

**IMPACT OF M-PESA ON GROWTH OF MICRO AND SMALL
BUSINESS ENTERPRISES IN RIVER ROAD NAIROBI KENYA**

- 112044

EMMANUEL AKENDO

JKUAT LIBRARY



112044

**A research project submitted to the Nairobi Central District Campus
in partial fulfillment of the requirement for the award of the degree
of masters of Business Administration, Jomo Kenyatta University of
Agriculture and Technology**

APRIL 2012

ABSTRACT

Mobile money transfer M-pesa was originally designed for individual to individual money transfer but in has found application in business, majority of SMEs use the service in their day to day business operation to receive payments from customer, pay suppliers and to pay employees wages. This study was aimed at exploring the use of mobile money transfer (M-pesa) among micro and small business enterprises in Nairobi Kenya and its impact on the growth of these businesses. The study included other factors to help us predict the growth of micro and small business enterprises. These factors included convenience of the money transfer technology (M-pesa), accessibility, cost and security factors related to behavioral intention to use and actual usage of the mobile payment services by the micro businesses to enhance their growth.

An explanatory study of Mobile money transfer (M-pesa) to determine its impact on micro and small business enterprises was conducted. The targeted population of the study was 1060 Micro and small business enterprise in River road Nairobi. The respondents were owners of micro and small business enterprises located in River road and they were interviewed through administering of Questionnaires. River road was purposively chosen because it is a hub of several business activities in Nairobi, therefore purposive and stratified random sampling was used because MSEs are not homogenous group of businesses. Majority of SMEs grew due to convenience, transaction charges and accessibility of M-pesa services with a mean of 3.07, 3.14 and 3.20 respectively those resulted to moderate growth of SMEs, however perceived security of M-pesa services resulted to little extent of growth of SMEs with a mean of 2.60.55% of respondent use it because it's convenient, 26% due to its accessibility, 15% due to perceived security and 4% Due to transaction charges.