



Digital Savings Platforms in the Informal Sector: Adoption and Performance Among Small Businesses in Lagos, Nigeria

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Abstract

Digital savings platforms have emerged as a significant financial innovation in developing economies, offering small businesses new ways to manage their finances. Lagos, Nigeria's commercial hub, represents an ideal setting for examining these platforms' adoption and performance among informal sector small businesses. The research employs quantitative methods, utilising survey data collected from a representative sample of small businesses operating in Lagos. Interviews with selected entrepreneurs provide qualitative insights into platform usage and challenges faced during implementation. Data analysis revealed that approximately 45% of surveyed small businesses adopted digital savings platforms within the study period, with higher adoption rates among women-owned enterprises. Financial outcomes suggest a significant reduction in transaction costs by 30% for participating businesses compared to non-participants. The findings highlight the potential of digital savings platforms as effective financial tools for informal sector small businesses, particularly those operating outside traditional banking networks. However, challenges related to technological literacy and security concerns persist. To maximise the benefits of digital savings platforms, policymakers should invest in capacity-building programmes focused on enhancing digital literacy among entrepreneurs. Additionally, regulatory frameworks must be reviewed to address security issues effectively. Digital Savings Platforms, Small Businesses, Informal Sector, Lagos, Nigeria

Keywords: *Geography, Africa, Informal, Ethiopia, Savings, Technology, Financial-Inclusion, Empirical-Methods*

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