



## **An Exploratory Study of the Effect of Mobile Money Services on the Growth of Micro-Small and Medium-Sized Enterprises in Bosaso**

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**Abstract:** The purpose of this exploratory study is to seek information on the effect of Mobile Money Services (MMS) dynamics on the growth of Micro-Small and Medium-sized Enterprises. (MSMEs) The available studies provide limited information on the subject, regarding the growth of micro-small and medium-sized enterprises, especially in Bosaso municipality, Puntland Somalia. The study is guided by the Unified Theory of Acceptance and Use of Technology (UTAUT) to arrive at some of the factors affecting the growth of micro small and medium-sized enterprises. The study is based on a case study carried out using quasi-structured interviews, observation and documentation. The data was collected from a sample of 34 participants. The information gathered indicated that usefulness, social influence, accessibility, cost, enabling environment and trust aspects were linked to behavioural intention to utilise mobile money service, which has the potential to lead to the growth of micro-small and medium-sized enterprises. Furthermore, it was learned that though mobile money service technology is new in the market, but the rate at which it is being adopted is on upward trajectory. Moreover, most of the participants possessed smartphones and they were already utilizing them to conduct their business transactions. The article presents information collected through the administration of interviews, observation and documentation. The findings potentially increase awareness of mobile money technology among MSMEs, policymakers, financial institutions, academicians and researchers. Thus, the overall growth of MSMEs.

**Keywords:** Mobile Money Services, Micro Small and Medium-sized Enterprises Growth, Unified Theory of Acceptance and Use of Technology

### **INTRODUCTION**

Mobile money technology provides an ample environment for all-around growth in the economy. It makes it conducive for persons to perform business transactions hence being part of a web of a financial ecosystem. The penetrative effect of mobile phones enables

widespread use of mobile money services over a wide area including areas where modern banking has not taken a foothold. Every day mobile money service is gaining repute as a disruptive technology to the old system of carrying out commercial transactions and financial services. It can foster far-reaching changes through enhanced efficiency and easy access. The increasing use of MMS in the field of commerce is playing a vital part in the growth of MSMEs in diverse areas of the economy.

The success of mobile money technology demands a supportive environment such as a working mobile money network that entails combined energy from many players in the commerce industry. (Jenkins, 2008)

Through observation, the rate at which acceptance of MMS is multiplying; more interest is being driven towards social and economic factors that affect this phenomenon. (Mararo, 2018).

MSMEs consider MMS as affordable, personal and used anywhere and at any time thereby increasing the profits, thus expanding business. (Osman, 2012) In many developing countries, MSMEs can be more than 90 per cent of businesses outside the agricultural sector and be a major source of income and employment. (Stephen, 2009) However, MSMEs have limited access to financial facilities and financial services provided by the traditional banking sector. They face greater obstacles than larger businesses, and the absence of adequate capital affects the growth of MSMEs as compared to larger ones. (Ayo et al., 2012)

In this paper, findings are reported from an exploratory study that explored the effect of mobile money services on the growth of MSMEs in Bosaso, a City in Puntland State, Somalia. The main purpose of the study was to seek information on the effect of mobile money services on the growth of MSMEs. The remaining part of this paper is organized into the following sections, the purpose of the study, literature review, methodology, observation and discussion, conclusion and lastly references.

The main of the study purpose was to examine whether MMS when used for buying goods and services, saving and loan receiving, reducing the transaction cost, trust and safety have a significant effect on the growth of MSMEs. From observation, it can be said that of the MSMEs in Bosaso work in the unplanned area, the owners of the market stand, roadside pavements and residential houses usually conduct their business transactions in those respective areas.

Many of the traders do not have bank accounts, the few that have, find it a challenge to close their business premises to carry out bank transactions. Therefore, MMS is rapidly gaining acceptance in both the banking industry and MSMEs.

Some existing studies on mobile money services reveal that these studies were conducted in developed countries. (Daly, 2010) Hence, they may not provide a clear picture of the growth of MSMEs in emerging markets in particular Bosaso municipality. Therefore, the main aim of the study was to understand the effect of MMS and its benefits to MSMEs. This may imply that technology providers, government agencies and development partners may not be in a position to find a suitable answer to some of the challenges MSMEs face, and there is, therefore, a need to generate more information on the contribution of MMS on MSMEs and the effect on their growth.

The decision to use mobile money technology is subject to how well it is possibly going to add to the growth of MSMEs; the more it is used by MSMEs the more it is likely to be attractive to both those who are still to join and new entrants. Hence, a study of the effect of mobile money services on the growth of MSMEs is vital.

## **LITERATURE REVIEW**

Technological advancement and the growing population particularly in developing countries have led to changes in the way people interact and communicate. Two-thirds of the

population across developing countries own mobile phones. (Statista, 2018) The year 2018 saw 36% ownership of smartphones go up in Sub-Sahara Africa, it is forecasted to rise to 66.0 % by 2025 (GSMA, 2019) (a). Registered numbers hit one billion in 2019. (Naghavi, 2020). The ripple effect is a large pool of potential clients for mobile money services.

Mobile devices such as smartphones, cell phones, personal digital assistants (PDAs), and tablets, have been gradually integrated into many sectors, including commercial transactions, as a result of these fast-changing growth patterns. (Dayour *et al.*, 2020) Mobile devices do various financial activities, including settlement of bills, virtual banking, individual-to-individual transfers, proximate and remote payment/purchases, mobile marketing and ticketing. (Oliveira *et al.*, 2016) (a) It is worthwhile to note that, mobile payment systems are gradually diminishing the carrying of hard cash, (Pham and Ho, 2015) this increases the ease of use for the customer. (Teo *et al.*, 2015).

Mobile phone payment is steadily gaining popularity across the African continent. The underdeveloped network in Africa dampened little the leapfrogging of the fixed-line straight to mobile phones. (Aron, 2017) (a) Many among the African population are facing many challenges, one, in particular, being easy access to financial products provided by conventional financial institutions. (Finmark Trust, 2017) (a) This is accurate to MSMEs whose need for easy access to financial products is growing day by day. (Financial Times, 2019)

MMS usage is a vital mobile financial package currently billed as one of the key contributors to the growth of MSMEs' emerging economies. (Mararo and Ngahu, 2017) (a) MMS are offered in 96 per cent of the countries where less than a third of the population has an account in the organized banking sector, (GSMA, 2019) (b) a fertile environment for germination and growth of mobile money technology. The majority of low-income earners find MMS inexpensive (Media Intelligence, 2016), easy to register (Ecobank, 2019), convenient, (Mararo and Ngahu, 2017) (b), reachable and safe (Talom and Tengeh, 2019) (b)

### **Recent Technologies**

Mobile money services are fast adapting to technological changes, especially in mobile banking, aspects such as IMPS (Immediate Payment Service), USSD (Unstructured Supplementary Service Data), SMS (Short Messaging Service) and UPI (Unified Payment Interface) (Kakadel and Vashne, 2017) mobile banking applications have revolutionized how the business transaction is conducted. Reliability and privacy as supported by UTAUT theory closely linked to issues of security and trust. UPI based apps are simple, reliable and require more security enhancement to detect fraud transactions and regular updates on Mobile Banking Personal Identification Number (MPIN) (Lakshmi *et al.*, 2019) Today's banks use innovations like blockchain and Bitcoin (cryptocurrency) (Agbezoutsi *et al.*, 2019) (a) based on the blockchain infrastructure. (Kodjo *et al.*, 2019) There are apps like Wallet that store customers' private and public keys used to initiate transactions. Since the unbanked adult population rate is still high, (Agbezoutsi *et al.*, 2019) (b) the environment created provide perfect conditions for leapfrog technologies (Aron, J., 2017 (a), Aron, J., 2018) such as MMS. Consequently, MSMEs are incorporating such technology to build their profit hence growth.

Telecommunication companies introduced MMS in Somalia in 2009. There are several mobile money service providers. A survey conducted by World Bank found that Somalia was one of the most active mobile money markets, this included 32% of the population using mobile money to send and receive money. As the number of telecommunications companies increases mobile money services are also bound to increase. (GSMA, 2019) (c). Today the following are the main mobile money services providers in Somalia. Golis Telecom (Sahal), Hormud (EV-PLUS), ZAAD, National Link Telecom (E-

MAAL), SOMTEL (E-Dahab) (GSMA, 2019) (d). Several factors contribute to the adoption and acceptance of mobile money services in Somalia. The pace at which conventional banking infrastructure is spreading is slow, with huge migration to the major cities due to famine, and droughts. (GSMA, 2019) (e). The effect of the above factors if viewed generally have a big impact on the overall growth of MSMEs in Bosaso.

The use of mobile money payment systems has revolutionized how business is done among small-scale businesses. They see this form of payment as an easier method of carrying out business activities, a method that is relatively affordable, personal and reliable. (Lubua and Semlambo, 2017) (a) The majority of MSMEs are in the informal sector sometimes unregulated, business functions usually are conducted by the owner in market stalls, road sidewalks and residential houses. (Bampoe, 2015) Many business activities are conducted by MMS such as paying suppliers for goods and services, paying bills, sending money to friends and relatives, withdrawing cash, and topping up airtime and internet bundles. Micro-businesses and sole proprietors benefit hugely from the mobile money technology revolution as they can make savings and gain access to more customers and new services. (Oliveira *et al.*, 2016) (b) This view is true to MSMEs to Bosaso. Swift and accessibility to a wireless network that does not rely on physical infrastructure expand the field for more business activities. Additionally, owners of MSMEs in Bosaso find it easy to be in control of their mobile phone accounts.

During the study, the literature showed that there was inadequate information on the topic, particularly how MMS affect the growth of MSMEs. Many studies focused on the following aspects among others. Mobile money acceptance (Sayid *et al.*, 2012), mobile money adoption (Ali *et al.* 2013) mobile money cashless society and financial inclusion (Gas and Aden, 2017). Mobile Transaction Costs on the financial performance (Sayid and Omar 2018). The Influence of MMS usage (John, 2018). Impact of mobile money penetration levels (Ibrahim, 2019). Measuring the contribution of mobile money services to financial inclusion (Mohamed *et al.*, 2021) (b) Assessing the effects of the mobile money service on SMSEs. (Mohamed *et al.*, 2021) (b) The inadequacy of the literature gave the study a chance to present information about mobile money services and MSMEs' growth.

The scanty local government records and word of mouth were the main sources of the material employed in this study. Thus, much of the narrative was that MMS contribute to the growth of MSMEs. Keeping this in mind the study focused on gaining information on the effect of MMS on the growth of MSMEs in Bosaso municipality.

The Unified Theory of Acceptance and Use of Technology (UTAUT) to understand the MSMEs behaviour of using MMS to influence the growth of the business guided this study.

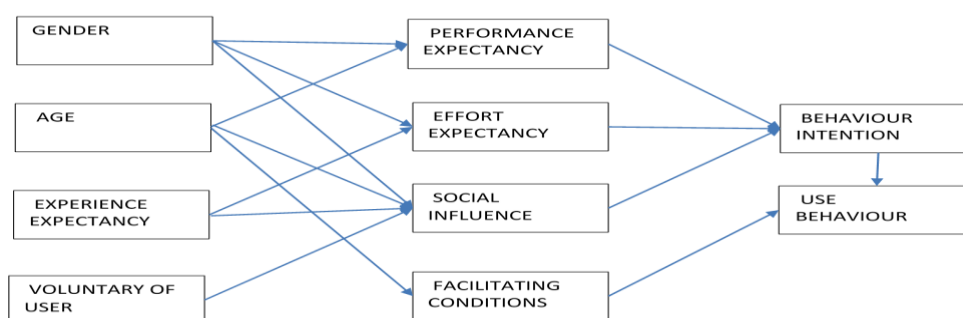
### **The Unified Theory of Acceptance and Use of Technology (UTAUT)**

Numerous models have been used in research in the area of acceptance, use, and adoption of Information Technology. However, a more widely used theory is the Unified Theory of Acceptance and Use of Technology. (Dayour *et al.*, 2019) (a) UTAUT was remodelled through review, collecting, and linking together concepts from eight popular technology adoption theories. The eight theories include the Motivational Model (MM), the Theory of Planned Behaviour (TPB), the Theory of Reasoned Action (TRA), the Technology Acceptance Model (TAM), the Innovation Diffusion Theory (IDT) and the Social Cognitive Theory (SCT), combined theory of Planned Behaviour/Technology Acceptance Model (TPB/TAM), and the Model of PC Utilization (MPCU).

Four main concepts of UTAUT theory were drawn that are direct elements of technology acceptance (behavioural intention) and use (behaviour). The concepts are "Performance Expectancy, Effort Expectancy, Social Influence, and Facilitating Conditions".

However, the effects of these four concepts were moderated by four other variables: “age, gender, experience and voluntariness of use”. Dayour et al, 2019 (b) In addition, this study covers other concepts of UTAUT theory like perceived trust, perceived cost and perceived satisfaction.

Nonetheless, the behavioural intention to use technology according to the theory influences the actual behaviour based on the enabling conditions. Therefore, facilitating conditions directly bridge the actual use of the technology. The aim behind the UTAUT theory was to arrive at a unified view to clarify users' intentions to adopt mobile money services and subsequent behaviour intentions. (Dayour *et al.*, 2019) (c) This study focused on the major concepts of the theories mentioned above, separate discussion on each theory falls beyond the scope of this study.



Source: Research Picture  
**Picture 1. UTAUT theory**

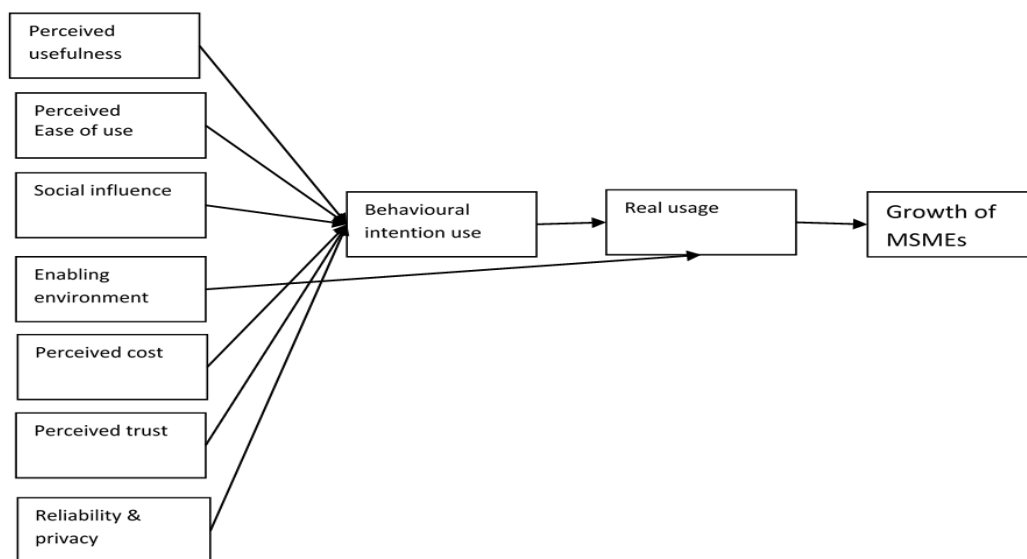
For purposes of this study, UTAUT (Picture 1) theory was the guide, some of the aspects proposed are as follows. *Perceived Usefulness*: Measures the usefulness of a system in carrying out users’ daily activities. (Lubua and Semlambo, 2017) (b) *Perceived ease-of-use*: It refers to the degree of simplicity connected with the use of the system (Narteh *et al.*, 2017) *Social Influence*: The effect of link between social influence and purpose is influenced by age, gender, experience, and educational level. The level to which an individual perceives how important others believe they should use the new system. (Kwateng *et al.*, 2019) *Facilitating Conditions*: it refers to the level to which a person deems that organisational and technical infrastructure exists to back the system. The availability of supportive and functional fabric for mobile payment and the desire to use it is growing. (Oliveira *et al.*, 2016) (c) *Attitude and subjective norms*: Intention to effectively use future goods or services by the user. Use and ease to use develop a positive attitude toward services. (Baganzi and Lau, 2017) *Reliability and Privacy*: Trust is a measure of the customer's level of assurance that a service is provided with reduced barriers. (Oliveira *et al.*, 2016) (d). Trust is a vital component in any business transaction; a customer has to believe the system is reliable. To become a viable unit of doing business mobile money services should increase users' trust. (Oliveira *et al.*, 2016) (e). Thus, the inadequacy of trust will increase the fear of technology affecting negatively the growth of MSMEs.

Perceived cost refers to the extent to which a person believes that using MMS will lower the cost of business transactions. The high-perceived cost might diminish the opportunity of individuals to use mobile technology services. (Oliveira *et al.*, 2016) (f) For instance, sending and withdrawal charges related to using MMS is considered very high, and the users might shy away from using the services. Moreover, unsatisfying experiences, fraud, weak networks, and transfer of money to the wrong number may lead to dissatisfaction among customers, resulting in their intention to use the services diminishing. Satisfaction is a



good feeling one gets. It may be said the customers and MSMEs in Bosaso evaluate the system to see if it has long time benefits.

This is important in retaining old customers and attracting new ones, thus increase in business transactions.



Source: Picture of Research

**Picture 2. Conceptual Framework**

This study employed the above (Picture 2, Conceptual framework) independent variables derived from the UTAUT theory. Perceived usefulness, ease-of-use, reliability and privacy, enabling environment, trust and cost. The dependent variable for the model was the growth of MSMEs. The focus of the study aimed at gathering information on the effect of mobile money services on the growth of MSMEs in Bosaso.

After considering the available literature review, the effect of mobile money services on the growth of MSMEs in Bosaso may largely depend on the following aspect; (i) Perceived transactions (Sales) (ii) Buying of goods (iii) Cost of services (iv) Loan and savings (v) Lowering cost and (vi) trust and safety.

The rationale for such a study is that we need to know how mobile money systems can become more responsive to the needs of all stakeholders as there is limited awareness of mobile money practices among MSMEs. Another area is increased proximity between money network owners and the banking industry. Thus, the need to understand the dynamics of the web like service delivery, including how the new offerings are being adopted and how they affect the growth of MSMEs.

## RESEARCH METHODS

This study uses a case study design as it deals with issues that affect the MSMEs' daily business transactions in Bosaso municipality. The interview method was used to gather information from mobile money providers, MSMEs and users of mobile money services. The interviewers commenced by introducing themselves and stating the purpose of the interview. They started by posing sociodemographic based questions, i.e. age, gender, education level and occupation of the participants.

### Participants' recruitment

Interviewers went to the town around 9.00 am; they approached, introduced themselves, stated the purpose of the visit and requested mobile operator officials, shop owners, street sellers and buyers if they could participate in an interview.

## **Interviews**

Thirty-four semi-structured interviews were carried out, of which all were handwritten with participants' consent. Handwritten notes were taken as the interview progressed, sometimes at their place of work, this proved effective as participants felt it was convenient and comfortable. The interviews and observations discussed in this study were done mainly by research academicians who were conversant with both languages Somali and English. The participant's interview duration varied from eight minutes to ten minutes. Time was of the essence to the participants and the questions were to the point and easily understood. Hence, the short duration. The interviewer had a list of talking points that touched on the following areas; awareness and usage, sales, buying and paying for goods and services, savings and loans, reductions of transactions costs, trust and safety, satisfaction and influence plus benefits. At first, the researchers introduced themselves to the participants, the aim, object of the interview was stated, and any clarification needed was done promptly. The lead researcher explained the contents of the consent letter to the participants and they agreed that they understood and appended their signatures. After the participants confirmed that they are ready to start, they were asked to introduce themselves. However, the interviewers did not follow the same sequence as the conversation was based on the responses of the participants. Therefore, the key points were randomly considered, and there was no specific order followed. The entire interview notes were transcribed. Coding and clustering the transcriptions into themes followed.

## **Interview, Coding, Clustering - Themes**

Research academicians facilitated the interviews by answering and clearing the doubts of the participants. Recruitment was verbally conducted. The place of interaction was in the marketplace in the case of the officials of the mobile money operators, their office.

Participants were handpicked using purposive sampling. A total number of 34 participants were grouped into eight groups each comprising an average of four participants. Each session of the interview lasted 8 to 10 minutes. The responses were handwritten in the Somali language by one of the academic researchers. The main reason was that participants had reservations about the use of recording devices for reasons of privacy and security, concerns which is a sensitive topic.

Before analyzing the data, the written responses were read to the participants and later translated into English to eliminate the possibility of biasness, the major goal was to ensure that the data is correct and consistent. Moreover, two unbiased academician researchers double-checked the accuracy of the translated responses. A further selection criterion for participants was based on their previous experience and knowledge of mobile money services use.

Both were necessary for the participants to be able to provide in-depth information on the use of mobile money technology. The interviews were conducted throughout the day, i.e. on the days when the researchers were in the market. Thus, it was noted that for some of the participants, the difficulty with long conversations was due to the time constrains.

## **Sample size**

The participants' willingness to participate and submit essential information was also taken into account when selecting the sample. Purposive sampling was used based on the respondents' knowledge of mobile money transfer technology in Bosaso municipality mainly considering their professional role, authority and overall experience. Three categories of participants were selected namely mobile money providers' officials (11), aged between 30 to 50 years. Micro-Small and medium-sized Enterprises owners (11) aged 23 to 45 years. Customers (12) were divided into two groups, each with six participants, ranging from 18 to

48 years. Cluster sampling was used to divide the municipality into four sectors. From these sectors, the study used purposive sampling to select eleven MSMEs, mobile money officials and 12 mobile money users. The sampling frame was the mobile money officials, MSMEs and mobile money users in Bosaso Municipality. The interviews were carried out between December 2018 and May 2019. A sequence of interviews was crafted which included visiting the participants’ business respective areas.

**Justification for the small sample size**

Methodologists have discussed the use of the grounded theory concept of *theoretical saturation* as the marker of a sufficient sample size. (Boddy, 2016) Theoretical saturation is the point at which the qualitative analyst cannot point out new information in the data related to the codes, themes, or theory. Since Somali society is a verbal society, it was needless to have a large sample size at this point, as the information provided cut across the social spectrum. The participants in this study exhibited the same pattern during the discussions concerning mobile money transactions activities. Participants had more knowledge and experience so; the small sample size provided sufficient information as the study aim was narrow. The study used the UTAUT theory to link the variables, therefore, making it easier to focus on key issues. Furthermore, it was conducted by experienced academicians who guided the discussion to keep it within the topic. Lastly, it was cost-effective to recruit a small number in the avoidance of wastage of resources.

**FINDINGS AND DISCUSSION**

In the process of analysing the information, we came across similarities of mosaics of ideas that kept on repeating themselves. The ideas were grouped into criteria, which in turn gave birth to the following sub-headings in the following segment.

**Mobile money providers**

It was observed that 82% of mobile money provider’s participants were ready and willing to use mobile payments for availing of liquidity to MSMEs, they felt secure and assured of high profits. There emerged a common thread running throughout mobile money providers, they were of the view that they were able to easily monitor and follow up on the repayments of the loans.

It should be remembered that the liquidity, profits and safety are based on individual behavioural experiences therefore; they can be termed apparent gains. This meaning may not be quantitatively evaluated (as one would evaluate financial records), but it is vital as it provides a glimpse into MSMEs' business activities.

**Table 1. Questions Response Return Rate**

Category	Sub-samples	Questions Response		Percentage		Age
		Return Rate	Return Rate	Return Rate	Return Rate	
Mobile money provider Officials	Male (8)	Yes	No	Yes	No	30-50
	Females (3)					
	1. Liquidity	9	2	82	18	
	2. Profit	10	1	90	10	
Private MSMEs Owners	Males (7)	11	-	100	-	23-45
	1. Liquidity	9	2	82	18	
	2. Profit	8	3	73	27	
Customers	12	10	1	91	9	18-48
	Males (5)					



Female (7)				
1. Liquidity	8	3	67	33
2. Benefits	9	2	75	25
3. Safety	11	1	92	8
Total sample	34			

Source: Table of Research

### Mobile money providers

On liquidity, **Table 1 above** shows that 90% of the mobile money provider’s participants were willing, ready and able to use mobile payments for availing of liquidity MSMEs through mobile money transfer. **The researcher posed a question** – “Please can you explain the procedure used before serving the customer?” Thank you. One of the officials of mobile money providers shared “...I scrutinize the cheque then write the customer’s mobile number at the back ... enquire whether the customer needs hard cash or send to the mobile phone account.” (Talim)

Tell me more about mobile money transfer service, **the researcher prodded further**, he went on to state “dealing with cash in an environment where government structures like security are limited is an uphill task and a person will always be suspicious when carrying out business transactions.....” On profit, **Table 1 above** shows that mobile money providers participant’s said that there exists a cordial relationship with MSMEs leading to the opening of accounts for the MSMEs these business accounts provide a great opening to easily connect the mobile money providers and MSMEs. “...transactions are growing rapidly because of mutual trust....” An official of Mobile Money Providers (Ahmed). On security, they were in total agreement that the safety of their money advanced to MSMEs through mobile money transfer is secure. “...in our society and especially in Bosaso, fixed assets which can be used as collateral for the advancement of finance are very limited... trust remains the most vital ingredient”. An official of Mobile Money Provider. (Abdul)

### Private MSMEs owners

On liquidity, private MSMEs owners **Table 1 above** were positive that they could secure a loan for the improvement of their business. “...it has become easy to pay loans in good time hence we can secure different products....” Shop Owner (Rafiq)

A woman who is running an imported cloth and footwear shop stated, “.... MMS has enabled me to get much-needed funds ... with minimal disruptions to my business... “Textile and Footwear Shop Owner. (Mariama) On profits, it was revealed **in Table 1 above** that the majority of the private MSMEs owners participants felt that mobile money payment is the best way to use, as their profits can be easily known. The traders use mobile money technology to pay bills, settle their debts and store money. “... most customers prefer payments for the goods using mobile phone... “A trader in Kitchenware. (Ramla) It should be added that many MSMEs have made efforts to acquire specific account IDs that their customer can use when carrying out business activity using mobile money services. However, Farida was of the view that “the procedure of getting the ID is cumbersome so I have resorted to using my mobile account.” It was further observed that upcoming small business has adopted this style of using their mobile account in transacting business hence it is convenient thereby increasing their profits. On security, the majority of the private MSMEs owners **Table 1 above** felt that mobile money payment is the best way to use as it is secure as compared to other modes of payments like the use of hard cash, cheques, and credits cards through conventional banking systems. It was observed that most MSMEs prefer to use MMS as it has a reference number. “...if I wish I can easily get a printout of all my daily, monthly transactions ....” Mobile phone Shop Owner. (Ahmed)

## Customers

On liquidity, there was an overall feeling that moving cash by phone was better as it was easy to use and it is possible to carry money electronically around buy and pay for the goods and services with ease. **“Comment about the safety of mobile money service”** *“I am always encouraged to keep the money in the system rather than withdrawing it.”* Customer (Mahad),

The liquidity aspect has opened new possibilities like calling and ordering goods, and payment of services without going to the shop in person. On accessibility, many customers were of the view that, so long as you have a mobile phone the mobile money facility is available and makes transactions suitable and easy to use. Some of the customers with a divergent opinion were of the view that there are some technical problems like weak network or lack of good customer care in solving problems like sending money to the wrong number, which takes more time before one receives any assistance. On safety, participants felt that mobile money payments are safe as compared to other methods. *“Somali shilling has lost more value against the United States dollar carrying a lot of Somali shillings notes around is a challenge and it opens you up to robbers...”* Customer (Layla). Nevertheless, other participants had a contrary view that it was a problem, especially for those who cannot read and write. *“...it is a very complicated process ...I have to find a trustworthy person to do it for me...”* Farmer (Maxamuud)

## Accessibility and use of mobile money services affect the growth of MSMEs

It was observed that the majority of the participants were of the view that mobile money has jolted the business community. *“.....I simply call and place an order... pay for goods when delivered....”* Housewife (Fatuma) Mobile money providers connect private MSMEs owners to their customers. *“....my small business of selling foodstuffs is growing fast; the number of customers is increasing day by day...”* Food stuffs vendor (Salim). He attributes this to the quick, free and predictable way of performing transactions without even person-to-person meetings. It was observed that he has displayed his mobile number and his merchant ID account number. Thus, once a customer visits his shop he need not come back, he just has to use the phone to conduct the rest of the business. Prompted further on how he sources the capital, he stated *“...sometimes from my relatives or bank loan through Islamic perspective...”* but when he is repaying the loan, he uses the mobile phone to repay in agreed instalments. Due to its cheapness quickness and reliability, mobile money is now the main channel used for buying and paying for goods and services in Bosaso, this has a ripple effect on the growth of MSMEs. Market participation by MSMEs is often relatively low, due to high transaction costs, liquidity constraints, and fear of risk. (Bongomin and Munene, 2021) This view is true of Bosaso's situation, the MSMEs owners lack the financial support to compete with well-established big businesses. On savings, the MSMEs owner said *“they usually made the deposit directly to their bank account”* this may help to ease liquidity constraints and risk. Hence, loan payments through mobile cash transfer may lead to the reduction of negative economic surprises, therefore, acting as a safety net. Thus, access to MMS is growing rapidly, and MSMEs' willingness and ability to invest increase productivity and profits. There may be more employment opportunities given that the use of mobile money is related to an increase in business activities. There is a possibility of an increase in the need for workers creating more employment opportunities thus, overall MSMEs growth. It should be kept in mind that this was an exploratory study hence the extent of growth in terms of evidentiary numbers and figures might not be present in this article.

### **Impact of mobile money services on the growth of MSMEs**

MSMEs use mobile money transfer services to carry out business transactions, which in turn increases the turnover of sales. When the amount of goods purchased goes up, the outcome will be the likelihood of high returns. Traders re-invest in their business to expand, the profits gained act as a catalyst for the growth of MSMEs. Hence, it was observed that more micro-businesses were joining the market at a faster rate. (Odoom and Kosiba, 2020) As the business grows, the MSMEs similarly grow. This growth enables them to pay bills thereby igniting the fire of MSMEs growth. Lastly, MSMEs when they make profits may result in more liquidity.

The ease of ordering and paying for relatively standardized products or services, and the consequential speedier logistics, enables businesses to lessen the time between order and delivery (payment), hence improving liquidity. The researchers deduced the above analysis from the views and observations.

### **CONCLUSION AND RECOMMENDATION**

Both male and female native Somalis conducted the study's interviews. The talking points were guided by UTAUT theory. It was gathered that though mobile MMS technology is new in the market, its adoption is on the rise. In addition, the participants possessed smartphones and used them to make their business transactions. The quasi-structured interviews revealed that owners of MSMEs were concerned with the lack of adequate liquidity. Although aspects like ease of use, affordability and accessibility were highly regarded. The interview did not include rural areas, as it was difficult to find reliable participants for the reasons that they practice nomadism. Lack of records as MSMEs did not maintain business records and those who did were unwilling to lay them open. The findings and results are mainly the authors' elucidations in respect of interviews and observations. The sample is hinged on those who were ready to tell their side of the story.

**Recommendation:** The MSMEs and policymakers may take advantage of the knowledge that comes with the use of mobile money technology to develop strategies that will address the challenges and prospects of MMS. Other researchers may enlarge the scope of this study by carrying out quantitative-based research on the actual impact of mobile money services on the growth of MSMEs.

**Ethics approval to conduct the study:** In this study, the required permission was obtained from the Red Sea University Ethics Committee (UEC), before collecting the information.

**Informed consent:** Consent was sought by approaching the participants who regularly use mobile money services. They were contacted personally face to face; the purpose of the study explained, steps to be followed, possible benefits and how information collected would be used. Hence, they granted permission orally. An official from the Red Sea University's Research, Training and Development Centre witnessed the whole process.

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*Conflict of interest.*

The author hereby do declare that he has no conflict of interest in this article whatsoever.

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