savings mobilization costs and was user friendly and new product or service referred to the extent to which MSE's

introduced new products offering to their customers due to technological innovations from their financial institutions. The study used interval scale to measure question 6, section "F" of the research instrument.

2.6 Conceptual Framework

According to Oso and Onen (2009) a conceptual framework was a diagrammatic presentation of variables which illustrated the relationship between the independent and the dependent variable, it exhibited which concepts were related to which others and the direction of those relationships. The independent variables that were conceptualized by the study to influence savings mobilization included; financial literacy, saving incentives, customer experience and technological innovations determine   savings mobilization. The study made a number of assumptions before developing the studies conceptual framework. The study assumed   that there was   a direct relationship between the independent and dependent variables. The study also assumed that there was no other intervening variables that may influence this relationship but even if there were other variables to influence the relationship, their influence was not so significant that it could alter the outcome, therefore, the study specifically considered the direct relationship between the independent and dependent variables. The study made the assumption that there was no intervening or moderating variable(s), that is, there were no important variables that were omitted. The results were   presented in Fig.2.1

| Financial literacy
• Knowledge on saving products
• Usage of saving products
• Saving decisions |
| Saving incentives
• Amounts mobilized
• Savings benefits
• Savings initiatives |
| Customer experience
• Delivery processes
• Quality of product and service
• Customer recognition |
| Technological innovations
• Unique savings technology
• Convenience of technology
• New product or service |

• Frequency of savings mobilization

• Achievement of savings goals

Independent variable   **Dependent variable**

2.7 Review of Entrepreneurial Determinants Influencing Savings Mobilization

This study identified and discussed four entrepreneurial determinants which influenced savings mobilization among MSE's. The four entrepreneurial determinants were financial literacy, savings incentives, customer experience and technological innovation.

2.7.1 Financial Literacy

Willis (2008) and Servon *et al.* (2008) argued that financial literacy was a solution to mitigating financial problems that individuals, families and MSE's faced, it therefore referred to a person's ability to understand and make use of financial concepts. World Bank (2014) reported that financial literacy was intrinsically linked to consumer protection where consumers were likely to trust banks and use their financial services if they understood their products and were well informed when making financial decisions on their choice of financial products and services. Further, it was reported that a well educated consumer understood consumer disclosures, risks and rewards, legal rights and obligations. World bank further argued that financial literacy programs targeted individuals and MSE's at 'teachable moments' which was essentially a life changing moment during which specific financial decisions might alter incomes or normal patterns of expenditure.

In Kenya, Equity bank through Equity Group Foundation and MasterCard International implemented a curriculum based on four distinct topics namely; budgeting, savings, bank services and debt management. Budgeting module gave MSE's knowledge and skills on setting specific future family and business goals. The module on savings provided skills on preparing a savings plan. The module on debt management provided knowledge on costs of accessing credit facility. The module on banking services compared and contrasted bank products and imparted skills on using technology based financial products such as ATM debit cards (Microfinance opportunities, 2010).

HIHEA (2013) conducted an evaluation on enterprise development in rural areas in Kenya, it was reported that most microenterprises that were established experienced business growth with clear evidence that the interest to start the new enterprises were mainly triggered by skills acquired from financial literacy training provided by the HIHEA's program on business development, 64% of members of the groups ventured into new businesses during the project period and 92% reported that the new businesses resulted in higher incomes.

Noelia *et al.* (2014) conducted a study on factors that matter for financial inclusion in Peru and found that being literate had a greater effect on financial inclusion among enterprises was 3.7% and at households was 2.3%. Surveys done in developed and developing countries have shown that a significant share of the population lacked basic financial knowledge, a survey conducted India found that 26 per cent of respondents provided no correct answers to four questions on basic financial principles, only three per cent answered all four questions correctly and when the same instruments were tested in other LDCs, they found similar low levels of basic financial literacy (Cole *et al.,* 2011).

Xu and Zia (2012) conducted a study on comparing price versus information as a barrier to saving in Indonesia. The study offered free two-hour financial education program on the workings and benefits of bank accounts, 77 per cent of the targeted individuals agreed to participate in the experiment. It was found that the intervention had no effect on the probability of opening a bank savings account for the general population, although there were modest increases in take-up among those with low initial levels of financial literacy or low levels of education.

Seshan and Yang (2013) conducted a study which measured the influence of savings focused financial literacy training on the financial decisions of Indian migrant workers in Qatar and their wives who were still based in India. The sample for this study comprised 232 married, male Indian migrant workers based in Doha, Qatar, of whom 157 were randomly offered a short financial literacy training a three hour workshop followed by a two hour dinner which focused on creating and executing household savings plans and 75 workers were not offered the training. The study found some positive behavior change with migrants who received an invitation being 48.4 per cent more likely to self-report jointly making financial decisions with their wives.

Studies by Willis (2008); Servon and Kaestner (2008); The microfinance opportunities

(2010); *Cole et al. (*2011); Xu and Zia (2012); Seshan and Yang (2013); HIHEA (2013);

and World Bank (2014) reported that financial literacy training imparted financial

knowledge and skills which helped to change the negative attitudes the entrepreneurs

operating the MSE's harbored towards savings mobilization among the financial

institutions, consequently increasing the usage of savings services from financial

institutions. Financial savings decisions required adequate knowledge and skills to

enable MSE's to grow their enterprises' and graduate them to medium and large

enterprises.

2.7.2 Saving Incentives

Quarshie (2011) conducted a study in Ghana on improving efficiency of savings

mobilization found that there were little incentive to save. In Ghana the interest paid on

savings was insignificant ranging between 5% and 6 % per annum, while annual interest

rates on loans range between 23 and 25 per cent. It also found that lack of sufficient

infrastructure affected savings mobilization when working people eligible and willing

and able to save did not find the opportunities such as market women were reported not

being able to leave their wares at the peril of thieves to deposit money at the bank.

Dupas and Robinson (2013) conducted a study in rural Kenya and found that eliminating

opening of account costs had a significant positive impact on the take up of bank savings

accounts and on investment levels among market-vending micro entrepreneurs. The

study targeted 250 self-employed individuals who were market vendors and bicycle taxi

drivers in a market area in western Kenya, half of the target population were randomly

selected for the offer of a bank savings account at a village bank. The research team paid

the account opening fee of Ksh 450 for each opened account and gave each client the

minimum balance of Ksh100 which they were not allowed to withdraw from the

account, the account had an effectively negative interest rate due to fees charged on

withdrawals, of the 156 treatment group individuals given the opportunity to open a

savings account through this intervention, 47 per cent opened up the account and used it

at least once, with 41 per cent of the entire treatment sample becoming active users making more than two deposits in the first six months while 13 per cent declined to open an account, and another 40 per cent opened an account but never made a deposit. Among the market vendors, the treatment group increased average daily investment in their businesses by 38–56 per cent and daily private expenditures 37 per cent relative to the comparison group, four to six months after the accounts were offered. The intervention did not have any significant impact on the bicycle taxi drivers.

 The Central Bank of Ethiopia upon the assumption that there were a lot of savings outside the banking system, increased the deposit interest rates with the hope to attract savings from the rural areas (Davison, 2010). According to Noelia *et al. (*2014) who conducted a study on the factors that matter for financial inclusion in Peru. The study found that lack of trust in financial institutions was. an obstacle perceived by 37% of the people who did not use banking services. Egwuv *et al.* (2014) conducted a study on determinants of saving capacity of rural women farmers in Ebonyi State, Nigeria. It was reported that the bureaucracy involved in opening bank account was seen as a constraint to saving capacity of rural women farmers. The bureaucratic bottleneck came in the form of delayed registration, difficulty in getting referee letter and the cumulative effect discouraged many women farmers from saving. Collins *et al;* (2009) conducted a study on portfolios of the Poor in New Jersey and found that the poor and MSE's used informal savings mechanisms which were less secure and safe than formal savings accounts.

Studies by Dupas and Robinson (2009); Collins *et al.* (2009); Davison (2010); Jack and Suri (2010); Quarshie (2011); Dupas and Jonathan Robinson (2011); Prina (2013); Dupas and Robinson (2013); Egwu *et al.* (2014) and Noelia *et al.* (2014) found that MSE's had been saving to access credit facility, an indication that saving in FFI's was tied to credit facility. The safety of savings mobilized was a very significant factor considered by the MSE's to mobilize savings in FFI's or IFFI's. The safety of the amount saved enlisted trust and confidence to save in certain financial institution. The

provided savings incentive helped to reduce costs of saving, increased income and also created strong trust with the savings institution.

2.7.3 Customer Experience

Brigman (2013) indicated that customer experience was used to comprehensively manage a customer's journeys with an organization, product, brand or service in the efficient creation of value of both customer and organization. Schmitt (2013) argued that customer experience understood what customers valued and to evaluating to what extent companies' brand promised, product offering and delivered customer value. Schmitt further indicated that customer experience was to go beyond the obvious and being consistently customer centric by focusing on interactions between the internal customers and the external customers of companies. Further customer experience emphasized a holistic customer approach, customer knowledge nurturing management and customer oriented innovation by considering both external customers and internal customers where employees had a significant impact on the overall company brand image formulation because of integration of interactions.

Brigman (2013 indicated that maintaining loyalty to internal customers and external customers was the key to gain revenue in long term, sustainable company growth was obtained through coherent and consistent customer experience, the level of pro activeness and holistic approach was regarded higher in the customer experience based strategy in any organization. Saffer (2007) argued that it was essential for the case company to recognize its own strong touch points which were interactions in which the case company had succeeded in meeting the customers' perceptions and expectations and additionally, it was significant to identify the touch points where the case company had fallen short.

Hsieh and Yuan (2010) argued that the basis of the positive external customer experience was to meet the core expectations of customers that they expected from any provider, customer satisfaction contained adequate expectations which was the lowest expectable level of customer service. It is a combination of what customers desire for

and actually receive. While going beyond satisfaction refers to exceeding customer expectations. Therefore after companies have succeeded to full fill the core expectations of customers, the creativity and the ability to think outside of the box are required from the management of companies. Yuan further argues that companies needed to be customer centric which was the ability to deliver the differentiated customer experience and to deliver constantly valued products and services beyond satisfaction. Furthermore customer satisfaction was considered part of routine in the current business environment. Yuan also argued that external customers expected unique experience with stable quality in order to become loyal customers and finally advocates by willing to recommend and refer the case company for the others.

Women's World Banking (2013) reported that access to and a safe place to save and build assets was as important as access to loans.WWB indicated that to assist women improve on savings, listen to them, understand how they were currently saving, what they wanted from a savings account and offering a service that improved on their existing options while ensuring that the solution was financially viable for the institution. They need security and trust in the institutions where they opened and used a savings account, trust was critical to capture their savings.

McConnell (2012) conducted a study on 1,601 market vendors in Ghana by comparing the relative importance of convenience and information in increasing the adoption of formal bank savings accounts. The study found that individuals were likely to open an account when they can open the account directly at their place of business showing the importance of convenience as a deciding factor in financial decisions.

Studies by Saffer (2007); Yuan (2010); McConnell (2012); Women's World Banking (2013); Brigman (2013) and Schmitt (2013) argued that customer experience when accessing a service/product from a specific financial institution either chased away or maintained a customer for a long time. Any customer when recognized and valued through a well planned relationship development by financial institutions was more attached to that financial institution, when MSEs made savings decisions they considered financial institutions which understood their needs.

2.7.4 Technological Innovation

Al-Gharbi and Ashrafi (2010) argued that technology was an important factor in the provision of information for the increased sustainability, productivity and competitiveness of MSE's, he also observed that without access to technology, MSE's lacked the capacity to increase their productivity and to be competitive in the local and global market. Further technology had the potential to transform business operations by enabling the rapid, reliable and efficient exchange of large amounts of information; reducing transaction costs, improving information gathering and dissemination, inventory and quality control, and improving the efficiency and customer services of organizations and businesses.

Kuuya (2010 indicated that literature showed that the internet had brought about easier and cheaper ways of conducting businesses of all types and therefore offered equal opportunities to all users. He further emphasized that the lack of culture and infrastructure for imported technology was more pronounced in Kenya's informal sector than in the formal sector. It was further observed that, informal sector enterprises operated in environment that hampered coordination and the transfer of technology. There was also a lack of local content and orientation, which the traders identified with since most of the technology was developed by and for use in Western countries. The author called upon the government and the private sector in developing countries to provide various incentives to help small enterprises acquire and use technology with minimal investment and costs. Furthermore, in order for informal sector enterprises to develop beyond their small scale status, there was need for better and coordinated and effective government facilitative involvement. This was to be done through the development of infrastructural facilities and an economic environment in which MSE's emerged and grow.

Chiware and Dick (2008) argued that access to business information services had been identified as an area that needed attention from governments and business service providers if small enterprises in developing countries were to achieve sustainable levels of growth and development. Tan *et al.* (2010) observed that since small enterprises

represented an important segment of any economy, it was timely for them to enhance their competitiveness not only locally, but also on the global arena by embracing internet-based technologies in their businesses and by first understanding the benefits of technological innovations. The MSE's stood to gain through reduced transactions costs, information gathering and dissemination, and inventory and quality control from technological innovations. When MSE's were in a position to serve a large pool of customers, the rewards that they accrued were huge and included increased earnings and economic returns, which were not only good for the enterprise, but for the country as well (Oletokun & Kabonye, 2010).

Okello *et al.* (2007) conducted a research in Northern Uganda and   found that economic agents operated in a business environment characterized by fragmented and incomplete information where awareness of markets, technology, policies, regulation and finance was limited because there was no meaningful information system in place to facilitate effective access to information by business enterprises. Kenji (2009) argued that MSE's in developing countries were described as suffering from "business information poverty" which refered to the lack of access to vital business information that was necessary for making potentially successful business decisions giving rise to information asymmetries and inefficient markets.

Kuuya (2010) argued that mobile phones are seen to be vital across the range of formal and informal businesses, having overtaken computers as tools in supporting the running of MSEs. The obstacles to the adoption of other technological innovation by MSE,s was generally be summed up as the inability to afford them, lack of knowledge and awareness of their potential, poor infrastructure, and the absence of local content, which made MSE owners view the technology as irrelevant (Kapurubandara, 2009).

 Cohen (2010) conducted a study in Mexico which was sponsored by Mastered Foundation, Micro finance Opportunities and Genesis Analytics which emphasized on branchless banking. The baseline findings indicated that 35% of customers used electronic banking cards,49% trusted this way of receiving funds, 65% of clients had never used an ATM, 45% did not know what a PIN was, 28% were illiterate, and 31%

did not trust the pre-paid card. An evaluation conducted after offering financial literacy training indicated that 70% had no problems with the card,93% plan on using their card for their next loan disbursement, the percentage of complaints was low as less than 1% of clients had concerns.

Noelia *et al*. (2014) conducted a study on the factors that matter for financial inclusion in Peru, the study indicated that high cost of delivering services to rural, remote and poor areas geographical distance was perceived as a barrier by 23.7% of individuals, with women giving this reason more frequently than men, 28% and 18.7% respectively. Kibet *et al.* (2009) found that higher transport costs to saving institutions had a negative impact on the saving habits of teachers in rural areas. Quarshie (2011) conducted a study in Ghana on improving efficiency of savings mobilization, the study observed that the nearness of financial institutions not only encourages saving and deposits, but reduced the cost and risks associated with cash movement and distance to banks predicted saving behavior of rural consumers and the close distance had a positive impact in reduction of transportation cost which encouraged saving.

Studies by Okello *et al.* (2007); Chiware and Dick (2008); Kibet *et al.* (2009); Kapurubandara (2009); Al-Gharbi and Ashrafi ((2010); Kuuya (2010); Tan *et al.,* (2010); Oletokun and Kabonye (2010); Cohen (2010); Quarshie (2011) and Noelia *et al.* (2014) found that technological innovations greatly benefited MSE's in their day to day operations of their enterprises, it also had the potential to address the challenge of savings mobilization within the sector by offering a solution on distance to financial institutions, the distance to the financial institution encouraged or discouraged savings mobilization especially on savers who were operating in rural areas. However with the provision of alternative formal savings mobilization channels, it was expected that MSE's did not have a problem saving with FFI's even though not all MSE's had signed for modern savings channels. The underlying fact was that the MSE's were better off if it was cheaper to open and operate a bank account. The use of technological innovations like m-banking, agency Banking, online banking among others removed or reduced the distance to the bank and encouraged more MSE's to save with financial institutions.

2.8 Research Gaps

Studies by Field *et al.* (2010); Carpena *et al.* (2011); Seshan and Yang (2013); HIHEA (2013) and World Bank (2014) found that financial literacy training for MSE's imparted financial knowledge and skills which helped to change the negative attitudes the MSE's harbored towards savings mobilization among the financial institutions, consequently increasing the usage of savings services from financial institutions. There was a mixed results from various empirical studies conducted on the effect of financial literacy on savings, however in Kenya, the effect of financial literacy training on savings mobilization has not been conducted .This study therefore became handy to shed light on the savings behavior of the MSE's who had attended financial literacy training compared to those who had never attended financial literacy training.

Studies by Quarshie (2011); Dupas and Robinson (2013a); Prina (2013); Noelia *et al .* (2014) and Egwu *et al;* (2014) observed that MSE's mobilized their savings with financial institutions due to incentives provided by these institutions. This study was conducted to find whether in Kenya financial institutions provided any savings incentives to encourage MSE's to save with them.

HIHEA (2013) conducted an evaluation on enterprise development in rural areas in Kenya, using descriptive data analysis technique which didn't bring up more detailed results. This study used both quantitative and qualitative data and did correlation which was a measure of the degree of association between two or more variable that were obtained from same group of subjects. This helped the researcher to predict and describe the association between two or more variables in terms of magnitude and direction.

Studies by Dupas *et al. (*2012); McConnell (2012) and Women's World Banking (2013) argued that customer experience when mobilizing savings influenced savings decisions made by MSE's. Those customers who had positive experience saved more unlike those customers who had a negative experience with a specific financial institution. This study

was carried out in Kenya to find out the customer experiences from diverse savings institutions and how these experiences influenced their savings behavior.

Studies by Kibet *et al.* (2009); Ashraf *et al. (*2009); Cohen (2010); Flory (2011); Quarshie (2011) and Noelia *et al.* (2014) indicated that distance to a financial institution discouraged savings mobilization but with the introduction of technological innovation which offered a solution to distance to the saving institution, more savings were mobilized. A study of this kind was important to fill the gap in knowledge whether MSE's in Kenya used technological innovation to mobilized savings with financial institutions using technological innovations which have been introduced by various financial institutions.

Kibet *et al.* (2009) conducted studies which were only concerned with factors influencing savings mobilization from the general bank clients, but the current research considered only the entrepreneurial oriented MSE's operating enterprises within Trans Nzoia County. The factors considered were entrepreneurial determinants of savings mobilization not just ordinary factors determining savings mobilization. These entrepreneurial determinants included financial literacy, financial savings incentives, customer experience and technological innovations.

Studies by Dupas and Robinson (2013a); Prina (2013); Cole *et al. (*2011) conducted randomized field experimental studies on savings mobilization by offering subsidies/vouchers as incentives to unbanked households and individuals to save, the objective of their study was to find out the take up and usage rates of savings accounts in village banks, the study findings realized mixed results. This study on the other hand was based on real world experiences using mixed research design method to collect data on quantitative and qualitative data related to entrepreneurial determinants of savings mobilization among MSE's.

2.9 Summary

This study reviewed relevant and current entrepreneurship theories and empirical studies which helped to formulate the research objectives. The specific objectives of this study were to establish the influence of financial literacy on saving mobilization among MSE's in Trans Nzoia County, determine the effect of savings incentives on savings mobilization among MSE's in Trans Nzoia County, establish the influence of customer experience on saving mobilization among MSE's in Trans Nzoia County and to determine effect of technological innovations on savings mobilization among MSE's in Trans Nzoia County, while the dependent variable was savings mobilization. Despite the theoretical limitations of the entrepreneurship theories namely; Schumpeterian innovation theory, resource based theory, institutional theory and motivational theory, they were still found to be applicable and relevant in the current study. The empirical studies examined identified numerous gaps that the current study filled and added knowledge to the existing body of literature in savings mobilization and entrepreneurship. The literatures reviewed observed that MSE's accessed financial resources from diverse sources as they developed over time, adequate financial capital made them grow faster and graduate to medium and large enterprises. It was also observed that savings mobilized at IFI's were mainly used to smooth consumption pattern for short term investments but for better savings mobilization there was need to promote savings mobilization within FFIs as compared with IFI's which may not foster enterprise growth.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The chapter covered the study's research methodology, research design, population of study, sampling, data collection and data analysis. The study utilized both qualitative and quantitative approach. Data analysis was undertaken by means of standardized statistical procedures, both closed and open ended questionnaires were used to capture quantitative and qualitative data from MSE's under consideration. The purpose of the research was to determine the entrepreneurial determinants of savings mobilization among MSE's in Trans Nzoia County. The study targeted MSE's registered with KNCCI Trans Nzoia County. The specific objectives of the study were to establish the influence of financial literacy on savings mobilization among MSE's, determine the effect of savings incentives on savings mobilization among MSE's, establish the influence of customer experience on saving mobilization among MSE's and to determine effect of technological innovations on savings mobilization among MSE's, the dependent variable was savings mobilization.

3.2 Research Design

A research design is the logic that links the data to be collected and the conclusions to be drawn on the initial questions of the study (Yin,2009). Field (2013) argued that a research design is as a way of arranging the environment in which a research study takes place. The study used a mixed method research design which comprised both qualitative and quantitative approaches. Namusonge (2010) observed that a research design was suited for gathering descriptive information where the researcher wanted to know about people or attitudes concerning one or more variables through direct query.

3.3 Population

A population is considered to be any group of people, events, or items that are of interest to the researchers that they wish to investigate (Kothari, 2012). According to Mugenda and Mugenda 2003 (as cited in Macharia, (2013) a target population is a complete set of individual, cases or objects with some common observable characteristics. The researcher identified 2216 MSE's registered with KNCCI Trans Nzoia County. All the registered members were traders within Trans Nzoia county who received income from their businesses and mobilized their savings at least in a financial institution embracing entrepreneurial factors influencing MSE's savings mobilization.

3.4 Sampling Frame

A sampling frame is the list of elements from which the sample may be drawn (Zikmund, 2010). Saunders *et al;* (2012) argued that sampling frame has the properties that the researcher can identify every single element and include any in the samples. The studies' sampling frame included owner managers and/or CEO's of MSE's operating in Trans Nzoia County. The researcher chose this target group because they were exposed to banking services and were well conversant about the subject matter. The studie's target group also were active in operating their MSE's since that was the condition they had to fulfill in order to be registered with the KNCCI Trans Nzoia county. Also the targeted MSE's operated both in the urban and rural areas within Trans Nzoia County and therefore the findings from this study included responses from both the rural and urban areas. The owners of these MSE's were either male or female and were either youths or adults. Therefore the views presented on the subject matter of study accommodated opinions and views of all these groups. The sampling frame was a list of 2216 MSE's registered with KNCCI Trans Nzoia County as at 2015.

3.5 Sample and sampling technique

Moazzam (2014) indicated that a sample is some part of a larger body specially selected to represent the whole while sampling is then taking any portion of a population or universe as representative of that population or universe, sampling on the other hand is the process by which this part is chosen. To effectively get data and analyze it from different MSE's operating sectors, stratified sampling was used where the target population was categorized into distinct groups. The sampling frame was organized into separate strata in this case service, manufacturing and commerce and trade. The advantage of stratified sampling ensured that by dividing the target population into distanced independent strata made it possible to draw inferences about specific subgroups that may have been lost in a generalized large sample. It's also important to note that stratified sampling led to more efficient statistical estimates provided that strata were selected based upon relevance to the criterion in question instead of the availability of the samples. The results for sampling were   presented in Table 3.1.

Table 3.1: Sampling

Sector	Targeted MSE's	Number of MSE's Used in the study
Manufacturing	340	52
Commerce and Trade	1536	235
Services	340	52
Totals	2216	339

Source: KNCCI, Trans Nzoia County, (2015)

Random sampling was used to ensure that each element in each stratum had an equal chance of being in the study sample. To select a random sample, random numbers (digits) table was employed. The entire population from which the sample was to be drawn was arranged alphabetically, next each item was assigned a number then a starting point in the table was selected arbitrarily and moved to any direction to select numbers which formed part of the required sample. The study used Fox *et al*.(2009) method of sample determination since the target population (N) was known as 2216.

$$\frac{N}{1 + N(e)} = \frac{2216}{1+2216\,(0.05)^2} = 339$$

The sample size for the study was therefore 339 respondents distributed as follows services 52, manufacturing 52 and commerce and trade 235.

3.6 Instruments for Data Collection

Ghauri (2010) observed that depending on the sources and techniques ones uses for gathering data, it can be divided into secondary and primary data. The study collected primary data using semi structured questionnaires from MSE's owner managers and or CEO's who made decisions upon consultation with or on behalf of owner managers for both open and closed ended questionnaires, closed ended questions required respondents to fill the questionnaires on their own after making some necessary clarifications so as to get their full consent while open ended questions were used where explanation and personal opinion were sought. Secondary data were collected from a list of 2216 MSE's registered with KNCCI Trans Nzoia County.

3.7 Data Collection Procedures

National Statistician's Guidance (2009) indicated that data collection procedures are the processes to be followed to access quality data by showing the authorities to be contacted for permissions to get adequate assurance of the quality of data to be collected from respondents. The researcher sought authority letter from Jomo Kenyatta University of Agriculture and Technology confirming that the researcher was a doctor of philosophy candidate with the university conducting an academic research. The researcher then requested for a permit to conduct research from the Kenya National Council of Sciences Technology and Innovation upon paying the required fee, the researcher also sought permission from KNCCI to conduct research on MSE's registered with them (see appendix v). The questionnaire was administered by four research assistants on the MSE's owner managers and or CEO's after requesting them to participate in the study through researcher introduction on the front page of the questionnaire, each respondent was given time to read and confirm understanding the questionnaire. On average, from pilot study conducted, each respondent took about 45 minutes to respond to all questions. The collected data was coded in readiness for data analysis.

3.8 Pilot Test

Nunes *et al.* (2010) argued that pilot studies were instrumental in the framing of questions, collection of background information, refinement of a research approach or tailoring efficient research instruments. The pilot study was pre tested on a sample of 35 MSE's who were not included in the study sample but was part of the sampling frame. The number of MSE's who participated in the pilot study from each sector was as follows; manufacturing 7, commerce and trade 16 and from service sector 12 translating to 10.3% of the target population used in the study. Simon (2011) argued that a pilot study sample size between 10-20% of the sample used in a study was representative.

The pre-testing of research instruments helped to point out questions that were difficult to understand, those that could be interpreted differently by different people as well as those that were similar. After the pre-testing, improvements were made on the research instruments.

3.9 Reliability and Validity of Research Instruments

Portney and Watkins (2009) argued that reliability of research instruments was concerned with the extent to which a repeated measurement yields the same result while validity was concerned with the extent to which an instrument measured what it was intended to measure. Katou (2008) argued that research instruments were considered to be reliable when the value of the cronbach alpha was greater than 0.70. The studies scales for independent variables financial literacy, saving incentive, customer experience and technological innovation were reliable since their cronbach alpha's were above the threshold.

3.10 Data Processing and Analysis

Hair *et al.* (2010) indicated that data analysis was a process which involves drawing conclusions and explaining findings about a study. The data collected from the study area was coded into a list of variables assumed to comprise entrepreneurial determinants of savings mobilization among MSE's comprising financial literacy, savings incentives, customer experience and technological innovations and the dependent variable was savings mobilization. Descriptive statistics was computed to calculate frequency and percentages for those variables which were qualitative in nature while cross tabulations and chi squires tests was conducted on the MSE's bio data's to find the responses on each specific objective and also tested bio data's to find out which one of them was significant in influencing savings mobilization among MSE's.

A quantitative technique was used to collect numerical data either on independent and dependent variables determining savings mobilization among MSE's. In analyzing quantitative data, the researcher specified the amount of error permissible by indicating

the level of significance [alpha - (a)] and the degrees of freedom (df) as was appropriate. A commonly used value of alpha was .05 (or 95%.) which meant that the observed results only occured by chance 5 times in 100 cases, but 95 of the cases were caused by the treatment. The degrees of freedom vary according to the particular case and they were obtained from the relevant statistical tables.

Qualitative techniques allowed for generalization of the findings and also provided a framework for conducting an extensive study. A qualitative method was used to collect data on the respondent's feelings and attitudes on qualitative aspects of the study. The qualitative approach allowed the respondents to 'tell their story' thus giving the researcher an opportunity to probe and seek clarifications (Yin, 2009). The study used frequency distribution and percentage tables to show the recorded number of times a score occurred and the extent of occurrence of a particular observation respectively. The collected data from each objective was subjected to correlation analysis to find out the relationship among the independent variables. ANOVA method was also used to find the significance of independent variables which predicted savings mobilization among MSE's. Regression analysis was conducted to statistically determine the independent variables which were significantly positive in determining savings mobilization among MSE's.

3.11 Hypothesis Testing

Hypothesis testing was conducted to establish whether or not the hypothesis was valid on the basis of the data collected by the researcher (Kothari, 2012). The purpose of hypothesis testing was to determine the accuracy of the study hypotheses due to the fact that the researcher collected a sample of data and not a census. The four null hypotheses were tested using chi-square. A multiple regression equation was used to evaluate the relationship between the independent and dependent variables. Before conducting multiple regression analysis a number of assumptions were made. The study assumed that the multiple regressions did not have outliers, the independent variables were measured without error, observations were independent or had no singularity, the independent variables were not linear combinations of each other and that there were

many variables used in comparison or a large enough sample. Also, there was an assumption on multi co linearity which indicated that there was no redundancy among the independent variables which meant that the predictor variables were strongly related to the dependent variable but not strongly related to each other. A multiple regression analysis involving the constructs of financial savings incentives, technological innovation, customer experience, and financial literacy and the dependent variable savings mobilization was used to determine the actual prediction equation and show the direction, co linearity and strength of the relationship among the variables. The various parameters measuring independent and dependent variables were measured in a five-point likert scale. The responses in each variable were transformed into composite means using SPSS version 20 before generating the regression output. The components of the multiple linear regression analysis used in the study were the model summary which indicated the percentage of the data that was used in the regression model that could be accounted for in the regression model, ANOVA summary which showed the comparison of the model whether it was significant or not to ensure that the model had been correctly computed while the table of coefficients was used to compute the regression equation. After running the multiple regressions the p-values were found and a tables generated to show the coefficients used in the multiple regression equation and the actual prediction equation arrived at. The P-values were used to test the hypotheses. The regression equation was indicated as follows;

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_{4 + e}$$

Where

Y   - Savings mobilization

X_1 -Financial literacy

X_2 - Savings incentives

X_3 - Customer experience

X_4 – Technological innovation.

e - Margin error

β_0 is a constant implying the level of savings that does not depend on the four variables investigated while β_1, β_2, β_3 and β_4 are the coefficients of proportionality for financial literacy, savings incentives, customer experience and technological innovation respectively

3.12 Regression Model Diagnostic Tests

In order to undertake the study, a number of assumptions and tests were conducted to ensure the suitability of the data and the model. The study sought to test for multi co linearity in the data to be used for the study. The study tested the multi co linearity between the independent and dependent variables, entrepreneurial determinants were ran against savings mobilization, this was necessary to determine if there was a similarity between the dependent and independent variables. Multi co linearity was tested using the VIF. The findings were presented in Table 3.2.

Table 3.2: Multi co linearity tests

Coefficients[a]								
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Colinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	5.864	.764		7.678	.000		
Entrepreneurial determinants	-.007	.364	-.004	-.019	.985	.132	7.592
a. Dependent Variable: Savings mobilization							

The VIF obtained between entrepreneurial determinants and savings mobilization was 7.592 which was between the stipulated range of 1-10. This therefore implied that there was no multi co linearity symptoms .

The study sought to test for heteroskedasticity between the variables of the study, entrepreneurial determinants were ran against savings mobilization, heteroskedasticity was useful to examine whether there was a difference in the residual variance of the observation period to another period of observation. The findings were presented in Table 3.3.

Table 3.3:   Heteroskedasticity Glejser

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Colinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	9.47E-16	0.764		0.000	1.000		
Entrepreneurial determinants	0.000	0.364	0.000	0.000	1.000	0.132	7.592

a.   **Dependent   Variable:**
savings

mobilization

Based on the output coefficient from the study analysis, the value of significance obtained indicated that entrepreneurial determinants had a significance of 1.000, meaning that the value of the variable significance was >0.005 and it was therefore concluded that there was no Heteroskedasticity problem.

The study carried out a test for linearity among the independent and dependent variables. The linearity test aimed to determine whether the relationship between the independent variable and the dependent variable was linear or not. Linearity test was a requirement in the correlation and linear regression analysis. A good research using regression model

should have a linear relationship between the free variable and the dependent variable. According to test findings, if the value had a sig deviation from linearity >0.05, then the relationship between the independent variables and dependent variable was linear while on the other hand if the value had a sig deviation from linearity <0.05, then the relationship between independent variables with the dependent was not linear The findings were presented in Table 3.4.

Table 3.4: Linearity test

ANOVA Table				Sum of Squares	df	Mean Square	F	Sig.
Entrepreneurial determinants * of savings mobilization	Between Groups	(Combined)		137.923	23	5.997	2.838	0.31
		Linearity		1.919	1	1.919	0.908	0.342
		Deviation from Linearity		136.003	22	6.182	2.925	0.31
	Within Groups			253.577	120	2.113		
	Total			391.5	143			

Based on the ANOVA output, the value of sig. deviation from linearity was 0.31>0.05. It was therefore concluded that there was a linear relationship between the variables.

The study sought to determine normality of the data for the study, data normality test was the first step that was done before the data was processed based on the models of research especially when the purpose of the research was inferential. Normality test was intended to determine the distribution of the data in the variable that was used in the research. Data is good and decent in research if it was normally distributed. According to the study, if the value Asymp sig>0.05 then the data was normally distributed while if the value Asymp. Sig <0.05, then the research data was not normally distributed. The findings were presented in Table 3.5.

Table 3.5: Normality Test

One-Sample Kolmogorov-Smirnov Test		Entrepreneurial determinants	Savings mobilization
N		144	144
Normal Parameters[a]	Mean	5.4809	5.3212
	Std. Deviation	1.05200	1.65462
Most Extreme Differences	Absolute	.205	.076
	Positive	.167	.066
	Negative	-.205	-.076
Kolmogorov-Smirnov Z		2.458	.906
Asymp. Sig. (2-tailed)		0.402	0.384
a. Test distribution is Normal.			

Based on the output of one sample Kolmogorov-Smirnov test, the value of the variable Asymp. Sig had a value of 0.402 for entrepreneurial determinants and 0.384 for savings mobilization which was >0.05, in accordance with the basic decision making in the normality test, the value Asymp sig study variable >0.05,it was concluded that the data competency and performance was normally distributed.

3.13 Ethical Considerations of Research.

To ensure that the study complied with the ethical standards of research, permission to conduct the research was sought from the respective authorities. Full disclosures of all the activities concerning the study were provided to the authorities. A letter of introduction was also obtained from the University in order to respect informants and to protect them from abuse resulting from the data they gave. Also a research permit to conduct research was obtained from the National council of science technology and innovation. The research, data was presented in such a way that it did not reveal identities of the participants since nowhere on the questionnaire respondents were asked to indicate their personal identities. The researcher maintained a high level of confidentiality and privacy since the findings of the study were not disclosed to unauthorized individuals. Respondents were made aware of the benefit of the study and

they were assured that the study was meant for academic purpose only by contributing to existing body of knowledge and also had direct policy implications on improvement of savings mobilization among the MSE's. The respondents had the freedom to quit responding to questioners at any stage   with no terms and conditions, this was meant   to make them not to feel coerced to participate in the study and win their willingness and ownership of their opinions.

CHAPTER FOUR

RESEARH FINDINGS AND DISCUSSION

4.1 Introduction

The chapter dealt on data analysis, presentation, interpretation and discussion of the research findings. The study used descriptive statistics to provide background information of the respondents who participated in this study. Then study findings presented the analysis of the responses to the specific objectives of the study as provided by the respondents in the questionnaires and also conducted a multiple regression analysis to test hypotheses at 0.01 significance level. The general objective of this study was to investigate the entrepreneurial determinants influencing savings mobilization among the micro and small enterprises in Trans Nzoia County. The study sampled 339 respondents and managed to collect data from 312 respondents. The response rate was 92.04% percent. A respondents return rate of about 75% for face to face administered questionnaires was within the threshold (Saunders, Lewis & Thornhill, 2007).

4.2 Descriptive statistics

4.2.1 Bio-data's frequency tabulations for entrepreneurs and MSE's

The study's aim was to determine the entrepreneur's bio-data of the respondents targeted for the study. The study sought to find out the gender, level of education, religion, number of family dependants and enterprise status of the respondents. The findings were presented in Table 4.1

Table 4.1: Results of the entrepreneur's bio-data responses.

Bio data	Frequency	Percent
Gender		
Male	222	71.2
Female	90	28.8
Total	**312**	**100**
Level of Education	Frequency	Percent
Informal education	104	33.3
Primary	125	40.1
Secondary	45	14.4
Diploma	14	4.5
Degree	24	7.7
Total	**312**	**100**
Religion	Frequency	Percent
Islam	134	42.9
Christian	163	52.2
Others	15	4.8
Total	**312**	**100**
Status of the Enterprise	Frequency	Percent
Owner manager	162	51.9
CEO	150	48.1
Total	**312**	**100**
Number of dependants	Frequency	Percent
1-3	147	47.1
4-6	129	41.3
7-9	36	11.5
Total	**312**	**100**

The study findings on gender indicated that majority 71.2 %(222) were males implying that more males operated MSE's than females and therefore were likely to mobilize more savings. The findings disagreed with Waithaka (2016) whose findings on a study conducted in Nyandarua county indicated that more females (65%) compared to males (35%) operated such enterprises.

The study findings agreed with Bendig *et al*. (2009) that household and MSE's headed by females had a lower probability of demanding savings products from financial institutions. The study results on education level revealed that MSE's who had attained primary and informal of education were 73.4% and were majority. It was assumed that most of the MSE's owner managers had low knowledge and skills in operating MSE's which eventually affected their savings mobilization. The study findings disagreed with Waithaka (2016) who found that most of the respondents in his study had technical education beyond secondary school accounting for 45%, 17% had university level education, 32% had the secondary schools level of education while 6% indicated that they had only primary school education. Study findings agreed with Akpan *et al*. (2011) whose results revealed that level of education influences saving attitude among MSE's. The study also agreed with Njoroge (2013) whose results showed that enterprise owner managers who acquired at least high school level of education were more likely to grasp advanced financial concepts such as risks and diversifications. The findings on religion indicated that over half 52.2% (163) of the respondents were Christian faithful. The results implied that implied that more Christians operated MSE's in Trans Nzoia County followed by Muslims and therefore were likely to be active in savings mobilization. The study findings disagreed with Jagongo (2012) who found that that a majority of the women owned MSE's at least 10% of income from their MSE's had not been saved for business growth on a regular pattern since they were tithing, the findings meant that the importance attached to participation and involvement in religious activities constraints savings mobilization for growth of women owned MSE's. The findings on enterprise status showed that more than half of the respondents 51.9% (162) were owner managers while 48.1% (150) were CEO's. These results implied that most of the MSE's were operated by the owners. The study findings agreed with Waithaka (2016) who indicated that owner managers take full control of all operations of their enterprises and also make business decisions promptly. The study findings on number of family dependants showed that 47.1% of the MSE's had dependants between1-3. These results implied that majority of the MSE's either planned their families or most of the people in their households were economically active within their enterprises or elsewhere and therefore the number of dependants influenced savings mobilization.

Study findings agreed with Bendig *et al*. (2009) who found that   increase in household size and MSE's number of dependants significantly increased the probability of demanding for more formal financial savings explained by the need to build buffers against calamities.

The study aimed to establish the MSE's bio - data for the study. The study sought to find out the business location, business nature, employees number, starting time of MSE's and nature of ownership. The findings were analyzed in the Table 4.2.

Table 4.2: Results of the MSE's Bio-data of the Respondents

Bio- data	Frequency	Percent
Location		
Urban	185	59.3
Rural	127	40.7
Total	**312**	**100**
Business Nature	Frequency	Percent
Commerce/trade	191	61.2
Service	58	18.6
Manufacturing	62	19.9
Total	**312**	**100**
Number of Employees	Frequency	Percent
1-10	180	57.7
11-50	77	24.7
51-100	47	15.1
Over 100	6	1.9
Total	**312**	**100**
Start of the Enterprise	Frequency	Percent
1985 over	105	33.7
1989-1991	34	10.9
1992-1997	30	9.6
1998-2001	40	12.8
2002-2005	59	18.9
2006-2011	30	9.6
2012-2015	14	4.5
Total	312	100
Nature of Business	**Frequency**	**Percent**
Sole proprietorship	159	51
Partnership	96	30.8
Private company	55	17.6
Total	**312**	**100**

The findings on business location indicated that majority of the respondent 59.3% (185) were located in urban centers while 40.7% (127) operated in rural areas. The findings implied that urban areas were thought to offer better business opportunities and modern infrastructures conducive to entrepreneurial growth as compared to rural settings, the

location of MSE's was anticipated to influence savings mobilization among MSE's. The study findings agreed with Chandararot and Dannet (2007) who conducted a study in Cambodia and found that saving products from financial institutions should be attractive to poor households and MSE's should be located in convenient locations with established good infrastructure. The findings on the nature of business that MSE's conducted indicated that 61.2 %(191) engaged in commerce /trade perhaps because this sector does not require many technicalities or expertise to engage in whereas a few MSE's handled service and manufacturing which required some technical skills. The study results agreed with Jagongo,(2012) who found that women owned MSE's were in commercial/trading businesses, which comprised reselling of first moving consumer goods followed by service businesses comprised mainly hotels and restaurants, and training and consultancy services. The study findings on employees number revealed that 82.2% were MSE's. The implication of the results was that the findings were within the category of enterprises study focused on where most of them were micro and small while very few were medium and large enterprises. The results from the study concurred with Waithaka (2016) whose results indicated that 85% of the enterprises had less than 10 employees, 12% had 10-20 employees,1% had 20-30 employees and 2% had over 30 employees. The findings on the year when the respondents started their operations it was found that majority were started in the 1990s when Kenya had formulated favorable environment for investing. The study results agreed with Waithaka (2016) who found that enterprises which had operated for over 10 years had survival increase from 11% to 19% since the owner managers had learnt the dynamics of the market and were therefore more accomplished and stable in their businesses. The study findings on nature of ownership found that majority of the respondents 51.0% (169) operated sole proprietorship forms of business which meant that they were yet to open up to invited shareholders, therefore they continue to remain micro and small for many years giving room to informality to persist. This findings agreed with Waithaka (2016) whose results showed that 63% of the enterprises were operated by sole proprietors, 12% were partnership while the remaining 25% were limited companies. This can be attributed to the ease at which formation by a sole proprietor enjoys as it requires less

70

legal procedures. A sole proprietor enterprise   is able to exercise full control over the business while making decisions without many consultations.

4.2.2 The relationship between bio data's and specific objectives.

The study conducted a chi squire analysis   to determine the relationship between gender and financial literacy which influenced savings mobilization among MSE's. The results were presented in Table 4.3.

Table 4.3: Chi-Square results on relationship between gender and financial literacy

Chi-Square Tests			
	Value	df	Asymp.Sig. (2-sided)
Pearson Chi-Square	9.193[a]	3	.027
Likelihood Ratio	10.261	3	.016
Linear-by-Linear Association	.005	1	.946
N of Valid Cases	312		

The chi squire results found a significant value of (p=0.027) less than the threshold value of 0.005, the results found a significant relationship between gender and financial literacy. The findings implied that more males than females participated in financial literacy and were likely to mobilize more savings with their respective savings mobilization financial institutions and achieve their savings goals   to   positively impact on entrepreneurial growth of MSE's. The Study findings agreed with Bendig *et al*. (2009) who found that household headed by females had a lower probability of demanding   savings products from financial institutions.

The study conducted a chi squire analysis   to determine   the   relationship between level of education and financial literacy which influenced savings mobilization among MSE's. The results were presented in Table 4.4.

Table 4.4: Chi-Square results on relationship between level of education and Financial literacy

Chi-Square Tests			
	Value	df	Asymp.Sig.(2-sided)
Pearson Chi-Square	300.610[a]	80	.000
Likelihood Ratio	266.821	80	.000
Linear-by-Linear Association	.145	1	.704
N of Valid Cases	312		

The study results found a significant relationship between level of education of MSE's owners and financial literacy which influenced savings mobilization at (p=0.000).

The results implied that level of education of owner manager of MSE's had effect on financial literacy with most of the informal and primary level educated MSE's owners willing and having highest interest to attend and learn financial literacy skills which enabled them to achieve their savings goals while the secondary, diploma and degree level MSE's owner managers had low interest in financial literacy trainings which negatively affected their savings mobilization. The study findings agreed with findings of Newman *et al*. (2007) who found that level of education of owner manager of MSE's had positive effects on decision to mobilize savings. The study findings also agreed with Thapa *et al*. (2008) who underscored the fact that business successes depended on socio-economic factors such as education, skills and training.

The study conducted a chi squire analysis to determine the relationship between religion and financial literacy which influenced savings mobilization among MSE's. The results were presented in Table 4.5.

Table 4.5: Chi-Square results on relationship between religion and financial literacy

Chi-Square Tests			
	Value	df	Asymp.Sig.(2sided)
Pearson Chi-Square	108.531[a]	40	.000
Likelihood Ratio	99.401	40	.000
Linear-by-Linear Association	2.302	1	.129
N of Valid Cases	312		

The study findings showed a significant relationship between religion and financial literacy (p=0.027). The findings implied that the religion of MSE owner manager determined the appreciation of financial literacy training, more Christians followed by Muslims had more interest in such training, it was expected that savings mobilization among Christians was to improve due to the knowledge and skills learned which impacted positively on their enterprises operations and heir religions. The study findings agreed with Jagongo (2012) who found that majority of the women owned MSE's 10% of income from their MSE's were not saved for business growth on a regular pattern but was set aside as tithe, an indication that the importance attached to participation and involvement in religious activities constrained savings mobilization for growth of women owned MSE's.

The study conducted a chi squire analysis to determine the relationship between status in enterprise and financial literacy which influenced savings mobilization among MSE's. The results were presented in Table 4.6.

Table 4.6: Chi-Square results on relationship between status in enterprise and financial literacy

Chi-Square Tests			
	Value	df	Asymp.Sig.(2-sided
Pearson Chi-Square	94.047[a]	20	.000
Likelihood Ratio	116.044	20	.00
Linear-by-Linear Association	.042	1	.837
N of Valid Cases	312		

The findings showed a relationship between status in enterprise and financial literacy (p=0.000). The results implied that status in enterprise either as owner managers or as CEO's when trained on financial literacy knowledge and skills influenced savings mobilization within their respective enterprises. It was believed that through financial literacy training MSE's were to adhere to savings plan to eventually mobilize enough savings to financially support their growth oriented MSE's. It was concluded that financial literacy training should include all human resources who are involved in making savings and money management decisions within MSE's. The study findings agreed with Waithaka (2016) who found that enterprises owner managers were responsible for making key decisions concerning all operations of their enterprises.

The study conducted a chi squire analysis to determine the relationship between number of dependants and financial literacy which influenced savings mobilization among MSE's. The results were presented in Table 4.7.

Table 4.7: Chi-Square results on relationship between number of family dependants and financial literacy

Chi-Square Tests			
	Value	df	Asymp.Sig.(2sided)
Pearson Chi-Square	160.988[a]	40	.000
Likelihood Ratio	173.971	40	.000
Linear-by-Linear	0.013	1	.908
N of Valid Cases	312		

The study findings indicated that there was a relationship between number of family dependants and financial literacy. The results implied that the MSE's with family dependants were to be trained on financial literacy knowledge and skills to increase their savings mobilizations, however better results were expected from MSE's with fewer dependants since they had manageable households which allowed them to pursue their respective savings plans. The study results agreed with Turner and Manturuk (2012) who found that obligation to family upbringing affect participants' attitudes toward savings and their confidence in their ability to save. Also, findings by Jagongo (2012) concurred that the number of family dependants severely constrained savings mobilization when the women owned MSE's resources were directed to cater for the dependents domestic and educational needs.

The study conducted a chi squire analysis to determine the relationship between location of enterprise and financial literacy which influenced savings mobilization among MSE's. The results were presented in Table 4.8.

Table 4.8: Chi-Square results on relationship between location of business and financial literacy

Chi-Square Tests			
	Value	df	Asymp.Sig.(2sided)
Pearson Chi-Square	105.627[a]	40	.000
Likelihood Ratio	107.260	40	.000
Linear-by-Linear Association	1.321	1	.250
N of Valid Cases	312		

The study findings indicated that there was a relationship between location of the business and financial literacy (p=0.000). The findings implied that MSE's who operated in urban areas were likely to attend financial literacy training sessions and became more knowledgeable and skilled on savings mobilizations options to meet their financial needs of their enterprises as they grow over time. The study results were not supported by Boring (2010) who found that the probability to mobilize savings significantly increased when a household or MSE was residing/operating in rural areas. However, the study findings agreed with Delafrooz and Paim (2011) who concurred that there was a significant relationship between financial literacy and saving behavior.

A chi squire analysis was conducted to determine the relationship between nature of business and financial literacy which influenced savings mobilization among MSE's. The results were presented in Table 4.9.

Table 4.9: Chi-Square results on relationship between nature of business and financial literacy

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	174.793[a]	60	.000
Likelihood Ratio	126.059	60	.000
Linear-by-Linear Association	1.847	1	.174
N of Valid Cases	312		

The study findings revealed that there was a relationship between nature of business and financial literacy (p=0.000). The results implied that most of the MSE's who operated commerce and trade attended financial literacy training and improved their savings mobilizations with their respective financial institutions which eventually enabled them to achieve their savings goals. The study results agreed with Waithaka (2016) who found that the commerce and trading enterprises dealt with household and daily used items which had ready market for them and that s why it was then most common sector.

The study conducted a chi squire analysis   to determine the relationship between number of employees and financial literacy which influenced savings mobilization among MSE's. The results were presented in Table 4.10.

Table 4.10: Chi-Square results on relationship between number of employees and financial literacy

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	164.536[a]	80	.000
Likelihood Ratio	172.345	80	.000
Linear-by-Linear Association	2.997	1	.083
N of Valid Cases	312		

The findings indicated that there was a relationship between number of employees and financial literacy (p=0.000). The results   implied that MSE's with employees between 1-10 or micro enterprises were the majority who were trained on financial literacy knowledge and skills and were therefore expected to show remarkable changes in savings mobilizations with their respective financial institutions to finance their enterprises. The study findings agreed with Waithaka (2016) who found that most MSE's are less labor intensive and therefore the owner managers   were running them by themselves with support of few employees.

The study conducted a chi squire analysis to determine the relationship between year enterprise was started and financial literacy which influenced savings mobilization among MSE's. The results are presented in Table 4.11.

Table 4.11: Chi-Square results on relationship between year enterprise started and financial literacy

Chi-Square Tests			
	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	428.154[a]	120	.000
Likelihood Ratio	382.634	120	.000
Linear-by-Linear Assoiation	.721	1	.396
N of Valid Cases	312		

The study findings indicated that there was a relationship between year the enterprise started and financial literacy (p=0.000). The results implied that MSE's which had operated for more years embraced financial literacy trainings since it made them improve on their experience of operations. This was expected to affect savings mobilizations with their respective financial institutions. The findings agreed with Waithaka (2016) who found that as enterprises advanced in age they improved their experience with their customers, became more stable which in turn generated steady cash flows.

The study conducted a chi squire analysis to determine the relationship between nature of ownership and financial literacy which influenced savings mobilization among MSE's. The results are presented in Table 4.12.

Table 4.12: Chi-Square results on relationship between nature of ownership and financial literacy

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	130.537a	60	.000
Likelihood Ratio	141.546	60	.000
Linear-by-Linear Association	5.458	1	.019
N of Valid Cases	312		

The study findings showed that there was a relationship between nature of ownership and financial literacy (p=.0.000).The results implied that majority of the MSE's owner managers who operated as sole proprietors participated in financial literacy trainings embraced savings plans which improved their savings mobilization and eventually realized their savings goals for their respective enterprises. The findings agreed with Waithaka (2016) that a MSE operated by sole proprietor were able to exercise full control over the business, they also made business decisions without many consultations.

The study conducted a chi squire analysis to determine the relationship between gender and saving incentive. The results are presented in Table 4.13.

Table 4.13: Chi-Square results on relationship between gender and savings incentives

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	98.985[a]	22	.000
Likelihood Ratio	115.284	22	.000
Linear-by-Linear Association	.292	1	.589
N of Valid Cases	312		

The study findings indicated that there was a relationship between gender and savings incentives (p=0.000). The results implied that more males accessed savings incentives from financial institutions and they have used them for the intended purpose of financing their enterprises as they grow over time. The findings disagreed with Waithaka (2016) who found that there were more women operating small businesses than men. Further women were found to be more friendly, approachable and outgoing in participating in the study. The study results also agreed with Quarshie (2011) who found little incentive to save due to lack of sufficient infrastructure affect savings mobilization when working people eligible and willing and able to save do not find the opportunities such as market women are reported not being able to leave their wares at the peril of thieves to deposit money at the bank.

The study conducted a chi squire analysis to determine the relationship between level of education and savings incentives. The results were presented in Table 4.14

Table 4.14: Chi-Square results on relationship between education and savings incentives

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	320.831[a]	88	.000
Likelihood Ratio	315.036	88	.000
Linear-by-Linear Association	4.125	1	.042
N of Valid Cases	312		

The study findings indicated that there was a relationship between level of education and savings incentives (p=0.000). The results implied that majority of the informal and primary educated MSE's mobilized their savings with their respective financial institutions and have used those savings to meet the financial needs of their MSE's. Study findings agreed with Akpan *et al.* (2011) whose results of a study revealed that level of education influence saving attitude of MSE's.

The study conducted a chi squire analysis to determine the relationship between religion and savings incentives. The results are presented in Table 4.15

Table 4.15: Chi-Square results on relationship between religion and savings incentives

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	96.540[a]	44	.000
Likelihood Ratio	112.078	44	.000
Linear-by-Linear Association	1.566	1	.211
N of Valid Cases	312		

The study findings indicated that there was a relationship between religion   and savings incentives (p=0.000). The results   implied that majority of the Christians who mobilized savings received savings incentives from their financial institutions and have used them for entrepreneurial growth of their MSE's. The study results agreed with Arrunada (2010) who found an effect of religiosity in saving behavior of MSE's.

The study conducted a chi squire analysis to determine the relationship between status in enterprise and savings incentives. The results are presented in Table 4.16.

Table 4.16: Chi-Square results on relationship between status in enterprise and savings incentives

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	65.690[a]	22	.000
Likelihood Ratio	82.639	22	.000
Linear-by-Linear Association	5.863	1	.015
N of Valid Cases	312		

The study results showed that there was a relationship between status in enterprise and saving incentives (p=0.000). The findings implied that majority of the owner managers who mobilized savings with their respective financial institutions received savings incentives which they used to meet the financial needs of their enterprises. The study findings agreed with Waithaka (2016) that owner managers had full control over their enterprises and made decisions without many consultations.

The study conducted a chi squire analysis to determine the relationship between number of family dependants and savings incentive which influenced savings mobilization among MSE's. The results were presented in Table 4.17

Table 4.17: Chi-Square results on relationship between number of dependants and savings incentives

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	148.622[a]	44	.000
Likelihood Ratio	157.352	44	.000
Linear-by-Linear Association	3.018	1	.082
N of Valid Cases	312		

The study findings indicated that there was a relationship between number of dependants and savings incentives (p=0.000). The results implied that MSE's having dependants within their household they still can mobilize savings and earn savings incentives which they use to financially support their growth oriented enterprises. The study results concurred with Bendig *et al*. (2009) who found that   increase in household size significantly increased the probability of demanding for more formal financial savings explained by the need to build buffers against calamities.

The study conducted a chi squire analysis   to determine the relationship between location of MSE's and savings incentive influenced savings mobilization among MSE's. The results are presented in Table 4.1.

Table 4.18: Chi-Square results on relationship between location of business and savings incentives

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	153.758[a]	44	.000
Likelihood Ratio	156.507	44	.000
Linear-by-Linear Association	.213	1	.644
N of Valid Cases	312		

The study results indicated that there was a relationship between location of business and saving incentives (p=0.000). The implication of the findings was that majority of the MSE's located in urban areas mobilized their savings with their respective financial institutions and received savings incentives which was used to provide the financial needs of the MSE's. The study findings agree with Chandararot and Dannet (2007) who conducted a study in Cambodia and found that saving products from financial institutions should be attractive to poor households and MSE's and should be located in convenient locations with established good infrastructure.

The study conducted a chi squire analysis to determine the relationship between nature of enterprise and saving incentive influenced savings mobilization among MSE's. The results were presented in Table 4.19

Table 4.19: Chi-Square results on relationship between nature of enterprise and savings incentive

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	161.940[a]	66	.000
Likelihood Ratio	174.616	66	.000
Linear-by-Linear Association	9.987	1	.002
N of Valid Cases	312		

The study findings indicated that there was a relationship between nature of enterprise and saving incentives (p=0.000). The study findings implied that majority of the MSE's in commerce and trade businesses received savings incentives when they mobilized their savings with their financial institutions and used it to financially support their MSE's. The study results agreed with Waithaka (2016) who found that majority of the enterprises belonged to commerce and trading sector which can be attributed to the fact that the amount of capital required to start this sector is less as compared to the other sectors.

The study conducted a chi squire analysis   to determine the   relationship between number of employees and saving incentive influenced savings mobilization among MSE's. The results were presented in Table 4.20

Table 4.20: Chi-Square results on relationship between number of employees and savings incentives

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	208.695[a]	88	.000
Likelihood Ratio	202.771	88	.000
Linear-by-Linear Association	4.973	1	.026
N of Valid Cases	312		

The study findings showed that there was a relationship between number of employees and saving incentives (p=0.000). The findings implied that majority of the micro enterprises mobilized savings and received savings incentives from their financial institutions to provide the financial needs of MSE's. The findings by Waithaka (2016) conform to the current study results that most MSE's had few employees due to the magnitude of operations and the fact that their operations were less complex, their trading materials or stocks were freely available and were traded in the form they were acquired without much value addition.

The study conducted a chi squire analysis to determine the relationship between year MSE started and saving incentive influenced savings mobilization among MSE's. The results are presented in Table 4.21.

Table 4.21: Chi-Square results on relationship between year enterprise started and savings incentives

Chi-Square Tests			
	Value	df	Asymp.Sig.(2-sided)
Pearson Chi-Square	511.772[a]	132	.000
Likelihood Ratio	453.435	132	.000
Linear-by-Linear Association	12.196	1	.000
N of Valid Cases	312		

The study findings indicated that there was a relationship between year enterprises started and saving incentives (p=0.000). The results   implied that majority of the MSE's who were much older mobilized their savings and received savings incentives which they used to boost their growth oriented enterprises. The findings agreed with Waithaka (2016) who found that older enterprises had experience with their customers and suppliers which made them to be stable and realize more revenue to save.

The study conducted a chi squire analysis   to determine the relationship between nature ownership and saving incentive influenced savings mobilization among MSE's. The results were presented in Table 4.22

Table 4.22: Chi-Square results on relationship between nature of ownership and savings incentives

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	211.701[a]	66	.000
Likelihood Ratio	198.761	66	.000
Linear-by-Linear Association	.003	1	.958
N of Valid Cases	312		

The study findings indicated that there was a relationship between nature of ownership and saving incentives (p=0.000).The implication of the results was that majority of the sole proprietors mobilized their savings with their respective financial institutions and received savings incentives and the fore encourage sole proprietorship for improved savings mobilization with financial institutions. The study findings were not supported by Konchella (2013) who found a strong positive correlation between access to credit and a bigger management concentration of firms where limited companies were considered to have more access to financial services than sole proprietors.

The study conducted a chi squire analysis to determine the relationship between gender and customer experience which influenced savings mobilization among MSE's. The results were presented in Table 4.22

Table 4.23: Chi-Square results on relationship between gender and customer experience

Chi-Square Tests			
	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	64.373[a]	22	.000
Likelihood Ratio	80.355	22	.000
Linear-by-Linear Association	8.869	1	.003
N of Valid Cases	312		

The analysis revealed that there was a relationship between gender and customers experience (p=0.000). The implication of the findings was that more males than females appreciated that customer service experience received at their respective financial institutions made them to ask for more savings products and services thereby increasing their savings mobilization which in the long run will be anticipated to influence entrepreneurial growth of their ventures. Study findings agreed with Bendig *et al*. (2009) that household headed by females had a lower probability of demanding the savings products from financial institutions.

The study conducted a chi squire analysis to determine the relationship between religion and customer experience. The results were presented in Table 4.24

Table 4.24: Chi-Square results on relationship between religion and customer experience

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	171.168[a]	44	.000
Likelihood Ratio	193.708	44	.000
Linear-by-Linear Association	7.875	1	.005
N of Valid Cases	312		

The study results indicated that there was a relationship between religion and customers experience (p=0.000).The results implied that Christian MSE's owner managers were the most who appreciated that customer service experience influences savings mobilization among MSE's and therefore it was expected that as more Christians are offered satisfying customer experience when seeking services and products from their financial institutors, they were eventually to mobilize more savings with the same financial institutions. The study findings agreed with Arrunada (2010) who found an effect of religiosity in saving behavior.

The study conducted a chi squire analysis to determine the relationship between status in enterprise and customer experience. The results were presented in Table 4.25

Table 4.25: Chi-Square results on relationship between status in enterprise and customer experience

	Chi-Square Tests		
	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	99.082[a]	22	.000
Likelihood Ratio	118.509	22	.000
Linear-by-Linear Association	2.648	1	.104
N of Valid Cases	312		

The study results showed that there was a relationship between status in enterprise and customer experience (p=0.000). The study results implied that MSE's owner managers customer experience at their financial institutions will to a greater extent determine their savings mobilization with their respective financial institutions to finance their growth oriented MSE's. The study results agreed with Waithaka (2016) who found that owner managers made independent decisions regarding the operations of their enterprises.

The study conducted a chi squire analysis to determine the relationship between number of dependants and customer experience. The results are presented in Table 4.26

Table 4.26: Chi-Square results on relationship between dependants and customer experience.

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	206.372[a]	44	.000
Likelihood Ratio	190.358	44	.000
Linear-by-Linear Association	15.787	1	.000
N of Valid Cases	312		

The study results revealed that there was a relationship between number of dependants and customers experience. The findings implied that MSE's owner managers with dependants have agreed that customer experience received at their respective financial institutions influenced their savings mobilization to finance the growth of their MSE's. The study findings concurred with Bendig *et al*. (2009) who found that increase in household size significantly increased the probability of demanding for more formal financial savings explained by the need to build buffers against calamities

The study conducted a chi squire analysis to determine the relationship between location of business and customer experience. The results were presented in Table 4.27

Table 4.27: Chi-Square results on relationship between location of business and customer experience

Chi-Square Tests			
	Value	Df	Asymp.Sig.(2-əd)
Pearson Chi-Square	139.479[a]	44	.000
Likelihood Ratio	156.501	44	.000
Linear-by-Linear Association	.061	1	.804
N of Valid Cases	312		

The study analysis found a relationship between location of business and customers experience (p=0.000). The implication of the findings was that whether the MSE's are located in urban areas or in rural areas they value excellent customer experience from their financial institutions with the urban base MSE's more pronounced. Study findings agreed with Noelia *et al*. (2014) who indicated that high cost of delivering services to rural, remote and poor areas geographical distance was perceived as a barrier to savings mobilization.

The study conducted a chi squire analysis to determine the relationship between nature of enterprise and customer experience. The results were presented in Table 4.28

Table 4.28: Chi-Square results on relationship between nature of enterprise and experience

Chi-Square Tests			
	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	265.479[a]	66	.000
Likelihood Ratio	210.290	66	.000
Linear-by-Linear Association	5.585	1	.018
N of Valid Cases	312		

The study findings showed that there was a relationship between nature of enterprise and customers experience (p=0.000). The findings implied that irrespective of the nature of enterprises operated customer experience influences savings mobilization with the entrepreneurs operating commerce and trade being the majority in recognizing the same. The study findings agreed with Waithaka (2016) who found that commerce and trading enterprises dealt with household and daily used items and therefore had ready market for their products, the sector had a wide and available market from the locals.

The study conducted a chi squire analysis to determine the relationship between number of employees and customer experience. The results were presented in Table 4.29

Table 4.29: Chi-Square results on relationship between number of employees and customer experience

Chi-Square Tests			
	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	269.930[a]	88	.000
Likelihood Ratio	217.237	88	.000
Linear-by-Linear Association	2.399	1	.121
N of Valid Cases	312		

The study results revealed that there was a relationship between number of employees and customers experience (p=0.000).The implication of the results was that the MSE's with the least number of employees were more sensitive to the customer service experience received at their respective financial institution. The study results concurred with Waithaka (2016) who found that most enterprises had less than 10 employees due to the magnitude of operations and the fact that their operations were less complex.

The study conducted a chi squire analysis to determine the relationship between year enterprise started and customer experience. The results are presented in Table 4.30

Table 4.30: Chi-Square results on relationship between year enterprise started and customer experience

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	569.351[a]	132	.000
Likelihood Ratio	480.819	132	.000
Linear-by-Linear Association	.836	1	.360
N of Valid Cases	312		

The study results indicated that there was a relationship between year enterprise started and customers experience (p=0.000). The implication of the results was that the older the MSE's the more quality or superior the customer experience such enterprises expect from their respective financial institutions when mobilizing their savings unlike the recently started enterprises. The study findings agreed with Waithaka (2016) that the age of an enterprise had a relationship with customers experience which in turn generated steady cash flows.

The study conducted a chi squire analysis to determine the relationship between nature of ownership and customer experience .The results were presented in Table 4.31

Table 4.31: Chi-Square results on relationship between nature of ownership and customer experience

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	174.263[a]	66	.000
Likelihood Ratio	183.216	66	.000
Linear-by-Linear Association	1.271	1	.260
N of Valid Cases	312		

The finding of the study showed that there was a relationship between nature of ownership and customers experience (p=0.000). The findings implied that the sole proprietors expect the most quality customer service experience from their respective financial institutions because they are the one responsible in making strategic decisions affecting savings mobilization within their MSE's. The study findings agreed with Waithaka (2016) that sole proprietors had full control over the business and made business decisions promptly.

The study conducted a chi squire analysis to determine the relationship between gender and technological innovation .The results were presented in Table 4.32

Table 4.32: Chi-Square results on relationship between gender and technological innovation

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	65.682[a]	21	.000
Likelihood Ratio	77.425	21	.000
Linear-by-Linear Association	.252	1	.615
N of Valid Cases	312		

The study findings shown that there was a relationship between gender and technological innovations (p=0.000). The implication of the findings was that both genders agreed that technological innovations influence how they mobilize savings at their respective financial institutions with more males using technological innovation than females. The study findings agreed with Pinto and Ferreira (2010) who observed that technological innovation improves on performance of MSE's and those enterprises with superior technological resource had a competitive advantage in business performance compared with competition, it enhances the efficiency of an enterprise and builds the confidence of entrepreneurs in discharging their responsibilities.

The study conducted a chi squire analysis to determine   the   relationship between level of education   and technological innovation .The results were   presented in Table 4.33

Table 4.33: Chi-Square results on relationship between level of education and technological   innovation

	Chi-Square Tests		
	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	304.609[a]	84	.000
Likelihood Ratio	259.117	84	.000
Linear-by-Linear Association	5.135	1	.023
N of Valid Cases	312		

The study findings showed that there was a relationship between education level and technological innovation (p=0.000). The study findings meant that majority of the informal and primary educated entrepreneurs appreciated used technological innovation to mobilize their savings perhaps because it was a unique knowledge and experience and found it more appealing   compared to the other higher levels of education who may have come across it severally in the course of their studies. Study findings agreed with Kapurubandara (2009) who observed that the obstacles to the adoption of technological innovation by MSE's was due to lack of knowledge and awareness of their potential, ability to afford them, poor infrastructure, and the absence of local content, which made MSE's view technology as irrelevant

The study conducted a chi squire analysis to determine the relationship between religion and technological innovation .The results were presented in Table 4.34

Table 4.34: Chi-Square results on relationship between religion and technological innovation

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	120.113[a]	42	.000
Likelihood Ratio	123.851	42	.000
Linear-by-Linear Association	.908	1	.341
N of Valid Cases	312		

The study findings indicated that there was a relationship between religion and technological innovations. The results implied that majority of the Christians and Muslims than other religions used technological innovation to mobilize their savings with their financial institutions and therefore religion may not pose any barrier to use of technological innovations. Study findings disagreed with Jagongo (2012) who indicated that that MSE's were attached to participation and involvement in religious activities which constrained savings mobilization for growth of women owned MSE's.

The study conducted a chi squire analysis   to determine   the   relationship between status in enterprise   and technological innovation .The results were   presented in Table 4.35.

Table 4.35: Chi-Square results on relationship between status in enterprise and technological   innovation

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	53.931[a]	21	.000
Likelihood Ratio	62.551	21	.000
Linear-by-Linear Association	2.735	1	.098
N of Valid Cases	312		

The study findings   indicated that there was a relationship between status in enterprises and technological innovation. The results implied that   majority of MSE's used technological innovation to mobilize their savings with their financial institutions compared to the CEO's since they were the ones responsible in making   decisions whether to use or not. The study findings agreed with Waithaka (2016)   that   most enterprises were formed by one person and the least preferred kind of nature of enterprise were the partnerships, sole proprietorship was preferred since they made their own business decisions.

The study conducted a chi squire analysis to determine the relationship between number of family dependants and technological innovation .The results were presented in Table 4.36

Table 4.36: Chi-Square results on relationship between number of family dependants and technological innovation

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	134.087a	42	.000
Likelihood Ratio	145.718	42	.000
Linear-by-Linear Association	12.776	1	.000
N of Valid Cases	312		

The study results indicated that there was a relationship between number of dependants and technological innovation (p=0.000).The findings implied that majority of the MSE's with fewer dependants used technological innovation to mobilize their savings with their financial institutions because their financials were not so much overstretched to afford the basic requirements of tools and equipments to start using technological innovation to mobilize savings. Study findings agreed with Kibet *et al.* (2009) who found that dependency ratio among MSE's was statistically significant in affecting savings mobilization.

The study conducted a chi squire analysis to determine the relationship between location of business and technological innovation .The results were presented in Table 4.37

Table 4.37: Chi-Square results on relationship between location of business and technological innovation

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	115.577[a]	42	.000
Likelihood Ratio	127.437	42	.000
Linear-by-Linear Association	.017	1	.897
N of Valid Cases	312		

The study findings showed that there was a relationship between location of business and technological innovation (p=0.000). The implication of the results was that majority of the MSE's located in urban areas were more flexible in using technological innovation to mobilize their savings with their financial institutions because they were more exposed and literate in applying technology and their clientele were diverse requiring faster and convenient services and products. The study findings agreed with Chandararot and Dannet (2007) who conducted a study in Cambodia and found that saving products from financial institutions should be attractive to poor households or MSE's and should be located in convenient locations with established good infrastructure. Study findings disagreed with Boring (2010) who found that the probability to mobilize savings significantly increased when a household or MSE's were residing in a rural area.

The study conducted a chi squire analysis to determine the relationship between nature of enterprise and technological innovation .The results were presented in Table 4.38.

Table 4.38: Chi-Square results on relationship between nature of enterprise and technological innovation

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	183.132a	63	.000
Likelihood Ratio	161.904	63	.000
Linear-by-Linear Association	9.522	1	0.002
N of Valid Cases	312		

The study findings showed that there is a relationship between nature of enterprise and technological innovation (p=0.000). The results implied that majority of commerce and trade MSE's used technological innovation to mobilize their savings with their financial compared to other business sectors and therefore it will be expected that entrepreneurs operating in commerce and trade will mobilize more savings than their counterparts. The study findings agreed with Waithaka (2016) who found that majority of the enterprises belonged to the commerce and trading sector which was attributed to the fact that the amount of capital required to start this enterprise was less as compared to the other sectors.

The study conducted a chi squire analysis to determine the relationship between number of employees and technological innovation. The results were presented in Table 4.39

Table 4.39: Chi-Square results on relationship between number of employees and Technological innovation

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	252.669[a]	84	.000
Likelihood Ratio	194.752	84	.000
Linear-by-Linear Association	.874	1	.350
N of Valid Cases	312		

The study results   showed that there was a relationship between number of employees and technological innovation (p=0.000). The findings implied that MSE's with fewer employees used technological innovation to mobilize their savings with their financial because technological innovations replaced the need for more employees and is furthermore cheap and convenient compare to human resources. The study findings agreed with Waithaka (2016) who found that most enterprises had less than 10 employees which was due to the magnitude of operations and the fact that their operations were less complex.

The study conducted a chi squire analysis to determine the relationship between year enterprise started and technological innovation. The results were presented in Table 4.40

Table 4.40: Chi-Square results on relationship between year enterprise started and Technological innovation

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	554.200[a]	126	.000
Likelihood Ratio	461.833	126	.000
Linear-by-Linear Association	3.687	1	.055
N of Valid Cases	312		

The study results showed that there was a relationship between year enterprise started and technological innovation. The results implied that MSE's which were much older applied technological innovation to mobilize their savings with their financial because technological innovations provided higher level of flexibility and convenience and also was a way of modernization to the MSE's. The study agreed with Waithaka (2016) that the enterprises which had been in operation for many years had stronger relationship with their customers and suppliers which in turn supported their entrepreneurial growth.

The study conducted a chi squire analysis to determine the relationship between nature of ownership and technological innovation. The results are presented in Table 4.4.

Table 4.41: Chi-Square results on relationship between nature of ownership and Technological innovation

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	252.669[a]	84	.000
Likelihood Ratio	194.752	84	.000
Linear-by-Linear Association	.874	1	.350
N of Valid Cases	312		

The study findings showed that there was a relationship between nature of ownership and technological innovation (p=0.000). The results implied that sole proprietors mostly used technological innovation to mobilize their savings with their financial because they were more comfortable in handling the technology themselves and were also responsible for their action. The findings agreed with (Waithaka, 2016) who indicated that sole proprietorship is formed easily and enjoys less legal procedures and exercises full control over the business while making business decisions.

The study conducted a chi squire analysis   to determine the relationship between gender and savings mobilization among MSE's. The results were presented in Table 4.42

Table 4.42: Chi-Square results on relationship between gender and savings mobilization

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	34.859[a]	19	.015
Likelihood Ratio	41.346	19	.002
Linear-by-Linear Association	.111	1	.740
N of Valid Cases	312		

The analysis results showed that there was a relationship between gender and savings mobilization (p=0.015). The findings implied that majority of males   mobilized more savings than females perhaps because males were responsible in making financial savings decisions within family and business and therefore males influenced savings mobilization. Study findings agreed with Bendig *et al*. (2009) that household and MSE's headed by females had a lower probability of demanding the savings products from financial institutions.

The study conducted a chi squire analysis to determine the relationship between level of education and savings mobilization among MSE's. The results are presented in Table 4.43.

Table 4.43: Chi-Square results on relationship between education and savings mobilization

Chi-Square Tests			
	Value	df	Asymp.Sig.(2sided)
Pearson Chi-Square	215.130[a]	76	.000
Likelihood Ratio	213.144	76	.000
Linear-by-Linear Association	.064	1	.800
N of Valid Cases	312		

The study found a relationship between level of education and savings mobilization (p=0.000). The findings implied that majority of MSE's who were less educated informally and primary mobilized more savings than educated category perhaps because less educated entrepreneurs were more focused and devoted more time to operating MSE's unlike the educated entrepreneurs who may be operating MSEs on part time basis as they may be having alternative source of income or hope to get some and therefore have divided attention. Study findings agreed with Akpan *et al;* (2011) whose study results revealed that level of education influenced saving attitude of MSE's.

The study conducted a chi squire analysis to determine the relationship between religion and savings mobilization among MSE's. The results were presented in Table 4.44.

Table 4.44: Chi-Square results on relationship between religion and savings mobilization

Chi-Square Tests			
	Value	Df	Asymp.Sig.(2sided)
Pearson Chi-Square	93.369[a]	38	.000
Likelihood Ratio	107.240	38	.000
Linear-by-Linear Association	4.007	1	.045
N of Valid Cases	312		

The study results   showed that there was a relationship between religion and savings mobilization (p=0.000). The findings implied that majority of the Christian MSE's mobilized more savings than other religions perhaps because Christianity does not have any controversy in relation to interest charges like the Muslims who can only mobilize savings in financial institutions supported by their faith. The study's results agreed with Arrunada (2010) who found an effect of religiosity in saving behavior among enterprises.

The study conducted a chi squire analysis   to determine   the   relationship between status in enterprise   and savings mobilization among MSE's. The results were presented in Table 4.45.

Table 4.45: Chi-Square results on relationship between status in enterprise and savings mobilization

Chi-Square Tests			
	Value	Df	Asymp.Sig.(2sided)
Pearson Chi-Square	64.582[a]	19	.000
Likelihood Ratio	72.817	19	.000
Linear-by-Linear Association	1.965	1	.161
N of Valid Cases	312		

The study results showed that there was a relationship between status in enterprise and saving mobilization. The results implied that majority of the owner managers savings mobilization was highest due to the fact that they made savings mobilization decisions faster without much consultation if any. The study results agreed with Withaka (2016) who found that owner managers exercised full control over the business and made business decisions promptly.

The study conducted a chi squire analysis to determine the relationship between number of family dependants and savings mobilization among MSE's. The results were presented in Table 4.46

Table 4.46: Chi-Square results on relationship between dependants and savings mobilization

Chi-Square Tests			
	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	112.277[a]	38	.000
Likelihood Ratio	134.826	38	.000
Linear-by-Linear Association	1.966	1	.161
N of Valid Cases	312		

The study results showed that there was a relationship between number of dependants and level of savings mobilization. The findings implied that the entrepreneurs with few dependants mobilized more savings because they were not financially strained, therefore the number of dependants will affect savings mobilization among the MSE's. Study findings agreed with Turner and Manturuk (2012) that obligation to family upbringing, affect participants' attitudes toward savings and their confidence in their ability to save.

The study conducted a chi squire analysis to determine the relationship between location of enterprise and savings mobilization among MSE's. The results were presented in Table 4.47

Table 4.47: Chi-Square results on relationship between location of business and savings mobilization

Chi-Square Tests			
	Value	Df	Asymp.Sig.(2sided)
Pearson Chi-Square	108.706[a]	38	.000
Likelihood Ratio	114.358	38	.000
Linear-by-Linear Association	1.204	1	.273
N of Valid Cases	312		

The study results indicated that there was a relationship between location of business and level of savings mobilization. The findings implied that the MSE's operating from urban areas mobilized more savings because they can access more means of savings mobilization unlike those in the rural areas and therefore if the infrastructure within these areas are improved to match those in the urban setting savings mobilization will significantly improve. The study findings concurred with findings from a study in Vietnam which found that possibilities of formal savings are generally low in rural areas (Newman *et al.,* 2007). A study by Siekei (2012) indicated that business location was very important for firms, policy makers and business owner in their role in improving the financial performances of firms.

114

The study conducted a chi squire analysis to determine the relationship between nature of enterprise and savings mobilization among MSE's. The results were presented in Table 4.48

Table 4.48: Chi-Square results on relationship between nature of enterprise and savings mobilization

Chi-Square Tests			
	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	126.341a	57	.000
Likelihood Ratio	147.493	57	.000
Linear-by-Linear Association	1.157	1	.282
N of Valid Cases	312		

The study findings showed that there was a relationship between nature of enterprise and level of savings mobilization. The results implied that the MSE's operating in commerce and trade mobilized more savings most likely because their goods or merchandise had high turnovers which realized revenues quickly necessitating savings. The study findings agreed with Waithaka (2016) that enterprises operating in commerce and trade had a wide and available market from the locals hence the most common sector while manufacturing sector required heavy capital outlay which required a lot of funds to access.

The study conducted a chi squire analysis to determine the relationship number of employees and savings mobilization among MSE's. The results are presented in Table 4.49

Table 4.49: Chi-Square results on relationship between number of employees and saving mobilization

Chi-Square Tests			
	Value	df	Asymp.Sig.(2sided)
Pearson Chi-Square	188.632[a]	76	.000
Likelihood Ratio	178.948	76	.000
Linear-by-Linear Association	3.617	1	.057
N of Valid Cases	312		

The study findings showed that there was a relationship between number of employees and level of savings mobilization. The results implied that MSE's with few employees mobilized more savings in different savings options because the operating expenses were low leaving adequate revenue to be saved for future use. The study findings agreed with Waithaka (2016) which indicated that most enterprises had less than 10 employees because the items of trade were freely available and traded in the form they were acquired without much value addition.

The study conducted a chi squire analysis to determine the relationship between year enterprise started and savings mobilization among MSE's. The results were presented in Table 4.50

Table 4.50: Chi-Square results on relationship between year enterprise started and savings mobilization

Chi-Square Tests			
	Value	df	Asymp.Sig.(2sided)
Pearson Chi-Square	475.448[a]	114	.000
Likelihood Ratio	424.146	114	.000
Linear-by-Linear Association	4.924	1	.026
N of Valid Cases	312		

The study results showed that there was a relationship between year enterprise started and level of savings mobilization. The findings implied that MSE's who have operated for many years mobilized more savings perhaps because of more and stronger relationships they have had over long time with their customers which leads to higher and improved sales revenue making it easy to mobilize more savings. The study findings agreed with Waithaka (2016) which found that businesses which had operated for more than 10 years had learnt the dynamics of the market and were therefore more accomplished and stable in their operations.

The study conducted a chi squire analysis to determine the relationship between nature of ownership and savings mobilization among MSE's. The results were presented in Table 4.51

Table 4.51: Chi-Square results on relationship between nature of ownership and savings mobilization

Chi-Square Tests			
	Value	df	Asymp Sig.(2sided)
Pearson Chi-Square	193.688[a]	57	.000
Likelihood Ratio	199.152	57	.000
Linear-by-Linear Association	11.236	1	.001
N of Valid Cases	312		

The study results showed that there was a relationship between nature of ownership and savings mobilization. The findings implied that sole proprietor MSE's mobilized more savings perhaps because savings mobilization decisions were made by the proprietors eliminating any bureaucracy which usually delays decision making process within MSE's. The study findings agreed with Waithaka (2016) who found that sole proprietors exercise full control over the business and made business decisions within appropriate time.

117

4.3 Analysis of the Specific Objectives

In this section, the study analyzed the specific objectives of the study in MSE's savings mobilization. These specific objectives were to: establish the influence of financial literacy on MSE's savings mobilization; determine the effect of savings incentives on MSE's savings mobilization; establish the influence of customer experience on MSE's saving mobilization and to determine effect of technological innovations on MSE's savings mobilization in Trans Nzoia County.

The study conducted research instruments reliability test. The results were presented in Table 4.52

Table 4.52: Results on research instruments reliability test

Scale	No. of Items	Cronbach alpha value
Financial literacy	8	0.983
Savings incentives	8	0.701
Customer experience	9	0.885
Technological innovation	8	0.831
Savings mobilization	8	0.960

The results for reliability test for research instruments had cronbatch alphas which fulfilled the threshold requirement of 0.70 cronbatch alphas.

4.3.1 To establish the influence of financial literacy on MSE's savings mobilization

The first objective of the study was to establish the influence of financial literacy on MSE's savings mobilization. To achieve this objective, the respondents were first asked to state whether entrepreneurs had attended any financial literacy training. The results were presented in Figure 4.1
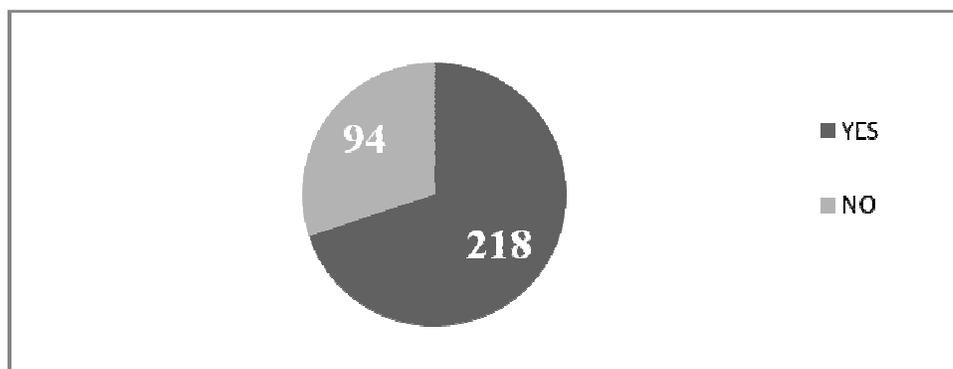
Figure 4.1: MSE's attendance of a seminar/workshop on financial literacy.

The study results found that 69.9% (218) of the MSE's had attended workshops/ seminars on financial literacy. The implication of the findings was that those who attended seminar or workshop on financial literacy were expected to affect their level of savings mobilization among MSE's. Study findings agreed with Delafrooz and Paim (2011) who found that there was a significant relationship between financial literacy and saving behavior.

Further the respondents were asked to state the financial literacy topics they were trained and sessions attended .The study findings were presented in Table 4.53

Table 4.53:   Results on Financial literacy topics trained and sessions attended.

Financial literacy	Topics trained	
	Frequency	Percent
Saving plan	116	52.9
Saving goal	73	33.7
Saving accounts features	28	12.8
Others	1	0.6
Total	218	100
	Training sessions attended	
	Frequency	Percent
1-3	102	47.1
4-6	77	35.6
7-9	38	17.3
Total	218	100

119

The study findings showed that those MSE's who attended the seminars / workshops in financial literacy they were further asked to indicate the savings knowledge and skills they were taught, 52.9% (116) were taught saving plan 33.7% (73) savings goals and 12.8%(28) savings accounts features and those who attended other savings trainings were 0.6% (1) .The study results implied that the savings mobilization topics MSE's were trained influenced their savings mobilization decisions. The study findings agreed with HIHEA (2013) which reported that most MSE's experienced business growth with clear evidence that the interest to start the new enterprises were mainly triggered by skills acquired during financial literacy training. The study   findings also showed that majority of the MSE's owner managers had attended between 1-6 training sessions which implied that most of the MSE's were aware and posses the knowledge and skills in savings and money management which will influence them on how they mobilize their savings. The findings concurred with study by Bendig *et al*. (2009) who found that increase in knowledge on working of financial institutions increased the likelihood of saving mobilization.

The study conducted factor analysis in financial literacy. The results were presented in Table 4.54

Table 4.54: Results of factor analysis in financial literacy

Factor Analysis		
Variables	**Loadings**	**Remarks**
1. 1 Financial literacy training has led to better budgeting for my money whenever I receive it	.967	Retained
2. Attending financial literacy training has influenced me to trust my financial institution	.964	Retained
3. My saving trendis guided by a specific saving goal	.949	Retained
4. I always make my saving decisions independently	.942	Retained
5. My financial institution frequently trains me on all saving products and services.	.939	Retained
6. Adhering to my saving plan has led toachieving various saving goals	.938	Retained
7. I fully understand and use various savings products and services offered by my financial institution	.930	Retained
8. Financial literacy training has changed my way of saving and money management behaviors	.929	Retained

ExtractionMethod:PrincipalComponentAnalysis.
Rotation Method: Varimax with Kaiser Normalization.

The study results showed that all values on financial literacy were retained as they were above the recommended 0.5 loading level using factor analysis (Oso & Onen, 2009).

The study conducted a chi squire analysis to find reliability in financial literacy. The results were presented in Table 4.55

Table 4.55: Results of reliability in financial literacy

Reliability Statistics			
Before Factor Analysis		**After Factor Analysis**	
Cronbach's Alpha	N of Items	Cronbach's Alpha	N of Items
.983	8	.983	8

The study findings found reliability results before and after factor analysis was 0.983, the results were considered reliable since they were above 0.7 the recommended reliability measure using the Cronbach's alpha test (Tavakol *et al.,* 2011).

The study conducted a chi squire analysis to find validity in financial literacy. The results were b presented in Table 4.56

Table 4.56: Results of validity in financial literacy

Correlations		FinancialLiteracy	Savings Mobilization
Financial Literacy	Pearson Correlation	1	.961**
	Sig. (2-tailed)		0.000
	N	312	312
Savings Mobilization	Pearson Correlation	.961**	1
	Sig. (2-tailed)	0.000	
	N	312	312

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

The study findings on predictive validity of financial literacy value were 0.961. The implication of the results was used to examine the extent to which financial literacy was a good predictor of the dependent variable savings mobilization. Since the correlation was >.80 or <-.80 for variables inversely related, the relationship strength was considered strong enough to measure validity of variables

The study sought to find correlation in financial literacy, gender was found to be correlated in financial literacy. The effect of gender correlation in financial literacy was presented in Table 4.57

Table 4.57: Effect of gender correlation in financial literacy

Crosstab Count		What is your gender		Total
		Male	Female	
Financial literacy training has led to better budgeting for my money whenever I receive it	Disagree	1	0	1
	undecided	24	3	27
	Agree	123	65	188
	Strongly	74	22	96
Total		222	90	312
Chi-Square Tests				
	Value	Df	Asymp. Sig. (2-sided)	
Pearson Chi-Square	9.193[a]	3	0.027	
Likelihood Ratio	10.261	3	0.016	
Linear-by-Linear	0.005	1	0.946	
N of Valid Cases	312			

The study findings showed that there was a significant relationship between gender and financial literacy training that led to better budgeting of money whenever MSE's received it with (p=0.027). The results implied that more males operated MSE's than females and hence received financial training which led them to budget well in their finances. Therefore financial institutions should develop gender based financial literacy training manual to enhance the capacities of trainers to deliver financial literacy training using a gender perspective and to increase on gender dimension of work, gender in microfinance, women's empowerment through microfinance and microenterprise development programs, financial and risk management with gender perspective, and training skills. Study findings agreed with Bendig Seshan and Yang (2013) who found that financial literacy had positive behavior change with migrants who received an invitation being 48.4 per cent more likely to self-report jointly making financial decisions with their wives.

The study conducted a chi squire analysis to determine the relationship between financial literacy and savings mobilization. The results was presented in Table 4.58

Table 4.58: Chi-Square results on relationship between financial literacy and savings mobilization

Chi-Square Tests			
	Value	Df	Asymp.Sig.(2-sided)
Pearson Chi-Square	1203.828[a]	380	.000
Likelihood Ratio	723.959	380	.000
Linear-by-Linear Association	14.017	1	.000
N of Valid Cases	312		

The study results it indicated that there was a relationship between for financial training and savings mobilization (p=0.000). The findings implied that increased training on financial literacy has a positive impact on MSE's personal and business life. The financial knowledge helps reduce social and psychological pressures and increasing the welfare of the family in the personal life. Higher financial literacy has higher efficiency and productivity results and will help MSE's to better understand benefits offered by the organization and improve their satisfaction. Also financial literacy reduces absenteeism in organization and keeps valuable employees. High level financial literacy decreases emotional stress and anxiety in the workplace. This study's findings agreed with Field et al; (2010) on microfinance opportunities which found that financial literacy training imparts financial knowledge and skills which helps to change the negative attitudes of MSE's harbor towards savings mobilization among the financial institutions consequently increasing the usage of savings services from financial institutions. This study's findings also agreed with Field *et al.* (2010) who found that financial literacy offered to women working in the informal sector increased savings, raised borrowing and business income among a sub group of women who faced strict social constraints.

4.3.2 To determine the effect of saving incentives on savings mobilization among MSE's

The other objective of the study was to determine the effect of savings incentives on savings mobilization among MSE's. The respondents were first asked to state if they have received any savings incentives from their financial institutions. The respondents' opinions were presented in Figure 4.2
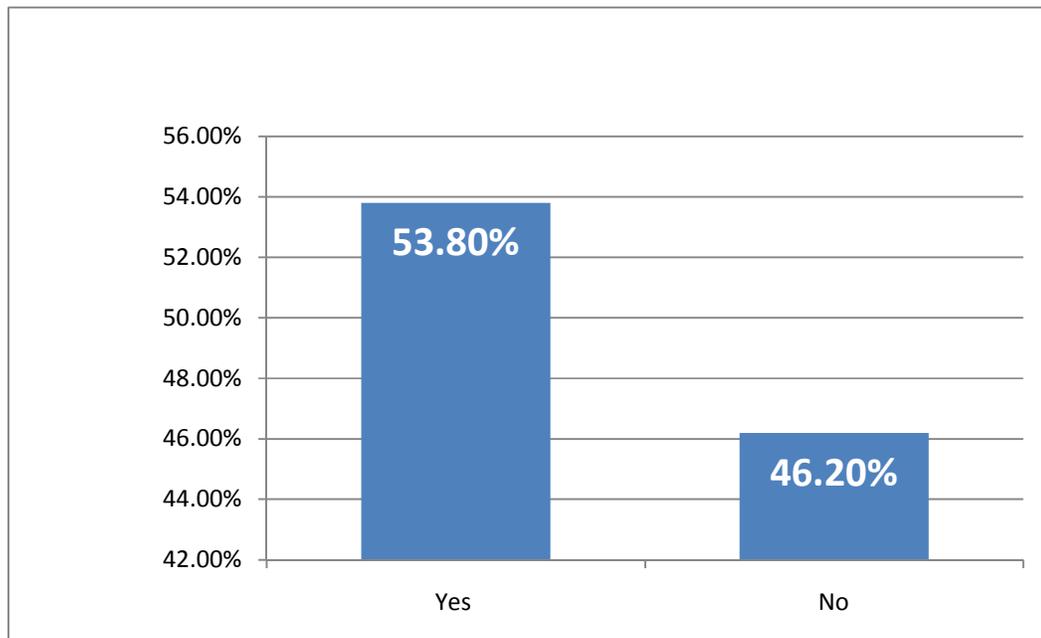
Figure 4.2: Savings incentives received from MSE's form of savings.

The study findings indicated that 53.80% (168) of the MSE's had received saving incentives from financial institutions whereas 46.2% (144) were of contrary view. The results implied that most of the MSE's were aware of the savings incentives provided by their financial institutions and they knew when they were due and the amounts expected. The study findings agreed with Turner and Manturuk (2012) whose findings indicated that incentives, disincentives, and organizational culture shape participants' trust in financial institutions

Further respondents were also asked to state the types of savings incentives received from MSE's form of savings .The responses were presented in Figure 4.3.
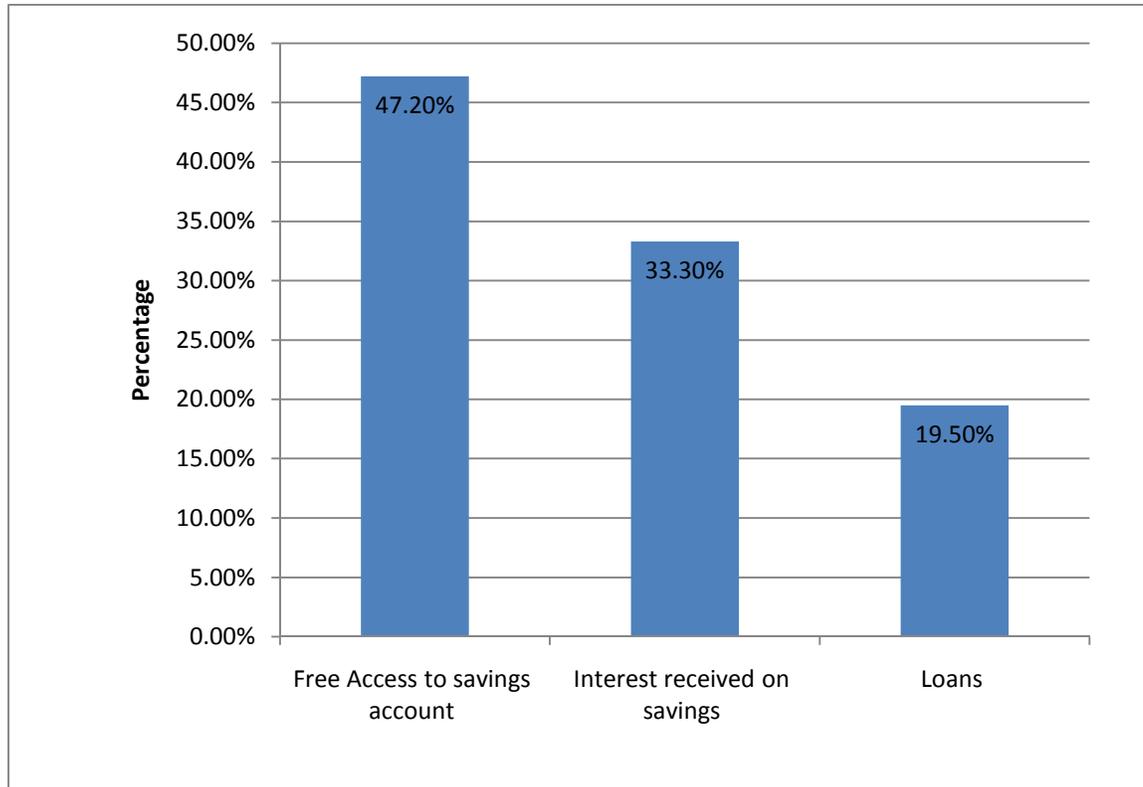
Figure 4.3: Types of savings incentives received by MSE's

The study results showed that the predominant savings incentive received by MSE's from their respective financial institutions were free access to their savings accounts and interest on savings which influenced them to increase their savings with their respective savings mobilizations. Study findings agreed with Dupas and Robinson (2013) whose findings indicated that saving incentive in the form of eliminating opening of account costs had a significant positive impact on the take up of bank savings accounts and on investment levels among MSE's.

The study conducted factor analysis for savings incentives. The results were presented in Table 4.59

Table 4.59: Results for factor analysis in savings incentive

Factor Analysis		
Variable	Loadings	Remarks
1. The amount of money I mobilize with my financial institutions depend on saving and withdrawal charges incurred when transacting	.922	Retained
2. Then financial saving incentives from my financial institution have been increasing over the years	.914	Retained
3. The financial savings incentives provided by my financial institution are more compared to competitors	.895	Retained
4. I frequently receive financial benefits from my financial institution whenever they fall due	.892	Retained
5. I fully understand the actual financial benefits realized when saving with various saving options	.884	Retained
6. I have always used the savings incentives received from my financial institution to grow my enterprise	.866	Retained
7. I'm aware of all financial saving initiatives from my financial institution	.850	Retained
8. The financial benefits expected from my saving option determines the amount of savings I mobilize	.849	Retained

Extraction Method: Principal Component Analysis. a.1 components extracted.

The factor analysis results retained all values on savings incentive since they were above the recommended 0.5 loading.

The study sought to find reliability in savings incentive. The result were presented in Table 4.60

Table 4.60: Results for reliability in savings incentive

Reliability Statistics			
Before Factor Analysis		**After Factor Analysis**	
Cronbach's Alpha	N of Items	Cronbach's Alpha	N of Items
.960	8	.960	8

The findings for reliability results before and after factor analysis was 0.960 was considered reliable as it was above 0.7 which is the recommended reliability measure using the Cronbach's alpha test.

The study sought to find validity in savings incentive. The result were presented in Table 4.61

Table 4.61: Results for validity in savings incentive

Correlations			
		Savings Incentives	**Level Of Savings Mobilized**
Savings	Pearson Correlation	1	.979[**]
	Sig. (2-tailed)		0
Incentives	N	312	312
Level Of Savings	Pearson Correlation	.979[**]	1
	Sig. (2-tailed)	0	
Mobilized	N	312	312

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

The study results for predictive validity of saving incentive was 0.979. The implication of the findings was that predictive validity was used to examine the extent to which saving incentive was a good predictor of the dependent variable savings mobilization. Since the correlation was >.80 or <-.80 for variables inversely related, the relationship strength was considered strong enough to measure validity of variables

Table 4.62: Saving Incentives and Demographic Information

The study sought to determine the correlation between the saving incentives and the demographic information of the respondents, gender was correlated in saving incentives the findings are presented in tables 4.62a

The study sought to find correlation of bio data's in saving incentive, gender had correlation in saving incentive. The effect of gender correlation in saving incentive was presented in Table 4.62.a

Table 4.62a: Effect of gender correlation in savings incentive

Crosstab
Count

		What is you gender		Total
		Male	Female	
The financial benefits expected from my saving option determines the amount of savings I mobilize	Disagree	1	0	1
	undecided	29	4	33
	Agree	120	62	182
	Strongly agree	72	24	96
Total		222	90	312

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	8.011[a]	3	0.046
Likelihood Ratio	9.039	3	0.029
Linear-by-Linear Association	0.232	1	0.63
N of Valid Cases	312		

a) 2 cells (25.0%) have expected count less than 5. The minimum expected count is .29.

The study findings showed a significant relationship between gender and saving incentive whereby the financial benefits expected from their saving options determined the amount of savings MSE's mobilized (p=0.046).The study results implied that financial institutions has to set the baseline for the customer's expectation according to their gender and let them know what they can do for them, what service they can provide. These Study findings agreed with Davison (2010) who found that Central Bank of Ethiopia increased the deposit interest rates with the hope to attract savings from the rural areas upon assumption that there are a lot of savings outside the banking system.

The study sought to find correlation of bio data's in saving incentive, number of family dependants had correlation in saving incentive. The effect of number of family dependant's correlation in saving incentive was presented in Table 4.62b

Table 4.62b: The effect of number of family dependents correlation in saving Incentive

Crosstab

Count

		What is the number of dependants in your family?		
		1-3	4-6	7-9
The financial benefits expected from my saving option determines the amount of savings I mobilize	Disagree	0	1	0
	undecided	15	10	8
	Agree	95	68	19
	Strongly agree	37	50	9
Total		147	129	36

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	13.478[a]	6	0.036
Likelihood Ratio	12.722	6	0.048
Linear-by-Linear Association	0.009	1	0.925
N of Valid Cases	312		

a. 4 cells (33.3%) have expected count less than 5. The minimum expected count is 12

The study findings showed a significant relationship between number family dependants and saving incentive whereby the financial benefits expected from saving option determined the amount of savings MSE's mobilized (p=0.036). The study results implied that the number of family dependants influenced the amount to be saved by the customer. The findings of this study agreed with Kibet *et al.* (2009) who indicated that dependency ratio of respondent were statistically significant in affecting savings mobilization.

The study sought to find correlation of bio data's in saving incentive, number of family dependants had correlation in saving incentive. The effect of number of family dependant's correlation in saving incentive was presented in Table 4.62c

Table 4.62c: The effect of number of family dependants correlation in saving incentive

Crosstab
Count

		What is the number of dependants in your family?		
		1-3	4-6	7-9
I frequently receive financial benefits from my financial institution whenever they fall due	Disagree	0	1	0
	undecided	18	8	9
	Agree	90	70	18
	Strongly	39	50	9
Total		147	129	36
Chi-Square Tests				
	Value	Df		Asymp. Sig. (2-sided)
Pearson Chi-Square	15.288[a]	6		0.018
Likelihood Ratio	14.552	6		0.024
Linear-by-Linear Association	0.009	1		0.926
N of Valid Cases	312			

a) 4 cells (33.3%) have expected count less than 5. The minimum expected count is 12.

The study found a relationship between number of family dependants and the savings incentives which prompted MSE's owner managers to frequently receive financial benefits from their financial institution whenever they fell due (p=0.018).The results implied that MSE's with family dependants were keen on their sources of income due to business and family commitments obligations awaiting them to fulfill and therefore retained their relationship with financial institutions which kept their promise. Study findings agreed with Bendig *et al*. (2009) who found that increase in household size significantly increased the probability of demanding for more formal financial savings explained by the need to build buffers against calamities.

The study sought to find correlation of bio data's in saving incentive, gender had correlation in saving incentive. The effect of gender correlation in saving incentive was presented in Table 4.62d

Table 4.62d: The effect of gender correlation in saving incentive

Crosstab
Count

		What is you gender		Tota
		Male	Femal	l
The amount of money I mobilize with my financial institutions depend on saving and withdrawal charges incurred when transacting	Disagree	1	0	1
	undecide	24	3	27
	Agree	119	64	183
	Strongly	78	23	101
Total		222	90	312

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	9.705[a]	3	0.021
Likelihood Ratio	10.764	3	0.013
Linear-by-Linear Association	0.025	1	0.875
N of Valid Cases	312		

The study results found a significant relationship between gender and saving incentive which determined the amount of money MSE's mobilized with their financial institutions which depended on saving and withdrawal charges incurred when transacting (p=0.021). The study findings implied that greater gender equality in markets, financial institutions, family systems and social roles provide an ongoing foundation for sustaining gender's well-being and empowerment in savings. This study findings agreed with Kibet *et al.*(2009) who confirmed that households and MSE's do not necessarily save in banks to earn interest income rather they do it to secure their savings and to ensure they accumulate enough to finance their own investments in the future .

The study conducted a chi squire analysis to determine the relationship between savings incentive and savings mobilization. The results were presented in Table 4.63

Table 4.63: Chi squire results for relationship between savings incentives and saving mobilization

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	1713.859[a]	418	0.000
Likelihood Ratio	836.678	418	0.000
Linear-by-Linear Association	75.185	1	0.000
N of Valid Cases	312		

The study results indicated that there was significant relationship between saving mobilization and saving incentives (p=0.000). The resultswas interpreted to mean that incentives are an endogenous process that makes it possible for economic agents to obtain a surplus over costs, or entrepreneurial profit. Enterprises compete with one another to gain market share and improve their ability to increase profit through the use of new methods of production. These study findings agreed with Dupas and Robinson (2013) whose experiences from Kenya found that saving incentives in the form of eliminating opening of account costs had a significant positive impact on the take up of bank savings accounts and on investment levels among MSE's.

4.3.3 To establish the influence of customer experience on   savings mobilization among MSE's

This study was also concerned with establishing the influence of customer experience on saving mobilization among MSE's. To achieve this objective, the respondents were first asked to state the service points they usually visit at their financial institutions. The responses were presented in Table 4.64

Table 4.64: Results for service points and number of days visited

Service points	Frequency	Percent
Account opening	75	24
Cashiers	81	26
Inquiry	71	22.8
Credit	85	27.2
Total	312	100
Number of days	Frequency	Percent
1-6	144	46.2
6-12	87	27.9
13-19	31	9.9
21-26	50	16
Total	312	100

The study results showed that most visited service points at financial institutions was the credit section which implied that most MSE's mobilized their savings perhaps to access credit facilities from financial institutions. The study findings also showed that majority of the MSE's visited their financial institutions majority once a week which imply that at least they transact weekly with their respective financial institutions. The study findings agreed with Egwu *et al.* (2014) whose study results showed that MSE's save to access credit facility. The safety of the amount saved enlists trust and confidence to save in certain financial institutions. The provided savings incentive reduces costs of savings, increases income and also creates strong trust with the savings institution involved.

The study sought to find factor analysis in customer experience. The results were presented in Table 4.65.

Table 4.65: Results on Factor Analysis for Customer Experience

Variable	Loadings	Remarks
1. The customer service experience I receive from my financial institution to a greater extent influences my savings mobilization	.946	Retained
2. My financial institution regularly update me on new savings products and services	.936	Retained
3. I'm confident of security of my saving with my financial institution	.924	Retained
4. The staffs of my financial institution are knowledgeable about all financial savings products reducing referrals	.913	Retained
5. I always get my feedback on time from the financial institution where i mobilize my savings	.908	Retained
6. The financial institution where I mobilize my savings has reliable and convenient channels of delivering products and services	.905	Retained
7. The saving products and services offered by my financial institution are of high quality meeting my needs	.874	Retained
8. I'm recognized and valued by the financial institutions staffs.	.872	Retained
9. I can always recommend someone to mobilize savings with my financial institution due to satisfying customer experience.	.999	Retained

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 3 iterations.

The study results found all values on customer experience above the recommended 0.5 loading level using factor analysis and therefore all of them were retained.

The study sought to find reliability in customer experience. The results were presented in Table 4.66.

Table 4. 66: Results of reliability in customer experience

Reliability Statistics			
Before Factor Analysis		After Factor Analysis	
Cronbach's Alpha	N of Items	Cronbach's Alpha	N of Items
0.885	9	0.885	9

The study results on reliability in customer experience before and after factor analysis was 0.885, this was considered reliable as it was above 0.7 which is the recommended reliability measure using the cronbach's alpha test.

The study sought to find validity in customer experience. The result were presented in Table 4.67

Table 4.67: Results of validity in customer experience

Correlations		Customer	Savings
Customer Experience	Pearson Correlation	1	.881[**]
	Sig. (2-tailed)		.000
	N	312	312
Savings Mobilization	Pearson Correlation	.881[**]	1
	Sig. (2-tailed)	.000	
	N	312	312

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

The study findings for predictive validity of customer experience was 0.881.The results for predictive validity was used to examine the extent to which customer experience was a good predictor of the dependent variable savings mobilization. Since the correlation was >.80 or <-.80 for variables inversely related, the relationship strength was considered strong enough to measure validity of variables

Table 4.68: Customer Experience and Demographic Information

The study sought to determine the correlation between customer experience and the demographic information of the respondents. The findings are presented in table 4.68

The study sought to find correlation of bio data's in customer experience, gender had correlation in customer experience. The effect of gender correlation in customer experience was presented in Table 4.68a

Table 4.68a: Effect of gender correlation   in   customer experience

Crosstab		What is your gender		Total
		Male	Female	
The customer service experience I receive from my financial institution to a greater extent influences my savings mobilization	Disagree	1	0	1
	undecided	23	3	26
	Agree	123	64	187
	Strongly agree	75	23	98
Total		222	90	312
Chi-Square Tests				
	Value	Df	Asymp.Sig(2-sided)	
Pearson Chi-Square	8.216[a]	3	0.042	
Likelihood Ratio	9.185	3	0.027	
Linear-by-Linear Association	0.002	1	0.968	
N of Valid Cases	312			

a. 2 cells (25.0%) have expected count less than 5. The minimum expected count is 29.

The study findings revealed that there was a significant relationship between gender and customer experience of MSE's from their respective financial institutions at (p=0.042). The implication of the study findings was that   the customer experience MSE's received from their respectiive financial institution to a greater extent influenced their savings mobilization. Study findings agreed with Brigman (2013 who indicated   that maintaining loyalty to internal customers and external customers is the key to gain revenue in long term.

The study sought to find correlation of bio data's in customer experience, gender had correlation in customer experience. The effect of gender correlation in customer experience was presented in Table 4.68b

Table 4.68b: Effect of gender correlation in customer experience

Crosstab
Count

		What is you gender		Total
		Male	Female	
I can always recommend someone to mobilize savings with my financial institution due to satisfying customer experience.	Strongly disagree	51	20	71
	Disagree	42	16	58
	Undecided	29	36	65
	Agree	98	18	116
	Strongly agree	2	0	2
Total		222	90	312

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	33.216a	4	.000
Likelihood Ratio	32.65	4	.000
Linear-by-Linear Association	2.428	1	.119
N of Valid Cases	312		

a. 2 cells (20.0%) have expected count less than 5. The minimum expected count is .58.

The study results indicated that there was a significant relationship between gender and customer experience which determined how MSE's always recommended someone to mobilize savings with their financial institutions due to satisfying customer experience at p=0.000). The findings implied that good customer service can also be influenced by the gender of the frontline service employees. The service models of women and men show obvious differences. For female service staff, the quality of the interaction and service processes are the core of good customer service, while their male counterparts are more outcome focused and consider customer service mainly as efficient problem

solving. The study findings agreed with Women's World Banking (2013) which found that to assist women improve on savings, listen to them, understand how they are currently saving, trust is critical to capture their savings.

The study sought to find correlation of bio data's in customer experience, level of education had correlation in customer experience. The effect of level of education correlation in customer experience was presented in Table 4.68c

Table 4.68c: Effect of level of education correlation in customer experience

Crosstab
Count

		What's your level of education?					Total
		Informal	Primary	Secondary	Diploma	Degree	
I can always recommend someone to mobilize savings with my financial institution due to satisfying customer	Strongly Disagree	12	35	14	0	10	71
	Disagree	33	19	6	0	0	58
	undecided	25	19	21	0	0	65
	Agree	32	52	4	14	14	116
	Strongly agree	2	0	0	0	0	2
Total		104	125	45	14	24	312

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	91.756[a]	16	0.000
Likelihood Ratio	104.6	16	0.000
Linear-by-Linear Association	0.223	1	0.637
N of Valid Cases	312		

a. 9 cells (36.0%) have expected count less than 5. The minimum expected count is .09.

There was a significant relationship between level of education and customer experience which determined how MSE's always recommended someone to mobilize savings with their financial institution due to satisfying customer experience. The findings implied that there were different customer service levels that customers experience as they

139

continue in a relationship with a particular financial institution. One level is the new customer level. At this level, a business is just getting to know a customer, what he or she wants, and how he or she reacts to the business. Another level is the repeat customer level. The customer is known by the company, and both are on friendly terms with one another. The customer can make suggestions, and the business can give the customer suggestions of new products to try that suit their tastes. Customers are satisfied when transactions go smoothly, when employees are respectful, and when questions are answered quickly due to their level of education and training. Financial institution can increase their customer satisfaction level by training employees to be professional and respectful when dealing with customers during checkout and in the store. Most MSE's today also provide training to teach employees how to talk to customers on the phone etiquettes, how to handle problematic customers and other customer related scenarios. The study findings agreed with Boring (2010) who found that when MSE's were literate and with a high level of education they statistically increased their probability to save.

The study sought to find correlation of bio data's in customer experience, religion had correlation in customer experience. The effect of religion correlation in customer experience was presented in Table 4.68d

Table 4.68d: Effect of religion correlation in customer experience

Crosstab

Count

		What is your religion			Total
		Male	Female	others	
I can always recommend someone to mobilize savings with my financial institution due to satisfying customer experience.	Strongly disagree	28	39	4	71
	Disagree	25	31	2	58
	Undecided	40	21	4	65
	Agree	41	70	5	116
	Strongly agree	0	2	0	2
Total		134	163	15	312

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	33.216a	4	.000
Likelihood Ratio	32.65	4	.000
Linear-by-Linear Association	2.428	1	.119
N of Valid Cases	312		

a. 2 cells (20.0%) have expected count less than 5. The minimum expected count is .58.

The study findings showed a significant relationship between religion and customer experience which determined how MSE's always recommended someone to mobilize savings with their financial institution due to satisfying customer experience at (p=0.000). The findings implied that financial institutions staffs may trust religious MSE's who are likely to be honest in their work because religious people are associated with honesty. Honesty with clients means, whether it's good or bad, tell them how things are, and do the best you can to make amends. Even if you can't do anything, it's better to tell the truth and acknowledge that you are powerless. True people will appreciate and will not use your honesty against you. Study findings agreed with Boring (2010) who found that the probability to mobilize savings significantly increased when a household or MSE's trusted their financial institutions and vice versa.

The study sought to find correlation of bio data's in customer experience, number of family dependants had correlation in customer experience. The effect of number of family dependant's correlation in customer experience was presented in Table 4.68e

Table 4.68e: Effect of number of family dependants correlation in customer experience

Crosstab

Count		What is the number of dependants in your family?			Total
		1-3	4-6	7-9	
I can always recommend someone to mobilize savings with my financial institution due to satisfying customer experience.	Strongly Disagree	34	40	14	88
	Disagree	44	15	4	63
	undecided	16	28	2	46
	Agree	43	46	10	99
	Strongly	10	0	6	16
Total		147	129	36	312

Chi-Square Tests

	Value	Df	Asymp.Sig.(2-sided)
Pearson Chi-Square	8.217[a]	4	0.043
Likelihood Ratio	9.186	4	0.028
Linear-by-Linear Association	0.002	1	0.969
N of Valid Cases	312		

a. 2 cells (26%) have expected count less than 5. The minimum expected count is 29

The study results found a significant relationship between number of family dependants and customer experience which determined how MSE's always recommended someone to mobilize savings with their financial institution due to satisfying customer experience received (p=0.043). Customers require someone available and easy to reach in financial situations. Whether it is a sales question or post-purchase support, customers want to know that they will be heard and helped. Availability is one of the first things that create trust. In the process of communication with clients, inform them on what is happening, respond quickly. Use efficient technical solutions to empower the speed and efficiency of your interactions. Educate the customer so that they feel free and confident to use

your products and services. Knowledge is great power, and if you empower your clients in this way instead of trying to make them dependent on your company and service, they will feel infinitely grateful and will always be coming back to do business with you. Study findings agreed with Schmitt (2013) who argued that customer experience is to understands what customer's value and to evaluate to what extent companies' brand promise, product offering and deliver customer value.

The study conducted a chi squire analysis to determine the relationship between customer experience and savings mobilization among MSE's. The results were presented in Table 4.69.

Table 4.69: Chi squire results for relationship between customer experience and Saving mobilization

Chi-Square Tests			
	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	1502.907[a]	418	.000
Likelihood Ratio	842.594	418	.000
Linear-by-Linear Association	26.394	1	.000
N of Valid Cases	312		

The results indicated that there was a significant relationship between saving mobilization and customer experience (p=0.000). The results were interpreted to mean that customers can make suggestions, and the business can give the customer suggestions of new products to try that suit the customer's tastes with the saving they have. Customers are satisfied when transactions go smoothly, when employees are respectful, and when questions are answered quickly due to their level of education and training. Financial institution can increase their customer satisfaction level by training employees to be professional and respectful when dealing with customers during

checkout and in the store and to save. Study findings agreed with Hsieh and Yuan (2010) who argued that the basis of the positive external customer experience is to meet the core expectations of customers that they expect from any provider, customer satisfaction contains adequate expectations which is the lowest expectable level of customer service. It is a combination of what customers desire for and actually receive while going beyond satisfaction refers to exceeding customer expectations

4.3.4 To Determine the Effect of Technological Innovations on Savings Mobilization

The respondents were asked to state the means they use to mobilize saving with their financial institutions. The results were presented in Figure 4.4.
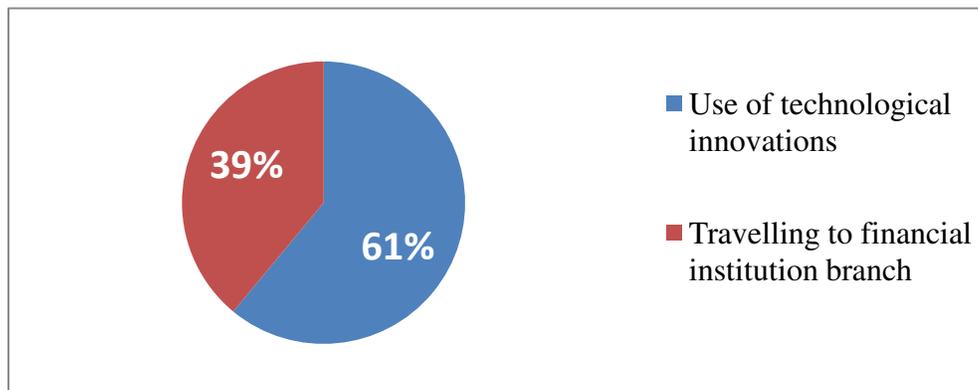
Figure 4.4: Means MSE's use to mobilize savings

The study results indicated that 61% (190) of the respondents mobilized their savings using technological innovations. These results implied that most of the MSE's appreciated the use of technological innovations from financial innovations to transact, therefore technological innovation influences savings mobilizations decisions. Study findings agreed with Kuuya (2010 who recommended that the government and the private sector in developing countries to provide various incentives to help MSE's acquire and use technology with minimal investment and costs.

The respondents were asked to state the technological innovations they use to mobilize savings. Their responses were presented in Figure 4.5
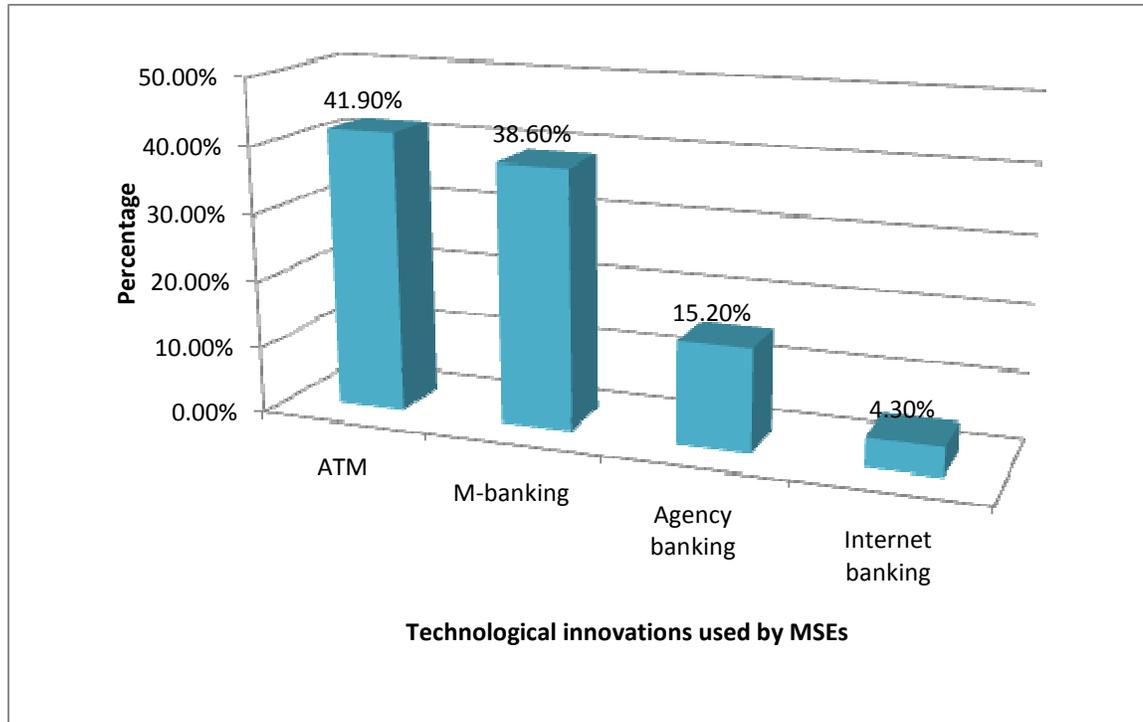
Figure 4.5: Technological innovations MSE's use   to   mobilize savings

The study results showed that 41.9% (131) respondents used ATM whereas 38.6% (120) of the respondents used mobile banking. The study findings   implied that MSE's use technological innovations when they had the knowledge and skills to do so. The study findings agreed with Tan *et al.* (2010) who observed that MSE's were important segment of any economy, it would be timely for them to enhance their competitiveness not only locally, but also on the global arena by embracing internet-based technologies in their businesses and by first understanding the benefits of technological innovations.

The respondents were also asked to state how much it costs them to mobilize savings in financial institutions using technological innovations. The responses were presented in Figure 4.6.
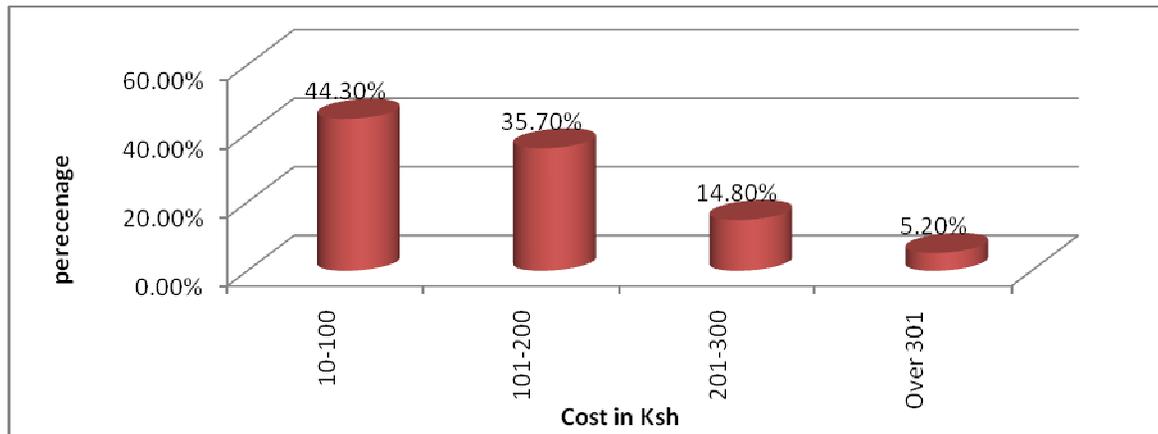
Figure 4.6: Cost of Mobilizing Savings in a Financial Institution.

The study findings indicated that 44.3% (138) of the respondents stated that they spent between 10-100 shillings while 35.7% (111) stated that it costs 101-200 shillings. The findings implied that MSE's which spent the least cost between Ksh 10-100, mobilized more with their financial institutions. The findings also implied that the cost of mobilizing using technological innovations should be cheap and affordable to MSE's. Study findings agreed with Kibet *et al*. (2009) who found that higher transport costs to saving institutions had a negative impact on the saving habits of MSE's in rural areas.

The MSE's were also asked to indicate the distance they travel/walk to save. The results from respondents showed that most MSE's covered between 1-5 Kilometers to save, it was also found that as the distance from the financial institution increased, the number of MSEs who mobilized their savings with their financial institutions decreased. Study findings agreed with Quarshie (2011) observed that the nearness of financial institutions not only encourages saving and deposits, but reduces the cost and risks associated with cash movement and distance to banks predicts saving behavior of rural

146

consumers, a close distance to financial institution had a positive impact in reduction of transportation cost which encouraged savings mobilization.

Further, the respondents were asked to state the transport cost in Kenya shillings to the financial institution for savings mobilization. The respondents findings were presented in Figure 4.7
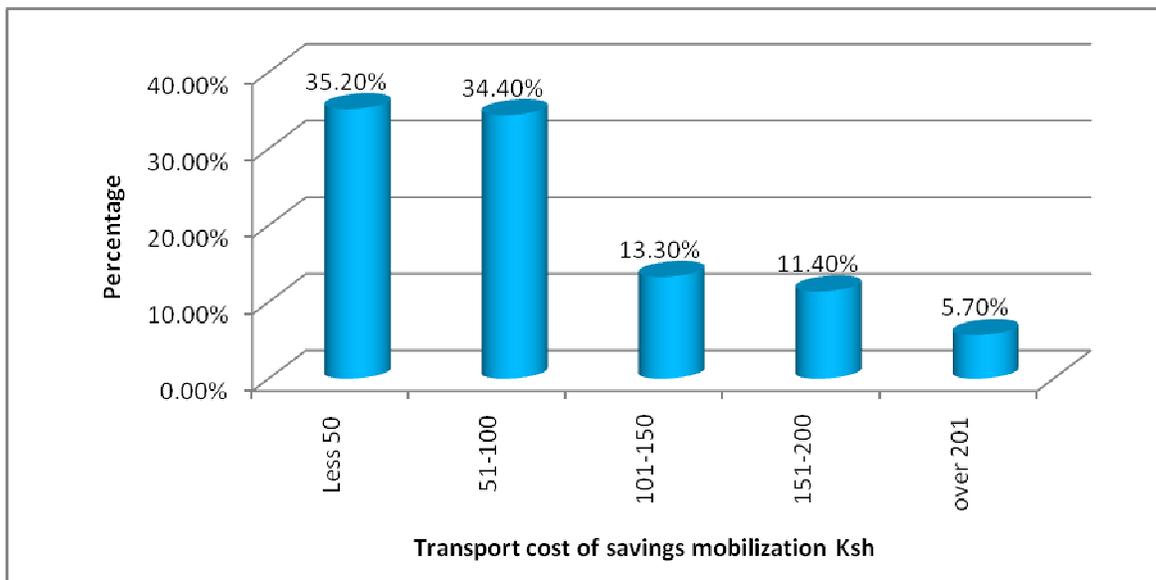
Figure 4.7: Transport cost to a financial institution for savings mobilization

The results in Figure 4.7 showed that most MSE's spent between Ksh 50-Ksh 100 to mobilize savings with financial institutions. The findings implied that   MSE's who spent the least transport cost to their respective financial institutions   mobilized   more savings compared with those who incurred higher cost to reach their financial institutions. Study findings agreed with Noelia *et al*. (2014) who indicated that high cost of delivering services to rural, remote and poor areas geographical distance was perceived as a barrier to savings mobilization.

147

The study conducted factor analysis in technological innovation. The results were presented in Table 4.70.

Table 4.70: Results for factor analysis in technological innovation

Factor Analysis	Loadings	Remarks
1. I frequently use technological innovations for savings mobilization at my financial institution	.891	Retained
2. Savings technological innovations from my financial institutions is faster, reliable and convenient compared	.882	Retained
3. My financial institutions savings mobilizations costs	.871	Retained
4. Technological innovations of my financial institution has made you a royal customer to the institution	.868	Retained
5. Using technological innovations to mobilize my saving has led to entrepreneurial growth of my enterprise	.841	Retained
6. Technological innovations from my financial institutions has made their products and services become more appealing and superior to that of competitors	.840	Retained
7. My savings mobilizations has improved since I embraced the use of technological innovations to save	.821	Retained
8. Saving mobilization using technological innovations from my financial institution has influenced my introduction of new product offerings to my customers	.997	Retained

Extraction Method: Principal Component Analysis.

The study results found all values on technological innovation were above the recommended 0.5 loading level using factor analysis and therefore all were retained.

The study tested for reliability in technological innovation. The results were presented in Table 4.71.

Table 4.71: Results for reliability in technological innovation

Before Factor Analysis		After Factor Analysis	
Cronbach's Alpha	N of Items	Cronbach's Alpha	N of Items
.831	8	.831	8

The results for technological innovation reliability found reliability before and after factor analysis to be 0.831 which was considered reliable as it was above 0.7 which is the recommended reliability measure using the cronbach's alpha test.

The study sought to find validity in technological innovation. The results were presented in Table 4.72.

Table 4.72: Results for validity in technological innovation

Correlations		Technological	Savings
Technological	Pearson Correlation	1	.851**
	Sig. (2-tailed)		.000
innovation	N	312	312
Savings	Pearson Correlation	.851**	1
Mobilization	Sig. (2-tailed)	.000	
	N	312	312

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

The study result for predictive validity of customer experience was 0.851.The results for predictive validity was used to examine the extent to which technological innovation was a good predictor of the dependent variable savings mobilization. Since the correlation was >.80 or <-.80 for variables inversely related, the relationship strength was considered strong enough to measure validity of variables

Table 4.73: Technological Innovation and Background Information

The study sought to determine the correlation between technological innovation and the demographic information of the respondents. The findings are presented in table 4.73

The study sought to find correlation of bio data's in technological innovation, gender was correlated in technological innovation. The effect gender correlation in technological innovation was presented in Table 4.73a

Table 4.73a: Effect gender correlation in technological innovation

Crosstab				
Count		What's your		gender
		Male	Female	
Saving mobilization using technological innovations from my financial institution has influenced my introduction of new product offerings to my customers	Strongly disagree	59	29	88
	Disagree	55	8	63
	undecided	31	15	46
	Agree	63	36	99
	Strongly agree	14	2	16
Total		222	90	312
Chi-Square Tests	Value	df		Asymp. Sig.
Pearson Chi-Square	13.853[a]	4		0.008
Likelihood Ratio	15.435	4		0.004
Linear-by-Linear Association	0.239	1		0.625
N of Valid Cases	312			

a. 1 cells (10.0%) have expected count less than 5. The minimum expected count is 4.62

The study findings revealed that there was a significant relationship between gender and technological innovations from financial institutions which influenced MSE's introduction of new product offerings to their customers (p=0.008).The results implied that when innovations are examined with a gender lens, a powerful, untapped strategy emerges to transform women's lives. The study findings agreed with Kapurubandara, (2009) who observed that the obstacles to the adoption of technological innovation by MSEs is due to inability to afford them, lack of knowledge and awareness of their potential, poor infrastructure, and the absence of local content, which makes MSE owners view the technology as irrelevant

The study sought to find correlation of bio data's in technological innovation, number of family dependants was correlated in technological innovation. The effect of number of family dependant's correlation in technological innovation was presented in Table 4.73b

Table 4.73b: Effect of number of family dependants correlation in technological innovation

Crosstab

Count		What is the number of dependants in your family?			Total
		1-3	4-6	7-9	
Saving mobilization using technological innovations from my financial institution has influenced my introduction of new product offerings to my customers.	Strongly disagree	34	40	14	88
	Disagree	44	15	4	63
	undecided	16	28	2	46
	Agree	43	46	10	99
	Strongly agree	10	0	6	16
Total		147	129	36	312

Chi-Square Tests

	Value	df	Asymp.Sig.(2-sided)
Pearson Chi-Square	41.863[a]	8	0.000
Likelihood Ratio	45.303	8	0.000
Linear-by-Linear Association	0.001	1	0.971
N of Valid Cases	312		

The study findings revealed that there was a significant relationship between family dependants and technological innovations from their financial institution which influenced their introduction of new product offerings to customers (p=0.000). The study results implied that when family members have knowledge about the use of technology innovations from their financial institutions, they can mobilize other family members to save using the new technology. The study findings agreed with Bendig *et al. (*2009) study in Ghana which found that as household size increases, probability of saving increases. The study findings contrasted findings by Newman which indicated that larger households are more resource constrained hence reduces the probability of saving mobilization (Newman *et al.,* 2007).

The study sought to find correlation of bio data's in technological innovation, genderwas correlated in technological innovation. The effect of gender correlation in technological innovation   was presented in Table 4.73c

Table 4.73c: Effect of gender correlation in technological innovation

Crosstab
Count

		What is your gender		Total
		Male	Female	
Savings technological innovations from my financial institutions is faster, reliable and convenient compared that of competitors	Disagree	1	0	1
	undecided	25	3	28
	Agree	118	65	183
	Strongly	78	22	100
Total		222	90	312

Chi-Square Tests

	Value	Df	Asymp.
Pearson Chi-Square	11.144[a]	3	0.011
Likelihood Ratio	12.31	3	0.006
Linear-by-Linear Association	0.059	1	0.808
N of Valid Cases	312		

a. 2 cells (25.0%) have expected count less than 5. The minimum expected

The study results found a significant relationship between gender and technological innovation from their financial institutions which were faster, reliable and convenient compared to that of competitors (p=0.011). The implication of the findings was that gender influences how technological innovations from their diverse financial institutions was used for savings mobilization. The study findings agreed with Beltratti and Stulz (2011) who found that technological innovation in providing financial services is essential in achieving competitive advantage, it lowers operating costs and opens up a set of new opportunities that allow businesses to perform better in differentiated ways.

The study sought to find correlation of bio data's in technological innovation ,number of family dependants was correlated in technological innovation. The effect of number of family dependants correlation in technological innovation was presented in Table 4.73d

Table 4.73d: Effect of number of family dependants   correlation in technological innovation

Crosstab
Count

		What is the number of dependants in your			Total
		1-3	4-6	7-	
Using technological innovations to mobilize my saving has led to entrepreneurial growth of my enterprise	Disagree	0	1	0	1
	undecided	15	10	8	33
	Agree	96	67	19	182
	Strongly	36	51	9	96
Total		147	129	36	312

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	14.842[a]	6	0.022
Likelihood Ratio	14.065	6	0.029
Linear-by-Linear Association	0.052	1	0.82
N of Valid Cases	312		

a. 4 cells (33.3%) have expected count less than 5. The minimum

The study findings showed that there was a significant relationship between number of family dependants and technological innovations from their financial institutions to mobilize their savings which led to entrepreneurial growth of their enterprises (p=0.022).The study results implied that when technological innovation was adopted within the family, the MSE's performance was assured since efficiency of operations increased thereby realizing more income. Study findings agreed with Tan *e t al.* (2010) who observed MSE's represent an important segment of any economy, they need to enhance competitiveness locally and on the global arena by embracing internet based technologies in their businesses.

The study sought to find correlation of bio data's in technological innovation, number of family dependants was correlated in technological innovation. The effect of number of family dependant's correlation in technological innovation was presented in Table 4.73e

Table 4.73e: Effect of number of family dependants correlation in technological innovation

Crosstab

Count

		What is the number of dependants in your family?			Total
		1-3	4-6	7-9	
Technological innovations from my financial institutions has made their products and services become more appealing and superior to that of competitors.	undecided	19	8	9	36
	Agree	90	69	17	176
	Strongly agree	38	52	10	100
Total		147	129	36	312

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	15.135[a]	4	0.004
Likelihood Ratio	14.293	4	0.006
Linear-by-Linear Association	0.401	1	0.526
N of Valid Cases	312		

a. 1 cells (11.1%) have expected count less than 5. The minimum expected

The study findings showed a significant relationship between number of family dependants and technological innovations from MSE's financial institutions which made their products and services become more appealing and superior to that of competitors (p=0.004).The implication of the finding was that when family members appreciated technological innovation, it improved on their product offerings which became differentiated in the market place. This findings agreed with Pinto and Ferreira, (2010) who observed that technological innovation improved on performance of MSE's,the MSE's with superior technological resource had a competitive advantage in

business performance compared with their competitors. Technological innovation enhances efficiency of an enterprise and builds the confidence of MSE's in discharging their responsibilities.

The study sought to find correlation of bio data's in technological innovation, level of education was correlated in technological innovation. The effect of level of education correlation in technological innovation was presented in Table 4.73f

Table 4.73f: The effect of level of education correlation in technological innovation

Crosstab
Count

		What's your level of education?					Total
		Informal	Primary	Secondary	Diploma	Degree	
Saving mobilization using technological innovations from my financial institution has influenced my introduction of new product offerings to my	Strongly Disagree	22	48	14	0	4	88
	Disagree	32	27	2	0	2	63
	undecided	11	14	15	0	6	46
	Agree	33	32	8	14	12	99
	Strongly agree	6	4	6	0	0	16
Total		104	125	45	14	24	312

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-	80.355[a]	16	0.000
Likelihood	81.459	16	0.000
Linear-by-	6.627	1	0.010
N of Valid	312		

a. 9 cells (36.0%) have expected count less than5. The minimum expected count is .72.

The study results revealed that there was a significant relationship between level of education and technological innovations from MSE's financial institution which influenced their introduction of new product offerings to customers (p=0.000). The study

findings implied that level of education of MSE's influenced the use of technology in saving mobilization. The MSE's with higher level of education got the use of technology easy and had ability to start and operate the technology with the help of instruction available from the providers of the product. The study results were consistent with studies which found that education level had positive effects on the decision to save, borrow and invest in FFI's, it improves the literacy and numeracy levels that were crucial for use of FFIs services (Newman *et al., (*2007); Bendig *et al.* (2009) and Boring, (2010).

The study sought to determine the relationship between technological innovation and savings mobilization. The results were presented in Table 4.74.

Table 4.74: Chi squire results for relationship between technological innovation and saving mobilization

Chi-Square Tests

	Value	df	Asymp.Sig.(2-sided)
Pearson Chi-Square	1431.897[a]	399	.000
Likelihood Ratio	778.1	399	.000
Linear-by-Linear Association	3.411	1	.065
N of Valid Cases	312		

The study results indicated that there was a significant relationship between saving mobilization and technological innovations (p=0.000). The results were interpreted to mean that technological innovation provided financial institutions essential competitive advantage, it allowed for lower costs which increased savings and opened up a set of new opportunities that allowed businesses to perform better in differentiated ways. Technological innovation improved on performance of MSE's and those MSE's with superior technological resource had a competitive advantage in business performance compared with competition. Study findings agreed with Al-Gharbi and Ashrafi (2010) who argued that technological innovation had the potential to transform business

156

operations by enabling the rapid, reliable and efficient exchange of large amounts of information, reducing transaction costs, improving information gathering and dissemination, inventory and quality control, and improving the efficiency and customer services of organizations and businesses.

4.3.5 Savings mobilization

The respondents were asked to state where they mobilized their savings. The result were presented in Figure 4.8.
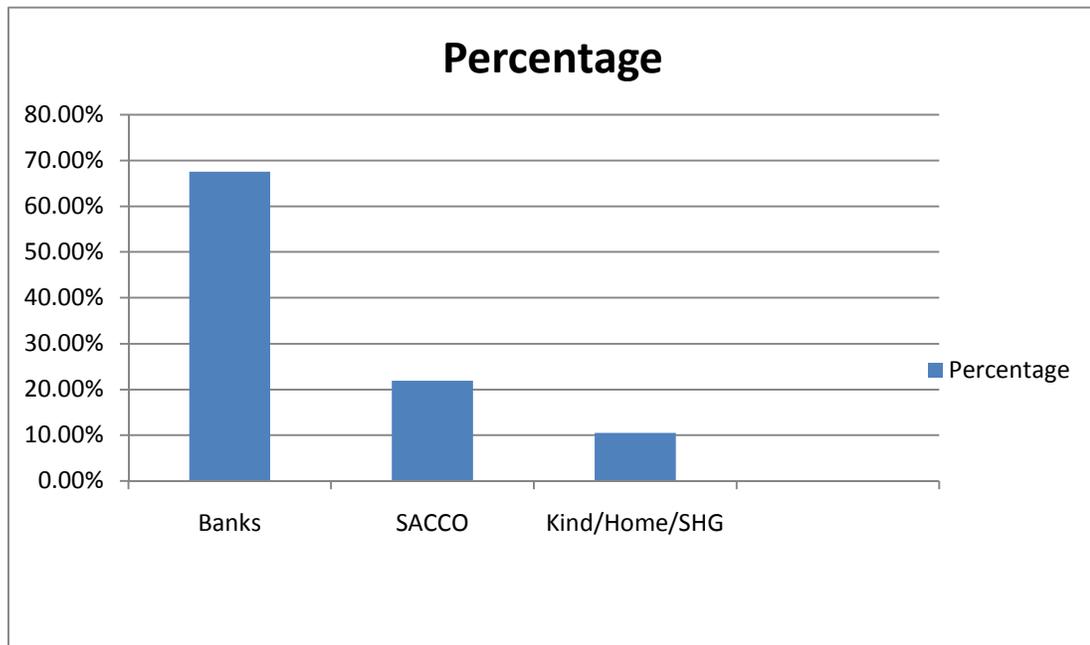
Figure 4.8: Forms of savings mobilization

The study results indicated that 67.6% (211) of the respondents mobilized their savings in formal financial institutions such as banks. The findings implied that MSE's save with financial institutions where their savings were secure. The study findings agreed with HIHEA, (2013) which found that most MSE's preferred to save with formal financial institutions.

Further, the study sought to determine how the respondents spent their mobilized saving. The result was shown in Figure 4.9.
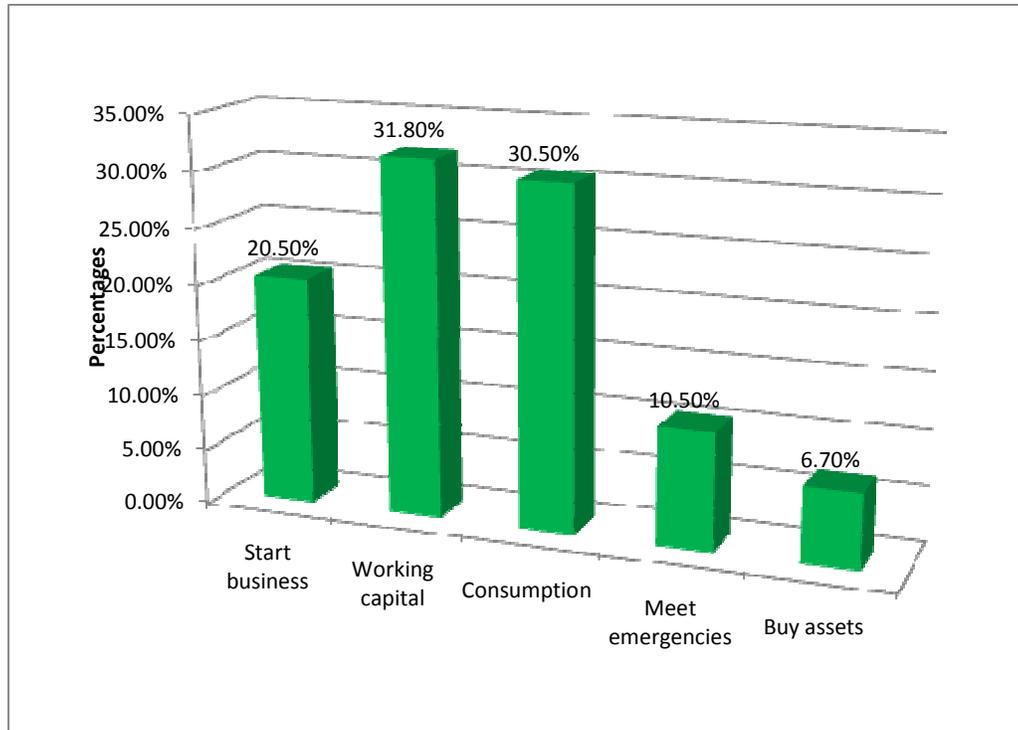
Figure 4.9: Expenditure of mobilized savings among the MSE's

The study results indicated that 31.8% (99) of the respondents used mobilized savings as working capital while 30.5% (95) used for consumption. The study findings implied that savings mobilized by MSE's were used as working capital to boost enterprise performance and for consumption to purchase families basic needs. The findings agreed with Dupas and Robinson (2013) who found that savers invested more to their enterprises.

4.4 Inferential statistics

4.4.1 Regression analysis

The study sought to compute the regression model for the study in an effort to understand the entrepreneurial determinants of savings mobilization among micro and small enterprises in Trans Nzoia County. The regression model summary results was presented in Table 4.75.

Table 4.75: Regression Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
	0.981[a]	0.963	0.963	0.10177

The model results showed that 96.3% of the data used in the regression model was accounted for in the regression model (R Square = 0.963).

The study conducted ANOVA analysis to find the significance of regression model. The results were presented in Table 4.76

Table 4.76: ANOVA summary

ANOVA SUMMARY					
Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	83.243	4	20.811	2009.129	0.000[b]
Residual	3.18	307	0.010		
Total	86.423	311			

The results of the ANOVA indicated that the computation of the model was significant, this results implied that the model had been correctly computed ($p=0.000^b$).

The study conducted an analysis to find regression model coefficients to be used in computing regression equation. The results were presented in Table 4.77.

Table 4.77: Regression Model Coefficients

Model	Un standardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	0.258	0.05		5.211	0.000
Financial Literacy	0.11	0.046	0.12	2.397	0.017
Savings Incentives	-0.041	0.029	-0.037	-1.44	0.151
Customer Experience	0.167	0.031	0.16	5.398	0.000
Technology Innovations	0.71	0.055	0.747	12.815	0.000

The coefficients in the regression equation were used to compute the regression equation as follows; Y (MSE's Saving Mobilization) = 0.258 + 0.747(Technology Innovations) + 0.160(Customer Experience) + 0.120(Financial Literacy) - 0.037(Saving Incentives) These results were interpreted to mean technological innovation was the most important variable in MSE's saving mobilization contributing about 74.7% customer experience was also important in MSE's saving mobilization contributing 16.0%, financial Literacy contributed only 12.0% while savings incentives contributed negatively to MSE's saving mobilization -3.7%.

4.5 Hypotheses Testing

The study tested the research hypothesis. The results were presented in Table 4.78

Table 4.78: Hypothesis Testing

Hypothesis	Number of items used	Remarks	Accepted or reject null hypothesis
There is no significant effect of financial literacy on savings mobilization	8	There was a significant relationship between financial literacy and savings mobilization	Rejected
There is no significant effect of saving incentives on savings mobilization	8	There was no significant relationship between savings incentives and savings mobilization	Fail to reject
There is no significant effect of customer experience on savings mobilization	9	There was significant relationship between customer experience and saving mobilization	Rejected
There is no significant effect of technological innovation on savings mobilization	8	There was a significant relationship between technological innovations and savings mobilization	Rejected

Hypothesis was tested at 5% alpha level of significance.

The null hypothesis testing results revealed that there was a significant relationship between financial literacy and saving mobilization (p=0.017), between customer experience and saving mobilization (p=0.000), between technological innovations and saving mobilization (p=0.000) but there was no significant relationship between savings incentives and saving mobilization (p=0.151). The study therefore rejected the null hypothesis for financial literacy, customer experience and technological innovation, implying that they were statistically significant in determining savings mobilization while the study failed to reject the null hypothesis for saving incentive, implying that it was not statistically significant in determining saving mobilization.

4.6 Summary

The reliability of research instruments had cronbach alphas within the threshold over 0.70 implying they were well developed to collect primary data from respondents. The research key findings indicated that the variables that were statistically significant in determining savings mobilization among MSE's included; customer experience, financial literacy and technological innovation while savings incentives was not statistically significant. The regression model results showed majority of the data used in the regression model could be accounted for in the regression model. The ANOVA results indicated that the model was correctly computed. The multiple regression coefficients were used to develop a regression equation. The findings from multiple regression model showed that there was a significant relationship between financial literacy (p=0.017), customer experience (p=0.000), technological innovations (p=0.000) and savings mobilization while there was no significant relationship between savings incentives and savings mobilization (p=0.151). The hypothesis was tested using chi squire and three null hypothesis namely financial literacy, customer experience and technological innovation were rejected while the study failed to reject the null hypothesis for saving incentive.

CHAPTER FIVE

SUMMARY, CONCLUSION   AND RECCOMENDATIONS

5.1 Introduction

The chapter presented the summary, conclusions and recommendations of the study. The general objective of the study was to determine the entrepreneurial determinants of savings mobilization among MSE's in Trans Nzoia County. The studies specific objectives were to establish the influence of financial literacy on savings mobilization among MSE's in Trans Nzoia county, to determine the effect of savings incentives on savings mobilization among MSE's in Trans Nzoia county, to establish the influence of customer experience on saving mobilization among MSE's in Trans Nzoia county and to determine effect of technological innovations on savings mobilization among MSE's in Trans Nzoia county.

5.2 Summary of major   findings

5.2.1 To establish the influence of financial literacy on savings mobilization among MSE's

The study findings showed that there was a significant relationship between gender and financial literacy training which made   MSE's to better budget their   money whenever they realized any income and eventually influencing their savings mobilization.

5.2.2 Hypothesis testing of financial literacy and savings mobilization.

The null hypothesis was stated as follows;

$H_{01:}$ *There is no significant effect of financial literacy on savings mobilization   among MSE's .*

The Pearson's chi squire found a statistically significant correlations between financial literacy and savings mobilization. Also the multiple regression model had a significant

163

relationship between financial literacy and savings mobilization hence the finding rejected the null hypothesis and fail to reject the alternative hypothesis. The study therefore concluded that financial literacy influences MSE's savings mobilization.

5.2.3 To determine the effect of savings incentives on MSE's savings mobilization

The study found a significant relationship between gender and savings incentives which determined the amounts of savings mobilized. The results implied that financial institutions to meet their customer's expectations according to their genders. Also there found a significant relationship between number of family dependants which determined the amount of savings mobilized. There was also found to be a significant relationship between gender of MSE's owner managers and the amount of money they mobilized with their financial institutions which depended on saving and withdrawal charges incurred while transacting.

5.2.4 Hypothesis testing of saving incentives and savings mobilization

The null hypothesis was stated as follows;

H_{01}: *There is   no significant effect of savings incentive on savings mobilization among MSE's .*

To test this hypothesis the study conducted Pearson's chi squire test to find correlations in savings incentives parameters. A statistically significant correlations was found between the two variables savings incentives and savings mobilization, however when a multiple regression analysis was conducted there was not found a significant relationship between savings incentives and savings mobilization .The study failed to reject the null hypothesis and rejected the alternate hypothesis. The study therefore concluded that savings incentives does not affect MSEs savings mobilization.

5.2.5 To establish the influence of customer experience on saving mobilization among MSE's

In terms of influence of customer experience on savings mobilization, gender had a significant relationship on customer experience and that influenced how MSE's recommended someone to mobilize savings with their financial institution. The study results also indicated there was a significant relationship between religion of the MSE's owner mangers and customer experience. The number of family dependants had a significant relationship on customer experience and how MSE's always recommended someone to mobilize savings with their financial institutions.

5.2.6 Hypothesis testing of customer experience on savings mobilization

 The null hypothesis was stated as below;

H_{0I}: *There is no significant effect of customer experience on savings mobilization among MSE's .*

To test this hypothesis, it was important to test Pearson's chi squire which was found to have statistically significant correlations between customer experience and savings mobilization. Furthermore, a multiple regression analysis was conducted between the two variables and it was found that there was significant relationship between customer experience and savings mobilization. Based on the foregoing findings the study therefore rejected the null hypothesis and failed to reject the alternative hypothesis and concluded that customer experience influences MSEs savings mobilization.

5.2.7 To determine effect of technological innovations on savings mobilization among MSE's

The study results showed that gender had a significant relationship with technological innovations. It was also found that there was a significant relationship between level of education of MSE's owner managers and technological innovation which influenced their introduction of new product offerings to their customers. The study findings also

indicated that there was a significant relationship between the number of family dependants and saving mobilization using technological innovations which influenced their introduction of new product offerings to their customers.

5.2.8 Hypothesis testing-Technological innovations and savings mobilization

The null hypothesis was stated as follows;

H_{01}: *There is no significant effect of technological innovation on savings mobilization among MSE's.*

In order to test this research hypothesis, Pearson's chi squire test was first conducted to find correlations in technological innovations parameters. A statistically significant relationship between technological innovations and savings mobilization was found. It was also important that a multiple regression analysis was conducted between the two variables. The regression results found a significant relationship between technological innovation and savings mobilization. The study therefore concluded that a null hypothesis be rejected and fail to reject the alternative hypothesis and maintain that technological innovations affects savings mobilization among MSE's.

5.3 Conclusion based on findings

The following conclusions were made arising from the findings of this study. Financial literacy does influence savings mobilization among MSE's. Financial literacy trainings made MSE's confident to make savings decisions independently after acquiring knowledge and skills in preparing and adhering to savings plan, setting savings goals, financial budgeting and change of attitude on money management behaviors. The financial literate customers understood consumer disclosures, risks, rewards, legal rights and obligations. The financial institutions should therefore develop gender based financial literacy training manual and enhance the capacities of trainers to deliver financial literacy training using a gender perspective and to increase on gender dimension of work. Financial literacy should be provided before MSE's engage in financial contracts such as in schools to offer basic financial literacy to help

students/youths to navigate an increasingly complex financial environment as they grow. Customer experience influenced savings mobilization among MSE's. The financial institutions clients wanted to feel recognized and valued when seeking products and services. The MSE's expected high quality saving products and services meeting their unique needs, they also needed to receive feedback and updates on time from their financial institutions whenever they made enquiries at their respective financial institutions. The financial institutions customers should be given opportunity to make suggestions on new products which suited customer's tastes. Customers were satisfied when transactions went smoothly, when employees were respectful, and when questions were answered quickly due to their level of education and training. Technological innovation does affect savings mobilization among the MSE's. It influenced introduction of variety of new product and services offering to their customers which were effective, efficient and reliable satisfying their needs. Technological innovation from financial innovations made their financial products and services appealing/attractive and created royal clients thereby affecting their savings mobilization. The study also concluded that financial institutions to consistently innovate new technologies of delivering their products and services to their respective clients since technological innovations saved on time, convenience and improved on efficiency of enterprise operations. Savings incentive does not affect savings mobilization among MSE's, therefore financial institutions may not necessarily introduce savings incentives to entice customers to save with them but rather focus more on relationship enhancement to offer differentiated customer experiences to their respective clients. The study findings indicated that in some instances even when financial institutions provided savings incentives, their clients did not increase usage of their savings accounts.

5.4 Recommendations of the study

1. The study recommended that formal financial institutions to reach out to the informal financial service providers who were still controlling a large clientele of MSE's and facilitate a financial literacy training program without marketing their respective financial products and services to eliminate any suspicion amongst the

167

potential savings mobilizes through provision of adequate financial information to empower them make informed choices related to financial matters in general. The study recommended that the government should through its concerned ministry of finance in conjunction with all deposit taking and saving mobilization institutions regularly train their clients on basic financial literacy knowledge and skills on money management to influence their attitude on savings habits which will go a long way in improving performance of Kenya's economy and achievement of vision 2030.

2. The other recommendation from this study was that savings mobilizations institutions whether formal or informal should in collaboration with MSE's work on viable savings incentives which eventually benefited both of them because there were various savings incentives and when implemented outcomes were diverse. Therefore the expected beneficiary of the incentive should be involved in designing an incentive program for themselves without adversely affecting gains anticipated from both parties.

3. The study also recommended that for customer experience to affect savings mobilization, conscious efforts should be made by savings mobilization institutions to consider specific social economic conditions and major dominant economic activities in business environment of MSEs, to offer them effective and efficient products, services and facilities suiting their peculiarity without compromising on industry policies and procedures rather than using standardized products, services and facilities which may cause discomfort to certain economically active MSE's. The study further recommended that financial institutions to design products and services which took into consideration gender, level of education and the number of family dependants which influenced the decision to mobilize savings with financial institutions.

4. Again the study recommended that prior to the financial institutions introduction of technological innovations which was handled a wide range of clientele with diverse knowledge, skills and capabilities, they should create functional infrastructures to operate effectively and avoid any disappointment which arose when technology fails to deliver as promised, since MSE's were too cautious in trying new technologies

168

to access their treasures/finances and instead preferred to travel to financial institutions locations and transact from there.

5.5 Policy Recommendations

As a result of the importance attached to saving mobilization the following policy recommendations were made. To effectively improve on general and MSE's financial knowledge and attitude on savings mobilization, a policy on entrepreneurship and financial literacy to be incorporated in all curriculums at all learning centers whether private or public and at all stages of learning since transition to next levels of learning is not smooth due to various reasons. To significantly improve on savings mobilization among MSE's, the government should develop a policy to ensure that all savings mobilization institutions designed attractive savings incentives to be given to MSE's in the form of gifts, special savings interest rates, tax exemptions on purchase of government bonds among other well thought out financial and non financial incentives. To effectively improve on customer experience at financial institutions, the government to develop a policy on rating of financial institutions based on customer feedback on quality of products and services they received from thetheir respective financial institutions. The particular financial institution which receives the highest rating be given a tax relief of a certain percentage to increase competition amongst the financial institutions to offer the best customer experience to their clients and in the long run attract more savings from the general public and MSE's which is critical for economic growth of a country. Since the acquisition of technology based equipments and products may be expensive to the MSE's, in order to improve their productivity, the government should have a policy to finance MSE's to acquire the same either at reduced /subsidized rates or through installment payments to motivate them and also grow the economy at a faster rate.

5.6 Suggestions for Further Studies

This study was restricted to the entrepreneurial determinants influencing savings mobilization among MSEs but future research may consider adding personal characteristics of entrepreneurs such as networking, persuasion, risk taking, information seeking, and initiative and find their effect on savings mobilization among MSE's.

The study was more focused on only four independent variables but it was found that other factors needed to be considered in future research which may affect the observed findings since they were not captured in the model such as entrepreneurs income, age, purpose of finance, cost of finance and type of savings institution.

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APPENDICES

Appendix I: Self Introduction

Dear Respondent,

REF: REQUEST TO BE INTERVIEWED

The researcher is a Doctor of Philosophy in entrepreneurship candidate at Jomo Kenyatta University of Agriculture and Technology currently conducting research study.The questionnaire attached is designed to gather information ''On Entrepreneurial determinants influencing savings mobilization among MSEs in Trans Nzoia County''.

The information you will give is entirely for academic and learning purposes and will be treated with strict confidence.

Your co-operation will be highly appreciated.

Yours sincerely

FRED GICHANA ATANDI

0710-276503/0763-27650

Appendix II: Respondents   Questionnaires

<u>**Section A: Entrepreneurs Bio Data.   Tick (√) your response**</u>

1What's your gender? ☐   Male ☐   Female ☐

2. What's your level of education? Informal education ☐   Primary ☐

 Secondary   ☐   Diploma ☐   Degree ☐

3. What's your religion?

 Islam   ☐   Christian ☐   Other_____ ☐

4. What's your status in the enterprise? Owner Manager ☐   CEO ☐

5. What's the number family of dependants ?

          1-3   ☐   4-6 ☐   7-9 ☐

<u>**Section B: MSEs Bio Data**</u>

1 Where is your business located?   Urban ☐   Rural ☐

2Whats the nature of business that you do?

 Commerce/trade ☐   Service ☐ Manufacturing ☐

3. What's the current number of employees in your enterprise?

 1-10   ☐   11-50 ☐   51-100   ☐   Over 100 ☐

4. When did your enterprise start operations? _____ ☐

5.What's the nature of ownership of your enterprise?

Sole proprietorship ☐   Partnership ☐   Private Company ☐

Section C. Financial literacy

1) Have you attended any workshop/seminar in financial literacy training?
☐

   Yes ☐   No

2) If yes from 1A, which topics on financial literacy that were covered?

   Savings plan ☐   Savings goal ☐ Savings accounts features ☐
                                                                        ☐
   Other_____

3) How many financial literacy training sessions that you have attended?

   1-3 ☐   4-6 ☐   7-9 ☐

4). Using the scale below, please indicate your response to each of the   items   that follow by ticking(√) the number that best describes   your opinion.

1-Strongly agree, 2-Agree3-Neitheragreenordisagree,4-Disagree,5-Strongly disagree

Number	Financial Literacy(savings knowledge and usage) parameters	1	2	3	4	5
a	My financial institution frequently train me on all savings Products and services.					
b	I fully understand and use various savings products and services offered by my financial institution.					
c	Financial literacy training has changed my way of saving and money management behaviors.					
d	I always make my savings decisions independently.					
e	My savings trend is guided by a specific savings goal.					
f	Attending financial literacy training has influenced me to trust my financial institution.					
g	Financial literacy training has led to better budgeting for my money whenever I receive it.					
h	Adhering to my savings plan has led to achieving various savings goals.					

Section D. Savings incentives

1) Have you received any savings incentives from your financial institution?

Yes ☐   No ☐

2) Which savings incentive have you received from your financial institution?

Free access to savings account   ☐

Interest received on savings   ☐

Loans   ☐

Others_____

3)Using the scale below, please indicate your response to each of the items that follow by ticking(√) the number that best describes your opinion.

1-Strongly **agree,2-Agree3-Neitheragreenordisagree,4-Disagree,5-Strongly disagree**

Number	Savings incentives (financial incentives and amounts saved) parameters	1	2	3	4	5
i	I'm aware of all financial savings initiatives from my financial institution.					
ii	I fully understand the actual financial benefits realized when saving with various savings options.					
iii	The financial benefits expected from my savings option determines the amount of savings I mobilize.					
iv	I frequently receive financial benefits from my financial institution whenever they fall due.					
v	The financial savings incentives provided by my financial institution are more compared to competitors.					
vi	The financial savings incentives from my financial institution have been increasing over the years.					
vii	The amount of money I mobilize with my financial institutions depend on saving and withdrawal charges incurred when transacting.					
viii	I have always used the savings incentives received from my financial institution to grow my enterprise.					

Section E. Customer experience

1) Which service points do you usually visit at your financial institution?

Account opening ☐   Cashiers ☐   Inquiry ☐   Credit ☐   Others_____ ☐

2. For how days do you visit your financial institution per month?

1-6 ☐   7-12 ☐   13-19 ☐   21-26 ☐

190

3) Using the scale below, please indicate your response to each of the items that follow   by ticking (√) the number that best describes your opinion.

1-Strongly   agree,2-   Agree3-Neitheragreenordisagree,4-Disagree,5-Strongly disagree

Number	Customer service experience (people, processes, products and services) parameters	1	2	3	4	5
i	I'm recognized and valued by the staffs of my financial institution when seeking products and services from them.					
ii	The financial institution where I mobilize my savings has reliable and convenient channels of delivering products and services					
iii	The savings products and services offered by my financial institution are of high quality meeting my needs.					
iv	I always get my feedback on time from the financial institution where I mobilize my savings.					
v	I'm confident of the security of my savings with my financial institution.					
vi	My financial institution regularly update me on new savings products and services.					
vii	The customer service experience I receive from my financial institution to a greater extent influences my savings mobilization.					
viii	The staffs of my financial institution are knowledgeable about all financial savings products reducing referrals.					
ix	I can always recommend someone to mobilize savings with my financial institution due to satisfying customer experience.					
x	A good customer service experience received from my financial institution has led to my consuming of many savings products and services from the same financial institution.					

Section F. Technological innovation

1) How do you mobilize your savings in your financial institution?

Use of technological innovations ☐

Travelling to financial institution branch ☐

2 Which technological innovations do you use to mobilize your savings?

ATM ☐   Mobilebanking ☐   Agencybanking ☐   Internetbanking ☐
Other_____ ☐

3) How much does it cost you to mobilize your savings in a financial institution using the technological innovations? Ksh 10-☐   101-2☐   201-3☐   Over 3☐

4) If you save by travelling to your financial institution, how many kilometer do you cover?

   Less 1 ☐   2-5 ☐   5-8 ☐   Over 10 ☐

5) How much is your transport cost to the financial institution for savings mobilization in Kenya shillings? Ksh 10 -50 ☐ 51-100 ☐ 101-150 ☐ 151-200 ☐

            Over 201 ☐

6)Using the scale below, please indicate your response to each of the items that follow by ticking(√) the number that best describes your opinion.

1-Stronglyagree,2-Agree3-Neitheragree nor disagree,4-Disagree,5-Strongly disagree

Number	Technological innovation(new product offering, use of differentiated technologies and new opportunities for customers) parameters	1	2	3	4	5
a	Savings mobilization using technological innovations from my financial institution has influenced my introduction of new product offerings to my customers.					
b	I frequently use technological innovations for savings Mobilization at my financial institution.					
c	Savings technological innovations from my financial institution is faster, reliable and convenient compared that of competitors.					
d	My savings mobilization has improved since I embraced the use of technological innovations to save.					
e	My financial institutions savings mobilization using technological innovations has drastically reduced my savings mobilization costs					
f	Using technological innovations to mobilize my savings has led to entrepreneurial growth of my enterprise.					
g	Technological innovations from my financial institutions has made their products and services become more appealing and superior to that of competitors.					
h	Technological innovations of my financial institution has made you a royal customer to the institution.					

Section G. Savings Mobilization

1.) Where do you mobilize your savings?

Banks ☐ SACCO ☐ SHGs ☐ Purchase assets ☐

In kind ☐ Within homestead ☐ Other _____ ☐

2) How do you spend your mobilized savings?

Start business ☐ Working capital ☐ Consumption ☐

Meet Emergencies ☐ Assist the needy ☐ Buy assets ☐

Other_____ ☐

Thanks for your contribution

Appendix III: Map of Trans Nzoia County

Appendix IV: Mse's Trading in Trans Nzoia County.

1.Fish traders

Trans Nzoia county

2. Second hand clothes traders

Trans Nzoia county
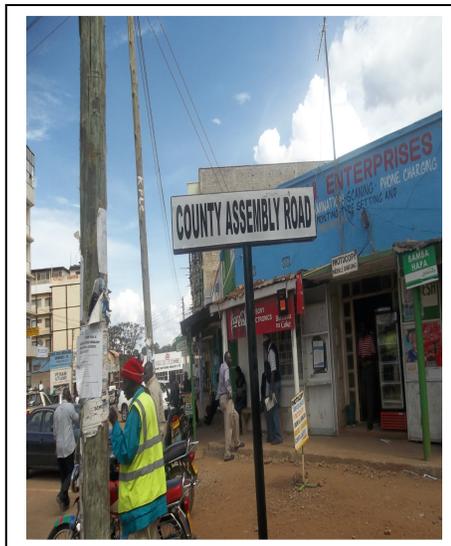
3. Retail shop traders

Trans Nzoia county
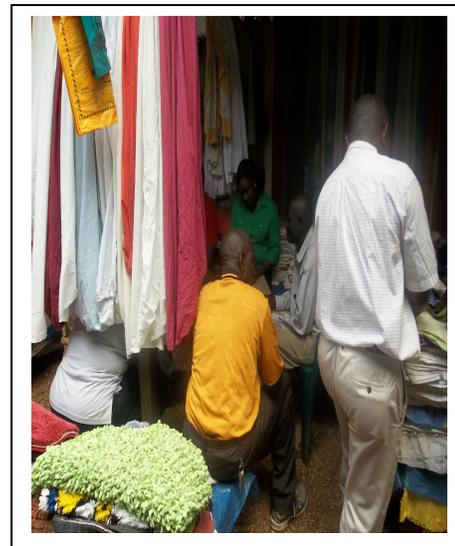
4. Comforter dealers

Trans Nzoia county

Appendix   V: Trans-Nzoia County KNCCI MSE'S 2015

LOCATION		NUMBER
1. Municipal market Kukuline	-	61
2. Kitale Hoteliers	-	47
3. Canter transporters	-	17
4. Kitale coffin makers	-	32
5. Tuskys street traders	-	50
6. Transmatt fruits vendors	-	15
7. Kago street traders	-	29
8. Kenyatta street hardware traders	-	19
9. Airtel line radios traders	-	21
10. Kanyatta street traders	-	37
11. Kitale town hawkers	-	60
12. Railway Matunda Bus traders	-	23
13. Kitale Tax services	-	55
14. Lions traders	-	104
15. Kitale carpenters	-	340
16. TransNzoia county main markets traders	-	410
17. Post office traders	-	58
18. Nyayo market Traders	-	154
19. New bus park kiosk owners	-	109
20. Drums market traders	-	24
21. BP traders	-	46
22. Chanuka market vegetable traders	-	142
23. Kitale motorbike riders	-	221
24. Kisumu fish mongers traders	-	46
25. Maize and beans market	-	86
Total		**2,216**

Appendix VI: Factor Analysis for Financial Literacy

	Total Variance Explained					
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	7.142	89.274	89.274	7.142	89.274	89.274
2	0.292	3.648	92.921			
3	0.179	2.232	95.153			
4	0.127	1.582	96.735			
5	0.111	1.391	98.126			
6	0.067	0.838	98.964			
7	0.053	0.664	99.628			
8	0.03	0.372	100			

Extraction Method: Principal Component Analysis.

Appendix VII: Factor Analysis for Customer Experience

Compone nt	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Varia nce	Cumulati ve %	Tota l	% of Varian ce	Cumulati ve %	Tota l	% of Varian ce	Cumulati ve %
1	8.242	63.39 7	63.397	8.24 2	63.397	63.397	8.23 8	63.370	63.370
2	1.427	10.97 9	74.376	1.42 7	10.979	74.376	1.43 1	11.007	74.376
3	.995	7.655	82.031						
4	.605	4.650	86.681						
5	.412	3.166	89.847						
6	.296	2.275	92.122						
7	.254	1.956	94.078						
8	.230	1.768	95.847						
9	.185	1.426	97.272						
10	.154	1.186	98.458						
11	.114	.878	99.336						
12	.049	.377	99.712						
13	.037	.288	100.000						

Extraction Method: Principal Component Analysis.

Appendix VIII: Factor Analysis for Technological Nnovation

Compone nt	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Varian ce	Cumulati ve %	T ot al	% of Varian ce	Cumulati ve %	Total	% of Varianc e	Cumulat ive %
1	3.725	46.561	46.561	3. 72 5	46.561	46.561	3.705	46.318	46.318
2	1.362	17.020	63.580	1. 36 2	17.020	63.580	1.381	17.262	63.580
3	.948	11.845	75.425						
4	.685	8.556	83.982						
5	.388	4.856	88.837						
6	.343	4.284	93.122						
7	.286	3.580	96.702						
8	.264	3.298	100.000						

Total Variance Explained (table header)

Extraction Method: Principal Component Analysis.

Appendix IX: Factor Analysis for Savings Mobilization

Total Variance Explained						
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	6.260	78.253	78.253	6.260	78.253	78.253
2	.417	5.207	83.460			
3	.302	3.778	87.238			
4	.286	3.575	90.812			
5	.223	2.784	93.597			
6	.186	2.319	95.916			
7	.180	2.247	98.163			
8	.147	1.837	100.000			
Extraction Method: Principal Component Analysis.						

Appendix X: Correlations

OBJECTIVE 1: FINANCIAL LITERACY				
Crosstab				
Count				
		What is you gender		Total
		Male	Female	
Financial literacy training has led to better budgeting for my money	Disagree	1	0	1
	undecided	24	3	27
	Agree	123	65	188
	Strongly agree	74	22	96
Total		222	90	312
Chi-Square Tests				
	Value	Df	Asymp. Sig. (2-sided)	
Pearson Chi-Square	9.193[a]	3	0.027	
Likelihood Ratio	10.261	3	0.016	
Linear-by-Linear	0.005	1	0.946	
N of Valid Cases	312			
a. 2 cells (25.0%) have expected count less than 5. The minimum expected				
Objective 2: CUSTOMER EXPERIENCE				
Crosstab				
Count				
		What is you gender		Total
		Male	Female	
The customer service experience I receive from my financial institution	Disagree	1	0	1
	undecided	23	3	26
	Agree	123	64	187
	Strongly agree	75	23	98
Total		222	90	312
Chi-Square Tests				
	Value	Df	Asymp. Sig. (2-sided)	
Pearson Chi-Square	8.216[a]	3	0.042	
Likelihood Ratio	9.185	3	0.027	
Linear-by-Linear Association	0.002	1	0.968	
N of Valid Cases	312			
a. 2 cells (25.0%) have expected count less than 5. The minimum expected count is .29.				
Crosstab				
Count				
		What is you gender		Total
		Male	Female	

I can always recommend someone to mobilize savings with my financial institution due to satisfying customer experience.	Strongly disagree	51	20	71
	Disagree	42	16	58
	undecided	29	36	65
	Agree	98	18	116
	Strongly agree	2	0	2
Total		222	90	312

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	33.216[a]	4	0.000
Likelihood Ratio	32.65	4	0.000
Linear-by-Linear Association	2.428	1	0.119
N of Valid Cases	312		

a. 2 cells (20.0%) have expected count less than 5. The minimum expected count is .58.

Crosstab

Count

		What's your level of education?					Total
		Informal	Primary	Secondary	Diploma	Degree	
I can always recommend someone to mobilize savings with	Strongly	12	35	14	0	10	71
	Disagree	33	19	6	0	0	58
	undecided	25	19	21	0	0	65
	Agree	32	52	4	14	14	116
	Strongly	2	0	0	0	0	2
Total		104	125	45	14	24	312

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	91.756[a]	16	0.000
Likelihood Ratio	104.6	16	0.000
Linear-by-Linear Association	0.223	1	0.637
N of Valid Cases	312		

a. 9 cells (36.0%) have expected count less than 5. The minimum expected count is .09.

Crosstab

Count

		What's your religion?			Total
		Islam	Christian	others	
I can always recommend someone to mobilize savings with my financial institution due to satisfying customer experience.	Strongly	28	39	4	71
	Disagree	25	31	2	58
	undecided	40	21	4	65
	Agree	41	70	5	116
	Strongly	0	2	0	2
Total		134	163	15	312

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	
Pearson Chi-Square	15.969[a]	8		0.043
Likelihood Ratio	16.936	8		0.031
Linear-by-Linear Association	0.136	1		0.713
N of Valid Cases	312			
a. 6 cells (40.0%) have expected count less than 5. The minimum				

Crosstab

Count

		What is the number of dependants in your family?			Total
		1-3	4-6	7-9	
I can always recommend someone to mobilize savings with my financial institution due to satisfying customer experience.	Strongly	16	51	4	71
	Disagree	47	9	2	58
	undecided	27	30	8	65
	Agree	55	39	22	116
	Strongly	2	0	0	2
Total		147	129	36	312

Chi-Square Tests

	Value	Df	Asymp.
Pearson Chi-Square	64.313[a]	8	0.000
Likelihood Ratio	65.771	8	0.000
Linear-by-Linear Association	0.061	1	0.805
N of Valid Cases	312		
a. 3 cells (20.0%) have expected count less than 5. The minimum expected count is .23.			

Crosstab							
Count							
		What's your level of education?					Total
		Informal	Primary	Secondary	Diploma	Degree	
A good customer services experience received	Strongly	23	32	6	0	14	75
	Disagree	24	25	10	0	2	61
	undecided	14	16	7	0	0	37
	Agree	41	50	22	14	8	135
	Strongly	2	2	0	0	0	4
Total		104	125	45	14	24	312
Chi-Square Tests							
	Value	df	Asymp. Sig. (2-sided)				
Pearson Chi-	41.453[a]	16	0.000				
Likelihood	47.649	16	0.000				
Linear-by-	0.025	1	0.875				
N of Valid	312						
a. 10 cells (40.0%) have expected count less than 5. The minimum expected count is .18.							

Crosstab					
Count					
		Whats your religion?			Total
		Islam	Christian	others	
A good customer services experience received from my financial institution has led to my consuming of many saving products and services from the same financial institution	Strongly	38	33	4	75
	Disagree	26	35	0	61
	undecided	15	16	6	37
	Agree	55	75	5	135
	Strongly	0	4	0	4
Total		134	163	15	312

Chi-Square Tests			
	Value	Df	Asymp. Sig. (2
Pearson Chi-Square	20.376[a]	8	0.009
Likelihood Ratio	21.028	8	0.007
Linear-by-Linear Association	1.97	1	0.16
N of Valid Cases	312		
a. 6 cells (40.0%) have expected count less than 5. The minimum expected count is .19.			

Crosstab					
Count					
		What is the number of dependants in your family?			Total
		1-3	4-6	7-	
A good customer services experience received from my financial institution has led to my consuming of many saving products and services from the same financial institution	Strongly	18	47	10	75
	Disagree	41	10	10	61
	undecided	20	17	0	37
	Agree	64	55	16	135
	Strongly	4	0	0	4
Total		147	129	36	312

Chi-Square Tests			
	Value	Df	Asymp. Sig. (2
Pearson Chi-Square	41.975[a]	8	0.000
Likelihood Ratio	50.48	8	0.000
Linear-by-Linear Association	4.802	1	0.028
N of Valid Cases	312		
a. 4 cells (26.7%) have expected count less than 5. The minimum expected count is .46.			

Objective 3: TECHNOLOGICAL INNOVATION				
Crosstab				
Count				
		What is you gender		Total
		Male	Female	
Saving mobilization using technological innovations from my financial institution has influenced my introduction of new product offerings to my customers	Strongly	59	29	88
	Disagree	55	8	63
	undecided	31	15	46
	Agree	63	36	99
	Strongly	14	2	16
Total		222	90	312
Chi-Square Tests				
	Value	Df	Asymp. Sig. (2-sided)	
Pearson Chi-Square	13.853[a]	4		0.008
Likelihood Ratio	15.435	4		0.004
Linear-by-Linear Association	0.239	1		0.625
N of Valid Cases	312			
a. 1 cells (10.0%) have expected count less than 5. The minimum expected count				

Crosstab							
Count							
		What's your level of education?					Total
		Informal	Primary	Secondary	Diploma	Degree	
Saving mobilization using technological innovations	Strongly	22	48	14	0	4	88
	Disagree	32	27	2	0	2	63
	undecided	11	14	15	0	6	46
	Agree	33	32	8	14	12	99
	Strongly	6	4	6	0	0	16
Total		104	125	45	14	24	312
Chi-Square Tests							
	Value	Df	Asymp. Sig. (2-sided)				
Pearson Chi-	80.355[a]	16	0.000				
Likelihood	81.459	16	0.000				
Linear-by-	6.627	1	0.010				
N of Valid	312						
a. 9 cells (36.0%) have expected count less than 5. The minimum expected count is .72.							

Crosstab					
Count					
		What is the number of dependants in your family?			Total
		1-3	4-6	7-	
Saving mobilization using technological innovations from my financial institution has influenced my introduction of new product offerings to my customers	Strongly	34	40	14	88
	Disagree	44	15	4	63
	undecided	16	28	2	46
	Agree	43	46	10	99
	Strongly	10	0	6	16
Total		147	129	36	312

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-
Pearson Chi-Square	41.863[a]	8	0.000
Likelihood Ratio	45.303	8	0.000
Linear-by-Linear Association	0.001	1	0.971
N of Valid Cases	312		
a. 1 cells (6.7%) have expected count less than 5. The minimum expected count is 1.85.			

Crosstab

Count

		What is you gender		Total
		Male	Female	
Savings technological innovations from my financial institutions is faster, reliable and convenient compared that of competitors	Disagree	1	0	1
	undecided	25	3	28
	Agree	118	65	183
	Strongly	78	22	100
Total		222	90	312

Chi-Square Tests

	Value	Df	Asymp.	
Pearson Chi-Square	11.144[a]	3	0.011	
Likelihood Ratio	12.31	3	0.006	
Linear-by-Linear Association	0.059	1	0.808	
N of Valid Cases	312			
a. 2 cells (25.0%) have expected count less than 5. The minimum expected count				

Crosstab

Count

		What is the number of dependants in your family?			Total
		1-3	4-6	7-	
Using technological innovations to mobilize my saving has led to entrepreneurial growth of my enterprise	Disagree	0	1	0	1
	undecided	15	10	8	33
	Agree	96	67	19	182
	Strongly	36	51	9	96
Total		147	129	36	312

Chi-Square Tests			
	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	14.842[a]	6	0.022
Likelihood Ratio	14.065	6	0.029
Linear-by-Linear Association	0.052	1	0.82
N of Valid Cases	312		
a. 4 cells (33.3%) have expected count less than 5. The minimum expected			

Crosstab					
Count					
		What is the number of dependents in your family?			Total
		1-3	4-6	7-9	
Technological innovations from my financial institutions has made their products and services become	undecided	19	8	9	36
	Agree	90	69	17	176
	Strongly	38	52	10	100
Total		147	129	36	312

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	15.135[a]	4	0.004
Likelihood Ratio	14.293	4	0.006
Linear-by-Linear Association	0.401	1	0.526
N of Valid Cases	312		
a. 1 cells (11.1%) have expected count less than 5. The minimum			

Objective 4: SAVINGS INCENTIVES

Crosstab				
Count				
		What is you gender		Total
		Male	Female	
The financial benefits expected from my saving option determines the amount of savings I mobilize	Disagree	1	0	1
	undecided	29	4	33
	Agree	120	62	182
	Strongly	72	24	96
Total		222	90	312

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	8.011[a]	3	0.046
Likelihood Ratio	9.039	3	0.029
Linear-by-Linear Association	0.232	1	0.63

N of Valid Cases	312				
a. 2 cells (25.0%) have expected count less than 5. The minimum					

Crosstab

Count

		What is the number of dependants in your family?			Total
		1-3	4-6	7-9	
The financial benefits expected from my saving option determines the amount of savings I mobilize	Disagree	0	1	0	1
	undecided	15	10	8	33
	Agree	95	68	19	182
	Strongly	37	50	9	96
Total		147	129	36	312

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	13.478[a]	6	0.036
Likelihood Ratio	12.722	6	0.048
Linear-by-Linear Association	0.009	1	0.925
N of Valid Cases	312		

a. 4 cells (33.3%) have expected count less than 5. The minimum expected count is .12.

Crosstab

Count

		What is the number of dependants in your family?			Total
		1-3	4-6	7-9	
I frequently receive financial benefits from my financial institution whenever they fall due	Disagree	0	1	0	1
	undecided	18	8	9	35
	Agree	90	70	18	178
	Strongly	39	50	9	98
Total		147	129	36	312

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	15.288[a]	6	0.018
Likelihood Ratio	14.552	6	0.024
Linear-by-Linear Association	0.009	1	0.926
N of Valid Cases	312		

a. 4 cells (33.3%) have expected count less than 5. The minimum

Crosstab

Count

		What is you gender		Total	
		Male	Female		
The amount of money i mobilize with my financial institutions depend on saving and withdrawal charges incurred when transacting	Disagree	1	0	1	
	undecided	24	3	27	
	Agree	119	64	183	
	Strongly	78	23	101	

Total	222	90	312	
Chi-Square Tests				
	Value	df	Asymp. Sig. (2-sided)	
Pearson Chi-Square	9.705^a	3		0.021
Likelihood Ratio	10.764	3		0.013
Linear-by-Linear Association	0.025	1		0.875
N of Valid Cases	312			
a. 2 cells (25.0%) have expected count less than 5. The minimum				

Appendix XI: Reseach Permit

THIS IS TO CERTIFY THAT:
MR. FRED GICHANA ATANDI
of JOMO KENYATTA UNIVERSITY OF
AGRICULTURE AND TECHNOLOGY,
1609-30200 kitale,has been permitted
to conduct research in *Transnzoia*
County

on the topic: *ENTREPRENEURIAL*
DETERMINANTS INFLUENCING SAVINGS
MOBILIZATION AMONG MICRO AND
SMALL ENTERPRISES IN TRANS NZOIA
COUNTY.

for the period ending:
11th December,2016

Permit No : NACOSTI/P/15/45535/8417
Date Of Issue : 14th December,2015
Fee Recieved :Ksh 2,000

Applicant's
Signature

Director General
National Commission for Science,
Technology & Innovation

212