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ROLE OF MOBILE BANKING ON THE FINANCIAL PERFORMANCE OF SACCOS IN PUBLIC UNIVERSITIES IN SOUTH RIFT REGION, KENYA

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ABSTRACT
The adoption of digital financial services has been identified as a critical factor in improving financial performance and operational efficiency among SACCOs. Despite the growing integration of mobile banking in Kenya, financial institutions, including SACCOs, continue to face challenges in optimizing financial performance. This study examined the role of Mobile banking in enhancing the financial performance of SACCOs in public universities in the South Rift Region, Kenya, guided by the Technology Acceptance Model (TAM). An explanatory research design was employed, targeting 160 SACCO employees in leadership roles, from which a sample of 48 respondents was selected using stratified random sampling. Data collection was conducted using structured questionnaires, and analysis was performed using descriptive statistics (percentages and means) and inferential statistics (correlation and regression analysis). The findings indicated a strong positive relationship ($\beta = 0.786$, $p < 0.05$, $R^2 = 0.618$) between mobile banking and SACCO financial performance, emphasizing the crucial role of mobile banking in improving accessibility, transaction efficiency, and revenue generation. The study recommends that SACCOs invest in mobile banking infrastructure, enhance user awareness programs, and implement strategies to address potential adoption barriers such as system reliability and network accessibility. These efforts will ensure that SACCOs fully leverage Mobile banking to improve financial outcomes and service delivery.

KEYWORDS: *Mobile Banking, Financial Performance, SACCOs, Technology Acceptance Model (TAM), digital financial services.*

1.1 INTRODUCTION

Financial performance is a crucial determinant of the sustainability and growth of Savings and Credit Cooperative Organizations (SACCOs), particularly in public universities, where financial stability directly affects service delivery and member benefits (Mwangi, Nyamboga, & Karani, 2023). The rapid advancement of Mobile banking has revolutionized financial transactions, providing SACCOs with an opportunity to enhance operational efficiency, improve accessibility, and expand financial inclusion (Omondi & Wanjiru, 2024). As SACCOs seek to optimize their financial performance, integrating Mobile banking has become a strategic approach to reducing operational costs, increasing transaction speed, and enhancing revenue generation (Koech & Otieno, 2023).

Despite the increasing adoption of mobile banking in Kenya, the expected financial performance improvements among SACCOs remain inconsistent (Njoroge & Kiragu, 2024). This challenge is particularly evident among public university SACCOs in the South Rift Region, where financial institutions continue to experience liquidity constraints, inefficient loan recoveries, and operational challenges. A contrasting study by Ochieng (2023) found that mobile banking adoption in SACCOs significantly improved liquidity by enhancing savings mobilization and enabling faster loan disbursements, leading to better financial performance. Although Kenya's financial sector has undergone a major digital transformation—with formal financial access rising from 74.3% in 2022 to 84.9% in 2024—many SACCOs struggle to convert this digital financial access into sustainable financial growth (Central Bank of Kenya, 2024). Moreover, SACCOs are affected by regulatory uncertainties, economic fluctuations, and varying levels of technology adoption, which hinder their ability to maximize the benefits of Mobile banking (Mugendi, Kinyua, & Kariuki, 2023). Mobile banking encompasses various digital financial solutions, including fund transfers, real-time account monitoring, loan disbursements, and bill payments, offering SACCO members improved accessibility and efficiency (Muthoni & Chebet, 2023). Research from developed economies such as the United States and United Kingdom has

demonstrated a strong positive relationship between Mobile banking and financial performance, primarily due to well-developed digital infrastructure and widespread adoption (Kamau & Musyoka, 2024). However, studies focusing on Africa have yielded mixed results, with some SACCOs experiencing financial growth while others continue to face significant adoption challenges due to digital literacy gaps and inadequate technological infrastructure (Mutua, Simiyu, & Wekesa, 2023). Furthermore, limited empirical research has examined the direct impact of Mobile banking on SACCO financial performance in public universities in Kenya, necessitating further investigation (Onyango & Kiprotich, 2024).

While existing studies have focused on the broader impact of mobile banking on SACCOs in Kenya, the knowledge gap lies in the specific context of public university SACCOs in the South Rift Region, which has been under-researched. The empirical gap is evident in the limited studies that directly address the unique challenges and opportunities mobile banking presents to SACCOs in this specific demographic, particularly regarding their liquidity management, loan recovery efficiency, and overall financial performance. Theoretical contributions are also lacking in terms of models that integrate mobile banking within the unique socio-economic and regulatory framework of public universities in Kenya. This research aims to fill these gaps by providing a focused examination of the role of mobile banking in enhancing financial performance in this specific context.

Given the transformative potential of Mobile banking in improving SACCO financial performance, this study seeks to evaluate their role within public university SACCOs in the South Rift Region of Kenya. By analyzing the impact of Mobile banking on revenue generation, transaction efficiency, and overall financial stability, the study aims to provide actionable insights for enhancing digital financial integration and ensuring sustainable SACCO performance in the modern financial landscape.

1.2 Statement of the Problem

Increase in adoption of Mobile banking is a key driver of transformative changes in financial transactions, significantly enhancing accessibility, convenience, and operational efficiency within the banking sector (Gomber, Koch, &Siering, 2020). For Savings and Credit Cooperative Organizations (SACCOs), particularly those within public universities, Mobile banking offer considerable potential to enhance financial performance by improving transaction efficiency, expanding access to services, and reducing operational costs (KUSCCO, 2023). However, despite the growing adoption of Mobile banking in Kenya, their impact on SACCOs' financial performance remains minimal, as evidenced by a significant decline in SACCO usage—from 13.5% in 2019 to 9.1% in 2024—while the number of customers accessing commercial banks surged from 13.5% to 29.2% during the same period (SASRA, 2024). This trend raises concerns about SACCOs' ability to effectively adapt to digital financial solutions and meet the evolving needs of their members. The ongoing decline in membership and financial instability observed in many SACCOs signals an urgent need for targeted interventions (Ochieng, 2021). Existing studies, such as those by Ochieng (2021) and Mwau (2022), highlight the dearth of empirical evidence on the impact of Mobile banking on SACCO performance in the South Rift Region, while research by Koduk (2021) and Geoffrey (2023) in Nairobi demonstrates positive effects, underscoring the necessity for further investigation within the context of public university SACCOs. If the challenges surrounding mobile banking adoption in public university SACCOs remain unresolved, these institutions risk continued financial instability, undermining their ability to provide essential services to their members. This study, therefore, sought to address this gap by assessing the role of Mobile banking in enhancing the financial performance of SACCOs in public universities in the South Rift Region of Kenya.

1.3 Research Objective

The study aimed to determine the role of Mobile banking on the financial performance of SACCOs in public universities in the South Rift Region, Kenya.

1.4 Research Hypothesis

Ho: Mobile banking has no significant role in the financial performance of SACCOs in public universities in the South Rift Region, Kenya.

1.5 Significance of the Study

This study is significant for researchers, policymakers, SACCO officials, and members. It contributes to understanding how Mobile banking impact SACCO financial performance, informing policies to enhance service delivery and

financial inclusion. For SACCO officials, the study provides insights to optimize digital services, improving operational efficiency. Policymakers can use the findings to develop strategies for better adoption of mobile banking in SACCOs.

2.1 TECHNOLOGY ACCEPTANCE MODEL (TAM)

The Technology Acceptance Model (TAM), proposed by Fred Davis in (1986), is a widely recognized theoretical framework used to understand and predict individuals' acceptance and usage of technology (Davis, 1986). The theory posits that an individual's intention to use a particular technology is determined by two primary factors: perceived usefulness (PU) and perceived ease of use (PEOU) (Davis, 1989). According to TAM, individuals are more likely to adopt a technology if they perceive it to be useful in improving their performance and if they find it easy to use. This model has been extensively applied in various domains to assess users' acceptance of technology, including in the context of mobile banking services.

Several studies support the arguments proposed by the Technology Acceptance Model. For instance, a study conducted by Hwang, Kim, and Hwang (2022) found that perceived usefulness significantly influenced users' intention to adopt Mobile banking in South Korea, concluding that individuals were more likely to adopt mobile banking if they perceived it as beneficial for managing finances. Similarly, research by Kafali, Dursun, and Yılmaz (2021) found that perceived ease of use positively influenced users' intention to adopt Mobile banking in Turkey, reinforcing the idea that ease of use is a critical determinant of technology acceptance.

Additionally, a study by Verma, Kaur, and Arora (2023) in India found empirical evidence supporting the TAM framework in the context of mobile banking adoption. The research revealed that both perceived usefulness and perceived ease of use significantly influenced users' attitudes towards mobile banking, which in turn affected their intention to adopt the technology. Furthermore, a study by Alharbi, Almalki, and Alqarni (2020) identified that perceived usefulness and perceived ease of use were significant predictors of consumers' intention to adopt Mobile banking in Saudi Arabia, illustrating TAM's applicability across different cultural contexts.

Despite its widespread use, the Technology Acceptance Model has certain limitations. One critique is its focus on individual beliefs and attitudes, which may overlook social and contextual factors influencing technology acceptance. For instance, a study by Venkatesh, Thong, and Xu (2020) argued that TAM's emphasis on individual perceptions neglects the influence of social norms, organizational context, and external variables on technology adoption. Additionally, research by Lee, Lee, and Kim (2021) suggested that TAM does not adequately address the role of subjective norms and social influence in shaping individuals' technology acceptance behavior. Moreover, TAM has been criticized for its static nature and lack of consideration for the dynamic technology adoption processes. A study by Wong, Sia, and Chiu (2022) argued that TAM fails to account for the evolving relationship between users and technology over time, which can limit its predictive power in complex adoption scenarios.

In the context of the study on the effect of Mobile banking on the financial performance of SACCOs in public universities in the South Rift Region of Kenya, the relevance of the Technology Acceptance Model lies in its capacity to provide a theoretical framework for understanding SACCO members' acceptance of mobile banking technology. Members' willingness to adopt and utilize mobile banking can significantly influence its impact on the SACCO's financial performance. Higher levels of perceived usefulness and ease of use may lead to increased adoption, potentially resulting in improved financial performance for the SACCOs. Therefore, understanding members' acceptance of mobile banking is essential for SACCOs in public universities in the South Rift Region of Kenya to effectively implement and promote digital banking services, ultimately enhancing access to financial services and potentially bolstering the SACCOs' financial performance.

2.2 Mobile Banking and Financial Performance

Convenience and Accessibility

In the context of mobile banking, convenience is often highlighted as a key driver of increased financial performance. According to Mugo, Muathe, and Waithaka (2019), mobile banking services such as mobile deposits, bill payments, and account statements positively influenced the financial performance of SACCOs in Embu County. These services increased the accessibility and convenience of financial transactions for members, leading to improved financial health of SACCOs. Similarly, Thio and Yusniar (2021) acknowledged that mobile banking provides enhanced convenience

for users, although their study did not find a significant relationship between mobile banking and financial performance in Indonesian banks. This inconsistency suggests that while mobile banking can provide convenience, its direct effect on financial performance may depend on other factors such as the scale of operations, the type of banking services offered, and regional economic conditions.

Reliability and Trust

The reliability of mobile banking services is another critical factor affecting SACCO performance. Usman (2020) examined the financial performance of United Bank of Africa (UBA) PLC in Maiduguri and found that mobile banking did not positively influence financial performance. This contrasts with studies from developed economies, where mobile banking has been found to significantly improve financial outcomes by enhancing the reliability and consistency of financial transactions (Kamau & Musyoka, 2024). One possible explanation for these contradictory findings is the technological infrastructure; in regions with less reliable internet connectivity or mobile network coverage, mobile banking services might not function as effectively, which could undermine their impact on financial performance. This highlights the need for future research to consider the role of infrastructure in shaping the effectiveness of mobile banking.

Transaction Speed and Efficiency

Transaction speed is often cited as a major benefit of mobile banking, particularly in improving operational efficiency and reducing transaction costs. Muthoni and Chebet (2023) found that mobile banking services, such as real-time account monitoring and loan disbursements, enhanced the speed and efficiency of transactions in SACCOs. However, Thio and Yusniar (2021) found no significant impact of mobile banking on the financial performance of Indonesian banks, despite the expectation that faster transactions would lead to improved profitability. The disparity in these findings could be attributed to differences in the banking environment, with some banks possibly lacking the required infrastructure to leverage mobile banking fully. This inconsistency underscores the importance of further research into the contextual factors that might influence the relationship between transaction speed and financial performance in SACCOs, particularly in developing economies like Kenya.

Long-Term Impact and Sustainability

Mugo et al. (2019) identified the positive short-term effects of mobile banking services on SACCO financial performance in Embu County but noted the lack of research on the long-term sustainability of these services. This highlights an empirical gap that needs further exploration. The potential long-term effects of mobile banking on SACCO sustainability, particularly concerning customer retention and financial stability, are underexplored. Other studies, such as that by Usman (2020), found no positive impact of mobile banking, which raises questions about the lasting value of mobile banking services in certain contexts. This gap in the literature suggests that more longitudinal studies are needed to evaluate whether mobile banking can sustain its positive impact on financial performance over time, especially in different economic and technological contexts.

Empirical Gaps and Inconsistencies

Across various studies, there is a noticeable inconsistency in the findings regarding the impact of mobile banking on financial performance. While some studies, like those of Mugo et al. (2019), report positive impacts, others, such as Usman (2020), found no significant effect. These inconsistencies can be attributed to differences in study contexts, such as the geographical region, the scale of operations, and the technological infrastructure available. Additionally, the limited scope of some studies—such as Usman's (2020) focus on a single branch—restricts the generalizability of the findings, highlighting the need for broader, more comprehensive studies. This study seeks to address these empirical gaps by focusing on the specific context of public university SACCOs in the South Rift Region of Kenya, where mobile banking is increasingly adopted but remains under-researched.

Conclusion and Theoretical Implications

While existing studies have examined the role of mobile banking in SACCO financial performance, they have largely focused on short-term effects and specific regions, with limited consideration of long-term sustainability or the influence of contextual factors like infrastructure and regulatory policies. Theoretical models examining the relationship between mobile banking and SACCO performance in developing economies like Kenya are also scarce. This study aims to bridge these gaps by providing a more nuanced understanding of the role of mobile banking in

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SACCO financial performance, particularly in public universities, and contributing to the development of theoretical frameworks that consider the unique challenges and opportunities of SACCOs in the South Rift Region.

2.3 Conceptual framework

A conceptual framework was used to guide the study. The conceptual framework consisted of one independent variable and one dependent variable (See Figure 2.1).

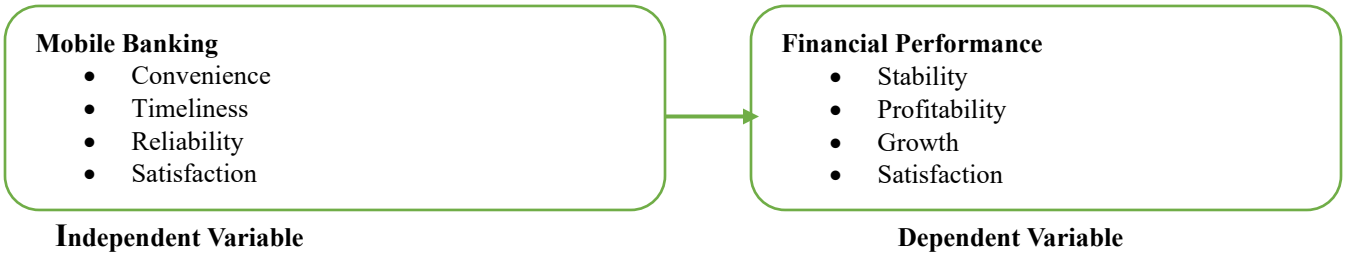


Figure 2.1: Conceptual Framework

3.1 RESEARCH METHODOLOGY

This study employed a descriptive cross-sectional research design to explore the relationship between mobile banking and the financial performance of SACCOs in public universities in the South Rift Region, Kenya. The target population consisted of 160 SACCO staff in strategic roles, and a stratified sampling technique was used to select 48 respondents. Primary data was collected using a structured questionnaire with a 5-point Likert scale, focusing on mobile banking services' impact on SACCO financial performance. Cronbach's alpha for reliability was 0.85, indicating high internal consistency. Content and construct validity were ensured through expert input and correlation with validated measures. Financial performance was measured using indicators such as ROA, loan recovery rate, and self-reported profitability, while mobile banking adoption was assessed through transaction speed, ease of use, and satisfaction. Data was analyzed using SPSS, with assumptions for regression (normality, multicollinearity, and homoscedasticity) tested and met. Descriptive and inferential statistics, including regression analysis, were employed to examine the impact of mobile banking on financial performance. Ethical considerations, including informed consent and confidentiality, were strictly adhered to.

4.1 ROLE OF MOBILE BANKING ON THE FINANCIAL PERFORMANCE OF SACCOS IN PUBLIC UNIVERSITIES IN SOUTH RIFT REGION, KENYA

The study's first objective sought to examine the role of Mobile banking on the financial performance of SACCOs in public universities in the South Rift Region. The respondents' perceptions were assessed using a five-point Likert scale, where: 1 - Strongly Disagree, 2 - Disagree, 3 - Neutral, 4 - Agree, and 5 - Strongly Agree (Darteh, 2018). The following section presents the findings based on the responses from 45 SACCO members, which were analyzed and discussed in detail to provide insights into the role of mobile banking in the financial performance of SACCOs. Descriptive statistics were calculated, and the results are presented in Table 4.1 below.

Table 4.1: Descriptive Statistics for Mobile Banking Services

Given Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total	Mean	Standard Deviation
Mobile banking is convenient to use	2 (4%)	5 (11%)	6 (13%)	17 (38%)	15 (34%)	45 100%	3.88	0.96
Mobile banking provides timely access to account information	1 (2%)	4 (9%)	5 (11%)	19 (41%)	16 (36%)	45 100%	4.01	0.89
Mobile banking is reliable in transaction processing	3 (7%)	6 (13%)	5 (11%)	16 (36%)	15 (33%)	45 100%	3.78	1.02
Mobile banking enhances my overall satisfaction with the SACCO	2 (4%)	5 (11%)	7 (16%)	18 (40%)	13 (29%)	45 100%	3.80	0.94

Source: Research Data, (2025)

The findings in Table 4.1 indicate that mobile banking plays a significant role in the financial management of SACCO members. A majority of respondents agreed that mobile banking is convenient (mean = 3.88, SD = 0.96), although the variability in responses suggests some differing opinions, likely due to challenges like network connectivity (Opiyo, 2021). This finding aligns with the Technology Acceptance Model (TAM), which emphasizes that perceived ease of use is crucial for technology adoption, but factors such as network reliability can affect its perceived convenience.
Regarding timeliness, the majority of respondents (mean = 4.01, SD = 0.89) agreed that mobile banking provides timely access to account information. The relatively consistent responses highlight the positive perception of mobile banking's ability to enable real-time financial management. However, as noted by Opiyo (2021), some delays in transactions may influence users' perceptions of timeliness. According to TAM, perceived usefulness, such as timely access, directly impacts continued usage, and delays could diminish its value.

In terms of reliability, the results showed a mean of 3.78 with a standard deviation of 1.02, indicating variability in responses. While most respondents found mobile banking reliable, technical glitches were noted, echoing Mwangi et al. (2022). TAM suggests that reliability is essential for technology adoption, and any issues with reliability could reduce the trust in mobile banking, ultimately affecting user satisfaction and continued use.

Regarding overall satisfaction (mean = 3.80, SD = 0.94), the majority of SACCO members expressed satisfaction with mobile banking services. However, the moderate variability suggests that some users were less satisfied, likely due to technical issues such as poor network coverage. This finding is consistent with Kim and Prater (2020), who identified ease of use, reliability, and convenience as key drivers of satisfaction, and with TAM, which posits that dissatisfaction can arise when perceived ease of use and usefulness are negatively impacted.

In conclusion, while mobile banking is generally seen as contributing positively to SACCO financial performance through convenience, timeliness, reliability, and satisfaction, technical challenges such as network issues and transaction delays remain obstacles. These results highlight the need for SACCOs to address infrastructure issues to improve mobile banking services, ensuring that they can fully benefit from the advantages of mobile banking and continue to support sustainable financial performance.

4.2 Correlation Tests

To further understand the relationship between Mobile banking and the financial performance of SACCOs in public universities in the South Rift Region, the data were analyzed using Pearson's Correlation. This was done to determine if there was a significant relationship between the use of Mobile banking and the financial performance of SACCOs in this region. The results of the Pearson's Correlation analysis are presented in Table 4.2 below.

Table 4.2: Pearson's Correlation Analysis between Mobile banking and Financial Performance

Variable	Pearson Correlation	Sig. (2-tailed)	N
Mobile banking & Financial Performance	0.786**	0.025	45

Source: Research Data (2025)

Correlation is significant at the 0.05 level (2-tailed).

The results presented in Table 4.2 reveal a strong positive and statistically significant linear relationship (r = 0.786, p = 0.025) between mobile banking and the financial performance of SACCOs in public universities in the South Rift Region. This finding suggests that increased utilization of mobile banking leads to better financial outcomes for SACCOs, highlighting the important role of digital tools in the financial sector. These results align with Eze et al. (2020) and Opara et al. (2021), who found similar positive correlations between mobile banking usage and enhanced financial performance in SACCOs. These studies emphasize that mobile banking improves financial inclusion, streamlines transactions, and boosts operational efficiency, all of which contribute to better financial results.

The findings are further supported by the Technology Acceptance Model (TAM), which suggests that perceived ease of use and perceived usefulness are critical factors in the acceptance and adoption of technology. In this case, mobile banking in SACCOs increases accessibility and operational efficiency, aligning with the TAM framework by enhancing the perceived usefulness of the services, thus positively impacting financial performance.

However, the results contrast with Aloo et al. (2022), who found a weaker positive correlation between mobile banking and financial performance. Aloo et al. pointed out that despite mobile banking adoption, challenges like network instability and user experience barriers could hinder its effectiveness in improving financial performance. This inconsistency highlights the need for further research to investigate the underlying factors that may influence mobile banking's impact on SACCO performance, such as infrastructure, training, and user adoption barriers.

4.3 Regression Tests

The study further sought to establish the role of Mobile banking on the financial performance of SACCOs in public universities in the South Rift Region. To achieve this, the study tested the null hypothesis, which stated:

H_{O1}: Mobile banking has no significant role in the financial performance of SACCOs in public universities in the South Rift Region, Kenya.

This analysis was done using simple linear regression, and the results are presented in Table 4.3.

Table 4.3: Regression Coefficients for Mobile Banking Services

R^2	β	F	t	*p*
.618	.786	28.694	5.358	0.025

Source (Research data, 2025)

Table 4.3 shows that the goodness of fit for the regression between mobile banking and financial performance in SACCOs within public universities in the South Rift Region was satisfactory. An R^2 of 0.618 indicates that 61.8% of the financial performance of SACCOs is explained by mobile banking services. The remaining 38.2% suggests that other unmeasured factors, such as management practices, economic conditions, or member engagement, also influence financial performance. Mobile banking significantly affects the financial performance of SACCOs, with an F-value of 28.694 and a p-value of 0.025, indicating statistical significance. The null hypothesis that mobile banking has no significant role in SACCO financial performance was rejected, supported by a t-value of 5.358, which is greater than the critical t-value, and a p-value less than 0.05.

The coefficient (β) of mobile banking is 0.786, meaning that for every unit increase in mobile banking usage, SACCO financial performance improves by 0.786 units. This strong positive relationship indicates that greater adoption and use of mobile banking leads to stronger improvements in financial performance. These findings align with the research of Agboola (2017) and Lwoga and Sife (2021), who found that mobile banking enhances financial performance by improving operational efficiency, expanding customer reach, and enabling timely transactions. Additionally, the results support the Technology Acceptance Model (TAM), which suggests that perceptions of usefulness and ease of use significantly influence technology adoption and its impact on organizational outcomes. In the case of SACCOs, the perceived usefulness of mobile banking directly contributes to its effectiveness in enhancing financial performance.

However, these results contrast with Raza et al. (2020), who found that mobile banking adoption did not significantly influence SACCO financial performance in certain regions. This disparity suggests that further exploration is needed to understand the factors that may mediate the relationship between mobile banking adoption and SACCO performance, such as mobile infrastructure, member education, and regulatory frameworks. These factors may play a critical role in determining the success of mobile banking in improving SACCO financial performance.

4.4 Financial Performance of the SACCOs

The study's dependent variable was the financial performance of the SACCOs operating within public universities in the South Rift Region, Kenya. The respondents were required to rate their agreement with statements related to the SACCOs' financial performance, using a scale ranging from 1 to 5, where 1 = Poor, 2 = Below Average, 3 = Average, 4 = Above Average, and 5 = Excellent. The statements measured the overall financial stability of the SACCO, profitability, growth in membership and services, and satisfaction with dividend payouts and interest rates.

4.4.1 Descriptive Tests

Descriptive statistics were analyzed, and the results are presented in Table 4.4

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Table 4.4: Financial Performance Ratings of Respondents

Financial Performance Criteria	Poor	Below Average	Average	Above Average	Excellent	Total	Mean	Standard Deviation
Overall financial stability of the SACCO	2 (5%)	5 (11%)	10 (22%)	18 (40%)	10 (22%)	45 100%	3.44	1.02
Profitability of the SACCO	1 (2%)	6 (14%)	8 (18%)	20 (44%)	10 (22%)	45 100%	3.56	1.04
Growth in membership and services offered	2 (4%)	4 (9%)	12 (27%)	20 (44%)	7 (16%)	45 100%	3.43	1.05
Satisfaction with dividend payouts and interest rates	3 (7%)	5 (11%)	10 (22%)	14 (31%)	13 (29%)	45 100%	3.50	1.14
Overall Mean and Standard Deviation							**3.48**	**1.06**

Source: (Research Data, 2025)

The results presented in Table 4.4 indicate that respondents rated the SACCOs' overall financial stability and profitability positively, with the majority rating them as Above Average. Specifically, 40% of respondents rated financial stability as Above Average, and 44% rated profitability in the same category. Growth in membership and services was also seen favorably, with 44% of respondents selecting Above Average for this criterion. Similarly, a significant proportion of respondents (29%) rated their satisfaction with dividend payouts and interest rates as Excellent, reflecting a positive perception of SACCO performance.

These findings are consistent with the perceived usefulness construct of the Technology Acceptance Model (TAM), which suggests that when users find a system or service beneficial, they are more likely to adopt it (Davis, 1989). In this case, SACCOs that demonstrate strong financial stability and profitability are perceived as useful by their members, as these indicators directly influence their satisfaction with the services provided, including dividend payouts and interest rates.

Additionally, the perceived ease of use of SACCO services, particularly those offered via mobile banking, can be linked to the findings. The results highlight that members of SACCOs are not only satisfied with financial performance but also with the accessibility and ease of using digital platforms for managing their accounts. The availability of mobile banking services facilitates a more user-friendly experience, improving overall satisfaction. This aligns with the TAM's assertion that systems that are easy to use increase the likelihood of their acceptance by users (Davis, 1989).

The behavioral intention to use mobile banking can be inferred from the respondents' satisfaction with the services provided. The high ratings of satisfaction, particularly in areas such as dividend payouts and interest rates, indicate that members are likely to continue using SACCO services, including their mobile banking platforms. This is consistent with the idea that positive perceptions of ease of use and usefulness lead to stronger behavioral intentions to use a service (Venkatesh & Davis, 2000).

These results align with Mugo (2016), who highlighted that financial stability and profitability are key indicators of a SACCO's operational effectiveness, and SACCOs with strong financial performance tend to attract more members and improve member satisfaction. This also supports the findings of Kariuki and Gikonyo (2019), who found that SACCOs with a strong focus on profitability and financial stability experience robust growth in membership and services offered, reflecting the impact of financial performance on overall success.

However, these findings contrast with those of Goyal and Kumar (2021), who noted that SACCOs with high profitability often struggle with member satisfaction, particularly in areas such as dividend payouts and interest rates. The results of this study, however, suggest that SACCOs in the South Rift region of public universities manage to balance profitability with member satisfaction, highlighting their ability to effectively integrate digital tools that support both financial performance and member satisfaction.

In conclusion, the digitalization of SACCO operations plays a pivotal role in improving financial performance and member satisfaction. Mobile banking platforms, as part of digital platforms, provide efficient means for managing operations, increasing profitability, and enhancing member experiences. These findings further emphasize the importance of perceived usefulness, perceived ease of use, and behavioral intention to use mobile banking in fostering positive outcomes for SACCOs, contributing to both their financial success and member engagement.

5.1 SUMMARY OF RESEARCH FINDINGS

The study established a strong positive relationship between Mobile banking and the financial performance of SACCOs in public universities in the South Rift Region, Kenya. Regression analysis revealed a significant coefficient ($\beta = 0.786$, $p < 0.05$) and an R^2 value of 0.618, indicating that Mobile banking explains 61.8% of the variation in SACCO financial performance. The findings highlight that mobile banking enhances financial accessibility, improves transaction efficiency, and increases revenue generation.

5.2 Conclusions

The study concludes that Mobile banking is a pivotal driver of financial performance in SACCOs, significantly improving operational efficiency, accessibility, and revenue streams. The high correlation between mobile banking adoption and financial outcomes underscores the importance of digital financial integration. However, while mobile banking has positively transformed SACCO operations, issues such as system reliability and network challenges must be addressed to ensure its full potential is realized.

5.3 Recommendations

To fully harness the benefits of mobile banking, SACCOs should prioritize investments in robust and secure mobile banking infrastructure to enhance system reliability and user experience. Additionally, targeted awareness and training programs should be introduced to educate members on the benefits and security of mobile banking services. Collaboration with mobile network providers is essential to improve connectivity and minimize service disruptions. SACCOs should also develop risk management strategies to mitigate potential cyber threats and enhance trust in digital financial transactions.

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