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ABSTRACT

Access to finance is a key driver for survival and growth process of Small and medium enterprises, especially for retail traders. However, retail traders are still finding it difficult to access credit. Thus, the aim of the study was to determine the effect of innovative financial strategies on accessibility of credit among retail traders in Kakamega market as a general objective. This study adopted an explanatory research design. The target population of study comprised registered retail traders in Kakamega market. Stratified and simple random sampling was used to select a sample size of retail traders. Self-administered questionnaires were used to obtain the primary data required from the field. Data was analyzed both quantitatively and qualitatively by the use of Statistical Package for Social Science (SPSS 24). The analysis was used to determine the correlation that was considered under inferential analysis and central tendencies values were determined at descriptive level. The findings of the study indicated that effective innovative strategies had significant influence on Accessibility of Credit among the Retail Traders of Kakamega market. The recommendation was that the traders should embrace innovative financial strategies for success and development of their businesses.

Key Words: *Group Based Lending, Mobile Banking, Agency Banking, Access to Credit*

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INTRODUCTION

Access to credit plays a significant role performance of small and medium, particularly those that are faced by challenges of raising capital. This role is central to contemporary debates surrounding strategies for poverty reduction and economic development. In US, Wilson (2016) points out that some survive below the minimum poverty level, usually the equivalent of US $1 per day. This makes these people to be exposed to even minor shocks which have detrimental effects on them (Mashigo, 2013). It is, therefore, difficult for the poor households to survive in the long run. In Italy, improving access to credit and removing the constraints that have deterred the retail traders from accessing credit can assist them to cushion themselves against the effects of financial shocks, thus reducing their vulnerability, poverty, and improving their living standards in general (Cassar et al, 2007).

Access to credit is defined as an absence of price and non-price barriers in the financial services (IBRD/World Bank, 2008). Financial access is measured by number of loans in a given Period/frequency and average loan amount/volume relative to per capita income (CGAP, 2009). There is growing consensus in the literature that small businesses as opposed to larger firms face specific constraints in raising external finance as observed by (Berger, 2008). SMEs do not have access to public capital markets and hence depend on banks for funding. When there is a difference between the demand for funds by retail traders and the supply of funds, a financing gap is said to occur. A clear distinction must, however, be made between “actual gaps” and “perceived gaps”. An actual financing gap is said to exist if firms that merit financing cannot obtain it due to the existence of market imperfections (OECD, 2006). The fact that some enterprises experience difficulties in accessing financing is not an indication of the existence of an “actual gap”.

Pickens (2009) accessed that, 9 out of 10 peoples in several developing countries neither have access to basic financial services nor a bank account. According to (EMI, 2001), formal financial sector mostly do not consider poor people as a viable customers since their transaction sizes are largely small. In (EMI, 2001) view, many poor people are considers to be living in remote areas where informal financial services like savings and loan associations as well as microfinance services remain limited to their reach.

It is especially difficult for companies pursuing products that are not mainstream to get funding because of the risk-averse approaches that most loaning institutions employ in judging business viability Popov and Roosenboom, 2013; Kim et al. 2016; Beck and Demirguc-Kunt, 2006; Lee et al., 2015). As such, they often have to rely on the capital raised from its owners and their close friends, some of whom contribute not because of their faith in the endeavor but because of their willingness to support their friends’ dreams and hopes, which is not always sufficient especially when they reach the growth phase (Kim et al., 2016; Wang, 2014). Shortness of funds at this stage forces most businesses to restructure their models and change their operations which often leads to alterations in the quality of service and products they offer and causes them to die out (Hasan and Tucci, 2010; Galindo and Méndez, 2014).

In the United States alone, small loans (amounts less than $10,000) account for 9 in 10 of all credit facilities sought by both individuals and small businesses (Federal Reserve Banks, 2013). Since these amounts do not provide large traditional lenders with the substantial profits, they are accustomed to, most borrowers in this category often have little recourse when looking for financing (World Economic Forum, 2015).

In sub-Saharan Africa, emerging technologies and programmes in the region are increasing access to finance. The financial innovations aimed at increasing the access of farmers to financial services

as an adaptive strategy have been identified by several studies (World Bank, 2017). According to the Central Bank of Nigeria (CBN 2016), the Nigerian financial sector has recorded significant levels of financial innovations. However, a vital area in which banks continue to seek better results is providing access to credit and thereby bridging the gap that constrains the growth of the retail traders.

In Ethiopia, Al-Jabri (2015) reported that it has been seen that over the past few years that the advancement in financial innovations has completely transformed the manner in which various organizations are operating and conducting their business on a day to day basis. The established advancement in financial innovation has consequently brought about the progress that we see now of mobile banking and online banking in the banking industry. This has entirely changed the manner in which commercial banks and financial institutions go about their businesses. Through internet and mobile banking, financial organizations are in a position to offer banking services online and via mobile devices. This has also enabled the customers to have access to simple and readily available financial services and other remunerations. In Tazania, Maimbo (2010) established that financial also facilitates quicker and economical monetary transfer, increasing the volume of trade and access to finance for a large portion of the unbanked in developing countries

Small businesses in Kenya have adopted mobile money as a formal form of payment for goods and services because of its accessibility, security and the flexibility it has with other traditional financial platforms (Mbogo, 2010). Mobile money is money that is stored in mobile wallets that uses a person's phone number as an account number and also facilitates transactions between users. Registration for these services is easy and convenient because of the many points of registration that are available across the country making it more hassle free than traditional brick and mortar institutions. Also, because of the associated tools that are easily integrated into mobile money, such as till numbers and paybill accounts, businesses can easily use them with their existing payment systems.

The ease of use of these platforms have also made their use almost universal in Kenya because it does not require a lot of knowledge or experience to understand or operate effectively (Omwansa, 2009). For businesses, the amount of time these cashless transactions save them because they eliminate the counting and cross-checking of monies allows their staff to focus on enhancing the customer experience of their consumers. As a result, companies can be more innovative and increase their market share by offering consumers more utility for their money by improving their services and offerings (Omwansa, 2009). However, despite the low costs of mobile money transactions encouraging their use over traditional banking systems, mobile wallet operators need to do more to improve the accessibility and inclusion of their products.

To compete with mobile service providers and their mobile wallets, banks have had to venture into agency banking to increase their coverage and service delivery especially among smaller businesses and people living away from towns (Mwando, 2013). However, these efforts are still a long way from ensuring the country has universal access to credit because of many other factors especially in cost that still hinder people from using formal institutions (FSD, 2013). Agency banking has revolutionized how banks operate and some are taking this opportunity to reduce their over the counter (OTC) transactions allowing their staff to perform more meaningful tasks (Veniard, & Melinda, 2010).

Statement of the problem

Access to credit has been a globe challenge facing retails as documented by various scholars. For stances Bowen, (2015) observed that lack of access to credit is a major impediment to the growth and survival of retail traders. The ability to access credit for by businesses is a critical factor of private sector

growth and especially for retail traders that most often lack adequate capital that they need to grow and expand. In the study by Rahaman (2015) it was observed that an increase of 10% in bank credit to a firm would lead to an increase of 18.14% in firm growth. On the other hand, lack of credit negatively affected profit margins of the business than any other challenges (Khandker 2013). Thus, Innovative financial strategies were developed in the early 19th Century as a tool to meet and exceed market needs.

Kenya, SMEs are avoiding borrowing from commercial banks due to the nature of credit delivery mechanisms incompatibility, in many ways, to what one might expect from a poor-friendly lending policy (FSI, 2012). According to the Central Bank of Kenya report (2013) many SMEs in rural areas prefer "village banks" than formal banks due to cumbersome paperwork, need for conventional forms of collateral (such as land) and inflexible terms of lending, all of which in turn raise transaction costs. Locally studies on innovations have been conducted such Mwando, (2013) Omwansa, (2009); Mbogo, (2010) who indicated that innovation strategies affect firm performance. However, while much attention has recently been paid to these various innovation strategies to expand access, comparatively little attention has been paid to the innovative financial strategies employed by financial institutions for credit accessibility sources.

Objectives of the Study

The study was guided by the following specific objectives:

- To determine the effect of group lending on accessibility of credit among retail traders in Kenyan markets, a case study of Kakamega Town.
- To determine the effect of mobile banking on accessibility of credit among retail traders in Kenyan markets, a case study of Kakamega Town.

LITERATURE REVIEW

Theoretical Review of Literature

Schumpeter's Theory of Innovation

Schumpeter's contribution to the theory of growth and innovation is widely recognised in the management field and cited extensively within the literature on innovation. His overall thesis begins with the evolution of capitalism, which is described as a process of creative destruction. Creative destruction is a process where something new brings the demise of old methods, techniques or products while the overall objective is to achieve economic growth. These new products and processes compete with the old methods, not on equal terms, but with a decisive advantage that may lead to the destruction of the latter. Open innovation, it appears, helps to accelerate both internal innovation and the expansion of markets through inflow and outflow of knowledge, assisted by technology (Chesbrough, Vanhaverbeke& West 2008). Technology can be acquired from outside and exploited within an organisation (Lichtenthaler 2008). The factors affecting open innovations are: external knowledge, and technological and market uncertainty (Chesbrough 2004, 2007b).

While others such as Cassiman and Veugelers (2006) and Vega-Jurado et al. (2008) found that the complementarity effect of external sources of technical expertise, combined with in-house R&D activities, helps in generating successful innovation outcomes. External knowledge spillovers help to gain freely available public information from patents, publications, conferences, customers and suppliers. This means that in-house R&D is stimulated by, and capitalizes on, these knowledge spillovers, while acquisition of external knowledge helps in a better understanding of the technology in the market (Cassiman &Veugelers 2006). The theory is relevant to the study by indicating how various mobile banking strategies are applied to firms' operations which in return enhance firms' effectiveness and eventually firm performance.

Principal agent Theory

The agency theory was formulated by Jensen and Meckling (1976). Jensen and Meckling (1976) argue that the separation of ownership and control in modern business creates conflicts of interest between managers and stakeholders. The theory essentially acknowledges that different parties involved in a given situation with same goal will have different motivations, and these differences can manifest in divergent ways. Agency theory is therefore concerned with contractual relationship between two or more persons called the agent(s) to perform some services on behalf of the principal. Following this conflict between the principal and the agent, companies are obliged to use control mechanisms to reduce agency costs and information asymmetry like the audit committees (Kalbers and Fogarty, 1998).

According to Jensen and Meckling (1976), an agency relationship arises when the managers (the agents) are entrusted with decision-making rights by the shareholders (the principals). An agency relationship is characterized by moral hazard problems and adverse selection problems (Eisenhardt, 1989; Walker, 1989). The problems of moral hazard arise because shareholders cannot directly observe the managers' effort toward the maximization of shareholder wealth and thus, managers, being self-interest maximizing rational people, may shirk on effort or opportunistically maximize their personal interest at the expense of shareholders (Jensen and Meckling, 1976). The problems of adverse selection arise because managers can misrepresent their abilities or skills to shareholders and shareholders cannot completely verify these abilities or skills (Eisenhardt, 1989). Jensen and Meckling (1976) recommend the introduction of monitoring and bonding mechanisms to limit the opportunistic behavior of management. Agency relationship is also a kind of contract between the principal and agent, where both the party work for their self-interest that leads to the agency conflict. In this context, principals exercise various monitoring activities to curb the actions of the agents to control the agency cost. In the principal– agent contract, the incentive structure, labor market and information asymmetry plays a crucial role and these elements helped in building the theory of ownership structure

Green (2012) argued that the association between the principal and agent is referred to as agency, and the rule of this agency provides guidelines for such an association. The conventional terms of a specific principal-agent association are frequently represented in a contract. An obligation to be made by an agent on behalf of the principal is the obligation of the principal and not that of the agent. It permits the principal to confer authority to somebody to execute his/her duties, either for a specific purpose or generally to conduct numerous transactions. Intrinsic in the Principal-Agent association is understandably that the agent will represent the principal. The agent commits that he/she will be loyal to the principal. He further undertakes a commitment that he/she will comply with the principal's directives and will act properly in the performance his/her duties. An agent is not allowed to take private advantage of the business good successes that the agency position unearths. Similarly, a principal places confidence and trust in the agent. These obligations results in confidence trustee relationship between the Principal and Agent. The CBK initiated measures and ways in the year 2009 to open banking channels to non-bank agents. Agents were permitted to provide financial services through a modification to the Banking Act (passed as part of the Finance Act, 2009). Agency theory is relevant for this study because the Principal (Commercial banks) have contracted the agents to do business on their behalf, Agency banking is one of the independent variables in this study.

Empirical Literature Review

Mobile banking (m-banking) is a time length used for performing banking transactions by mobile computing device such as phone telephones (Anyasi&Otubu, 2009). Tiwari, Buse and Herstatt (2006) define cellular banking as any transaction,

involving the switch of possession or rights to use goods and services, which is initiated and/or completed with the aid of the use of the utilization of cellphone get entry to computer- mediated networks with the assist of an electronic device. They in a similar fashion point out that cell banking refers to provision and availability of bank-related monetary offerings with the help of cell telecommunication devices. The scope of furnished offerings may additionally moreover consist of services to behavior bank and inventory market transactions, to administer payments and to get entry to personalized data from the bank. Mobile banking is most regularly carried out by using short message offerings (SMS) or mobile internet, then again can also be used by means of special packages referred to as consumers downloaded to the mobile device.

Over the previous few years, development in records technological know-how has modified the way groups function and habits their employer (Al-Jabri, 2012). Technological development has added about the evolution of m-banking and on-line banking in the banking agency which has revolutionized the manner in which industrial banks conduct their business. Internet and m-banking has not totally made financial company furnish banking offerings on line and by means of using cellphone but has moreover provided purchaser with on hand get admission to to monetary choices and exceptional benefits., The movement from frequent department banking to cell banking has introduced on banks to come up with strategies to enchantment to more customers and keep existing ones. The want to limit every operational, administrative fee and opposition has pushed banks to undertake mobile banking. However, fee discount is completely realizable with an amplify in consumer adoption (Bradley & Stewart, 2003).

Mobile cash services provide the benefits of economic accessibility through a vary of ways. In addition to imparting an much less high-priced way to transfer funds, cell cash can enhance get admission to financial savings mechanism, and facilitate the purchase of insurance plan sketch (Must &Ludewig, (2010) amongst different uses. When financial savings are made to a economic institution through ability of cell money, it presents a in a similar way mechanism to borrow bucks primarily based on savings. Users can credit money in their cell cash accounts, keep them for later use, and withdraw or swap them through the use of an agent or an ATM (Must &Ludewig, 2010)

Group-based lending, as the time period already indicates, requires guys and girls to put together themselves into groups in order to obtain get admission to economic offerings from a program. We witness one-of-a-kind applications and duties to be concerned in providing loans to these people. Sometimes, governments very own and run these programs; in other cases, international institutions, close by and foreign NGOs are worried in attaining awful borrowers. Normally, group-based lending works as follows; Loans are made to individuals, alternatively all participants of the group are held accountable for the personal loan reimbursement (joint felony accountability principle). In some applications loans are given strictly for a tremendous length of time (usually a year), whilst in other packages the contributors are allowed to figure out the loan phrases themselves. Repayments are made on a weekly or month-to-month basis; this is accomplished at group conferences or immediately to the branch of the microfinance group (Harper, 2007).

According to Harper (2007) Group-based lending contracts efficaciously make a borrower's neighbors' co-signers to loans, mitigating troubles created with the useful resource of informational asymmetries such as damaging selection, moral hazard and enforcement. Thus, in group-lending programs the functions of screening, monitoring and enforcing repayments is to a giant extent transferred from the monetary organization agent to crew members. Prior to the microfinance revolution terrible people's opportunities to take up loans had been severely limited. First, with few massive possessions bad households can not offer

collateral to returned up their loans. Second, the possible addressees of small loans in a good deal less developed countries often stay in remote rural villages past the attain of the common banking system. Third, though loans wished for character initiatives are small, their myriad nature makes monitoring and enforcement charges prohibitively high. Poor villagers' only get entry to to deposit score had been by using non-commercial improvement purposes which furnished backed credit. However, given that these schemes confronted the equal monitoring difficulties as common banks they regularly suffered from horrible compensation expenses and immoderate prices and had been typically doomed to failure for that reason (Bhole and Ogden, 2010).

Group lending purports to pass off the screening, monitoring and enforcement of the loans to the peers (Carpena*et al*, 2010). In addition, group loans help formal lenders overcome the prohibitively high fixed cost of delivering small loans. This is because of the extent to which someone's social networks is critical and positively related to the ability to monitor or be monitored. Fafchamps, *et al.* (2011) showed how peer monitoring alone, with random formation of groups, can help overcome adverse selection problems when monitoring is costly for the lending institution itself. Stronger social networks have lower monitoring costs, which results in more credit being extended. This in turn results in increased access to credit and the eventual empowerment of the communities to alleviate poverty under the supervision of the lending institutions.

To improve the performance of micro lending it is vital to improve the design of these schemes. Among practitioners as well as academic scholars there is a heated debate on the appropriate design of their key features. Lending to groups involves a fundamental dilemma: It may insure the credit against involuntary defaults, but individual borrower's reliance on fellow borrowers to repay the loan gives the former an incentive to free-ride (Augsburg, *et al.* 2011). Indeed, if the success of an individual project is not sufficiently verifiable by other group members the dominant strategy for each individual is to shirk and hold others liable for own default. Being aware of this peril, MFI schemes have usually incorporated a number of safeguards, the most prominent of which is that borrower groups be self-selected. This is the case in many programmes, the expectation being that close social ties enhance peer pressure and group solidarity.

METHODOLOGY

This study adopted an explanatory research design. In most instances, explanatory research attempt to capture attitude or patterns of past behavior (Hagan, 2000). The study used a sample size of 148 retails traders in Kakamega Town. Purposive sampling was used to identify the respondents. Questionnaires were the main data collection instruments. The data was analyzed quantitatively and presented in the form of descriptive and inferential results.

FINDINGS

The study involved 148 questionnaires being dispatched for data collection, 138 questionnaires were returned completely filled, representing a response rate of 93.2% which was good for generalizability of the research findings to a wider population. The high response rate was achieved because the researcher had to aware the respondents about the nature of the study and the effect thereto hence the questionnaires were attended to properly on time.

Descriptive Results for Mobile Banking and Accessibility of Credit

These were summarized responses on whether Mobile Banking influences Accessibility of Credit among retail traders. The descriptive results are presented in table 1 below.

Table 1: Descriptive Statistics: Mobile Banking on Accessibility of Credit

Statement	5	4	3	2	1	Mean	Std. Dev
Use of mobile banking is convenience	17(20.8)	33(42.2)	8(10.4)	12(14.5)	7(9.1)	3.52	0.922
I find it easier to deposit or withdraw money from my bank account using a mobile phone	10(13.0)	27(34.1)	17(22.1)	12(15.6)	11(14.2)	3.37	0.923
I find mobile banking convenience because I can do any transaction in my bank account using a mobile phone	13(16.9)	37(48.1)	8(10.4)	10(13)	9(11.6)	3.49	0.925
Training and workshops are held for traders	9(11.7)	40(51.6)	9(11.7)	8(10.4)	12(15.6)	3.32	0.926
Traders coordinate and assist each other about their trading	11(14.3)	34(42.9)	12(15.6)	10(13)	11(14.2)	3.39	0.928
Grand mean =3.42							

From table 1, most respondents agreed (42.3%) that the use of mobile banking is convenient while 14.5% disagreed to the statement of convenience on use mobile banking. More closely, only 34.1% agreed while 22.1% uncertain on easiness with withdrawing and depositing the money using money banking. Further, while 48.1% of respondents agreed that most bank's transactions can be done by mobile banking and at any time. More so 51.6% of respondents agreed that the trainings and workshops are held by organizations which imply the better use of mobile banking, while 42.9% of respondents also agreed that traders coordinate in their trading affaires hence meaning there is a link in business operations. Over the previous few years, development in records technological know-how has modified the way groups function and habits their employer (Al-Jabri, 2012). Technological development has added about the evolution of m-banking and on-line banking in the banking agency which has revolutionized the manner in which industrial banks conduct their business.

Descriptive Results for Group Lending

These were summarized responses on whether Group lending had an influence on Accessibility of Retail Traders; the descriptive results are presented in table 2 below.

Table 2: Descriptive statistics; Group Lending on Accessibility of Credit among the Retail Traders

Statement	5	4	3	2	1	Mean	Std. Dev
Am able to borrow credit as group	12(17.9)	37(47.1)	10(12.0)	11(14.3)	6(8.7)	3.54	0.917
We trust each other	11(14.6)	35(46.8)	11(13.3)	10(13.0)	8(11.3)	3.51	0.921
We are jointly liable for the entire amount of the loan	12(17.9)	34(45.5)	10(13.0)	15(15.5)	8(9.1)	3.42	0.923
Group jointly guarantees all loans or simply furnishes information about individual participants	10(14.3)	39(52.6)	9(11.7)	10(14.0)	8(11.4)	3.45	0.927
Group members can put pressure on potential defaulters when their own interests are at stake	11(16.6)	32(41.6)	12(15.5)	10(12.0)	11(13.3)	3.34	0.929
Grand mean =3.45							

From table 2, most respondents agreed (47.1%) and strongly agreed (17.9%) that members are able to borrow credit as a group as such reflecting linkage among the members; while 46.8% agreed that the members trust each other implying they can fairly trade among themselves while accessing credit. More so, 45.5% and 17.9% of respondents agreed and strongly agreed respectively that the members were jointly liable on entire amount of loan hence they financially support each other and 52.6% agreed that the members furnish information to each other and 41.6% agree that group members put pressure on each other meaning the recognize the essence of credit. Members as well strongly agreed (15.6%) that they have to put pressure on defaulters.

According to Harper (2007) Group-based lending contracts efficaciously make a borrower's neighbors' co-signers to loans, mitigating troubles created with the useful resource of informational asymmetries such as damaging selection, moral hazard and enforcement. Thus, in group-lending programs the functions of screening, monitoring and enforcing repayments is to a giant extent transferred from the monetary organization agent to crew members.

Regression Results for influence of Mobile Banking on Accessibility of Credit

This tested the direct influence of Mobile Banking on Accessibility of Credit among Retail Traders. The results are shown table 3 below.

Table 3: Direct influence of Mobile Banking on Accessibility of Credit

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics R Square Change	F Change	df1	df2	Sig. F Change
1	.826[a]	.681	.677	.69297	.680	159.662	1	75	.000

ANOVA[b]

Model		Sum of Squares	Df	Mean Square	F	**Sig.**
1	Regression	76.854	1	76.843	159.662	.000[a]
	Residual	36.220	75	.482		
	Total	113.074	76			

Coefficients[a]

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	**T**	**Sig.**
1	(Constant)	.672	.231		2.935	.003
	Mobile Banking	.918	.072	.824	12.622	.001

a. Dependent Variable: Accessibility of Credit

From table 3, the model summary showed that R^2 = 0.681; implying that 68.1% variations in the Accessibility of Credit of the retail traders, is explained by Mobile Banking while other factors not in the study model accounts for 39.1% of variation in Accessibility of Credit of the retail traders. Further, coefficient analysis indicates that Mobile banking has positive significant influence on Accessibility of Credit among the retail traders (β = 0.918 (0.072); *at p<.01*). This implied that a single improvement in Mobile Banking would lead to 0.918 unit increase in the Accessibility of Credit among Retail Traders. Therefore, the linear regression equation was;

(i) y = ***0.672 + 0.918X_1***

Where;

y = Accessibility of Credit.

X_1 = Mobile Banking

The hypothesis (H_{01}) for this variable stated that Mobile Banking has no significant influence on Accessibility of Credit among Retail Traders of Kakamega Market .Multiple regression results indicate that Mobile Banking significantly influence Accessibility of Credit (β = 0.613 (0.151) at *p<0.05*). **Hypothesis one was therefore rejected**. The results indicate that that a single improvement in effective mobile banking leads to 0.613 unit increase in the Accessibility of Credit.

Regression Results for influence of Group Lending on Accessibility of Credit among Retail Traders

This tested the direct influence of crowd funding on financial performance of listed commercial banks in Kenya. The results were shown table 4.

Table 4: Direct influence of crowd funding on financial performance

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics R Square Change	F Change	df1	df2	Sig. F Change
1	.677[a]	.467	.459	.80463	.467	63.037	1	75	.000

ANOVA[b]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	50.687	1	51.588	63.037	.000[a]
	Residual	62.387	75	.819		
	Total	113.074	76			

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	1.163	.304		3.826	.000
	Group Lending	.757	.095	.676	7.940	.000

a. Dependent Variable: Accessibility to Credit

From table 4, the model summary showed that R^2 = 0.467; implying that 46.7% variations in the Accessibility of Credit among retail traders was explained by Group Lending while other factors not in the study model accounts for 53.3% of variation in Accessibility of Credit. Coefficient analysis showed that Group Lending has positive significant influence on Accessibility of Credit among Retail Traders (β = 0.757 (0.095); *at p<.01*). This implied that a single improvement in effective Group Lending leads to 0.757 unit increase in the Accessibility of Credit among the Retail Traders. Therefore, the linear regression equation is;

(iii) y = ***1.163 + 0.757X_3***

Where;

y = Accessibility of Credit

X_3 = Group Lending.

The hypothesis for this variable stated that Group Lending has no significant influence on Accessibility of Credit. Multiple regression results indicate that Group Lending significantly influence Accessibility of Credit (β = 0.314 (0.102) at *p<0.05*). Hypothesis three was therefore rejected. The results indicated that that a single improvement in effective Group Lending leads to 0.314 unit increase in the Accessibility of Credit.

CONCLUSIONS AND RECOMMENDATIONS

The study found that Mobile Banking had a significant influence on Accessibility of Credit.

The study also found that Group Lending had significant influence on Accessibility of Credit. The study concludes that traders should utilize the opportunities of having innovative financial strategies so that they can have competitive advantage while trading. Such a measure would reduce transaction costs; bring in efficiency and effectiveness and more so coordination in trade among traders.

The study recommends that Traders should embrace the innovative financial strategies, so that they could build up the capital base for their businesses, increase the market share, improve on efficiency and effectiveness on trade. Secondly, innovation in trading functions could secure the businesses and have cost effective payments on loans with respect to group arrangement.

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