

QUALITATIVE STUDY

Mobile Banking as a Catalyst for Financial Inclusion

A Qualitative Analysis of Rural Kenyan Livelihoods

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ABSTRACT

Financial inclusion remains a critical challenge in sub-Saharan Africa, with rural populations disproportionately excluded from formal financial services. While mobile banking platforms have proliferated, their nuanced impact on rural livelihoods and the mechanisms through which they foster inclusion require deeper qualitative investigation. This study aimed to explore the lived experiences of rural users of mobile banking services, specifically analysing how these platforms influence livelihood strategies, decision-making, and perceptions of financial security. A qualitative, interpretive approach was employed, using semi-structured interviews and focus group discussions with 42 purposively selected participants across three rural counties. Data were analysed using reflexive thematic analysis. Analysis identified three core themes: enhanced transactional agency, the emergence of informal digital savings groups, and persistent anxiety over digital fraud. A prominent finding was that approximately two-thirds of participants reported using mobile savings features to create small, goal-oriented 'digital pots', fundamentally altering traditional cash-hoarding practices. Mobile banking acts as a multifaceted catalyst, not merely a transactional tool, by embedding financial practices into daily life and fostering new, user-led savings behaviours. However, trust barriers related to security continue to constrain its full potential. Service providers should develop targeted financial literacy programmes addressing digital security. Policymakers are urged to strengthen consumer protection frameworks for digital finance while encouraging platform designs that support informal savings group functionalities. Financial inclusion, mobile banking, rural livelihoods, qualitative research, Kenya, digital finance This paper provides novel empirical evidence on the user-driven adaptation of mobile banking for informal savings, illustrating a bottom-up mechanism for financial inclusion previously undocumented in this context.

Keywords: *Financial inclusion, Mobile banking, Sub-Saharan Africa, Livelihoods framework, Qualitative case study, Rural economies, Kenya*

Article Highlights

- Two-thirds of participants created goal-oriented 'digital pots', altering traditional cash-hoarding.
- Analysis reveals enhanced transactional agency alongside persistent anxiety over digital fraud.
- The emergence of informal digital savings groups represents a user-driven adaptation of technology.

Policy Implications

Service providers should develop targeted financial literacy programmes addressing digital security. Policymakers are urged to strengthen consumer protection frameworks.

This study provides novel empirical evidence on bottom-up mechanisms for financial inclusion.

ABSTRACT-ONLY PUBLICATION

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