

**EFFECTS OF MOBILE MONEY TRANSACTIONS ON THE
FINANCIAL PERFORMANCE OF SMALL AND MEDIUM
ENTERPRISES (SMES) IN THE GREATER ACCRA REGION OF
GHANA**

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ABSTRACT

The aim of this study was to determine effects of mobile money transactions on financial performance of Small and Medium-Scale Enterprises in the Greater Accra Region of Ghana. The objectives of the study were to determine the frequency by which SMEs use mobile money transaction to carry out their financial transactions; and the effects of mobile money transaction on SMEs sales revenues, debt collection, and cash management. The study employed descriptive survey research design. A total of 78 purposively selected business representatives were sampled from a population of 223 businesses identified in the study locality. These 78 individuals were the ones responsible for the mobile money transaction platforms for their respective business. Questionnaires were developed and used as data collection instruments. The results were presented and analysed using charts, frequency tables, percentages and graphs. The findings of the study revealed that there is a general acceptance of mobile money transactions among the SMEs hence the high usage of the platform. The study also found that SMEs after adopting the use of mobile money transaction performed better in their financial transactions than they used to prior to the adoption of the mobile money platforms. Sadly, the study observed that network issues, limited acceptance by some suppliers/customers, security concerns about wrong transfers and lack of understanding of how mobile money platform works remain major challenges facing mobile money transaction among SMEs in Ghana. The study, however, showed that the usage of MMT had no statistically significant effect on sales revenue, debt collection and cash management of the SMEs. On the basis of these findings the study recommends that SMEs should monitor the usage of mobile money transactions in order to realize its full benefits on the financial performance of their businesses. Since most of SMEs use mobile money to carry out their financial transactions, the government should come up with a legislation that protects the usage of mobile money platforms and make it an acceptable way of their financial transactions

Keywords: Mobile Money Transactions, SMEs, Financial Performance

1.0 INTRODUCTION

1.1 Background of the Study

While the importance of the SME sector and the informal sector is acknowledged internationally, defining an SME is a challenging task, as every country has its own definition. There is no single, uniformly accepted definition of a small firm (Storey, 1994). Firms differ

in their levels of capitalisation, sales and employment. Hence, definitions which employ measures of size (e.g. number of employees, turnover, profitability and net worth) when applied to one sector might lead to all firms being classified as small, while the same size definition when applied to a different sector might lead to a different result. SMEs are defined as businesses with under 250 employees, contributing to societal advancement (European Commission, 2003). SME definitions can be broadly categorised into two, “economic” and “statistical” definitions. Under the economic definition, a firm is regarded as small if it meets the following three criteria: (1) it has a relatively small share of their market place; (2) it is managed by owners, or part owners, in a personalised way and not through the medium of a formalised management structure; and (3) it is independent in that it is not part of a larger enterprise. The “statistical” definition, on the other hand, is used in three main areas: (1) quantifying the size of the small firm sector and its contribution to GDP, employment and exports; (2) comparing the extent to which the small firm sector’s economic contribution has changed over time; and (3) in a cross-country comparison of the small firms’ economic contribution. These definitions, however, have a number of weaknesses. For example, the economic definition, which states that a small business is managed by its owners or part owners in a personalised way and not through the medium of a formal management structure, is incompatible with its statistical definition of a small manufacturing firm which might have up to 200 employees.

Small and Medium-Scale Enterprises (SMEs) are crucial to developing countries' economies, driving employment, investment, innovation, and economic growth (Jha & Kumar, 2020). They face obstacles in accessing funding and operating in competitive markets (Disse & Sommer, 2020). They create jobs, foster entrepreneurship, and boost competition, ultimately improving living standards (Oduro, 2019; Jin and Choi, 2019). In Sub-Saharan Africa, cash is key for transactions, but SMEs face cash flow challenges due to payment delays (Lennart and Björn, 2010). Many people lack access to financial services, with 9 in 10 unbanked in developing countries (Wambari, 2009). Traditional financing sources like bank loans aren't sufficient for SMEs (Wang & Yang, 2016). A connected financial system is vital for SME survival and growth. Mobile phone growth has brought innovations, especially in financial services previously limited by infrastructure and costs. Mobile money can help SMEs overcome financial challenges.

Mobile money, or branchless banking, uses mobile networks to offer financial services (Yu and Ibtasam, 2018). It allows users to deposit, transfer, and withdraw funds without a bank account. In Ghana, mobile money adoption is widespread due to high mobile phone penetration. Services include buying airtime, receiving money, and making purchases (Boadu & Birago, 2013). Mobile money is accessed via USSD, SMS, or mobile apps on basic phones (Yu and Ibtasam, 2018). Adoption is driven by convenience and cost-effectiveness, reaching unbanked adults, including women, the underprivileged, and rural populations (Demirguc-Kunt et al., 2015). In Sub-Saharan Africa, mobile phones have expanded financial services beyond bank branches. Early deployments started in the mid-2000s in Philippines, Kenya, and Tanzania, spreading quickly across developing countries.

Ghana's financial system stability depends on a well-functioning payment system (Bank of Ghana, 2017). The Bank of Ghana authorized mobile financial services licenses to promote financial inclusion (BoG, 2017). Around 90% of people in developing countries lack access to

financial services (Hinson, 2010), but Africa has high mobile phone penetration, with 90% of phone lines being mobile lines (GSMA, 2018). M-PESA, a mobile banking service, was introduced in Ghana by MTN in 2009 (Zaney, 2015). There are four mobile money players in Ghana: AT Money, Telecel Cash, Ghanapay, and MTN Mobile Money (MTN Ghana, 2016). Over 100,000 mobile money merchant points were established by the telecom companies between 2010-2017, supporting the growth of mobile money services (Bank of Ghana, 2016). Mobile money is a crucial payment means for the underserved and unbanked in Ghana. Over 80% of rural adults have a mobile money account but no bank account (PricewaterhouseCoopers, 2011). SMEs can benefit from mobile money by reducing expenses and saving time with electronic payments. It also improves working capital management and transaction record-keeping (Higgins et al., 2012). Adopt mobile money to enhance competitiveness and growth (Gareeb and Naicker, 2015).

However, challenges exist, including literacy and security concerns. Many SMEs lack knowledge on modern technological tools for effective financial management. With the rise of technology, adopting digital tools like mobile money is increasingly important for SMEs to stay competitive. Mobile money services include m-transfers (person-to-person transfers), m-payments (exchange of money with goods/services), and m-financial services (Jenkins, 2008).

In many developing nations, digital payment systems are regarded as the most recent. The digital payment system offers a number of benefits, including transparent transactions, cost savings, quicker payouts, less time spent, improved tracking, higher trust, convenience of use, and expenditure control (Fatonah, Yulandari, & Wibowo, 2018). Mobile money services, or "m-financial services," allow users to do a wide range of transactions that they would normally only be able to do at a bank branch. These services can be linked to a bank account. Using their mobile phones, customers can access financial services such as microfinance and insurance (Jenkins, 2008).

1.2 Problem statement

The shift in the payment pattern from paper-based to digital payment systems is due to the fact that the traditional (paper-based) form of payment system is facing an increasing number of problems. The purpose of the current study is to investigate how using mobile money has directly improved the way small and medium-sized enterprises (SMEs) in Ghana conduct business. This study, therefore, was to determine the effects of mobile money transactions on financial performance of Small and Medium-Scale Enterprises in the Greater Accra Region of Ghana.

1.3 Objectives of the study

The following are the specific objectives that guided the conduct of the study:

- i. to determine the frequency of usage of mobile money platforms by the small and medium scale enterprises
- ii. to identify the benefits associated with adopting mobile money electronic payments in the day-to-day running of SMEs.
- iii. to identify the risks and potential barriers associated with adopting mobile money as the means of payment by SMEs.

1.4 Research questions

The study sought to answer the specific objectives through the following research questions:

- i. How frequent do small and medium scale enterprises utilise mobile money platforms in their business transactions?
- ii. What are the benefits associated with adopting mobile money electronic payments in the day-to-day running of SMEs?
- iii. What are the risks and potential barriers associated with adopting mobile money as a means of payment by SMEs?

1.5 Scope of the study

This study was done in the Greater Accra Region of Ghana between March and September 2024 involving SMEs in Boutiques, Saloons, Electronics, Hardware and Others related products.

1.6 Significance of this study

Significance of this study lies in its potential to provide valuable insights and strategies for small and medium scale enterprises (SMEs) operating in the digital realm. As SMEs play a crucial role in the global economy, it is essential to develop effective risk management strategies tailored to their needs. Finally, the findings of this project will contribute to the growth and sustainability of SMEs by enabling them to make informed decisions and adopt mobile money payment system for effective financial management.

2.0 LITERATURE REVIEW

International studies on mobile money have focused on its effects in developing nations, finding that financial inclusion and poverty reduction are correlated with mobile money access to financial services (Must & Ludewig, 2010). A number of these studies show that mobile money has proven to be a scalable means of delivering financial services in developing countries. Data from various African nations, including Must and Ludewig's (2010) work, supports this claim. This situation has arisen for a number of reasons, such as more accessible and economical means of sending remittances, expanding the availability and affordability of microloans, and lowering the cost of savings, among other services that SMEs need.

GSMA (2013) defines mobile money as a transformational service that uses ICT and non-bank retail channels to extend the delivery of financial services to clients who cannot easily be reached profitably with traditional branch-based financial services. Electronic wallets used for peer-to-peer (P2P) transfers, salary transfers, and government-to-person payments (G2P) are a few examples of mobile money services. The year 2009 saw the introduction of mobile money in Ghana by MTN in association with sixteen banks (Zaney, 2015, as cited in Sosu, 2017). This came nine years after Zain, the company that is now Airtel, tried to introduce a product under the Zain Zap brand as early as 2000. Since 2009, when MTN launched the service, mobile money usage in Ghana has increased significantly. It is now commonly used for a variety of purposes, including payments, money transfers, buying airtime, and, more recently, savings and investing. Joe Jackson stressed in an interview with Business & Financial Times that

mobile money has grown to be a significant component of Ghana's economy and that it needs to be accepted.

In contrast, Ackah (2016) found that, based on the data available, the use of mobile money services had no appreciable impact on the growth of small and medium scale enterprises (SMEs) in the Tarkwa Nsuaem Municipality of Ghana. This study was carried out a year later. This was mainly because the local mobile money technology was not well-known or used to its full potential. Amos-Abanyie (2019) carried out research in Tema, a different Ghanaian municipality. He came to the conclusion that the expansion of small and medium-sized businesses in that area was facilitated by mobile money. According to his data, mobile money has resulted in notable transformations for businesses, including the shift from a "single person run business to multiple employees and

Mobile money still impacts on individuals and SMEs in various ways. Mobile money significantly impacts on the ability of SMEs to spread risks as a result of reduced transaction costs compared to SMEs without mobile money who are likely to suffer a drop in consumption when hit by a negative income shock (Jack and Suri, 2011). Kirui and Onyuma (2015) found that the use of mobile money transactions contributed significantly to sales turnover. This was likely because mobile money is flexible, time- and money-efficient. According to Mbogo (2010, as referenced in Kirui and Onyuma, 2015), cost, accessibility, customer convenience, and security are some of the reasons why mobile money has a positive effect on microbusinesses.

One tool that can be used for economic development is the mobile phone. The impact of mobile money systems on microeconomic and macroeconomic outcomes is a rich field of research, but they can enhance consumer and producer welfare as well as greater economic development in developing nations (Jenny and Isaac, 2010). Through the use of regression analysis, Chale & Mbamba (2014) investigated variables related to business growth, including sales transactions, stock purchase efficiency, payment receipts, payment for goods and services, savings, and money transfers. They concluded that the use of mobile money promoted business growth among SMEs.

Higgins et al. (2012) surveyed 865 SME owners and found that small businesses heavily use mobile money in areas where it's accessible, yet this usage isn't extensively documented or studied. The research showed that SME owners are not just adopting mobile money but also driving a high volume of transactions, whether it's for paying bills, salaries, or suppliers. Out of 865 respondents, a whopping 99.5% used mobile money for personal or business purposes, with 67% specifically for business. This suggests that SMEs are more frequent users of mobile money than the average consumer, with 80% using it weekly compared to the national average of about twice a month. Wambari (2009) carried out a case study in Kenya to assess the influence of mobile banking on SMEs in developing nations. Through a semi-structured questionnaire, data was collected from 20 SMEs. The findings suggested that mobile banking positively influenced SMEs' financial transactions. Additionally, it was found that embracing mobile banking helped SMEs boost their sales, which in turn enhanced their financial outcomes.

According to Higgins et al. (2012), mobile money usage patterns of Kenyan SMEs revealed that SMEs often have the need to make and receive frequent payments, sometimes in large amounts or over long distances. By adopting electronic payment methods, SMEs can reduce costs and save time, providing a cheaper and more convenient way to conduct transactions. Additionally, managing working capital efficiently is crucial for SMEs, which involves accelerating the cash-to-inventory-to-receivables cycle, replacing cash with electronic value. The study also highlighted the importance of transaction records for SMEs, as they may not keep formal records but deal with numerous customers and suppliers. Therefore, they frequently depend on keeping track of their accounts, transactions, and outstanding payments in their memory.

Omwansa (2009) noted that the introduction of the electronic transaction bill in 2007 marked a significant advancement for e-commerce, as it recognized electronic transactions and signatures. However, the failure to implement the Kenya information and communication bill of 2007, which would ensure accuracy and incorporate ICT to build trust in electronic transactions, especially mobile ones, left mobile money transfers without formal business recognition. Had it been enacted, it could have strengthened the legitimacy and security of mobile phone money transfer services as an accepted method for conducting business. Despite the rapid increase in mobile phone usage in East Africa, research on the impact of mobile phones on micro-enterprises in the region has been scant, with only one study in the past five years (Donner, 2007). Earlier, Donner (2005) found that mobile phones significantly affected micro businesses in Rwanda by helping owners grow their businesses and social networks. Similarly, Arunga and Kahora (2007) observed that in Kenya, individual entrepreneurs and small companies greatly profited from the mobile phone revolution, which enabled them to save money and access new customers and services. However, their research didn't measure how mobile phone financial transactions have influenced the financial success of SMEs or what these benefits actually mean for the businesses. This aligns with what Mbogo (2007) found in her study on the impact of mobile payments on micro-businesses in Kenya. She discovered that many micro-business operators don't have bank accounts, and those who do find them inconvenient to use. They often have to leave their businesses unattended to conduct transactions at a bank. Mbogo surveyed 409 micro-business entrepreneurs in Nairobi and found that the convenience, accessibility, cost-effectiveness, and security of mobile payment technology positively influenced the intentions and actual usage of mobile payment services. These factors contributed to the success and growth of micro-businesses.

According to Subrahmanya et al. (2011), when it comes to the impact of technology on SMEs in Malaysia, SMEs that embrace technological innovation tend to experience higher growth in terms of sales turnover, investment, and job creation compared to those that lack creativity in this area. Their study specifically focused on the manufacturing industry in Malaysia and found a positive correlation between the application of information technology and SME performance. These findings highlight the importance of technology adoption for SMEs in conducting business effectively.

3.0 RESEARCH METHODOLOGY

This study utilized a descriptive survey research design to gather data from 78 businesses, selected through purposive sampling. The survey was done between the months of March and

September 2024 for 78 businesses which consisted of 62 small-scale enterprises and 16 Medium-Scale enterprises. The business activities of these SMEs were stratified into 5 categories: Boutiques, Saloons, Electronics, Hardware products and Others, for the purposes of data collection and easy analysis. From each business, one individual responsible for mobile money transactions was chosen using purposive sampling. Data collection instruments included self-administered questionnaires so as to ensure a high response rate, and also to accommodate busy respondents who had difficulties filling in the questionnaires themselves. This approach provided versatility, speed, and cost-effectiveness as compared to interviews. The questionnaires featured close-ended questions informed by literature. Data analysis involved descriptive statistical tools, such as percentages, and averages (Means), with results presented in charts, frequency tables, and graphs. Given the sensitive nature of financial transactions, the study adhered to strict ethical protocols, including informed consent, privacy, and protection of data and participants' rights. Respondents were fully informed and allowed to opt-out of participation.

4.0 DATA PRESENTATION AND ANALYSIS

4.1 Demographic analysis

The findings of the study indicate that out of the 78 participants who responded to the questionnaires, 53 representing 68% were business owners while 25 representing 32% were employees with the capacity to make financial decisions. About 54% of the respondents were males whilst 46% are females with age ranging between 18 and 55 years. Highest age group of the respondents was 25-34 years containing 42% of the respondents indicating this age group are more comfortable with the mobile money platform.

4.2 Findings and Discussions

(i) Enterprise's length of time of using mobile money platform

This study looked at the history of enterprises using mobile money platforms, exploring how long they have been on board and the effect it has had on their business dealings and money matters. The data on the length of enterprise using mobile money transaction is shown in the Figure 1 below.

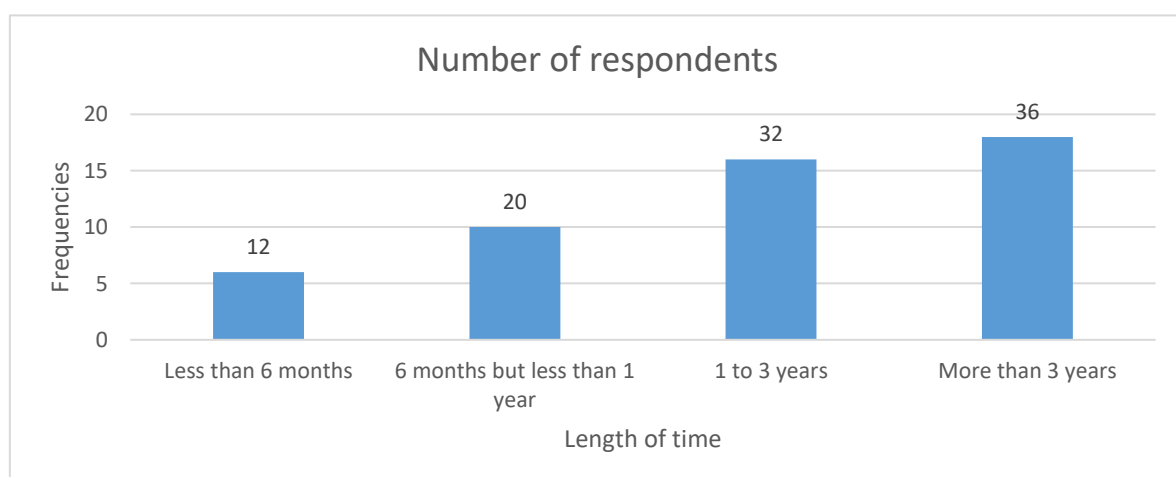


Figure 1: Bar graph showing Length of time of use of mobile money platform

The Figure 1 shows that out of 78 respondents, 12% of the respondents have been using mobile money for less than 6 months, 20% of the respondents have been using mobile money for more than 6 months but less than 1 year, 32% have been using mobile money for 1 to 3 years while 36% of the respondents have been using mobile money for more than 3 years. This indicates that respondents were well experienced in the use of mobile money transactions and can make informed comments about its impact on their businesses.

(ii) Frequency of customers engaging in mobile money transaction

This study investigated the frequency of customers' engagement in mobile money transactions and how often they utilized these services. The response gathered is shown in Figure 2 below.

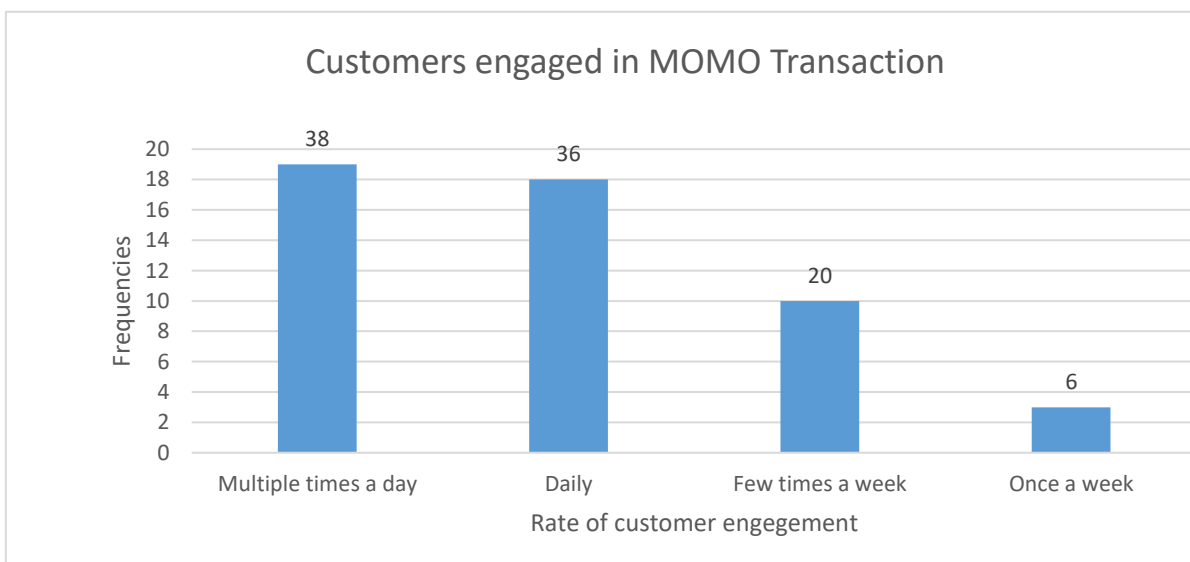


Figure 2: Bar graph showing number of customers engaging in mobile money transaction

The data in Figure 2 reveals a high frequency of mobile money transactions among respondents, with 38% conducting transactions multiple times a day and 36% daily. This suggests that nearly three-quarters of respondents rely heavily on mobile money for regular transactions, highlighting its integral role in their daily business operations. The remaining 26% engaging in transactions a few times a week or less indicates a smaller but still significant group using mobile money for less frequent transactions. Overall, the data underscores the widespread and frequent use of mobile money in Ghanaian transactions.

(iii) Effect of mobile money transactions on speed of business delivery

In our data analysis, we examined how mobile money transactions impact the speed of business delivery. We aimed to understand the influence of these transactions on the efficiency and timeliness of delivering goods and services to customers. The data gathered from the information the respondents provided is shown in Table 1 below.

Table 1: Effect of mobile money transactions on speed of business delivery

Identified effects	Percentage (%)
• Significantly improved speed and efficiency	56
• Moderately improved speed and efficiency	22
• No noticeable impact	16
• Slightly decreased speed and efficiency	6
• Significantly decreased speed and efficiency	0
Totals	100

The data in Table 1 paints a compelling picture of mobile money's positive impact on business operations. A significant majority (56%) of respondents reported a substantial improvement in speed and efficiency, with an additional 22% noting moderate improvements. This suggests that over three-quarters of businesses have benefited from adopting mobile money transactions. Meanwhile, 16% saw no noticeable impact, and a small 6% experienced a slight decrease, which could be attributed to various factors like adaptation challenges or specific business needs. The data underscores mobile money's role in enhancing business efficiency in Ghana.

(iv) Changes in cash flow since implementing mobile money transactions

The data analysis aims to examine the changes in cash flow patterns following the implementation of mobile money to businesses. The response gathered from the respondents is shown in the Table 2 below.

Table 2: Changes in cash flow since implementing mobile money transactions

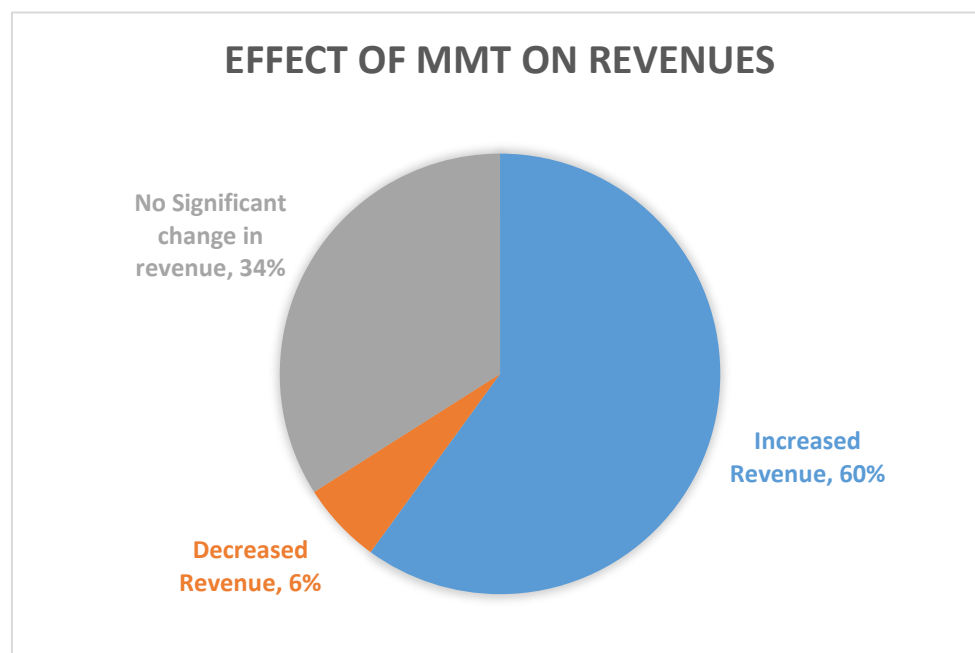
Identified changes	Percentage (%)
• Significant increase in cash flow	42
• Moderate increase in cash flow	36
• No changes in cash flow	18
• Moderate decrease in cash flow	4
• Significant decrease in cash flow	0
Totals	100

The Table 2 shows that out of 78 respondents, 42% of the respondents have experienced a significant increase in their cash flow since implementing mobile money transactions, 36% of the respondents have experienced a moderate increase in their cash flow since implementing mobile money transactions, 18% of the respondents have experienced no change in their cash flow since implementing mobile money transactions, 4% of the respondents have experienced a moderate decrease increase in their cash flow since implementing mobile money transactions. None of the respondents experienced a significant decrease in the cash flow since implementing mobile money transactions. Looking at the results above one can say that respondents were not too much informed or sure of the real changes brought about by mobile money transactions in their business cash flows.

(v) Effect of mobile money transaction on SME's revenue

As the global economy continues to evolve, the integration of digital financial services, particularly mobile money, has become widespread, offering SMEs new avenues for growth and expansion. The data gathered on the effect of mobile money transaction on SME's revenue is illustrated in the Figure 3 below.

Figure 3: Effect of mobile money transaction on SME's revenue

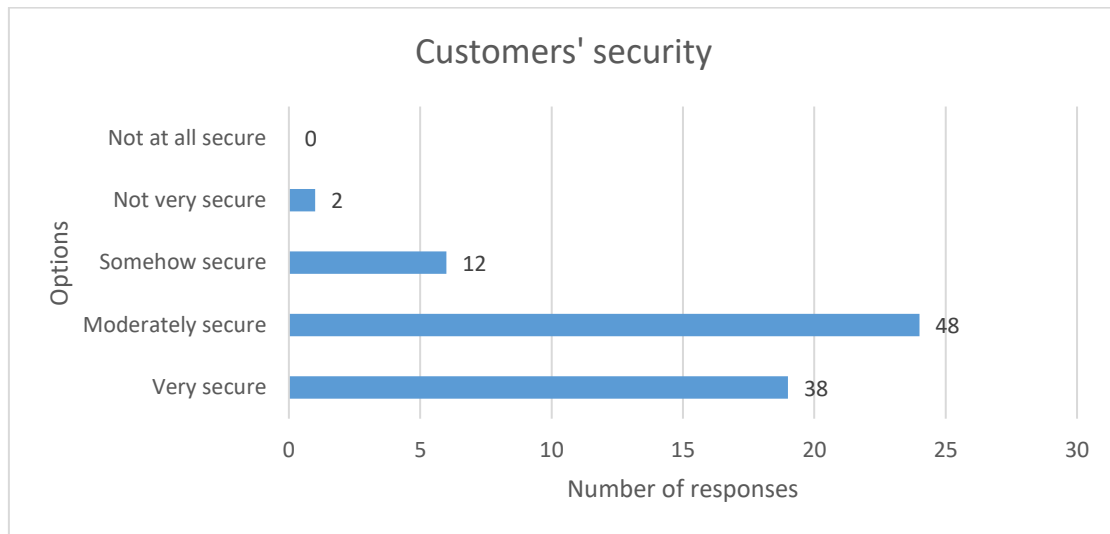


The Figure 3 shows that out of 78 respondents, 60% of the respondents have experienced an increase in revenue since implementing mobile money transactions, 6% of the respondents have experienced a decrease in revenue since implementing mobile money transactions and 34% of the respondents have experienced no significant impact on revenue since implementing mobile money transactions. The data agrees with that of Table 2 indicating respondents were not too sure of the financial changes attributable to the mobile money transactions but can agree that there is a slight increase in their revenues.

(vi) Security perceptions associated with mobile money transactions

Amidst the digital revolution, mobile money transactions have become essential to modern financial systems, however concerns regarding security have also been improved. The data on the security associated with mobile money transactions is presented in Figure 4 below.

Figure 4: Bar graph showing respondents' security perceptions with mobile money transactions

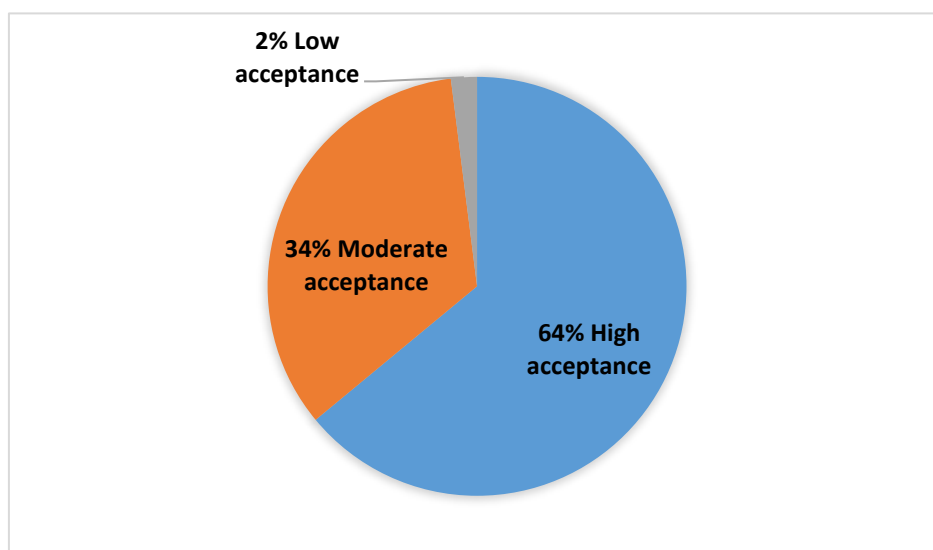


The data in Figure 4 presents a mixed perception of mobile money security among respondents. While 38% consider it very secure and 48% moderately secure, indicating a relatively positive outlook, 12% feel it's only somewhat secure, and 2% deem it not very secure. This suggests that while a significant majority (86%) perceive mobile money as having some level of security, there's still a notable portion with reservations. Given Ghana's growing mobile money landscape, addressing these concerns through enhanced security measures, education, and transparency could further boost adoption and trust in digital transactions.

(vii) Acceptance of mobile money transactions among customers

Mobile money transactions have become increasingly popular, changing the way we handle financial transactions. This project focused on understanding the factors that influenced the acceptance of mobile money among customers. The data presented in Figure 5 below indicates the level of acceptance of mobile money transactions among customers.

Figure 5: A Pie chart showing customers' acceptance of mobile money transactions

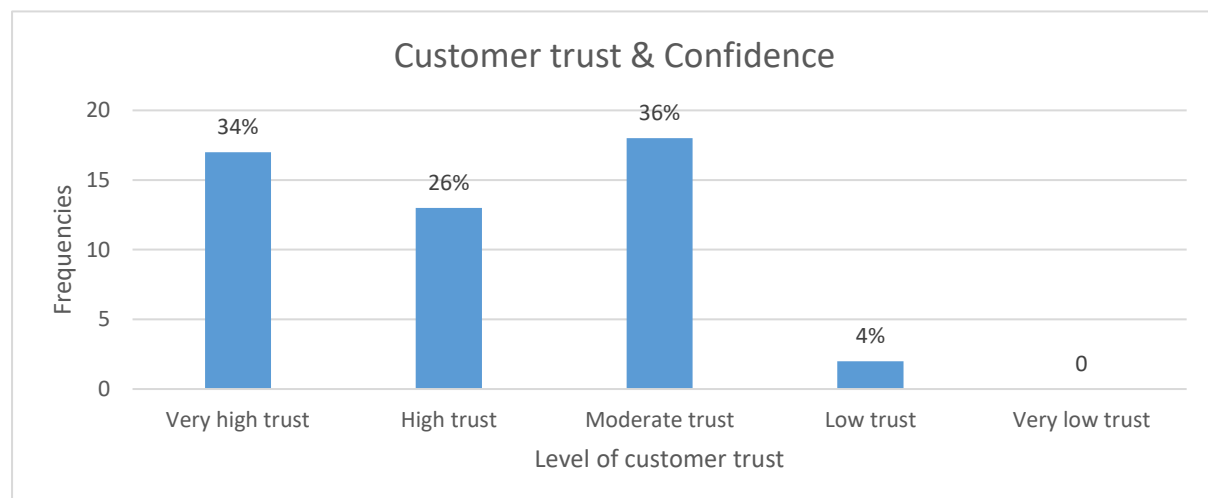


The data in Figure 5 reveals a predominantly positive reception of mobile money transactions among customers, with 64% of respondents indicating a high acceptance rate. This suggests that the majority of customers are embracing mobile money, likely due to its convenience, accessibility, and widespread adoption in Ghana. The 34% moderate acceptance rate may indicate some customers are still cautious or have limited experience with mobile money, while the 2% low acceptance rate could be attributed to various factors such as lack of trust, limited access to technology, or preference for traditional payment methods. The data highlights a promising trend in mobile money adoption, with opportunities to further educate and encourage the remaining customers to transition to digital payments.

(viii) Customer trust and confidence in mobile money transactions

In the world of mobile money, building trust and confidence among customers is of extreme importance. This project looked into the factors that contribute to creating a sense of trust and confidence in users by exploring aspects such as security, reliability, and ease of use. The data gathered on customer trust and confidence in mobile money transactions is presented in Figure 6 below.

Figure 6: Bar graph showing Customer trust and confidence in mobile money transactions



The Figure 6 shows that out of 78 respondents, 34% of the respondents have very high trust and confidence in mobile money transactions, 26% of the respondents have high trust and confidence in mobile money transactions, 36% of the respondents have moderate trust and confidence, and 4% of the respondents have low trust and confidence in mobile money transactions. The data shows that there is a cumulative total of 96% trust in the use of mobile money transactions. This is an encouraging outcome.

(ix) Cost of mobile money transaction vs traditional payment method

The study sought to find out the costs of choosing one payment method over the other by providing a complete comparison that highlights cost efficiency and user preferences. The data

gathered on the comparison between cost of mobile money transaction vs traditional payment method is presented in Table 3 below.

Table 3: Cost of mobile money transaction vs traditional payment method

Responses	Percentage (%)
<ul style="list-style-type: none">• Mobile money transactions are cheaper	48
<ul style="list-style-type: none">• Traditional payment methods are cheaper	26
<ul style="list-style-type: none">• Both are the same	26
Totals	100

The Table 3 shows that out of 78 respondents, 48% of the respondents agreed that mobile money transactions are cheaper, 26% of the respondents agreed that traditional payment methods are cheaper and 26% of the respondents agreed that both are the same. The analysis in Table 3 highlights a notable preference for mobile money transactions in terms of cost, with 48% of respondents finding them cheaper compared to traditional payment methods (26%). Interestingly, a quarter of respondents consider both options equally priced, suggesting a significant portion see mobile money as at least competitively priced. This perception of cost-effectiveness could be a key driver for the adoption of mobile money services in Ghana, especially among price-sensitive users

(x) Factors influencing choice of mobile money transaction

The study looked at what makes the respondents choose one way to send money over the other. The data gathered on why the respondents prefer these methods is shown in the Table 4 below.

Table 4: Rating of factors influencing choice of mobile money transaction

Notable factors	Percentage ratings (%)
<ul style="list-style-type: none">• Convenience and ease of use	80
<ul style="list-style-type: none">• Security and safety	62
<ul style="list-style-type: none">• Cost-effectiveness	38
<ul style="list-style-type: none">• Recommendations from others	16
<ul style="list-style-type: none">• Others	0

The Table 4 shows that out of 78 respondents, 80% of the respondents who chose mobile money were influenced by the convenience and ease of use, 38% of the respondents who chose mobile money were influenced by its cost effectiveness, 62% of the respondents who chose mobile money were influenced by its security and safety, 16% of the respondents who chose mobile money were influenced by the recommendations from others. This means that a major factor influencing the choice of mobile money in Ghana today is its convenience and ease of use. Meanwhile, a lot of the respondents also feel mobile money is more secured and safer to use especially during robbery cases.

(xi) Benefits of mobile money transactions

The study sought to find out how the use of mobile money has proven to be beneficial to SMEs. The data gathered from the respondents is shown in the Table 5 below.

Table 5: Rating of the benefits of mobile money transactions

Benefits of mobile money transactions	Percentage ratings (%)
• Faster and easier transactions	86
• Improved record-keeping and transparency	72
• Reduced reliance on cash	66
• Enhanced customer satisfaction	48

The Table 5 shows that out of 78 respondents, 86% of the respondents enjoy faster and easier transactions, 66% of the respondents reduced their reliance on cash through the use of mobile money transactions, 72% of the respondents have improved record-keeping and transparency by using mobile money transactions, and representing 48% of the respondents enhanced customer satisfaction through the use of mobile money. From the analysis, it can be inferred that mobile money transactions have become the fastest and easiest ways of doing financial business in Ghana. In fact, one cannot also rule out the improved record-keeping and transparency as well as reduced reliance on physical cash transactions as derived benefits of mobile money transaction services in Accra, Ghana.

(xii) Challenges associated with mobile money transactions

The researchers explored the common issues and hurdles the respondents faced when using with mobile money. The data on the challenges associated with mobile money transactions is shown in the Table 6 below.

Table 6: Rating of challenges associated with mobile money transactions

Challenges associated with mobile money transactions	Percentage ratings (%)
• Network issues	74
• Transaction fees	70
• Limited acceptance by suppliers or customers	50
• Security concerns such as wrong transfer	44
• Lack of knowledge and understanding of mobile money services	12

The Table 6 shows that out of 78 respondents, 74% of the respondents face network issues when using mobile money, 70% of the respondents have issues with transaction fees, 50% of the respondents claim there is limited acceptance of mobile money by suppliers or customers, 44% of the respondents face security concerns such as wrong transfer, while 12% of the respondents lack knowledge and understanding of mobile money services. This analysis reveals that network instability and transaction charges remain the most felt challenges confronting mobile money transactions in Accra- Ghana.

(xiii) Uses of mobile money transactions

The study examined the various ways mobile money transactions are being used and their impact. The data gathered on the uses of mobile money transactions by respondents is shown in the Table 7 below.

Table 7: Ratings of the uses of mobile money transactions

Uses of mobile money transactions	Percentage ratings (%)
• Sending money	94
• Receiving money	94
• Transferring money from bank to mobile money	60
• Checking statement	52
• Transferring money from mobile money to bank	48
• Paying bills	48
• Taking loans	28
• Saving money	24

The Table 7 shows that out of 78 respondents, as much as 94% of them use mobile money to send and receive money, while as low as 24% of them use mobile money transaction to save money. Meanwhile, 28% of the respondents take loans through mobile money transactions. This indicates that respondents mostly rely on mobile money transactions for sending, receiving, transferring money from their bank accounts to mobile money wallets.

5.0 SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.2 Summary of Findings

The study made the following findings:

- i. Mobile money transaction system speeds up rate of doing business drastically leading to significant rate of cash flow among business operators. This ultimately leads to increased revenue generation.
- ii. Mobile money transaction is cheaper than traditional methods with about 66% of the respondents saying it has brought an increased change in their finances.
- iii. Aside security and safety concerns, the most serious factors influencing the customer's choice of mobile money transaction is convenience and ease of use.
- iv. Most mobile money users use it to purchase goods from suppliers and pay employee salaries.
- v. Network issues, limited acceptance by some suppliers/customers, security concerns about wrong transfers and lack of understanding of how mobile money works remain major challenges facing mobile money transaction among businesses in Ghana.

5.3 Conclusions of the study

It has been concluded that the mobile money platform has been of immense benefit to Ghanaians. Specifically, the study concludes that:

- i. SMEs in the Greater Accra region of Ghana use mobile money services daily in their activities.

- ii. Mobile money transaction has been very beneficial to the SMEs in the Greater Accra region of Ghana.
- iii. Mobile money transaction has brought about improved revenue collection among SMEs in the Greater Accra region of Ghana.
- iv. Network issues, limited acceptance by some suppliers/customers, security concerns over wrong transfers and lack of understanding of how mobile money platform works remain some of the major challenges facing mobile money transaction among businesses in Ghana.
- v. In general, the study observes that many businesses in Ghana, especially the SMEs, are comfortable with mobile money transactions.

5.4 Recommendations of the study

The study made the following recommendations for consideration by participants and mobile money operators:

- i. There should be a deliberate effort towards provision of security and safety for the mobile money operators.
- ii. The cumbersome nature of sending mobile money should be straightened to enhance ease of use by businesses and individuals.
- iii. The cost of charges on the mobile money transactions should be reduced to encourage more businesses and individuals to engage in mobile money transaction.
- iv. There should be a system for mobile money senders to retrieve their monies sent to wrong recipients' moments after sending the money.

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