

**THE ROLE OF MOBILE MONEY IN FACILITATING CROSS BORDER TRADE
AND FINANCIAL TRANSACTIONS AMONG SMALL AND MEDIUM
ENTERPRISES:A CASE STUDY GULU CITY, NORTHERN UGANDA**

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APPROVAL

This is to certify that this dissertation has been written and compiled by **Agenorwot Maria Gorretty** under my supervision until completion and now approved in partial fulfillment of the requirements of this institution for the award of the Bachelors of Business Administration.

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ABSTRACT

The research explores the effectiveness of mobile money in promoting cross-border trade and financial interactions among the Small and Medium Enterprises (SMEs) operating in Gulu City in Northern Uganda. Although mobile money has facilitated domestic financial interactions to a great extent, little is known about its efficiency in promoting international business in new regional hubs. It was intended to establish the effect of mobile money on international business activities as well as its challenges in doing so.

The study adopted cross-sectional descriptive and analytical approach whereby 50 SMEs owners/managers involved in cross-border trade were identified and interviewed using semi-structured questionnaires. The data was analyzed using descriptive statistics as well as correlation and regression methods to determine the relationship between mobile money and cross-border trade.

It was established that mobile money contributes to the facilitation of cross-border trade through convenient payments, security and reduced use of cash. However, the full benefits of mobile money services are inhibited by high fees for cross-border transactions, lack of adequate digital skills by the service providers, unreliable internet connectivity in border areas as well as inconsistent regulations in different nations.

Recommendations from this research indicate that both the government and financial regulators should align regional digital payments regulations so as to make transactions cheaper and easier. Additionally, there is a need for cooperation between financial firms and mobile operators in order to create customized services that raise transaction limits and foster consumer confidence. In regard to owners of small and medium-sized enterprises, the recommendation is to fully adopt digital bookkeeping practices.

TABLE OF CONTENTS

DECLARATION.....	i
APPROVAL	ii
ACKNOWLEDGEMENT	iii
ABSTRACT	iv
LIST OF TABLES.....	viii
ABBREVIATIONS AND THEIR FULL MEANINGS.....	ix
CHAPTER ONE	1
1.0 Introduction.....	1
1.2Backgroundofthe study	1
1.3 Problem Statement	1
1.3Purposeofthe Study	2
1. 3.1SpecificObjectives	2
1.3.2 Research Questions	2
1.3.3 Scope of the Study	3
1.3.4 Content Scope	3
1.3.5 Geographical Scope	3
1.3.6 Time Scope	3
1.3.7 Significance of the Study	3
1.3.8 Conceptual Frame work	4
CHAPTER TWO	5
LITERATUREREVIEW	5
2.0 Introduction	5
2.1 The role of mobile money in facilitating cross-border trade and financial transactions among small scale and medium enterprises	5
2.3 Impact of Mobile Money on Efficiency and Security of Financial Transactions among SMEs	6
2.4 Challenges Faced by SMEs in Using Mobile Money for Cross-Border Trade	7
2.5 Regulatory Issues and Strategies for Enhancing the Use of Mobile Money in Cross- Border Transactions	8
2.6 Research Gap	9
2.7 Chapter Summary	9
CHAPTER THREE	10
METHODOLOGY	10
3.0 Introduction	10
3.1 Study Design.....	10
3.2 Study Area	10
3.3 Study Population.....	11
3.4 Sample Size.....	11
3.5 Sampling Technique.....	11
3.6 Data Collection Methods.....	12

3.7 Reliability and Validity	13
3.8 Data Collection Procedure.....	13
3.9 Data Analysis Procedures.....	13
3.10 Ethical Considerations	14
3.11 Limitations of the Study.....	14
CHAPTER FOUR.....	15
DATA PRESENTATION, ANALYSIS AND INTERPRETATION OF FINDINGS	15
4.0 Introduction.....	15
4.1 Response Rate	15
4.2 Demographic Characteristics of Respondents	16
4.3 Gender Distribution.....	16
4.4 Age Distribution	16
4.5 Type of Business.....	16
4.6 Years of Business Operation	17
4.7 Main Cross-Border Trading Country	17
4.8 Use of Mobile Money in Cross-Border Transactions.....	18
4.9 Frequency of Mobile Money Usage.....	18
4.10 Mobile Money Services Used	18
4.11 Type of Cross-Border Transactions Conducted Using Mobile Money.....	19
4.12 Descriptive Statistics for Key Study Variables	19
4.13 Challenges Faced by SMEs in using mobile Money	20
4.14 Strategies for Improving Mobile Money Use.....	20
4.4.5 Correlation between Mobile Money and Cross-Border Trade.....	21
4.4.6 Regression Analysis: Effect of Mobile Money on Cross-Border Trade	21
4.4.7 Interpretation of Key Findings and summary	22
CHAPTER FIVE.....	23
SUMMARY, CONCLUSIONS AND RECOMMENDATIONS	23
5.0 Introduction	23
5.1 Summary of Findings.....	23
5.2 Mobile Money Accessibility and Cross-Border Trade	23
5.3 Transaction Cost Efficiency and Cross-Border Trade	23
5.4 Transaction Speed and Cross-Border Trade Facilitation	24
5.5 Overall Effect of Mobile Money on Cross-Border Trade.....	24
5.6 Conclusions.....	24
5.7 Recommendations.....	24
5.8 Recommendations to Mobile Network Operators	25
5.9 Recommendations to Government and Financial Regulators	25
5.10 Recommendations to SME Owners	25
5.5.1 Recommendations to Financial Institutions.....	25
5.5.2 Policy Implications	25

5.5.3 Areas for Further Research..... 25

5.5.4 Overall Conclusion 26

APPENDICES 27

REFERENCES 32

LIST OF TABLES

Table3.1: Sampling Techniques and Selection of Respondents (n= 50).....	12
Table4.1: Response Rate (n=50)	15
Table4.2: Gender of Respondents (n=44).....	16
Table4.3: Age of Respondents (n=44).....	16
Table4.4: Type of SME Business(n=44)	16
Table4.5: Years of Business Operation (n= 44)	17
Table4.6: Main Cross-Border Trading Partner Country (n=44).....	17
Table4.5: Frequency of Using Mobile Money for Cross-Border Transactions (n=44).....	18
Table4.6: Type of Mobile Money Plat form Used (n=44)	18
Table 4.7: Type of Transactions Conducted Using Mobile Money (n = 44)	19
Table4.7: Descriptive Statistics of Variables (n=44)	19
Table4.8: Descriptive StatisticsforMobileMoneyChallenges(n=44).....	20
Table4.9: Suggested Strategies for Improving Mobile Money Use (n=44)	20
Table 4.8: Pearson Correlation Results (n=44)	21
Table 4.9: Multiple Regression Coefficients.....	21
Table4.10: Model Summary	21

ABBREVIATIONS AND THEIR FULL MEANINGS

BBA:	Bachelor of Business Administration
COMESA:	Common Market for Eastern and Southern Africa
DRC:	Democratic Republic of Congo
EAC:	East African Community (inferred from references and text context)
GDP:	Gross Domestic Product
GSMA:	Global System for Mobile Communications Association
IMF:	International Monetary Fund
MTN:	Mobile Telephone Network (MTN Mobile Money)
OECD:	Organization for Economic Co-operation and Development
SMEs:	Small and Medium Enterprises
SPSS:	Statistical Package for Social Sciences
TAM:	Technology Acceptance Model
UCU:	Uganda Christian University

CHAPTER ONE

1.0 Introduction

This chapter explains the background of the study, statement of the problem, purposes, objectives, research questions, scope, importance, and conceptual framework of the study.

1.2 Background of the study

SMEs comprise the bedrock of the private sector in Uganda and make substantial contributions to the creation of jobs, revenues, and trade in the region. Over the last few years, the fast adoption of financial technology; mainly mobile money has revolutionized the manner in which transactions are conducted, access to financial services and cross-border markets. Mobile money refers to financial products offered via mobile phones, which allows people to save, send, receive and manage money virtually without having to use the traditional banking infrastructure.

The majority of the adult population lack access to financial institutions, especially in developing countries where banks are underdeveloped. Innovations in digital finance like mobile money have proven to be an effective solution to addressing this challenge by providing inexpensive and convenient means of accessing financial services in real-time. Mobile money has taken off and grown to become an indispensable tool for promoting financial inclusion of SMEs.

The increased adoption of mobile money services provided by key telecommunication players has transformed the financial environment. The services have made it easier to conduct transactions not only within individual countries but also have promoted regional trade by making cross-border transfers quick and easy. As integration within the region increases and SMEs become involved in more cross-border trading either informally or formally, the need to understand the use of mobile money in such trades becomes vital.

1.3 Problem Statement

Without a doubt, the adoption of mobile money technology has enhanced domestic financial transactions and increased financial inclusion of SMEs in Uganda. However, little is known about the application of mobile money technology in cross-border financial transactions and business dealings of SMEs. The situation is worse in new emerging towns such as Gulu City. While some SMEs conduct cross-border trade within the East African region, others still rely on informal methods of transferring cash due to various challenges faced, including high transaction costs, foreign exchange rates, diverse rules in different countries, and incompatibility of mobile money

transfers in different platforms.

As a result, it becomes very difficult for SMEs to exploit the potential offered by mobile money technology in cross-border business dealings. It should be mentioned that although several studies have examined the relationship between mobile money and SMEs' performance, little is known about the importance of mobile money in facilitating cross-border transactions. In this regard, this study seeks to examine the influence of mobile money on cross-border business operations in border markets of Northern Uganda.

1.3 Purpose of the Study

This research seeks to establish the part played by mobile money services in making cross-border transactions easy for Small and Medium Enterprises operating in Gulu City, Northern Uganda.

1.3.1 Specific Objectives

The study will be conducted according to the objectives listed below.

1. To identify how mobile money services influence cross-border trade among SMEs in Gulu City.
2. To assess the impact of mobile money on the efficiency and security of financial transactions among SMEs in Gulu City.
3. To identify the challenges faced by SMEs in using mobile money for cross-border trade.
4. To propose strategies that can improve the use of mobile money in cross-border financial transactions among SMEs in Gulu City.

1.3.2 Research Questions

The study will address the following questions:

1. How do mobile money services influence cross-border trade among SMEs in Gulu City?
2. What is the impact of mobile money on the efficiency and security of financial transactions among SMEs in Gulu City?
3. What challenges do SMEs face in using mobile money for cross-border trade?
4. What strategies can enhance the use of mobile money in cross-border financial transactions among SMEs in Gulu City?

1.3.3 Scope of the Study

1.3.4 Content Scope

The research would center on the importance of mobile money facilities, especially concerning their accessibility, affordability, dependability, and transaction safety in promoting cross-border commerce and financial activities among SMEs.

1.3.5 Geographical Scope

The study will be carried out in Gulu City, which is situated within the Acholi sub-region of northern Uganda. It acts as a major commercial hub with good trading ties to other countries such as South Sudan and the Democratic Republic of Congo.

1.3.6 Time Scope

The period for research is from October 2025 to March 2026. The period is adequate enough to carry out the research and analyze the findings in relation to mobile money payments and cross-border business operations made by small businesses.

1.3.7 Significance of the Study

The findings from this study will provide insights and knowledge beneficial to the multiple stakeholders who use SMEs for their development and use digital finance systems.

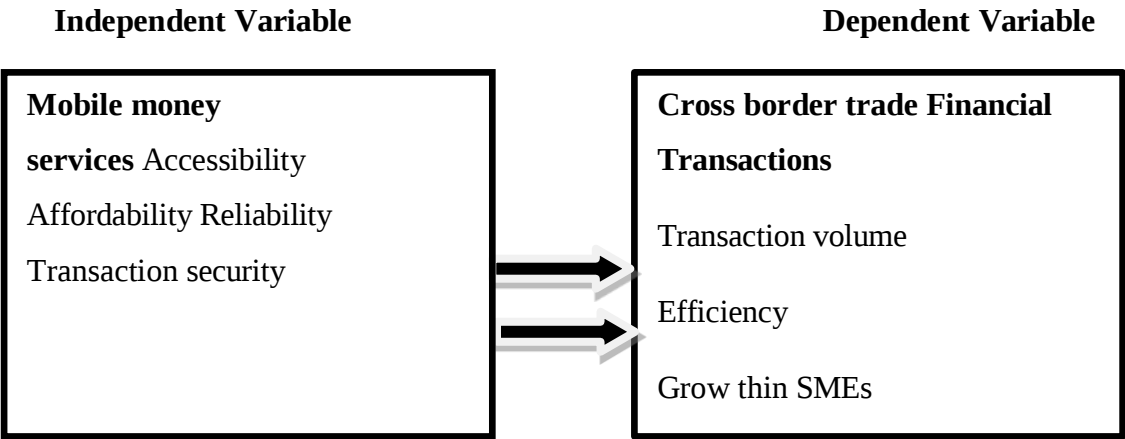
From the view point of academicians, the research will add to the pool of current literature on digital finance and SME internationalization with evidence from Northern Uganda.

From the view point of policy makers, the research findings will assist in developing regulations that will foster interoperability, reduce transaction costs, and promote financial inclusion of SMEs participating in regional commerce.

For the MNOs, the research will offer insight into the needs of SMEs involved in cross-border

For the owners and managers of SMEs, this research will increase their knowledge regarding the benefits that may accrue from mobile money usage in ensuring efficient transactions, sound financial management, and cross-border business expansion. In the end, this may lead to increased competitiveness.

1.3.8 Conceptual Frame work



The concept of the study is anchored on the belief that the utilization and effective adoption of mobile money services have an impact on SME performance in terms of cross-border trade and financial dealings.

The independent variable is mobile money services, which include accessibility, affordability, reliability, and transaction safety. Cross-border trade and financial transactions among SMEs are the dependent variables, captured by transaction amounts, efficiency, and business development.

Moderators in the relationship between the independent and dependent variables include regulatory frameworks, technological facilities, and user digital literacy, which affect the capacity of mobile money services to foster cross-border trade.

Three theories form the basis of this research concept. Technology Acceptance Model explains the role of perceived usefulness and ease of use in influencing adoption of mobile money by SME owners. Financial Inclusion Theory highlights the importance of digital finance services in providing affordable and accessible financial services.

CHAPTER TWO

LITERATUREREVIEW

2.0 Introduction

This chapter provides an overview of the literature, both theoretical and empirical, on the use of mobile money to facilitate cross-border transactions and business activities among Small and Medium Enterprises (SMEs).

The effects of mobile money on cross-border trade, the impacts of mobile money on efficiency and security of transactions, problems encountered by SMEs, and strategies for enhancing mobile money effectiveness are some of the issues addressed within this chapter. Through the analysis of recent literature in Africa and Uganda, this chapter highlights gaps which justify the focus of the current study.

2.1 The role of mobile money in facilitating cross-border trade and financial transactions among small scale and medium enterprises

Mobile money has gradually revolutionized the way in which SMEs engage in cross-border commerce through simplifying the process of payments and eliminating reliance on cash transactions. Digital payment systems allow small-scale businessmen to transfer money instantly regardless of borders, thus ensuring efficiency in transactions.

This is especially relevant to areas with insufficient banking systems as mobile money acts as a financial intermediary that helps establish trade connections between neighboring countries (Evans & Pirchio, 2019).

In addition to streamlining payments, mobile money helps formalize transactions that were previously informal. By utilizing mobile platforms for trade transactions, small-scale businesses generate transaction history that can be used for credit opportunities and establishing links with suppliers. This process is vital for in formal cross-border traders who struggled with trust and verification problems when conducting business transactions in other countries (GSMA, 2023).

From an African perspective, mobile money technology has enhanced regional financial integration due to its ability to facilitate cross-border funds transfer among countries within regional trade blocs. According to studies, increased mobile money penetration rates have resulted in higher cross-border remittances and increased regional trade connectivity implying that digital financial tools play a critical role in fostering the internationalization of SMEs (Aker, Jack, & Suri, 2020).

In Uganda, SMEs use mobile money technology in making cross-border payments when conducting business with neighboring countries like South Sudan and the Democratic Republic of Congo. This is attributed to the convenience and speed associated with mobile payments hence reducing the risks involved in cross-border transactions and facilitating smooth business processes. This shows that mobile money not only serves as a payment platform but also as a market expansion tool for small businesses (Bank of Uganda, 2024).

Nevertheless, the degree to which mobile money influences the success of cross-border business in SMEs differs based on the reliability of the infrastructure, compatibility of the payment systems involved, and the users' technological proficiency. Hence, there is still a gap that requires further research into how SMEs in new commercial cities employ mobile money to facilitate their international business operations. This study tries to fill this gap by examining how SMEs in Gulu City engage in cross-border trade using mobile money.

2.3 Impact of Mobile Money on Efficiency and Security of Financial Transactions among SMEs

The use of mobile money technology plays a critical role in improving the efficiency of financial transactions through immediate payment, reduced administrative processes, and decreased transaction costs. For small and medium enterprises, faster transactions help improve their cash flow management, hence allowing them to purchase more stock and pay suppliers on time.

Empirical

Evidence suggests that digital payment systems play a crucial role in improving operational efficiency through reduced processing time and logistics problems associated with handling physical cash (Suri & Jack, 2016).

In addition to increasing efficiency, mobile money enhances transaction security through digital record keeping, authentication, and encryption that minimize losses, theft, and risks associated with fraudulent practices involving cash. Mobile money becomes particularly important for SMEs

conducting cross-border trade since trader's face security threats when traveling across borders with cash (Donovan, 2018).

In addition, mobile money increases financial transparency and accountability in SMEs through digital transaction records. With electronic records, SME owners can monitor their sales, expenditure and keep better financial records. This will enhance decision making and access to financial services including credit facilities for businesses (GSMA, 2022). Improved financial management leads to improved performance and sustainability in competitive regional markets.

The efficiency and security of mobile money in facilitating cross-border transaction depends on the strength of network coverage, user ability, and fraud prevention strategies. Limited network coverage or downtimes will disrupt the payment process and affect business operations, especially in areas near national boundaries without sufficient digital technology. In summary, it is essential to assess the efficiency and security of mobile money transactions among SMEs to measure its impact on facilitating cross-border transactions (OECD, 2021).

2.4 Challenges Faced by SMEs in Using Mobile Money for Cross-Border Trade

Even with the increased use of mobile money services, small and medium-sized enterprises have been facing some challenges while carrying out cross-border business transactions through such platforms. Cost of cross-border money transfer is one of the most common problems faced by businesses using mobile money services. The high costs of cross-border money transfer limit profits and make the use of such services less attractive (World Bank, 2023).

Lack of expertise in terms of digital literacy and understanding of advanced functionalities of mobile money technology is another challenge that small business owners face. Small business owners in developing countries may not be familiar with the necessary functionalities of mobile money services needed in conducting cross-border business transactions (Ozili, 2020).

Lack of infrastructure is another factor that acts as a barrier in the adoption of mobile money across borders in international business. Poor connectivity, system downtimes, and lack of mobile money representatives in remote areas affect the efficiency of mobile money transactions. These factors limit the credibility of mobile money as well as the willingness of individuals to use mobile money in carrying out valuable transactions (GSMA, 2023).

Issues of security and potential fraud are also among the factors limiting the full adoption of mobile

money services among SMEs in international business. There exists some level of fear in carrying out transactions online since some of the people are not sure of the security of the transactions in case there arises any issue.

In light of this, it is critical to develop intervention measures that consider cost, digital skill development, infrastructure issues, and consumer trust in the mobile financial system. In order to develop appropriate measures to facilitate the involvement of SMEs in international commerce using mobile money platforms, it is important to take into consideration the factors that affect SMEs in Gulu City.

2.5 Regulatory Issues and Strategies for Enhancing the Use of Mobile Money in Cross-Border Transactions

Regulatory mechanisms also serve an essential function in determining how efficient mobile money can be as a means of supporting cross-border trade. Disparities in regulations concerning finance, foreign exchange rates, and the amount of transactions allowed by individual nations could prove problematic when carrying out mobile money transfers between two trading partners. Variations in compliance requirements and licensing conditions could make it difficult for operators of mobile networks to extend their services to other nations.

While there must be regulation in place, excessively stringent policies could prevent innovation and delay the creation of regional payment systems that would otherwise be of great use to small traders. There have been several recommendations aimed at overcoming regulatory obstacles. One such strategy involves harmonizing policies related to digital finances within regional economic groups.

Payment systems that focus on integration between different mobile money platforms are increasingly viewed as necessary for optimizing trade processes within SMEs (World Bank, 2022). Ensuring better digital financial literacy among SMEs' managers is equally crucial. Programs that teach traders how to make use of mobile money platforms and conduct transactions securely and effectively across borders could substantially contribute to greater usage of mobile money platforms (OECD, 2021).

Enhanced connectivity and broader mobile money agents' networks in border regions are also essential. Ensuring reliable connection and easy access to mobile money services would guarantee the constant functioning of the system and increase people's trust in it. In combination with adequate regulatory measures and solid infrastructure, mobile money could serve as an

indispensable facilitator of SME involvement in cross-border trade (GSMA, 2022).

2.6 Research Gap

According to recent studies, mobile money enhances financial inclusion and domestic transactions among SMEs; however, most of them focus on general business performance without emphasizing the effect of the technology on cross-border trade. Most of the literature focuses on analyzing the impact of mobile money on business performances within major metropolitan cities without considering newly emerging centers for trade in other regions. Thus, there is limited literature on the practical impacts of mobile money use in cross-border transactions among SMEs operating within second-tier cities (Ozili, 2020; World Bank, 2022).

Prior studies usually highlight issues such as high transaction costs, digital literacy problems, and inconsistent regulations individually, without explaining their combined effects on the use of mobile money by SMEs for international transactions. Such fragmented information has created confusion regarding the extent to which mobile money facilitates cross-border transactions among businesses (African Development Bank, 2022; GSMA, 2023).

Thus, there is less specific information on the way in which mobile money enables cross-border trade and financial transactions between SMEs in Gulu City, Northern Uganda. This research fills this void by considering the enabling aspects of mobile money alongside the hindrances involved in its utilization (Bank of Uganda, 2024).

2.7 Chapter Summary

In this chapter, the view of literature regarding the mobile money and its role in supporting cross-border trade and exchanges by means of financial transactions among SMEs has been undertaken. It was found that mobile money makes payments easy and decreases the dependence on cash, which promotes financial integration within the region and enables SMEs to engage in cross-border trade (Evans & Pirchio, 2019; GSMA, 2022). In summary, all the discussed studies reveal the transformational power of mobile money for facilitating cross-border trade by SMEs. However, it is necessary to conduct more research specific to a certain area. Therefore, the importance of the current research is justified.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

This chapter details the approach used in the exploration of the contribution of mobile money in facilitating cross-border trade transactions among small and medium-scale enterprises (SMEs). It entails the research design, area of study, study population, sample size, sampling procedure, data gathering techniques, reliability and validity, data gathering procedure, data analysis technique, ethical issues and study limitations. The approach employed herein is based on the need for gathering reliable and valid data that could effectively explain the contribution of mobile money to cross-border business transactions among SMEs.

3.1 Study Design

The research design is basically the general outline or framework for data collection, measurements, and analysis in a particular study (Creswell, 2018). The research design used in this study was cross-sectional descriptive and analytical. It was possible to use cross-sectional design in this study since it helped the researcher obtain data at one point in time and analyze the connection between mobile money adoption and the facilitation of cross-border trading.

Descriptive design was ideal in this case for describing mobile money behaviors, types of cross-border trade and their advantages including efficiency, reduced costs, and convenience. Analytical research design was utilized to measure the degree to which mobile money adoption affects cross-border trade efficiency and volume among SMEs. The cross-sectional research design has become quite popular in business and financial inclusion research as well (Setia, 2016).

3.2 Study Area

This research was conducted in Gulu City situated in Northern Uganda. The choice of Gulu City as the research site was due to its prominence as a trading city that serves as a link between Uganda and neighboring market areas like South Sudan and the Democratic Republic of Congo. This city is home to many small and medium-sized enterprises that participate in foreign trade using mobile money transfer systems.

Furthermore, the proliferation of mobile networks and agent banking in this region has facilitated access to mobile money services, which makes Gulu City an excellent environment for conducting this study.

3.3 Study Population

The study population is defined as the total number of units from which the sample is drawn by the investigator (Kothari, 2014). The population of interest was made up of small and medium scale business owners and managers within Gulu City actively involved in cross border trading and financial transactions. The businesses included traders of agricultural products, general goods, electronics, and textiles as well as services that transacted with partners outside the borders. They were selected since such firms mostly used the mobile money systems to make payments and receive money from their clients in the process of managing their cross-border business costs. The accessible population included firms located in the central business district and other main trading centers of Gulu City.

3.4 Sample Size

The sample size is the size of the chosen population to be included in the study as participants (Bryman, 2016). For this particular study, the chosen sample size was fifty SME owners/managers. The sample size was deemed sufficient to give representative insights of the SMEs taking part in cross-border transactions while still being practical to use considering the available time and resources. The inclusion of fifty participants was also significant in making statistical inferences from the sample population and ensuring representation of different types of SMEs taking part in cross-border transactions.

3.5 Sampling Technique

The study targeted a sample size of 50 respondents drawn from SME operators engaged in cross-border trade activities in Gulu City. The respondents included importers/exporters, mobile money agents, transporters, and financial service support personnel. Simple random sampling was used for general SME traders to ensure that each respondent had an equal chance of selection, thereby minimizing selection bias. Purposive sampling was used to select key informants such as mobile money agents and cross-border trade coordinators who possessed specific knowledge relevant to the study objectives. Census sampling was applied to a small identifiable group of registered cross-border mobile money agents within the study area to ensure complete coverage.

The combination of random, purposive, and census sampling techniques ensured representativeness while also capturing expert insights necessary for understanding the dynamics of mobile money usage in cross-border trade (Creswell, 2018).

Table3.1: Sampling Techniques and Selection of Respondents (n= 50)

Category of Respondents	Target Population	Sample Size	Sampling Technique	Method of Selection
SME Cross-border Traders	80	30	Simple Random Sampling	Selected randomly
Mobile Money Agents	10	10	Census Sampling	All included (census)
Transporters involved in Cross-border Trade	20	5	Purposive Sampling	Selected purposively
Trade Association Leaders	5	3	Purposive Sampling	Selected purposively
Financial/ Payment Service Support Staff	7	2	Purposive Sampling	Selected purposively
Total	122	50		

SME traders formed the largest category because they are the primary users of mobile money platforms for executing cross-border payments and settlements. Random sampling was appropriate for this group to ensure fairness and generalizability of findings. Census sampling was applied to mobile money agents since their number within the cross-border trade corridors of Gulu City is relatively small and they are critical actors in facilitating financial transactions. Purposive sampling was deemed suitable for transporters, association leaders, and financial support staff because they possess specialized operational knowledge about transaction flows, payment challenges, and regulatory issues affecting mobile money use in cross-border trade.

This structured sampling approach enhanced both the reliability and validity of the study findings by ensuring that all key stakeholder categories relevant to mobile money and cross- border trade were adequately represented (Taherdoost, 2016; Creswell, 2018).

3.6 Data Collection Methods

The primary data samples were gathered through the use of a semi-structured questionnaire. In the Process, these mantics of the functions of mobile monetary facilitating cross-border business were recorded both quantitatively and qualitatively. The questionnaire had seven parts.

3.7 Reliability and Validity

Reliability refers to the extent to which a research instrument is capable of providing consistent results regarding what the research tool was set out to measure, while validity refers to the accuracy of the research tool in measuring its constructs (Sekaran & Bougie, 2016). To make sure that the research instrument was reliable, the research items were based on constructs that had been empirically confirmed in previous researches concerning financial inclusion and mobile money.

Content validity was ensured through ensuring that the research items were aligned with the objectives and constructs like mobile money adoption and cross-border financial transactions. Construct validity, on the other hand, was ensured through seeking the opinion of the academic supervisors and experts in the field of finance.

3.8 Data Collection Procedure

In the first place, a letter of introduction from the university that allows the research to be conducted is needed. Permission was sought from the SME associations and businessmen in Gulu City. After getting permission, the questionnaires were distributed to the owners/managers of the SMEs who were conducting their businesses.

The researcher informed the respondents about the aim of the research and promised confidentiality regarding their identification. Some of the respondents filled out the questionnaire immediately, while others did so later on.

3.9 Data Analysis Procedures

After data collection, the editing, coding and data entry to SPSS computer application program for analysis was done. Data analysis involved both descriptive and inferential statistics.

For the analysis, descriptive statistics like frequency, percentage, mean and standard deviation was used in analyzing the data gathered about the characteristics of respondents, the trend of use of mobile money technology as well as the benefit that can be derived from mobile money in facilitating cross border trading activities. The findings from data were put into tables.

Inferential statistics were utilized in this study through correlation and regression analysis in finding out the relationship between the use of mobile money technology and efficiency in cross-border trade. Some of the inferential statistical techniques applied included Pearson correlation and regression analysis to find out the correlation between the use of mobile money technology and cross-border trade by SMEs. Inferential statistics are commonly applied in Fin-tech research to

determine the impact of digital finance on businesses performance (Donou-Adonsou & Sylwester, 2016).

3.10 Ethical Considerations

Ethical considerations were taken into account in carrying out the research. Participation in the study was totally voluntary, and all respondents signed the informed consent form before participating in filling out the survey. Confidentiality was assured for the respondents, which means that their information would be treated with absolute confidentiality.

Anonymous responses were ensured by not including any personal identifiers within the surveys. Information was stored securely and could only be accessed by the researcher. Moreover, there was no bias in the process of collecting and analyzing data.

3.11 Limitations of the Study

Nevertheless, even with adequate preparation, there arose some issues that could not be sorted out within the parameters of the study. To start with, the experiment had a cross-sectional design, meaning that it was unable to capture any changes in the adoption levels of mobile transactions with respect to time; but cross-border business activities could be revolutionized by technological advances. Moreover, some small business owners felt hesitant about revealing their transaction records.

Last but not least, the research was confined to Gulu City alone and hence its findings cannot be generalized to other SMEs operating in Uganda and its border areas. However, the research design and methods used ensured that the study was not biased.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION OF FINDINGS

4.0 Introduction

These findings concerning the contribution of mobile money to enhancing cross-border transactions among SMEs are covered extensively in this chapter.

A total number of 50 SMEs was selected to collect data; out of these, 44 responded to the questionnaires, representing a 96% response rate.

It is a very well-structured section according to the objectives of the research, and the findings will be reported using tables, percentages, averages, correlation, and regression analysis as stated in Chapter Three.

4.1 Response Rate

Table4.1: Response Rate (n=50)

Category	Frequency	Percentage (%)
Questionnaires Distributed	50	100
Questionnaires Returned	44	88
Non-response	6	12

Source:(PrimaryData, 2025)

From the total 50 surveys distributed among the owners of the small-to-medium enterprises engaged in cross-border business, 44 responded, which is a response rate of 88%. Such a response rate was deemed sufficient enough for analysis because it surpassed the minimum response rate of 70%.

The minimal percentage of respondents who did not respond indicates that most of the SMEs were cooperative in taking part in the survey, owing to the relevance of mobile money to their business activities

4.2 Demographic Characteristics of Respondents

4.3 Gender Distribution

Table4.2: Gender of Respondents (n=44)

Gender	Frequency	Percentage (%)
Male	26	59.1
Female	18	40.9

Source:(Primary Data, 2025)

Results show that 59.1% of the participants from SMEs were males while females accounted for 40.9%. From the results, it can be concluded that there is male domination in cross-border SME business activities in Gulu City. However, this does not mean that women are not actively involved in such activities.

4.4 Age Distribution

Table4.3: Age of Respondents (n=44)

Age Bracket	Frequency	Percentage (%)
18–30 years	14	31.8
31–40 years	18	40.9
41–50 years	9	20.5
Above50years	3	6.8

Source:(PrimaryData,2025)

The greatest number of SME operators was in the age bracket of 31 to 40 years (40.9%), and the second highest percentage is of operators in the 18 to 30 years age bracket (31.8%). From this, it is apparent that the cross-border trade is carried out mostly by economically active individuals.

4.5 Type of Business

Table4.4: Type of SME Business(n=44)

Business Category	Frequency	Percentage (%)
Retail trade	16	36.4
Wholesale trade	10	22.7

Agricultural produce	12	27.3
Service-based trade	6	13.6

Source :(Primary Data, 2025)

The retail trade accounted for the highest percentage (36.4%), followed by the agricultural produce trade (27.3%). Both categories are highly reliant on cross-border operations on a regular basis; hence, the significant use of mobile money in Uganda-South Sudan and Uganda-DRC border crossings.

4.6 Years of Business Operation

Table4.5: Years of Business Operation (n= 44)

Years of Operation	Frequency	Percentage (%)
Less than 2years	6	13.6
2– 5years	17	38.6
6– 10years	13	29.5
Morethan10years	8	18.2
Total	44	100

Source :(Primary Data, 2025)

From the above results, it is evident that most SMEs that conduct cross-border transactions in Gulu City have been in business for between 2-5 years (38.6%). This suggests that despite having little time in existence, the SMEs are active participants in cross-border trade. SMEs in business for six up to 10 years represented 29.5%. In such a case, these companies show considerable experience in both cross-border business and using mobile money for international transactions. Additionally, the percentage of SMEs doing cross-border business for more than 10 years was 18.2. However, a low percentage of firms (13.6%) did cross-border business for less than two years.

4.7 Main Cross-Border Trading Country

Table4.6: Main Cross-Border Trading Partner Country (n=44)

Country	Frequency	Percentage (%)
South Sudan	19	43.2
Democratic Republic of Congo	15	34.1

Kenya	6	13.6
Other Countries	4	9.1
Total	44	100

Source: (Primary Data 2025)

It is evident from the findings that South Sudan was the biggest trading partner of SMEs (43.2%), considering that Gulu City had close trade relations with the neighboring South Sudan. The Democratic Republic of Congo followed (34.1%) as one of the major trading partners. A few more respondents (13.6%) carried out their business operations with Kenya, and a remaining few (9.1%) traded with other countries in the region. From these findings, it can be concluded that SMEs in Gulu City were heavily engaged in cross-border trade with East and Central African countries.

4.8 Use of Mobile Money in Cross-Border Transactions

4.9 Frequency of Mobile Money Usage

Table4.5: Frequency of Using Mobile Money for Cross-Border Transactions (n=44)

Usage Frequency	Frequency	Percentage (%)
Daily	15	34.1
Weekly	18	40.9
Monthly	7	15.9
Rarely	4	9.1

Source : (Primary Data, 2025)

For most SMEs, mobile money was used once per week in 40.9% of the instances, while daily usage accounted for 34.1%. This indicates that mobile money has now become an important way of effecting payments for carrying out international business transactions.

4.10 Mobile Money Services Used

Table4.6: Type of Mobile Money Plat form Used (n=44)

Platform	Frequency	Percentage (%)
MTN Mobile Money	24	54.5
Airtel Money	17	38.6
Both	3	6.9

Source :(Primary Data, 2025)

As illustrated above, the MTN Mobile Money service was the most widely used (54.5%), followed by the Airtel Money platform (38.6%). The dominance is attributed to the extensive reach of agents and the interoperable nature of these platforms across borders.

4.11 Type of Cross-Border Transactions Conducted Using Mobile Money

Table 4.7: Type of Transactions Conducted Using Mobile Money (n = 44)

Transaction Type	Frequency	Percentage (%)
Paying foreign suppliers	16	36.4
Receiving payments from customers	12	27.3
Sending money to business partners	9	20.5
Paying transport or logistics costs	7	15.9
Total	44	100

Source: Primary Data (2025)

From the results, it is clear that one of the most prevalent uses of mobile money by small and medium enterprises (SMEs) was payment to foreign suppliers, with 36.4%. This finding suggests that businessmen use mobile money to pay suppliers swiftly when conducting their international trade deals. Payment received from foreign customers came second, which makes up 27.3%. It is also evident from the study results that 20.5% of those surveyed used mobile money to send money to their business partners. Meanwhile, only 15.9% used it to pay for transport and logistics.

4.12 Descriptive Statistics for Key Study Variables

Table4.7: Descriptive Statistics of Variables (n=44)

Variable	Mean	Std. Dev.
Mobile Money Accessibility	3.89	0.61
Transaction Cost Efficiency	3.72	0.66
Transaction Speed	4.02	0.58
Cross-Border Trade Facilitation	3.85	0.63

Source:(PrimaryData,2025)

Transaction speed had the highest mean (4.02), which shows that the respondents were convinced about the fastness of cross-border transactions by mobile money service providers. The mean value for accessibility (3.89) is quite high, showing that the services are easily accessible to the traders who trade within Gulu City and the surrounding border areas.

4.13 Challenges Faced by SMEs in using mobile Money

Table4.8: Descriptive Statistics for Mobile Money Challenges(n=44)

Challenge	Mean	Std.Dev.
High transaction charges	3.81	0.72
Poor network connectivity	3.64	0.76
Limited mobile money agents	3.42	0.69
Lack of knowledge on advanced services	3.29	0.73
Fear of fraud or security risks	3.17	0.71

Source:(Primary Data, 2025)

According to the results obtained, high transaction fees (mean = 3.81) were identified as the most critical issue faced by SMEs in using mobile money during cross-border transactions.

Furthermore, network issues have been identified as challenges for conducting business transactions through mobile money with mean score of 3.64. Limited access to mobile money service providers was indicated as mean = 3.42, thus impacting the effectiveness of the process. Besides, SMEs mentioned lack of knowledge about the use of mobile money (mean = 3.29) as well as fear of being scammed (mean = 3.17).

4.14 Strategies for Improving Mobile Money Use

Table4.9: Suggested Strategies for Improving Mobile Money Use (n=44)

Strategy	Frequency	Percentage (%)
Reduce cross-border transaction charges	14	31.8
Improve network connectivity	11	25.0
Increase number of agents	8	18.2
Improve inter-operability between platforms	6	13.6
Provide training for SMEs	5	11.4
Total	44	100

Source : (Primary Data, 2025)

Based on the results of this analysis, one may conclude that reduction of costs associated with cross-border financial transactions (31.8%) is the most popular recommendation provided by SMEs to make mobile money more efficient. Another aspect that respondents consider as important when it comes to making the process of using mobile money easier is the improvement

in network connectivity (25.0%) since network problems often lead to delays in transactions. At the same time, 18.2% of participants recommend increasing the number of mobile money agents. Besides, some respondents recommended improving the interoperability of mobile money (13.6%).

4.4.5 Correlation between Mobile Money and Cross-Border Trade

Table 4.8: Pearson Correlation Results (n=44)

Variable X	Variable Y	Pearsonr	p-value
Mobile Money Accessibility	Cross-border Trade Facilitation	0.612	<0.01
Transaction Cost Efficiency	Cross-border Trade Facilitation	0.584	<0.01
Transaction Speed	Cross-border Trade Facilitation	0.646	<0.01

Source :(Primary Data, 2025)

The findings illustrate an exceedingly strong positive and significant correlation among factors of mobile money usage and cross-border trade facilitation. The highest correlation was found in transaction speed ($r = 0.646$, $p < 0.01$) showing that mobile money payment speed positively affects trade flows across international borders.

4.4.6 Regression Analysis: Effect of Mobile Money on Cross-Border Trade

Table 4.9: Multiple Regression Coefficients

Predictor	Coefficient(β)	Std. Error	t	p-value
Constant	0.842	0.312	2.69	0.010
Accessibility	0.291	0.104	2.80	0.008
Cost Efficiency	0.264	0.111	2.38	0.021
Transaction Speed	0.318	0.096	3.31	0.002

Source :(PrimaryData,2025)

Table4.10: Model Summary

Statistic	Value
R^2	0.658
Adjusted R^2	0.631
F-statistic	24.51
p-value	<0.001

Source :(Primary Data, 2025)

From the analysis of the results obtained from the model, we can see that the mobile money variables collectively account for 65.8% of the changes in cross-border transaction facilitation ($R^2 =$

0.658). The variable that proved to be significant was the transaction speed, which had a β value of 0.318 and $p < 0.01$, followed by accessibility and cost-efficiency.

4.4.7 Interpretation of Key Findings and summary

These results reveal that mobile money is very important in ensuring effective cross-border transactions between the SMEs operating in Gulu city. These results also reveal frequent use, meaning that the traders rely on mobile money greatly when receiving and making payment from/for their overseas suppliers/customers.

The high correlation coefficients and regression analysis results reveal that mobile money facilitates fast transactions, reduces cost of doing business and increases financial access to ensure efficient transactions. Moreover, the predominance of the MTN and Airtel mobile money platform reveals that telecom based innovations are critical in the process of trade integration.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

In this chapter, the researcher will provide an outline of the main conclusions drawn from the analysis, findings, and recommendations derived from the study. This chapter will also provide information on the policy implications as well as areas for future research concerning the role of mobile money in enhancing cross-border business transactions among small and medium-sized firms operating in Gulu City, Northern Uganda. The conclusions made are based on the answers provided by 44 SMEs who completed the questionnaires.

5.1 Summary of Findings

In the research, efforts were made to determine how mobile money plays a significant role in cross-border trade facilitation. The findings were summarized according to the objectives, which included the accessibility, effectiveness, speed of transactions, and effects of these transactions on cross-border trade facilitation.

5.2 Mobile Money Accessibility and Cross-Border Trade

The results of the study showed that the services related to the usage of mobile money were highly available among SMEs who were involved in cross-border business.

It was noted that the descriptive analysis had shown a very high mean (mean = 3.89) when measuring the availability of mobile money services. The correlation analysis on the other hand showed a significant relationship ($r = 0.612$, $p < 0.01$) between the two constructs.

This indicates that improved accessibility to mobile financial services increases the capacity of SMEs to engage in cross-border business through facilitating easy transactions.

5.3 Transaction Cost Efficiency and Cross-Border Trade

From the findings of this research, it can be concluded that mobile money has been proven to be very effective in reducing transaction costs during cross-border transactions. It can be seen that using mobile money reduces costs related to transportation, bank charges, and time when compared to banking institutions.

Descriptive analysis shows relatively high mean score (mean = 3.72) indicating that respondents agree on cost-effectiveness of mobile money for facilitating transactions. The results show a

statistically significant relationship ($r=0.584$, $p<0.01$) between transaction cost efficiency and cross-border facilitation of transactions.

5.4 Transaction Speed and Cross-Border Trade Facilitation

The survey results suggested that transactional speed is an essential feature of mobile money for SMEs. The majority of respondents shared that however, the use of mobile money facilitates instant paying off foreign suppliers and receiving funds from international clients. The variable had the same highest mean score (mean= 4.02). In addition, the highest coefficient value for the strong positive association ($r = 0.646$, $p<0.01$) was observed between transactional speed and trade efficiency. In other words, transactional speed plays an important role in time-saving in trade.

5.5 Overall Effect of Mobile Money on Cross-Border Trade

Results from the regression analysis showed that the mobile money variables together account for 65.8% of the variations in cross-border trade facilitation ($R^2 = 0.658$). The result illustrates that mobile money is an essential variable in the enhancement of financial transaction efficiency amongst SMEs participating in cross-border business activities. It is notable that the transaction speed was the highest predictor, followed by accessibility and cost efficiency.

5.6 Conclusions

The conclusions drawn from the study results in relation to the study objectives include the following. First, the study concludes that access to mobile money has significantly improved cross-border transactions by SMEs. The existence of mobile money agents, wide network coverage, and simplicity in opening an account have facilitated the cross-border transactions of SMEs through mobile money.

Secondly, the study concludes that mobile money enhances transaction cost efficiency in cross-border trading. The use of mobile money by SMEs ensures low cost for travel, banking fees, and foreign exchange, which improves transaction cost efficiency.

Third, the most influencing factor in enabling cross-border trade with mobile money is revealed by the study to be transaction speed. Rapid transaction speeds enable SME businesses to make payments to their suppliers, accept payments from their customers, and replenish stock quickly without experiencing any delays. This will increase the business turnover rate and boost trust amongst business partners in different countries. Lastly, the study shows that mobile money plays an important role in enabling cross-border trade with SMEs in Gulu City.

5.7 Recommendations

From the findings above, the following recommendations can be made:

5.8 Recommendations to Mobile Network Operators

Mobile network operators should develop their mobile money agent networks and improve the network reliability, particularly for trading border regions. This will guarantee the seamless process of financial transactions for SMEs involved in cross-border trade.

5.9 Recommendations to Government and Financial Regulators

The government and financial regulators should develop policies that would facilitate the incorporation of the mobile money system into formal international payment systems. This can be achieved by creating similar regulations in neighboring nations, thus making it easy for SMEs to engage in international mobile money operations.

5.10 Recommendations to SME Owners

SME managers ought to embrace the usage of mobile money solutions in conducting cross-border transactions on account of the speed and cost-effectiveness they offer. This is alongside the adoption of appropriate digital record-keeping practices for monitoring cross-border payments.

5.5.1 Recommendations to Financial Institutions

It would be necessary for the financial institutions and mobile network providers to plan work each other in the development of such innovative digital cross-border payment methods of transaction, which would be aimed at serving SMEs. This approach would increase security

5.5.2 Policy Implications

It is clear from the study that improving the digital finance infrastructure can significantly help in regional integration and growth for small businesses. This means that the policymakers must focus on investing in mobile finance technology and improving payment interoperability for helping SMEs engage in regional business. Improving the digital financial literacy of small business owners will be crucial in this regard.

5.5.3 Areas for Further Research

Since the study focused on SMEs operating in Gulu City, further studies can be carried out on border zones in other parts of Uganda for assessing the impact of mobile money on cross-border trade. Further research may focus on understanding the effect of mobile money on SMEs' export performance, profit margin, and financial inclusion. It would also be interesting to carry out longitudinal studies in the future.

5.5.4 Overall Conclusion

Finally, the research demonstrates that mobile money is an important mechanism for enabling cross-border trading and financial transactions between SMEs in Gulu City. It facilitates accessibility to financial services, reduces transaction costs, and increases payment speed, thus boosting the effectiveness of trading and overall business operations. Mobile money services are vital for encouraging cross-border trade by SMEs.

APPENDICES

APPENDIX1: QUESTIONNAIRE

The Role of Mobile Money in Facilitating Cross-Border Trade and Financial Transactions among Small and Medium Enterprises (SMEs): A Case Study of Gulu City

Dear Respondent,

I am Agenorwot Maria Gorretty, a final year student at Uganda Christian University Mukono; pursuing a Bachelor's degree in Business Administration, carrying out research on the role of mobile money in facilitating cross-border trade and financial transactions among small and medium enterprises. This is a requirement in the partial fulfilment of the degree.

Therefore, you are kindly requested to participate; the information you provide will be used strictly for academic purposes and will be treated with confidentiality. Participation is voluntary, and you may decline to answer any question.

Please answer the questions honestly by ticking (✓) the appropriate option or writing in the space provided.

SECTION A: DEMOGRAPHIC INFORMATION

Instruction:

Tick (✓) the option that best describes you and your business.

1. Gender

Male

☐

Female

☐

2. Age

18– 30years

☐

41– 50years

☐

31– 40years

☐

Above50years

☐

3. Type of business

Retail trade	☐
Whole sale trade	☐
Agricultural produce trading	☐
Service-based business	☐

4. Years your business has been operating

Less than 2 years	☐
2– 5years	☐
6– 10years	☐
More than 10years	☐

5. Which country do you mainly trade with a cross the border?

South Sudan	☐
Democratic Republic of Congo	☐
Kenya	☐
Other (Specify) _____	☐

SECTION B:

USE OF MOBILE MONEY IN CROSS-BORDER TRANSACTIONS

Instruction:

Tick(✓) the option that best represents your experience.

6. How often do you use mobile money for cross-border business transactions?

Daily	☐
Weekly	☐
Monthly	☐
Rarely	☐

7. Which mobile money platform do you mostly use?

MTN Mobile Money	☐
Airtel Money	☐
Both MTN and Airtel	☐
Other (Specify) _____	

8. What type of transactions do you mainly conduct using mobile money? (Tick all that apply)

Paying suppliers across borders

☐

Receiving payments from foreign customers

☐

Sending money to business partners

☐

Paying transport or logistics costs

☐

Other (Specify) _____

SECTION C: MOBILE MONEY SERVICES AND CROSS-BORDER TRADE

Using the Likert scale, indicate the extent to which you experience the following challenges. Where 1=strongly disagree, 2=disagree, 3=neutral, 4=agree and 5=strongly agree

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Mobile money services are easily accessible for my business					
Mobile money allows me to send Payments quickly to foreign suppliers					
Mobile money makes it easier to receive payments from customers in other countries					
Mobile money has increased the Volume of my cross-border transactions					
Mobile money has improved my Ability to participate in regional trade					

SECTION D: EFFECT OF MOBILE MONEY ON TRANSACTION EFFICIENCY AND SECURITY

Using the Likert scale, indicate the extent to which you experience the following challenges. Where 1=strongly disagree, 2=disagree, 3=neutral, 4=agree and 5=strongly agree

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Mobile money reduces the cost of cross-border financial transactions					
Mobile money transactions are faster than traditional banking methods					
Mobile money transactions are					
Reliable for business payments					
Mobile money improves record Keeping of business transactions					
Mobile money transactions are secure From theft or loss					

SECTION E: CHALLENGES FACED WHEN USING MOBILE MONEY

Using the Likert scale, indicate the extent to which you experience the following challenges. Where 1=strongly disagree, 2=disagree, 3=neutral, 4=agree and 5=strongly agree

Challenge	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
High transaction charges for cross-border transfers					
Poor network connectivity affecting transactions					
Limited mobile money agents in trading areas					
Lack of knowledge on advanced mobile Money services					
Fear of fraud or security risks					

SECTION F: STRATEGIES FOR IMPROVING MOBILE MONEY USE

Please tick (✓) the strategies you think would improve the use of mobile money for cross- border trade.

Reduce cross-border mobile money transaction charges	☐
Improve network connectivity in border regions	☐
Increase number of mobile money agents	☐
Improve inter-operability between different mobile money plat forms	☐
Provide training on digital financial services for SMEs	☐
Increase transaction limits for cross-border payments	☐

SECTION G: OPEN-ENDED QUESTIONS

Instruction:

Please write your responses briefly in the space provided.

1. Whatmajor problem do you face when using mobile money for cross-border trade?

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.....

.....

2. What improvements would you suggest to make mobile money more effective for SME cross-border transactions?

.....

.....

.....

THANKYOUFORYOUR PARTICIPATION

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