



MAKERERE UNIVERSITY BUSINESS SCHOOL

**CONSUMER ADOPTION, REPAYMENT MECHANISMS AND
PERFORMANCE OF ONLINE LENDING PLATFORMS IN KAMPALA**

BY

ALIRACH VICTOR

BEng (Automotive and Power) KYU

Ms. Mechanical Eng. (MAK)

2023/HD10/19651U

2300719651

alirachv@gmail.com

0779465363

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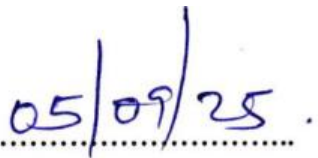
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ALIRACH VICTOR

2023/HD10/19651U

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APPROVAL

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SUPERVISOR

Signature.....



Date.....

14th October, 2025

PROF. KYEYUNE ROBERT

CO-SUPERVISOR

Signature.....



Date.....

14/10/2025

MR. BENARD ENGOTOIT

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ABSTRACT

The performance of online lending platforms in Kampala District, consumer adoption, and repayment methods were all examined in this study, addressing growing concerns about low customer retention, operational inefficiencies, and slow technological adoption among digital lenders. The study's goal was to evaluate how consumer-centric elements like mobile accessibility, customer support, and transparency, along with repayment systems including credit scoring models, loan restructuring, and real-time payment tracking, influence platform performance. This research adopted a quantitative methodology with a cross-sectional design, following the principles of the Technology Acceptance Model (TAM). 44 out of 50 samples of online lending platforms operating in Kampala was selected. Data were collected using self-administered structured questionnaires distributed to 132 employees, with 107 valid responses obtained, reflecting an 81.6% response rate.

Data analysis was performed utilizing SPSS software, combining correlation, regression, and descriptive statistics. Analysis of Corrections revealed a positive association between consumer adoption and platform performance ($r = 0.703^{**}$, $p < 0.01$), and between repayment mechanisms and performance ($r = 0.744^{**}$, $p < 0.01$). Among the dimensions of consumer adoption, mobile accessibility positively associated with performance more than repayment mechanisms. Regression analysis demonstrated that consumer adoption and repayment mechanisms significantly predicted platform performance, accounting for 58.3% of its variance (Adjusted $R^2 = 0.583$). Repayment mechanisms emerged as the stronger predictor (Beta = 0.501), compared to consumer adoption (Beta = 0.311), indicating the critical role of structured repayment systems in sustaining platform growth.

The study recommends integrating adaptive repayment tools tailored to local conditions and investing in digital literacy and customer support, along with further research using longitudinal and qualitative methods to explore platform performance dynamics.

CHAPTER ONE

INTRODUCTION

1.1 Background

Effectiveness of online lending platforms has evolved into a vital factor in promoting financial inclusion, especially in locations in which access to conventional financial resources is restricted. Globally, the emergence of fintech solutions has revolutionised lending by providing digital platforms that offer loans to individuals and small businesses, especially in underserved areas (Gabor & Brooks, 2017). These platforms are crucial in enhancing financial inclusion by providing convenient and accessible credit options to individuals who might lack access to conventional banking services (Inutu Lukonga et al., 2018a). In Sub-Saharan Africa, where formal banking infrastructure is often underdeveloped, online lending platforms have played an instrumental role in driving economic growth by extending credit to marginalised populations (Demirgüç-Kunt et al., 2021; World Bank & Mastercard Foundation, 2018). In Uganda, online lending platforms are recognised as essential components of the country's digital financial services ecosystem, facilitating financial empowerment for both individuals and small businesses through rapid access to credit (Bank of Uganda, 2017; Mpofu, 2022). Rapid growth of Uganda's digital financial services has been brought to light by recent empirical research, highlighting the growing dependence on online lending as a means of achieving economic empowerment (Kaazara et al., 2025).

Despite their potential, the performance of these platforms in Uganda, particularly in Kampala, faces considerable challenges. Low customer retention rates persist, with over 40% of users discontinuing their engagement after the first interaction, primarily due to dissatisfaction with service delivery (Byamukama & Agaba, 2024). Dafri and Al-Qaruty (2023) indicate that operational inefficiencies are common, often arising from insufficient integration of advanced technological solutions like real-time payment tracking and automated credit scoring systems.

The limited adoption of such technologies has undermined user trust and confidence, further diminishing platform utilisation. For instance, only about 30% of these platforms have implemented advanced credit scoring mechanisms, which contributes to inefficiencies in loan disbursement and repayment monitoring (Ebong & George, 2020). Additionally, according to recent market evaluations, the lack of creative repayment solutions is associated with greater default rates, which makes it more difficult to maintain platform performance (Arnone et al., 2024). If these challenges are not adequately addressed, platforms risk losing their competitive edge, potentially leading to reduced sustainability and eventual closure. Thus, it is imperative to explore these issues, especially within the growing fintech sector in Kampala.

Consumer adoption is pivotal in determining the performance of online lending platforms. Several factors influence consumer adoption, including mobile accessibility, customer support services, and transparency of terms. Mobile accessibility ensures that users can easily access these platforms from their devices, significantly enhancing user engagement (Donovan, 2012). The ease of use and availability of mobile platforms are essential factors influencing consumers' adoption and continued use of online lending services. Furthermore, robust customer support services enhance user experience, fostering trust and increasing the likelihood of repeat usage (Eriksson et al., 2020a; Hermansson & Jonsson, 2021a). Transparency in loan terms is essential, as it ensures borrowers fully understand the conditions of their loans, thereby reducing disputes and enhancing timely repayment (Frączek, 2020a). In this context, it is evident that consumer adoption not only drives initial platform usage but also interacts synergistically with repayment mechanisms to bolster overall performance outcomes (Al-Qudah et al., 2024).

Repayment mechanisms are intrinsically linked to the performance of online lending platforms. Effective repayment mechanisms, including credit scoring models, loan restructuring options, and real-time payment tracking, collectively contribute to reducing default rates and ensuring

operational efficiency. Credit scoring models are vital for assessing borrower risk and evaluating their capacity to repay loans (Zhang et al., 2018a). By implementing advanced credit scoring mechanisms, online lending platforms can offer personalized loan terms that mitigate the risk of default. Additionally, loan restructuring options, such as flexible repayment plans, assist borrowers facing financial difficulties, thereby preventing defaults and maintaining user satisfaction (Syahputra & Tinggi, 2021). Real-time payment tracking enables platforms to monitor borrower repayments effectively, providing timely alerts to borrowers and minimizing payment delays (Arunkumar, 2023). These repayment mechanisms directly impact the overall performance of online lending platforms by ensuring smoother operations and improving customer retention. Consumer adoption and platform success are directly correlated when strong repayment plans are combined with customer-focused features, highlighting the necessity of comprehensive digital solutions within the financial sector (Julius et al., 2024)

Despite the growing importance of online lending platforms within Uganda, particularly in Kampala, there is inadequate research examining the relationship between customer adoption, repayment mechanisms, and platform performance. The theoretical framework guiding this study is the Technology Acceptance Model (TAM), introduced by Davis in 1989. TAM suggests that perceived usefulness and perceived ease of use significantly influence users' acceptance of technology. This model provides a lens through which the adoption of online lending platforms can be understood. Specifically, it suggests that consumer adoption is not merely a function of the technology's availability but is heavily influenced by users' perceptions of its utility and ease of access. In the context of online lending, factors such as mobile accessibility, customer support, and transparency of loan terms are critical in shaping user perceptions and, consequently, their adoption behaviours. By examining the relationship between consumer adoption, repayment mechanisms, and platform performance through the TAM lens, this study aims to examine how technological features and user experiences interact

to influence the effectiveness of online lending platforms. Understanding these dynamics is essential for addressing the operational challenges faced by these platforms and enhancing their sustainability in the competitive landscape of digital finance. Therefore, there is a need to study the relationship between consumer adoption, repayment mechanisms, and the performance of digital lending platforms within Kampala District.

1.2 Problem Statement

The performance of digital lending platforms withinin Kampala is critical for promoting financial inclusion and fostering economic growth by providing accessible credit to underserved populations. Despite efforts to enhance customer retention rates, improve operational efficiency, and stimulate technological innovation (Bank of Uganda et al., 2023; Ministry of Finance, 2023), these platforms continue to encounter significant challenges. Customer retention remains alarmingly low, with studies indicating that over 40% of users abandon these platforms after their first interaction due to discontent with service delivery (Byamukama & Agaba, 2024; Uganda Microfinance Regulatory Authority, 2023). Furthermore, operational inefficiencies persist, and technological advancement has been slow, with only 30% of platforms adopting advanced tools such as real-time payment tracking and automated credit scoring systems. This inactivity contributes to reduced user confidence and lower platform utilisation (Byamukama & Agaba, 2024).

If these performance issues are not addressed, the sustainability of these platforms is at risk, potentially leading to business closures. While the root causes of these challenges are not fully understood, they may be linked to deficiencies in consumer adoption and repayment mechanisms as pointed out by Frączek (2020b) and Zhang et al. (2018b). Specifically, low consumer adoption rates hinder the user base growth necessary for platform viability, while ineffective repayment mechanisms can lead to increased default rates, directly impacting financial performance Frączek (2020b) and Zhang et al. (2018b). Consequently, it is crucial to

explore the connection between consumer adoption, repayment methods, and the effectiveness of online lending platforms in Kampala District to uncover practical solutions that can improve platform sustainability and user satisfaction.

1.3 Purpose of the Study

This research attempts to investigate the connection between consumer adoption, repayment mechanisms, and the performance of online lending platforms in Kampala District. While previous research has explored these factors individually, no study has specifically examined their combined effect on platform performance in this context. By addressing this gap, This study seeks to shed light on into how improving consumer adoption and optimising repayment mechanisms can enhance the overall effectiveness and sustainability of online lending platforms in Kampala.

1.4 Objectives of the study

- i. To examine the relationship between consumer adoption and the performance of online lending platforms in Kampala District
- ii. To examine the relationship between repayment mechanisms and the performance of online lending platforms in Kampala District
- iii. To examine the combined effect of consumer adoption and repayment mechanisms on the performance of online lending platforms in Kampala District

1.5 Research Questions

- i. What is the connection between consumer adoption and the performance of online lending platforms in Kampala District?
- ii. What is the relationship between repayment mechanisms and the performance of online lending platforms in Kampala District?

- iii. What is the cumulative impact of consumer adoption and repayment mechanisms on the performance of online lending platforms in Kampala District?

1.6 Scope of the study

1.6.1 Subject Scope

This research centres on analysing the connection between consumer adoption, repayment methods, and the effectiveness of online lending platforms in Kampala District. It investigates how factors such as mobile accessibility, customer support services, transparency of terms, credit scoring models, loan restructuring options, and real-time payment tracking influence key performance indicators of these platforms. The performance measures include customer retention rates, operational efficiency, and technological innovation.

1.6.2 Geographical Scope

Kampala District was the sole focus of the investigation, whose diverse population and vibrant business environment make it a key region for studying the dynamics of online lending platforms. The study particularly focused on various lending platforms that serve both urban and suburban residents within the district.

1.6.3 Time Scope

This research spans from September 2024 to August 2025. This period allowed for a thorough examination of trends and developments in the online lending landscape, providing meaningful understanding of the evolving interactions within consumer adoption and repayment mechanisms during this time frame.

1.7 Significance of the study

The findings of this research could guide policymakers, financial institutions, and regulatory bodies by offering empirical evidence regarding the connection between consumer adoption, repayment methods, and the effectiveness of online lending platforms in Kampala. The insights

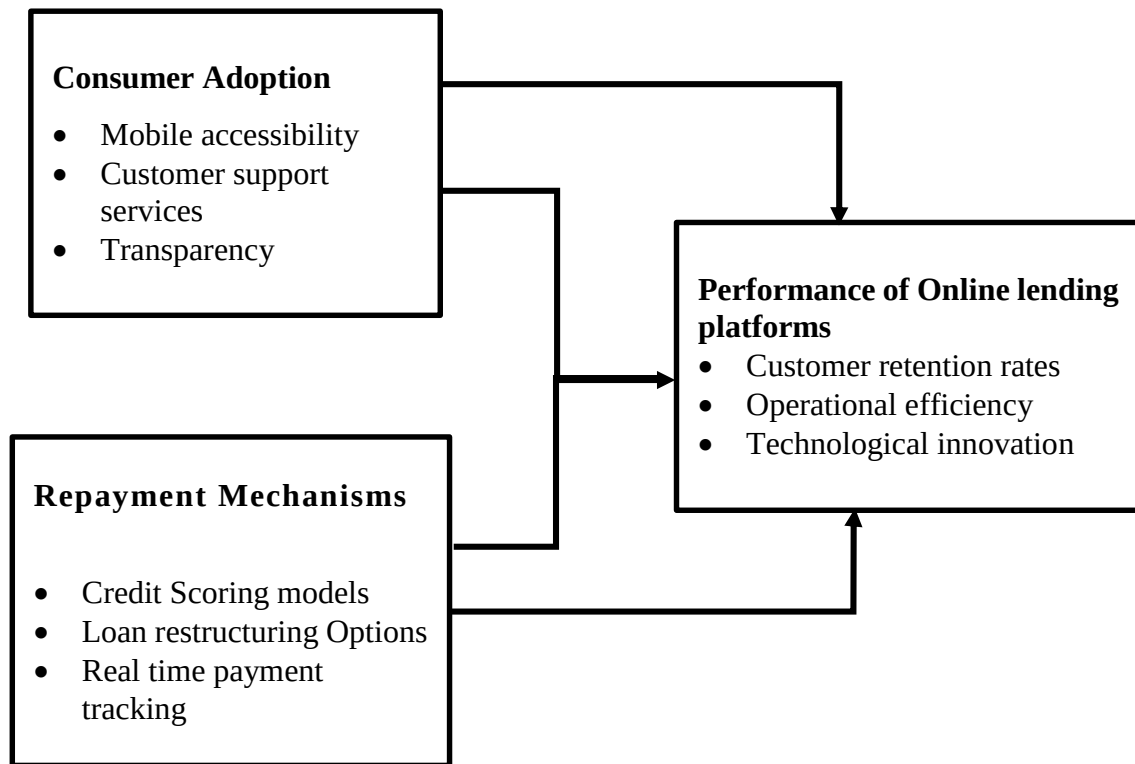
obtained from this research could inform the production of additional efficient and customer-centric financial products and services, especially designed to enhance retention and operational efficiency. By focusing on consumer adoption and repayment mechanisms, this study will provide practical recommendations for online lending platforms operating in Kampala. Identifying key factors such as mobile accessibility, customer support, transparency, and real-time payment tracking could help these platforms optimise their services to meet customer needs more effectively.

Furthermore, for regulatory bodies, this study is significant as it provides evidence-based insights that can inform regulatory frameworks governing online lending platforms. Understanding the relationship between consumer adoption and repayment mechanisms can help regulators design policies that promote fair lending practices, enhance consumer protection, and ensure the sustainability of financial services. The findings may assist regulatory bodies in identifying best practices for monitoring and evaluating the performance of online lending platforms, ultimately contributing to a more robust and transparent financial ecosystem in Uganda.

This study will support the current body of writings pertaining to online financial services, especially in light of developing economies like Uganda. By looking at the specific variables of consumer adoption and repayment mechanisms, the research will offer new insights into the challenges and opportunities facing online lending platforms.

From the consumer perspective, this study seeks to empower users of online lending platforms by emphasizing the significance of transparency, customer support, and repayment flexibility in improving their borrowing experience. By promoting a clearer understanding of how these platforms function and the factors influencing their performance, the research intends to provide consumers with the understanding required to make wise financial decisions.

1.8 Conceptual Framework



Source: Adapted from the Technology Acceptance Model (Davis, 1989) and modified by the researcher,

it highlights several key variables that influence the adoption of digital lending platforms. This study's conceptual framework shows how two independent variables relate to one another: **Consumer Adoption** and **Repayment Mechanisms**, and their impact on the dependent variable: **Performance of Online Lending Platforms**. **Consumer adoption** collectively enhance user engagement and satisfaction. When consumers can easily access services, receive robust support, and understand loan terms, they are more likely to use the online lending platform repeatedly, thereby improving its performance. Repayment mechanisms, however, are very important in minimising default rates and ensuring operational efficiency. Effective repayment systems allow platforms to assess borrower risk accurately, offer flexible repayment options, and encourage timely payments, all of which contribute to the financial health of the platform. **The performance of online lending platforms** is thus influenced by both consumer adoption and repayment mechanisms; increased engagement leads to higher transaction volumes, while efficient repayment systems reduce financial risks. Additionally, the interaction between these variables is significant, as greater consumer adoption necessitates effective repayment mechanisms, and strong repayment systems can foster consumer trust and

encourage platform usage. This interconnection underscores the importance of a holistic approach in understanding how these factors collectively influence platform performance, ultimately leading to enhanced effectiveness and sustainability in the competitive landscape of online lending.

Variable	Indicator		Supporting Scholar
Repayment Mechanisms	Credit Scoring Models		(Zhang et al., 2018b)
	Loan Restructuring Options		(Syahputra & Tinggi, 2021)
	Real-Time Tracking	Payment	(Arunkumar, 2023)
Consumer Adoption	Mobile Accessibility		(Donovan, 2012)
	Customer Services	Support	(Eriksson et al., 2020b)
	Transparency of Terms		(Frączek, 2020b)
Performance of Online Lending Platforms	Customer Rates	Retention	(Mittal et al., 2023)
	Operational Efficiency		(Kepramareni et al., 2022)
	Technological Innovation		(Liu, 2023)

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter offers a thorough assessment from the literature focused on online lending platforms in emerging markets such as Uganda. The chapter further explores key factors affecting adoption, such as mobile accessibility, trust, and customer support, before analysing repayment mechanisms, including credit scoring models and real-time payment tracking, which are vital for enhancing user experiences and platform sustainability. Ultimately, this chapter integrates existing research, highlights gaps, and suggests future research avenues, providing insightful information about the dynamics of online lending and its potential to enhance financial inclusion and economic development.

2.1 Theoretical Review

The Technology Acceptance Model (TAM), created by Fred Davis in 1989 offers a fundamental structure for comprehending how individuals adopt and use technology. This model builds upon the Theory of Reasoned Action (TRA) proposed by Fishbein Morton and Ajzen Icek (1975), which asserts that an individual's behavioural intentions are the key factors influencing their actions. The main assumptions of TAM show that people's adoption of technology is mostly shaped by their opinions on practicality and usability. Moreover, the model suggests that these cognitive factors are prioritized over external environmental or social influences. Additionally, TAM implies that users make rational decisions about technology adoption based strictly on its ability to improve performance or decrease effort, potentially disregarding emotional or contextual factors that could also affect their decision-making processes (Bagozzi, 2007).

Despite its advantages, TAM has encountered various criticisms. A major critique is that it simplifies the adoption process by focusing mainly on cognitive beliefs while overlooking

other elements like social influence and user experience (Chuttur, 2009, 2017). For example, the model fails to account for peer pressure or organizational culture, both of which can substantially affect technology adoption, particularly in social and consumer contexts. Moreover, TAM's predominant focus on workplace and productivity-related technologies limits its applicability in consumer-driven platforms, such as online lending services, where elements like trust, customer support, and user satisfaction assume greater importance (Venkatesh & Bala, 2008). The relevance of TAM to this study is underscored by its capacity to elucidate the consumer adoption of online lending platforms. Factors such as mobile accessibility, customer support services, and the transparency of loan terms can be directly analysed through TAM's constructs of perceived usefulness and easy usage. By comprehensively understanding how users perceive the utility and simplicity of these platforms, this research can effectively assess how these perceptions influence the overall performance of the platforms. Additionally, TAM's application within the fintech sector, where technology adoption is paramount, provides a nuanced perspective on how advancements in technology (e.g., real-time payment tracking or sophisticated credit scoring models) can enhance user engagement and retention, thereby directly impacting the performance of online lending platforms (Innes & Andrieu, 2022a).

2.2 Conceptual Review

2.2.1 Consumer Adoption

Consumer adoption pertains to the process whereby individuals become aware of, evaluate, and ultimately decide to utilize new technologies or services. Within the realm of online lending platforms, this adoption signifies a gradual transition from traditional banking methods to digital financial services. Prior research has indicated that consumer adoption is impacted by a myriad of factors, including easy access, perceived usefulness, and trusting platform (Gomber et al., 2017a). Venkatesh *et al.* (2012) underscore that was thought to be practical

and simple to use are pivotal drivers of acceptance of technology. However, the significance of consumer trust, transparency, and mobile accessibility is increasingly recognized as critical elements, especially in emerging markets like Uganda, where digital literacy and access to reliable technology vary considerably. Recent studies have also pointed to the influence of social media and the impact of peer influence on consumer perceptions and adoption behaviours in digital finance (Mwangi & Otieno, 2023).

Mobile accessibility is widely recognized as a key element driving the adoption of online financial services. Throughout areas like Sub-Saharan Africa, where smartphone penetration is substantial yet access to conventional banking infrastructure remains limited, mobile access to online lending platforms emerges as a vital component in promoting financial inclusion (World Bank, 2020). (Donovan, 2012) illustrated that mobile accessibility facilitates greater outreach, particularly among underserved populations. Nevertheless, despite the proliferation of mobile platforms, Kouladoun et al. (2022) contends that the impact of mobile accessibility is frequently constrained by low levels of digital literacy, which may impede the effective utilization of these platforms. Furthermore, recent evidence suggests that targeted digital literacy programs can significantly enhance the acceptance of mobile financial services in low-resource settings (Kimani *et al.*, 2022).

Customer support services also play an integral role in shaping user experiences and cultivating trust in online platforms. Eriksson et al. (2020) found that effective customer support significantly influences customer retention by addressing concerns, resolving issues, and fostering long-term trust. While digital platforms are increasingly adopting automated solutions, such as chatbots, to provide customer support, Hermansson and Jonsson (2021) caution that these automated solutions, while efficient, may depersonalize interactions and fail to deliver the nuanced support required in financial services. This creates a paradox wherein efficiency gains from automation may undermine the trust and personal connections that

traditional customer support offers, raising critical questions about the equilibrium between efficiency and customer satisfaction in online lending platforms. In addition, emerging research highlights the importance of integrating human-centric support with digital tools to enhance customer satisfaction and trust (Jones & Patel, 2023).

Transparency constitutes another essential element in the consumer adoption of online lending platforms. Frączek (2020) emphasizes that transparency in loan terms such as interest rates, repayment conditions, and fees enhances consumer trust and mitigates disputes, which, in turn, fosters higher adoption rates. However, many platforms, particularly in developing markets, continue to struggle to provide clear and accessible loan terms. This lack of transparency can deter potential users, as evidenced by research from (Mittal et al. (2023), which identified ambiguous loan terms as a leading cause of dissatisfaction among online borrowers. Recent findings also indicate that enhanced digital disclosure practices and user-friendly interfaces can substantially improve transparency and boost consumer confidence (Alvarez & Smith, 2023). Consequently, enhancing transparency is imperative for bolstering consumer confidence and the adoption of online lending platforms in markets such as Kampala.

The adoption of online lending platforms by consumers in Uganda is shaped by several factors, including mobile accessibility, customer support services, and transparency. In the context of Uganda, these factors are especially important due to the country's distinct economic and technological environment.

Mobile accessibility is essential to the uptake of online financial services in Uganda. According to the (Uganda Communication Commission, 2021) mobile phone penetration in Uganda reached 69% by the end of 2020, with smartphone adoption at 16.3%. This high mobile penetration rate provides a foundation for the growth of online lending platforms. However, Kalemera et al. (2019) found that despite high mobile phone ownership, digital financial

services adoption in Uganda remains relatively low, with only 56% of adults using mobile money services. They attribute this gap to factors such as limited digital literacy and concerns about transaction security.

In Uganda, customer support services are essential in fostering trust and promoting the adoption of online lending platforms. Kalemera et al. (2019) carried out research on digital credit in Uganda and discovered that efficient customer service was a key factor in the choice of users to embrace and stick with digital lending services. They noted that platforms offering local language support and easily accessible customer service channels had higher user retention rates. But the survey also pointed out other problems, like the scarcity of qualified customer service agents in rural areas.

Transparency in loan terms is particularly important in the Ugandan context, where financial literacy levels are relatively low. The FinScope Uganda 2018 survey revealed that only 58% of Ugandan adults were financially knowledgeable (Financial Sector Deepening Uganda, 2018). More recent surveys indicate a modest improvement in financial literacy following targeted awareness campaigns, suggesting a potential pathway to further boost consumer adoption of digital financial services (Nabwire & Kato, 2023).

2.2.2 Repayment Mechanisms

Repayment mechanisms refer to the methods and processes utilized by online lending platforms to facilitate the repayment of loans by borrowers. Effective repayment mechanisms are critical for reducing default rates, enhancing platform efficiency, and fostering trust between lenders and borrowers. Prior studies have established that well-designed repayment systems including credit scoring models, loan restructuring options, and real-time payment tracking significantly contribute to the success and sustainability of online lending platforms (Zhang et al., 2018a). These mechanisms not only furnish platforms with valuable data

regarding borrower behaviour but also enable them to manage risk more effectively, thereby improving overall platform performance.

Credit scoring models represent one of the foundational components of repayment mechanisms. They leverage borrower data to assess creditworthiness and determine loan terms, including interest rates and repayment periods. It is now well-established that advanced credit scoring models, which incorporate diverse data points, yield more accurate predictions of borrower behaviour (Zhang et al., 2018a). This is particularly relevant in digital financial platforms, where traditional credit histories may be unavailable for numerous users, particularly in developing countries like Uganda. However, the efficacy of these strategies in emerging markets is still not well understood, as data on borrowers is often limited or unreliable (Maleh et al., 2024). This research intends to build on previous study by examining the implementation of credit scoring models on online lending platforms in Kampala and their impact on platform performance. Credit scoring models in Uganda face unique challenges due to limited formal credit histories for many potential borrowers. Abor et al. (2018) studied alternative credit scoring methods in Uganda and found that incorporating non-traditional data resources, including mobile money transaction history as well as social media engagement, could significantly improve the accuracy of credit assessments for previously unbanked individuals. However, they also noted regulatory challenges in accessing and using such data.

Loan restructuring options provide essential flexibility for borrowers who may encounter difficulties in timely loan repayment. Research by Syahputra and Tinggi (2021) indicates that loan restructuring such as extending repayment periods or lowering interest rates can reduce default rates and enhance customer satisfaction. Consistent with their findings, this study seeks to explore how the availability of restructuring options influences borrower behaviour and overall platform performance. Nevertheless, while Syahputra and Tinggi (2021) emphasize the advantages of restructuring, they fail to consider the long-term financial consequences for the

lending platform itself. Some scholars contend that frequent loan restructuring may promote irresponsible borrowing, potentially leading to elevated default rates in the future (Kepramareni et al., 2022).

Loan restructuring options are particularly relevant in the Ugandan context, where income volatility is high, especially among informal sector workers. (Lotto, 2019) examined the impact of flexible repayment options on digital credit performance in East Africa, including Uganda. They found that platforms offering flexible repayment terms, such as the ability to adjust payment dates or amounts, had lower default rates and higher customer satisfaction. However, they also cautioned that overly lenient restructuring policies could lead to moral hazard and increased risk for lenders.

Real-time payment tracking constitutes another critical element of effective repayment mechanisms. This system enables platforms to monitor repayments instantaneously, providing immediate feedback to borrowers and facilitating swift responses to missed or late payments. Arunkumar (2023) notes that real-time tracking enhances operational efficiency by minimizing delays in loan processing and collection. However, there exists ongoing debate regarding the cost-effectiveness of implementing these systems, particularly for smaller platforms in developing markets. While real-time tracking can improve the repayment experience for both lenders and borrowers, its implementation necessitates significant technological investment, which may be prohibitive for smaller online lending platforms. This study builds upon Arunkumar's work by investigating how real-time tracking is employed in Kampala's online lending platforms and its overall impact on platform sustainability.

Real-time payment tracking is becoming increasingly important in Uganda's digital lending landscape. Research conducted by (Museba et al., 2021) on digital financial services discovered that platforms with real-time payment tracking capabilities were better able to manage credit

risk and provide timely interventions for borrowers at risk of default. However, the study also highlighted infrastructure challenges, such as intermittent internet connectivity in rural areas, which can hinder the effectiveness of real-time tracking systems. This study will examine whether restructuring has analogous effects on online lending platforms in Kampala and its implications for both borrowers and lenders.

2.2.3 Performance of Online Lending Platforms

The performance of online lending platforms is a multifaceted concept, typically assessed through a combination of customer retention rates, operational efficiency, and technological innovation. These platforms serve as crucial enablers of financial inclusion, providing access to credit to the underserved populations. However, the success of these platforms hinges on their capacity to maintain high levels of customer satisfaction, streamline operations, and continuously innovate to remain competitive in a evolving digital finance landscape (Demirgüç-Kunt et al., 2021). While the adoption of advanced technological solutions is often regarded as a key driver of platform performance, other elements, such as consumer trust and repayment mechanisms, also play integral roles.

Customer retention rates serve as a critical performance indicator for online lending platforms, reflecting the platform's capability to sustain user engagement and loyalty over time. Previous studies have demonstrated that customer retention is strongly influenced by user experience, trust in the platform, and service quality (Mittal et al., 2023). High retention rates not only contribute to sustainable growth but also reduce acquisition costs by fostering long-term relationships with borrowers. (Eriksson et al. (2020b) argue that providing transparent loan terms and effective customer support services significantly enhances customer retention. Nonetheless, they also point out that customer retention can be undermined by external factors such as economic instability or changes in regulatory frameworks, which may affect borrowers' ability to repay their loans. Customer retention rates in Uganda's digital lending sector have

been a subject of concern. (Tumusiime-Mutebile, 2019), in a speech on financial inclusion, noted that while initial adoption rates of digital credit services were high, many platforms struggled with customer retention. He attributed this to factors such as high interest rates, opaque terms, and poor customer service.

Operational efficiency constitutes another core element of platform performance, often defined by the platform's ability to process loans swiftly, reduce costs, and minimize default rates. Efficient operations are essential for scaling online lending platforms and ensuring their long-term viability (Kepramareni et al., 2022). Studies by Zhang et al. (2018) have shown that platforms integrating advanced technologies such as real-time payment tracking and automated credit scoring systems are more likely to achieve higher levels of operational efficiency. However, while these innovations can streamline processes and reduce operational costs, they often necessitate substantial upfront investments, particularly in developing economies. Maleh et al. (2024) note that smaller platforms may struggle to implement such technologies due to limited financial and technical resources. Operational efficiency of online lending platforms in Uganda is influenced by various factors, including technological infrastructure and regulatory environment. (Bongomin et al., 2023) analysed The previous research examined the operational efficiency of digital financial services providers in Uganda. It found that while technological advancements had improved efficiency, regulatory compliance costs and infrastructure limitations continued to pose challenges, particularly for platforms operating in urban areas like Kampala generally achieved higher operational efficiency compared to those serving rural regions. This research aims to assess how operational efficiency, driven by technological innovation and repayment mechanisms, impacts the performance of online lending platforms in Kampala and whether these platforms can achieve scalability without compromising service quality.

Technological innovation is widely regarded as a cornerstone of success for online lending platforms. Continuous advancements, including the development of more accurate credit scoring models and the utilization of artificial intelligence (AI) to enhance customer assistance that can greatly enhance user experience and operational results (Demirgüç-Kunt et al., 2021). However, there remains a limited understanding regarding the specific innovations that are most effective in emerging markets, where infrastructure challenges and low digital literacy may limit the benefits of advanced technologies. Contrary to the findings of Liu (2023), who emphasizes the potential of AI-driven platforms in developed markets, this study suggests that the effectiveness of technological innovation may be constrained in contexts like Uganda. This research is one of the initial studies to specifically examine the impact of technological innovation regarding the performance of online lending platforms in Kampala, providing insights into how the existing platforms can leverage technology to enhance customer satisfaction and operational efficiency.

Technological innovation plays a vital role in the performance of online lending platforms in Uganda. Ssonko and Kawooya (2021) investigated the impact of fintech innovations on financial inclusion in Uganda, he found that platforms leveraging technologies such as AI for credit scoring and blockchain for transaction security showed improved performance metrics. However, they also noted a significant "innovation gap" between foreign-owned and local platforms, with the former having greater access to advanced technologies.

In conclusion, the performance of online lending platforms in Uganda is influenced by various factors, such as consumer adoption patterns, the effectiveness of repayment mechanisms, and the platforms' ability to innovate within the constraints of the local technological and regulatory environment. Understanding these dynamics is essential for enhancing the performance and sustainability of online lending platforms in Kampala and beyond.

2.3 Empirical review

The empirical literature reveals complex relationships between consumer adoption, repayment mechanisms, and platform performance in digital lending, particularly within developing markets. Through critical analysis of existing research, several key themes and debates emerge that warrant careful examination.

2.3.1 Consumer Adoption and Performance of Online Lending Platforms

The relationship between consumer adoption and the performance of online lending platforms has been extensively studied in digital finance, with most scholars agreeing that successful adoption plays a critical role in determining platform performance. Several researchers have posited that as consumers increasingly adopt online lending platforms, their performance measured in terms of operational efficiency, customer retention, and revenue generation improves significantly (Gomber et al., 2017a). This assertion is particularly relevant in developing countries, where online lending platforms provide essential services to unbanked or underbanked populations. The higher the number of individuals adopting these platforms, the better the platforms perform due to increased user engagement and loan disbursement volumes. Recent research by Alhassan *et al.* (2021) found that enhanced digital engagement strategies significantly amplify the positive impact of consumer adoption on operational performance in fintech platforms. Similarly, Osei-Tutu *et al.* (2022) demonstrated that improvements in user interface design are directly associated with increased revenue generation on digital lending platforms.

However, despite this widely accepted positive correlation, some scholars have questioned the universality of this linkage. For instance, a study by Pavlou and Fygenson (2006) found that while consumer adoption is critical for the success of e-commerce platforms, the connection between adoption and performance in financial services is more intricate. In certain scenarios, rapid adoption may overwhelm a platform's operational capacity, leading to inefficiencies.

This implies that while adoption is necessary for success, the performance of online lending platforms also hinges on the platform's ability to scale and manage increased demand without compromising service quality. This perspective is backed by Eriksson et al. (2020b), who found that platforms experiencing a surge in consumer adoption without corresponding enhancements in their operational frameworks often face significant challenges, such as delays in loan processing and diminishing customer satisfaction.

Moreover, transparency, customer support, and mobile accessibility are pivotal elements influencing consumer adoption, which, in turn, impacts platform performance. Studies by Mittal et al. (2023) demonstrate that platforms that are easily accessible, offer transparent loan terms, and provide effective customer support experience higher rates of consumer adoption, resulting in improved performance. These platforms enjoy enhanced customer retention rates, which directly indicate performance. However, it is essential to recognize that while customer adoption leads to better platform performance, additional factors including economic conditions, regulatory frameworks, and digital literacy also have a big influence on how this relationship develops. In a developing market like Kampala, Issues like poor digital literacy and restricted internet access can have an adverse effect on platform efficiency and adoption levels, as noted by Kouladoum et al. (2022).

2.3.2 Repayment Mechanisms and Performance of Online Lending Platforms

Robust repayment mechanisms are another critical factor influencing the performance of online lending platforms. The importance of well-structured repayment options including real-time payment tracking, credit scoring models, and loan restructuring options were thoroughly documented in the scholarly literature. Zhang et al. (2018) argue that effective repayment mechanisms directly impact platform performance by reducing default rates and improving customer retention. When borrowers have access to personalized and flexible repayment plans, they are easily to remain loyal to the platform, thus enhancing its performance.

Real-time payment tracking is particularly relevant in this context. Arunkumar (2023) found that platforms integrating real-time payment tracking experience fewer defaults and delays in loan repayments, leading to improved operational efficiency. This technology enables platforms to monitor borrower behaviour in real-time, allowing them to respond promptly to potential issues and prevent defaults. However, some scholars contend that the advantages of these systems may not be uniformly pronounced across all contexts. For instance, Kepramareni et al. (2022) suggest that while real-time tracking enhances efficiency, its high implementation costs may not always be feasible for smaller platforms, particularly in developing markets like Kampala. This raises critical questions about the scalability of these mechanisms and their overall impact on performance. Chen and Huang (2022) recently confirmed that integrating real-time payment tracking systems can reduce default rates by up to 15% in emerging markets.

Credit scoring models represent another repayment mechanism that significantly influences platform performance. Studies by Maleh et al. (2024) have demonstrated that platforms employing sophisticated credit scoring models to assess borrower risk are more likely to reduce defaults, positively impacting platform performance. However, contrary to these findings, some researchers argue that reliance on data-driven credit scoring models may inadvertently exclude potential borrowers who lack sufficient digital footprints, particularly in emerging markets. Innes and Andrieu (2022b) highlight that borrowers in developing economies, such as Kampala, often lack the digital histories necessary for accurate credit scoring, which may limit the effectiveness of these models in enhancing platform performance. This suggests that while repayment mechanisms like credit scoring are essential for improving performance, they must be adopted locally. Additionally, Patel and Kumar (2021) demonstrated that adaptive credit scoring models, when combined with localized repayment options, significantly improve the financial performance of digital lending platforms.

Loan restructuring options also are essential to the interaction between repayment mechanisms and platform performance. Syahputra and Tinggi (2021) found that platforms offering flexible loan restructuring options such as extended repayment periods or reduced interest rates experience lower default rates and heightened customer satisfaction, which positively impacts performance. However, some scholars caution that frequent restructuring may lead to moral hazard, whereby borrowers exploit these options, thereby increasing the platform's long-term risk (Kepramareni et al., 2022). This raises concerns about the long-term sustainability of platforms that heavily rely on restructuring options to manage borrower defaults.

2.3.3 Consumer Adoption, Repayment Mechanisms, and the Performance of Online Lending Platforms

The cumulative impact of consumer adoption and repayment mechanisms on the performance of online lending platforms represents a critical area of inquiry. It is now well-established that platforms excelling in both consumer adoption and repayment management tend to perform well than those that do not. As Gomber et al. (2017) suggest, that platforms that successfully attract and retain consumers while ensuring efficient repayment systems create a virtuous cycle where high adoption rates drive performance, and effective repayment mechanisms sustain it. In the context of Kampala, platforms that have embraced both mobile-friendly interfaces and real-time payment tracking have observed significant improvements in user retention and operational efficiency.

However, this relationship is not devoid of complexities. As noted by Pavlou and Fygenson (2006), the connection between adoption and performance is contingent on the platform's capacity to scale efficiently. Similarly, while repayment mechanisms such as real-time tracking and credit scoring models enhance performance, their success is dependent on their relevance to the local market. Kouladoum et al. (2022) argues that in emerging markets, where financial literacy and access to digital infrastructure may be limited, these mechanisms may not always

yield the anticipated results. Furthermore, Zhang *et al.* (2022) highlight that a synergistic approach integrating consumer adoption strategies with robust repayment mechanisms can lead to a 20% increase in customer retention in emerging markets. Additionally, Fernandez and Oliveira (2023) illustrate that platforms balancing technology adoption with scalable operational frameworks are more resilient to market fluctuations, thereby sustaining long-term performance.

In conclusion, while substantial evidence supports the positive relationship between consumer adoption, repayment mechanisms, and platform performance, this relationship is influenced by various contextual factors, particularly in developing economies. Further research is warranted to explore how these relationships evolve under different market conditions and how online lending platforms can optimize both adoption and repayment mechanisms to enhance performance.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter is structured to examine the relationships between consumer adoption, repayment mechanisms, and the performance of online lending platforms in Kampala, with objectives focused on uncovering factors influencing platform efficiency, user satisfaction, and sustainability. Investigating these relationships is significant for enhancing financial inclusion in Kampala, where online lending platforms play a crucial role in expanding credit access to underserved populations. Addressing these challenges is crucial to enhancing platform sustainability and improving user confidence. This study is significant because it investigates these challenges in the context of Kampala, a region with unique socioeconomic dynamics. By exploring the interplay between consumer adoption, repayment mechanisms, and platform performance, the research focus on providing action-based insights for stakeholders in the fintech sector.

3.1 Research Design

Cross-sectional design with a quantitative technique was utilized. The quantitative survey will objectively measure relationships between these variables across a broad sample, yielding statistically robust findings that address core research questions about platform efficiency and user retention (Creswell, 2014). The researchers have opted for a cross-sectional research design, which is well-suited for this research. This method makes it possible to record data at a certain moment in time, efficiently highlighting the prevalent behavioural patterns and performance metrics within the existing resource constraints. This ensures a timely and context-specific analysis of the dynamics surrounding the digital financial services platforms. By employing this cross-sectional quantitative methodology, the researchers aim to generate

statistically robust findings that address the core research questions about platform efficiency and user retention (Cooper & Schindler, 2014).

3.2 Population of the Study

The study population comprised of platform operators, specifically licensed digital lending platforms that have been operational for at least one year and provide direct consumer lending services. According to the Uganda Microfinance Regulatory Authority (2023), there are approximately 50 licensed digital lending platforms currently operating in the region. The 50 operators form the population of the study

The Finscope Uganda 2023 survey indicates that digital lending has become a significant part of the financial landscape, with over 2.5 million Ugandans utilizing online lending services, further highlighting the relevance of studying these platforms (Bank of Uganda et al., 2023).

3.3 Sampling Size and Sampling Method

The sample size comprised of 44 licensed digital lending platforms from the population of 50. The determination of sample size adheres to Krejcie and Morgan (1970) statistical formula, which accounts for margin of error, population size, and confidence level. Using this formula:

$$S = \frac{X^2NP(1-P)}{d^2(N-1) + X^2P(1-P)}$$

where;

s: Necessary sample size

X²: Chi-square table value for 1 degree of freedom at the specified confidence level (usually 3.841).

N: Total population.

P: Proportion of the population (assumed to be 0.50 to achieve maximum sample size).

d: Level of accuracy indicated as a proportion (e.g., 0.05 for 5% margin of error).

A 95% confidence interval and a 5% margin of error were ensured by the study. This provides statistical power while remaining manageable within the study's resources.

For platform operators, purposive sampling focused on individuals with significant operational roles and industry experience, enabling the collection of informed insights about platform performance and challenges.

3.4. Sampling Method

3.5 Sources of Data

Data collection involved both primary and secondary sources to guarantee thorough coverage of the study's goals;

Primary Data Source: The main data source was structured questionnaires distributed to online lending platform users in Kampala. This source provides direct insights into users' perceptions, adoption behavior, and repayment practices, capturing real-time data.

Secondary Data Source: Supplementary data was gathered from platform reports, government publications, academic journals, financial reports, user metrics and online databases to contextualize primary data and corroborate findings, especially on the broader fintech landscape in Uganda.

3.6 Data Collection Methods

Self-administered questionnaires featuring closed-ended questions were utilized for data collection and were pre-tested to ensure clarity and relevance for participants. The questionnaire used a five-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree), chosen for its simplicity and effectiveness in capturing variations in user perceptions without overwhelming respondents, facilitating straightforward quantitative analysis (Creswell, 2014).

3.7. Validity and Reliability of the Data Collection Instrument

By employing structured questionnaires, primary data was gathered. The questionnaires, designed with a 5-point Likert scale, measured user perceptions of mobile accessibility, customer support, repayment mechanisms, and platform performance. Reliability was tested employing a pilot test with 30 participants and Cronbach's alpha, a statistical indicator regarding internal consistency. A 0.7 Cronbach's alpha value or higher confirmed acceptable reliability, and any constructs falling below this threshold was revised. Additionally, a pre-test of the questionnaire was administered to a small group to enhance clarity and relevance based on their feedback. These measures ensure that the data collection instruments are robust, reliable, and capable of producing credible results. Results for validity and reliability are shown in table 3.1 below.

Table 3.1. Validity and Reliability of the research instrument

Study variables	Number of questions	Cronbach's Alpha coefficient (CAC)	Content validity index (CVI)
Consumer adoption	15	.869	0.87
Repayment mechanisms	15	.872	0.81
Performance of online lending platforms	15	.916	0.86

Source: Primary data (2025)

The results in Table 3.1 reveal that there was validity and reliability of the research instrument measured by the CVI and CAC respectively and in compliance with the acceptable figures as published by Nunally (1994) and Griethuijsen *et al.* (2014). The validity and reliability indices were all above 0.7.

Table 3.2: Measurement of the Variables

Variable	Indicator	Supporting Scholar
Repayment Mechanisms	Credit Scoring Models	(Zhang et al., 2018b)
	Loan Restructuring Options	(Syahputra & Tinggi, 2021)
	Real-Time Payment Tracking	(Arunkumar, 2023)
Consumer Adoption	Mobile Accessibility	(Donovan, 2012)
	Customer Support Services	(Eriksson et al., 2020b)
	Transparency of Terms	(Frączek, 2020b)
Performance of Online Lending Platforms	Customer Retention Rates	(Mittal et al., 2023)
	Operational Efficiency	(Kepramareni et al., 2022)
	Technological Innovation	(Liu, 2023)

3.8 Unit of Analysis

The unit of analysis is the online lending platforms operating in Kampala, Uganda, which are examined to understand their performance, consumer adoption, and repayment mechanisms. This includes evaluating key performance metrics such as customer retention rates, operational efficiency, and technological innovation, as well as exploring factors influencing consumer adoption, like mobile accessibility and customer support services. The study investigates how effective repayment structures, such as credit scoring models and real-time payment tracking, affect the platforms' sustainability and user satisfaction. By analysing these platforms, the research aims to provide insights that can inform stakeholders, including policymakers and financial institutions, on enhancing the effectiveness and sustainability of digital lending services in the context of limited traditional banking options in Uganda.

3.9 Unit of inquiry

The unit of inquiry focuses on senior management employees of online lending platforms, including CEOs, managers, IT officers, and board members. This group is critical as their decisions and strategies directly influence the performance and operational effectiveness of these platforms. The study seeks to understand their perspectives on key issues such as consumer adoption, repayment mechanisms, and technological integration. By examining the insights and experiences of senior management, the research aims to uncover the challenges

they face in enhancing platform performance, fostering customer trust, and implementing innovative solutions. Additionally, this inquiry will explore how their leadership and strategic decisions shape the overall direction of the platforms, thereby impacting financial inclusion and access to credit for underserved populations in Kampala, Uganda. Ultimately, the findings will provide valuable recommendations for improving management practices and operational strategies within the online lending sector.

3.10. Data Analysis

The Statistical Package for the Social Sciences (SPSS) was utilized to analyze the data to substantiate both descriptive and inferential analysis. The demographic data and overall opinions of the respondents are summarized by descriptive statistics like mean, median, and standard deviation, along with inferential analysis methods (such as correlation and regression analysis) will assess relationships among consumer adoption, repayment mechanisms, and platform performance. Results were presented in tables and interpreted aligned with the study's objectives, offering a clear understanding of how adoption and repayment factors influence platform performance

3.11 Ethical Considerations

In order to uphold ethical standards, this research upheld respondent confidentiality, voluntary participation, along with the right to withdraw at any point during this research. An introductory letter accompanied the research instruments, outlining the study's purpose, emphasizing voluntary participation, and informing participants that they may you can leave at any time without incurring any fees. All respondents provided informed consent assuring them of data confidentiality and anonymity, with personal identifiers excluded to protect their privacy. Participants also received feedback on the study's outcomes, and all information gathered was utilized only for scholarly research, adhering to the established ethical standards outlined by Cooper and Schindler (2014).

CHAPTER FOUR

PRESENTATION, ANALYSIS AND INTERPRETATION OF FINDINGS

4.0. Introduction

The findings from the field study were comprehensively analysed and interpreted in this chapter. The initial section presents an overview regarding the response rate, accompanied by demographic information pertaining to the respondents. Subsequently, a descriptive statistical analysis of the study variables is conducted. Additionally, the chapter includes an examination of the correlation and regression analyses, which serve to evaluate the study's hypotheses.

4.1. Response rate

Among the sample of 44 licensed digital lending platforms in Kampala with 3 employees selected from each digital lending platform (132 sampled employees), a total of 107 employees from the 44 licensed digital lending platforms completed and submitted the questionnaires, achieving a response rate of 81.6%. This level of response suggests a notable willingness among participants to engage with the survey questions pertinent to the study.

4.2. Background characteristics

The study gathered data concerning the demographic attributes of the respondents, including factors like highest level of education, previous experience, gender and age, with the online lender, and length of time the company has been in business. The results of this analysis are presented in Table 4.1.

Table 4.1. Respondents' background data

Demographic Characteristics	Frequency	Percent	Valid Percent
Gender			
Male	58	54.2	54.2
Female	49	45.8	45.8
Total	107	100.0	100.0
Age			
18-29 years	17	15.9	15.9
30-39 years	71	66.4	66.4
40-49 years	2	1.9	1.9
50 years and above	17	15.9	15.9
Total	107	100.0	100.0
Highest level of education			
Diploma	32	29.9	29.9
Bachelors degree	59	55.1	55.1
Masters degree	15	14.0	14.0
Other	1	.9	.9
Total	107	100.0	100.0
Experience with the online lending firm			
Less than 1 year	40	37.4	37.4
1-5 years	42	39.3	39.3
6-9 years	25	23.4	23.4
Total	107	100.0	100.0
Years of existence of the firm			
Less than 1 year	44	41.1	41.1
1-5 years	62	57.9	57.9
6-10 years	1	.9	.9
Total	107	100.0	100.0

Source: primary data (2025)

Results in Table 4.1 above reveal that in relation to the gender distribution, a significant majority of the respondents were male. Specifically, 54.2% (n=58) are male, while 45.8% (n=49) are female. This gender disparity suggests that the sample is slightly male-dominated but reflects a relatively balanced gender representation. This suggests that online lending firms in the study context may attract or employ both genders, though men are marginally more represented. Regarding the age distribution of respondents, most were within the 30-39 year age range, indicating that middle-aged individuals dominate the user base or workforce of these online lending firms. Notably, those in the age bracket of 18-29 years and 50 years and above were 15% respectively. Only 1.9% of the respondents belonged to the age group of 40-49 years. In relation to the Highest Level of Education attained, most of the respondents held a

Bachelor's degree (55.1%, n=59), followed by a Diploma (29.9%, n=32), and a Master's degree (14%, n=15). Only 0.9% (n=1) reported "Other" education.

This shows that the respondents who participated in this study are highly educated, with the majority having at least a Bachelor's degree. In relation to experience with the Online Lending Firm, 37.4% of the respondents (n=40) had less than 1 year of experience, 39.3% (n=42) had 1-5 years of experience, and 23.4% (n=2) had 6-9 years. This distribution suggests that the sample includes a mix of newer and more experienced users, with a slight skew toward those with shorter tenure (1-5 years or less).

Finally, from the table above, findings show that in relation to years of existence of the online lending firms, 41.1% of the respondents (n=44) argued that their firms are less than 1 year old, while 57.9% of the respondents (n=6) indicated that their online lending firms are 1-5 years old, and only 0.9% of the respondents (n=1) indicated that their firm is 6-10 years old. This is an indication that most firms represented in the sample could be relatively young, possibly reflecting a growing or emerging industry, regulatory challenges, or recent technological adoption.

4.3. Descriptive Statistics for the study variables

Descriptive statistical analysis was employed in the study to determine the characteristics of the variables under investigation. The results are presented in table 4.2 using means and standard deviations.

Table 4.2: Descriptive statistics of the study variables

	Mean	Std. Deviation	N
Consumer Adoption	3.7718	.69051	107
Repayment Mechanism	3.6877	.64472	107
Performance of Online Lending Platforms	3.9017	.79430	107

Source: primary data (2025)

Table 4.2 displays the results of the descriptive statistical analysis indicate that respondents possess predominantly positive perceptions concerning consumer adoption of online lending, repayment mechanisms and performance of online lending platforms. The mean scores for all assessed variables exceed the midpoint of the response scale, suggesting that participants believe their online lending platforms are achieving their desired expectations. Specifically, the mean score for consumer adoption is 3.77, accompanied by a standard deviation of 0. 69051. This figure reflects a moderately positive perception among respondents regarding the adoption of online lending services by consumers. Similarly, the mean score for repayment mechanism is recorded at 3.68, with a standard deviation of 0. 64472. This outcome suggests that there is a moderate satisfaction with repayment mechanisms probably due to their flexibility, ease of use, among others. Furthermore, the mean score for performance of online lending platforms is notably higher at 3.90, with a standard deviation of 0. 79430. This elevated mean score suggests that respondents generally perceive a positive overall performance of online lending platforms, indicating that online lending firms are yielding satisfactory results. The larger standard deviation (0.79) on the other hand, could signal greater variability in opinions about platform performance. Some users may rate platforms while others report issues.

4.4. Correlation analysis of the study variables

A Pearson correlation statistical analysis was conducted with the aim of examining the relationship between the study variables.

Table 4.3: Correlation results of the study variables

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Consumer Adoption (1)	1											
Mobile Accessibility	.884**	1										
Consumer Support Services	.712**	.402**	1									
Transparency	.867**	.751**	.383**	1								
Repayment Mechanism (5)	.783**	.735**	.500**	.687**	1							
Credit Scoring Models	.585**	.517**	.505**	.421**	.785**	1						
Loan Restructuring Options	.741**	.696**	.443**	.682**	.852**	.441**	1					
Real-Time Payment Tracking	.665**	.655**	.334**	.638**	.907**	.577**	.716**	1				
Performance of Online Lending Platforms (9)	.703**	.709**	.335**	.677**	.744**	.508**	.666**	.714**	1			
Customer Retention Rates	.650**	.602**	.449**	.548**	.618**	.376**	.601**	.587**	.749**	1		
Operational Efficiency	.574**	.598**	.238*	.566**	.585**	.348**	.559**	.574**	.831**	.423**	1	
Technological Innovation	.527**	.558**	.169	.559**	.633**	.510**	.498**	.602**	.879**	.472**	.633**	1

** . Correlation is significant at the 0.01 level (2-tailed).

Source: primary data (2025)

Particularly, the relationship between consumer adoption and performance of online lending platforms and the relationship between repayment mechanism and performance of online lending platforms. Conducting a Pearson correlation analysis helped in achieving research objectives (i) and (ii) as well as research questions (i) and (ii) as shown in table 4.3.

4.4.1 Relationship between consumer adoption and performance of online lending platforms

Table 4.3's findings showed a strong positive correlation between consumer adoption and performance of online lending platforms in Kampala ($r=0.703^{**}$, $p<0.01$). This is an indication that a positive change in consumer adoption leads to a corresponding increase in performance of online lending platforms since they all move in the same direction. Similarly, an analysis of the dimensions of consumer adoption also revealed a significant positive association with performance of online lending platforms. Thus, mobile accessibility positively associated with performance of online lending platforms ($r=0.709^{**}$, $p<0.01$), consumer support services positively associated with performance of online lending platforms ($r=0.335^{**}$, $p<0.01$). Transparency on the other hand also positively associated with performance of online lending platforms ($r=0.677^{**}$, $p<0.01$). Therefore, putting emphasis on increasing consumer adoption with closer attention to its dimensions is likely to lead to an increase in the performance of online lending platforms in Kampala.

4.4.2 Relationship between repayment mechanism and performance of online lending platforms

Table 4.3's findings also showed a strong positive correlation between repayment mechanism and performance of online lending platforms in Kampala ($r=0.744^{**}$, $p<0.01$), an indication that as repayment mechanisms improve, performance of online lending platforms also improve. A further analysis also revealed a significant positive association between the dimensions of repayment mechanism and performance of online lending platforms. Thus, an increase in the

use of credit scoring models by the online lending platforms leads to an increase in the performance of online lending platforms ($r=0.508^{**}$, $p<0.01$), a positive increase in the availability of flexible loan scoring options leads to a positive change in the performance of online lending platforms ($r=0.666^{**}$, $p<0.01$). On the other hand, a positive increase in the use of real time payment tracking leads to a positive change in the performance of online lending platforms ($r=0.714^{**}$, $p<0.01$). Therefore, an increase in the use of modern well-designed repayment systems by the lending platforms coupled with its dimensions is likely to lead to an increase in the performance of online lending platforms in Kampala.

4.5 Regression analysis of the study variables

Additionally, a multiple hierarchical regression analysis was performed in the study to ascertain the combination of predictive potential of consumer adoption and repayment mechanism on the performance of online lending platforms in Kampala. Conducting this analysis helped to determine if the combined variation of the independent variables caused a variation in the dependent variable, hence achieving objective (3) and research question (3) of the study. Results are shown in table 4.4 below.

Table 4.4: Regression analysis of the study variables

		Unstandardized Coefficients		Standardized Coefficients		Collinearity Statistics	
Model		B	Std. Error	Beta	t	Sig.	Tolerance VIF
1	(Constant)	.278	.300		.928	.355	
	Consumer Adoption	.358	.116	.311	3.086	.003	2.583 .387
	Repayment Mechanism	.617	.124	.501	4.968	.000	2.583 .387
R= .769^a R²= .591 Adjusted R²=.583 Std. Error of the Estimate=.512817 F= 75.150							
a. Dependent Variable: Performance of online lending platforms							
b. Predictors: (Constant), Consumer Adoption, Repayment Mechanism							

Source: primary data (2025)

Results in Table 4.4 show that consumer adoption and repayment mechanism significantly predicted performance of online lending platforms in Kampala with Beta =0.311 and 0.501

respectively. Results also showed that repayment mechanism predicted performance of online lending platforms more than consumer adoption with the high beta value =0.501. This is an indication that more emphasis should be put on the use of modern well-designed repayment mechanisms by the online lending firms. The findings further revealed that both consumer adoption and repayment mechanisms predicted the performance of online lending platforms by 58.3% as shown in the adjusted R² (0.583). This therefore implies that both consumer adoption and repayment mechanisms are important in causing a positive change in the performance of online lending platforms in Kampala. Other factors other than those in this study contributed 41.7% variance in performance of online lending platforms. These results helped in achieving objective (3) and research question (3) of the study. Further analysis also revealed that the regression model was statistically significant (sig. < .05) and therefore it is fit to explain performance of online lending platforms in Kampala.

CHAPTER FIVE

DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

The study's results, conclusions, and suggestions are presented in this chapter in five sections. Section one discusses the key findings, while section two outlines the conclusions, Section three provides recommendations based on the results, Section four highlights the study's limitations, and section five suggests areas for future research.

5.1 Discussion of Findings

5.1.1 Relationship between consumer adoption and performance of online lending platforms

The study found a significant positive and predictive influence of consumer adoption on the performance of online lending platforms in Kampala. This means that as consumers increasingly embrace these platforms, motivated by mobile accessibility, customer support, and transparency, their performance, measured through customer retention, operational efficiency, and technological innovation, improves. The data suggest that consumer adoption is not just a peripheral driver but a central force in shaping platform outcomes. This is further reinforced by the regression analysis, which shows that consumer adoption has a meaningful predictive influence on platform performance, though less significant than repayment mechanisms. Specifically, the beta coefficient for consumer adoption indicated a moderate predictive strength, signalling that while adoption alone is impactful, its effects are amplified when paired with other systemic components like repayment systems. Nevertheless, the statistical significance of this relationship confirms that efforts aimed at improving consumer engagement are likely to yield tangible improvements in the functioning of digital lending platforms.

These findings confirms the sentiments of several scholars in the broader literature who have long maintained that consumer adoption is a essential in digital lending success. Gomber et al. (2017b) argue that widespread adoption, particularly in underbanked regions, fuels revenue growth and operational stability, while (Osei-Tutu et al., 2022) go a step further to suggest that thoughtful user interface design can translate directly into revenue. The current findings resonate strongly with these positions, especially given the significant correlation between mobile accessibility and platform performance.

However, not all scholars view this linkage as straightforward. Pavlou and Fygenson (2006), for instance, contend that rapid adoption can backfire when platforms are unprepared to handle increased user demand, a position reinforced by (Eriksson et al., 2020b), who highlight the risk of service breakdowns when operational upgrades don't keep pace with adoption. Interestingly, this more cautious viewpoint offers a useful counterbalance, suggesting that while adoption is desirable, it must be matched by backend readiness. Still, more recent insights, such as those from Ray and Nayak (2023), suggest that adaptive infrastructure cloud-based systems and AI-assisted support are increasingly enabling platforms to scale smoothly in tandem with user growth, a trend that could mitigate earlier concerns. Yet, even as performance gains are realized, the quality of adoption matters; as Mittal et al. (2023) and Marzi et al. (2023) point out, adoption driven by transparent terms and responsive support systems is more sustainable than adoption based purely on accessibility or advertising. This detailed understanding reinforces the idea that platforms must invest not just in attracting users but in retaining them through thoughtful service design.

From a theoretical perspective, these findings fit comfortably within the Technology Acceptance Model (TAM). In this study, variables like mobile accessibility and user-friendly customer support clearly align with TAM's construct of perceived ease of use, while transparency likely maps onto perceived usefulness especially in the context of financial

decision-making (Trisanti & Tinggi Ilmu Ekonomi YKPN, 2024). The positive association between these factors and performance confirms the model's assertion that adoption behaviour arises from rational evaluations of utility and effort. Yet TAM also assumes a largely individualistic and rational process, which may overlook contextual barriers such as digital literacy or trust in technology (Park et al., 2022). In Kampala's unique ecosystem, where infrastructural and socio-economic dynamics play a significant role, this might limit the explanatory power of TAM in its purest form. Still, the model offers a valuable lens for understanding user behavior, and the findings suggest that when lending platforms optimize for both utility and ease, users are more likely to adopt and, more importantly, continue using the services. From the researcher's perspective, it becomes evident that while TAM remains a robust theoretical foundation, future models might benefit from integrating elements of trust, socio-cultural dynamics, and infrastructural readiness, particularly in emerging markets. The Kampala experience reflects a fertile ground for such theoretical expansion, where empirical realities sometimes stretch the neat assumptions of classical frameworks.

5.1.2 Relationship between repayment mechanism and performance of online lending platforms

The results showed a strong and statistically significant positive correlation between Kampala's online lending platforms' performance and repayment mechanisms. What this essentially means is that improvements in how loans are repaid whether through more accurate credit scoring, flexible restructuring options, or real-time payment tracking tend to coincide with better overall performance of the platforms. This performance is reflected in key areas such as reduced default rates, increased customer retention, and enhanced operational efficiency. Among the three dimensions examined, real-time payment tracking emerged as the strongest individual correlate of platform performance, closely followed by loan restructuring options. From the regression analysis, repayment mechanisms were shown to be a powerful predictor

of platform performance, with a notably higher predictive coefficient compared to consumer adoption. This suggests that while getting users onto the platform is important, how repayment is managed once users are on board plays an even more critical role in sustaining the business and ensuring long-term viability.

The centrality of repayment mechanisms in influencing platform performance is widely supported across scholarly discourse, both from the reviewed literature and broader global studies. For instance, Zhang et al. (2018) and Arunkumar (2023) underscore the value of repayment systems in mitigating risk and streamlining operations, which aligns directly with the patterns observed in this study. The finding that real-time payment tracking correlates strongly with performance reflects the current thinking that timely data flow and proactive borrower management are indispensable in modern fintech.

Yet, there are also voices in the literature that introduce complexity to this optimistic picture. Kepramareni et al. (2022), for example, raise the point that while technologically advanced systems like real-time tracking offer clear benefits, they may not be viable for smaller platforms operating on limited budgets, an issue particularly salient in Kampala, where not all platforms have the same technological readiness. On credit scoring, the study's finding of a moderate but significant association with performance echoes Maleh et al. (2024), who argue for data-driven borrower risk assessments. Still, (Innes & Andrieu, 2022b) challenge the blanket adoption of such models, noting that many borrowers in low-income settings lack formal credit histories, thus necessitating localized and flexible data strategies. Supporting this, Razaque et al. (2025) provide a more nuanced solution by advocating for adaptive credit scoring models that use mobile money data and behavioral analytics, which could offer a middle ground. On the topic of loan restructuring, this study's findings resonate with Syahputra and Tinggi (2021), who highlight its role in improving repayment rates and user satisfaction. However, cautionary perspectives like those from Kepramareni et al. (2022) cannot be dismissed they warn of moral

hazard, where borrowers grow reliant on leniency, which could undermine repayment discipline over time. Other scholars, such as Bernards and Campbell-Verduyn (2019), argue that fintech platforms must strike a careful balance between algorithmic precision and human-centered flexibility if they are to avoid exacerbating financial exclusion or instability in vulnerable markets. Taken together, these insights suggest that while repayment mechanisms are indeed a critical lever for performance, their design and application must remain sensitive to local realities and evolving user behavior.

Theoretically, the Technology Acceptance Model (TAM) offers a useful lens for interpreting these findings, even though its traditional emphasis has been on the adoption side of technology use. Real-time payment tracking, for instance, enhances the usefulness of the platform by giving both users and providers greater control and visibility over repayment schedules. Similarly, loan restructuring options may be seen by users as increasing the ease of use of the platform, especially in volatile economic contexts where income is uncertain. What emerges, then, is a natural extension of TAM's core premise: if repayment tools are perceived to add value and reduce effort, they are more likely to be embraced, leading to broader impacts on platform performance (Sharma et al., 2024).

However, the TAM in its original form does not fully accommodate the external pressures like regulation, infrastructure gaps, and user financial literacy, that shape how these mechanisms are perceived and utilized in emerging economies. The researcher acknowledges this limitation, noting that while TAM provides a strong foundation for understanding individual decision-making, its scope must be broadened to include system-level and environmental factors in settings like Kampala. From the researcher's vantage point, repayment mechanisms are not just technical tools but strategic levers that embody the platform's philosophy on user responsibility, risk management, and customer empowerment. The findings suggest that when these mechanisms are thoughtfully designed and responsive to the realities of the target

population, they do more than just ensure money comes back, they build trust, improve satisfaction, and strengthen the very foundation of the platform's value proposition.

5.1.3 Combined effect of consumer adoption and repayment mechanisms on the performance of online lending platforms

The findings revealed that both consumer adoption and repayment mechanisms significantly contribute to the performance of online lending platforms in Kampala, with repayment mechanisms exerting a comparatively stronger influence. This suggests that while encouraging user uptake through accessible and user-friendly interfaces is essential, it is the operational efficiency and reliability of repayment systems, such as credit scoring, restructuring options, and real-time tracking, that more directly drive outcomes like customer retention, reduced default rates, and technological advancement. Together, these two independent variables account for a considerable portion of the variation in performance, highlighting their combined strategic value in the growth and sustainability of digital lending platforms. Yet, the data also leave room for other factors constituting just over 40% of the performance variance which suggests that platform success is a more layered phenomenon involving broader operational, market, and regulatory influences.

These findings sit comfortably within much of the existing scholarly landscape, especially the work of Gomber et al. (2017), who emphasized that robust performance in online lending stems from the interplay between user engagement and internal operational systems. Similarly, Zhang et al. (2018) affirm that platforms able to harmonize adoption and repayment functions tend to witness a marked boost in customer loyalty and repayment efficiency, a point that the current study's results echo quite clearly. (Pavlou and Fygenson (2006), for example, argue that the benefits of adoption may backfire if platforms grow too fast without adequate backend systems to absorb increased activity raising the specter of customer dissatisfaction or systemic breakdown. Meanwhile, scholars like (Kouladoum et al., 2022) warn that in environments like

Kampala, where digital literacy and infrastructure are inconsistent, repayment mechanisms no matter how advanced might fail to deliver unless adapted to local needs. This introduces a layer of nuance, suggesting that while both variables matter, their impact is highly contextual and contingent on thoughtful implementation. Further afield, scholars such as Sadaf Shahzadi and Kausar Abbas (2024) have stressed the importance of behavioral insights in understanding digital finance performance, noting that trust, perceived fairness, and user empowerment also shape platform success but are not always captured in technical models. The current findings, then, while strongly validating the significance of adoption and repayment systems, also open the door to exploring softer but equally powerful elements that define user experience and platform sustainability.

The Technology Acceptance Model (TAM) provides a theoretical foundation for interpreting these results, especially in how it links user perceptions of usefulness and ease of use to the broader adoption of technology. In this context, consumer adoption reflects the success of platforms in demonstrating utility and simplicity to potential users if the interfaces are friendly, the terms are transparent, and the experience is seamless, then adoption follows (Roy et al., 2018). Repayment mechanisms, while more structural, can also be understood through TAM's lens: real-time tracking, flexible repayment, and personalized credit assessment all serve to enhance the user's sense of control, clarity, and confidence, which reinforces the perceived usefulness of the platform. However, the researcher recognizes that TAM, while robust, is not all-encompassing. It emphasizes individual user perception, but does not fully account for systemic or environmental challenges such as mobile network reliability, policy constraints, or institutional trust which are often pronounced in emerging markets (Wu & Peng, 2024). From the researcher's perspective, the interplay between adoption and repayment systems points to a broader truth: successful online lending platforms are those that can translate technical functionality into lived value for users. It is not enough to have the right features in place; what

matters is how these features are experienced, interpreted, and internalized by users navigating complex economic realities. In that sense, performance is as much about perception and adaptation as it is about system design, meaning that digital lending success in Kampala hinges on a platform's ability to be technologically sound while also being locally grounded and human-aware.

5.2 Conclusions

This study sought to examine the relationship between consumer adoption, repayment mechanisms and the performance of online lending platforms in Kampala. Data was collected and analysed from the sampled 44 licensed digital lending platforms in Kampala. From the regression findings it was established that consumer adoption significantly predict performance of online lending platforms. Specifically, the findings found that when consumers perceive a platform to be mobile accessible, transparent in its offerings, and supported by responsive customer service, performance of online lending platforms increases. Therefore, it is clear that consumer adoption holds a pivotal role in shaping the performance of online lending platforms in Kampala.

Further, the findings established that the idea that well-structured and responsive repayment mechanisms are not only operational necessities but strategic drivers of performance for online lending platforms in Kampala. The significant influence of tools like real-time payment tracking, flexible loan restructuring, and dynamic credit scoring reveals that performance is closely tied to how intelligently and empathetically these systems are designed and implemented. Therefore, in environments where financial unpredictability is common, the ability to monitor repayments in real time, adjust repayment schedules without punitive rigidity, and assess creditworthiness beyond traditional metrics becomes more than a matter of efficiency, it becomes a marker of resilience and adaptability.

The combined effect of consumer adoption and repayment mechanisms on the performance of online lending platforms reveals a compelling synergy that underscores how deeply intertwined user experience and system functionality are in shaping outcomes. While both variables significantly influence performance, repayment mechanisms emerge as the more potent driver yet they do not operate in a vacuum. A strong adoption rate brings users onto the platform, but it is the ease, flexibility, and transparency of repayment systems that sustain their engagement and convert that usage into operational efficiency and long-term viability. The interplay between these two dimensions creates a kind of feedback loop: the more users trust and find value in the system, the more likely they are to repay on time, and the better the platform performs. This dynamic not only validates the critical importance of integrating user-centric design with robust repayment infrastructure, but also suggests that performance is not just a technical metric it is a relational outcome born from how well platforms respond to the realities of their users, especially in a context like Kampala where digital literacy, economic variability, and infrastructure access all intersect in complex ways.

5.3 Recommendations

5.3.1. Online lending platforms

The study found that consumer adoption significantly influences the performance of online lending platforms. Therefore, online lending platforms should emphasize improving mobile accessibility, enhancing transparency, and establishing robust consumer support services for clients. Improving mobile accessibility is crucial, given the high mobile penetration rate in Uganda. Platforms should invest in developing user-friendly mobile applications that allow clients to easily navigate loan options, apply for loans, and manage repayments directly from their devices. This investment will not only increase user engagement but also attract those who may be underserved by traditional banking methods. By ensuring that the platform is

accessible and easy to use, lending platforms can foster a larger and more satisfied customer base.

The study revealed that transparency in loan terms, such as interest rates, fees, and repayment conditions, builds trust with consumers. Platforms should ensure that all loan terms are clearly communicated and easily accessible. This could involve simplifying language in contracts and providing visual aids or FAQs to help users understand their obligations. By promoting transparency, platforms can mitigate disputes and dissatisfaction, leading to higher customer retention rates. When borrowers feel informed and confident about the terms of their loans, they are more likely to engage with the platform repeatedly, thereby improving overall performance.

The study demonstrated that effective repayment mechanisms are crucial for enhancing platform performance. Online lending platforms should implement real-time payment tracking systems that allow for instant monitoring of borrower repayments. This capability provides immediate feedback and alerts to clients, helping them stay informed about their repayment status. Additionally, offering flexible loan restructuring options is essential, particularly for borrowers facing financial difficulties. By allowing for adjustments to repayment periods or amounts based on individual circumstances, platforms can prevent defaults and foster long-term relationships with borrowers. Integrating user-friendly features with efficient repayment strategies will create a seamless experience for users, encouraging them to adopt the platform and maintain ongoing engagement. By implementing these recommendations, online lending platforms can significantly enhance their operational efficiency, customer satisfaction, and overall sustainability in the evolving digital finance landscape.

5.3.2. Government policy implementers

5.4 Limitations to the study

Multiple limitations were faced in the course of this study, that should be taken into account when analysing the findings. First, the research was confined to licensed online lending platforms operating within Kampala District, and while this urban setting offers a rich context for studying digital financial services, it may not accurately represent the broader landscape of online lending in Uganda. Platforms operating in rural or less digitized regions could be influenced by different socio-economic dynamics, infrastructure limitations, or regulatory pressures. As such, the generalizability of the results beyond Kampala's relatively developed fintech ecosystem may be limited, particularly in regions where mobile penetration, digital literacy, and access to formal financial services are more constrained.

Secondly, the study relied heavily on self-reported data collected through structured questionnaires. Although this method allowed for efficient data collection across multiple platforms, it inherently carries the risk of response bias. Participants may have overstated positive attributes such as customer satisfaction or technological efficiency, or downplayed operational weaknesses, especially where such admissions might reflect poorly on their platform. This could have led to an overly optimistic representation of platform performance or masked systemic issues related to adoption or repayment practices. Despite efforts to ensure anonymity and encourage honest responses, the sensitivity of some topics may have influenced the accuracy of the feedback received.

Lastly, the study utilized a cross-sectional design, collecting data at one specific point in time. While this approach provided a snapshot of the relationship between consumer adoption, repayment mechanisms, and platform performance, it did not allow for the observation of trends or changes over time. Important insights into how these relationships develop such as whether improvements in repayment mechanisms gradually boost performance or if consumer

trust builds incrementally with repeated platform use, could not be captured. A longitudinal study, tracking these variables over an extended period, would have offered a more nuanced understanding of causal relationships and the evolving nature of platform-user dynamics in Uganda's fintech sector.

5.5 Areas for further study

Longitudinal studies are required to investigate how the connection between consumer adoption, repayment mechanisms, and the performance of online lending platforms evolves over time. The current study offers a cross-sectional snapshot, but a long-term investigation would provide insights into how sustained user engagement, technological changes, and repayment behaviors shape platform performance across different phases of growth, regulation, or economic fluctuation.

Future studies could also explore comparative analyses between urban and rural online lending platforms in Uganda. Since this study focused solely on platforms in Kampala, it would be valuable to investigate how geographical context influences consumer behavior, repayment reliability, and the operational effectiveness of digital lending systems.

Moreover, incorporating qualitative approaches into future research could enrich understanding of user experiences and platform strategies. Through in-depth interviews with borrowers, platform operators, and regulators, researchers could uncover subtle dynamics such as trust-building practices, customer grievances, or the contextual realities behind repayment defaults, thus offering a human lens to complement the quantitative data and deepen policy relevance.

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APPENDIX I: QUESTIONNAIRE

Dear Respondent,

I'm **Victor Alirach** a student at Makerere University undertaking Masters in Business Administration. I'm conducting a study on "**CONSUMER ADOPTION, REPAYMENT MECHANISMS AND PERFORMANCE OF ONLINE LENDING PLATFORMS IN KAMPALA**", therefore, I'm kindly requesting you to fill in or tick the most appropriate answer for questions presented below. The study is purely academic; therefore, all the responses received will be handled with utmost confidentiality.

Section A: Bio-data

Write or tick (✓) in the space or box (es) provided in the front of the given options

1. Gender of respondents

Male ☐

Female ☐

2. Age group of respondents

18 to 29 ☐

30 to 39 ☐

40 to 49 ☐

50+ ☐

3. Respondent's highest level of education

Diploma ☐

Degree ☐

Masters ☐

Others ☐

4. Time taken while working with the lending firm?

Less than 1 ☐

1-5years ☐

6-9years ☐

10years and above ☐

Section B: Firm Characteristics

Write or tick (✓) in the space or box (es) provided in the front of the given options

1. Number of Employees

1-10

11-50

51-200

201-500

501+

2. How long has the firm been in business

< 1 year ☐

1-5 years ☐

6-10 years ☐

11+ ☐

For Section C to E, respond by ticking only one option: (1-Strongly disagree, 2- Disagree, 3- not sure, 4- Agree and 5-Strongly Agree)

SECTION C: Consumer Adoption

	Mobile Accessibility	SD	D	NS	A	SA
CA_MA 1	Staff believe that the platform is easily accessible on mobile devices.	1	2	3	4	5
CA_MA 2	The organization provides support for users to access the platform on mobile devices.	1	2	3	4	5
CA_MA 3	Staff consider mobile accessibility as an essential factor for customer retention.	1	2	3	4	5
CA_MA 4	The platform's mobile interface is user-friendly and promotes ease of access.	1	2	3	4	5
CA_MA 5	Staff receive positive feedback regarding the accessibility of the platform on mobile devices.	1	2	3	4	5
	Customer Support Services	SD	D	NS	A	SA
CA_CS 1	Staff believe that customer support enhances the user experience on the platform.	1	2	3	4	5
CA_CS 2	Customer support responses are timely and satisfactory according to staff.	1	2	3	4	5
CA_CS 3	Staff are trained to handle customer inquiries efficiently.	1	2	3	4	5

CA_CS 4	The organization monitors customer support quality regularly.	1	2	3	4	5
CA_CS 5	Customer support availability is sufficient to meet user demands.	1	2	3	4	5
	Transparency	SD	D	NS	A	SA
CA_T1	Staff think that transparency in loan terms is critical for customer trust.	1	2	3	4	5
CA_T2	The organization ensures that loan terms are clearly communicated to customers.	1	2	3	4	5
CA_T3	Staff find that transparency reduces disputes with users.	1	2	3	4	5
CA_T4	Loan conditions are straightforward for both staff and customers to understand.	1	2	3	4	5
CA_T5	Staff believe that transparency improves the credibility of the lending platform.	1	2	3	4	5

SECTION D: Repayment Mechanisms

	Credit Scoring Models	SD	D	NS	A	SA
RM_CS 1	Staff use a structured credit scoring model to assess borrower risk.	1	2	3	4	5
RM_CS 2	The organization updates credit scoring models based on recent data.	1	2	3	4	5
RM_CS 3	Staff believe credit scoring models are effective in predicting repayment behavior.	1	2	3	4	5
RM_CS 4	The credit scoring process is transparent to both staff and management.	1	2	3	4	5
RM_CS 5	The organization ensures consistency in applying credit scoring criteria.	1	2	3	4	5
	Loan Restructuring Options	SD	D	NS	A	SA
RM_LR 1	Staff are knowledgeable about available loan restructuring options.	1	2	3	4	5
RM_LR 2	The organization provides flexible options for restructuring loans when needed.	1	2	3	4	5
RM_LR 3	Loan restructuring is seen as a way to retain customers facing payment challenges.	1	2	3	4	5
RM_LR 4	Staff are trained to handle loan restructuring requests from customers.	1	2	3	4	5
RM_LR 5	The organization evaluates the impact of loan restructuring on repayment rates.	1	2	3	4	5
	Real-Time Payment Tracking	SD	D	NS	A	SA
RM_RT 1	Staff utilize real-time tracking systems to monitor loan repayments.	1	2	3	4	5
RM_RT 2	The organization updates payment tracking systems regularly for accuracy.	1	2	3	4	5
RM_RT 3	Real-time tracking is viewed as essential for maintaining operational efficiency.	1	2	3	4	5

RM_RT 4	Staff believe real-time tracking reduces delays in addressing missed payments.	1	2	3	4	5
RM_RT 5	The organization uses real-time tracking to enhance communication with borrowers	1	2	3	4	5

SECTION E: Performance of Online Lending Platforms

	Customer Retention Rates	SD	D	NS	A	SA
PL_CR1	Staff monitor customer retention rates to assess platform performance.	1	2	3	4	5
PL_CR2	Retention strategies are regularly evaluated for effectiveness by the organization.	1	2	3	4	5
PL_CR3	The organization values feedback from returning customers.	1	2	3	4	5
PL_CR4	Staff believe that retention rates reflect customer satisfaction.	1	2	3	4	5
PL_CR5	Retention rates are a key performance metric tracked by staff.	1	2	3	4	5
	Operational Efficiency	SD	D	NS	A	SA
PL_OE1	Staff are provided with tools to maintain operational efficiency.	1	2	3	4	5
PL_OE2	The organization evaluates processes to improve operational efficiency.	1	2	3	4	5
PL_OE3	Staff believe operational efficiency impacts overall platform success.	1	2	3	4	5
PL_OE4	Resources are allocated to enhance efficiency within the platform.	1	2	3	4	5
PL_OE5	The organization seeks feedback to continuously improve operational processes.	1	2	3	4	5
	Technological Innovation	SD	D	NS	A	SA
PL_TI1	Staff view technological updates as essential for platform competitiveness.	1	2	3	4	5
PL_TI2	The organization invests in technology to improve platform features.	1	2	3	4	5
PL_TI3	Staff believe technological innovations support customer retention.	1	2	3	4	5
PL_TI4	The platform implements the latest technology to optimize services.	1	2	3	4	5
PL_TI5	Staff receive training on new technologies introduced to the platform.	1	2	3	4	5

Thank you for your time and for participating in this study