

Financial Technology Adoption and SME Access to Financial Services: Insights from Tabora Municipality, Tanzania

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Abstract

This study examined the adoption of Financial Technology (FinTech) and its influence on small and medium-sized enterprises' (SMEs) access to financial services in Tabora Municipality, Tanzania. Guided by the pragmatist paradigm, it employed a convergent parallel mixed-methods case study design that integrated quantitative and qualitative approaches. The study involved 206 respondents selected from 425 micro and small enterprises using stratified, simple random, and purposive sampling techniques. Data were collected through questionnaires and semi-structured interviews. Quantitative data were analysed using descriptive statistics, Pearson correlation, and multiple linear regression, while qualitative data were analysed thematically in NVivo. The study assessed six dimensions of FinTech adoption: mobile money, digital lending, online banking, payment applications, trust in digital platforms, and frequency of digital transactions. Findings revealed that all six dimensions were positively and statistically significantly associated with SMEs' access to financial services. Findings also showed that convenience, speed, reliability, and trust drove adoption, while usability challenges, hidden transaction costs, and cash preferences constrained digital engagement. The study concludes that FinTech adoption is a critical enabler of financial inclusion among SMEs in Tabora Municipality. It recommends enhancing digital literacy, strengthening platform security and trust, improving service usability, and promoting transparent pricing mechanisms to increase adoption and expand access to financial services.

Keywords: *FinTech adoption, small and medium-sized enterprises (SMEs), digital financial services, financial inclusion, Tanzania.*

1.0 Introduction

Globally, financial technology (FinTech) has emerged as a transformative force in delivering financial services, reshaping how individuals and businesses access, manage, and utilise financial resources. FinTech encompasses digital innovations such as mobile money, online banking, digital lending platforms, and electronic payment systems, which enhance efficiency, reduce transaction costs, and expand financial inclusion (Arner et al., 2023; Ozili, 2022). International organisations such as the World Bank and the International Monetary Fund report that digital financial services have significantly improved access

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to finance, particularly for small and medium-sized enterprises (SMEs), by overcoming traditional barriers such as high collateral requirements, limited banking infrastructure, and geographic constraints (International Monetary Fund, 2023; World Bank, 2022). Empirical evidence from developed and emerging economies indicates that FinTech adoption enhances SMEs' access to credit, improves cash flow management, and fosters business growth and innovation (Chen et al., 2022; Lee & Shin, 2021). Consequently, FinTech is increasingly recognised as a critical driver of financial inclusion and economic development worldwide.

In Africa, FinTech adoption has grown rapidly, largely driven by the widespread use of mobile technologies and the need to bridge gaps in financial inclusion. Studies show that mobile money services, digital lending, and fintech platforms have expanded access to financial services among underserved populations, including SMEs (Demirgüç-Kunt et al., 2022; Koomson et al., 2023). Countries such as Kenya, Nigeria, and Ghana have made significant progress, with platforms like M-Pesa enabling SMEs to conduct transactions, access microloans, and manage finances more efficiently. However, despite these advances, challenges persist across the continent, including limited digital literacy, inadequate regulatory frameworks, cybersecurity risks, and infrastructural constraints (Asongu & Odhiambo, 2023; Senyo et al., 2022). Researchers argue that while FinTech holds great potential to enhance SME access to financial services in Africa, its adoption remains uneven, particularly in rural and semi-urban areas, where technological and institutional barriers are more pronounced (Abbasi et al., 2023; Bongomin et al., 2021).

In Tanzania, the government has prioritised financial inclusion and digital transformation as part of its national development agenda, including the National Financial Inclusion Framework and the Digital Economy Strategy (United Republic of Tanzania [URT], 2021, 2023). The rapid growth of mobile money services, supported by providers such as Vodacom Tanzania, Airtel Tanzania, and Mixx by Yas Tanzania, has significantly increased access to financial services among individuals and SMEs. According to recent reports from the Bank of Tanzania, mobile financial services have become a dominant channel for financial transactions, contributing to increased financial inclusion. Despite this progress, SMEs in Tanzania continue to face constraints in accessing formal financial services, including limited access to credit, high transaction costs, low financial literacy, and low trust in digital platforms (Lwoga & Ngulube, 2023; Mhando & Osoro, 2022). Additionally, disparities in FinTech adoption persist between urban and rural areas and among different categories of SMEs.

At the local level, in Tabora Municipality, similar challenges are observed among micro and small enterprises. Many SMEs rely heavily on mobile money services for basic transactions, such as payments and money transfers; however, their use of more advanced digital financial services, such as savings, credit, and insurance, remains limited (Abbasi et al., 2023). Constraints such as inadequate digital literacy, unreliable network connectivity in some areas, high transaction costs, and limited awareness of available financial products continue to hinder full financial inclusion. Furthermore, some SMEs still prefer informal financial mechanisms due to trust issues and perceived complexity of digital platforms (Abbasi et al., 2023). These challenges suggest that despite national progress in digital

financial inclusion, SMEs in Tabora Municipality remain partially excluded from the full benefits of digital financial services, thereby justifying the need for this study.

Most existing studies on FinTech in Tanzania (Abbasi et al., 2023; Mhando & Osoro, 2022) have focused on mobile money usage and general financial inclusion, with limited attention to the specific dynamics of FinTech adoption among SMEs and its influence on their access to a broader range of financial services. Furthermore, many studies have not adequately integrated theoretical perspectives to explain the relationship between FinTech adoption and financial access outcomes. This study addresses these gaps by examining Financial Technology Adoption and SME Access to Financial Services in Tabora Municipality, Tanzania, using the Technology Acceptance Model (TAM) (Davis, 1989) as a guiding framework. The model is relevant as it explains how perceived usefulness and perceived ease of use influence the adoption of technological innovations, including FinTech (Venkatesh et al., 2022). By applying this framework, the study aims to provide a deeper understanding of how FinTech adoption affects SMEs' access to financial services, thereby informing policy and practice to enhance financial inclusion in Tanzania.

2.0 Literature Review

2.1 Theoretical Literature Review

This study is grounded in the Technology Acceptance Model (TAM), developed by Fred Davis in 1989. TAM posits that an individual's adoption of a technological innovation is primarily determined by two key factors: perceived usefulness and perceived ease of use. Perceived usefulness refers to the degree to which a user believes that using a particular technology will enhance performance, while perceived ease of use relates to the extent to which the technology is free of effort (Venkatesh et al., 2022). In the context of financial technology (FinTech), these factors influence whether small and medium enterprises (SMEs) adopt digital financial services such as mobile payments, digital lending, and online banking platforms.

In financial inclusion studies, TAM provides a valuable framework for understanding how SMEs decide to adopt FinTech solutions and how such adoption affects their access to financial services. FinTech adoption can directly improve SMEs' ability to access credit, manage transactions efficiently, and integrate into formal financial systems. At the same time, perceived ease of use enhances user confidence and reduces technological barriers, while perceived usefulness motivates continued usage and integration into business operations (Ozili, 2022; Venkatesh et al., 2022).

Using TAM, this study links FinTech adoption to SMEs' access to financial services in Tabora Municipality. The model helps explain how SMEs' perceptions of digital financial services influence their adoption behaviour and, ultimately, their level of financial inclusion. The key variables derived from TAM in this study include perceived usefulness, perceived ease of use, and FinTech adoption as independent variables, with access to financial services as the dependent variable.

Through this theoretical lens, the study emphasises that improving SMEs' perceptions of FinTech's usefulness and ease of use can increase adoption rates and expand access to financial services. Therefore, policymakers and financial service providers should focus on designing user-friendly, reliable, and beneficial digital financial solutions to promote wider adoption among SMEs and strengthen financial inclusion outcomes.

2.2 Empirical Literature Review

Many studies worldwide indicate that adopting Financial Technology (FinTech) significantly improves small and medium-sized enterprises' (SMEs') access to financial services. Chen et al. (2022) in developed economies and Lee and Shin (2021) in global FinTech ecosystems found that digital financial innovations improve SMEs' access to credit, reduce transaction costs, and enhance financial management efficiency. Similarly, Koomson et al. (2023) demonstrated that mobile money adoption increases financial inclusion by enabling SMEs to conduct secure and timely transactions. Ozili (2022) further established that digital finance plays a critical role in promoting financial inclusion and economic participation. These studies suggest the need to examine FinTech adoption across different contexts more closely to understand its contribution to SMEs' access to finance.

In Africa, several studies confirm that FinTech has become a key enabler of financial inclusion, particularly for underserved SMEs. Demirgüç-Kunt et al. (2022) found that digital financial services have significantly expanded access to formal financial systems across Sub-Saharan Africa. Bongomin et al. (2021) in Uganda and Senyo et al. (2022) across African FinTech ecosystems observed that mobile money and digital platforms improve SMEs' access to finance. However, adoption remains constrained by infrastructural and regulatory challenges. Asongu and Odhiambo (2023) further revealed that while FinTech contributes to inclusive development, disparities persist due to differences in digital literacy and institutional support. Abbasi et al. (2023) also noted that cultural and technological factors influence the effectiveness of FinTech in improving SME performance. Despite these challenges, the literature consistently shows that FinTech adoption is a critical driver of financial access and inclusion in Africa.

In Tanzania, empirical evidence on FinTech adoption and SME access to financial services is growing but remains limited in scope. Mhando and Osoro (2022) found that mobile financial services significantly influence SMEs' ability to access financial services, although factors such as trust, cost, and technological skills affect adoption levels. Lwoga and Ngulube (2023) similarly reported that while digital financial services are increasingly available, barriers such as low digital literacy and limited awareness hinder effective utilisation among SMEs. Reports by the Bank of Tanzania highlight the rapid growth of mobile money services, yet access to formal credit and advanced financial products among SMEs remains constrained. Most existing studies in Tanzania focus primarily on mobile money usage rather than on a comprehensive analysis of FinTech adoption and its broader impact on SMEs' access to finance. Furthermore, few studies explicitly apply theoretical frameworks such as the Technology Acceptance Model (TAM) to explain adoption behaviour.

This disparity creates a clear empirical and theoretical gap, particularly regarding how FinTech adoption influences SMEs' access to financial services in specific local contexts,

such as Tabora Municipality. Therefore, this study seeks to address this gap by examining the relationship between FinTech adoption and SME access to financial services, using the Technology Acceptance Model (TAM) to provide a more comprehensive, theory-driven analysis.

3.0 Methodology

This study adopted a mixed-methods research approach to provide a comprehensive understanding of Financial Technology (FinTech) adoption and SME access to financial services in Tabora Municipality, Tanzania. Specifically, a convergent parallel case study design was employed, enabling the simultaneous collection and analysis of both quantitative and qualitative data to obtain a more complete and corroborated understanding of the phenomenon (Creswell & Plano Clark, 2023). For the quantitative component, descriptive statistics were used to summarise respondents' characteristics and levels of FinTech adoption. At the same time, Pearson correlation and multiple linear regression analyses were employed to examine the relationships between FinTech dimensions and SMEs' access to financial services, as well as the predictive impact of FinTech adoption on that access. The study was guided by the pragmatist research paradigm, which supports integrating quantitative and qualitative approaches to address complex real-world problems. Pragmatism emphasises the use of multiple methods to generate practical and contextually relevant findings, making it suitable for studies that seek to understand both measurable relationships and lived experiences.

A total of 206 respondents, drawn from a population of 425 micro and small enterprises (MSEs), were selected using Yamane's formula and participated in the study. These respondents were SME owners and managers. To ensure that the study covered the entire municipality and allowed for generalisation of findings, MSEs were first mapped and selected from different wards within the municipality, ensuring representation from both business centres and peripheral areas.

A stratified sampling approach based on geographical location (wards/streets) and business activity type was used to ensure that all parts of the municipality and all SME categories were included in the study. Within each stratum, respondents were selected using simple random sampling to ensure each SME had an equal chance of participation. In addition, purposive sampling was used to identify key informants with relevant knowledge and experience in digital financial services.

This approach ensured that the sample reflected the diversity of SMEs across the municipality in terms of location, business type, and operational scale, thereby enhancing the validity and generalizability of the findings. Data were collected using structured surveys for the quantitative component and semi-structured interviews for the qualitative component. Quantitative data were coded and analysed in R, using descriptive and inferential statistics to examine the relationship between FinTech adoption and access to financial services. Qualitative data, on the other hand, were analysed using NVivo software through thematic analysis, following the six-step procedure proposed by Braun and Clarke

(2021). The findings from the qualitative analysis were presented verbatim to accurately capture participants' perspectives, while the quantitative findings were presented using descriptive and inferential statistics.

The use of a convergent parallel design enabled the integration and comparison of quantitative and qualitative findings, thereby enhancing the study's validity and depth. This methodological approach was considered appropriate for examining both measurable relationships and contextual experiences related to FinTech adoption and SME access to finance in Tabora Municipality.

4.0 Findings and Discussion

4.1 Demographic Information of Respondents

A total of 206 respondents participated in the study, drawn from Tabora Municipality, Tanzania. Table 1 summarises their demographic distribution by gender, age, education level, business type, years in business, and business size.

Table 4.1: Demographic Profile of Respondents (n = 206)

Demographic Variable	Category	Frequency (N)	Percentage
Gender	Male	128	62.1
	Female	78	37.9
	Total	206	100
Age of respondents	18-25 years	20	9.7
	26-35 years	84	40.8
	36-45 years	68	35.0
	46-55 years	24	11.7
	56+	10	4.9
	Total	206	100
Level of Education	Primary education	18	8.7
	Secondary education	92	44.7
	Diploma	56	27.2
	Bachelor's degree	32	15.5
	Postgraduate	08	3.9
	Total	206	100
Business Type	Retail/shop	72	35.0
	Service (Hair, Transport, etc.)	54	26.2
	Agriculture-related business	28	13.6
	Manufacturing	30	14.6

Demographic Variable	Category	Frequency (N)	Percentage
	Other	22	10.6
	Total	206	100
Years in Business	<1 year	14	6.8
	1–3 years	56	27.2
	4–6 years	64	31.1
	7–10 years	42	20.4
	>10 years	30	14.6
	Total	206	100
Business Size (Employees)	1–5	92	44.7
	6–10	70	34.0
	11–20	28	13.6
	21+	16	7.7
	Total	206	100

Source: Field Data (2026)

The demographic profile of the 206 respondents, as presented in Table 1, shows that most SME owners in Tabora Municipality were male (62.1%) and predominantly aged 26–45 years (75.8%). This suggests that SMEs were largely managed by young and middle-aged adults, who are generally more open to adopting digital technologies, including digital financial services. Most respondents had secondary (44.7%) or diploma (27.2%) education levels, indicating a moderate level of literacy that could affect their ability to access and use digital financial platforms effectively.

By business type, retail/shops (35.0%) and service-oriented enterprises (26.2%) dominated the sample sectors, which typically rely heavily on frequent financial transactions, thereby increasing the relevance and potential use of mobile money and other digital financial services. Many SMEs had been operating for 1–6 years (58.3%), indicating relatively young businesses that may still be in the process of integrating formal financial systems into their operations. Furthermore, the majority of enterprises were micro- and small-scale, employing 1–10 people (78.7%), reflecting the typical structure of SMEs in Tanzania and suggesting limited financial capacity, which makes affordable digital financial services particularly important.

Overall, these characteristics indicate that the respondents were well placed to provide reliable information on digital financial service usage, accessibility, affordability, diversity of use, and financial inclusion, as they are active, operational SMEs within the municipality.

4.2 Mobile Money Usage and SME Access

In this section, respondents were asked about the frequency and extent of mobile money use for business transactions, including paying suppliers, receiving payments from clients, and

managing day-to-day business finances. Mobile money was examined as a key dimension of FinTech adoption among SMEs in Tabora Municipality. Table 4.2 summarises the results.

Table 4.2: Mobile Money Usage and SME Access (n=206)

Indicator	Mean	Std. Dev	High Adoption (4-5)	Correlation (r)	Regression (β , p)
Mobile money adoption	4.12	0.84	135(65.5%)	0.57**	0.18, $p < 0.01$

Source: Field Data (2026)

The results indicate that many SMEs frequently used mobile money, with 65.5% reporting high usage (see Table 4.2). The correlation analysis showed a moderate-to-strong positive relationship between mobile money adoption and access to financial services ($r = 0.57$, $p < 0.01$), indicating that greater mobile money use was associated with better access to financial services, including payments, savings, and credit. The statistical significance ($p < 0.01$) indicates that this relationship was unlikely to have occurred by chance, strengthening confidence in the observed association within the study population.

Furthermore, the regression results ($\beta = 0.18$, $p < 0.01$) show that mobile money usage was a significant predictor of access to financial services. This means that increases in mobile money usage were associated with measurable improvements in access to financial services, although the effect size is relatively small. Overall, these inferential statistics demonstrate that mobile money adoption played an important role in explaining variations in financial access among SMEs in the study area.

Conversely, the qualitative findings revealed that mobile money significantly enhanced the efficiency of business transactions, as one of the SME managers noted:

Mobile money has made it very easy to pay suppliers and receive payments from clients. It saves me time and transport costs (Interview with SME Manager 2; Tabora Municipality, 2026).

This quotation illustrates that SMEs perceived mobile money as a reliable, time-saving, and accessible digital financial tool. Together, the findings suggest that mobile money adoption was a critical enabler of financial inclusion among SMEs in Tabora Municipality. These findings corroborate those of Peprah (2025), who found that mobile money adoption significantly enhances SME performance in Sunyani Municipality by improving sales and financial management, and evidence from an international study showing that mobile money adoption notably increases financial inclusion and access to financial services for informal enterprises.

4.3 Digital Lending Adoption and SME Access

In this section, respondents were asked to what extent they used digital lending platforms to access business loans, repay loans, and manage credit for their SMEs. Digital lending was examined as a key dimension of FinTech adoption and its influence on SME access to financial services. Table 4.3 presents the summary of the results.

Table 4.3: Digital Lending Adoption and SME Access (n=206)

Indicator	Mean	Std. Dev	High Adoption (4-5)	Correlation (r)	Regression (β , p)
Digital lending adoption	3.76	0.92	110(53.4%)	0.51**	0.14, $p < 0.05$

Source: Field Data (2026)

The results in Table 4.3 indicate that just over half of the SMEs (53.4%) frequently used digital lending platforms. The mean score for digital lending adoption indicates a moderate level of usage among SMEs, suggesting that digital lending services were neither rarely used nor widely adopted among the respondents. This implies an average level of engagement with digital lending platforms in the study area.

The standard deviation indicates the extent to which responses varied around the mean. A low standard deviation suggests that most SMEs reported similar levels of digital lending adoption, indicating consistent usage patterns. Conversely, a higher standard deviation indicated greater variation among SMEs, meaning that while some SMEs frequently used digital lending platforms, others used them less or not at all.

Furthermore, the correlation analysis ($r = 0.51$, $p < 0.01$) indicates a moderate positive relationship between digital lending adoption and access to financial services, suggesting that higher adoption is associated with greater access to financial services. The regression analysis ($\beta = 0.14$, $p < 0.05$) further indicates that digital lending adoption was a significant predictor of financial access, although the effect size was relatively small. Overall, these findings suggest that digital lending played a meaningful but varying role in enhancing access to financial services among SMEs.

Conversely, the qualitative findings revealed that digital lending enhanced SMEs' access to credit, although concerns about fees and transparency remained. One SME manager commented:

I started using online lending platforms when I could not access traditional bank loans. It is faster, but sometimes I worry about hidden fees (Interview with SME Manager 5; Tabora Municipality, 2026).

The quotation shows that digital lending platforms were valued for their quick access to credit, but SMEs remained cautious about trust and hidden costs, which might influence adoption levels. These findings are consistent with those of Terry et al. (2025), who found that adoption of mobile lending and other FinTech solutions significantly improved credit access for MSMEs in Nairobi City County by easing collateral constraints and speeding up loan approvals, and with Mwakio et al. (2024), who showed that digital financial services, including digital lending platforms like Tala and M-Shwari, substantially enhanced financial inclusion and financial access among SMEs in Taita Taveta County.

4.4 Online Banking Usage and SME Access

In this section, respondents were asked about their use of online banking services, including checking accounts, fund transfers, and payments for business operations. Online banking adoption was assessed as a key FinTech dimension influencing SMEs' access to finance. Table 4.4 summarises the results.

Table 4.4: Online Banking Usage and SME Access (n=206)

Indicator	Mean	Std. Dev	High Adoption (4–5)	Correlation (r)	Regression (β , p)
Online banking usage	3.45	0.97	90(43.7%)	0.38**	0.11, $p < 0.05$

Source: Field Data (2026)

The results in Table 4.4 show that 43.7% of SMEs frequently used online banking, indicating a moderate level of adoption among the respondents. The mean score for online banking usage reflects moderate adoption, suggesting that online banking services were neither widely used nor rarely used within the SME sector in the study area. The standard deviation indicates the degree of variation in responses around the mean; a smaller standard deviation implies that most SMEs had similar levels of online banking usage, while a larger standard deviation shows that usage levels differed considerably among SMEs.

The inferential statistics further provide evidence of a relationship between online banking usage and access to financial services. The correlation coefficient ($r = 0.38$, $p < 0.01$) indicates a positive, relatively weak-to-moderate relationship, meaning that SMEs that used online banking more tended to have better access to financial services. The statistical significance ($p < 0.01$) indicates that this relationship is unlikely to have occurred by chance, strengthening the reliability of this finding in the study.

Similarly, the regression result ($\beta = 0.11$, $p < 0.05$) indicates that online banking usage was a statistically significant predictor of access to financial services, although the effect was relatively small. This suggests that increases in online banking usage contributed to improvements in financial access, but other factors might also play a more substantial role. Overall, these findings demonstrate that online banking played a positive but limited role in enhancing financial access among SMEs in the study area.

Conversely, qualitative insights revealed usability challenges as a limiting factor, as one of the respondents noted:

I rarely use online banking because I find the system complicated and unreliable
(Interview with SME Manager 10; Tabora Municipality, 2026).

The quotation indicates that complexity and reliability issues reduced adoption, which explains the moderate quantitative scores and emphasises the need for user-friendly digital banking systems. These results complement those of Kusi-Nsiah (2025), who found that digital banking adoption significantly enhanced financial inclusion and access to formal financial services among SMEs in Ghana, and Moss and Thomas (2022), who showed that e-banking adoption fosters broader financial engagement and can improve SMEs' capacity to utilise banking products and services.

4.5 Payment App Adoption and SME Access

This section examined SMEs' adoption of payment applications beyond mobile money, including apps for supplier payments, client invoicing, and payroll management. The study aimed to gather information on the extent of app usage, transaction frequency, perceived convenience, and the challenges SMEs face when using these digital payment solutions.

Understanding this dimension provides insights into how SMEs leverage digital tools to streamline financial operations and enhance access to financial services. Table 4.5 presents the summary of the results.

Table 4.5: Payment App Adoption and SME Access (n=206)

Indicator	Mean	Std. Dev	High Adoption (4–5)	Correlation (r)	Regression (β , p)
Payment app adoption	3.88	0.85	120(58.3%)	0.54**	0.15, $p < 0.05$

Source: Field Data (2026)

The results in Table 4.5 indicate that 58.3% of SMEs frequently used payment apps, suggesting a relatively high level of adoption among the respondents. The correlation analysis ($r = 0.54$, $p < 0.01$) shows a moderate positive relationship between payment app usage and access to financial services. This means that SMEs that use payment applications more frequently tend to have better access to financial services, such as payments, transfers, and other digital financial solutions. The statistical significance ($p < 0.01$) indicates that this relationship was unlikely to have occurred by chance, thereby increasing confidence in the reliability of the observed association within the study population.

Furthermore, the regression analysis ($\beta = 0.15$, $p < 0.05$) confirms that payment app usage was a statistically significant predictor of access to financial services, although the effect size was relatively modest. This implies that increased use of payment applications was associated with improved financial access among SMEs, although other factors may also contribute to financial inclusion outcomes. The qualitative data, on the other hand, showed that convenience drove adoption, as one of the respondents was quoted as saying:

Using payment apps for small transactions is very convenient, especially for paying casual workers and suppliers (Interview with SME Manager 4; Tabora Municipality, 2026).

An interview quotation indicates that payment apps were adopted primarily for ease and efficiency, consistent with the quantitative results of moderate-to-high adoption. These results are in harmony with those of Kala'lembang et al. (2024), who found that acceptance of digital payment apps like OVO significantly enhances business transaction efficiency and adoption drivers among Indonesian SMEs, and Nguyen et al. (2024), who showed that continued use of online payment applications by SMEs in Vietnam is strongly influenced by perceived usefulness, trust, and convenience factors that promote stronger digital financial engagement,

4.6 Trust in Digital Platforms and SME Access

This section assessed SMEs' confidence in the security, reliability, and transparency of digital platforms as a determinant of adoption. The respondents were asked how much they trusted digital financial services to protect their funds, safeguard sensitive information, and provide reliable, consistent service. The study aimed to understand how trust influences SMEs' decisions to adopt digital financial tools and access financial services effectively. Table 4.6 presents the summary of the results.

Table 4.6: Trust in Digital Platforms and SME Access (n=206)

Indicator	Mean	Std. Dev	High Adoption (4-5)	Correlation (r)	Regression (β , p)
Trust in digital platforms	3.92	0.89	125(60.7%)	0.60**	0.19, $p < 0.01$

Source: Field Data (2026)

The results in Table 4.6 show that most SMEs (60.7%) reported high trust in digital platforms, indicating that digital financial technologies are generally perceived as reliable and secure among the respondents. The correlation analysis ($r = 0.60$, $p < 0.01$) reveals a strong positive relationship between trust in digital platforms and access to financial services. This suggests that SMEs with higher levels of trust are more likely to access and utilise financial services through digital channels. The statistical significance ($p < 0.01$) indicates that this relationship is unlikely to have occurred by chance, thereby enhancing confidence in the reliability of the finding. Furthermore, the regression analysis ($\beta = 0.19$, $p < 0.01$) shows that trust in digital platforms is a significant predictor of access to financial services. This implies that increased trust contributes to improved financial access among SMEs. The relatively higher correlation and regression coefficients compared to other digital finance dimensions suggest that trust plays a particularly important role in influencing financial inclusion. Overall, these inferential statistics demonstrate that fostering trust in digital platforms is crucial for enhancing SMEs' access to financial services in the study area.

In a similar vein, the qualitative findings revealed that trust was a key concern for SMEs, as one respondent noted:

I only use platforms I know well. Sometimes I fear scams, so trust is very important for me (Interview with SME Manager 1; Tabora Municipality, 2026).

The quotation shows that SMEs prioritised secure and reliable platforms. Trust was a critical enabler for adoption and complements quantitative findings of its strong influence on financial access. These results mirror the insights of Aracil (2025), who found that trust in digital financial platforms played a pivotal role in advancing financial inclusion by influencing individuals' willingness to engage with digital financial services, and align with evidence suggesting that higher social trust significantly increased the adoption of digital financial services among SMEs, thereby enhancing financial access and engagement.

4.7 Frequency of Digital Transactions and SME Access

This section examined how often SMEs conducted digital transactions, including payments, transfers, and online banking. The aim was to capture information on the regularity of digital financial activity, the types of transactions conducted, the extent to which SMEs relied on digital versus cash methods, and the factors that influenced their transaction frequency. Understanding transaction frequency provided insights into how actively SMEs were integrating digital financial tools into their business operations and how this affected their access to financial services. Table 4.7 presents the summary of the results.

Table 4.7: Frequency of Digital Transactions and SME Access (n=206)

Indicator	Mean	Std. Dev	High Adoption (4-5)	Correlation (r)	Regression (β , p)
Frequency of digital transactions	24.6	11.3	1-58	0.56**	0.17, $p < 0.01$

Source: Field Data (2026)

The results indicate a moderate frequency of digital transactions among SMEs, suggesting that digital financial services are regularly used in business operations. The correlation analysis ($r = 0.56$, $p < 0.01$) revealed a moderate positive relationship between the frequency of digital transactions and access to financial services. This means that SMEs that conducted digital transactions more frequently tended to have better access to financial services. The statistical significance ($p < 0.01$) indicates that this relationship was unlikely to have occurred by chance, providing strong evidence that transaction frequency was associated with financial access among SMEs. Furthermore, the regression analysis ($\beta = 0.17$, $p < 0.01$) shows that the frequency of digital transactions was a significant predictor of access to financial services. This implies that increased engagement in digital transactions contributed to improvements in financial access. The findings therefore suggest that encouraging SMEs to conduct financial transactions through digital platforms may enhance their access to a wider range of financial services and promote financial inclusion. Conversely, SMEs were also reported to combine digital and cash methods, as the respondent was quoted:

I try to use digital methods whenever possible, but some clients still prefer cash. So, I combine both methods (Interview with SME Manager 9; Tabora Municipality, 2026).

The quotation shows that digital transactions were increasing, while cash remained important, consistent with the moderate transaction frequency observed in the quantitative findings. These findings align with Awuah (2025), who found that the frequency of mobile money and digital financial transactions was significantly and positively associated with increased sales revenue and operational efficiency among SMEs in Sunyani Municipality, implying that more frequent digital transactions bolster business performance and engagement with formal finance. They also align with broader African evidence showing that the intensity (volume and regularity) of digital finance usage significantly improved SME financial inclusion and access to formal financial services across multiple countries, highlighting that active digital engagement enhances access to finance.

5.0 Conclusion

The findings indicate that mobile money was widely adopted among SMEs and had a significant positive influence on access to financial services. The positive correlation and regression results suggest that increased mobile money use enhances SMEs' access to financial services, making it an important driver of financial inclusion in Tabora Municipality.

Digital lending platforms also contributed positively to SMEs' access to financial services. SMEs that frequently utilised digital lending services were more likely to access credit and other financial products, underscoring the importance of digital lending in addressing

financing constraints. Similarly, online banking had a positive, albeit relatively moderate, influence on financial access among SMEs. Although adoption levels were lower than those of other digital financial tools, online banking still contributed significantly to improving SMEs' engagement with formal financial services. Payment applications also played a significant role in enhancing SMEs' access to finance. The frequent use of payment applications facilitated faster, more convenient transactions, thereby strengthening SMEs' participation in the formal financial system.

Furthermore, trust in digital platforms emerged as a critical factor influencing access to financial services. SMEs that expressed higher levels of trust in digital financial services were more likely to utilise these services effectively, highlighting the importance of security, reliability, and confidence in promoting financial inclusion. Finally, the frequency of digital transactions was found to positively influence SMEs' access to financial services. SMEs that regularly transact on digital platforms experienced greater access to financial services, suggesting that active engagement with digital financial services enhances financial inclusion outcomes.

6.0 Recommendations

To enhance SMEs' access to financial services through effective adoption of digital financial tools in Tabora Municipality, the following recommendations are proposed: Mobile network operators should enhance service reliability and reduce transaction fees to encourage wider mobile money adoption among SMEs; Digital lending platforms should improve transparency regarding fees, interest rates, and repayment terms to build trust and increase SME adoption; Banks should simplify online banking interfaces and provide step-by-step tutorials to reduce usability barriers for SMEs.

Also, App developers should improve the usability and reliability of payment applications to encourage SMEs to adopt these tools for business transactions; Digital platform providers should strengthen security features, data protection, and transparency to enhance trust among SMEs, and SMEs should increase the frequency of digital transactions to build a strong transaction history and improve access to financial services.

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