Mobile Banking Services and Financial Performance of Selected Youth Enterprises in Nairobi City County, Kenya

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ABSTRACT

Mobile Banking is a mobile-based technology that increases access to financial services hence aiding in the fight against poverty by facilitating productive investment and business expansion. This technology allows customers to communicate with financial institutions via a mobile phone, be it telephone or digital, which then creates information about data communications. The advantages of mobile banking, such as simplicity, accessibility, security, and usability, have led to the development of m-banking and forced commercial banks in Kenya to change their traditional way of doing business to incorporate actual transactions into their business. Using this technology, a consumer can claim a bank balance, obtain a loan, save, pay for goods and services, pay for contributions such as NHIF donations, pay salaries and bills such as electricity and water. In Kenya, there are more than 65,000 mobile money agents such as M-Pesa stores. These mobile money shops, unlike commercial banks, are distributed nationwide in rural and urban areas. Research has shown that businesses that maintain the technology barrier are very high and now accept banking services from Kenyans closed by commercial banks. The study sought to find out the results of mobile banking services and the financial performance of selected new businesses in Nairobi City County. The following objectives guided the study; check mobile banking savings services, mobile banking services, leading banking services and mobile banking transfer services with selected youth finance services for selected youth businesses in Nairobi City, Kenya. The research focused on the Mobile Banking Business Model, Technology Acceptance Model (TAM) and Theory Intermediation Theory. The study used descriptive research formats. Important data was collected through questionnaires, while the collection of secondary data on the financial performance of businesses over the past five years was done using datasheets. The validity of the questionnaires was determined prior to testing, flight studies and expert judgment, while Cronbach's Alpha assessed the reliability of the materials. The survey identified 56 managers of selected Youth businesses in Nairobi City who were managers or business owners. Descriptive statistics: mean, standard percentage deviations and quantities were used in the data analysis. Different details include correction for correction analysis. The research results were presented using tables, graphs, charts, percentages and frequencies to help simplify data comparisons and conclusions. Findings have shown that mobile banking services have a positive and visible impact on the financial performance of selected youth businesses. With the widespread use of mobile services, mobile banking is expected to continue to grow. Mobile banking gives customers an easy opportunity as it allows them to perform their duties on the go. However, there is a need to remove any existing barriers and challenges that could prevent easy access to mobile banking by customers. The study, therefore, concludes that as small businesses expand their mobile banking system, customer sensitization and training on mobile banking applications reduce threats and risks to mobile banks. This enables small businesses to attract more mobile customers to their banks and thus perform better financially.

Key Words: *Mobile Banking Services, Financial Performance, Youth Enterprises*

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1.0 Introduction

Mobile Banking is a mobile-based technology that increases access to financial services hence aiding in the fight against poverty by facilitating productive investment and business expansion. (Shaikh & Karjaluoto, 2015). Mobile banking is a method of communicating with financial institutions using a mobile phone or a personal digital device that generates data communication information. This allows commercial transactions to occur through the software over the internet or through mobile service providers (Lee, Harindranath, Oh & Kim, 2015). Wireless data services such as short messaging services on mobile devices have been enabled via internet use on cellular phones (Bhatt & Bhatt, 2016). The advent of mobile phones that use mobile networks even in remote areas has allowed most impoverished people to access low-cost financial services through mobile banking. Mobile phones have many features to manage banking transactions and can be quickly adopted. A mobile network is a banking service that uses a bank account and mobile telecommunications network as a portal to conduct traditional banking services such as account balance checks, account money transfer and payment (Rost, Banchs, Berberana, Breitbach, Doll, Droste&Sayadi, 2016). Mobile banking is similar to internet banking and is an example of a package of services a financial institution could give its customers. Due to its capacity to promote participation in the financial sector, mobile money has enormous potential for development effects. Money transfer systems via mobile phone services have dramatically shifted people's lives worldwide (Coppolino, D'Antonio, Formicola, Massei& Romano, 2015). It comes from the new mobile phone SIM card systems, which can serve as a transaction card and a module for call recognition. This new service helps the holder of a mobile phone to withdraw or deposit cash from the bank. This service is undoubtedly a new phenomenon for both developed and developing countries and is undoubtedly hoped to change the states' economies by reaching out to previously unbanked banking services.

1.1 Financial Performance

Financial performance is a measure of how well an organization is using its resources to maximize the wealth of the shareholders and increasing profitability. It is aimed at reflecting the long-term outcome of a business sector, and it reveals the entire financial health of the sector in a certain period (Post & Byron, 2015). Financial performance is an economic action that is used in generating more revenues and increasing the profitability and worthiness of a financial organization through proper management of the liquidity, financing, equity, incomes, and expenditure (Qiu, Shaukat &Tharyan, 2016). It provides complete information to the shareholders to aid them in making sound decisions. It also helps in evaluating the financial stability of competing firms. Risk management and profit creation in banks and financial organizations are essential to making well-planned and informed decisions. In today's business life, financial organizations are restructuring their financial performance in such a way that they can be able to integrate their lean development strategies with the communal social responsibility to present and future generations (Revelli & Viviani, 2015). With regard to these, many business firms and enterprises are trying to change their business models to accommodate this. Ratio analysis is considered the most appropriate measure of financial performance of a given sector (Luo, Dong, Luo, Xian, Wan, Guo & Wu, 2015). It reveals a unit relates to another and summarizes the business transaction to reveal the firm's financial position. Financial performance can also be measured in terms of customer satisfaction, income, market stability, earnings per share and organizational effectiveness.

1.2 Mobile Banking Services

Mobile banking offers millions of solutions in emerging markets with access to mobile phones yet remains untouched in financial matters. It can improve access to essential financial services by lowering travel time and distance to neighboring bank offices (CGAP, 2016). It can also reduce ongoing banking and transaction costs. In addition, it provides an opportunity for financial institutions to expand banking services to new customers, thereby expanding their market (Lee, Lee and Kim, 2017). Simpson (2012) suggests that e-banking is primarily driven by the hope of reducing operating costs and increase income. When comparing online banks in developed and emerging markets, it is clear that developed markets have lower expenses and higher incomes. In comparison, Sullivan (2000) did not find systematic evidence of the benefits of banking in American banks of mud dripping. However, Furst, Lang and Nolle. (2012) found that through a click-and-click business strategy, American cooperative banks have a higher ROE. Furst et al. (2012) also examined the indications for the acquisition of mobile banking and found that high-profit banks used mobile banks after 1998 but were not the first providers. Jayawardhena and Foley (2000) point out that although the availability of mobile banks leads to cost savings and efficiency, only a small percentage of banks use them. Mobile Banking offers an alternative to traditional banking by allowing users to transact via mobile devices. The internet usage on cellular phones has enabled wireless data services such as short message services on mobile devices. (Ovcjak, Heričko & Polancic, 2015). Many institutions have benefited from the growth of mobile networks by providing timely and dependable services to their customers. Mobile banking is based on earlier principles of extending the mobile services system through telephone banking and mobile banking to reduce costs and enter online banking networks. (Alalwan, Dwivedi&Rana, 2017).

Mobile banking has altered the way financial services institutions conduct business by providing new business models to banks. (Laukkanen, 2016). Because customers can access a mobile phone at any time, users with mobile phones can conduct banking transactions efficiently 24 hours a day. Mobile banking has opened up substantial new markets for financial institutions to develop value-added services. (Afshan& Sharif, 2016). Banks can now give their clients a wide choice of services with Mobile Banking. With Mobile Banking, banks may now offer a wide range of services to their customers. Because of their high penetration levels and development potential, as well as their capacity to supply services at anytime, anyplace, mobile phones are the most exciting way to interact and generate stickiness among their clientele. Mobile banking transaction initiatives are a banking model that provides information, payments and transactions that complement the available banking services such as branches, telephone banking and online service (Malaquias & Hwang, 2016). The mobile banking access system, which uses a fast-increasing mobile communication infrastructure, provides incentives for the poor outside of the physical banking network to be included in the financial system more quickly and at a low cost.

1.3 Statement of the Problem

Youth unemployment is a global issue, and in Kenya, over 70% of young people are unemployed, with only 25% working for themselves or running a business. The government, as well as other development partners, encourage and support young people to start businesses. Commercial banks and microfinance institutions have also provided simple access to cheaper credits and other financial services suited to upcoming businesses (Kamau, 2015). Sixty-five percent of Kenyan start-ups fail within the first year due to failure to capitalize on existing opportunities, inadequate planning, inadequate networking, and flawed environmental analysis, among other factors. (FKE, 2019). In the financial sector, technological advances are inevitable. The introduction of mobile banking has altered the competitive landscape. This is because mobile banks make it easier to introduce personal computer banking, ATMs, and telephone banking, which are the foundations of electronic finance. Increased internet availability also provides commercial banks with a new distribution channel. Financial institutions have adjusted their standard functions to add mobile transfers to their businesses due to the convenience of using these services and the development of security operations that safeguard information (Bagudu, Khan, Jan, & Roslan, 2017).

A portable loan holder can check their balance, apply for a loan, borrow money, and pay for goods and services, among other things. With all of these mobile money platforms, there are many M-banking agents worldwide, in both rural and urban areas, expanding the reach of these services while lowering the cost. This contrasts with financial institutions such as commercial banks, which are less widely distributed and thought to be more expensive than telecommunications companies that maintain sophisticated technology and provide banking services. However, as these financial institutions implement mobile banking technology in their operations, difficulties such as the cost of mobile banking services and the skill requirements become a big concern that impacts their financial performance. The impact of M-banking on financial performance has been researched. Bonface and Ambrose (2015) studied M-banking and the financial performance of Kenyan commercial banks. They found that the prices of M-banking services had a negative impact on the performance of Kenyan commercial banks. Wainaina (2017) researched mobile-based credit management practices and the financial performance of Kenyan commercial banks. The study found that mobile lending methods affect the financial performance of banks. In Nigeria, Bagudu et al. (2017) revealed that mobile banks perform well and significantly affect the financial performance of commercial banks in Nigeria. However, none of the studies above have focused on the impact of banking services on selected financial services on selected businesses in the Nairobi metropolitan area of Kenya. These results therefore may not be applicable in these situations hence the need for the current research.

1.4 Objectives of the Study

The general objective was to determine the effect of mobile banking services on the financial performance of selected youth enterprises in Nairobi City County.

The following specific objectives guided this study:

i. To assess the effect of mobile banking saving services on the financial performance of selected youth enterprises in Nairobi City County, Kenya
ii. To establish the effect of mobile banking loan services on the financial performance of selected youth enterprises in Nairobi City County, Kenya
iii. To determine the effect of mobile banking statement services on the financial performance of selected youth enterprises in Nairobi City County, Kenya
iv. To determine the effect of mobile banking funds transfer on the financial performance of selected youth enterprises in Nairobi City County, Kenya

2.0 Literature Review

2.1 Theoretical Review

This section reviews the theories that guided the study. The section specifically examined Mobile Banking Business Models Theory, Technology Acceptance Model (TAM), and Financial Intermediation Theory.

2.1.1 Mobile Banking Business Models Theory

According to Wambari and Mwaura (2019), any mobile/ branchless banking model aims to attract low-income people and relies on a banking agent. Agent banking is a vital part of the mobile banking business model that links banks with their customers. The new business models for mobile banking tend to give new market frameworks to sell existing financial service products (credits, savings and transactions). The banking business models theory classifies branchless banking into three models; the Bank-focused model, the Bank-led model, and the non-bank-led model (Japparova and Rupeika-Apoga, 2017). In the Bank focused model, physical banks use low-cost distribution platforms, separate from traditional channels, to offer their clients banking services. Examples include Automatic Teller Machines (ATMs), Mobile Banking, Mobile Phone Banking, all designed to provide banking clients with different banking services (Alalwan, Dwivedi, &Rana, 2017). In the Bank–Led Model, financial services were offered using retail agents or mobile devices rather than physical branches. This model offers the opportunity of increasing the inclusion of financial services by offering different distribution networks, diverse trading partners (chain stores, telecommunications) that have potentially unique markets distinct from traditional banks.

In the Non- Bank Led Model the bank only serves as the custody of the excess money, and all the transactions are handled by the other service providers (Ovčjak, Heričko & Polančič, 2015). Here consumers do not work with a bank but use mobile devices or prepaid cards and agents to transact. Customers cover their funds in mobile money deposited in a virtual electronic money account not connected to a bank (Revelli & Viviani, 2015). This model is risky because it does not prioritize knowledge of the customer or consumer identity by the regulatory environment of the non-bank operators. Mobile banking business models theory is therefore relevant to the study as it helped in understanding how mobile banking services are delivered to customers’ mobile phones by their financial providers. It brings out the variable components of mobile banking and how they influence business transactions.

2.1.2 Technology Acceptance Model (TAM)

This model was designed by Davis (1989). According to TAM, an individual's behavioral intentions are considered the critical determinants of how a system is used. Shiau and Chau (2016) ascertained that behavioral intention is determined by the perceived usefulness and perceived ease of use of a system. The perceived usefulness is the degree to which a person believed that a particular system would improve his/her job performance In contrast, the perceived ease of use is the extent to which a person believed that the use of a particular system would be effortless. This model was based on factors that influenced the likelihood of the user to adopt the technology and how he or she accepted it. This model suggests that some factors influence the customers’ choice regarding how and when to use a newly introduced technology. It postulates that people first develop intentions, interests and attitudes of trying to use a new technology before attempting to use it (Susanto &Aljoza, 2015).

According to Marangunić and Granić (2015), TAM aims to explain the determinants of mobile banking services' acceptance, which is then generally capable of explaining user behavior across a broader range of end-user computing technologies and user populations. According to this model, two factors—perceived usefulness and perceived ease of use on the level of an individual—are the critical determinants of how individuals accept new technologies introduced in the market (Hamid, Razak, Bakar& Abdullah, 2016). As a determinant, perceived usefulness plays an important role in determining behavioral intentions, such as employing sales force automation systems to improve organizational performance. This model assesses the core variables of attitude, behavioral intention, and subjective norm in order to understand and predict an individual's behavior. This theory is pertinent to the research because it describes how new mobile banking technologies play a critical role in delivering effective service and improving financial performance.

2.1.3 Financial Intermediation Theory

Financial intervention is a process that involves remaining units investing in financial institutions borrowed from backward units. Bisignano (1992) pointed out that financial intermediaries are divided into four main categories. First, the main categories of debt or deposits are determined by a fixed amount that is not related to the performance of the portfolio. Second, deposits are generally shorter than their assets. Thirdly, a large portion of their debts are able to check the cancellation check when required and fourth, their debts and assets could not be transferred. The most important contribution of mediators is the constant flow of funds from the pile to the wrong units. Diamond and Dybvig (1983) analyzed the provision of money that converts illegal assets into bank loans. In their model, investors or similar investors were risky and uncertain about their future use. Without a mediator all investors were locked into a short-term investment that pays higher wages to those who ate later.

According to Scholtens no van Wensveen (2013), a financial adviser's job is to help people create special financial assets. This is done when the consultant discovers that it sells them prices that are expected to cover all of their product expenses, direct costs, and opportunity costs. Because of market imperfections, financial intermediaries exist. As a result, in the perfect 'market' situation, financial intermediaries would not exist because there would be no transactions or information expenses. In many markets, the main characteristic is a difference in levels of knowledge between buyers and sellers. In financial markets, data asymmetries are very popular. Lenders know better about their cooperation, their diligence, and their conduct than their creditors. Entrepreneurs, on the other hand, are quite knowledgeable about the ventures they wish to invest in. (Leland and Pyle, 1977). The flow of information between market participants is hampered by behavioral risk, which is especially critical for quality-funded initiatives.

2.2 Empirical Review

This section explores previous research on study variables that aid in determining the current study's direction. This aids in the validation of the models that this study intends to use to achieve its goals. The literature is arranged according to the variables of the study.

2.2.1Mobile Banking Saving Services and Financial Performance

Savings services offered on mobile money platforms helped enterprises to improve their performance. Anthony (2012) conducted a study on bank savings and bank credits in Nigeria, their determinants and their effects on economic growth. According to the report, the government's efforts should have focused on increasing per capita income by lowering the country's unemployment rate in order to boost growth through increased savings. Additionally, responsible management should have devised successful banking strategies aimed at encouraging their clients to save more, as they are indispensable in improving the banks' profitability. When more consumers were allowed to raise their savings, the financial performance of the company automatically improved to meet the expected level of competition. When there was an increased volume of savings, the ROE, ROA, and net profits were at their highest levels hence the prospects of having a maintainable financial performance were very high. Most financial organizations aimed at increasing their financial intermediaries which led to the utilization of their savings and loan services effectively. This ensured that idle funds were channeled to a more valuable level of production.

Kamau (2017) researched how mobile money saving affected the practices of money transfer for Kenyan low-income earners. The introduction of mobile money has been linked to an increase in the number of low-income people saving with traditional banks and credit cooperatives, as well as a significant movement away from the practice of saving money. Banking and savings services were designed to assist the general population in achieving their financial objectives. A large proportion of people had the opportunity to save for the future, invest in profitable businesses, and protect themselves against unforeseen financial shocks. Any economy's financial performance was determined by the accumulation of capital, which was determined by the quantity of investment and savings. The goal of bank savings was to transform the banking sector and improve its financial performance. Customers' savings were thought to be a big part of how financial institutions funded their services. When banks and other lending institutions encouraged their consumers to save more, bank lending became easier. This also prompted them to improve their financial performance, indicating that saving mobilization should be at the top of any organizational institution's priority list.

2.2.2 Mobile Banking Loan Services and Financial Performance

Wainaina (2017) researched diverse management practices of mobile-based loans and the financial performance of Kenyan commercial banks. The study's findings suggested that mobile-based loan management strategies had an impact on banks' financial performance. The majority of banks and businesses sought to provide loans in exchange for a profit. Most banks and businesses considered that the period of loan repayment, as well as credit scoring, as the most critical determinants in their financial performance. Mobile phones were found to be on the increase towards the offering of mobile loan services. The key reason behind this was that most individuals had access to mobile phones compared to before. Mobile banking loans have continued to become a core business transformation, forming a competition service in the banking industry globally. It has been seen to generate a lot of profits after loans have been repaid, thus improving the financial performance of most banking organizations.

David (2018) conducted a study to find out how the process of mobile-based lending affected the non-performing loans in commercial banks in the town of Nakuru. The study's findings revealed that the loan appraisal process was the most critical aspect of mobile-based loans in non-performing loans. Mobile banking loan services were thought to play a significant role in increasing bank profitability. They were believed to expand the income and wealth of banks as they offered a major mobile platform that allowed members to borrow loans which offered an advantageous extra strategy for financial management without the necessity of handling cash physically. This indeed helped improve the effectiveness and efficiency of the banking services, which contributed to and enhanced the financial performance of banks. It implied that a unit banking increment of its income prompted increased profits in return.

Kinyanzui, Achoki and Kiriri (2018) researched how mobile credit affected the operational efficiency in Kenyan commercial banks. The study revealed that mobile credit enhanced the efficiency of an organization. Mobile loan apps were believed to deliver a flawless experience that was user-friendly regarding the ability to check and downloading comprehensive account statements of operations and analysis, which helped in planning financial matters. Mobile banking loan services were adjusted to help formulate strategies on how default incidences were to be minimized. Mobile banking loan was considered more convenient by most of its users since one did not have to go to the bank physically. In most cases, more loans were processed at a faster rate hence allowing more loan transactions to take place at a given period. This limited the distance and time one spent to go to the physical location of the lending organizations. Mobile banking loans enhanced accessibility, convenience, and guaranteed customer satisfaction, something which helped in improving the financial performance of the banking sector and the mobile lending organizations that offered loans through mobile loans.

2.2.3 Mobile Banking Statement Services and Financial Performance

Saleh and Alghusain (2018) researched the disclosure of financial statements and how they affected investor decisions in commercial banks in Jordan. The study findings revealed a weak link between investment decisions and financial information provided to commercial banks in Jordan by investors. Later, it was recommended that enough care and due diligence be used to prepare financial statements so that erroneous investment decisions could be corrected. Mobile banking has attracted increasing attention in recent years. It is now widely regarded as a critical factor in improving the various banking services and economic indicators provided by financial institutions. It also provides annual financial statements, which constitute a significant source of banking information in a variety of fields, including economics and investment. Effective and efficient bank statements have helped to improve the financial performance of banks.

Elbannan and Elbannan (2015) researched the economic consequences of bank disclosure in the financial statements before and during the financial crisis in Egypt. Mobile banking statements have been critical in confirming and clarifying any potentially erroneous decision-making that affects investors' interests and economic and financial goals. As a result, financial management needed to design bank statements that ensured banks and other financial institutions entered their data correctly. Mobile banking statements continued to play an important role in the preparation and publication of data that drew the attention of international stock exchange officials, regulatory agencies, and financial experts, as the data assisted them in making various investment decisions that allowed them to focus on laying the foundation for financial information regarding management efficiency. This financial information assisted in detecting and highlighting a bank or financial organization's financial performance over a period of time.

Blessing and Onoja (2015) conducted a study of the role played by financial statements in making investment decisions using the United for Africa PLC bank case (2014-213). According to the study, investors rely on the trustworthiness of auditors for financial investment decisions. Financial performance, success, and change in financial performance from one accounting period to the next have all been highlighted in mobile banking statements, indicating the effectiveness of financial management. Financial statements are extremely valuable to the general public in the banking industry since they allow direct and indirect communication with customers. Due to this public interest, many financial institutions have accepted social and economic, financial, and legal commitments, resulting in a growing requirement to transfer financial information in response to the effects of individual and organizational interests. Because of this, the required details of their customers were readily available in the financial statements; hence banks and other financial institutions' financial performance improved as a result.

2.2.4 Mobile Banking Funds Transfer and Financial Performance

Kenneth, Samson and Kibas, Chepkilot and Koima (2016) researched how the fund transfer affects the financial performance and market share of commercial banks listed on the Nairobi Securities Exchange, Kenya. The study revealed that the transfer of the mobile banking fund had a positive impact on the financial performance and market share of Kenyan banks. It was also revealed that most mobile banking products, such as fund transfers between E-Accounts/transfers, debt repayments, order bookkeeping, and bank statements, are offered by banks. Additionally, the provision of mobile banking products has resulted in a significant improvement in bank financial performance. This is because there are a lot of efficiencies in the way banking services are delivered. Sakanko and David (2019) researched how Electronic Payment Systems affect the financial performance of Niger State microfinance banks. The study findings revealed the presence of e-payment systems in banks, which have a remarkable level of adoption due to their ease of use and convenience. Mobile banking services have continued to play a vital role in improving money transfer in various world regions. This is because most people now have access to mobile handsets, with this proportion continuing to increase daily. Therefore, responsible managers must play a vital role in ensuring that technical advancements in the banking industry are targeted at transitioning from mobile branch networks to technology-based banking services. This will ensure that sending and receiving money via mobile banking will be considerably easier, time-saving, and efficient, and financial performance will be considerably better as a result. Additionally, many banks worldwide consider the transfer of cash to improve their financial performance because it is believed to assist lower operational expenses, and mobile phone transactions are thought to be popular due to their low cost.

Adaramola and Kolapo (2019) have explored the technology of banking and mobile banking technology as a market strategy towards increasing the performance of Nigerian banks. According to the study, the market challenge of enhancing successful competitiveness in the banking sector necessitates market-based marketing strategies for banks in Nigeria to improve their performance. The provision of mobile banking services is essentially what mobile banking transfers entail. Many banks worldwide are welcoming more technological advancements to help them stay competitive by providing high-quality services and distribution channels for fund transfers. Mobile phones are commonly employed to give faster electronic services, and money transfers are thought to be a rapid payment service. The capacity to make transfers has greatly aided banking and stock markets, as well as account management and access to personalized information from a specific bank, all of which have contributed to improved financial performance.

2.3 Conceptual Framework

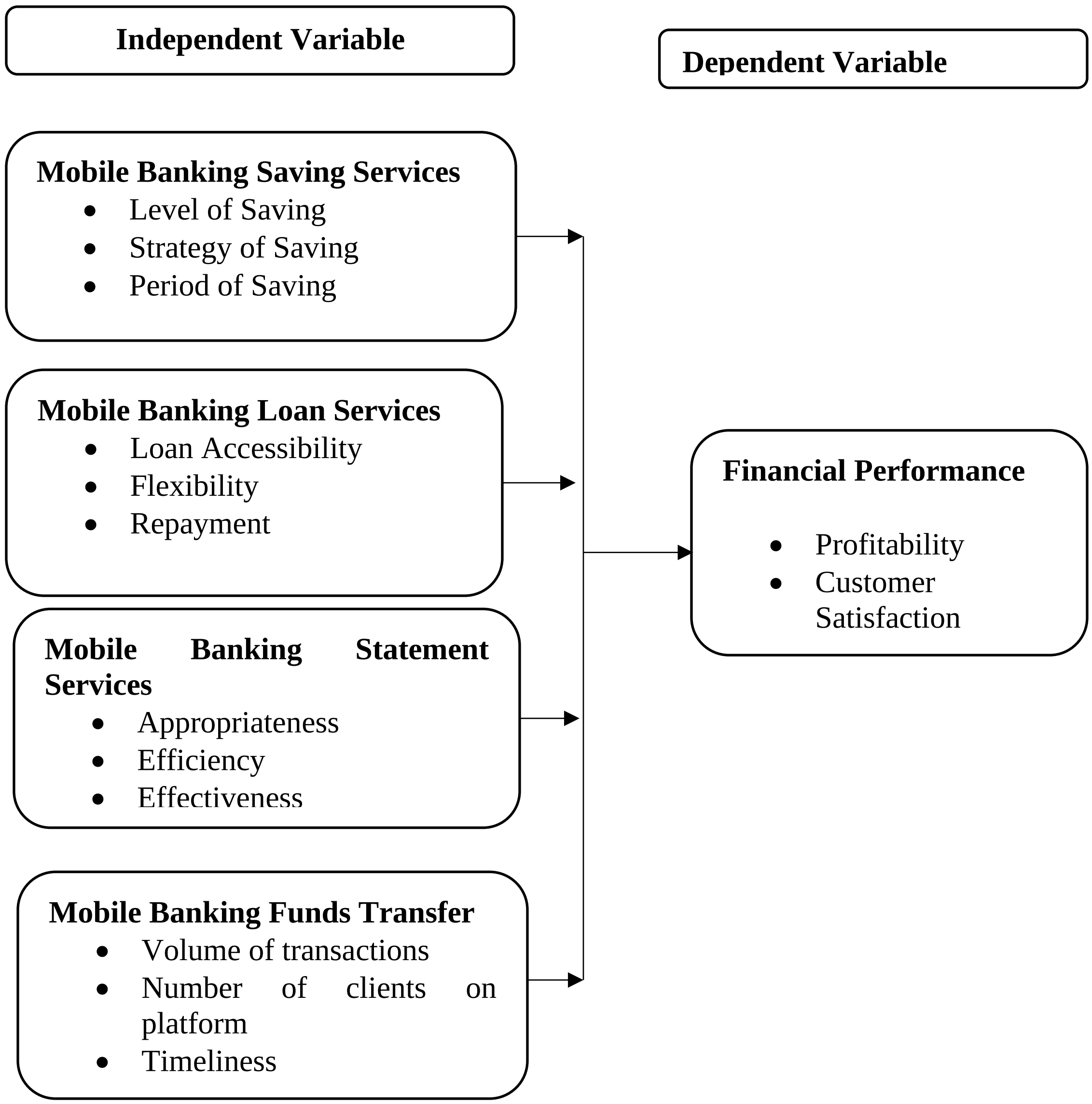

Figure 1: Conceptual Framework

3.0 Research Methodology

A mixed research design was used in this study. It signifies that the study's design was of natural importance and size. A population consists of a collection of objects, individuals, or people sharing common tangible objects. Up to 56 recognized legal entities were purposefully chosen for the study (NCC, 2019). This is because they have been highly active in using mobile banking services in their operations. The study focused on 56 managers from the selected youth enterprises in Nairobi City County. Because the population was limited, the study comprised all 56 managers of the selected youth enterprises in Nairobi City County. Censuses are employed when the population is small or when it is more convenient to study the entire population (Charman, Petersen, Piper, Liedeman& Legg, 2017). Data collection instruments are actually data collection tools. In order to capture essential data, the study used a slightly more ordered questionnaire. Questionnaires are used to provide general replies and to make data analysis easier. Kantermann, Sung and Burgess (2015) pointed out that a questionnaire is a tool for recording and collecting information from key sources. Secondary data on business financial performance from the past five years were collected using a datasheet

The researcher obtained a research permit from National Commission for Science, Technology and Innovation (NACOSTI) before conducting fieldwork. An introduction letter stating the purpose of collecting data was also obtained from Kenyatta University by the researcher. Questionnaires were self-administered and the researcher sought permission from the youth enterprises in Nairobi City County so that the questions can be filled. The process of collecting data took a period of two weeks and the researcher together with the assistants, went through the questionnaires for editing purposes to ensure that the collected data was valid for purposes of answering the research questions. The collected data was compiled, sorted, edited and coded and entered in the Statistical Package for Social Sciences (SPSS) Version 23.0) computer program for further analysis. Descriptive and inferential statistics were done on the collected data. The descriptive analysis was computed such that the study used means, frequencies, and percentages in the analysis. Regression analysis was used to test the relationship between the study variables. The regression model tested the relationship of the independent variables (mobile banking services, mobile banking loan services, mobile banking statement services, and mobile banking funds transfer) and the dependent variable which is the financial performance.

4.0 Data Analysis Results

The study determined the direction and dynamics of the relationship between mobile banking access and financial performance for selected new businesses in Nairobi County, Kenya. Pearson integration was hired.

Table 1: Correlation between mobile banking saving services and financial performance

Correlation	**Frequency**	**Mobile banking saving services**
	Pearson correlation	0.677^{**}
	Sig. (2-tailed)	0.000
Financial performance		56

In testing the strength and direction of relationships, the analysis of a combination of two is done by various independent and dependent terms. The integration coefficient was used to measure the strength and direction of the direct relationship between these two variables. The equal range is between -1 and +1, and when close to one another, the relationship between the two is strong and uniform. The results in Table 1 show that there was a correlation between independent variables. The combination was significantly higher at the significance level of 0.05 ($r = 0.531^{**}$, $p < 0.05$). These results, therefore, indicate that there is a positive relationship between the services of mobile banks and the financial performance of the newly selected businesses.

Table 2: Correlation between Mobile banking loan services and financial performance

Correlation	Frequency	Mobile banking loan services
	Pearson correlation	0.637**
	Sig. (2-tailed)	0.01
Financial performance		56

For testing the strength and direction of relationships, the analysis of a combination of two is done by various independent and dependent terms. The integration coefficient was used to measure the strength and direction of the direct relationship between these two variables. The equal range is between -1 and +1, and when close to one another, the relationship between the two is strong and uniform. The results in Table 2 show that there was a correlation between independent variables. The combination was significantly higher at a value level of 0.01 ($r = 0.531$ **, $p < 0.05$). These results, therefore, indicate that there is a positive relationship between mobile bank lending services and the financial performance of selected new businesses.

Table 3: Correlation between mobile banking statement services and financial performance

Correlation	Frequency	mobile banking statement services
	Pearson correlation	0.701**
	Sig. (2-tailed)	0.020
Financial performance		56

To test the strength and direction of relationships, the analysis of the combination of pairs is done in a variety of independent and dependent terms. The coupling coefficient was used to measure the force and direction of the direct relationship between the two variables. The equal range is between -1 and +1, and if close to one, the relationship between the two is strong and uniform. The results in Table 3 show that there has been a moderate interaction between independent variables. Adjustments were significantly higher at the significance level of 0.02 ($r = 0.531$ **, $p < 0.05$). These results therefore show that there is a positive relationship between mobile banking statement services and financial performance.

Table 4: Correlation between mobile banking funds transfer and financial performance

To test the strength and direction of relationships, the analysis of a combination of two is done by

Correlation		Mobile banking funds transfer
	Pearson correlation	0.601**
	Sig. (2-tailed)	0.04
Financial performance		56

various independent and dependent terms. The integration coefficient was used as a measure of the strength and direction of the direct relationship between these two variables. The equal range is between -1 and +1, and when close to one another, the relationship between the two is strong and uniform. The results in Table 4 show that there was a correlation between independent variables. The combination was significantly higher at the significance level of 0.05 ($r = 0.531$ **, $p < 0.05$). These results, therefore, indicate that there is a positive relationship between mobile bank transfers and financial performance.

5.0 Conclusions and Recommendations

5.1 Conclusions

Findings have shown that mobile banking services have a positive and visible impact on the financial performance of selected youth businesses. With the widespread use of mobile services, mobile banking is expected to continue to grow. Mobile banking gives customers an easy opportunity as it allows them to perform their duties on the go. However, any existing restrictions and hurdles that may hinder clients from quickly accessing mobile banks must be removed. To attract more mobile customers to their banking and thus improve financial performance, the study concludes that small businesses should expand their mobile banking, increase consumer awareness, train customers in mobile banking applications, and reduce threats and risks to mobile banking. Portable loan services, such as practical loan programs, have a high association with the financial success of chosen youth businesses, according to the findings. As a result, more customers are embracing digital loans supplied to small businesses, allowing businesses to boost digital lending as a competitive strategy in their bank loan portfolios.

5.2 Recommendations

The study recommends that youth enterprises invest in consumer awareness concerning emerging products and services tailored to mobile banking. Youth enterprises should deploy adequate resources in conducting research that could aid product innovation on existing mobile service platforms. The study recommends for both the government and other youth enterprises to reach a consensus on the proposal, consideration, and implementation of the most effective and consumer-friendly mobile transaction model which can help save the pockets of mobile banking users. Lastly, banks need to be transparent with pricing, fees, and other charges and find ways to help customers comprehend terms and conditions

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